DECENTRALISATION AND GOOD GOVERNANCE
IN RWANDA

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Introduction
Over the last decades, the majority of African nations have undertaken the decentralisation process, and Rwanda is no exception. In the quest for poverty reduction and sustainable development decentralisation is seen by both academics and practitioners as one of the key tenets.

In my view, there are several necessary inputs or conditions which both a nation and an individual must have to achieve productivity and development. This paper will look at how decentralisation can contribute to these inputs, and then go deeper into Rwanda’s decentralisation policy and the challenges we face over the coming years, and the actions we must take if we are to be successful in attaining the goal of sustainable development.

The Millennium Development Goals are an ambitious agenda for reducing poverty and improving lives that world leaders agreed on at the Millennium Summit in September 2000. For each goal one or more targets have been set, most for 2015, using 1990 as a benchmark. However within this broad framework, Rwanda has formulated the Vision 2020 document which outlines the objectives specifically to Rwanda.

- Good political and economic governance
- Rural economic transformation
- Development of services and manufacturing
- Human Resource Development
- Development and Promotion of the Private Sector
- Regional and International Economic Integration
- Poverty Reduction

The Cross-cutting areas of Vision 2020 are as follows:
1) Gender issues
2) Protection of the environment
3) Science and technology including ICT

Poverty Reduction Strategy
The Poverty Reduction Strategy Paper of 2002 provides a tighter framework for implementing poverty reduction in the short-to-medium term. In turn, the Community Development Implementation Strategy will contribute to achieving this goal through sustainable community development.

PRSP Priority Areas
With specific regard to the Governance components of both Vision 2020 and the PRSP, Rwanda has developed a National Programme for Strengthening Good Governance for Poverty Reduction. The five pillars of this Programme are:

1) Institutional Strengthening and Coordination
2) Unity, Reconciliation, Peace and Security
3) Social Welfare and Empowerment of the Population
4) Promotion and Involvement of the Private Sector and Civil Society
5) Strengthening Economic Planning and Management

**Rwanda’s Decentralisation Policy**
The key policy relating governance, public administration and poverty reduction is the decentralisation policy of 2000. Prior to its implementation other projects had been undertaken throughout Rwanda which provided the groundwork for the decentralisation policy to be undertaken.

In recognition of the fact that the existing centralized political and administrative structures that had made it easy to plan and execute the genocide were not effective in promoting the democratisation process, the Government of National Unity embarked on a consultative process in an effort to implement items 2 (strengthening of local governance structures) and 8 (Promote democratisation) on its eight point Agenda.

In 1996-1997, grass-root consultations countrywide were undertaken. The initial grassroots consultations indicated that people wanted to have a say in the conduct of the affairs of the state. They recognised that blind obedience exposes them to manipulation and injustices. Decentralisation was the answer to this.

Following these revelations, discussions between Government, Donors and Civil Society showed scepticism on issues of (i) capacity, (ii) dislocated communities being able to go through the democratic process so soon,
and (iii) whether they would have the courage and desire to work closely with one another for the common community good.

A few individual projects (e.g. Local Governments Initiative, Community Development Fund) were implemented throughout the country to get an idea of the issues at hand and learn valuable lessons so as to be able to design a system of governance that evolves out of Rwandese culture, is democratic, builds on the reconciliation process and above all incorporates the energies of all sections of Rwandan society into the development effort.

The recommendations resulting from the grass root consultations led to the presidential decree of 23rd December 1998 that initiated the democratisation process at the sector and cell levels.

Further National level consultations, commonly referred to as ‘Urugwiro’ meetings that involved all stakeholders in the governance arena, together with the April 1998 Governance conference led to:

(i) Development of an interim Governance programme (1998-2000); where seven priority areas of governance interventions in Rwanda were emphasised: Public sector reform; strengthening of the justice sector; support to the parliament; decentralisation and local governance; civic education; social mobilisation as well as support to government action coordination.

(ii) Establishment of a specific Ministry responsible for promoting good governance for poverty alleviation and sustainable development (Ministry of Local Government) in February 1999.

The global objective of the Decentralisation Policy 2000 is ‘to ensure political, economic, social, managerial/administrative and technical empowerment of the local populations to fight poverty by participating in planning and management of their development process.’

**Decentralisation Policy Objectives**

i) To enable and reactivate local people to participate in initiating, making, implementing and monitoring decisions and plans that concern them, taking into consideration their local needs, priorities, capacities and resources by transferring power, authority, and resources from central to local government and lower levels.
ii) To strengthen accountability and transparency in Rwanda by making local leaders directly accountable to the communities they serve and by establishing a clear linkage between the taxes people pay and the services that are financed by these taxes.

iii) To enhance the sensitivity and responsiveness of public administration to the local environment by placing the planning, financing, management and control of service provision at the point where services are provided and by enabling local leadership to develop organisation structures and capacities that take into consideration the local environment and needs.

iv) To develop sustainable economic planning and management capacity at local levels that will serve as the driving motor for planning mobilisation and implementation of social, political and economic development to alleviate poverty.

v) To enhance effectiveness and efficiency in the planning, monitoring and delivery of services by reducing the burden from central government officials who are distanced from the point where needs are felt and services delivered.

There are several principles which guide the implementation of the above policy. These are:
- Ensuring national unity, indivisibility and even development
- Ensuring local autonomy, identity, interests and diversity
- Separation of political and administrative/technical authority/work
- Matching transferred responsibilities with the transfer of financial, human and material resources.

**Fiscal and Financial Decentralisation**
Fiscal decentralisation is very crucial for the success of the whole decentralization process and therefore the government attaches great importance to it. This is because as decision making is being devolved to the local authorities, they will need funds to finance programmes that arise from their decisions. This can only be achieved through a tax system which is decentralized to the local level to allow them capacity to raise own resources.

The following are key components of fiscal decentralization:
- Creating a tax sharing arrangement
- Empowering local authorities to set tax and license rates
- Empowering local authorities to levy service fees
- Devolving the property tax to local governments
- Establishing development funds for local governments
- Strengthening accounting and audit systems for local governments
- Establishing programme based budgeting for local governments

Local Governments have four sources of revenue. These are the transfer of taxes, the national equalisation fund which is 3% of domestic revenue, the Common Development Fund which is 10% of domestic revenue, and any other donor funding.

**Common Development Fund**
The CDF was conceived, with a goal to finance development projects developed by the districts and assure that the funds are allocated equitably between the regions. The CDF holds a lot of potential to serve as the vehicle which harmonises donor funding and coordinates projects, reinforces and supports the decentralisation process and encourages sustained community participation in the development process. It will do this by ensuring (i) equitable funding, (ii) promoting uniform financial and administrative management system throughout the country, (iii) sustainable funding that would reward community action and the development of good practices and capacity at a district level.

**Expected Outcomes**
As a result of the decentralisation process and the efforts put into the decentralisation programme there are several expected outcomes. These include, enhanced community empowerment whereby the population of Rwanda feels empowered to take on its own decision making and action for change. Empowered local governments which are financially equipped to respond to the needs of their electorates. A facilitating and enabling state which fulfils its roles at a policy level, and leaves the empowered local governments to implement their activities. This leads on to one of the most important outcomes of decentralisation which is service delivery at the decentralised level tailored to meet the needs of the communities. A national adherence to the principles of good governance stated above will be achievable if the process of decentralisation is successfully carried out.

In order to ensure that decentralisation results in these expected outcomes Rwanda uses differing strategic approaches. These are firstly a step by step approach, secondly ensuring the use of consultative and participatory processes and thirdly a graduated (incremental) approach. The Government of Rwanda has consciously decided to implement a series of sweeping reforms in a relatively short period of time, hoping to maintain the momentum for reform and to create a more thorough transformation of Rwandan social-political life and culture. The
acceptance of the reforms by the population is crucial, in this regard consultative and participatory processes are used whenever possible. It is hoped that through such a participatory process in search of solutions to problems facing the Rwandan society, new democratic values and ways of carrying out state business for the interest of the whole nation will take root and hold.

**Achievements**

There have been numerous remarkable achievements of the three-year decentralisation implementation Programme including laws, regulations and policy guidelines relating to the establishment and, functioning of local administrative units being established. These include

- The constitution, which was drafted in a participatory manner and it guarantees sustainability of the decentralisation process as well as addressing the gender issue in the political arena.
- Legal texts regarding establishment and functioning of administrative units, are well established. (For example, the local administrative structure was reconstituted from 154 former communes, to 106 districts and the city of Kigali).
- Local leaders have been elected at all levels.
- The gender policy and legal framework guarantees one third of elective local government positions to women. As a result, women participation in decision-making and economic activities has increased and continues to rise.
- In the area of financing of local governments, central government transfers to local governments for operation and development activities are now regular, and the perception of the local authorities is that the grant transfers are provided by a statutory instrument which guarantees sustainability,
- Operational guidelines relating to local government financial management, public tendering and the relationship between different decentralised units are in place and these, by and large, provide a code of conduct in local governance.
- Similarly, Community development policy and a National programme for strengthening good governance for poverty reduction are in place.

The entrenchment and sustainability of decentralisation will depend on the institutional appropriateness, viability, and capacity of the decentralised units. In this regard, the decentralisation implementation programme has over the last three years registered success:

- Local Government Councils democratically established & given legal mandate.
At the level of local government, the Rwanda Association of Local Government Authorities (RALGA) has been established. As a voice for the 107 local governments, it is playing a vital role.

The common development fund (CDF) is expected to provide a coordinated funding mechanism for development initiatives at local government and grass root levels.

Focal points and Forums established at all levels (central government, provinces, civil society, private sector and donors) for coordinated planning and execution purposes, though they need strengthening.

In the context of poverty reduction, one of the government’s expectations from decentralisation is the creation of a framework that promotes bottom-up planning where communities decide what their development needs and priorities are, and participate in the design and implementation of development programmes based on their local needs. Significant progress has been made through a number of achievements:

- The administrative structures for community development from cell to district level are in place
- Community development committees (CDCs) have been created and filled through democratic elections, meaning that they are controlled and answerable to the population.
- Efforts have been made in the area of developing the capacities of CDCs through training. In some areas CDCs are acting as conduits for community development actions.
- A number of districts have been assisted by different donor and NGO interventions to prepare district development plans (DDPs) through a participatory process. These DDPs reflect actual needs of the population in those districts, and provide a framework for donor & NGO support in development activities.

The implementation of fiscal and financial decentralisation has progressed comparably well, given the urgency of financing local government activities and the existing institutional and human resource conditions in local governments.

- Since 2002, the budgeting process was devolved to Provincial level, and district authorities are able to prepare their own medium term expenditure frameworks (MTEF).
- The training in MTEF budgeting undertaken by MINALOC/MINECOFIN has created an opportunity for local authorities to learn through practice, thus gradually enhancing their capacities.
The fiscal and financial decentralisation policy adopted in 2001 and more recently the law on the fiscal and financial decentralisation have, in principle, provided the necessary legal framework for sustainable financing to decentralised units, grant transfers through CDF are significantly increasing.

CDF provides an appropriate framework for the mobilisation and disbursement of community development resources without the complexities and bureaucracy from government and donors.

There is relative autonomy in budgeting and financial management at local levels, which facilitates prioritisation of the expenditure needs in situations of inadequate financing.

It is to be further emphasised that the essence of decentralisation is to devolve service delivery responsibilities to levels where beneficiaries can best access them. That is, closer to where they live. The progress in sectoral decentralisation is to be measured by the extent to which local governments take over the responsibilities and the means of delivering services, and the extent to which local communities are satisfied and hold their leaders accountable. Some progress has been registered:

- At the national level, the adoption of SWAPs by key line ministries (education, health) will provide enabling environment for moving away from sector planning to more holistic and integrated planning that is modelled at decentralised levels.
- Sectoral clusters not fully functioning.
- The deconcentration of Sectoral budgets to provincial level constitute an important step towards sectoral decentralisation,
- Adoption of sector-wide approaches (SWAPs) by a number of key ministries such as health and education will enhance the allocation of resources and coordination of activities at all levels.
- Regarding procedures and guidelines, the ministry of finance and economic planning has produced standard guidelines for developing sector strategies under decentralised plans. The guidelines are meant to facilitate gradual shift from project approaches to planning and resource allocation towards sectoral approach envisioned in Vision 2020.

Over the last three years of decentralisation implementation, there has been a number of initiatives to improve on the coordination of decentralisation interventions. Under inspiration of the Decentralisation Management Unit (DMU), several institutional structures have been established, and these have, in part, succeeded in harmonising the planning and execution of decentralisation activities.
At donor and civil society level, forums are being strengthened along intervention interests and it is hoped that this will assist to harmonise views and approaches on support to and implementation of decentralisation.

There is institutional will among some actors to have their activities coordinated.

The focal points and forums have assisted to take the decentralisation messages to line ministries, donors, civil society organisations, private sector and local governments.

Focal points and Forums established at all levels (central government, provinces, civil society, private sector and donors) for efficient coordination and collaboration between and among stakeholders involved in the decentralisation process though they need further strengthening.

The expansion of focal points and decentralisation support units will further widen the membership and diversity of ideas in coordination of decentralisation services.

**Challenges and Concerns**

If decentralisation is going to translate into development it needs to be sustainable. In the case of Rwanda there are several assumptions which we intend to do all that is within our capabilities to ensure. Firstly, decentralisation must remain a key government strategy for poverty reduction. Secondly in a poor country such as Rwanda, we need to hope that the current high level of donor commitment will be maintained. Thirdly, due to Rwanda’s traumatic past and previous cycles of conflict, we need to do our utmost to ensure that the civic and political situation will remain stable, and that the capacity of local and central government will be built, strengthened and sustained.

The above sustainability factors fit into the broader challenges and concerns to be addressed in decentralised governance, such as

- An entrenched culture of centralism
- Dependency
- Lack of community spirit, transparency and accountability
- Limited participation, responsibility, commitment and ownership
- Limited or lack of a clear framework and mechanism for intervention coordination and harmonisation
- Excessive administrative costs versus development investment.

**5 Year Decentralisation Implementation Programme**

In order that the decentralisation policy and process is to be consolidated, remain on course, and achieve the ultimate goal of good governance and poverty reduction, the Government of Rwanda has
developed a 5 year decentralisation implementation programme. The overall objective is to ensure political, economic, social, managerial and technical empowerment of the local population to fight poverty effectively at close range, through entrenchment of democratic decentralised governance. The strategic objectives are as follows:

1. To enhance institutional development and capacity building for responsive local governance
2. To develop an efficient, transparent and accountable fiscal and financial management system at local government and grassroots level.
3. To strengthen participatory and inclusive local Government planning for local ownership of the development process
4. To effectively undertake sectoral decentralisation ensuring quality service delivery to the people for improvement of their social well-being
5. To institutionalise and develop a monitoring and evaluation system as a tool for ensuring the success full implementation of the decentralisation programme
6. To enhance the local governments capacities for gender, environment, information communication and technology, and HIV/AIDS inclusion in the planning and implementation of the decentralisation process
7. To strengthen coordination and harmonisation of interventions of all stakeholders in the implementation of decentralisation as a way of ensuring synergy and complementarity of efforts.

The decentralisation policy is the crucible in which the government of Rwanda centres the implementation of most of the components of its development strategy as far as poverty reduction is concerned.

The government, therefore, will ensure that harmony, synergy and complementarity are cultivated and sustained among the various stakeholders involved at local and national levels in planning and implementation of socio-politico-economic programmes, projects and activities as they especially relate to the structure and practice of decentralised governance.

**Conclusion and the Way Forward**
The Rwandan parliament has a very strong role to play in entrenching the decentralisation process and ensuring that the benefits are reaped by the population. As elected members of parliament other institutions need your partnership in the process, but we, as institution responsible for
implementation of decentralisation are decision to request that you take up your responsibilities and attend local government councils, as well as critically analysing the existing laws which even though technically proficient may conflict with the decentralisation process.

Although Rwanda has made tremendous strides there is still a lot to be done. With regards to the way forward, the following need to be addressed:

- Decentralisation needs to be deepened down to sector level
- Technical capacity must be increased
- Separation of Powers
- Enhance institutional development and capacity building for responsive local governance
- Develop an efficient, transparent and accountable fiscal and financial management system at local level and grassroots level.
- Strengthen participatory and inclusive local Government planning for local ownership of the development process
- Effectively undertake sectoral decentralisation ensuring quality service delivery to the people for improvement of their social well-being
- Enhance the local governments capacities for including cross-cutting issues in the planning and implementation of the decentralisation process
- Strengthen coordination and harmonisation of interventions of all stakeholders in the implementation of decentralisation.

The government launched democratic decentralisation to target poverty reduction by improving the quality of governance in the country and by promoting the mobilisation and participation of the people in the determination of their well-being. Decentralisation constitutes an opportunity to create new incentives for collective action by the poor around shared livelihood interests that cut across more personal (including ethnic) identities. The fiscal decentralisation policy ensures a more predictable source of funding for services and development programmes and a less personalised basis for relations between state and civil society. At the same time it will improve equitable access to government and donor resources and thus reduce causes of conflict. Overall decentralisation seeks to build the population’s trust in government’s ability to manage public resources which over time contributes to the nation’s sustainable development.