

# FISCAL DECENTRALIZATION PROJECT FINAL STATUS REPORT SEPTEMBER 2001 - SEPTEMBER 2004



30th September 2004



# Table of Contents

<i>Forward and Acknowledgement</i>	2
<i>Project Background</i>	3
<i>Expanding Activities</i>	3
<i>RICAM</i>	4
<i>Coordination with other Stakeholders</i>	5
<i>FDP Support to LGFD</i>	5
<i>Structure of the LGFD, MINALOC</i>	6
<i>ARD/FDP Supports MINALOC, in 5 Areas:</i>	6
<i>Important Achievements by the FDP in Coordination with MINALOC and Key Stakeholders</i>	7
<i>Institutional Development &amp; Support (IDS) Component</i>	8
<i>Financial Management (FM) Component</i>	12
<i>The Fiscal Decentralization (FD) Component</i>	15
<i>District Services Component: Solid Waste Management</i>	18
<i>Rwanda Increased Community Model (RICAM)</i>	26
<i>ANNEX 1: RICAM* Anti-Corruption Performance Indicators</i>	29
<i>ANNEX 2: Schedule for Submitting Final Contractual Deliverables</i>	31
<i>ANNEX 3: ARD/FDP Staff and Technical Support Advisors</i>	34
<i>Conclusions</i>	34

*Prepared by:* Henry H. Kellam III, PhD., Chief of Party (COP)  
USAID/ARD Fiscal Decentralization Project  
Office: BP 7191, Concordia Bdg, Kigali, Rwanda  
Office phone/fax: (250) 585205, COP mobile: (250) 08.30.59.21  
Email: hkellamcopfd@yahoo.com, Website: <http://www.ard-rwanda.org.rw/>

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## Forward and Acknowledgement

**U**nder recent fiscal decentralization policies, new responsibilities have been devolved to lower level local governments. Local governments are assuming responsibility of their own financial management systems, which requires stronger coordination of local development processes.

However, the change of power is proving difficult to implement because of the insufficient specialized capability available at local level. Much of the skilled labor force was wiped out during the genocide. Assistance was called for with respect to training, advisory services, strengthening of the self-responsibility of local decision-makers in the administration and fiscal and financial management and accountability.

Since September 2001, FDP has concentrated on appropriate strategies that are geared towards the respective human and financial resources available for the delivery of public services in Rwanda. FDP was very realistic in assessing the limitations in localities when designing viable fiscal & financial models. On-going training & coaching was the mainstay of the Project - coupled with financial management models & macro-fiscal policies. The principle of participation by the population and strong coordination/transparency with MINALOC was FDP's highest priority. Such strategies are vital to mobilize and empower the people towards financial accountability and sustainability. Participation and self-motivation are key elements for successful implementation, ensuring that the needs of the local level governments are indeed incorporated into fiscal decentralization implementation.

The successful implementation of FDP involved the collaboration, support and consultations of numerous individuals. On behalf of the entire FDP Team, we were grateful for the following support.

The FDP wishes to thank the Hon. Minister of Good Governance, Mr. Protais Musoni & Mr. Eugène Barikana, SG (MINALOC) for all their guidance & support as well as the key counterparts for FDP at MINALOC that include: Mr. Paul Jabo, Mr. Desiré Nsabimana, Mr. Sam Rwahama, Mr. Alexandre Semarinyota and Mr. Alexis Dukeundane.

Robert Kehew has been a major inspiration for FDP since it's inception. His timely - high level advise and inputs - proved invaluable right to the end. The FDP could not have functioned without the continuous support from Marc Companion of the ARD home office. Last, but not least, special thanks goes out to Pierre Munyura of USAID for his tremendous support, understanding & friendship.....

CoP/FDP



# Final Status Report : Sept. 2001 - Sept. 2004 ARD/FDP Deliverables

## Project Background

Following the genocide in 1994, the Government of Rwanda (GoR) seized on decentralization as a key strategy in promoting national reconciliation, power-sharing, and participatory development at the local level. In 2000-2001, the GoR first adopted a National Decentralization Policy and then a Fiscal and Financial Decentralization Policy. To support this reform effort, USAID selected Associates in Rural Development, Inc (ARD), based in Burlington, Vermont, to support the GoR via the Fiscal Decentralization Project (FDP), under USAID/ARD Rwanda Fiscal Decentralization Project Contract AEP-I-805-00-00016-00, Task Order No. 805. ARD/FDP works in partnership with a number of Government of Rwanda counterparts in implementing this activity, the primary being MINALOC, the Ministry of Local, Community Development & Social Affairs. The Project began its third and final year of implementation in October 2003. The FDP will close the 30<sup>th</sup> of September 2004.



The Ministry of Local Government (MINALOC) was established and mandated to spearhead the efforts of the Government of National Unity to promote decentralization and good governance. The United States Agency for International Development (USAID) is determined to assist GOR in implementation and subsequently contracted Associates in Rural Development, Inc. (ARD, Inc.) to design and carry out four specific tasks for the period between 2001 to the September of 2004. To accomplish these ARD, Inc. grouped these tasks into four thematic categories namely, Fiscal Decentralization (FD), Financial Management (FM), Institutional Development and Support (IDS) and District Services (DS). A fifth Component, Rwanda Increased Community Accountability Model



(RICAM) was added in May of this year. The ARD/FDP sees these five main Components as an integrated 'TEAM' approach and that strong coordination/communication and planning with FDP key partners is the key to success.

In January of 2004, a four-day workshop was held in Ruhengeri Province, Rwanda to plan for the final year of the USAID-funded Fiscal Decentralization Project. All of the FDP key stakeholders participated. Although some revisions were made to work plans developed in this retreat, the key activities and principles remain in place.

**Workshop Objectives:** To build a shared vision and common understanding between the FD Project team and our counterparts at MINALOC (and other branches of the GoR) regarding:

- ❑ The current state of fiscal decentralization in Rwanda
- ❑ Key deliverables that the FDP is required to provide
- ❑ Priorities and implementation strategies and plans for major streams of activity for Year 3 of the FDP
- ❑ Ongoing coordination framework for the FDP and GoR counterparts

## Expanding Activities

From September 2001 until December 2003, the FDP has concentrated primarily on District level Coaching and Training, utilizing materials developed in coordination with the Financial Management Component. This has had a great impact on building the District's capacities to systematically manage and account for their own finances in coordination with the Ministries.



Although deliverables the FDP are responsible for remain the same, the FDP has greatly expanded their activities in 2004 to create an even greater impact on Fiscal Decentralization in Rwanda. Notable are in-roads in developing models/testing pilot districts for more systematic monitoring linked with lower level governments, property tax enforcement, anti-corruption, more Advanced Trainer of Trainers Modules and Solid Waste Management.



Four areas seen as 'high impact' deliverables are in the implementation of Property Tax collection, Solid Waste recycling, Rwanda Increased Community Accountability Model (RICAM), and the tremendous successes realized by the Coaching & Training in the Districts with training 25+ 'pool of trainers' and the capacity building of all district accountants. FDP as made some successes in testing Property Tax implementation. The Solid Waste deliverable as implemented a bio-waste fuel briquette production operation under three women's associations in the City of Kigali. This Component is due to be extended until the end of the year, which will provide more sustainability towards environmental and socio-economic benefits. Through the production and sale of about 17,855 tones of bio-waste fuel briquettes per year, it would create 6,360 jobs and support indirectly a further 3,475 jobs. The activity would save 95,000 m<sup>3</sup> of fuel wood, which is about 2.5% of the current demand. FDP launched RICAM in May 2004 as a pilot for a 5 year USAID Program. FDP will achieve a 'well-focused' Action Plan for Rwanda by testing strategies developed on the ground.



## RICAM

FDP is supporting anti-corruption activities through the Rwanda Increased Accountability Model (RICAM). This was under sub-sector activities that are integrated and incorporated into several of the FDP ongoing Component at the District level.



This five years program is to increase the public accountability and oversight at the local level within both local governments and local public services by addressing the environment that enables corruption to flourish and preventing the mismanagement of the increased resources that will flow to local district governments. To achieve this goal over five years the project has the objective to promote partnerships for the design and implementation of coordinated programming based upon the management cycle: 1) defining priorities, 2) planning activities, 3) budgeting and financing activities, 4) implementing activities and, 5) monitoring results, and 6) providing feedback to national oversight agencies on successes and problems, especially fiscal management issues.

Recently, the World Bank has given recognition to the FDP's important contributions to Fiscal Decentralization in Rwanda, particularly considering the post war status coupled with the fact that Rwanda has only undertaken such decentralization in the past 3-4 years.



## Coordination with other Stakeholders

The FDP has made important coordination/ collaboration agreements with other organizations in an effort to combine resources to promote stronger results and impacts. Minister Musoni has supported such agreements when they are in line with the overall DIP strategies. Notable successes realized by such agreements are as follows:

<b>FDP and the Swiss/Kibuye Decentralization Project</b>	<ul style="list-style-type: none"> <li>✦ Under the FDP Institutional Development and Support (ID&amp;S) and Financial Management (FM) Components, the FDP has provided relevant Trainer of Trainers &amp; Coaching &amp; Training workshops to assist the Swiss/Kibuye Project in areas of integrated financial management processes and mechanisms for their ongoing program</li> </ul>
<b>FDP and RALGA</b>	<ul style="list-style-type: none"> <li>✦ In April 2004, RALGA approached the FDP requesting technical and advisory support in various activities. The FDP developed a website for RALGA. <a href="http://www.ralga.org.rw">www.ralga.org.rw</a></li> <li>✦ The FDP provided some financial support for the one-year inauguration held 22 April 2004.</li> <li>✦ The FDP is coordinating with RALGA (via MINALOC) on the RICAM Program and a FDP staff member (Community Accountability Specialist) is working closely with them on piloting anti-corruption activities.</li> </ul>
<b>FDP &amp; Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ):</b>	<ul style="list-style-type: none"> <li>✦ Under the FDP Institutional Development and Support (ID&amp;S) Component, the FDP has provided training for Auditors and Executive Secretaries and integrated financial management and budgetary processes and mechanisms for the GTZ/Kibungo Project</li> </ul>
<b>FDP and HELPAGE</b>	<ul style="list-style-type: none"> <li>✦ Under the FDP Institutional Development and Support (ID&amp;S) Component, the FDP has provided training for Auditors and Executive Secretaries and integrated financial management and budgetary processes and mechanisms for the HELPAGE/Ruhengeri Project</li> </ul>
<b>City of Kigali (CoK) and Nyarugenge</b>	<ul style="list-style-type: none"> <li>✦ The FDP project is coordinating with CoK (Via MINALOC) in areas of Property Tax implementation, RICAM, Solid Waste Management and Market Administration.</li> </ul>

## FDP Support to LGFD

The recognition of the prominence and crucial role of the fiscal and financial processes will be the success of the overall decentralization policy. There was a need for an effective intervention and coordination framework at MINALOC in the fiscal decentralization process. The GoR Cabinet approved a new Local Government Finance Department (LGFD) within MINALOC to achieve this. The LGFD began operations in August under Mr. Paul Jabo, Director of the Department. ARD/FDP has been providing technical and advisory support to the newly formed LGFD in order to see it fully operationalized and sustainable.

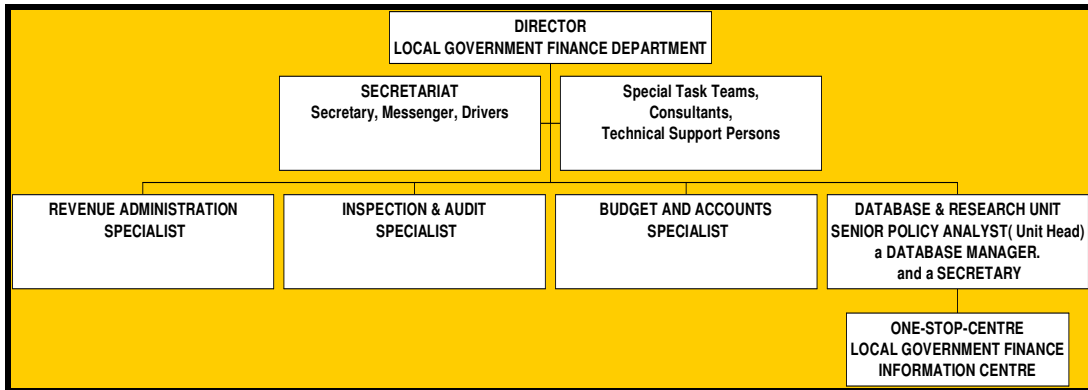
ARD/FDP has been providing intensive training for the LGFD and successfully provided the necessary hand-over support.

The LGFD with assistance from the ARD/FDP will: 1) Assess in the performance of local governments in revenue and financial management; 2) Play a lead role in policy formulation, technical guidance and capacity building for revenue collection and financial management among local governments; 3) Provide advice to the Minister responsible for LG Finance on policy and legislative reform required for effective functioning of local government finance; 4) Provide monitoring and evaluation of the fiscal decentralization process and; 5) Facilitate coordination with key stakeholders on matters regarding LG Finance.

LGFD received Cabinet approval the last week of March 2004. MINALOC has received official support for the LGFD from USAID/Rwanda. The key positions for the LGFD have been filled and support equipment procured by USAID. The ARD/FDP also handed over many important items for running the new Department.



**Structure of the LGFD, MINALOC**



**Mr. Paul Jabo, the new Director  
of the LGFD, MINALOC**



**ARD/FDP Supports MINALOC, in 5 Areas:**

1. **Municipal finance system.** The GoR Policy stresses assigning sufficient own-source revenues to local governments, primarily to finance current expenditures. ARD/FDP is currently supporting the GoR in developing a local government revenue law that would include a tax on real property and other sources. Likewise, the team works with the GoR in developing a system to finance capital investment, including intergovernmental revenue transfers and other sources/mechanisms.
2. **Municipal financial management.** To allow local governments to transparently and effectively manage their new resources, ARD/FDP is also involved in supporting the development of a system of financial management at the local level. This system includes components such as accounting, budgeting, procurement, auditing, etc.
3. **Devolution of service responsibilities.** ARD/FDP has developed a policy tool to assist the GoR to ensure that the resources assigned to local governments are more or less in line with new responsibilities for service provision. At the same time, the team assists the GoR develop detailed strategies for the orderly transfer of two service responsibilities to the local level.
4. **District Services and Market Management:** Since the 1<sup>st</sup> of the year, ARD/FDP launched a program to address environment management concerns. Erosion is one of the biggest problems in Rwanda due to dense population and deforestation. The focus of this Component is on 'Solid Waste Management' through public awareness and promoting locally built 'briquettes' recycling machines' through appropriate technology methods. This Component will work in 4 pilot districts. The first of which is the City of Kigali, which is underway.
5. **Rwanda Increased Community Accountability Model (RICAM):** FDP launched its pilot program for RICAM in May 2004. This five years program is to increase the public accountability and oversight at the local level within both local governments and local public services by addressing the environment that enables corruption to flourish and preventing the mismanagement of the increased resources that will flow to local district governments.





## Important Achievements by the FDP in Coordination with MINALOC and Key Stakeholders

1. *All Rwandan District Accountants trained.*
2. *Pool of (25+) ARD/FDP Advanced Trainer of Trainers (AToT) trained in participatory methods throughout Rwanda.*
3. *Accounting Training Manual for local Governments in Rwanda. (Version 3.0 June03) Implemented in 85% of Districts. To be updated after Treasury and Budget approval.*
4. *Budget Training Manual for local Governments in Rwanda. (Version 6.0 July04). Reviewed and to be approved by MINALOC.*
5. *Treasury Training Manual for local Governments in Rwanda. (Version 2.0 August 04). Under revision by MINALOC*
6. *An analysis for "Budget Execution and Financial Position of Local Governments in Rwanda". (Version 1.0 Jun04). Sent to MINALOC for comments.*
7. *Roles and responsibilities for Financial Management for Local Governments of Rwanda. (Version 3.0 sep04). To be presented in September 2004.*
8. *Financial Management Manual for Local governments in Rwanda. (Version 2.0 oct03). To be updated after other FM system's manuals are approved by MINALOC. This will be the final document of enhancements to the existing "Financial and Accounting Procedures for Local Governments in Rwanda" approved by MINALOC.*
9. *A Practical Guide For Participatory Processes Towards Accountability and Transparency. Developed under the USAID RICAM/Anti-Corruption Program for Trainer of Trainers Modules and Pilot Workshops.*
10. *Three Women's Associations (pilots) trained and operating under the ARD/FDP Solid Waste Management Component.*
11. *A sustainable Solid Waste Management System established with 340 people working within the system.*
12. *The 1<sup>st</sup> fuel biomass briquetting system developed/manufactured in Rwanda by ARD/FDP.*
13. *Production of biomass fuel briquetts for household & industrial use to commence in August 2004.*
14. *ARD/FDP developed and designed a briquette machine and briquette cooking stoves & other technology to reduce charcoal dependence and relieve solid waste problems and meet local requirements conducive to Rwanda.*
15. *Four District (Pilots) Markets established, trained and are operating under the ARD/FDP District Services Component.*
16. *80% fee collection for refuse by the 3 Women's Associations under the ARD/FDP Solid Waste Component's 'Consensus Building Model'.*
17. *Option Paper on Financing for Sustainable Fiscal Management.*
18. *Manual for Fiscal Decentralization Data (FDD) for Local and Central Government in Rwanda. (Version: 2.0)*
19. *Fiscal Decentralization Data (FDD) captured and under ongoing collection & analysis in 90% of all Districts.*
20. *Report/Paper on Intergovernmental Transfers Reform and Equalization Formula Design for the Republic of Rwanda. Approved by Cabinet in June 2004. (Version: 3.0)*
21. *Manual on Administering the Rwandan Fixed Asset Tax. (Version: 4.0)*
22. *Training Manual on Property Tax in Rwanda. (Version 1.0)*
23. *Property Tax implementation in the process in Nyarugenge District.*
24. *Reforming Property Tax and Transfer Laws.*
25. *4 Option Papers/Studies: 1) Property Tax dev. in Rwanda; 2) Rate setting of Property Tax in Rwanda; 3) Financial sustainability for local governments in Rwanda; 4) Revenue sharing & expenditure responsibility in Rwanda.*
26. *ARD/FDP Website developed [www.ard-rwanda.org.rw](http://www.ard-rwanda.org.rw)*
27. *ARD/FDP developed a Website for RALGA: [www.ralga.org.rw](http://www.ralga.org.rw)*



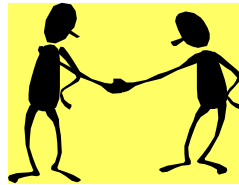
## Institutional Development & Support (IDS) Component

### D1. Manual & automated FM systems, installed in pilot districts; staff fully trained:

The institutional development component is responsible to promote capacity building and program sustainability among local governments institutions by developing and providing an effective training program.

Effective and transparent financial management is fundamental to the functioning of districts. It helps them to use resources effectively in providing basic services. Financial management capacity engenders the trust that helps to attract resources from citizens –taxpayers, from the central government, and from donors.

*"The ARD/FDP has played a big role to develop the financial management capacity of local governments. The project has trained 108 accountants in all the districts and 15 inspectors of the district's finances at the provincial level."*



Accountants have benefited of two weeks training program including principles of the accounting system, problems, case studies and practice on accounting books to consolidate accounting practices to prepare reliable financial reports.

Addition to these numbers new accountants have received special follow up during the year 2004 and some of them were capable to begin to use the system: these are accountants of Buriza in Kigali Ngali, Bugarura in Ruhengeri, Mirenge, Cyarubare and Kigarama in Kibungo, Kabare and Muvumba in Umutara, Kayumbu and Muhanga in Gitarama.

#### NO. OF ACCOUNTANTS/INSPECTORS TRAINED BY PROVINCE

Province	Number Districts	Accountants trained	Inspectors trained	Dates of training
City of Kigali	8	8	1	Sept 02
Byumba	9	11	1	Sept 02
Kibungo	10	10	2	Nov 02
Cyangugu	7	7	1	Nov 02
Butare	10	12	1	Jan 03
Gikongoro	7	7	1	Jan 03
Kibuye	6	6	2	Mar 03
Gitarama	10	10	2	Mar 03
Ruhengeri	11	11	1	Jun 03
Gisenyi	10	10	1	Jun 2003
Kigali Ngali	10	9	1	Aug 03
Umutara	8	7	1	Aug 03
<b>Total</b>	<b>106</b>	<b>108</b>	<b>15</b>	

The FDP distributed accounting ledgers for the accountants during the year 2004. 93% of all the districts received accounting documents except the districts of the city Kigali. The accounting books are organized in Trial balance, Registers: Liabilities, Fixed asset, Commitments, Financial Reports, Journal and Ledgers: Asset, Revenue, Expenditure, Accumulated Surplus, Program, Budget, Memorandum.

**Countrywide coaching in accounting systems & procedures:** Extensive coaching was done for all the districts in the country during the 3-year project. The technical assistance to the districts in the country has allowed financial reporting in most local governments in Rwanda according to international standards. As the decentralization laws are implemented and local governments became autonomous, local governments need information to monitor the execution of their budgets and plans and take corrective action, as necessary.

Using financial information produced by districts, the FDP realized data capturing of districts financial reports up to 90% for the year 2003 and a preliminary analysis for budget execution and financial position of Local Government in Rwanda was possible.

Each district has benefited of 3 days each of technical assistance during 6 months at minimum. Training of inspectors of district's finances was achieved in February on monitoring the accounting system and review of financial reports. This has helped the provinces to be more implicated in the monitoring of the reporting system.

**Training for Senior Officials and District Councils:** Additional training has been developed for senior officials and district councils to interpret financial reports and set policy. A guide for interpretation on financial reports and function separation had been developed. These trainings have been carried in Byumba, Kibungo, Gitarama, Butare, Gikongoro, Kibuye, Gisenyi, Ruhengeri and Kigali Ngali.

**Meetings with Provincial Authorities:** an emphasis was put in meeting the provinces in order to increase the number of Provinces actively involved in the follow up of financial management and therefore the number of monthly reports produced by the accountants. These meetings were carried in all the provinces. As result, the inspectors have started to send financial reports to the Ministry. Some provinces have now regular meetings with accountants & executive secretaries of the districts to monitor the achievements by the districts.

**Presentations of financial reports by the accountants to the executive committees:** one-day presentation of the accounting system for members of executive committees was organized in the provinces of Byumba, Kibungo, Butare, Gikongoro, Gitarama, Kibuye, Gisenyi, Ruhengeri and Kigali Ngali. An overview of the accounting system was presented and the interpretation of the financial reports. Handouts were also distributed to the participants, to help them to analyze the financial reports.

**Training of Auditors and Executive secretaries/ Collaboration with other partners:** This helps to have more people who know the system in the district for sustainability. In this regard we prepare training program for auditors, executive secretaries and vice-mayors of finance and economic development in Ruhengeri in partnership with Helpage Rwanda, Training of accountants and auditors in Kibungo province in collaboration with GTZ decentralization project. In collaboration with PED project funded by Suisse Cooperation we trained officials of Kibuye province.

Although the project has continued to help accountants, the big problem remains in the constant change of staff in the districts. The provinces of Umutara and Gitarama will have to organize trainings for the new staff. The districts of the city of Kigali are a special case because the accountants declare that they need a computerized system and have not submitted their reports according to the new system.

**STATUS OF REPORTING FOR THE PROVINCES IN 2004:**

Province	District	Recent report produced	Province	District	Recent report produced
Butare	Butare Ville	New accountant	Kibungo	Cyarubare	New accountant
Butare	Gikonko	May	Kibungo	Kabarondo	June
Butare	Kibingo	March	Kibungo	Kibungo Town	May
Butare	Kiruhura	June	Kibungo	Mirenge	June
Butare	Maraba	June	Kibungo	Muhazi	May
Butare	Mugombwa	July	Kibungo	Nyarubuye	June
Butare	Nyakizu	June	Kibungo	Rukira	June
Butare	Nyamure	July	Kibungo	Rusumo	June
Butare	Nyanza Town	New accountant	Kibungo	Rwamagana Town	March
Butare	Save	June	Kibuye	Budaha	March
Byumba	Bungwe	New accountant	Kibuye	Gisunzu	July
Byumba	Byumba Town	June	Kibuye	Itabire	July
Byumba	Humure	New accountant	Kibuye	Rusenyi	June
Byumba	Kinihira	May	Kibuye	Rutsiro	New accountant
Byumba	Kisaro	July	Kibuye	Ville de Kibuye	May
Byumba	Ngarama	May	Kigali Ngali	Bicumbi	May
Byumba	Rebero	April	Kigali Ngali	Buriza	May
Byumba	Rushaki	New accountant	Kigali Ngali	Gasabo	May
Byumba	Rwamiko	August	Kigali Ngali	Gashora	May
Cyangugu	Bugarama	May	Kigali Ngali	Kabuga	May
Cyangugu	Bukunzi	April	Kigali Ngali	Ngenda	Feb
Cyangugu	Cyangugu town	March	Kigali Ngali	Nyamata	July
Cyangugu	Gashonga	May	Kigali Ngali	Rulindo	March
Cyangugu	Gatare	April	Kigali Ngali	Rushashi	February
Cyangugu	Impala	March	Kigali Ngali	Shyorongi	May
Cyangugu	Nyamasheshe	April	Ruhengeri	Bugarura	June
Gikongoro	Kaduha	March	Ruhengeri	Buhoma	Feb
Gikongoro	Karaba	May	Ruhengeri	Bukamba	June
Gikongoro	Mudasomwa	June	Ruhengeri	Bukonya	June
Gikongoro	Mushubi	July	Ruhengeri	Butaro	June
Gikongoro	Nshili	May	Ruhengeri	Cyeru	June
Gikongoro	Nyaruguru	New accountant	Ruhengeri	Kinigi	June
Gikongoro	Ville de Gikongoro	New accountant	Ruhengeri	Mutobo	May
Gisenyi	Cyanzarwe	New accountant	Ruhengeri	Nyamugari	May
Gisenyi	Gaseke	May	Ruhengeri	Nyarutovu	May
Gisenyi	Gasiza	April	Ruhengeri	Ville Ruhengeri	May
Gisenyi	Kageyo	May	Umutara	Bugaragara	March
Gisenyi	Kanama	June	Umutara	Gabiro	March
Gisenyi	Kayove	May	Umutara	Kabare	February
Gisenyi	Mutura	March	Umutara	Kahi	March
Gisenyi	Nyagisagara	April	Umutara	Murambi	New accountant
Gisenyi	Nyamyumba	May	Umutara	Muvumba	April
Gisenyi	Ville Gisenyi	March	Umutara	Nyagatare Town	
Gitarama	Gitarama town	March	Umutara	Rukara	New accountant
Gitarama	Kabagari	New accountant			
Gitarama	Kamonyi	June			
Gitarama	Kayumbu	March			
Gitarama	Muhanga	New accountant			
Gitarama	Ndiza	June			
Gitarama	Ntenyo	June			
Gitarama	Ntongwe	New accountant			
Gitarama	Ruhango ville	New accountant			
Gitarama	Ruyumba	June			



**D2. Staff in Pilot Districts Trained in Budget Management:**

- ❑ Training of the members of budget committees will take place in Kibuye after finalizing the training manual. This training aimed to help district to prepare comprehensive budgets that consider the needs of the community.
- ❑ With MINALOC a training plan will be prepared in order to begin the budgetary process in local governments.

**D3. Manual & Training Curriculum Replicated & Disseminated to Other Districts.**

Series of training manuals had been developed and disseminated:

Deliverables	Comments	Dates of Submission
D1	Accounting for Local Governments Training of Trainers Participant's handbook (English and French)	Sept 02
D1	Accounting for Local Governments in Rwanda (English and French)	1st ver Nov 02 Updated Mar 03
D3	Training manual Accounting for Local Governments in Rwanda B-Workshop. Manual for Trainers (English and French)	1st ver Nov 02 Updated Mar 03
D3	Intermediate Program Training of Trainers (English and French)	August 2003
D3	Advanced Training of Trainers. Handbook (English and French)	March 2004

- ❑ Training of trainers have in financial management at introductory level took place in Kibuye in November 2002 and in Gahini in February 2003: these two trainings aimed to improve ability of trainers to deliver financial management capacity building programs by using appropriate training and coaching techniques and materials, prepare, organize, and effectively manage workshops by practicing skills and knowledge on adult learning, training cycle, training needs assessment, training objective formulation, training tools and training design .An intermediate training of trainers took place in Kinigi Ruhengeri in August 2003: participants were trained in communication skills, training tools and methods, trainers performance, coaching knowledge and skills and effective team working
- ❑ An advanced training of trainers was held in Kibuye in May 2004: participants were trained on training needs assessment, skills to analyze the target groups, detailed design and training materials.
- ❑ A draft version of budget management training manual prepared by the financial management component to enhance the budget system for local government has been submitted to MINALOC for review. Additional training materials are in preparation for the proper implementation of the budget system and will allow the training of trainers on budget management.

**Component Impacts on Rwanda**

Build financial capacity in local governments: this has allowed generation of financial reports in local governments. With these reports local governments have changed their management in prioritising needs

and preparing and executing their budgets. Districts can get at particular point of time:

- ❑ A description of their financial situation
- ❑ Comparison of revenues and expenditures
- ❑ Statement of Cash Flow
- ❑ Comparison of appropriations and corresponding expenditures and encumbrances which constitute a budget execution and monitoring tool
- ❑ Performance of revenue collection
- ❑ Bank reconciliation statements
- ❑ The generation of the financial information has raised donors and government trust in the management of district funds.

FDP realized data capturing of districts financial reports for the year 2003 for analysis. A preliminary analysis for budget execution and financial position of Local Government in Rwanda was possible.

Due to the capacity build in the districts donors as the World Bank, Suisse Cooperation, GTZ, HELPAGE Rwanda financed by the Dutch Cooperation have shown their interest and collaborated with the project to strengthen these capacity and use the same system for the finances in the district level.

**Component Sustainability**

The systems were designed in collaboration with MINALOC that makes all local government to use the systems as a rule.

A pool of trainers has been trained to help MINALOC to carry replication of the training in financial management. The transfer of activities to the Local Finance Unit in MINALOC will be of great importance to continue these activities.

LIST OF TRAINERS	
Participant	Function and Agency
Rusingirwa Osee	MINALOC
Uwamwezi Soline	MINALOC
Ayobahorana Emmanuel	Inspector Kibuye Province
Munyandamutsa Claude	Town of Kibuye
Barabwiriza Samuel	Accountant, District of Kibuye
Mukamasoni Concilie	District of Kamonyi, Gitarama
Rukundo Leon	Inspector, Gitarama Province
Pascal	Inspector, Gikongoro Province
Halindintwali Innocent	Accountant District of Mushubi, Gikongoro
Ndatsikira Gerard	Province of Butare Province
Kayisengerwa Sylvie	Accountant, District of Maraba, Butare
Kanamugire Antoine	Inspector, Cyangugu Province
Nzamuhabwanimana Venantie	Province of Ruhengeri
Murindahabi Innocent	Accountant, District of Nyamugari, Ruhengeri
Nizeyimana Donat	District of Gashora
Murama Justin	Kibungo Province
Maguru Bernard	Accountant, District of Kabarondo
Mugabe Anthony	Inspector, Umutara Province
Dusenge Louis	Accountant, District of Kayove Gisenyi
Mugabe Innocent	Inspector, Gisenyi Province
Basabe Judith	Inspector, Umutara Province
Niyonsaba Micheline	ARD
Rubango Claude	ARD

The project has earned the interest of other donors who work in decentralization in Rwanda and this will help to sustain the activities of the component.

► **Recommendations and Conclusions**

Although the project has done considerable training in financial management, assisting local governments to embrace a system of internal control with different

responsibilities will involve helping a number of different local officials by sensitisation and formal training.

MINALOC should collaborate with donors and NGOs to build on the achievements of FDP. It will be worthwhile to use the trainers to help the local governments to sustain the financial management systems.

Additional accounting training will be necessary in accounting because of the turnover of the staff.





## Financial Management (FM) Component

### Background

Following the 'Fiscal and Financial Decentralization Policy' established in Rwanda in May 2001, it has been necessary to provide enough technical tools to the emergent local governments' authorities in financial management.

MINALOC has developed the 'Financial Management and Accounting Procedures for local Governments in Rwanda' approved by the Ministerial Decree No 01/07/06 of 13/01/2004 and agreed that the USAID project on Fiscal Decentralization (ARD/FDP) makes procedures manuals for Budget and Treasury systems and presents them for GoR approval.

The main objective of such products is to enhance the existing transparency and good governance at the local level by the effective and efficient application of financial management systems to the local governments in Rwanda.

All three main financial systems manuals have been presented to MINALOC, and two of them (Budget and Treasury) are still in the process of Ministry's approval.

#### **D1. Options paper on financial management system for districts:**

**Objective:** To have a manual for Financial Management applied to the districts.

**Achievements:** In early July 2004, the FM Component submitted a preliminary analysis for "Budget Execution and Financial Position of Local (District) Governments in Rwanda" to Minister Musoni.

**Issues:** The project has presented to MINALOC in total all three main systems' manuals covering Accounting, Budget and Treasury. MINALOC's feedback and later approval to them in a timely manner will shift the aggregation and the developing of the whole FM manual.

**Timeline:** After all procedure manuals in the deliverable below are approved by MINALOC they can be aggregated and complemented to have a full FM manual. Only after this manual is established it is advisable to develop the following documents and making them integrated to the existing FM core.

- Strategic and Operational Planning system
- Personnel administration system
- Administration of Goods and Services system (Includes Tendering process)
- Roles and responsibilities in FM at local governments
- Audit Control Manual
- Categorization of codes and descriptions used in FM systems

The technical staff on FM component strongly recommends to develop and implement all those systems, because as a natural process of decentralization, the Districts would have more resources as the time passes, and they will need to be well trained and knowledgeable in full financial management.

Technical assistance may be required to develop these financial systems to ensure that they will follow international and accepted standards of transparency and accountability. Capacity building for financial management is always a interrelation concept, meaning that knowledge interchange improves the internal management.

#### **D2. Procedure Manuals for FM systems:**

**Objective:** To have manual of procedures for FM systems whose utilization in Districts will formalize the financial procedures therefore increase the existing accountability and transparency.

The activities are centralized in the three main financial systems, Accounting, Budget and Treasury, but it can be extended to other core systems that will give a complete set of procedures for Financial Management at the Local Governments

**Achievements:** Technical manuals on the three main financial systems have been presented to MINALOC for their revision and further approval.

#### **Accounting**

- Local governments in Rwanda shall use the Modified Accrual Basis, as described by IFAC. Under this basis of accounting, expenditures are recognized as soon as they are incurred while revenues are recognized only when they are actually received
- The International Federation of Accountants (IFAC) - International Public Sector Accounting Standard (IPSAS), will guide the accounting.
- Provide information that is useful to members of the District Council and other stakeholders (Province, MINECOFIN, MINALOC) in their financial management decisions
- Provide information about the economic resources of the district that is useful in predicting future (cash flows) and their likelihood
- Report revenues and expenditures accurately on a timely basis.
- Transaction rules are reflections of the accounting standards and charts of accounts, which, in turn, determine how business events are recorded and reflected.
- The included bank reconciliation process helps to validate the overall reliability of accounting records maintained by the local government.

**Financial Management Component Schedule**

Activity	Draft Manual	Govtmt Approval	Pilot Test	Manual Implemen-tation	Follow up and Capacity Building	Comptrzd System Develop-ment	CompSyst Testing phase (piloting)	Integration and Implemen-tation
Accounting	Oct-04	Nov-04	Dec-04	Jan-05	Jun-05	Jan-05	Apr-05	Jul-05
Budgeting	Jul-04	Sep-04	Oct-04	Nov-04	Jun-05	Feb-05	May-05	Jul-05
Treasury/Debt	Aug-04	Oct-04	Nov-04	Dec-04	Jun-05	Mar-05	Jun-05	Jul-05
FM Manual	Sep-04	Oct-04	Dec-04	Dec-04	Jun-05			
FM roles paper	Oct-04	Nov-04	Dec-04	Dec-04	Jun-05			

**Budget**

- ❑ The budget will reflect the community objectives identified at the planning level
- ❑ The final document will be widely disseminated and with open access to revise the budget
- ❑ The budget will be complete meaning that no expenditures or revenues can be executed out of the budget definition
- ❑ Simple classification is introduced for identifying both expenditures and revenues
- ❑ Funding concept will serve to identify origin of resources and destination. This will help identification and reporting to donors
- ❑ The budget process is looking for having harmonization with budget procedures at the Central Government Level
- ❑ The forms allow for measurement of success according to objective indicators of completion and provides tools for budget evaluation

As it can be seen, presentation of budget training materials was before its deadline. This scenario was presented to the MINALOC and it requires his approval, so the order of developing those manuals was defined by him.

For having the Treasury and Budget materials enhanced, all stakeholders beginning with the MINALOC must give a proper feedback to it and in a timely manner.

Continuation of these activities is a must to benefit from the work previously done, and to provide the districts with high quality financial management tools.

▶ **Component Impacts on Rwanda**

The quality of accounting information that is now produced in a large share of districts creates a unique opportunity for better management of resources and higher levels of reporting.

Implementation of the Budget and Treasury systems will allow the Central Government to have coherent financial information of the Districts.

The manuals are based on high worldwide standards and also considering Rwandan reality and potentiality.

The Districts count more than 10% of the total Government expenditure (including Towns). Giving the local governments enough capacity in managing properly such amount will improve the global Decentralization process in Rwanda.

▶ **Component Sustainability**

The decentralization process is at an early stage in Rwanda, reason for which there must be continuation of the developed activities and deliverables on FM component.

Since highly qualified technical assistance is required to develop the manuals, it is advisable to have an external entity to provide such assistance.

To achieve sustainability of the Financial Management Systems' implementation, it is necessary to have the whole set of FM systems manuals developed, approved by MINALOC, and tested in the field.

The sustainability of the achievements done is in jeopardy if the three systems altogether don't function in districts as an integrated core. No individual working of any system can last long.

The FM Component is composed by mainly one full time local consultant and products in specific topics from one

**Treasury**

- ❑ It follows the Code of Practice on Treasury Management developed by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- ❑ Establishment of the Treasury system in the local Governments of Rwanda will increase existing Transparency, Accountability and anticorruption practices.
- ❑ The Treasury system is fulfilling the role of avoiding potential negative consequences resulting from excessive indebtedness of local governments by monitoring the course of revenues and expenditures, the lending strategy, cash management and financial planning.
- ❑ Implementation of the final District objectives more broadly and in a well-balanced way achieving the fiscal policy objectives in the medium-term horizon.
- ❑ To influence the process of budget preparation based on treasury reports and to improve the budget evaluation process.
- ❑ Public finances will bring significant positive changes in the rationality of using the donors and taxpayers' money that will result into more transparent and above all less expensive realization of District budgets.
- ❑ The treasury system will established the close relation between accounting and budgeting systems by reducing the existing big discrepancies between budget formulation and real execution reflected in accounting reports.

**Issues:** The real property of those will be finally of the GoR through MINALOC. The project is only giving technical suggestions to this process. Feedback is expected from Ministry's technical staff to have later formal approval to go on extensive training.

**Timeline:** Notice in the following chart that the ARD project has accomplished all milestones of his responsibility:

international consultant, so its sustainability would not be costly.

**▶ Recommendations and Conclusions**

Conclusion and continuity of deliverables of this component, including the computerization of the FM systems, will lead to increase the levels of transparency and accountability at local governments.

This component's deliverables being presented to MINALOC need to be further enhanced and implemented to have a specific benefit to the Districts of Rwanda.

The real objective of having good Financial Management at the Local Governments can be achieved by integrating the three main financial systems: Accounting and the two mentioned above.

Not only that, but extensions should be done to the whole core of FM systems, being an important task to develop the following materials:

1. Strategic and Operational Planning system
2. Personnel administration system
3. Administration of Goods and Services system (Includes Tendering process)
4. Roles and responsibilities in FM at local governments
5. Audit Control Manual
6. Categorization of codes and descriptions used in FM systems

Most of them go beyond the scope of the project, however it is mandatory to develop those documents by a technically qualified entity.

The implementation of these FM systems will strive having higher levels of Transparency and Accountability, thus it has to be assigned greater priority by MINALOC.

In a next phase, computerization can be approached based on the proposed manuals.



## The Fiscal Decentralization (FD) Component

### Background

The FD component as the name suggests is considered the core of the fiscal decentralization project (FDP). In the past eight months FD Component has conducted serious studies that have useful findings and caveats to our host client, the Government of Rwanda (GoR) and the project financiers i.e. the government of USA under USAID. Despite the fact that it has made huge impacts policy-wise, it enjoyed its ability of being thought provoking and initiated fiscal policy debate amidst FDP admirers e.g. the World Bank, IMF and the rest of the bilateral donor governments.

FD component has been mandated to advise the Government of Rwanda (GoR) on local government fiscal austerity measures through the MINALOC such as: enhancing own source of revenue generation capacity of the local governments, identifying revenue sharing dimensions, prioritizing the expenditure responsibility, minimizing the intergovernmental transfers, designing sustainable local government financial ability and finally assessing the administrative costs of implementing the fiscal decentralization for the Government of Rwanda.

#### D1. Fiscal Decentralization Data (FDD) Manual (Revenue-Expenditure Model)

**Objective:** Fiscal Decentralization Component designed and organized Fiscal Decentralization Data (FDD). This data forms the basis for the revenue-expenditure model development. The data is organized at two levels. First, we have central government (CG) level data set that contains data collection from national agencies such as RRA, CDF, Meteorology Unit, Central Bank and Census Coordination Unit. Moreover, more data comes from Ministries including MINALOC, MINECOFIN, MINIFRA, MINISANTE and MINEDUC.

Secondly, is Local Government (LG) data, including monthly district financial reports and other district specific characteristics data such as population, area, rainfall and land physical features. The two level data have been compiled to a workable data set.

**Achievements:** Fiscal Decentralization Component in creating FDD the following was also developed:

- ❑ Data entry 'Data Entry Software' based on CSPRO software. This has an advantage of simplifying the data entry procedures and in the preparation of portable data set.
- ❑ A workable data set, which is available in SPSS statistical software.
- ❑ FDD MANUAL explaining how to use this new data set. It will be useful to various stakeholders such as: MINALOC staff, mayors, district executive secretaries, accountants, auditors, inspectors, policymakers, researchers and analysts for informed decision making.

#### D2. Rwanda Intergovernmental Equalization Formula:

*Objective:* FD Component developed a model based on revenue capacity and expenditure needs of districts translated into 'equalization formula' to facilitate the allocation of the two streams of transfers. The first

transfer is a general fund that is unconditional and aims at supporting the local governments' budget (LABSF). The other one is conditional grant, allocated by Common Development Fund (CDF), that seeks to bring equity between differing location jurisdictions. These two grants claim rationality because they will address horizontal and vertical equity that exist within all the 11 provinces and their 106 districts in Rwanda.

### Achievements

- ❑ The developed formulae have all the attributes that explain a good transfer system as emphasized by the FDP: simplicity uses readily available and minimum data, transparent and participatory approach. It is discussed at districts and towns level, then prefects meetings and finally approved by the Cabinet.
- ❑ Finally, to avoid any imputation shortcomings FD created a 'tool-kit' that eases distributional shares based on the inbuilt mathematical parameters.

These two are the main results of the FDD and Model Development to enable GoR to attain equality in distributing its resources.

#### D3. Property tax installed in two districts:

**Objective:** FDP piloted property tax in Nyarugenge district in the City of Kigali successfully. The intention is to develop a local tax model that can be replicated to the rest of the country. Secondly, to test the applicability of the fixed asset tax law as implemented by the local government. Lastly, this underpins the strategy significant to property tax policy formulation and implementation for Rwanda.

### Achievement:

- ❑ FDP developed PROPERTY TAX REGISTER OR TAX ROLL for the Nyarugenge where about 6000 houses/buildings are captured and established to be potential taxpayers.
- ❑ The FDP component completed to update the FIXED ASSET TAX DRAFT MANUAL based on the current laws.
- ❑ FDP provided technical support for the whole of CoK on how to run a taxpayer sensitization campaign that resulted into increased revenue collection for 2004.
- ❑ FDP has examined in depth law No. 17/2002 as modified by the Law No. 33/2003 that empowered the Local governments to levy certain taxes and providing areas that need reform and loopholes that need to be plugged.
- ❑ FDP participated in property tax census for CoK and specifically assisted to capture data for the pilot district (Nyarugenge).

#### D4. Paper on Property Tax Implementation in Rwanda: Pilot Study

**Objective:** This study documents all the developments and lessons from the implementation of the property tax in the pilot district mentioned above. Best practice examples world over have been drawn to offer a comparable analysis.

- ❑ **Step 1:** Review the existing property tax system based on the pilot district and focus on the entire



sequence of the steps involved in the administration of the property tax including: discovery and identification, valuation, rate setting, billing and collection. The study recognizes the fact that the government of Rwanda property tax system is faced by the problem of narrow tax base. FDP recommends that the administrative cost of collecting this tax to the districts to be as low as possible to a plausible administrative cost ratio.

- ❑ **Step 2:** The study identifies the following: sources of revenue losses, what amount of properties are missing from the tax rolls, valuation accuracy, setting of the nominal tax rates, grant of exemptions, the coverage and the collection proportion.
- ❑ **Step 3:** It analyzes the environment in which reform must operate. Moreover, it assess the characteristics of the prevailing market system e.g. tenure system, the availability of the market data and etc. In addition, we ascertain the relevance of policy implications and impacts.
- ❑ **Step 4:** Finally, we outline the approach towards property tax rehabilitation strategy, explaining the major phases of the work and the institutional arrangements for implementing them.

**D5. Paper on Setting Ranges for Rates of Local Taxes and Local Non-Tax Revenues:**

**Objective:** The two laws cited above enumerated all the possible sources of revenue for local governments. At the same time they are silent on the rates applicable except for the fixed assets, license fees and rental taxes. FDP's study devised a workable approach to be used with intra and inter-provincial local authorities in establishing these rates.

**Achievement:**

- ❑ All revenue sources have been identified and consultations with relevant parties have been done.
- ❑ The study does not apply the suggestions provided in literature for the simple reason that data is not available to approximate and project the potential revenue sources or expenditure needs. Therefore it invokes an indigenous approach based on Rwanda country specific attributes.

**D6. Drafts of Legislation on Various Components of Intergovernmental Finance:**

**Objective:** This output will cover both the conditional and unconditional transfers. The aim is to simplify and develop the legal framework associated with transfers.

**Achievement:**

- ❑ The review, reform and Draft of relevant decrees have been completed - the design of the formula has already been completed as explained above.
- ❑ Lawyers from MINALOC, RRA and CDF have contributed in the reform and design process.

**D7. Paper on Sustainable Development Finance System:**

**Objective:** the Study identifies alternative sources of finance and hard budget imposition needed at the local level to enable them meet their daily service responsibility expenditures. We re-examined the possibility of establishing Sustainable Development Fund (SDF) for districts and advance counter argument.

**Achievement:**

- ❑ The FDP suggested various innovative sources that are new to the districts, which forms good sources of alternative revenues apart from the traditional sources expounded above.
- ❑ The study emphasized lottery and local government borrowing and management efficiency improvement as the possible main future way to enhance financial sustainability at sub national authorities.

**D8. Analysis of Administrative Cost of Implementing Fiscal Decentralization (FD) Policy**

**Objective:** The study was expected to ascertain the implementation costs of FD for the whole country. Due to difficulties in attaining data ARD/FDP has started working with MINICOFIN-CEPEX unit to see how they can jointly collaborate in collecting this data. Hon. Minister P. Musoni has already instructed FD's Sr. Advisor to identify how best he can offer his support. FDP has already organized a meeting with the director of CEPEX and an agreement was reached that LGFD director will assume a lead for the future collaboration.

**Achievement:**

- ❑ FDP has identified the key supporters of the FD.
- ❑ The FD drafted a letter, which already has been sent to the stakeholders.
- ❑ The FDP also has started cost classification but due to time limitations this study will not be completed.
- ❑ Finally, the study will include a section on costs associated with establishing the Department of Local Finance within the MINALOC. In addition, FD component reviewed and assisted the drafting of the recruitment of the LGFD at certain stages.
- ❑ Due time constraint, insufficient budget and lack of responses from the intended stakeholders the study has not progressed.

▶ **Component Impacts on Rwanda**

The implementation of fiscal decentralization in Rwanda had contributed into understanding more the fiscal position and performance of the sub-national governments. Moreover, inter jurisdictional inequality addressed via expenditure-revenue model. The main result is the property tax implementation that provides a better way to improve revenue generation of the districts. Lastly, the draft of various legislations recognizes the role of reforming the legal framework that underpins the implementation of decentralization policy.

▶ **Component Sustainability**

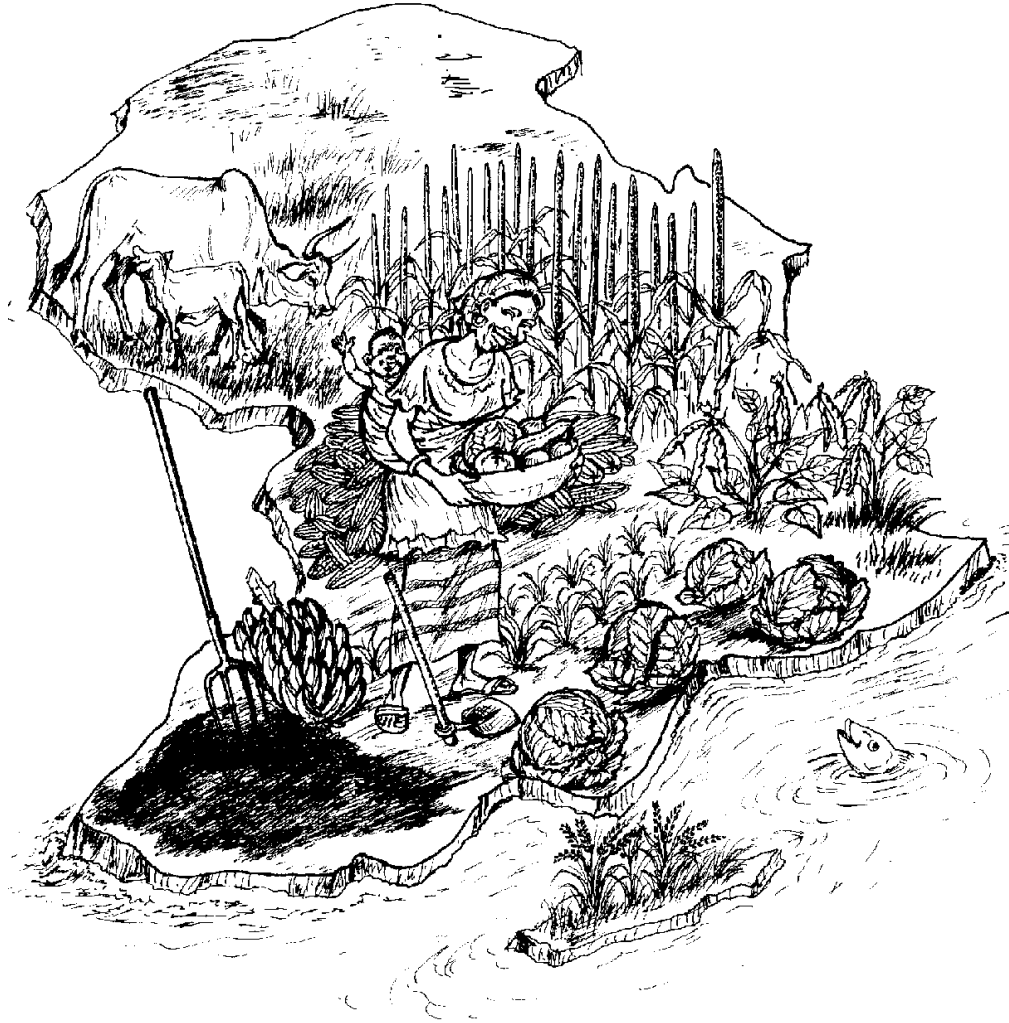
Fiscal decentralization is not a one-time exercise. It is dynamic since the future depends highly on the past. Whatever gains realized in the past should be consolidated and cumulatively carried over to the present and therefore the future. Data collection and processing must be a continuous initiative to develop a time series data. This will form basis for updating any of the model results and studies developed above. It is therefore always a good strategy for MINALOC to ensure whatever progress accomplished by FD should be continued.

► **Recommendations and Conclusions**

Several points need emphasize drawing for the above explanations.

1. From the Expenditure – Revenue model expounded above the findings implies that estimation techniques are not well developed. There is a need for the local governments to concentrate in improving this.
2. There is a dire need to double efforts in capacity building in the field of accounting and fiscal management to improve financial reporting of the sub-national governments.
3. Property tax is a potential own source of revenue for districts and towns in Rwanda. The reform strategies advised should be treated as a priority.

4. The rest of the local taxes collection drive must be enhanced together with fixed asset tax. A focus should be directed to the new innovative approaches of generating revenues mentioned.
5. Legal reform must be carried out regularly to incorporate new developments.
6. Consultations participation and transparency should be at the center during the period of implementing fiscal decentralization at local and to all the stakeholders.



## District Services Component: Solid Waste Management

The Solid Waste Management project is a new component of the USAID/ARD Rwanda Fiscal Decentralization Project. The project started by assessing the prevailing waste management situation in the City of Kigali. This was then followed by proposal write up, signing of a memorandum of understanding, and consensus building among the various stakeholders. It was not until the middle of June 2004 that activities started being implemented on the ground.

Deliverable	Activity
D1	Service delivery implemented in 3 sectors of the Nyarugenge district.
D2	Option paper: methodology for assessing local service costs and setting fees.
D3	Option paper: service delivery devolution policy.
D4	Additional Deliverable Devt of appropriate technology: briquetting system, cooking stoves, and composting technology.
D5	Additional Deliverable Development of a Training Manual for community-based integrated solid waste mang.

Unlike the other FDP components, the solid waste management deliverables are inter-twined and present themselves as one package. For these deliverables to be realized, the project has to be implemented to its full operational capacity. Thereafter, we can claim to have provided the service. At this point, the households will be in a position to make sound judgment on the appropriate fee to be paid for such a service, taking into consideration the other available waste disposal options. Upon making such a judgment, it will then be possible to assess the cost of service delivery and hence, set an appropriate service delivery fee, preferably using a contingent valuation method. The options paper on service delivery devolution policy is at its final stages of development. The paper examines the most appropriate way of devolving solid waste management services taking into account the role, played by the various solid waste management actors in the City of Kigali. Appropriate recommendations for the establishment of a sustainable solid waste management service delivery system are provided.

### Project Perspective

There is an important change taking place in the thinking about solid waste management in sub-Saharan Africa: a shift from techno-managerial approaches to holistic plans or approaches that recognize the importance of socio-cultural factors and consensus building for community involvement in solid waste management. The role of everyday behavior in waste generation and waste reduction is now seen as central to solving problems associated with increasing wastes and the costs of their disposal. There is generally accepted waste hierarchy that lists activities in terms of preference starting with activities that have the least social, economic and environmental cost and ending with those, which have the highest costs. These activities are, in order: (1) reduce, (2) reuse, (3) recycle, (4) recover waste through either physical, biological, or chemical transformation processes, and (5) landfill disposal.

The success of the first three options is almost entirely dependent on the behavior of the citizens and the flourishing of the informal waste sector. Only the last two

options are the ones that often require expensive technical equipment and are mostly under the jurisdiction of local authorities. If local authorities are to be involved in the top/better half of the waste hierarchy, they must extend themselves to involve and educate citizens and support the informal waste economy. This is not happening in Rwanda at the moment.



Fiscal Decentralization Project has therefore, decided to use the bottom-up approach in this project for all the deliverables including the service delivery devolution policy. We have started our operations with “Nyumba Kumi”, through the Zones, Cells, Sectors, and eventually the District. This is essentially, what deepened decentralization is all about. We are letting the people to decide on the best service devolution policy, applicable, relevant, cost-effective, socially and culturally acceptable, environmentally friendly, and of course best for their country and situation. The technical experts are merely facilitators when using the socio-cultural approach, where as in techno-managerial approach they are viewed as imposers! There has been a move away from trying to solve solid waste management issues in sub-Saharan Africa with large capital investments in western technologies or privatizations, due to the failure of these investments to solve the solid waste management issues and/or be economically feasible.

### Project Strategy

For a sustainable solid waste management system to be established successfully, the key factor is commitment from the community or the residents concerned. The solid waste management system being implemented for the city of Kigali is demand driven. This means that it can only be established where the local community has recognized the need for it and is fully prepared to support it. This requires the full participation of the local community at all stages of the planning. It is not sufficient that the planning and decision-making are left to the City of Kigali, Districts, Sectors, Cells, Zones, executives or opinion leaders, but rather all the stakeholders should be fully involved.

The first step towards establishing a sound and sustainable solid waste management system is to obtain commitment of the community and/or residents as regards redefining system objectives and principles. An assessment must be made of the present solid waste management situation in Kigali; the existing

opportunities in the city to improve the system; the capacity of the City of Kigali, Districts, Sectors, Cells and Zones to support improvements in solid waste management; the willingness of the City of Kigali, Districts, Sectors, Cells and Zones to establish and support an improved solid waste management system; the willingness of waste producers including households, enterprises, markets, hospitals, etc., to support improvements of the solid waste management system including payment for provision of services.

The best way of making this assessment is to involve the whole community as much as possible. Community members are the people who best know the situation in their own localities ('Nyumba Kumi', Zones, Cells, Sectors, and Districts) and if they are involved, the plans made are likely to be more realistic and successful. To this effect, a consensus building approach was used in the first phase of this project, as a participatory tool to involve the community, local authorities and the general public in solid waste management.

**Consensus Building Among Stakeholders**

Before commencement of the project, a consensus building approach was used to bring the community and all the stakeholders to a common understanding, on the best approach to tackle the solid waste management problem in the District of Nyarugenge within the city of Kigali. The consensus-building approach used sought to improve the quality of public participation in decisions by: (i) effective empowerment of the public; (ii) a fair decision; and (iii) active support of the final decision as being the best that can be achieved in the circumstances. The designed consensus-building model for the District of Nyarugenge represented a move up the ladder of public participation from information provision and formal consultation to proactive involvement in influencing decisions. Traditional participatory methods are primarily reactive in that they require the formulation of plans and proposals prior to public involvement, and can be viewed as a means of legitimizing decisions. By contrast, our newly formulated consensus-building model, which was applied to the District of Nyarugenge for the first time, sought to involve people in the decision formulation process itself.



The success or failure of community involvement is dependent on many factors which include (i) providing for an adequate amount of time for discussion before a decision is required; (ii) not precluding discussion by

taking the decision before discourse is commenced; (iii) ensuring that all the parties taking part are in an equal position and that the emphasis is on achieving a consensus; (iv) a willingness to learn and if necessary amend opinions on the part of all of those taking part.

The potential for effective adoption of consensus-building approaches presents a challenge not only to the traditional public participation requirements, and democratic processes, of local policy-making and planning in the City of Kigali, but also to the skills and general understanding of the techniques of public involvement among local authority officials, elected Members, private and informal sectors.

**The Nyarugenge District Community Involvement Program**

A voluntary, proactive, public involvement program was instigated by the District of Nyarugenge in consultation with USAID/ARD solid waste management partners in April 2004, to examine the options for dealing with household waste, and to seek a broad base of public support for a strategy which could be translated into new facilities.

A collaborative memorandum of understanding was signed between MINALOC, the City of Kigali, the District of Nyarugenge, the pilot community-based solid waste



management associations of Muhima, Rugenge and Biryogo Sectors, and their USAID/ARD solid waste management partners, so as to facilitate a smooth working arrangement with a common focus. A draft proposal was written which was to form the basis of the discussion. While it was made clear that the proposal would be changed in the light of public comment, it has to be noted that the community involvement

program commenced discussion around the need for integration of options; a single option solution, such as 'all landfill', was in practice going to be neither technically nor politically acceptable.

The key and unique component of this community involvement program in the District of Nyarugenge was the formation of a waste management committee in each Cell. There were a total of 19 waste management committees corresponding to 19 cells, in the Sectors of Muhima, Rugenge and Biryogo. The participants were selected following a community analysis and appraisal exercise involving the identification of various community groups and organizations. Each committee had a minimum of four members. For every two to three committees there was at least one member of the "Gacaca" Courts. The "Gacaca" Courts are community-based courts comprising of trustworthy and development conscious persons, charged with the responsibility of dispensing fair and just judgments when solving community disputes, especially the ones arising from the 1994 genocide. It was therefore, expedient to include a strong representation of the "Gacaca" Court members in the various committees formed.

The terms of reference of the committees included: (i) to provide a sounding-board for the development and adoption of a sustainable integrated waste management strategy, (ii) to identify issues and areas of concern about different waste management options and the most



appropriate options for the District of Nyarugenge, (iii) to provide feedback to the District, and (iv) to comment on the proposed range of options for communicating information to the general public.



Several meetings were held, each lasting about two to three hours over the period of April 2004 to June 2004. A noticeable success was the high attendance rate and enthusiasm of the committee members, although participants were not paid, as has been the case in similar programs in the Nyarugenge District. It was quite clear that people were genuinely interested in the waste management problem and despite the not inconsiderable demands on their personal time, were very willing to be part of the process.

At the end of the process the committees jointly presented their findings in consultative meetings with the local authorities and USAID/ARD waste management experts. They highlighted the concern that all effort should be put into waste reduction and recycling and that development of fuel biomass briquettes from organic waste should be seriously tested to help reduce the large waste volumes emanating from the many households, and at the same time contribute to solving the problem of cooking fuel and deforestation in Rwanda. Currently, 98% of the Rwandan population use charcoal and/or wood fuel for cooking, and the annual deforestation rate is estimated to be any where between 8-12%, which is very high by any standards.

The joint committee agreed, without any reservations, that development of fuel biomass briquettes from organic waste would definitely be needed as part of an integrated waste management strategy. Furthermore, the activity would generate employment to many city residents, especially women who have little or no formal education necessary in the competitive job market. Also, there was a general consensus that the activity would result in a vibrant economy in the public, private, informal and community-based sectors.

**The Impact of the Consensus Building Approach**

The impact of the consensus building approach to community involvement in Muhima, Rugenge and Biryogo Sectors of Nyarugenge District can be summarized as follows: (i) it provided for consensus amongst some interested stakeholders that an integrated strategy to solid waste management was badly needed; (ii) it opened up decision-making systems and decision criteria for public examination; (iii) it raised the profile of solid waste management amongst interested stakeholders; (iv) it improved the credibility of

local authorities responsible for waste disposal amongst those people who had come into contact with them and making them more accessible to the public; (v) it improved local authorities' understanding of public concerns; (vi) it helped some key stakeholders to hear and be aware of (if not entirely sympathize with) the views of others; (vii) it forced the District of Nyarugenge to slow down the normal local authority 'decision-making treadmill' to allow opinions to be expressed and to revisit the requirements for effective implementation of the strategy; and lastly, and most important of all, (viii) it allowed the District of Nyarugenge to say that it was consulted!

**Lessons Learnt from the Consensus Building Approach**

Effective public involvement is about empowerment; that is, helping people to achieve their own purpose by increasing their confidence and capacity. Empowerment of the public is not contrary to representative democracy, but rather should be viewed as a means of enhancing effective decision-making through an opening-up of the decision process to challenge and the exposure of decision makers to public views and concerns.

The consensus-building approach adopted for the District of Nyarugenge is an example of a start on the road to public empowerment. The approach can be seen to have made a reasonably effective start, not least in the impact on the local authorities' decision makers. However, the institutional barriers to effectiveness are significant and there are remaining questions over the adoption of the public recommendations.



The proactive adoption of consensus building approaches in solid waste management strategy development is essential, but is considerably more expensive and resource (skills, information, personnel, time) demanding than traditional consultation methods and requirements. Therefore, voluntary adoption is most likely to be promoted where disagreement and loss of credibility is already engrained. Against such a background the scope for success will be affected.

The effectiveness of the unique community involvement program in the District of Nyarugenge in general and the Sectors of Muhima, Rugenge and Biryogo in particular will ultimately be measured in terms of (i) the extent to which there is a consensus, despite uncertainties, about the strategy as eventually implemented; (ii) the extent to which compromise has been incorporated into the decision to develop, install and operate waste processing facilities at designated areas so as to

provide for the concerns and interests of the different stakeholders; and (iii) the degree of improvement of public credibility and trust in the District of Nyarugenge as the decision-making authority.

**Community Action Plan for Solid Waste Management**

There was a general consensus that communities and community organizations are in a perfect position to make a major impact on the amount of solid waste generated in their societies. It was generally agreed that the collective voices of the various stakeholders can persuade local authorities to notice the problem, and can influence the general public to be more mindful of their responsibilities. The community action plan for solid waste management in Nyarugenge District would entail (i) coordination of activities with all the other stakeholders involved in solid waste management; (ii) developing partnership with the local authorities, the private and informal sectors; (iii) monitoring and evaluation of all solid waste management activities in the community; (iii) intensive mobilization, sensitization and educating people on sound and environmentally-friendly solid waste recycling technologies; (iv) opening new lines of communication with the government on matters pertaining to solid waste management; and (v) use of media to communicate important issues in solid waste management.

**Mobilization, Sensitization and Training of the Various Actors**

There was a general consensus for the establishment of a sustainable solid waste management strategy in Nyarugenge District, focusing on the production of fuel biomass briquettes for household cooking and industrial use. To that effect, a joint recruitment exercise involving the local authorities and solid waste management associations was carried out and so far 340 workers have been recruited from the Sectors of Muhima, Rugenge and Biryogo.

The recruitment exercise was open, fair and done in a transparent manner, and all the parties involved expressed satisfaction. The recruited persons included a General Field Director, three Field Operation Directors each for Muhima, Rugenge and Biryogo Sectors, a Technical Director in charge of appropriate stoves development technology, Supervisors in charge of Waste and Service fee collection, Mobilizers, Sensitizers, waste processors and night watchmen. All the workers in the three pilot sectors have been vaccinated against tetanus, and provided with working and/or operational tools and protection gear, in accordance with the regulations pertaining to environmental workers' health protection.

A number of training programs were carried out for mobilizers, sensitizers and waste collectors. Regular collection of source-separated waste and cleaning exercise takes place in 11,069 households. All the source-separated waste is transported to the processing sites for verification and recording, weighing and processing. The unprocessed waste is deposited in our newly acquired green garbage-dumping curbs, and transported to the Nyanza landfill at least twice a week. Two duplicate cards were provided to each of the households, to fill their bio-data and indicate in writing their willingness to pay the stipulated service delivery fees at the end of each month, after receiving the solid waste management services. The information in the cards serves as a contract between the household and the local authorities whose stamp and signature appear

on both cards. One card was deposited in the local authorities offices and the other copy remained with the household. This contract between the household and local authorities has significantly enhanced the rate of payment for the services delivered; thus, ensuring project sustainability.



The Muhima Sector has already collected service delivery fees from the households for three months and the results are quite encouraging, taking into consideration that the project has been in existent for only four months. At the time of writing this report, the Sector had already collected an average of Frw. 1,400,000 for the last three months, which is 80% of the expected total collection. Previously they used to collect only Frw. 500,000 from the whole Sector. The sectors of Rugenge and Biryogo have collected in the past two months an average of Frw. 1,200,000 per month. All the workers have been receiving their regular monthly salary promptly. Since the project started only recently, a daily evaluation is being carried out and so far there has been satisfaction among all the parties involved. This has been expressed by the workers verbally, in writing and through radio talk shows, organized independently by respective individual associations, without any influence by project coordinators. The associations have testified to the fact that this is the very first time to experience such a well-coordinated working structure, which they have found very suitable in their holistic approach to solid waste management.

**Development of Appropriate Briquetting and Composting Technology**

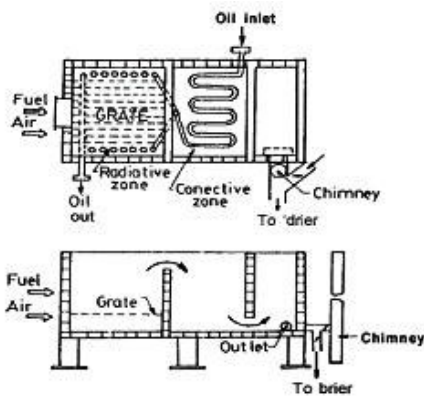
For any solid waste management system to be environmentally friendly and sustainable, technology development has to take a center stage. Otherwise, the system would be one where waste is transferred from one place to another or from one household to the backyard of another household. That in effect, is not solid waste management, but could rightly be termed as 'waste mismanagement'!

Since source-separated organic waste will be processed into biomass fuel briquettes for household and industrial use, a complete briquetting technology comprising of a torrefaction system, a grinding mill, and a screw-press briquetting machine suitable for processing the kind of waste generated by the residents of Kigali City, was designed and developed/manufactured.

### Torrefaction Technology

A major concern expressed by many potential users of biomass fuel briquettes was the smell emanating from the briquettes, and the amount of smoke they emit during cooking. A pre-processing technology called 'torrefaction' was developed to remove the organic compounds in the solid waste that emanate bad smell and emit excessive smoke in briquettes.

Low temperature carbonization of biomass to obtain roasted or "torrefied" products is a relatively recent development. Torrefied products can substitute charcoal in a variety of applications. Torrefied briquettes have superior combustion characteristics as compared with ordinary briquettes. They are easier to ignite, burn much faster with less smoke, and are essentially odorless compared with ordinary briquettes.



The developed torrefaction technology is essentially a thermic fluid system comprising of (a) circulating pump; (b) oil storage tank; (c) furnace; (d) piping, fittings and instruments (Figure 1). The interesting thing about this system is its friendliness to the environment. It utilizes used car-engine oil, which at present is a nuisance waste in almost all the gas stations in Kigali. When servicing vehicles, used-oil is usually allowed to drain freely from the car engine to a container placed beneath the engine. The dirty used-oil is then disposed off in the soil where it can cause groundwater pollution, unfriendly smell that characterizes most gas stations in the City of Kigali, and other adverse effects to the environment. By using this oil in the torrefaction system, we are essentially cleaning the environment. Secondly, the oil-heating furnace is fired using reject briquettes, which again perfects the waste recycling system!

The biomass is heated in a modified container system, through which hot used-oil is continuously circulated. The coil, which is meant to circulate the oil in the furnace, is specially designed. The oil gets heated in two sections of the furnace, i.e., the radiative and the convective zones. First, the oil enters into the coil placed in the convective zone and then goes to a portion of the coil in the radiative section. After the exit of the oil from the coil, its temperature depends upon the temperature of the furnace. The oil then goes to the pre-heater where the biomass gets heated up. The torrefied material is then conveyed to a grinder where it's pulverized before being passed into the briquetting machine for processing into biomass fuel briquettes.

Also, heating the biomass before processing serves the purpose of relaxing the inherent fibers in the biomass and apparently softening its structure, resulting in release of some bonding or gluing agent on to the

surface. This phenomenon is also known as 'sweating the biomass'. The work requirement for densification can be reduced by a factor of about two by preheating the raw material. The preheating therefore, lowers the power input. This phenomenon of thermally induced softening the resistance of fibers is also noticed in the everyday domestic activity of ironing cotton clothes. Only when the press (iron) is hot enough can the fibers in the cotton clothes be oriented in the desired direction with minimum effort. Once the biomass fibers are softened, a drop in resistance to briquetting results in: (a) reduced pressure required for briquetting, resulting in reduction in power consumption; (b) reduced frictional forces leading to a reduction of wear to contact parts, particularly the rotating screw; and (c) reduced resistance to flow leading to an enhanced rate of production.

### Grinding Mill System

This system has been developed/manufactured and ready for mounting. Grinding mills are employed to pulverize and/or reduce the particle size of the feed material. This process results in an increase in the surface area of the material for easy, faster and efficient processing, to achieve optimum briquetting results.

For biomass materials, it is essential to avoid gravity discharge from the grinding mills. We have designed and developed a system that utilizes an induced draft blower to produce suction that sucks and conveys the material pneumatically.

### Screw-Press Briquetting Machine



We have manufactured a screw-press briquetting machine and currently awaits mounting, testing and calibration. Torrefied and pulverized organic waste material will be fed continuously into the screw, which forces the material into a cylindrical die. The die will be heated using a high resistance coil to raise the temperature to the point where lignin flow occurred. Pressure builds up smoothly along the screw rather than discontinuously as is common with piston presses.

### Advantages of the Torrefaction, Grinding and Briquetting Systems

The above-described systems are homegrown, made by local people using local technologies and resources. The maintenance costs will be pretty low compared to imported systems. Since they are made locally, everything is known about the systems, hence, can be maintained easily and no need to import any spare parts or expertise because they are readily available locally. Employment has been created, because in our workshop we had no less than 10 technicians working,



at any given time. Monetary resources were ploughed back to the Rwandan economy as opposed to if the systems were imported from outside. And more importantly, Rwanda stands a very good chance of starting to export this system to other neighboring countries, when production is scaled up. However, as Jamal Sanghir (director for energy and water with the World Bank) remarked recently, “renewable energies have high upfront costs, and therefore access to financing is necessary to scale-up.”

Currently, most countries in sub-Saharan Africa are importing their briquetting machines from India and Europe. Most of these machines have been grounded due to high maintenance costs and lack of spare parts. Recent cases occurred in Rwanda and Zambia, where brand new briquetting machines imported from Europe and India stopped functioning just a few weeks after being mounted by experts from the exporting countries.

**Economic Impact.**

Our entire briquetting machinery comprising of a modern torrefaction system, grinding mill and a state-of-the-art screw-press briquetting machine cost US \$ 21,900, inclusive of installation, training and 3-6 months free maintenance. Investigations reveal that a similar system, if imported from India, Europe or USA would cost anywhere between US \$89,500 and 92,300, excluding the cost of bringing in experts from the exporting country to install the system, train the locals and provide maintenance for just a while. The total cost would definitely be well above US \$100,000. By manufacturing the system locally, we have not only saved about US \$82,000, but we have also created employment, ploughed resources back to the Rwandan economy, and above all, we are proud it's made in Rwanda and by the Rwandese people. That is what constitutes empowerment of local people, and is in line with our principle of seeking local solutions to local problems.

**Development of Appropriate Cooking Stoves for Briquettes**

For biomass fuel briquettes to be accepted easily by the public, appropriate cooking stoves should accompany them. Our project research and development unit has designed and developed/manufactured cooking stoves that utilize biomass fuel briquettes which are fuel efficient, comfortable (practical) to use, and with little or no significant emissions of hazardous gasses.

**Low-Tech Composting Facilities**

We have designed and constructed low-tech composting facilities in Muhima and Rugenge sectors, as an alternative waste processing technology. The technology is now in place and has started generating high value compost material, with a significant market potential. There are quite a number of individual and corporate clients, who have placed orders for the organic fertilizer.

Composting is essentially a controlled biological conversion of organic materials into high value organic fertilizers useful in crop production, with no adverse consequences to the soil and/or seedlings. The objectives of composting are (i) to convert biodegradable organic waste into a biologically stable product, while reducing the original volume of waste; (ii) to retain the nutrient content of the organic waste fraction (nitrogen, phosphorus, potassium, sulfur and the micronutrients); (iii) to produce a product that can be

used to support plant growth and improve soil structure; and (iv) to destroy pathogens or unwanted microorganisms, insect eggs and weed seeds in the organic waste.



Composting technology is very new in Rwanda and the few associations engaged in the practice are using very rudimentary technologies that result in low quality products, which cannot be sold in the market. Compost products have a very big role to play in the Rwandan agricultural based economy. The cost of fertilizers is very high and compost products can serve as both fertilizers and soil amendments for optimal crop production, especially when well promoted and/or marketed. There is also an increasing demand of organically grown crops and ornamentals, especially in the European markets. High-grade compost materials are used in organic agriculture or production of organically grown crops. These organic products are currently fetching premium in the European markets; they cost three to four times the price of conventionally grown products. With the introduction of sound composting technology, Rwanda stands a good chance of beginning to export organically grown products. This is at the moment a virgin area not only in Rwanda but also in the entire sub-Saharan Africa, and definitely needs to be explored. We have the technology, expertise and technical know-how to design, build, install and operate state-of-the-art composting facilities in the City of Kigali, with very minimal capital and operational cost.



**Training Manual**

A community-based training manual for integrated solid waste management was developed. The manual is a down to earth and simple to read document with demonstrative pictures. It takes into consideration the low education standards of the targeted end users.

**Component Impacts on Rwanda**

The project has started alleviating poverty amongst the citizens in the pilot sectors.



There is a decrease in prostitution and petty thefts in the pilot sectors.

The pilot activity has provided 340 city residents with regular jobs and between 30 to 50 residents with temporally jobs. Most of the employees are women who have little or no formal education.

The activity has significantly contributed to improved health conditions of the pilot residential areas, through provision of regular garbage collection and cleaning services.

The activity has reduced the amount of money the City of Kigali spends on garbage disposal by about 50%.

Eventually, when briquette production becomes optimal, there will be a decrease in the rate of deforestation as residents begin to use briquettes as an alternative source of cooking fuel.

**Creation of public-private/inter-sectoral partnerships**

Establishment of a new business oriented working structure for the associations. Such a structure is necessary for project sustainability.

Creation of a new, and effective collaboration between associations and local authorities, never witnessed before, using our newly developed consensus-building model.



Associations trained in proper, sound and sustainable holistic approaches to solid waste management.

**Component Sustainability**

The associations have three sources of income, namely; collection of service delivery fees from households and businesses, selling of organic-based fertilizers from their newly established composting activities, and selling of fuel biomass briquettes from their briquetting plant. At present, household payment rate of service delivery fees stands at 85%, which almost covers salaries for all the workers. Our cash-flow production model predicts that, when both composting and briquetting operations will be optimal, the associations will be able to make a monthly net profit of at least Frw 2.1 million from the sells of briquettes, composts and collection of service delivery fees, which ensures sustainability of the project when fully operational. Also, ownership of the project by both the associations and local authorities, and the enormous support the project enjoys from the government, namely; the ministries of local government (MINALOC) and environment (MINITERRE), is a big plus in terms of project sustainability.

**Recommendations and Conclusions**

A comprehensive and enforceable legislation on waste management should urgently be enacted. This will greatly help in redefining roles and responsibilities of the various actors, and will fill in the gaps of important regulatory functions, necessary for sustainable development of solid waste management systems in Rwanda.

There is a need to create a Department of Environmental Management within MINALOC. A Director General who will report to a board of directors will head the department. This will facilitate a workable structure and/or pragmatic devolution of solid waste management services.

The Department of Environmental Management should facilitate establishment of inter-sectoral partnerships between the public, private, informal and community based organizations.

This pilot project should be scaled up and/or replicated in all the other districts of the City of Kigali, in order to achieve a substantial economic and environmental impact.

Solid waste management should be professionalised, through provision of appropriate training.

The government should recognize and oversee the activities of all the associations and/or organizations dealing with solid waste management.

A solid waste management cooperative movement should be established for economic advancement of all the workers in the solid waste industry.

Households should be involved in decision making at all stages of solid waste management, especially in source separation and payment of service delivery fee.

The government should promote use of both print and electronic media in sensitizing the citizens on sound, environmentally friendly solid waste management techniques.

The government should promote and/or encourage sound, appropriate, cost-effective, environmentally friendly and sustainable solid waste recycling technologies.

The government should assist in the marketing of biomass-recycled products, which include briquettes and organic fertilizers.

Service delivery fees should be standardized throughout the City of Kigali, and incorporated in the monthly rental fee.

This project is viable and can be replicated and implemented with ease throughout the City of Kigali, as long as there is full support and collaboration from the government. The project has the potential to offer substantial economic and environmental benefits, which can readily transform the welfare of the most vulnerable citizens of the City of Kigali, mostly women with little or no formal education, while at the same time protecting the environment.

**District Services: Market Administration Component**

**Pilot Study on Market Administration**

Traditionally, markets form a major part of economic activities in the developing countries. Markets in the African context, are outlets and sources of exchange of excess output and a place where various needs, such as household goods and services are satisfied. In Rwanda, markets are in most cases organized informally, and often in open spaces. They need to be improved and modernized, if at all they are intended to be a source of income and livelihood to the local traders of agricultural produce and artisan goods. Once formally developed, the markets can be an important source of revenues to the local governments in terms of taxes. The market activities can then very easily raise the per capita district revenues; create a positive spill over effects in the health sector such as clean food, improved organization, source of employment and sustainable source of income to the population. The more the district has these market activities, the more the funding can be expected to be allocated to modernize them.

*This pilot study had three deliverables:*

1. Review of current market situation in four selected pilot markets.
  2. Options paper on methodology for assessing local service costs and setting fees.
  3. Options paper on service delivery devolution policy.
- Five pilot markets were selected from the City of Kigali and the town of Kibuye, as follows: Three markets, namely; Kicukiro in Kicukiro district, Kimisagara in Nyamirambo district, and Kimironko in Kacyiru district were selected from the City of Kigali, whereas, two markets, namely; Nyakariba and Kibirizi, were selected from the town of Kibuye.



## Rwanda Increased Community Model (RICAM)

**Background:** The anti-corruption activities are supported under the new Rwanda Increased Community Accountability Model (RICAM). Activities under RICAM only began under the FDP in May 2004. This five years program is to increase the public accountability and oversight at the local level within both local governments and local public services by addressing the environment that enables corruption to flourish and preventing the mismanagement of the increased resources that will flow to local district governments. To achieve this goal over five years the project has the objective to promote partnerships for the design and implementation of coordinated programming based upon the management cycle: 1) defining priorities, 2) planning activities, 3) budgeting and financing activities, 4) implementing activities and, 5) monitoring results, and 6) providing feedback to national oversight agencies on successes and problems, especially fiscal management issues.

Per USAID's Rwanda mission, ARD has been encouraged to have a rapid start – high impact four months RICAM implemented in pilot districts.

Approach: In early May 2004, the anti-corruption specialist, Daniel Serban, has developed a RICAM strategy that coherently articulates the fiscal decentralization approaches/results under the FDP since 2001 with the new directions given by the RICAM five years project Terms of Reference.

*The strategy had the following pillars:*

- ❑ Coherent cross-fertilization among all FDP components: 1) Fiscal Decentralization; 2) Financial Management; 3) Institutional Development and Support (Coaching & Training); and 4) District Services
- ❑ It is build on previous results achieved under FDP between 2001 – 2004
- ❑ It follows the needs addressed by the TOR issued in 2003 under USAID Democracy and Governance Strategic Objectives
- ❑ It seeks for rapid impact on the local level and has an internal mechanism for self-dissemination at the national level

It harmonizes multi-perspective approaches in the following areas: District authorities and civil society training together, Developing and monitoring the budgets, Community Based Groups, Media involvement, Heavy and Sustainable Local capacity building, Participatory Planning and Local Government Ethics.

District Budget department staff as well as Community Development Committee members in three pilot districts (Nyarugenge, Kacyiru and Kicukiro from the City of Kigali) received training in how to prepare development plans and budgets to make use of the CDF and donor resources that will be available to support decentralized community development projects. The oversight groups and committees mentioned above will also participate in this training, as will journalists and other media professionals were to be involved in the follow up technical assistance activities. A basic understanding of local government budgets allowed community-based, and service improvement groups to know how funds are programmed, what activities are expected to be completed, and what services should be delivered so that they can provide oversight and adequately monitor the outcomes. The training also included follow-up

activities with civil society and central government ministries that monitor government services to guarantee quality and efficacy. In addition, solid local capacity is going to be created to carry on specific activities in this specific field of expertise.

A major section of RICAM strategy included a constant support and advice in preparation, delivery and follow up of the National Anti-corruption workshop conducted by MINALOC in mid August 2004.

### D1. Pilot workshop

Representatives of the three selected districts (Nyarugenge, Kacyiru, and Kicukiro) actively attended the first pilot two days workshop (July 2 – 3, 2004) in Kigali in order to:

- ❑ Improve knowledge on participation levels and related tools
- ❑ Improve skills to select appropriate participation tool for desired/needed participation level
- ❑ Improve knowledge on advantages/ disadvantages of citizen participation tools as well as on how to prepare/implement each of them
- ❑ Design a detailed 6 months action plan to implement participation tools into the budgetary development process with a detailed focused on planning/ implementation / following-up for the next two months.
- ❑ Exchange experience
- ❑ Team up with community members toward a better cooperation /working together

### D2. Direct technical assistance

In each of the three selected districts, the implementation of the action plans was constantly advised and monitored by Mr. Eugene Nyirigira Gatari and Daniel Serban. During July 5 – Aug. 23)

### D3. Deep involvement in preparation, conducting and follow –up on the National Anti-Corruption workshop by Mr. Eugene Nyirigira Gatari . During Aug. 1 – Aug. 20

1. Provide support to the team on developing the draft strategy paper before the conference took place
2. Specifically develop objectives and strategies to fight corruption
3. Advise on the best approach to organize the conference in order to maximize impact
4. Help in compiling and giving comments and corrections on the draft strategy paper
5. Provide support in facilitating the workshop
6. Contribute inputs and comments on the best wording of radio announcements and messages informing the citizens about the workshop.
7. Help in putting together all the power point presentations made during the workshop
8. Provide support in forming group discussions during the workshop plenary sessions
9. Organize views and ideas from group discussions and presenting live on national television.
10. Compilation, and translation of the final workshop resolutions
11. Working on the final workshop product with MINALOC

#### D4. Training Of Trainers

To ensure local capacity building and to capture broad national perspective on budget transparency and accountability, 14 novice trainers from RALGA ( 2), and from each of 12<sup>1</sup> Rwanda provinces have been trained in a three days workshop (August 24 – 26, 2004) Training of Trainers in Kigali. The TOT objective was to improve the internal training capacity to adapt to the future changes addressed by anti-corruption measures, by providing training in the methods and procedures of action plan development, budget and financial practices, and the application of transparency and accountability in the conduct of financial and other activities of the local governments. Also the National Anti-Corruption workshop outcomes have been incorporated in the future training plans<sup>2</sup> that involve RALGA and Rwanda provinces.

#### D5. Follow up training

In late August, novice trainees, selected districts, civil society, that monitor government services to guarantee quality and efficacy got together for another follow up training to acknowledge the results and obstacles in the action plan implementation in the three selected Kigali districts and to collect advice for the next activities. Date: August 23 .

#### D6. Direct technical assistance - Phase 2

In each of the three selected districts, the implementation of the action plan continued by constant advised and monitor of Mr. Eugene Nyirigira Gatari–Community Accountability Specialist (CAS). During Sept 1. – Sept. 30.

**Resources:** In order to accomplish all of the aforementioned tasks, as a courtesy for ARD/FDP/USAID, an Accountability and Transparency Manual has been developed by the two anti-corruption specialists, Daniel Serban and Claudia Pamfil. In addition, sample of budget brochures and other information materials to be used by the districts when sharing budget information with citizens have been drafted and shared will all participants, too. In all activities, the CAS, Eugene Nyirigira Gatari brings an important contribution.

#### Relevant Obstacles

The many obstacles that could have seriously hampered the anti-corruption efforts served to dampen expectations. Although some aspects of the Rwandan cultural practices discourage corruption in general, there is a lack of tradition for transparency and accountability in Rwanda. The current institutional framework to fight corruption has not taken shape; national civil society suffers from organizational and structural weaknesses - while the media itself is self-censored.

Transparency and accountability activities can be easily hijacked for personal reasons by individual politicians, and sometimes the client districts and provinces are reluctant to engage in very ambitious programs. Finally, it was thought that both citizens and districts would be reluctant to pursue this issue – citizens because of lack

of experience, limited knowledge about civics and preoccupation with survival, and districts because some of the elected and appointed leaders would resist or manipulate any citizen participation beyond actual elections.

- ❑ Time constraint. The time allocated for the pilot phase was inadequate to cover all the issues in great depths. The key issue here was to have a realistic, but results oriented action plan in each of the three selected districts. Month of August is an issue, too.
- ❑ Lack of resources to be committed by districts. When implementing the budget transparency action plan, districts need to commit few resources in order to: copy and distribute the budget brochure, prepare and distribute the invitation for the budget public hearing(s), public campaign, media, etc.
- ❑ Lack of rapid reaction on behalf of selected districts. By providing direct and constant advice in the targeted districts, we believe to overcome this obstacle.
- ❑ Indefinite period committed by MINALOC to start preparation of the National Anti-Corruption workshop. By relocating Mr. Eugene Gatari's time to MINALOC for NACW preparation, delivery and follow-up, some of the planned activities in August in the three selected districts have been postponed to September 2004.

#### ▶ Component Impacts on Rwanda

1. The RICAM component of FDP was successful well beyond initial predictions. None of the obstacles mentioned above seemed pervasive or strong enough to inhibit ARD efforts – it was as if the country was ready for this initiative. Perhaps it was the transition to democracy and heightened interest in joining the more advanced group of African countries and in general aligning with the principles of a democracy.
2. Another helpful development was that the current national government is making statements in support of client orientation in government service and strongly decided to implement anti-corruption mechanisms. Although part of Eugene Gatari's time for the pilot districts was relocated to MINALOC for technical support to the National Anti-corruption conference, it helped the district and provincial August 24-26 TOT workshop participants to incorporate key anti-corruption conference recommendations in their training plans.
3. Nonetheless, our strategy and approach were developed with the above obstacles well in mind. We made sure that we always conducted this RICAM program to achieve some specific objectives that is to get something done that the district regarded as a priority.
4. We also promoted citizen participation as an essential element of both democratic governance and smart self-interested politics – active participation generates confidence in the present leadership. We focused on specific tools for accountability tools rather than broad concepts in working with Kigali districts, and also strove to disseminate widely our approach and successes by using MINALOC, RALGA and the ARD network of trainers. For example, we produced a manual, "A Practical Guide For Participatory Processes Towards Accountability and Transparency" that

<sup>1</sup> Representatives from Umutara and Byumba did not participate due to urgent commitments in their provinces.

<sup>2</sup> These training plans from provinces can be accessed from RALGA offices in Kigali



- contains worldwide examples, was very well received and has been widely distributed.
5. The most significant achievement of the RICAM was the Training of Trainers program that enhanced the local capacity and provides training plans in the area of Transparency and Accountability in each of the 12 Rwanda provinces. At this moment, each province has qualified trainers and already prepared high quality training materials ready to be used all over the country with various target groups. Moreover, RALGA and MINALOC have the list of these trainers and easily can involve them in any anti-corruption programs.
  6. Citizens' opinion in the district 2005 budget is taken into account in Nyarugenge, Kacyiru and Kicukiro.
  7. Transparency of three local governments enhanced.
  8. Decision making process on budget made much more inclusive.
  9. Large number of citizens educated about budget process and value of participation
  10. District authorities and citizens became aware that together they could accomplish new objectives.
  11. Improvement of district image.
  12. Citizens have become more active in seeking to improve public service delivery performance.

► **Component Sustainability**

Due to lack of time, we have not held an evaluation workshop in order to assess impact and sustainability of RICAM strategies. Our participants agreed that although it is impossible to be certain about sustainability after few months, it is possible to look for indications of sustainability, such as:

- ❑ Are there visible, positive results of training and technical assistance?
- ❑ Have transparency techniques introduced in Technical assistance (such as public meetings and brochures) been used in connection with new (non-assisted) projects?
- ❑ Have new trained trainers, or have RALGA become more engaged with district and provinces?
- ❑ Have transparency and accountability techniques spread to neighboring districts?
- ❑ If citizens' committees CDCs were formed, are they still active some months after?
- ❑ Using indicators such as these, we believe that there are strong indications of sustainability in all districts and local organizations we have worked with.

*However, RICAM could observe the following elements of sustainability:*

1. District plans to introduce transparency and accountability tools in the budget process, such as brochures, public meetings,
2. Training plans for future year in each of the 12 provinces
3. RALGA is capacitated to enhance further efforts towards more training programs throughout the country.

► **Recommendations and Conclusions**

- ❑ **Keep the momentum.** The first will be to sustain and spread the gains and momentum of the past few months. Two approaches are available to USAID/RALGA/MINALOC to achieve this objective. First, the collaboration with the 3 or more districts that will be central to the 5 years RICAM must be of sufficiently high quality and impact to reinforce the

- concept and practice of transparency and accountability. They should also generate best practice experiences that can be spread widely. The second approach is for USAID/RALGA/MINALOC to insure that the trainers spread the word and advocate for transparency and anti-corruption, including appropriate legislation.
- ❑ For the next steps after the pilot project, inform, consult, and get approval of the relevant authorities and beneficiaries. This will help to clarify and facilitate quick implementation of RICAM approach throughout the country.
- ❑ To be able to measure the impact and results of the RICAM pilot project, conduct an evaluation within the three pilot districts. The results of the evaluation of the pilot phase should be used in determining the next steps for the long-term RICAM project. This should be done before proceeding into any further activities under RICAM.
- ❑ With the help of the 12 trainers of trainers from all provinces and RALGA, carry out an assessment to ascertain the best way to implement RICAM nationwide. Although there have been during the pilot phase, the three pilot urban districts may not exactly be best appropriate models for districts in rural areas.
- ❑ RICAM should have a project tracking mechanism, which includes a process of participatory self-evaluation to ensure that project aspirations are in tandem with changing community dynamics.
- ❑ **Integrate transparency and accountability into other components.** At this moment we know that there is going to be a Health/Fiscal Decentralization that will follow. We strongly recommend a good leadership and a high level of commitment to incorporating transparency concepts and practices into specific activities. A process should be developed for planning the transparency needs of each activity. Further, a commitment to use accountability tools in these activities, or a good track record with them, should be one of the criteria used in selecting cooperating district/provinces.
- ❑ **Citizen responsibility and Local Council involvement.** Special attention should be given in the demonstration districts/provinces to two areas that were not addressed sufficiently in these months. These are: (1) educating citizens about their role in governance; and (2) giving special attention to involving local council members and national civil society groups in the anti-corruption process. For instance, citizens who agree to participate in a citizen advisory council should be trained on what is expected of them.
- ❑ **Reaching out with the Rwanda anti-corruption experience.** Rwanda has some experience in building transparency that is worth sharing with other Eastern African countries. Efforts should be made, e.g., through the various regional professional networks and other networks and regional training programs. Sharing the Rwandan experience outside the region will tend to add credibility and prestige to what is going on within Rwanda.
- ❑ **Legal framework for participation.** While there are government initiatives to establish new codes and streamline existing laws on corruption, the legal framework for anti-corruption in Rwanda is still very weak. Work is going on now in other countries to strengthen the legal framework for anti-corruption. This work should be watched to see what might be learned that would be beneficial to anti-corruption in Rwanda.

**ANNEX 1: RICAM\* Anti-Corruption Performance Indicators**

**Note:** "Anti-Corruption Efforts Carried out by Associates in Rural Development under the Fiscal Decentralization Program in Rwanda, June - September 2004."

\*Rwanda Increased Community Accountability Model (RICAM)

Indicator	Definition and Unit of Measurement	Relevance of Indicator	Data Collection methods	Associated Activity
<b>Objective 1: Increasing knowledge of budget preparation and implementation at the local level.</b>				
1) # Of participating organizations that attend and participate in the anti-corruption conference.	200 participants 1 <sup>st</sup> day of organizations represented at the National Anti-Corruption conference.	Indicates range of local-regional organizations desiring to learn more about the budgetary process.	Review of sign-in sheets by organizations type.	National Anti-Corruption conference (12-13 Aug. 04 - MINALOC/ADB) demonstrate principles of transparency and accountability.
2) Approximately 200 <sup>3</sup> persons that attend and participate in the anti-corruption conference.	# of persons that attend the AC conference.	Will document the variation by gender and job titles of persons in attendance at conference.	To be compiled from attendance sign-in sheets	Merger of AC efforts into integrated action plan as part of ongoing FD Program in Rwanda.
3) 80% of the local leaders attending the conference implement recommendations from the conference in their respective local governments <sup>4</sup>	% of local leaders that attend the conference	Points to the level of commitment by local leaders to fight corruption from grassroots	Monitoring reports from districts and provinces	
<b>Objective 2: Improve the fiscal capacity of Rwanda institutions to become more transparent and accountable</b>				
1) # Of trainers trained in a fiscal transparency & accountability workshop.	# Of trainers who can carry out on-going training of trainers (TOT) for improving local-regional capacity of Rwanda organizations to be more transparent and accountable in their fiscal affairs.	Demonstrates the breadth and depth of capacity to improve organizational fiscal responsibility at the local level.	Quarterly reports of number of training activities carried out by trainers and subsequent trainings by TOT methods.	Demand for training in fiscal transparency/accountability procedures will demonstrate improved capacity of local organizations to manage funds from central govt.
2) 95% technical district leaders from three pilot districts trained in accountability and transparency - participatory processes in local finance.		Same as above	Reports from training workshops	
2) 12 trainers from all over the country trained in accountability and transparency in local financial management.	No. of trained trainers from provinces	Demonstrates interest by the government and local leadership to strengthen decentralized anti-corruption capacity	Reports from ARD and MINALOC	
3) At least 2 further trainings and training action plans for each of the 12 provinces developed for the districts by the trained trainers.	Approximate % of trainers that carry on the training in the provinces.	Same as above	Provincial and district monitoring reports	
4) Approximately 252 <sup>5</sup> persons from 12 provinces trained and assisted in accountability and transparency in local financial management.	No. of persons trained and assisted from all districts of 12 provinces	Indicates commitment by local authorities and MINALOC to build and strengthen accountability and transparency in local and public/national resource management	Provincial and district quarterly reports.  Monitoring reports from the National Decentralization Implementation Secretariat (NDIS)	
5) At least 60% of the local pilot district budgets financed by taxes from the community members.	% of pilot district budgets financed locally	Increased level of participatory and transparency practices by the leaders.  Improved understanding of the value of decentralization. High levels of confidence among confidence among community members.	Quarterly district financial and reports.  Surveys from the districts.	
6) Approximately 95% <sup>6</sup> of the pilot district authorities hold sessions to obtain citizen input on community development needs, budgetary process, and participation.	% of pilot district leaders that hold public citizen sessions to obtain views and ideas for budget development process	Better understanding of the use of citizen participation in public decision making process.  Shows improvement in skills in local governance by local leaders	Surveys and good governance evaluation assessments	

<sup>3</sup> The officially registered number is 135 people. Most of the government officials and some other individuals did not register, but did participate. The 200 number is arrived at based on the fact that the conference hall capacity was 200 and it was more than full.

<sup>4</sup> It is estimated that about 20% of the local leaders might not be able to implement the workshop recommendations due to limited human resource as well as financial capacity.

<sup>5</sup> This number is derived from some of the provincial training plans developed during the TOT on August 24-26, 2004 in Kigali

<sup>6</sup> This percentage is based on the number of meetings conducted in all sectors of the three districts.

Indicator	Definition and Unit of Measurement	Relevance of Indicator	Data Collection methods	Associated Activity
7) 80% of local resources going to community identified priority needs.	% of local resources invested in community identified priority needs	Indicates confidence in and commitment of local leaders in community development. Also demonstrates an improved relationship between the common citizen and the leaders	Quarterly district budget reports District Development and evaluation reports	
2) # Of communities requesting fiscal transparency & accountability training.	# Of communities requesting training assistance.	Reflects demand for improving local capacity to manage funds	(Same as above)	Training provided to improve local-level capabilities to manage fiscal affairs as well as training other organizations.
<b>Objective 3: Carry out pilot studies in three communities on the efficacy of the training provided and the extent to which transparency and accountability procedures have been adopted as policy in these communities.</b>				
1) # Of fiscal procedures adopted in each pilot community.	# Of fiscal procedures adopted in each pilot community for demonstrating transparency and accountability in fiscal matter to the community population.	Shows how many and what procedures are deemed relevant to the fiscal decentralization process.	Focus group interviews with community leaders and a review of community meeting notes.	Documentation of the adoption of transparency and accountability procedures that are in keeping with Rwanda's Fiscal Decentralization Program.
2) About 80 % of action plans developed and adopted by the 3 pilot districts to implement participatory tools in the budgetary process are fully implemented.	% of action plans developed and implemented by the pilot districts	Shows an improvement in participatory work planning and implementation of decentralized action plans	Monitoring of and reporting on district implementation plans	
3) About 600 budget brochures developed in the 3 pilot districts to inform citizens on the local budget are distributed.	No. of brochures developed and distributed in sectors prior, during, and public meetings.	Indicates the extent and capacity of local districts to involve citizens in the budgetary and other public resource management processes.	Attending cell, sector and district public meetings. Meetings minute records of attendance and no. of used brochures during the meetings.	
2) Percent of key community leaders in each pilot community that express on-going support for adopted procedures.	2) % key community leaders in each pilot community that express on-going support for adopted procedures, this support will demonstrate that procedures will be sustained in community affairs.	Demonstrates local support and projected continuity of adopted procedures.	Individual interviews with key community leaders using a standardized questionnaire format.	Part of the overall Fiscal Decentralization Program seeking to improve fiscal transparency, accountability and elimination of corrupt behaviors.
3) Approximately 50 % of community engagement in district budgetary planning process at all levels of the district.	% of community engagement in district budgetary planning process	Shows increased in citizen interest decentralized development.	Interviews with district councilors.	
4) About 80% of the community members in the pilot districts ask for regular financial reporting from district leaders.	% of citizens asking leaders for district financial accountability	Indicates citizen improved awareness about their role in public accountability and making their leaders accountable to them	Interviews with leaders. Gathering views and opinions from public meetings.	
5) About 95 % of citizens opinions incorporated in the financial management decisions.	% of citizen opinions incorporated in the financial management decisions.	Increased level of leadership accountability to citizens' role in development.	Public meeting minutes and final financial management policy documents.	
6) 95% pilot districts policy documents reflect citizens' views.	Same as above	Same as above	Same as above	
8) 80 % of key community leaders in each pilot district express support for the use of adopted procedures	% key community leaders in each pilot community that express support for the use of adopted procedures,	This support will demonstrate that procedures will be sustained in community affairs.	Interviews with community leaders, and focus group interviews with citizens and district technical teams using those procedures	

## ANNEX 2: Schedule for Submitting Final Contractual Deliverables

Section 1.6 of the USAID/ARD Contract for the Rwanda FD Project (AEP-I-805-00-00016-00, Task Order No. 805) lists a series of technical deliverables. In January 2004 we reorganized the Project into several components, and assigned deliverables to those components. Since then we have been reporting on progress via quarterly reports according to this reclassification. The list of contract deliverables was slightly modified in Contract Modification No. 4, effective 06/02/2004.

Below, therefore, we present contractual deliverables organized according to component. The emphasis of the following is on deliverables that are documents, with dates for formal delivery to USAID. For information we have also listed other major activities (e.g., training in the field) that are not always associated with a formal document deliverable.

### General

#	Deliverable*	Comments/Documents, Reports or Manuals	Planned or actual date of submission
--	Project implementation plan (1.1)	Was submitted early in the project.	2001-2002
--	Work plans (1.2)	Submitted periodically, the last following the work planning retreat in Kinigi in January 2004.	Most recent Early 2004
--	Study tour (2.7)	We were not able to complete this deliverable. One factor was the preference to take the MINALOC Local Government Finance Unit on the study tour, but this new unit was not established until very late in the project.	--

\*Numbering according to Sec. 1.6 of original Contract shown in (parentheses). For example what is listed as Task one, subtask one shown as (1.1) above.

Please note that the above-mentioned Contract does not require the submission of quarterly reports or a final report. As an added management tool the COP has provided quarterly reports to USAID for the first two quarters of 2004. In place of a quarterly report for July-September 2004, the COP will submit a final report.

*The dates the following documents were first submitted and/or finalized are different from the date that ARD/FDP submits to USAID as a final deliverable. ARD/FDP will officially submit all final deliverables by 28<sup>th</sup> September 2004, except for Deliverables 5 and 7 under the Fiscal Decentralization Component. These 2 deliverables \*\* (FD-D5 & FD-D7) will be submitted by 15<sup>th</sup> October 2004.*

### Fiscal Decentralization (Policy) Component

#	Deliverable	Comments/Documents, Reports or Manuals	Submitted to MINALOC
<b>FD1</b>	Revenue and expenditure model (2.1)	"Fiscal Decentralization Data Manual"	24 Sept 2004
		Training of MINALOC LGFU on use of database began 9 September 2004	--
<b>FD2</b>	Options paper on revenue sharing & service responsibilities (2.2)	Satisfied by "Intergovernmental Transfers Reform and Equalization Formula Design"	24 Sept 2004
		Toolkit (software) for equalization formula provided to MINALOC	24 Sept 2004
		Toolkit (software) for CDF to be provided to Board of CDF in September 2004	24 Sept 2004
<b>FD3</b>	Property tax installed in one district (4.3)	Provided ongoing advise to Nyarugenge District on formation of property tax roll and register	
		"Fixed Asset Manual" (Original November 2002, revised June 2004)	24 Sept 2004
		"Advanced Trainer of Trainers Manual on Property Tax in Rwanda" (Based on R. Almy's "Fixed Asset Manual")	24 Sept 2004
<b>FD4</b>	Options paper on fixed asset (property) tax system (2.4)	"[title being revised]"	24 Sept 2004
<b>FD5</b>	Options paper on setting ranges for rates of local taxes 2.3)	"Rate Setting for Local Taxes"	**15 Oct 2004



<b>FD6</b>	Drafts of legislation on various components of intergovernmental finance (2.5).	Provided technical inputs to "Decree that Set the Distribution of Government Support to Districts and Towns," gazetted 9 July 2004	24 Sept 2004
		Provided technical inputs to similar decree on Common Development Fund (CDF), approved by Board of CDF 8 September 2004 (not yet passed into law)	24 Sept 2004
		Substantial FD Project involvement in: draft decree related to the formulation of the Common Development Fund; extensive input to proposed legislation restructuring the property tax.	
<b>FD7</b>	Options paper on sustainable development finance system (5.2)	"Alternative Revenue Sources for Local Governments in Rwanda"	**15 Oct 2004
<b>FD8</b>	Analysis of administrative cost of implementing GoR/FD policy (1.3) (Original wording of Contract: "rough analysis of administrative cost of implementing the GOR fiscal decentralization policy, to be delivered within 90 days.")	The MIFIN Central Public Investment and External Finance Bureau (CEPEX) has been undertaking a comprehensive study of similar scope. They began more than 2 years ago and have experienced similar difficulties in data collection. We met with them on 10 Sept 2004 to provide them with information as an input to their work. Therefore we will not complete this item.	

### Financial Management Component

#	Deliverable	Comments/Documents, Reports or Manuals	Submitted to MINALOC
<b>FM1</b>	Options paper on financial management system for districts (3.1)	1. Financial Management for Local Governments in Rwanda.	October 2003
		2. Proposed Roles and Responsibilities for Financial Management for Local Governments in Rwanda.	Sept. 2004
		3. Proposition des rôles et responsabilités concernant la gestion financière dans les administrations locales du Rwanda.	Sept. 2004
		4. Guide to Financial Reports for Local Governments in Rwanda.	Sept. 2002
		5. Guide d'interprétation des rapports financiers pour les administrations locales du Rwanda.	Sept. 2002
<b>FM2</b>	Procedures manual for FM systems (3.2)	1. "Accounting Manual for Local Governments in Rwanda.	June 2003
		2. Manuel de formation Comptabilité pour les administrations locales du Rwanda.	June 2003
		3. Budget Management Manual for Local Governments in Rwanda.	May 2004
		4. Guide sur la gestion budgétaire des administrations locales du Rwanda.	June 2004
		5. Budget Execution and Financial Position of Local Governments in Rwanda.	June 2004
		6. Treasury Management Manual for Local Governments in Rwanda	August 2004
		7. Guide sur la gestion du Trésor des administrations locales du Rwanda.	Sept. 2004

## Institutional Development & Support Component

#	Deliverable	Comments/Documents, Reports or Manuals	Submitted to MINALOC
IDS1	FM systems installed in pilot districts; staff fully trained (4.1)	"Accounting TRAINING Manual A for Local Governments in Rwanda: Participants Handbook A", (Submitted both in French & English to MINALOC September 2002)	Sept. 2002
		"Accounting TRAINING Manual B for Local Governments in Rwanda: Participants Handbook B", (Submitted both in French & English to MINALOC March 2003)	March 2003
IDS2	Manual & training curriculum replicated and disseminated to other districts (3.3)	"Intermediate Program Guide for Trainer of Trainers", (Submitted both in French/English to MINALOC August 2003)	August 2003
		"Advanced Trainer of Trainers Participant's Handbook", (Submitted both in French/English March 2004)	March 2004
		"Manual for ATOTs on Property Tax"	April 2004

## District Services Component

#	Deliverable	Comments/Documents, Reports or Manuals	Submitted to MINALOC
D1	Service delivery implemented in two services in each of the districts (4.4)	ARD/FDP assisted in improving the provision of solid waste management/recycling in three sectors (women's Associations) of Nyarugenge District of the City of Kigali, and in improving the provision of market administration in 4 pilot markets (3 in City of Kigali and one in Kibuye District).	Sept. 2004
D2	Options paper on service delivery devolution policy (5.1)	ARD/FDP satisfy this item through the following documents:	
		"Community Involvement in the Development of a Sustainable Solid Waste Management System in the City of Kigali, Rwanda: A Case Study of Muhima, Rugenge and Biryogo Sectors of Nyarugenge District"	July 2004
		a "Community Based Manual on Integrated Solid Waste Management".	July 2004
		<u>MARKET ADMINISTRATION:</u> 1. Review of current market situation in four selected pilot markets. 2. Options paper on methodology for assessing local service costs and setting fees. 3. Options paper on service delivery devolution policy.	Sept. 2004 Sept. 2004 Sept. 2004

**NOTE:** The District Services Component developed/implemented 3 additional deliverables: 1) "Community Involvement in the Development of a Sustainable Solid Waste Management System in the City of Kigali, Rwanda: A Case Study of Muhima, Rugenge and Biryogo Sectors of Nyarugenge District"; 2) Technology Development & Implementation in Briquetting and Composting; 3) Developed a "Community Based Manual on Integrated Solid Waste Management".

## Rwanda Increased Community Accountability Model (RICAM)

#	Deliverable	Comments/Documents, Reports or Manuals	Submitted to MINALOC
--	Contract Modification No. 4 added RICAM to our Scope but did not specify document-type contract deliverables.	"Accountability Action Plan for the Budget Process" for Nyarugenge, Kacyiru, Kicukiro Districts in City of Kigali	Sept 04
		"Participatory Processes Towards Accountability and Transparency: A Practical Guide for Training of Trainers"	Sept 04

### ANNEX 3: ARD/FDP Staff and Technical Support Advisors

NAME	POSITION	START DATE
1. Dr. Henry H. Kellam III	Chief of Party	January 2004
2. Dr. Ludovick Shirima	Coordinator of Fiscal Decentralization Component	January 2004
3. Dr. Mussolini Kithome	Coordinator of District Services Component	January 2004
4. Antoinette Uwimana	Coordinator of Institutional Development & Support	2002
5. Micheline Niyonsaba	Training & Coaching Specialist	2002
6. Claude Rubango	Training & Coaching Specialist	2001
7. Antoinette Kanyundo	Office Administration Support	2001
8. Veronique Gakwaya	Head of Administration & Accounting	December 2003
9. Alphonsine Ntabana Sheri	Solid Waste Management Specialist	February 2004
10. Abu Singirankabo	Chief Custodian	2002
11. Johan Cornet	IT and Database Specialist	February 2004
12. Walter Espinoza	Budget/Treasury Specialist (FM Component)	March 2004
13. Eugene Nyirigira Gatari	Community Accountability Specialist (CAS) / RICAM	June 2004
14. 6 Data Entry Team:	Data Entry Specialist (FD Component)	Jan-April 2004
15. Jean Bosco Kaigire	Driver	September 2003
16. Jules Karangwa	Driver/SSA Rental	March 2004
<b>FDP CONSULTANTS AND OTHER SUPPORT STAFF/ADVISORS</b>		
17. Robert Kehew	Sr. Technical Advisor (ARD/DC Sub-Office)	2001
18. Pierre Munyura	CTO/USAID	2001
19. Marc Companion	Project Manager/Back Stop ARD/VT Office	November 2003
20. Ricardo Valderrama	Sr. Advisor in Financial Management	2002
21. Claudia Pamfil	Trainer of Trainers Advisor	2002
22. Richard Almy	Property Tax Specialist/Advisor	2002
23. Daniel Serban	Trainer of Trainers Advisor	2002

## Conclusions

The FDP was very fortunate to have the Local Government and Finance Department (LGFD), MINALOC in place prior to the close of the project. Under the leadership of Mr. Paul Jabo (Director of LGFD), the FDP has managed to complete critical handover activities that will insure the 'legacy' of the FDP.

The FDP assisted the LGFD to become operational in August and September of this year. The FDP provided training on deliverables produced by the FDP over the past three years. All of these deliverables<sup>7</sup> were installed on LGFD computers. All hard copy documents, reports, software programs and data were handed over to the LGFD.

On the 22<sup>nd</sup> of September 2004, the FDP, the LGFD and key stakeholders held a one-day workshop regarding FDP's deliverables. The FDP Component Coordinators provided detailed presentations of their respective deliverables. Emphasis was placed on the impacts, successes, sustainability and recommendations for participants and key stakeholders to continue the work of the FDP. All participants were given the opportunity to discuss these deliverables and have their questioned addressed.

On the 24<sup>th</sup> of September 2004, the FDP Coordinators held another working session in coordination with the LGFD to prepare and complete a 'Project Planning Matrix' - or one-year plan to continue implementation of Project activities. The FDP continued this planning coordination with LGFD up to the end of the Project on 30<sup>th</sup> September 2004.

The strategies and one-year work plan that resulted from these sessions can be obtained from the LGFD, MINALOC.

The FDP implemented intensive activities under a pilot program for the USAID Rwanda Increased Community Accountability Model (RICAM)<sup>8</sup> from June – September 2004. This is a five-year program. FDP made a good start seeding the program. FDP worked very closely with RALGA on this pilot. FDP has left behind a well-trained Community Accountability Specialist. All materials produced under this pilot are with the LGFD and RALGA.

<sup>7</sup> See ANNEX 2 for a complete list of these deliverables.

<sup>8</sup> See ANNEX 1 for RICAM Anti-Corruption Performance Indicators.