

REPUBLIC OF RWANDA

MID-TERM EVALUATION OF UNCDF'S LOCAL DEVELOPMENT PROGRAMME

(GICUMBI AND RULINDO)

**SUBMITTED TO:
UNITED NATIONS
CAPITAL DEVELOPMENT FUND**

**FINAL
EVALUATION REPORT**

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LIST OF ACRONYMS

AAP	Annual Action Plan
AIP	Annual Investment Plan
BSF	Belgium Survival Fund
CDC	Community Development Committee
CDF	Common Development Fund
CDDP	Community Development and Decentralization Program (World Bank)
CEPEX	Central Public Investment and External Finance Bureau
DA	Development Advisors
DEMP	Decentralization and Environmental Management Program
DIP	Decentralization Implementation Program
DDP	District Development Plan
ECI	ECIAfrica Consulting (Pty) Limited
EDPR	Economic Development and Poverty Reduction Strategy
FORMADIS	Districts Training (Formation des Districts)
HIMO	Labor Intensive Public Work (Haute Intensité de Main d'œuvre)
IFAD	International Funds for Agriculture Development
IGA	Income-Generating Activities
GoR	Government of Rwanda
JAF	Joint Action Forum
LF	Logical Framework
MDG	Millennium Development Goals
MINAGRI	Ministry of Agriculture and Animal Resources
MINALOC	Ministry of Local Government, Good Governance, Community Development and Social Affairs
MINECOFIN	Ministry of Finance and Economic Planning
MIFOTRA	Ministry of Public Service and Labor
MINITERE	Ministry of Lands, Environment, Forestry, Water and Mines
MIS	Management Information System
NDIS	National Decentralization Implementation Secretariat
NTB	National Tender Board
LDP-GR	Local Development Project for Gicumbi and Rulindo
PCU	Project Coordination Unit
PIP	Pluri-annual Investment Plan
PRODOC	Project Document
PRSD	Poverty Reduction Strategic Document
REMA	Rwanda Environment Management Authority
RIAM	Rwanda Institute of Administration and Management
RALGA	Rwandese Association of Local Government Authorities
SWAp	Sector-Wide Approach
ToR	Terms of Reference
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNS	United Nations System
VG	Vulnerable Groups
WFP	World Food Program

1. PROJECT SUMMARY

Country:	Rwanda
Program number:	Rwa04c01
Program title:	Local Development Project for Gicumbi and Rulindo (LDP-GR)
Sector:	Governance
Executing agency:	UNCDF
ATLAS references:	UNCDF: 00034446
	UNDP: 00041147
	BSF: 00040560
	Project Support Budget 00043040
Starting date:	16/12/2004
Amendment date:	August 2006
End date (planned):	31/12/2009
Project duration:	5 years
Total budget:	(USD)
<i>Government:</i>	<i>600.000</i>
<i>UNCDF</i>	<i>2.000.000</i>
<i>UNDP</i>	<i>900.000</i>
<i>BSF</i>	<i>3.750.000</i>
Total:	7.250.000
Sector:	Governance/Local development
Government Executing Agency:	Ministry of Local Government, Good Governance, Community Development and Social Affairs (MINALOC)
Exchange rate:	1 USD=Rwf550

2. PURPOSE OF THE EVALUATION

2.1 Evaluation purpose

The purpose of the evaluation of the Local Development Project for Gicumbi and Rulindo (LDP-GR) is described, on the one hand in the Terms of Reference (ToR) developed by the United Nations Capital Development Fund (UNCDF) and by the UNCDF Program Officer in Rwanda¹, and on the other hand in the “Evaluation Manual for UNCDF Local Development Programs” produced by ECIAfrica (ECI). It is broken down as follows:

- To assist the LDP-GR partners to determine the efficiency, effectiveness, relevance and impact of the project, the sustainability of program results and, the level of satisfaction of program beneficiaries with the project.
- To grapple with the issues of allocation effectiveness (especially to determine whether the project has been able to satisfy the priority needs of poor people and to provide them with affordable services) and productive effectiveness (to determine whether the Project has provided services at a cost as low as possible, comparing this to other strategies or approaches), and to provide some answers on whether using the Local Development Fund (LDF), channeled through Districts, has helped to improve governance, to build and to develop institutional capacity, to increase the efficiency of infrastructure and services provision and, to contribute to sustainable community development.
- To assess whether LDP-GR anticipated results have been achieved compared to the project scope, with a specific focus on the following areas:
 - a. The project's general impact on poverty alleviation and food security.
 - b. The project impact on the local economy, especially regarding job creation, household income, access to credit, productive capacity and productive sector as well as local fiscal revenues.
 - c. Bearing in mind the Rwandese historical context, the impact of project activities on the peace and reconciliation process at the local level.
 - d. General quality of the approach and its relevance towards Government policy on local development and the fight against poverty.
 - e. Quality of the technical assistance provided to the Project team by the UNCDF and the United Nations Development Program (UNDP).
- Draft recommendations regarding the general direction that should be followed in the project second phase and beyond.

¹ Terms of Reference, Annex 1.

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- To express an opinion on the institutional structure of the project – in particular regarding the pertinence of a separate coordinating unit, and to propose a range of realistic institutional alternatives, together with their pros and cons.

2.2 Program Cycle

The project started in December 2004 for a total duration of 5 years. This evaluation is therefore a mid-term evaluation.

3. EVALUATION METHODOLOGY

3.1 Methodology and tools used

The evaluation methodology was based on the above-mentioned “Evaluation Manual for UNCDF Local Development Programs”. This was used as the conceptual framework which underlies the UNCDF approach, including spelling out the main issues within the evaluation, describing the participative evaluation and providing interview templates adapted for different categories of stakeholders, as well as a detailed report structure. The evaluation team members therefore benefited from a detailed framework to conduct this assignment.

Moreover, a questionnaire was sent to the UNCDF Program Officer in Rwanda, two weeks before the beginning of the assignment, which enabled the evaluation team to get a preliminary understanding of the progress achieved by the Project and hence to adjust the interview guides.

3.2 Workplan

The assignment, over a period of three weeks, included the following activities² :

At national level:

- Holding working sessions with the “Belgium Survival Fund” (BSF) and UNDP representatives, which enabled the team to understand better the significance of the evaluation and to place the Project in a broader context.
- Interviews with [representatives from] the Ministry of Local Administration, Good Governance, Community Development and Social Affaires (MINALOC), as being the Ministry overseeing the Project, as well as with the Project main partners.
- Interviews with the main development agencies operating in the area of decentralization and local development.
- A feedback session on the main findings of the assignment, which allowed for the gathering of comments that were integrated in the draft report.
- A “global debriefing” with the UNCDF head office and other stakeholders, through a teleconference, has allowed the authors to gather comments on the draft report; these have been taken into account in the final report.

At local level:

- A working session and individual interviews with members of the Project Co-ordination Unit (PCU).
- A working session with the authorities in the Northern Province.
- Twelve sites were visited, around which focus groups were organized with beneficiaries. The selection of sites and rural communities visited was made together with the PCU,

² Work Plan, Annex 2.

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taking into account the following representative criteria: demographics, poverty level, the commitment level shown by different institutions and geographical remoteness.

- A plenary session with the authority and technicians from the Gicumbi district.
- Individual interviews with the Mayor of Rulindo, the Deputy-Mayor in charge of Economic Development and the Director for Planning and Economic Development in the Rulindo District.
- A feedback session for both Districts, to present and validate the main findings of the evaluation at local level.

Table 1: Geographical spread of the evaluation

DISTRICT	Gicumbi	Rulindo	TOTAL
Areas	Mutete, Nyankenke, Bwisige, Byumba and Manyagiro	Bushoki, Tumba, Kinihira, Rukozo and Cyungo	10
Infrastructure sites	Provision of cattle and smaller livestock, progressive and radical terracing, planting of fodder crops, dirt road rehabilitation, improving amenities around water springs	Provision of cattle and smaller livestock, provision of agriculture inputs, radical terracing, mill	12

3.3 Methodology issues

Quite a number of methodological issues arose during this evaluation exercise:

- The team was unable to hold a workshop on hypotheses at the beginning of the assignment, as it had been planned, because one of the team members could only join the evaluation team later on.
- It was difficult for the team to access various data related to Project monitoring (micro-projects sheets, data on financial management, information on monitoring and evaluation, global figures on beneficiaries) and to reconcile some of them, which explains the near-total lack of quantitative data related to the impact of the Project in the formal presentation of local and national findings [that was provided during the in-country work] as well as in this report. This unavailability of quantitative data can most certainly be attributed to the fact that the decentralization process was disturbed by administrative boundary changes in 2006 and that subsequent research did not provide satisfactory baseline data. Over and above these limiting factors, it was the team's opinion that the PCU could have provided

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more summary data on activities undertaken and on some impact. This type of data being crucial for any well functioning technical assistance unit.

- Finally it is important to specify that, because of the changes in administrative boundaries in 2006, which slowed down or suspended some Project activities, the evaluation could only focus on a single financial year (budget approved in 2005, spent in 2006 and equal to only 10% of the total Project budget) and on a very small part of the following financial year, for which the budget was approved in 2006.

3.4 Team composition

The evaluation team included three persons:

- Mr. Alexis Dukundane, local consultant, was responsible for the areas related to capacity building, planning and infrastructure.
- Mr. Raymond Audette, international consultant, was responsible for the areas related to funding monitoring/evaluation, food security.
- Mrs. Valérie Hindson, international consultant, acting as project leader, was responsible for the areas related to local governance, local economic development, and institutional architecture of the Project.

The project team wishes to thank Mr. Benoit Larielle, UNCDF Program Officer in Rwanda, for his warm welcome and support during this evaluation, as well as Mrs. Maggy Matera, UNCDF Desk Officer in charge of the Local Governance Unit for making sure that this assignment took place in the best possible conditions. The project team also wishes to thank the entire PCU team for facilitating the field work.

4. PROGRAMME PROFILE

4.1 Understanding the Context

4.1.1 Country context

Rwanda has developed remarkably since 1994, with a constant economic growth since 2001 (6,3%); it is one of the best performing countries in sub-Saharan Africa and a model as post-conflict reconstruction goes. However, the country is also characterized by a relatively high poverty rate (56,9% of the population), high population density and soaring demographic growth. These characteristics, combined with population displacements linked to the recent country history, have led to deforestation and soil erosion and to reduced agriculture productivity, with as added consequences a high prevalence of food insecurity (28% of the population) and persistence of extreme poverty (37% of the population).

The Government of Rwanda (GoR) has adopted a global strategy called “Vision 2020”, which goal is to achieve a 7% economic growth in order to reduce poverty, focusing on private sector development and modernizing agriculture and, for Rwanda to become a regional services centre for the Great Lakes region. To achieve that vision, the GoR has developed a new Economic Development and Poverty Reduction Strategy 2007-2011 (EDPRS)³, based on existing achievements and core infrastructures. The document underlines four priorities which are:

To reduce extreme poverty, through amongst others increased food security.

Economic growth and job creation, by investing in infrastructures, modernizing agriculture and developing technologies.

To reduce population growth rate.

To increase efficiency of poverty reduction programs, through a better use of monitoring and evaluation, a better coordination between sectors and between government levels.

These priorities are also embodied in the Program “Vision 2020-Umurenge”, which constitutes an integrated rural development program aiming to make the [public] administration the “entry door” of development, as to increase the efficiency of providing services and to reduce poverty in all its dimensions.

A national Policy of Decentralization has been put in place since may 2000 through two five-year programs⁴, as a mean to foster national reconciliation, to promote good governance, to fight against poverty and to increase services delivery. This was completed by a national Policy promoting local development which aims to facilitate sustainable local development (defined as “socially sustainable development, managed by local authorities and by local institutions, and which enable delivery of social services suitable for the [local] people as well as putting in place

³ *Economic Development and Poverty Reduction Strategy* (2008-2012), Ministry of Finance and Economic Planning, June 2007.

⁴ Decentralization Implementation Programs (DIP).

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measures focusing on local economic development and poverty reduction”) and, to mobilize citizen and encourage them to assume responsibility at local level.

To complement these policies, a Common Development Fund (CDF)⁵ has been put in place in October 2002 by the GoR, through which funds can be allocated to the Districts in order to build their capacity in organizing services delivery. This has become the main tool used by the GoR and many of its development partners⁶ to support the decentralization policy, by promoting a fair repartition of funds between the Districts based on their development disparity⁷.

In 2006, a reform changed administrative boundaries, which lowered the number of Provinces and Districts (from 12 to 4 Provinces and from 106 to 30 Districts); this has allowed to allocate better qualified staff at Districts and Sectors’ levels and to better define roles and responsibilities at different territorial levels. That is how Provinces are now responsible for planning coordination, District governance and monitoring and evaluation ; Districts are in charge of planning, coordination of public services delivery and LED; Sectors are focus points for delivering services to people and in charge of coordinating participative local development, as well as gathering data and information (statistics) ; Cells are responsible for evaluating and prioritizing needs and, mobilizing community action; last, *Umudugudu* (Village) is tasked with strengthening social cohesion within the local community.

An approach based on evaluating how Districts perform, through performance contracts signed by the Mayors and the President of the Republic (*Imihigo*), has also been introduced after the local elections in 2006, which has significantly contributed to increase the Districts’ capacity to use funds. Following this reform, policies related to fiscal and financial decentralization were revised, by creating a framework for targeted sectoral transfers within Districts budgets. This has already led to doubling the total of funds transferred from GoR to Districts since 2006.

The present phase of implementing decentralization (2007-2011)⁸ aims to consolidate the Millennium Development Goals (MDG) and to deepen the decentralization process, by providing much needed resources and capacity and by increasing the effectiveness in delivering services. A Rwanda Decentralization Strategic Framework has also been adopted⁹, which identifies eight strategic areas (National ownership of the decentralization process and effective partnerships for implementation ; harmonization and coordination in implementing the decentralization policy; Citizens’ participation in governance and in decision making processes; increased efficiency and effectiveness in service delivery; fiscal and financial decentralization; sustainable links between

⁵ Common Development Fund.

⁶ UNCDF, European Union, German Financial Cooperation (KfW), Dutch Cooperation, Swiss Cooperation, Belgium Technical Cooperation, African Development Bank.

⁷ Funds allocation formula - to the Districts - used by the CDF, Annex 7.

⁸ Rwanda Decentralization Implementation Program (DIP 2007-2011), MINALOC, February 2007.

⁹ Rwanda Decentralization Strategic Framework, towards a sector-wide approach to decentralization, May 2007.

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decentralization and poverty reduction; monitoring and evaluation and management information system) ; this is seen as a first step towards a sector-wide approach to decentralization.

Finally, it is interesting to mention the pilot initiative “One UN in Rwanda” launched by the GoR in December 2006. One of the challenges linked to this initiative is the need to identify the comparative advantages of the United Nations System (UNS) in assisting decentralization, to simplify, clarify and reduce transaction costs for donors and agencies and, to clarify roles and responsibilities of each player. The United Nations Development Assistance Framework (UNDAF) 2008-2012, which has been finalized in June 2007 and is in line with the EDPRS priorities, should be the guideline.

4.1.2 LDP-GR Objectives anticipated Results and intervention Strategy:

The LDP-GR aims to promote “sustainable local development” in Rwanda, and in particular to reduce poverty and food insecurity in the Gicumbi and Rulindo District which are in the Northern Province. Its first objective is “to improve people access to basic infrastructures and services”.

The anticipated results, which are described in the Logical Framework (LF) of the Project Document (PRODOC), are as follows:

“The local institutions are strengthened and able to fulfill their roles and responsibilities regarding local development, by following good governance principles”.

“An effective and transparent system of planning, financing and monitoring and evaluation of local development is defined and put in place by local authorities”.

“Households’ income has improved thanks to public investments in basic infrastructures, diversification of local economies and management of productive natural resources “.

“The project approach contributes to the provincial et national debate concerning decentralization policy and poverty reduction”.

Local technical assistance.

Assistance from headquarter.

The PRODOC has been amended in September 2006 following the administrative and territorial reform, to take into account the new territorial configuration and the GoR’s intention to promote the development of Sectors and Cells. The funding Code has also been modified to plan for an equitable LDF repartition between Sectors and Cells. The Project anticipated objectives and results have however not been modified.

The consolidation of local entities - as well as their operationalization and enhancement of their institutional performance - is an essential component of the Project approach. Besides, the value-added of the Project should be to promote a system of “bottom up planning”, as to create some interactions between the different levels and to bring the decision level closer to the grassroots. The results and lessons learned from the Project should contribute to the debate on how to target local poverty (based on the equity and transparency principles) and on what the CDF’s role should be to become a permanent partner of the Districts in community development. Finally, another strategic axis of the Project was to promote the principle of subsidiarity, leading to developing various partnerships with the whole range of local and national stakeholders, as well as

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implementing some forum for coordination for all stakeholders involved in decentralization, with a view to coordinate various approaches and to promote their complementarities.

4.1.3 Partnerships:

The Ministry of Local Government, Good Governance, Community Development and Social Affairs (MINALOC) oversees the Project, through The Ministry of State in charge of community development and social affairs (as for local development issues) and its various units. The Project partners include the Ministry of Finance and Economic Planning (MINECOFIN)¹⁰ on local planning issues, The Ministry of State for community development, the National Tender Board (NTB) and the Rwandese Association of Local Government Authorities (RALGA).

The PRODOC also envisaged creating some “ preferential synergies” with other programs (in particular the UNDP programs supporting decentralization and the development of micro-credit and micro-enterprises, The Belgium Technical Cooperation which is present in the Gakenke District and the IFAD project in the Umutara Province). It also planned to implement a formal partnership with the Community Development and Decentralization Program (CDDP), funded by the World Bank, which objectives are quite similar to those of the LDP-GR (for instance, Districts’ capacity building in financial management and public work management).

Finally, the Project was supposed to contribute to the coordination of the interventions of different partners through the Joint Action Forum (JAF) in each District.

4.2 Program Status**4.2.1 Program status against plan:**

The LDP-GR started its activities as per the PRODOC plan during the 1st semester of 2005; thereafter these activities slowed down or were even suspended during 6 months, following the territorial reform. Since September 2006, the program has reached cruising speed and the whole set of anticipated results have been reached.

4.2.2 Fiscal status and performance:

The table below summarizes progress and spending during the 2004-2007 period; it shows a very good burn rate of UNCDF and UNDP funds (which is about half of the PRODOC forecast budget), for activities related to local entities’ strengthening, setting up systems for planning, monitoring and evaluation, replicability and technical assistance. However, because of a delay of nearly one year in projects implementation (following the territorial reform in 2006), only one quarter of the BSF fund has been disbursed¹¹.

It is also important to note that expenditures during the first semester 2007 are estimates. The LDF are not matching the BSF global disbursements, as the BSF had passed for payment 50,18% of its committed funds by the end of the first semester 2007 and has already transferred its contribution

¹⁰ Through the Central Public Investment and External Finance Bureau (CEPEX).

¹¹ US\$824,043 against US\$3.750 000 as forecasted by the PRODOC.

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for this year. During this evaluation, the BSF has lamented the fact that the 2007 LDF have not yet been allocated.

Table 1: LDC-GR Spending 2004-2007

PADC-GR Spending 2004-2007					
Product	Donor	Budget 2004-2009 PRODOC	Spending on 23rd July 2007	Burn rate per product and per donor	Burn rate per product
1	UNCDF	96,000	68,199	71%	126%
	UNDP	73,300	145,602	199%	
	BSF	0	0		
2	UNCDF	0	48,358	n/a	32%
	UNDP	153,000	1,265	1%	
	BSF	0	0		
3	UNCDF	1,304,605	989,000	76%	33%
	UNDP	0	941	n/a	
	BSF	3,016,395	430,000	14%	
4	UNCDF	10,000	0	0%	2%
	UNDP	51,000	1,234	2%	
	BSF	0	0		
5	UNCDF	10,000	14,861	149%	71%
	UNDP	581,396	371,979	64%	
	BSF	240,500	206,695	86%	
6	UNCDF	579,395	146,140	25%	33%
	UNDP	41,304	0	0%	
	BSF	493,105	216,454	44%	
Sub-Total	UNCDF	2,000,000	1,266,558	63%	
	UNDP	900,000	521,021	58%	
	BSF	3,750,000	853,149	23%	
Total		6,650,000	2,640,728	40%	

5. PROJECT EVALUATION

5.1 Analysis of Results Achieved and Their Sustainability

Finding 1: Consolidation of Decentralized Administrations

The LDP-GR aimed to transform local entities and regulations, according to good governance principles, in order to enable the Districts, Sectors and Cells to fulfill effectively their new competencies. Local entities' **institutional strengthening** has been without a doubt one of the most tangible achievements of this Project. That was done by providing on the one hand technical assistance to local entities and their various components¹² and basic equipment to Districts and Sectors, and on the other hand Development Advisors (DA) which prepared for the Sectors' agronomists to take over, therefore allowing local entities to coordinate and mobilize local stakeholders effectively.

Another LDP-GR's achievement has been setting up some “**forums for dialogue**”, which was one of the PRODOC strategic focuses. This was more specifically done through implementing JAF in each District - the PCU Coordinator being the deputy Chair and the internal rules being drafted by PCU - which encouraged the harmonization and coordination of various interventions, transparency and the emergence of strategic partnership at local level (such as between UNCDF and SNV in the Rulindo District). Besides, following a discussion-workshop organized by the Project in 2007 which targeted the private sector, the “Gicumbi investment Group” has been created; hopefully, this will trigger a public-private sectors' dialogue at local level and promote a better business climate.

Within the objective of improving the Districts' institutional performance, the Project has also worked on **harmonizing evaluation procedures of Districts performance**, even beyond its pre-defined intervention area (which included the five Districts within the Northern Province). That was done on the one hand by suggesting some evaluation criteria that were in synch with the performance contracts and were widely accepted by the Districts' staff, and on the other hand by developing a self-evaluation document for the Districts¹³. The Project has also strengthened the role of the Province in coordinating and monitoring/evaluating the Districts, by putting in place a performance evaluation Committee. This is an important achievement of the Project, especially as it promotes some debate at provincial and national level on improving good governance.

Although the Project's approach to institutional strengthening needs to be commended, the sustainability of progress achieved will be linked to (1) strengthening a “**good governance culture**”, by putting in place transparent systems and encouraging accountability (in particular concerning financial management procedures and public tenders) and, (2) **continuing to “decentralize development and services”**, as recommended by the GoR, through increased

¹² Units in charge of planning and economic development in each District, District Council, specialized Districts Committees (economic and technical committees and tender committee) and Community Development Committees (CDC) within Districts and Cells.

¹³ See list of performance evaluation criteria, Annex 9.

capacity building in Sectors; these being considered in the “Vision 2020-Umurenge” program as the “entry door” to development.

The LDP-GR is also different from other projects because of its specific **focus on capacity building** for the whole range of local stakeholders. In particular, a series of training activities were set, whose priorities were in line with MINALOC’s strategy. These training activities had a good rate of female participation (more than 30%)¹⁴. It should be noted that while assessing the impact of the training sessions, it has not always been easy to isolate the specific input of this Project compared to the impact of other donors or Government agencies’ activities. However, it is reasonable to say that the training sessions organized by the Project on financial management and accounting procedures have enabled the Districts’ representatives to standardize the practices taking into account national rules and regulation¹⁵. Training sessions on the public market tendering process, which were organized with the NTB and the CDDP, have contributed to increase significantly the Districts’ capacity of undertaking public work; this evaluation team witnessed such progress during field visits organized by District technicians and while examining tendering files. The evaluation team is of the opinion that these are important positive elements that speak for continuing providing infrastructures and services on a decentralized basis.

To complement the training activities, the LDP-GR has also commissioned a scoping study on “**training needs**” in each District. That study underlines in a very relevant way priority needs in training and suggests some options to move forward, allowing Districts to develop training plans which can be integrated in their Annual Action Plans (AAP).

Finally, in line with the objective of sustainability, the LDP-GR has recently organized some **training of trainers**, so that the Districts would have a permanent “pool” of trainers available to train other trainers in the Sectors et Cells¹⁶. It is however too early to measure the impact thereof.

Regarding the significant effort in capacity building, the team reckons that the sustainability of these LDP-GR activities will depend on whether a coherent process is adopted at local level, including a rational utilization of the trainers’ “pool”, putting in place technical and operational training as well as monitoring the training impact on beneficiaries’ performance.

Finding 2: Planning

The Project’s objective was to put in place a unique planning process, enabling Districts to access all available investment funds. Here again, we can say that the LDP-GR has significantly contributed to define an effective and transparent planning system, which started with the

¹⁴ See summary table on training activities, Annex 5.

¹⁵ Such as the Procedure manual on financial management and accounting for local Government in Rwanda, developed in 2003 by MINALOC.

¹⁶ Essentially benefiting the Sectors’ agronomists, members of the Districts Councils, Development Advisors, and 3 HIMO foremen per Sector (for road infrastructure, terraces and water infrastructures) and 7 to 9 representatives per Cell in the Gicumbi District.

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development of the **Community Development Planning Guide**¹⁷; this guide has inspired the National Guide for planning, budgeting and monitoring-evaluation which was developed by MINALOC, together with MINECOFIN.

The project has also fared well in supporting an effective and rapid implementation (around three months) of a “**bottom up planning**” process, the consequence of which has been a strong mobilization and participation of villagers; that was achieved by using traditional solidarity and dialogue structures (which were revived during the *Ubudehe* campaign, implemented under European Union funding)¹⁸. Even if the most vulnerable groups (VG) were not specifically targeted during this process, it has however led to the identification of micro-projects linked to people's most important priorities (for instance regarding access to potable water and supply for cattle), at affordable cost¹⁹; this shows without a doubt that the Project's has had good allocative efficiency.

By making sure that people would participate in the planning process, the LDP-GR has also encourage people to become responsible for and involved in micro-projects. This is indisputably a project's **value-added** in both Districts which created interactions between different geographical levels and brought the decision level closer to the grassroots level. This is another indication that a decentralized provision of infrastructure and services is relevant. Moreover, the team believes that the participative planning process at village level has also contributed to developing an **environment for peace and reconciliation** at level local, through a common identification of development needs and search for appropriate solutions. This is however a subjective judgment which is difficult to prove, even more as the Project has not so far had any specific activities in that domain. However, this has been corroborated by some experiences reported to the team by some PCU members, les authorities in the Northern Province and in the Districts, and by comments recorded by the team members during the field work; this was facilitated by the fact that some team members had direct knowledge of the Rwandese context.

Despite these achievements, we have to bring to the reader's attention the fact that the speedy implementation of 'bottom up' planning, following the 2006 territorial reform and the creation of AAP et performance contracts, has led to a “**mosaic**” of **micro-projects**, which certainly respond to poor people's priority needs, but are difficult to integrate in a strategy of holistic and coherent development, as envisaged in the PRODOC. This is a significant limitation to the 'bottom up' planning process. Even if we have to recognize the attempts at District level (supported by MINECOFIN) to strategize around the Districts Development Plans (DDP), together with sector ministries, the lack of structured data disaggregated per gender on VG (number, characteristics, location) have been a limitation for developing micro-projects responding to the specific needs of the poorest.

¹⁷ Community Development Planning Guide, Draft Version, August 2005, prepared by Minister of State MINALOC, with technical support from the PCU and UNCDF.

¹⁸ This is a tradition of collective decision which purpose is to identify needs, prioritise, plan and implement community projects.

¹⁹ Monthly contribution of Rwf200 per household for accessing water.

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Yet, since its inception, the LDP-GR has provided constant support to the elaboration of DDP, by for instance providing a synthesis of documents from Districts/Towns in the former Byumba Province²⁰, followed more recently by the development of basic socio-economic research in each District. However, it is a pity that these researches lack structured data disaggregated by gender on VG and food security; this could compromise the Project's objectives to reduce food insecurity and population's vulnerability and to have good quality DDP to better guide Districts. It should be noted that the Project has also been involved in capturing data on VG within the *Ubudehe campaign*, and in collecting additional data, which should be used during the process of finalizing the DDP and of updating the future investment plans (yearly and multiple-year plans), and should enable the Project to focus on VG.

Only a better coordination between bottom up planning, priorities at District level and national directions (including a good integration of the MDG, taking into account the EDPRS as well as sectoral issues) can consolidate the sustainability of the planning tools put in place by the Districts with the LDP-GR support. This will make even more indispensable to have available structured data.

Still within the objective of creating an efficient and transparent planning system, another Project's achievement has been to support the update of the Medium Term Expenditure Framework (MTEF) and the development of Annual Action Plans (AAP), annual budgets and performance contracts which integrate LDF funding. Continued LDP-GR support will be especially important to ensure the DDP sustainability, by promoting some **budgetary realism**, identifying Districts' priorities and mobilizing better internal and external resources. That is indeed where we see the value-added of the LDP-GR in the second phase of the Project in terms of planning within the framework of strategic partnerships at local level.

Finding 3: Local Development Funds

The LDP-GR objective, through the implementation of Local Development Funds (LDF), was to enable the Districts to play a significant role in public investments, by providing financial capacity to use and mobilize resources. The Project uses a direct budget support mechanism (through a memorandum of understanding between UNCDF and the CDF)²¹. It also offers a range of investments to accommodate the various dimensions of poverty at different geographical levels. The LDF was supposed to be managed by the District authorities, in accordance with good governance principles (particularly transparency and efficiency). The principle of "gender *sensitive budgeting*" was also to be applied, within the programming and budgeting cycles.

It is important to remember that the GoR wanted to promote through this Project, a labor intensive approach (LIA), in order to increase agriculture productivity, to recapitalize rural areas, to create

²⁰ This included an inventory of populations, infrastructures, services, agriculture products, economic activities, productivity and population's access to basic infrastructures and services.

²¹ After the amendment to the Memorandum of Understanding UNCDF/CDF, the total value of the LDF is Rwf2,419 billion (US\$ 4 320 000) and includes: Rwf2,274 billions (which is 94 % of the total instead of 88%) as funds (nominally) allocated directly to local authorities; Rwf145 millions (which is 6% instead of 12% of total) as a provision, as a performance fund and/or for equalization.

jobs and build local technical capacities in the country poorest zones and, to fight poverty and lack of income.

At this stage, 35% of UNCDF funds have been transferred to the CDF, in line with the PRODOC forecast budget²². However until now, an additional year has been required for the CDF to disburse these funds to the Districts. Moreover, the performance Fund has not been used, because the criteria for evaluating the Districts' performance were not in place (they were being reviewed while the team was in the country). Despite a one-year delay in projects' implementation²³, it is important to note that the spending rate of funds in the Districts has been satisfactory, especially when compared to other donors using the CDF. This can be explained by the fact that Mayors were under pressure to deliver because of performance contracts but also because of capacity building in the Districts, better staff qualification and close support provided by the PCU.

Initially the LDF had three components:

- Districts' Development (DisDev) being 10% of the LDF, to enhance District institutional capacity, technically and managerially, to formulate, carry out and implement investment plans;
- Sectors' Development (SecDev) being 45% of the LDF, to enable people (at Sector level) to undertake activities linked to protection of natural resources, rehabilitation and management thereof, to increase agriculture productivity and, create and maintain basic social services;
- Cells Development (CelDev) being 45% of the LDF, to enable people (at Cell level) to generate some income at household level, to improve food security and to diversify local economy.

When the PRODOC was amended, the DisDev component was abolished and the LDF was equally divided between the SecDev and CelDev components. But in practice, the Districts interpreted this new repartition as meaning that planned activities should focus on reaching the predefined institutional levels (Sectors or Cells) rather than on the type of Project activities. This has therefore become a constrain in identifying new projects and has been a compounding factor in the existence of the already mentioned "mosaic of micro-projects", even though the LDF was supposed to be a financial tool allowing the Districts' budgets to make some investments linked to integrated rural development rural.

Besides, a breakdown of projects by investment category shows important variations between the two Districts²⁴, as well as from one year to the next, which makes it difficult to establish any link

²² The Memorandum of Understanding planned to transfer the UNCDF funds to the CDF in four annual tranches (10%, 25%, 35%, and 30%).

²³ The projects approved based on the 2005 budget have all been committed and disbursed before the end of 2006. The projects approved in 2006 are being implemented and should all be committed and disbursed in totality by the end of 2007.

²⁴ See the repartition of investments per District and per year, Annex 4.

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between these investments and the Districts' priorities. It seems in fact that, while waiting for some coherent DDP and to fulfill performance contracts, the LDF have been used by the Districts mainly for implementing development activities in the agriculture and environmental protection areas as these could potentially produce some rapid and visible results, rather than undertaking investments that were crucial for developing the areas envisaged by the PRODOC; even if it has to be mentioned that the satisfaction level of beneficiaries was high (particularly in the following areas : animal husbandry and agriculture, radical et progressive terracing). Another important weakness noted by the team was the lack of a specific strategy set within the LDF framework to improve in the long-term food security or VG income, although this was the original mandate of the Project.

Given the facts that only one series of investment projects and income-generating activities (IGA) has been fully completed (and was only in implementation mode during a few months)²⁵ and that no quantitative analysis has been generated from the information provided by the Districts or by the PCU, the team can only provide some assessment on qualitative elements to evaluate the LDF performance, and in particular the impact of micro-projects on improving household income and food security:

- Cattle supplies: this activity fits squarely in a set of measures trying to improve agriculture productivity, by producing organic manure. Beneficiaries have registered increased yield in their fields, leading therefore to improved food security and income because of the sale of extra production. Pig breeding more specifically seems to have had rapid positive effects (with sales of piglets, availability of organic manure and self-consumption) and can potentially be a good way to create added value.
- Terracing: It is yet too early to measure the impact as most terraces were only recently built. However, it seems that when terraces are linked to cattle supplies and inputs' acquisition, they provide faster productivity gains, which lead to improvements in consumption and income, helping to fight soil erosion.
- Dirt roads: So far, only one dirt road has been rehabilitated; this was in the Gicumbi District. This has facilitated the population's access to different market places, which in turn had a positive effect on price adjustment related to products not available in that area, such as potatoes.
- Improving amenities around water springs: this has been a mean to improving salubrity for the local populations, and has also free up children and women's time for schooling and for field cultivation.
- A cereal mill: This is a private initiative, which viability is already doubtful, because of competition from nearby electrical mills. The team's opinion is that this type of micro project, which was a donation, is neither efficient nor sustainable.

Generally speaking, the team arrived to the conclusion that the micro projects seem to have been funded without prior consideration of investments' optimum use, whether in infrastructures and basic services (for instance potable water or farm-to-market roads), productive infrastructures

²⁵ The 2005 projects were finished by the end of 2006.

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(such as terracing and cereal mill), or IGA (such as products' transformation or creating warehouses for agriculture inputs). It is also surprising that almost all micro-projects were 100% funded by the LDF, without any co-funding by other partners (which could have been Districts, donors, NGOs, micro-finance institutions (MFIs) or other service providers), that could have encourage the Districts to mobilize internal and external resources²⁶.

The analysis of nearly completed DDP in the two Districts shows several priority investments (such as economic infrastructures), which belong to the private goods category and should therefore be piloted and financed mostly by private investors, together with some MFIs.

Overall, it is doubtful that the existing LDF investments would have any sustainable structuring impact which would quick-start a Local Economic Development (LED) process and would have some benefit for the poorest groups of the population (widows, landless households or those with very small holdings), as envisaged by the BSF.

As for the usage of the HIMO methodology, it has been mostly applied for rehabilitating a dirt road and building radical and progressive terraces. This has led to the **development of local technologies** related to radical terracing, with the creation of some cooperatives now operating in other Districts; a positive outcome of the Project. People benefiting from these activities were chosen using criteria related to vulnerability and/or whether they were farming land owners and, by organizing themselves in associations. In total, there have been nearly 1,550 people who benefited from these activities (more than 40% were women)²⁷, representing a total of Rwf38,116,300 for both districts in 2005. This represents a significant amount that was transferred during several months to vulnerable people, in areas where soil erosion is an important issue. 20% of the daily wages²⁸ had to be used for compulsory savings, the rest enables people to buy seeds, fertilizer and small animals, school stationeries and to subscribe to a medical scheme. However we have to mention that, in numerous cases this extraordinary income was used by the beneficiaries for large consumption of alcohol and even lovers, leading to family tensions and conflicts. Overall, the team could not identify any strategy within the Project to sustain the achievements of the HIMO activities.

A brief **productive efficiency** analysis of these activities, undertaken using limited available information (the PCU does not have any information, even limited on projects beneficiaries, operating accounts, number of worked days per project/site) shows the following :

- Unit costs per investment and per IGA completed during the first full year of activities have not been analyzed in a way that would provide some useful feedback to the planning process and to ensure that projects are implemented at optimal cost. Based on the information the team could gather, the unit cost for radical terracing was roughly similar to

²⁶ The Gicumbi District plans to fund in 2007 a series of projects in terms of agriculture inputs warehouses (including a revolving fund), without any planned participation from MFIs.

²⁷ Without any appropriate tool such as an attendance roster it is not possible to get any information on the number of worked days which would have been used to calculate the total amount paid to the local workers.

²⁸ In a bracket between Rwf700 and Rwf1000.

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terracing funded by other Programs (such as the World Food Program (WFP), costing around Rwf1 million per hectare). However, significant variations in unit cost have been observed in some activities, such as progressive terracing and cattle supplies, without any obvious reason.

- The general quality of work has been quite good, regarding for instance terracing. However, the team is of the opinion that the only rehabilitated dirt road is of average standard, compared with similar work in other countries (Madagascar).
- Recurrent costs have not been provided for in the projects undertaken during the two first years, whether through current Districts budget or through any other management strategy.
- Generally speaking, delivery deadlines were enforced: Districts put in place specific conditions as to when to allow the same entrepreneur to win/implement several tenders during the same period; this was done to avoid costly delays when deadlines are constrained by seasonal conditions for agriculture investments.
- The team is of the opinion that the tendering documents have been well prepared and included enough substantial information to lead to good proposals. The restrictions regarding working on several tenders at the same time have been useful to better manage deadlines especially crucial in agriculture-related projects. Although only a tender audit would allow for the detection of any collusion between Districts and private enterprises, the team has not noticed any irregularities within the tendering files that were examined.
- Some types of activities (such as agriculture input warehouses) started on a large scale within the investment budget of 2006 in both Districts, without testing how to manage this type of activity on a smaller scale at least during one season. The projects we looked at have not been analyzed in term of profitability and long-term budgeting. Neither were they developed in connection with existing savings and credit organizations. The later would have been important because it is a complex activity to manage (especially if the purpose is to sustain and develop products stocks) within an environment where credit is still under-developed. The team feels that piloting one or two input warehouses would have been more conducive to test the formula.

In summary, the team is of the opinion that the sustainability of Districts projects should include an analysis and budgeting exercise for recurrent costs, a sustainability/profitability analysis of activities, as well as developing management strategies for each type of investment; this should integrate, as soon as micro-projects are conceptualized, management of operations and maintenance costs, based on the analysis of infrastructures' profitability.

Regarding the management of the LDF itself, we noted some minor irregularities in the funds' usage (some expenditure not supported by any document and un-budgeted expenses)²⁹, which were found during a recent CDF financial audit. While the funding of these non-supported expenditures were mostly due to problem related to files' management and proper filed paper trail, the authorization of non budgeted expenses (such as funding sport teams) was a deliberate action.

²⁹ For a respective amount of Rwf566,500 and Rwf1,186,800.

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The CDF representative confirmed to the evaluation team that these irregularities have since then been corrected, before the funds were disbursed by the CDF for the 2006 approved projects. The team can only assume that such practices could be linked to the fact that the CDF transfers the funds in one annual tranche in the Districts' account, as opposed to most other donor's programs (such as the World Bank) which use multi-tranches (based on needs and planning of Districts tendering activities); this CDF process could be seen as a temptation to using the funds for other purposes.

Besides, even if the LDF is now integrated with the Districts' budget (as per the principle of budget support), the way the budget is structured does not allow to differentiate clearly investments' expenditures from recurrent costs or, to show clearly other donors' funding.

The team therefore believes that to sustain the LDF-funded interventions it will be necessary to prioritize a **more rigorous financial management** that will be achieved by controlling unit costs of tendered public work and by following accounting procedures when using investment funds. **The Districts' financial autonomy** should also be encouraged, by increasing their own revenues, transfers from the national government and mobilizing external assistance. In line with these principles, the LDP-GR has commissioned in each District, an “**inventory of taxpayers**”, which has already led to a noticeable increase of the Districts' own funds between 2006 and 2007.

Finding 4: Monitoring & Evaluation

Quite an **efficient monitoring system** has been put in place, using on the one hand the Annual Work Plans (AWP) and the activity reports which are based on the detailed logical framework (for monitoring activities, products and intermediate results) and on the other hand the UNCDF Management Information System (MIS) (for monitoring the development indicators linked to the short and longer term objectives of the Project). Because of the fact that the LDP-GR has had to reconfigure its geographical area of intervention, very little information is available on the impact of the Project; as there has been for instance no amended baseline data³⁰. Several additional studies have been undertaken to create a baseline for the new situation which should then feed in the DDP as well as the MIS. However, the reference study commissioned in 2006 was not of the expected standard and additional data that were collected (including for instance through the *Ubudehe* research on poverty) are not yet available in a format usable for input in the MIS.

The MIS data base already includes several monitoring indicators on poverty (a first set of parameters has been created using indicators based on the Poverty Reduction Strategic Document (PRSD) 2002 and some indicators used by the MDG and Vision 2020. Some logical framework indicators have been integrated in their original form (such as the proportion of households below poverty level, the annual rate of improving local tax collection), while others have been modified to be in synch with the available information (rate of school attendance to replace the school covering rate). However, some indicators have not been integrated in the MIS, because they were considered unreasonable (percentage of funds utilized for maintenance of

³⁰ The Project had financed in 2005 a baseline survey for the Byumba Province, which has become obsolete after the territorial reform.

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economic infrastructures and social services, coverage rate of households' food requirements). Besides, only some of the indicators integrated in the MIS have been documented for 2006. The data are still being collected and analyzed by the Districts and are therefore not yet available.

Generally, one can regret that the LF indicators have not been summarized in a matrix together with an annual summary, which would allow for a better appreciation of the Project's achievements. A systematic analysis could also have been done, considering the feasibility of data collection as well as of the integration of indicators to monitor poverty and the MDG, keeping in mind what is possible or reasonable to collect.

Overall, the team believes that the MIS is a relevant monitoring system, as it links a number of development indicators (including indicators on poverty and the MDG) to development funding (reporting on funding disbursed per project), hence the interest from other Projects (such as the CDDP) and from the GoR. However, as these are indicators aggregated for all Sectors, it seems that any significant change will only be obvious after some time.

It should be noted that both Districts have not yet developed a structured socio-economic data base - that would be available electronically - at Cell or even Village level, although this type of information is needed for input in the MIS. Also, monitoring investments projects and income generating activities (IGA) projects funded by the LDF is in its infancy. In fact, many people have been involved in the monitoring process, without any real benefit for the monitoring & evaluation; no research on the level of beneficiaries' satisfaction has been undertaken, even if that was a mechanism included in the LF.

It goes without saying that monitoring baseline data on the population of each District is important for monitoring poverty indicators. The population baseline (which includes vulnerable groups and their characteristics) is being developed. Once established (and data being regularly updated), it will be possible to incorporate into the MIS the national data bases which monitor poverty and the MDG. Up to now, the GoR has defined the general framework for monitoring the priority indicators but has yet to define how to populate them. This is why each project has been developing its own tools corresponding to its own objectives. The Gakenke District (with the BSF support) has piggybacked on the development of the DDP to set up its baseline at population level by defining the characteristics of the VG, which has then helped to formulate targeted interventions responding to their specific needs. This is an interesting initiative which the LDP-GR should look at.

Thus, to ensure the sustainability of the local development monitoring and evaluation system that was set by the Districts, it will first be necessary to **improve and formalize the micro-projects management procedures** (for instance the content of project sheets which are part of the application for funding), and second to **develop a data base** to enable the Districts to plan their development adequately.

Finding 5: How the LDP-GR has contributed to the provincial and national debate on decentralization and poverty reduction

The LDP-GR contributed to the provincial and national debate on decentralization and poverty reduction policies through the following activities:

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- Developing a **Guide for planning local development**, which has inspired the national Guide for planning, budgeting and monitoring-evaluation developed by MINALOC, together with MINECOFIN;
- **Setting up a MIS** at the beginning of the Project, which is already piloted by the CDDP in half of the country, and will be institutionalized at the national level³¹.

The Steering Committee, chaired by the Governor of the Northern Province ³² and which includes key stakeholders in decentralization and local development at national level, as well as direct partners in the Project at provincial level (the CDDP, for instance), is an important conduit to stimulate the debate at provincial and national level.

The LDP-GR has also contributed to the **revision of the local development policy** in 2006 by participating in working sessions, along with CDDP and MINALOC. Even if it would be difficult to measure the impact, the LDP-GR was invited during the preparation of the territorial reform to present to the office of the Minister of MINALOC the institutional mechanisms to implement its activities. Since then, it is quite obvious that the LDP-GR has shown the crucial role played by the Sectors in contributing to the country development, as witnessed by the launch of the “Vision 2020-Umurenge” program.

The UNCDF Desk Officer is also a member of the Reform Management Team (since September 2006) and has contributed to the “Decentralization” part of the EDPRS. Also, as already mentioned, the LDP-GR could contribute to the national debate, through the development of **evaluation criteria on measuring Districts’ performance**, which will be first piloted at provincial level.

We also need to mention the “Inter-ministerial Conference on decentralized governance and poverty reduction in Sub-Saharan Africa”, held in June 2005 in Kigali, during which Mr. Wekwete, the UNCDF Director of the Local Development Unit, presented a paper in the plenary session and met with the MINALOC Minister. The Program Manager (as well as his deputy in 2005, and the international expert in 2006) participates every year in the UNCDF regional workshop for eastern and southern Africa. The LDP-GR has described its experience in several UNCDF publications as well as sharing experience with partners in Rwanda and within the Project. The LDP-GR experience is also regularly shared by the UNCDF Program Manager within the “Decentralization Cluster”.

Also worth mentioning is the UNCDF communication strategy in Rwanda (and more specifically for the LDP-GR) which is currently developed, in close collaboration with the UNDP office. This strategy is part of UNCDF global strategic framework for replication and “knowledge management” used not only for reporting important issues related to Project management, but also to comply with the directives issued by the Government partners and the donors’ community. It also aims to

³¹ The official demand from MINALOC to UNCDF for adapting and transferring the system is currently in process and a support team from the UNCDF headquarter was planned for September 2007.

³² Including the Mayors for the two Districts and the Council Presidents, representatives from MINALOC, CDF, MINECOFIN/CEPEX, UNDP and BSF.

facilitate using approaches and put in place mechanisms to reach the MDG, to encourage local stakeholders' participation in local development and a more active role by the VG in decision making and implementation of local development. This approach has actually already been implemented by distributing UNCDF publications and LDP-GR folders (2005 and 2007), and by demonstrating the MIS to other donors. The Project has also chosen to communicate its concrete results to contribute to the national debate; this has been done on a low cost basis as compared to the PRODOC forecasts. Finally, the Steering Committee meetings and the tripartite meetings have been video-taped, so as to be included in an audio-visual document.

Besides these activities, the team feels that the LDP-GR communication strategy would improve further if it tried to encourage more feedback from Government partners and from the donor community, as initially envisaged. One can then hope that the new communication strategy will foster the development of fruitful experience sharing between the national level and the Project.

Finding 6: Technical Assistance

One of this assignment's objectives was to assess the quality of the technical assistance provided to the Project team by UNCDF and UNDP to form an opinion on the institutional structure of the Project (in particular regarding the pertinence of a distinct Coordination Unit), and to suggest a range of realistic institutional alternatives, with their pros and cons.

In line with the PRODOC, a Project Coordination Unit (PCU) has been established, which includes an international expert (paid by the BSF until March 2007, responsible for amongst other things putting in place the monitoring-evaluation system), three national experts (a national coordinator, a rural sociologist and a finance administrator, paid by the UNDP), an administrative assistant and three drivers³³. Along with this team, nine Development Advisors (DA) (this number was reduced to five after the territorial reform) were made available on a full time basis to the Districts and paid by the Project until March 2007. This represents a substantial level of technical support that has been provided to the local entities in the first phase of the Project, considering the fact that the Project was only involved in two Districts. If we compare this to technical assistance units set up by other donors, these have often less experts and operate in larger areas³⁴.

Looking at the institutional structure of the Project, we have to remember that the PRODOC had envisaged - before the territorial reform territorial in 2006, through which the Districts got better qualified staff and the local technical assistance was restructured - that the present PCU structure would be reviewed during the mid-term evaluation, to assess the possibility to implement some changes, such as reducing the PCU staff complement and to increase the level of the Districts' responsibility in implementing and monitoring the activities.

Since the Project started, the PCU has provided very close and essential support to the local entities and to the projects beneficiaries, together with the DA, through for instance the facilitation of the "bottom up planning" process, the operationalization of local entities and their organs, and supervising capacity building activities targeting local stakeholders. The DA undertook some

³³ One is paid by the UNDP and two by the Project.

³⁴ World Bank, European Union.

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crucial work by mobilizing and working along local communities, collecting and analyzing baseline data on poverty; generally they have been an effective relay between the PCU and the Districts.

However, the results of the local technical assistance are less striking at this stage, when looking at the establishment of decision mechanisms which would guarantee the VG's involvement in community development (in particular during the planning and budgeting phases) and promoting gender equality, as spelt out in the PCU members' ToR. The same opinion can be offered regarding the monitoring of indicators which enable the assessment of the Project impact on households' food insecurity in the area, and regarding the Project contribution to achieving the MDG, and this in spite of the availability of a full-time international expert tasked with monitoring and evaluation. It was certainly a difficult task due to the lack of updated data after the territorial reform and to uncertainties linked to the development of the new EDPRS. This however remains an area where the PCU has been lacking, especially when looking at the first objectives of the Project's partners, i.e., decreasing food insecurity and extreme poverty.

We also need to mention some irregularities in the Project financial management, which had been discovered during the PCU external audits in 2005 and 2006: besides the lack of filing of supporting documents, cash control and banking reconciliation, these irregularities were also related to multiple yet incompatible functions fulfilled by the financial administrator, who was in charge of administration, bookkeeping and accounting as well as logistics. As a consequence, there was a "risk of committing mistakes and encouraging manipulations"³⁵, which led to the question of whether there was a sufficient degree of control in the Project. An "Audit action plan" has been developed by the PCU in March 2007, together with the UNCDF Program Manager. However the auditors' recommendations have in fact only been partially implemented (in particular regarding the multiple functions issue). Thus, the team is of the opinion that more visible measures must be taken to ensure a healthy project financial management. We want however to make clear that these irregularities are not the main reason for restructuring the local technical assistance.

In order to take into account the new situation after the territorial reform, to respond to the external audit recommendations on the Project financial management and, to provide for the end of the international expert's contract (in September 2007), the PCU's ToR has been revised in March 2007 and responsibilities reshuffled between the three national experts. However, the team believes that there could have been a clearer repartition of activities between the experts, based on their experience and initial portfolio. That begs the question of whether the required capacities will be available in the future to undertake the different activities, starting with the monitoring-evaluation system. Besides, the ToR did not explicitly mention the competencies transferred to the local entities, as one could assume they would.

Finally, the team has to mention the relatively high running cost of the PCU, which is based in the Gicumbi District, but also has some office space and equipment in the UNDP office in Kigali. Most PCU members travel on a daily basis between the Gicumbi District and Kigali, incurring more cost for the Project and bearing the risk to be seen by the Rwandese partners as the "rich" technical

³⁵ Excerpt from the audit report, Deloitte and Touche, 2006.

assistance compared to the working conditions of local entities' staff which it is supposed to support.

The team believes that the sustainability and efficiency of the technical assistance provided by the Project could be improved, within the framework of the following options, which have been developed by MINALOC³⁶ :

- To progressively substitute the local assistance provided by the PCU during the first phase of the Project, by **temporary and targeted technical assistance** with specific expertise and results; that would enable to enhance some key aspects of the Project that the PCU did focused much on (for example monitoring indicators linked to poverty and to food insecurity or implementing decision mechanisms involving the VG). This option would be justified by the fact that support provided locally is seen as a limitation to the sustainability of technical support and slowing down the empowerment of local entities.
- To reduce permanent technical assistance to supporting only the initial steps towards a particular result (such as advising the Mayors in the Districts to finalize the planning tools or some technical support to the national government to create a common fund for capacity building).
- To operate within existing and sustainable structures (such as the Districts) and to use as much as possible the same support services (management, logistics, administration) as the hosting institution.

Concerning the head office's support, we have to note that neither the UNCDF office in Rwanda, nor the UNCDF regional office were in place when the Project was developed and the Project was therefore completely conceived by the headquarter. Since the end of January 2005, the UNCDF's support to the Project has been the responsibility of a Program Officer and his/her assistant, which have been based in the UNDP office in Kigali. They have taken responsibilities for amongst others, monitoring the LDP-GR budgetary compliance, current activities and reporting, holding working sessions with the PCU and participating in monthly programming meetings as well as providing support to the technical teams from the UNCDF head office. The Program Officer has also been involved in developing the UNDAF and the EDPRS and starting the pilot initiative "One UN".

The regional technical advisor has paid in average two visits per year, to ensure an effective and regular follow up to the Project. Added to that, the visit by a UNCDF consultant in September 2006 has enabled the Project to benefit from his West African experience in local development. Representatives from the UNCDF Head Office and Regional Office have worked with the Project in Rwanda, in particular to introduce the MIS.³⁷ Last, the PCU has benefited from Head Office's advices and comments on conceptualizing documents and practical guides, as well as on enterprise development. The international expert and the Program Officer participated in a learning workshop in Nairobi in April 2007 on the MDG localization, which should help to integrate the MDG in the strategic planning process thanks to the methodological contribution of the LDP-GR.

³⁶ "Harmonization of approaches and interventions in decentralization", final Rapport, MINALOC, July 2005.

³⁷ In September 2007 to meet with the donors; in November 2006 and April 2007 for presenting the MIS.

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As already mentioned, the UNCDF has also seek to build capacity, by for instance making an international expert available to the PCU to take care of monitoring-evaluation and to implement an individual evaluation system (based on the UNDP Result Competency Assessment) used for supervising the three national experts. Also, the PCU members have been encouraged to identify their training needs, through a “ learning plan ”.

Finally, the UNDP and BSF representatives have fully fulfilled their role towards the LDP-GR, by regularly participating in various dialogue events, by providing on schedule their annual financial contribution and, for the BSF by organizing some external support to the project. Funds transfers from the head office have been effected regularly, without any delay at Project level.

5.2 Factors Affecting Successful Implementation and Results Achievement

5.2.1 External Factors:

As mentioned in the introduction to this report, the political and institutional environment has been particularly conducive to the LDP-GR implementation, as the GoR remodeled political and administrative institutions and was determined to use decentralization as a mean to promote reconciliation, good governance and to reduce poverty.

However, the administrative and territorial reform that was launched in August 2005 and finalized in January 2006, has hindered the progress of the LDP-GR, as some activities had to slow down then be completely suspended over a period of six months. The administrative structures and geographical delimitations, as well as the staff in local administration were completely changed. There were delays in obtaining updated data on poverty, food insecurity as well as in figuring out what were the needs for capacity building.

In order to adjust the LDP-GR intervention to the new reform context, a Program amendment was agreed by the Program's main partners. However MINALOC only signed this agreement after four months; this delay led to the Districts investment funds being blocked, as their disbursement needed this minimum legal framework.

Also, the re-drafting of the Poverty Reduction Strategy has affected the Project results concerning planning, identification of micro projects and monitoring-evaluation, as well as the development of the DDP under the guidance of the MINECOFIN and, the review of strategic and impact indicators.

5.2.2 Program-related Factors:

5.2.2.1 Program Design:

As mentioned by several of the Project's partners, the LDP-GR design was very relevant to the context of the first DIP, which aimed to consolidate decentralized administrations, to build capacities, to mobilize and make people more responsible and, to improve human rights; all these principles were expressed in the PRODOC. The project also envisaged improving households' income through a range of public investments, which are now priorities in the EDPRS framework.

Today the LDP-GR appears as a project that was ahead of its time, having anticipated the “ decentralization of development and services ” now promoted by the GoR and the key role of the Sectors in local development. The bottom up planning process was also very relevant to the local

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development policy, by promoting people's ownership in projects and their participation in the decision process.

The gender dimension has been adequately taken into account, by for instance targeting women/widow-headed households amongst the marginalized groups through IGA, by recognizing the overarching importance of women's groups in local development or by using a gender sensitive budgeting process. The funding Code in each District is also supposed to include some quotas related to micro projects which should directly address women's priorities and/or needs directly identified par women's groups.

It is however difficult to understand the reasons behind the decision of not having a District matching grants system within the ambit of the LDF; that would have promoted the principle of Districts taking responsibility and improved at the same time their capability to mobilize funding. This is without a doubt an important feature which should be introduced in order to enhance the sustainability of the local development funding system.

Moreover, if the overall objective of the Project was pertinent, the immediate objective was, in our opinion, too restrictive and did not reflect adequately the diversity of the Project's anticipated results, in particular regarding food security. We believe that the formulation of the immediate objective might have led to some ambiguity regarding the Project priority objectives and the identification of micro projects by the PCU. If we try to connect this immediate objective to the generic framework described in the evaluation Manual, it appears as inappropriate and would be more relevant as one of the Outputs related to local development.

Generally speaking, the Project fits well in the national strategy of reducing poverty. However, the Project's objectives (especially the immediate objective) would be improved if reviewed to fit better in the new context of the EDPRS, more specifically to combine better the objectives of reducing extreme poverty and economic growth.

5.2.2.2 Program Management:

The team believes that the instruments used for project management (such as the MOU signed by the LDP-GR and the CDF, the Agreements signed by the PADC and the Districts, as well as the Project Management Guide) were effective and suitable (with the exception of the financial irregularities mentioned in the external audits at the PCU level). However, we note that the funding Code put in place by the Project -and that was supposed to be approved by each District- was not sufficiently understood, even known, by the CDF and the Districts' representatives, even though the purpose was precisely to provide guidance on how funds should be used. As already mentioned, the LDF was supposed to be fairly distributed between DevSec and DevCel but this has proven difficult as the PCU could not always make the distinction between micro projects which were supposed to be under one or the other territorial level. The reporting system on the LDF usage that was defined in the UNCDF/CDF MOU could have been more rigorously applied; that would have allowed the Project's partners to monitor better the use of funds.

Lastly, if the gender issue has been adequately taken into account in the Project design, it has clearly not been sufficiently taken into account until now in the implementation, whether we look as focusing on widows, practicing gender sensitive budgeting or applying some quotas within micro-projects to answer directly to women's priorities and/or needs identified by women's groups.

We have noted the introduction of gender-linked criteria in the evaluation procedure of Districts' performance, but only their actual utilization will be effective to test the validity thereof.

5.3 Strategic Positioning and Partnerships

The United Nation System (UNS) strategic positioning in Rwanda, regarding its support to decentralization, should be mostly based on the "Rwanda Decentralization Strategic Framework", adopted in 2007 by the GoR and the donors' community. This document includes, as already mentioned, a number of strategic areas³⁸. The UNCDF/UNDP could contribute to the decentralization process in the following areas:

- Building capacity at local government level in term of participative planning and monitoring-evaluation (in collaboration with UN Habitat, SNV and the German Technical Cooperation). The idea of a "Basket Fund" as suggested in 2005 by MINALOC in order to build capacity (Decentralization Capacity Building Fund)³⁹, similar to what the CDF does for funding local government investments could be followed on, in the context of technical support provided to MINALOC by the Project. The main Government partners would be represented by MINECOFIN, the Rwanda Institute of Administration and Management (RIAM), RALGA, the CDF, Provinces and Districts.
- Building capacity of the CDF and local government regarding effective, results-oriented provision of infrastructures and services (with UN Habitat and the CDDP). As we already mentioned, the LDP-GR is presently considered by numerous partners as a "project ahead of its time" in supporting services decentralization. This is a comparative advantage on which it would be possible to build during the second phase of the Project, by for instance offering stronger support to the Sectors. The main Government partners would be represented by MINALOC, RIAM, RALGA, Provinces and Districts.
- Developing institutional capacity (at national and District levels) to coordinate and improve baseline data collection, their analysis, dissemination and utilization, included DevInfo in Rwanda (in connection with UNICEF⁴⁰ and UNFPA⁴¹). The Government partners would be MINECOFIN (who would play a supervision and support role), the sectoral ministries and the National Institute of Statistics.
- Besides its comparative advantage in capacity building, the UNDP/UNCDF partnership is particularly well positioned to quick-start the implementation of a common methodology

³⁸ National ownership of the decentralization process and effective partnerships for implementation ; harmonization and coordination in implementing the decentralization policy; Citizens' participation in governance and in decision making processes; increased efficiency and effectiveness in service delivery; fiscal and financial decentralization; sustainable links between decentralization and poverty reduction; monitoring and evaluation and management information system.

³⁹ "Harmonization of approaches and interventions in decentralization", final Rapport, MINALOC, July 2005.

⁴⁰ *United Nations Children's Fund.*

⁴¹ *United Nations Population Fund.*

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regarding planning and monitoring-evaluation, on the basis of previous activities such as developing the National Guide for planning/budgeting/monitoring-evaluation, and the current operationalization of the MIS. In the area of planning, a partnership with GTZ could be envisaged as this organization has been involved in finalizing the DDP, in connection with the MINECOFIN. Also, the setting of the “consultative Group on monitoring-evaluation” within the “One UN” initiative could be an opportunity for the UNCDF/UNDP partnership to demonstrate the MIS and to encourage its adoption.

Finally, within the context of the public investments it supported, the LDP-GR has *de facto* developed an orientation in environmental matters, which would also be a comparative advantage should it decide to start working on a sectoral approach of decentralization, in connection with WFP-VAM and the United Nations Environment Program (UNEP); this is even more justified as environment is one of the five pillars of UNDAF Rwanda. The establishment of strategic partnerships with some sectoral ministries, such as the Ministry for Agriculture and Animal resources (MINAGRI) and the Ministry of Lands, Environment, Forestry, Water and Mines (MINITERE) could be envisaged on the basis of the good relationships developed with the District authorities and those ministries.

The establishment of such partnerships, in order to harmonize and coordinate various approaches supporting decentralization, can only be replicated at national level if the Government agencies (with first MINALOC, MINECOFIN and the CDF) are committed to institutionalize some successful experiences (for example the Districts training (FORMADIS) undertaken with the Swiss Cooperation or the MIS).

The team would also like to mention the partnership between UNCDF and the BSF which includes a number of constraining factors regarding on the one hand building capacity for local stakeholders and planning tools, and on the other hand reducing poverty and food insecurity, with a specific focus on VG. It seems imperative that these two partners agree on and clarify their expectations in terms of the best way to achieve the main objectives of the Project, as poverty reduction and vulnerability to food insecurity have not entirely be taken into account. A partnership could also be envisaged between the BSF and the PAM focusing on implementing public investments, such as terracing, based on previous activities previously undertaken by the Project and PAM in both Districts.

6. LESSONS LEARNED

It is important to develop activities linked to strengthening decentralized administration (in particular capacity building) and to the establishment of a planning and monitoring-evaluation system. In order to improve and enhance the harmonization of development initiatives, this should be done with a willingness to **harmonize and coordinate with other interventions** and, to work within guidelines provided at national level. That means that any new management tool targeting local development (planning, approval, control, projects monitoring and evaluation) should be brought in with the idea of **support to all Districts** (and therefore in connection with the Province or even with the national level).

Getting people to participate in the planning and implementation process of activities promote a sense of responsibility and ownership of the investments, as regarding for instance operating and maintaining new infrastructures.

For the Districts to be able to manage the Investment funds made possible through direct financial support, it is necessary to develop a set of detailed accounting procedures and for them to acquire specific expertise, which the LDP-GR is supporting. At the same time, in order to make local entities more responsible, they should be encouraged to mobilize financial resources (external and internal).

Managing development at grassroots level requires a detailed knowledge of the area, including knowing all the characteristics of the VG. This information is necessary for establishing priorities and to measure progress. It is recommended to put in place at the start of the Project, a process to quickly collect baseline information and to organize it in a database which can then be updated on a yearly basis.

Managing a Project such as the LDP-GR should imply opening up to other projects' experiences with similar objectives. In this regard, we believe that the low level of operational collaboration between the LDP-GR and the Project implemented by the Belgium Technical Cooperation in the Gakenke District has been a missed opportunity to focus more on some crucial activities of the Project, such as monitoring indicators on food insecurity and VG.

Regular follow-up (for instance quarterly) on funding utilization by local governments is necessary for allowing the Project's partners (UNDP, BSF, Government partners) to monitor it and to make the audit work and the external evaluations easier.

Some types of activities, such as radical terracing, can give excellent results with sustainable impact on food security, by continually improving productivity and probably beneficiaries' income, and therefore reducing their vulnerability.

7. RECOMMENDATIONS

Recommendation 1: Consolidating decentralized administrations

Institutional strengthening:

The LDP-GR should as a priority, use its comparative advantage in supporting “services decentralization” to **boost the Sectors** in the spirit of Vision 2020 *Umurenge*, through the following activities:

- Signing some agreements between the Districts and their Sectors (as envisaged by the PRODOC), which would be aligned with the performance contracts. Such documents would be used as a part of a learning process, aimed at defining the commitments from the Districts et the Sectors regarding local development and making them more responsible.
- Making Sectors’ Community Development Committees (CDC) operational. As opposed to Cells and Districts’ CDCs, the Sectors’ CDC have not yet played a role regarding local development. They should amongst other things, take more technical responsibility for the project planning and implementation process.
- Strengthening Sectors’ role in the financial management of local development, by raising their own resources or by broadening their tax base.

In order to strengthen good governance practices, the LDP-GR could set up together with the Northern Province, a simple reporting system to be used by the Districts and the Sectors to indentify and monitor projects and funds utilization. The LDP-GR should also explore whether the PCU could assist the Districts in improving their tendering process, in order to build their capacity in public work management.

The LDP-GR could progressively support the creation a commission on environmental affairs in each district, which would play an increasing role in implementing the EDPRS.

Capacity building:

Before starting with new capacity building activities, the LDP-GR should first:

- Help the Districts to better define their priorities based on an inventory of training needs financed by the project but also on the holistic assessment of capacity building needs established by the National Decentralization Implementation Secretariat (NDIS)/MINALOC/Ministry of public service and Labor (MIFOTRA).
- Continue with the excellent implementation of technical and operational training sessions undertaken by the project, in connection with various partners.
- Focus more specifically on building technical capacities of the Sectors’ agronomists; this should happen within a restructured technical assistance program, perhaps using the support from UNS Volunteers, as done in the UNDP Decentralization and Environmental Management Program (DEMP).
- Monitoring the impact of training on beneficiaries’ performance.

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It would also be important to support the implementation of an effective coordination system in that area, for instance through the JAF and operational CDC at all levels.

Recommendation 2: Planning

As a priority the LDP-GR should support the Districts:

- To improve the way they interact with Villages, Cells and Sectors by using a new version of the Participatory Rapid Appraisal Methodology (PRAM), together with other tools already introduced by the *Ubudehe* team, which would allow to establish a better breakdown of social groups, such as the VG. The Project could also use a multi-criteria matrix in the selection of local rural development projects within the framework of the decentralized planning undertaken in August 2005 with the European Union for the CDF/MINALOC.
- To develop a data base disaggregated by gender, that could identify different VG (by number, characteristics, localization). The planning process is an ever changing one; therefore this identification would allow the Districts to update their DDP and their investment plan by integrating these various aspects. Additional data which have been collected by the PCU for the *Ubudehe* campaign could already been used to that effect. Also, socio-economic data could be electronically recorded in each District to become a relevant communication tool between local authorities and citizens, therefore improving local democracy.
- To finalize and implement the planning process (more specifically by ensuring that the MDG are integrated) and the process of preparing a results-oriented budget; that should include promoting budget realism within the framework of the MTEF as well as yearly and multiple-year investment plans.
- To improve the format and content of micro-projects' presentation and monitoring sheets (in priority in the Rulindo District, which until now has not received any specific support).

Recommendation 3: Local Development Funds

The BSF, a major partner of the LDP-GR in terms of financial support has indicated to the team that it was not satisfied with the “ low level of efficiency in the use of financial resources until now within the framework of the LDF ”, as the VG have not been characterized and no specific activity has been in place to improve their revenues and food security. The team is of the opinion that corrective measures should rapidly be approved and implemented, in order to better take into account the expectations and concerns of other funding partners of the Project.

Therefore, the team recommends that the LDP-GR undertake the following actions regarding its support:

- As a priority, to characterize the VG within each Sector (and Village if possible)⁴² and identify specific actions to improve their revenues and food security on a sustainable basis. These actions could for instance encourage production in promising economic sectors,

⁴² Localization, gender, family situation, cultivated surface, level of education, income.

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promoting products that do not require any large area (such as small animals' husbandry), micro credit targeting petty trading and services for the local community (catering). The Districts should more systematically call upon women's groups to help identify and implement these activities.

- To carry on integrating the VG in the HIMO program which should be seen as an opportunity to acquiring technical knowledge which could increase employment in the non agriculture sectors.
- Specific support should be given to MFIs in both Districts, to facilitate the VG's access to micro-finance for IGA oriented towards productivity improvement (production and transformation within targeted agricultures sub-sectors).
- To suspend funding at the level of their Annual Work plan 2008 if corrective measures are not implemented and/or are not deemed satisfying by the Project funding partners, especially the BSF⁴³.

LDF distribution:

To avoid an unnecessary spread of interventions, as it happened in the first phase of the Project, it would be best if both Districts could focus on **three main arrears of intervention**, in connection with the national priorities, these of the Districts and the specific objectives of the PADC (more specifically in term of food security):

- a) Protection and rehabilitation of productive natural resources, by carrying radical and progressive terracing, improving the low-grounds, pursuing some activities linked to reforestation and the fight against erosion, as all these activities contribute to protecting the environment and to improving food security.
- b) Economic infrastructure and collective equipment, in order to add value to agriculture activities, whether related to cultures, animals or fish: the focus should be on sectors with high potential supplying the urban areas in the country (production of organic fruits and vegetables) and existing sectors that could promote export (such as passion fruits and cut flowers). To complement these interventions, the LDF should be accessible to projects supported by the MFIs with an objective to develop these sectors, on condition that the profitability of these projects is confirmed by forecast cash flows or by some profitability analysis.
- c) The IGA that target the VG, more specifically women/widows-headed households, landless people or those with very small holdings, by focusing on improving their level of food security and their income. The development of micro-credit (in connection with some direct funding from the micro projects) could also become a central element of integrating the VG in the local economy, together with some training on non agriculture productive activities or on post-harvest transformation activities for the market.

⁴³ It should be mentioned that the BSF had wanted to suspend funds utilisation for the AWP 2007.

Productive efficiency:

In order to improve the LDFs' productive efficiency, our recommendations are as followed:

- The Districts could first commission an analysis of **public investments** that were made within the LDF: that should be aligned with the socio-economic research realized by the CDF. This analysis should pay attention to unit costs to be able to guide the preparation of projects' sheets and reference budgets for tendering documents.
- Re-assess the execution of productive infrastructures (such as radical terracing), which high cost (Rwf1 million/ha) has been almost totally financed by public funds. Therefore only limited surfaces could be transformed with limited impact compared to the large needs in Rwanda. It would be interesting to experiment with some formula that would reduce costs while increasing farmers' contribution or while extending the time for these works⁴⁴.
- The Districts should incentivize private companies and professional organizations to invest in economic infrastructures (public goods), within a public/private partnership. In this case, partners should be encouraged to initiate the projects, to work on the design of funding and to do some fund raising for the Districts to complete the financing plan. A limit to funding of private goods by the LDF could be set (50% for innovative projects). Private operators and professional organizations should also be encouraged to call upon credit institutions and MFIs while designing projects such as agriculture input warehouses.
- The Project, in connection with the CDDP, could support the Districts in developing strategies to manage recurring costs, according to the types of infrastructures : basic infrastructures (such as dirt roads), being the responsibility of the administration together with the population; self-managed basic services (such as water) which management and maintenance is the responsibility of users' associations, with support from the Districts ; economic infrastructures (such as market places) being the responsibility of the Districts which out contract the management to a service provider, also responsible for collecting taxes ; infrastructures et economic equipment (such as the mill) is the responsibility of the private sector which management and maintenance should be handed over to some private operators (individuals or associations) as all maintenance and running costs are born by the users. In the case of economic infrastructures and equipments, the costs of running and maintaining should be integrated in the projects before being submitted to the LDF and the profitability of the activities should be an essential condition of funding.
- Promote the principle of "*gender sensitive budgeting*" within the LDF new programming and budgeting cycles. That could mean specific IGA and related budgets which would give women a bigger part to play in decision making, in the implementation and management of some micro projects. Quotas could also be in place to favor micro-projects that respond directly to women's priorities or that were identified by women's groups.

⁴⁴ Le Project could build a few terraces and train the beneficiaries to use the techniques. It would make some specialized technicians available and thereafter let the beneficiaries managing the projects.

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As a secondary objective, the Project could support the Districts to improve tax collection, based on the inventory of tax-payers that was funded by the Project and on recommendations contained in the study on budgeting and fiscal potentialities funded by the Dutch Cooperation⁴⁵ to support the Districts on improving tax collection.

LDF Management:

The team is of the opinion that budget support to Districts should carry on, since it foster increased responsibility at District level, strengthen their funding capacity and enable them to fund projects corresponding to the Districts' own priorities (as opposed to the CDF funds which are linked to national priorities).

To promote better management of the LDF, the team recommends the following:

- Insist on usage of the quarterly reports on fund utilization and on investment distribution between various areas of priority interventions (as planned by the PRODOC)⁴⁶.
- The CDF should shorten the time for transferring UNCDF funds to the Districts, insofar as the rates of using the funds have been satisfactory.
- The CDF should ensure that the Funding Code instigated by the Project is sufficiently known and understood, first within its own structure and also by the Districts' representatives; that would allow for a better utilization of funds.
- Consider some co-funding of Districts' projects, as per the Project's strategy that was set up to encourage resources' mobilization at District's level. Donors have already put in place some co-funding arrangement with various percentages (such as the USAID *IntraHealth* project, with a 15% co-funding). As to harmonize the development assistance processes, it would be best if the LDP-GR could keep this in line with the co-funding rate already in place in the Northern Province.
- The Project should assist the Districts in connection with MINALOC and MINECOFIN, to have the budget format clearly distinguishing investment expenditures from recurring costs as well as clearly showing contributions from other donors.
- The CDF should finalize the formula that defines how the performance funds should be distributed (based on the evaluation grid of District performance which is in the process of being developed) and should decide on the distribution of part of the funds as soon as 2007.

Recommendation 4: Monitoring-evaluation

⁴⁵ Study on budgeting and fiscal potentialities in the decentralized entities in ten Provinces and in the City of Kigali, Dutch Cooperation, 2005.

⁴⁶ This has been difficult to apply till now, in the post territorial reform context for the financial year 2006 (the investments were essentially concentrated within the last quarter of the year).

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The team recommends that the LDP-GR select - using the log frame - the indicators which can be documented by using information available at national and district's levels and that it defines the elements that should be added to have a coherent view of the evolution of the Project. To this effect, a summary table of the Project's main indicators could be established and documented on an annual basis. That would allow for better follow up on implemented activities, their beneficiaries (more specifically the VG) and would provide some food for thought on how to target local poverty (based on principles of fairness and transparency).

The Project should also find a way to bring some coherence between its monitoring indicators and those applied by the EDPRS and the MDG. It could also share with other national partners the detailed methodology used for calculating the indicators in both Districts. That should be seen as a priority for the Project in connection with other projects (with first the Gakenke's project).

Regarding the projects funded by the LDF and supporting the planning and economic development Units, the LDP-GR could assist the Districts to develop the following **projects management tools**:

- Standardized project identification/approval sheets that would be based on the format that was used by the Gicumbi District for the latest batch of approved projects⁴⁷.
- Simple sheets that would be used by a designated person responsible for controlling the activities and to monitor projects.
- An annual statistical compilation which would describe and analyze per type of projects⁴⁸ the current projects profitability, especially important for projects aiming to improve the added value of agriculture products and the income earned by the farmers/other operators.
- Undertaking some research on beneficiaries' level of satisfaction upon completion of projects approved by the LDF in 2006.

Finally, the LDP-GR could support the Districts in gathering all available statistical data on a structured electronic support, therefore allowing for monitoring the progress on specific parameters at Cells or even Villages' level following the experience undertaken in Gakenke⁴⁹. This electronic database could then be used to transfer data in the MIS and to populate the national indicators regarding the monitoring of the EDPRS and the MDG. In our view, the 'Themes sheets' created by

⁴⁷ These sheets should include at least a short description of the project, the problems that the project plan propose to tackle, the targeted beneficiaries (including the VG and gender), the expected results (increased productivity and income, improved access to services for x beneficiaries, permanent jobs created, volumes of transformed products), the organisation of management and maintenance including a budget/forecast accounts, profitability analysis for infrastructures/economic equipments.

⁴⁸ Physical quantities produced, average unit costs, beneficiaries that were reached (number, gender, VG), improved access to services in terms of time gained by x beneficiaries, amount transferred to a specific cell for HIMO work (or number of person-day), gain in terms of profitability, increased income per family linked to the funded IGA, results of using collective equipments for transformation, storage, packaging of products for the market in terms of quantities, value added, generated income, etc.)

⁴⁹ The survey undertaken with the support of village leaders has cost about Rwf1,3 million for the entire District.

Sector in Gakenke is a good democratic tool used to assist the communication and decision making process between the people and their elected representatives.

Recommendation 5: Contribution to the debate on decentralization and poverty reduction policies

The process of learning from the Project past experience should be increasingly important in the second phase of the Project, and therefore is an area that should be prioritize in the new project structure. More specifically, the team recommends the following:

- Carry on with the UNCDF proactive steps to encourage the adoption of the MIS at national level and knowledge sharing with other partners, by responding quickly to MINALOC's requests.
- Strengthening the role of the UNCDF and UNDP within the "Decentralization Cluster", by participating in the cluster's technical meetings⁵⁰ and by suggesting strategic partnerships. MINALOC could also strengthen the Cluster as a coordination and consultation mechanism by playing in increased leadership role.
- Present at national level its communication strategy which is now being developed, during the Project feedback and learning from experience workshop planned for October 2007, as this would promote information flow.
- Use the pilot Committee to learn from other projects' experience (such as in those in the Gakenke District), and envisage broadening this Committee to include the NDIS, "the think tank" of decentralization.
- Promote information dissemination to other donors and national partners regarding field activities, such as terracing.
- Continue improving the communication strategy by taking into account other partners' experience (CDDP), and by getting feedback at Project's level and from both Districts.

Recommendation 6: Technical Assistance

It is important to look at the recommendations related to restructuring the technical assistance in the light of the Paris Declaration, which recommends a progressive withdrawal of technical assistance, while strengthening local capacities. It is also important to avoid as much as possible setting up structures which are only there to manage and implement projects⁵¹. Avoiding these pitfalls allows for reducing transaction costs with national and local partners, as well as maximizing the impact on beneficiaries. Moreover, the recommendations below are in line with the directions given by the Rwanda development aid policy, which has already been taken into account by several donors⁵². The policy emphasizes capacity transfer to government by building competencies

⁵⁰ This initiative has been implemented recently, according to information provided by the Swiss Cooperation.

⁵¹ Corresponding to indicator 6 in the Paris Declaration.

⁵² With the European Union at the forefront, intervening on the entire national territory.

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and capacities within local authorities and/or by developing systems and procedures, written in a way which makes them easy to understand by local authorities⁵³.

In this context, the team believes that restructuring the local technical assistance would be particularly useful in the second phase of the Project, as it would reduce the PCU staff complement, allow for re-designing each members' responsibility and increase the participation of the GoR and the Districts in implementing and monitoring the activities.

To this effect, the technical assistance's tasks should be more rooted in its original mandates i.e., providing basic infrastructures and services (for the UNCDF), reducing extreme poverty and vulnerability to food insecurity (for the BSF), technical support to government and capacity building regarding the coordination, implementation and monitoring of assistance provided by other donors following the National Execution Guidelines (for the UNDP).

Maintaining some technical assistance at local level is justified insofar as piloting some models of decentralized provision of basic infrastructures services and of reduction of vulnerability to food insecurity will still require local support, for instance to finalize the planning, budgeting and monitoring-evaluations systems. However, as opposed to the present configuration of the PCU, the Project financial management should be centralized and handed over on a part time-basis, to the national counterpart (MINALOC or MINECOFIN), with the obligation to report to the National Coordinator. As much as possible, the technical assistance at local level should utilize the Districts support structures (offices, administration).

Secondly, the technical assistance team should consider the needs specific to the second phase of the Project which are essentially related to providing some technical support to the GoR to develop policies on decentralization, local development as well as implementing national programs of local development. In these circumstances, the project will not require to be implemented with the same degree of proximity [to the local entities] since it will focus on providing technical support to MINALOC as the Ministry responsible for the Project, to conceptualize systems linked to monitoring-evaluation, capacity building as well as setting up strategic partnerships. The UNDP office could play a significant role in providing this technical support to MINALOC.

At the same time, the Districts' authorities should be encouraged to take on more responsibilities in the areas of capacity building, micro-projects identification and monitoring for the investment funds, while still having the possibility to be called upon some specific and temporary technical expertise (such as for monitoring indicators linked to food insecurity, developing some agro-processing sub-sectors, set up an electronic version of the socio-economic data base).

Following discussions with and suggestions from some of the Project's managers, two options seems possible as per the restructuring of the local technical support⁵⁴ :

- A national coordinator, based in Kigali, who would be responsible for supervising all the Project activities, including monitoring-evaluation and would enhance the partnerships at

⁵³ *Rwanda Aid Policy*, Draft for discussion, June 2006.

⁵⁴ See summary table, Annex 6.

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national level and with other donors to improve the present Project's results. The coordinator could ideally be based within MINALOC (as it is the ministry responsible for the Project), as it is the case for the national Coordinator of the CDDP. In that way, the coordinator could provide some technical support in developing decentralization and local development policies, in the spirit of the National Execution guidelines (NEX) of the UNDP in Rwanda, which aims to transfer the Project implementation to the GoR. In providing technical support to the GoR, the Coordinator could also look for synergies with the technical assistance already provided by the UNDP office to MINALOC. The local technical support would be provided by a technical officer assisting Mayors in each District (two days per week in Rulindo, as it is presently the case and three days in Gicumbi). This is the team's preferred option, because it focuses on making local stakeholders more responsible, while strengthening the technical assistance at national level with the view to learn from the project and provide technical support to the GoR.

- An officer providing technical assistance would be based in each District working along the Mayor and would be responsible for all the activities, including Project monitoring-evaluation. The Project coordination, as well as the interface with national partners and donors could be the responsibility of the UNCDF Program Officer. The team believe that this option, which some people interviewed by the team seemed to favor, does not entirely comply with the requirements of the second phase of the Project and the guidelines provided by the UNDP within the NEX. That would also require reconsidering the responsibilities of the UNCDF program officer.

Recommendation 7: Strategic partnerships

The team recommends to continue with or to put in place strategic partnerships that promote the principle of subsidiarity (as called for by the PRODOC) and are relevant to the specific focus to be developed. Whenever possible, the creation of such partnerships should be done through the JAF in each District, and through the "Decentralization Cluster" for the initiatives linked to policy development.

Consolidation of decentralized administrations:

- The LDP-GR could strengthen its partnership with the UNDP (especially the Governance Unit), in order to encourage synergies with activities already finalized or being undertaken in the area of capacity building (for instance at MINALOC level), which would give a more concrete meaning to the "One UN" pilot initiative.
- A formalized partnership with the CDDP could be put in place, by signing a memorandum of understanding, to continue with Districts' capacity building in undertaking public work (particularly to take into account environmental aspects in the provision of infrastructures and services, as well as the planning and budgeting process) and to benefit from the CDDP experience in supporting the Districts in improving transparency and accountability.
- MINALOC could consider institutionalizing the methodology developed by the Swiss Cooperation's FORMADIS project which includes using a pool of trainers coming from the civil society and who are responsible for monitoring the impact of the training.

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- The Gakenke District in the Northern Province is also a recipient of the BSF technical and financial support. The potential for collaboration between the two projects is high, for instance regarding capacity building or organization development. Training sessions that were or will be funded by the PADC have raised some interest in Gakenke, while the LDP-GR could benefit from the experience of developing a data base in this District.

Environmental protection:

Several programs have developed radical and progressive terraces in both Districts and in other Provinces, with a dual objective of protecting the environment and increasing food security. To replicate this at national level, it would be useful for the LDP-GR to enter into a partnership with the World Food Program (WFP) which is also present in the Project area. The Project, together with the authorities in the Rulindo and Gicumbi Districts, could also establish some linkages with the Ministry of Lands, Environment, Forestry, Water and Mines (MINITERE) and the Rwanda Environment Management Authority (REMA), in order to discuss some common interventions.

Planning:

More regular interactions could be developed on the one hand with MINECOFIN and on the other hand with the German Technical Cooperation which supports the planning process at national level (by developing and monitoring the DDP) and at local level (by supporting the two Districts in implementing a planning system).

Local Economic Development (LED):

The concept of LED is meant to be developed within the EDPRS framework, and some donors have already integrated the LED in their support to the decentralization process: SNV for instance is supporting the development of the coffee and honey sectors in the Rulindo District; IFAD is involved in a program developing rural micro-enterprises; GTZ has build up a LED consulting unit at national level in connection with RALGA to support the Districts.

If the LED cannot be considered as a unique advantage of the UNCDF or the UNDP, the LDP-GR can complement other interventions, by on the one hand developing a facilitator's role in the Districts regarding LED (by for instance organizing training sessions) and on the other hand by energizing the Gicumbi investment group and facilitating the start of public-private sector talks around concrete initiatives at local level.

Learning from the project:

A preferential partnership could be developed with the German Technical Cooperation, as the leading donor in the area of decentralization, in order for instance to push for the MIS institutionalization and the MIS being shared with other donors.

Food security:

The LDP-GR has also work with the WFP-VAM in both Districts, while creating terraces. This could be an opportunity to strengthen this partnership, with a view to improve food security. Radical terracing gives excellent results with sustainable impact as they improve productivity in a continuous way, as well as seemingly improving beneficiaries' income and reducing their vulnerability. Moreover, when these investments are coupled with developing small livestock, the

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use of manure can quickly and sustainably increase yields, contributing even further to poverty reduction and to improve food security. This is a “*success story*” that the Districts should be putting forward.

Poverty reduction:

Within the framework of the pilot project aiming to reduce poverty in the thirty poorest Sectors of the country (Vision 2020 *Umurenge*), the LDP-GR could work along the European Union which is putting in place the second *Ubudehe* campaign, by sharing baseline data on poverty reduction on food security.

Recommendation conclusion

As a conclusion, the evaluation team wishes to indicate that it is probable that the LDP-GR will contribute to promoting sustainable local development, considering the results already achieved in terms of mobilizing people and making them participate in decision process and capacity building of local entities, therefore allowing for provision of social services fitting the needs of poor populations.

However, the activities undertaken by the Project to improve the poorest population’s standard of living and to protect their ecological environment should be reoriented as to contribute in a tangible manner to increasing people’s income and to trigger a process of sustainable economic development, with some visible impact for the VG.

The Project should also develop some interventions that respond better to the focus of its partners (i.e. the BSF) in terms of food security as well as to the EDPRS new priorities