Republic of Rwanda

Ministry of Local Government

DECENTRALIZATION IN RWANDA OVER THE LAST 25 YEARS (2000-2025): AN IMPACT ASSESSMENT



Abridged Report
August 2025

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Foreword



HABIMANA Dominique
Minister

Decentralization was introduced as part of governance reform and as a nation-building strategy. Specifically, through it the government sought to promote inclusive development, restore trust between the state and its citizens, and bring decision making closer to the people, thereby empowering local communities and enhancing service delivery. Decentralization has brought government structures nearer to the communities they serve, created opportunities for participation by local communities in decision making, and in so doing created an important mechanism for bottom-up accountability, and opened up important avenues for promoting local development.

In July 2025, the Ministry of Local Government (MINALOC) commissioned a study to assess the impact of decentralization in Rwanda over the past 25 years (2000-2025) with a focus on governance, service delivery, economic development, social cohesion, and citizen empowerment. The assessment comes at a time when efforts to deepen decentralization and renew our commitment to responsive, accountable, and resilient local government systems are underway. This milestone offers an opportunity to look back at the journey we have travelled as a nation, the gains we have made, the lessons we have learned, and also look forward to the work that still lies ahead. The last two and a half decades have demonstrated the crucial role that decentralized governance has played in building a cohesive society, promoting inclusive economic growth, and anchoring peace, unity and reconciliation in a post-genocide context.

From improved service delivery to increased local revenue generation, from enhanced citizen engagement to strengthened local institutional capacity, Rwanda's decentralization journey stands as a remarkable example of the application of home-grown governance responses to local needs.

The findings of the assessment demonstrate significant transformations in Rwanda's governance and development landscapes, driven by reforms across administrative, political and fiscal, and financial dimensions. While the achievements are commendable, challenges remain, including the slow pace of bringing services closer to the citizens, insufficient budgets at district level due to inefficiency in revenue collection and resource mobilization, insufficient human resources and gaps in capacity development at all levels of local government, limited digital literacy and capabilities within local governments, and ineffective monitoring and evaluation systems.

Despite the challenges encountered, some best practices have been documented: Imihigo have fostered a results-oriented culture in local government, improved accountability, and enhanced service delivery by aligning local priorities with national development goals. Homegrown solutions and community engagement like Ubudehe, Umuganda, and Abunzi have promoted community solidarity, participatory governance, and conflict resolution at the grassroots level, supporting the use of ICT and e-governance tools such as Irembo. Meanwhile, fiscal decentralization has led to improvement in local revenue collection.

During this period we have learnt a number of lessons. Among them:

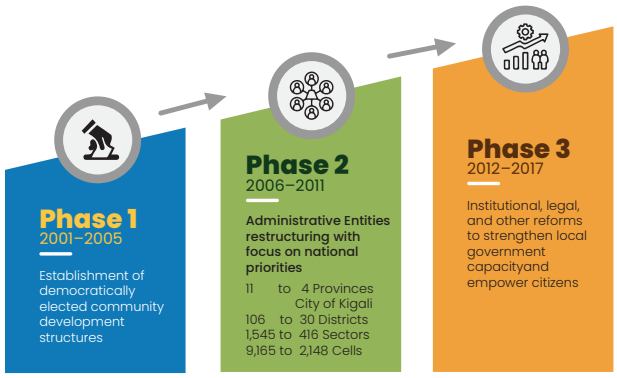
- Decentralization, when firmly rooted in a national context oriented towards home-grown solutions to local challenges, has the potential to transform the quality of governance and strengthen social cohesion.
- Political will and leadership commitment are instrumental in driving governance reforms as well as sustaining and deepening them.
- Participation by local communities in decision making begets a sense of ownership over achievements, and ensures accountability.
- Involvement by local communities in planning, budgeting, and execution improves service delivery and fosters a sense of responsibility among citizens.
- Synergies at institutional level, particularly between local governments and the Central Government, are essential for coherent and effective service delivery, coordination and collaboration with stakeholders.
- Development partners have played a crucial role in facilitating the implementation of decentralization and accelerating local economic development.

I wish to commend all stakeholders; the central government, local governments, development partners, civil society actors and, most importantly, Rwandans in general, for their unwavering support and commitment to the decentralization process. Their collective efforts have enabled the reforms to deliver remarkable outcomes over the last 25 years.

As we move forward, let us build on the gains made from decentralization over the last 25 years to shape a future where governance reforms continue to promote participatory governance, ensure social equity, and guarantee the sustainability of development in Rwanda.

1. Introduction

In the aftermath of the 1994 Genocide against the Tutsi, Rwanda was confronted with the immense challenge of rebuilding its institutions, fostering national unity and reconciliation, and restoring public trust in the government. In response, the Transitional Government of National Unity (GNU) adopted decentralization as a central pillar of its post-genocide reconstruction and governance reform agenda. The decision was informed by extensive nationwide consultations, during which Rwandans expressed a strong desire for a governance system rooted in participation, accountability, and responsiveness (MINALOC, 2012).



The process of decentralization was launched with a consciously phased pace in mind. The first phase (2001–2005) established democratically elected local authorities, creating a strong foundation for subsequent reforms. The second phase (2006–2011) was defined after a territorial restructuring in 2005. The restructuring reduced the number of administrative entities considerably (from 11 provinces to 4; City of Kigali; 106 districts to 30; 1,545 sectors to 416 and 9,165 cells to 2,148). It sought to consolidate progress in the achievement of national priorities such as Vision 2020, and intensify the decentralization process with a view to enhancing effectiveness in service delivery in local communities through transferring resources (human and financial) to entities closer to the citizens. The third phase (2012–2017) and subsequent phases have entailed institutional, legal, and other reforms seeking to strengthen the capacity of local governments to deliver services while empowering citizens to hold their leaders accountable.

2. Objectives of Decentralization

The main objective of decentralization was to empower local communities politically, economically and socially. This was to be achieved via equipping them with managerial, administrative, and technical skills that would enable them to fight against poverty by participating in the planning, monitoring, and management of development processes at local level.

The decentralization policy was subsequently revised in 2012 to align with changing political priorities and socio-economic aspirations while maintaining its focus (MINALOC,2021). The revised policy sought to establish governance structures at district level, accompanied by democratic elections for local leaders and several legal, institutional, and policy reforms.

The revised policy of 2021 focused on creating lasting impact through stronger and more autonomous local governments. These would be capable of sustaining the democratization process and fast-tracking socio-economic transformation, through harnessing local resource endowments and local communities' creative potential.

3. Key Achievements and Impact of Decentralization

The key impact of decentralisation can be seen from three dimensions: political, fiscal, and administrative.

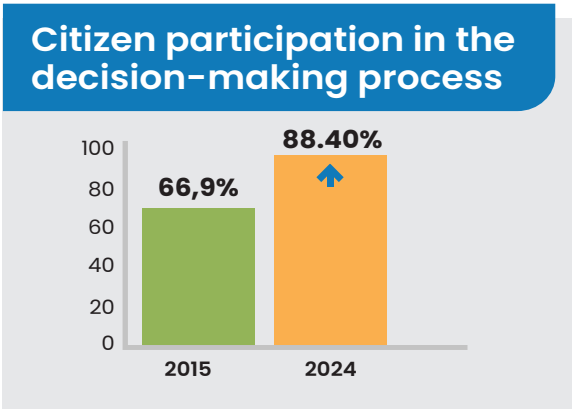
3.1. Political

Mindset transformation among citizens from orientation towards dependency to self-reliance and ownership of development processes. Homegrown solutions such as Community Work (Umuganda), Performance Contracts (Imihigo), Girinka (one cow per family), Ubudehe (self-help), and Community Assemblies (Inteko z'Abaturage) have reinforced a shared sense of responsibility and identity among Rwandans.

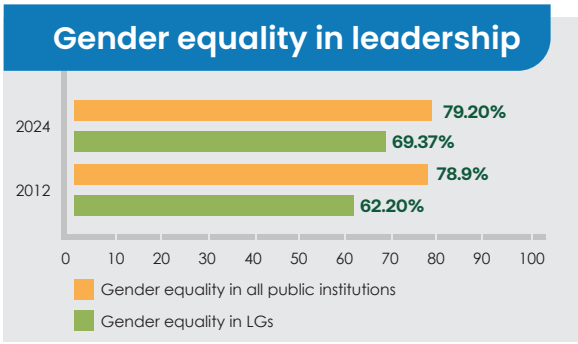
Decentralization has been instrumental in the rebuilding of unity and reconciliation by fostering inclusiveness and equitable access to services. According to RGS, 11th ed., reconciliation, social cohesion, and unity are rated at 95.32%. Platforms for dialogue and conflict resolution at local level have contributed to peacebuilding and to growth in national solidarity.

Decentralization has been instrumental in the realization of other achievements:

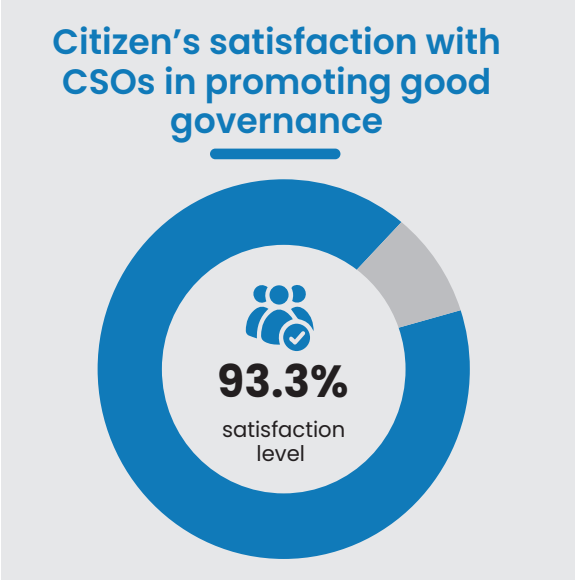
a) Citizen participation in the decision-making process has increased from 66,9% in 2015 to 88.40% in 2024



b) Gender parity in leadership has reached 79.20% across all public institutions and 69.37% in Local Governments (LGs).

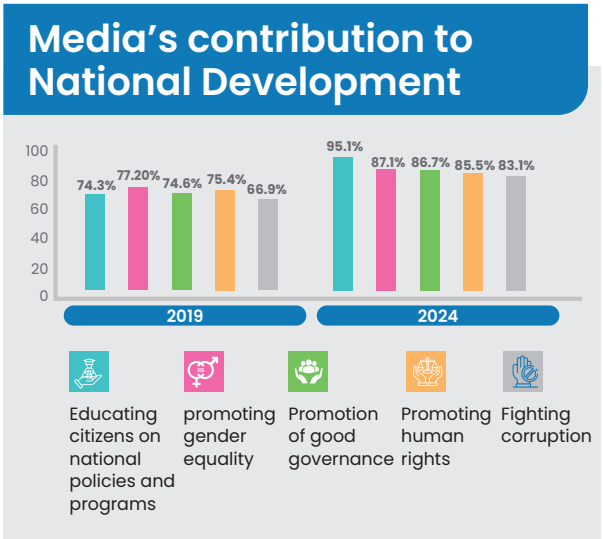


c) Working together with local governments, CSOs have played an important role in promoting good governance, to the satisfaction of the citizens (at 93.3% satisfaction rate).



d) Courtesy of their collaboration with local governments, CSOs participate actively in national planning processes (at 79.86%).

e) The media as a tool for good governance, have played a crucial role in educating citizens about national policies and programs, with 95.1% of respondents acknowledging its contribution. It has also significantly contributed to promoting gender equality (87.1%), good governance (86.7%), human rights (85.5%), and the fight against corruption (83.1%).

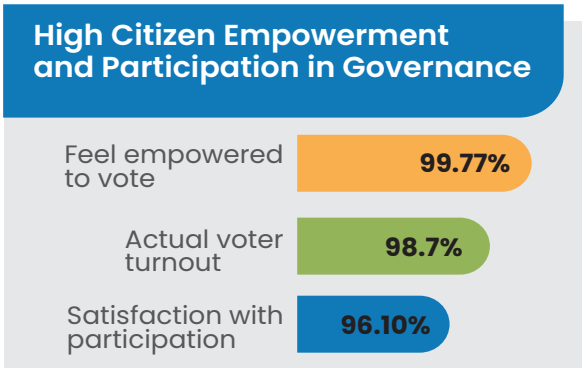


3.1.1. Enhanced voting power and election

Decentralization has improved citizen participation in decision making and facilitated civic education regarding voting rights as portrayed by the following:

a) Participation in elections is very high, at 95.6%, signaling strong civic responsibility and trust in the system, with citizens respondents appreciating the opportunities to choose their leaders and representatives through direct elections (RGB, 2024).

b) The survey revealed that 99.77% of citizens reported feeling strongly empowered to exercise their voting rights, with an actual voter turnout of 98.7%. in addition, 96.10% expressed satisfaction with the opportunities they have to participate in decision-making and to hold leaders accountable.

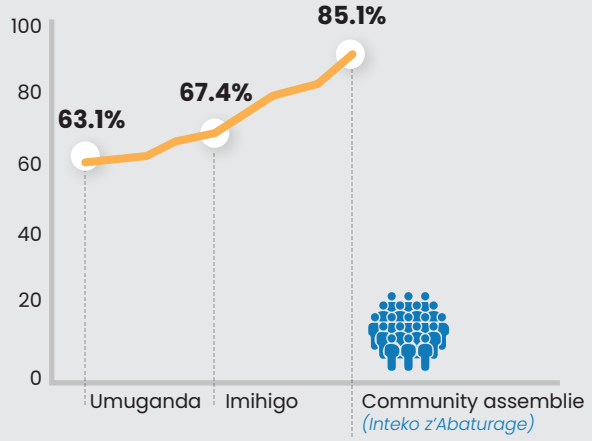


3.1.2. Fostering a culture of accountability and transparency

a) Decentralisation led to the creation of bottom-up accountability mechanisms, enabling citizens to hold local leaders to account. This has enhanced accountability, so much so that citizens' satisfaction with local government accountability stands at 76.01% (CRC, RGS, 2024).

b) Community assemblies (Inteko z'Abaturage) created as a result of efforts to promote the empowerment of communities are widely recognized by citizens (85.1%) as the most effective and influential platform for holding local leaders accountable, followed by Imihigo (67.4%).

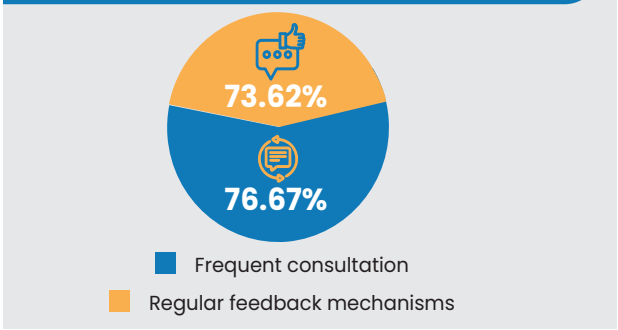
Most effective platforms for accountability in Local Gorvernance



c) The significant role of Umuganda (63.1%) in social economic development indicates that collective community work which is organized by local authorities, continues to serve not only as a development tool but also as a space for ensuring accountability.

d) Elected local councils consult with their constituencies and provide feedback on a regular basis, with 76.67% of respondents indicating frequent consultation and 73.62% acknowledging the presence of regular feedback mechanisms.

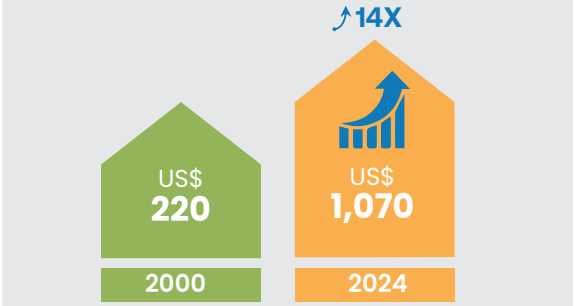
Citizen perceptions of elected councils' engagement (2025)



3.2. Fiscal decentralization for economic development

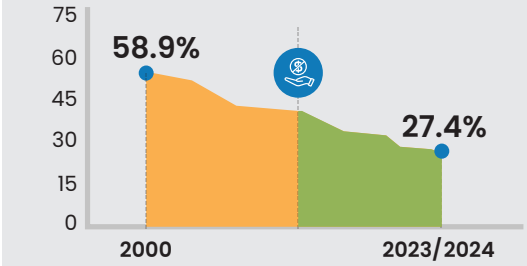
a) Rwanda became a lower-middle-income country: remarkable economic growth since the year 2000 has been observed with its Gross Domestic Product (GDP increasing nearly fourteen-fold. Over the same period, GDP per capita rose from USD 220 in 2000 to USD 1,010 in 2023, officially positioning Rwanda as a Lower Middle-Income Country This is partly the outcome of local economic initiatives (projects) which create jobs at the grass root level.

Rwanda's Economic Growth (2000–2024)



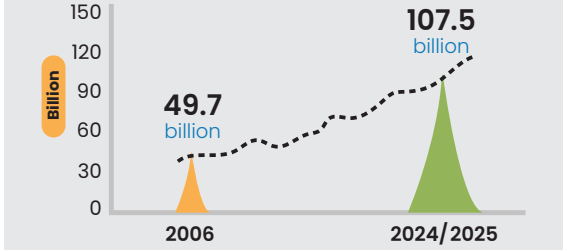
b) The national poverty rate had declined to 27.4% (2023/24) from 58.9% in 2000 as a results of jobs created, social protection initiatives implemented by local governments (EICV7)

Rwanda's Poverty Reduction (2000–2023/24)

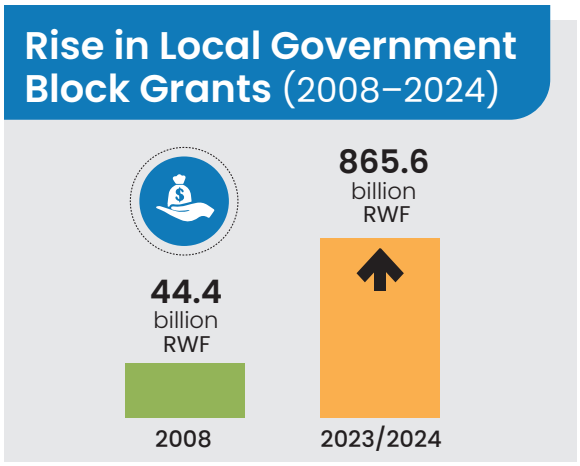


c) Since some responsibility for revenue generation was decentralized, local governments have made substantial progress in generating own-source revenues from 48.2 billion in 2015/2016 to 98.5 billion in 2024-2025.

Growth of Local Government Revenues (2006–2024/2025)

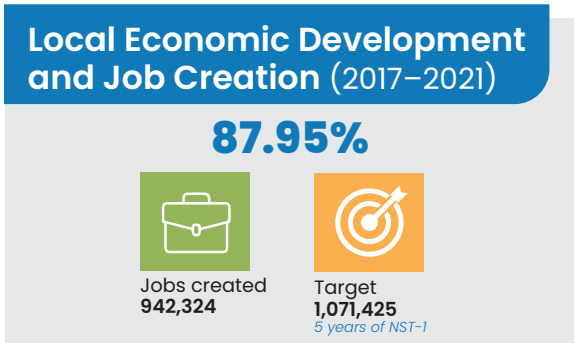


d) There is a high increase in block grants from RWF 44.4 billion in 2008 to RWF 865.6 billion in 2023/2024 to support service delivery and development at local level.



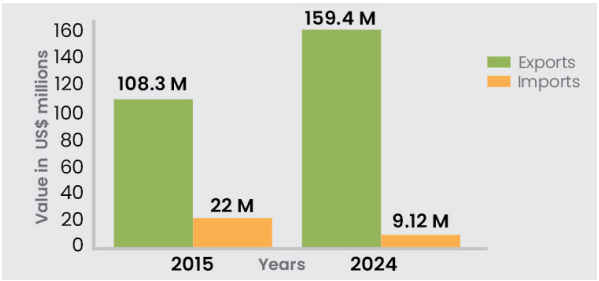
e) The number of decentralized budget entities (districts and the City of Kigali) receiving unqualified audit reports rose from zero in FY 2018/19 to 27 Districts in FY 2023/24 due to improved financial management stemming from capacity building interventions.

f) There is an increase in various types of infrastructure, and SMEs, which has spurred district-level growth. For instance, between 2017 and 2021, LED initiatives supported by local governments created 942,324 jobs, representing 87.95% of the targeted (1,071,425) jobs during the first 5 years of NST-1, particularly benefiting youth, women, and rural communities.



g) LGs are increasingly focusing on local economic development (LED), with each district having its own development strategy showing potentialities to attract investment.

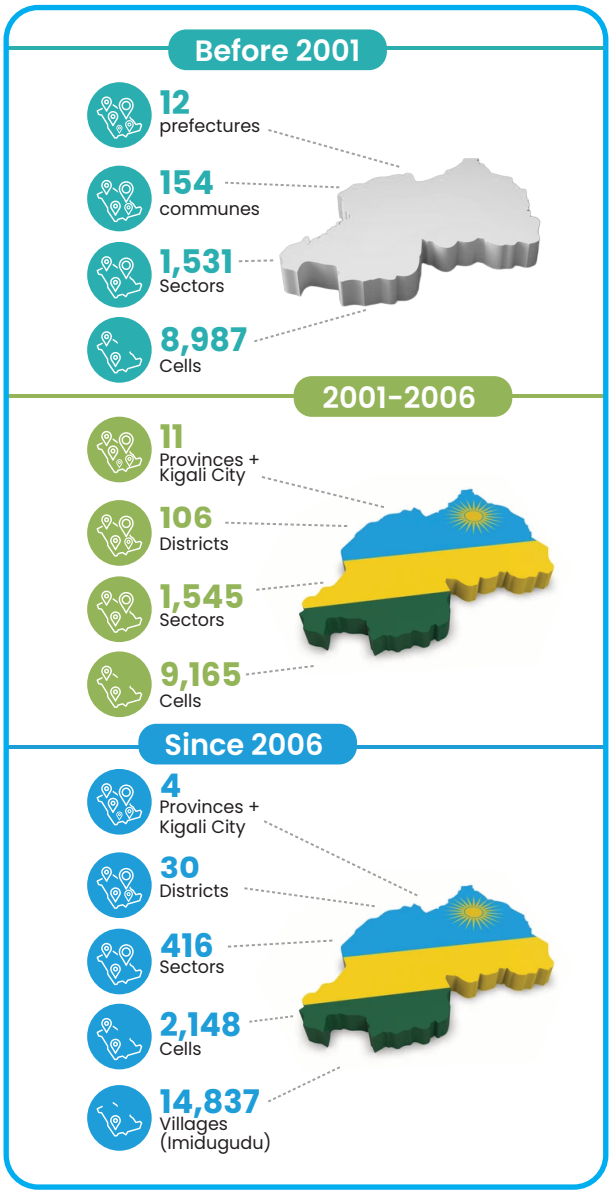
h) Local Governments (LGs) have played a central role in strengthening agricultural production by mobilizing farmers into cooperatives, enhancing their technical skills, and ensuring access to subsidized fertilizers. These interventions not only boosted productivity but also expanded the participation of smallholder farmers in informal cross-border trade (CBT). In 2015, Rwanda's informal CBT exports were estimated at US$108.3 million, with imports valued at US$22 million. By 2024, exports had grown significantly to US$159.4 million, while imports dropped to US$9.12 million.



3.3. Administrative decentralization

a) Institutional reforms and territorial re-organisation:

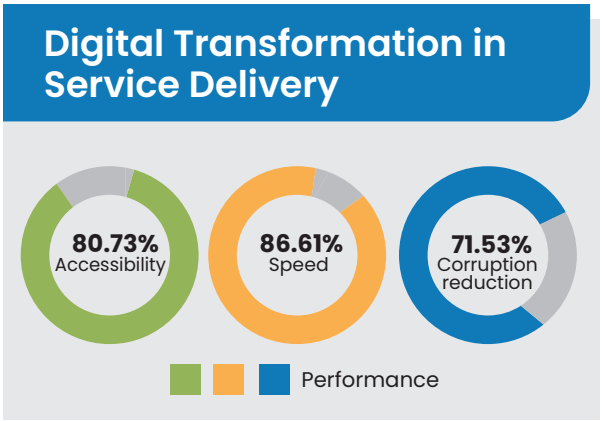
The government undertook a comprehensive territorial administrative reform aimed at bringing service delivery closer to citizens. This reform focused on strengthening local government entities, streamlining administrative structures, and eliminating inefficiencies. Condensing the entities ensured maximization of resources (human and financial) and bringing services closer to citizens.



b) Service delivery

i. Service delivery improved, attaining an average rate of 76.5%.

ii. Digital Transformation: Services have been modernised through the use of ICTs/ Irembo, making them accessible (80.73%) and delivery faster (86.61%), and reducing incidences of corruption (71.53%).



c) LG Capacity development

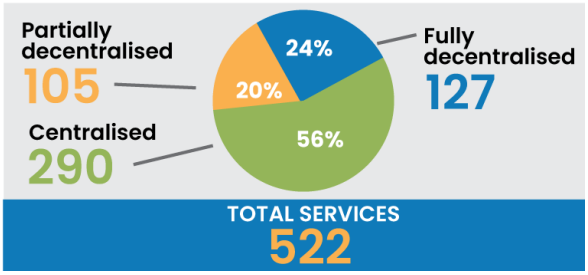
I. Up to 83% of respondents agreed that their leaders are sensitive to personal or community needs, and that communities or the individuals concerned are usually informed before decisions related to the issues they raised are taken.

II. Up to 74% of respondents indicated services are more accessible to citizens (74.46%).

d) Sectoral decentralisation

The Prime Minister Order on Sectoral Decentralization (2024) recommends further decentralization of services from line ministries to local governments and provides guidance on how it should be done. This is in recognition of the growth in the capacity of local governments to deliver services over the last 25 years, as a result of focused capacity building.

I. A recent study conducted by MINALOC on sectoral decentralization revealed that out of 522 identified services, only 232 (44%) have been decentralized (127 (24%) fully and 105 (20%) partially) while about 290 (56%) remain under central government institutions. This highlights a significant gap in efforts to bring services closer to citizens, as recommended by the national decentralization policy



II. As a result of the PM Order, coordination of sectoral decentralization has been enhanced, and the roles and responsibilities of each institution clearly defined. Currently, sector ministries have nominated their focal persons. A national decentralization steering committee and a technical committee have been established to ensure implementation of the PM Order.

III. The roadmap for implementing the PM Order was developed, validated and disseminated across the country. In addition, the inventory of 244 services proposed for decentralization by the relevant MDAs has been prepared and pending final validation.

4. Best practices, Continuing Challenges, and Lessons learnt

4.1. Key Best Practices

Despite the encountered challenges, some best practices have been documented:

a) The introduction of Imihigo has fostered a results-oriented culture in local governance, improved accountability, and enhanced service delivery by aligning local priorities with national development goals.

b) Homegrown solutions such as ubudehe, umuganda, and abunzi have promoted community solidarity, participatory governance, and conflict resolution at the grassroots level, buttressing the effectiveness of decentralized governance.

c) Joint Action Development Forums (JADF) have allowed for stakeholder dialogue, joint planning, and evaluation, promoting transparency, coordination, and alignment of priorities at the local level.

d) ICT and e-governance tools such as irembo, financial management systems, and digital reporting tools have improved transparency, access to services, and efficiency in local administration.

e) The periodic restructuring of local government entities and service delivery frameworks, such as the introduction of one-stop centers, redefinition of district roles) has enhanced efficiency as a result of clarification of mandates.

f) Expanded use of equalisation formulas for intergovernmental transfers to reduce regional disparities has strengthened the capacity of less endowed local governments to deliver high quality services.

4.2. Continuing Challenges

a) The slow pace of further decentralization of services to bring them closer to where citizens live.

Despite the desirability of further decentralization of responsibility for service delivery, its pace has remained slow. This undermines the core objectives of decentralization, which include enhancing responsiveness, promoting citizen participation, and increasing efficiency in service provision. Several factors contribute to this sluggishness, including limited fiscal decentralization, and resistance from ministries that are reluctant to relinquish control. As a result, responsibility for services that could be effectively managed at remains at ministry level, creating bottlenecks, limiting accountability, and constraining the ability of local governments to address specific community-level needs in a timely and context-sensitive manner.

b) District inefficiency in revenue collection.

Many districts depend heavily on central government transfers, with own-source revenues contributing a small share of their budgets. This dependence reduces their flexibility in planning and addressing local priorities, especially when earmarked funds dominate the allocation.

c) Gaps in local government capacity are at institutional, organizational, and individual level.

I. At the institutional level, local government capacity development struggles with gaps that constrain the effectiveness of local authorities. Additionally, the lack of a national qualification framework and insufficient budgets for capacity building initiatives obstruct professional development and progress, underscoring the need for a more supportive capacity-building environment.

II. At the organizational level, there is the challenge of overlaps in job descriptions and inadequate infrastructure, which hinder the effectiveness of local government capacity development by causing confusion and reducing productivity. Further, lack of coordination in capacity development, budget constraints, and inefficient application processes limit access to training opportunities, ultimately stifling growth in the efficiency of local governments.

III. At the Individual level, gaps in training and orientation lead to inadequate preparedness among local government staff, as inconsistent onboarding and specialized training often overlook their unique needs.

d) Insufficient human resources

Capacity gaps remain a major bottleneck constraining effectiveness in the implementation of decentralization. Local government entities often face shortages of skilled and experienced personnel, particularly in technical domains such as planning, budgeting, infrastructure development, and monitoring and evaluation. Frequent staff turnover and the inability to attract or retain competent professionals in remote areas further weaken institutional performance. Specifically at the cell level, where every institution requests data from two overstretched staff, coupled with inadequate operational capacity (financial and logistical: absence of internet connectivity because they lack equipment such as computers and their accessories, as well as energy, etc.), quality of service delivery is poor and efficiency of operations low.

It is therefore imperative to review the local government organizational structure from the district to the cell, to ensure its appropriateness and that it can measure up to the new mandate of districts to coordinate the implementation of all government programs. This mandate places districts at the centre of implementation of all development programs, turning it into a one stop centre for all the required data (the sector) and acting as the centre of service delivery and community mobilization (the cell).

e) Lack of harmonization of incentives for different volunteer groups

The lack of harmonization in incentives for various categories of volunteers constrains effectiveness in coordination and motivation within community development initiatives. Inconsistent or unequal incentive structures often lead to dissatisfaction, demotivation, and reduced commitment among volunteers, particularly when some groups feel undervalued compared to others performing similar roles. This disparity can weaken collaboration, breed resentment, and ultimately hinder the overall impact of volunteer-led programs.

f) Budget Constraints

Local governments often face budget constraints that impede service delivery. Limited financial resources, especially their own locally-generated resources, restrict their ability to implement projects in line with the preferences of their constituents. This challenge underscores the necessity for a more equitable allocation of resources to support decentralized governance. Due to budget constraints which limit their financial autonomy, local governments struggle to address priorities which have been identified by citizens in their annual action plans.

g) Limited digital literacy, inadequate infrastructure coverage, and low capabilities at local government level.

These challenges hinder the scaling up of digitalized service delivery despite high mobile phone penetration (95.3%). Infrastructure limitations (lack of electricity, limited internet connectivity, insufficient Irembo access points, limited numbers of digital ambassadors, etc) significantly hinder the implementation of decentralization policies.

h) **Ineffective monitoring and evaluation systems**

Under Rwanda's decentralization framework, monitoring and evaluation (M&E) systems play a vital role in tracking the implementation of development programs and ensuring accountability. However, several persistent challenges undermine the effectiveness of these systems. One is the limited capacity at the central and local government levels, where staff often lack adequate training and technical expertise in data collection, analysis, and reporting. As a result, many M&E reports are inconsistent, incomplete, or are not prepared on time, making it difficult to track progress or ensure that decision-making is evidence based. Additionally, the weak integration of M&E across sectors and administrative levels leads to fragmented reporting and hampers coordination between central and local governments.

The absence of real-time, reliable data, coupled with minimal use of digital tools, further constrains the system's responsiveness. These gaps hinder timely policy adjustments and reduce the overall effectiveness of decentralization in delivering high quality services and promoting inclusiveness.

4.3. Key Lessons Learnt

a) Decentralization, when rooted in a national context and complemented by home-grown initiatives, has the potential to transform governance and strengthen social cohesion.

b) Political will and leadership commitment are key in sustaining and deepening decentralization reforms.

c) Local participation enhances ownership, accountability, and democratizes decision-making. Participation by local communities in planning, budgeting, and implementation ensures service delivery that reflects service users' aspirations, and fosters a sense of ownership and responsibility among citizens.

d) Institutional synergy, particularly between local governments and the central government is essential for coherent and effective service delivery. Enhancing this synergy ensures that decentralized entities work in alignment with national development priorities while addressing local needs. Collaboration between local governments and sector ministries such as health, education, agriculture, and infrastructure facilitates shared planning, harmonized implementation, and efficient resource utilization.

e) Coordination and collaboration with stakeholders and development partners plays a crucial role in facilitating the implementation of decentralization and accelerating local economic development (steering committees and JADF)

5. Recommendations

a) Accelerate sectoral decentralisation by decentralizing responsibility for delivering the most highly demanded services to local governments along with the necessary resources, including capacity building support.

b) Conduct a comprehensive functional review of the status of decentralized services across sectors

c) Restructure local government to respond to the dynamic demographic, urban, and economic challenges, and to ensure continued high-quality service delivery.

d) Enhance fiscal and financial decentralization to ensure that local governments have sufficient resources to perform their assigned functions with increased fiscal discretion, aided by strong and accountable public financial management systems.

e) Build and rehabilitate local government offices and invest in digital infrastructure and training programs to improve local government capacity for service delivery through e-governance platforms.

f) f) Strengthen citizens' participation platforms and the feedback mechanisms.

g) Strengthen Joint Action Development Forums (JADF) by ensuring regular participation by civil society groups, the private sector, and other stakeholders in decision making to increase their role in planning, budgeting, and investment.

h) Harmonize incentive mechanisms to recognize and motivate volunteers equitably at the community level.

i) Establish a unified, integrated, and digital M&E system for tracking decentralized service delivery, with real-time data and feedback loops at all levels of government, with special emphasis on the community level.

CONCLUSION

Over the last 25 years, decentralization has been a central pillar of Rwanda's post-genocide reconstruction and governance reform efforts. Launched in the early 2000s following extensive consultations, the decentralization policy aimed to reverse the legacy of centralized, exclusionary governance that contributed to division, poor

service delivery, and lack of accountability. Since then, Rwanda has made significant progress in devolving powers, responsibilities, and resources to local governments, making governance more inclusive, participatory, and responsive to citizens' needs and aspirations.

Decentralization has significantly improved service delivery in areas such as education, health, infrastructure, and social protection. Local governments, empowered through fiscal transfers and planning autonomy, have become more effective in identifying and addressing community priorities. Citizen engagement mechanisms such as Imihigo (performance contracts), Umuganda (community work), JADF (Joint Action Development Forum), and Inteko z'Abaturage (community assemblies) have institutionalized participatory governance and accountability. These innovations have also promoted social cohesion, strengthened local identity, and fostered a culture of self-reliance.

Institutionally, the decentralization policy reinforced coordination between central and local levels, clarified mandates, and promoted performance-based management. The restructuring of local councils and the review of legal frameworks have contributed to improved governance at the grassroots level. However, some challenges persist, such as low levels of own-source revenue at the district level, capacity gaps among local officials and staff, and overlapping mandates between central agencies and sub-national units. Additionally, while citizen engagement is high, it can sometimes be symbolic rather than substantive because of deficiencies in civic education and empowerment.

Key lessons drawn from the study emphasize the value of strong political leadership, regular policy reviews, alignment of decentralization with national transformation goals, and the strategic use of homegrown solutions to adapt global models to local realities. Rwanda's model of decentralization illustrates that effective governance reform must be rooted in the national cultural context and driven by a long-term vision.

Looking forward, decentralization in Rwanda must focus on deepening reforms to bring services closer to citizens and ensuring efficient and accountable institutions for socioeconomic transformation.

Overall, Rwanda's 25-year journey of decentralization demonstrates the country's ability to use governance as a tool for reconciliation and national transformation. As Rwanda pursues its ambitions of becoming a high-income, knowledge-based country by 2050, decentralization must remain focused on ensuring that development is inclusive, that citizens are empowered, and that national unity is preserve and strengthened.



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