

(DRAFT)
**PROMOTING CITIZENS ENGAGEMENT IN
PUBLIC REVENUE GENERATION: RWANDA¹**

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EXECUTIVE SUMMARY

Citizen Engagement in public finance has been viewed as a powerful mechanism that can strengthen democracies and improve public transparency and accountability. However, most research on citizen engagement in public finance has focused on allocation mechanisms like participatory planning, participatory budgeting and social auditing. To date, little has been written on revenue generation, although public finance literature has emphasized the importance of locally raised resources for effective governance. Additionally, limited research exists on these topics in the context of post-conflict countries.

Objective

This report, done for the United Nations Department of Economic and Social Affairs (UNDESA), presents two case studies of programs in Rwanda that use citizen engagement in contribution mechanisms. While participation in government processes has been recognized as a goal unto itself,² citizen engagement has been described by UNDESA as “a mechanism that can improve public accountability and transparency in financial management”.³ These benefits are especially valuable in post-conflict countries where citizens lack confidence in their government. This report describes the development of two nation-wide government programs in Rwanda based on citizen initiatives, the Mutual Health Insurance Scheme and the Education Fund. It also examines the national governmental context that gave rise to them. It is our hope that this report adds to existing knowledge about citizen engagement in revenue generation and that it will lead to further research and innovation on this topic.

Methodology

Findings presented in this report are based off of exploratory research done in January 2008 by a team of graduate students from New York University. Over a two week period, formal and informal interviews conducted with national, district and sub-district government officials and representatives from the programs, along with program participants. Relevant financial and background documents about the program and the government were also collected.

It is important to note that the findings in this report are not meant to draw statistically significant conclusions or suggest causal relationships. Rather, it is intended that they will facilitate discussion, debate and further research into the value that citizen engagement in revenue generation can bring to local governance, especially in post conflict settings.

Case Study Findings:

The case studies presented in this report provide examples of citizen engagement in raising resources for public service programs, along with the role of the central government in their development. The report includes descriptions of each program, a comprehensive analysis, and key lessons. Areas for further research and experimentation are also indicated.

Post-conflict Governance efforts to Engage Citizens

Following the genocide, the new central government in Rwanda held local consultation meetings with key community constituents in order to learn, from the people, what the country’s problems were and to identify possible solutions. These consultations, followed by national caucuses, led to programs like decentralization and the use of traditional mechanisms. They also led to programs that increased local participation day, including Celebration Days, Public Accountability days, Innovation Days, Tax Payers’ Days and Bulletins of Excellence. These programs while engaging citizens also help to disseminate good ideas and encourage local innovation.

Additionally, local government, private and civil society organizations set their own targets for each year, reporting them to the district and central government, which helps increase local responsibility and ownership.

Program 1: Mutual Health Insurance Scheme

Inspired by local ambulance cooperatives that pooled funds to provide transportation to the hospital for the critically ill, three Mutual Health Insurance Scheme pilot programs began in 1999 by the Ministry of Health. After many revisions, the current program was nationalized in 2006. It was reported in 2007 that 70 percent of Rwandans had health insurance. Annual individual premiums provide comprehensive coverage with a small co-payment. All participating members receive an identification card. Eighty percent of collections remain at the local level and community health mobilizers play an important role in collection and sensitization campaigns. This program has led to improvements in local health centers including increases in staffing, medical supplies and community attendance.

Program 2: Education Fund

The Education Fund is a decentralized, informal public program that asks adults to contribute each year to support secondary level school children qualified, but unable to afford tuition. Inspired by a local initiative, the central government encouraged the creation of these funds but did not formalize them. Since local governments are given a lot of autonomy, sensitization campaigns, collection methods, and fund allocation vary significantly. Local innovations discovered include the establishment of an Education Fund Day to collect contributions, celebrate achievements, and report on collection rates; and in-kind crop collections done during harvest and transported to and sold at markets so that revenues may be placed in the fund. Although the funds were primarily used for tuition, they supported other needs depending on the community. Community members were involved in planning meetings through parent groups, civil society, and local leaders.

Summary of General Conclusions:

- Communities are encouraged by the central government to identify and solve their common problems. Local leaders are seen as reformers in this process; instrumental in convincing communities that they are capable and motivating them to move forward.
- The central government has worked to keep program momentum, recruit good leadership and encourage local innovation through mechanisms that reflect, celebrate and award successes and innovations.
- The Education Fund's informal and decentralized structure has led the program to evolve and adapt to fit the needs of local communities.
- Programs linked contributions closely, in time and space, with service delivery.
- The Education Fund and Mutual Health Insurance Scheme include mechanisms that increase transparency, like reporting the amount collected and publicly posting the names of beneficiaries.
- Sensitization campaigns and public meetings have been used to increase awareness of both programs and to receive community feedback and input.
- Programs have been based off of traditional practices in order to increase community buy-in, ownership and engagement, allowing communities to build off of their common experiences and understandings.
- Formalization of the Education Fund would allow for resource inequalities between local communities to be addressed, while increasing the stability and sustainability of the program.
- The decentralized nature of the programs leads to inequalities in local human resource capacities between local communities, indicating that training and educational programs may be needed from the central government in order to increase equality.

¹ This report is being completed for UNDESA as graduation requirement for the Robert F. Wagner Graduate School of Public Service at New York University. Copies of the full report will be made available April 2008. Please feel free to contact Jessica Kiessel at jrkiessel@gmail.com for more information.

² United Nations Social and Economic Affairs. "Participatory Governance and Citizen Engagement in Policy Development, Service Delivery and Budgeting." Written by the Committee of Experts on Public Administration, Sixth Session. New York. 29 January 2007.

³ UNDESA. "Accountability from the Bottom" An Draft Aide Memoire for the 2006 Third Regional International Conference on Transparency for Better Government. 19 July 2006.