

Participatory Governance for Poverty Reduction: Opportunities and Constraints

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1. Background and rationale for participatory governance

Over the past decade, the assessment of socio-economic development trends, has recommended the redefinition of the role of the state and greater involvement of other stakeholders in the national development agenda. The state interventions will have to be restricted in the areas of public interest and where no other stakeholder has the incentive and comparative advantage to intervene. The state has the responsibility to put in place secure and stable working environment and democratic process to ensure the respect of human rights, rule of law and free and active participation of all members of the society in the decision making.

Poverty reduction cannot occur in circumstances of anarchy and severe insecurity, where social cohesion is breaking down and basic socio-economic institutions such as markets are collapsing or there is severe macroeconomic instability. Some basic degree of good governance is therefore a prerequisite for poverty reduction. In addition, good governance contributes directly to people's well-being, beyond its importance for economic prosperity, by providing institutions and mechanisms through which people's voices can be heard. This allows them to influence and participate in public decision-making and enhancing their well-being and sense of empowerment and ownership which in turn makes development sustainable. Good governance is therefore a prerequisite for poverty reduction. Rwanda PRSP 2002

The participatory governance is the process to develop community participation structures and mechanisms that are truly responsive to community needs and aspirations. The participatory governance systems constitute the basis for effective management of poverty reduction initiatives at individual, household and community level. The participatory governance constitutes the pillar for the development of an evidence based planning and a performance based service delivery for effective use of resources and improved accountability in the management of public affairs. The participatory governance system offers a two way communication in which the community reciprocates positively to the government policies and programs by uplifting their wellbeing. This relationship begets confidence among members of the community and trust in the state decisions, resulting in good economic, political and administrative governance at all levels.

2. Community participation dynamics

Community participation covers a spectrum of activities involving people in community life, from passive involvement to intensive action oriented participation. Active community participation is key to building an empowered community and it is critical to the success of poverty reduction programs. Studies show that communities with high rates of participation apply for and receive more funding than communities with less

participation. In addition, participating communities achieve greater citizen satisfaction within their community.

Whereas the level of participation varies across communities, community participation systems tend to share several characteristics. In participating communities, many people are involved in the community's decision making and other activities. Business is not simply run by an elite leadership, but it is the work of everyone. Participating communities are open to involvement by all groups, and responsibilities are divided up so that the special talents and interests of contributing organizations are engaged. Power and responsibility are decentralized. Participating communities have many centers of activity, and community action engages the natural enthusiasm and talents of citizens. Participating communities conduct their business openly and publicize it widely. Citizens are well informed about the community's work and about their opportunities for personal involvement in meaningful roles.

All ideas are treated with respect and welcomed as a source of inspirations with potential value for the entire community and citizens are encouraged to offer their best for the common good of the whole community. There is no distinctions among various groups and types of personalities who offer themselves to community involvement. All persons are actively welcomed without any discrimination based on religion, gender, level of education, occupation, personal reputation or any other factor. Participating communities operate openly and with an open mind. They are not controlled by any single organization, group, or philosophy, and their leadership is used to facilitate discussion of a diversity of viewpoints, rather than to push its own agenda. Leaders are not ego-driven but focused on operating a high-quality, open decision-making process.

Experience show that active citizen participation leads to developing true democratic processes and accessing to higher rates of resource acquisition and use, better results, higher levels of volunteerism, and a brighter community spirit. In short, participation is the soul of an empowered community.

3. Incentives of Community Participation

In the past, communities were partially consulted in the planning of projects which were run at central level with no control from the communities. These resulted in low absorption capacity of resources and weak replication of the gained experience and skills. People cannot be forced to participate in projects which affect their lives but should be given the opportunity where possible. This is a basic human right and a fundamental principle of democracy.

Experience has shown that community participation is instantaneous especially in unusual emergency situations (like floods, accidents etc..) where the moral values do not require protocol in acting and providing support to the neighbor or member of the family . Low level of participation has been experienced in economic and political areas due to various types of barriers can prevent the member of the community to participate actively. Local governments have to invest a lot of efforts to sensitize and create public awareness about the need to participate in policy making to promote economic development and poverty reduction.

There are many reasons why people are willing to participate in community initiatives, some of which are the following. Community participation motivates people to work together, people feel a sense of community and recognize the benefits of their involvements. Social, religious or traditional obligations for mutual help attract also community to come together.

Community participation can take place in any of the following activities: (1) Needs assessment – expressing opinions, about desirable improvements, prioritizing goals and negotiations with agencies, (2) Planning – in formulating objectives, setting goals and criticizing plans, (3) Mobilizing – raising awareness in a community about needs, establishing or supporting organizational structures within the community, (4) Training - participation in formal or informal training activities to enhance communication, construction, maintenance and financial management skills, (5) Implementing – engaging in management activities, (6) Monitoring and evaluation – participation in the appraisal of work done, recognizing improvements that can be made and refining needs.

4. Development of community participation structures and mechanisms in Rwanda

To be successful, the participatory governance needs to be backed by the institutional arrangement which is legally acceptable and that can command respect from the community. A number of reforms in various sectors have been initiated to respond to the decentralization requirements. In the Rwanda context, local government structures have been strengthened to insure that development activities are planned and implemented at the village level. Youth and women councils have been developed and represented in local and national forum including the parliament.

Recent work on the relationship between public spending and poverty reduction observes that it is not only increases in spending, and not only spending in pro-poor areas, that bring about desired outcomes. Some of the more successful examples of poverty impact are in contexts in which a wide range of public policy tools have been brought into play including tax, expenditure and regulatory interventions. For example, research finds that improvements in the rule of law, property rights and the legal environment for the business sector are likely to generate important changes that public spending alone cannot achieve. In addition spending on roads, agricultural production and energy are shown to yield higher returns for employment and income creation than conventionally defined pro-poor (social) sectors. This work suggests that current efforts to improve allocations of government spending for poverty reduction (and achievement of the MDGs) need to be viewed in combination with other fiscal and regulatory instruments the government has at its disposal. Rwanda PRSP evaluation 2005

Community development committees have been developed in various sectors such as the education management committee, the health management committees and many others. All these committees are answerable and work under the supervision of the population they meant to serve. Functions such as procurement and public financial management have been decentralized. Districts are allowed to collect a number of taxes that can be used to finance priority needs of the population. Projects are identified and designed at community level and the funding for those projects are channeled through the Community Development Fund. Following the fiscal decentralization, the Central Bank has embarked on opening branches and has extending the mandate of commercial

banking sector to better serve the financial management interest of the decentralized entities.

The private sector federation has followed the decentralization process by developing business development services at local levels. To attract qualified personnel in local administration, special benefits need to be introduced to encourage doctors and other professionals to serve in remote areas. Although the framework seems to be encouraging, the lack of capacities and appropriate funding commensurate to local development challenges remain on the top of the agenda. Capacity building requirements and needs remain very challenging especially in the follow up of community development initiatives. When the community gets in control of their destiny, effectiveness and relevancy of national and community initiatives will greatly improve.

To date not all sectors have managed to draw costed and performance based strategic plans that are in line with the MDGs and Poverty reduction objectives. The lack of baseline and time series information as well as the weak analytical capacities of national experts poses a serious challenge. Management information system are not well developed in all sectors and this prevents gathering accurate information that be used to monitor the progress on a regular basis. Management systems and procedures are lacking in a number of priority sectors although the decentralization policy requires the central government to provide clear guidelines to implementing agencies.

The level of poverty and inequality between the rural and the urban area remain very high and other human development indicators are not favoring a quick and sustainable poverty reduction trends. The economic governance is very important for this matter and it is very hard to fight poverty and to promote participatory governance with the low level of literacy and social capital.

Local communities are encouraged to go into association and to form cooperatives to improve their productive status and access to financing. The Government has recently decided to put in place an agency to support the cooperative development and this is seen as an opportunity to promote economic transformation in the rural area. The census of cooperatives shows that there are close to 350 cooperatives in the country. The local governments have the mandate to support these community based institutions and to insure that their respective members have access to appropriate training facilities, credit and market.

5. Promoting a private led and competitive economy

Over the past decades the participation of the least developed countries in the international trade has been low. The level of export is extremely low with LDCs trading in raw material and becoming net importers for nearly all the essential goods and services. The private sector is dominated by multinational companies. The privatization of state owned companies has been operated to reduce the subsidies and promote the private sector, but due to lack of access to financial capital, most of the companies have been bought by international investors. Most of the LDCs are predominantly based on

subsistence agriculture. The transformation of the economy through the development of market based agriculture and the creation of productive and decent employment in non agriculture sector is a great challenge to local government. The achievement of this goal is a true sign of the existence of a strong participatory governance for poverty reduction.

The Rwanda Vision 2020 states clearly the commitment to promote a private led economy.

The Vision 2020 document of GoR revolves around six pillars which later find expression in the PRSP:

- i) Reconstruction of the nation and its social capital anchored on good governance, underpinned by a capable state;
- ii) Transformation of agriculture into a productive, high value, market oriented sector, with forward linkages to other sectors;
- iii) Development of an efficient private sector spearheaded by competitiveness and entrepreneurship;
- iv) Comprehensive human resources development, encompassing education, health, and ICT skills aimed at the public sector, private sector and civil society. To be integrated with demographic, health and gender issues;
- v) Infrastructural development, entailing improved transport links, energy and water supplies and ICT networks; Promotion of regional economic integration and cooperation

4. Linking MDGs and PRSP with community development agenda to attract donor support

Despite large amount of ODA, the donor community has noted low improvement in the living conditions of population in the least developed countries. PRSP were introduced to allow those countries to access the debt cancellation initiative HIPIC, and to continue benefiting from the concessional support from the international community.

There is wide recognition of problem related to the absorption capacities of the aid due to long negotiation and disbursement procedures on the donor side and weak planning, economic and financial management capacities on the recipient countries. Harmonization and alignment to national processes especially the PRSP and the budgeting has been initiated to promote efficiency in aid management.

Sector wide approaches in planning have been initiated to bring onboard all stakeholders to agree on priorities and shared responsibilities in the implementation and the review of policies and strategic plans. Local governments are introducing the same approach but capacity constraints and appropriate funding continue to pose a great challenge.

Perhaps one of the most critical challenges for the next phase of the PRS relates to the extent to which Rwanda will be able to absorb major increases in aid flows in a push to achieve the MDGs. If such resources do become available, the challenges for Rwanda will be very real. Latest estimates from MINECOFIN and the IMF show that if grant financing were to increase substantially there are no guarantees that GoR would be able to spend it given current concerns about domestic demand effects (wage and price inflation, the latter hurting poor consumers the most). As in many other agricultural LICs, the ability to absorb large increases in aid rests on assumptions of rapid and sustained annual growth, and therefore a marked acceleration of reforms aimed at supporting agricultural production, private sector development and exports. To offset wage and price pressures Rwanda would have to invest heavily in measures to boost productivity and cost efficiency to help increase the supply of goods produced domestically.

The development of planning skills at all levels of the state machinery and more importantly at community level will greatly improve the absorption capacity and the preparedness of the community to play an active role in the implementation of poverty reduction strategy. Poverty may affect differently the household and community members and therefore it is important for the decentralization process to take into consideration the dynamics and determinants of poverty at all levels.

For sustainability, it is important for the community to own and exercise enough command on the policy, the planning and the implementation of programs and projects that are designed to promote community development. This will be done through representation evolving from the electoral process or through community participation in decision making. A number of community participation approaches have been implemented with success resulting in community empowerment and ability to challenge and make office bearers in local government accountable to the community they are meant to serve.

6. Rwanda experience in participatory governance for poverty reduction

The Rwandese society especially after 1994 initiated a number of social organizations to overcome the consequences of genocide and the era of more than three decades of bad governance in support to government efforts and initiatives. These were building on the tradition of mutual assistance and support to the vulnerable that has characterized the Rwanda society.

The community education fund:

The community education fund is managed by every sector in every district to assist vulnerable children from poor families who have managed to qualify for secondary education. Contributions are supposed to be voluntary depending for each household. There is no open sanctions for those who do not pay, but people pay especially when they want a service from local government. Community contributions supplement funds provided by the Ministry of Local Government and Social Affairs (MINALOC).

The Labour –intensive approach (HIMO)

The Labour-intensive Approach (HIMO) is defined as an intermediate technology which optimizes the use and management of local resources. Beyond its simple socio-economic aspect in the creation of jobs to the majority of the poor, the HIMO is seen as a means to promote participatory governance. The institutional arrangement of HIMO implementation is planned in such a way that it engages people at the grassroots right from the planning of activities, identifying beneficiaries, implementing projects and managing them.

The Labour Intensive approach contributes to building of capacities at grass root level through provision of on job training opportunities where people are equipped with technical know how resulting from executing the public works (the general workforce and contracting enterprises), imparting leadership skills to supervising and managing teams at the HIMO worksites and imparting skills, to the decentralized entities, associated with tendering and contractual processes as well as monitoring of the Labour Intensive Projects.

The rehabilitation and development of infrastructure is a crucial aspect in the Labour Intensive approach. The major focus of the programme is development of a net work of feeder roads and bridges, development of water supply systems, terracing, afforestation, marshland reclamation, and construction of markets. These amenities form the socio-economic base for the country's development at large, and the development of the local areas in particular. These amenities can be exploited to stimulate the fiscal potentiality of the local area thus contributing to sustainable employment of local resources.

The contribution of HIMO techniques in increasing productivity and market oriented agriculture rests in establishment of transport and agricultural infrastructure, increasing agricultural land surface area through terracing and marshland reclamation and promotion of productive use of the established infrastructures. Too, the approach favourably supports activities that enhance productivity of cultivable lands through environment protection measures to halt the decline in soil fertility. Environment is addressed both as a major goal and a cross cutting issue

Over all the HIMO can be used to build a productive and efficient workforce, which is essential to establish an infrastructure network to stimulate production, which is so badly needed in the isolated areas.

In the attempt to contribute towards poverty reduction the following specific objectives have been identified in HIMO:

- ◆ *Reduce the vulnerability of the rural people by creating sustainable jobs, increasing arable soil yield, protecting the environment and marketing farm products;*
- ◆ *Overcome the obstacle to development resulting from the absence of good rural roads, accessible all year round;*
- ◆ *Create employment and improve the living conditions of the population living in the under privileged neighborhoods of cities by providing them with minimum basic infrastructure and services;*
- ◆ *Build local capacity (technical ministries, local communities and private operators) in planning, designing, implementing, follow up and controlling the management of rural and urban infrastructure projects through the Labor Intensive Approach.*

The Ubudehe approach

The Ubudehe is a tradition of mutual assistance within the community to solve problems that affect a member or the whole community. The Ubudehe approach was developed to serve as an instrument to bring the community and the poorest of the poor on board in the implementation of poverty reduction programs. Members of the community come together to identify their priorities and to design collective actions to respond to those priorities. The development of the Ubudehe has received financial and technical support from the European Union and Action Aid. The institutional arrangement for the Ubudehe is within the Ministry of Local Government within the Community Development Fund.

To date, the approach is being extended in all districts after a successful pilot phase and training of trainers who will be supporting the community to plan and implement collective actions and specific projects to support the poorest of the poor among the community. The Ubudehe is built around the participatory poverty assessment techniques and allows the community to implement the solutions within their capacities while packaging the required support that can be funded through the Community development fund.

The Ubudehe approach is well understood by the communities and it is built on Rwandese cultural values. The implementation of Ubudehe projects identified by the community are tied to the availability and the level of EU donor funding. The absorption capacity issues that are observed in other development projects are not experienced as the funds are transferred to the community bank account and directly managed by the Ubudehe committee under the supervision of the entire community.

The involvement of local leaders is key to the success of Ubudehe community development projects and the active participation of all members of the community. The comprehensiveness and the outreach of the approach need to be revisited. The target being the household, the youth is excluded or else, due to the lack of the program with the micro finance institutions, the household or the community is limited when the extension of the funded project is required.

Umuganda

Umuganda is a traditional practice of collective work for the benefit of the community. The event is organized every last Saturday of the month and targets the infrastructure development that are hard to fund by the state budget. It is a useful for community participation and rebuilding social capital but in most cases the Umuganda activities require resources that communities lack.

In most cases, rural districts are more responsive to *umuganda* sessions. The elite are reported to be less responsive to umuganda compared to farmers. With the decentralisation of the planning of *umuganda* being done at the *Umudugudu* level, there may be some change as communities perceive the benefits of participation in rehabilitating infrastructure and constructing the houses for the poor which can not be done due to the insufficient state budget.

Gacaca

As a result of the genocide, Rwanda initiated the traditional justice practice known as gacaca court, bringing communities to resolve disputes. After classification of the genocide culprits in two major groups namely those who initiated against those who implemented it, the gacaca court was initiated to deal with those charged with the implementation of the genocide.

This mechanism is highly credited for promoting justice, unity and reconciliation. One of the benefit is that through Gacaca genocide survivors are able to identify where the remains of their relatives are and accord them decent burial which provides some form of psychological help to the survivors. There is inadequate participation and the reasons given for poor attendance are lack of knowledge on Gacaca and lack of time to attend due to other commitments.

Abunzi

Abunzi are a committee of people elected to serve as conflict mediators which is still at experimental phase. Where they are fully operational, Abunzi are clearly playing a very important role towards conflict resolution at community level.

They are however constrained by lack of training in conflict resolution, basic materials and a financial incentives (facilitation).It is particularly difficult for the committee

members to engage in other activities as they spend a lot of time attending arising conflicts within the community.

6. Monitoring participatory Governance for poverty reduction performance

Participatory governance systems help the community to define where they are and where they want to be in a given period and to decide what is required and who should be part of that development agenda. A successful decentralization process progressively builds professional and leadership skills for the management of programs and projects to achieve poverty reduction objectives. Investment in capacity building is a high priority to develop competencies at local government to harness opportunities and better address challenges that may arise in the implementation of the decentralization policy and poverty reduction strategy.

Some initiatives evolve from community while others are gradually introduced by various government agencies and donor institutions as part of the fulfillment of their mandate. The reinforcement of linkages, synergies and the learning process for all stakeholders will greatly improve the absorption capacity and the preparedness of the community to play an active role in the implementation of poverty reduction strategy.

For sustainability, it is important for the community to own and exercise enough command on the policy, the planning and the implementation of community development initiatives. The electoral process provides a strong basis for community participation in policy making through elected representatives. A number of community participation approaches have been implemented with success resulting in community empowerment and ability to challenge and make office bearers in local government accountable to the community they are meant to serve.

Performance contracts are being gradually introduced to guide the resource allocation from both the central and local government and to allow donor community to support the national process leading to poverty reduction and achievement of millennium development goals. The Education and Health sectors are the champions of the new era of community development performance contract. Experiences are evolving where health centers and schools are managed by management committees working under the overall supervision of the community and guidance from the central level.

The recent development of the decentralization policy has lead to the reform of the civil service and redefinition of the roles and responsibilities between the central and the local government. The central government has the responsibility to design policy and strategies that are evidence based to be implemented at local government level. The donor community on one hand exercises great influence due to its financial and technical position on the national development processes.

Conclusion

The participatory governance for poverty reduction is facing many challenges but present important opportunities to overcome the poverty vicious circle that has hampered the socio-economic development in most least developed countries. The following issues raised from this paper are:

- It is important for the population to support the public spending efforts by providing free labour for community infrastructure and other development interventions. But to what extent this is impacting on the productive capacity of the community member and earnings
- With low level of literacy, with weak local government institutions, with low participation of community in policy development, it will be difficult to have free and fair elections
- Capacity constraints will continue to hamper the development of participatory governance for poverty reduction
- The least developed countries are depending very much on donor funding which is difficult to predict, there is urgency to develop the private sector and access to market
- Capacity to initiate, to plan and implement community development programmes and projects are still weak. Improved and innovative approaches for service delivery are still at the experimental phase
- The development of cooperatives and SMEs in the rural area is a challenge local government will have to address in a pragmatic way if poverty is to be reduced
- Projects initiated and implemented outside the community development plan should be discouraged as they are not cost effective due to duplication that may arise and the sustainability issue
- Local Government should strive to improve consistency between their development plans and national policy and develop joint performance forums whereby all stakeholders will be actively involved
- Donor community should revert to financing mechanisms that address the development issues identified in PRSP and leading to the empowerment of the community
- Community participation in decision making and implementation and follow up of PRSP and local government development plans should be considered as a criteria to access ODA