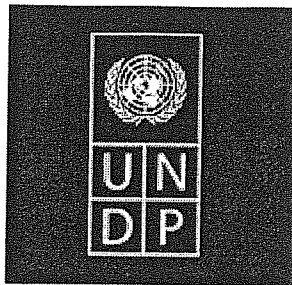




*Ministry of Local Government, Good Governance, Community Development and Social Affairs
(MINALOC)*

Government of RWANDA



Support to the Five Year Decentralisation Implementation Programme (DIP-5)

This project aims to support the Ministry of Local Government, Good Governance, Community Development and Social Affairs (MINALOC) in effectively managing the execution of the Government of Rwanda's five year Decentralization Implementation Plan (DIP). As such, the project will focus on four main areas of support (i) Improved Coordination of Decentralization interventions, (ii) improved Monitoring and Evaluation for decentralization, (iii) Capacity building for decentralization, and (iv) general Institutional support to MINALOC

SIGNATURE PAGE

Country: RWANDA

UNDAF Outcome(s)/Indicator(s)¹: GOAL 2: An enabling environment for effective decentralization, democratisation and community development

Expected Outcome(s)/Indicator (s)²: MINALOC able to effectively manage the implementation of DIP5 through improved coordination and monitoring and evaluation, and the provision of guidance to provinces and local governments

Expected Output(s)/Annual Targets³:
(i) Structure/framework in place for improved coordination
(ii) M&E system elaborated and implemented
(iii) Capacity Strengthening framework for provinces and local governments
(iv) Institutional capacity building programme for MINALOC

Implementing partner: MINALOC/National Decentralization Implementation Secretariat

Responsible parties: MINALOC/NDIS/UNDP

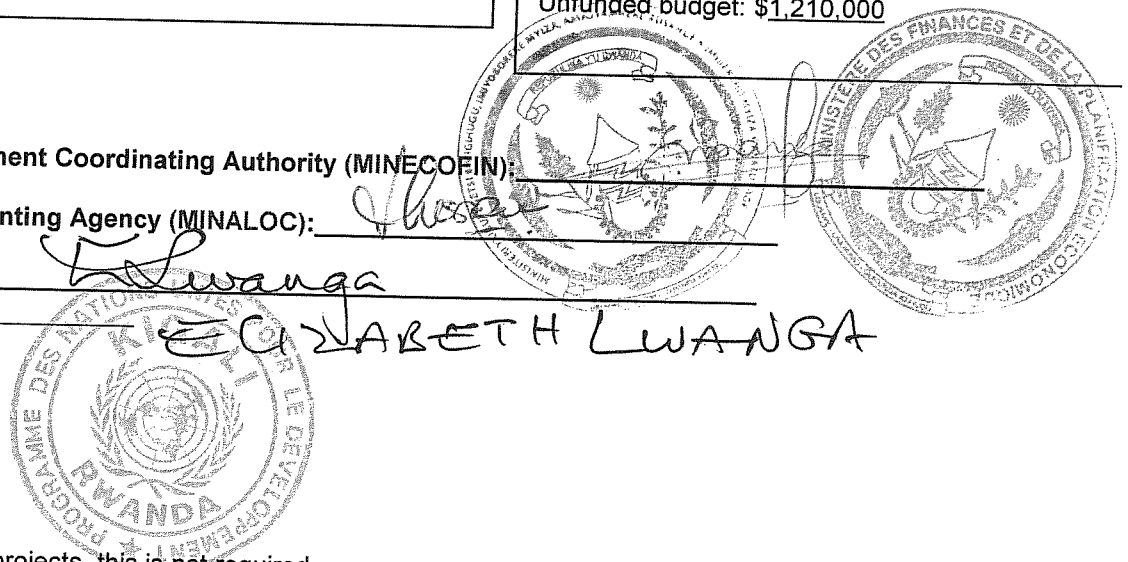
Programme Period: 2005-2009
 Programme Component: Goal 2: Fostering Democratic Governance
 Project Title: Support to the Five Year Decentralization Implementation Programme (DIP-5)
 Project ID: _____
 Project Duration: 5 years (60Months)
 Management Arrangement: National Execution (NEX)

Budget (indicative): \$2,210,000
 General Management Support Fee:
 Total budget: \$2,210,000
 Allocated resources: \$1,000,000
 • Government: _____
 • Regular : \$1,000,000
 • Other: _____
 ○ Donor _____
 ○ Donor _____
 • In kind contributions _____
 Unfunded budget: \$1,210,000

Agreed by Government Coordinating Authority (MINECOFIN): _____

Agreed by Implementing Agency (MINALOC): _____

Agreed by (UNDP): _____



¹ For global/regional projects, this is not required
² For global/regional projects, these are outcomes identified in GP/RP
³ For global/regional projects, these are outputs identified in GP/RP

Section I	Elaboration of the Narrative
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Part I. Situation Analysis

Rwanda is emerging from a very traumatic period during which the country has stabilised itself following the dual shocks of genocide and massive refugee movements involving, according to some estimates, over a third of its population. The country is still highly dependent upon aid and ranks as one of the poorest in Africa. However, in the context of this programme for decentralisation there are three important points to be made regarding this analysis.

Firstly, whilst Rwanda is poor, it has great potential. During the 1980s it experienced a period of sharp economic growth. This was reversed firstly by the unfavourable Terms of Trade resulting from the decline of coffee prices in 1989⁴ and secondly by the economic shock of the 1994 genocide in which many of the most productive and educated citizens were killed or fled the country. Today, this potential is evident, the country has good communications links, a good climate and the tri-lingual policy pursued by government makes it an ideal bridge between Francophone and Anglophone Africa.

Secondly, whilst the country is still highly dependent upon aid, the use of that aid assumes great significance. The aid dependency is a feature of both pre and post genocide Rwanda. Large aid flows and the presence of foreign NGOs and Embassies did not prevent or even diminish the scale of what was the first comprehensive genocide since 1945. Despite the refrains of "never again" - it happened again and the Kigali holocaust memorial is added to the one in Jerusalem. The conclusion must be that aid should not only be directed at poverty reduction but also at constructing the type of social and economic environment that will prevent the re emergence of the conditions for genocide.

Thirdly, in the light of the above points, the government has established decentralisation as a means to simultaneously meet the two objectives of growth/poverty reduction and social rehabilitation. The key challenge for donors and government is to support this, ensuring that there is a common understanding of decentralisation and that programmes such as the Poverty Reduction Strategy are and the Sector Wide Approach are contributing to meaningful decentralisation rather than holding it back.

The importance of decentralisation in Rwanda can be understood by considering the nature of and uniqueness of the genocide. Focussing on the violence and the humanitarian catastrophe can lead a grouping of genocide with other generic problems such as famine and war. In fact genocide depended on two specific factors: The wide dissemination of a racist ideology dehumanising the "other" and the existence of an organised hierarchical command structure linking the very highest levels to the very lowest. Both these factors required at least a decade of planning to put into place. It will take at least a further decade of reforms to ensure that Rwanda has the localised democratic institutions and active citizenry that would have prevented the genocide from happening.

⁴ We wish to inform you...

Genocide against the Jews led to the creation of the State of Israel and ethnic cleansing in Kosovo and East Timor led to the creation of UN protectorates. In Rwanda those options are not available and the only solution is the reform of the Rwandan state and society. This is the strategy of post genocide recovery: Decentralisation - therefore this project - forms a key part of it.

Rwanda is divided into 12 provinces and Kigali City. These in turn are divided into urban and rural local governments. Within these local government units are further sub-divisions into units known as sectors and cells. Unlike many African countries, the borders of Rwanda correspond with its historical boundaries as a pre-colonial kingdom. Likewise the territorial units of administration have a large degree of historical legitimacy and are linked in some cases to pre-colonial clan and tribal units. It should be noted that whilst much is made of the supposed divisions in society between Tutsi, Hutu and Twa, all three groups were previously present in all tribes and clans, each of which had a degree of autonomy, within a feudal clan based system. These factors support the government's belief that decentralization can bring about a historically rooted yet modern and democratic dispensation in Rwanda.

In 2000, the Government of Rwanda adopted a policy on decentralization, followed by a 15-year decentralization strategy. The vision of the government in bringing to life the Decentralization Strategy, is to operationalize it through a series of three Implementation plans; for three, five, and seven years respectively. The GoR has just come to the end of its first three-year Decentralization Implementation Plan (DIP). The next step for the Government is to work out the following five-year implementation plan. As part of this effort, a general evaluation/assessment of the first three-year phase was carried out in August 2003. The overall assessment is that in general the implementation has been going well, with a few good results achieved in a number of areas, notably the establishment of the legal and institutional framework for decentralization and the development of a number of key institutions for local governance (such as local councils, RALGA, CDF, etc). The next 5-year Decentralisation Implementation Plan has recently been elaborated and approved by Government. It attempts to bring the decentralisation process further downward by focussing more on local planning and financing mechanisms, capacity building for local level staff, etc. At the same time, the central level ministry responsible for overseeing the DIP will continue to play an important role in ensuring sufficient monitoring of progress as well as providing support to local governments on a number of technical issues. Proper coordination of a number of decentralization initiatives also falls within the remit of the Ministry of local government (MINALOC).

Part II Strategy

Government policy and strategic outlook

Government policy on decentralisation is encapsulated in the policy document approved on 26 May 2000 and in the subsequent legislation creating local governments as legally autonomous units. This was accompanied by two other policies, the Community Development Policy and the Fiscal Decentralisation Policy,

These three complementary policies have overlapping objectives. The first strategic objective of the National Decentralisation Policy is to:⁵

⁵ Republic of Rwanda, Ministry of Local Government & Social Affairs. Implementation Strategy for National Decentralisation policy., Kigali May 2000

“...mobilise the entire establishment of the government and state of Rwanda to create an enabling environment that allows the population of Rwanda to own, support and participate in the decentralisation process.”

Decentralisation is therefore not seen as something only concerning the local government ministry but it is placed at the heart of all government policy and backed up by other legislation and policies approaches. The “main objective” of the Community Development Policy is to:⁶

“Allow the implanting of the national policy of decentralisation by suggesting ways and means of assuring the actual and durable participation of the community in its own development focussed on poverty reduction”

The “general objective” of the Fiscal Decentralisation Policy is to:⁷

“...provide adequate resources to fulfil local service responsibilities.”

The three “specific objectives” are:

“To foster local management responsibility and capacity, To ensure resources for equitable development across local governments... and...To build an efficient resource base for local government. “

It is clear that the legislative framework for decentralisation is in place. The next phase of the strategy involves creating a reality on the ground to match the legislative and policy environment. For example, are the functions devolved to local governments adequately funded? How deep rooted is the citizen involvement in the local political space created by the policy? And how far have the central and provincial agencies fully understood their changing role in the light of these policies?

Before looking at the current status of the decentralisation process it is worth mentioning two other relevant policies. Firstly, the National Programme for Strengthening Good Governance for Poverty Reduction⁸ approved in May 2002 links good governance, poverty reduction and decentralisation as self-reinforcing goals of government. Secondly, the Guidelines for the Development of Sector Strategies and Decentralised Plans⁹ approved in April 2003 mention the decentralisation policy as one of the factors to be taken into account in the development of the sector plans. The others are the Poverty Reduction Strategy Paper, the Vision 2020 and the National Investment Strategy. The Guidelines make implicit reference to the potential conflict between national and local strategies and states that:

“The sector approach will be applied to highlight not only Programmes, Strategies and Actions to be undertaken within each sector but also to mobilise funds and to determine everybody’s evaluation. Decentralised entities are not obliged to take into

⁶ Republic of Rwanda, Ministry of Local Government & Social Affairs. Community Development Policy, Kigali November 2001

⁷ Republic of Rwanda, Ministry of Local Government & Social Affairs and Ministry of Finance and Economic Planning. Fiscal and Financial Decentralisation Policy, Kigali November 2001

⁸ Republic of Rwanda, Ministry of Local Government & Social Affairs. National Programme for Strengthening Good Governance for Poverty Reduction in Rwanda, Kigali May 2002

⁹ Republic of Rwanda, Ministry of Finance and Economic Planning. Guidelines for the Development of Sector Strategies and Decentralised Plans Kigali, April 2004.

account all the sectors of the regional or local life. They develop Policies and Strategies of the sectors that are of priority to them.”

In conclusion, Rwanda has a rounded and developed set of policies for decentralisation. This is the legacy of the recently concluded three-year Decentralisation Implementation Policy (DIP-3). This policy was evaluated towards the end of 2003 and was replaced by a new five-year Decentralisation Implementation Policy (DIP-5) to cover the operationalisation of these policies for the period 2004-2009. The DIP-5 is a very comprehensive document and includes actions to be taken by at all levels of government and across all ministries and institutions. However it is recognised that the government are unlikely to be able to finance the DIP-5 with their own resources alone. Whilst individual donors have supported parts of the decentralisation policy, government strategy is to coordinate this external support in a coherent fashion.

Status of the Decentralisation process

Through the recently approved the DIP-5, Rwanda is seeking to entrench decentralized local governance and build on the achievements of the initial DIP-3. The areas of activity of the DIP-3 were:

- Establishing institutional structures for coordination;
- Reviewing the legal framework to operationalise decentralization;
- Reforming the administrative structures;
- Democratization through local elections;
- Building the human and institutional capacities;
- Enhancing different actors through continuous training,
- Provision of logistical facilities, and empowerment of the population through civic education;
- Ensuring the transfer of fiscal and financial resources and responsibilities to decentralized units to enable them effectively implement various service delivery programmes.

Achievements

The September 2003 Appraisal of the Rwanda Decentralization Process indicates that achievements have been made in the domain of creating the policy and legal framework, as well putting in place appropriate institutions for democratic local governance.¹⁰ These include:

- Most importantly, the establishment of locally elected democratic local governments as autonomous legal entities with the right to borrow, enter into contracts, sue and be sued;
- Mainstreaming of gender considerations in some governance and poverty reduction activities;
- Transferring fiscal responsibilities and financial resources to decentralised units
- Building local administrative capacities of communities and elected leaders through sensitization activities;
- Development of operational manuals to support the legal and administrative reforms including the Local Government Financial Management and Accounting Procedures Manual, the Common Development Fund Operations Manual and the Property Tax Manual. In addition other actors have produced numerous (though uncoordinated) training and procedures manuals as part of individual or localised decentralisation projects and initiatives.

¹⁰ A List of the laws relating to decentralization in Rwanda is appended

Constraints

The September 2003 appraisal of the decentralization process also outlines a number of constraints and challenges that the decentralization process continues to face including principally the inadequate capacities and resources to meet those responsibilities devolved. This includes the following aspects:

- Limited human resources and low capacity amongst those that exist;
- Limited managerial capacity and shortcomings in the implementation of procedures systems and rules;
- Weak institutional horizontal coordination at local level and lack of a strategic approach to local government;
- Inadequate infrastructures including office equipment, transport and communications facilities.

Focus and main challenges of the DIP-5

The basis of this project document is operationalization of the DIP-5, which itself follows the above evaluation of the previous the DIP-3. The new DIP focuses on the following areas.

- Legal and Policy Framework for Local Administration and Governance;
- Institutional Development and Capacity Building;
- Local Government and Community Planning;
- Fiscal Decentralization & Financial Management;
- Sectoral Decentralization & Service Delivery;
- Coordination & Collaboration;
- Crosscutting Issues (HIV/AIDS, Environment, Gender and ICT).

Institutional and Capacity issues

This section will examine the institutional framework and capacity for the implementation of the decentralisation programme. At the outset, it should be stated that capacity can be viewed in many different ways, which are often mistakenly grouped together. With regard to institutional reform and strengthening we can identify the following types of capacity.

- **Institutional Cultural capacity.** What is the organisational and social culture within the institution in question and how does it view and interpret the decentralisation policy? As a threat or as an opportunity? Or does it fail to understand its consequences?
- **Political capacity** refers to the political consequences of the policy proposed and whether it is reasonable to expect that there will be sufficient political will to carry it out.
- **Technical capacity** refers to actual ability to absorb reform, learn and carry out new techniques and implement any other changes that might be required. This includes the skill levels of staff and takes into account that reform involves new activities and can require additional equipment
- **Legal capacity** refers to the legal framework for any reform. Is the legislation in place or will the policy institute a reality on the ground that will later be followed by legislation?

Central level institutional framework and capacity

Our evaluation of the central level institutions shows that political and legal capacity for decentralisation is strong, as explained in the introduction. This presents a great opportunity, because in many similar countries these two elements of capacity are singularly lacking. However in some central level institutions there is a general lack of cultural capacity in terms

of a true assimilation of the consequences of decentralisation for the mission and operation of those institutions.

Recent research has shown that decentralisation is most successful when pursued by confident and powerful central governments that are cognisant of its benefits to them and to the economy as a whole.¹¹ There are few examples of successful decentralisation pursued by hesitant central authorities, who (mistakenly) fear a loss of influence. The specific characteristics of Rwanda give it the potential to be a leader in the field of decentralised governance and modern public administration.

The management of the decentralisation policy falls under the institutional remit of MINALOC. There is a high level of cultural and political capacity to further decentralisation within this ministry. A key challenge will be the dialogue with the other ministries and national agencies. However the technical capacity at MINALOC is somewhat restrained. Currently it is dependent upon the DMU, the unit that has been responsible for much of the implementation of the DIP-3. Crucially, this support has included the drafting of legislation and the initial capacity building initiatives at local level.

The second responsibility of MINALOC is the transfer of recurrent funds to local government, once they have been received from MINECOFIM. This flow of funds has worked reasonably well since the creation of the local authorities. However there have been some complaints from local levels of delays in transfers and low budget execution rates. This situation seems to have improved during the last 12 months. As mentioned above, these funds are transferred on a flat rate basis and there is extensive scope for the strengthening and improvement of the transfer system. In summary, significant technical capacity and some legal capacity reinforcement is required in this area.

Whilst MINALOC is responsible for the transfers of the recurrent funds, capital expenditure of local government is handled by the CDF. This is handled on a project basis and not as budget support. Nevertheless it appears that CDF has sufficient technical capacity to cope with a change in emphasis from the former to the latter. However cultural capacity within CDF will have to be reinforced, together with some additional legal capacity in the form of regulations and procedures for a capital budget support system.

For the purposes of our analysis MINECOFIM can be divided into the planning and budgetary divisions. With respect to the former the ministry has produced guidelines for the development of sector strategies and decentralised plans. The key challenge here is to increase the cultural and technical capacity of the Directorate of Strategic Planning and Poverty Reduction Monitoring to ensure that its efforts to implement the Poverty Reduction Strategy through the sector programmes are fully consistent with the decentralisation programme. On the budget side, the Directorate of Budget handles the transfers to both CDF and MINALOC. However a perceived lack of coordination and information sharing was noted as the Directorate appears unaware of the final destination and rates of execution of these funds. As far as MINICOFIN is concerned, the budget line is executed once the funds are disbursed to the intermediary agencies.

Sector-Wide Approach (SWAP) & Line ministries

The government of Rwanda is seeking to adopt the Sector Wide Approach (SWAP) as part of its Poverty Reduction Strategy. The guidelines for this activity emphasize the need to incorporate decentralization in the sector strategies. Clusters of ministries and other institutions have been created in order to assist this process. For example the Agriculture cluster includes four ministries and is facilitated by the World Bank. A key challenge, alluded

¹¹ Judith Tendler, Good Government in the Tropics, Johns Hopkins Press, 1998

to elsewhere in this report, is the need to ensure that decentralization is not confused with bottom-up planning. Several sector representatives interviewed appeared to believe that decentralization amounts to local governments submitting plans and projects for inclusion in the sector strategy (and sometimes for execution at central or provincial levels). It is clear that a challenge will be to increase the cultural capacity at central level to ensure that the SWAPs are harmonized with decentralization.

One important tool for achieving this is provided by the CDF / Decentralisation cluster comprising MINALOC, MIFOTRA, MIJESPOC, MINAGRI and MININFRA. This cluster is facilitated by MINALOC on the government side and the Netherlands Embassy on the donor side. This cluster could support the development of sector specific earmarked grants to local government through CDF as a way of operationalising the sector strategies and allowing the sectors at national level to concentrate on defining strategies and monitoring and supporting their implementation. This reform would also relate to the strengthening of the sub national capacity of the Tender Board. MINECOFIN indicate that piloting of the sector strategy and decentralized plan approach will commence with the health sector. It remains to be seen which interpretation of decentralization will be applied by MINISANTE.

Finally, and in a separate initiative, the Ministry of Public Service, Labour and Skills Development (MIFOTRA) is responsible for the implementation of a policy on Public Sector Reform and Capacity Building. Sweden is the donor facilitator for this cluster. This programme overlaps significantly with the decentralisation programme: the production of many of the operations manuals for the DIP-3 was under the auspices of MIFOTRA, and in particular the capacity building project that is based there.¹²

Sub national levels and their capacity

Visits to several districts, together with a literature review, reveal that cultural capacity for decentralization is weaker at sub national level than at the centre, not only among the elected and central government officials, but also among the grassroots communities. These cultural capacity constraints are combined with weak technical and financial capacity.

In addition provincial administrations require further restructuring and strengthening to enable them respond more effectively in their new role of coordination and support roles to local government. Discussions with district leaders, RALGA officials, CDF administration and officials at MINALOC all point at the need to develop technical task teams at the provincial level to support the LG planning process and to provide technical support in other areas.

A report on Ruhengeri Province indicates that there is a potential to increase local revenues by at least 20%.¹³ This could be achieved through rapid improvement in administrative measures (tracking and monitoring, analysis, tax census, updating of taxpayer lists, timely distribution of tax return forms, setting appropriate fees and tax rates) and appropriate training of officials involved in revenue collection and financial administration. The report concludes that findings and proposals for Ruhengeri province can equally apply to all provinces of Rwanda. A similar nationwide study is underway and nearing completion.

A visit to Nyamata district in Kigalingali province to some extent indicated that technical capacity is not as weak as many at central levels imagine. Nyamata has a shining example of the principles of decentralization whereby they distributed limited funds received from an NGO to its Sectors for construction of Sector offices. The available funds would have been almost sufficient for constructing four sector offices but were instead distributed among seven

¹² Name of this project

¹³ Ruhengeri report

when the Sector councils committed themselves to mobilize their communities for additional support. A site visit at Maranyundo Sector revealed the evidence of this community initiative; the Sector council has used the RWF 3 million received from the district and locally mobilized resources equivalent to another 3.5 millions to meet the cost of about RWF 7 millions. This process involved “traditional” community work (omuganda), some even accepted lower wages resulting in a 70 percent saving on budgeted labour costs. The lessons are of a latent technical capacity at local levels. However it should be recognized that the picture is strongly differentiated with substantial differences in local capacity between and within provinces and also between rural and urban areas.

1.3.1 Other organizations and their roles

This sub section will look at the roles and capacity of three other types of institutions: Community Based Organizations (CBOs), the Private Sector and finally the Rwanda Association of Local Government Authorities (RALGA)

Community Based Organizations

The decentralization policy provides for the active involvement CBOs and other civil society structures such as the church. CGOs have become increasingly important and often attract donor support. However their legitimacy and roots in local society vary from place to place. In addition the local traditional authorities and leaderships have played an important role in post genocide societal reconstruction. Given their importance, an important issue is that of their relationship between each other and with the local governments. The evaluation of DIP-3 noted that lack of coordination of the CSO and CBO activities. Decentralisation does not only involve the devolution of power and responsibility to the local authorities, it should also incorporate the devolution of resources within them. Many CBOs have demonstrated capacity to execute activities in the context of the local plan.

Private Sector

There are some examples of public-private partnerships in service delivery, chiefly in the urban local governments. These have been noted in service areas such as garbage collection, street cleaning, parking and other specialized areas. The visit to Kicukiro district revealed the district’s successes in obtaining private sector-co-funding and management of the local markets. Where public services are out-sourced from the private sector, the issue of appropriate pricing need to be considered. Local governments require support in building technical capacity to package and price service delivery arrangements and to ensure the protection of citizen’s interests in their negotiations with the private sector practitioners.

Rwandan Association of Local Government Authorities

RALGA was formed as an interim committee on July 2002 in response to interest from the recently elected mayors following the March 2001 local elections. In March 2003 it was legally instituted and registered as a Not for Profit Organisation. The association has received support from the Swedish Development Agency, who currently provides 85% of its income, compared with 15% from member subscriptions.¹⁴ RALGA has a democratic structure and recently publishes a draft Strategic Plan, which specifies that it should focus on three core activities: Representation, Lobbying and Capacity Building. With regard to the first two, the association sees the government as a key interlocutor. However in respect of the later activity there is broad scope for RALGA to perform the role of executing agency for parts of the decentralisation programme.

¹⁴ RALGA (draft) Strategic Plan 2005 - 2008

Project Strategy

The government will operationalise the DIP-5 through this project. The project components have been derived following an analysis of the objectives of the DIP-5 and an appreciation of the key thematic challenges that are faced. An attempt has been made to look at the priority areas of MINALOC with regards to the DIP. As noted earlier, the DIP itself is a document which covers all activities with regards to decentralization across all institutions. While analysing the DIP, it became clear that MINALOC's responsibility lies mostly in the areas of monitoring and giving direction to the decentralization process in this second phase of the decentralization policy. – with some support to capacity building. Most implementation and execution responsibility is now being given to provincial and local government level. MINALOC should ensure that the activities carried out are well coordinated and that they follow national policy.

This project aims to provide MINALOC with the basic capacity to carry out these functions, and focuses on four main areas:

- (i) Establish an Institutional Structure of Coordination and Collaboration for Decentralization
- (ii) Strengthened Capacity for Monitoring and Evaluation of Decentralization
- (iii) Local Government and Grassroots Capacity Strengthened
- (iv) Institutional Support to MINALOC

For a quick overview of what each of these components aim to do;

(i) Establishing and institutional structure of Coordination and Collaboration for decentralization: This component is relatively small in terms of financial requirements, but quite important. With a number of donor-funded projects throughout the country and with numerous line ministries implementing their own decentralized projects, it is important for MINALOC to be able to act as the overall coordinating body for decentralization. For MINALOC to be able to carry out this role effectively, some technical support is required in carrying out studies, mapping exercises, etc. and to elaborate a framework for effective coordination. Activities include a mapping exercise, the development of a decentralization information database and the elaboration of a framework for improved coordination. Studying existing initiatives in the country will allow MINALOC to distil best practices that can serve as models for be replicated on a national level.

(ii) Strengthened Capacity for Monitoring and Evaluation of Decentralization: In order to effectively manage and oversee the decentralization process, MINALOC needs to be able to continually monitor progress and make adjustments where necessary. This component aims at building the requisite institutional and human resource capacities at both MINALOC and local government level to do just that. The emphasis will be on monitoring for decision-making and not just compiling information to be logged in lengthy reports. As such the component will service the National Decentralisation Steering Committee (NDSC) with updates to be reported at each meeting. This will lock the program in to the decision making structure and ensure that timely corrective action is taken when necessary. In addition, the component will provide the monitoring necessary for the various donors that are supporting the DIP-5. An attempt will be made to negotiate a common set of Key Performance Indicators for each component, and to ensure their collection and distribution amongst all stakeholders. The local authorities, provinces, central government and donors will, thus, be cognisant about the benchmarks for success that are being considered by the NDSC. It will be important to ensure that these indicators are simple to collect and sensitive to programme actions. There is no point in concentrating on indicators that cannot be easily influenced over the time period of the programme. Efforts will be made to ensure that these indicators are chiefly composed of data that is collected as a matter of routine (including in relation to the sector programmes). Therefore, while an information system and database will be set up, its maintenance will be as simple as possible.

Finally, with respect to evaluation, this component will be responsible for a programme of annual internal evaluations of the decentralisation programme through a “lessons learnt” conference to be organised together with RALGA. Donor evaluations of the program will be conducted independently and serviced through UNDP or the respective Donor.

Activities include the elaboration of a proper M&E system (including proper indicators) for Rwanda – given the level of capacities that exist and the level of need. It also includes installing an appropriate M&E software for easy data collection and reporting. Contact has already been established with the Government of Mali, which has already developed such a system, and they have indicated a willingness to share the system with Rwanda. Regular NDSC meetings will be organized with comprehensive evaluation reports produced which will allow the NDSC to make decisions based on relevant and up to date information. Some training is also foreseen for MINALOC staff and local government level staff. An independent organization, preferably a national university, will also be involved in continuous monitoring and evaluation of the DIP implementation.

(iii) Local Government and Grassroots Capacity Strengthened: MINALOC has an important role to play in ensuring that provinces and local governments receive the technical support they need in order to carry out the functions they have been given. MINALOC's involvement in the 'capacity building' part of decentralization will no longer be at the level of execution of training programmes and modules as such, but more on the level of developing a proper framework for capacity building. Activities include developing new or updating outdated manuals for local governments, development of training modules for RIAM to carry out, needs assessments, studies, etc.

As regards other capacities than purely technical ones, MINALOC has a role to play in creating the 'institutional cultural' capacities – or changing old mentalities and ideas. That is, to show the advantages of decentralization through real examples. This involves the fostering of a confident and assertive mentality within local government institutions in which they take responsibility for solving their own problems. A deepening of a democratic and participatory culture is required. At central level it involves a realization that their role is to encourage, support and set standards but not necessarily to implement concrete activities. As far as possible, execution should be left to the local level. For the provinces and in particular the prefects, it involves recognition of their role in the coordination and monitoring of local government performance. They have to strike a sensitive balance as intermediary between the central state and the local governments. The way in which the PRS is executed through the sector wide approach will provide a useful indicator to the extent by which this changed “mentality” is being adopted at all levels.

These four areas represent the core challenges faced by MINALOC in managing and pushing forward the decentralization process in Rwanda. It should be noted that the main outputs and activities as well as the budget are indicative, and may change as a result of the Institutional Assessment of MINALOC.

Part III Management arrangements

Within MINALOC the project will be managed by the National Decentralization Implementation Secretariat (NDIS) and monitored by the National Decentralization Steering Committee (NDSC). One of the project components includes the servicing of this committee with regular updates on progress against key indicators. In this way it is envisaged that government policy makers will provide strategic direction through the inclusion of these reports on the agenda of their meetings. The objective of this innovation is to tie the project to the broader political and economic developments in the country and avoid reporting only to a Project Management Unit that is divorced from the main centres of decision-making.

In addition to reporting to the NDSC, A Project Steering Committee (PSC) will be set up, composed of one representative from MINALOC (Secretary General), one representative from UNDP, one representative from any other partners in the project, and the project

coordinator and other personnel as appropriate. This Steering Committee is intended to be a technical committee. It will meet once every three months (beginning of each quarter) to review progress over the last three months and to validate the next quarterly work-plan (including the budget) elaborated by the project technical personnel. Any proposed changes to activity plan and/or budget must be approved by this committee.

The project support unit will be composed by one Project Manger, two technical staff (one Monitoring, Evaluation and policy development officer, and one for Documentation, Information, Communication and Capacity Building Coordination Officer), and three secretarial staff (one Finance and Administrative Manager and two drivers). The last project of support to MINALOC saw some weaknesses in reporting and compliance. Through discussions with MINALOC, it was decided that it will be desirable that the Monitoring, Evaluation and policy development officer is an International United Nations Volunteer. It is proposed that the project coordinator and support staff be recruited right away, but that the recruitment of the remaining technical personnel await the outcome of the institutional assessment.

The project will be implemented according to UNDP NEX procedures. As such, the Ministry as the implementing institution will be responsible for all payment requests. The Minister of State for Good Governance or Secretary General will be the principle government counterpart for UNDP reporting and will sign off on the reports and budget revisions as well as requests for payments. The project will be expected to produce quarterly reports activity and financial reports.

In order to improve coordination amongst various donors and initiatives in the areas of decentralization, the project team will help the government in developing joint reporting procedures. This means in practice trying to hold joint monitoring meetings (every six months) for a number of donors giving support to decentralization in Rwanda.

Part IV Monitoring and Evaluation

Planning and Reporting

The coordinator will, in collaboration with MINALOC, elaborate an annual plan of activities at the beginning of every year, based on the project document. This plan will be validated and approved in the Project Steering Committee. The plan should include success indicators which will facilitate the measurement of the progress of the project. The annual work-plan will be accompanied by an annual Project Disbursement Plan, including details on planned expenditures by quarter.

The coordinator will, at the beginning of each quarter, elaborate quarterly work-plans in line with the annual work-plan and disbursement plan.

The coordinator will produce and submit quarterly narrative and financial reports as well as an annual inventory of equipment for the project. An annual consolidated narrative and financial report will be required as well.

The Steering Committee comprised by NDSU, UNDP and other partners will organize meetings on a quarterly basis to closely plan and monitor the programme.

Project Start-up

On launching the project, a project inception report will be produced by the project coordinator. This inception report will validate the assumptions, outputs and activities outlined in the Prodoc and make revisions where appropriate. The inception report will also include work plans and schedules of activities for 2005. The inception report will be discussed and approved by the Project Steering Committee and by NDSC if possible.

Follow-up and evaluation

The project will be subject to joint reviews by representatives of GoR and UNDP, at least once every six months, the first meeting to be held within the first three months of the start of full implementation.

The project coordinator will prepare and submit a project progress report to each review meeting. A project terminal report will be prepared for consideration at the terminal review meeting. It will be prepared in draft sufficiently in advance to allow review by NDSC and UNDP at least one month prior to the terminal review meeting.

Two years after the start of full implementation, the parties to the project document will decide whether an evaluation of the project is necessary. Should they decide in the affirmative, the parties to the project document will, after consultation among themselves, determine the organization, terms of reference, and precise timing of the evaluation.

In addition, a financial audit will be carried out on completion of the project.

Part V Legal context

The total administration of the project will be governed by the procedures and regulations of the UNDP defined in the Handbook of Programming in the political context defined by the Board of directors. The Second Framework Total of Co-operation (GCF) for 2001-2003, subjected and approved by the Board of directors of the UNDP at its first ordinary meeting of the year 2001 will govern the this project management.

SECTION II Results and Resources Framework

Indicative budget

The budget is indicative. It will be revised following the finalization of the Institutional Assessment (towards June 2005). UNDP has committed one million USD to the project. It is expected that other donor contributions will cover the shortfall. Preliminary talks have started with the Netherlands embassy and Swiss Development Cooperation for possible support.

Project Component	Description	Cost (usd)
A	Establish Institutional Structure of Coordination and Collaboration for Decentralization	86,000
B	Strengthened Capacity for Monitoring and Evaluation of Decentralization	490,000
C	Provincial and Local Government Capacity Strengthened	729,000
D	Institutional Support to MINALOC	905,000
TOTAL		2,210,000

Project Results and Resources Framework

Intended Outcome (s):	MINALOC able to effectively manage the implementation of DIP5 through improved coordination and monitoring and evaluation, and the provision of guidance to provinces and local governments				
Outcome Indicators:	1. Fully Implemented DIP 2. Number of decentralization initiatives following standard government guidelines for planning, financial management, contract management, etc 3. Functioning M&E system - meetings of the NDSC, software in place, regular reports				
Applicable MYFF Service Line	SL 2.6: Decentralization, Local Governance and Rural/Urban Development				
Partnership Strategy:	UNDP aims to work with all relevant partners planning support to MINALOC. A joint institutional assessment of MINALOC is being carried out in partnership with Netherlands Embassy - with a view to elaborating a joint programme of support to MINALOC. Swiss development cooperation has also expressed and interest in contributing to the programme.				
Project Title and ATLAS Award ID:	Support to the Five Year Decentralization Implementation Programme (DIP-5)				
Intended Outputs	Output Targets (years)	Indicative Activities	Responsible Parties	Indicative Budget	
1.1 Structure in Place for improved donor coordination					
	1.1.1	Elaborate donor matrix	Project Coordinator	1,000.00	
	1.1.2	Develop Decentralization Information Database	Project Coordinator	50,000.00	
	1.1.3	Comparative study of existing decentralization programmes and initiatives	Project Coordinator	25,000.00	
	1.1.4	Organization of regular Coordination meetings	M&E Expert/Consultant	10,000.00	
Output Sub-Total:					
				86,000.00	
2.1 M&E System developed and implemented	2.1.1	Set up Task force for elaboration of M&E system	M&E Expert	10,000.00	
	2.1.2	Define project components and a set of key performance indicators	Task Force/M&E Expert	40,000.00	
	2.1.3	Develop a reporting system to NDSC	Task Force/M&E Expert	25,000.00	
	2.1.4	Presentation of MALL Decentralization Monitoring Software	Mali Gov Representatives coming to Rwanda or Rwandan representatives going to Mali	35,000.00	
	2.1.5	Adjustment of MALL Software to Rwandan requirements	IT Consultant/Programmer/M&E Expert	150,000.00	
	2.1.6	Conduct Pilot test of M&E system and software	M&E Expert	50,000.00	

		2.1.7	Revise system if necessary	M&E Expert/Programmer	50,000.00	
		2.1.8	Draw up TORs and tender document and contract for ongoing evaluation of the program.	M&E Expert	50,000.00	
		2.1.9	Impact Evaluation of DIP	M&E Expert	80,000.00	
		Output Sub-Total:				490,000.00
3.1	Capacity Building Framework Programme for Provinces and Local Governments	3.1.1	Study/review of existing guidelines and manuals	Capacity Building Expert	50,000.00	
		3.1.2	Identify other activities of LGs that can be standardised	Capacity Building Expert	30,000.00	
		3.1.3	Map responsibilities and corresponding capacities of Provinces in providing support to LGs	Capacity Building Expert	50,000.00	
		3.1.4	Produce and revise standardised guidelines and manuals for LGs activities	Capacity Building Expert	100,000.00	
		3.1.5	Design and Conduct training activities for Provincial and Local Govt Personnel in collaboration with RIAM - with the support of UNCDF	RIAM/Capacity Building Expert/UNCDF	300,000.00	
		3.1.6	Production and Distribution of relevant information material related to Decentralization	Capacity Building Expert	150,000.00	
		3.1.7	Work w/ RALGA to integrate cross-cutting issues in Local Govt Plans	Capacity Building Expert	49,000.00	
		Output Sub-Total:				729,000.00
4.1	Institutional Capacity Building Programme for MINALOC/NDIS	4.1.1	Institutional Review/Assessment of MINALOC	MINALOC/UNDP/NL Embassy	50,000.00	
		4.1.2	Technical Personnel	MINALOC/UNDP	640,000.00	
		4.1.3	Procurement and maintenance of IT and Transport Equipment	MINALOC/UNDP	150,000.00	
		4.1.4	Training Courses for MINALOC and NDIS Personnel	MINALOC/UNDP	65,000.00	
		Output Sub-Total:				905,000.00
		Grand Total:				2,210,000.00



Annual Work Plan

Rwanda - Kigali

Award Id: 00038797

Award Title: Support to Decentralization Implementation Prog (DIP5)

Year: 2005

Report Date: 5/4/2005

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00043225	Institutional Structure for Co	Comparative Study of De	2/3/05		RWA-Ministry For Local Gove	04000	UNDP	71300	Local Consultants	3,000.00
					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	2,000.00
					RWA-Ministry For Local Gove	04000	UNDP	71400	Contractual Services - Indl	5,000.00
					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	5,000.00
					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	5,000.00
TOTAL					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	1,000.00
00043226	M&E System Developed and Imple	Adjustment of MALL Soft	2/3/05		RWA-Ministry For Local Gove	04000	UNDP	71200	International Consultants	10,000.00
					RWA-Ministry For Local Gove	04000	UNDP	71600	Travel	8,000.00
					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	2,000.00
					RWA-Ministry For Local Gove	04000	UNDP	72100	Contractual Services-Compan	5,000.00
					RWA-Ministry For Local Gove	04000	UNDP	71200	International Consultants	10,000.00
TOTAL					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	2,000.00
00043227	Capacity Building Framework fo	Design/Conduct Training	2/3/05		RWA-Ministry For Local Gove	04000	UNDP	72100	Contractual Services-Compan	50,000.00
					RWA-Ministry For Local Gove	04000	UNDP	71300	Local Consultants	0.00
					RWA-Ministry For Local Gove	04000	UNDP	71200	International Consultants	0.00
					RWA-Ministry For Local Gove	04000	UNDP	71300	Local Consultants	0.00
					RWA-Ministry For Local Gove	04000	UNDP	71200	International Consultants	0.00
TOTAL					RWA-Ministry For Local Gove	04000	UNDP	71300	Local Consultants	0.00
00043228	Institutional Capacity Buildin	Equipment for NDIS	2/3/05		RWA-Ministry For Local Gove	04000	UNDP	72200	Equipment and Furniture	40,000.00
					RWA-Ministry For Local Gove	04000	UNDP	72300	Materials & Goods	10,000.00
					RWA-Ministry For Local Gove	04000	UNDP	71300	Local Consultants	20,000.00
					RWA-Ministry For Local Gove	04000	UNDP	74500	Miscellaneous Expenses	5,000.00
					TOTAL					RWA-Ministry For Local Gove



Annual Work Plan

Rwanda - Kigali

Award Id: 00038797

Award Title: Support to Decentralization Implementation Prog (DIP5)

Year: 2005

Report Date: 5/4/2005

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			
			Start	End		Fund	Donor	Budget Descr	Amount US\$
		Technical Personnel	2/3/05		RWA-Ministry For Local Gove	04000	UNDP	71400 Contractual Services - Indi	50,000.00
		Training MINALOC/NDIS	2/3/05		RWA-Ministry For Local Gove	04000	UNDP	71600 Travel	7,500.00
		Workshops and Semina			RWA-Ministry For Local Gove	04000	UNDP	72100 Contractual Services-Compan	7,500.00
					RWA-Ministry For Local Gove	04000	UNDP	71300 Local Consultants	20,000.00
					RWA-Ministry For Local Gove	04000	UNDP	71600 Travel	10,000.00
					RWA-Ministry For Local Gove	04000	UNDP	72100 Contractual Services-Compan	10,000.00
					RWA-Ministry For Local Gove	04000	UNDP	72300 Materials & Goods	13,000.00
TOTAL									193,000.00
GRAND TOTAL									264,000.00



Annual Work Plan

Rwanda - Kigali

Award Id: 00038797

Award Title: Support to Decentralization Implementation Prog (DIP5)

Year: 2006

Report Date: 5/4/2005

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget					
			Start	End		Fund	Donor	Budget Descr	Amount US\$		
00043225	Institutional Structure for Co	Comparative Study of De	2/3/05						20,000.00		
		Develop Dec Inform Dat	2/3/05						36,000.00		
		Regular Coordination Me	2/3/05								
		TOTAL							3,000.00		
00043226	M&E System Developed and Imple	Adjustment of MALL Sof	2/3/05						59,000.00		
		Contract for Ongoing Ev	2/3/05						76,000.00		
		Define M&E System	2/3/05						15,000.00		
		Develop Reporting Syste	2/3/05						20,000.00		
		Pilot Test M&E System	2/3/05						7,000.00		
		Presentation of MALL Sof	2/3/05						50,000.00		
		TF for Elaboration M&E S	2/3/05						15,000.00		
		TOTAL							7,000.00		
		00043227	Capacity Building Framework to	Design/Conduct Training	2/3/05						190,000.00
				ID other Activities Standar	2/3/05						100,000.00
Map Resp and Capaciti	2/3/05								15,000.00		
Prod/Distribution Info Mat	2/3/05								30,000.00		
Produce/Revise Guides/	2/3/05								50,000.00		
RALGA Cross-Cutting I	2/3/05								74,000.00		
Study on Existing Guidel	2/3/05								20,000.00		
TOTAL									20,000.00		
00043228	Institutional Capacity Buildin			Equipment for NDIS	2/3/05						309,000.00
				Misc Services and Equip	2/3/05						10,000.00
		Technical Personnel	2/3/05						10,000.00		
		Training MINALOC/NDIS	2/3/05						150,000.00		
TOTAL							15,000.00				
GRAND TOTAL									185,000.00		
GRAND TOTAL									743,000.00		



Annual Work Plan

Rwanda - Kigali

Award Id: 00038797

Award Title: Support to Decentralization Implementation Prog (DIP5)

Year: 2007

Report Date: 5/4/2005

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			
			Start	End		Fund	Donor	Budget Descr	Amount US\$
000433225	Institutional Structure for Co	Regular Coordination Me	2/3/05						2,000.00
TOTAL									
000433226	M&E System Developed and Imple	Adjustment of MALI Soft	2/3/05						2,000.00
		Contract for Ongoing Ev	2/3/05						50,000.00
		Develop Reporting Syste	2/3/05						15,000.00
		Revise M&E System	2/3/05						7,000.00
TOTAL									
00043227	Capacity Building Framework to	Design/Conduct Training	2/3/05						122,000.00
		ID other Activities Standar	2/3/05						80,000.00
		Map Resp and Capaciti	2/3/05						10,000.00
		Prod/Distribution Into Mat	2/3/05						10,000.00
		Produce/Revise Guides/	2/3/05						50,000.00
		RALGA Cross-Cutting I	2/3/05						20,000.00
		Study on Existing Guidel	2/3/05						15,000.00
TOTAL									
00043228	Institutional Capacity Buildin	Equipment for NDIS	2/3/05						205,000.00
		Misc Services and Equip	2/3/05						10,000.00
		Technical Personnel	2/3/05						10,000.00
		Training MINALOC/NDIS	2/3/05						150,000.00
TOTAL									
GRAND TOTAL									514,000.00



Annual Work Plan

Rwanda - Kigali

Award Id: 00038797

Award Title: Support to Decentralization Implementation Prog (DIP5)

Year: 2009

Report Date: 5/4/2005

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			Amount US\$
			Start	End		Fund	Donor	Budget Descr	
00043225	Institutional Structure for Co	Regular Coordination Me	2/3/05						2,000.00
TOTAL									
00043226	M&E System Developed and Imple	Develop Reporting Syste Impact Evaluation of DIP5	2/3/05 2/3/07						4,000.00 30,000.00
TOTAL									
00043227	Capacity Building Framework fo	Design/Conduct Training	2/3/05						34,000.00
TOTAL									
00043228	Institutional Capacity Buildin	Equipment for NDIS Misc Services and Equip Technical Personnel Training MINALOC/NDIS	2/3/05 2/3/05 2/3/05 2/3/05						20,000.00 10,000.00 105,000.00 10,000.00
TOTAL									
GRAND TOTAL									135,000.00
GRAND TOTAL									191,000.00