

REPUBLIC OF RWANDA



**MINISTRY OF LOCAL GOVERNMENT
AND SOCIAL AFFAIRS
P.O. Box: 3445 - KIGALI**

**NATIONAL STRATEGY FRAMEWORK
PAPER ON STRENGTHENING GOOD
GOVERNANCE FOR POVERTY
REDUCTION IN RWANDA**

March 2002

PREAMBLE.

This good governance framework guide for Rwanda, is a result of a national conference entitled "Strengthening good governance for poverty reduction in Rwanda" held at Hotel des Mille Collines, from 2nd to 5th November 2001.

The conference was attended by high-level government policy makers and development partners (private, public and civil). It was officially opened by H.E. Paul KAGAME the president of the Republic of Rwanda, whose speech provided the guideline.

It brings out the ideas that sustainable development in a holistic manner must consider not only poor people having political power but activities for sustained poverty reduction, must be consistently linked to building of strong and deep forms of democratic governance at all levels of administration.

It highlights a set of strategies and core strategic actions that allow poor people to gain power through participation; while ensuring that institutions and power are structured and distributed in a way that gives real voice and space to the poor. It acts as a framework upon which leaders can be held accountable.

The framework guide also provides a basis upon which a good governance programme for poverty reduction in Rwanda can be developed. While it provides a framework for ensuring that activities for sustained poverty reduction are consistently linked to building strong and deep forms of democratic governance at all levels of administration nation-wide, it is silent about the role of the international players.

The onus is on the lead players in the international Arena (International Institutions and Multinational Coalitions) to support this good governance initiative, which is based on the recognition that development goals will only be achievable if national leaders in developing countries are ready and courageous enough to confront the critical challenges of democratic governance in poverty ridden societies.

For this guide to gain real practical form, there is need for all partners to play complementary roles as well as ensure synergy of efforts.

NYANDWI J. Désiré

**Minister of Local Government
And Social Affairs.**

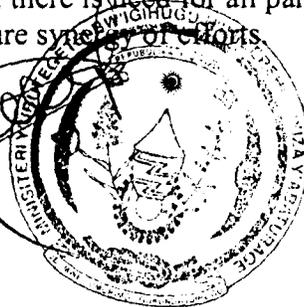


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PEECH BY H.E. PAUL KAGAME,

**PRESIDENT OF THE REPUBLIC OF RWANDA, WHILE OFFICIALLY OPENING
THE CONFERENCE ON EVALUATION AND PLANNING FOR
STRENGTHENING GOOD GOVERNANCE FOR POVERTY REDUCTION IN
RWANDA, ON 2ND NOVEMBER 2001.**

AT HOTEL DES MILLES COLLINES RWANDA.

- The Right Honourable Prime minister,
- The honourable President of the Supreme court,
- Honourable Ministers,
- Honourable Members of Parliament,
- Secretary Generals,
- Members of the Diplomatic corps,
- Distinguished Ladies and Gentlemen;

I wish to express my great pleasure in participating in this important Conference on Good Governance.

I thank the organizers of this effort and judging by the program and the participants, I am sure the deliberations will no doubt lead to realistic inputs that are both focused and implementable in terms of public policy.

As we embark on important deliberations over the next several days, we must first of all take time to scrutinize the concept of good governance, if we are indeed to build and benefit from effective administrative and management systems in Rwanda.

Further, not only must we grasp concepts such as these, we must also place them in specific historical context, if we are to successfully confront challenges that lie ahead in our quest for effective governance. The immediate question then that faces us is: what is "good governance" and how does it apply to our country.

I will use some people's definition of "good governance" but the concept has been defined in many different ways. It goes as follows:

' the exercise of political, economic and administrative authority to manage a nation's affairs and the complex mechanisms, process, relationships and institutions through which citizens' groups articulate their interests, exercise their rights and obligations and mediate their differences'
End of quote.

This is a good and encompassing definition of governance, emphasizing the importance of participation by national stakeholders in the determination of economic, political and social management of a particular country's affairs.

This is not the time for a comprehensive review of how these complex relationships evolved in Rwanda since independence, suffice it to say "good governance" can not in any serious way describe post-independence Rwanda up to 1994, when the results of bad governance culminated into Genocide.

Distinguished Ladies and Gentlemen;

Let us recall when the Government of national Unit came to power in 1994, it inherited a situation characterized by, among other things:

- ❑ Lawlessness;
- ❑ Insecurity both from within and outside the country;
- ❑ Destroyed social and economic infrastructure;
- ❑ Dislocated public service systems;
- ❑ Displaced and traumatized population;
- ❑ A deeply divided and wounded society.

In short, building governance after 1994 began with a massive deficit, in terms of institutions, human, financial and material resources. Nonetheless, with considerable determination and enthusiasm on the part of Government, Rwanda people and our international partners, we have made modest progress in building good governance in our country.

Key among the accomplishments may be noted as follows:

1. Undertaking emergency relief operations;
2. Resettlement of internally displaced persons;
3. Repatriation and re-integration of millions of returnees;
4. Addressing security concerns of our country;
5. Stabilization of macroeconomic conditions and
6. Grassroots elections of 1999, districts elections of 2001 and the recently concluded Gacaca elections.

This is to mention a few.

Specific programs and institutions have been created to promote good governance including:

- ❑ Civil service reforms;
- ❑ Strengthening the justice system;
- ❑ Strengthening the legislative system;
- ❑ Democratic decentralization;
- ❑ Unity and Reconciliation.

For these institutions and programs to succeed, however, supportive institutions aimed at promoting participation, broad representation, transparency and accountability as well as the rule of law and respect for human rights had also to be initiated. These include:

- ❑ Human Rights commission;

- ❑ National and Prefecture tender board;
- ❑ Auditor General's office;
- ❑ Anti-corruption Commission;
- ❑ Legal and Constitutional Commission;
- ❑ The Electoral Commission;
- ❑ The National Examinations Board and;
- ❑ The National police.

May I on this note, take this opportunity to thank the Rwandan people and our international partners for being instrumental in the realization of these initiatives, despite a challenging regional environment and persistent threats to our national security.

It is however, important for the national leadership of Rwanda together with our partners to have time to look at the past and reflect on the present and ask the following questions:

- (i) Have the programmes been relevant to the promotion of good governance?
- (ii) Have they been successful in encouraging people's participation and improving their conditions?
- (iii) Do the programmes need re-orientation and reprioritisation?
- (iv) Are the programmes mutually re-enforcing?
- (v) Is there commitment globally by all partners?
- (vi) If there are obstacles in the implementation of these programmes, what are they and what can be done to address them?

As we attempt to answer the above questions, it is necessary for us to ensure that:

- ❑ The programmes and strategies are geared towards achievement of the vision 2020 objectives for Rwanda which revolve around the improvement of quality of life of our people;
- ❑ The Rwandan society is empowered to be more innovative and competitive in the world of today;
- ❑ The vision, strategies and priorities have wide ownership so as to draw commitment and support from all the partners in the development process of our country.

Ladies and Gentlemen;

The Government of National Unity is committed to the improvement of the welfare of all Rwandans. We are determined, furthermore to continue to lay the foundation for democratisation, a process that is essential and part of building good governance in our country.

We call upon our partners to continue their support of our democratisation process, in particular such exercises as decentralization, the drafting of the constitution, the undertaking of elections and other transitional efforts currently underway.

We must, however expose those who seek to derail or belittle our effort. Let us not be deterred but rather continue to consolidate our gains and beyond. The Government of National Unity together with other national stakeholders in the private sector, civil

society, as well as our international partners, should continue to build and encourage, among other things:

- Participation, transparency and accountability;
- Support for our political, social and economic priorities, which we believe must be based on the general consensus of our society and incorporate the needs and aspirations of Rwandans and
- Strengthening the capacity of our institutions.

I have no doubt that the outcome of this important review process will reinforce the fact that we are on track, and that despite the progress made we should not become complacent but work to consolidate on our experiences in order to chart the way forward.

I encourage all of you gathered here to exchange views openly and freely on the issues at hand.

Debate rigorously in regard to plans, priorities and strategies, all of which will assist us in improving our public policy. This will enable us to refrain from past practices where there has been a tendency to hold seminars, conferences and workshops whose outcome were largely routine and even shelved.

In conclusion, let me emphasise the importance of national ownership, broad stakeholder participation and partnership in our quest for efficient and effective governance.

The issue of national ownership is extremely important. Sometimes there are efforts to drift from that or be made to do so. I believe with due respect to our partners, sometimes it is important for them to realise that the national stakeholders, ourselves, are serious about these processes we are engaged in to the extent that we need objective support and criticisms sometimes, but I think that sometimes our Government and our efforts are unduly criticized, which of course tends to slow down the speed at which we should be moving to confront these major challenges.

I was, for example, struck by a number of things in different areas. For example I read a report prepared by an organization, which I am not sure is an NGO or political organization. They wrote a report about the last elections we had. My feeling was that the last elections we had went very well. This is not to say that there were no problems. There are likely to be a few problems not intended to help us even deal with those mistakes that arise, but rather to undo even the good work and efforts we have put in place.

My emphasis is to urge our partners that there is a lot we have to learn from them and there is a lot they will have to learn from us. We are dealing with a complex situation of our country, our history and politics, in which we are real partners, so it is important that they listen to us understand our feelings and understand that we are serious about dealing with our problems.

I would encourage them not to join the Kigali rumour-mongering 'club'. I say this because even at the time when we were at the beginning of the process to draft our

constitution, I had some people coming to me asking whether it was true that we already had a constitution and all we were doing was window-dressing. I think that this is an insult, and we have good reason to tell people not to insult us in this way.

When we have gone out to say that we are serious about drafting a new constitution and we have put in place a commission that comprises a number of Rwandan of different backgrounds and we have urged the Rwandans to come forward and give their views and have put mechanisms in place for Rwandans to do that and we have tried to be as broad and open about it, you do not turn around and start accusing the Government of having hidden agenda.

There is need for us to respect one another and to realise that we are serious about rebuilding our country. The best you can do is to help us and to listen to us as we listen to you. Therefore hope that the rumour-mongering will stop because it does not help in the effort to rebuild our country.

The other point is that we have several problems when you are talking about good governance or poverty reduction; the main problem has been one of human resource capacity in the real sense. We have to focus and concentrate on trying to build capacity. Even before the Genocide, which took the lives of one million Rwandans, among them some intellectuals and technocrats, we already had a deficit in terms of capacity. The genocide worsened the situation. I would therefore like to request our development partners to continue to help us build our capacity by training and educating our people and even carry the training to local communities so that we can have a broad base items of conceptualising these ideas that can help us formulate the strategies to overcome poverty. Good governance is very good but it is also important that it helps us to deal with poverty and improving the living standards of our people, which is the ultimate objective.

In conclusion, let me emphasise again the importance of national ownership, partnership and participation in the quest for efficient and effective governance.

I wish all of you fruitful deliberations.

I thank you very much.

EXECUTIVE SUMMARY

The purpose of this framework paper is to present the vision of the Government of Rwanda on Strengthening Good Governance for Poverty Reduction. Based on the achievements of the Government during the past 5 years, the Poverty Reduction Strategy Programme, the shortcomings identified; and the priority needs, a consensus was built during the National Conference held from 2 to 5 November 2001 on the main strategies to be developed for reinforcement of good governance and improvement of the quality of life of the population of Rwanda. The framework paper describes:

- Rwanda's background context;
- The main achievements of the Government in good governance;
- Rwanda's vision on good governance;
- The priority programs for good governance;
- The expected outputs of the strategy.

The priorities have been developed to meet the challenge of improving good governance as the cornerstone to fighting poverty. It is articulated around five topics regrouped on a functional basis:

- Institutional strengthening and coordination,
- Unity and reconciliation, peace and security;
- Social welfare of the population;
- Civil society and private sector;
- Economic planning and management;

Programs and strategies discussed in this framework paper are based on the outcomes of the Conference on good governance mentioned above.

The Conference brought together top government decision makers, provincial officials, members of the donor community, civil society and scholars from high institutions of learning in Rwanda. The outcomes of the Conference are fully in line with good governance philosophical framework. Participatory and facilitatory approaches are the guiding principles of this Government strategy framework guide on good governance for poverty reduction. Follow up measures are to be presented in a five-year good governance program document; while the costing of different interventions will be provided and implemented.

It is hoped that all players will do the needful to ensure that efforts and time spent in the preparation of this document are not wasted.

May I take this opportunity to thank all those that have played different roles in the production of this very important document and encourage those that have roles to play to ensure that follow-up actions are pursued, until every programme of this framework paper is fully developed and implemented .



MUSONI Protais
Musoni Protais
Secretary General
Ministry of Local Government
and Social Affairs

INTRODUCTION

In all countries, institutions of governance exert primordial influence over a society's stability, prosperity and the well-being of its citizens. In turn, long term stability of governance is heavily dependent upon the people's belief in the justness and fairness of their governing institutions.

The genocide and its attendant destruction were orchestrated by an authoritarian and centralized state. The consequences of 1994 genocide for Rwanda's institutions of governance were many including: destruction of infrastructures loss of human lives mistrust and suspicion within the Rwandan community. Since these tragic events, the Government of Rwanda (GOR), with the support of many partners has undertaken a number of activities in the domain of good governance.

In January 1998, the GOR held a national conference on governance where eight priority areas of governance interventions were identified. There are a number of interrelated issues around "governance", which are of critical importance in the short as well as in the long term. One of the most striking issues is poverty reduction by 50% within a 15 years range. Rwanda needs a strategy framework for good governance for poverty reduction.

The purpose of this paper is to lay out and formulate an integrated strategy to promote good governance for poverty reduction. The programs and strategies in this paper are based on the outcomes of the Conference on Good Governance that was held in Kigali November 2nd to 5th 2001.

The Conference brought together top government decision makers, provincial officials, members of the donor community, civil society private sector and scholars from higher institutions of learning in Rwanda. The outcomes are fully in line with the Government's long term vision, 2020 and the Poverty Reduction strategy Paper (PRSP).

I. RWANDA'S SITUATIONAL ANALYSIS

2.1. General background

As a result of the war and genocide of 1994, there was total breakdown of institutions systems, structures and human capacity in Rwanda. Since then, the country has gone through the painful challenge of rebuilding the above. From the period of emergency through the rehabilitation and reconstruction phase up to the current effort of development, considerable amount of work has been accomplished in the area of re-establishing and strengthening good governance (political, economical and administrative).

A combined effort of the Rwandan Government of National Unity, in place since July 1994, the Rwandan people, donors, and development partners, has resulted in the country being put back on the right path for long term development.

The years 2000 and 2001 mark an important milestone for Rwanda. Having been classified as a conflict status country, from the early 90s until 1998, Rwanda has

made significant transition from emergency to sustainable development processes. Over the past 5 to 6 years, the country has made steady and commendable progress in several critical areas, including the following:

- Restoration of peace in all parts of the country,
- Rehabilitation of key institutions including administrative, judicial and social sectors;
- Prudent and performing macro-economic policies;
- Stabilization of the national economy, in spite of the sharp decline in 1994;
- Liberalization of economic activities, via among other things, privatization of state enterprises;
- Decentralization of administrative and political powers functions;
- Setting up grass-root leadership structures and local governments through elections to empower local communities;
- Launching and sustaining unity and national reconciliation, and monitoring human rights conditions.
- Starting and conducting a constitution making process, that consultative and participatory

Government initiatives aimed at various political, social and economic sectors have paid off. International recognition of these efforts is illustrated by the collaboration of the Government of Rwanda (GOR) and international donor institutions (bilateral) and multilateral organizations such, as the Bretton Woods Institutions and non-governmental organizations (NGOs)

Even though some progress has been made the transition from emergency to sustainable development has not been a linear process.

Current socio-economic and socio-political problems that face Rwanda are in two intertwining forms:

- Structural problems that date back to several years and decades;
- Genocide related problems, superimposed on pre-existing divisions.

One of the problems that is crosscutting and which continues to worsen people's lives in this country is "poverty". Today, the issue is how to promote good governance for poverty reduction and achievement of vision 2020, objectives.

1.2. Rwanda's vision and programmes of good governance

1.2.1 The Vision

Good governance defines the processes and structures that guide political and socio-economic relations. It therefore includes the government, the private sector, and civil society activities. All three (state, private sector, and civil society) are critical for sustaining development. The state creates a conducive political and legal environment. The private sector generates jobs, income and wealth. While Civil society contributes to political, social and economic development.

The universally accepted principles of good governance include among others:

- The separation of powers, (Judicial, Executive and legislative);
- Rule of law;
- Participation in decision-making;
- A dedicated leadership;
- Transparency;
- Efficiency and effectiveness;
- Equity or fairness;
- A long term vision;
- Accountability; and
- An Enlightened population.

State, private sector and civil society must be committed to rendering these principles functional in concrete terms if ever true good governance is to take place in any given society.

Each has weaknesses and strengths and therefore, the country's vision is to promote constructive complimentary among all the three, mostly through by targeting:

- Government institutions: legislative, judiciary and electoral bodies. Legislatures mediate differing interests and establish policies, laws and resource priorities that directly affect people-oriented development. Electoral bodies ensure independent and transparent elections. Judiciary uphold the rule of law, bringing security and predictability to social, political and economic relations.
- **Public and private sector management:** this includes leadership and management of changes, civil service reform, economic and financial management and urban management. Reforms of state institutions to make these more efficient, accountable and transparent are the cornerstone of good governance.
- **Decentralization and local governance:** decentralizing government enables people to participate more directly in governance processes and can help empower people previously excluded from decision-making.

- **Civil society organizations (CSOs):** they are the wellspring of social capital that is, people working together for a common purpose, they can advocate and monitor and implement reforms that foster sustainable human development.

2.2.2. The Components of the Interim Governance Programme

In January 1998, reflecting on the transition from emergency to development and in recognition of the need to develop a national governance program, the GOR held a national workshop on governance, where priority areas for governance interventions in Rwanda were identified. Public sector reform, Strengthening of the justice sector, Support to the parliament, Decentralization and democracy and local governance; the Support to government coordination.

Later, a series of brainstorming meetings initiated and conducted by the Office of the President between May 1998 and March 1999 led to the development of the GOR vision on governance issues such as unity and reconciliation, gender dimension, economic policy and security. This led to a number of pro-active policy proposals such as the Gacaca community justice initiative.

Following this process, an Interim Governance Program (1998-2000) was developed and extended through 2001. It is the policy of the GOR that in the design and implementation of governance programs and projects, efforts emphasize participation and consensus building.

The following table is an over-view of overviews the main achievements of the Interim Program, 1998-2000.

Table I: Main achievements of the Interim-Governance Programme (1998-2001).

Good governance objective (s)	Main achievements
Decentralization and local Community development	<ul style="list-style-type: none"> - Supporting the drafting of the decentralization policy - Successful holding of local elections at cellule, sector and district levels - Ongoing training for local elected officials - Participatory development project in 72 of 154 former communes - Administrative decentralization - Underway in MINISANTE & MINEDUC
Public sector and Administrative reform	<ul style="list-style-type: none"> - Development and implementation of a - Program of public sector reform - Training of civil servants - Elimination of ghost employees - Development of competitive recruitment procedures - Strengthening control over payroll, - Monetisation of public servant's Salaries - Supporting the establishment of a Civilian

	<p>police force</p> <ul style="list-style-type: none"> - Adoption of more rational structures of Ministries and finance decentralization at province level
Strengthening the Parliament	<ul style="list-style-type: none"> - Development of administrative staff - Structure - Training MPs and Parliament staff in - Budget control, communication, gender issues, etc.. - Progressive mastering of legislative process - Organization of study visits and training seminars - Equipment of library and computer - Network and internal sites - Enhanced capacity to exercise control - And supervision over the executive
Rehabilitation of the justice sector	<ul style="list-style-type: none"> - Rehabilitation of justice institutions and training of judiciary, prison administration personnel and communal police - Adoption and implementation of the law against genocide - Initiation of gacaca process and election of gacaca judges, - Adoption and implementation of the law on the Bar
Promotion and protection of human rights and the national unity and reconciliation	<ul style="list-style-type: none"> - Strengthening the capacity of the National Human Right Commission (NHRC) and National Unity and Reconciliation Commission (NURC) - Human right training program for civilian police force - revision of labor code to remove all restrictions on labour mobility,
Gender	<ul style="list-style-type: none"> - Providing support to genocide widows and other child and elderly vulnerable groups - Eliminate gender discrimination - Institutionalization and mainstreaming gender processes in key government institutions and policies - Initializing the development of the gender policy
Demobilizing and Reintegrating The Army men and officers	<ul style="list-style-type: none"> - Developing a plan for and commencing the, process of, demobilization and reintegration of military personnel both RPA and Ex-FAR
Improving economic and Financial management and Practices	<ul style="list-style-type: none"> - defining a vision for macro-economic reform and financial stability

2.3. The issue of poverty in Rwanda

2.3.1. Conceptualising Poverty

In Rwandan rural as well as in semi-urban and urban areas poverty is multidimensional. It is characterized by the inability of individuals, households, or entire communities, to command resources to satisfy their basic needs.

It is also recognized that defining 'the poor' is complex and contains both absolute and relative dimensions. Three basic concepts emerge as useful tools to deepen any analysis of the extent, the nature and the persistence of poverty.

- **Security:** having or not having secure and sustainable access to essential commodities, services and other conditions for acceptable life (physical security for the person). This introduces the notion of vulnerability whereby poverty is not only about being poor; it is also the risk of becoming poor and poorer.
- **Sufficiency;** having or not having enough food, income and essential services as well as non-material needs such as safety and opportunities. This requires some understanding of what constitutes resources.
- **Access:** is related to access to assets and rights, and processes, which allow these to be converted into the commodities and services, that people require for subsistence.

Extreme examples of poor people unable to possess a hoe and being obliged to borrow one (without the guaranty of obtaining it) in order to cultivate can be observed in some parts Of Rwanda. People selling their labor to 'well-off neighbors, just to obtain "some sorghum beer residue" to eat or swallow is yet another example of the devastating effect of poverty in this country.

2.3.2. Characterizing poverty in Rwanda

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

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

There has been deterioration in Rwanda's social indicators since the war.

For Sub-Saharan Africa (SSA), with regard to key economic indicators for Rwanda, it appears evident that Rwanda lags far behind the SSA average. For instance, Rwanda has a per capita income of 240\$ against 510\$ for SSA, foreign investment of 0.1% against 1.3% for SSA and unemployment of 31 % as compared to 11 % for Ghana. Table below shows statistics about Rwanda as having one of the lowest revenue bases in the world. This is due to the fact that more than 90% of its population depend on subsistence non-monetised agriculture therefore non-taxable.

Table 2 Comparison between Rwanda and SSA.

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

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

Another characteristic of poverty in Rwanda is gender disparity in access to productive assets. In the past, Rwandan women had no legal right to own land. The GOR recently took a step to correct this disparity by adopting a legislation that promotes gender equality through female access to property rights.

The scope of poverty is also reflected in the relatively poor state of educational indicators. As it appears in the table above and further analysis of enrolment and drop out rates show that the structures of this sector are distorted. Enrolments for girls are slightly lower than those of boys in primary but are very low at secondary and tertiary education.

Health indicators are also relatively poor and worsened with the 1994 genocide, which affected most of the health infrastructure.

The high level of malnutrition, the prevalence of malaria and AIDS further accelerated the deterioration of people's welfare. Child mortality as noted here before, is high in Rwanda. Maternal mortality is estimated to be around 810 per 100 000 deliveries.

AIDS prevalence increased from very low levels in the early 1990s to 11% in early 2000s. Malaria remains the leading cause of morbidity and mortality.

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

Improving and strengthening good governance has been identified as one of the priority strategies for poverty reduction precisely because the GOR realized that it is futile to spend efforts and resources in programs for poverty reduction if such programs are not managed by an efficient state able to define good policy and give access to efficient services to the poorest, e.g. education, health, development initiatives.

2.2. Link between good governance and poverty reduction

Governance is the exercise of authority to manage a nation's affairs at political, economic, and administrative levels. Governance includes the complex mechanisms, processes, relationships and institutions through which people and groups articulate their interests, exercise their rights and mediate their differences.

Key components of good 'governance include democracy, transparency, accountability, decentralization, policy ownership and financial integrity. Because these components are mutually reinforcing and interdependent, governance, which encompasses them, can be viewed as cross-sectoral, involving relationships between public, private and civil society institutions.

Good governance and poverty reduction are not separable nor are they independent from one another. Sustainable poverty reduction strategy can only be achieved in a context of good governance. In turn, poverty is a constraint to the existence and even sustained good governance Good governance will facilitate participation and therefore empower citizens to utilize their resources more efficiently.

The GOR recognizes that devolution of power, authority and resources plays a vital role on the fight against poverty. Through its policy of decentralization people at the grass-root will be empowered to identify their needs and seek their satisfaction under the leadership of elected local authorities.

3. PRIORITY GOOD GOVERNANCE PROGRAMMES FOR POVERTY REDUCTION

From 2nd to 5th November 2001, the GOR held a National Conference for Integrated Evaluation and Planning to Strengthen Good Governance for Poverty Reduction in Rwanda. The objectives of the Conference were:

- To take stock of the achievements so far,
- To assess challenges and constraints,
- To debate and generate consensus on improvements;
- To generate an agreed upon strategic framework;
- To secure commitment from all partners for their implementation and improvement of the strategies developed.

Issues for debate in the Conference were grouped into four categories:

- Issues relating to socio-economic aspects of good governance for poverty reduction,
- Issues on management and capacity building,
- Issues on justice, social and political matters, and
- Crosscutting issues.

The Conference recommended objectives, strategies and actions to be pursued in the process of strengthening institutions and practices of good governance in Rwanda. These are as set out below:

3.1. Institutional strengthening and co-ordination

Priority programs are: the constitutional making process, democratization and decentralization, and institutional coordination mechanisms

3.1.1. Constitution Making Process, Democratization and Decentralization

The constitution making process

In order for the governments (local and central) to enjoy political legitimacy from the citizens and the international community, there must be a *constitution* which ensures the separation of powers, the rule of law and the protection of citizen rights. Constitutional making process is underway to determine the regulations of political institutions and governance mechanisms.

Strategy

The GOR will make sure that the process is completed as planned and that the constitution is elaborated in such a manner that it reflects the views of all Rwandans. This involves programs of sensitization, training, continuous multiple-sided consultations for full participation of the population in the process.

3.1.2. Democratization process

GOR has started the democratization process through elections at grassroots and district levels. The way in which this will be extended to the national level is dependent on the final form the constitution takes. Issues yet to be or choices to be made are between direct versus indirect electoral processes and secret versus open ballot.

Strategy

The Constitutional Commission will look carefully into these issues. Choice of one process should be based on comparative advantages and meet the criteria of simplicity, ease, and cost effectiveness economy. There is need to develop an integrated approach to sensitize, train all stakeholders and engage them in positive debates in these issues.

The Constitution Commission will need support and assistance to mobilize all required human, financial and material resources to complete the process. Successful conclusion of the process will be the adoption of the constitution validated by a referendum.

Decentralization process

The decentralization process is fully supported by the population. However, local government's ability to deliver the services is constrained by limited resources: financial, human and material.

Strategy

The GOR will implement fiscal decentralization by devolving the authority to collect certain taxes (property tax, rent tax, land tax, and licensing tax); as well as providing support and development grants to local governments.

GOR will undertake capacity building programs for local government officials. GOR will encourage the formation of an association of local authorities to facilitate the sharing of "best practices" information. The GOR recognizes the need for greater coordination and harmonization of interventions in the support of decentralization activities and it urges its partners to do the same.

3.1.3. Institutional Coordination Mechanisms

Need for improved coordination

GOR recognizes the need for improvement of coordination within and among the state institutions of Rwanda to enhance efficiency and effectiveness of policy implementation.

Strategy

In order to achieve better coordination, the GOR will undertake the following:

- Formulation of coordination mechanisms for greater harmonization of policy formulation and implementation;
- Identification and updating of the outdated laws and regulations;
- Improvement of consultation mechanisms within and among institutions;
- increasing efficient channels of communications;
- setting up of an independent mediator to handle conflicts between citizens and public services (i.e. the Office of the Ombudsman);
- review the roles and responsibilities of public institutions in order to avoid duplications and overlaps;
- Disband the "Cour des Comptes"; review and clearly define complete the role of the Office of the Auditor General in order to integrate the former's attributions;
- formulate and implement appropriate control measures;
- review of separation of powers with a view to strengthening the role of the Parliament and enhancing the independence of the judiciary;
- Ensure sustained coordination of reform efforts for cohesion and complementarity across different initiatives underway in the various ministries and other state institutions.,

Accountability and fight against corruption

One of the principles of good governance is accountability. The GOR recognizes that corruption in all its forms is an immense obstacle to the fight against poverty. It also recognizes that one way to combating corruption is to have systems of accountability established in all institutions.

Strategy

The Government will define an anti-corruption law; speed up the statute of the Anti-Corruption Commission, which is currently under discussion in Parliament. GOR will promote citizen participation in public accounts debates and effectively link them with their elected representatives both at central and local government. GOR will strengthen internal auditing and develop a national public accounting system.

Human resource development

Constraints to human resource development (HRD) include:

- Lack of a coherent human resource development policy;
- Lack of coordination among existing training providers;
- Insufficient resources to meet the enormous needs related to retrenchment, training programs and system modernization;
- Insufficient attention to HRD and institutional capacity building at all levels and in all sectors, external support has tended to favor infrastructure and equipment;

- Lack of incentive structures to retain trained professionals in the public service; and
- Chaotic human resource management systems.

Strategy

- GOR will follow up carefully and put more efforts on the undergoing formulation of HRD policy process,
- GOR will support the reinforcement of training institutions for the public and private sectors,
- GOR will make considerable efforts to retain trained staff by devising an appropriate incentive system to ensure retention of trained public servants, especially for those trained in technical and managerial skills,
- GOR is currently taking measures to integrate ICT into capacity building strategies.

Civil service reform and stabilization

In its effort to rationalize the public services the GOR has adopted new organizational structures for all ministries as well as job classification and grading system for public servants.

The issue of civil service reform and stability of staff concerns the professionalisation of the civil service (no belonging to political parties, more effectiveness, and impartiality). It is also related to clearly distinguishing between political and administrative functions, removal of the disparity in remunerations, the management of social consequences of retrenchment and need for retraining programs for the retrenched.

Strategy

- pursue the civil service reform process for more transparency in recruitments; appointments, nominations, evaluations and the in-service training;
- continue the process of improving management systems (financial; technical, human) for better overall planning and control capacities and guard against corruption at all levels;
- develop and publish a legal framework that clearly distinguishes political and technical positions in the public service in order to ensure professionalization and stability of the staff,
- take measures to harmonize salaries within the public sector and between the public and private sectors so as to ensure better motivation and stability for the existing personnel and attract better qualifications. complete a proper public servant database and the training of the staff to manage the system,

3.2. Unity and reconciliation, peace and security

3.2.1. Unity and reconciliation

The rule of law, unity and reconciliation and human rights

In post-genocide Rwanda, there is keen appreciation of the potential role the classical justice system and the gacaca process in ending the culture of impunity. It is also hoped that the process will contribute to national reconciliation and help to promote better social values.

Efficient and equitable justice will help in protecting human rights and preventing/managing conflicts. The National Unity and Reconciliation Commission will exploit the participatory nature of decentralization and PRS (Poverty Reduction Strategy) processes.

Strategy

Strategies in this area of concern are articulated around the following: capacity building and institutional development, independence of the judiciary, strengthening the human rights commission and updating laws, regulations and procedures.

In order to achieve the above strategies, the GOR will take the following strategic actions:

- develop capacities in the judicial institutions,
- bring judiciary institutions nearer to the people by sensitizing people about their rights,
- supporting the gacaca process;
- Judicial assistance to the poor and needy;
- intensify contacts with Rwandans living abroad, sensitize them and provide correct information about socio-economic and political evolution in Rwanda and the long term vision of the country;
- create specialized courts regarding commerce, youth, labor, etc.;
- create an enabling environment for national unity,
- promote, respect and protect human rights by building a functional partnership between government, the private institutions, NGOS and civil society, regional and international bodies working in these fields.

3.2.2. Peace and security

There is a close and critical link between security and poverty reduction. Without security there can be no economic growth for investment. Increased security contributes to poverty reduction in terms of the normalization of local economy and attraction of foreign investment and tourism. Conversely peace brings growth confidence and shared optimism in the future.

Strategy

The Government of Rwanda will;

- reinforce the human training for security agencies;
- continue to be committed to the security of the Rwandan people;
- initiate, introduce, sensitize and reinforce, in collaboration with the police and through, local and regional cooperation to fight crime;
- develop a good integrated strategy for demobilization;
- encourage the Commission on Demobilization to collaborate with stakeholders in order to involve demobilized soldiers in developmental activities;
- promote grass-root consultations on values of peace and tolerance;
- develop a new strategy concerning the reintegration of all ex-combatants;
- encourage the population to be involved and participate in community security service;
- mobilize required resources to improve the skills and provide equipment for the police;
- strengthen the capacity of the police including infrastructures and facilities; and
- reinforce civic education programs.

3.3. Social welfare of the population

3.3.1. Human Capital

The most important resource of Rwanda is its people. Therefore, increasing human capacity is a must. Investment in human capital is important. Investments in human capital is required, especially in improving access to education and health, strengthening the fight against HIV/AIDS and MALARIA, developing strategies and capacities to utilize ICT.

Strategy

The governance of Rwanda will:

- Reinforce access to education and health at grass root level (facilities by strengthening organizational capacity at the grass-root; mutuelles de sante, private schools, education cost sharing);
- Improve and empower human capacities through better articulated methods of functional literacy; ,
- Strengthen the fight against HIV/AIDS;
- Improve measures to prevent malaria;
- Promote ICT and make it accessible to urban and rural populations; and
- Create strong mechanisms for assisting vulnerable groups in emphasizing strong mutual interactions such as the tontines, alternative loans, etc.

3.3.2. Land, Environment and Resettlement Perspective

In a country like Rwanda where the economy relies predominantly on agriculture, there is need for stability of climate and better soil conservation and energy saving mechanisms.

Rwanda is confronted with very complex environmental problems. They are caused by several factors both direct and indirect, some of which are: rapid population growth which does not match with economic growth, the use of rudimentary and cultural techniques especially in agriculture, effects of war which led to massive deforestation, low level of education and environmental education in particular.

Land reform policy is being developed to address a number of problems, such as high population density pressure on land, fragmentation, loss of soil and soil/land degradation, landlessness among a number of people, pressure on wood resources and overgrazing. Urban development is also affected by high urban population growth due to high rural urban migration, especially of the youth.

Strategy

The main features of the strategy are:

- to settle and resettle the Rwandan farmers into grouped village settlements popularly known as "IMIDUGUDU";
- to develop opportunities for off-farm employments;
- to make available more land for agricultural production;
- to avail agricultural land for use as collateral for credits;
- to facilitate provision of infrastructure and services such as water, roads, schools, health facilities to rural areas.
- to facilitate improved security and resettle the returnees as well as those internally displaced during war and genocide; and
- to improve the above taking into account gender mainstreaming perspectives.

3.3.3. Management of natural resource sector

Analysis shows that there are various components of environment being managed or implemented by various ministries and institutions creating overlapping of functions between public service providers

Strategy

- The strategy adopted here include strengthen institutional mechanisms and promoting environmental management mechanisms;
- Sensitizing people about the importance of environmental protection,
- Creating and setting up two institutional frameworks to address the daily implementation and management of environmental and related issues, and for the protection of environment (Rwanda Environment

- Management Authority -REMA-, and the Survey Mapping and Cadastre),
- Strengthening institutional mechanisms to carrying out the national master plan for land use and management.

3.3.4. Gender mainstreaming

GOR recognizes that for society to be participative there must be gender equality and equity.

Strategies

The GOR; pledged to:

- Continue ensuring gender equality and promote gender equity in all domains;
- Promote women education;
- Improve gender capacity to participate in the decision making processes and structures: affirmative action for women education is strongly required,

3.3.5. Information Communication and Technology (ICT)

The Government now has in place a comprehensive set of ICT policies and strategies as detailed in the GOR ICT Policy document adopted by the Cabinet in early 2000. It has recognized the role that ICT can play in accelerating the socio-economic development of Rwanda.

ICT-led Development Vision

To modernize the Rwandan economy and society using information and communication technologies (ICTs) as an engine for: accelerated development and economic growth, national prosperity and global competitiveness.

Strategy

The government of Rwanda hopes to:

- Transform Rwanda into an IT literate nation;
- Promote and encourage the development and utilization of ICTs within the economy and society;
- Improve the efficiency of the civil and public service;
- Improve the information and communication infrastructure of Rwanda;
- Transform the educational system using ICT with the aim of improving accessibility, quality and relevance to the development needs of Rwanda so as;
- Improve the human resources development capacity of Rwanda to meet the changing demands of the economy.

- Develop the legal, institutional and regulatory framework and structures required for supporting the deployment and utilization of ICTs within the economy and society; and
- Facilitate the process of national reconciliation and reintegration by promoting social and cultural interactions within the society.

3.4. Private sector and civil society

The Government of Rwanda acknowledges the importance of the civil society as a partner in development and of the private sector as the engine of economic growth to reduce poverty.

3.4.1. The Role of the Civil Society

The need for CSOs to target their assistance in a more focused manner in the development phase (rather than wide-ranging interventions undertaken during emergency phase) must be acknowledged.

Most of the CSOs work to supplement services and provide direct support in areas that are insufficiently covered by the Government or the private sector. Many civil society organizations are capable of a rapid and flexible response that reinforces the understanding and the trust within the communities that they serve.

There are, however, some shortcomings to be aware of like the lack of statistics and information on CSOs as a whole in terms of their current activities, potential contribution, training needs and even a complete dependence on external sources of funding, even for organizational running costs.

Strategy

The Government of Rwanda will be committed to facilitate the improvement of the following programmes:

- Database: a centralized and integrated database should be developed, containing comprehensive information on Rwandan CSOs including their current areas of activities, expertise and proven capabilities;
- Legal status: though the law on associations is published, consultation and dialogue will be carried out to identify areas of revision on the basis of mutual interest;
- Coordination forum; this would bring together CSOs on a regular basis. There is need for it to be established under the assistance of the GOR and with an agreed upon mandate. This will allow CSOs to participate more in drafting of public policy and decision-making processes;
- Capacity building: GOR will encourage the reinforcement of capacity in CSOs, to organize, to be informed, and to participate in policies and laws relating to their mandates and activities;
- Resource mobilization; GOR will support local associations and encourage their efforts to mobilize local resources so as to reduce dependency on external financing; and

- GOR commits itself to facilitate Civil society organisations' activities to permit them to serve the population more efficiently.

The role of the media

The role of media can be expressed by the view that media should play the role of the "4th state" i.e , influencing the work of the other three (executive, legislature and judiciary). Present difficulties to access broadcast via radio are still persistent. Private broadcasting does not exist yet.

Strategy

The concerned parties will speed up the finalization of the draft media legislation which foresees the liberalization of radio broadcasting. GOR commits itself to avail more radio air-space (if necessary a new channel) for enabling CSOs to get greater opportunity to broadcast.

3.4.2. Private Sector

The private sector has potential to contribute if a number of constraining factors: insufficient cohesion, weak understanding and contradictory interests between the public and private sector, lack of facilitation mentality in the public sector, low skilled personnel .are weakened or removed:

Strategy

- GOR will create an enabling environment for private sector to facilitate investments and render more functional the Rwanda Investment Promotion Agency (RIPA),
- Government will improve the education system by incorporating in the curriculum the teaching of entrepreneurship, business management and ICT.

3.4.3. Civil Society and Private Sector

Both Civil Society and the Private Sector note that without a planning processes that involve them, or are at least in part, there can result poor co-ordination between government and its partners. For both sectors this means lost opportunities with regard to resource mobilization, both sectors seeking to serve as executive arms of government.

For the Private Sector of Rwanda this means lost opportunities for business that private/public sector partnerships afford: it goes without saying that lost business to Rwandan businesses is a gain for outside business, and a net leakage from the already small domestic economy.

For Civil Society there is increased scope for program harmonization with government initiatives; doing the same sort of research twice, for instance, can be avoided, and both partners profit from a coordinated approach.

Strategy

Government is committed to improvements in co-ordination mechanisms that will allow all stakeholders to play a part in identifying a role that they can play in the execution of policy.

Negative role of the bureaucracy

It is felt by both civil society and private sector partners that too much bureaucracy governs the relationships with the government.

Strategy

Government is committed to examining how procedures can be streamlined to facilitate relations that are transparent but enabling quick decision-making and action.

3.5. Economic planning and management

Traditionally, planning is related to economic governance, which includes the processes of decision-making that directly or indirectly affect a country's economic activities or its relationships with other economies.

In this paper, national planning transcends pure economic matters to include issues related to resources mobilization and aid-coordination, and harmonization of local and central planning, collaboration between public and private sector and monitoring plans.

3.5.1. National planning

National planning is a tool for economic stability, transparency and effective coordination of resources necessary to ensure that resources are channeled most efficiently to achieve coherence of overall strategy. Integrated planning activities do not exist in Rwanda whether at central and local institutions. Objectives of good governance should be integrated into the process. This requires operational instruments such as reliable statistic and good governance indicators.

Strategy

- The Government of Rwanda will take appropriate measures to consider from now on planning as a national priority by focusing more on strengthening capacities at all levels, setting up and implementing follow-up and evaluation mechanisms to monitor and harmonize central and local plans and ensure participation of all stakeholders;
- The GOR will make sure that all the planning processes will be integrated within the framework of Rwanda's Vision 2020;

- The GOR will reinforce capacity of the national statistics to provide relevant information to support formulation of policy, monitor and evaluate policy and program impact on good governance and to collect and analyze poverty trends;
- The GOR will need assistance in the development of 'good governance indicators' to enable tracking of the progress regarding the implementation of good governance policies within the PRS framework. For example, indicators demonstrating transparency, information sharing and participation of local communities and civil society in decision-making process would be important for tracking progress with regard to the GOR's governance objectives in the various decentralized entities.

3.5.2. Aid management and coordination

Given the context of aid dependency in Rwanda (95% of the development budget), effective aid management and coordination structures and mechanisms are essential to promote poverty reduction, sustainable human development and good governance. Such structures and mechanisms should promote a framework for implementation partnerships among donors, GOR and civil society organizations so that they can respond to priority needs according to common aims and objectives.

Implementation of partnerships refer to a combination of aid delivery modalities and aid types agreed upon by all partners, especially to build local capacity, empower beneficiaries and promote sustainable development activities. Instruments such as the PRSP and the MTEF currently in progress appear to provide an excellent opportunity to operationally implement both at central and local levels.

Strategy

On these issues, the GOR will articulate the strategy as follows:

- strengthen CDCs capacities and other institutions dealing with resource mobilization, coordination and management,
- strengthen coordination mechanisms among donors and between government and the donor community,
- support and operationalize the community development fund by promoting rapidly and urgently a related legal framework,
- encourage investments initiatives related to income generating programs and activities.

At higher level, with regard to developing a shared understanding of the complexity of the country's situation between the government and aid providers, it should be stressed that it is a two way. process wherein each party should listen and try to understand its partner's feeling and understanding on the principle that Rwandans are serious about searching to solve their problems.

GOR and the donor community should be more committed to the impact of international practices in relation to the difficulties that faces the country regarding, for example, trade relations due to the protectionist policies of developed countries,

GOR and donor will focus more attention on:

- Supporting the creation of a framework for regular consultations between all development stakeholders including mechanisms for external intervention in the context of PRSP and MTEF,
- Supporting the design, development and elaboration of sectoral policies and strategies coherent with the PRS and the establishment of coordination mechanisms within principal sectors,
- Encouraging decentralized development cooperation (North-South and South-South).

4. EXPECTED OUTPUTS OF THE GOR STRATEGY

The Government of Rwanda is going to implement this strategy guided by the principles of good governance. These principles are to promote good governance that include participatory approach and facilitate systematic consultations between Government, the public in general , the private sector, the civil society and all other stakeholders.

The overall aim is and remains poverty reduction. Good governance is one of the strategies for this aim to be achieved. This will improve:

- better functioning and coordination of institutions,
- increased transparency and accountability,
- improved conditions granting the rule of law and respect of human rights,
- improved human and institutional capacity (plan, implement, monitor and evaluate)
- improved quality of public services to be provided,
- closeness of public services to the population,
- participation of all the segments of the population in decision making processes,
- involvement of the civil society in development programs and actions,
- emergence of a powerful private sector as one of the most crucial contributors to good governance for poverty reduction.

All concerned institutions and officials must without delay develop detailed programs and plans that will make implementation of this strategy framework paper a reality. Putting these measures in place will greatly enhance the chances to eliminating poverty in Rwanda.