



USAID
FROM THE AMERICAN PEOPLE



USAID

RWANDA SUBNATIONAL PUBLIC FINANCIAL MANAGEMENT

Political Economy Analysis

DISCLAIMER: The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government.

This document was produced for review by the United States Agency for International Development's Democracy, Human Rights and Governance Center under the Learning, Evaluation and Research Activity II (LER II) contract: GS10F0218U/7200AA18M00017.

Prepared by:

The Cloudburst Group
8400 Corporate Drive, Suite 550
Landover, MD 20785-2238
Tel: 301-918-4400

TABLE OF CONTENTS

- ACRONYMS..... III
- EXECUTIVE SUMMARY 1
- BACKGROUND AND PURPOSE 3
- PEA APPROACH 3
- METHODOLOGY 4
- A NOTE ON ATTRIBUTION.....4**
- LIMITATIONS 5
- CORE QUESTIONS..... 5
- CORE KNOWLEDGE QUESTIONS.....5**
- CORE OPERATIONAL QUESTIONS.....5**
- FINDINGS 6
- FOUNDATIONAL FACTORS..... 6
- RULES OF THE GAME..... 7
- FORMAL RULES OF THE GAME7**
- INFORMAL RULES OF THE GAME 13**
- HERE AND NOW 18
- COVID-19 ADAPTATIONS 18**
- MINISTERIAL CHANGES, NEW MINISTRY OF CIVIC ENGAGEMENT 19**
- UPCOMING SUBNATIONAL ELECTIONS 19**
- DYNAMICS 19
- WHAT ARE THE BARRIERS AND OPPORTUNITIES FOR MORE INCLUSIVE PFM PROCESSES
IN KAYONZA DISTRICT? 19**
- HOW DOES COMMUNICATION FLOW FOR DECISION-MAKING AND REPORTING
BETWEEN THE NATIONAL AND DISTRICT LEVELS AS WELL AS BETWEEN THE DISTRICT
AND SECTOR AND CELL LEVELS? WHAT ARE THE POWER DYNAMICS ASSOCIATED WITH
THESE COMMUNICATION FLOWS? 22**
- WHO ARE THE INDIVIDUALS OR OFFICES THAT HOLD SIGNIFICANT POWER OVER THE
PREPARATION OF BUDGETS AND PLANNING PROCESSES? WHAT ARE THE MOST
EFFECTIVE WAYS TO INFLUENCE THEIR DECISION-MAKING? 23**
- WHAT POSITIONS HOLD DECISION-MAKING POWER AND INFLUENCE? 25**
- IMPLICATIONS & RECOMMENDATIONS FOR PROGRAMMING 28**
- IMIHIHO..... 29**
- WHAT TYPES OF TACTICAL SUPPORT CAN HELP KAYONZA DISTRICT IMPROVE ITS
IMIHIHO? 29**
- INCREASE THE POTENTIAL OF SUB-DISTRICT OFFICIALS TO FACILITATE IMPROVED
CITIZEN PARTICIPATION..... 29**

DECENTRALIZATION IS INCOMPLETE; SUPPORT IS NEEDED FOR FUNCTIONAL TRANSFERS	30
HELP INCREASE FORMAL TIMELINES AND PROCESSES FOR CITIZEN PARTICIPATION IN THE BUDGET PROCESS	31
SUPPORT DISTRICT CAPACITY TO GENERATE OWN-SOURCE REVENUE	32
ANNEX 1: KII LIST	33
NATIONAL AND DISTRICT-LEVEL RESPONDENTS	33
SUB-DISTRICT LEVEL RESPONDENTS	34
ANNEX 2: KEY DOCUMENTS AND CODES.....	35
THE MANUAL OF PUBLIC FINANCIAL MANAGEMENT POLICIES AND PROCEDURES.....	35
RESULTS-BASED MANAGEMENT POLICY	35
MINALOC GUIDELINES	35
PLANNING AND BUDGETING CALL CIRCULARS	36
LODA GUIDELINES.....	36
DISTRICT DEVELOPMENT STRATEGY.....	36
ANNEX 3: RESEARCH SUB-QUESTIONS	37

ACRONYMS

CSO	Civil society organization
DDP	District Development Plan
DDS	District Development Strategy
DGO	Democracy and Governance Office
FGD	Focus group discussion
GBS	Gender Budget Statement
GoR	Government of Rwanda
JADF	Joint Action Development Forum
KCC	Cell-level respondents
KD	District-level respondents
KII	Key informant interview
KN	National-level respondents
KS	Sector-level respondents
LODA	Local Administrative Entities Development Agency
MEIS	Monitoring, Evaluation Information System
MINECOFIN	Ministry of Finance and Economic Planning
MINALOC	Ministry of Local Government
NCPWD	National Council of Persons with Disabilities
NST I	National Strategy for Transformation I
NWC	National Women's Council
P&BCC	Planning and Budget Call Circulars
PEA	Political economy analysis
PFM	Public financial management
PSF	Private Sector Foundation
PWD	Person with disabilities
RPF	Rwandan Patriotic Front
RT	Research team
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

Rwanda's public financial management (PFM) ecosystem is shaped by robust policy, guidelines, and other statutory instruments. Without exception, these documents are carefully aligned to and extol the principal development objectives of the country described in the National Strategy for Transformation I (NSTI; 2017–2024). The NSTI outlines critical development objectives described through three principal transformations: economic transformation, social transformation, and transformational governance. PFM-related indicators of success are mostly articulated under the transformational governance objectives and have the lowest baseline scores of all other indicators across all three strategic transformations.¹ This indicates that there is significant room for improvement and a proximate need for support/investment from donor partners.

As a formative policy framework, the NSTI is an interesting and important document and it is not a coincidence that the seven-year government strategy aligns precisely to the effective presidential term currently served by President Kagame. NSTI is the official government strategy and, effectively, the political platform of the Rwandan Patriotic Front (RPF) and the Kagame presidency. Since the RPF enjoys a high degree of political autonomy at the national and sub-national levels, there are few political challenges to its policies. Additionally, the RPF demonstrates strong internal controls and near-universal alignment to publicly endorsed political manifestos, including the NSTI. To that end, when the NSTI is translated into action through various ministerial guidelines, policies, statutes, and other procedural dynamics, there is considerable attention placed on mirroring the intent and purposes laid out in the NSTI.

The influence of the NSTI's vision and attendant policies cascades from national actors and ministries to the districts. The District Development Strategies (DDSs) follow a prescribed methodology in their inception (set by the Ministry of Finance and Economic Planning [MINECOFIN]), are framed using the same three pillars of transformation, and provide a relatively direct outline of what each district will do to contribute to the NSTI's intended results. Subsequent District Development Plans (DDPs) are approved yearly and follow suit, and it is here we find specific activities that will draw financing from the central government, including how *imihigo* (performance contracts) are funded.

Citizens are consulted multiple times throughout the NSTI cascade, including during the design of DDSs, DDPs, and most importantly, when planning *imihigo*. As a political tool, it is difficult to underestimate the importance of *imihigo*. “*Imihigo*” has become the lingua franca of accountability, self-determination, and the ultimate determinant of political fates of district political and administrative actors. When speaking about PFM with anyone in Rwanda, eventually the conversation steers toward *imihigo*. There are formal *imihigo* that direct funding to districts and then informal *imihigo* that guide regular governance procedures.

As *imihigo* rise in prominence, so does the potential for citizen-informed and inclusive programming and PFM. The modern iteration of *imihigo* is based on the promise to fulfill the most important needs of the community. To that end, the Government of Rwanda (GoR) has iterated methods to ensure that citizen input is incorporated into district-level *imihigo*. Despite socializing *imihigo* through bottom-up design approaches, *imihigo* still reflect nationally identified priorities and work to achieve NSTI objectives. The

¹ See NSTI pg. 65, baseline values.

challenge, therefore, is not in getting citizens and inclusive perspectives to the table; it is how best to leverage existing spaces for meaningful citizen engagement, rather than box-checking rote processes.

This political economy analysis (PEA) of Rwanda's Kayonza District explores these challenges and the PFM ecosystem that creates incentives for and against inclusive PFM. The PEA recommends how best to meet the inclusive PFM needs of Kayonza District and identifies leverage points and windows of opportunity to support Kayonza's sub-district administrators and citizen representatives.

The recommendations that emerge from this PEA include improving inclusive PFM through tactical and patient relationship-building to help achieve meaningful citizen engagement throughout imihigo processes. Concurrently, the United States Agency for International Development (USAID) can support structures and processes to increase the potential of sub-district officials to facilitate improved citizen participation and help improve community collaboration writ large through its Kayonza Hub approach. In part, this will require assistance to the district and sub-district entities (including civil society organizations [CSOs]) to demystify the formalities of the budget process and make citizen input more approachable for all. Additional recommendations will require national stakeholder engagement to help facilitate decentralization functions and objectives.

Ultimately, although the PFM ecosystem is dominated by a carefully choreographed set of procedures and policies, USAID has the opportunity to support a variety of thoughtful, culturally and politically appropriate interventions. The Kayonza District Hub provides an opportunity for USAID to take its time, learn how best to collaborate at the district level, and then design activities based on the needs of the sub-district learned through cultivated relationships over time.

BACKGROUND AND PURPOSE

The Democracy and Governance Office (DGO) of USAID/Rwanda is currently designing a PFM activity. This activity will support Country Development Cooperation Strategy Intermediate Result 4.3, “Public revenue management improved,” with emphasis on strengthening the PFM system at the national and subnational levels, increasing budget transparency, and improving the accountability of public services. To achieve results across development objectives, the Mission is developing an integrated approach to technical interventions across its portfolio called the “hubs” approach. Mission-supported hubs seek to more closely connect the work of individual activities in selected districts to add up to a greater whole, increasing overall impact. The Mission will initiate a hub at Kayonza District. Operational details of the Kayonza Hub are still in design. The DGO’s PFM activity will support the hub effort in Kayonza District. Potential needs identified in initial program research that the hub effort may address include staff capacity, internal controls, and budget credibility. Another consideration in the design of the PFM activity is the apparent disconnect between locally identified priorities and national priorities.

This PEA addresses gaps in the understanding of communication and power dynamics in Kayonza District and continues conversations that the DGO began with the Kayonza mayor and key officials about their main areas for assistance.

PEA APPROACH

The research team (RT) utilized USAID’s Thinking and Working Politically through the Applied Political Economy Analysis handbook (2018) to guide the methodology and approach for this study. It also conducted a process mapping of Kayonza’s PFM system to analyze how the local system functions. The PEA framework consists of three main components: purpose, analysis, and implications.

The purpose (described above) defines the reasons for conducting the research; the core and supporting questions (described below) are the main questions that the PEA seeks to address. The analysis provides the lens through which the questions will be explored.

The PEA analytical lens reviews primary and secondary data by considering the foundational factors, rules of the game, and here and now. Foundational factors provide an overview of how relevant historical, geographical, socio-economic, or ethnic factors influence Rwanda’s PFM system. Particular emphasis is placed on Kayonza District and how public participation is understood. The rules of the game describe the formal and informal laws, norms, and behaviors that influence the incentives of key actors within the PFM system—they determine how, and for whom, actual access to budget transparency, autonomy, and decision-making exists. This also explores the key factors constraining and incentivizing meaningful participation in Kayonza’s PFM systems at different administrative levels. The here and now lens highlights current salient issues and events that may influence PFM processes in Kayonza District.

The dynamics section serves as a summation of the findings and analyzes how the foundational factors, rules of the game, and here and now events influence, constrain, and incentivize meaningful public participation in Kayonza Districts’s PFM system. This section serves as a conclusion for the findings of the report and the basis for the recommendations for programming.

This research also includes a budget cycle process map. The process map emanates from existing literature on budget processes and is complemented with data derived from key informant interviews (KIIs).

The recommendations component is designed to provide both strategic and tactical guidance to USAID to guide its PFM project and activity development. These recommendations are meant to be understood as guidance and to meet the ever-changing incentives/disincentives that emerge as a result of changes in the political economy at the district level.

METHODOLOGY

The methodology for this PEA is based upon a combination of desk-based research, KIIs, and focus group discussions (FGDs).

As part of the background research, the RT conducted a desk review of relevant policy and background documents and considered local media, including social media, policy documents, and reports by CSOs. After the desk phase of the evaluation, the RT conducted field research over four weeks, approximately from August 19 to September 17, including field site visits to Kayonza District. Within Kayonza District, the team focused on the sectors of Gahini and Mukarange.

Field research involved qualitative semi-structured interviews (individual and group) and FGDs, with 39 interlocutors from 39 interviews and 40 participants in eight FGDs. The interviewees and group discussants were selected to gather the views of key players and stakeholders in PFM at central and local government as well as beneficiaries of PFM at local levels. This list includes representatives from the following:

- District-level officials, including the mayor, district executive secretary, district council chair, director of planning, and Joint Action Development Forum (JADF) vice chairperson.
- Sector-level officials, including sector and cell executive secretaries and members of the council.
- National-level representatives, including government institutions and CSOs.
- FGDs with citizens, including women, persons with disabilities (PWDs), and youth.

Interviews and discussions were conducted in the respondents' preferred language (Kinyarwanda or English). Focus group respondents participated in relative homogenous group types to ensure participants felt comfortable speaking openly. Interviews were conducted either in person by the team lead or a research assistant or virtually by the team lead, PEA specialist, or evaluation specialist. FGDs were conducted in person by the research assistants.

Due to the political sensitivity of some of the questions, the RT leveraged the team leader's personal connections to hold discreet interviews with key informants. As such, all primary data is referred to by the date of the interview and does not directly reference the source.

A NOTE ON ATTRIBUTION

Due to the political sensitivity of the information collected, the RT ensured research participants that their interviews would not attribute verbatim quotes or other revealing data to them personally. As such, when quoting responses, the following attributions will be made:

- Cell-level respondents (KCC) include KIIs and FGD respondents.
- Sector-level respondents (KS) include KIIs with sector council representatives and special interest council persons.

- District-level respondents (KD) include district councilors, special interest council persons, CSOs, and JDFAF members.
- National-level respondents (KN) include government officials, CSO representatives, and other national stakeholders.

To help differentiate individuals, representation, and attribution, a number is assigned to specific individual interviews (e.g., KCC01).

LIMITATIONS

For the interview-based fieldwork, as with any primarily qualitative analysis, the primary limitation is that the analysis and conclusions may be skewed by the biases and experiences of the interviewees. The RT sought to mitigate this limitation by speaking to multiple respondents at each level of governance and triangulating responses.

Furthermore, the RT also responded to the major challenge imposed by travel and movement restrictions due to COVID-19 by conducting some qualitative fieldwork remotely and some in person using research assistants from Kayonza District. The potential exists that there are qualitative differences in conducting some interviews in person and some virtually.

It is also important to note that, due to limitations of in-person meetings, the RT was not able to facilitate visual process mapping with the research participants. In lieu of a fully consulted and validated process map, the RT will create an infographic that outlines the key milestones in the budget cycle and, where appropriate, lists key challenges identified through KIIs.

CORE QUESTIONS

The PEA addresses the following research questions:

CORE KNOWLEDGE QUESTIONS

1. What are the barriers and opportunities for more inclusive PFM (budgeting, collecting, and spending revenue) processes in Kayonza District?
2. How does communication flow for decision-making and reporting between the national and district levels as well as between the district and sector and cell levels? What are the power dynamics associated with these communication flows?

CORE OPERATIONAL QUESTIONS

1. Who are the individuals or offices that hold significant power over the preparation of budgets and planning processes? What are the most effective ways to influence their decision-making?
2. How can USAID assistance incentivize power-holders to ensure meaningful participation of citizens in determining the priorities in budgeting and planning processes?

The RT also examined a series of sub-questions (see Annex 3) to help answer the core knowledge and operational questions.

FINDINGS

The research findings are analyzed to reflect the logic of USAID’s applied political economy framework and respond to the core knowledge and operational questions. The components of the framework consist of foundational factors, which are deep-rooted and slow to change (such as colonial legacies, physical borders, or cultural practices). The rules of the game consider formal and informal institutions—laws, statutes, norms, customs, and practices—that shape the quality of governance and influence actors’ behavior and their incentives. The here and now refers to how current events and circumstances influence the behavior of key actors/stakeholders. The dynamics component analyzes the aforementioned components of the framework to make sense of how they influence/shape prospects for change.

FOUNDATIONAL FACTORS

This section briefly describes the geographic, demographic, and cultural context of Kayonza District as it relates to the focus of the study.

Kayonza is one of seven districts in Eastern Province. It has 12 sectors, 50 cells, and 421 villages. The district is bordered by Rwamagana District in the west, Gatsibo District in the north, the districts of Ngoma and Kirehe in the south, and Tanzania in the east. Kayonza is home to Akagera National Park, which operates a revenue-share model of conservation management with communities adjacent to the park. The district’s location on the Tanzanian border offers a transit route of cargo trucks from Tanzania to Kigali. The district surface is estimated at 1,954 square kilometers with an estimated population of 375,846 (177,437 female and 167,088 male) inhabitants (3.08 percent of the total population of Rwanda).² Kayonza has relatively low population density and represents approximately 14 percent of the total population of Eastern Province.³ Kayonza District has 17,881 (9,198 male and 8,683 female) PWDs aged five years and above. According to the Integrated Household Living Conditions Survey 5 collected from 2016–2017, the latest year such district-level data is available, 26.7 percent of Kayonza residents are living in poverty and 8.5 percent in extreme poverty, compared to 42.1 percent and 17.9 percent of Rwandans nationally. A quarter of the population is youth under the age of 30, roughly in line with the nation overall, and the district has 110 women for every 100 men, slightly higher than the country as a whole. Kayonza District scores lower than the national average across a variety of education indicators in the Integrated Household Living Conditions Survey 5, including school attendance for boys and girls at both the primary and secondary levels, the percentage of men and women who have ever attended school, and literacy rates (66 percent for women, 75 percent for men in Kayonza, compared to 69 percent and 77 percent nationally).

“We are lucky that Kayonza District is geographically well located with good governance at the national level. We also have local people who play the role of stakeholders in developing the district, which is a great opportunity.”—KD04

Kayonza District is well known as a stronghold of Protestant Christianity in Rwanda. Fifty percent of the district’s residents are Protestant—the highest proportion in the country. Rwanda’s first Anglican mission was established in Gahini, Kayonza in 1922. To this day, “a guy from Gahini” is a statement that is meant

² Kayonza DDS 2017–2024.

³ Kayonza DDS 2017–2024.

to demonstrate someone’s independence. This is largely due to Gahini’s tradition of Protestant values and norms.

RULES OF THE GAME

The following section explores the formal and informal institutions (rules and norms) that shape the quality of governance and influence actors’ behavior and their incentives, relationships, power dynamics, and capacity for collective action, and the extent to which public and private actors behave and interact according to rules that are widely known and accepted. To the extent possible, the RT has framed this in descriptions of formal rules of the game followed by informal rules of the game. It is worth noting that Rwanda has a robust legal and policy framework and mechanisms that codify the guidelines, procedures, and requirements for PFM. The key formal instruments are described below, followed by a description of the informal incentives and processes that shape decision-making and power dynamics related to Kayonza District’s PFM.

FORMAL RULES OF THE GAME

The RPF gained power in 1994 by stopping the genocide against the Tutsis and ultimately liberating Rwanda from a genocidal government. Since that time, power has been horizontally and vertically concentrated in the hands of an RPF-led coalition. The RPF is generally analyzed as a cohesive party, and President Kagame enjoys enormous loyalty from party supporters and lay citizens. He is largely seen as a political visionary and the ultimate source of political accountability in the country.

“Thanks to our president for empowering women, we have progressively acquired the capacity to claim our rights, voice our priorities, and participate in planning and socioeconomic development processes.”—KS04

“His Excellency, Paul Kagame emancipated us. We have to attend meetings and give our views to contribute to the development of our country and also express our needs and concerns.”—KS12 (FGD)

The RPF has considerable autonomy from subordinate groups, giving it great enforcement capabilities. These capabilities are enhanced by the RPF’s tight control of local administration,⁴ and district RPF cadre hold key positions in district administration and as elected officials. Kayonza District politics mirrors the national political platform that is characterized by a pragmatic—albeit enforced⁵—social and economic model intent on rapidly normalizing and unifying Rwandan society. Political platforms are derived from central RPF cadre, extolled by the President and codified through a seven-year governance program (NSTI 2017–2024).⁶ Much of the PFM paradigm that Kayonza District follows emanates from national mandates, policies, and guidelines that align to the NSTI (including the Vision 2020, 2030, and 2050).

“There are mechanisms that are general and applied in the whole country such as councils, village leaders and committees, heads of amasibo [smallest lower level administrative unit], etc. All these are good

⁴ https://www.effective-states.org/wp-content/uploads/2020/10/esid_wp_157_chemouni.pdf

⁵ “Enforced” in both real and perceived terms. Rwandan citizens and organizations are careful to self-censor. Within the RPF, there is strict adherence to a military ethos and infused military culture to state practices. Arguably, this has helped the RPF maintain internal discipline and has helped the ruling party impose change.

⁶ KD01; KN01.

avenues through which planning and budgeting should be channeled, but we are not using them because they are not equipped with requisite skills and therefore most plans come from the top.”

“Decisions of public funds and management come from the top. [Districts] have a strong interest in ensuring adherence to and reducing mismanagement of public funds, but their powers are limited.”—KCCI8

“The central government formulates the policies, then the central government and ministries do the capacity-building for imihigo...all decisions are drawn from the District Development Strategy and NSTI. Public accounts are audited every year.”—KN01

The NSTI outlines priority areas for the country to achieve in a seven-year platform (that aligns to President Kagame’s current seven-year term in office, 2017–2024). It was designed to replace the Economic Development and Poverty Reduction Strategy 2. Its primary objective is to lay the foundational policy directives to help actualize Vision 2050 (GoR, 2017, p. vi). The NSTI is inclusive of sector strategic plans, Sustainable Development Goals, Rwanda’s Vision 2030 and 2050 objectives, and the African Union Agenda 2063 objectives, and includes subsets of other global commitments including accepted universal periodic review recommendations. Under its Priority Area 5: “Strengthen Capacity, Service Delivery, and Accountability of Public Institutions, guidelines and strategies that provide formal guidance and procedures to PFM in Rwanda,” the NSTI highlights imihigo as a key mechanism for delivering PFM results.⁷ Additionally, the JADF is defined as a key stakeholder in the elaboration and implementation of imihigo.

IMIHIKO PRIORITIES SET BY THE NATIONAL GOVERNMENT

Imihigo are performance work contracts that define goals, targets, and objectives for households, communities, and districts as a whole in pursuit of development outcomes. The process was launched in 2006 and is motivated by a pre-colonial indigenous practice where leaders promise to deliver on certain objectives in front of the community and attain honor by fulfilling them. Today, the imihigo process entails intensive consultations about the targets to be set for the coming year, a public declaration of the targets, continuous monitoring, and ultimately an evaluation of the performance.⁸ Since COVID-19 restrictions have limited public assembly, the GoR has scaled up its pilot process to streamline citizen consultations to inform district imihigo. In this process, citizens choose from a predetermined list that is then aggregated by the cell, then the sector, then the district before being used to inform imihigo. When selecting local priorities, citizens are actually selecting from predetermined results populated by Ministry of Local Government (MINALOC) and Local Administrative Entities Development Agency (LODA) guidelines (these include tree planting, health insurance, no school dropouts, etc.).

“The top priorities are not necessarily bad priorities—they come from other processes that are not bad. The issue is more about how best to align citizen priorities and the national needs.”—KN02

⁷ “The delivery of NSTI will be undertaken through annual plans, budgets, and imihigo (performance contracts).” (GoR, 2017, p. 30)

⁸ For a detailed discussion of the district imihigo process, please refer to the literature review prepared by NORC for USAID/Rwanda in 2021.

Achieving a high percentage of targets is seen as the best way for local government officials to remain in good favor with higher levels of government and the RPF, which in turn is the most important actor to keep one's position and potentially to be promoted.

“Imihigo—this is a culture of setting high targets. This is to do what is not done by others. When you first do imihigo, you are like a hero, historically.”—KD03

“Imihigo does not come from the top down. It comes from the Vision, which is consistent with citizen input.”—KD01

MINECOFIN requires imihigo preparation at the district level to incorporate citizen feedback. Guidelines from MINECOFIN outline a robust communication plan that culminates in a presentation from the mayor prior to signing imihigo, publicly, before citizens of the district. According to the ministry, sub-district-level imihigo should comprise community-specific priorities (targets set from citizens' priorities) as well as key crosscutting national priorities.

MINECOFIN provides specific instructions for gender mainstreaming in district plans, budgets, and imihigo in the second Planning and Budget Call Circulars (P&BCC), requiring districts to annex the Gender Budget Statements (GBSs) to the budget. Sharing these instructions along with the second P&BCC offers few windows of opportunity for all relevant stakeholders to participate, critically review the GBSs, and provide feedback for improvement. As a result, most GBSs are gender-blind, ultimately failing to mainstream gender. This is compounded by limited gender knowledge and skills at all levels of the district and sub-district planning units, including the district planning unit to technically and effectively analyze GBSs. CSOs who have relative expertise in GBSs are unable to contribute due to the guided nature of consultations and limited time to submit the budgets. Apart from a general requirement for participation, there are no specific instructions for the inclusion of youth, PWDs, and historically marginalized peoples' priorities.

DECENTRALIZATION IS INCOMPLETE

Rwanda's 2012 decentralization policy describes deconcentration of key governance spaces including political decentralization, administrative decentralization, fiscal decentralization, and sectoral decentralization, focusing on functional transfers of public services. The policy defines the formal relationship between the national, provincial, district and sub-district governments.

According to the 2012 policy, decentralization management is the purview of the MINALOC and the LODA. The policy gives power to citizens to elect their leaders (vote power) and defines the right of citizens to participate, either directly or indirectly through representation, in decision-making (voice). The policy also transferred the functions, authority, responsibility, and financial resources for providing public services from the central government to local government entities.

As a result of these reforms, Kayonza District government is managed by the District Executive Committee headed by the mayor, who is supported by two vice mayors (economics and social affairs) and the district executive secretary, who is responsible mostly for the PFM technical functions. With the exception of the executive secretary who is recruited, the mayor and vice mayors are elected by and directly accountable to the district council. The Kayonza District Council is composed of 12 elected representatives from each sector in the district. Additional special representatives are appointed to the

council. These include special representatives from the National Women’s Council (NWC) and National Youth Council (NYC).

Sector and cell councils follow a similar structure.⁹ The number of sector council members is determined by the number of cells forming the sector, and the GoR places representational mandates on the composition of 10 minimum positions that must make up a sector council (e.g., National Youth Bureau representative, representative of primary schools, etc.).¹⁰ Each sector also hosts professional administrative staff housed under the sector executive secretariat.¹¹

Cell councils are the smallest political organ and have purview over cell and village decision-making. The cell council is obliged to implement sector and district plans and programs. It is mandated to: mobilize residents of the cell; identify, discuss, and prioritize the problems of the cell; and make decisions for their resolution (in line with district and sector priorities). These powers are exercised in collaboration with the cell executive secretary, who implements the daily activities at the cell level.

In 2011, the GoR adopted a fiscal decentralization policy. The policy had 3 main objectives, namely: 1) developing an efficient and sustainable resource mobilization base for local communities, 2) providing the resources for equitable development at the local level, and 3) strengthening planning and management capacity at the local government level using a participative approach. The revised decentralization policy (2013) emphasizes the need for local governments to raise own-source tax and non-tax revenue. However, the objectives set in the fiscal decentralization policy and the ambition in the decentralization policy have not been realized. Kayonza still has a narrow tax base and revenues from local sources are still too low. The focus of fiscal decentralization has mostly been around managing central government grants, rather than achieving functional transfer of services and budgets.

Generally, fiscal decentralization has not been fully realized. Kayonza’s DDS commits to increase district-generated revenues, but like other districts in Rwanda, this commitment is constrained by a narrow tax

⁹ Each has an executive secretary and council chairperson who assume the executive leadership roles in the sub-district councils. Unlike districts, the sectors and cells do not have appointed administration positions. Sectors are responsible for the implementation of development programs, service delivery, and the promotion of good governance and social welfare. The sector council is a political organ responsible for policy-making decisions germane to sector action plans as well as implementing, monitoring, and following up said plans. According to the GoR’s decentralization policy (2012), the sector shall have the following responsibilities: develop the sector development plan, provide quality services, ensure proper management of public assets, coordinate activities of special government programs, ensure the use of technology, monitor and coordinate the cells, ensure the welfare of the population, ensure security and safety of population and that of their property, and mobilize resources and ensure proper management of resources provided by competent organs.

¹⁰ However, sector councils must include the following 10 positions: a cell representative elected by the cell council; members of the National Youth Bureau at the sector level; members of the National Women’s Bureau at the sector level; a representative of PWDs in the sector; women representatives constituting at least 30 percent of members of the sector council; a representative of the heads of all primary schools in the sector; a representative of the heads of all secondary schools in the sector; a representative of non-governmental organizations operating in the sector; a representative of cooperative societies in the sector; and a leader representing hospitals, health centers, or other health facilities operating in the sector.

¹¹ The sector executive secretariat is made up of the executive secretary and other essential staff appointed by the district council through competition and in accordance with the organizational chart of each sector.

base and low capacity to initiate macro-economic income-generating projects.¹² However, the potential to generate district own-source revenue exists in Kayonza. For instance, Kayonza has large cattle holdings that offer a comparative advantage for meat production, some areas of the district have the potential for commercial banana production, and given its proximity to Uganda, Tanzania, and Kigali, the district offers strong opportunities to connect agro-processing businesses. Additionally, given the district's proximity to Akagera National Park, tourism could be a potential source of revenue and employment for local communities. However, these opportunities have not been fully realized, and therefore not tapped into as a tax base for the District's own-source revenue.

“There are many positive things about the decentralization policy. There are many functions that were decentralized. There are improvements: for example, there are public tenders that are managed at the district level. Even the big infrastructure projects have an aspect of decentralization in them.”—KN03

Sectoral agencies such as education, health, agriculture, and infrastructure have a direct presence in Kayonza District. However, the status of their functional transfer, vis-a-vis fiscal decentralization, is unclear. Through parallel processes, funding of services through joint imihigo is increasingly common and present in Kayonza District. The district is relatively limited in its ability to direct funding for these key services, either through budget allocation or joint imihigo. Until functional transfers are complete, budgets for these services are earmarked at the central government level through ministries and other budgetary agencies.

“Projects and their budgets are already earmarked at the central government level through ministries or other budget agencies. Consultations are only between districts and line ministries or agencies from which joint imihigo are developed. Therefore, there is little or no room for influencing planning and budgeting of joint imihigo. The implementation is also mostly supervised by the line ministry or respective agencies. Sometimes, even districts have no power to influence plans and budgets conceived at the central government level. Their role is mostly limited to implementing ministries' and central government agencies' agendas.”—KN03

“The budget of the district is composed mostly of earmarked budget transfers...spending is the responsibility of the district, but Ministry budget line items are earmarked...discretionary funds for the district are usually about five percent [of total allocations]; many of the earmarks may not include local priorities.”—KN04

Sectors and cells are not significant administrative units in the decentralization policy rollout. However, in Kayonza District, they allocate a portion of their discretionary spending to sectors.

“Sectors have the mandate to make decisions on small budget execution below RWF 10 million”—KS01

PFM AT THE DISTRICT LEVEL

The Manual of Public Financial Management Policies and Procedures elaborates on the process of preparation and approval of local government budgets, provides the planning and budgeting calendar with clear deliverables and their timelines, emphasizes the role of JADF in discussing the budget execution

¹² For example, at the inception of the DDS, the district was only able to raise RWF 748,542,722 (about USD 750,000) for fiscal year 2017/2018 (Kayonza DDS 2017–2024).

report and performance reviews, and requires that once the draft budgets of local administrative entities are approved by councils, they should be made public and published on the district website.

The responsibility for managing district finances and assets falls under the mandate of the executive secretary who executes the district budget and prepares a report for submission to the district executive committee. The district council is responsible for decision-making, policies and giving instructions on the control and management of district property, approving the sale of district immovable property in accordance with relevant laws, and approving the district budget including forecasts of revenues and expenditures. Overall, these PFM functions are exercised by the district executive committee and the district council. This assessment observed that the institutional capacity at the district level has improved considerably over time. Districts are handling complex operations in PFM, and outcomes and service delivery are increasingly reflecting value for money. For example, the 2019/2020 Auditor General's Report faults Kayonza District for underutilizing a fecal sludge treatment plant that cost RWF 500 million, to which the district argues that it was due to insufficient feces to be treated. The same underutilization was mentioned for a garbage compactor and fecal suction trucks, that were used only three times in six months. While this demonstrates a lack of foresight in public spending, comparatively Kayonza District fares well in PFM compared to the magnitude of gaps identified in other public agencies and local government entities. As provided for in the PFM manual, the district has internal financial management systems and procedures including the delegation of powers, books of account, computerized accounting systems, registers and memorandum records of accounts, risk management, auditing, and other oversight arrangements. Oversight is done by internal audit committees, external auditors for the Auditor General, and legislative oversight administered by the Budget and National Patrimony Committee and the Public Accounts Committee.

FORMAL PARTICIPATION STRUCTURES FOR INCLUSIVENESS

Article 271 of Rwanda's Constitution stipulates that Rwandans have the right to participate in the governing of the country, either directly or through their freely chosen representatives, in accordance with the law. The same spirit is echoed in the decentralization policy and translated in a number of other government strategies and guidelines such as the NSTI, and MINECOFIN and MINALOC guidelines, among others.

Similarly, the GoR has created a number of citizens' participatory spaces such as *inteko z'abaturage* (citizen assemblies), *umuganda* (monthly community work), *imihigo* (performance contracts), as well as citizen representative structures such as *inama njyanama* (councils), NWC, NYC, and the National Council of Persons with Disabilities (NCPWD), among others.

In addition, MINECOFIN, MINALOC, and LODA issue specific guidelines annually that emphasize consultations and inclusive planning, budgeting, and *imihigo* preparation. In June 2016, MINALOC adopted additional guidelines for reinforcing consultations with communities and emphasizing citizen-centered problem-solving. The guidelines provide a clear framework and hierarchical order for addressing citizens' issues at different levels and offer a reporting template for documenting those issues.

Councils at the district, sector, and cell levels are made up of representatives elected in five-year cycles. The councils review and ratify DDPs. Additionally, they adopt *imihigo*, ratify sector and district budgets, and are given powers to hold the local executive committee members accountable at decentralized levels.

The power of the council is exercised by terminating contracts of under-performing elected district executive committee members (the mayor and the vice mayors).

“The responsibilities of the council are stipulated in the laws including advising the districts, sensitizing citizens about government programs, and putting in place long-term and medium-term development strategies in the district such as the District Development Strategy.”—KD04

Finally, the GoR created representation structures of specific vulnerable groups, namely the NWC, the NYC, and the NCPWD. These councils are established from the village level through the local government structures to the national level.

Overall, the formal guidelines germane to PFM mostly work to ensure fidelity from the NST I to developing national and subnational development strategies, plans, budgets, and imihigo. For instance, the decentralization policy, the Results-Based Management Policy, the PFM policy manual, the NST I, as well as guidelines by MINECOFIN, MINALOC, and LODA provide the basis upon which local government entities exercise PFM functions. Each, to various degrees, follows the prescribed pillars of transformation described in the NST I. Despite efforts to detail inclusive processes, these numerous policies and strategies fail to fully propagate inclusive PFM processes and instead focus on harmonization to the NST I.

INFORMAL RULES OF THE GAME

THE POWERS AND FUNCTIONS OF THE PROVINCE

The 2012 decentralization policy recognized that functions assigned to the province were not clear despite justification for their existence. Since that time, there has not been adequate formal clarification and implementation regarding the role of the provincial government vis-a-vis local governance and PFM. The challenges highlighted at the inception of the decentralization policy have not, to this point, been adequately addressed or resolved. Without clarity of role or purpose, the province defines its own influence in the decentralization process. As representatives of the larger and more prominent political entity, provincial officials insert themselves in the budget planning and imihigo process to coordinate and consolidate district plans, budgets, and imihigo. Ostensibly, they do this to ensure that the districts and the province are well harmonized to achieve a common goal and to ensure fidelity to national priorities outlined in the NST I. As a result, the “provincial governor approves decisions from the consultative committees before they are implemented.”¹³ However, there is no basis for this in the legal framework; it is a de facto process that both the province and Kayonza District mutually engage. Provincial authorities and political appointees appear to play the role of arbiters of national political interests. Through their convening powers, they ensure that districts plan and allocate budget and imihigo that align to national priorities while still demonstrating that the districts check the box of citizen-informed processes.

“The role of the province in the decentralization process is not well understood. One may think the province plays a coordination role but it does not seem to be clear to anyone...once consultations are done and prioritization completed, draft plans, budgets, and imihigo are shared with other stakeholders such as the province.”—KN03

¹³ KD04.

“The chain of power in local government administration is vertical...lower-level local government authorities have to abide by decisions taken by those at higher levels.”—KCC17

“When the national government gives district councils the draft budget, they really only get a few hours to read the drafts, provide comments, and vote. District councils may not want to vote against national priorities; it’s a political decision.”—KN04

“There are councils and committees right from the district to the village level, but the hierarchy of decisions (top-down) limits them to actively engage citizens in district plans, budget, and imihigo.”—KCC18

CITIZEN PARTICIPATION AND INCLUSIVENESS

Citizen participation is compartmentalized and regimented in Kayonza District. There is little meaningful participation, and citizen participation is currently a pro forma process—a box-checking exercise.

Political actors with knowledge of the district discuss citizen participation differently depending on their relative rank in the administrative hierarchy. District- and national-level authorities believe that citizen participation is meaningfully adopted because their strategies incorporate citizen input.

“So, you hear that imihigo comes from ‘Up,’ but this came from the citizens, and we continuously check in and have a ‘meeting point’ of top-down/bottom-up at our reconciliation point when we review the medium-term priorities...Imihigo does not come from the top down. It comes from the Vision, which is consistent with citizen input”—KD01

“The central government formulates the policies...but all decisions are drawn from the DDS and NSTI.”—KN01

However, even those in senior ministerial positions are critical of the quality of participation:

“We have citizen outreach every week; the procedures are outlined on paper, but the big question is, are the good governance and accountability events happening? We don’t know.”—KN01

At the sector and cell levels, there is a strong sense that citizen participation is relegated to following the directives of those in power at the district level and those from higher authorities.

“District and central government authorities determine what should be done by citizens.”—KCC02

“We [citizens] give suggestions and make requests but [get] no feedback or response.”—KCC19

“The main barrier is a top-down system of operating. We [citizens] are not involved in these processes. We have village executive committees through which citizens have the opportunity to indirectly participate but they are not being used well.”—KCC20

“His excellency Paul Kagame always says that local government authorities should reach out to citizens, listen to our views, and provide quality services, but they still mostly operate in a top-down manner. They do not consider our views; they only want us to implement what they decide and the excuses are that they consider things that can benefit the majority, limited budget, etc.”—KCC22

Sector- and cell-level respondents clearly indicated that citizen participation is important, but only to the extent that citizens implement, and to a limited degree, monitor, imihigo. In fact, citizens are needed to

implement imihigo; specifically, they design their own household imihigo, agreed upon at the village level and consolidated by the village executive secretariat, then reported up to the cell council.¹⁴ However, even household-level imihigo are subject to a rote process that seeks primarily to achieve the prescribed objectives set by higher authorities.

“Views of citizens of different categories such as the youth, women, persons with disabilities, and others are sought because they have representatives but sometimes nothing is done. Programs are planned at the top level and sent down for implementation.”—KS03

“Citizens...are active in implementation of the plans. If you ask citizens (including myself) their role in planning, they cannot tell you.”—KCC15

“We implement household imihigo that come from the top”—KCC05

“Our role [as village leaders] is to simply administer the imihigo form to the citizens and sign. We know that the village executive committee is supposed to scrutinize all household imihigo and select common household priorities, but this is not done because they give us a one-size-fits-all imihigo form that sometimes does not take into account household realities. Planning, budgeting, and implementation is done for the convenience of local authorities because they have to make sure that they set targets that can easily justify the budget and are easily achieved to get good marks when evaluated.”—KCC20

“[There is no] creativity [or] innovation; citizens set the same targets for years because they follow what leaders tell them.”—KCC14

RWANDA'S TWITTER PRESIDENT

President Kagame is known as a prolific and active social media user. The president will personally respond to tweets and posts on his Facebook and Instagram. When citizens ask him to investigate corruption, poor service delivery, or instances of injustice, he (or representatives from his office) does.

This evolving form of political accountability is gradually taking hold among the president's less tech-savvy constituency.

“Let me tell you, citizens are knowledgeable about their entitlements. If services in the community in any sector are poorly provided, they can report to leaders by calling on the phone or sending SMS messages.”—KS02

CSOs and activists are increasingly making use of this space. For example, Health Development Initiative, a Rwandan CSO, uses social media to advocate for health equity and abortion rights. They have appealed directly to the president, and on more than one occasion, the president has pardoned girls and women convicted of abortion. The president's interest and attention to social media as a direct line to his constituency is worth paying attention to.

¹⁴ <https://neveragainrwanda.org/wp-content/uploads/2017/08/January-2019-Peace-Insight-final.pdf>

Additionally, traditional media is still an active forum to attain local accountability. Community radio is active and frequently used to host call-in and talk shows with locals. During budget review periods, citizens and local governments use the radio call-in shows to publicly request community development objectives.

“In Kayonza District, we conduct radio talk shows on Radio Izuba in collaboration with JADF to explain achievements from our plans and challenges to our beneficiaries.”—KD04

IMPORTANCE AND EVALUATION OF IMIHIGO

The spirit of imihigo in the Rwandan cultural context embodies the principles of setting ambitious goals that require a commitment to action and personal responsibility, reciprocity of obligations and mutual respect between higher and lower ranks, higher moral values and patriotism, competition to achieve the best results, and evaluation of the outcomes.

It is difficult to overstate the importance of imihigo as a political tool and as an incentive for personal and professional advancement. It is the primary modality for district politicians and administrators to demonstrate to national leaders that they and their district are serious about achieving national development priorities. Those who excel in imihigo are publicly praised on paper in the imihigo evaluations and politically lauded by higher political authorities and even the Office of the President. Quality performance vis-a-vis imihigo and joint imihigo comes with the hope of being rewarded with better appointments in the future. Conversely, underperformers are shamed and risk losing their positions. To that end, the official imihigo evaluations are a crucial political scorecard. While not exactly a political cudgel (because there is faith in the relative independence/integrity of the findings), the evaluations are certainly used to inform the rise and fall of Rwanda’s district politicians.

The imihigo evaluations also provide an important entry point for a more inclusive discussion on district performance as multiple stakeholders are allowed to comment in public forums.

“Public servants have online performance evaluations which are related to imihigo. Every month, public servants are required to report the progress of performance including those functions based on imihigo. This is also aligned to the planning. Every month, the planning functions have tools to complete relating to the progress of planned activities. The planned activities are also mostly aligned to imihigo.”—KN03

“Usually there are bi-annual and quarterly meetings which analyze the implementation of imihigo and evaluation by stakeholders at district level...there is also an annual stakeholders’ evaluation meeting in collaboration with district authorities. Usually, implementing planned activities does not face challenges since they are included based on the existing budget.”—KD04

JADF

While PFM policies and procedures emphasize the role of JADF in discussing budget execution, the practice, according to assessment findings, is that JADF members are convened not to contribute to planning, but to divvy up implementation of District Action Plans and help to fill the budget deficits after expenditures are allocated in the district. CSOs that participate in JADF see their role as mostly limited to financial contributions as opposed to discussing budget execution and strengthening PFM systems that promote accountability, effectiveness, and transparency.

“JADF [and CSOs] are not empowered to participate. PFM decisions are made by the district and Ministry of Finance and Economic Planning”—KD01

“For other such CSOs, private sector, and JADF, I do not know whether they have the capacity as independent entities to influence decisions made from the top.”—KS09

“[CSOs] have no technical skills; they are subdued by the district”—KCCI4

“CSOs are constrained in their capacity to advocate on specific areas: human rights, accountability, etc.”—KN02

“Our [CSO] role is to contribute ideas over how they allocate their resources. Get the presentation about how funds are being allocated.”—KD05

PROMOTING INCLUSIVE PFM

District budgets are more or less the result of two processes: 1) earmarked attributions from the central government, and 2) imihigo. Thus public engagement comes down to checking a box.

District-level imihigo are generally either joint imihigo, where the district will sign imihigo with a line ministry to accomplish nationally-aligned mandates, and general imihigo which are informed by sub-district aggregation of citizen priorities. General imihigo use templates/forms with lists of predetermined results to solicit citizen input. The pre-identified targets typically reflect sectoral priorities such as payment of health insurance for the family, cultivation of land, etc. After citizens select their preferences, results are collected at the cell council which will aggregate village data and send it to the sector levels. The sector council will aggregate, select their priorities, and convey these to the district. The district then selects from the sector-selected priorities.

“We [the district authority] count how many times each preference any time any preference is identified more than another. We select 20, and then add those to the budget plan”—KD01

At the village level, citizens also practice individual/household imihigo: using the same general imihigo forms, they list three personal imihigo targets such as buying a TV, building a family house, buying a bicycle, etc. In reality, these individual/household imihigo are complex and difficult to consolidate due to their diversity. Local authorities find these very difficult to monitor and cannot adequately attest to their results.

Therefore, local leaders' interests rest on the general imihigo, which facilitate the local leaders to achieve top-down imihigo by holding citizens accountable while at the same time meeting a target of involving citizens in the imihigo preparation process.

“There are two types of imihigo: general and specific household imihigo for citizens. General imihigo targets come from the district. For example, citizens may decide that they will grow maize on 4,000 hectares of land using modern farming methods such as using a tractor to till the land. This becomes a rule and they proportionately divide the 4,000 hectares by all sectors in the district and each sector also divides by cells. Citizens may not wish to grow what is decided, but they [district council] impose on them.”—KCC09

“Due to COVID-19 challenges, no community meetings are held. The district introduced an approach of using forms that give three key priorities on each of the themes we suggested (justice, governance, and economic development).”—KCC08

Because the final selection from the district is not subject to public scrutiny, and because there is not publicly available criteria, the final decision on budget priorities really is a process of ticking the top 20 boxes they want to see reflected in the budget next year.

“The district authorities have more powers regarding planning, implementing, and monitoring all development programs of the district because they are the ones who decide the district plans and imihigo targets and then inform lower local government levels (cell and sector).”—KCC22

HERE AND NOW

This section describes how current events—such as the COVID-19 pandemic, changes in government, and the upcoming elections—have affected or could affect prospects for inclusive PFM in Kayonza District.

COVID-19 ADAPTATIONS

To adapt to COVID-19, the GoR established a new process for citizen-informed imihigo at the district and sub-district levels. The process is meant to help elicit locally-led imihigo while maintaining social distancing. The process was noted several times during our interviews.

To filter citizen-informed priorities from cell to district decision-makers, the GoR created a form to elicit imihigo priorities corresponding to the NSTI and DDS transformation pillars (economic, social, governance). Cells facilitate citizen responses and send their three priorities to the sector, which in turn aggregates cell responses and communicates these to the district council. The district council then selects three imihigo from the sector and cell responses. It is unclear what the district uses as a reasonable determination or selection criteria.

“Due to COVID-19, we have devised a system of communication, but it is on trial. We gave village leaders forms to send to heads of amasibo (administrative unit of 10 households) so that they could choose 15 citizens to fill in their priorities. The forms have three main areas: justice, governance, and economic development, and citizens are supposed to write three key priorities on each theme. After filling in, abatwarasibo (leader of 10 households in a village) will send the forms to village leaders for consolidation and the village leaders will also send them to us at the cell [council]. The worry I have about this new system we are introducing is that the village leaders may not do it effectively. We are giving more responsibilities yet they are already demotivated and some of them lack skills.”—KCC17

“At the village level, citizens' priorities are now collected at isibo level then consolidated at the village level and six priorities which are approved by the village committee and forwarded to the cell level. At the cell level, they are assessed and prioritized by the cell council and then six priorities are forwarded to the sector level. At the sector level they analyze the priorities from each cell and approve six priorities...Once all the citizens' issues have been reviewed through the [district] council's commissions, the council works closely with the district committee to align citizen priorities with the district long-term strategy (the District Development Strategy), GoR's long term development strategies such as the Vision 2050, NSTI, etc.

Based on those, and considering the priorities, including citizens' priorities, that's where we draw imihigo. This is also based on the available annual budget envelope.”—KD04

MINISTERIAL CHANGES, NEW MINISTRY OF CIVIC ENGAGEMENT

In July 2021, President Kagame created a new Ministry of National Unity and Civic Engagement. The new ministry will focus on national unity, historical memory, and citizenship education. It will harmonize the functions of the National Commission for the Fight Against Genocide (CNLG) and the National Unity and Reconciliation Commission (NURC). As a result, these commissions together with the Genocide Survivors Assistance Fund (FARG) and Itorero Commission have been phased out. Overall, Rwandans from different political divides including those in the diaspora agree that having this ministry was long overdue and may become an active player in citizen engagement, participation, and inclusion in the future.

UPCOMING SUBNATIONAL ELECTIONS

In September 2021, the GoR approved holding council elections, previously postponed due to the COVID-19 pandemic. The approval was followed by the National Elections Commission announcement requesting those interested to be district councilors to start preparations including verifying the voter registrars, participating in training, and ensuring that all required paperwork is in place. The election date has not been officially announced.

DYNAMICS

WHAT ARE THE BARRIERS AND OPPORTUNITIES FOR MORE INCLUSIVE PFM PROCESSES IN KAYONZA DISTRICT?

Citizen assemblies, umuganda, and myriad other participation events/spaces are organized at the behest of national decision-makers. According to the Rwanda Governance Board (2021), the purpose of facilitating such events is to “deepen democracy by opening up political space for dialogue and citizen engagement, ensuring free flow of information that will enhance citizen capacity to make decisions; [and to] provide mechanism[s] for constantly giving feedback on government performance at all levels.”¹⁵

Kayonza District ensures that there is little divergence from the nationally mandated processes; however, the events themselves do not fully achieve the stated participatory objectives outlined by the Rwanda Governance Board. Rather than facilitating meaningful citizen participation, the events are used to convey top-down decisions.

In the mandated meetings, citizens are not able to discuss real governance and PFM issues, and neither the district, sector, or cell governments, nor CSOs or other stakeholders have been effective at translating citizens' priorities into district plans, budgets, and imihigo. Importantly, there are differing perspectives regarding this analysis.

¹⁵ See Rwanda Governance Board project: Deepening Democracy through Strengthening Citizen Participation and Accountable Governance (<https://www.rgb.rw/1/projects>).

Sector and cell respondents are clear: the district makes the decisions, and largely leaves sub-districts and citizens out of meaningful decision-making.

WHAT ARE THE BARRIERS ACCORDING TO CELL COUNCIL MEMBERS AND CITIZEN RESPONDENTS (MOST FREQUENTLY CITED RESPONSE TYPES)		
RESPONSE TYPE & # OF MENTIONS	#	SOME INDICATIVE QUOTES
Council members lack skills/education/capacity	13	<p>“The problem is that village leaders have no skills of guiding citizens and soliciting viable views from them.”—KCC14</p> <p>“We do not have expertise in analyzing budgets and expenditures; there is no flexibility in operation at the cell level. We just have to follow and abide by what the sector provides or instructs. So, this disheartens people and makes citizens not to confide in us because we seek their priorities and needs but more often than not, nothing is done.”—KCC15</p>
District does not involve citizens or facilitate participation	10	“I think district authorities have more powers and at times they plan and do things contrary to the priorities and needs of citizens.”—KCC01
Derelection of duty/lack of motivation	6	“Some of the council members are passive and others do not attend cell council meetings because they are involved in their businesses.”—KCC03
Lack of facilities/equipment	5	“[Cell councils] mostly tell us [PWDs] that equipment for people living with disabilities is very expensive.”—KCC13
Not the purview of councils	5	“PWDs’ concerns are the purview of the Ministry of Education and Health, not necessarily addressed in the budget.”—KCC05
Citizens just do what leaders tell them to do	5	“Top down [communication], decisions on imihigo and budgeting are made by the district and communicated to sectors and cells. That is why you find the same imihigo for almost every sector.”—KCC02

Kayonza District administrators did not see themselves as a barrier, and all district respondents noted that their role is to elicit citizen-informed imihigo and PFM decision-making. A senior district official stated that the role of the district government is to "engage the community, ...have meetings with the community, ...have meetings with stakeholders, ...get ideas during the budgeting process, and imihigo planning—get ideas about what activities the community wants done in their areas, let them know what the district

wants to do in their area, depending on the needs of their community. Get the priorities from the community.”¹⁶

District officials know that they must include citizen participation in their PFM and imihigo processes. To some degree, they are going about a process of including citizen participation. For a number of years, the central government has worked to create the policy framework and formal and informal incentives around including citizens in their own community decision-making. This includes mandates for women and vulnerable populations to participate. What remains is to transcend from passive citizen presence at government-convened events. The opportunities to catalyze this may exist in the imihigo process.

"Imihigo is a key guideline/orientation to help districts to plan and implement...this is signed between the mayor and the central government. It has details about what will be done, and how it will be funded including own-source revenue."—KN01

Since imihigo are evaluated, and those results matter for the political and professional ascension of key district officials, there is tremendous opportunity to incorporate meaningful citizen participation in imihigo.

COUNCIL ELECTIONS

The forthcoming council elections may present an opportunity for newly elected councilors to interpret citizen participation with fresh eyes and an earnest attitude.

Previously delayed due to the COVID-19 pandemic, the cabinet recently approved the process to proceed with council elections. Further, there are new statutory requirements regarding the composition and function of sub-national representation. Approved in September 2021, the new law stipulates that the district council must be composed of 17 councilors,¹⁷ and added a requirement for diversity of knowledge and leadership skills as a prerequisite to steer the development of districts.¹⁸

“Some representatives to the sector and cell councils attended primary school, and how do you expect such people to deal with issues of budgeting, planning, and imihigo targets which require educated technicians?”—KCC22

¹⁶ KD02.

¹⁷ In the previous law, the number of councilors was not specified. The number would vary depending on, among other things, the representatives of sectors making up each district: one councilor per sector. As a result, the number was higher compared to that provided for under the voted law.

¹⁸ In plenary, parliamentarians raised concerns over the independence of the district council or lack of freedom of expression (self-censorship) in case the council members are employees of an institution supervised or managed by the district, especially when it comes to voicing views on issues of concern in a way that challenges the district executive committee. In response to this concern, the minister of local government is quoted in the media to have told lawmakers that teachers and health workers, much as they are supervised by the districts, cannot be excluded from making a contribution because they reside in these districts and are therefore bonafide citizens. The minister revealed that it was untenable to get senior civil servants born in those districts to become councilors, yet they spend much of their time in Kigali in most cases and only commute to attend meetings.

“His excellency Paul Kagame always says that local government authorities should reach out to citizens, listen to our views, and provide quality services, but they still mostly operate in a top-down manner. They do not consider our views; they only want us to implement what they decide and the excuses are that they consider things that can benefit the majority, limited budget, etc.”—KCC22

HOW DOES COMMUNICATION FLOW FOR DECISION-MAKING AND REPORTING BETWEEN THE NATIONAL AND DISTRICT LEVELS AS WELL AS BETWEEN THE DISTRICT AND SECTOR AND CELL LEVELS? WHAT ARE THE POWER DYNAMICS ASSOCIATED WITH THESE COMMUNICATION FLOWS?

Sub-district respondents indicate that the district is the primary decision-maker for PFM in the district. Communications regarding PFM and imihigo are channeled through the district. Feedback to the process is inconsistent and lacks adequate accommodation of citizen perspectives and priorities.

“Public accountability days are not happening, despite being mandated.”—KN01

“We don’t respond 100 percent to the wishes of the communities, but what we do is to provide feedback to the communities. We explain what is not done this year, but what is possible in two or three years.”—KD03

“Citizens always give their views and suggestions through community general assemblies, village leaders, and village committees, but as I said, we do not get feedback on what we send to the district and this makes us to be perceived as liars.”—KS08

IS PFM AN INCLUSIVE PROCESS?: PERSPECTIVES FROM CELL COUNCIL AND CITIZEN RESPONDENTS

RESPONSE TYPE AND # OF MENTIONS	
Districts make the budget decisions and then communicate to sector/cell	18
Imihigo decisions are top-down	9
Poor intragovernmental collaboration and/or communication prevents meaningful citizen input	8
The districts have budgetary power	6
Citizens have limited/no influence	4
Cell councils have no influence/no budgetary power	4
COVID-19 prevented meaningful participation	2

However, district officials are not closed to the idea of soliciting citizen input and using that to advocate for and adapt district development projects. In fact, because there is a mandate from national government entities, the district must make use of the invited space.

“The district’s plan was to build a maternity hospital, but ‘the people’ wanted it to be a special maternity hospital with more advanced technologies than a typical maternity hospital, so the district changed their plan [to accommodate the citizen feedback].”—KD02

The challenge is not proving that citizens should be part of the decision-making process; the challenge is how best to leverage existing spaces for meaningful citizen engagement, rather than box-checking rote processes. The quotes below clearly illustrate the dilemma facing district administrators in working to transcend pro forma processes of citizen engagement.

“We try to explain and have a dialogue with the population and the [non-governmental organizations]—it is not communication, it is a dialogue.”—KD03

SAME RESPONDENT:

“The people follow what the national government says.”—KD03

Limitations of intra-governmental communication and collaboration are evident. From district to sub-district administrative bodies, there is not a clear channel of communication, agenda-setting and prioritization of issues to be discussed is not effective, action items and delegation of authority are not clear, and how feedback will be communicated for public accountability is unclear. LODA understands that these are common issues and created an electronic monitoring and accountability system called Monitoring, Evaluation Information System (MEIS) for facilitating information processing and management. However, its rollout in Kayonza District has been unsuccessful. Local leaders at the village and cell levels in Kayonza District do not have computers or the capacity to use them. Another example is umuganda. While umuganda has the potential to facilitate a space for effective citizen participation, it is lacking in terms of clear guidelines of how best citizens can meaningfully participate. Instead, local leaders have transformed umuganda into an avenue for providing labor for community work and an information-sharing forum with no active dialogue on crucial issues affecting the community.

“There are spaces [for inclusive PFM] such as youth centers, umuganda, community assembles, and others where the youth and citizens in general can gather views and priorities of all categories of people in the community, but the problem is that decisions on plans and budget are made by top authorities at the district.”—KCCI I

WHO ARE THE INDIVIDUALS OR OFFICES THAT HOLD SIGNIFICANT POWER OVER THE PREPARATION OF BUDGETS AND PLANNING PROCESSES? WHAT ARE THE MOST EFFECTIVE WAYS TO INFLUENCE THEIR DECISION-MAKING?

Imihigo has become the lingua franca of accountability and self-determination as well as the ultimate determinant of political fates of district players.¹⁹ When speaking about PFM with anyone in Rwanda, eventually the conversation steers toward imihigo. There are formal imihigo that direct funding to districts and informal imihigo that guide regular governance procedures.

“The implementation of the imihigo is done by different stakeholders including the beneficiaries, district authorities, the Joint Action Development Forum, and the district consultative committee. After developing the plan for the implementation of imihigo and securing the budget at the beginning of a fiscal year, staff

¹⁹ To understand how prominent imihigo have become at all levels of governance, the word “imihigo” was used once in Kayonza District’s DDS 2013–2018, mostly as an afterthought; in the revised DDS 2017–2024, it is mentioned 13 times and given prominence both in the narrative and results that the district commits to achieve.

from different departments, social and economic clusters, and good governance have specific imihigo they have to implement.”—KD04

“We implement household imihigo that come from the top.”—KCC05

“There are two types of imihigo: general and specific household imihigo for citizens. General imihigo targets come from the district.”—KCC09

Certainly, there are more than two types of imihigo. However, the actual nature and quantity is very difficult to state with any accuracy. What is certain is that imihigo are the major drivers of local political motivation at the district, sector, and cell levels. While imihigo is the language of accountability, they inspire a relentless drive to achieve results, which can lead to questionable methods and power relations.

“The one who gives the tender is the very person who supervises, assesses, and gives the report. No other outside eye has the right to monitor. In fact, if you poke your nose too much into what higher authorities have decided, you end up being dismissed in case you are an employee—they concoct mistakes against you.”—KCC01

“At times, some people with no authority but with links or [those] related to people in high positions can influence decisions at the local government level; for example, in tender bidding. Also, a person representing a given political party at the village level may subdue local authorities to make decisions that are not necessarily in the interest of citizens, especially when they link up with someone from a strong family.”—KCC20

“There are other forces, that we cannot exactly say...because behind closed curtains, we cannot really say what is going on.”—KN04

While these quotations approach innuendo, the specter of power and corruption discussed by the respondents is important to acknowledge. Those responsible for implementing imihigo activities are the citizens. When the same individuals feel disempowered or perceive corrupt practices, imihigo will stop being the unsung hero of community development. This is a threat to the comparative good that inclusive imihigo can achieve. Further, using “imihigo” as shorthand for all prioritized community development projects, activities, and staff undertaking appears to have created open space to criticize, rather than celebrate, the projects as truly grounded and inclusive of citizen priorities. This, coupled with limited participatory spaces for meaningful citizen engagement, has limited citizens’ roles in shaping imihigo, PFM, and governance priorities in Kayonza District.

“The district puts more emphasis on the pursuit of general government development programs such as water, electricity, agriculture, and others—which is good, but at times overshadows citizens’ participation in planning.”—KCC04

“At the ministerial level, all their activities are implemented at the district level but these entities are equally organs that have their accountability requirements. These pressures are all descended down to the district leadership. This is what causes some delays in implementation and normally it is the districts that are blamed.”—KN03

WHAT POSITIONS HOLD DECISION-MAKING POWER AND INFLUENCE?

THE MAYOR

The mayor personally signs imihigo with the president. This makes him/her personally accountable for achieving the stated imihigo results. Further, as the highest-ranked RPF political position in the district, the political influence of the mayor as well as the administrative weight and importance of the role is respected by subordinates. In short, the mayor has significant latitude to compel decision-making at the district level. Those that influence and sway the mayor are those from the province who may outrank him/her politically and national or ministerial representatives who will convey national priorities.

THE OFFICE OF THE PRESIDENT

The president signs off imihigo, holding district mayors and others that countersign joint imihigo personally accountable for the results. Before he signs imihigo, they are reviewed by the Strategic Policy Unit in the Office of the President. The president has the power to deny/reject imihigo. In fiscal year 2018/2019, President Kagame rejected imihigo on the basis that they were output-based as opposed to aiming at achieving transformational impact at the grassroots level.

THE VICE MAYOR AND JADF

The vice mayor is also the designated vice chair of Kayonza District's JADF. The forum is an important group to help coordinate the implementation of budgeted projects for the district. However, the JADF does not contribute to planning, budgetary decision-making, or help to mobilize and advocate for inclusive PFM. The chair of JADF is a rotating position held by a local CSO representative. Due to internal dynamics and political deference, the chair and other members of JADF's decision-making apparatus defer to the vice mayor (vice chair) for decision-making.

THE DISTRICT EXECUTIVE COMMITTEE AND EXECUTIVE SECRETARY

The district mayor is the head of the district executive committee. The mayor commits to achieve imihigo goals and objectives and signs this commitment with the president. This comes with the power to influence the direction of imihigo.

*“Stakeholders meet on a quarterly basis; we also meet under different commissions and meetings that bring together the mayor, the president of the district consultative committee, stakeholders, and JADF.”—
KD04*

Housed under the executive secretariat, the District Planning Unit is a professional administrative unit headed by the director of planning. This position holds some degree of influence over district plans, budgets, and imihigo. The director of planning is the primary technician in charge of ensuring adequate alignment and integration of DDP priorities to budgets and imihigo.

“The specialist at the planning unit has power because there is limited time for others to challenge them. The mayors and vice mayors have power “above” the district council...there are some members that are ‘strong’ depending on their background.”

THE DISTRICT COUNCIL

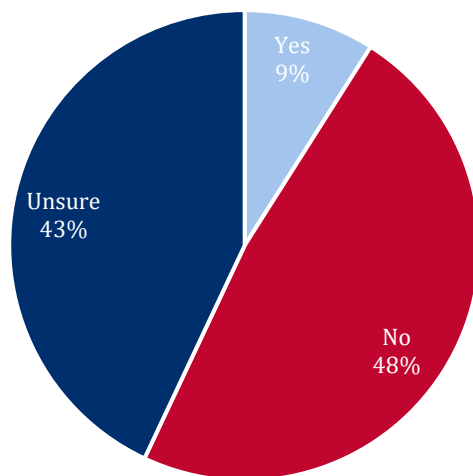
The district council reviews and approves district plans, budgets, and imihigo prepared by the district executive committee. The district councils include representative members from sector councils (appointed to district councils). However, with forthcoming changes to the makeup of the district councils (vis-a-vis new statutory regulations), this arrangement may change in the near future. One specific change of note is that district councils will now include a representative of the Private Sector Foundation (PSF). The PSF also holds a seat on the JADF and executive committee that informs the vice mayor and mayor. The expanded role may also increase the PSF representative’s influence in PFM and imihigo.

CELL COUNCILS

Cell councils and associated members are not key influencers and hold no decision-making powers. They can be an asset to help facilitate citizen participation in the future. Respondents at the cell level demonstrated relatively limited understanding of the statutory framework and guidelines that prescribe how imihigo and PFM are meant to be implemented.

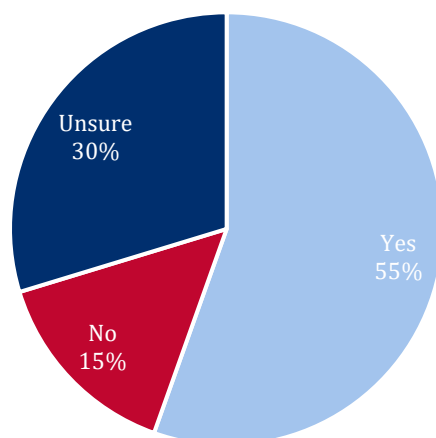
DO SPECIFIC BUDGET GUIDELINES EXIST?		
RESPONSE TYPE AND # OF MENTIONS	#	SOME INDICATIVE QUOTES
Yes	2	
No	11	
I don’t know	10	“I do not know, because I am the cell chairperson but do not participate in planning. We just receive what is already done.”—KCC15
Our role does not lead to meaningful citizen input	3	<p>“They give us verbal instructions, especially on implementation, but I think formal written guidelines exist.”—KCC17</p> <p>“We only receive verbal guidelines; mostly, we councilors are instructed to supervise the consultation process of imihigo development.”</p> <p>“Imihigo guidelines are familiar to citizens because every year they do the same thing.”—KCC04</p>

Do specific budget guidelines exist?



DO YOU THINK THE GUIDELINES ARE SPECIFIC ON THE ROLE AND INCLUSION OF CITIZENS' VIEWS? FROM THE PERSPECTIVE OF CELL LEVEL RESPONDENTS.		
RESPONSE TYPE AND # OF MENTIONS	#	SOME INDICATIVE QUOTES
Yes	4	"Yes, apart from budgeting, imihigo clearly stipulate the role of citizens and there is provision for them to set their own targets."—KCCI8
No	15	"His excellency Paul Kagame always says that local government authorities should reach out to citizens, listen to our views, and provide quality services, but they still mostly operate in a top-down manner. They do not consider our views; they only want us to implement what they decide and the excuses are that they consider things that can benefit the majority, limited budget, etc."—KCC22
I don't know	8	

Do you think the guidelines are specific on the role and inclusion of citizens' views?



“No specific guidelines: they verbally tell us and for imihigo we do not need any guidelines because we do it every year.”—KCC05

“We only receive oral guidelines; mostly, we councilors are instructed to supervise the consultation process of imihigo development.”—KCC13

“The district has absolute powers over everything. It is the final decision-maker and controls the budget for implementation of district action plans and imihigo.”—KCC10

“The district council and mayor have supreme powers over other organs.”—KCC03

“The district, sector executive secretary, and the sector council have power over these processes because they plan and make decisions on how the budget should be used as well as imihigo that lower levels must pursue.”—KCC20

“District councils do not have power to influence the district priorities. Yet, they are the ones that approve the budget. This is ridiculous; they are the legitimate representatives of citizens, yet they have no power to keep the executives in check.”—KN02

IMPLICATIONS & RECOMMENDATIONS FOR PROGRAMMING

The PFM ecosystem is generally well defined and carefully executed. The districts are subject to a budget planning environment that is centered around conformity to national priorities defined in the NSTI and mirrored in lesser policy and statutory instruments. This is a relatively closed process loop with minimal

opportunity for external parties to intervene. However, there are a few opportunities for USAID to offer targeted and tactical support to Kayonza District administrators and actors.

IMIHIGO

Getting imihigo right is important to Rwandans at all levels. As discussed, imihigo continue to evolve as a modality to program community and local development, as well as a way to discuss locally owned development in Rwanda.

It is important for USAID to fully understand that imihigo are a “homegrown solution.” That designation carries enormous pride and cultural, social, and political weight. There is space to work with Rwandan officials and CSOs to improve imihigo; however, USAID must be aware that support for imihigo is a fine balance and will require significant relationship-building with the right individuals, and patience to identify an invited space to help scaffold support around imihigo. This space may open for USAID and/or its partners after proving itself a dedicated creative partner upon launching the Kayonza District Hub. This PEA recommends using the hub as a means of observing and building relationships with those in Kayonza District that influence imihigo design and implementation. Wait for an opportunity to be invited to support.

WHAT TYPES OF TACTICAL SUPPORT CAN HELP KAYONZA DISTRICT IMPROVE ITS IMIHIGO?

Improving inclusive PFM through imihigo is possible. Imihigo have requirements for citizen participation; the challenge is the degree to which meaningful participation is taking place. Currently, citizen participation is a pro forma process. If invited, USAID can provide technical support to the District Planning Unit to ensure that Kayonza District imihigo integrate metrics and methods that facilitate citizen participation achieving high-quality input and feedback loops. USAID can provide technical expertise and advice to build affirmative and inclusive indicators of citizen participation, as well as assist the district in building out its approaches for citizen-informed adaptive management.

Working with the mayor is imperative since the mayor is accountable for the imihigo. If the mayor insists that quality (not just pro forma) citizen participation is included in imihigo, then it will be included.

If USAID is not able to fund support to GoR administrators due to its own funding restrictions, there may be possibilities to work through local CSOs. Given the PSF’s expanded role in district administration and decision-making, it may be a viable option to partner with their representatives to achieve outcomes associated with imihigo and collaboration with GoR actors in Kayonza District.

INCREASE THE POTENTIAL OF SUB-DISTRICT OFFICIALS TO FACILITATE IMPROVED CITIZEN PARTICIPATION

The cell councils are supported by village leaders and are the smallest representative body elected through formal electoral processes. As described in the literature review, *Never Again Rwanda* (2020) identified

two main gaps in terms of civic participation: an incentive gap and a representation gap.²⁰ This finding was validated in interviews with cell-level respondents. Citizens have little incentive to participate in the mandated civic events since they feel their views are not taken into account and they have low trust in local leaders to facilitate and advocate for authentic citizen input. Participation is also not ensured through representation since elected councilors rarely meet with their constituents to elicit their views, and councilors also rarely meet with executive committees to inform them of citizens' preferences. As noted above, this has been exacerbated by COVID-19 restrictions on assembly. Ultimately, both the citizens and cell leaders want to improve their ability to collaborate, dialogue, and collectively hold those in higher positions accountable and to incorporate their needs in district planning.

“There should be participatory decision-making aligned with planning and budget for implementation. The youth and citizens in general should be actively involved in decision-making; the district authorities should reach out to people in the community and discuss with them about plans and available budgets.”—KCCI 1

“Cell authorities, council members and village leaders should be educated on how to solicit views of the citizens they represent as well as processes and procedures of councils.”—KCC08

USAID can assist cell councils, local leaders, and local CSOs to collaborate to achieve more meaningful citizen participation. Cell leaders (elected and traditional) request improved facilitation skills and improved tools/methods to communicate with citizens to elicit their feedback and advocate for their needs. If USAID is restricted in its ability to support cell administrators directly, then it can focus on support to improve information synthesis and sequencing.

“We only receive oral guidelines; mostly, we councilors are instructed to supervise the consultation process of imihigo development.”—KCCI 3

“Citizens sometimes lead to slow implementation of community development activities planned by the sector due to lack of information, not being properly educated by local leaders about the importance of an activity, or being informed on short notice.”—KS02

Within the budget cycle, USAID can work with various partners to quickly process and issue visuals and infographics for sectors and cell leaders to socialize with citizens. Timing, sequencing, relevance of content, and presentation of information are all important here.

DECENTRALIZATION IS INCOMPLETE; SUPPORT IS NEEDED FOR FUNCTIONAL TRANSFERS

The policy and institutional framework for decentralized PFM exists but needs to be fully realized through functional transfers and fiduciary controls devolved to the districts. The GoR, various CSOs, and development partners have made formal and informal progress toward actualizing devolved PFM. However, the current policy framework does not specifically direct citizen participation in PFM, and participation by representation through local councils and national councils is constrained by structural barriers and capacity challenges.

²⁰ Never Again Rwanda. (2020). “The Extent to Which Imihigo at Lower Local Administrative Levels are Aligned with the Approved District Imihigo.” January 2020.

As of 2018, GiZ worked with the GoR to complete the final phases of their Decentralisation and Good Governance in Rwanda project. The project worked to establish and publish “Standard Service Charters” to clarify the responsibilities, conditions, and costs of administrative service delivery at the local level.²¹ The project completed training of local government staff to ensure that they adequately achieve charter objectives. However, to date, functional transfers of budgets have not been achieved and district administrators are not responsible for ministerial budget allocations.

USAID/Rwanda can support Kayonza District to prepare for the eventual fiduciary responsibility that will come with a full handover of service provision. This will require a longer-term strategic and technical relationship that needs to be cultivated with national players at MINALOC and MINECOFIN. GiZ has long been a partner of these ministries and cultivated strong working relationships. USAID’s ability to do the same may not be necessary if it can effectively collaborate with this bilateral partner.

HELP INCREASE FORMAL TIMELINES AND PROCESSES FOR CITIZEN PARTICIPATION IN THE BUDGET PROCESS

Districts have a narrow review period to respond to MINECOFIN after it issues its budget guidelines. There are between two and three weeks for the district to understand the budget circular, disseminate it to its subordinate administrative and representative bodies, facilitate and aggregate citizen feedback, and then process and package to return an informed response to the ministry. It is simply not enough time to meaningfully elicit and incorporate citizen feedback.

"Previously (two to three years ago), when the MINECOFIN guidelines were released, there was only about one week to respond. This limited the amount of time that citizens have to participate. Now there are about two to three weeks for the Districts to elicit citizen feedback and participation in setting district priorities."—KN04

"I think it's not a challenge of technical skills. We have administrators with high certificates and diplomas; I think it's a matter of time—the challenge is a paucity of time. We do not have enough time to meet and demonstrate changes by the time the next meeting happens."—KD03

USAID can support technical advice and advocacy to MINECOFIN to increase the budget review period, as well as help make clear to district officials all possible windows of opportunity to engage citizens in feedback loops.

USAID can work with other government agencies and cell councils to facilitate citizen input and monitoring during other times throughout the fiscal year, outside of the budget cycle. For example, Rwanda Women’s Network is facilitating citizen scorecards in Kayonza District. Similar efforts to engage citizens in continued accountability dialogue and feedback loops to their elected representatives can and should incorporate open budget data and continuous monitoring of imihigo.

²¹ GiZ Factsheet (2018): https://www.giz.de/static/en/images/contentimages_320x305px/Factsheet_Decentralisation_and_Good_Governance_in_Rwanda_09032017.pdf

SUPPORT DISTRICT CAPACITY TO GENERATE OWN-SOURCE REVENUE

Despite committing in the DDS to increase internal revenues, Kayonza District, like other districts in Rwanda, struggles to generate its own local revenues.²² Legally, districts are entitled to generate own-source revenue and reallocate funds at their discretion. This makes maximizing these funds to be allocated to citizen-informed priorities an appealing concept. USAID can explore and iterate with Kayonza District new modalities of planning, collecting, and disbursing own-source revenue in the district.

Kayonza has the potential to generate significant revenue through levies on cattle holdings, banana production, and cross-border trade, and eventually agro-processing businesses (part of the DDP growth strategy). Akagera National Park is partially located in the district and tourism enterprise could be a potential source of revenue and employment for local communities. In previous years, Rwanda made significant investments in its “Visit Rwanda” campaign, bridging youth development opportunities and tourism to Rwanda’s national parks, of which Akagera is prominently featured. However, the residual tourism sector has not been developed in Kayonza. USAID could study successes in residual tourism enterprises in other areas of Rwanda to see if there is an own-source revenue model paired with the tourism industry that works well in other geographies. Currently, it is not well understood how Kayonza’s own-source revenue is collected and reallocated. There are imihigo that leverage own-source revenue funds, but the RT was not able to identify a full accounting or attribution of Kayonza’s own-source revenue funds.

²² For example, at the inception of the District Development Strategy, the district was only able to raise RWF 748,542,722 (about USD 750,000) for fiscal year 2017/2018.

ANNEX I: KII LIST

NATIONAL AND DISTRICT-LEVEL RESPONDENTS

NAME	POSITION
1. Murenzi Jean Claude	Mayor
2. Kagaba Hero	Executive Secretary
3. Munyensanga Philbert	Director of Planning
4. Mukamurenzi Valentine	Chairperson of the District Council
5. Bisengimana Justin	JADF V/Chairperson
6. Gakire Bob	Director-General, Governance and Territorial Administration, MINALOC
7. Mahoro Eric	Deputy Executive Director, Never Again Rwanda
8. Sibomana Emmaus	District Field Officer, Rwanda Women's Network
9. Mutebutse Obed	Public Relations Officer, RCN Justice & Democracy

SUB-DISTRICT LEVEL RESPONDENTS

GAHINI	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NWC Representative of NYC Representative of NCPWD 	URUGARAMA	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NCPWD 	<ol style="list-style-type: none"> FGD with five youth representatives FGD with five village leaders
		KIYENZI	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NWC 	<ol style="list-style-type: none"> FGD with five women representatives
		KAHI	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NYC Citizen representative of PWDs 	<ol style="list-style-type: none"> FGD with five community representatives
MUKARANGE	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NWC Representative of NYC Representative of NCPWD 	NYAGATOVU	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NWC 	<ol style="list-style-type: none"> FGD with youth representatives FGD with five community representatives
		KAYONZA	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NYC 	<ol style="list-style-type: none"> FGD with five women representatives FGD with five village leaders
		BWIZA	<ol style="list-style-type: none"> Executive secretary Chairperson of the council Representative of NCPWD Citizen representative of PWDs 	

ANNEX 2: KEY DOCUMENTS AND CODES

THE MANUAL OF PUBLIC FINANCIAL MANAGEMENT POLICIES AND PROCEDURES

Published in 2019, the Manual of Public Financial Management Policies and Procedures replaced outdated government policies and procedures and supersedes the former PFM policy of 2007. The manual elaborates on the process of preparation and approval of local government budgets, provides the planning and budgeting calendar with clear deliverables and their timelines, and describes the role of JADF in local budget processes. According to the manual, the district council is responsible for the management of the property of the district including forecasts of revenues and expenditures. The PFM manual provides for district internal financial management systems and procedures. PFM functions are exercised by the district executive committee and the district council. Oversight is done by the internal audit committee, external auditors for the Auditor General, and legislative oversight administered by the Budget and National Patrimony Committee and the Public Accounts Committee. Internal auditors produce periodic reports and the Auditor General conducts audits every year. For example, the 2019/2020 Auditor General's Report faults Kayonza District for underutilization of a RWF 500 million fecal sludge treatment plant. The same underutilization was mentioned for a garbage compactor and fecal suction trucks, which were used only three times in six months. While this demonstrates a lack of foresight in public spending, comparatively Kayonza District fares well in PFM concerning the gaps identified in other public agencies and local government entities. The manual recognizes the role of JADF in discussing the budget execution report and performance reviews, as well as that budgets approved by the council should be made public and published on the district website. The PFM Manual does not clarify the role of the councils after the approval of the budget. Moreover, this political economy analysis could not find evidence where JADF discussed the budget execution report and approved budgets are not published on the district website as proclaimed in the policy manual.

RESULTS-BASED MANAGEMENT POLICY

The Results-Based Management Policy (MINECOFIN, 2015) sets out policies for implementing results-based performance management of Rwandan public services. The policy serves to “introduce and operationalize results-based performance management practices in the Rwandan Public Service in order to promote greater efficiency and effectiveness in services, enabling the government to meet timely policy commitments and targets in its national development strategy.” Generally, the policy seeks to help align service delivery to the NSTI objectives and further codifies MINECOFIN's role to release detailed guidelines on the formulation, management, implementation, and evaluation of joint imihigo.

MINALOC GUIDELINES

To ensure effective implementation of imihigo at the sub-district level, MINALOC issues guidelines every fiscal year. These guidelines serve to provide underlying principles and key priorities, as well as mechanisms for the preparation, monitoring, and evaluation of imihigo at the sub-district level.

The guidelines state that the planning of imihigo at sector, cell, and village levels should focus on activities that are not considered in either the District Action Plan or the District Imihigo, and which respond to the national priorities and the needs that have been expressed both by respective entities and by the citizens during the planning process. Apart from consultations during the planning and budgeting phase, a separate process that is intended to feed into imihigo, this is the only occasion when citizens are requested to participate in imihigo. However, citizens are already constrained by the attached limitations. In practice,

the guidelines come with specific targets that are extracted verbatim and placed in household imihigo templates for citizens to confirm.

PLANNING AND BUDGETING CALL CIRCULARS

MINECOFIN issues two P&BCCs. The first—P&BCCI—outlines the role of each of the main stakeholders (districts, citizens, development partners, cabinet, and parliament) in planning and budgeting for each fiscal year.

The P&BCC explicitly requires districts to coordinate consultations within sectors and cells on the draft list of priorities and new projects to be proposed for funding in fiscal year 2020/2021. One important element of the consultative process is the provision of feedback on priorities identified the previous year and how they were prioritized in the current year under implementation. The consultation and feedback process is facilitated by templates that are provided as annexes to the P&BCC.

The P&BCC are equally recommended to engage the private sector and CSOs in the planning process. CSOs' engagement is envisaged to take place in the JADF structure and focuses mostly on coordinating resources and promoting the synergy for accelerated local socioeconomic development.

LODA GUIDELINES

LODA issues supplementary guidelines to the P&BCCI for local governments. The guidelines require all districts to make budget planning a participatory process with greater citizen participation and engagement. Furthermore, LODA provides monitoring templates for a participatory planning process.²³ The templates are specific on the type and amount of information to be collected from citizens. Collected information is fed into the MEIS for easy consolidation and consultation by the district.

DISTRICT DEVELOPMENT STRATEGY

The DDS is a medium-term local policy framework that aligns with the NSTI and directs government investments. The DDS describes the district's needs for economic, social, good governance, and rule of law development programming. This is articulated through a three-pillar strategy that focuses on economic transformation, social transformation, and transformational governance. The DDS is designed to facilitate annual planning, budgeting, and imihigo formulation. Its implementation informs results attributed to the NSTI.

The DDS further outlines local delegation of authority, with specific tasks designated to the district director of planning, M&E officials, the district council, JADF, the district executive committee, directors of units, and executive secretaries of the respective sectors of Kayonza District.

²³ The templates require information on public feedback meetings at the local level, consideration of citizens' priorities collected during the P&BCCI, identification of new citizens' priorities for P&BCCI, aggregation of villages' priority lists to one cell-wide priority list, submission of cell-wide priority lists to the sector, aggregation of cell-wide priority lists to one sector-wide priority list, submission of sector-wide priority lists to the district, and entering sector priorities into the online MEIS.

ANNEX 3: RESEARCH SUB-QUESTIONS

1. What are the specific guidelines on the process of developing district plans, budgets, and imihigo? Are they specific on the role and inclusion of citizens' priorities in district plans, budgets, and imihigo? Are they respected in practice?
2. What are the roles of council members in the preparation and approval of district plans, budgets, and imihigo? Are they empowered to influence the decisions of the district executive committee? If yes, give examples. If not, why not?
3. Do you think citizens and CSOs play any role in the development of district plans, budgets, and imihigo? If yes, how? If not, why not?
4. Are citizens' and CSOs' views and priorities considered in the final district plans, budgets, and imihigo? If yes, give examples. If not, why not?
5. What communications and participatory mechanisms has Kayonza District put in place to ensure that district plans, budget, and imihigo are inclusive, citizen-centered, and context-specific to Kayonza's needs?
6. Do you think such methods are effective? If yes, how? If no, why not?
7. How are sectoral (ministerial) priorities incorporated in the district plans, budgets, and imihigo?
8. How could the process of developing district plans, budgets, and imihigo be made more inclusive and effective?