

Enhancing Effectiveness of Public Services Performance through Performance Contracts in Rwanda

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Abstract: - In the past, globally Rwanda meant simply a totally failed State with a historical horror of the 1994 genocide against Tutsis where innocent Tutsis estimative to more than a million. In fact, 1,070,014 as per CNLG (2019) been killed in a just hundred days, this made Rwanda completely in political, social and economic collapse situation. Simply, Rwanda has been among the country that Rwanda was hard hit to bottom and needed its full strength to rebuild fast. In such spot of atrocities and fragility, innovations would much help a country to survive, re-shine and have its own voice on global scene, and government would much concentrate on providing necessary needed services to its citizen's after the utterly failed of international community to prevent and stop that atrocity which led to international inaction. Due to this, Public management in Rwanda has been a challenge and instituted various ambitious reforms has been undergoing with aim to re establish state institutions and reorganize the public administration to improve better service delivery to the citizens who is at center of every government action, and none has born better results than performance contracting. In an effort to improve service delivery, the RPF-led government began different reforms including decentralization policy under which the new arrangement, all leaders from central up to local government were responsible for implementing performance contract "Imihigo" signed between them and HE President of the Republic of Rwanda. Since 2006, an innovative scheme known as "Imihigo" introduced as a tool to speed up national development. On RPF's leadership, Rwanda is on of Africa's most encouraging development success stories based on its homegrown initiative, which is the Rwanda's most prominent country system with aim to undertake a fundamental, broad-based economic and social transformation intended to shift the country from low to middle-income status.

The study objectives were: to assess whether performance contract influence effective Public service delivery in public Institutions, to assess the levels and factors hindering the performance of public institutions toward performance contracts and to recommend key improvements in Rwanda. The study established that performance contracting in Rwanda, as a tool is a key to enhance effectiveness of performance in service delivery in all administrative layers. Literature reviewed, was basically aim to broaden the view of management of public services routines and performance contracting in particular case. The study adopted descriptive research design to collect information where the total population is 125 out of 14.126 got from purposive sampling. Primary and secondary sources of data was used to obtain information for the various study where a closed and open-ended questionnaire was deployed in collecting primary data while interaction with relevant

documents/publications on performance contracting aided in collecting secondary data. This, in order to establish meanings and relationships, revealed that, a close relationship between performance contracting and effectiveness of performance in Rwanda and indicated that; performance contract leads to effectiveness of performance of services delivery in all Institutions. Additionally, it established that performance contracting is significant on Rwandan performance while performance contracting resulted to an improved in accountability, ownership, citizen's participation and involvement of various stakeholders. It concluded from the findings that, there is no doubts that, performance contracting leads to effectiveness and performance of public services though remains to be done to enhance better service delivery. Study recommended that while preparing performance contract, more emphasis on tangible activities to reduce significant number of poverty are need and be used to fast track the tool in the entire service in Rwanda.

Key Words: Performance Contracting, Public services and Effectiveness of Performance.

I. STUDY BACKGROUND

For a decade, citizen participation in Rwanda was rely and thriving notorious to be forced on local people, this inflicted method used by colonial powers and post-colonial regimes to achieve public works programs. Forced labor were used by the colonial power under a system known as *corvee*, and by post-independence governments used a form of voluntary community work to complete infrastructural projects, through Umuganda (*community works*) to mention but a few. The political system in Rwanda has long been highly centralized and development policies are generally decided from the top to down contrary to down- top approach. Due to this, poor public performance in the Rwandan public sector consistently hindered the realization of sustainable social, economic growth and development since the country attained the so-called "*independence*"

In the pursuit of allocative efficiency in service delivery has been at the heart of adopting decentralization systems by a number of countries. This move was supported by incapacity of centralized states to provide quality public services to citizens. It is in that perspective that, since the early 1980s, the enhancement of local governance has been adopted by a number of African countries through the transfer of a number

of central government functions to jurisdictions, which are closer to citizens (Steinich, 2000).

As demonstrated by some scholars, including Azfar et al (1999, 5-6), Kauzya, 2007 (in Rugo 2014:3), decentralizing public functions to local governments improves allocation of services only when it is accompanied by enabling mechanisms. These are the mechanisms, which on one side allow local governments to allocate available resources according to the real local needs and preferences. On the other side the mechanisms have to help in attaining productive efficiency, which is built on the capacity of citizens to hold accountable service providers. These mechanisms, which are the intrinsic features of local governance, include mainly citizen participation structures.

In the case of Rwanda, such participation and engagement frameworks at the local level have been established specially to ease the process of decentralization launched in 2000. As presumed by Agrawal and Ribot, (1999:4) there is a potential positive link between engagement and allocative efficiency. In fact, through engagement, local governments and other local service providers acquire necessary information concerning local groups' needs or preferences and provide services accordingly (Azfar et Al 1999: 2).

It is imperative to recall that after Genocide against the Tutsi in Rwanda, the adoption of decentralisation in Rwanda was materialised by the adoption of the decentralisation policy in 2000 with the aim of building citizen centered governance, various programs of people's empowerment were implemented. The expected results consisted in having citizens who are able to take care of their destiny through the participation in the identification of their priorities, implementation of local projects as well as holding accountable local authorities. This explains the reason why the first phase of the decentralization was mainly focusing on establishing "partnerships between communities, local governments, central government, private sector, non-governmental organizations and international development partners, to engage in projects and programs for improving local development and delivery of services (MINALOC, 2007).

However, directly after RPF stopping Genocide against Tutsi, the Government of National Unity started to redefine and revive the practicability of the concept of citizen participation, drawing lessons of mistakes made by the previous regimes. It is in this framework, that various political, social and administrative policy reforms were put in place with aspiration to improve the social, economic development of all Rwandans while responding to the societal effects of recovery from the heartbreak of genocide against Tutsi. Additionally, in the previous regime, there was no single emphasis as to what is expected from employees in terms of outcomes or productivity and insignificant measuring performance has been the greatest challenge. In 2006, Government of Rwanda came up with an exceptional innovation or grown home

solution in the form of public performance-based assessment for all Public Institutions, commonly known as *Imihigo* or Performance contract to tackle the situation, monitor and evaluate plans, programs and investments that are to be delivered for citizens at different levels of leadership.

At one hand, the intent was to draw on forms of traditional answerability to stimulate *positive competition* to underpin local government that implement government policies and programs. On another hand, Performance contract or *Imihigo*, was introduced in the context of implementing a Poverty Reduction Strategy and a National Decentralization Policy, started in 2000 (ADB 2012: 3; Golooba-Mutebi 2008: 23).

In the context of Rwanda, performance contract "*Imihigo is about evaluating our performance, learning from our mistakes and moving forward together. What imihigo shows us is that we still have areas where we need to improve, that we need to do what it takes to improve and reach our goals. Imihigo is not just a ceremony, it is about achieving our goal of transforming the lives of every citizen, the peledges have to translate into action and tangible results for every citizen*" (Paul Kagame: 2017/2018)

HE Paul Kagame, throughout his presidency, he has ordered for results from those appointed to public office and the sense of urgency with which the President anxieties for goals can be a huge source of pressure but that could be exactly what it takes to rebuild a country from ashes to something. In fact, he has informed his government that he was concerned *Imihigo* was increasingly becoming less centred on the stated needs of the ordinary people.

In fact, public employees or civil servants have a key role to play that is indispensable in the effective delivery of public services which is most important to the functioning of a state social, economic development. In case the delivery of services is embarrassed to the extent of ineffective, it absolutely affects the quality of life of the people in particular and nation's development process in general. This, disturb mostly, African countries that have a big number of poor peoples. To this, performance contract should be an extraordinary tool to enhance accountability and social, economic development and fostered teamwork between employers, employees and stakeholders.

To conclude, *Imihigo* starts with the family, family members commit to achieving specific targets for the family.

Worldwide Viewpoint

The today's organizations are changing rapidly than in the past due to different facts including globalization, increased spirit of competition and competitiveness and the ever-changing business environment. There are no doubts that, this is the reason behind of organizations that are requiring strong management towards improving their performance through performance contracts "*Imihigo*" so as to win that straggle of competition. In addition to this, democratization of most of the African countries also another push and pray a key role

towards, accountability, transparency and results oriented at any cost. The use of performance contract “*imihigo*” has been acclaimed as a driver of transformation, effective and promising means of public institutions performance and employee’s performance (RGB: 2018), (WB: 2018).

In fact, 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 (WB: 2018). Ndung’u (2009) observed that, governments are faced with the challenge of improving service delivery while using fewer resources to deliver effective and efficient services demanded by the citizens.

Jason Esiokhunjila Nganyi et al, (2014) noted that, the concept of performance contracting is historical. Performance Contracts were first introduced in France after the publication of the famous Nora Report on the reform of state-owned enterprises in France. They were introduced in the US in 1993 as part of the Government Performance and Result Act (GPRA). Today, almost all Organization for Economic Co-operation and Development (OECD) Countries use some variant of Performance Contracts in managing the public sector (Obongo, 2009). In Asia, Performance Contracting concept has been used in Bangladesh, China, India, Korea, Pakistan and Srilanka. In Africa, Performance Contracting has been used in selected enterprises in Benin, Burundi, Cameroon, Cape Verde, Congo, Ghana, Guinea, Madagascar, Mali, Mauritania, Morocco, Niger, Senegal, Togo and now Kenya. In Latin America, Performance Contracting has been used in different times in Argentina, Brazil, Bolivia and Venezuela (GoK, 2010).

Prof. R. W. Gakure (2013) point out that, in Belgium, performance contracting in the public sector dates back to the breaking of the traditional monolithic government in the 1830s and stipulated the compulsory public utility service being provided by the agency and the government’s conditions. Although the paradigm of performance contracting in Belgium dates back in the 1800s while in United Kingdom (UK), performance contracting in public sector was introduced in 1998 as Public Service Agreement (PSA) system and outlined a set of performance targets which all government agencies were to report on (Metawie and Gilman, 2005).

Grapinet (1999) as cited in Gakure (2013), noted that in Finland, major public service reforms were introduced during 1987-1997 according to study on Public Sector Performance Contracting and the aim was to make public agencies more responsible and accountable. In Denmark according to May (2005), performance contract played a major role in improving efficiency and increasing policy control and in United State of America (USA) according to Government Performance and Results Act of 1993, performance contract aimed at making federal departments more productive and therefore boosts citizens’ confidence in their government.

Africa Outlook

It is no surprise to see a leader in high position in the Western countries apologize or resign himself from the position for simply weakening to meet the target, there are examples but rarely in Africa. Contrary to Rwanda, Leaders (From Central to Local government, including Ministers, Ambassadors, Heads of Government agencies and Institutions, Mayors to mention but a few) are no strangers to goal setting, which has become a compulsion under the performance contracts (*Imihigo*) framework. In fact, every fiscal year we witness a number of causalities resign themselves or forced to do so at all levels, simply because they failed to meet their targets.

Poor performance of same leaders in most of African countries is due to the fact that, they are not held accountable for their actions and promises. They feel no obligation to deliver for the public, and in its place, they run public offices as their private self-indulgent tiers and this called for new comprehensive public sector reforms stratagem to discourse these evils. For Ogola, G.O and Nzulwa, J (2018), in the African region, the first country to adopt Performance Contract was Senegal, where the idea was regarded by public enterprise managers as a tool to compensate civil servants who are restricted by the government from being involved in commercial activities (Mohammed, 2009). This concept increased autonomy and decreased outside interference in the management of corporate activities. However, performance contracting has since been adopted in selected enterprises in Benin, Burundi, Cameroon, Cape Verde, Congo, Cote d’Ivoire, Gabon, the Gambia, Ghana, Guinea, Kenya, Madagascar, Mali, Mauritania, Morocco, Niger, Senegal, Togo, Tunisia, Uganda and Zaire.

While Prof. R. W. Gakure (2013) Countries such as Ghana, Nigeria, Gambia and Kenya in 2005 started managing public service through performance contracting (Kobia & Mohammed 2006). Ndung’u (2009) noted that the East African Community (EAC) performance Contract 2008/2009 stipulated expectations of member states (Kenya, Uganda, and Tanzania) commitment for common achievement including implementation of Strategic Plan (2007-2012) which was to ensure that appropriate work plans are developed on the basis comprehensive performance targets.

Many other countries used performance contracts to incentivize follow-through on development promises, but in Rwanda, performance contract “*Imihigo*” was a more traditional way to achieve the same goals and thus much more understandable for the local population (World Bank Group: 2018). Imihigo promotes Rwanda’s dignity “*Agaciro*”. The journey to development continues, and nothing would stop it. Rwandans have a lot to celebrate and to be happy with: They make a “winning team” as Imihigo is institutionalized, and this makes the pride and the dignity of Rwanda as a Nation.

Rwanda Standpoint of Performance Contract “Imihigo”

In Rwanda, government fused the modern concept of

performance contracts with a traditional practice of public commitment called *Imihigo*. The President's Office began by using powerful non-monetary incentives to get mayors across the country to set development targets for their districts and deliver on them; after the initial success at district level, it was expanded to cover central government ministries as well (WB Group: 2019)

Directly after RPF stopping Genocide against Tutsi and took power, the Government of National Unity started to redefine and revive the practicability of the concept of citizen participation, drawing lessons of mistakes made by the previous regimes. It is in this framework, that various political, social and administrative policy reforms were put in place with aspiration to improve the social, economic development of all Rwandans while responding to the societal effects of recovery from the heartbreak of genocide against Tutsi.

Additionally, in the previous regime, there was no single emphasis as to what is expected from employees in terms of outcomes or productivity and insignificant measuring performance has been the greatest challenge. In 2006, Government of Rwanda came up with an exceptional innovation or grown home solution in the form of public performance-based assessment for all Public Institutions, commonly known as *Imihigo* or Performance contract to tackle the situation, monitor and evaluate plans, programs and investments that are to be deliverer for citizens at different levels of leadership.

Imihigo is one of the homegrown that is changing the face of Rwanda as an invaluable tool for the planning and implementation of the development policies. The modernization and use of this ancestral approach to objectives and targets setting is one of the innovative approaches to development planning. The assessment of *Imihigo* was carried out at district, community and household level. Districts' *Imihigo* plans were gathered and scanned to assess the trends during the last four year. Results were complemented by focus group discuss with the citizens at grass roots level (RGB: 2014)

In ancient Rwanda, *Imihigo* consisted in publically setting challenging targets and committing oneself to their achievement. Generally, Rwandans resorted to this cultural practice when they sought to overcome a huge societal problem requiring voluntarism and commitment from an individual, an organized group or all the citizens. The community regarded such a commitment as an act of bravery and would expect committed individuals or groups to successfully achieve set objectives efficiently, whatever the object. In fact, performance contract "*Imihigo*" included an element of evaluation done through a public ceremony where the actor or actors were given a chance to inform the community about their exploits. This ceremony called "*Guhigura Imihigo*" or "*Kwivuga ibigwi*" is a praise ceremony, where successful contenders were publically

eulogized for their bravery, or allowed to chant their bravery before the community leader, and the King at the highest degree, describing in lyrics all the stages and obstacles triumphed over (RGB: 2014)

For several centuries, the system of *Imihigo* and *Ibigwi* was the backbone of performance management in Rwanda. It was understood and used by the people for defining strategic goals and objectives, committing themselves to their fulfilment at the highest degree and reporting through "*Ibigwi*" to the supervisor and the community. Performance rewarding included the nomination to senior positions, receiving cows and land grants, public praising, bravery recognition, respect, etc. The system guided the building of the nation through centuries to the colonial era, during which the practice remained intact as a cultural heritage (RGB: 2014)

If Africa is therefore to improve efficiency in the service delivery, increase accountability and people centered as well as overcome injustice and corruption, which has now become a enduring antagonist of our social, economic development, African countries need to ensure that leaders at every government level are held liable and gauged on what they are supposed to do for their societies. It is worth to note that, leadership position is a burden, a responsibility and assigned role where you are responsible for the outcome of a team, this simply mean, ***leadership position is a heavy responsibility, ready for accountability and transparency to those who elected and appointed you to the position. Leadership is about influencing activities of others in effective effort towards achieving target or a goal fixed, to be successful leader, it is a must to have a clear vision. For this, leadership it is not about position or title rather is about action.***

For Samuel Baker (2016), replicating Rwanda's performance contracts framework is one effective way in which Africa can counter corruption. Accountability is at the core of this model; the public is empowered to monitor and assess whether government leaders are indeed working in the interest of society, which puts them under pressure to protect their jobs not through bribery but by maintaining strong performance records. It is no doubt that Africa needs a strong solution to rid corruption, attract investment and boost growth; employing Rwanda's performance contracts could be a fruitful start of using home-produced solutions for Africa's problems.

Status of service delivery in Rwanda

Quality of Service Delivery is professed as key for both building the confidence of citizens towards public offices and magnetizing investors and encouraging spending. In fact, the quality of Service delivery we are talking here is an ultimate onus of government and private sector underlines accountability and transparency, responsiveness and fairness, participation and inclusion across all sectors. It engages service providers and service users; governmental or private sector institutions and the general public. Quality service

delivery ensures the doing quality work delivered in a manner that is quick and customer-centered to enhance citizen satisfaction.

Considering the poor performance of this indicator in the scorecard as below table shown, relevant institutions combined efforts to improve customer care in the public and private sectors.

In the public sector, the Rwanda Governance Board through its popular Mobile School of Governance has mobilized district and sector officials for better service delivery to citizens who are considered integral customers. On the other

hand, the Rwanda Development Board has initiated various campaigns to encourage business people to consider customer care as a source of bigger profits in their daily business. These include the radio and newspaper campaigns, such as, the “*Na Yombi*” campaign, the customer care tool kits to mention but a few (RGB, RGS: 2012)

For RGB through its studies, the Rwanda Governance Scorecard (RGS), which is an annual publication that seeks to accurately gauge the state of governance in Rwanda. The CRC 2012-2019 among elements assessed, including quality of service delivery, which evaluated in different sectors and the scores were given as follows:

Figure 1: Quality of service delivery Status (2010 to 2019)

Indicators	Score RGC 2010 (%)	Score RGC 2012 (%)	Score RGC 2014 (%)	Score RGC 2016 (%)	Score RGC 2018 (%)	Score RGC 2019 (%)
Quality of service delivery	66.21	70.44	72.20	72.93	74.25	70.54

Source: Summarized from RGB: RGC (2010-2019)

The pillar of the quality of service delivery emphasizes the need for efficiency and effectiveness in meeting the needs of citizens. Ensuring the quality of service delivery is a fundamental obligation of the government, private sector and all other service providers. The government of Rwanda has prioritized service delivery as one of the key drivers of socio-economic development. The national strategy for transformation (NST1) targets the level of citizen satisfaction with services received from public institutions to be 90% by 2024.

The indicators of quality of service delivery pillar were adjusted to reflect: service delivery in the governance and justice cluster, service delivery in the social cluster, service delivery in the economic cluster as well as service delivery in private sector. In fact, quality of Service Delivery is the least performing indicator though it has improved compared with the previous assessments as shown in the above table.

For MINALOC (2010), the introduction of a performance-based approach (Imihigo) has contributed to improve the overall capacity of local governments to implement development programs and plans, to deliver quality services to the citizens and has provided important basis for improvement of accountability and effectiveness in the use of available resources.

Statement of the Problem

Though drives of adopting decentralization differ across countries, for the case of Rwanda, its drivers were aiming to improve efficiency in accountable service delivery and the strategies adopted to achieve it was to ensure empowerment of local citizens and allowing them to participate in the planning and management of local affairs.

RGB (2013) argue that, given the complexity of the sectoral reforms, which constitute the prerequisites of the decentralization of the sectoral services, it would be difficulty

in any case to adopt a radical decentralization once for all for Rwanda, the most prioritized basic services to decentralized are those providing basic services especially health, education, water and sanitation, infrastructure but also agriculture in same cases.

As far as sector services are concerned, the distinction of responsibilities regarding financial and human management has not yet been clearly defined. In the Rwanda Governance Score card (RGB, 2016) although there was a slight improvement in service delivery, it was the least performing across sectors with 72.93 %. Local government leaders as testified by the Rwanda Association of Local Government Authorities also recognize weaknesses in service delivery at the local level

RALGA (2015) as cited in RGB (2016), senior local government leaders about the status of the services delivery they provide. They claimed that a lot has been achieved but recognize that the fulfillment of that objective is still refrained by a number of gaps including low caliber staff, non-commensurate financial resources as well as some sectoral ministries, which have not yet effectively decentralized some key services.

For IPAR (2010), good service delivery is essential in all economies and even more critical in service-led economies. Rwanda has an ambition to become a service- led economy, yet research demonstrates that service delivery in Rwanda is generally poor. Thus, poor service delivery in Rwanda endangers the realization of Vision 2020, to this; poor service delivery in Rwanda endangers the realization of Vision 2020. Rwanda aims to become a service economy but there is little evidence that organizations are focused on delivering good service to customers. Customer service delivery is generally poor and seen as the poorest in the region.

In order to up lift the low and middle-income to upper middle-income economies countries, including Rwanda need to focus much attention on better quality services delivery. The difference between the two in that matter is far ahead in terms of service delivery due to fabulous permeation of technology in every features of life.

Service delivery and productivity in the Rwandan civil service has been noted to be poor by citizens (IPAR, 2010; RGB-CRC (2015); RGB-CRC (2016); RGB-CRC (2017); RGB-CRC (2018); NDAGIJIMANA I (2018) though different appreciation of satisfaction from 59.8% to 71.1% (2015), 67.7% to 80% (2016), 67.7% to 70.9% (2017) and 69.3% to 71.9% (2018). Thus, stretching the social, economic development without equivalent results.

The above-mentioned findings clearly show that, public institutions still maundering with challenges in terms of provision of better service delivery to the satisfaction of citizens. Subsequently some African Government including Rwanda, have initiated performance contracting “*Imihigo*” as one of the effective and promising means of improving the organizational performance of public institutions as well as government agencies since it defines responsibilities and expectations of the parties to achieve mutually agreed targets on annually basis. Nonetheless, it is still doubtful whether the performance contracting strategies improved service delivery to customers.

Additionally, lack of good governance elements in the same of public institutions in Rwanda especially local government (Decentralized entities) has hampered effective citizen participation and service delivery to citizens therefore, some public institutions fails to performer as planned.

Table 2: Rwandan Economic Growth

Rwanda is one of Africa’s fastest growing economies with economic growth averaging more than 7 per cent every year since 2000 (IMF: 2019) and for WB (2019), the growth averaged 7.5% over the decade to 2018 while per capita growth domestic product (GDP) grew at 5% annually.

For Trading Economics (2019) services the largest sector of the Rwanda's economy and accounts for 53 percent of total GDP. Within services, the most important sub-sectors are: real estate activities (8 percent), wholesale and retail trade (8 percent), cultural, domestic & other services (6 percent),

administrative and support service activities and public administration and defence; and compulsory social security (5 percent each).

The services sector grew 12%, faster than 8% in Q1, mainly boosted by wholesale & retail trade (23% vs 7%); transport (17% vs 11%); hotels & restaurants (13% vs 7%) and public administration (12% vs -3%). Also, the industrial sector continued to rise solidly (21% vs 18%), namely due to manufacturing (16% vs 8%); mining (13% vs 12%) and construction (32% vs 30%). Trading Economics (2019)

In June 2019, the IMF and the World Bank revised their growth estimates for Rwanda to 7.2 per cent attributing it to rains which the institutions said had improved food supply while in the first quarter of 2019, the country posted a 10.6 per cent growth in Gross Domestic Product.

A rising to 6.1 per cent in 2017, real GDP growth averaged 8.6 per cent in the first half of 2018, consistent with the projected end-year growth rate. An export growth rate of 17.9 per cent in the year to August 2018, and import growth of 7.4 per cent, the trade balance has continued to improve.

For AFDB (2019) as cited in African Economic Outlook (AEO) 2019, argue that, Real GDP growth reached 6.1% in 2017 and was estimated at 7.2% in 2018, supported by strong growth in services (4.1%) and industry (1.5%), particularly manufacturing. The key drivers of spending in 2018 were household consumption (5.8% of GDP) and investment (2.9%). The fiscal deficit was an estimated 4.3% in 2018, down from 4.8% in 2017, thanks to increased investment (from 23.4% of GDP in 2017 to 25.3% in 2018) and reduced grants, despite strong tax collection driven mainly by improved tax compliance and the introduction of an electronic tax payment system. Public sector debt increased to 41.1% of GDP in 2018 from 35.6% in 2016, but risk of debt distress remains low. With inflation low and the exchange rate relatively stable, monetary policy continued to be accommodative in 2018.

The below table below highlights the role played by service in the GDP of Rwanda the reasons why, service delivery in Rwanda should be improved in order to achieve its social, economic development through achieving vision 2020, NST 1.... if Rwanda want to uplifted from low and middle-income to upper middle-income economies countries.

Table 2: Real sector Growth by sector (2015/2016 to 2017/2018)

Contribution to Growth 2014 Constant Prices				Growth rate at Constant Prices (%)			Shares of GDP at current prices (%)		
Overall GDP	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
	8.6	3.4	8.9	8.6	3.4	8.9
Services:	4.6	2.4	4.7	10	5	10	47	47	47
Trade and Transport:	1.4	-0.2	1.9	11	-2	15	12	11	11
Wholesale & retail trade:	0.9	-0.4	1.1	12	-5	14	7	7	7
Financial services:	0.3	0.1	0.3	11	2	10	3	3	3

Source: Annual Economic Report, fiscal year 2017/2018, MINICOFIN (January: 2019)

From the aforementioned table, service remaining the largest share of GDP (47 percent), the service sector grew by 10 percent in 2017/18, 5 percent higher than the previous year. Trade and Transport was the largest contributor, growing by 15 percent in 2017/18. This was led by Transport and Wholesale and retail trade which grew by 19 percent and 14 percent, respectively, in 2017/18 compared to 4 percent and -5 percent in the previous fiscal year.

It is imperative to recall that, the effective implementation of the performance contract “*Imihigo*” in both public and private services marked at transforming service delivery in the public service and improving organization performance (MINALOC, 2010; NISR, 2017-2018, NDAGIJIMANA I, 2018, RGB, 20015-2018, NAR, 2016).

Furthermore, attributing the performance and success of Rwanda to performance contract might not be a crime since the performance contract has a say on it. In fact, the following ranking of Rwanda at international scene in the following: 2nd country in cyber security in Africa (Global security index 2017), 2nd easiest place to do business in sub Saharan Africa (WB report 2018), 2nd most competitive in africa (Global competitiveness report 2017/2018), 17th greenest place in the world (World travel guide 2018), 2nd safety place in Africa (Gallup global report 2018), 5th best place to be a woman globally (Global gender gap index 2017) and 7th global most efficient government (WEF 2015) to mention but a few.

The Ministry of Economic and Finances (MINICOFIN: September, 2014) indicated the great achievements over the last two decades as follows: Political stability, rule of law and zero tolerance for corruption, rapid economic growth and reduction in poverty, low level of government debt, comprehensive program of investment in energy, agriculture, ICT and tourism, market friendly policy environment and economy resilient to external shocks.

However, for African Economic Outlook (AEO:2019), Rwandan macroeconomic performance is that, the Real GDP growth reached 6.1% in 2017 and was estimated at 7.2% in 2018, supported by strong growth in services (4.1%) and industry (1.5%), particularly manufacturing. The key drivers of spending in 2018 were household consumption (5.8% of GDP) and investment (2.9%). The fiscal deficit was an estimated 4.3% in 2018, down from 4.8% in 2017, thanks to increased investment (from 23.4% of GDP in 2017 to 25.3% in 2018) and reduced grants, despite strong tax collection driven mainly by improved tax compliance and the introduction of an electronic tax payment system. Public sector debt increased to 41.1% of GDP in 2018 from 35.6% in 2016, but risk of debt distress remains low. With inflation low and the exchange rate relatively stable, monetary policy continued to be accommodative in 2018.

Inflation was estimated at 0.9% in 2018, much below the 8.2% in 2017, thanks to the lower cost of food and nonalcoholic beverages. The exchange rate remained relatively stable throughout 2018. In 2018, the foreign

exchange rate pressures on the Rwandan franc remained modest due to continued improvements in the external sector resulting from a 15.8% increase in exports and a 1.4% increase in imports. The currency depreciated by 1.4% against the US dollar in 2017, far below the 9.4% in 2016.

The aforementioned results notwithstanding thought that a profounder study was required to uncover and divulge sympathetic on the key role of performance contract “*Imihigo*” on variables such as organizational performance, productivity, employees stimulus and effectiveness among others towards social, economic development.

In view of the preceding, this study therefore scrutinized the key role of performance contract “*imihigo*” on organization performance and organizational productivity in the Civil Service in the local government of Rwanda.

II. LITERATURE REVIEW

The use of Rwanda’s indigenous knowledge system, known as *Imihigo* (performance contracts), is one of those innovative and home- grown approaches that has strengthened service delivery and contributed significantly to improvements in the socio-economic well being of citizens. This brief explores the contribution of *Imihigo* to improvements in social service delivery in Rwanda and examines its challenges and opportunities (ADB: 2012)

Performance contract “*Imihigo*” is a Kinyarwanda word, meaning the setting of goals upon which “Kwesa imihigo” (evaluation) will be conducted at a future point in time. *Imihigo* is founded on the old Rwandan cultural practice whereby two parties publicly committed them- selves to the achievement of a particularly demanding task. Failing to meet these commit- ments usually led to dishonor, not only to the participating individuals but to the com- munity as a whole. Those who achieved their pledges became role models in the community, and their exploits were echoed in history (ADB: 2012)

MINALOC (2006) through its policy note, it described *Imihigo* as a tool that have been designed as a Rwandan approach to performance management, “*The Imihigo approach shares many characteristics with results-based management tools. First, each Imihigo identifies a set of clear priorities. Second, each Imihigo presents a set of specific targets backed by measurable performance indicators. Third, each Imihigo undergoes a well-defined process of performance monitoring and evaluation. Fourth, each Imihigo 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.*”

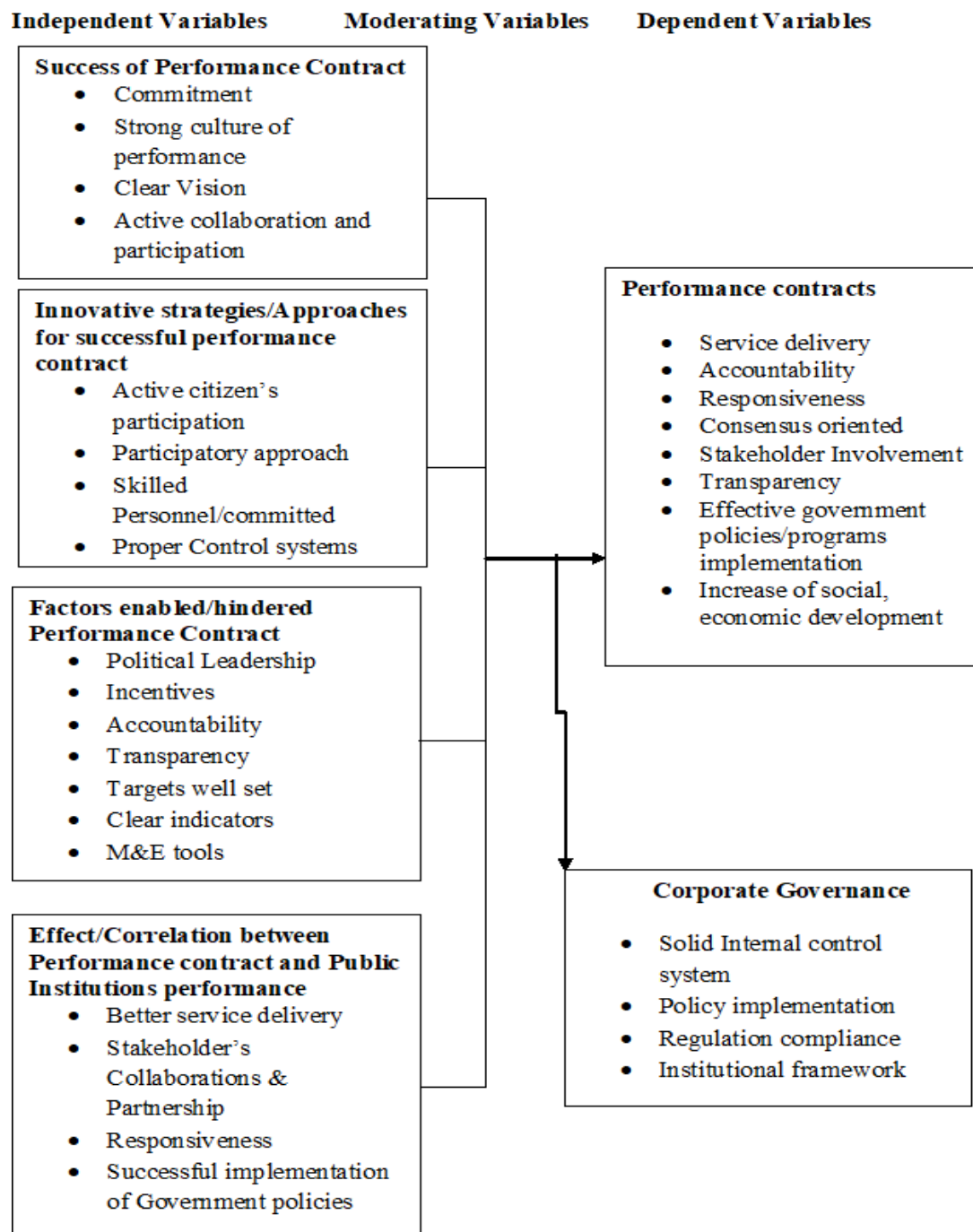
The *imihigo* program had several ambitious aims including to: speed up implementation of the local and national development agenda, ensure stakeholder ownership of the development agenda, promote accountability and transparency, promote results oriented performance,

encourage competitiveness, ensure stakeholders participation and engagement in policy formulation and evaluation and finally, instill a culture of regular performance evaluation (WBG: 2016).

Based on the above-mentioned definitions, performance contract “*imihigo*” is therefore a best tool for government to

fast track the organizational performance towards achieving social, economic development, a philosophy and a tool for coordinating employees towards achievement of tangible results. To this, *imihigo* was premised to lead to increase in productivity.

Figure 1: Conceptual Framework



There are several theories, which explain and address the organization performance such Classical organization theory includes the scientific management approach, Weber's bureaucratic approach, and administrative theory.

The scientific management approach is based on the concept of planning of work to achieve efficiency, standardization, specialization and simplification. The approach to increased productivity is through mutual trust between management and workers. Taylor (1947) proposed four principles of scientific management:

- Science, not rule-of-thumb
- Scientific selection of the worker
- Management and labour cooperation rather than conflict;
- Scientific training of workers.

For Weber's bureaucratic approach considers the organization as a part of broader society. The organization is based on the principles of:

- Structure,
- Specialization
- Predictability and stability;
- Rationality; and
- Democracy

The Weber's bureaucratic approach is observed as rigid, impersonal, self-perpetuating and empire building to some scholars.

Administrative theory was propounded by Henry Fayol and is based on several principles of management. In addition, management was considered as a set of planning, organizing, training, commanding and coordinating functions.

Empirical Literature

This study also considered past studies and reviewed them purposely to analyze and evaluate work already done in the expanse. In the study "Improving public sector performance through innovation and inter agency coordination, a case study from the global report on fusing tradition with modernity: Imihigo performance contracts in Rwanda" World Bank Group (2016) considered that Performance Contract (*Imihigo*) as a Government tool to implement policies that would stimulate development and improve service delivery and then make sure it delivered on those policies. Imihigo also is a tool to hold public official accountable to achieve impressive rate of economic growth rapidly improve infrastructure and increase health and education outcomes for its citizens. Imihigo identifies a set of clear priorities; present a set of specific targets backed by measureable performance indicators and undergoes a well-defined process of performance monitoring and evaluation. Imihigo 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.

The study revealed that Imihigo 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. For the matter of facts, 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. However, the study failed to relate performance contract to citizen's satisfaction.

Based on a report by the IPAR, Institute of Policy Analysis and Research, for the year 2014/2015, imihigo played a key role to influence an increase of electricity coverage, improved access to clear water, increase access to credit for women and youth, improved agriculture production and a large increase in the number of roads and healthcare facilities. The report was too broad and failed to address specific areas such as quantified effects of performance contracting on performance.

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) as cited in WBG (2016). It is not debatable to the fact that, 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.

In fact, the imihigo in Rwanda has its own success drivers; since it improved government official's performance across government reflect three of the five key dimensions for successful public sector innovation as defined by World Bank Group (2016) as follows:

- **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 a special team conducted

evaluations 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.

Imihigo (performance contracts) have made a strong contribution to instilling a culture of results. Building a more complex, richer society requires an approach where civil servants, local officials, and civil society can serve as a source of innovation and risk taking. It also requires the government to obtain and act on feedback from citizens. Essentially, public institutions need to become more innovative, less risk averse, better coordinated, and more adaptive. However, the current imihigo is well criticized and subjected to changes and proposed modifying the imihigo to adopt multi-year targets with annual benchmarks (rather than focusing only on short-term goals), making greater use of qualitative surveys, and placing a stronger focus on outcomes rather than processes could enhance innovation. Increasing the importance of the joint imihigo and a strong delivery unit to coordinate policies on key crosscutting issues would improve interagency coordination.

“Future drivers of Growth in Rwanda, Innovation, integration, agglomeration and” study by Government of Rwanda and World Bank Group (2019) observed that the higher-order challenge for Rwanda, is to boost productivity growth, which also has a bearing on Rwanda’s ability to maintain high investment rates. Rwanda’s labor productivity (output per worker) and total factor productivity (TFP) (output generated by a given quantity of labor and capital) are low for its income level. Moreover, the rate of TFP growth has slowed significantly in recent years, further widening the gap with other countries. This trend is worrisome and must be addressed with urgency, since productivity is the main source of long-term growth for any country.

The study revealed that performance contract, *Imihigo* the original goal was to enable local governments to articulate their own objectives, which reflect priorities of the local citizenry, and to set strategies to achieve the objectives. According to the Ministry of Local Government’s decentralization assessment, imihigo became the most engaging and credible planning instrument at the subnational level, with better-funded activities and the most effectively evaluated targets (MINALOC 2017).

The study noted that, Imihigo have made a strong contribution

to instilling a culture of results in Rwanda, thereby increasing government effectiveness. In fact, the justice sector has carried out several important reforms. In 2005, the government reestablished the traditional community court system called Gacaca to mete out justice, achieve reconciliation, and heal some of the festering wounds from the time of the genocide. Under the Gacaca, a fully home-grown system, local communities selected citizens (mostly without any formal legal training) as judges to hear trials of suspects accused of all crimes (except their planning) during the genocide. By the time the Gacaca courts officially closed down on May 4, 2012, they had handled officially at that time a total of 1,237,356 cases. In 2006, also with the purpose of promoting reconciliation and the rule of law and tackling the huge court backlogs (this time for common-law offenses), the government created the abunzi (mediation committees) to provide free mediation services to resolve small conflicts. Abunzi have been effective, handling more than 50,000 cases in 2017 and earning high levels of citizen satisfaction (RGB 2016a). The study was descriptive based on the secondary data.

RGB (2016), Performance contracts have played a major role in creating a strong vertical chain of accountability in the civil service. Imihigo is the plural in Kinyarwanda of umuhigo, which means a “vow to deliver.” It also includes the concept of guhiganwa, which means, “to compete among one another.” It describes a practice in which an official must achieve a set of targets or goals within a specific period, following certain guiding principles and overcoming all hurdles, short of which the official may be sanctioned or even fired. A fully homegrown initiative, derived from the traditional practice where individuals voluntarily set their own targets and publicly commit to achieve them within time-bound periods, the revived concept was intended to strengthen participatory priority setting, bottom-up planning, and accelerated implementation while focusing on time-bound results.

African Development Bank, in a study “Performance contracts, and social service delivery, lessons from Rwanda” (2012) consider that Performance contract, Imihigo enhanced creativity and strong focus on results introduced by performance contracts at the district and sector level have translated into significant national development outcomes including construction of rural roads, the expansion of access to clean water, complete eradication of grass thatched houses through a national campaign called “Bye Bye Nyakatsi” and increased agriculture productivity and livestock.

The population covered by health insurance schemes increased from 70 % to 89% between 2006 and 2011, and 74.2% of citizens feel that they are actively participating in local decision making and that local government is listening and addressing their priority concerns, from the baseline of 65% in 2006. These national outcomes have been achieved because ordinary citizens are given a greater role in policy formulation and evaluation, and officials at all levels are

specifically thinking about Imihigo with a focus on results.

Never Again Rwanda, NAR (2016) in a study “Governing with and for citizens: lessons from a post Genocide Rwanda” findings revealed that, Imihigo tell the three stories. The first story is that Imihigo has proven to be a real innovative and homegrown planning tool in post-genocide Rwanda. The second story is that citizens participate largely in the implementation phase of Imihigo including those planned at local level as well as some national priorities. The third story says that, in many places, Imihigo persistently follow a top down approach leaving therefore limited room for citizen participation in both planning and evaluation phase. This implies that the study was spread so thin to enable sound conclusion.

Research Gap

For instances, IPAR (2015) which carried out the performance contract in the decentralized entities in Rwanda, RGB (2014) which conducted the assessment of the impact of home growth initiatives, Daniel, S (2010) who analyzed the promises of imihigo in decentralized service delivery in Rwanda and NAR (2016-2017), all have not fully exhausted the area of effectiveness of service delivery in public institutions effect. However, some examined only the impact of a single element while others not and missed the key element to be investigate “*Effectiveness of service delivery in the public services towards social, economic development*” The evident shortcoming is none of such studies have specifically covered the relationship between citizen’s participation, effective performance contract and service delivery in the public institutions. Thus, there exists a knowledge gap in research on the effect of performance contracts on effectiveness of service delivery in Rwanda.

Nevertheless, the performance contract has been a major focus of empirical research in developed countries. Notably, effects of performance contract on service delivery, productivity, effectiveness and efficiency has been investigated in Rwanda and Kenya, (Daniel Scher: 2010, Ndahiro, I: 2015, IPAR: 2016 & Paul, M: 2013, WBG: 2019, Samuel Baker (2016),).

These themes have been empirically investigated in the literature. Studies have investigated the effect of citizen participation, lack of downward accountability, challenges related to evaluation, feedback, performance contract influence on effective service delivery in public institutions and personal factors influencing the performance contract in Rwanda. However, similar studies have not been conducted in Rwanda.

Moreover, the above-mentioned studies did not indicate a clear link between the performance contract, organizational performance and effectiveness of public services performance of Public Institutions in Rwanda. As Public Institutions straggle to convert their both organizational performance needs into results-based management towards effective implementation of performance contract, there is minimal

information that clearly identifies exactly how performance contract is a source of organizational or public institutions success. For any Public Institutions in Rwanda, performance contract is a key tool for public institutions to performer better.

This research study therefore investigated and quantified effects of performance contracting on effectiveness of service delivery in public institutions. In addition to that, the aforementioned studies failed to bring out clearly the correlations between performance contract and organizational performance thus hindering the government from benefiting fully from the paradigm. Transforming Rwanda into a middle-income country as per Vision 2020 or 2050 for the realization of the sustainable development blueprint requires to set a target, competition, an innovation and performance contract in the public institutions, an area that is not explored by researchers mainly, few Rwandan or Africans, however, they did not focus on the relationship or/and influences that performance contract has to public institutions performance in Rwanda.

Critics of existing literatures

IPAR (2013-2015), in their studies, the planning process involves both top-down and bottom-up elements. More consultations in the design of Imihigo are done between the central government and local government and more efforts are needed between the Districts and citizens through the existing channels - sector, cells, village, and individual households. However, there is substantiate the need of getting feedback on selected Imihigo to inform them why some of their targets were maintained and others not compared to their proposed list.

Scher (2010:6) stresses that “although government officials insist that the Imihigo process has resulted in better service delivery in the districts, no comprehensive data were available.” which according to MINECOFIN (2012:7) in EDPRS: Lessons Learned 2008-2012 “expressed lack of appropriate baselines against which to measure progress”.

While we are talking about effect of performance contract on effective public service delivery in public Institutions, but performance contract or Imihigo continue to be top down. It is necessary to improve the consultation and participation of both employees and citizens at grass roots, as well as put enough emphasis on household and community Imihigo as this can make even more economic and social advancement. This will however be enabled by increased empowerment of household’s economic capacity, the foundation of setting up any targets. This simply means that more emphasis is to be put in improving poverty reduction strategies towards increased household income.

A rapid assessment carried by IRDP (2010: 44-49) against some of the central indicators of Imihigo gave key though very limited figures on issues such as the (i) participation to include all partners in ac on; (ii) the role of citizens in the

development process; (iii) the role of stakeholders in Imihigo implementation; (iv) the inclusion of the population in the evaluation process and the challenges which the population meet in the implementation of Imihigo. According to this assessment, it was established that “citizens’ participation in Imihigo planning and evaluation is very high in implementation, but very low in development and evaluation processes.”

Their evidences casted doubt on the notion that citizen participation affects performance contract at which extent and yet one of the key elements of good governance including provision of service delivery in the public institution and show how this would improve performance and effectiveness of public service delivery.

III. RESEARCH METHODOLOGY

Research Design

A research design is a presentation of the plan, structure, or strategy of investigation, which seeks to obtain or answer various research questions (Shuttleworth, 2008). In fact, research design; provide a detailed plan for how the research will be conducted as it clearly demonstrates the structure of the research. Based on the above definition, we can add that, research design is, a plan and structure of investigation well designed in order to provide answers to research questions posed.

As cited in Prof. R.W. Gakure et al, (2013) Sekaran & Roger (2011), define research design as a master plan that specifies the methods and procedures for collecting and analyzing the needed information. Quantitative and qualitative designs were employed in this study to enable the researcher to draw valid and dependable conclusion and recommendation and the study considers this design appropriate since it contributes towards minimizing bias and maximizes data reliability.

This study is both exploratory and descriptive for a reason. According to Sekaran & Roger (2011) count that exploratory research is conducted to clarify ambiguous situation or discover potential opportunities, to this, because it explored and documented the exists on the relationship and influence between performance contract and effectiveness performance of public institutions in service delivery in Rwanda.

Descriptive as defined according to Polit and Hungler as cited in Mukabatsinda I (2016), a descriptive research provides an accurate account of characteristics of a particular individual, event or group in real life situations (Polit & Hungler, 1999). Descriptive simply because it identified the issues related to the current performance contracts in the public institutions in Rwanda, assessed, analyzed it and proposed some amendments or modifications.

Population

Population is generally a large collection of individuals or objects that is the main focus of a scientific query and to whose benefit the study is done (Mugenda, 2009). According

to Mugenda (2009) a research population is a well-defined collection of individuals or objects known to have similar characteristics and usually have a common, binding characteristic or trait.

Every civil servant or public employee must be under performance contract whether direct or indirect and hence had the characteristic of interest for this study and those employees are divided into 54 Public Institutions that sign performance contract with President of the Republic of Rwanda and our sample of 25 was selected. Available data from the aforementioned public institutions (2018) revealed that the number of employees working in these public institutions under study is 125 out of 14.126 at the time of this study. Therefore, this study will target the public institutions employees from top, middle and professional levels of management since they deal with issues concerning competitiveness enhancement through performance contract “Imihigo”. The perception and attitudes towards performance contract, imihigo may differ among these groups targeted.

Sampling Frame

Cooper & Schindler (2011) refers to a list of elements from which a sample may be drawn. Public Employees register for all the aforementioned public Institutions were obtained from the Ministry of Finances through the website, file reserved to performance contract.

Sampling Design

Sampling design involves a mathematical function that gives you the probability of any given sample being drawn. In fact, it involves not only learning how to derive the probability functions, which describe a given sampling method, but also understanding how to design a best-fit sampling method for a real-life situation. The sample used here, was developed using proportionate sampling strategy where the size of each stratum is proportionate to the population size of the stratum for better precision.

Sample Size

Adi Bhat (2019) defines the size of a sample as a selection of respondents from a population in such a manner that the sample represents the total population as closely as possible. Once you have determined your sample, the total number of individuals in that particular sample is the sample size. For this study, the chosen proportion is 10% of each stratum. This is because of cost and time and also it is in line with Cooper and Schindler (2006), who suggested a range of 10%-30% to be representative. A sample of 108 was therefore be used.

Data Collection Instruments

This study desired both primary and secondary data. Particularly questionnaire been used since it has the added advantage of being less costly and using less time as instruments of data collection. Also interview schedule and field observation instruments were used to obtain primary data while secondary data was sourced from written books,

Government and Non-Government Organizations publications, previous research work and journals as well as various reports.

Data Collection Procedure

Adi Bhat (2019) defined it as the procedure of collecting, measuring and analyzing accurate insights for research using standard validated techniques. The survey questionnaire were self administered to the respondents through the drop and pick method through out.

Pilot Testing

Dr Zailinawati Abu Hassan (2006) defined pilot testing/study as a 'small study to test research protocols, data collection instruments, sample recruitment strategies, and other research techniques in preparation for a larger study.

For this study, was carried out in order to determine the reliability and validity of the questionnaire and crosscheck whether potential respondents would have difficulties in understanding or interpreting the questionnaires designed. This, to provide the opportunity to refine the questionnaire by revealing errors in the questions, sequence and design and see how the questionnaire performs under actual conditions cited in NDAGIJIMANA I (2019).

For high precision pilot studies, 1% to 10% of the sample should constitute the pilot test size (Lancaster, Dodd, Williamson, 2010). For purposes of this study, the pilot test was conducted using 10% of the sample size. The questionnaires were administered to 15 individuals in 5 Public Institutions, which were not part of the sampled ones. The individuals were selected using random sampling across all Public Institutions and all levels of staff. The subjects participating in the pilot study were not included in the final study to avoid survey fatigue.

IV. PRESENTATION OF RESULTS AND DISCUSSIONS

Response Rate

The number of questionnaires that were administered to all the respondents was 125 questionnaires. A total of 109 questionnaires were properly filled and returned from the Public Institutions employees while only 16 questionnaires were not returned. This represented an overall successful response rate; to this this study was found to be adequate. In fact, this a result of frantic efforts in booking appointments with the Heads of Institutions selected despite their tight schedules and making phone calls to remind them of the *interview*.

Descriptive Analysis

(i) Role of Performance Contract to enhance effectiveness of Quality public services

This section was investigating whether performance contract "Imihigo" as defined and as per its expectation "Tool to speed up national development and improving service delivery".

Commonly, findings show that, it has acted a significantly contribution in enhance the effectiveness of public services specifically; better service delivery in public Institution across sectors.

Findings presented in table below, indicated that sixty-five percent (65%) of the respondents strongly agreed, twenty-four percent (24%) agreed, eight percent (8%) disagreed; two percent (2%) strongly disagreed while one percent (1%) remained neutral. This implies that majority of the respondents (65%) strongly agreed while twenty-four percent (24%) agreed that performance contract in Rwanda had played a weighty role in influencing public institutions to deliver better services to citizen's, enhanced effectiveness of public services towards achieving national development and persuaded civil servant's behavior in the public institutions toward organizational performance.

These findings are interlinked with the other studies done related to performance contract in Rwanda such as (RGB 2014; WBG 2018; RCSP 2011, NDAHIRO I 2015, WBG 2016, NDAGIJIMANA I 2018, IPAR 2008 and NAR 2018) to mention but a few, whose studies concentrated generally, on the impact of performance contract since implementation in 2006.

Further, ADB (2012), WBG (2018), RCSP (2011) to mention but a few, argue that performance contracting has played a role in social, economic development in Rwanda and same goes deeper, to highlight its influence on employees' behavior towards expected or pattern. This is a pointer to the fact that performance contracting had played a role in improving enhancing performance in the civil service.

(ii) Protagonist of ICT to influence effective Public service delivery in public Institutions,

Demand-driven service delivery: of the many roles and functions of government, the ability to deliver basic services to as many people as possible in the most efficient and effective way is among the most critical, and continues to be one of the most challenging (World Development Report (2016).

A part from the strong pollical will and vision 2020 that defined use of ICT in all sectors in Rwanda, the use of ICT in Rwanda has been a great achievement and key element to influence quality of service delivery in public institutions in Rwanda either central or local government as well as private sectors in order to respond positively to the most citizen's needs. In fact, ICT is a cross cutting area of vision 2020 and again, is considered as an engine of economic performance for countries, including Rwanda.

In his strategic vision 2020, Rwanda has made a rapid improvement in ICT with fiber optic network coverage all through the country, mobile telephone network coverage at almost 100%, with 45% mobile subscriptions in 2011. By 2020, Rwanda projects to have internet access at all administrative levels, for all secondary schools and for a large

number of primary schools. Telephone services will be widespread in rural areas and efficiency of public services will have increased through the application of e-government principles. It is expected that mobile subscription will reach 60% and the number of internet users will reach at least 50 % from 4.3% in 2010 (Vision 2020).

Nevertheless, in 2013, Rwanda launched 4G wholesale business model a very unique business model in the world at that time. Two years later in 2015, 4G coverage had reached 26 per cent of the country and also launched first 4G on mobile. In 2016, 4G connectivity had gone as far as 62 per cent and launched some value-added services such as CCTV on 4G, Games, Content delivery services, among others.

None can doubt about the influence and key role that played by use of Information and Communication Technology (ICT) in public institutions towards effective achievement of performance contract. For example, in 2018 4G LTE coverage internet penetration in Rwanda has reached and covered more than 95% of population nationwide. This essence of this question, was to investigate the upshots of ICT role on performance contracting in enhancing effectiveness of performance in public institutions across services.

In Rwanda, through “*Irembo*” which is Kinyarwanda word is synonymous with access, service and openness. The word Irembo means gateway or door and represents literal access. The irembo brand is welcoming, user friendly and open. It is in fact, one stop portal for e government services and its role as a platform is the provision of government services online with ease, efficiency and reliability. It has developed and initiated by government of Rwanda aiming at improving its service delivery to the citizens and businesses.

Thus, citizens can access their services online with all kinds of certificates including but not limited to birth certificate, marriage certificate, community based health insurance, registration for driving tests and replacement as well as renewal, application for National ID, traffic fines, certificate of celibacy, motor vehicle appointment, transfer of land title, business registration, mortgage registration to the extent even government tenders are awarded through e-procurement, payments and purchasing some of the products ... to mention but a few, the good thing is that, these services are the most needed by every citizens and can be available in few hours if not in a minutes. Generally, more than 22 e-services can be available and accessible by every citizen in a minute.

Findings presented in below table, indicate that eight six percent (92%) of the respondents strongly agreed, six percent (6%) agreed, two percent (2%) disagreed while none strongly disagreed that use of technology or internet affect and influence directly effective performance contract. This implies that majority of the respondents (92%) agreed that, in general ICT had a affirmative weight in performance in public institutions in Rwanda.

These findings connect with HE Paul Kagame (2014) theory which argued that internet is a needed public utility as much as water and electricity. The theory noted that Rwanda’s ICT development has had a huge impact on socioeconomic development. But it also represents a hope shared by many Africans that it is possible to leapfrog into the digital age. Nirit Ben Ari (2014) & World Bank (2009) noted that digitization is not just about access and connectivity, it is also about government digitizing its services to create an environment that is less prone to corruption. According to the World Bank, e-government enhances transparency. Rwandan national ID cards and driver’s licenses, for example, are now digitized. Individuals can even apply for a visa online.

The above shown findings, point out to the fact that digital technologies made governments more willing and able to deliver services to their citizens though efficient service delivery requires a capable government that can implement policies and spend public resources effectively. It also requires an empowered citizenry able to hold politicians and policy makers to account so that governments serve citizens and not themselves or a narrow set of elites. Finally, digital technologies can strengthen government capability and empower citizens (WB:2004)

(iii) Employees Coaching on Performance Management

Performance contracting as one of the tools of management by objectives is not a stand-alone initiative. Management by Objectives (MBO), is the management tool that enables the increase in performance by focusing on results, not on the work itself, providing cascade and aligns the company goals with individual goals of managers who are at different levels within the organization (Farcas and Vuta, 2015).

It is logical that, employees crave guidance from their managers in order to improve their workroom performance. Managers can provide guidance and coaching to their employees like feedback and goal-setting but coaching them and building their capacities had a direct outcome in performance management since they know already how they are going to be assessed. To this, they will know what are they expect to perform towards substantial goals to develop their professional skill set. There is no doubt that, this is a clear connection between coaching and performance management. Coaching and building capacity of the employees can help improve performance management in the organization and therefore, increased organizational performance.

Findings presented below, indicate that eight five percent (85%) of the respondents strongly, nine percent (9%) agreed, five percent disagreed (5%) while one percent (1%) strongly disagreed. This implies that a slight majority (85%) of the respondents strongly agreed as compared to one percent (1%) of respondents who disagreed having received any form of coaching on performance management or organizational performance.

In addition, the above findings correspond to findings by

MINANI F. (2019) who observed that coaching had been carried out to the majority of the public servants and Diedrich (1996) and McCracken and Heaton (2012) recognize the importance of coaching for employees and firms, viewing the practice as an important tool for career development. Coaching is now becoming paramount in any organization that values performance.

Findings also associate to the choice of the government of Rwanda, that Coaching program has been identified as one of most suitable Local Government Capacity building approach as advocated in the strategy for Local Government Capacity Building adopted in 2011. Its comparative advantage lies in the fact that it is on-the-job training tailored to address the real capacity needs and it fits well with the Local Government environment and setting (RGB: 2018) and GoR (2010).

(iv) Pressure of accountability and ranking enhances performance

It has been a culture in Rwanda, with not less than 13 years where, every year from Ministries, Embassies, Government agencies and local government entities are ranked annually to display the position for each performance in comparison to the others. Respondents were prerequisite to provide their observations on the upshots of annual ranking on the performance contract as well as accountability. The findings were that, seventy eight percent (78%) of the respondents strongly, thirty percent (13%) agreed, nine percent (9%) disagreed while none disagreed.

The above mentioned findings are confirmed by the studies by (NDAGIJIMANA I, 2018; MINANI F, 2019; NUWAGABA S (2019), MINALOC, 2010/2014; IPAR (2016/2017) and NISR (2018/2019) observed that performance contracting has become key to the achievements of results in the Rwandan public sector following a move by the government to increase accountability and performance of civil servants and government officials.

(v) Double responsiveness towards full realization of Performance contract: Joint Action Development Forum (JADF) and Local Government Entities (Decentralized Entities)

JADF is established by Prime Minister's Instructions N° 003/03 of 03/07/2015 and has the mission of ensuring sustainable socio-economic development and improved service delivery. JADF facilitate and promote full participation of citizens in the decentralized and participatory governance and improve service provision processes and valued spirit of solidarity and mutual support towards a common agenda of ensuring the social welfare of community. However, as per NST1 JADF (*composed of Religious based organizations, District administration, public sector institutions operating in the District, international and national non-government organizations as well as private sector institutions operating in the district*) is the platform for joint planning and proper implementation of socio-economic

development Programs. To realize its mission, it should work hand in hand with local government and coordinated with Rwanda Governance Board, RGB with permanent office in every District of Rwanda.

The Rwanda's NST1 aim to enhance Institutions performance so that they deliver better services, through this, they will increase productivity and capacity to deliver quality services, by 2024, 100% of services in public institutions will be delivered through online channels and they will increase citizens participation. The quality service delivery in Civil society Organizations (CSO), it was on 62.95% (RGB:2018) and in 2019, CSO performed quality service delivery to 70.54% (RGB:2019).

Findings presented below, indicate that seventy eight percent (78%) of the respondents strongly, six percent (6%) agreed, four percent disagreed (4%) while twelve percent (12%) strongly disagreed. This implies that the majority (78%) of the respondents strongly agreed as compared to twelve percent (12%) of respondents who strongly disagreed on the greater say of the JADF in realization of performance contract. In our own observation, these 12%, a big percentage of them, doesn't know the existence of the JADF at any administrative levels, which would be a challenge.

These findings indorse by the study conducted by RALGA in partnership with MINALOC (2013) which appreciated the establishment of JADF and the role of it should go beyond information sharing and coordination to dialogue forum for local government development agenda. Also, Civil Society should be empowered to enable it scrutinize the executive. In addition, the aforementioned findings, indicate how governance in Rwanda and elsewhere is key, since governance is viewed as an enabling condition for successful development. For World Bank (1992), governance is defined as the exercise of political power in the management of a country's affairs, therefore, it cannot be effective without a close interaction between JADF and government in determining governmental action.

For instance, over a decade, inter-governmental fiscal transfers have increased more than tenfold from RwF 36 billion in 2006 to RwF 365 billion in 2017/2018 (MINICOFIN). Similarly, local leaders were able to optimize non state actor's contribution in annual performance contracts through joint planning and reciprocal commitment to account in JADF. As citizens are the beneficiaries of decentralisation, they have to play a key role in implementation of the programmes that make the policy responsive to their needs. Responsiveness to fast increasing levels of people's expectations requires a pro active mindset on welfare rights among public and civil society leaders, like client satisfaction in business (Jean Paul Munyandamutsa:2018)

in year JADF contributed in terms of budget (Social, Economic and Governance Clusters) in just seven Districts that compose Eastern Province as matter of fact, where more than 42,829,889,811Frw have been spent in different activities

aiming to improve social, economic of local peoples, you can imagine across country the huge budget spent (RGB: Eastern Province Office:2019)

In fact, one of the channels of community and civil society engagement is the Joint Action Development Forum (JADF), where local authorities and district development partners discuss district development priorities and evaluate the progress throughout the process. JADF has a greater say in citizen participation in local government decision making process and the role of JADF should go beyond information sharing and coordination to dialogue forum for local government development agenda (Republic of Rwanda:2013)

The existence of double responsiveness is also confirmed by Jean Paul MUNYANDAMUTSA (2018) who emphasized that, JADF promotes the reciprocal commitment to account across state and non-state development actors at local level. Accountability is looked at as a process through which people entrusted with responsibility, in both the public or private sectors and civil society, are kept under check when carrying out functions or tasks assigned to them with the purpose of securing responsive, efficient and effective behavior. It means that actions are answered for, performance is evaluated and that consequent steps are taken.

(vi) *Performance contract enhanced organizational performance*

As previously explained about performance contract in Rwanda “*imihigo*” it includes the concept of *Guhiganwa*, which means to compete among one another. It describes the pre-colonial cultural practice in Rwanda where an individual sets targets or goals to be achieved within a specific period of time.

The person must complete these objectives by following guiding principles and be determined to overcome any possible challenges that arise. The concept also implies the celebration of achievements. Imihigo it is a tool of performance management in local government.

In the modern era, the Imihigo practice was adopted as a means of planning to accelerate the progress towards economic development and poverty reduction. Imihigo has a strong focus on results, which makes it an invaluable tool in the planning, accountability and monitoring and evaluation processes.

Findings presented below, indicate that ninety six percent (96%) of the respondents strongly, four percent (4%) agreed, two percent disagreed (2%) while none disagreed. This implies that a number of respondents (96%) of the respondents strongly agreed that performance contract is a key tool for performance management in both central and local government or any other organization since it increased a spirit of competition among players with tangible outcomes to people's lives.

A big number of respondents, highlighted same of the performance contract outcome's such as positive spirit of competition among one another, commitment, transparency and accountability of local leaders and vow to deliver. In fact, the study conducted by world Bank Group (2016) have concluded to the same results. Therefore, no single doubt that, introduction of Performance contract in Rwanda has improved government official's performance across government reflect number of the key dimensions for successful public sector innovation including but not limited to:

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. In addition to cutting corners, strong pressure to perform may have results in official inflating achievements. Thus, imihigo ensured a focus on results from the public officials involved in implementation. The outcomes of performance contract in Rwanda were spirit of competition among one another, commitment and accountability of local leaders and vow to deliver. There is no single doubt that, introduction of Performance contract in Rwanda has improved government official's performance across government reflect three of the key dimensions for successful public sector innovation including but not limited to the below following:

- *Political leadership:* Where by scrutiny from the President and other high-level officials put pressure on government workers at every level to perform,
- *Incentives:* In the sense that, districts scored and ranked based on their performance, to the extent that, those with best ranking received special recognition from the President and dedicated awards ceremony in public), this created positive competition among imihigo players to do even better than expected with new innovations and initiatives while thinking out of the box.
- *Transparency:* Since once imihigo is disseminated through different media channels where citizens directly watch the broadcast of the imihigo ceremony on their televisions and Radios and look up results online to see how their local leaders performed compare to the others.
- *Accountability:* Where by, Local authorities are held accountable to their targets, and civil servants both political and technicians can be fired for below-average performance.

The performance contract process ensured the full participation and ownership of citizens since priorities are developed from grassroots level as the below graph, shows in details:



Source: District Imihigo quality assurance team, Eastern Province, 2019

For World Bank Group (2018), the success factors in undertaking public sector performance innovations. Offer insights into the relevance of five key factors to improving public sector performance: political leadership, institutional capacity building, incentives, transparency and technology.

Performance contract cannot be achievable without job performance and this, is a function of three factors and is expressed with the equation below. Mitchell, T. R. (1982). According to that equation, **motivation, ability, and environment are the major influences over employee performance.**



Again, performance in any organization require a strong motivation which is considered as major force that lead to overall performance. As per theories of human motivation classifications (Maslow, A. H) who's theory is based on a simple premise: Human beings have needs that are hierarchically ranked including Physiological, Safety, Social, Esteem and Self-actualization.

(vii) Position of employees in target setting of Performance Contract

The findings from respondents whom were asked to provide information on a likert scale of 1-5 whether they are involved in design and target setting of their performance contract, further indicate that eighteen percent (18%) strongly agreed that they are involved in the performance contract design and target setting and the outcomes are that, it increased their ownership and commitment to achieve target set. Twelve percent (12%) agreed while thirty seven percent (37%) disagreed. This implies that, there a gap in involving employees in performance contract setting and design which affect their performance contract. In fact, isolating employees in design and setting their performance, decrease ownership to the extent that, he/she feels that performance contract is not a priority or not his/her concerns.

These findings are not far from the findings of NIST (2017-2019) and IPAR (2012-2016) to mention but a few who noted that the rate of involvement of both citizens as well as

employees in setting targets still a challenge which affect their productivity and hardly achieving their performance contract. All in all, involving citizens and employees in performance contract setting and design is a major factor that influences the success levels of individual employees, teams, units towards organizational performance.

It is worth it to engage employees as well as citizens in any decision affecting to their work especially in performance contract while setting their targets which improves their performance. In fact, performance contract setting targets should be the results of mutual collaboration, understanding and joint planning between citizens, employees central and local government to ensure that, national priorities match with that of local government for a country that have strong vision, hence need to be enhanced.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary: Performance Contracting on performance of public Institutions

The research objective was to determine the role of performance contract on performance of public institutions in Rwanda. Diverse methods were used to attain at the verdicts which included descriptive and exploratory.

Findings indicate that performance contracting influences the performance of public institution in Rwanda and therefore contributed and increased social, economic development in the civil service. This opinion was appeared at since the numerous features measured that led to effective and efficiency performance or public institutions and productivity evidenced worth. Such factors comprised having strong vision, mutual agreement and collaboration of all stakeholders and institutions concerns, seriousness in performance contract design and target setting, working in solid team, coaching program which transferred skills and increased knowledge on understanding of the overall performance contract to mention but a few had a very strong stimulus on performance of public institutions in Rwanda in particular but also on productivity in general which leads Rwanda from scratch up to successful country.

Conclusion: Contribution of Performance Contracting on performance of public Institutions in Rwanda

The study concludes that Rwanda had a great choice to adopt and use performance contract as a tool that leads to effective performance of public Institutions. Since effective enactment of performance contract in the civil services in Rwanda, social, economic development as well productivity has increased meaningfully. It can be concluded from the results presented in this study that there exists an affirmative noteworthy correlation between performance contract, organizational performance and productivity.

Recommendation for improving performance contract

To ensure proper recommendations, there is a need to highlight key Performance strength and challenges in public institutions in Rwanda which are the following:

- We all agree that, generally, there is improvement in planning and implementation of performance contract. However, close analysis denotes major gaps that determine either success or failure in delivering performance contract commitments.
- The major success factor is clarity of set performance contract vis-a-vis development objectives and this, requires effective joint planning and consultations between local and central government as well as other stakeholder's in performance contract in effect builds knowledge, depth in understanding and collective ownership. Where this has happened, we have noticed focus in implementation and successful projects.
- Major challenges include poorly designed projects, sustainability of previous performance contract outcomes and lack of prioritisation. Integrity is also an issue where some institutions do not do what needs to be done and expect to falsely claim that it was done.

Form the aforementioned challenges and gaps, it is recommended largely that several measures need to be put in place to ensure that performance contract is the outcome of the participatory approach between all concerns including citizens, employees, central and local government as well as their partners or stakeholders including joint action development forum members, JADF.

Prioritize performance contract "Imihigo" that transform the lives of Rwandans and capture the rest of activities in the annual action plans if we need to achieve vision 2020 as planned.

Since building capacity is a continuous process, there is a need for capacity development all of stakeholders in performance contract design, setting targets, indicators, inputs, outputs to mention but a few. Particular focus on employees who sign and implement performance contract and at the end, he/she is evaluated through performance contract.

Motivating and rewarding employees as well as others who supported public institutions to achieve performance contract is key but few know their importance of it to productivity and to efficiency and effectiveness.

There is an urgency call for improvement in planning and coordination mechanisms for joint Imihigo with clear division of roles and responsibilities and hold respective parties more accountable and shared responsibilities to concerned

Institutions and stakeholder's in as far as performance contract is concern.

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