

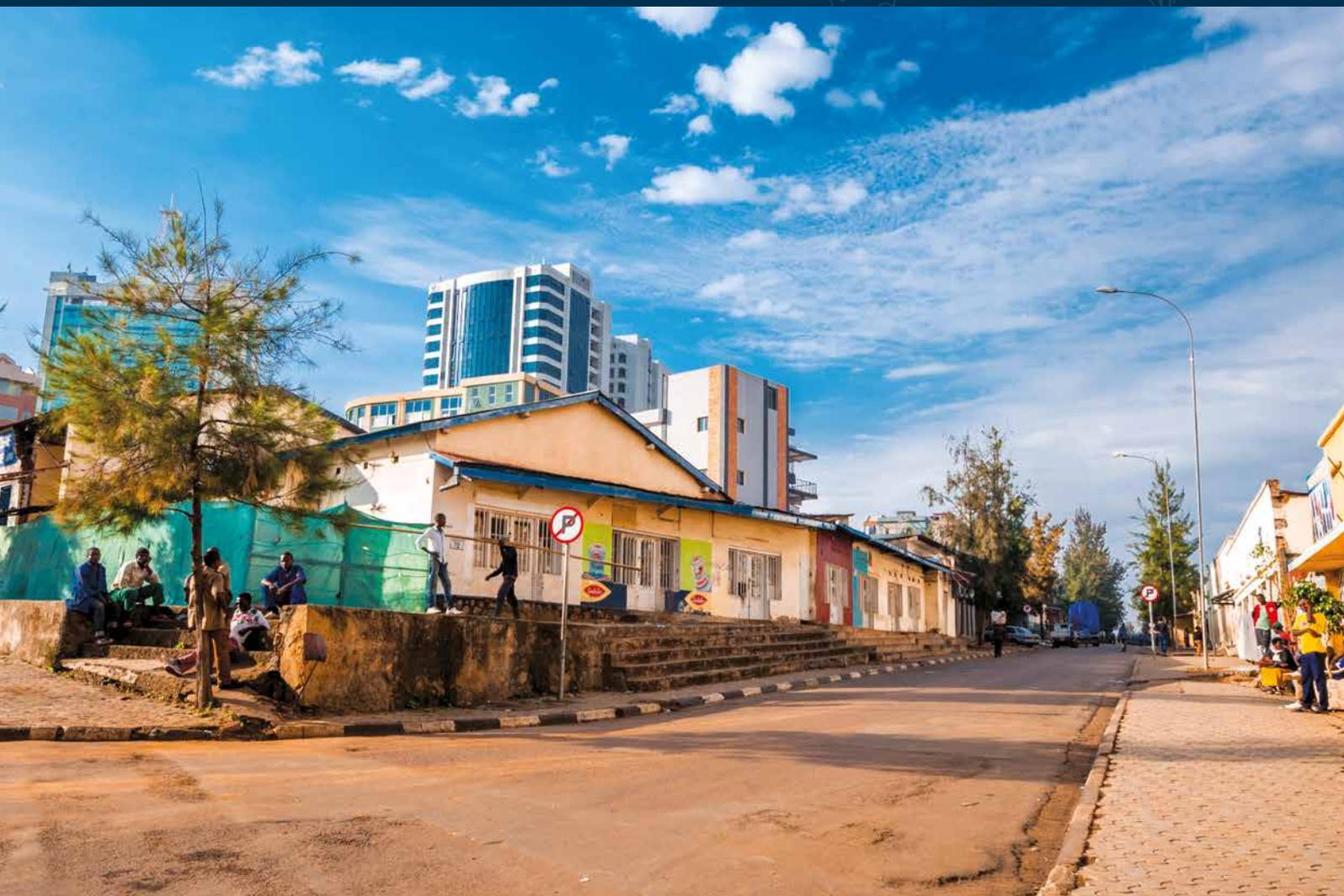
IMPROVING PUBLIC SECTOR PERFORMANCE

THROUGH INNOVATION AND
INTER-AGENCY COORDINATION



CASE STUDY FROM THE GLOBAL REPORT

Fusing Tradition with Modernity: *Imihigo* Performance Contracts in Rwanda



CASE STUDY 1

Fusing Tradition with Modernity: *Imihigo* Performance Contracts in Rwanda



Overview

Ensuring follow-through on policy promises is always a difficult task, particularly in the wake of a national crisis. Following the Rwandan genocide, the country's government had to find a way to move on from the devastation, implement policies that would stimulate development and improve service delivery, and then make sure it delivered on those policies. To hold public officials accountable, the government chose to adapt the idea of performance contracts to a traditional practice of setting and achieving goals called *Imihigo*. First implemented with district mayors, *Imihigo* were later expanded across government ministries and agencies. The increased focus on performance of public officials helped Rwanda achieve impressive rates of economic growth, rapidly improve infrastructure, and increase health and education outcomes for its citizens. More recently, however, critics noted that focusing on district *Imihigo* targets – which were largely derived from central government priorities and financed by the national budget – had potentially limited the opportunity for citizen participation and for local governments to implement their own policies and solutions.



RWANDA

POPULATION (July 2017 est.)¹

11.901 million

GDP PER CAPITA (current US\$)²

702.80

INCOME GROUP³

Low income

GOVERNMENT EFFECTIVENESS⁴

58.2%

¹CIA World Factbook, ²World Bank (2016),
³World Bank (2016), ⁴World Bank (2016)

Introduction⁷

At the start of the new millennium, Rwandans had begun to put their country back together after the horrors of the 1994 genocide. Following the atrocities, the government focused on providing urgently needed services to the distressed population, while long-term development strategies took a backseat. By 2000, however, President Paul Kagame was ready to set the country on a course for rapid development. In 2000, he launched Vision 2020, a national plan to reduce poverty, improve governance, and promote economic development. Vision 2020 aimed to transform Rwanda into a middle-income country by the year 2020 with a per capita income of US\$1,240, reduce the poverty rate to 20%, and increase average life expectancy to 66 years (from 49 years in 2000) (Ministry of Finance and Economic Planning 2000).

Five years into the plan, however, progress had been painfully slow. More than half of the population still lived in poverty, and the rate had only decreased by 2.2%, from 58.9% in 2000 to 56.7% in 2005. An evaluation of the country's 2003 to 2005 poverty reduction strategy found that a weak monitoring and evaluation system, poor prioritization, and a lack of accountability were major factors in the disappointing progress (African Development Bank 2012). To get its Vision 2020 plan back on track, the Rwandan government had to drastically improve its performance.

In 2006, Kagame launched an ambitious program to push mayors across the country to set development targets for their districts, and deliver on them. The program was based on a pre-colonial tradition called *Imibigo*, where individuals or communities would publicly promise to complete certain tasks, sometimes set by the king or another leader. If the individual or group achieved their goal, the community celebrated their success; if they failed to follow through, they faced public humiliation (Ndahiro 2015).

Under the modern *Imibigo* program, mayors would devise action plans based on the national development agenda in consultation with the local community, and then make public commitments to implement them. The agreements were codified in contracts with the national government.

Enacting the agreements, however, required more than just a written promise. To ensure compliance with the *Imibigo* – and push the country's development agenda forward – the government had to set up a structured system to check mayors' progress and incentivize them to achieve their goals. After pioneering the system with district mayors, Kagame planned to spread the program through all levels of government, from high-level central government officials down to local leaders at the village level.

The *Imibigo* program had several ambitious aims, including to:

- Speed up implementation of the local and national development agenda
- Ensure stakeholder ownership of the development agenda
- Promote accountability and transparency
- Promote results-oriented performance
- Encourage competitiveness
- Ensure stakeholders' participation and engagement in policy formulation and evaluation
- Instill a culture of regular performance evaluation (Government of Rwanda 2010)

Imibigo was designed as a Rwandan approach to performance management, as described in a policy note published by the minister of local government in 2006: “*The Imibigo approach shares many characteristics with results-based management tools. First, each Imibigo identifies a set of clear priorities. Second, each Imibigo presents a set of specific targets backed by measurable performance indicators. Third, each Imibigo undergoes a well-defined process of performance monitoring and evaluation. Fourth, each Imibigo constitutes an efficient accountability mechanism and an incentive for local government leaders and their population to implement the decentralization policies and to meet local and national development targets.*”

Many other countries used performance contracts to incentivize follow-through on development promises, but in Rwanda, *Imibigo* was a more traditional way to achieve the same goals and thus much more understandable for the local population. Alexis Dukundane, the former head of the Directorate for

Community Development at the Ministry of Local Government said: “People wouldn’t understand if you talk about performance contracts, but if you say *Imihigo*, they understand.”⁸

The Response

The national government’s ultimate goal was to have everyone in the public sector working to achieve specific goals, but it decided to focus first on rolling out *Imihigo* for mayors at the district level. Improving the performance of the mayors of Rwanda’s 30 districts was crucial for the country to achieve its goals. At the time, Rwanda was undergoing a decentralization process, and local governments had far more responsibility for service delivery than they had had previously.

Choosing targets

At the same time that it launched the *Imihigo* program, the Rwandan government developed its Economic Development and Poverty Reduction Strategy (EDPRS). The EDPRS was a medium-term plan to put the country on track toward its Vision 2020 goals. The government incorporated the *Imihigo* process into the EDPRS as a mechanism to ensure follow-through by local governments (Ministry of Finance and Economic Planning 2007).

Development targets at the district level were partly influenced by the central government’s agenda (defined in the EDPRS and Vision 2020), and partly influenced by discussions and demands from local communities. Every year, each district mayor and other senior district officials met with representatives from central government ministries during meetings known as the Forum of Central and Local Government. The ministry representatives informed the mayor of the government’s priorities in their respective areas and gave an indication of the expected budget that would be available for the local government to achieve those priorities.

The mayor’s team would also speak with members of community councils within the districts to take into account local demands and priorities, as well as with NGOs and civil society groups. By meeting with

those groups, the mayors could ensure coordination between the district government’s work and the projects being implemented by other organizations.

Based on those national and local level conversations, the district governments developed 5-year plans for the 2007 to 2012 period. Each district government also developed one-year action plans each year to put them on a path toward their 5-year goals. The action plans included all tasks the council planned to complete that year, from administrative tasks such as writing reports and preparing budgets, to large infrastructure projects such as building roads and bridges. Mayors’ *Imihigo* targets formed part of the action plans.

Each *Imihigo* was linked with a specific indicator of success. For example, an *Imihigo* might be to increase electricity coverage to 100%, and the indicator could be the percentage of households with an electricity connection.

After settling on well-defined goals and measurement metrics, the local mayors signed the *Imihigo* in a ceremony with the President. The ceremony was broadcast on television and reported in newspapers, and the *Imihigo* documents were made available to the general public.

Monitoring progress

Local governments were required to keep documentation of all activities and expenses related to their *Imihigo* so that the central government could track progress. Halfway through the year, mayors submitted reports to the government explaining their progress in detail.

At the end of the fiscal year, the national government put together two evaluation teams, each made up of representatives from the Ministry of Local Government, the Prime Minister’s Office, the Ministry of Finance and Economic Planning, the Rwandan Association of Local Government Authorities, the implementation secretariat, and civil society organizations. The teams included high-level people from those groups, sometimes even the director of the organization. The two teams traveled around the country, and between them visited each of the country’s 30 districts to conduct two-day evaluations.

During the evaluation process, the teams would go through all of the district government’s progress reports and audit supporting documentation. The team would then ask the mayor to explain any discrepancies in the reports or any delays in implementation. Finally, the team would choose a selection of the *Imihigo* targets and check them in person. For example, if an *Imihigo* was to build a new school with 50 classrooms, the evaluation team would visit the school, count the classrooms, and check it met other specifications defined in the *Imihigo* target.

From 2014 to 2018, the Institute for Policy Analysis and Research, a Rwandan research institution, conducted the *Imihigo* evaluations. The Ministry of Finance and Economic Planning reported that from 2018 onwards the evaluations would be conducted by the National Institute for Statistics, a government agency.

Holding districts accountable

The evaluation team scored each *Imihigo* target on a 1 to 10 scale. The score was based not only on whether the *Imihigo* was achieved, but also on the completeness and accuracy of the mayor’s progress reports. An *Imihigo* that was fully implemented with complete and accurate supporting documentation would score a 10. An activity that had barely begun would score a 1.

Finally, districts were given an overall score based on a weighted average of their scores for each *Imihigo* activity. Each activity was classified as an “economic” activity, a “social welfare” activity, or a “governance” activity. Economic activities made up 60% of the scoring, social welfare activities 30%, and governance activities 10%. After the team completed the scoring and evaluation process, the final scores and reports were presented in person to the mayors at another ceremony with the President. At the same ceremony, the mayors committed to new *Imihigo* targets for the next year.

The scores and reports were made available to the public online, along with a list ranking each district from first to last based on their overall score. Using those rankings, the public could see how their local government had performed compared to neighboring districts and other districts across the

country. Fred Mufulukye, the director general of territorial administration, said the system fostered competition. “Now districts – both citizens and mayors – want to compete and want to be best,” he said. “This competition drives development.”⁹

Expanding the *Imihigo* program

After the success of the *Imihigo* program at the district level, Rwanda expanded the system to cover more of the public sector. Administratively, each district in Rwanda is divided into sectors, each sector divided into cells, and each cell divided into villages. Public officials at each level (sector, cell, and village) were included in the *Imihigo* program and made public commitments each year. Monitoring and evaluation was carried out at the local level. For example, public officials at the cell level were responsible for monitoring village leaders’ *Imihigo* within the cell’s geographic area (Ndahiro 2015).

The program was also expanded within the central government, and beginning in financial year (FY) 2009 all government ministries and agencies began requiring staff to sign *Imihigo* contracts.

Reflections

Since the *Imihigo* system was introduced, Rwanda has scored highly on a range of development indicators. While a number of factors have contributed to the country’s improvements, the *Imihigo* program likely helped keep officials at all levels focused on achieving development targets. The country’s GDP increased from US\$3.2 billion in 2006 to US\$8.4 billion in 2016 and life expectancy increased from 57 years to 67 years over the same period. In addition, the poverty rate decreased from 56.7% in 2005 to 39.1% in 2013.¹⁰

Achievements of individual *Imihigo* targets in districts across the country no doubt contributed to those impressive national achievements. In FY 2014/2015, there were more than 2000 *Imihigo* targets spread across the 30 districts. Of those, about 75% were achieved. Based on a report by the Institute for Policy Analysis and Research, the key results of *Imihigo* during FY 2014/2015 were increased electricity

coverage, improved access to clean water, increased access to credit for women and youth, improved agricultural production, and a large increase in the number of roads and healthcare facilities (Institute of Policy Analysis and Research, Rwanda 2015). It is also possible, however, that official reports on *Imihigo* overstate the initiative's success. Susan Thomson, the author of *Rwanda: From Genocide to Precarious Peace*, noted "stressed and under-resourced local officials regularly skimp to meet their *Imihigo* commitments" (Thomson 2018). In addition to cutting corners, strong pressure to perform may have resulted in officials inflating achievements.

Imihigo created a strong culture of performance across the whole country. Scrutiny from the highest levels of government put pressure on public officials at every level within the central and local government to perform. The increased focus on performance fit well with the World Bank's new Program-for-Results financing instrument. World Bank-funded projects in Agriculture and Urban Development

were linked with district and sub-district level *Imihigo*, ensuring a focus on results from the public officials involved in implementation.

Reflecting on the program's original aims, however, there was at least some concern that *Imihigo* did not necessarily ensure stakeholder participation. Benjamin Chemouni, a fellow at the London School of Economics, noted that "theoretically [the *Imihigo*-setting process] should be informed by the aggregation of the population's wishes... [but] this process barely takes place in reality" (Chemouni 2014). The central government wielded strong influence over the selection and implementation of district *Imihigo*, and local governments had little flexibility to implement policies that reflected local realities or the community's wishes. As a result, the *Imihigo* system fulfilled the goal of creating top-down pressure for public officials to perform, but did not necessarily make public officials more accountable to Rwandan citizens (Hasselskog and Schierenbeck 2015).

Success Drivers

Rwanda's introduction of *Imihigo* contracts to improve government officials' performance across government reflects **three** of the five key dimensions for successful public sector innovation.

Political Leadership drove the *Imihigo* program from the outset, and it was the sustained support from the president that enabled the program to expand across the whole of government. The political leadership recognized the gap between the country's development vision and the outcomes on the ground, and initiated an outreach to mayors to bring them into a new partnership to deliver on district-level development plans. Scrutiny from the president and other high-level officials put pressure on government workers at every level to perform.

Incentives were a key element of the *Imihigo* contracts and critical to the reform's success. Mayors around the country had to report progress to the central government, and evaluations were conducted by a special team each year. All districts were scored on their performance, and top performers received special recognition from the president in a dedicated awards ceremony. Public recognition of achievement also helped create positive competition among mayors to do even better.

Transparency was an important component of the *Imihigo* program. Contracts were signed in a public ceremony, and scores were disseminated through various media channels. Citizens could watch the broadcast of the *Imihigo* ceremony on television and look up results online to see how their local government was performing compared to other districts around the country.