UNIVERSITY OF NAIROBI

INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES

# PUBLIC SECTOR REFORM PROGRAMME IN SUB-SAHARAN AFRICA: A CASE STUDY OF RWANDA 1995-2005 //

BY

OSCAR KIMANUKA



SUPERVISOR

DR ADAMS OLOO

A Dissertation submitted in Partial Fulfillment of the Requirement of Masters of Arts in International Studies at the Institute of Diplomacy and International Studies (IDIS), University of Nairobi, October, 2006

# DECLARATION

This dissertation is my original work and has not been presented for a degree in any other University.

Oscar Kimanuka (Signature): ____________ Date: 27/08/2007

This dissertation has been submitted for examination with my approval as a University supervisor.

Adams Oloo, PhD (Signature): ____________ Date: 27/08/07

## ACKNOWLEDGEMENTS

In many ways this project was a result of efforts, various interactions between my lecturers from the University of Nairobi, who in different ways helped to shape some of my ideas. Their invaluable contribution is herewith acknowledged. I wish to specifically extend my appreciation to my supervisor, Dr. Adams Oloo, whose invaluable guidance in the course of writing this study was of immense help.

I am indebted to the Commandant of the National Defence College, the Senior Directing Staff NDC and the entire National Defence College faculty, for their unwavering support and guidance that contributed to the outcome of this work.

I also extend my gratitude to all those who availed me with information on various aspects of this project.

My gratitude too is extended to the leadership of the Republic of Rwanda, for not only providing a new dawn to our country, but also for availing me with the opportunity to take a year off from my previous work at the office of the President, Rwanda.

I am grateful to participants of Course 09/2006, with whom I interacted and shared the joys and challenges and the opportunities of seeking new frontiers of knowledge.

Finally, I am indebted to my wife Elizabeth Jerutto Kimanuka and our children Felista Mubyeyi Kimanuka, Vincent Nyarwaya Kimanuka, Derrick Kimanuka and Raymond Kimanuka, for their moral support and unwavering love, demonstrated during yet another year of absence from home in pursuit of knowledge. Without your love and support, I would have found this research to be of immense challenge.

# DEDICATION

To all those who made sacrifices for the liberation of our motherland, I dedicate this work to them.

# ABBREVIATION AND ACRONYMS

| | |
|---|---|
| CAPMER | Centre for the Support of Small and Medium Sized Enterprises |
| CDF | Common Development Fund |
| CSR | Civil Service Reforms |
| DMU | Decentralisation Management Unit |
| HIPC | Highly Indebted Poor Countries |
| HDI | Human Development Index |
| DFID | Department for International Development |
| FRW | Rwandan Francs |
| GDP | Gross Domestic Product |
| GOK | Government of Kenya |
| GOR | Government of Rwanda |
| HDI | Human Development Index |
| HIDA | Human Development Fund |
| HIPC | Highly Indebted Poor Countries |
| ICTs | Information and Communication Technologies |
| IFIs | International Finance Institutions |
| IMF | International Monetary Fund |
| LGs | Local Governments |
| MDGs | Millennium Development Goals |
| MIFOTRA | Ministry of Public Service, Skills Development and Labour |
| MINALOC | Ministry of Local Government, Community Development and Social Affairs |
| MINECOFIN | Ministry of Finance and Economic Development |

| | |
|---|---|
| MINIJUST | Ministry of Justice |
| MINISANTE | Ministry of Health |
| MOU | Memorandum of Understanding |
| MTEF | Medium Term Expenditure Framework |
| NEPAD | New Partnership for Africa's Development |
| NPM | New Public Management |
| OECD | Organisation of European Economic Development |
| OPEC | Organisation of Petroleum Exporting Countries |
| PFP | Policy Framework Paper |
| PRGF | Poverty Reduction and Growth Facility |
| PRSP | Poverty Reduction Strategy Paper |
| PSR | Public Sector Reforms |
| PWC | Post Washington Consensus |
| RRA | Rwanda Revenue Authority |
| SC | Subordinate Class |
| SIDA | Swedish International Development Agency |
| SSA | Sub-Saharan Africa |
| SOEs | State Owned Enterprises |
| UNRISD | United Nations Research Institute for Social Development |
| WAEMA | West African Economic and Monetary Union |
| WB | World Bank |

**TABLE OF CONTENTS** **PAGE**

## ABSTRACT

This dissertation aims at examining the challenges of introducing Public Sector Reforms (PSR) in sub-Saharan African countries in general, with specific focus on the Civil Service Reforms in Rwanda from 1995 to 2005. Sub-Saharan Africa, comprising some of the poorest countries in the world, has pursued public sector reform programmes to improve delivery of services vital to socio-economic development. The reform efforts have largely been externally driven with assistance from international financial institutions and donor countries. Despite these reform initiatives, there is still inefficiency in the delivery of public services in many sub-Saharan African countries. Some of the measures pursued to improve service delivery have ranged from decentralisation, privatisation, performance based contracts, and a host of other measures. Some of the most serious challenges facing sub-Saharan Africa today include corruption, inadequate resources for financing government development programmes, institutional incapacity, just to mention but a few. There is need for a fundamental turnaround in attitude and behaviour in relation to decision making or systems of delegation, without merely changing organograms and procedures which may have little or no impact on the performance of public servants.

As a way of charting out her development agenda, Rwanda's reform programme is premised on Vision 2020, the country's blue-print for development. In the said vision, Rwanda seeks to become a medium income country operating in a knowledge based economy, using ICTs to achieve this ambition. Rwanda's development is dependent on the capacity and skills of her human resource base coupled with an efficient public sector working closely with a private sector, the future engine of the country's development. The reforms discussed in this study take cognisance of the period prior to 1994 that traces the genesis of the reform programme.

The study further examines the period between 1995 and 2005, during which time the country's reconstruction and development programmes was carried out.

In examining Rwanda's case, the study relies on current policy documents from the Government of Rwanda (GOR), especially the Ministries of Public Service and Labour (MIFOTRA), Ministry of Finance and Economic Planning (MINECOFIN), Civil Service Reform Reports (CSR), various Government institutions and departments, newspaper articles, and other publications relevant to the study.

The role of the state is critically examined and the public sector is viewed as being continuously under pressure to adopt private sector style of management with the view to delivering better services to the citizens of Rwanda. The study critically examines whether or not the changes introduced have produced results in solving the country's socio-economic challenges facing sub-Saharan Africa in general and Rwanda in particular and also examines the role of ICTs in the country's socio-economic transformation and notes that there are still obstacles to achieving a knowledge based economy.

# CHAPTER ONE

## 1.0 Introduction

### 1.1 Background to the problem

This study attempts to make an analysis of the challenges that the Public Sector Reform Programmes have encountered in sub-Saharan Africa over the last ten years and gives a specific case study of Rwanda's Public Sector Reform Programme from 1995 to 2005. The study takes into account various externally driven forces, including globalization that has forced a reinvention of the relationship between the public and private sectors.[1]

Globalisation has contributed, in many sub-Saharan African countries, including Rwanda, a "fiscal squeeze", that has increased difficulties in the raising of revenue and enhanced the demands for public expenditure (ibid). The enormity of the challenges that faced Rwanda following the events of 1994 and the attempts to rebuild an infrastructure and public sector that were destroyed are discussed. It is hoped that the study will provide lessons in post conflict reconstruction in developing countries.

The 1980s and part of the 1990s, were periods of deepening economic crisis for sub-Saharan Africa. The international economic environment increasingly became hostile, particularly with declining terms of trade leading to heavy servicing of debts.[2] In view of the economic crisis, it was acknowledged that Africa's structure of production and export trade had to respond to the prevailing patterns of global trade and production that took place during the said period. As a result of these and other concerns, sub-Saharan African countries undertook economic policy reform and trade liberalization programmes that aimed at introducing structural changes in domestic production and external trade (ibid). The idea behind these

[1] Grundberg, I, in World Development Report, Vol.26, No.4, pp.591-605, 1998.
[2] Kirkpatrick, C, in Journal of Modern African Studies, 33, 2(1995) . pp.285-298

changes was to stimulate growth and improve conditions for long term social and economic development. The world recession of the 1970s and 1980s, arising from the escalation of oil prices by the Organization of oil Exporting Countries (OPEC) was a major factor that contributed to the poor performance of Africa's economies. The structural adjustment programmes introduced, as a remedy by the World Bank (WB) and the International Monetary Fund (IMF), for the African countries included the following:

- Drastic reduction of trade barriers protecting the local economy from foreign competition;
- Deep reduction or elimination of subsidies and price controls, which "distorted" internal prices for a number of goods and services;
- Restructuring of the financial system and weakening or removal of controls on the movement of capital;
- Privatization of state controlled firms;
- Elimination of control on private foreign investment;
- Reduction of the role of the state, not only in the economy but also in the provision of social services.



Among development analysts and policy-makers in both the developed and developing countries, there had also been a major rethink about what constituted development and policies for meeting these challenges to development. It was widely agreed that rapid economic growth in sub-Saharan Africa, left far too many people still trapped in "absolute poverty".[3]

[3] See http://www.imf.org/external/pubs. It was Robert McNamara, the World Bank President, who, in his famous Nairobi speech in 1973, proposed the term *'absolute poverty'* as a condition of deprivation that 'falls below any rational definition of human decency'. It applies today to sub-Saharan Africa, where the majority of the population live on less than one US Dollar a day.

The study also delves into the period prior to the 1994 events in Rwanda. This is an attempt to provide a background to the reform programme against a backdrop of harrowing challenges that beset policy makers prior to and after the 1994 genocide. The calamity of the genocide threw the entire socio-economic and political institutions and fabric into limbo.

This study highlights the various policy instruments with the view to bringing out national priorities towards Rwanda's socio-economic development in line with the country's Vision 2020.

The realisation of the said Vision is premised on the availability of a well trained and motivated public sector workforce that is dedicated to delivering quality and results oriented service. Rwanda's Public Sector Programme is rooted in the structural adjustment programme of the Bretton Woods institutions of the World Bank (WB) and the International Monetary Fund (IMF) that have characterised many of sub-Saharan public sector reform programmes during the 1980s and the 1990s and to some extent the twenty first century.

According to the Rwanda Ministry of Public Service and Labour Policy Framework for Rwanda's Civil Service Reform Programme[4], May 2002, the said reform programme is in line with the concern for good governance and is a continuous management process designed to bring about efficiency in public institutions and specialised bodies.

The reform should also help the Government to have a Civil Service that can satisfy the basic needs of the people of Rwanda and contribute to their wellbeing. It is recognised in the said

[4] Policy Framework for Rwanda's Civil Service Reform, Ministry of Public and Labour, Policy Document, May, 2002 , P.2

policy document that the Civil Service is the driving force behind socio-economic development of the country especially as it plays a unique role in the following ways:

- Ensuring compliance with laws and regulations, while looking after the smooth running of the Government machinery with the Civil Service ambit;
- Initiating management policies for the different Government departments;
- Working out management norms and procedures to be followed in the various areas of civil service;
- Carrying out supervision and control of Government human resource management, including control of the quality of services offered to the public;
- Carrying out training, education and information for the benefit of the population in its development activities;
- Setting up policies and programmes relating to the various sectors of development.

The Rwanda Government's current reform programme phase is referred to as "Rwanda Public Sector transformation and Reconfiguration", which falls under the country's on-going socio-economic and political administrative reforms on one hand and the dynamics of good governance on the other, in the context of the Millennium Development Goals aiming at sustainable economic growth in the country. The reforms come at an opportune time to reinforce the measures taken by the Government with the aim of boosting the country's economic development in the context of Vision 2020.

The reforms also arise from the conviction by the Government of Rwanda that in the absence of an effective public sector, it would be difficult, if not impossible, to effectively deliver public services to the people. Related to the public sector reform falls the attempt to create an enabling environment for the growth and sustainability of the private sector, civil society and increased domestic and foreign investment.

## 1.2 Statement of the Research Problem

Public Sector Reform programmes, sometimes referred to as Civil Service Reforms (CSR), introduced in sub-Saharan Africa in the 1980s, "remained hindered by a myriad of factors including lack of efficiency, lack of accountability, ineffective management practices, and corruption".[5] In the 1990s, the reforms were made broader by focusing closely on the role of the state, an assessment of government functions beyond the policy and reverse centralisation, a feature of post-colonial administrative set-up.

Neo-Liberal economic policies of the World Bank, IMF and donor countries were introduced as part of the package of the reform programme in sub-Saharan African countries. While developing countries have taken up reforms at various stages, there has not been considerable progress with regard to efficient delivery of public services. The few that have had some level of success, have been due to a favourable political environment that provides the power base, incentives and commitment to implement often difficult and challenging reforms. This modest scale of implementation of New Public Management (McCourt W, 2002), has posed challenges to the realization of socio-economic development in a number of developing countries, including sub-Saharan Africa. This study highlights the difficulties of introducing reforms and how countries adopting the said reforms are coping to meet the needs of governments and their political contexts. The introduction of the reforms in Rwanda has been more daunting, in view of a challenging history, particularly the consequences of the 1994 genocide.

---

[5] See Public Sector Management Reforms in Africa: Lessons learnt; in www.uneca.org/eca_resources/publications.

The World Bank and other donors have focused their attention on "finding alternative ways of organising and managing the public services and redefining the role of the state to give more prominence to markets and competition, and to the private and voluntary sectors"[6] It should be pointed out that the public service "has always been the tool available to African governments for the implementation of development goals and objectives. It is seen as a pivot for growth of the African economies." (ibid.).

However, the central governments in sub-Saharan Africa are already 'over-extended' to the extent that there has been urgent need to re-engineer its role and functions. There is need for creating an enabling environment that includes, among others, incentives for performance for the improvement of macro-economic stability and efficiency. The New Public Management (NPM) style of reforms are based on performance incentives 'and the disciplines that exist in a market environment' (ibid). However, for Rwanda that has had a post-genocide challenge of rebuilding a civil service that collapsed in 1994 literally from scratch, this is a monumental challenge.

It is against this background that it is hoped, the experiences of developing countries, especially Rwanda, will provide some useful lessons in the effective delivery of public services in Africa. The development of a strong civil service in Rwanda is seen as "a matter of primordial importance to achieve the economic recovery of those priority areas marked out for poverty alleviation".[7] It is important to recognise that the vulnerability of Rwanda's economy following the severe socio-economic consequences of the 1994 genocide and the introduction of Neo-liberal reforms created far reaching consequences to the public sector,

---

[6] www.uneca.org/eca_resouces/publications.dpmd/public_sector_magnt.pdf, p.9
[7] Ministry of Public Service & Labour, Policy Framework for Rwanda's Civil Service Reform, May 2002, P.3

especially the civil service. Many civil servants who are retrenched have not had sufficient packages to take care of their families. Some of the civil servants have gone back to school and others have been retrained in tertiary institutions. Fewer of the retrenched civil servants have been absorbed in self-employment and the private sector. Rwanda's private sector is still small in comparison with those in the East African region.

This study therefore, aims at explaining among other things, the challenges encountered by sub-Saharan African countries in general in their public sector reform programmes, and in particular, Rwanda's own experience in view of her unique recent history. A key recommendation will be what Rwanda's experience has to offer to developing countries, particularly in Africa, where many are still grappling with socio-economic problems.

## 1.3 Objectives of the Study

This study seeks to explore the challenges encountered by Rwanda with the view to assessing the effectiveness of the public sector reforms. The study specifically seeks to:

- Assess the public sector reform measures introduced in Rwanda from 1995 to 2005
- Evaluate the effectiveness of the reform programme and what lessons can be learned from Rwanda's own experience.

## 1.4 Justification of the Study

The subject of public sector reforms in sub-Saharan Africa has elicited considerable debate in the last twenty years. "However, most of the recent reforms, under the influence of the New Public Management (NPM), have been driven by a combination of economic, social, political and technological factors, which have triggered the quest for efficiency and for ways to cut the cost of delivering public services." [8]

Rwanda's recent experience at reforms in the public sector continue to generate interest in academic and donor circles, particularly in view of bold measures taken at policy level. The Government of Rwanda's (GOR) reform programme "is in line with the concern for good governance, as it is a continuous management process, designed to bring about public service efficiency in Ministries, public institutions and specialised bodies".[9]

Through this study, it is hoped that considerable information will be provided on the on-going public sector reforms in Rwanda, whose reform programme, appears to be ambitious and is in line with the country's development goals and Vision 2020. Further, the study will provide a useful guide to policy makers in post-conflict situations that require bold initiatives, supported by a favourable political environment. It is hoped that the study will further contribute to the existing body of literature on the challenges encountered by policy makers in the public sector reform programmes in Africa.

The study will offer lessons in post conflict management of national affairs and hopefully will be a useful guide to policy makers and all those involved in public policy formulation particularly with regard to Civil Service Reform Programmes.

Conducting a study on Public Sector Reform Programme on a country like Rwanda that emerged from the horrors of genocide, barely twelve years ago, is fraught with challenges and

[8] www.uneca.org/eca_resources/publications:dpmd/publicsector.mangt.pdf
[9] Policy document **for Rwanda's Civil Service Reform**, Ministry of Public Service & Labour, p.2

sometimes difficulties, particularly with respect to getting readily available data and information for use. Nevertheless, the importance of such a study cannot be overemphasized.

For the last twelve years, the country has steadily come to the limelight as one that has made significant strides in nation building, particularly with respect to building institutions and mechanisms that have contributed to steady macro-economic stability in a post conflict context.

## 1.5 Literature Review

There is a considerable body of literature on public sector reform programme on developing countries, particularly sub-Saharan Africa. In the case of this study, the literature to be reviewed focuses mainly on secondary sources—published material from the public sector management, organisational development policy statements and newspaper articles. The idea is to analyse the gradual shift from the government's bureaucratic style of management to the New Public Management style with private sector management style.

Hood (1991), in Public Sector Management Reforms in Africa, in a study commissioned by the Economic Commission for Africa[10], indicates that the major NPM doctrine encompasses the following:

- Direct public sector costs should be cut and labour discipline raised so as to improve resource use;
- Private-sector-style management practices applied to increase flexibility in decision making;

[10] See http://www.uneca/eca_resources/publications/dpmd/public_Sector_mangt.pdf

- Competition in the public sector (through term contracts and tendering) increased, as rivalry is the key to lower costs and better standards;
- The public sector disaggregated and decentralized to make units more manageable and to increase competition among them;
- Controls shifted from inputs to outputs, to stress results rather than procedure;
- Explicit standards and performance measures established, because accountability requires clearly stated aims and efficiency requires attention to goals; and
- Managers given powers to conduct hands-on professional management, because accountability requires clear assignment of responsibility, not diffusion of power.

The challenge facing sub-Saharan Africa has been linked to socio-economic situation which has been degenerating while at the same time the external environment has not been conducive enough. The environment has not been facilitative and at the same time, bureaucracy has tended to exacerbate the crisis further. This has compromised the capacity of the state to deliver services to the people (Thomas and Grindle, 1991). As can be deduced from the foregoing, the main purpose of the public sector reform (PSR), is the improvement of the performance of the civil service with the aim of raising the quality of public services for the purpose of enhancing the capacity to perform government core functions in the interest of uplifting the socio-economic welfare of the people of sub-Saharan Africa, in general, and Rwanda in particular.

Sub-Saharan Africa, is approximately 2.6 times the size of the United States of America and it is a common error to lamp all these countries together into one basket.[11] The fifty two

[11] Awed, H, Dissertation submitted to the University of Manchester for an MA (Econ.), on the topic, **"Structural adjustment and Gender in Sub-Saharan Africa"**. 1998, p.1

countries differ in many aspects, ranging from territorial size, climate, natural resources, populations and socio-economic conditions.

Despite the foregoing, there are a number of similarities among countries constituting sub-Saharan Africa. For instance sub-Saharan Africa has registered high population growth rates. According to the World Bank, fertility rates in sub-Saharan Africa are higher than in any developing part of the world, including those countries with comparable levels of income, education and life expectancy (World Bank, 1997). Furthermore, the populations of African countries, along with those of South Asia, remain among the poorest in the world. For instance, on average 45 to 50 percent of Africans live below the poverty line. Economic growth and financial stability have continued to dodge most of sub-Saharan Africa over the last ten or so years. Between 1988 and 1992, Africa's GDP growth rate was increasing on modest levels, but per capita growth was neutralised by high population growth, which, for the majority of countries, resulted in negative GDP per capita growth (World Bank, 1996).

## 1.6 Origins of the Economic Crisis in Sub-Saharan Africa

Some of the reasons advanced for sub-Saharan Africa's general problems of underdevelopment are linked to the legacies bequeathed by slave trade and colonialism. But the actual genesis of the crisis of the 1980s largely stem from the events of the 1970s, when the oil importing countries were faced with large balance of trade deficits arising from the oil price rises of 1973-74 (Awed, H; 1998).

What came to be known as 'the oil shock' of 1973/74 led to the sudden rise in the price of crude petroleum by the Organisation of the Petroleum Exporting Countries (OPEC) caused a severe economic recession in the so-called developing countries, more especially in sub-

Saharan Africa with far-reaching consequences. Some of these consequences, included high interest rates, falling investment rates, rising inflation, general economic stagnation and widespread unemployment. "The economic prospects of heavily indebted countries no longer appeared viable to the commercial banks, who ceased virtually all voluntary lending to developing countries by mid-1980s" (ibid.).

## 1.7 The intervention of the World Bank (WB) and the International Monetary Fund (IMF)

As a result of deepening economic crisis in sub-Saharan Africa in the 1980s, the World Bank and the IMF introduced structural adjustment programmes (SAPs) as "a condition for getting new loans from these two international financial institutions...for the implementation of SAPs" (ibid.). The intervention of SAPs was to stimulate economic growth through the consolidation of capitalism. SAPs promoted a whole range of reforms based on restructuring the economies of many sub-Saharan African countries. A key objective of the reform programme was to ensure that the recipient country's economies became market-oriented through the encouragement of export based growth. This neo-liberal economic philosophy was behind the SAPs. This philosophy assured that the recipient economy would be efficient, healthy and productive in the long run if market forces were allowed to operate with minimum government intervention.

Consequently, "the role and institutional character of the state has been questioned, and the public sector has been under pressure to adopt private sector orientation"[12]

[12] Public Sector Management Reforms in Africa, in Economic Commission for Africa, see http://www.uneca.org/eca_resources/publications/dpmd/public_Sector_mangt.pdf

## 1.8 The Introduction of the Public Sector Reforms

The World Bank and other donor agencies have from the 1980s and more recently been "concerned with finding alternative ways of organising and managing the public services and redefining the role of the state to give more prominence to markets and competition and to the private and voluntary sector"(ibid.). The first set of reforms introduced in the 1980s mainly focused on 'cutting down to size', following the structural adjustment programmes supported by the World Bank and the IMF. The emphasis in these reforms was on controlling salary costs, primarily through job reduction. This led to the retrenchment of civil servants. The second stage of the reforms began in the 1990s and presented a broad range of reforms that aimed at "performance assessment, monitoring, transparency, benchmarking, decentralisation, regulation and sound financial management.

The second form of reforms known as the New Public Management (NPM), has its roots in Western developed countries, mainly, the United Kingdom and the United States. The development of a new approach to public sector management arose from the need to re-invent government by adopting "private sector concepts and styles, the adoption of quasi-markets and contracting processes and application of explicit standards and measures of performance" (McHugh, 1997:433). Reinvention of government meant a "fundamental transformation of public systems and organisations to unprecedented increases in their efficiency, effectiveness, adaptability, and capacity to innovate" (Obongo, 2000). However, the modern public management is not just about efficiency, it also "involves ideas of democratic participation, as well as accountability and empowerment. There is also a constant tension between two main themes. Making government efficient and keeping government accountable (Minogue, 1998).

The introduction of modern public sector reforms in sub-Saharan Africa arose from "a common response to common pressures namely public hostility to government, shrinking budgets and imperatives of globalisation" (Polidano, 1999). The New Public Sector reforms emanated from external pressure, through the said SAPs. The bilateral and multilateral donors "have extended economic into political conditionality, embracing both public management change and democratisation" (Minogue, 1998b: 2). Part of the strategy of implementation of the reforms in the public sector was to transform the existing traditional machinery of administration through the modernisation of the public service "through external inducement, transfer of technology and training by foreign experts (Dwivedi, and Neff, 1982: 63). It is significant to observe though that there is no universal model of reform (McCourt, 2002). What is important is the institutional and political context of the reform programme.

According to Stevens and Teggerman, Eds (2004), countries like Botswana, Ghana, Tanzania, Kenya, Zambia and Rwanda have all embarked on comparable reform paths and have showed different results. Botswana and Tanzania have proved to be the most progressive reformers and have made promising progress in introducing a comprehensive set of reforms. Part of the reasons for the success in the said countries has been a result of a favourable political environment that has provided the power base, incentives and commitment to implement reforms even during difficult circumstances.[13] Furthermore, the components of the programme introduced have appropriately tailored to the countries' context and strategically sequenced. Willy McCourt (2002) poses the question as to why the scale of the implementation of the New Public Management (NPM) in sub-Saharan Africa and in other developing countries has been rather modest.

[13] Steven M and Teggermann, S(2004), Comparative Experience with Public Service Reform in Ghana, Tanzania and Zambia; in Building State Capacity in Africa : New Approaches, Emerging lessons, eds. Levy, B. and Kpundeh, S.

This study highlights the importance of adopting the NPM model to meet the needs of governments and their political contexts with special reference to Rwanda's case from 1995 to 2005.

## 1.9 Rwanda's Public Sector Reforms

Prior to 1994, Rwanda enjoyed "substantial flows of external aid. Official development assistance grew from an annual of US$ 35 million in 1971-1974 to US$343 million in 1990-1993. The approach to economic development however lacked a focus on people, the good early performance of the economy could not be sustained, poverty increased and violence escalated"[14] In 1994, Rwanda's GDP fell by 50% and almost all economic sectors collapsed. In the aftermath of the genocide, the government managed quickly to stabilise the economy and put it on a path of rapid growth (70% from 1994 to 1997), which was largely driven by the post-conflict resumption of economic activity and services spurred by the presence of a large number of international NGOs and relief agencies.



The 1994 genocide marks an important watershed in the history of a country that experienced episodes of violence and centralisation in the decision making process. The period after 1994 also constitutes a transition from war to peace and from the old order in which the style of managing public affairs changed to the extent of involving citizens in matters affecting their day to day lives. The Rwanda government has recognised that the development of the country in the 21$^{st}$ century requires a focus on the people (World Bank, 1999) through empowerment, broad participation, improvements in education, health and capacity building, and the meaningful employment of the people.

[14] IDA, Rwanda: Country Assessment Strategy—Progress Report, June 11, 1999, p.6.

In the following years, the government successfully implemented a broad range of programmes of economic reforms, focusing on the exchange and trade regime, privatisation of state-owned enterprises, reform of public administration, budget and financial management and private sector development. As a result of these reforms, the last ten years have experienced growth in GDP, mainly driven by agriculture and construction that have contributed 6% and 9% respectively.

At the centre of the reform programme is the poverty reduction programme, which was completed in June 2002. In April, 2005, Rwanda reached the HIPC completion point the decision point reached in December 2000. According to the World Bank[15], significant debt relief has consolidated room for development expenditure. Efforts by government have resulted into a sound economic governance framework, including independent regulatory agencies, stronger public expenditure, management systems, independent audit agencies, and a strong focus on anti-corruption policies and measures. Despite achievements, 'fiscal decentralisation to local government has been relatively disappointing, with slow progress towards meeting the target of 10% of National Domestic Revenue devoted to the Common development Fund"[16]

The private sector is expected to play a crucial role in Rwanda's socio-economic transformation. In this regard, according to the Poverty Reduction Strategy Paper (PRSP), annual report, 2003-2004, the measures taken in ensuring that the private sector plays its rightful role include a "one-stop shop" for investors, a review of the investment code, restructuring for the Centre for the Support of Small and Medium Sized Enterprises (CAPMER), creation of an arbitration centre dealing with commercial disputes and the

---

[15] See http://web.worldbank.org/WEBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/RWANDAEXTN
[16] See the Ministry of Finance and Economic Planning Poverty Reduction Strategy Annual Progress Report, June 2003-June, 2004.

establishment of a commercial chamber. The creation of a National Accounting Commission and Regulation Agency is envisaged."[17]

Rwanda's Public Sector Reform has attempted to enhance effectiveness across public service agencies.[18] Harmonisation of salary levels across government agencies, including semi-autonomous and government parastatals is expected to make monetary gains for government. An important aspect of the Public Sector Reform Programme is the capacity building programme undertaken by the Human Development Agency (HIDA), which is the coordinating capacity building initiative across the central government.[19] The Ministry of Local government, in line with the reform programme has developed a capacity building initiative for 'citizens as well as local government authorities'. Based on an assessment, it attempts 'to deliver courses and review and evaluate the functioning of organs with the view to identifying further capacity building needs'.

Rwanda's challenge lies in attaining and stabilising real growth rate between 7 and 8% per annum over the next 15 to 20 years. According to the Ministry of Finance and Economic Planning[20], the country's medium-term macro-economic objectives are firstly, to achieve annual real GDP growth rate of at least 6%, secondly, keep annual inflation at 3% and thirdly, maintain gross international reserve equivalent to at least six months of imports.

---

[17] Ibid.
[18] Ibid.
[19] Ibid.
[20] See the report of the Development Partners' Meeting of December 1-2, 2005, held at the Kigali Inter-Continental Hotel.

## 1.10 Rwanda's Economic Performance

Between 1995 and 2001, Rwanda's GDP grew by 70%. According to the Ministry of Finance and Economic Planning (MINECOFIN), a significant portion of that growth was a post-war normalisation that has seen a 6.7% growth since 2001. Inflation at 64% in 1994 had been reduced to developed world levels by 1998. By 2005, inflation rate had stabilised at 11%.[21]

The GOR believes that a climate of vibrant economic regeneration, with private sector growth, increased rural economic activity, and the creation of employment would strengthen the process of national reconciliation (World Bank, 1999, CAR). The background to Rwanda's foundation to her economic growth is outlined in a Policy Framework Paper (PFP) of June 1998, in which the reforms aimed at maintaining macro-economic stability and improving public resource mobilisation and management, developing a market-based agriculture, enhancing the role of women, establishing the institutional, legal, and infrastructure framework conducive to private sector growth and external competitiveness and strengthening public institutional and administrative capacity and improving public service delivery.[22]

The improvement of public sector delivery will need to move beyond downsizing to generate savings. It will need adequate terms and conditions for civil servants, which remain serious impediments to the improvements in the civil services, not only in Rwanda but also in other sub-Saharan African countries. As pointed out by the South Africa's Minister of Public Service and Administration, "to place the African continent on the required development

[21] See MINECOFIN report, Rwanda at the threshold of a new era, 2005.
[22] World Bank, Country Assessment Report (CAS), 1999, Tuesday, June, 11, 1999; IDA/R99-135.

trajectory, reform of the public service is crucial in ensuring implementation and in creating the conducive environment for good governance and service delivery".[23]

## 1.11 Conceptual and Theoretical Framework

Development strategies in Africa are the by-product of certain historical moment with its social, economic and political conditions as well as the dominant or leading development thought of that moment. While the Lagos Plan of Action of 1980 was the product of state-led and collective self reliance mode of development, the New Partnership for African Development (NEPAD), which, came more than twenty years later reflects the post-Washington Consensus model of development. The debate within the later mode is no longer about whether the state should intervene in the development process. It is, rather, about the ways and mechanisms of such intervention and the relationship between state, private sector and civil society for achieving development.[24] Yet, Africa is still in a need of a new development model that provides a partnership framework between the development actors. This study uses the post-Washington Consensus (PWC) model whose central core is derived from writings and speeches of Joseph Stiglitz, former Chief Economist of the World Bank. The post-Washington Consensus has been celebrated for shifting to a more realistic policy framework whereby aspects of the real world for example, market imperfections, are central to analysis rather than deviations from an unattainable equilibrium.[25] When it comes to privatisation, the central theme of the PWC is that competition may in fact be more important than ownership.

---

[23] See a speech by the South African Minister of Public Service and Administration, delivered on 12th December, 2005, obtained on www.african-union.org/Politicalaffairs.

[24] See Rawi, M. Tawfik, Nepad and African Development: Towards a New Partnership between development actors in Africa.

[25] Kate Bayliss (2000), The World Bank and Privatisation: A flawed development tool.; Public Services International Research Unit (PSIRU); University of Greenwich.

However, while the PWC has been heralded as a departure from traditional orthodoxy, close scrutiny reveals that there is little to distinguish PWC when it comes to policies. The PWC is welcome in that it calls for regulation at least to accompany privatisation.

## 1.12 Hypotheses

The public sector reform programmes were based on assumption that their introduction would dramatically bring about improvement in the quality of public service delivery in sub-Saharan Africa. The cause and results of public sector reforms in sub-Saharan Africa are related to internal factors as well as external pressures from the Bretton Woods institutions of the World Bank and the International Monetary Fund.

This study uses three hypotheses. First is that the public sector reforms will lead to higher operating efficiency in the delivery of services in government departments and institutions in sub-Saharan Africa, and Rwanda in particular. The public sector reforms have not brought the desired results of efficiency in the public sector as the conditions in this sector are far from the desired results.

## 1.13 Scope and Limitations

This study examines the challenges of public sector reforms in sub-Saharan African countries with reference to Rwanda as a case study between 1995-2005. To analyse the challenges and possible prospects, the study will focus on two variables: why for instance the reforms have largely failed to improve the delivery of service in the various countries of Africa and what can be learned from Rwanda's own experience, given her difficult recent history.

The study takes into account the limitations of distance and dearth of information beyond secondary sources.

## 1.14 Methodology

This study will review available literature on public sector reforms in developing countries and on sub-Saharan Africa in particular. Emphasis is placed on available literature on Rwanda's civil service reforms from 1995 to 2005. The sources of information include text books, journals, newspapers, magazines and research papers, cabinet proceedings and policy decisions on the civil service and in the state-owned enterprises from 1995 to 2005.

## 1.15 Chapter outline

The study shall be divided into five chapters which are as follows:

### *Chapter One*

This will consist of the introduction, statement of the problem, objective, justification, literature review, conceptual and theoretical framework, hypothesis, methodology of the study and the Chapter outline.

### *Chapter Two*

This chapter provides a historical perspective of the public sector reform programme in sub-Saharan Africa and seeks to explain the circumstances that led to the reform programme and the challenges encountered by various countries in Africa. It particularly examines why the World Bank, the IMF and the various development partners pushed the African countries to introduce the reforms.

### *Chapter Three*

This chapter focuses specifically on Rwanda's challenges and progress encountered in the course of introducing the reform programme from 1995- 2005. It provides a case study and gives detailed information on what has been taking place with regard to the reform measures.

It examines the progress made in economic reforms, the New Public Management (NPM), staffing, the Human Development Agency (HIDA) and other matters pertaining to the reform programme.

### *Chapter Four*

This chapter provides a critical analysis of Rwanda's reform programme and focuses largely on the challenges of implementing a reform programme that is dependent on the good will of the development partners. This chapter also examines the important role of Information, Communication and Technology in the context of the country's Vision 2020;

### *Chapter Five*

This chapter provides a summary of findings, recommendations and suggestions for further research.

# CHAPTER TWO

## 2.0 Public Sector Reform Programmes in Sub-Saharan Africa

*"Elephants and public organisations have something in common. Both are saddled with inaccurate and stereotypes. Elephants are believed to be slow and insensitive creatures, when in fact they can run very fast and are very sensitive. Similarly, public organisations are believed to be low-performing and unresponsive, when in fact many public organizations perform very well and are models of responsiveness"( Brewer and Seldon, 2000: 685).*

## 2.1 Background to the Reforms

Today there is widespread consensus in circles of practitioners and academics that "dysfunctional" state bureaucracies constitute the biggest impediment to development (Gerhard Anders, 2005). Excessive red-tape, opaque procedures and corrupt civil servants are perceived to delay and re-route badly needed development. The World Bank report[26] of 1989 blames "bad governance" a bloated bureaucracy, patrimonialism and corruption for the elusiveness of economic growth in sub-Saharan Africa in the 1980 and 1990s. In subsequent years however, the concept of Good Governance was developed as a remedy to these problems. And by the end of the 1990s, the concept constituted one of the central elements of international development assistance in sub-Saharan Africa.[27] Available evidence suggests that African governments have pursued political and economic reforms since the late 1980s in a bid to promote economic growth, reduce poverty and encourage popular participation and good governance.[28] Although many of the sub-Saharan African countries were and are still experiencing tremendous hardships with both their political systems and their bureaucracies also not delivering, very few, saw or have seen the need to internally reform their systems. This is mainly so because the pre-reform practices across the sectors are a product of colonial

---

[26] World Bank (1989) sub-Saharan Africa: From Crisis to Sustainable Growth. Washington, D.C.; The World Bank.

[27] Abrahamsen, Rita (2000) Disciplining Democracy: Development Discourse and Good Governance in Africa; London: Zed Books.

[28] Steve Kayizzi—Mugerwa (2003) Reforming Africa's Institutions: Ownership, Incentives, and Capacities.; United Nations University Press; p.1

practices, post colonial nation building and the current international conventions. Undoing these has often meant a profound challenge not only to vested interests, but also even to the composition of the state (Batley, 1999). This chapter examines the various public sector reforms implemented in sub-Saharan Africa, the challenges encountered and possible lessons learned.

Reforms in many cases, refers to shifts in the boundary away from the state and towards the private sector, or privatization (Minogue, 1998b). The balance is moving significantly away from the state provision towards market provision of goods and services. This shift represents the relative decline of the public sector and the relative growth of the private sector (Cope et al, 1997). Economic crisis has not only forced change but also created stress conditions, which make resistance to change especially strong. The losses from reform for powerful groups (politicians, public sector workers, and sometimes the professionals and administrators) are more certain than the gains to an ill-served public. In such circumstances and conditions "the constituency for reform, in a new manager class and beneficiaries, takes time to emerge. Support for reform and especially for the losers from reform therefore requires long term commitment" (Batley, 1999: 762). Transferring reforms thus mean breaking old structures and building new ones and this cannot be achieved in the short term as often attempted. It is a measure that requires long-term commitment and the cooperation of a wide range of stakeholders to take root.

Financial support from bilateral and multilateral institutions has been crucial for the implementation of reforms in sub-Saharan Africa. Recent assessments indicate, however, that outcomes have been far from satisfactory. Where better results have been observed, there remain serious questions of sustainability. The poor outcomes have been blamed on the weaknesses of the public sectors in Africa.[29] According to their critics, African bureaucracies play a contradictory and conflict ridden role, being at once part of the problem and the cure. According to Lienert, Olowu and Klitgaard,[30] weak public institutions have implied loose operational guidelines for public service work, while on the other hand poor finances have reduced incentives and morale among employees.

For African governments to benefit from economic reforms demands a new modus operandi for the public sector. Distortions in its core functions must be eradicated by altering the incentive and induction systems for public employees and by changing the operation of the civil service. Furthermore, African governments need to take about their reputations and credibility, not only with respect to their domestic constituencies, but also in relation to the development partners. Past experience has shown that, when governments cannot be taken at their word, their policy effectiveness in fighting poverty for instance, becomes seriously eroded.[31]

Furthermore, when policy makers are responsible for the formulation and implementation of their reforms, they are apt to defend them before their constituencies and donor community they are said to 'own' their reforms. While the development partners keep emphasizing the importance of ownership for reform success, few African countries have been able to establish an institutional culture that is supportive of domestic reforms. The failure of economic reforms to have lasting impact in Africa has, thus, been blamed on the lack of ownership by governments. In return, policies continue to be imposed from "above" by donors or multilateral agencies and domestically by governments themselves, without the

[29] Ibid.p.1
[30] Lienert, 1998; Lienert and Modi, 1997; Olowu et al.; 1997; Klitgaaard, 1989.
[31] Kayizzi, Mugerwa, 2001; DFID, 1997.

participation of the population. This lack of ownership according to Steve Kayizzi[32] can be blamed for on the crisis-ridden nature of African economies.

## 2.2 Overview of Sub-Saharan African Public Sector Reforms

Indeed in many of the African countries, 'fire brigade' operations, supported by donors, were necessary to prevent further decline, but failed to fundamentally provide the scope for ownership by domestic leaders. Africa has also lacked structures for consensus building, with political exclusion more the norm than the exception. The political environment has not adequately supported the evolution of good governance.[33] The failure of policy makers to undertake measures for better public management and accountability has negatively impacted on their relations with the donors. On the other hand, donor bureaucracies and those of multilateral agencies have exhibited a lag in adapting to the new thinking which emphasizes partnership.[34] The threat of aid embargo is still used by donors as a disciplining device, although experiences from Kenya, Zambia and Malawi indicate that this tends to hit the poor and vulnerable groups harder than the more affluent ones, and without pushing governments towards improved accountability.[35]

In a review of the African experience, Abdalla Hamdok argues that good governance is a prerequisite for sustainable development. Growth and development demand law and order, the creation of transparent and administrative structures, the extension of social infrastructure to the rural areas[36], the protection of poor and vulnerable groups and their inclusion in the decision making process, and the preservation of peace and security. Abdalla Hamdok

---

[32] Steve Kayizzi (2003) Reforming Africa's Institutions: Ownership; Incentives, and Capabilities; United Nations University Press;
[33] Aron, 1997; Coolidge and Rose-Ackerman, 1997.
[34] Van der Heijden, 2000; Asian Development Bank, 1999.
[35] Bigsten and Kayizzi—Mugerwa, 2000.
[36] Quoted in Steve Kayizzi—Mugerwa (2003) Reforming Africa's Institutions: Ownership, Incentives, and Capacities; UN University Press; p.2.

concludes however that, it is ultimately politics that determine the nature of governance. It is, therefore, important for African countries to open up their political space and exercise more inclusive politics. The best way of nurturing good governance is to let citizens participate in decisions that affect them. This is best done through devolution of power and by strengthening domestic institutions.

## 2.3 Ghana and Tanzania

A comparative study of Ghana and Tanzania conducted by Yvonne M. Tsikata[37] "provides interesting contrasts of sub-Saharan Africa's reform experience". Though the two countries are situated in politically volatile regions of the continent, they have so far managed to steer clear of political destabilisation and have largely been able to introduce and maintain political pluralism.[38] Ghana was an early reformer, starting in the 1980s, whereas Tanzania was a much later convert to the reform process, owing to the then prevailing political ideology of Ujamaa or African socialism introduced by the late President Julius Kambarage Nyerere. In the later part of the 1980s, Ghana experienced significant backsliding in its reform efforts, partly owing to the policy diversion implied by the introduction of political pluralism. While policy of state-led development was for several years supported by a number of bilateral donors, it was ostensibly slow to reform and slower still in committing to market liberalism; it is now seen as making considerable progress. For instance, the most critical components of the two reform programmes carried out in the 1990s and in recent years "bring together the two central themes of improving the quality of public services, and building the capacity necessary to deliver these services".[39]

---

[37] Ibid. p.30.
[38] Ibid.
[39] Graham Teskey and Richard Hooper (1999) Tanzania Civil Service Reform Programme: Case Study (see http://unpaul.un.org/intradoc/groups/public/documents. p.5.

Ghana, like many other African countries experienced economic crisis in the 1970s and 1980s and led her public sector to be in complete disarray by mid-1980s. Difficult socio-economic conditions prevailing in the country "made it extremely difficult to recruit and to retain technical and professional staff. Gradually, the bloated public sector became increasingly incapable of performing basic tasks, let alone to facilitate national development. The ineffectiveness of the public sector became a serious hindrance when the government embarked on economic reforms in 1983".[40] Consequently, "public sector reforms became a central component of the country's adjustment and stabilisation programmes".[41] In 1994, Ghana changed focus of public sector reforms with the creation of the National Institutional Renewal Programme (NIRP) and the launching of the Civil Service Performance Improvement Programme (CSPIP). "Like the "qualitative" second generation reforms of the time, these programmes had broader objectives that included enhancing efficiency and facilitating the development of a proactive and motivated public sector".[42]

In October 1997, the government implemented the Public Sector Re-Invention and Modernisation Strategy (PUSERMOS) to help transform state institutions, their accountability and performance framework and their relationship with the private sector and civil society.[43] Owusu (2005) is of the view that although the NIRP's Overview Reform Committee was chaired by the then Vice President, Mr. J.E.A Mills (NIRP, 1998), overall, little progress was made due to lack of political will on the part of the then government in as far as going through with the promised reforms was concerned. A recent evaluation of the reforms has concluded that "…on the whole, the (Public Sector Reform Programme) PSRP has failed to effectively

[40] Francis Owusu (2005) Organisational Culture, Performance and Public Reforms in Africa: The Ghana Case; Prepared for the "International Conference on Shared Growth in Africa" held in Accra, Ghana on July 21—22, 2005. The Conference was organised by ISSER, Cornel University, World Bank, DFID and USAID.
[41] Quoted in Gregory, 1996.
[42] Ibid.p.11
[43] Ibid.11

manage many of the more fundamental issues and problems facing the public service, such as low salary, corruption and poor delivery of public services".[44] Similarly, the senior minister in charge of public sector reforms has acknowledged the failure of earlier reforms and is currently looking for new reform strategies. As the minister put it rather candidly: "After five (5) years of reform and experimentation ...the public services have not enhanced their ability to deliver services. They have not become more cost effective. And they have not become any more accountable to the public through changes in their methods or work than they were when we started on this reform process".[45]

## 2.4 Uganda

The Uganda Civil Service in the 1980s was in a state of crisis and this created the impetus for major reforms.[46] Uganda, like Ghana is considered as one of the relatively success stories among Africa's public sector reformers. Part of this relative success is rooted in the National Resistance Movement Government's desire and commitment to restore the country to normalcy and the road to economic development after many years of instability. According to Uganda's Prime Minister and Minister for Public Service, "African civil servants and public administrators need to cope with the changing performance requirements brought about by globalisation and modernisation. They should share experiences and put in place strategies aimed at improved performance and service delivery through prompt policy coordination, monitoring, evaluation and feedback to stakeholders".[47] In the words of Professor Apollo Nsibambi, "the Uganda Public Service Reform Programme was designed to strengthen the public service to improve service delivery. The new phase of the Public Service Strategy will

---

[44] Quoted in Owusu, 2005.; p.15
[45] See PricewaterhouseCoopers (2003) Public Sector Reform: Towards a Future Strategic Framework. Draft Report presented to the Government of Ghana; p.10.
[46] See Report on A Meeting of Donor Public Service Reform Working Groups, London, April 22-23, 2002; see http://www.adb.org/wgpsr/Draft_Report.
[47] See Professor Apollo Nsibambi's Speech of 23rd June, 2005 at the Uganda Management Institute to mark the Africa Day of Administration and Civil Service and the United Nations public Service Day.

support measures that put in place service that focuses on and responds to the priorities of government with the defined role of supporting a decentralisation policy and the growth of the private sector".[48]

Decentralisation has been at the forefront of government's reform programme. Since the coming to power in 1986 by the NRM government, significant steps to decentralise power to local governments have been taken in an attempt to fulfil its Ten Point Programme and to establish popular democracy in the country. Decentralisation, according to government was not therefore "regarded merely as a policy goal that was intended to shift responsibility for development to local authorities, but as a policy instrument that would establish local democracy and improve accountability, efficiency, equity, effectiveness and sustainability in the provision of social services across the country".[49]



Studies carried out in Uganda in the late 1990s indicate that the payroll in the public sector fell from 320,000 to 180,000.[50] Contrary to popular belief, large reductions have been achieved with few compulsory redundancies only 14,000 (about 10% of the overall figure in Uganda)[51]. Reductions in the Uganda civil service were achieved through various means including eliminating 'ghost workers' and enforcing retirement ages. Also used was the purely cosmetic expedient of transferring civil servants to another agency such as an 'enclave' revenue authority where they no longer counted as civil servants, though still paid out of the public purse.[52]

---

[48] Ibid.
[49] Moses, Golola (2003) The Challenges to Local Bureaucracies in Uganda; Address to the Inter-University Council for Eastern Africa/Kampala/Uganda; 17/02/2003
[50] See September 1997 Insights Issue No.23: Civil Service Reform: The True Impact of Retrenchment.
[51] Ibid.
[52] Ibid.

Uganda has over the last two decades taken radical steps to reduce numbers (by one half) and pay levels had increased considerably in real terms. Currently, a comprehensive programme is underway with continued efforts to improve organisation structures introduce results based management, new management information systems and a divestiture programme to set up autonomous agencies.[53] According to the mentioned report of the Donor Public Service Reform Working Groups, some of the critical factors that have contributed to the success of the civil service reform in Uganda include the following:

- Strong political support from the President;
- Effective collaboration with a range of stakeholders;
- Clarity of vision and defined strategy. Government knew what it wanted;
- Managers in the civil service were won over early on—they supported reforms even though they faced difficult adjustments (for example some Ministries were abolished);
- Early attention to capacity building in line with ability to undertake reforms.

However, sustaining the early success of the programme has been a challenge and hence the need to re-examine and redefine objectives and recurrent programme. Furthermore, "the institutional features that appear to account for Uganda's initial success—strong political support to technocratic or bureaucratic elites with some degree of insulation from political and societal interests—also help explain why such reforms are susceptible to a process of unravelling".[54] Also, the main explanation for the loss of reform momentum (or even reversal of gains made) lies in the imperative of preserving the institutional foundations of neo-patrimonial politics.[55]

[53] Ibid.
[54] Mark Robinson (2006) The Political Economy of Governance Reforms in Uganda. Institute of Development Policy Discussion Papers; ISBN 1 858646154.
[55] Ibid.

The challenge of Uganda, therefore, has been in sustaining the momentum of reform. "Failure to sustain the momentum of governance reforms may have an adverse impact on wider achievements in relation to economic recovery, poverty reduction and political stability, as the political prerogatives of regime maintenance prevail over pragmatic developmental goals."[56]

## 2.5 Kenya

Kenya's Civil Service reform programme is comparable to Tanzania's which arose primarily from the need to reduce overstaffing and address low pay and also improve service delivery performance.[57] At its inception, the Civil Service Reform Programme (CSRP) was to be implemented in two phases. The first phase comprised of reduction of numbers of civil servants through Voluntary Early Retirement Scheme (VERS) and a ministerial rationalization pilot scheme in twelve key ministries. This pilot scheme, if successful was to be replicated throughout the rest of the remaining ministries during the second phase.

The ministerial rationalization pilot scheme relied heavily on outside consultants, mainly from the university and Think Tanks. They were brought in because the government thought they would be impartial and hence come up with the most appropriate government structures for implementation. In this process the government overlooked one fundamental issue on the nature of organizations. These outside consultants did not know the internal organizational politics going in the ministries they were assigned to restructure. The result was that after the consultants had made their reports and were paid for work done, the reports were rejected wholesale by the civil servants who were supposed to implement them. The official argument being that these civil servants could not implement reports that did not reflect their ideas and

[56] Ibid.
[57] See Report on A meeting of the Donor Public Service Reform Working Group, London, April 22-23, 2002. accessed at http://www.adb.org/wgpsrt/Draft_report.

opinions. In other words, the consultants' reports lacked ownership within the civil service. The real problem, however, was not wholly with the consultants, it can be said to be systematic and some answers can be found in the study conducted in Kenya, cited by Blunt and Jones (1992: 9) which stated: "one factor which emerged in the study as essential to managerial success was the building and maintenance of political connections. This consisted not in building an independent political base, but in gaining regular access to top politicians in order to influence policy decisions, supply of resources, and protection against politicization and inappropriate policies. Such political support has to be earned through loyalty and network building." With such a system in place, many top civil servants have always managed to thwart efforts that introduce changes they perceive as not favouring them.

During the evaluation of the ministerial rationalization carried out during phase one of the reforms; it was not, therefore, surprising that, the same government which sanctioned the consultancies and the programme, found out that it had all manner of faults. The government noted the following short comings among many others: that the approach was slow and took long to yield results; that it led to uncoordinated and fragmented rationalization; and that the programme was perceived to be centrally driven by DPM (GOK, 1999).

Which ever way one looks at the phase one of the civil service reforms in Kenya, it had its shortcomings. The World Bank in their project document for the financing of phase two of the reforms noted that, "The civil service reforms programme implemented between 1993 and 1998 focused essentially on staff and wage bill reduction. A significant reduction in staff size was achieved through a number of reduction measures including a Voluntary Early Retirement Scheme (VERS)... Very little attention was paid to the performance enhancing components of the reform programme: pay reform, personnel management and training, and finance management." (World Bank, 2000:4)

Having learnt its lessons in the first phase, the ministerial rationalization was pushed to the second phase and civil servants fully took control of the process. The components not achieved in first phase were also earmarked for implementation in the second phase. Although civil servants were to be fully in-charge of phase two, the beginning of this phase, upon donor pressure, saw the introduction of 'private sector technocrats' to head key ministries of finance, agriculture and also along with them came the head of the public service and secretary to the cabinet. Although the new appointments were all filled by indigenous Kenyans, it was expected, typical of the key principles of NPM, that they would infuse private sector management techniques in a bid to reverse declining economic growth, among other things.

The new appointments were received with mixed feelings in different quarters of the civil service. They were given various labels, from 'technocrats' to 'dream team.' This team to say the least did not received the entire support it needed to turn the economy around. "In certain quarters in the civil service, there is a view that within the high echelons of the government, especially among the ministers, lurked growing impatience with what was perceived as airs affected by permanent secretaries. This resentment built up in the reshuffle of 1999 that brought in Dr. Richard Leakey (Head of Public Service and Secretary to Cabinet) and his team" (Warigi, 2000:10). The commentary further noted: "This high level discomfort has further been fed by the media and donor adulations of Dr. Leakey's so called Dream Team. Donor assumptions that these technocrats will turn around the country and do what politicians have failed to do has done little to boost the politician's self-confidence. And you can trust politicos with ear to the President have been fighting back, through palace intrigues." (Warigi, 2000:10)

The beginning of phase two, apart from the infusion of 'technocrats', also saw a change of tactics in the reform process. Whereas in phase one, consultants were the lead group and civil servants only worked along side them, in phase two, the civil servants were the lead and could only invite in any consultants as and when they felt a need. Even so first priority was given to civil servants who could provide similar services, before turning to the outside. The Ministerial Civil Service Committees were therefore wholly responsible through their respective permanent secretaries for all the changes proposed in the ministries and their subsequent implementation. This phase also saw the integration of civil service reforms together with the financial reforms taking place at the same time. The Medium Term Expenditure Framework (MTEF) implemented by the Ministry of Finance sought to provide a link between policy, planning and budgeting by requiring ministries to concentrate public resources on delivery of core services, implementation of high priority physical infrastructure projects and budget allocation based more on output performance than input controls. The two initiatives running concurrently, led to the two committees being merged into one after the realization that, the MTEF exercise integrated the financial and budgetary aspect into ministerial rationalization initiative of the civil service reform.

There has been considerable progress in the implementation of civil service reforms in Kenya in recent times. In September, 2006 the GOK "officially launched a key plank in the public service reform strategy. The strategy dubbed the Rapid Results Initiative aims at reducing corruption, enhancing efficiency and accountability and introducing performance measures. However, as the Nation newspaper observes, "with the public service, it is not just about putting in place the required systems and measures; it is about radically transforming a massive bureaucracy with an entrenched culture and mindset that might be resistant to change, having known no other way of doing things".[58]

President Mwai Kibaki has also emphasized the importance of the civil service reforms that have been initiated. While addressing the monthly American Chamber of Commerce luncheon in Nairobi in September 2006, he indicated that his government had "embarked on an ambitious public service reforms programme, which includes the introduction of results-based management, performance contracts and service charters in the civil service, local government and parastatals".[59]

## 2.6 Malawi

Malawi, like other sub-Saharan African countries examined did implement reforms in the civil service in the 1990s and early 2000s. From the perspective of the World Bank, the "composition of the Malawi civil service was seriously skewed".[60] Lower grades such as watchmen, cleaners, workmen, messengers and other subordinate staff were overstaffed whereas senior positions often remained vacant due to lack of suitable staff. Moreover, "the exact number of junior civil servants in the industrial class (IC) and the Subordinate Class (SC) was unknown since the recruitment of the lowest grades were the responsibility of individual departments who used this authority to hire large numbers of clients.[61] The remedy to this anomaly, as it was done elsewhere in sub-Saharan Africa, was to establish the exact

[58] See The Nation Newspaper of 6/09/2006 under an article entitled: "Kenya: A worthy civil service goal".
[59] See The Standard Newspaper article entitled: Kibaki upbeat on economic reforms, of September 20, 2006. accessed at http://www.eastandard.net/htm_news/news.
[60] Gerhard Anders, 2005.
[61] This differed from established posts, which had to be approved centrally by the Public Service Commission and the Department of Human Resource Management and Development to create the so-called ghost workers, non-existing employees whose salaries were pocketed by rackets led by senior civil servants; cited in Gerhard Anders, 2005.

number of employees in the IC and the SC, reduce staff numbers in these grades through a retrenchment programme, improve personnel and payroll management and create more favourable salary structures for the highly qualified professionals in senior posts.[62]

The World Bank approach to the Malawi reforms was to use the "enclave approach" which singled out government departments and agencies that were expected to operate as centres from where the reform would spread throughout the entire civil service. This however brought a conflict between the "enclave" agencies and that promoted reform with active support of the World Bank against top officials of the "traditional" ministries, many of them left over from the previous Banda regime.[63]

The case of Malawi civil service reform cannot be said to be a success story. In the words of a senior economist, Malawi has been considered to be "a kind of invalid, which needs a long period of rehabilitation before it will be back on its feet again. We can not even begin to think in terms of sustainable development. Malawi itself is unsustainable. In the meantime we need to keep the invalid going with massive safety net programmes".[64] Despite the foregoing observation, owing to the enormity and political sensitivity of the reform programme and the severe limitations on capacity to manage reform, "such a framework will take ten to twenty years to fully implement in most countries. Civil service reform is an art, not a science. Committed reformers within the concerned government know best what they need and how to get there".[65]

---

[62] See World Bank 1993, 1994.
[63] Adamolekun et al; .1997:215—217.
[64] Stephen Devereux (2000) Social Policy Conference Paper presented in Lilongwe, Malawi, 29-30, March 2000; IDS; Sussex.
[65] Clay Wescott (1996) Guiding Principles on Civil Service Reform in Africa: An Empirical Review; UNDP Paper.; p.1

## 2.7 French Speaking West African States

Anders Danielson has analysed economic and institutional reforms in French speaking West African countries in the context of institutional and economic reforms.[66] According to Anders (2001), economic performance, measured by growth of per capita incomes, has not been encouraging, despite far reaching reforms, including privatisation, liberalisation and deep regional integration.[67] Furthermore, social indicators suggest that poverty reduction has not been achieved through reforms. This is corroborated by the fact that indicators on access to primary health care, inputs and outcomes in primary education show deteriorating trends in the majority of these countries.[68]

The potential for reforms in countries belonging to the West African Economic and Monetary Union (WAEMA) differs somewhat from that in other parts of sub-Saharan Africa.[69] The institutional nature of the Union, which includes a central bank, limits the extent to which individual countries can exercise monetary policy. The region has thus experienced relatively low levels of inflation. Despite low levels of inflation, the fact that several WAEMA members are among countries that receive most foreign aid per capita in the world, poor public finances are likely to reduce social service delivery.[70]

Reforms in the WAEMA countries are characterised by two common themes. In most cases, a rapidly deteriorating economic situation, political turmoil or growing social unrest forced the governments radically to change economic policy. For example, natural protests against perceived corruption, followed by social unrest, forced the government of Benin to resign and

---

[66] See Anders Danielson (2001) Economic and Institutional Reforms in French Speaking West Africa: Impact on Efficiency and Growth; Discussion Paper No. 2001/28; United Nations University; WIDER. p.1

[67] Ibid. p.1

[68] Ibid. p.1

[69] Steve Kayizzi—Mugerwa (2003) Reforming Africa's Institutions: Ownership, Incentives and Capacities; United Nations University Press. p.106.

[70] It should however be observed that the correlation between aid per capita and income per capita is less than perfect. The poorest members of the Union do not receive more aid per capita than the relatively richer members.

the successors to dismantle large parts of the bureaucracy.[71] In Cote d'Ivoire, a mounting debt crisis forced the government to accede to reforms. Cote d'Ivoire (Ivory Coast) was once West Africa's economic success story in the early 1990s. It is a country where people looked for economic opportunities. But it's been a very different story since 1999.[72]

In Mali, a deteriorating economic situation created a political crisis and the transition government widened and deepened the earlier reforms to correct the structural imbalances of the mid-1980s. In most countries in the region, agreements with the IMF were typically seen as a last resort.[73] In Burkina Faso, for instance, where the policy of rectification had been going on since 1987, the 1991 IMF agreement broadly endorsed that policy.[74] In contrast, Senegal's performance under the home grown reform programme was weak and the 1985 IMF agreement introduced new components, including the amendment of the labour code, dismantling of public monopolies and re-organisation of the system of revenue collection.[75] In several cases, the French West African region has tended to associate reforms with a harsh economic environment.[76] Relations with the IMF have been uneasy, with programmes subject to reversal.

Several countries within the WAEMA have taken important steps towards reforming the civil service. Staffing levels have been reduced and the wage bill has been cut.[77] The state of civil service reforms between the WAEMA members differs substantially. Some countries such as Senegal have been able to introduce a system of promotion based on merit and seniority and to link this to indicators of service delivery, but other countries, for example, Niger, failed to

---

[71] Op Cit.
[72] Ethan Zuckerman (2006) Cote d'Ivoire lurches towards civil war. Filed under: Africa, media, blogs and bloggers. See http://www.ethanzuckerman.com.
[73] See Steve Kayizzi—Mugerwa (2003); p.108.
[74] This policy refers to the gradual dismantling of state controls built up from the late 1960s.
[75] Op Cit.
[76] See also Botchery et al.; 1998.
[77] Op Cit.

come to terms with their expanding but relatively inefficient bureaucracies.[78] To reduce public employment, countries the said countries have used a number of approaches including the removal of employment guarantees to new graduates, such as Benin, Cote d'Ivoire and Niger, while compulsory retirement or reduction in the statutory retirement age has been introduced in Burkina Faso and Senegal.[79]

In the WAEMA member states, like elsewhere in sub-Saharan Africa, the results of the reform programme in the public sector have not had substantial impact on poverty reduction. While many of these countries have managed "to reduce the size of their workforce, incentive systems and pay structures still leave a lot to be desired".[80]

## Conclusion

In examining public sector reform programmes across the African continent, one has to bear in mind that "the one-size-fits-it-all solution can not work since it fails to take into consideration each country's peculiar conditions and circumstances. Furthermore, by not taking into consideration individual country's differences in performance or even acknowledging the possibility of good and poor performers within countries, the policies tended to ignore any potentially valuable lessons that could have been learned from the performance of public-sector organizations.

The failure of the reforms has demonstrated the need for a different approach to the reform agenda. There is need for instance to use a flexible approach to accommodate country-specific

---

[78] Lienert and Modi, 1997.
[79] According to Lienert and Modi (1997), although reduction in the statutory retirement age may have an impact on the size of the civil service workforce, it does not necessarily improve government finances, because of both higher pensions and smaller employee contributions.
[80] Anders, Danielson (2001) Economic and Institutional Reforms in French-Speaking West Africa: Impact on Efficiency and Growth; p.22.

constraints and challenges facing organizations. There is also the question of the ability to adapt to constraints as an important aspect in Africa, where the performance of public organizations has been greatly influenced by a series of external constraints, including the colonial legacies (Ekeh, 1975; Alemika, 1993); the wider culture in which the organizations are immersed (Dia, 1996), the use of organizations as a tool of popular patronage as opposed to being a mechanism for providing public goods (Sandbrook and Oelbaum, 1999), and the changing livelihood of employees in response to economic crisis and reforms (Owusu, 2001. 2005).

In comparative terms, it has been argued that Tanzania[81] has been a promising and innovative performer in East Africa and indeed wider sub-Saharan Africa. Brian Levy, et al (2003), argues that in Africa, despite setbacks, and this may come as a surprise, formal rules and regulations in public service still exist, but more attention needs to be paid to political dimensions in each setting.

It should be noted that in many sub-Saharan African countries, pressures to government functions also encouraged the development of important innovations such as performance contracts, contracting out of essential public services, and a variety of joint public-sector-private sector ventures. Moreover, "in the wake of privatization, many governments began to develop regulatory mechanisms to ensure that national goals and standards were respected by the new private owners".[82] In a study by the United Nations Research Institute for Social Development (UNRISD), an analysis is made of the impact of public sector reform in eight countries and highlights the importance of the political dynamics behind them. Special

[81] Brian, Levy, et al (2003) A Comparative Review of Administrative Reform in Ghana, Tanzania and Zambia.
[82] Merilee, Grindle, in The Good, the Bad, and the Unavoidable : Improving the Public Service in Poor Countries ; see http://www.ksg.havard.edu/visions/deans_research-seminar.

attention is given to donor involvement and concerns over efficiency and accountability are identified.[83]

It may be too early to comprehensively assess the outcomes of the reforms carried out in many of the African countries but it must be borne in mind that the reforms depend as much on political factors as on managerial arrangements. Support for the reforms remain largely mixed, as can be expected with reforms that result in mixed, uncertain, or distributed benefits.

Finally, it is important to recognize that "most countries do not have the institutional capacity to manage and coordinate the entire reform effort, communicate with the various domestic and international stakeholders, contain corruption, reduce cost and size, alleviate poverty, while at the same time creating an enabling environment for globalization and private sector investment and development" (Kiggundu, 1997): 158, in Mingle et. al, 1997).

[83] O, Therkildsen (2001) Efficiency, Accountability and Implementation : Public Sector Reform in Eastern and Southern Africa.

# CHAPTER THREE

*"In Rwanda today there are millions of people who still ask why the United Nations Mission for Rwanda (UNAMIR), the United Nations (UN) and the international community allowed this disaster to happen. I do not have all the answers or even most of them". (Lt.General Romeo Dallaire in his book, "Shake Hands with athe Devil: The failure of humanity in Rwanda".*

## 3.0 Rwanda's Public Sector Reform Programme After the 1994 War and Genocide

Rwanda was engulfed in a debilitating genocide in 1994 that witnessed unprecedented loss of life and destruction of property. It was the purest genocide since 1945 and perhaps the single greatest act of evil since Pol Pot turned Cambodia into a killing field.[84] The numbers estimated by the United Nations Organisation to have been killed by the end of June 1994 were as high as 1 million.[85] By the end of July, it is estimated that over a million lives had been lost. What happened in Rwanda in 1994 is perhaps best captured in the words of Lt.General Romeo Dallaire, Commander of the United Nations Peace keeping force in Rwanda, who described it as a story of "betrayal, failure, naïveté, indifference, hatred, genocide, war, inhumanity and evil".[86]

The genocide of 1994 resulted in the destruction of the country's social fabric, its human resource base, institutional capacity and economic and social infrastructure. Rwanda's economic activity, according to the International Monetary Fund (IMF), in its "Enhanced Structural Adjustment Facility, Economic and Financial Policy Framework Paper for 1998/99—2000/01", declined by about 50%.[87] In the United Nations Secretary General's report, the UN pledged to strengthen the coordination of humanitarian and disaster relief

---

[84] The Economist Magazine, March 2004 in an article entitles "Rwanda remembered".
[85] The United Nations and Rwanda; 1993—1996; UN Department of Public Information, New York; p.61
[86] Lt.General Romeo Dallaire (2003) Shake Hands with the devil: The failure of humanity in Rwanda; Randolf Canada; p.xvii.
[87] IMF's paper entitled "Rwanda-Enhanced Structural Adjustment Facility Economic and Financial Policy Framework Paper for 1998/99—2000/01; accessed at http://www.imf.org/external/np/pfp/rwanda.

assistance to Rwanda "for a solution to the problem of refugees, the restoration of total peace, reconstruction and socio-economic development".[88] Other efforts at post-genocide reconstruction came from the World Bank Emergency Recovery Programme, which grew out of two donor meetings held in Paris in September and October 1994, which were among the first major initiatives specifically aimed at reconstruction of the country. This programme was designated to "help the new government begin the restoration of key economic and social services, rebuild the institutional capacity necessary for sustainable economic recovery, and design a coherent economic policy framework and provide the private sector with the means to resume operations and create jobs".[89] Other key development partners include the United Kingdom, which signed a Memorandum of Understanding (MOU) in October 1999, in which the Department for International Development (DFID) committed itself to a long-term engagement in Rwanda aimed at helping the country meet international development targets. The aim of DFID programme in Rwanda is to support mutually agreed MOU objectives on peace, reconciliation, poverty alleviation, economic reform and open, accountable government. DFID has among other support, provided technical assistance to the Government of Rwanda's (GOR's) Poverty Reduction Strategy Process, Medium Term Expenditure Framework (MTEF), Rwanda Revenue Authority (RRA), Civil Service Reform (CSR), capacity building and reform of the education sector, as well as providing support to the demobilisation of ex-combatants.[90] Currently, the United Kingdom government provides a total of £46 Million annually in development assistance to Rwanda according to a release from the DFID office in Kigali.[91]

---

[88] UN General Assembly at its 50th Session on 19th October, 1995.
[89] See the World Bank, "Rwandese Republic Emergency Recovery Project Technical Annex; accessed at http://www.um.dk/publikationer/Danida/English.
[90] See http://www.dfidrwanda.org/page.htm accessed on 13th August, 2006.
[91] The release from DFID office is quoted in Kigali's daily New Times of 23rd July, 2006.

The government of Rwanda, through her Vision 2020, has put in place a policy framework that is expected to transform the country into an information-rich knowledge-based society and economy within the next twenty years. This is largely through the GOR's recognition of the role of that information and communication technologies (ICTs) can play in accelerating the socio-economic development of the country towards an information and knowledge economy.[92] One of the key objectives of Rwanda's Vision 2020 is to turn the country into an ICT centre of excellence in the region.

Since 1995, Rwanda has made remarkable recovery and considerable progress in various socio-economic and political fronts. The average Gross Domestic Product (GDP) growth rate between 1995 and 2004 was about 8% per annum. The genesis of this recovery was laid when in 1997 the government of Rwanda adopted a transition programme to consolidate the fragile socio-economic recovery attained during the 1995-1996 and laid the basis for national reconstruction, sustainable growth, participatory decision making and poverty reduction. A new Constitution was promulgated in May 2003, followed by multi-party Parliamentary and Presidential elections which were successfully conducted in August and September, 2003. These were the first democratic elections to be held since the country's independence from Belgium, in 1962. Besides this, Rwanda signed a Memorandum of Understanding on the African Peer Review Mechanism on 9th March, 2003 in which she "committed herself to "provide all necessary resources to facilitate the processes involved at the national level, access to all the required information and stakeholders".[93]

Despite this remarkable recovery and improved international standing, Rwanda remains highly dependent on foreign aid. According to the OECD, foreign aid, between 2000 and

[92] See government of Rwanda integrated socio-economic and ICT policy and strategies for accelerated development, February, 2000.
[93] African Peer Review Mechanism: Country Review Report of the Republic of Rwanda, June 2005.

2004, accounted for about 50% of the current budget and 80% of the development budget, even though the share of government revenues to GDP has recently increased. A recent review of Rwanda's Poverty Reduction and Growth Facility (PRGF) by the International Monetary Fund (IMF) acknowledges that "Rwanda's economic performance strengthened in 2005. Driven by a recovery in agriculture, growth rebounded to 6% and inflation fell. Macro-economic policy implementation was broadly on track. On the structural side, progress was mixed, partly due to capacity constraints. In particular, reforms in public expenditure management remain pending".[94]

This chapter aims at examining the various attempts by government, in collaboration with multi-lateral and bilateral partners, to accelerate the country's growth and development as encapsulated in Vision 2020, Rwanda's blue-print for development. The chapter examines besides the various institutions and mechanisms established, the challenges encountered in the process of introducing reforms and their effects on the country's economy. At the heart of the country's continued stability lies the imperative to sustain the momentum of unity and reconciliation,[95] the fulcrum upon which future development will hinge.

## 3.1 Rwanda's Reform Agenda

Rwanda's reform agenda aims at tackling obstacles to growth. A continued focus on building capacity of both the civil service and the private sector is needed. "More specifically, reducing the cost of doing business will be key to stimulating private sector development".[96] These efforts have mainly concentrated on the rehabilitation and reconstruction of a shattered economy and infrastructure and the country's public sector, which were seriously affected by

[94] See IMF Press Release Number 06/121 of June 8, 2006 accessed on 4th August, 2006.
[95] The National Unity and Reconciliation Commission was created by Law No. 03/99 of 12th March, 1999.
[96] Remarks by Augustin Carstens, Deputy Managing Director of the IMF on 7 June, 2006 at the IMF offices, Washington DC.

the events of 1994. Among the areas examined in this chapter is a fiscal and financial decentralisation programme that consists the devolution of decision-making powers to sub-national governments that will allow mobilisation of resources for implementation of government policy. Today, Rwanda is divided into five administrative provinces, with the city of Kigali as an autonomous province. Originally, there were twelve provinces. This radical restructuring of Rwanda's administration demonstrates the policy makers' desire to transform the country into a viable economy.

Rwanda's progress in her structural transformation has remained slow, as a stagnating manufacturing sector (as a share of GDP) indicates. Not much progress has been made in increasing exports, which, combined with continuously high debt-financing, implies a worsening of the country's external debt sustainability.[97] While the poverty rate increased sharply from 47.5% in 1990 to 78% in 1994, it has declined steadily since 1994, reaching about 60% in 2000 and about 56% in 2005 (ibid.). Considerable progress has been made in the field of health and education. An accelerated immunisation programme has been carried out throughout the country and rehabilitation of health facilities has been done in most parts of the country. There has been a sharp increase in primary school enrolment ratios over the last few years, and Rwanda, according to a report by OECD[98], could reach universal enrolment by 2010. The proportion of girls in primary schools is on a par with that of boys. Rwanda, which was among the poorest countries in Human Development Index (HDI) during the late 1990s, ranked 159 out of 177 countries in the Human Development Report of 2004[99]. Rwanda has been identified as a potential candidate for the Millennium Development Goals

[97] African Economic Outlook 2004/2005; see www.oecd.org/deve/aeo, accessed on 30th July, 2006.
[98] Ibid.
[99] UNDP Human Development Report 2004 ; report entitled "Cultural Liberty in Today's Diverse World". Report was launched on 15th July 2004, at the India Habitat Centre, New Delhi ; accessed at http://www.undp.org/in/hdr2004/ on 30th July, 2006.

(MDGs) fast-tracking, which, if realised, would give the country a considerable boost in poverty reduction and growth.[100]

## 3.2 Political and Socio-Economic Background

During the colonial and post-colonial periods, the government of Rwanda was characterised by a highly centralised state.[101] Decision-making and resource allocation were tightly maintained by the central government allowing it domination over political, social, and economic life. Accountability of the public sector was toward the centre rather than to the citizens and communities. No wonder, therefore, that this highly centralised system of governance caused considerable ineffiencies in service delivery and consequently created a passive attitude regarding civic responsibilities among citizens.[102]

Earlier during the colonial period, the Belgian colonial administration "chose to create artificial divisions among Rwandans that reflected their own bitter divisions in their country, and that would obviously facilitate colonial exploitation and subjugation".[103] Successive post-colonial governments promoted an ideology that entrenched differences, created institutions that marginalized and discriminated against one section of Rwandan society, the Batutsi, and rewarded injustices and human rights abuses committed against them.

The divisionism encouraged and sponsored by the post-colonial leadership was exacerbated by impoverishment in the context of the prevailing global economic environment the country was operating in. As Woodward (1996: 19, 21) illustrates this further, resentment, indeed desperation, arising from mass impoverishment would have been expected to arise in the

---

[100] Ibid.
[101] Paper on Fiscal and Financial Decentralisation Policy from the Ministry of Local Government, Good Governance, Community Development and Social Affairs ; December 2005.
[102] Ibid.
[103] From a Speech delivered by H.E President Paul Kagame at the California State University—Sacramento on April 14th , 2005 on the topic : Managing Ethnic Relations and National Reconciliation in post-genocide Rwanda .

Rwanda of the 1980s and early 1990s, even if inequality had not been worsening. A principal problem according to Woodward lay in the evolution of global commodity markets. For instance, between 1985 and 1992, the real world price of coffee, Rwanda's main export, fell by 72%, between 1986 and 1992, the real purchasing power of Rwanda's export earnings fell by 59%. The ensuring crisis in the state finances was a major reason for the adoption of a World Bank/IMF-sponsored structural adjustment programme in late 1990, which itself contributed to social tensions and fears (Storey, 1999a).

This very severe foreign exchange problem arose in the context of an agricultural sector already structurally crisis-ridden by a chronic shortage of land and rapid population growth, with associated declines in soil fertility, reflecting the exhaustion of an agricultural development model which placed little onus on intensification, innovation or export-oriented (Ulvin, 1998: 57). More than half of all Rwandan farmers occupied farms of less than one hectare, often on ecologically fragile soils, while up to 25% of the population was landless (Mullen, 1995:23). In the most densely populated regions this had the effect of postponing or ruling out marriage, because custom dictated that a man without sufficient land could not marry (Human Rights Watch, 1999:46). Surveys conducted in 1990 and 1992, in regions relatively unaffected by the war, found that 75% of the population had been watching their monetary incomes fall by 35% per annum, principally because of declining availability and quality of land (Marysee et al, 1994):56-7, 86). In addition, drought (in 1984), excessive rain (in 1987) and plant disease (in 1988) all weighed in to contribute to declining production and food security levels (Ulvin, 1998:57).

As if this were not enough, from October 1990 onwards, the country was caught up in a war which was costing an estimated $100 million per annum, and was causing massive displacement and disruption, especially affecting the most fertile northern regions of Byumba, Ruhengeri and Gisenyi (Walter, 1993: 12). According to one estimate, the onset of war resulted in the displacement of 15% of the population -1 million people- and prompted the army to swell in number from 4,000 to 40,000 men (Marysee et al, 1994:83). Between 1989 and 1991, military spending as a proportion of Gross Domestic Product (GDP) rose from 2% to 6.9% (Dorsey, 1994:154).

For all the above-mentioned reasons, it is estimated that average GDP per person in Rwanda declined from $355 in 1983 to $260 in 1990 (Uvin, 1997:106), and declined even further thereafter as the war persisted. Worsening inequality was by no means solely responsible for the increasingly dire conditions faced by the majority of Rwandans. Mahmood Mamdani further describes the precarious condition Rwanda found herself in the late 1980s and early 1990s when he observes thus: "the context of that development was both internal and external. The external dimension feeding the post-1985 resource crunch in Rwanda accelerated with the multiplication of forces that fed it: coffee prices plummeted from 1989; a Structural Adjustment Programme was imposed from outside in 1990, and military spending rose dramatically following the Rwandese Patriotic Front (RPF) invasion, also in 1990. Coffee prices dropped by about 50% in the summer of 1989"[104]

This went on unhindered, and in the eyes of the international community that paid little or no attention to what was happening in Rwanda. So, from a divisive colonial legacy and subsequent chronic bad governance, Rwanda was plunged in 1994 into a genocide, which goes down in the annals of human history as one of the most brutal and unprecedented.

[104] M, Mamdani (2001) When Victims Became Killers: Colonialism, Nativism and the Genocide in Rwanda; Princeton University Press; p.147.

## 3.3 Consequences of the 1994 War and Genocide

The war that began in 1990 and ended in 1994 destroyed the vital macro-economic and institutional infrastructure necessary for the successful and balanced growth of a modern, market-based economy. Banks were shut down, a significant amount of the money supply was taken out of circulation to refugee camps and the administrative capacity of the government was obliterated. In July, the fleeing interim government took 24 billion Rwanda francs and allegedly substantial amounts of hard currency that had been in coffers of the Central Bank.[105] The amount of local currency looted represented twice that in circulation at the time. The Gross Domestic Product is estimated to have declined by more than half from 1993's already low level as the rate of inflation reached 40 percent.

The new government of National Unity formed on July 19th, 1994, found itself with very limited capacity: less than one-third of the civil service and only three percent of the professional staff had returned by the end of the year.[106] Re-establishing conditions favouring growth and the development of Rwanda's economy required large investments in training, rebuilding the institutions of governance and repairing infrastructure. Re-creating the public sector, however, provided a unique opportunity for Rwanda's new leaders and development partners to seriously address the inconsistencies and inefficiencies, such as high public wage bills and extensive public involvement in the private sector that had begun to hinder Rwanda's development under the previous regime. The years between 2000 and 2001 mark a significant milestone in the history of post genocide Rwanda. Rwanda had been "classified as a conflict

---

[105] *This is contained in an interview granted by Mr. Gerard Niyitegeka, Rwanda's Central Bank Governor in May 1995, with Relief web; see http://www.reliefweb.int/library/nordic/book4.*
[106] See *Government of Rwanda, Document Cadre pour la Rehabilitation et le Renforcement d'Urgence des Capacites des Gestion Economique.*

status country from the early 90s until 1998 when the country made significant transition from emergency to sustainable development."[107]

## 3.4 Rwanda's Public Sector Transformation

Rwanda has embarked on an ambitious public sector reform programme known as "Rwanda Public Sector transformation and reconfiguration", which falls under the country's current socio-economic, political and administrative reforms. This is expected to be realised in the context of the country's dynamics of good governance, whose aim is to deliver quality public service for sustainable economic growth and poverty reduction. "The conviction of the government of Rwanda is that without an effective and well organised public sector, promising priority services and playing a catalytic role in promoting the activities of the private sector, civil society and of other development partners, no development can be achieved countrywide".[108]

The government of Rwanda has adopted a comprehensive policy framework to guide its own strategic decisions, and those of the donors as they worked toward Rwanda's development, especially poverty reduction. The centrepiece of this framework is the Poverty Reduction Strategy Paper (PRSP), an ambitious plan to reduce by a half the proportion of Rwandans living in poverty by 2015. The plan's defined priorities and targets are summarised in Vision 2020, a policy statement that outlines the government's objectives for the year 2020. The PRSP has been developed in consultation with the people of Rwanda and enjoys broad popular support of both the civil society and the development partners who have aligned their

---

[107] See National Strategy Framework Paper on Strengthening Good Governance For Poverty Reduction in Rwanda; March, 2002.

[108] Reconfiguration and Transformation of Rwandan Public Administration : Strategies and Implementation, May 2004, p.5

work in Rwanda with the plan's six priorities that geared towards the promotion of economic growth of particular benefit to poor women and men:

- Rural development and agricultural transformation;
- Economic infrastructure;
- Human development;
- Governance and decentralisation;
- Private sector development;
- Institutional capacity building.[109]

Rwanda's Vision 2020 aims at rapidly transforming a depressed agricultural economy into one driven by information communications and technology (ICTs). The percentage of Rwanda's workforce involved in farming is expected to drop from 90% to 50% over the next 15 years. As Professor Calestous Juma has observed, "Rwanda is to some extent doing with technology what Britain did with mechanisation during the industrial revolution".[110]

The government of Rwanda envisages the new public sector to have the following attributes:

- A public service that is stable, impartial in its operations, transparent and accountable, competent, thriving on merit, and with integrity following the ethical values of the Rwandese society and of modern public management.

- A highly effective, efficient, and responsive instrument in its size, structure, systems, procedures, practices, knowledge, skills, and attitudes on which the State of Rwanda can rely to execute the will of its people

[109] http://dsp-psd.pwgsc.ca/collection/CD4. accessed on 5th August,2006.
[110] Xan Rice in The New Times of 1st August, 2006 , under an article entitles "A mobile in every pocket is motto of tiny country aiming to be hub of technology". Professor Calestous Juma is Professor of International Development at Harvard University, USA

- Responsive to the needs and problems of the Rwandese population in rendering prompt, quantitative and qualitative services and supporting the private sector in service provision as well as wealth creation.

- With focused missions, functional light and flexible structures that are in harmony with the missions of the State and which support efficient, effective and rapid operations in decision making and service delivery

- Taking the support and facilitation of wealth creation and poverty reduction as the prime goal to be pursued.

- Results-oriented, and capable of fighting culture of mediocrity and superiority complex.

The above-mentioned attributes of the public sector transformation and reconfiguration are also geared towards the support of the private sector, civil society, and other development actors to create wealth and reduce poverty by providing an enabling environment through effective, efficient, responsive, inclusive, and integrated policy formulation, implementation, monitoring and evaluation.

Strategic Objectives: In order to realise the above vision and mission, the Public sector will pursue the following objectives:

In conformity to the new Constitution of the Republic of Rwanda, to redefine the roles and missions of the State and its institutions in relation to the roles and missions of the private sector and civil society and create effective partnerships and synergy with them as development partners.

Following the redefinition of the roles and missions of the State and its institutions, to review and revise the structures and relationships of the state institutions and agencies both central and decentralised entities in order to: (i) better align them by establishing effective mechanisms of collaboration, (ii) maximise their effectiveness and efficiency, in the production and delivery of services promoting teamwork and synergy (iii) achieve better and enhanced devolution of service delivery functions and capacities to decentralised entities as well as promote delegation within public sector institutions.

In light of the now constitutionalised decentralization, to review the size of the Public Sector, especially central government ministries and agencies, with a view to further decentralise service delivery functions, reduce the size of central government and improve its productivity in terms of the quality of services provided and the role of the private sector as the engine of economic growth supported by an enabling public sector. The right size of the public sector will be coupled with the introduction of new methods of work that will make it more productive and efficient.

To improve and strengthen the capacity and performance of the human resource in the Public sector by paying particular attention to the following:

- The attraction, recruitment, motivation and retention of the best talent into the Public service;

- Right-sizing the personnel in the Public service in order to ensure that the central government and the local governments have appropriate share of human capacities in relation to the decentralised functions;
- Reconverting excess human capacity from the public sector to the private sector which equally needs this capacity given the role it is expected to play in poverty reduction and wealth creation;
- Reviewing the structure and profiles of jobs in the Public sector with a view to workout a strategy of addressing the imbalances in gender in the public sector as well as providing for the disabled;
- Studying the traditional and cultural norms and values of the Rwandan society with a view to select the ones that can be integrated into the management culture of the public sector aiming at improving its performance;
- To put in place a remuneration structure and system in the Public sector that will give incentive for the Public servants to be highly productive and support the attraction, recruitment, motivation and retention of the best brains and skills in the Public services while at the same time remaining within the affordability of the national economy.

## 3.5 Decentralisation Programme

Decentralisation has been viewed as involving "delegation of power to lower levels in territorial hierarchy, whether the hierarchy is one of governments within a state or offices within a large-scale organization" (Smith, 1985:1). According to the Ministry of Local Government, Community Development and social affairs, "the GOR recognizes that the country's institutions of governance exert primordial influence over society's stability and prosperity and the wellbeing of its citizens".[111] Besides, the policy on decentralization "was conceived in the aftermath of the 1994 genocide when the highly centralized state structures were used to plan and implement the massacres. This highly centralized form of government was a result of both the colonial and post-colonial independence administration which effectively excluded the Rwandan people from participating in the determination of their own political, economic and social wellbeing.[112] As it has been observed, the decentralization process after 1994 was an attempt to "reconstruct the organizational structure of the post-colonial state"[113] which was also part of the Rwanda Patriotic Front's pre-war eight-point programme, whose aim was to bring the state closer to the people.[114]

The decentralization programme, therefore, plays a critical role in the GOR's social, political and economic transformation of the country. Decentralization has involved the "transfer of responsibility for resource management from the central government to local communities and ensures full participation of the people in the decision making process" (Wamunoba, 1995/237).

The aim of the decentralization policy is to undo the harm that has been caused to local systems of governance by over centralization (Kisubi, 1996 in Langseth, eds.1996). This harm has been viewed as lying "in the quantitative dimension, specifically in the distribution of authority, responsibility and resources available to central versus local government" (Wensch, 1990:4). Decentralisation as a form of measure, therefore, aims to invigorate local and democratic processes.

---

[111] See http://www.minaloc.gov.rw/good_governance/national.
[112] The National Decentralisation Policy: Minaloc; see http://www.minaloc.gov.rw/doc/policy.
[113] Musambayi, Katumanga, "Towards an inclusive state: The politics of state reconstruction and reconstruction in Rwanda, 1994—2004; in Regional Development Dialogue, Vol.26, No.1, Spring 2005,
[114] Ibid.

The first phase of decentralisation was from 2001 to 2003, when decentralisation was being institutionalised. During this phase, the legal and organisational basis was laid. At the central level, the Decentralisation Management Unit (DMU), was established in the Ministry of Local Government, Community Development and Social Affairs (MINALOC), and the Common Development Fund (CDF). A national policy and implementation strategy for decentralisation was published.[115]

Decentralisation therefore aims to achieve the following objectives:

- To enable and reactivate local people to participate in initiating, making, implementing and monitoring decisions and plans that concern them taking into consideration their local needs, priorities, capacities and resources by transferring power, authority and resources from central to local government and lower levels;
- To strengthen accountability and transparency in Rwanda by making local leaders directly accountable to the communities they serve and by establishing a clear linkage between the taxes people pay and the services that are performed by these taxes;
- To enhance the sensitivity and responsiveness of public administration to the local environment by placing the planning, financing, and management and control of service provision at the point where services are provided, and by enabling local leadership develop organisation structure and capacities that take into consideration the local needs and environment;
- To develop sustainable economic planning and managerial capacity at local levels. This will serve towards improvement of planning and implementation of their development programmes;

[115] See Swedish International Development Agency (SIDA) Evaluation 04/33; accessed at http://www.sida.se/publication.

- To enhance effectiveness and efficiency in the planning, monitoring and delivery of services by reducing the burden from central government officials who are distanced from the point where needs are felt and services delivered.[116]

Rwanda's decentralisation programme has been rapid with a number of significant reforms being implemented since the process began in 2000. The reforms have had two goals. Deepening decentralisation as well as concentration.[117] The second reform in 2005/2006 took place within a six months period and a new structure came in place from 2005/2006 with a reduction of provinces from 12 to 5, districts from 106 to 30 and sectors from 1516 to 416.[118]

One of the main reasons for the second reform is to create more financially sustainable units.[119] Under the new system, a large proportion of the central grant will reach the districts directly, before a large part of grants to districts goes through the provinces. This transfer system is designed to equalise partly the financial basis for the LGs using population, area, poverty, equal share and performance. Statistical analysis shows that some equalisation takes place because of the formula.[120]

In general, the experience with decentralisation is new and different approaches are used supported by different donors and organisations.

---

[116] See Anne Louise Grinsted (ODI—Fellow) ; Fiscal Decentralisation in Rwanda accessed at : http :www.geppa.dk/files/activities.
[117] See Minaloc: Fiscal Decentralisation in Rwanda; accessed at http://www.geppa.dk/files/activities/fiscal.
[118] Ibid.
[119] See Seminar on Fiscal Decentralisation; 12 January, 2006; Syllabus; accessed at http://www.geppa.dk/files.
[120] Ibid.

## 3.6 Results of the Decentralisation Programme

The decentralisation implementation is an ambitious policy geared towards empowering the people of Rwanda at all levels to actively participate in political, economic and social transformation of the country.[121] The idea behind this policy is to be implemented in a progressive and incremental manner, always taking cognisance of the experiences accumulated, and correcting mistakes made.[122]

The first phase of the decentralisation was intended to institutionalise decentralised governance by articulating the policies, legal framework, putting in place the necessary administrative structures, systems and mechanisms, holding grassroots and local government elections, among others.[123]

## 3.7 Budgetary Challenges to Decentralisation

There have been disagreements between senior government officials over whether or not the central government should determine budgetary allocations to districts or whether the latter should draw their own Plans of Action. Governors from the newly created regions are not of the view that the central government should first scrutinise the Action Plans of each district before disbursement of the requested funds.[124]

In a recent revelation, the minister of Local Government admitted that while there was general appreciation of the improved services at local level to the people of Rwanda, the reforms in

[121] See MINALOC: Five years of Decentralisation Implementation Programme (DIP).
[122] Ibid.
[123] Ibid.
[124] See Article by Richard Muliisa, entitled: Delegates clash over Budget in the New Times of 14th September, 2006.

decentralisation had led to understaffing among ministries and government departments. He indicated that each ministry is supposed to have 35 civil servants but currently has less.[125]

## 3.8 Local Government Financial Management Capacities

All Districts/Towns have developed three to five year District Development Plans and are now successfully creating MTEF's, although of varying quality. There are still difficulties in submitting them to MINECOFIN, with only 77 out of 106 district MTEFs received for the 2005 budget.

During 2004, substantial training in financial management skills was provided to Local Government officials; this has included training on the Manual of Procedures, and also on financial reporting. However, low levels of education and literacy continue to slow down capacity building in Local Governments. District Councils in most Districts are still too weak to effectively analyse plans and budgets and to provide expenditure oversight. These weaknesses are further compounded by logistical difficulties; for example, normally insufficient copies are made of important Local Government financial documents.

Moving forward, a new organigram sets out minimum qualifications and salary structures for Local Government officials. Unfortunately, however, Districts/Towns are still a long way off possessing adequate financial and human resources to be able to fulfil this organigram.

## 3.9 Local Government Revenue-Raising Capacities

Most Districts (particularly rural ones) still have a very weak internal revenue collection base, with many unable to afford even to pay staff salaries. Despite this shortcoming, some Local

[125] See MINALOC Presents accountability on reforms; New Times of 13/07/2006.

Governments have been more successful than others in generating own-revenues; in particular, significant success has been enjoyed by those Districts that have devolved some fiscal powers to the Sector level. For example, in Ngarama District, Katabagema Sector now collects revenue (especially property tax and fines) - 50% of which is handed to the District Treasury - and manages its own expenditure (it has developed a three-year action plan and MTEF budget). This structural set-up has resulted in improved revenue collection and more effective service delivery, and the District authorities are now planning to roll out this decentralisation arrangement to other Sectors.

A Study of Revenue Potential in all of Rwanda's 106 Districts/Towns has been carried out, but unfortunately no comprehensive synthesis of the findings has yet been produced.

## 3.10 Inter-Governmental Transfer Systems



More equitable transfer formulas have been introduced both for recurrent and development (CDF) budget transfers to Local Governments; criteria now taken into account include population size, area, presence of income-generating activities (markets, slaughter houses etc.), environmental conditions, infrastructure development activities, and level of poverty. In addition, CDF capacities are steadily being strengthened, with staff having undertaken training in community-driven development and social accountability, amongst other things. Moreover, a RNE-funded Institutional and Organisational Review of the CDF has enabled a three-year CDF Action Plan to be drawn up, which aims to increase the efficiency and accountability of the organisation, as well as to introduce budget support to Districts/Towns that meet basic requirements, while simultaneously targeting capacity building to Districts/Towns not yet meeting these requirements. A number of donors have expressed interest in providing budget support to Local Governments through the CDF.

However, despite all of the above achievements, Central Government grants (which form the main source of Local Government revenues) remain grossly inadequate and untimely. Indeed, both recurrent and development transfers are still a long way below their mandated levels of 5.3% and 10% of National Domestic Revenue respectively, and the frequent lateness of disbursements severely disrupts locally planned activities.

For 2003 and 2004 combined, the CDF received a total allocation of RWF 9.5 billion. However, up to the end of 2004, only RWF 4.6 billion had been committed while RWF 2.7 billion was actually disbursed. Poor disbursements by CDF reflect a number of problems. Firstly, capacity constraints at district level have lead to many project proposals of insufficient quality. To address this, CDF has made a provision of 5 per cent that districts can draw from to fund technical assistance to elaborate project proposals. Secondly, tendering procedure through NTB tended to delay project implementation. To this end, the threshold to involve NTB has been raised from RWF 3 million to 40 million. Thirdly, CDF has been reserving the full amount of commitments against the current year's budget, even though some disbursements would only take place in the next year.

The reduced allocation in the 2005 budget is explained by the funds of previous years which were not yet committed to the tune of RWF 4.9 bn. Overall, therefore, RWF 8.4 billion is available for 2005.

**Table 1 Fiscal Decentralisation (Rwf Billion)**

| Rwf Billion | 2002 (Execution) | 2003 (Execution) | 2004 | 2004 (Execution) | 2005 (Prelim.) |
|---|---|---|---|---|---|
| Total Budget of Rwandan Ministries | 103.20 | 152.35 | 134.00 | 122.13 | 135.50 |
| Total Budget of Rwandan Provinces | 20.12 | 25.22 | 30.50 | 29.74 | 33.30 |
| Total Budget of Rwandan Districts | 2.70 | 5.62 | 8.78 | 4.59 | 11.07 |
| of which... Recurrent Transfer* | 1.70 | 1.53 | 3.28 | 2.53 | 4.07 |
| CDF** | 1.00 | 4.09 | 5.50 | 2.06 | 3.50 |

* Goods & services for Districts = 3% of revenue in 2004 and 5.3% revenue after 2005.
** Gradually moving towards 10% of previous year's revenue. (4.5% in 2004 and 5.16% in 2005)
Source: Ministry of Finance and Economic Development (MINECOFIN)

## 3.11 Monitoring and Evaluation of Fiscal and Financial Decentralisation

Monitoring and evaluation of fiscal and financial decentralisation is improving, thanks in part to the establishment of District Tendering Committees, which procure decentralised goods, services and works (within set limits and guidelines provided by the NTB), and which present evaluation reports to both the NTB and the relevant Provincial administration. In addition, Local Governments have established function-specific committees at the administrative (Cell, Sector, District) and facility (health centres, schools, water supply) levels, with diverse stakeholder representation.

This said, there is still a long way to go. The role of Provinces vis-à-vis Districts (including co-ordination, supervision, technical support, monitoring and evaluation and approval of Local Government activities) is carried out only to a very limited extent, and logistical provisions for monitoring and evaluation remain inadequate; for example, auditors in rural areas often have no access to transport or computers. Furthermore, there is still no comprehensive and complete fiscal and financial decentralisation data set in MINALOC, although the World Bank has pledged to help set up a simple database in the near term.

## 3.12 Overall Support to Five Year Decentralisation Implementation Programme (DIP)

In addition to the numerous donor- and NGO-supported projects being undertaken at the District and grassroots levels (and the donor support to the CDF as mentioned above), many donors are supporting decentralisation at the central level, through the provision of institutional support to MINALOC, RALGA, the Provinces etc. USAID is just coming to the end of a period of support for the Local Government Finance Unit in MINALOC, and now SIDA and DFID are looking to possibly carry on this support, as well as potentially providing funds for fiscal and financial decentralisation more generally. Meanwhile, SIDA is also providing support to RALGA, and UNDP is funding the National Decentralisation Implementation Secretariat, which is the main co-ordinator and facilitator of the DIP implementation process. In addition, the RNE is supporting the Provinces to provide more technical assistance to the Districts, and is also carrying out an Institutional and Organisational Analysis of MINALOC; the World Bank is doing some work on decentralised service delivery; and the Swiss are doing some work on the harmonisation of interventions.

## 3.13 Civil Service Reform Programme

The Civil Service Reform Programme (CSRP) is under the Ministry of Public Service, Skills Development and Labour (MIFOTRA).

Through the Ministry in charge of Public Service (MIFOTRA), the Rwanda Government is striving to reform its public service under its general development program and, in particular, within the scope of its strategy to alleviate poverty and in line with the concern for good governance policy indicated in Vision 2020.

However, this reform is undertaken while the country is faced with two major challenges: first, the continuing regional instability due to Interahamwe in the DRC and second, a highly vulnerable rural population, the highest density in Africa. 60% of Rwandans currently live below the poverty line, while 40% live in extreme poverty.

Rwanda's reform agenda was conducted in order to downsize and reduce state expenditure given the foregoing challenges. On one hand, the government of Rwanda reduced its personnel, proposed voluntary retirement schemes and revised its payroll as well as incentive packages. On the other hand, it introduced the vehicle loan schemes, telephone use reform and house rent for office use.

In 1998, the first personnel downsizing phase was conducted. A personnel census identified that the civil servants were representing 26.13% of salary earners. The rate of 26.13% was deemed too huge for a country committed to market-based economy and the promotion of the private sector in the employment creation. From 1998 to 2005, the total number of employees dismissed is estimated at about 8,989 people.

The Public Service Reform is one of the major tools used to transform Rwanda to achieve its vision 2020. The reform was the initiative to change the Rwandan public administration which was characterized by highly centralized bureaucracy, duplication and overlapping in public institutions functioning, lack of harmonized and standardized administration culture, little focus on results based management, poor mobilization and utilization of state resources (low absorption capacity and wastage), high turnover within state institutions due to different pay and management systems. However Rwanda still faces two major challenges:

- First, there is a continuing regional instability due to Interahamwe militias and former Rwanda army who continue to attack and destabilize the country from bordering countries like DRC
- Second, a highly vulnerable rural population, the highest population density in Africa, 60% of Rwandans currently lives below the poverty line, 40% in extreme poverty. The United Nations Development Program's 2003 Human Development Report ranked Rwanda 158th (out of 175) on its Human Development Index. Rwanda is progressing towards a development whose vision is contained in a reference document entitled "Vision 2020". The issue of poverty is very crucial and is one among the GOR's major priorities.

***Table 2***

| Comparison between Rwanda and SSA.( Sub Saharan African Countries )<br>Social sectors comparison Rwanda SSA Average | Rwanda | SSA Average |
|---|---|---|
| Life expectancy in years | 49 | 51 |
| Infant mortality per 1000 lives births | 131 | 91 |
| GNP per capita in $US | 216 | 510 |
| Foreign direct investment in % of GNP | 0.1 | 1.3 |
| Financial credit to private sector in % of GNP | 8.1 | 65.1 |
| Unemployment % of total labor force | 31.1 | 11.1 |

**Source: MINECOFIN: Statistics Department/ Rwanda's Development Indicators, August 2002**

The proportion of households below the poverty line (1$/person/day) was 40% in the 1985 household budget expenditure survey, and then rose to 53% in 1993. It was estimated at 70% since 1996 and then rose to 60 % since 2001.The genocide-related poverty is a particularity of Rwanda. Vulnerability of some groups has increased since the 1994 genocide, resulting in the emergence of the "new very poor" people totally deprived of means and traumatized.

Poor households are now more likely to be female-headed and/or child-headed and are characterized by a lack of able-bodied labor. The proportion of the households considered "complete"-with able-bodied adults has fallen from 86% before the war of 1990-1994 to 16% after the war, with the remainder made up of female-headed households, widowers, child headed households and the elderly, disabled and marginalized people such as street youth and other disabled.

There has been deterioration in Rwanda's social indicators since the war. It is evident that Rwanda lags far behind the Sub-Saharan (SSA) average. For instance, Rwanda has a per capita income of 240$ against 510$ for SSA, foreign investment of 0.1% against 1.3% for SSA and unemployment of 31% as compared to 11% for Ghana. Comparisons with other countries show that Rwanda has one of the lowest lowest revenue bases in the world.

Given the above illustrated situation, the Government of Rwanda's major concerns are of two fold: How to raise productivity and revenues of poor households through the creation of jobs and improvement of investments' level for a general growth; how to cope with the regional disparity problem resulting into lack of access to social services and also ensure efficiency and effectiveness in the delivery of services affordable by the population.

The sole reason for which the government embarked on public sector reform is to enable the sector to effectively support and collaborate with the private sector and civil society so as to create wealth, eradicate poverty, and redress the negative social situation described above.

All Rwandan State Institutions, Commissions, Parastatals and public service providing Agencies are entirely concerned with Public Service Reform: Central and deconcentrated entities (Provinces, Districts and Towns) are also concerned with the reform.

## 3.14 Achievements of the CSR Programme

By early 1999, the government was supposed to establish an independent Public Service Commission to oversee the public service reform, including staffing levels, recruitment, job training, and the organizational structure of ministries. To promote adequate ethical standards, an Anti-Corruption Bureau and Inspector-General of Government was planned to be established in the course of 1999.

Instead of an Independent Public Service Commission "the Public Service Reform Program" financed by UNDP was created in 1999.

The Bureau of the auditor General for State Finances was created in 1999 to play the role of the Inspector-General of the Government. In 2003, the Ombudsman Office has been created to fight against corruption and injustice.

**TABLE 3.** ***Distribution of civil servants by employer and sex ( Census year 1998)***

| | | No of Employees | | | Percentage | | |
|---|---|---|---|---|---|---|---|
| **ID No** | **Employer** | **Male** | **Female** | **Total Number** | **Total (%)** | **Male (%)** | **Female (%)** |
| 1 | Office of the President | 22 | 18 | 40 | 0.1% | 0.1% | 0.0% |
| 2 | Parliament | 54 | 46 | 100 | 0.3% | 0.1% | 0.1% |
| 3 | Primature | 150 | 49 | 199 | 0.5% | 0.4% | 0.1% |
| 4 | Supreme Court | 103 | 13 | 116 | 0.3% | 0.3% | 0.0% |
| 5 | MIFOTRA | 83 | 104 | 187 | 0.5% | 0.2% | 0.3% |
| 6 | MIGEFASO | 180 | 178 | 358 | 1.0% | 0.5% | 0.5% |
| 7 | MIJESCAFOP | 303 | 156 | 459 | 1.2% | 0.8% | 0.4% |
| 8 | MINAFFET | 59 | 33 | 92 | 0.2% | 0.2% | 0.1% |
| 9 | MINAGRI | 573 | 170 | 743 | 2.0% | 1.5% | 0.5% |
| 10 | MINITRAPE | 291 | 97 | 388 | 1.0% | 0.8% | 0.3% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 11 | MINAMIT | 49 | 24 | 73 | 0.2% | 0.1% | 0.1% |
| 12 | MINECOFIN | 148 | 111 | 259 | 0.7% | 0.4% | 0.3% |
| 13 | MINEDUC | 13,724 | 13,936 | 27,660 | 74.1% | 36.7% | 37.3% |
| 14 | MINICOM | 69 | 42 | 111 | 0.3% | 0.2% | 0.1% |
| 15 | MINIJUST | 1,613 | 637 | 2,250 | 6.0% | 4.3% | 1.7% |
| 16 | MININFOR | 28 | 22 | 50 | 0.1% | 0.1% | 0.1% |
| 17 | MINISANTE | 1,382 | 2,234 | 3,616 | 9.7% | 3.7% | 6.0% |
| 18 | MINITRANSCO | 63 | 40 | 103 | 0.3% | 0.2% | 0.1% |
| 19 | MININTER | 378 | 171 | 549 | 1.5% | 1.0% | 0.5% |
| | **TOTAL** | **19,272** | **18,081** | **37,353** | **100.0%** | **51.6%** | **48.4%** |

***Source: Mifotra.***

This table above shows that 51.6% of the workforce surveyed in 1998 is made of males (19,273) while 48.4% (18,275) are females. This is an indicator of gender balance amidst civil servants of Rwanda. There are some ministries which have more employees than others. The Ministry of Education (MINEDUC) have Ministry of Health (MINISANTE) and the Ministry of Justice (MINIJUST) use about 90% of the overall public service staff.

The calculation made from the table below shows that the number of civil servants holding a university degree (A0) represents 2.7% of the overall public service staff. It also indicates that the majority (35.5%) of the public service staff are holders of a secondary Advanced Certificate(A2).[126]

[126] Minfotra

Table 2: ***Distribution of civil servants by employer, qualification level and by sex (Census year 1998)***

| ID | Employer | A0 | | A1 | | A2 | | A3 | | A4 | | No qualification | | Unknown | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | M | F | M | F | M | F | M | F | M | F | M | F | M | F | |
| 1 | Office of the President | 6 | 0 | 2 | 2 | 2 | 6 | 1 | 0 | 2 | 2 | 9 | 8 | 0 | 0 | 40 |
| 2 | Parliament | 13 | 3 | 12 | 5 | 11 | 28 | 0 | 4 | 8 | 5 | 10 | 1 | 0 | 0 | 100 |
| 3 | Prime Minister Office | 23 | 2 | 18 | 0 | 43 | 31 | 13 | 2 | 7 | 5 | 35 | 5 | 11 | 4 | 199 |
| 4 | Supreme Court | 7 | 0 | 12 | 1 | 39 | 7 | 17 | 2 | 6 | 1 | 16 | 2 | 6 | 0 | 116 |
| 5 | MIFOTRA | 15 | 3 | 14 | 13 | 30 | 51 | 3 | 21 | 1 | 7 | 18 | 7 | 2 | 2 | 187 |
| 6 | MIGEFASO | 13 | 14 | 25 | 16 | 70 | 109 | 27 | 24 | 3 | 5 | 32 | 7 | 10 | 3 | 358 |
| 7 | MIJESCAFOP | 38 | 1 | 20 | 7 | 76 | 52 | 84 | 32 | 14 | 31 | 44 | 15 | 27 | 18 | 459 |
| 8 | MINAFFET | 21 | 6 | 8 | 1 | 5 | 12 | 6 | 3 | 3 | 2 | 1 | 0 | 15 | 9 | 92 |
| 9 | MINAGRI | 92 | 5 | 35 | 6 | 225 | 83 | 94 | 28 | 4 | 8 | 88 | 26 | 35 | 14 | 743 |
| 10 | MINITRAPE | 39 | 7 | 36 | 2 | 48 | 41 | 14 | 9 | 3 | 8 | 116 | 23 | 35 | 7 | 388 |
| 11 | MINAMIT | 13 | 1 | 6 | 1 | 12 | 13 | 2 | 2 | 2 | 5 | 14 | 2 | 0 | 0 | 73 |
| 12 | MINECOFIN | 26 | 2 | 36 | 16 | 34 | 58 | 9 | 16 | 7 | 7 | 18 | 5 | 18 | 7 | 259 |
| 13 | MINEDUC | 332 | 41 | 629 | 143 | 5,278 | 4,588 | 2,922 | 2,949 | 1,066 | 1,752 | 2,546 | 3,400 | 951 | 1,063 | 27,660 |
| 14 | MINICOM | 14 | 1 | 7 | 1 | 23 | 19 | 5 | 6 | 3 | 3 | 15 | 12 | 2 | 0 | 111 |
| 15 | MINIJUST | 49 | 4 | 68 | 8 | 775 | 292 | 133 | 81 | 62 | 70 | 374 | 127 | 152 | 55 | 2,250 |
| 16 | MININFOR | 7 | 0 | 5 | 2 | 3 | 17 | 1 | 2 | 1 | 0 | 10 | 1 | 1 | 0 | 50 |
| 17 | MINISANTE | 99 | 32 | 116 | 75 | 284 | 631 | 119 | 326 | 176 | 609 | 410 | 377 | 178 | 184 | 3,616 |
| 18 | MINITRANSCO | 11 | 2 | 11 | 1 | 13 | 16 | 7 | 6 | 1 | 1 | 10 | 8 | 10 | 6 | 103 |
| 19 | MININTER | 53 | 2 | 54 | 6 | 135 | 106 | 25 | 15 | 8 | 11 | 60 | 20 | 43 | 11 | 549 |
| | | **871** | **126** | **1,114** | **306** | **7,106** | **6,160** | **3,482** | **3,528** | **1,377** | **2,532** | **3,826** | **4,846** | **1,496** | **1,383** | **37,353** |

***Source: Ministry of Public Service, Skills Development and Labour.***

The above table shows also that the number of males (1,985) holding a university qualification (A0 and A1) is higher than the one of females (432) within public service staff.

Considering the above reality from the census conducted in 1998 general perspectives and reforms undertaken from 1998 to 2005 are as follows:

## 3.15 State Fleet Reform

Before 1999, those holding the post of Directors and above had a right to a government vehicle on a 24 hour basis. Ministers had in their possession two cars, one for official use and the other for family.

From 1999, Directors and other heads of department only remained with the right to one official car during working hours. Transport allowance was allocated from the lowest staff to

Secretary General, Ministers and State Ministers remained with the official car but the family car has been replaced by a transport allowance of 150,000 RWF per month.

Despite those fleet cost cutting measures, the state transport cost continued to be too costly while the country was largely dependant on external financial support with an increasing public debt that has had serious socio-economic consequences for the country.

The Government of Rwanda has realized that to keep and maintain its fleet -big or small- often amounts to a waste of time, administrative harassment, and irrational use of its budget. Efficiency losses are mainly due to the choice of vehicles, tenders, maintenance, insurance, repairs, theft of tires and spare parts, accidents, major breakdowns, abusive use of its vehicles for personal purposes and practical consequences on the functioning of the Government services when vehicles are immobilized due to a breakdowns.

It is in the context of good governance and optimization of state budget allocation that the cabinet meeting of 2$^{nd}$ March 2005 decided that the Government of Rwanda would reduce its fleet to nearly zero through selling by auction officials' vehicles and further decided to enable all assignees to access vehicle loan schemes, thereby having their personal means of transportation through the proposed loan scheme that targeted all employees.

Concerning the implementation of the vehicle loan scheme, it is first granted to assignees and later on extended to non-assignees.

Vehicles are bought through loans granted by commercial banks. Each category of employee is eligible to a maximum loan according to the employee's rank.

Facilities allowed to assignees in order to enable purchase and maintain their vehicle are as follows:

- Vehicles are exempted from import taxes and duties;
- The government takes responsibility to deposit on behalf of the beneficiary 50% of the amount due to purchase the vehicle;
- The State facilitates the assignee to get a vehicle loan for a balance of 50%;
- Vehicles are expected to have a comprehensive insurance cover throughout the whole duration of the loan (5 years);
- The State contributes in the operating cost of the vehicle (80%) as long as the assignee remains in government service.
- The system of vehicle loan is renewable after five years.
- The Government accepted to support 75% of the vehicle depreciation;
- In case of moving from the service for personal reasons, the vehicle is withdrawn.

For other civil servants who do not qualify for scheme, state caters for 8% over 15% required by commercial banks so as to encourage and facilitate non-assignees to get their own means of transport.

By the end of 2005, about 2,101 vehicles had been sold through public auction. This exercise generated proceeds valued at Rwf.5,106,533,572 or US$ 9,135,122.66 Only 216 vehicles have remained to serve essential services such as police operations (86), protocol (10), the senior most government officials[127] high ranked officials (5) local government's activities (128) plus utilities such as ambulances not concerned by state fleet reform.

[127] These are the President, Speakers of the Senate, Lower Chamber of Deputies; The Prime Minister and the Chief Justice. See Cabinet proceedings of 2/03/2005; also see www.gov.rw.

The table below differentiates expenditures of assignees and non-assignees fleet. It also shows the expenditure which shall be incurred by the state due to the fleet reform.

***Table 5: Average of Annual Costs/Annual profit from the civil servants fleet reform***

*In RWF*

| N° | Description | State fleet total Expenditure (2004) | Assignees reform expenditure | Non-assignees reform expenditure | Expenditure on remnant vehicle | Profit |
|---|---|---|---|---|---|---|
| 1 | Fuel | 6,153,025,221 | 462,245,533 | - | 580,824,364 | **5,109,955,325** |
| 2 | Maintenance | 2,681,176,197 | 231,122,766 | - | 253,093,788 | **2,196,959,643** |
| 3 | Insurance | 269,751,085 | 218,207,930 | - | 25,463,572 | **26,079,582** |
| 4 | Drivers | 1,029,435,372 | 22,275,000 | - | 97,175,149 | **909,985,223** |
| 5 | Taxes and Duties | - | 14,189,400 | - | - | **-14,189,400** |
| 6 | Location | - | 494,361,000 | 688,431,744 | - | **-1,182,792,744** |
| 7 | Loan scheme | - | 2,003,390,361 | 897,463,790 | - | **-2,900,854,151** |
| **Annual total** | | **10,133,387 876** | **3,445,791,991** | **1,585,895,534** | **956,556,873** | **4,145,143,478** |

*Source*: **Minecofin**

The above-mentioned table illustrates costs and annual profit. The remaining vehicles are estimated to cause the expenditure to rise to 956,556,873 RWF ($ 1,771,193 US), while the annual profit realized by the state is expected to be 4,145,143,478 RWF ($ 7,415,283.50 US). This entire amount used for civil servants fleet maintenance will be allocated to more strategic activities for poverty alleviation purposes in the financial year, 2005/2006.

***Table 6: Costs/Profits of the State fleet reform over a period of five years***

***In RWF***

| Description | 1st Year | 2nd Year | 3rd Year | 4th Year | 5th Year | TOTAL |
|---|---|---|---|---|---|---|
| State fleet expenditure | 10,133,387,876 | 10,640,057,269 | 11,172,060,133 | 11,730,663,140 | 12,317,196,297 | **55,993,364,714** |
| Reform expenditure | 10,751,117,372 | 4,813,940,910 | 5,054,637,955 | 5,307,369,853 | 4,481,865,499 | **30,408,931,589** |
| Profit/loss incurred | **-617,729,497** | **5,826,116,360** | **6,117,422,178** | **6,423,293,287** | **7,835,330,797** | **25,584,433,125** |
| Percentage | **-6.10** | **54.76** | **54.76** | **54.76** | **63.61** | **45.69** |

*Source:* **MINITRANSCO**

Analysis of the above-mentioned table shows that the State's expenditures in the first year of the reform, given the balance of the financial statement is negative. From the second year, the percentage profit of the reform increased by 60.86%, rising from negative -6.10 % 54.76 %. This is an indicator showing that the Government of Rwanda will have to first invest a lot where the loss is expected to be for the first year -617,729,497 RWF ($-1,105,061.71 US). However, the state will go on increasing its profit by the means of the vehicle loan scheme and by hiring vehicles for its staff missions out of the employee's area of employment, the profit gained in the fifth year of the state fleet reform will be equivalent to 7,835,330,797 RWF ($14,016,691.94US).

## 3.16 State Fleet Reform for Private Sector Promotion

The Rwandan state in the past used to spend huge amounts of financial resources on its fleet for the different categories of personnel. The government used not only to spend for assignees but also for non-assignees for duty free .

In general, civil servants go for missions and fieldwork as well as for other duty reasons. Projections made for the coming years; the average annual expenditure on missions for employees will cost 1,182,792,744 RWF ($2,115,908.31US).

The Government of Rwanda has decided to embark on a Car Hire Scheme in order to meet its transport needs, instead of buying vehicles. The Government of Rwanda has introduced a "zero scheme" with the view to avoiding risks and worries related to the management of its vehicles so as to concentrate on its day to day activities.

It is in view of this that the GOR is in the process of securing a partnership with a company that can rent personal vehicles and vans, cars, jeeps and pick-ups, for the transport of its employees.

The GOR employs about 1505 senior staff who need transport, either at their place of employment, or for missions within the country. For the central Government, the market is estimated at about 1,182,792,744 RWF ($2,115,908.31US) turnovers.

## 3.17 Telephone Use Reform

Before the 2005 telephone use reform, the assignees estimated at 413 officials had an unlimited ceiling of telephone use either for personal use or office purposes. Some of the high rank officials estimated to 73 had the privileges to roaming telephone facilities, which is an expensive system when used to call abroad.

Concerning the telephone use reform, the Cabinet meeting held on 2nd March 2005 took a decision to cut expenditure on telephone use in government departments and institutions and they were reviewed and reduced significantly. The table below shows expenditure on telephone in accordance with staff category.

*Table 7: Monthly Telephone Lump sum (Telephone use reform)*

| Category of staff | Cell Telephone lump sum in USD VAT inclusive | Fixed line telephone lump sum in USD VAT inclusive |
|---|---|---|
| Ministers, State Ministers, Secretary generals in Public Corporations and Commissions | 178.89 USD | 178.89 USD |
| Director Generals | 125.22 USD | 125.22 USD |
| Heads of Departments | 17.89 USD | 178.89 USD |
| Technical Advisors | 10.00 USD | 89.44 USD |
| Secretaries at the Ministry of foreign and Ministry of finance and economic planning | | 178.89 USD |

*Source:* MIFOTRA

The State accepted to incur the above expenses beforehand while the shortfall would be paid by the consumer. In order to reduce the expenses of telephone, it was advised that use of modern technology, which allows the prepayment system would be adopted. Hence, the consumer would adjust his or her use of telephone that allows the prepayment system. Hence, the consumer would adjust his or her use of telephone according to available amount of credit on the telephone.

In this case, the use of the internet has been given priority. This will increase the efficiency of communication in the public sector and civil service in particular. It will also quicken the information circulation in the whole chain of command. The lump sum provided for telephone calls to officials might not be sufficient to cover their needs in communication. However, it should be understood that the need is ever unlimited while the means remain limited.

## 3.18 Privatisation

Privatisation is part of a new broad range of economic reforms that has put the private sector at the forefront of the development process.[128] It has helped reduce government's economic

[128] Monitor; see www.monotor.co.ug

role in many countries and regions.[129] In the case of Rwanda, State-Owned Enterprises (SOEs) have always played an important role in the economic development of the country right from the colonial era. The World Bank and other development partners have played an important role in the restructuring of the said SOEs for sale. The financial restructuring includes settlement of liabilities, equity, equity injections and promotion of financial discipline through elimination of subsidies.[130]

Today, Rwanda has sold more than forty firms and the previously dissenting voices have been drowned by the success of some of the privatised firms that are already helping in the development of the country.[131]

A study carried out in Rwanda in the 1980s recommended that the country undertake serious restructuring of the SOEs as a pre-condition for continued aid. Through the WB assistance, the country produced a policy framework for SOEs. The policy framework was reflected in the structural adjustment policy framework that was signed with the WB in 1988.

The broad objectives of privatisation include relieving the financial and administrative burden on the government by generating revenue through the transfer and liquidation of government shares to private ownership.[132] Furthermore, privatisation has also improved on the efficiency and productivity of enterprises privatised thereby augmenting the sources of government

---

[129] See Sunika, Kikeri and Aishetu Kolo (2006) State Enterprises; see http://rru.worldbank.org.
[130] Charles Vuylsteke (1988) Techniques of Privatisation of State-Owned Enterprises; Vol.1 Methods and Implementation, World Bank Technical Paper No. 88, World Bank.
[131] Ibid.
[132] Kabango, Vianney : Privatisation in Rwanda : Is it eggs going bad ?; Kigali, September, 2006, The New Times, Newspaper, www.newtimes.co.rw

revenue, reducing the size of the public sector in the economy, and broadening the ownership of Rwandan enterprises.[133]

According to the newly launched investment guide document, the institutional framework for privatisation includes the Cabinet, which has the final authority over the disposition of public enterprises, the National Privatisation Commission headed by the minister of Finance and the general management responsibility for privatisation, Technical Privatisation Committee, which is responsible for recommending the terms and conditions of individuals sales and negotiating bidders, and the Privatisation Secretariat, which actually implements the privatisation programme. The document further states that the government is keen to ensure that the process of privatisation is predictable and transparent. [134]

## 3.19 Conclusion

After ten years of privatisation, questions are bound to be asked as to how far the exercise has gone. The positive side of privatisation exercise is that there has been considerable revenue collection by the end of 2005 to the tune of Frw 36.6 billion, translating into 2.9% increase compared to the year 2004. The increase is a result of expansion in revenue base collections that may be factored by increased investments and private ownership of most former public enterprises.

According to a recent report from Rwanda Investment, Export Promotion Agency (RIEPA), as of December, 2005, a total of 52 Public enterprises had been privatised, generating Frw 7.8 billion in cash receipts.[135] However, the report adds that around 87% (Frw 6.8 billion) has

---

[133] Ibid.
[134] Rwanda National Privatisation Secretariat.
[135] RIEPA Report, 2005.

been expended, indicating a huge expenditure on the part of the Secretariat. The investment guide also points out that most of the enterprises privatised were small, with only four exceeding US $ 1 million in sale price. The largest privatisation thus far has been the telecommunications enterprise, Rwandatel, which was bought by Terracom Sarl, a United States company, for $20million. Rwanda Commercial Bank (BCR) was bought at US $6.05 million by Actis Group and BACAR at US$ 3.37 million by a Consortium FINA Bank Limited and Enterprise Holdings Ltd. Most privatised enterprises have been bought by foreign investors. For instance, seven enterprises have been liquidated, with the assets of three of them being sold for about $2 million.[136]

Four other enterprises are in advanced phases of privatisation, and a further 24 are slated for privatisation. These last include seven tea factories, two banks, the state-owned Brarirwa, the brewery that is one of the largest businesses in the country. According to the Executive Secretary of the Privatisation Secretariat, "overall, privatisation is a success. We have all the time handled sale of entities with diligence and transparency".[137] In the meanwhile, the Kigali Inter-continental and Kivu Sun Hotels, two government owned enterprises, are in the final stage of being leased by the Serena Group of Hotels, following a cabinet meeting of October 25th 2006 that "unanimously endorsed Serena Group of Hotels" as the new owners.[138]

[136] Ibid.
[137] Manaseh, Twahirwa, Executive Secretary, Privatisation Secretariat.
[138] See New Times of November 12th 2006. accessed at www.newtimes.co.rw.

# CHAPTER FOUR

## 4.0 MANAGEMENT OF THE PUBLIC SERVICE REFORM PROCESS AND THE ROLE OF ICTs

*"There is nothing more difficult to execute...more dubious of success, nor more dangerous to administer than to introduce a new order of things; for he who introduces it has all those who profit from the old order as his enemies, and has only lukewarm allies in all those who might profit from the new". (Machiavelli. The Prince)*

The reform of public services in Africa, as it is elsewhere, is based on the idea that a reduced role for the state and increased reliance on market forces will result in improved efficiency and delivery of services.[139] However, there are many examples of public service reforms whose outcomes indicate the contrary. A key lesson is that reforms can be successful only if they are designed and implemented with the cooperation of, and in consultation with, all the stakeholders who will be affected.[140] According to the International Labour Organisation (ILO), public service reform must be guided by the following basic principles: accountability, transparency and openness in government policies and actions; the provision of new and better public services, the importance of maintaining and creating good working conditions, and the adherence to core labour standards during the reform process to maintain the morale and improve the performance of public service workers.[141] Furthermore, public service reform is not an end in itself, it is a continuation process to meet changing public needs and conditions. The reform process should work for all, and the success of any reform greatly depends on its objectives, the quality of decision making and the capacity of all the parties concerned to implement the decisions made. Participatory decision making requires the

---

[139] Venkata Ratnam and Shizue Tomoda (2005) Practical Guide for Strengthening Social Dialogue in Public Service Reform; ILO, Geneva.
[140] Ibid.
[141] Ibid.

sharing of all relevant information, the protection of the rights of workers and their organisations and investment in human resources to meet the emerging challenges. Besides the cut in the civil service, there are indications of improvement in revenue collection, tackling of problems associated with 'ghost workers', retrenchment, pay rises, and others. ICTs have contributed in the management of information systems but "problems related to the weaksses of the state as an impediment to the successful implementation of the reforms remain"(Kiggundu, 1997, in Minogue, et al.,1997). It is in this context that the challenges to the Rwanda Public Service reform process is examined.

The public sector reform programme in Rwanda has been a result of goodwill from political leadership and development partners, who continue to support government efforts in the reconstruction and development of the country. That Rwanda is undergoing a phase of rapid transition is beyond doubt. Looking at the "vicissitudes in the life of a nation, it is tempting to suggest that the single determinant of a nation's growth is the quantum of resources it poseses".[142] The experience of the last forty years or so has demonstrated that one factor that has proved decisive in Africa's development effort is the calibre of available human resource. It is this factor rather than any other that has pushed the continent further on the slippery path of dependence, recession and economic decay.[143]



Rwanda's Vision 2020 emphasizes the importance of human resources in the country's development. In Vision 2020, the country's leadership sets ambitious goals for the nation's development. For instance, Rwanda's per capita GDP is expected to increase from its current level of USD 250 to 900 between the years 2000 and 2020.[144] To attain this vision will require not only increased production at national level but also effective implementation of

[142] Balogun, M J (2003), Nigeria's Public Service Reform Processes; see http://un.org/intradoc/groups.
[143] Ibid.
[144] See Vision 2020: Rwanda's Struggle for prosperity; in the New Times of 30th January, 2006.

government policy that will require reinforcement of institutional capacity and coordination.[145]

This chapter examines the challenges encountered in the management of the reform process and the important role played by Information, Communication, and Technologies (ICTs). ICTs are considered a central pillar of Rwanda's economic growth strategy. This strategy is encapsulated in the country's National Information and Communications Infrastructure (NICI) Policy and Plan.[146] Although Rwanda shares a lot with many other African countries, issues related to poverty and weak institutions, the implementation of her ICT policy and plan "presents unique challenges resulting from the social disintegration following the 1994 genocide, which resulted in the destruction of much of the human capacity, infrastructure, and social fabric".[147] Rwanda's case demonstrates "how progress can occur even when the enabling conditions are still weak".[148]

## 4.1 Challenges and Constraints

Rwanda's current stage of reforms of her public sector is concentrated on sustaining and deepening the efficiency and improvements, including contracting out non-central civil service functions to the private sector, and carrying out institutional reforms to establish a civil service that operates on the principles of competency, accountability, transparency and is outward looking and results oriented.[149] It is worth noting that from the time of independence, the practice of public administration has been dominated by western models, "but admittedly when countries have attempted to depart from such models, they have not been too successful either, as state models".

---

[145] Ibid.
[146] Prof. S.Lwakabamba, in Learning from others. The Development of ICTs in Rwanda: Pioneering Experiences, IDRC Books; 2006.
[147].Ibid.
[148] Ibid.
[149] IMF : Rwanda, Enhanced Structural Adjustment Facility Policy Framework Paper. 2001/2002

Over the last twenty years, there has been extensive debate on how to improve the institutions of African states. There is now a welcome emphasis on service delivery and accountability in the use of public money. However, progress has been patchy at best. More than ever, sustained reform depends greatly on the establishment of a domestic consensus on, and an internationalization of, the need for change.[150]

## 4.2 The Role of Donors

The involvement of donors in the public sector reforms in Africa dates back to the 1980s, when comprehensive economic reforms designed by the World Bank and the IMF became conditions for 'adjustment loans' and other assistance (Westcott, 1999). The need for political reforms and good governance has been a key element in the bank's discussions with a number of countries including Rwanda.

The most visible donor in the reform exercise to date has been British Department for International Development (DFID) and the World Bank. Their support has come in the form of financing the programme, including making money available for the retrenchment exercise. On the role of the donors, Westcott (1999:160), advises that "donors should be prepared to assist the CSR management team by providing specialist technical expertise and advice in a facilitative way whilst retaining local ownership. Such support has contributed to the building of local capacity through staff motivation and skills, critical for administrative structures, and participative working methods. Specialized training for change management could also be offered in support of this".

---

[150] Steve Kayizzi—Mugerwa (2003) Reforming Africa's Institutions: Ownership, Incentives and Capabilities, United Nations University Press, p.54.

According to a recent evaluation by the DFID, so far the largest bilateral donor to the tune of £168 million, Rwanda has "achieved impressive progress and has put in place crucial policies for pro-poor growth. Perhaps more than any other country programme of recent years, DFID's involvement in Rwanda was driven by a strong political commitment".[151] According to this report, Britain's strong political commitment to Rwanda underpins the programme.[152] Relations between the GOR and DFID have been very good, though concentrated on a thin layer of top management in government. Contacts and relationship with the civil society and the private sector are much less well developed and present a challenge to DFID Rwanda particularly if government proceeds with its policy of decentralized service delivery.

The DFID programme in Rwanda has displayed a number of clear strengths: a stable political commitment enshrined in a ten-year Memorandum of Understanding (MOU) between the two countries; the commitment to budget support that has helped bring predictability to government finances, flexibility in responses especially during development of the poverty reduction strategy and in the area of public financial management and the commitment to core government processes. One of the weaknesses of the DFID programme, however, is that it is strongly oriented to the support of central government and is not seen to be on the ground.

Aid is still important in reducing the financial and human resource constraint, but donors would otherwise take the back seat.[153] However, because many countries find it difficult to move the process forward, donors will remain important in devising the agenda. It is therefore crucial that donors have a clear and effective strategy. The case of Rwanda is particularly challenging given the legacy of genocide, and its implications on poverty. Rwanda continues to receive most of her financial support from the United Kingdom's Department for

---

[151] Sam Kanyarukiga et al, (2005) Evaluation of DFID Country programmes for Rwanda ; see www.dfid.gov.uk
[152] Ibid.
[153] Ibid.

International Development, which is "probably the most innovative of the bilateral donors presently supporting institutional reform in Africa".[154]

## 4.3 Challenges of Poverty Reduction

Rwanda still faces a daunting task to achieve sustainable and equitable development. About 60% of the country's population lives below the poverty line. While agricultural production has recovered to pre-war levels, only 40% of pre-war industry has resumed production. Rwanda is the most densely populated country in Africa with an estimated annual population growth rate of about 3% now standing at 8.1 million, which, if unchecked, could result in doubling of the population within 20 years.[155] Adult literacy is less than 50%. At 205 per 1,000 the mortality rate for children under five is well above sub-Saharan Africa norms and almost half of children suffer from nutritional stunting. HIV/AIDS affects about 11% of the adult population. Over 90% of the population is dependent on subsistence agriculture on shrinking plots of land of declining quality.[156]

The government believes that the relevancy and legitimacy of Public sector institutions at central and local government levels, including the civil service itself, lies in their resolve, capacity, and success in taking the lead and supporting other partners in the private and civil society sectors to work with the people of Rwanda to get out of poverty. The situation of poverty in the country can be summed up as indicated below:[157]

---

[154] Ibid.
[155] See www.usaid.gov/pubs.
[156] Ibid.
[157] JM Kauzya (2003) Public Sector Reconfiguration and Transformation Strategic Paper.

***Table 8: Selected indicators of economic development and poverty in Rwanda:***

| Indicator | Current level | Year |
|---|---|---|
| Population | 7.979.930 | 2000 |
| Proportion of population below the poverty line | 60.29% | 2000 |
| Life expectancy | 49 years | 2000 |
| Maternal mortality 100,000 births | 810 | 2000 |
| Infant mortality per 1000 (before first birthday) | 107 | 2000 |
| Infant mortality per 1000 (before fifth birthday) | 198 | 2000 |
| HIV prevalence (15 – 49 years) | 13.7 | 2000 |
| Total fertility rate | 5.8 | 2000 |
| Contraceptive prevalence rate | 4% | 2000 |
| Proportion of children completely immunized < 5 years | 72% | 2000 |
| Fertilizer used per ha | 2kg/year | 2000 |
| Gross primary school enrolment | 100 | 2000/1 |
| Net Primary enrolment | 73.3% | 2000/1 |
| Gross secondary school enrolment | 10.2% | 2000 |
| Net secondary school enrolment | 6.0% | 2000 |
| Adult literacy (>15 years) | 52.36% | 2000 |
| Adult Literacy (>15 years females) | 47.79% | 2000 |
| Adult literacy (>15 years male) | 58.06% | 2000 |
| Malnutrition: Low height for age (stunting) | 42.7% | 2000 |
| Malnutrition: Low weight for age (underweight) | 29% | 2000 |

***Source:* Ministry of finance and Economic Planning: National Poverty Reduction Programme: The Government of Rwanda Poverty Reduction Strategy**

The proportion of households below the poverty line (1$/person/day) was 40% in the 1985 household budget expenditure survey, then rose to 53% in 1993 and to an estimated 70% since 1996. Peculiar to Rwanda is the genocide-related poverty. Vulnerability of some groups has increased since the genocide resulting in the emergence of the "new very poor".

Poor households are now more likely to be female-headed and/or child-headed and are characterized by a lack of able-bodied labour. The proportion of the households considered "complete"-with able-bodied adults has fallen from 86% before the war of 1990-1994 to 16% after the war, with the remainder made up of female-headed households, widowers, child-headed households and the elderly, disabled and marginalized people such as street youth and other disabled.

There has been deterioration in Rwanda's social indicators since the war. It is evident that Rwanda lags far behind the Sub-Saharan (SSA) average. For instance, Rwanda has a per capita income of 240$ against 510$ for SSA, foreign investment of 0.1% against 1.3% for SSA and unemployment of 31% as compared to 11% for Ghana. The table below shows statistics about Rwanda as having one of the lowest revenue bases in the world.

***Table 9:*** *Comparison between Rwanda and SSA.*

| **Social sectors comparison** | **Rwanda** | **SSA Average** |
|---|---|---|
| Life expectancy in years | 49 | 51 |
| Literacy in % of population aged 15 and plus | 48 | 43 |
| Combined first-second-third GE Ratio in % | 43 | 44 |
| Gross primary enrolment in % of 1996/1997 | 80 | 75 |
| Access to safe water % of population | 66 | 45 |
| **Access to sanitation % of population** | 86 | 37 |
| Infant mortality per 1000 lives births | 131 | 91 |
| **Economic sectors comparison** | **Rwanda** | **SSA Average** |
| GNP per capita in $US | 240 | 510 |
| Foreign direct investment in % of GNP | 0.1 | 1.3 |
| Financial credit to private sector in % of GNP | 8.1 | 65.1 |
| Unemployment % of total labor force | 31.1 | 11.1 |

*Source*: **1999 Rwanda Indicators and the World Bank "1999 World Development Indicators"**

## 4.4 Gender Disparity

Another characteristic of poverty in Rwanda is gender disparity in access to productive assets. In the past, Rwandan women had no legal right to own land. The Government recently took a step to correct this disparity by adopting a legislation that promotes gender equality through female access to property rights. In addition, Rwanda today has the highest proportion of women legislators in the world. Women now hold 48.8% of the seats in the National Assembly and the country has come the closest of any country in reaching parity between men and women in national Parliament, according to the Geneva-based Inter-Parliamentary Union.[158]

The scope of poverty is also reflected in the relatively poor state of educational indicators. As shown in the table above, enrolment and dropout rates demonstrate that the structures of this sector are distorted. Enrolments for girls are slightly lower than those of boys in primary but are very low at secondary and tertiary education.

As far as poverty is concerned, key issues to be addressed in the Rwandan context are mainly two: First, how best to increase productivity and incomes of the poor through the creation of employment opportunities and increase of levels of investment for overall growth. Second, how best to address the regional disparities of access to social services and provide cost-effective services affordable by the poor.[159]

The major reason for which the government is adopting the public sector transformation and reconfiguration strategy is to enable the sector effectively support and collaborate with the private sector and civil society to create wealth, eradicate poverty, and redress the negative social situation described above.

## 4.5 Electoral Democratization and Participatory Politics

A National Electoral Commission was established to spearhead the introduction and support the process of electoral democratization. Elections of District Councillors took place in

[158] See www.ipu.org
[159] Ibid.

March 2001. The constitutional making process which has been concluded with the adoption of a new National constitution has determined the nature of democratic practice in the country. The population is already accustomed to participating in determining their development and choosing their local leaders. The success of the elections that have so far been conducted and the high turn out of people to vote indicate potential for successful democratization in Rwanda. There had also been elections at grass-root levels in 1999, which were earlier efforts of people's participation in the electoral process. The promulgation of a new constitution in 2003 and the subsequent parliamentary and presidential elections in the same year indicated that the Rwandan population is politically maturing to practice electoral democracy.

## 4.6 Constitution Making Process

The Government believed that all the efforts it is putting into strengthening good governance in the country which have been hinged on the Arusha Agreements, must be debated by the entire population and the peoples' popular views on how they wish to be governed enshrined in a new National Constitution. A Legal and Constitutional Commission was established and spearheaded the important participatory process of making a new National Constitution. The Commission carried out sensitization of the population on the process and guided the population in a referendum which adopted the new constitution which has now become a landmark in the development of Rwanda after 1994. The whole governance and public sector management is being reconfigured in line with the new constitution.

## 4.7 Encouraging and Empowering Civil Society

The government, having realized that good governance and poverty reduction necessitate the effective participation of all actors in all sectors, encourages the developmental role and function that the Civil Society has played in Rwanda. A large number of civil society organizations (CSOs) contribute positively to Rwanda's development, providing services to the population such as health, education and training, assistance to vulnerable groups etc. CSOs can contribute to the implementation of government policies and providing constructive criticism to improve the delivery of public services. The media has played a positive role in providing information to the population on issues such as reconciliation and ***Gacaca***, and also helped to promote transparency and accountability within public and private institutions.

## 4.8 Promotion of Gender Equality and Women Empowerment

Even if the gender map of Rwanda's governance situation shows severe imbalances, some tangible achievements on which progress can be based have been realized during the twelve years. A Ministry of Gender and Women in Development was created and mandated to spearhead the elimination of gender imbalances in all sectors. National Women Councils with a structure from the grass-root were created. The Decentralization policy and laws formalized the affirmative action in decision-making organized in Local Governments. A law on succession and matrimonial regimes was enacted improving the rights of women for property ownership. The Government ratified the convention on all forms of discrimination against women and is in the process of implementing the Beijing Platform. Gender sensitization campaigns have been on going across the country. A National gender Policy has been designed and a five-year gender action plan adopted. The new national constitution has made gender empowerment and inclusiveness a constitutional requirement. All Public sector institutions beginning with the civil service must be reviewed in their structures, behaviour and human capital to make them conform to the gender related provisions of the constitution

## 4.9 Protecting and Managing the Environment

This has been a major concern for the government of Rwanda because it is one of the issues that are core to equity in the country. The Government is aware that as it struggles to extract the present generation of Rwandans from the claws of abject poverty, the well-being and opportunities of future generations should not be compromised. A Ministry (MINITERE) is in place to champion the policies and programmes for protecting and managing the environment. A draft land policy is already written and so is a draft land law. The settlement of some of the Rwandans in "Imidugudu" as a policy is a first step towards re-organizing land settlements to free land for production. It is the duty of the leadership of the country at each and every level, in the public, private and civil sectors to lead the people of Rwanda in sustaining an environment that will support their development for generations to come. Public sector institutions as well as the private sector and civil society will have to integrate concerns of environment protection in their policies, programs, and activities.

## 4.10 Fostering Transparent and Accountable Management of Public Affairs

The Government of Rwanda acknowledges that good governance requires Public Servants at what ever level and in what ever sector to manage public affairs in a transparent, accountable and responsible manner. The following have been achieved in sustaining the promotion of transparency and accountability:

## 4.11 Office of the Auditor General

To support the Parliament's role of oversight the government set up the Office of the Auditor General who generally aims at just and honest reporting on the Government's management of financial and other resources as well as efficiency and productivity in the public service. The institution is also influential in fighting and preventing corruption. However, being a recent creation, it requires a lot of input in terms of building its capacity in order to effectively fulfil its role. In addition it requires to be realigned with the ministry responsible for finance to ensure synergy.

## 4.12 The media

Another instrument of Public transparency and accountability is the press. However, in the case of Rwanda, the press exacerbated tensions among the people through inflammatory print and electronic media. As Russel Smith points out, "the so-called hate media had a significant part to play in the genocide".[160] Today, the government and media organizations have been working together to create a press that can play the positive role of educating and informing the Public thus serving as the Public's watch dog. Considering the public debates on issues of national concern held on television, radio, and in news papers, the press has revamped its image. A government information policy stressing transparency and accountability is in place. The Rwanda Information Bureau has been rehabilitated. The National Radio and television have been equipped. Government has signed agreements with the British Broadcasting Corporation, Deutsch Welle, and Voice of America, among others, to enable them broadcast through modulated frequencies in the country.

---

[160] Russel Smith (2003) The Impact of the hate media in Rwanda; see www.bbc.co.uk.

## 4.13 Institutional Building for Effective and Efficient Economic Management

Several institutions have been established to streamline the socio-economic management in the country. Notable among them are: The Rwanda Revenue Authority for strengthening the country's revenue collecting capacity, The National Planning Commission to strengthen the capacity for formulating policies and mobilizing resources, The Rwanda Investment Authority for strengthening mechanisms of attracting local and foreign investment, Office of the Auditor General of State Finances for ensuring transparency and accountability, The National Tender Board for strengthening mechanisms of government procurement to ensure transparency, efficiency economy, and professionalism, The Statistics Department to provide credible and reliable statistics for planning. The establishment of these institutions provides a foundation for strengthening aspects of good governance that such institutions champion. The budgetary reforms within the MTEF have contributed to improvement of economic management.

## 4.14 Developing the Human Resources and Capacity Building

The Government is aware that neither good governance nor poverty reduction will be achieved without the support of a reservoir of Rwandans who are knowledgeable, skilled, and well informed. The efforts towards developing the Rwanda Human Resources have so far yielded the following modest achievements that could be used as spring boards to develop the country's human resource: The Rwanda Institute of Administration and Management was established and is currently conducting some training for both the Public and Private Sectors. The "Institut Superieur des Finances Publiques" is being restructured to offer post-graduate training in finance, banking, and insurance. The Human Resource Development Agency has been created to coordinate policy making in the area of Human resource development. There are several Universities, and institutions of higher learning, some of them initiated by the private sector which is contributing to the development of the human resource in the country.

Before the 1994 war and genocide, the Rwandan economy was on the decline. The per capita income had declined from US$ 380 in 1988 to US$ 150 in 1994. The social indicators, which used to be above sub-Saharan averages, deteriorated in the late 1980s.[161] To address the challenges of poverty, the GOR in 2002 prepared its first comprehensive Poverty Reduction Strategy (PRSP) whose aims and objectives were to undertake a full review of the country's first PRSP and related Annual Progress Reports with a view to identifying lessons arising from the impact and processes of the PRSP. Secondly, it was to assess the overall impact and implementation processes of the PRSP.[162]

Although Rwanda was ranked one of the top twelve reformers globally by the World Bank's 2006 Doing Business Report, its overall rank, 139 out of 155, remains low and further reforms will be needed to reduce the cost of starting a business, estimated at 280% of per capita income.[163]

At the social level, access to health services is improving and a new health sector strategy was recently completed to address maternal and child mortality, which, as indicated, above, remain high in comparison with other sub-Saharan African countries. In the education sector, gross primary education has risen rapidly to 131% of the school age population and net primary school enrolment remains at 93%, making the target of universal education by 2015

---

[161] See Rwanda: Background Paper by the World Bank for Donor Meeting on Budget Financing, Paris, France, July 24th 1997.
[162]
[163] See IMF and the IDA Report on Rwanda, March, 27th 2006; www.worldbank.org/resources/Rwanda.

feasible.[164] The GOR has also made the first three years if secondary education part of the free basic education. A new Water and Sanitation Policy based on decentralized approach was adopted in 2004 and is being implemented as evidenced by the completion of contract models and standards to assist districts in contracting private operators, and the promotion of sanitization technologies in rural areas.[165]

## 4.15 The role of ICTs

ICTs are now seen as "an essential facilitator of service improvement particularly when governments worldwide are facing an increasing trend towards knowledge-based production and the communications revolution".[166] ICTs in Rwanda's socio-economic transformation is a novel idea whose implementation is government driven. As pointed out recently by Fleeton, the Chief Executive Officer of Development Gateway, "Rwanda is one of the foundation's strongest partners and what distinguishes it is the strong leadership and commitment from the government—from the President himself, from ministers and from rectors of the hosting institutions".[167]

The introduction of ICTs and their implementation should be examined against a backdrop of post-Genocide reconstruction and rehabilitation efforts by the Government of Rwanda (GOR). It represents a paradigm shift from the way the affairs of public sector management have been conducted and is in conformity with the reforms taking place that encourages devolution and better service delivery of public services in the context of the country's Vision 2020. The GOR recognised the role that ICTs can play in accelerating socio-economic development of

---

164 See Joint Staff Advisory Note of the Poverty Reduction Paper Annual Progress Report by the World Bank and the IMF, approved by Sharmini Coorey and Mark Plant, March 27th 2006.
165 Ibid.
166 Public Sector Management Reforms in Africa: Lessons Learned; Development Policy Management Division. Economic Commission For Africa, Addis Ababa, December 2004; p.37.
167 Vanessa Harrhoff, in Rwanda Funds ICT development, in www.itweb.co.za

the country towards an information and knowledge-based economy.[168] It is on this basis that the GOR made a number of policy commitments aimed at facilitating and accelerating development, deployment and exploitation of ICTs within the economy and society. The key areas of policy, among others, include the following:

- Policy on creating and facilitating an enabling environment for the development of the national information society and economy;
- Policy on implementing special tax packages, instruments, and incentive programmes to promote the development of the information economy;
- Policy on human resource development and deployment to support the development of the country's information society and economy;
- Policy to facilitate the deployment and exploitation of ICTs in the educational system;
- Policy on the deployment of ICTs to support the operations of the civil and public services;
- Policy on facilitating an investment climate for the mobilization of financial and technological resources;
- Policy to encourage and facilitate physical infrastructure development;
- Policy on the development of standards, best practices and guidelines to guide the deployment, exploitation and development of ICTs;
- Policy on creating the necessary enabling regulatory framework for facilitating the deployment and exploitation and the development of ICT products, services and systems.[169]

[168] Clement Dzidonni (2005) Rwanda ICT 4D/NICI—2005 Plan: Achievements, Lessons and Challenges; p.6; see www.iniiti.com
[169] Ibid.

Through Rwanda's Vision 2020, the country envisages that the implementation of the ICT 2020 policy framework will progressively reduce the contribution of agricultural sector to the national economy while at the same time increase the contribution of the service and industrial sectors to the economy.[170]

### *4.15.1 ICTs and the Public Sector Service Delivery*

The GOR is committed to the use of ICTs in the efficient delivery of public services as a way of complementing other efforts in the socio-economic development of the country. The challenges faced by government ministries and departments in the provision of quality services to the people of Rwanda have necessitated the building of an information society. The introduction of E-government for instance has centred on office automation, e-mail, web access, data communications and management support.[171] Already, E-government applications are beginning to transform the way government is interacting with citizens and the private sector.[172]

### *4.15.2 The Computerization of the Government Ministries and the Public Sector Organisations (PSOs)*

At the beginning of the process, very few Government Ministries and PSOs have computerised their operations although some of them, at the time have computers in some of their offices, with the majority of these using them for basic applications such as word processing and in some few cases for spreadsheet and dial-up access to the Internet which was then limited to just a fraction of the staff. Not many of these organizations were at the time utilizing their computer systems for high-end value-added applications like: information

---

[170] Ibid.

[171] UNDP, Rwanda Country Review on the Role of ICT in Poverty Reduction in the Achievement of the Millennium Development Goals (MDGs), 2004, p.13

[172] Fred Mugisha (2006) E-government; Building an Information Society—The Case of Rwanda; Development Gateway; Putting the Internet to work for developing Countries.

systems (MIS, DSS), databases, personnel management systems, accounting and budgeting systems. Most of the Ministries and the PSO do not have corporate networks. There was no inter-networked system linking the government Ministries and the PSOs at the start of the process. The implementation of the programmes and the initiatives of the 'Facilitating Government Administration and Service Delivery Sub-Plan has change all this. We review below some of the achievements in this area.

### *4.15.3 Implementation of Organizational Network*

On the implementation of organizational/corporate networks, the situation now in the Government Ministries and PSOs, after close to 4 years of the implementation of the NICI-2005 Plan, is now very different when compared to what was the case at the start of the process. For example, unlike in 1999/2000, the majority of Government Ministries and PSOs now have in place their corporate networks, with some like the Ministry of Justice having a country-wide area network linking the courts and other judicial agencies.

Also while at the start of the process in 1999, when there was no government-wide network inter-linking the Ministries, and the PSOs, a section of a fibre backbone network that could provide the basis for implementing the proposed government-wide network is now in place with the capacity to inter-link the Cacyiru cluster of Government Ministries, the MINIJUST-National Assembly cluster, the PRIMATURE-MINADEF cluster, and part of the city centre cluster of Government Ministries and PSOs. Currently about seventeen Government Ministries and ten PSOs including one major hospital are now physically connected to the fibre backbone network.

***Table 10: Status of Connectivity to the Fiber Backbone Communications Network***

| **Government Ministries Currently Connected to the Fiber Backbone Network** | **PSOs Currently Connected to the Fiber Backbone Network** |
|---|---|
| Office of the President | Rwanda Information Technology Authority (RITA) |
| Ministry of agriculture -MINAGRI | King Faycal Hospital |
| The Senate | National Post Office |
| Ministry of Justice –MINIJUST | Rwanda National Tender Board (NTB) |
| Ministry of Health –MINISANTE | Rwanda Revenue Authority (RRA) |
| Ministry of Foreign Affairs -MINAFFET | The Supreme Court |
| Ministry of Finance –MINICOFIN | RIAPA |
| Chamber of Deputies – National Assembly | National Security Service |
| Primer's Minister office -PRIMATURE | Caisse social du Rwanda |
| Ministry of Defense -MINADEFF | RIAM-GITARAMA |
| Ministry of Infrastructure –MININFRA | |
| Ministry of Interior –MININTER | |
| Ministry of Public service –MIFOTRA | |
| Ministry of Local Gvt.-MINALOC | |
| Ministry of Education -MINEDUC | |
| Ministry of Gender –MIGESPOC | |
| Ministry of Lands and Environment – MINITERE | |

*Source*: **Government of Rwanda; RITA; A Review of the Implementation of the Rwanda ICT4/NICI 2005**

There are plans in the very near future to connect all the remaining government departments and PSOs to backbone and provide a common shared gateway to the Internet for all these agencies.[173]

[173] RITA; A Review of the Implementation of the Rwanda ICT4/NICI 2005 Plan, p.

## 4.16 Appraisal of Ministries and Government Departments

One of the major challenges facing Rwanda's public sector institutions is the absence of sound planning units. It is in this regard that in August 2006, a comprehensive assessment of fifteen ministries was carried out aimed at "determining the capacity of ministerial planning units".[174] According to a Presidential Advisor on Policy and Planning, the assessment included "analysis on the capacity to plan, compile and disseminate data and information from the ministries' in-house registry or administrative source". Besides, the assessment also provided critical reviews of each institution's progress and hitches in the respective planning departments and would assist in the future planning. It was acknowledged during one of the sessions that "most planning units do not undertake evidence based planning processes".[175]

## 4.17 Conclusion

The management of the public sector reforms in Rwanda has faced considerable challenges and constraints. The reforms are essentially administrative and require continued political good will to implement. The reforms have also necessitated the shaking up of hitherto moribund administrative setup and introduced institutions that have gone a long way in establishing the culture of transparency, accountability and transparency.

---

[174] See the New Times of 29th August, 2006; www.newtimes.co.rw; article by Ignatius Suuna: ***Appraisal in ministries underway***.

[175] From D.Himbara, in ***"President's Office Sermons Government Planners"***, article by Robert Mukombozi and Berna Namata, see New Times, Friday, August 25, 2006.

# CHAPTER FIVE

## Conclusion

### 5.0 RECOMMENDATIONS

The public sector reforms are still going on in many sub-Saharan Africa including Rwanda. While it may be too early to predict their successes or failure, it is clear that they have not been able to achieve their desired results. In a number of African countries, the reforms have not succeeded owing to lack of political will. In the case of Rwanda, there continues to be political will that has resulted into implementation of some of the reforms. Beyond political will and resources, focused leadership is critically important. Public sector reform is an art and not a science (Wescott, 1999). The reformers know what they want and how to get there.

The reforms have been based on the World Bank/IMF recommendations and supported by the same institutions and donors. This factor has tended to undermine the independence of policy makers and has also contributed to vulnerability of the various countries examined. While Rwanda has borrowed a leaf from countries such as Mauritius, which has attempted to combine the authority of the state control with the flexibility of a private sector regulator, her dependence on foreign aid to the tune of nearly 60% of her budget makes her vulnerable. Attempts to reduce such dependency ratios are critical to the country's overall development, and explain the search for new ways of accelerating the country's socio-economic development including the emphasis of the ICT policy, despite the existence of challenges in its implementation.

It has been argued that programmes and strategies for Africa's economic recovery and development have not been implemented in full because public sector institutions have been bedevilled by problems of corruption, nepotism, inefficiency, poor coordination, poor management and institutional capacity and political interference. These weaknesses have stifled the process of socio-economic development in sub-Saharan Africa.

Good political governance entails an effective separation of powers between the legislative, judiciary and the executive. There is need in the case of Rwanda to put in place at the earliest opportunity an independent Public Service Commission, which was provided for in the 2003 Constitution. Most senior appointments in Rwanda are still made by Cabinet, in the absence of a Public Service Commission. In countries where such institutions exist, continued interference by politicians undermines their credibility.

With the support of the public sector or civil service, the executive is mandated to formulate policies, programmes and strategies and monitor their implementation. In most of sub-Saharan African countries mentioned in this study, there exists a strong executive which is unable to respond effectively and efficiently to the demands of the people.[176] "It has the constitutional authority and political power to perform its functions, but it does not have the institutional capacities to fulfil those functions efficiently and effectively".[177]

In the case of the civil service, the mandate of the civil servants is to manage the institutions of governance and also advise ministers on a wide range of issues ranging from health, education, transport, economic growth to poverty alleviation and others. However, most of the public servants lack the ability to formulate, implement and monitor policies, programmes and strategies focused on economic growth and sustainable development. One consensus from these reforms is that they have failed to attract and retain the brightest and the best in the civil services.[178]

---

[176] Public Sector Reforms in Africa: Lessons Learned, ECA, Addis Ababa, December 2004.
[177] Ibid.p.44
[178] D, Olowu (2003) Restoring Public Service Leadership in Africa—moving from Tactical to Strategic Responses: A critical Challenge to NEPAD; The Institute of Social Studies, the Hague; The Netherlands.

Given the importance of the public sector reforms in the overall development of a country, "mobilisation and harnessing of this resource is very critical"[179] "Building critical institutional capacities in Africa for good governance, economic growth and development is therefore a prerequisite". However, any reform to this end should be carefully formulated, programmed and implemented, taking cognisance of each country's unique and specific circumstances.

One of the few ways of bringing about a convergence of donor and recipient interests in Africa is to ensure that donors are partners as they collaborate in providing ideas and funds to jump start the process in the short run. There will also be need to create a civil service Leadership Fund to which countries determined to rebuild their civil services can turn for development finance. The condition for the disbursement of such a fund would be improvement in revenue mobilisation and progress in those articulated strategic sectors and the installation of the strategic governance structures. [180]

It has been observed that African civil services are not absolutely over bloated but poorly structured. Africa has, according to D.Olowu (2003) "the least number of civil servants per population among the world's regions. The diagnosis and prognosis of current CSRs, according to Olowu, are equally wrong headed: The primary task is not to reduce cost but to raise investment in favour of the civil service. There is need to reduce numbers particularly with respect to the low paid officials who in the first instance should not have been there. There is also need to redefine the scope and mission of the public service organisations such that some of the tasks underpinned by central government organs can be privatised, decentralised or even outsourced.

---

[179] Op Cit. p.45.
[180] Ibid.

## Bibliography

Adams, A. and Harnett, T. (1996) 'Cost Sharing in the Social Sectors of sub-Saharan Africa: Impact on the poor', World Bank Discussion Paper No. 338, Washington, DC.

Balogun, M.J. (2001) 'Performance Improvement and Customer Satisfaction a Focus of public Service Reform: Trends and Challenges in Africa', Public Administration Quarterly, Vol.25, No.3.

Bangura, Y. (2000) 'Public Sector Restructuring: The Institutional and Social Effects of Fiscal, Managerial

Barya, J. J. (1993) 'The New Political Conditionalities of Aid: An Independent View from Africa, IDS Bulletin, Vol. 24, No. 1 (16-22)

Batley, R. (1999) 'The New Public Management in Developing Countries: Implications for Policy and Organizational Reform', Journal of International Development, Vol. II, No.5 (761-765)

Blunt, P. et al, (1993) Managing Organizations in Africa: Readings, Cases, and Exercises, Walter de Gruyter, Berlin.

Buchanan, D. and Boddy, D. (1992) The Expertise of the Change Agent: Public Performance and Backstage Activity, Prentice Hall, United Kingdom.

Buchanan, D. and Huczynski, A. (1997) Organizational Behaviour: An Introductory Text (3rd ed), Prentice Hall.

Burnes, B. (1996) Managing Change: A strategic Approach to Organizational Dynamics (2nd Ed), Pitman, Great Britain.

Cohen, J. M. (1993) 'Importance of Public Service Reform: The case of Kenya', Journal of Modern African Studies, Vol. 31, No. 3. (449-476)

Common, R. (1998) 'The new public management and policy transfer: role of international organizations' in: Beyond the New Public Management: Changing Ideas and Practices in Government, Minogue, M., Polidano, C. and Hulme, D. (eds), Edward Elgar, UK.

Commonwealth Secretariat (1997) Current Good Practices and New Developments in Public Service Management: A profile of the Public Service of Zimbabwe. Commonwealth Secretariat, London

Cook, P et al (1998) 'Privatization, Enterprise Development and Economic Reform: Experiences of Developing and Transitional Economies' in: Privatization, Enterprise Development and Economic Reform: Experiences of Developing and Transitional Economies, Cook, P. et al (edits), Edward Elgar, United Kingdom.

Cope, S et al (1997) 'Globalization, New Public Management and the enabling State: Futures of Police Management' International Journal of Public Sector Management, Vol.10 No. 6 (444-460)

Curtis, S. (1994) 'Change: The Rocky But Rewarding Road' in: Managing Change in the New Public Sector, Lovell, R. (edit), Longman, England.

Dia, M. (1994) 'Civil Service Reform: The African Experience' in : Civil Service Reform in Latin America and the Caribbean: Proceedings of a Conference, Chaudhry, S. A. et al (edits), World Bank, Washington, D. C.

Dolowitz, D. P. and Marsh D. (1998) 'Policy transfer: a framework for comparative analysis' in: Beyond the New Public Management: Changing Ideas and Practices in Government, Minogue, M., Polidano, C. and Hulme, D. (edits), Cheltenham, Edward Elgar.

Dwivedi, O. P and Nef, J. (1982) 'Crises and continuities in development theory and administration: First and Third World perspectives'. Public Administration and Development, Vol. 2, 1982 (59-77)

Farnham, D. and Horton, S. (1993) 'The New Public Service Managerialism: An Assessment' in: Managing the New Public Services, Farnham, D. and Horton, S. (edits). Macmillan, England.

Ferlie, E. et al (1996) The New Public Management in Action, Oxford University Press, USA.

Gay, P. (1996) 'Making up Managers: Enterprise and the ethos of Bureaucracy' in: Politics of Management Knowledge, Clegg, S. R. and Palmer, G. (eds.), SAGE, London.

Grindle, M. S. and Thomas, J. W. (1991) Public Choices and Policy Change: The Political Economy of Reform in Developing Countries, John Hopkins, USA.

Hawthorn, G. (1993) 'How to ask for Good Government', IDS Bulletin, Vol. 24, No. 1, (24-30)

Heeks, R (1999) 'Better Information Age Reform: Reducing the Risk of Information Systems Failure', Reinventing Government in the Information Age: International practice in IT-enabled public sector reform, Heeks, R. (edit) Routledge, London.

Hossam, A; Structural Adjustment and Gender in sub-Saharan Africa, Dissertation submitted to the University of Manchester's Institute for Development Policy and Management (IDPM), 1998.

Hussey, D. (1998) Strategic Management: From Theory to Implementation, Butterworth-Heinemann, Great Britain.

Kaul, M and Collins, P. (1995) 'Governments in Transition: Towards a Public Administration', Public Administration and Development, Vol.15, (199-206).

Lancaster, C. (1993) 'Governance and Development: The Views from Washington' IDS Bulletin, Vol. 24, No. 1 (9-15).

Larmore, C. (1987), Patterns of Moral Complexity, Cambridge University Press, UK.

Lovell, R. (1994) 'Understanding People' in: Managing Change in the New Public Sector, Lovell, R. (edit), Longman, England.

McHugh, M. (1999) 'Trouble in Paradise: Disintegrated strategic change within a government agency', International Journal of Public Sector Management, Vol.10 No. 6 (433-443)

Minogue, M. (1999) 'Power to the People? Good Governance and the Reshaping of the State', Public Policy and Management Working Paper Series, No. 14, IDPM.

Minogue, M. (1998a) 'Is Good Governance a Universal Value?' Public Policy and Management Working Paper Series, No. 6, IDPM.

Minogue, M. (1998b) 'Changing the State: Concepts and Practice in the Public Sector ' Public Policy and Management Working Paper Series, No. 4, IDPM

Mugambage F, Community Policing in a Post-Conflict Society: A case Study of Post-Genocide Rwanda, Thesis presented in part-fulfilment of the requirements for the award of the Degree of Master of Arts in International Studies at the Institute of Diplomacy and International Studies, University of Nairobi, October, 2005.

Obongo, S, Transferring New Public Management Reforms: The case of Civil Service Reforms in Kenya, Dissertation submitted to the University of Manchester's Institute for Development Policy and Management (IDPM), 2000.

Olowu, D and S, Sako ed. (2002) Better Governance and Public Policy: Institutions for Democratic Renewal in Africa; Bloomfield, Kumarian Press.

Omok, I. (2000) 'Old guards fighting hard' in New Africa, July/August No. 387, IC Publications, UK.

Osborne, D. and Plastrik, P. (1997) Banishing Bureaucracy: The Five Strategies for Reinventing Government, Penguin Group, USA.

Polidano et al, (1998) 'Conclusions: looking beyond the new public management' in: Beyond the New Public Management: Changing Ideas and Practices in Government, Minogue, M., Polidano, C. and Hulme, D. (edits), Edward Elgar, UK.

Polidano, C, 2001, Why Civil Service Reforms fail, Public Policy Management Working Paper No. 16, Institute for Development Policy and Management, Institute for Development Policy and Management, University of Manchester.

Polidano, C. (1999) 'The New Public Management in Developing Countries', Public Policy and Management Working Paper Series, No. 13, IDPM.

Public Administration and Development Special Issue on "African Decentralisation and Local Governance", Vol.23, No.1 (edited by Paul Smoke).

Rama, M. (1999) 'Public Sector Downsizing: An Introduction' The World Bank Economic Review, Vol. 13, No. 1 (1-22)

Shihata, I. F. I (1994) 'Administrative Reforms in Developing Countries: Some General Observations' in: Civil Service Reform in Latin America and the Caribbean: Proceedings of a Conference, Chaudhry, S. A. et al (edits), The World Bank, Washington, D. C.

Stevens, M and S. Teggemann (2003) 'Comparative Experience with Administrative Reform in Ghana, Tanzania and Zambia' Paper delivered at the World Bank Regional Workshop on 'Governance and Public Management', Johannesburg June 9-13, 2006

Turner, M. and Hulme, D (1997) Governance, Administration and Development: Making the State Work, Macmillan, UK.

United Nations (2001) World Public Sector Report: Globalisation and the State, Part 2, Executive Summary, New York.

Wescott, C. (1999) 'Guiding Principals on Civil Service Reform in Africa: An Empirical Review', International Journal of Public Sector Management, Vol. 12, No. 2 (145-170)

World Bank (1996) Bureaucrats in Business: The Economic and Politics of Government Ownership, Oxford University Press, New York.