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PROJECT PERFORMANCE ASSESSMENT REPORT

WHAT WORKS

RWANDA

Quality of Decentralized Service Delivery Support Development Policy Operation

Report No. 126893
SEPTEMBER 4, 2018

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PROJECT PERFORMANCE ASSESSMENT REPORT

RWANDA

QUALITY OF DECENTRALIZED SERVICE DELIVERY SUPPORT DEVELOPMENT POLICY OPERATION
(IDA H8530)

September 4, 2018

Human Development and Economic Management

Independent Evaluation Group

Currency Equivalents (annual averages)

Currency Unit = Rwanda Franc (RF)

2013	$1.00	RF 634
2014	$1.00	RF 680
2015	$1.00	RF 690
2016	$1.00	RF 747
2017	$1.00	RF 840

Abbreviations

DPO	development policy operation
EDPRS	Economic Development and Poverty Reduction Strategy
IDA	International Development Association
IEG	Independent Evaluation Group
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
MINECOFIN	Ministry of Finance and Economic Planning
M&E	monitoring and evaluation
ODA	official development assistance
PEFA	Public Expenditure and Financial Accountability
PDO	program development objectives
PFM	public financial management
PPAR	Project Performance Assessment Report
QDS DPO	Quality of Decentralized Service Delivery Support Development Policy Operation
SEAS	Subsidiary Entity Accounting System
SWG	Sector Working Group

All dollar amounts are U.S. dollars unless otherwise indicated.

Fiscal Year

Government: July 1 – June 30 (since July 2009)

Director-General, Independent Evaluation	Ms. Caroline Heider
Director, Human Development and Economic Management	Mr. Auguste Kouame
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This report was prepared by Yumeka Hirano with support from Ali Khadr, and Florence Charlier. The program was assessed in February 2018. The report was peer reviewed by Zeljko Bogetic and panel reviewed by Robert Lacey. Carla F. Coles provided administrative support.

Principal Ratings

Indicator	ICR	ICR Review	PPAR
Outcome	Satisfactory	Moderately satisfactory	Satisfactory
Risk to development outcome	Moderate	Moderate	Moderate
Bank performance	Highly satisfactory	Moderately satisfactory	Satisfactory
Borrower performance	Highly satisfactory	Satisfactory	Satisfactory

Note: The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Global Practice. The ICR Review is an intermediate Independent Evaluation Group product that seeks to independently validate the findings of the ICR. PPAR = Project Performance Assessment Report.

Key Staff Responsible

Project	Task Team Leader	Sector Manager	Country Director
Appraisal	Yoichiro Ishihara/ Tessa MacArthur/ Alex Kamurase	Pablo Fajnzylber	Johannes Zutt
Completion	Yoichiro Ishihara	Guenter Heidenhof	Diarietou Gaye

IEG Mission: Improving World Bank Group development results through excellence in independent evaluation.

About This Report

The Independent Evaluation Group (IEG) assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the World Bank's self-evaluation process and to verify that the World Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20–25 percent of the World Bank's lending operations through fieldwork. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or World Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, interview World Bank staff and other donor agency staff both at headquarters and in local offices as appropriate, and apply other evaluative methods as needed.

Each PPAR is subject to technical peer review, internal IEG panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible World Bank Country Management Unit. The PPAR is also sent to the borrower for review. IEG incorporates both World Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the World Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEG Rating System for Public Sector Evaluations

IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: http://ieg.worldbankgroup.org).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current World Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, country assistance strategies, sector strategy papers, and operational policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared with alternatives. The efficiency dimension is not applied to development policy operations, which provide general budget support. *Possible ratings for outcome:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, highly unsatisfactory.

Risk to development outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for risk to development outcome:* high, significant, moderate, negligible to low, and not evaluable.

Bank performance: The extent to which services provided by the World Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan or credit closing, toward the achievement of development outcomes). The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Borrower performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for borrower performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Preface

This Project Performance Assessment Report (PPAR) assesses the Rwanda Quality of Decentralized Service Delivery Support Development Policy Operation, in the amount of $50 million, which was approved by the Board of Executive Directors on May 14, 2013, and closed as scheduled on June 30, 2014.

The purpose of the PPAR is to examine the extent to which this development policy operation achieved its relevant objectives and the sustainability of outcomes after project closure. In addition to its accountability and lesson-learning functions, the PPAR provided input for Country Program Evaluation by the Independent Evaluation Group (IEG) for Rwanda for fiscal years 2009–17. It will also serve the purpose of providing input to an upcoming IEG thematic evaluation on strengthening subnational governments.

The report presents findings based on a review of the program document, the Implementation Completion and Results Report, relevant laws of Rwanda, and the government of Rwanda's budget documents, policies, strategies, action plans, and progress reports. Information was also obtained from stakeholder interviews during an IEG mission in Rwanda in January and February 2018 and from interviews with World Bank staff.

IEG acknowledges the cooperation and support provided by staff of the government of Rwanda, especially the Fiscal Decentralization Unit under the Ministry of Finance and Economic Planning; staff of other relevant ministries, government institutions, and district offices; private sector and civil society organizations; and development partners, who provided valuable insights into the World Bank Group's program in Rwanda. IEG also extends its appreciation to the staff of the World Bank's country office in Rwanda. The names of interviewees appear in appendix D.

Following standard IEG procedures, a copy of the draft report was sent to the relevant government officials and agencies for their review and feedback. No comments were received.

Summary

This Project Performance Assessment Report (PPAR) reviews the Rwanda Quality of Decentralized Service Delivery Support Development Policy Operation (QDS DPO), which was approved by the Board of Executive Directors on May 14, 2013, and became effective on June 4, 2013. The program, which was financed by an International Development Association (IDA) grant of $50 million, closed as scheduled on June 30, 2014.

Preparation took place against the background of significant political and economic difficulties for Rwanda that risked undermining achievements in poverty reduction and service delivery. Owing to alleged Rwandan support for rebel activity in the neighboring Democratic Republic of Congo, many development partners suspended or delayed planned budget support to Rwanda. Moreover, the time frame for preparation—two months from the time of preparation of the concept note to Board approval—was highly compressed.

The program development objectives (PDOs) were (i) to support the government of Rwanda in clarifying institutional roles and responsibilities for decentralized service delivery and (ii) to enhance public transparency, fiduciary accountability, and local government capacity for improved access to quality services.

The PDOs were highly relevant to the country context and well aligned with the government's and the World Bank Group's strategies. Relevance of the design is rated **substantial,** reflecting a generally robust theory of change and a logical causal chain linking activities to expected outcomes, despite some apparent weaknesses in the additionality of the operation and the institutional depth of measures it supported. The choice of instrument was appropriate, providing flexibility to resolve a financing impasse and restore dialogue with external development partners in a context of rapidly changing circumstances. The underlying macroeconomic framework was satisfactory, with monitoring of macrofiscal developments conducted through policy dialogue and analytical work.

Efficacy in achieving the two PDOs is rated **substantial.** The decentralization policy framework was strengthened through the adoption of new legislation and presidential orders, which clarified the roles and responsibilities of central and local governments. Establishment and implementation of the new framework facilitated service provision and, subsequently, collection of local fees. Public transparency, fiduciary accountability, and local government capacity were enhanced. The capacity of local governments was strengthened through the rollout of an Integrated Financial Management Information

System (IFMIS) at the local level and the implementation of plans for capacity development at the district level. Citizen participation rates, including female participation rates, in government programs were enhanced through the adoption and implementation of the Access to Information Law, which provides the right to public information. Improved capacity and enhanced participation would likely have contributed to service delivery improvements, although direct evidence for the latter is difficult to come by, and perceptions concerning the quality of popular participation in decision making are mixed. In addition, the operation contributed to macroeconomic stability, sustained progress in poverty reduction, and a restoration of dialogue with, and financial support from, other external development partners.

Given the high relevance of objectives, substantial relevance of design, and substantial efficacy in the achievement of both objectives, as well as the pertinence of the World Bank's financial contribution, the outcome is assessed as **satisfactory.**

The risk to development outcome is judged **moderate.** Resumption of external financial support has reduced macroeconomic risks, and there has been some alleviation of tensions in the region. Risks to the sustainability of the program's outcomes are mitigated by strong ownership on the part of the government, as evidenced by its continuing capacity building and reform efforts with support from the World Bank and other partners.

Bank performance is rated **satisfactory.** The World Bank demonstrated flexibility and agility in response to the 2012 cutback in external support. The program was well designed and took account of country conditions and implementation capacity. The World Bank team provided timely and well-focused support during implementation, and the authorities were especially appreciative of the team's contribution to policy dialogue and mobilizing other external partners.

Government performance is rated **satisfactory.** The government demonstrated strong ownership, commitment, and leadership in implementing reforms before, during, and after the operation. The program was able to rely on the government's own data, results framework, and implementation arrangements.

The following lessons are drawn from the design and implementation of the program:

- Strong government ownership and leadership of the reform agenda are important drivers of successful development policy financing. Although this appears self-evident, it bears repetition because development policy financing is sometimes used to attempt to leverage reforms even in cases where ownership is unclear. In Rwanda, the reform agenda supported by the QDS DPO derived directly from the government's own well-defined decentralization strategy, the preparation of which was participatory and supported by several development partners, including the World Bank. Implementation of the strategy underwent regular, structured, and in-depth monitoring by the World Bank and other development partners under government leadership, using the government's own monitoring and evaluation framework. This combination of government ownership and leadership, including its homegrown *Imihigo* culture of performance and results, is likely to have been decisive in securing progress in the reform agenda, which has been sustained since the QDS DPO closed.

- Rollout of an IFMIS at the local government level can serve as a useful catalyst and vehicle for enhancing local capacity. In Rwanda, the structured training programs that accompanied the rollout of the IFMIS to the district and sector levels—with the support of the QDS DPO and other World Bank instruments—served as a rallying point for improving public financial management capacity and practices, notably on financial reporting. Successful implementation of the IFMIS helped local governments more efficiently budget, execute, account for, and report on a rapidly growing volume of fiscal transfers to them.

- Flexibility, agility, and strategic acumen on the World Bank's part can play a valuable role in resolving a financing impasse that threatens to jeopardize development gains. In response to cutbacks in the 2012 official development assistance, the World Bank undertook intensive consultations with its key shareholders and other stakeholders on acceptable modalities for rapidly restoring support to minimize reversals in Rwanda's development gains. Once a consensus was reached that development policy financing focused on decentralization was an acceptable way forward, the World Bank took the initiative to prepare the QDS DPO in record time. Stakeholders widely credit the operation not only with mitigating the adverse impact of the official development assistance cutbacks but also with helping to restore normality in financing flows, including external financing and transfers to local authorities, while helping to secure continued momentum in a critical area of the country's reform program.

- In designing a DPO, there may be a trade-off between speed of response and value-added in terms of leveraging reforms. In designing the QDS DPO, the choice of instrument and policy content reflected the need to provide quick financial support that could secure the backing of key World Bank shareholders. This meant that many of the measures supported by the operation were ones that the government had already been planning, and in some cases had already initiated, before the design of the QDS DPO was finalized. However, although the measures would likely have been taken even in the absence of the QDS DPO, the operation is likely to have facilitated their implementation, which would have been slower and more difficult in the continued absence of external financing.

Auguste Tano Kouame

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1. Background and Context

1.1 Rwanda is a postconflict country that has achieved rapid economic and social development since the 1994 genocide. Economic growth translated into significant poverty reduction and social improvement. Over the past decade, from 2008 to 2017, real growth in gross domestic product averaged 7.4 percent a year. The national poverty rate dropped from 56.7 percent in FY05/06 to 39.1 in FY13/14, accompanied by a modest decline in inequality—the Gini coefficient decreased from 0.52 in FY05/06 to 0.49 in FY10/11 (see appendix B, table B.1).

1.2 Macroeconomic performance was broadly positive in the years leading up to the Quality of Decentralized Service Delivery Support Development Policy Operation (QDS DPO) and remained so during implementation, driven by the government's strong economic management and effective responses (table 1.1). Quick and appropriate fiscal and monetary responses to the global financial crisis in 2009 and to a short-term aid cutback in FY12/13 illustrate the capacity for effective management of macroeconomic shocks. With the government's strategic public investments and export promotion, exports of goods and services increased from 11.7 percent (as a percent of gross domestic product) in FY09/10 to 14.7 percent in FY14/15. However, Rwanda's external current account remained in significant deficit. After FY09/10, inflation stayed relatively low, in the 2–6 percent range. Although the level of public debt has increased in recent years, Rwanda remains rated at a low risk of debt distress (IMF 2017). Improvement of associated institutional capacity is reflected in the Country Policy and Institutional Assessment index for economic management, which increased to 4.0 in FY14/15.

1.3 However, Rwanda remains one of the world's poorest countries, with large gaps between urban and rural areas and challenges in voice and accountability. Much remains to be done to enhance service delivery and government accountability. Although the poverty rate is relatively low in urban areas at 22 percent, it is 49 percent on average outside the capital, and reaches 73 percent in the rural districts where poverty is highest.[1] The average poverty rate declined between 2005/06 and 2013/14, but the gap between the district with the highest poverty rate and the one with the lowest was 46 percentage points in 2013/14. There are significant disparities across districts in access to sector administration and health services, such as health centers and district hospitals (see appendix B, table B.2). Rwanda scores highly on two aspects of governance—government effectiveness and control of corruption—but it performs less well on voice and accountability (see appendix B, figure B.1).

Table 1.1. Rwanda Key Economic Indicators

Indicator	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
GDP growth *(percent)*	6.3	7.3	7.8	8.8	4.7	7.6
Inflation *(percent)*	10.3	2.3	5.7	6.3	4.2	1.8
General government revenue *(percent of GDP)*	23.8	24.6	25.3	23.2	25.5	24.2
of which: grants	—	13.3	10.8	9.3	8.6	7.4
General government total expenditure *(percent of GDP)*	23.5	25.3	26.2	25.7	26.8	28.3
Fiscal balance *(percent of GDP)*	0.3	−0.7	−0.9	−2.5	−1.3	−4
General government gross debt *(percent of GDP)*	19.5	20	19.9	20	26.7	29.1
Exports of goods and services (percent of GDP)	11.7	12	13.8	12.8	14.1	14.7
Imports of goods and services *(percent of GDP)*	29.7	30	30.6	31.9	31.9	32.9
Current account balance *(percent of GDP)*	−7.0	−7.2	−7.4	−11.2	−8.7	−11.8
Foreign direct investment, net inflows *(percent of GDP)*	2.2	4.3	1.8	3.5	3.4	3.9
Net ODA received *(percent of GNI)*	17.5	18.0	19.6	12.2	14.5	13.2
Total reserves in months of imports	—	5.7	5.6	4.1	5.0	4.5
CPIA economic management index	3.8	3.8	3.8	3.8	3.8	4.0
IDA resource allocation index	3.5	3.7	3.6	3.6	3.6	3.6

Sources: Rwandan authorities; International Monetary Fund, World Economic Outlook Database; World Development Indicators database; and Organisation for Economic Co-operation and Development statistics.
Note: CPIA = Country Policy and Institutional Assessment; GDP = gross domestic product; GNI = gross national income; IDA = International Development Association; ODA = official development assistance.

1.4 The government identified decentralization as a key focus of the efforts to strengthen national unity and reconciliation, promote greater government accountability to citizens, and enhance service delivery. This is reflected in Rwanda's long-term Vision 2020, which the country prepared in 2000 and revised in 2011, and the medium-term strategies to operationalize it. The second Economic Development and Poverty Reduction Strategy (EDPRS 2; 2013–18), which was launched in September 2013 after a year-long preparation process,[2] focused, as an overarching priority, on strengthening accountable governance through promoting greater citizen participation in government and enhancing the quality of decentralized public service delivery. In 2000, the government adopted the initial decentralization policy for Rwanda and initiated a multiphased decentralization program that has progressively decentralized decision making, the provision of some public services, and resources.[3] In 2013, the government adopted a new decentralization policy to consolidate achievements and support further increases in local autonomy. Decentralization has developed in three broad phases:

- The first phase (2001–06) focused on establishing five levels of government—namely, central government, provinces, districts, subdistricts (known as sectors), and cells—and democratic and community development structures at the local government level.

- The second phase (2006–11) saw a significant increase in total transfers to districts, and a concomitant attempt to build more capacity in local government institutions to enhance service delivery implementation and boost local economic development.

- The third phase (2011–15) emphasized improvements in the targeting of service provision to meet the needs of the poor by empowering subnational governments, including strengthening their capacity.[4]

1.5 Districts—the main local government entity—plan, implement, and monitor priorities of their local citizenry through a performance contract system known as *Imihigo*. In 2006, the government reformed the institutional framework for decentralization and reshaped the local government structure, resulting in (i) four provinces and Kigali City; (ii) 30 districts; (iii) 450 sectors; (iv) 2,148 cells; and (v) 14,744 villages, which are the lowest level of government (see appendix B, table B.3). Districts are provided with autonomy to execute budgets and deliver services in line with local needs and priorities, as long as such decisions are consistent with the national ideals and within the law. Districts also have responsibility for economic development, including agriculture, tourism, and small and medium enterprise development, as well as service delivery, including oversight of hospitals, water, and sanitation.[5] The government introduced Imihigo with the aim of building greater capacity of local governments to improve planning and accelerate implementation while focusing on time-bound results and reporting.

1.6 To implement decentralization strategies and policies, legal frameworks for decentralized fiscal and financial management and service delivery have also been strengthened considerably. The Fiscal and Financial Decentralization Policy (2011) states "a fiscal and financial decentralization policy must be designed within a legal framework that clearly defines the functions and responsibilities devolved to the local level as well the decentralized sources of revenue." The legal framework governing local government revenue was revised in 2011 with the passage of a law establishing the Sources of Revenue and Property of Decentralized Entities and Governing Their Management, and was implemented by a Ministerial Order, which regulates the range, level, and rates of fees and other charges levied by local governments (World Bank 2013a, paras. 23 and 43).

1.7 With the significant increase in fiscal transfers to districts, strengthening local governments' capacity for fiscal and financial management and service delivery assumed particular importance. The total budget administered by the districts increased ninefold, from RF 49.7 billion ($58 million) in 2006 to RF 440 billion ($514 million) in 2017/18, as the share of central government transfer to districts increased from 9 percent (RF 35.8 billion; $41.8 million) of the total national budget to 17.4 percent (RF 304.4 billion; $355.3 million; see appendix B, table B.5). At the same time, the districts' own revenues (taxes and fees) also increased from RF 13.9 billion in 2006 to RF 51.5 billion in 2017/18.[6] The 2011 Fiscal and Financial Decentralization Policy highlights the important role of local governments in delivering quality services with the autonomy to meet local needs and priorities.[7]

1.8 Rwanda faced political and economic difficulties in 2012 that risked undermining the progress made in poverty reduction and service delivery. Owing to alleged Rwandan support for rebel activity in the neighboring Democratic Republic of Congo, many development partners suspended or delayed planned budget support to Rwanda, leading to a cutback in official development assistance (ODA) by 7.5 percent of gross national income, from 19.6 percent to 12.2 percent and a loss equivalent to 11 percent of the budget in the first half of FY12/13 (July–December 2012; see appendix B, figure B.3). This included World Bank Poverty Reduction Support Financing of $125 million, originally planned for disbursement in that period.[8] The aid shortfall translated into scarcity of resources to finance development.[9]

1.9 Given the situation, the World Bank began seeking ways to restore financial support to Rwanda. The World Bank had been an important financier of Rwanda's development, disbursing $157 million (in International Development Association [IDA] financing) on average annually during FY09–13, which accounted for 15.3 percent of ODA disbursement. The World Bank also played a leading role in maintaining policy dialogue with the government and other development partners, and in analytical work.[10]

1.10 The operation under review was prepared in a compressed time frame and built on previous World Bank lending operations.[11] The Concept Review Meeting was held in March 2013. The operation (in the form of an IDA grant of $50 million) was appraised on April 2, 2013, and approved by the Board on May 14, 2013, to provide financing to help Rwanda close out the 2012/13 financial year. The operation closed on June 30, 2014.

2. Relevance of the Objectives and Design

Objectives

2.1 According to the program document, the program development objectives (PDOs) of the QDS DPO were (i) to support the government in clarifying institutional roles and responsibilities for decentralized service delivery; and (ii) to enhance public transparency, fiduciary accountability, and local government capacity for improved access to quality services.

2.2 The operation also intended to help: (i) mitigate the short-term economic and social impacts of the aid shortfall, (ii) prevent an adverse spillover effect on progress toward poverty reduction and the Millennium Development Goals in the medium/long-term, and (iii) sustain policy dialogue on accountable governance and service delivery during the crucial period of EDPRS 2 preparation (World Bank 2013a, para. 80).

Relevance of the Objectives

2.3 The PDOs were highly relevant to the country context. Enhancing decentralized services was a key priority, as there were wide gaps in service quality across regions and districts. In addition, securing development finance had arisen as an urgent issue. Despite the government's prudent fiscal and monetary policy measures, reducing public expenditures and tightening the monetary stance, the effects of the aid shortfall started to be translated into currency depreciation, higher interest rates, and a decline in international reserves.[12] Continued shortfalls in ODA risked precipitating a deceleration in growth and poverty reduction. The financing through the QDS DPO was necessary to mitigate cuts in public expenditures and service delivery in priority areas. Continued support for reforms to secure and sustain continuing decentralization of service provision and enhanced service quality were particularly important in light of the reduced external assistance.

2.4 The PDOs were well aligned with the government's key strategies and programs and remained so throughout implementation. Rwanda's long-term Vision 2020 strategy had put forward "good governance and a capable state" as its first key pillar and emphasized the importance of strengthening accountability, transparency, and efficiency in deploying scarce resources. Priorities of the government's medium-term strategy, EDPRS 2 (2013–18), are strengthening accountability by promoting greater citizen participation in government and enhancing the quality of decentralized public service delivery. The operation's decentralization objectives were also aligned with the national decentralization policy and the multiphased decentralization program, as well as with the Public Financial Management (PFM) Reform Strategy 2008–12, which highlighted capacity constraints at the subnational government level.

2.5 The PDOs were also consistent with the World Bank Group's strategy for Rwanda. Although the operation was not originally foreseen in the FY09–13 Country Assistance Strategy, it was nonetheless of direct relevance to two of its strategic pillars: (i) promoting economic transformation and growth; and (ii) reducing social vulnerability. It was particularly well aligned with Country Assistance Strategy outcome 1.4: "Management of public resources at central and local levels strengthened." The operation remained centrally relevant to one of the three pillars of the FY14–18 Country Partnership Strategy: "Supporting accountable governance through public financial management and decentralization" (World Bank 2014a, vi).

2.6 The relevance of objectives is rated **high.**

Design

Policy Content and Results Framework

2.7 The operation supported four policy areas mapped to the PDOs (table 2.1, see also the policy matrix in appendix C).

i. **Strengthening the policy framework for decentralization:** This policy area aimed to support the government's new decentralization policy, notably adopting local government structures with clear roles, responsibilities, and functions, and issuing prime ministerial instructions on decentralization arrangements in various sectors. It also aimed to improve the regulation of fee collection and other charges by decentralized entities, to facilitate increased access of citizens to the corresponding services.

ii. **Capacity development for quality service delivery by local governments:** This policy area supported the government's initiatives to strengthen capacity at the district level and improve service delivery, particularly through strengthening PFM.[13] The elaboration and implementation of five-year district capacity building plans, and the development and application of a simplified accounting and financial reporting system in subsidiary entities of districts were also supported.

iii. **Improving government accountability and transparency to citizens:** This policy area aimed to support initiatives to improve citizens' participation in policy formulation, district budgetary processes, and Imihigo activities.[14]

iv. **Enhancing local government fiduciary accountability:** This policy area aimed to support the government in improving fiduciary accountability of districts and their subsidiary budgetary entities, including schools and health centers, by establishing the internal and external audit function and following up on implementation of audit recommendations to improve the quality of financial reports.

Implementation Arrangements

2.8 At the national level, the Ministry of Finance and Economic Planning (MINECOFIN) was responsible for the overall direction and implementation of the QDS DPO. The Fiscal Decentralization Unit in the National Budget Directorate reported on budgetary expenditure and related outputs.

2.9 Fiduciary responsibility for the implementation of the operation rested with the MINECOFIN as well as other agencies. Since the operation was a DPO, use of its proceeds was subject to country systems, in particular for procurement and financial management, including external audit. The Office of the Auditor General was responsible for independently auditing budget execution.

Monitoring and Evaluation Design

2.10 Monitoring and evaluation (M&E) essentially used the policy matrix and results framework, which was based primarily on the government's own systems to strengthen government M&E capacity.[15] The M&E framework for the operation drew on the framework and indicators in the PFM Sector Strategic Plan (2013–18) and the Decentralization Sector Strategic Plan (2013–18) that were used to monitor and evaluate progress on governance, public sector reforms, and decentralization. The implementation arrangements and M&E aspects of design are discussed in the relevant section under section 3.

Relevance of the Design

2.11 Prior actions and activities outlined under each of the policy areas were logically linked with expected outcomes in most cases.[16] Planned activities for strengthening the policy framework, such as approving and adopting new local government structures and instructions on human resources and revenue collection, were intended to clarify institutional roles and responsibilities for decentralized service delivery and ultimately increase the effectiveness and efficiency of local governments. A prior action to adopt district capacity building plans and planned activities to implement the plans, including support to development and application of a simplified accounting and financial reporting system in subsidiary entities of districts, were designed to strengthen PFM at the local level, an essential step toward enhanced service delivery.[17] Planned activities, such as publishing and promoting the Access to Information Law, building the capacity of citizens to participate in policy formulation, and access to information on district development priorities, budgets, and service delivery were intended to improve government accountability and transparency. The operation also aimed to enhance fiduciary accountability by improving the quality of the financial statements through regular reporting and the use of subnational PFM systems.

2.12 Design weaknesses, though not entirely absent, tended to be minor. For example, the choice of outcome indicators did not always fully capture desired progress toward the program objectives. Filling staff positions, for instance, although important, is not in and of itself a reflection of progress unless the staff are adequately qualified. Similarly, increased revenue collection (through fees and charges) does not guarantee that fees are more appropriately proportionate to services rendered, although it does suggest increased use of such services by citizens.[18] Increased access to information and participation ratios in the district budgetary process and activities do not necessarily guarantee improvement of government accountability and transparency, although they are important building blocks.

2.13 The QDS DPO facilitated the implementation of reforms, which would have been slower and more difficult in the continued absence of external financing. Nevertheless, the speed of response meant that there were some limitations on the scope of the operation to secure the prior actions it aimed to support. The operation was prepared in a very compressed time frame under difficult and urgent circumstances. It was therefore to be expected that many of the reforms it supported were already under way. For example, the prior action on the publication of a Law on Access to Information (first introduced in 2009, adopted by the Parliament in December 2012, and enacted in March 2013) was likely to contribute positively to decentralization reforms. However, the law was prepared independently of the World Bank's partnership with the government.

2.14 The strength, and in particular the depth, of the prior actions was relatively high, though not always.[19] Some of the measures were process-oriented and would not in and of themselves have brought about significant changes in the institutional environment. For example, a review of district audit committee reports and communication of areas for follow-up (prior action 5 in table 2.1) does not in and of itself accomplish much (unless the follow-up actually occurs). Nevertheless, interviews during the Independent Evaluation Group (IEG) mission, and a review of annual issues of the Report of the Auditor General of State Finances, indicate that results and recommendations of the audits have been taken seriously and have been followed by measures to strengthen local government fiduciary accountability.

2.15 The choice of instrument—a stand-alone DPO focused on decentralization-related policy reform—was appropriate.[20] It provided flexibility in a context of rapidly changing circumstances. The policy content benefited from broad-based support both within Rwanda and from key World Bank shareholders.

2.16 When the operation was prepared and approved, Rwanda faced two major macroeconomic challenges: first, in the near term, conducting policy and maintaining stability under highly uncertain prospects for external financing and the global and regional environments; and second, in the medium term, sustaining strong growth and poverty reduction while gradually reducing the country's high dependence on foreign aid. The authorities responded by aligning expenditures with available financing, strengthening domestic revenue mobilization, enhancing the effectiveness of monetary policy, and ensuring that the exchange rate responded better to market fundamentals. These policies were successful in enabling the economy to recover from the shock induced by reduced aid flows. Growth had bounced back by 2014, with inflation well contained. According to the 2014 International Monetary Fund (IMF) Article IV consultation, Rwanda's performance under its Policy Support Instrument remained strong: all quantitative assessment criteria were met and all benchmarks observed except one. The DPO played an important role in restoring stability. Since closure, macroeconomic performance has remained sound (appendix B, table B.8). In 2016, the Policy Support Instrument was supplemented by a Standby Credit Facility (appendix B, table B.4 shows the evolution of IMF support to Rwanda since 2002).

2.17 Relevance of design is rated **substantial.**[21]

Table 2.1. Prior Actions, Outcome Indicators, and Program Development Objectives

Prior Actions	Outcome Indicators	Program Development Objectives
Policy Area 1: Strengthened Policy Framework for Decentralization		
1) The Recipient has approved a new decentralization policy which clarifies the roles and responsibilities of central and local government (Met)	Percentage of staff positions filled in revised organizational structures (Target: 70 percent)	Clarifying institutional roles and responsibilities for decentralized service delivery
2) The Recipient has published in the Official Gazette the Presidential Order establishing the list of fees and other charges levied by decentralized entities and the applicable thresholds (Met)	Fees and charges collected by districts (Target: 12 percent increase from the program baseline – RF 134 million in 2012)	
Policy Area 2: Capacity Development for Quality Service Delivery by Local Governments		
3) The Recipient has adopted twenty-eight (28) District capacity building plans approved by the District Councils (Met)	PEFA PI-23 (availability of information on resource received by service delivery unit) (Target: C rating)	Enhancing public transparency, fiduciary accountability, and local government capacity for improved access to quality services
Policy Area 3: Improving Government Accountability and Transparency to Citizens		
4) The Recipient has published in the Official Gazette a new Access to Information Law which provides for the public's right to information (Met)	Percent of citizens who participate in the district budgetary process (of which, women) (Target: 20 percent, of which, women 19 percent)	
	Percent of citizens who participate in the formulation of Imihigo activities (of which, women) (Target: 30 percent, of which, women 28 percent)	
Policy Area 4: Enhanced Local Government Fiduciary Accountability		
5) The Recipient has reviewed 25 District audit committee reports of 2012 and issued communication to the Districts on the main areas for follow-up (Met)	The number of districts with qualified audit (Target: 5 districts)	

Sources: World Bank 2014b, 2014c, and 2015b.
Note: PEFA = Public Expenditure and Financial Accountability.

3. Implementation

Planned versus Actual Expenditure

3.1 The grant to Rwanda was approved for $50 million. It was disbursed in full ($46.5 million) on coming into effect. The difference between planned and disbursed amounts resulted from exchange rate fluctuations.

Implementation Experience

3.2 The grant was appraised on April 2, 2013, and approved on May 14, 2013. It became effective on June 4, 2013. The program was closed as scheduled on June 30, 2014. All five prior actions were met before approval (see prior actions in table 2.1). The PDOs and key indicators were not revised. The policy areas were not revised.

Safeguards Compliance

3.3 The policies supported by this operation were not expected to have any adverse effects on the environment. No safeguards policies were triggered. The operation's social impact was expected to be favorable, as its focus was on improved public service delivery, especially to the poor and vulnerable groups.

Financial Management and Procurement

3.4 There were no issues of fiduciary compliance. The proceeds of the grant followed the financing agreement, which prohibited ineligible expenditures (that is, to finance goods and services from the IDA's standard negative list).

Monitoring and Evaluation

3.5 **Design.** Design of the M&E framework was largely adequate, albeit with some shortcomings. The choice of indicators was generally adequate and fulfilled the "SMART" criteria with clear baselines and targets.[22] Some indicators captured intermediate outcomes rather than the ones ultimately of interest (specifically, the indicator on the number of decentralized positions filled and the indicator on collection of fees.)

3.6 **Implementation.** M&E performance indicators were monitored regularly through the Joint Sector Reviews under the auspices of the relevant Sector Working Groups (SWGs), along with the government and development partners.[23] Rwanda offers an environment conducive to M&E, including the regular, in-depth joint monitoring of progress in sector strategy implementation that is undertaken through the SWGs (World

Bank 2018b). The IEG mission was informed that the Decentralization SWG undertakes and discloses regular monitoring of progress in implementing sector strategic plans.

3.7 **Use.** The M&E under this operation was used to select key policy areas in the subsequent Public Sector Governance Program-for-Results operation. Some of the outcome indicators were also used to assess the continuing reforms and their outcomes.

3.8 M&E is rated **substantial,** considering the adequate design of the M&E framework (minor weaknesses notwithstanding), sound M&E implementation, and effective use of M&E results.

4. Achievement of the Objectives

Objective 1

4.1 Objective 1 was supporting the government to clarify institutional roles and responsibilities for decentralized service delivery.

4.2 **Strengthening the policy framework for decentralization**. With respect to local government structure, new legislation and presidential orders, which clarified the roles and responsibilities of central and local government, were approved during 2013 (prior action 1). Guidance materials were issued by the government to ensure sound implementation of new legislation. The organizational structures and functioning of subnational government entities were improved by eliminating duplication of work and facilitating the allocation of human and financial resources in a way more commensurate with their functions and responsibilities. During FY13/14, the entities started filling staff positions in the revised organizational structures. The reform on organizational structures continued after program closure. Data from the Integrated Payroll and Personnel Information System shows that 79.2 percent of staff positions were filled in FY13/14 (when the Implementation Completion and Results Reports was prepared), exceeding the target (70 percent; PDO indicator 1). The latest Integrated Payroll and Personnel Information System data collected during the IEG mission shows that 94.6 percent of staff positions were filled in FY17/18 (table 4.1). The number of districts reaching close to 85–100 percent of staff positions filled doubled during the period.

4.3 Regarding local fees and other charges, the Official Gazette published a presidential order establishing the list of fees and other charges levied by decentralized entities and the applicable thresholds (prior action 2).[24,25] This provided a framework to ensure that fees and other charges levied by decentralized entities are consistent with the quality of services local governments are capable of offering. The operationalization of a one-stop-shop approach supported implementation of the new framework and facilitated service provision and, subsequently, collection of local fees. For example, the new presidential order (n°25/01) included 18 fees and charges collected by districts, such as fees charged on land lease, land used for agriculture and livestock activities, and provision of land and plot related services. A one-stop shop for all services related to construction permits and land management was operationalized. The time needed to procure a construction permit was reduced to fewer than 30 days from more than a hundred (RDB 2017).[26] The time and cost of providing services by the districts was reduced, which contributed to improving the local business environment and increasing the fees collected from the population.[27] The fees and charges collected by districts (PDO indicator 2) increased by 33 percent, exceeding the original target (12 percent), from RF 13.9 trillion in FY12/13 to RF 18.5 trillion in FY13/14 (table 4.2). The districts' own revenues (taxes and fees and charges) significantly increased from RF 13.9 trillion in 2006 to RF 51.5 trillion in FY17/18. The increased collection of fees and charges, as well as streamlining and cost reduction, suggest that services were more relevant to the needs of the public. There are, moreover, several channels where citizens can provide feedback on local government services, including Citizen Report Cards, Community Score Cards, and call desks. The Citizen Report Card shows that overall net citizen satisfaction with services delivered by local government institutions increased from 60 percent in 2014 to 75.9 percent in 2016 (figure 4.1). [28]

Table 4.1. Staff Positions Filled in Revised Organizational Structures, by District

District	Staff Positions Filled (ICR in 2013/14) *(no.)*	Staff Positions Filled (PPAR in 2017/18) *(no.)*	Staff in Revised Organizational Structure *(no.)*	Positions Filled (ICR in 2013/14) *(percent)*	Positions Filled (PPAR in 2017/18) *(percent)*
Bugesera	303	345	354	85.6	97.5
Burera	283	268	370	76.5	72.4
Gakenke	350	362	448	78.1	80.8
Gasabo	251	267	426	58.9	62.7
Gatsibo	270	443	337	80.1	131.5
Gicumbi	381	476	494	77.1	96.4
Gisagara	240	261	306	78.4	85.3
Huye	260	279	353	73.7	79.0
Kamonyi	234	267	295	79.3	90.5
Karongi	272	214	364	74.7	58.8
Kayonza	216	222	277	78.0	80.1
Kicukiro	243	150	287	84.7	52.3
Kirehe	258	275	297	86.9	92.6
Muhanga	263	328	303	86.8	108.3
Musanze	269	397	346	77.7	114.7
Ngoma	255	285	327	78.0	87.2
Ngororero	272	348	334	81.4	104.2
Nyabihu	266	461	323	82.4	142.7
Nyagatare	342	331	411	83.2	80.5
Nyamagabe	339	396	416	81.5	95.2
Nyamasheke	273	426	346	78.9	123.1
Nyanza	241	329	257	93.8	128.0
Nyarugenge	186	284	299	62.2	95.0
Nyaruguru	295	423	343	86.0	123.3
Rubavu	296	285	337	87.8	84.6
Ruhango	217	263	262	82.8	100.4
Rulindo	302	434	374	80.7	116.0
Rusizi	347	434	431	80.5	100.7
Rutsiro	237	281	312	76.0	90.1
Rwamagana	274	146	363	75.5	40.2
Total	**8,235**	**9,831**	**10,392**	**79.2**	**94.6**

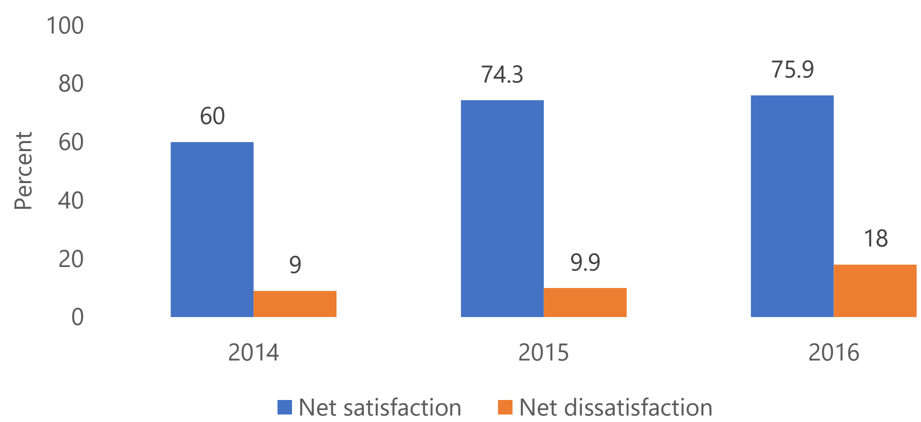
Sources: Ministry of Local Government and Ministry of Finance and Economic Planning. Data extracted from the government's Integrated Payroll and Personnel Information System.
Note: ICR = Implementation Completion and Results Report; PPAR = Project Performance Assessment Report.

Table 4.2. Collection of Fees and Charges, by District

Fees and Charges	Actuals FY12/13	Actuals FY13/14	Actuals FY17/18
Fees and charges *(RF, trilliosn)*	13.9	18.5	—
Increase (relative to base year FY12/13; *percent*)	—	33	—
District own revenues (taxes and fees/charges; *RF, trillions*)	30.6	36.9	51.5
Increase (relative to base year FY12/13; *percent*)	—	21	68

Sources: Data obtained from the Ministry of Finance and Economic Planning during the Independent Evaluation Group field mission and World Bank (2014b).
Note: — = not available.

Figure 4.1. Overall Satisfaction with Services Rendered by Local Government



Sources: RGB 2014, 2015, and 2016.

4.4 The efficacy of this objective is rated **substantial.**

Objective 2

4.5 Objective 2 was enhancing public transparency, fiduciary accountability, and local government capacity for improved access to quality services.

4.6 **Capacity development for quality service delivery by local governments.** Twenty-eight five-year district capacity building plans, each of which was approved by the relevant District Council, were adopted by the government (prior action 3) and implemented. A simplified accounting and financial reporting system (Subsidiary Entity Accounting System, SEAS) in subsidiary entities of districts was developed with the aim of ensuring that districts' accounting and reporting through The Integrated Financial Management Information System (IFMIS) adequately captured their subsidiary entities' (that is, sectors') financial information.[29] The SEAS was piloted in 181 sectors of 14 districts, covering 40 percent of all sectors, by June 2014 (World Bank 2014b, 15). The use of SEAS was expanded to all 416 sectors by July 2017 (table 4.3). This surpassed the target (80 percent by June 2018), which was set under the subsequent Public Sector Governance Program-for-Results operation (World Bank 2018a). Capacity building initiatives for government officials at the subnational levels on planning and budgeting; bank accounts, debt, and arrears management; reporting procedures; consolidating procedures; and the IFMIS interface application were conducted by MINECOFIN with support from the World Bank.[30]

Table 4.3. Sectors Using the Subsidiary Entity Accounting System

Sector or Share	December 2013	June 2014	July 2017	June 2018[a]
Sectors using SEAS *(no.)*	Kigali City only	181	416	333
Share of the total number of sectors *(percent)*	n.a.	44	100	80

Sources: Ministry of Finance and Economic Planning; and World Bank 2018a.
Note: n.a. = not applicable; SEAS = Subsidiary Entity Accounting System.
a. Target set in the next operation.

4.7 Other initiatives and systems were launched to improve the availability and transparency of resources allocated to subnational entities, including the issuance of guidelines on earmarked transfers to service delivery units and the implementation of earmarked transfers. MINECOFIN issued *Earmarked Transfers Guidelines to the Decentralized Entities* (2014, 2015a, 2016, 2017) every year to facilitate implementation by the end users (that is, individual schools and health facilities across the country).[31] With the improvement of the earmarked transfers system, the service delivery units were provided the funds directly from the national treasury with a view to delivering services more effectively, rapidly, and with increasing accountability.[32] The earmarked funds released to the service delivery units in education and health increased from RF 16.4 billion in FY11/12 to RF 21.8 billion in FY13/14 for education, and RF 2.9 billion to RF 5.4 billion for health (World Bank 2014b, 16).

4.8 Improvements in Public Expenditure and Financial Accountability (PEFA) scores over time are broadly suggestive of improvements in service delivery capacity. The PI-23 indicator (PDO indicator 3), which assesses the availability of information on resources received by service delivery unit, improved from a score of D in 2010 to C in 2014 and met the outcome target (table 4.4).[33,34] Other PEFA indicators also had relatively good ratings, such as policy-based budgeting to plan services (PI-11 and PI-12), predictability in the availability of funds to support expenditure (PI-16), and transparency of intergovernmental fiscal relations (PI-8) (Rwanda 2016, 14–15). All of these indicators were either improved from 2010 or maintained what may be regarded as a satisfactory level of performance (table 4.4). Furthermore, the 2015 PEFA indicates a significant improvement of Rwanda's PFM capacity. One-third (11 indicators) of all the PEFA indicators (31 indicators) were improved from 2010 to 2015 and 14 indicators were maintained, and only three indicators declined in rating (appendix B, table B.7).

4.9 The IEG mission confirmed the implementation of IFMIS at district and sector levels because of enhanced capacity of local government officials to operate the system.[35] Government officials at both the central and subnational levels mentioned that the systems are used to improve resource management and financial reporting. At all four visited, the local government officials informed the mission that the IFMIS has been rolled out at the district level and used for district-level accounting and reporting. The simplified SEAS is operating at the sector level. In the Gatsibo District, officials at both district and sector levels demonstrated the use of the IFMIS in pulling up timely financial information. The capacity building through training by modules and functionalities was one of the key factors in the successful implementation of IFMIS.[36] The officials emphasized the importance of the system in efficiently executing, monitoring, and reporting on the increasing amount of fiscal transfers (appendix B, table B.6). The IFMIS also has been an important tool to avoid mistakes in reporting financial statements.

Table 4.4. Rwanda Public Expenditure and Financial Accountability Scores for Selected Indicators

PEFA Indicators	2007	2010	2015	Performance Change (2010–15)
B. Key Cross-Cutting Issues: Comprehensiveness and Transparency				
PI-8 Transparency of intergovernmental fiscal relations	B	A	A	No change
C. Budget Cycle				
C. (i) Policy-Based Budgeting				
PI-11 Orderliness and participation in the annual budget process	B+	B+	A	Improvement
PI-12 Multiyear perspective in fiscal planning, expenditure policy, and budgeting	C+	C+	B+	Improvement
C. (ii) Predictability and Control in Budget Execution				
PI-16 Predictability in the availability of funds for commitment of expenditures	B+	B+	B+	No change
C. (iii) Accounting, Recording, and Reporting				
PI-23 Availability of information on resources received by service delivery units	D	D	C	Improvement
PI-25 Quality and timeliness of annual financial statements	C+	D+	C+	Improvement

Sources: PEFA 2007, 2010, and 2015.

4.10 **Improving government accountability and transparency to citizens.** The Access to Information Law, which provides the right to public information, was gazetted in March 2013 (prior action 4).[37] The law established the Rwanda Broadcasting Agency and determined its mission, organization, and functioning. Five ministerial orders determining modalities for the implementation of the law were adopted and published in the Official Gazette. A number of additional activities, such as awareness campaigns and media literacy campaigns, were undertaken to ensure the law's implementation. Access to information was enhanced. According to the Rwanda Media Barometer, as a result of the introduction of the Access to Information Law, the score of the indicator on "media availability and access to information for citizens" increased from 55 percent in 2013 to 66 percent in 2016 (Rwanda Governance Board 2016b).[38] District initiatives (such as Open Days, Citizen's Charter, Governance Month, and so on.) to promote citizen voice and participation in different aspects of governance and service delivery were re-enforced. A "Gender Sensitivity" citizens guide was used in all districts during planning and budgeting for FY13/14. Citizen participation, including of women, in the district budgetary process and in formulation of the Imihigo activities increased.

4.11 The citizen participation rates and the ratio of female participation in government programs exceeded the targets (PDO indicator 4). The share of citizens who participated in the district budgetary process (PDO indicator 5) increased from 11 percent in 2010 to 29 percent in 2013, surpassing the target (table 4.5).[39] The share of women in the total number of citizens who participated was 52 percent, surpassing the target value of 19 percent. The participation of citizens in preparing Imihigo activities increased from 24 percent in 2010 to 72 percent in 2013 compared with the target of 30 percent. The share of women was 52 percent against the target value of 28 percent. During its field visits to districts, the IEG mission observed the active participation of women in district administration and activities.[40]

Table 4.5. Citizens' Participation in District Administration (percent)

Indicator	2010	2013	Target
Share of citizens who participate in the district budgetary process	11	29	20
of which women	10	52	19
Share of citizens who participate in the formulation of Imihigo activities	24	72	30
of which women	22	52	28

Source: World Bank 2014b, based on the Rwanda Governance Board's database compiled for the 2013 Rwanda Citizen's Scorecard.

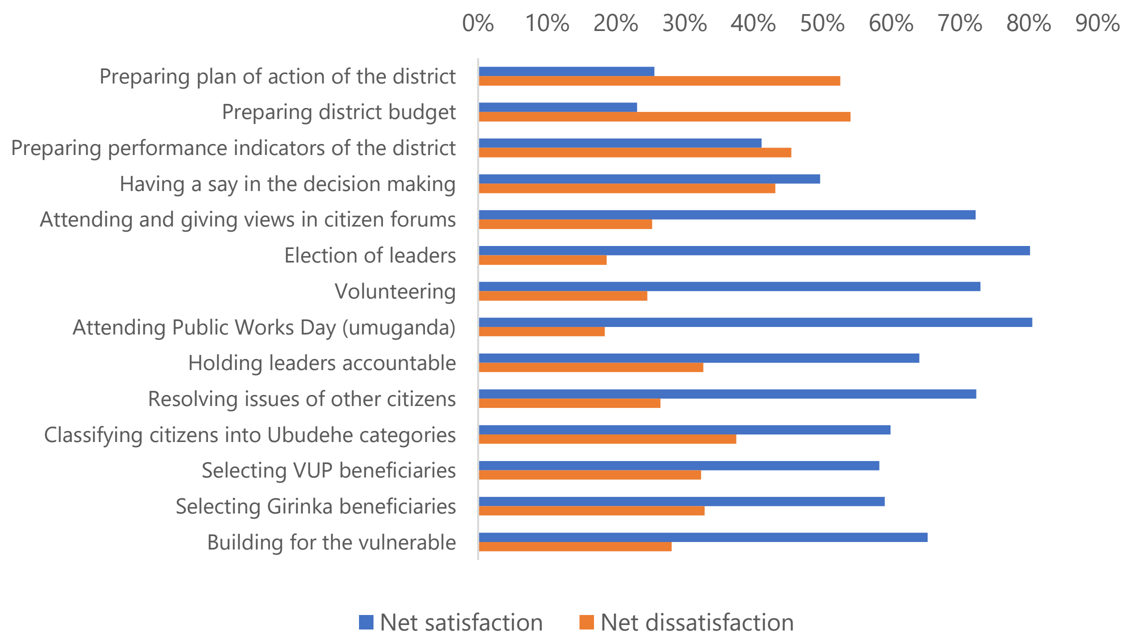
4.12 However, perceptions of the quality of citizens' participation show mixed results. The Citizens Report Card 2016 shows that the share of citizens who are satisfied with their participation in government programs increased from 51 percent in 2015 to 58.9 percent in 2016 (table 4.6). In 2016, the share of women who were satisfied with citizens' participation was higher than men. Nevertheless, the detailed results show that citizens are dissatisfied with their participation especially in budgetary processes and Imihigo activities. In 2016, some of the activities where dissatisfaction with participation was high included preparation of district action plans; preparation of district budgets, preparation of the performance indicators of the district; and having a say in decision making; these were rated at 52.6 percent, 54.1 percent, 45.5 percent, and 43.2 percent, respectively (figure 4.2). In comparison, the same indicators in Citizens Report Card 2015 were rated at 67.5 percent, 66.6 percent, 61.3 percent, and 59 percent, respectively (Rwanda Governance Board 2015). This suggests that dissatisfaction with the quality of citizens' participation has remained high, and efforts to increase participation need to be implemented quickly so that citizens better participate in the decisions that affect them. Although government accountability and transparency to citizens, as measured by access and participation, have been enhanced, the challenge remains to improve the perceived quality of participation.

Table 4.6. Overall Satisfaction of Citizens with Their Participation in Government Programs (percent)

Citizen Participation	CRC 2015	CRC 2016
Net satisfaction ratio	51.0	58.9
Net dissatisfaction ratio	41.3	33.8

Sources: RGB 2015 and 2016.
Note: CRC = Citizen Report Card.

Figure 4.2. Satisfaction of Citizens with Their Participation in Government Programs by Program or Activity, 2016



Source: Survey primary data (RGB 2016a).
Note: Ubudehe refers to the long-standing Rwandan practice and culture of collective action and mutual support to solve problems within a community. The Girinka Program is a pro-poor that helps improve the welfare of poor families. For example, Rwandans give cattle to one another or provide milk to those in need.

4.13 **Enhancing local government fiduciary accountability.** Twenty-five district audit committee reports of 2012 were reviewed by the Office of the Auditor General and the main areas for follow-up communicated to the districts (prior action 5). The QDS DPO supported initiatives to follow up on recommendations from the District's Audit Committees, by issuing communication to the districts on the main areas for improvements and implementing audit queries, which are to ensure that public funds are used for the intended purposes (World Bank 2014b, 19). A handbook, which provides broad guidelines that can be used by audit committees in the districts and elsewhere in the public sector, was published by MINECOFIN and deployed. Capacity building of council committees and staff involved in accounting and financial reporting was conducted. At the end of the QDS DPO, districts had implemented 63 percent and 67 percent of audit recommendations in 2012 and 2013, respectively. The share of implementation of the previous audit recommendations has further increased to about 70 percent in 2016 and 2017, despite a decline in 2015 to 53 percent.

Table 4.7. Status of Implementation of Previous Audit Recommendations by Local Governments, Districts and City of Kigali

Status	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17
Share of previous audit recommendations fully implemented	63	67	64	53	71	69

Source: Report of the Auditor General of State Finances for the Year Ended 30 June 2012–17.

4.14 The Auditor General, which was responsible for independently auditing budget execution, found the districts' financial statements had improved, as the proportion of districts receiving "minimally qualified" audit opinions increased.[41] The number of districts that received a "qualified" audit opinion (PDO indicator 6) on their financial statements increased from a baseline of zero in FY11/12 to three in FY12/13 (World Bank 2014b, 2014c).[42] All 30 districts had qualified audits in FY14/15 (World Bank 2014b), surpassing the target value of five.[43]

4.15 The efficacy of this objective is rated **substantial.**

The Operation's Role in Financing and Sustaining Policy Dialogue

4.16 In addition to supporting the enhancement of service delivery through decentralization, the operation benefited Rwanda's economy in three ways. First, as noted in section 2, the financing mitigated the immediate macroeconomic impact of the cutback in external assistance. Second, the operation helped the authorities to maintain public spending in priority areas.[44] The operation also eased the potential negative impact of the cutback in aid on social outlays, including transfers to local authorities. These transfers did not decline in absolute terms and declined only slightly as a share of the total national budget, from 17 percent in FY11/12 to 15.6 percent in FY12/13 and 14.7 percent in FY13/14 (table ?.8). Progress in poverty reduction was sustained. The national poverty headcount continued to decline, from 56.7 percent in 2005/06 and 44.9 percent in 2010/11 to 39.1 percent in 2013/14 (see appendix B, table ?.1) and there were further improvements in most of the Millennium Development Goals indicators (see appendix B, table B.9). Child and maternal mortality rates declined from 2012 to 2015, and access to cleaner water and better sanitation continued to increase. Third, the government informed the IEG mission that the World Bank's leadership role in sustaining policy dialogue with other development partners through the preparation and implementation of this operation provided these partners with a level of confidence sufficient to resume exchanging views and eventually restoring financial support.

Table 4.8. Intergovernmental Transfers

Transfers	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18
Total district budget *(RF, billions)*	265	339	346	374	401	445	440
District Own Revenues (Taxes and Fees)	28	31	37	40	46	50	52
Transfers from CG	190	242	247	271	285	304	365
External grants	23	38	30	24	28	44	24
Total national budget	1,117	1,550	1,678	1,753	1,808	1,949	2,095
Own Revenues to Local Government Budget *(percent)*	10.6	9.0	10.7	10.7	11.4	11.2	11.7
CG Transfers to Local Government Budget *(percent)*	71.5	71.4	71.3	72.4	71.0	68.5	82.9
CG Transfers to Total National Budget *(percent)*	17.0	15.6	14.7	15.4	15.7	15.6	17.4

Source: Ministry of Finance and Economic Planning.
Note: CG = central government.

5. Ratings

Outcome

5.1 The project's development objectives were highly relevant to country conditions, to the government's strategies at appraisal and closure, and to the World Bank's Country Assistance Strategy. Project design was substantial—the lending instrument was appropriate, and the theory of change reflected in a robust causal chain linking activities to expected outputs and outcomes. Efficacy in achieving the two project objectives is rated **substantial**. The decentralization policy framework was strengthened through the adoption of new legislation and presidential orders, which clarified the roles and responsibilities of central and local governments. The establishment and implementation of the new framework facilitated service provision, and subsequently collection of local fees. Public transparency, fiduciary accountability, and local government capacity were enhanced through the rollout of IFMIS and the implementation of district capacity development plans as well as through the adoption and the implementation of the Access to Information Law during and after the operation.

These would likely have contributed to improved service delivery, although direct evidence for the latter is thin, and perceptions concerning the quality of popular participation in decision making are mixed. The operation also contributed to macroeconomic stability, sustained progress in poverty reduction, and a restoration of dialogue with, and financial support from, other external development partners.

5.2 Overall, shortcomings are considered minor and outcome is rated **satisfactory.**

Risk to Development Outcome

5.3 Political and macroeconomic risks are considered moderate in view of the resumption of project financing by donors in the years following the approval of the operation, and some easing in regional tensions. The risks to sustainability of the achieved outcomes are moderate, as the government has continued to implement reforms, thereby demonstrating strong ownership. In so doing, it has continued to receive the backing of external partners, including the World Bank. This support is helping to improve the efficiency of government expenditure programs and build institutions and capacity by way of supporting the implementation of the government's own PFM Sector Strategic Plan.

5.4 The risk to development outcome is rated **moderate.**

Bank Performance

Quality at Entry

5.5 The World Bank demonstrated flexibility and agility in response to the 2012 cutback in external support. The World Bank team prepared the operation in less than three months under difficult political and economic circumstances. It was correctly believed that the policies to be supported could garner sufficient support from key World Bank shareholders. The operation supported the government's efforts to secure critical expenditures for service delivery and prevent a slowing or reversal of gains in poverty reduction.

5.6 Although the operation facilitated implementation of the government's program, which risked being jeopardized in the continued absence of external financing, the speed of response meant that there were some limitations in the extent to which it could support reforms. Many of the reforms it supported were already under way, rather than being the product of dialogue between the government and the World Bank in a long-standing preparation process. There was a lack of institutional depth in some of the prior actions, though they were later built on.

5.7 Analytical work on decentralization and PFM complemented and underpinned the operation. A key product was a policy note on technical assistance (World Bank 2010). The policy note discussed bottlenecks at the district level that would pose the most critical constraints to efficiency of spending and recommended completing a capacity building plan for the districts with emphasis on on-the-job training, including clarification of roles and responsibilities, as well as a strategy to retain workers at the district level and strengthen links between sector ministries and districts. Other major key analytical work included PEFA assessments (2007 and 2010), the Government's Fiscal Decentralization Strategy (2011), Decentralization Sector Strategic Plan (2013–18), PFM Draft Sector Strategic Plan (2013–18), Joint Governance Assessments (2008 and 2011—World Bank 2013a, annex 7).

5.8 Design took account of the country conditions and risks and of the capacity of central and local governments. Considering the progress already made in decentralization and the institutionalized joint government-donor monitoring of the implementation of the associated strategy, the World Bank used the government's own implementation and M&E arrangements (see section 3). The macroeconomic policy framework was considered satisfactory at the time of preparation.

5.9 The operation was designed to mitigate the four main risks identified at the appraisal stage: (i) political risks, (ii) macroeconomic risks, (iii) stakeholder risks, and (iv) program-specific risks (World Bank 2013a, 2014b). Financing through this operation and IMF advice were expected to mitigate macroeconomic risks. Other World Bank operations, such as the Second Support to the Social Protection System DPO and Governance for Competitiveness Project, were to mitigate program-specific risks, particularly weak government capacity at the local level. Close and sustained consultations with the government and development partners were considered key to address risks associated with the aid cutbacks.

5.10 Quality at entry is rated **satisfactory.**

Quality of Supervision

5.11 The World Bank team monitored progress on implementation of the reform program primarily through the Joint Sector Reviews with the government and development partners. The World Bank served as cochair of the PFM SWG, which covers fiscal decentralization and PFM at the subnational level, until late 2016 with MINECOFIN. The World Bank was also a participant in the SWG on Governance and Decentralization, which was cochaired by the Ministry of Local Government and Germany.[45] The IEG mission was informed that the World Bank's active participation was highly appreciated by both government and development partners. The World Bank has continued to monitor reforms through the subsequent Public Sector

Governance Program-for-Results operation. The World Bank and the IMF also worked closely to ensure coordination and consistency in their macroeconomic and structural policy programs and the IMF's Policy Support Instrument reviews.

5.12 The quality of World Bank supervision is rated **satisfactory.** Together, these lead to an overall rating of Bank performance of **satisfactory.**

Borrower Performance

Government Performance

5.13 The government demonstrated strong ownership, commitment, and leadership to implement the reforms before, during, and after the operation. These were the main factors in the operation's success. The government used its own results framework, implementation arrangements, and data. Its effective management enabled the World Bank and other development partners to play a positive role in effectively supporting the country's development. The IEG mission was informed that, through the operation, the government had reestablished good relationships and coordination with donors and stakeholders.

5.14 Government performance is rated **satisfactory.**

Implementing Agency Performance

5.15 The government and implementing agencies were indistinguishable and only one rating is provided.

5.16 Implementing agency performance is considered the same as government performance and is rated **satisfactory.** These lead to an overall borrower performance rating of **satisfactory.**

6. Lessons

6.1 The following lessons are drawn from the design and implementation of the program:

6.2 Strong government ownership and leadership of the reform agenda are important drivers of successful development policy financing. Although this appears self-evident, it bears repetition because development policy financing is sometimes used to attempt to leverage reforms even in cases where ownership is unclear. In Rwanda, the reform agenda supported by the QDS DPO derived directly from the government's own well-defined decentralization strategy, the preparation of which was participatory and supported by several development partners, including the World Bank. Implementation of the strategy underwent regular, structured, and in-depth monitoring with the World Bank and other development partners under government leadership, using the government's own M&E framework. This combination of government ownership and leadership, including its homegrown Imihigo culture of performance and results, is likely to have been decisive in securing progress in the reform agenda, which has been sustained since the QDS DPO closed.

6.3 Rollout of an IFMIS at the local government level can serve as a useful catalyst and vehicle for enhancing local capacity. In Rwanda, the structured training programs that accompanied the rollout of the IFMIS to the district and sector levels—with the support of the QDS DPO and other World Bank instruments—served as a rallying point for improving PFM capacity and practices, notably on financial reporting. Successful implementation of the IFMIS helped local governments more efficiently budget, execute, account for, and report on a rapidly growing volume of fiscal transfers to them.

6.4 Flexibility, agility, and strategic acumen on the World Bank's part can play a valuable role in resolving a financing impasse that threatens to jeopardize development gains. In response to the 2012 ODA cutbacks, the World Bank undertook intensive consultations with its key shareholders and other stakeholders on acceptable modalities for rapidly restoring support to minimize reversals in Rwanda's development gains. Once a consensus was reached that development policy financing focused on decentralization was an acceptable way forward, the World Bank took the initiative to prepare the QDS DPO in record time. Stakeholders widely credit the operation not only with having mitigated the adverse effect of the ODA cutbacks but also with helping to restore normality in financing flows, including external financing and transfers to local authorities, while helping to secure continued momentum in a critical area of the country's reform program.

6.5 In designing a DPO, there may be a trade-off between speed and agility of response and value-added in terms of leveraging reforms, and additionality in securing reforms. In designing the QDS DPO, the choice of instrument and policy content reflected the need to provide quick financial support that could secure the backing of key World Bank shareholders. This meant that many of the measures supported by the operation were ones that the government had already been planning, and in some cases had already initiated, before the design of the QDS DPO was finalized. However, though the measures would likely have been taken even in the absence of the QDS DPO, nevertheless the operation likely facilitated implementation of the government's program, which would have been slower and more difficult in the continued absence of external financing.

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[1] Data according to the Third Integrated Household Living Conditions Survey (Enquête Intégrale sur les Conditions de Vie des Ménages): Integrated Household Living Conditions Survey III.

[2] It is the successor to Economic Development and Poverty Reduction Strategy (EDPRS) 1 (2008–12).

[3] See Quality of Decentralized Service Delivery Support Development Policy Operation, Implementation Completion and Results Report, page 1.

[4] After 2015, the decentralization implementation plan was integrated into EDPRS 2 to harmonize the strategy cycle. The Governance and Decentralization Sector Strategic Plan 2013/14–2017/18 has been developed and implemented to achieve the strategic objectives of the EDPRS 2.

[5] Local service delivery and policy implementation are also conducted by agencies that deploy agents at the local level to perform technical tasks.

[6] Three main channels of intergovernmental transfer are (i) block transfers; (ii) earmarked transfers; and (iii) development transfers.

[7] The Fiscal and Financial Decentralization Policy was adopted in 2001 and revised in 2006 and 2011 and has been implemented along with the Fiscal Decentralization Strategy. The Public Financial Management Reform Strategy (2008–12) and Public Financial Management Sector Strategic Plan (2013–18) also prioritized support for fiscal decentralization and the development of human resources and capacity building in public financial management. The fiscal transfer mechanisms have evolved to increasingly support local autonomy. No interentity transfers (sector-specific transfers from line ministries to implement particular programs) have been allowed since the beginning of FY12/13. Local governments are responsible for planning and spending prudently the resources they receive from the central government.

[8] Proceeding with the planned Poverty Reduction Support Financing 9, a large general budget support operation, would not have mobilized sufficient support from shareholders. There was intensive discussion with key shareholders and other stakeholders that eventually resulted in consensus around a development policy operation (DPO) in support of decentralized service delivery.

[9] Rwanda experienced a 60 percent reduction in planned budget support. As a result, the current account deficit widened from 7.3 percent in 2011 to 10.4 percent in 2012. This led to a 30 percent decline in international reserves (World Bank 2013a, para. 61).

[10] See the detailed analysis in *Rwanda Economic Update, May 2013* (World Bank 2013b).

[11] The previous operations include the Decentralization and Community Development Project (implemented during FY04–FY11), Public Sector Capacity Building Technical Assistance, FY05–FY12), and Poverty Reduction Support Grant/Financing (PRSG/F IV-VII, FY08–11; Poverty Reduction Support Financing VIII, FY12), and complemented the agenda supported by other World Bank operations, which relied heavily on decentralized delivery mechanisms.

[12] Although the Banque Nationale du Rwanda kept the policy interest rate unchanged (7.5 percent) throughout the second half of 2012, treasury bill rates rose from 9.3 percent to 12.4 percent at the end of 2012, as the government turned to domestic borrowing to fill the budget financing gap caused by the aid shortfall. Rwanda's real effective exchange rate had depreciated by 2.0 percent as of December 2012, compared with an appreciation of 0.7 percent in 2011.

Rwanda had a smaller buffer of foreign reserves (covering around 3.2 months of imports as of February 2013) compared with about 5 months of imports in the previous year.

[13] The project document (p. 26) outlines the four top priority areas to improve administrative capacity for the delivery of quality service by local government: human resource management, planning, monitoring and evaluation, and PFM. Although human resource management is dealt with under policy area (i), policy area (ii) tracked improvements in PFM resulting from strengthening PFM systems and capacity at the subnational level (World Bank 2014b, 15). The results framework and the Implementation Completion and Results Report focus in the context of PFM.

[14] The budget process begins with the identification of the priorities by citizens at the village level. Citizens come together at the village level to discuss their medium- and long-term priorities, which are advanced for consideration during budget formulation. The agreed list of priorities is discussed by the councilors at the sector and district levels to determine the consolidated priorities that will form the district development plan. The district priorities outlined in the district development plans are linked to sector priorities at the national level (MINECOFIN 2013).

[15] The government developed in close collaboration with development partners, including the World Bank, a results and performance framework integrated into the planning and budgeting processes for monitoring the EDPRS. The integrated result framework and monitoring system had three components: (i) a National Results and Policy Matrix, (ii) a Common Performance Assessment Framework, and (iii) a Donor Performance Assessment Framework. The common framework, which came into being in 2009, was agreed between the government and development partners as a basis for monitoring reform implementation around general budget support from donors. The Common Performance Assessment Framework was discontinued after 2012 and replaced by the M&E of the EDPRS. The aim of the Donor Performance Assessment Framework was to review the performance of development partners against a set of indicators of the quality and volume of aid.

[16] A detailed operation description (World Bank 2013a, paras. 19–31) summarized the results chain, with the development objectives plausibly linked with outcomes, results, activities, and prior actions.

[17] Financial management is not an end in itself but rather a tool to assist a government to deliver services to its citizens. The policy action, by improving local government compliance with PFM laws and procedures, would ultimately improve the efficiency and effectiveness of public funds; thereby ensuring decentralized entities provide better services for a given budget (Rwanda 2016).

[18] The regular production of the Citizen Report Card, an annual publication of the Rwanda Governance Board (RGB), were intended to capture significant dissatisfaction.

[19] Depth captures the extent to which *in and of itself* a measure brings about material changes in the institutional environment. The concept is from an IMF Independent Evaluation Office (2007) paper on structural conditionality.

[20] World Bank technical assistance directed at local governments, although potentially useful in strengthening technical capacity at the district level, would not have been able to deliver the combination of support for policy reforms and needed financing.

[21] The substantial rating for relevance of design represents an upgrading relative to the ICR Review's rating of modest. The upgrading is based largely on the appropriateness of the choice of instrument, given the country context and the status of the World Bank Group program (new strategy under preparation to define the next phase of support) at the time. In addition, interviews during the mission clarified that monitoring of the macrofiscal framework, previously considered a weakness in the operation, was provided for through Advisory Service and Analytics and policy dialogue, including close consultation and collaboration with the IMF.

[22] The SMART criteria require indicators to be specific, measurable, achievable, relevant, and time-bound.

[23] SWGs and coordination forums have been functioning as the main discussion forums for stakeholders, including relevant government agencies, development partners, civil society organizations, and others. The quality of SWG monitoring and related strategies is reportedly variable, although most stakeholders see significant value in these joint forums.

[24] The information is also published on the official website of the Rwanda Revenue Authority.

[25] Since 2002, local authorities have been assigned to collect fees, including fees for plot sales, public cleaning services, market fees, and notary charges. However, there are issues with the legal and policy frameworks to promote local service delivery and economic activity. In particular, the framework for local fees and other charges allows decentralized entities to charge a relatively wide range of rates, against a wide range of different fees and charges—some of which have a high "nuisance" value—without a proportionate link to the public service being provided. A legal instrument defining a "closed list" of allowable fees and other charges, with clear maximum allowable rates associated with each one, would help address this issue (World Bank 2013a).

[26] The World Bank Group supported the implementation of a new online construction permit management information system through the Rwanda Investment Climate Reform Program of the International Finance Cooperation. The system has been rolled out in the City of Kigali and select districts and secondary cities.

[27] The Implementation Completion and Results Report also reports that technical innovations, including a fiber optic wireless network, helped to reduce the cost of service provision.

[28] This information is also available for specific types of services.

[29] The Subsidiary Entity Accounting System is a simplified accounting and financial reporting application for entities below the district level, which is connected to the Integrated Financial Management Information System (IFMIS). Both IFMIS and the Subsidiary Entity Accounting System are key features of the PFM system at the subnational level.

[30] In addition, other World Bank projects complemented capacity strengthening and system strengthening of public investment management. For example, 247 key staff members in the public and private sectors who are responsible for investment planning and economic and financial analysis were trained through Technical Assistance of Capacity Building in Economic and Financial Analysis to Support the Rwanda Public Investment Program during FY13–14.

[31] The guidelines provide terms under which the earmarked outputs are financed and how those funds and resources are allocated, transferred, spent, and accounted for between the parties involved. The guidelines also provide the annual targets and their indicators set by the earmarking budget agencies (ministries) that decentralized entities should report on.

[32] A Public Expenditure Tracking Survey in Education, conducted by the World Bank through Transparency International Rwanda (2012) reported that "there is no difference between the Capitation Grant provided by the Ministerial order and no leakage between the amount disbursed by the Ministry of Finance and what is received by Districts Schools per pupil and per teacher." The report also stated, "the lack of leakage is due to the MINECOFIN's good public expenditure policy of transferring the capitation grant directly to the individual accounts of the school without transitioning through Districts accounts."
[33] The PEFA was not available when the ICR and ICR Review were conducted, owing to changes in the PEFA framework and measurements. The ICR and ICR Review assessed that the program objective was met based on alternative sources of information, such as the rollout of the accounting system and the findings in the two Public Expenditure Tracking Surveys World Bank 2014b, para. 43).
[34] Despite the progress, the PEFA 2015 (Rwanda 2016) also indicated challenges, such as "information is available on most central transfers received by primary schools and primary health clinics but none is available with respect to other resources (such as donor funds, many of which are outside these systems)" and "District expenditure reports do not capture resources received in kind."
[35] The Independent Evaluation Group mission conducted interviews with government officials at MINECOFIN and field visits to the district offices in Gatsibo, Bugesera, Musanze, and Rubavu in February 2018.
[36] Capacity building and training is a critical factor in the implementation of IFMIS (Harelimana 2017). Success in implementing the IFMIS also relates to a major success factor of the implementation of PFM reform more generally in Rwanda, which is commitment and government ownership at the highest political level, coupled with strong buy-ins from lower-level government, continuous support from development partners, and active participation of civil society organizations (Rwanda 2017).
[37] Rwanda has had an Access to Information Law in place since 2013 (Rwanda Governance Board 2016c) and is the 11th African country to do so. According to the 2015 Global Open Data index, Rwanda jumped 30 places in 2015from a ranking of 44th globally in the previous year (Open Knowledge International 2015).
[38] The Rwanda Media Barometer is an instrument published by the Rwanda Governance Board, which measures media development in the country from the perceptions and lived experiences of different stakeholders, including ordinary citizens, media practitioners, members of civil society organizations, and business communities. The Barometer also reported that the awareness of the right to information (people believe such a right exists in law and respected in practice) increased from 82 percent in 2013 to 85 percent in 2016.
[39] Data after 2013 are not available, as the government has not carried out the relevant survey. The publication of Rwanda Citizens Report Cards provide only data on the perception of citizens' participation in government programs.
[40] The Independent Evaluation Group team attended meetings and dialogue sessions with citizens hosted by local government officials, where both male and female citizens actively participated and expressed their opinions on the government's plans, service delivery, and challenges.

[41] In the terminology used in Rwanda, a "qualified"—in effect, minimally qualified—audit report is issued on financial statements if the conclusion of the audit is that "except for the matters raised, proper books of account have been maintained and the financial statements do give a true and fair view of the state" based on the opinion of the Auditor General (World Bank 2013a; Office of the Auditor General 2012). On the other hand, an "unqualified" audit opinion implies that financial statements presented are a true and fair reflection of the transactions of the entity audited and that such transactions were in all material respects executed in accordance with the relevant laws and regulations (Office of the Auditor General 2012). An "adverse" opinion is the worst type of professional opinion issued by an auditor, indicating that financial statements are misrepresented, misstated, and do not accurately reflect an entity's financial performance and health.

[42] At the time of ICR preparation the Annual Report of the Office of Audit General had not been presented to the parliament, and therefore no formal assessment of fiduciary accountability compliance of districts was available, although the ICR indicates that three districts received "qualified" audit opinion (ICR Review).

[43] All 30 districts received a "modified" audit opinion for their financial statements from the Office of the Auditor General in 2015. A "modified" audit opinion here is considered interchangeable with a "qualified" audit opinion.

[44] The Donor Performance Assessment Framework for FY13/14 cites strong and predictable disbursements by the World Bank as compared with other development partners, as well as progress in the World Bank's performance in supporting key sectors and in using country PFM systems (MINECOFIN 2015b).

[45] With participation of other key development partners, including the government of Belgium, United Nations Development Programme, the Netherlands, and the European Union.

Appendix A. Basic Data Sheet

Quality of Decentralized Service Delivery Support Development (IDA H8530)

Table A.1. Key Project Data

Financing	Appraisal Estimate *($, millions)*	Actual or Current Estimate *($, millions)*	Actual as Percent of Appraisal Estimate
Total project costs	50.0	46.5	93
Loan amount	50.0	46.5	93
Cofinancing	—	—	—
Cancellation	50.0	46.5	93

Table A.2. Cumulative Estimated and Actual Disbursements

Disbursements	FY13
Appraisal estimate *($, millions)*	50.0
Actual *($, millions)*	46.5
Actual as percent of appraisal	93
Date of final disbursement	50.0

Table A.3. Project Dates

Event	Original	Actual
Initiating memorandum	03/08/2013	03/08/2013
Negotiations	04/12/2013	04/12/2013
Board approval	05/14/2013	05/14/2013
Signing	05/21/2013	05/21/2013
Effectiveness	06/04/2013	06/04/2013
Closing date	06/30/2014	06/30/2014

Table A.4. Staff Time and Cost

Stage of Project Cycle	World Bank Budget Only: Staff time *(no. weeks)*	World Bank Budget Only: Cost[a] *($, thousands)*
Lending		
FY13	19.87	111,887
FY14	0	0
Total	**19.87**	**111,887**
Supervision or ICR		
FY13	0	0
FY14	4.77	36,431
FY15	5.21	37,932
Total	**9.98**	**74,363**

Note: ICR = Implementation Completion and Results Report.
a. Including travel and consultant costs.

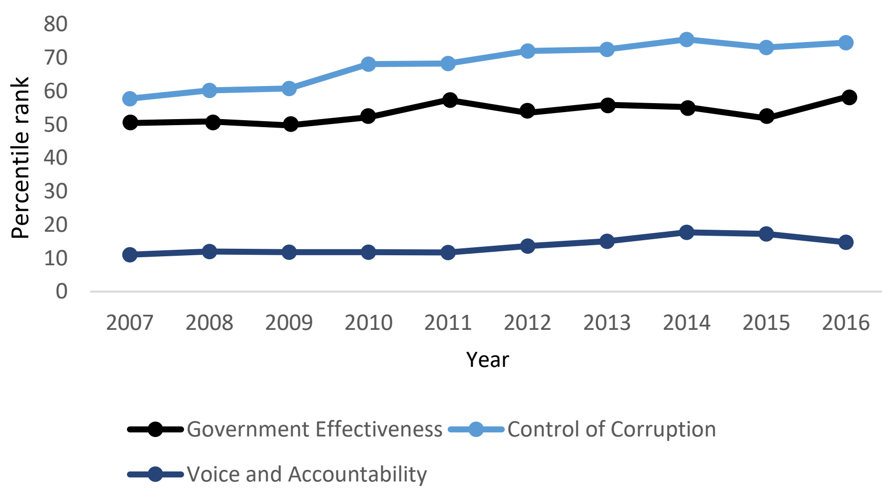
Table A.5. Task Team Members

Name	Title[a]	Unit	Responsibility or Specialty
Lending			
Yoichiro Ishihara	Senior Economist	AFTP2	Task Team Leader
Tessa MacArthur	Senior Governance Specialist	AFTP2	Co-Task Team Leader
Alex Kamurase	Senior Social Protection Specialist	AFTSE	Co-Task Team Leader
Wolfgang Fengler	Lead Economist	AFTP2	
Peace Niyibizi	Economist	AFTP2	
Geoff Handley	Consultant	AFTP2	
Winston Percy Onipede Cole	Senior Financial Management Specialist	AFTME	
Toru Nishiuchi	Consultant	AFTP2	
Nightingale Rukuba-Ngaiza	Senior Counsel	LEGAM	
Hassine Hedda	Financial Officer	CTRLA	
Tom Bundervoet	Extended Term Consultant	AFTP2	
Marco Hernandez	Economist	AFTP1	
Paolo Zacchia	Lead Economist	AFTP2	
Birgit Hansl	Senior Economist	ECSP2	Peer reviewer
Khwima Nthara	Senior Economist	EASPT	Peer reviewer
Yasuhiko Matsuda	Senior Public Sector Specialist	EASPW	Peer reviewer
Supervision/ICR			
Yoichiro Ishihara	Senior Economist	AFTP2	Task Team Leader
Leif Jensen	Senior Public Sector Specialist	GGO	ICR Team Leader
Peace Aimee Niyibizi	Consultant	AFTP2	

Note: ICR = Implementation Completion and Results Report.
a. At time of appraisal and closure, respectively.

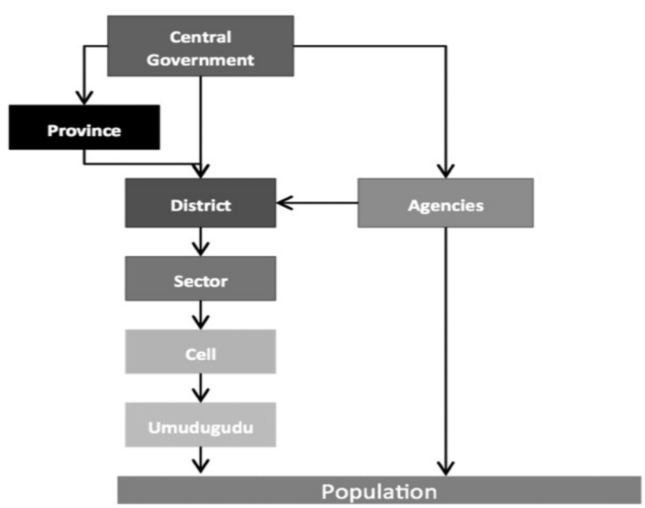
Appendix B. Statistics and Key Indicators

Figure B.1. Worldwide Governance Indicators (percentile rank)



Source: World Governance Indicator.
Note: Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank and 100 to highest rank.

Figure B.2. The Institutional Structure of Decentralization in Rwanda



Source: Chemouni 2014.

Table B.1. Selected Social and Economic Indicators

Indicators	FY94	FY00/01	FY05/06	FY10/11	FY13/14	LIC average FY13/14	LMIC average FY13/14
Poverty and inequality							
National poverty headcount ratio *(percent)*	—	58.9	56.7	44.9	39.1	—	—
National extreme poverty headcount ratio (*percent)*	—	40	35.8	24.1	16.3	—	—
Gini coefficient	—	0.51	0.52	0.49	0.45	—	—
Health							
Immunization, measles (percent of children ages 12–23 months)	25	69	95	95	97	76.7	79.1
Births attended by skilled health staffs	—	92	96	98	99	55.9	71.5
Maternal mortality ratio (per 100,000 live births)	—	1,071	750	476	210	513	260
Mortality rate under 5 (per 1,000 live births)	—	196	152	76	50	78.9	54.5
Life expectancy	28.6	48.2	56.4	62.2	64.0	61.3	67.2
Education							
Net attendance ratio – secondary *(percent)*	—	—	10.4	17.8	23	—	—
Infrastructure (percent population with access)							
Improved sanitation	—	—	58.5	74.5	83.4	27.9	51.6
Improved water source	—	—	70.3	74.2	84.8	65.1	88.5
Electricity as main source of lighting	—	—	4.3	10.8	19.8	28.3	79.5
Road	—	—	85.8	—	—	—	—

Sources: Rwanda Integrated Household Living Conditions Survey EICV1, EICV2, EICV3, EICV4; and World Bank, World Development Indicators database.
Note: — = not available; EICV = Integrated Household Living Conditions Survey; LIC = low-income country; LMIC = lower-middle-income country.

Table B.2. Poverty Headcount Ratio and Access to Services in FY10/11

District	Poverty Headcount Ratio *(percent)*	Population Accessing District Hospital *(percent)*	Population Accessing Health Centers *(percent)*	Population Accessing Sector Administration *(percent)*
Highest district	73.3	84.1	99.0	97.5
Lowest district	8.3	3.2	31.9	5.6
Average	44.9	37.8	81.1	58.2

Source: Rwanda Integrated Household Living Conditions Survey Integrated Household Living Conditions Survey III.

Table B.3. The Evolution of the Institutional Framework of Decentralization in Rwanda

Entities	Years	
	2001–06 *(no.)*	Since 2006 *(no.)*
Provinces	11	4
Kigali City	1	1
Districts	106	30
Sectors	15,485	450
Cells	9,165	2,148
Villages (*Umudugudu*)	—	14,744

Source: Chemouni 2014.
Note: — = not available.

Table B.4. International Monetary Fund Programs: Financial Arrangements and Policy Support

Financial Arrangement	Date of Arrangement	Completion or Expiration Date	Amount Approved *(SDR, millions)*	Disbursement / Amount Drawn *(SDR, millions)*
Poverty Reduction and Growth Facilities	Aug. 12, 2002	Jun. 11, 2006	4.00	4.00
Poverty Reduction and Growth Facilities	Jun. 12, 2006	Aug. 7, 2009	8.01	8.01
Policy Support Instrument (three years)	Jun. 2010	Dec. 2013	—	—
Policy Support Instrument (three years)	Dec. 2013	2017	—	—
Standby Credit Facility	Jun. 8, 2016	Jan. 31, 2018	144.18	144.18

Sources: International Monetary Fund and World Bank.
Note: — = not available; SDR = special drawing rights.

Table B.5. District Budget by Sources and National Budget

Budget	FY06	FY07	FY08	FY09/ 10	FY10/ 11	FY11/ 12	FY12/ 13	FY13/ 14	FY14/ 15	FY15/ 16	FY16/ 17	FY17/ 18
District own revenues (taxes and fees)	13.9	15.3	18.6	21.6	29	28	30.6	36.9	40.1	45.7	49.9	51.5
Transfers from CG	35.8	68.1	107.7	99.6	112.4	189.8	242	246.9	270.7	284.5	304.4	364.9
of which block grant	—	2.4	11.3	16.7	20.8	25	28.3	32.1	39.1	42.6	46.8	52.1
External grants		4.8	5.3	11.3	14.3	22.6	37.9	30.2	24.1	28.1	43.7	23.7
Total District Budget *(RF, billions)*	49.7	90.5	143	149.2	176.6	265.4	338.8	346.1	374	400.9	444.7	440.1
Own Revenues to total district budget *(percent)*	28.0	16.9	13.0	14.5	16.4	10.6	9.0	10.7	10.7	11.4	11.2	11.7
CG Transfers to total district budget *(percent)*	72.0	75.2	75.3	66.8	63.6	71.5	71.4	71.3	72.4	71.0	68.5	82.9
CG Transfers to total national budget *(percent)*	9.0	12.9	16.0	11.1	11.4	17.0	15.6	14.7	15.4	15.7	15.6	17.4
Total domestic taxes	176.7	214.6	275.3	368	449.1	501.4	641.2	775.4	906.5	894.8	1,071.6	1,200.3
Total national budget	396.1	527.6	674	899	984	1,116.9	1,549.9	1,677.7	1,753.3	1,808.3	1,949.4	2,094.9

Source: Ministry of Finance and Economic Planning.
Note: — = not available; CG = central government.

Table B.6. Budget of Four Select Districts by Sources (RF, billions)

District	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Changes 2010/11–2017/18
Bugesera District total budget	11.1	8.3	9.7	10.4	12.1	13.2	13.6	16.8	1.5
01. Block Grant (districts)	0.8	1.0	1.1	1.2	1.5	1.6	1.6	1.9	2.4
02. Earmarked Transfers (districts)	2.5	5.6	6.4	6.6	7.9	8.1	8.8	11.7	4.6
03. Own Revenues (taxes and fees)	0.5	0.5	0.7	1.5	1.3	1.4	1.5	2.0	4.3
05. Transfers from other government agencies	5.6	1.0	0.7	0.9	0.4	1.0	0.5	0.3	0.1
08. External Grants	1.7	0.2	0.7	0.3	1.1	1.1	1.1	0.9	0.5
Gatsibo District total budget	11.3	7.0	9.8	9.8	11.6	13.4	13.1	14.1	1.3
01. Block grant (Districts)	0.8	1.0	1.1	1.2	1.5	1.6	1.7	2.0	2.4
02. Earmarked transfers (Districts)	3.2	5.0	6.7	6.9	8.1	9.6	9.1	10.3	3.2
03. Own revenues (taxes and fees)	0.4	0.4	0.5	0.6	0.7	0.8	0.9	0.9	2.3
05. Transfers from other government agencies	6.7	0.6	0.7	0.3	0.4	0.2	0.1	0.0	0.0
08. External grants	0.1	0.0	0.8	0.7	0.9	1.1	1.3	1.0	7.9
Rubavu District total budget	7.9	8.8	11.2	10.6	13.2	14.1	15.8	18.4	2.3
01. Block grant (Districts)	0.7	0.8	1.0	1.0	1.3	1.4	1.5	1.8	2.5
02. Earmarked transfers (Districts)	3.3	5.5	7.1	5.7	8.2	9.2	9.9	10.7	3.3
03. Own revenues (taxes and fees)	0.6	0.8	1.2	1.6	1.7	2.2	1.8	2.0	3.2
05. Transfers from other government agencies	2.8	0.6	1.1	1.8	1.3	0.3	0.0	3.2	1.1
08. External grants	0.5	1.1	0.9	0.5	0.7	0.9	2.6	0.8	1.6

District	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Changes 2010/11–2017/18
Musanze District total budget	8.0	10.6	12.3	10.2	12.4	15.9	15.3	17.4	2.2
01. Block grant (Districts)	0.8	1.0	0.9	1.0	1.3	1.4	1.6	1.9	2.3
02. Earmarked transfers (Districts)	3.5	5.0	7.1	6.5	6.8	9.1	8.2	8.7	2.5
03. Own revenues (taxes and fees)	0.3	1.2	1.4	1.5	1.9	1.4	1.5	1.7	5.6
05. Transfers from other government agencies	2.2	1.9	2.1	0.5	1.5	3.1	1.6	4.5	2.0
08. External grants	1.2	1.4	0.8	0.7	0.8	0.8	2.3	0.6	0.5

Source: Ministry of Finance and Economic Planning.

Table B.7. Rwanda Scores on Public Expenditure and Financial Accountability (PEFA)

PEFA Indicators	2007	2010	2015	Changes 2010–15
A. Public financial management out-turns: Credibility of the budget				
PI-I Aggregate expenditure out-turn compared with original approved budget	B	A	B	Decline
PI-2 Composition of expenditure out-turn compared with original approved budget	D	D	B+	PI Changed
PI-3 Aggregate revenue out-turn compared with original approved budget	A	A	B	PI Changed
PI-4 Stock and monitoring of expenditure payment arrears	D+	B	B+	Improvement
B. Key Cross-Cutting Issues: Comprehensiveness and Transparency				
PI-5 Classification of the budget	A	A	A	No Change
PI-6 Comprehensiveness of information included in budget documentation	D	A	A	No Change
PI-7 Extent of unreported government operations	D+	D+	B+	Improvement
PI-8 Transparency of intergovernmental fiscal relations	B	A	A	No Change
PI-9 Oversight of aggregate fiscal risk from other public sector entities	D+	C	C+	Improvement
PI-10 Public access to key fiscal information	C	A	B	Decline

PEFA Indicators	2007	2010	2015	Changes 2010–15
C. Budget cycle				
C. (i) Policy-based budgeting				
PI-11 Orderliness and participation in the annual budget process	B+	B+	A	Improvement
PI-12 Multiyear perspective in fiscal planning, expenditure policy, and budgeting	C+	C+	B+	Improvement
C. (ii) Predictability and Control in Budget Execution				
PI-13 Transparency of taxpayer obligation and liabilities	A	A	A	No Change
PI-14 Effectiveness of measures for taxpayer registration and tax assessment	B+	A	A	No Change
PI-15 Effectiveness in collection of tax payments	D+	D+	D+	No Change
PI-16 Predictability in the availability of funds for commitment of expenditures	B+	B+	B+	No Change
PI-17 Recording and management of cash balances, debt, and guarantees	B	B	A	Improvement
PI-18 Effectiveness of payroll controls	D+	B+	B+	No Change
PI-19 Competition, value for money, and controls in procurement	B	A	B+	PI Changed
PI-20 Effectiveness of internal control for nonsalary expenditure	D+	B+	B+	No Change
PI-21 Effectiveness of internal audit	C+	C	C+	Improvement
C. (iii) Accounting, recording, and reporting				
PI-22 Timeliness and regularity of accounts reconciliation	B+	B	A	Improvement
PI-23 Availability of information on resources received by service delivery units	D	D	C	Improvement
PI-24 Quality and timeliness of in-year budget reports	D+	D+	D+	No Change
PI-25 Quality and timeliness of annual financial statements	C+	D+	C+	Improvement
C. (iv) External Scrutiny and Audit				
PI-26 Scope, nature and follow-up of external audit	D+	B+	B+	No Change

PEFA Indicators	2007	2010	2015	Changes 2010–15
PI-27 Legislative scrutiny of the annual budget law	C+	C+	C+	No Change
PI-28 Legislative scrutiny of external audit reports	D+	B	C+	Decline
D. Donor Practices				
D-1 Predictability of Direct Budget Support	B+	A	A	No Change
D-2 Financial information provided by donors for budgeting and reporting on project/program aid	D	D+	D+	No Change
D-3 Proportion of aid that is managed by use of national procedures	D	D	C	Improvement

Sources: Rwanda 2010 and 2016.

Table B.8. Key Economic Indicators

Indicator	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18
GDP growth *(percent)*	6.3	7.3	7.8	8.8	4.7	7.6	8.9	5.9	6.2
Inflation *(percent)*	10.3	2.3	5.7	6.3	4.2	1.8	2.5	5.7	7.1
General government revenue (*percent of GDP*)	23.8	24.6	25.3	23.2	25.5	24.2	24.7	23.7	22.1
of which: grants	—	13.3	10.8	9.3	8.6	7.4	6.4	5.1	4.9
General government total expenditure *(percent of GDP)*	23.5	25.3	26.2	25.7	26.8	28.3	27.5	26	24
Fiscal balance *(percent of GDP)*	0.3	−0.7	−0.9	−2.5	−1.3	−4	−2.8	−2.3	−1.9
General government gross debt *(percent of GDP)*	19.5	20	19.9	20	26.7	29.1	33.4	37.6	40.2
Exports of goods and services *(percent of GDP)*	11.7	12	13.8	12.8	14.1	14.7	14.3	15	—
Imports of goods and services *(percent of GDP)*	29.7	30	30.6	31.9	31.9	32.9	35.1	33.2	—
Current account balance *(percent of GDP)*	−7	−7.2	−7.4	−11.2	−8.7	−11.8	−13.4	−14.4	−10.2
FDI, net inflows *(percent of GDP)*	2.2	4.3	1.8	3.5	3.4	3.9	2.7	3	—
Net ODA received *(percent of GNI)*	17.5	18.0	19.6	12.2	14.5	13.2	13.5	14.1	—
ODA disbursement from all countries	934	1,033	1,263	879	1,086	1,035	1,085	1,148	—
IDA net disbursement	144	165	213	151	135	200	230	268	268
Share of IDA to ODA disbursement *(percent)*	15	16	17	17	12	19	21	23	—
GDP, current prices *($, billions)*	5.4	5.8	6.5	7.3	7.6	8	8.3	8.4	8.9
GDP per capita *($)*	554.6	577.4	636.4	696.7	709.7	728.1	732.4	729.1	754.1
Population *(millions)*	9.7	10	10.2	10.5	10.7	11	11.3	11.5	11.8
Total reserves in months of imports	—	5.7	5.6	4.1	5.0	4.5	3.9	4.0	—
CPIA economic management index	3.8	3.8	3.8	3.8	3.8	4.0	4.0	4.0	—
IDA resource allocation index	3.5	3.7	3.6	3.6	3.6	3.6	3.7	3.7	—
Official exchange rate *(LCU per $, period average)*	568	583	600	614	647	682	721	787	832

Sources: International Monetary Fund, World Economic Outlook database; Organisation for Economic Co-operation and Development statistics; Rwandan authorities; and World Bank, World Development Indicators database.
Note: CPIA = Country Policy and Institutional Assessment; FDI = foreign direct investment; GNI = gross national income.

Table B.9. Progress Made on Millennium Development Goals (Select Targets)

Millennium Development Goal	1994	2000	2008	2012	2015
Goal 1: Eradicate extreme poverty and hunger					
Poverty headcount ratio at $1.90 a day (2011 purchasing power parity) (percent of population)	—	77.0	*60.3*	*60.4*	—
Income share held by lowest 20 percent	—	5.2	*5.1*	*5.2*	—
Prevalence of undernourishment (percent of population)	58	61	43	34	32
Goal 2: Achieve universal primary education					
Primary school enrollment rate (net, percent of relevant age group)	—	79	*99*	96	95
Primary completion rate, total (percent of relevant age group)	—	23	52	69	61
Literacy rate, youth male (percent of males ages 15–24)	—	79	*77*	81	83
Literacy rate, youth female (percent of females ages 15–24)	—	77	*78*	83	87
Goal 3: Promote gender equality and empower women					
School enrollment, primary and secondary (gross), gender parity index	—	0.9	1.0	1.0	1.0
Proportion of seats held by women in national parliaments (percent)	—	26	56	56	64
Women employed in the nonagricultural sector (percent of nonagricultural employment)	*32*	33	—	34	—
Goal 4: Reduce child mortality					
Immunization, measles (percent of children ages 12—23 months)	25	74	92	97	97
Mortality rate, infant (per 1,000 live births)	300	184	78	52	42
Mortality rate, under-5 (per 1,000 live births)	132	109	52	37	31
Goal 5: Improve maternal health					
Maternal mortality ratio (modeled estimate, per 100,000 live births)	1,270	1,020	452	336	290
Adolescent fertility rate (births per 1,000 women ages 15—19)	56	49	38	30	26
Births attended by skilled health staff (percent of total)	—	31	52	*69*	91
Contraceptive prevalence, any methods (percent of women ages 15—49)	*14*	13	36	*52*	53
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Prevalence of HIV, total (percent of population ages 15—49)	6.3	4.9	3.2	3.1	2.9
Incidence of tuberculosis (per 100,000 people)	—	98	96	76	56
Tuberculosis case detection rate (percent, all forms)	—	78	82	75	84

Millennium Development Goal	1994	2000	2008	2012	2015
Goal 7: Ensure environmental sustainability					
Access to an improved water source (percent of population)	62	66	72	74	76
Access to improved sanitation facilities (percent of population)	39	47	55	59	62
Forest area (percent of land area)	13	14	17	19	19
Goal 8: Develop a global partnership for development					
Fixed telephone subscriptions (per 100 people)	0.2	0.2	0.2	0.4	0.1
Mobile cellular subscriptions (per 100 people)	0.0	0.5	13	50	70
Internet users (per 100 people)	*0.001*	0.1	5	8	18

Source: World Bank.
Note: Figures in italics are for years other than specified. — = not available.

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Appendix C. Policy Matrix

Table C.1. Rwanda QDS DPO: Description of Actions and Key Outcome Indicators by Policy Areas

Prior Action	Description of Action	Outcome Indicator	Baseline	Target	Actual (2013/14)
Policy Area 1: Strengthened Policy Framework for Decentralization					
1) The recipient has approved a new decentralization policy which clarifies the roles and responsibilities of central and local government	Adopting local government structures with clear roles, issuing prime ministerial instructions on sectoral decentralization	Percentage of staff positions filled in revised organizational structures	0% (2012/13)	70%	79.2%. Target surpassed.
2) The recipient has published in the Official Gazette the Presidential Order establishing the list of fees and other charges levied by decentralized entities and the applicable thresholds		Fees and charges collected by districts	RF 134 million (2012)	12% increase from the program baseline	Target surpassed. Collections increased from RF 13.9 billion in 2012 (calendar year) to RF18.5 billion in 2013/14 (fiscal year). Baseline adjusted, based on the district's financial reports audited by the Office of the Auditor General.
Policy Area 2: Capacity Development for Quality Service Delivery by Local Governments					
3) The recipient has adopted twenty-eight (28) district capacity building plans approved by the district councils	Elaborating and implementing five-year district capacity building plans	PEFA PI-23 (availability of information on resource received by service delivery unit)	D (2010)	C	PEFA assessment was delayed because of changes in PEFA framework and measurements. Considered significant PFM capacity building; a new earmarked transfer framework for service delivery units in place; and two PETS, the ICR assessed that the upcoming PEFA assessment would result in a "C" rating.
Policy Area 3: Improving Government Accountability and Transparency to Citizens					
4) The recipient has published in the Official Gazette a new Access to Information Law which provides for the public's	Building the capacity of civil society organizations to engage in policy formulation, and	Citizens who participate in the district budgetary process (of which, women) *(percent)*	11% (10%) (2010)	20% (19%)	29% – Target surpassed. (52%) – Target surpassed. (2013)

Prior Action	Description of Action	Outcome Indicator	Baseline	Target	Actual (2013/14)
right to information (Access to Information Law was Gazetted in March 2013)	increasing access to information on district development priorities, budget, and service delivery charters	Citizens who participate in the formulation of Imihigo activities (of which, women) *(percent)*	24% (22%) (2010)	30% (28%)	72% – Target surpassed. (52%) – Target surpassed. (2013)
Policy Area 4: Enhanced Local Government Fiduciary Accountability					
5) The recipient has reviewed 25 district audit committee reports of 2012 and issued communication to the districts on the main areas for follow-up (By Dec. 2012, 25 district audit committees had held quarterly meetings and reported to their respective district councils)	Improving fiduciary accountability through the subnational PFM system at and below the district level covering subsidiary entities including schools and health centers	The number of districts with qualified audit	0 (2011/12)	5 districts (17%)	The ICR assessed that the program objective was substantially achieved. The outcome targets for 2013/14 had been evaluated by the Office of the Auditor General in March 2015. With three districts achieving "qualified opinion" in 2012/13, in combination with the activities undertaken by the government, the districts were on track to achieving the outcome targets in 2013/14.

Sources: World Bank 2014a, 2014b, and 2015.
Note: ICR = Implementation Completion and Results Report; PEFA = Public Expenditure and Financial Accountability; PETS = Public Expenditure Tracking Surveys; PFM = public financial management.

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Appendix D. List of Persons Met

World Bank

Yasser El-Gammal	Country Manager
Diarietou Gaye	Country Director
Carolyn Turk	Former Country Manager
Yoichiro Ishihara	Senior Economist – Macro Economics & Fiscal Management
Aghassi Mkrtchyan	Senior Economist – Macroeconomics, Trade and Investment
Jens Kristensen	Lead Public Sector Specialist – Governance Department
Leif Jensen	Former Senior Public Sector Specialist – Governance Department
Kene Ezemenari	Senior Economist – Operations Policy & Country Services Vice President, Knowledge & Learning Department
Sandeep Mahajan	Lead Economist – Macroeconomics & Fiscal Management Department
Adja Mansora Dahourou	Senior Private Sector Specialist – Finance, Competitiveness and Innovation
Lucy M. Fye	Former Private Sector Development Specialist
Alex Kamurase	Senior Social Protection Specialist – Social Protection & Labor

Government

Kampeta Sayingzoga	Former Permanent Secretary, Ministry of Finance and Economic Planning Director General, National Industrial Research and Development Agency
Jonathan Nzayikorera	Director for Fiscal Decentralization, Ministry of Finance and Economic Planning
Rehemah Namutebi	Head of National Budget, Ministry of Finance and Economic Planning
Gerald Mugabe	External Resources Mobilization Officer, Ministry of Finance and Economic Planning
Amina Rwakunda,	Senior Economist of Macro Economic Policy Division, Ministry of Finance and Economic Planning
Eric Rwigamba	Director General, Financial Sector Development Directorate, Ministry of Finance and Economic Planning
Biraro Obadiah	Auditor General, Office of the Auditor General
Saidi Sibomana	Deputy Director General, Local Administrative Entities Development Agency, Ministry of Local Government
Justine Gatsinzi	Deputy Director General Local Administrative Entities Development Agency, Ministry of Local Government
Benjamin	Adviser to Mayor Director of Social Affairs, Ministry of Local Government, Ministry of Local Government
Adolphe Bazatoha Shyaka	Head of Economic and Commerce Commission (Former National Coordinator of the Decentralization and Community Development Project)

Celestin Sibomana	Director of Capacity Development, Rwanda Public Procurement Authority
Pascal Ruganintwali	Deputy Commissioner General, Rwanda Revenue Authority
Peace Uwase	Director General, National Bank of Rwanda
Kevin Kavugizo Shyamba	Director, National Bank of Rwanda
Edward Kalisa	Secretary General, Rwanda Governance Board
Egide Rugamba	Secretary General, General, Rwanda Association of Local Government Authorities
Winifrida Mpembyemungu,	Deputy Secretary General, Rwanda Association of Local Government Authorities
Emmanuel Hategeka	Chief Operating Officer, Rwanda Development Board

Local Government

Pascal Nyamulinda	Mayor, Kigali Urban Upgrading Project; City of Kigali, Rwanda
Abias Phillipe Mumuhire	Coordinator, City of Kigali, Rwanda
Peter Claver Bagirishya	Executive Secretary, Musanze District, Rwanda
Sylvain Nsabimana,	Executive Secretary, Rubavu District, Rwanda
Emmanuel Nsanzumuhire	Mayor of Bugesera District, Rwanda
Emmanuel Nzabonimpa	Manager, Corporate Service Division, Gatsibo District, Rwanda

Bilateral and Multilateral Donors

Johan Cauwenbergh	Minister Counsellor, Head of Cooperation/Senior Expert, European Union
Sion Morton	Program Officer, Economics and Governance, European Union
Martha Phiri	African Development Bank
Alun Thomas	Resident Representative, International Monetary Fund (IMF)
Laure Redifer	IMF
Ulrich Berdelmann	Programme Director, Decentralization and Good Governance, German Agency for International Cooperation

Civil Societies and Other Development Partners

Appolinaire Mupiganyi	Executive Director, Transparency International Rwanda
Derek Appel	Country Economist, International Growth Centre
Alex Rutabingwa	National expert on fiscal decentralization