

**HOME GROWN INITIATIVES IN POVERTY
ERADICATION Case Study of VISION 2020 UMURENGE
PROGRAMME (VUP) IN RWANDA**

by

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DECLARATION OF ORIGINALITY

I, SEBERA Minega Michel, hereby declare the contents of this Report contain my original work.
Any contribution by others have been cited or acknowledged appropriately

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LIST OF ABBREVIATIONS

AfDB	African Development Bank
BNR	Banque National du Rwanda
CDF	Common Development Fund
CSO	Civil Society Organization
DAC	Development Assistance Committee
DDP	District Development Plan
DfID	Department for International Development
DHS	Demographic and Health Survey
EDPRS	Economic Development and Poverty Reduction Strategy
EICV	Enquete Integrale sur les Conditions de Vie des Menages (Households Living Condition Survey)
EMS	Expenditure Management System
GoR	Government of Rwanda
HIMO	Haute Resources and Institutional Capacity Development Agency
ICT	Information and Communication Technology
JSR	Joint Sector Reviews
M&E	Monitoring and Evaluation
MDG	Millenium Development Goals
MFI s	Microfinance Institutions
MINALOC	Ministry of Local Government, Community Development and Social Affairs
MINECOFIN	Ministry of Finance and Economic Planning
MIS	Management Information System
MMR	Maternal Mortality
MTEF	Medium Term Expenditure Framework
NGO	Non-Governemnt Organization
NISR	National Institute of Statistics, Rwanda
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Paper
RDSF	Rwanda Decentralization Strategic Framework
RWF	Rwandan Francs
SME	Small and Medium Entrepresises
SWAp	Sector-Wide Approach
UBPR	Union des Banques Populaires du Rwanda
UN	United Nations
VUP	Vision 2020 Umurenge Programme

ABSTRACT

This paper looks closely at home grown initiatives as tools used in poverty eradication with particular focus on poverty eradication in Rwanda through a new programme “Vision 2020 Umurenge Programme (VUP)”. It first introduces poverty as the most prominent problem that governments of both developed and developing countries face. Then it explains various mechanisms used in poverty eradication among them home grown initiatives. The use of VUP will subsequently be assessed as a traditional poverty eradication mechanism drawn from the Rwanda culture.

Many poverty eradication mechanisms are commonly used; the most common are budget support, program support and project support coupled with governments’ approaches including the elaboration of poverty eradication strategy, the adoption of pro-poor programmes and localization of the Millennium Development Goals (MDGs). These instruments are largely based on the existing gaps and the financial support required to cover those gaps and financial support required to cover those gaps. But the reality shows that poverty rate remains high and appealing. One reason being the fact that approaches so far used do not involve the poor and require a lot of resource serving as transactions costs. Therefore, there is need for other mechanisms such as home grown initiatives, which help directly and efficiently the poor to get out of poverty in a systematic and sustainable manner.

It was found that home grown initiatives have been implemented and they gave so far good results in empowering local communities and their members. This study has addressed home grown initiatives and showed their impact in poverty eradication using VISION 2020 UMURENGE PROGRAMME (VUP) as a case study in Rwanda. VUP has proved that understanding community assets and align poverty eradication mechanism to them makes efficient the fight against poverty and helps in reaching adequately the set poverty eradication targets.

“It is about a commitment to help create conditions, which can lead to a significant empowerment of those who at present have little control over the forces that their lives”

(James Blackburn & Jeremy Holland)

CHAPTER ONE: INTRODUCTION

1. 1. Background of the study

The world has embarked on a global fight against poverty. The Oxford Concise English Dictionary defines poverty as: *“Not having the minimum income level to get the necessities of life.”* Poverty is multidimensional, involving not only a lack of income, but also ill-health, illiteracy, lack of access to basic social services, and little opportunity to participate in the processes that influence people’s lives. Thus poverty deprived people from basic rights; it is unfortunate to realize that the poverty level in developing countries ranges between 35% and 80%. This justifies the global will to fight against poverty as a way of ensuring that people are benefiting of their basic rights, which start from the ability to satisfy human basic needs and accessing to essential social services.

Over the years, development actors have adopted a variety of policies and approaches to tackle poverty in order to safeguard and improve the lives of those who have a poor quality of life. Though strategies are laid and resources are availed, poverty remains a serious challenge. Every development actor has its own poverty eradication strategy being standard country strategies, international poverty eradication strategy, duplication of successful poverty eradication mechanisms or support to home grown initiatives. But with all that, high poverty rates are seriously affecting seriously people lives. After so many years fighting against poverty, many developing countries still have their poverty level ranging from 35% to 80% which is very high and requires efficient measures therefore the question remains, what is the best way of fighting against poverty? Is it better to prescribe standard approaches? Opening space for foreign assistance? Or building on home grown values to develop poverty eradication approaches?

The Rwandan government endorsed its second poverty reduction strategy paper known as Economic Development and Poverty Reduction Strategy (EDPRS) in December 2007. The

EDPRS serves as a mid-term framework to implement the government's long-term development agenda described in Vision 2020 and the internationally agreed development goals known as the Millennium Development Goals (MDGs). The EDPRS is pitched on three pillars to accelerate growth that is widely shared, and promote human development. These are sustainable growth for jobs and exports; Vision 2020 Umurenge, and good economic governance. The first pillar envisions growth acceleration through "high quality public investment program aimed at systematically reducing the operational costs of business, increase the capacity to innovate, and widen and deepen the financial sector". The second pillar of EDPRS: Vision 2020 Umurenge "will accelerate the rate of poverty reduction by promoting pro-poor components of the national growth agenda. This will be achieved by releasing the productive capacity of the poor in rural areas through a combination of public works, credit packages and direct support" (EDPRS, 2007). The third component or pillar of EDPRS continues to build on Rwanda's track record of low rate of corruption and maintaining overall peace and security within the country and in the neighboring region.

In compliance with EDPRS and Vision 2020 Umurenge Program, the Government of Rwanda, through the Ministry of Local Government (MINALOC) is embarking on a comprehensive social protection program targeting the poorest population segments. This assistance program implies the provision of financial services, direct support, public works and skill development in small business, depending on the pre-specified condition of the poor household.

1.2. Research problem

After the war and Genocide of 1994, Rwanda's economic and social environment was destroyed and poverty levels reached unprecedented levels. While the world was busy fighting against poverty, the country had not only thought of growth but first and foremost of peace and

national reconstruction. These two elements have been a priority for Rwanda between 1994 and the year 2000 just after the most appealing tragedies of recent years: the 1994 Genocide that claimed the lives of about one-tenth of the population, sent twice as many into exile and destroying a major part of its infrastructure.

Redundant the Genocide period when Rwanda was benefiting from huge humanitarian assistance which developed the culture of dependency, the government embarked on a sensitization campaign convincing Rwandese to work hard to not only survive from Genocide but improve their livelihood and build a wealthy nation as clearly described in the Vision 2020, which aims at transforming Rwanda's economy into a middle income country (with a per capita income of about 900 USD per year, from less than 180 USD in 1994). After the implementation of its first Poverty Reduction Strategy (PRSP I), poverty levels were reduced to 56% by 2005/06. The new "Economic Development and Poverty Reduction Strategy" (EDPRS 2008-2012) elaborated in 2007 has made the eradication of extreme poverty one of its main objectives. With this ambitious plan, no matter how much foreign aid can bring, poverty is still high that efficient and adequate strategies are required. Which approaches fit to the context of this post conflict and ambitious country in its fight against poverty?

1.3 Research Questions/ Objectives

In order to address the problems of eradicating poverty in Rwanda, a research question has been formulated. The main research question posed is articulated as:

How effective is Rwanda's Vision 2020 Program (VUP) in eradicating poverty?

In order to arrive at a conclusion for this main research question a number of supporting sub-questions have been posed:

- What are the approaches currently used in poverty reduction?

- What is the difference between standards approach used internationally and homegrown initiatives?
- Why to invent the wheel while the world offers a range of success stories in poverty eradication?
- Why does the Rwandan Government believe that homegrown initiative anchored in culture without any scientific based research, are better than those universally accepted?
- Why could not Rwanda just welcome its donor's development strategies that could facilitate their access to aid instead of defending their traditional based strategies?

The answers will show the pros and cons of all approaches used in poverty eradication and show how important it is to build on reality based approaches.

1.4 Significance of the Research

Rwanda is among the countries, which have focused on homegrown initiatives in various areas of its development being in Justice Sector: *Abahunzi* and *Gacaca*, Civic Education through *Itorero* and *Ingambo* and, *Ubudehe* and especially *Vision 2020 Umurenge Program (VUP)* in poverty eradication.

The Vision 2020 Umurenge Programme (VUP) approach results from traditional Rwandan practice of collective work. The name VUP serves as a reminder that collective action and participatory development are very rooted in Rwanda society. The aim of the VUP in place in Rwanda is to build on the positive aspects of this history and complement it with modern participatory techniques, which have proven their worth in community development.

VUP contributes in fighting against poverty, broader than merely reducing the number of people below the poverty line. It is also about empowering them and letting them expand their capabilities.

Besides other strategies used to fight against poverty and after three years of VUP experience in Rwanda, it is worth assessing how this unique homegrown initiative has contributed in fighting against poverty.

1.5 Scope and limitation of the Research

Despite the claim above that this research does possess some amount of significance due to a certain originality of the study; there are on the other hand limitations, which may detract from this. The first is that this Thesis has been prepared for a Master's by coursework degree that includes a research component but unfortunately does not emphasize or place much importance on this. Thus, fieldwork has not been credited nor was there time allowed for any extended periods in the field.

Time in the fields are something which are necessary for any qualitative, in-depth case study, particularly so when one of the objectives is to present original opinion of the reality on the ground. Therefore, this research is not as in-depth or true a representation as it could have been had the time and resources been more.

Another limitation directly affects the presentation of the materials. That is the inexperience and lack of analytical ability and writing talent of the researcher. Although much can be learned from the books and wise guiding professors, unfortunately, these are shortcomings which ultimately may be overcome only by physically conducting research, learning through trial and error, making mistakes and so on. Thus it seems inevitable that someone without experience in collecting, analyzing and presenting original information will not do justice to such an interesting and important research topic as this one has attempted to address.

1.6 Structure of the Research

This report is organized into six (6) main chapters. Following this introductory chapter, Chapter 2 provides a brief review of the existing literature most relevant to the following

discussions on various mechanisms proposed and adopted for eradicating poverty. Chapter 3 outlines the methodological issues including the research perspective from which this study will be approached, its methodological philosophy background and finally the strategies of enquiry that will be pursued. Chapter 4 consists of the analysis of home grown initiatives as one of the most effective solutions for eradicating poverty in developing countries. Chapter 5, which consists of the main discussion on Vision 2020 Umurenge Program (VUP): an integrated local development program to accelerate poverty eradication, rural growth, and social protection in Rwanda. Finally, the concluding chapter summarizes the main findings of the discussions illustrated in Chapters 4 and 5 as well as presents policy implications and recommendations, and prospects for potential future research.

This research is focused on the implementation, effectiveness and impact of the Vision 2020 Umurenge Program (VUP), which is an integrated local development program to accelerate poverty eradication, rural growth, and social protection in Rwanda. The VUP uses the existing decentralization system and leverages technical, and financial assistance to accelerate the rate of poverty reduction in the country. The aim is to eradicate extreme poverty by 2020.

CHAPTER 2. LITERATURE REVIEW

To know what helps to reduce poverty, what works and what does not, what changes over time, poverty has to be defined, measured, studied and even experienced. As poverty has many dimensions, it has to be looked at through a variety of indicators - levels of income and consumption, social indicators, and indicators of vulnerability to risks and of socio/political access (World Bank, 2010). This chapter gives the theoretical overview of key concept in this study such as poverty, poverty eradication and mechanisms of poverty eradication. These three components constitute the main part of this chapter.

2. 1. Notion of Poverty

The concept of poverty is often used but it is difficult to get its unique definition. Some of the most popular definitions are:

- Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom (Haughton and Khandker, 2009, p.40).
- Poverty is deprivation of those things that determine the level and quality of life. Some people describe poverty, as a lack of essential items –such as food, clothing, water, and shelter – needed for proper living. At the United Nation’s World Summit on Social Development (United Nations, Report of the World Summit for social development, 1995, p. 41), the “Copenhagen Declaration” described poverty as “.... *a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation, health, shelter, education and information.*” When people are unable to

eat, go to school, or have any access to health care, they can be considered to be in poverty, regardless of their income.

At the strategic level, experience indicates that economic initiatives for poverty reduction are most effective and sustainable when there are incorporated into a broader economic development strategy. This explains why poverty is sometimes defined in reference to specific economic or social inputs. Here we have:

1. Income based definition: this definition of poverty is based on the level of income. Income refers to as the amount of money someone makes within a specific period. This varies from community to another or from country to country. The income-based definition has brought two categories of poverty: absolute poverty and relative as explained later (Haughton and Khandker, 2009, p.41).

2. Needs approach definition: it is based on the fact that a set of minimal conditions of life, usually involving the quality of the dwelling place, degree of crowding, nutritional adequacy and water supply is specified and the proportion of the population lacking these conditions is used to estimate the degree of poverty. In view of this, a package of basic human needs is specified and lack of it defines the level of poverty (Haughton and Khandker, 2009, p.40).

3. Participatory approach definition: communities themselves are invited to identify their needs, priorities and requirements for minimal secure livelihood. This definition nominates the community as the engine of poverty eradication. When people are deprived of voice in what happens in their communities, they lack their basic rights of opinion, expression and participation, they are then left out of the development process of their community (Haughton and Khandker, 2009, p.40). Best practice suggests that ensuring inclusive and participatory economic development, which provides for both broad local economic gains and poverty reduction, is paramount to achieving a requisite balance in economic development (Cling,

Razafindrakoto and Roubaud, 2003, p. 154). This is most of time referred to as empowerment, which is the ability of an individual to make choices regarding his or her life and participate actively.

2.2. Cause of Poverty

There is no single cause of poverty. Poverty is too complex to be the result of just one problem. There are however, many interrelated factors that contribute to poverty in developing nations (Haughton and Khandker, 2002, p. 9).

- **Education:** Lack of education keeps children from obtaining jobs that would lift them and their families out of poverty. Often, children are kept from school because they are needed at home to support their family with additional income.
- **Health:** Poor health decreases the amount of work-impooverished individuals can do, lowering their income and driving them deeper into poverty. The onset of disease, such as HIV/AIDS or malaria, can result in death (which can cut off a major source of income for a family). Or high medical costs that many impooverished families cannot afford.
- **Economics:** The poor often have very limited economic choices – they are often prevented from receiving loans and other financial benefit. This makes it hand for them to establish business, increase their income, and break out of poverty.
- **Government:** The government of many developing countries is often dysfunctional, unstable and most of the times corrupt. Lack of government infrastructure (public sanitation, schools, social welfare, etc.) can be crippling for the poor.
- **Mindset:** a small thinking mind or pessimistic attitude can be causes of poverty making someone believes that a poor lifestyle is there to last in his/her life. This

stops the poor from looking for solutions to get out of poverty or to acquire skills, which are important for his/her development.

These are generally considered as causes of poverty. In addition to the above, the World Bank's "Voices of the Poor" (World Bank, 2010. *Voice of the poor*) based on research with 20, 000 poor people in 23 countries, identified factors which poor people identify as causes of poverty besides the lack of income and employment:

- Precarious livelihoods;
- Excluded locations;
- Physical limitations;
- Gender relationships;
- Problems in social relationships;
- Lack of security;
- Abuse by those in power;
- Disempowering institutions;
- Limited capabilities; and
- Weak community organizations.

Poverty is multidimensional as it results from many causes, has different consequences and call for specific interventions. Poverty, however, does not affect every region of the world equally. Some regions, such as sub-Saharan Africa, are completely divested by poverty, while others, such as Latin America, are not affected to the same degree. To deal with poverty, it is relevant to know its depth through clear measurement.

2.3. Measuring Poverty

Since the causes of poverty are well known, we can wonder why a lot of efforts are invested in measuring poverty instead of only elaborating problem based strategies. It is worth mentioning that measuring poverty is important because:

- First, to keep the poor on the agenda; if poverty was not measured, it would be easy to forget the poor;
- Second to be able to identify the poor so as to target interventions that aim to alleviate poverty;
- Third, to monitor and evaluate projects and policy interventions that are greater towards the poor;
- Finally, to evaluate the effectiveness of institutions whose goals are to help the poor

To computerize the measurement of poverty, three ingredients are needed:

- The definition of relevant welfare measures.
- The selection of a poverty line – that is a threshold below which a given household or individual will be classified as poor.
- The elaboration of a poverty indicator – which is used to report for the population as a whole or for a population sub – group only.

From these ingredients, various poverty measurement tools have been established. Thus, poverty can be measured in terms of “*absolute*” or “*relative*” poverty.

- **Absolute poverty** measures set a “poverty line” at a certain income amount or consumption amount per year, based on the estimated value of a “*basket of goods*” (food, shelter, water, etc.) necessary for proper living (Cling, Razafindrakoto and Roubaud, 2003, p 52).

- **Relative poverty** measures are simplest ways to determine the extent of poverty in individual countries. Using this method, the entire population is ranked in order of income per capita (Cling, Razafindrakoto and Roubaud, 2003, p. 53).

Many scholars have contested these definitions. With relative poverty, the bottom 10% (or whatever percentage the government chooses to use) is then considered “poor” or “impoverished”. This can be fine for countrywide measurement, but it has some major drawbacks in global use. If, say, a 10% poverty rate, even though the conditions of the poor in sub-Saharan Africa are much worse than conditions in the U.S. in view of this, the use of the absolute poverty seems more relevant on a global scale. In 2001, 1.1 billion people had consumption levels below \$1 a day and 2.7 billion lived on less than \$2 a day (World Bank, 2010. *Measuring poverty*).

Other measurements of poverty used are:

- **Incidence of poverty (headcount index):** is the share of population whose income or consumption is below the poverty line. An analyst using several poverty lines—one for poverty and the other for extreme poverty can estimate the incidence of both poverty and extreme poverty;
- **Depth of poverty (poverty gap):** provides information’s regarding how far off households are from the poverty line. This measure captures the mean aggregate income or consumption shortfall relative to the poverty line across the whole population;
- **Poverty severity:** takes into account not only the distance separating the poor from the poverty line (the poverty gap), but also the inequality among the poor. That is, a higher weight is placed on those households, which are far away from the poverty line.
- **Human Development Indices (HDI):** the first Human Development Report (1990) introduced a new way of measuring development by combining indicators of life expectancy, educational attainment and income into a composite human development

index called the HDI. The breakthrough for the HDI was the creation of a single statistic, which was to serve as a frame of reference for both social and economic development. The HDI sets a minimum and a maximum for each dimension, identified as goalposts, and then shows where each country stands in relation to these goalposts, expressed as a value between 0 and 1 (World Bank, 2009. *Global monitoring report*);

- **Gender related Development Index (GDI):** This index measures achievement in the same basic capabilities as the HDI does, but takes note of inequality in achievement between women and men. The methodology used imposes a penalty for inequality, such that the GDI falls when the achievements increases. The GDI is simply the HDI discount, or adjusted downwards, for gender inequality (World Bank, 2009. *Global monitoring report*).

2.4. Overall Poverty

Poverty is a global phenomenon. No matter where you go, individuals living in absolute poverty will never be far away. With the exception of the Organization for Economic Co-operation and Development (OECD) countries – highly industrialized countries such as the United States and Britain – extreme poverty exists in practically every country on earth. In 2001, 2.7 billion people were living on less than \$2 a day and 1.1 billion people were living on \$1 a day (World Bank, 2009. *Global monitoring report*). Poverty, however, does not affect every region of the world equally. Some regions, such as Sub-Saharan Africa, are completely devastated by poverty, while others, such as Latin America, are not affected to the same level.

2.5. Common Approaches in Poverty Eradication

In view of the high rate of poverty in many parts of the world, development actors are investing seriously in poverty eradication mainly in view of the Millennium Declaration when 189 UN country members committed to implement the eight-millennium development goals by

the year 2015. Four years ahead of the target year, the rate of poverty is still very high; therefore it becomes important to assess the tools so far used and adjust where possible for more efficiency and sustainable impact.

Among other tools used in poverty eradication, the most common approaches used by governments and development partners are those commonly called aid modalities where support is given to developing countries to implement their poverty eradication strategies commonly known as “Poverty Reduction Strategy Papers (PRSP)”. An aid modality is the high level approach agreed between the partners to facilitate residence. Aid modalities are chosen based on an assessment of the desired scope and relationships, as well as the nature and capacity of the partner to lead the activity (Haughton and Khandker, 2009, p. 55).

During the last decade, much attention has been given to the effectiveness of the Official Development Assistance (ODA). One central issue is that aid modalities (aid instrument) of aid forms are synonymous notions i.e. the methods used to finance development activities. It is clear that the way ODA is delivered affects outcomes, and some aid modalities are argued to be more effective than others. However, it is unlikely (and perhaps undesirable) that donors should shift to the use of only these instruments. Most likely donors will continue to spread risks by using a range of aid forms. Therefore, we mean that it is more constructive and important to discuss complementarities between aid modalities as well as why they are chosen. Before we move on to a discussion about motives or justifications for choosing aid modalities it should be observed that the decisions often are part of a wider agenda and not always treated independently of this. The choice of aid modalities is linked to the broader debate on how to best adhere to the key principles of ownership, harmonization and alignment (the emphasis of the Paris Declaration and so called the New Aid Architecture) and to support the implementation of the poverty reduction strategies. Ongoing efforts to harmonize donor practices and their alignment to partner country

procedures provide the framework within which aid modalities are decided. For most donors, this leads to a narrower room for maneuver and may reduce their ability to enforce own priorities, also with regard to aid modalities. In general, most donors use the following aid modalities.

2.5.1. Project Support

It is hard to get a uniform definition of the concept “project support” However, the definition which could be adhered to by most donor agencies and partner countries, would be: *“fund provided to implement a specific and predefined set of development activities over a specified period of time”* (Banstein, 2007, p. 6). Project support is further characterized by the use of a separate management structure (commonly called Project Management Unit: PMU), detailed objectives, activities and expenditures.

Two different projects forms can be singled out: project aid using parallel systems and project aid using government systems. In project aid using parallel systems, the donor often takes the lead in design and appraisal, decides the inputs to be provided, and use its own disbursement and accounting procedures: it is off-budget. This form has received much criticism for being fragmented and donor-driven and for not taking into account the wider context. This instrument is in general subject to the policy conditions related to the sector in which it is used and the resources could be disbursed through the government systems with government accountability.

To date, most project aid makes limited use of government systems. Another form of project funding is the support delivered through Non-Government Organizations (NGOs), which are either money allocated (grant) to specific NGOs or direct support to projects implemented by the organizations. As a result to the alignment principle promoted by the Paris Declaration, most of the projects aid are using government systems, yet some partners countries do not have transparent accountability mechanisms and the Civil Society in many developing countries is still weak and need enough capacity to play their valuable role in development. But many

governments would prefer the modality of aid provided to be on budget (Refers to projects and programs negotiated directly between a government ministry and organization in the partner country and the donor, and where the revenues are recorded in central accounts).

2.5.2. Budget Support

Budget Support refers to “*non-earmarked contributions to the government budget with the purpose to implement poverty reduction strategies, macroeconomic or structural reforms*” (Banstein, 2007, p. 9). This modality of support is not linked to specific projects and includes a lump-sum transfer of foreign exchange. Budget Support is divided into General Budget Support (GBS) and Sector Budget Support (SBS). GBS and SBS are both non-earmarked support to the partner government support, the difference is that assessments, dialogue and conditionality’s are linked either to sector issues. Both types of budget support aim to increase ownership and support the partner government, reduce transaction costs by limiting fragmentation of ODA activities and increase effectiveness of public administration as government systems are strengthened (Banstein, 2007, p. 9). Budget Support is further expected to provide incentives for improving mobilization among donors and alignment with partner country systems, including organized policy dialogue on priority issues and the means to achieve them. At the same time, there are potential risks – both for the partner government and for donors – if budget support modalities are introduced on a large scale. Donors, on the other hand, risk decreased accountability for how their money is spent when attribution to a single donor fund is made impossible. A sharp distinction between GBS and SBS is however not present in most donors’ practice and there is much confusion about the concepts (especially that of SBS). Adding to the confusion is the fact that some donors have often used the term SBS to cover both sector budget support and sector program support which is explained here below

2.5.3. Sector Program Support

Apart from budget support and project support, many donors assist the development of specific programs in partner countries using Sector Program Support (SPS). Donors to participate in and support Sector Wide Approach (SWAP) process focusing on policy dialogue and participation in policy framework assessments often use SPS. SWAP are generally defined as mechanisms *“by which Government and donors can support the development of a sector in an integrated fashion through a single sector policy and expenditure program, under Government leadership, using common management and reporting procedures and progressing towards the use of Government procedures to disburse and accounted for, are that donors and the partner reach an agreement on sector policies and spending plans and that progress is assessed through joint reviews”*(Banstein, 2007, p. 11). SPS further aims at reducing conditionality's, earmarking of funds and the use of projects. Within SOS different aid modalities could be used: projects within the overall sector program framework, pooling of resources with other partners in so called basket arrangement of SBS. The most common SPS financing is a basket arrangement where donors pool their resources using a special account either managed by one of the participating donors or by the respective line ministries. These funds are targeted towards the sector or a program as a whole but are accounted for separately. Besides development aid modalities used by developed countries; developing countries have on their side adopted various mechanisms to fight against poverty in their countries. These national poverty eradication tools serve as basis to orient their development aid.

In the case of Rwanda, the Government of Rwanda' s preferred modality for external Project Support (Rwanda Aid Policy, 2006, p 7).

Table1: Preferred aid modalities in Rwanda

Aid modality	Percentage
General Budget Support (GBS)	20%
Sector Budget Support (SBS)	50%
Sector Program Support (SPS)	10%
Project Support (PS)	20%

Source: GoR, Budget Support Harmonization Group Report, 2010

Sector Budget Support (SBS) has been evolved as the most preferred modality for many agencies. This is justified by many reasons among them the need to focus, facilitate monitoring and evaluation as well as following headquarters choices in terms of aid modalities.

2.6. National Poverty Eradication Mechanisms

To alleviate poverty which exist to a high rate varying between 40% and 80% in many developing countries, government are called to lay adequate poverty eradication strategies. The main poverty alleviation mechanisms adopted by countries are:

2.6.1. Poverty Reduction Strategy Paper (PRSP)

Developing or strengthening a poverty reduction strategy is on the agenda of about 70 low-countries, most immediately in the countries receiving debt relief under the enhanced “Highly Indebted Poor Countries (HIPC)” initiative. The World Bank (WB) and the International Monetary Fund (IMF) Boards will broadly endorse the resulting Poverty Reduction Strategy Paper (PRSP) as the basis for assistance from two institutions. The PRSP approach is intended to be continuing efforts through which low-income countries improve public actions for poverty reduction and in doing so enhance the effectiveness of both domestic resources and development

assistance. PRSP tackle both economic growth and poverty reduction. Economic growth is necessary for sustained poverty reduction, but it is not sufficient. Poor people should not only benefit equitably from economic growth, they should have the opportunity to actively contribute to its generation. Though countries were really motivated to elaborate their PRSP by the WB and IMF, they have strong underlying principles, which make them useful to all development stakeholders. Five core principles underlie the PRSP approach. Poverty reduction strategies should be (World Bank, 2009. *Poverty Reduction Strategy Manual*):

- **Country-driven:** promoting national ownership of strategies through broad-based participation of civil society, private sector and public sector;
- **Result-oriented** and focused on outcomes that will benefit the poor;
- **Comprehensive-oriented:** involving coordinated participation of development partners (government, domestic stakeholders, and external donors); and
- based on a **long-term perspective** for poverty reduction.

These key principles have motivated all development actors to adhere to PRSP by incorporating the indicators in their own plans, choosing interventions on the basis of PRSP priorities and evaluating outcome on the basis of the targets set in PRSPs. PRSP are often elaborated for a period of five years and many countries are currently using their second generation of PRSP. PRSPs include the adoption of pro-poor programs specific to the context of every country.

2.6.2. Pro-poor programmes

Depending on the specific context of developing countries, they have adopted pro-poor programs to speed up the poverty eradication process. The concept pro-poor is often linked to the economic growth so that growth is not looked at as a macroeconomic theory but as being responsive and inclusive towards the needs of the poor. This can lead to sustainable and equitable economic development. Pro-poor growth is about changing the distribution of relative incomes through the

growth process to favor the poor (Kakwani, 2006, p. 4). There are two definitions for measuring pro-poor growth used in recent literature and policy-oriented discussions.

The relative definition of pro-poor growth compares changes in the incomes of the poor with respect to changes in the incomes of the non-poor. Using this definition, growth is pro-poor when distributional shifts accompanying growth favor the poor. The absolute definition focuses on what happens to poverty. Growth is considered to be pro-poor if and only if poor people benefit in absolute terms, as reflected in some agreed measure of poverty. In this case, the extent to which growth is pro-poor depends solely on the rate of change in poverty, which is determined by both the rate of growth and its distributional pattern. In the same sense, under this definition the aim is to achieve the greatest amount of poverty reduction possible through growth and progressive distributional change. The call for the consideration of the poor using pro-poor approaches has motivated countries to develop pro-poor programs which result from national goals are translated into programs including directly the poor in this development process. Worldwide we can identify numerous pro-poor programs among them the creation of millennium villages, one cow per poor family (for countries where livestock is promoted), and creation of micro-finance institutions and funding as well as capacity building of cooperatives. However, it is recommended that pro-poor interventions should be implemented along with an exit strategy; it should serve only to help poor starting their development journey and upgrade them to a level where they can be self sustainable. It should teach people to fish not give them fish otherwise it can create survival dependency on assistance and will not contribute to the national economic development. Besides PRSP and pro-poor programs, developing countries have set specific programs to deal with the localization of the eight Millennium Development goals.

2.6.3. Localizing MDGs

The main identified causes of poverty and the high rate of poverty have inspired leaders from 189 member states of the United Nations (UN) in September 2000, to reduce poverty in the world by adopting eight goals for the new millennium. Their commitments were materialized into the signing of the so-called “Millennium Development Goals (MDGs)”. The eight MDGs are broken down into 21 quantifiable targets that are measured by 60 indicators, the goals are:

- Eradicate extreme poverty and hunger;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, malaria, and other diseases;
- Ensure environmental sustainability
- Develop a global partnership for development.

While each goal is important on its own, these goals should be viewed together as they are mutually reinforcing the fight against poverty. Though many countries adhered to the goals, they must first and foremost be owned by individual countries and considered as national challenges to overcome. MDGs progress requires effective local institutions to manage the delivery of basic services such as primary health, primary education, water and sanitation, etc. This lead to the need to localize MDGs through various programs or projects implemented at national or at community level. It requires the following:

- Identify local areas with potential wide impact.
- Adapting initiatives and plans to local arena.

- Create commitment and ownership among local stakeholders (with local authorities or community leaders).
- Mobilize and utilize local resources/assets and link them to opportunities.
- Adapt/create local organizational platforms for implementation.
- Elaborate local strategies as framework for action.

Project support often aims at assisting developing countries to localize MDGs and enabling them to reach the target set by 2015. Localization MDGs, implementing pro-poor programs and PRSP requires an efficient governance system leading and supporting these initiatives. Poverty eradication in general depends heavily on peace, security and an efficient governance system to lead, support and sustain this process. Countries facing wars and insecurity spend a lot of resources in restoring peace leaving them with few resources to deal properly with their development programs.

Besides the common approaches used in poverty eradication both by government and development agencies, communities, aware of poverty challenges and the local assets, build on home grown initiatives to fight against poverty and raise their livelihood. These are referred to in this study as home grown initiatives in poverty eradication, through they are less popular than the mechanisms mentioned above, they are worth being assessed especially contrary to the earlier mentioned mechanisms which are government and development agencies driven while home growth initiatives are driven by poor people to fight against the challenges caused by their poor livelihood.

Figure 1: Conceptual framework for localizing MDGs



Source: Millennium Development Goals Report. United Nations, 2006, p.3

Within the context of “localization MDGs”, the global MDGs provide a development framework in terms of measurable targets and help in making local development strategies more focuses and more strategic. This strategic approach is defined as an action-plan for equitable of life for all citizens. Thus, there is a need to effect improvements in three closely related categories: Governance, local economic growth, and poverty reduction. Therefore, in preparing such Strategic approach, the MDGs targets can be used as a guide for assessing local situation, and establish clear social and human development priorities at local level through a participatory process. However, there is a need of understanding the concept of localization based on different context:

- Localizing the MDGs does not suggest the intervention or reinvention of another new goal framework.
- Localizing the MDGs is the process of aligning the existing MDGs goals and targets to local context i.e. reshaping and restating the goals as they apply to local development contexts and relate to local development challenges.
- Clarification is required vis-à-vis the term “local”. Local is relative concept and may well mean “national” when viewed from the global perspective. It may mean “district” when viewed from the national perspective. It may mean “village” when viewed from the district.

Using the MDGs target baselines, participatory processes can build awareness among local authorities and stakeholders, and demonstrate how MDGs are linked to their own objectives and priorities. This in turn will lead to preparation of action plans that focus on achieving the prioritized MDG targets at local level, within the context of the strategic goals of improved governance, enhancing growth, and reduction of poverty.

CHAPTER 3. METHODOLOGY

This chapter first presents the research paradigm or perspective from which this study was approached, the methodological philosophy background of the researcher and the strategies of enquiry pursued.

3.1. Research Paradigm

John Huges, in his book *“The philosophy of Social Research”*, draw two models or paradigms of social research, which were premised, on two different methodological positions, the natural science model based on positivism and the humanitarian model on naturalism (1990). A methodology based on positivism need to involve a quantitative style of research consisting of research methods such as questionnaire, survey and experiments. These would result in numerate or “hard” data (Brewer 2000, p.30). A humanistic methodology based on naturalism, on the other hand, would result in “soft” data in a natural language obtained through a qualitative style of research that involves data collection methods as in-depth interviews, ethnography and participant observation, or the content analysis of personal documents (Brewer 2000, p. 30).

Qualitative and quantitative researches have been represented as two fundamentally different paradigms through which to study the social world. These paradigms act as lightning conductors to which sets of epistemological assumptions, theoretical approaches and methods are attached and that are treated as incompatible across paradigms (Bryman, 2001, p. 445). These paradigms claims resurface throughout the history of social sciences and seem set to continue in the future since, on the one hand, qualitative approaches embrace even greater reflexivity, and on the other hand, quantitative research adopts ever more complex statistical techniques.

Before turning to the practice of research, it is useful to differentiate the strength and weakness of the two models as well as to provide their respective working definition. According to Hammersley (1994), the following distinctions are said to make qualitative and quantitative

research unsuitable bedfellows: (1) that qualitative research uses words while quantitative research uses numbers; (2) that the former focuses on meanings while the latter is concerned with behavior; (3) that the former relies on an inductive logic of inquiry while the latter utilizes the hypothetic-deductive method; (4) that qualitative research lacks quantitative research's power to generalize. This means that qualitative researches study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them. Qualitative research involves the studies use and collection of a variety of empirical materials case study, personal experience, introspective, life story interview, observational, historical and visual texts-that describe routine and problematic moments and meaning in individuals' lives. One of the greatest strength of qualitative approach is the richness and depth of explorations and descriptions of which provides insights through discovering meaning by improving the comprehension of the whole.

In contrast, positivism (quantitative, scientific approach) used methods adopted from the physical science that designed to ensure objectivity, generalizability and reliability. These techniques cover the ways in which research participants are selected randomly from the study population in an unbiased manner and used standardized questionnaires and statistical method to test predetermined hypothesis regarding the relationship between the specific variables. The strength of the quantitative paradigm is that methods produce quantifiable data that are usually general to some larger population. On contrary, the greatest weakness of quantitative approach it dicontextualizes human behavior in way that removes the event from its real world setting and ignore the effects of the variable that have not been included in the model.

3.2. Research Design

Based on the relevant of the two research paradigms, the approach taken in this study is a combination of qualitative and quantitative data in terms of "strategies" in which a single case

study is applied to describe the policy, implementation process and effectiveness of an integrated local Development Program to accelerate Poverty Eradication, Rural Growth, and Social Protection initiated by the Government of Rwanda (GoR) in collaboration of its Development Partners and NGOs. However, most of the data to be collected will be qualitative since it will be explaining the implementation process and impact of VUP in poverty eradication not quantitatively in terms of numbers being reached but in describing some of its activities, outputs and outcomes. This “Mixed Methods Research” design can serve an important purpose in doing explanatory case study because if a presumed cause of an event occurs after the event has occurred, one would question the initial causal proposition (Yin and Odsman, 1995).

In terms of its major purpose, the present design is categorized as explanatory-descriptive which basically translates to the fact that, firstly, the researcher intends to become familiar with specific research problem or hypothesis. Secondly, the researcher intends to portray accurately the implementation, characteristics and effectiveness of this homegrown initiative in poverty eradication; in this case the Vision 2020 Umurenge Program (VUP) in Rwanda.

3.3. Case Study Method

The case study method will be utilized based on its distinction from an empirical enquiry in an effort to assess and retain holistic and meaningful characteristics of the implementation, impact and effectiveness of the Vision 2020 Umurenge Program in targeting the poorest population segments in Rwanda.

The advantage of the case study method for this research is that there is a time constraint for conducting the present study which is a partial fulfillment of the requirements leading to a one year master’s degree taught program. Therefore, the researcher will not be able to return in Rwanda to obtain primary data. However, given the fact that the researcher is a Public Officer within a key ministry, the Ministry of Finance and Economic Planning (MINECOFIN) and is

involved in development activities and projects/programmes in Rwanda; access to a variety of evidence such as government development policies, country poverty assessment, poverty eradication strategies and various independent studies conducted by different stakeholders on Vision 2020 Umurenge Program, as well as access to key officials who could offer guidance and advice for the research adds to the use of the case study method.

CHAPTER 4: POVERTY ERADICATION THROUGH HOME GROWN INITIATIVES

4.1. Introduction

Home grown initiatives of fighting against poverty are among the approaches adopted by various countries (mostly developing countries) in order to eradicate poverty under different forms and mostly to improve people's livelihood, but the connection between decision makers and beneficiaries is still low though quite important for sustainable development. Yet current best practice fails to acknowledge that all governance transactions are, ultimately, people making decisions that affect other people, even if that impact is indirect such as environmental pollution, social division or land ownership. The notion of socio-economic citizenship suggests that citizens and the state are connected by an obligation by the government to provide basic socioeconomic rights to its population without any distinction or discrimination (Sen, Amartya 1999, p.23). As more governments will base their strategies on people, the more the notion of democracy and socioeconomic citizenship will be concrete and poverty eradication will become a common and participatory goal.

The poverty eradication mechanisms earlier mentioned are indeed important but in view of the "Paris Declaration", it is not only about alignment and harmonization but also ownership principles to be applied in development and poverty eradication specially. When central government takes the lead in poverty eradication, communities remain the one to implement and perform. Every community has precious assets to offer in its culture and tradition, besides considered and exploited especially as they are fully taking the community on board without spending a lot of resources on awareness creation and capacity building. Home grown initiatives have the advantages of being anchored in communities but they need only to be valued and revised. This is in line with democratic principles, which do not call for citizen participation and empowerment but for more direct and productive, participation.

It is worth mentioning that support to poverty eradication has become more delicate now that financial crisis has affected the economy of both developed and developing countries. Among other consequences, the financial crisis has caused remarkable reduction in development aid as the developed countries are fighting to cover their financial gaps and it has raised the poverty level both in developed and in developing countries. Thus, hard choices and sacrifices need to be made within a context of limited resources to select the most suitable and effective poverty eradication approaches, and meet the targets initially set unaware the financial crisis will occur. It is a call to cut the cost maximizing the use of local assets to cover the gaps of expected fund but also to explore ways of how community participation and empowerment can contribute to poverty eradication. Therefore, comes the birth of idea of exploring other ways, which are people-centered or oriented and referred to as homegrown initiatives. These new ways of thinking, are not resulting from various famous framework like Paris Declaration, the Accra Agenda for Action (AAA) resolutions but simply from the traditional way the communities have evolved since many years and can serve as strong ground for the contemporary fight against poverty.

This will further assessed using the Rwandan case study where by home grown initiatives have been used to tackle the high level of poverty. This is the focus of the next chapter, which looks at the Rwandan poverty alleviation overview and specially looks at VISION 2020 UMURENGE PROGRAM (VUP) as the concrete case study. We will then see how the support of development agencies and government can become more efficient when the communities are driving their own development.

4.2. Definition of home grown initiatives

Home grown initiatives are those taking roots in community's values and culture. They are often referred to as initiatives, which on the basis of the character of the society's problems and potentials, often embrace a range of social, economic and physical regeneration activities cutting across the functional responsibilities of a community in education, housing, social policy, etc. (Lupton & Turok, 2005, p.2) They can also be described as interventions aimed at addressing needs of the populations. They can create a space in which a new form of more inclusive governance can develop. They can have different institutional forms, ranging from large partnership structures involving diverse stakeholders, to special purpose agencies with quite narrow responsibilities. Community values are primarily expressed through the culture. Most authors agree that "culture" refers to the set of values, beliefs, and behaviors patterns that form the core identity of an organization or a community. Each culture is unique and must be intuitively "sensed" rather than measured. A strong culture encourages the participations and involvement of its members who appears to be one of its most important assets (Denison, 1982, p.6).

Home grown poverty eradication initiatives results from traditional behavior of a certain community aiming at empowering the community to face the poverty-related problems such as hunger, lack of education and shelter, lack of access to medical services, etc. The debate around poverty eradication has often based itself on "empowering communities". However, poor community members are not sitting around the decision table and do not have the opportunity to share with decisions makers what their community can offer in the development process. The poor knows more than anyone else how harmful poverty is and wish deeply to get out of it. The poor would enjoy understanding easily what is being applied so him/her but not find himself/herself caught in a situation which is so called a solution to his/her problem. Contrary to

other poverty eradication mechanisms mentioned above, home grown initiatives put communities at the top line and make them master of their development enterprise enjoying the required support and assistance from government and the development partners. The 1999 Commonwealth Foundation Report articulates a call for progression towards an enriched democracy by stating: “People want a society characterized by responsive and inclusive governance. They want to be heard and consulted in a regular and continuing basis, not merely at the time of an election. They want more than a vote. They are asking for participation and inclusion in the decision taken and policies made by public agencies and officials”(Commonwealth Foundation 2001, p. 18).

4.3. Focus on home grown initiatives

While other poverty eradication strategies focus on the gaps and gather resources to fill them, home grown initiatives base themselves on the capacities and values existing in a society. These values then serve as the capital required to start a new venture. Economic growth requires two categories of capital (Denison, 1982, p. 10):

- Social capital made of human being, the culture, the knowledge and the institutional set up;
- Physical capital containing the infrastructure, manmade (ICT) and natural resources.

While the two can be looked at differently, they are all key milestone in a country’s development; the most important thing is to know when to use which weapon in the fight against poverty. It is important to underline that ins fighting against poverty, capital should be defined in its broader sense as follows: “resources that can assume monetary and nonmonetary tangible as well as intangible forms (Anheier, Helmut et al. 1995, p. 5).

Some countries relied on their natural resources as the only sources of economic growth hence history is proving that approach to be wrong especially in addressing adequately poverty and social equity. As many human resources development scholars continuously state that no

matter how resourceful physical capital can be; the human capital is the most valuable resource to address first to ensure adequate intervention in poverty eradication. Home grown initiatives align themselves to this principle by looking first at what human beings are able to do and use their human, cultural and community capacities as raw materials in addressing the gaps. This helps in ensuring that the right people are involved, they select the most appropriate strategies and own the process for better productivity and sustainability. We can therefore praise home grown initiatives for seriously bringing back on the sense recognition and legitimacy for sustainable development. They enrich micro economic interventions and prepare people to better exploit physical capital rather than looking at them as exported or even imposed for no direct impact in their lives or just prestigious.

4.4. Benefits of home grown initiatives

It is a competitive advantage for government to have communities anchored in development values and a motivation for development agencies to cooperate with such countries or communities. The world is a competitive place. Therefore, understanding a local area's competitive advantage is important. Competitive advantage is the condition that enables a local area to operate relatively more efficiently and effectively, resulting in benefits accruing to that local area (UN-HABITAT, volume 2, p.22).

Beside other poverty eradication tools, home grown initiatives are promoted for the following reasons:

- **They reinforce the citizenship pride:** citizenship regimes designate the relationship between individuals and the state. People feel more integrated in their country when they are considered, consulted and empowered. Moreover, citizenship represents a special bond that places particular obligations on both citizens and the government, not only for

citizen to abide by the set rules but also for government to value local assets and promote them (Amartya, 1999, p. 23).

- **They facilitate alignment:** which is not only a theoretical principle but also a concrete requirement abiding to a country and a community's priorities. Though a country is always seen as whole, it is made of a diversify of communities each of them owing its own assets and priorities, therefore alignment of partners should not only be centralized but decentralized as well. A more towards inclusive decision-making processes necessitates recognition of the knowledge of local values. Only by doing so will it be possible to formulate a more sophisticated institutional architecture and repertoire of policies for sustainable area regeneration (Lupton & Turok, 2004, p. 12)
- **They enable self-awareness on the side of benefiting communities:** they allow the community to develop critical consciousness of their situation and the potentials change. It helps them to value that they are, what they have and build on it to improve their livelihood. There is a growing consensus on the importance of the self-awareness of the poor for poverty reduction and the development of inclusive governance (Gaventa & Valderrama, 1999, p. 61).
- **It avails the social capital for community and national development:** the ties which make up social capital enable the formation of social forces, which could possibly enable more diffuse power for decision-making. An essential part of this social process is the gradual empowerment of the poor so that they can convert their numerical strength into genuine bargaining power (Gaventa & Valderrama, 1999, p. 62). It balances power relations and facilities a win-win situation for all stakeholders being the community, the government and the development partner who will enjoy the fruit of helping community so that it can emerge using its own forces. There is a consensus that increased social

capital is necessary for the building of democracy and the empowerment of the population.

- **It motivate ownership:** we will agree that it is easy to cooperate with someone who sees an intervention as part of his/her priorities and part of the present context. When we own something, we can fight, make sacrifice and really invest in it and sustain it. People feel immediate commitment to a value rooted in their culture; they are more responsive to it rather than exported strategies, which cause most of the times resistance and weak appropriation of the process. It becomes a starting point in building financial sustainability of developing countries.
- **Strengths capacities for collective action and downward accountability:** Home grown initiatives have the advantage of being rooted in the community tradition and get easy adherence of the community members. They use that opportunity to strengthen community ties and collectively contribution to the development of the community. The joint efforts ease the demand for accountability towards peers, local and central leaders. The efforts communities make to implement their initiatives motivate local and central leaders to support that constructive idea and show how their leadership can serve to support the communities and by doing so inviting the poor to actively participate in shaping their future. This help of converting simple assets to productive assets and in the capitalization of unused values for poverty eradication.

4.5. Challenges in implementing home grown initiatives

Although home grown initiatives have a lot of benefits, they remain difficult to implement due to the following:

- Most of the home grown initiatives used in developing countries do not integrate modern management and accounting mechanisms. A legally set institution being public, private or

a civil society organization does not manage contrary to other poverty eradication mechanisms, home grown initiatives. The communities based on their social structures and their local development targets basically manage it. Therefore, the definition of outcome is not necessarily defined in terms of quantifiable indicators but the values and assets the community wishes to acquire. This serves for the reinforcement of social cohesion, unity and reconciliation, promotion of husbandry and agriculture, being able to cover basic needs like paying school fees or local medical insurance schemes, etc.

- Home grown initiatives are often not documented and do not have any preliminary feasibility studies conducted; they are based on the community experience and dedication to the approach. Therefore, it is difficult for external stakeholders to adhere to it and more specifically to invest in it where all the parameters are not scientifically measured. Trust in the community is the primary motivation factor to adhere and invest in a home grown initiatives. Monitoring and evaluation is also difficult as most of the time there is no clear baseline and unforeseen factor (weather, raw material or seeds used, etc.) can affect the outcome. This constitutes a risk to be considered.
- Transparency and accountability for home grown initiatives is not guaranteed. Even within communities known for a high level of integrity, the survival instinct has lead people to mismanage funds or assets availed to them for community development, which they use for personal benefits. Only the benefiting community can help in denouncing corruption in such cases otherwise it is difficult for an external person to seize properly the internal management realities of a community.

Home grown initiative have been used in various countries fitting in the context of these specific communities and serving as a response to a pressing need. Below is an illustration of home grown initiatives used in fighting against poverty in some developing countries.

a) Cultural based rotating saving and credit associations

Individuals form a self-selected group and all members agree to contribute a regular fixed amount of goods or money every week or month. Members then take turn to receive the sum of collected funds. The order in which members receive funds is determined by lottery, mutual agreement or need or personal emergencies of the group members (Ledgerwood, 1998, p. 70). These schemes serve as saving mechanisms whereby, communities, with the absence or even the inexistence of financial services, pool their meager resources able to gain at a certain point bigger amounts required to cover some of the basic needs such as housing, clothing, buying seeds, etc. They also serve as security funds whereby resources are kept to serve in the event of any unforeseen reality requiring available financial means. In rural areas, these serve to secure money which serve in case of drought affecting farms or destroying houses, farm infections, etc. These situations occur quite often leaving people in miserable situation if any provision was planned in advance.

Rotating saving and credit associations are really anchored in various cultures named *tontine paris* or *susus* in West Africa, *stokvels* in South Africa, *gam'iyas* in Egypte, *tandas* in Mexico, *cuchubales* in Guatemala and *Ikimina* in Rwanda. Financial services mostly microfinance institutions have been based on them to attract people to use financial services which sometimes suffer of a resistance from local people to expose their resources to unknown organizations or do not trust the outcome. Success stories of people raising their level of living through rotating savings can be found, common cases are those of people starting a business with pooled resources under rotating saving, upgrade of farming approaches for more production and primary processing, buying animals for market oriented husbandry, etc. The Grameen Bank built on this practice to build a strong microfinance system in Bangladesh using peer pressure as substitute for collateral especially for the very poor people who cannot meet the traditional collateral

requirements of most financial services. Following the Grameen Bank success, many microfinance institutions and governments have adopted this approach as a poverty eradication mechanisms through the use of traditional financial support provided through rotating saving and credit associations. They also play a key role in social cohesion and social protection against poverty risks.

4.6. Efficiency through conversion

As much as home grown initiatives are promoted, their efficiency relies on the convertibility power used. It is not all about reviving social values but improving them by linking them with other needs such as prosperity and economic growth. The need for conversion relies on the necessity of making the social values more productive to serve as ground for maximum use of the physical capital. Advocating for home grown initiatives does not mean being conservative but rather stepping back to climb higher. In this competitive world, cultures are the raw materials, which converted through proper processing, provide the improved and useful finished product. Home grown initiatives, to be more efficient, require the following:

- **Assets mapping:** as social capital comprise various categories mainly: human being, culture, knowledge and institutional set up. It is important to seize what these categories contain for a specific community and create the interaction between them to generate wealth.
- **Objectives setting:** assess how the available values can be used to reach a certain goal. i.e.: poverty reduction, social cohesion, etc.
- **Assets and objectives linking:** this relates to the need of making every asset contributing in reaching the set goals. Here starts the convertibility of traditional values into economically productive assets. At this stage, direct connection between social and physical capital is made.

- **Strategy definition:** at this stage all the above steps are given clear scope and definition of time and framework of implementation. This stage defines the division of roles, allocation of resources, expected outcome and monitoring and evaluation framework.

The need for conversion explains why exclusion between the two forms of capital is not necessary but proper connection of the two makes efficient the development and the prosperity agenda. All the social values take times and efforts to be integrated in people's mind, all that should be looked at as investment which require return on investment to the community and the country in general. The conversion of the social energy into an economically recognized inputs lead to a high quality final product suitable to its customers and all consumers.

In conclusion, it is important to merge one set of insights with another to begin to create a locally owned process for change in developing nation that is thoughtfully integrated, well guided, and productively discussed that it begins to put nations on the path to high and rising prosperity (Fairbanks 2007, p. 7). So far, this is an experience worth to be made by nations to later celebrate achievements resulting from internal investments using a low level of transaction costs.

In conclusion, it is worth mentioning that nowadays many countries are going back to home grown initiatives as they facilitate inclusive governance. People want a society characterized by responsive and inclusive governance. Unfortunately, the poor is left out of the decision making process as experts can be found capable of drafting systematic and well documented strategies; however strategies alone may not lead to the development of fundamentally alter the situation of the poor. These strategies have been criticized as being "survivalist" and caught in an endless cycle of crisis management. Thus, we will here all agree with Mr. Tony Blair (former Prime Minister of the United Kingdom), who suggests that: *"if democracy is rule by people, the promise of democratic decentralization is to make that rule*

more immediate, direct and productive". This is not only logical but also sustainable; it is a way of increasing effectiveness, through more accurately targeting gaining the support of beneficiaries for interventions and reducing transaction costs. Others argue that it is a fundamental right and essential for legitimacy. To understand more the impact and effectiveness of home grown initiatives in poverty eradication, the next chapter looks deeply into Vision 2020 Umurenge Programme (VUP) as a Rwandan home grown initiative which serves as a case study for this work.

CHAPTER 5: POVERTY ERADICATION IN RWANDA THROUGH VISION 2020

UMURENGE PROGRAMME (VUP)

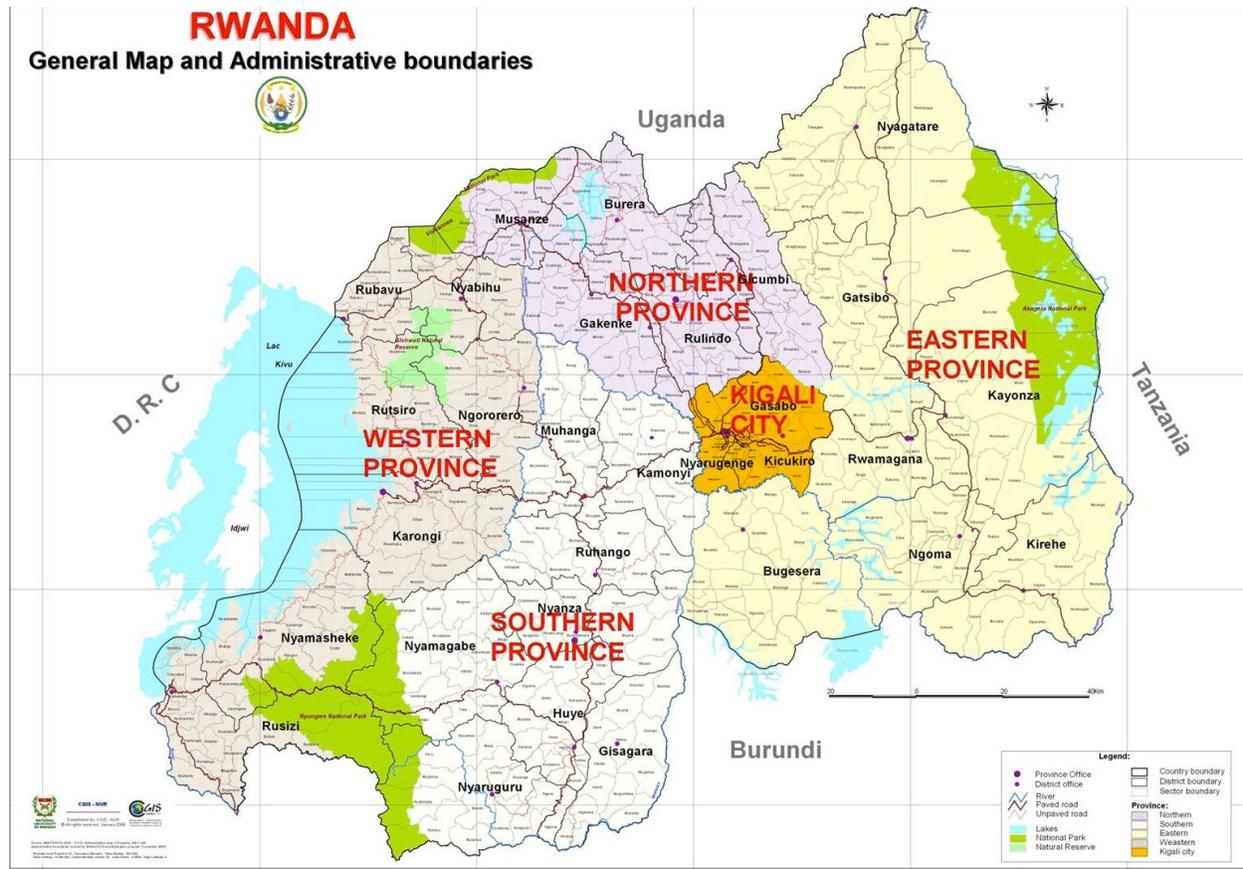
This chapter argues the Government of Rwanda's decision of choosing the Vision 2020 Umurenge (VUP) as home grown initiative for fighting against poverty in Rwanda. First it gives a brief overview of the Rwandan economy, its rational and characteristics. Secondly it articulates the use of the existing decentralization system and leverages technical and financial assistance in order to promote the poor and the rational behind that decision, which will lead us to the case study of this research and identifies community's participation in the decision to be taken. The initiative is built on past experiences, which show that "isolated" interventions by sector ministries, donors or Non Government Organizations (NGOs) are not sufficient to lift people out of extreme poverty in effective and sustainable manner.

5.1 Overview of Rwanda

Rwanda is one of the most densely populated countries in the world (\pm 9 million people). The Republic of Rwanda is a landlocked country in the Great Lakes region of east-central Africa, bordered by Uganda, in the east by United Republic of Tanzania, in the south by Burundi and in the west by the Democratic Republic of Congo (former Zaire). A verdant country of fertile and hilly terrain, the small republic bears the title "*Land of Thousand Hills*". The country has generated international attention most markedly for the infamous Rwandan Genocide of 1994. Rwanda is a rural country with about 90% of its population engaged in agriculture (subsistence). It is landlocked with few natural resources and minimal industry. Its primary exports are coffee, tea, flowers and minerals (mainly Coltan, which is used in the manufacture of electronic and communication devices such as mobile phones). Tourism is a growing sector, notable ecotourism

(Nyungwe Forest, Lake Kivu etc.) and the world famous and unique mountain gorillas in the Virunga Park (Rwanda Prime Minister’s Office, 2010).

Figure 2: Map of Rwanda



Source: GoR, MINALOC

A brief description of Rwanda can be done as follows:

- Geographic situation: East Africa
- Shared boundaries with: Uganda, Burundi, Democratic Republic of Congo and Tanzania
- Total territory: 26.798 Km²
- Density: 343/Km²
- Currency: Rwandan Francs (Frw)

- Political regime: Republic
- Multiparty system: 8 political parties
- Official languages: Kinyarwanda, French and English

5.2 Economic development in Rwanda

The Rwanda economic development is lead by the “*Vision 2020*”, a twenty years country development strategy that started in 2000. The Vision 2020 aims at transforming Rwanda’s economic into a middle income country (per capita income of about USD 900 per year, from USD 290 in 2001 (Vision 2020, p. 5).

This national vision has 6 pillars:

- Good governance and a capable state;
- Human resources development and a knowledge based economy;
- A private sector-led economy;
- Infrastructure development;
- Productive and Market Oriented Agriculture; and
- Regional and International Economic integration

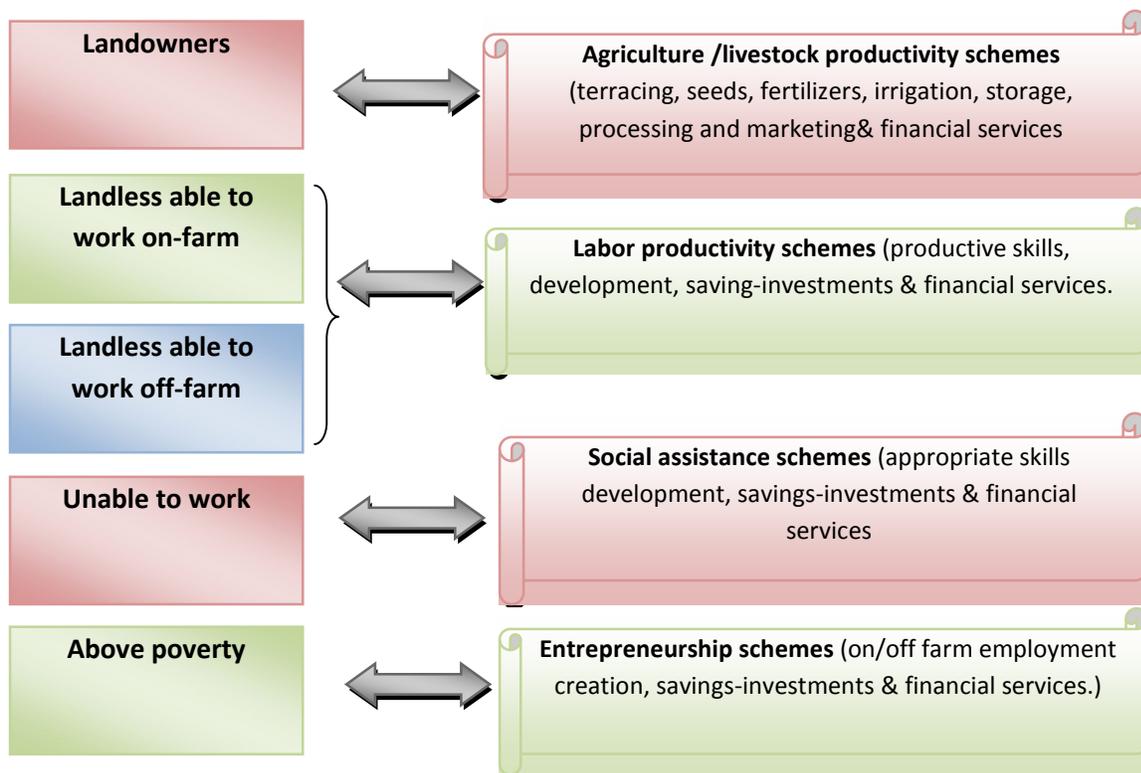
Each pillar having its own targets policies and strategies mainly expressed in timely poverty eradication strategies. Rwanda has implemented two poverty reduction strategy papers (PRSP) so far, the first PRSP last from 2002 to 2006 while the current Economic Development and Poverty Eradication Strategy (EDPRS) will last from 2008 to 2012. The first generation saw remarkable progress in the social sector (health, education, water and sanitation) with the less progress in productive sectors and economic challenges were still huge. The poverty reduction rate reduced from 60.1% in 2000 to 56.9% in 2006 while with the EDPRS target is to move from 56.9% to 46% by 2012 mainly by focusing on three flagships programs (Vision 2020, p.5):

- Economic growth for job and export;

- Vision 2020 Umurenge Programme (VUP) and;
- Governance (accountability and transparency, and corruption, citizen participation).

To be more practical and achievable, EDPRS targets are translated into the District development Plans (2008-2012) in which local government have laid their specific strategies aiming at local economic development through various infrastructure development projects, market development strategies and the implementation of pro-poor projects. The EDPRS comprises also a poverty categorization, which serves as a basic while developing appropriate poverty eradication approaches and monitoring the progress made by local people benefiting from various national and local pro-poor strategies. Poverty categories and related approaches are shown here below:

Figure 3: Social categories as per EDPRS



Source: MINECOFIN, 2007

5.3 Rwandan decentralization structure

According to G. Shabbir Cheema and Dennis A. Rondinelli, “*Decentralization is the process of transferring powers, authority, functions, responsibilities and the requisite resources from central government to local governments or administrative divisions*” (Cheema and Rondinelli, 2007, p.1).

In Rwanda, decentralization policy was adopted in response to the political and economical problems in its history. The rationale behind the promotion of decentralization in Rwanda can be found in the country’s decentralization policy document. In May 2000, the Government of Rwanda (GoR) adopted a policy and strategy for decentralization aimed at ensuring political, economic, social, managerial, administrative, and technical empowerment of local populations to fight poverty by participating in planning and management of their development process (GoR, MINALOC, 2004, p. 10). The main objective of the decentralization was to “provide a structural arrangement for government and the people of Rwanda to fight poverty at close range, and to enhance their reconciliation via empowerment of local populations” following the trauma of the Genocide of 1994 (Cheema and Rondinelli, 2007, p. 78).

After the war and the 1994 Genocide in Rwanda, the leadership sought to decentralize governance and let Rwandan people has a strong say in determining their socio-political-economic destiny. The leadership has a legal basis for this in the Arusha Peace Agreements – which, without mentioning decentralization, committed government to creating a governance system that passes power to the people. In the decentralization document it is stated that one of the legal foundations of decentralization is the “ principle of power sharing as expressed in the

“Accord de Paix entre le Gouvernement de la Republique du Rwandaise et le Front Patriotique du Rwandais” (Cheema and Rondinelli, 2007, p. 82).

In Rwanda, the decentralization policy has been initiated and led from the top, the population had to be sensitized about its meaning and benefits so that they could support it. The unique aspect in the formulation of the policy is that, it was initially done as part of an overall governance program and strategy, which was formulated through consultations (meetings, workshops, and seminars) with all government institutions. After decentralization was adopted as one of the components of the national governance program, the decentralization policy was formulated. The policy was the premise of promoting participatory democracy and reconciliation, and empowering grassroots communities for socioeconomic development.

Table 2: Summary of stated objectives of decentralization in Rwanda:

- | |
|---|
| <ol style="list-style-type: none">1. To enable and reactivate local people to participate in initiating, making, implementing, and monitoring decisions and plans that concern them, taking into consideration their local needs, priorities, capacities, and resources by transferring power, authority, and resources from central to local government and lower levels.2. To strengthen accountability and transparency in Rwanda by establishing a clear linkage between the taxes they pay and the services that are financed by these taxes.3. To enhance the sensitivity and responsiveness of public administration to the local environment by placing the planning, financing, management, and control of service provision at the point where services are provided and by enabling local leadership to develop organization structures and capacities that take into consideration the local environment and needs. |
|---|

4. To develop sustainable economic planning and management capacity at local levels that will serve as the driving motor for planning, mobilization, and implementation of social, political and economic development to alleviate poverty.
5. To enhance effectiveness and efficiency in the planning, monitoring, and delivery of services by recruiting the burden from central government officials who are distanced from the point where needs are felt and services delivered.

Source: Cheema and Rondinelli, 2007, p.80

According to the Organic Law determined the administrative entities of the Republic of Rwanda (Official Gazette of the Republic of Rwanda, Year 44 N° Special of 31 December 2005); the Rwanda's administrative structure is composed by:

- Central administration
- Provinces (4)
- Districts (30)
- Imirenge or Sectors (416)
- Utugari or Cells (2,148)
- Imidugudu or Villages (14,837)

In the context of poverty reduction, one of the government's expectations from the decentralization is the creation of a framework that promotes bottom-up planning where communities decide what their development needs and priorities are, and participate in the design and implementation of development programmes based on their local needs. Thus, significant progress has been made through a number of achievements:

- The administrative structure for community development from Cell to District level are in place;

- Community Development Committees (CDCS) have been created and filled through democratic elections, meaning that they are controlled and answered to the population;
- Efforts have been made in the area of developing the capacities of CDCs through trainings. In some areas CDCs are acting as conduits for community development actions;
- A number of districts have been assisted by different donor and NGO interventions to prepare District Development Plans (DDPs) through a participatory process. These DDPs; reflect actual needs of the population in those districts, and provide a framework for donor & NGO support in development activities.

The ultimate objective of the decentralization is to entrench good governance through empowering local communities to participate in poverty reduction and the whole development process. So far, a number of institutional structures have been established in the context of local governance and among them, the Ministry of Local Government (MINALOC) with its mission of promoting the well being of the population by good governance, community development and social affairs (GoR, Rwanda 5-year Decentralization Implementation Programme, 2004). The implementation of the decentralization policy is an integrated part of the GoR's national development strategy as expressed the EDPRS, which is a mid-term framework to implement the government's long-term development agenda, described in Vision 2020 and internationally agreed development goals known as the Millennium Development Goals (MDGs).

EDPRS aims to consolidate and extend the strong achievements in human development while promoting three flagship programmes: (i) Sustainable Growth for jobs and Exports; (ii) Vision 2020 Umurenge Programme (integrated rural development programme to eradicate extreme poverty and release the productive capacities of the poor); and (iv) Good Governance.

Vision 2020 Umurenge Program (VUP) is one of the pro-poor initiatives initiated by the EDPRS. The section below aims at explaining further what is Vision 2020 Umurenge Program (VUP) and the motivation why the Government of Rwanda (GoR) embraces it to reduce poverty in Rwanda.

5.4 VUP, a Rwandan home grown poverty eradication programme

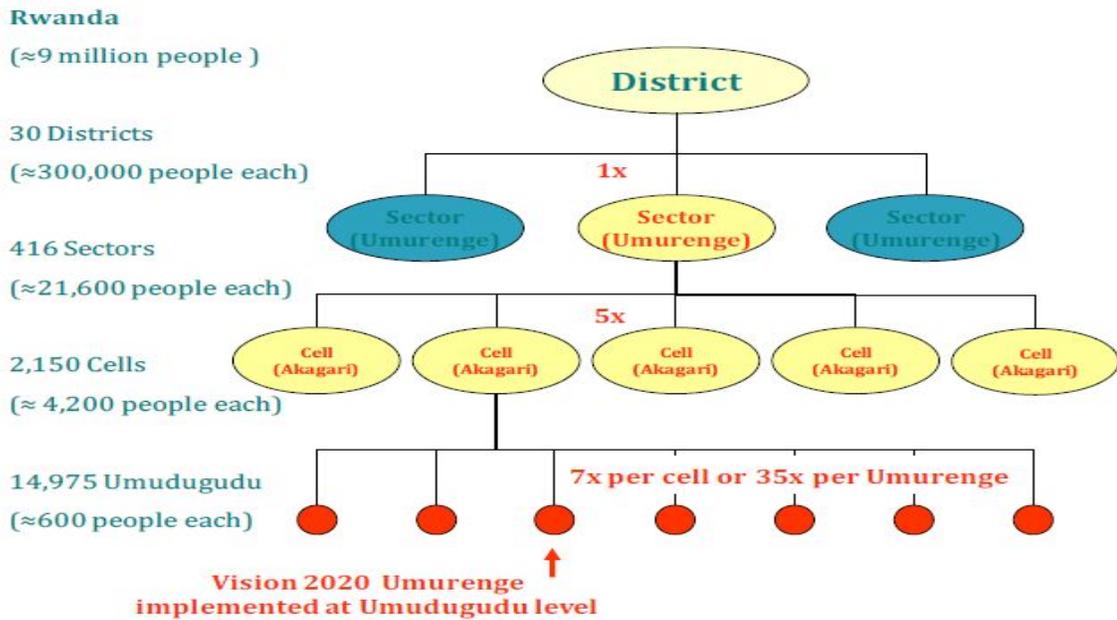
During the Akagera retreat of February 2007 (Akagera IV), the leadership of the country debated on the scale and depth of poverty in Rwanda as well as the possible remedies. It was found that at the rate of poverty reduction observed between 2001/02 (corresponding to the EICV1) and 2005/6 (corresponding to the EICV2) the country would only achieve the Vision 2020 poverty target of 30% in 2030. In order to reduce the poverty rate from 57% in 2007 to 30% in 2020, the country was to observe a reduction of 27 percentage points. In this regard, VUP was put in place to revive the targets of Vision 2020, by integrating local development efforts to accelerate the rate of poverty eradication, rural growth, and social protection.

“Vision 2020 Umurenge Programme (VUP)” is an integrated local development program to accelerate poverty eradication, rural growth, and social program. Thus, VUP is Rwandan system on intra-community co-operation based on collective actions. Initiated by the Government of Rwanda (GoR) in collaboration with Development Partners (DPs), Civil Society and Non-Government Organization (NGOs), VUP is led by the Ministry of Local Government, Good Governance, Community Development and Social Affaires (MINALOC) and supported by the Ministry of Finance and Economic Planning (MINECOFIN).

VUP uses the existing decentralization system and leverages technical and financial assistance to accelerate the rate of poverty reduction in Rwanda. It is a highly decentralized and integrated rural development programme designed to accelerate extreme poverty reduction in Rwanda (EDPRS, 2007, p.1). Thus, it is implemented by the population itself at the level of the

decentralized administrative entities nearest to the recipients, i.e. the Cells, until the end of 2006 and then the Village or “*Umudugudu*” (Smallest administrative unit in Rwanda, equivalent to a village).

Figure 4: VUP implementation based on the Rwandan decentralization structure:

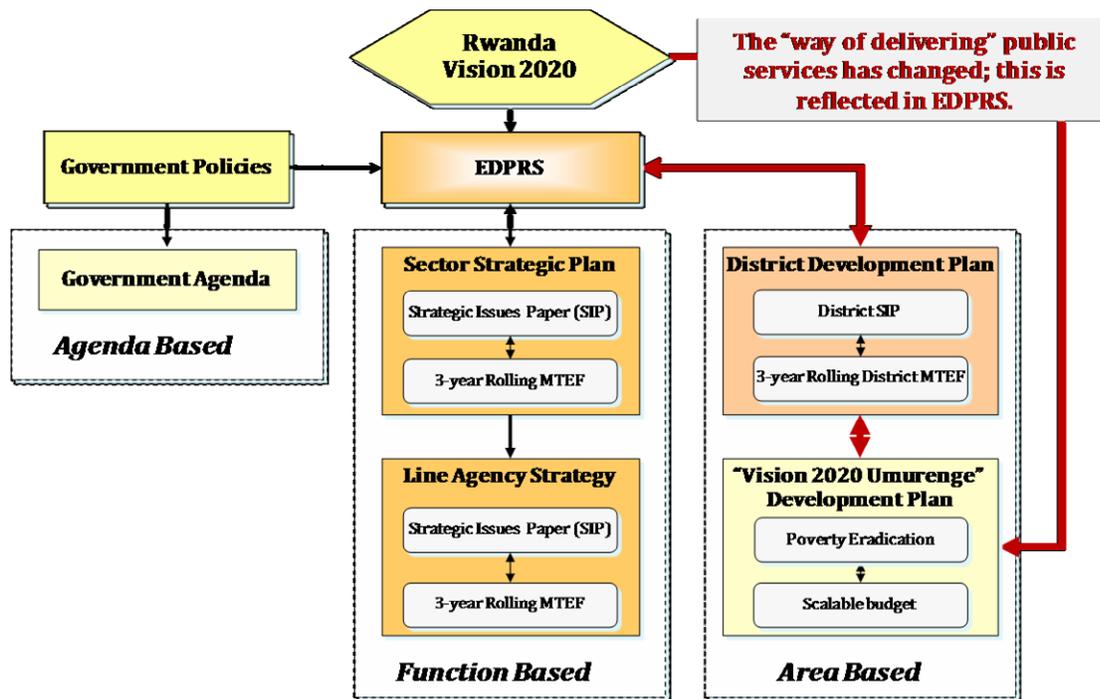


Source: GoR, Vision 2020 Umurenge Programme, 2007, p. 4

An Umurenge (Imirenge in plural form) is an administrative entity below the District/Akarere level. The estimated 9 million Rwandan people live in 30 District and 416 imirenge, an average of about 14 imirenge per District. An Umurenge covers close to 22, 000 people average. The next administrative level is a Cell/Akagari followed by Village/Umudugudu at grassroots level; there are 5 Cells and 36 Imidugudu in each Umurenge on average. Thus, VUP is an explicit recognition of the role and importance of the decentralization system to implement the national policies and strategies in order to achieve the MDGs and the objectives of Rwanda Vision 2020. It is a pragmatic approach to make decentralization work while accelerating the rate of poverty

reduction in Rwanda. It is an explicit recognition that the “way of delivering” public services has changed in Rwanda. As a flagship program, the VUP does not concentrate on “WHAT” should be done (e.g. sector ministries’ strategies contained in their logical frameworks), but on “HOW” it will be done (Vision 2020 Umurenge Programme, 2007, p. 5)

Figure 5: Complementarities with EDPRS



Source: Vision 2020 Umurenge Programme, 2007, p.5

Although the first EDPRS flagship program is specifically dedicated to economic growth, the VUP, which is the second EDPRS flagship program is very essential in ensuring that economic growth is pro-poor and the majority of the population takes part in the improvements in living standards that the country as a whole is experiencing. Since the VUP also seeks to improve the efficiency in poverty reduction, there is also an overlap with the third EDPRS flagship program:

governance. Therefore, the three EDPRS flagship programs are closely related to make significant headway towards the MDGs and the objectives of Rwanda Vision 2020.

The Government of Rwanda (GoR), after the pilot phase, charged the “Common Development Fund” (CDF), which is in charge of facilitating local development by giving technical and financial support to Local Governments to coordinate VUP. CDF carried on the coordination of VUP along with their regular support to District as a way of ensuring that the support to local economic development does not stop to building infrastructure but also empowering community members to maximize the use of assets availed to them.

Being the principal endogenous and participative instrument of poverty reduction at household and community level and embedded in the Rwandan ancestral culture, VUP was developed within the framework of the preparation for the first Poverty Reduction Strategy Paper (PRSP I), at the end of 2001 and beginning of 2002. This development was based on a participative evaluation on the situation of poverty (Participatory Poverty Assessment/PPA) in all the old Cells of the old District/City of the old Province of Butare, as well as an evaluation within a sample of each old Sector in remaining 11 provinces (Consultative Poverty Assessment/CPA). The main objectives of the approach were (MINECOFIN, 2003, p.3):

- To help local populations define for themselves: (i) the profile of poverty in their households and communities, through a PPA process; (ii) their main issues of development (causes and effects); to have the same understanding of the various categories/levels of poverty within their communities.
- To define (as a group) the best strategies to fight poverty together, through the prioritization of the main related issues, the search for adapted solutions, as well as the design of actions to be carried out, in order to assist the population to be able to ease out

of poverty gradually.

- To set up strategies of mobilization in order to collect the required funds for each priority action at Cell/Village level, as well as for at least one project in favor of a poorest household, on condition that they have the capacities to manage a project and to go up in scale of poverty.

The people of Rwanda especially in rural areas have a tradition of coming together to plan together, set acceptable performance targets for their communities and work in groups and teams to efficiently achieve them. Build on this social capital; the VUP process in Rwanda is a unique policy of nurturing citizens' collective action in partnership with a government committed to decentralization. This policy has its roots in the PRSP and the PPA. It is a policy designed to increase the level of institutional problem-solving capacity at the local level by citizens and local government. It seeks to put into operation the principles of citizens' participation through local collective action. Traditionally, VUP was used to identify existing problems in the village and work together to assist vulnerable for example by having the community digging the farm of an old lady who is not able to do it on her own, building houses for a poor family, etc

5.5 Program components

The VUP is organized around three components to implement the client-based solutions and put money straight into the pocket of hard working Rwandans who participate in the VUP (Vision 2020 Umurenge, 2007, p. 21):

1. **Public works** are planned using community-based participatory approaches and intend to build productive community assets. Since private land ownership is widespread in Rwanda, public works can take place on either public or private land (e.g. terracing). However, the case must be made that the assets benefit the community at large. Indeed, when such benefit are clear, the community will have the incentive,

or a vested interest, to conduct the maintenance of these community assets, thereby ensuring sustainability.

2. **Credit packages** to tackle extreme poverty as well as to foster entrepreneurship and off-farm employment opportunities; these packages are designed to make the best possible use of scarce public resources, involve the private finance sector, and provide people with incentives to improve their own productive capacities
3. **Direct supports** to improve access social services or to provide for landless households with members qualifying for public works or credit packages; such unconditional supports seek to expand health and education coverage as well as to encourage the development of “appropriate” skills, handicraft, or social service activities.

These three program components are not necessarily mutually exclusive. For instance public works can be complemented with credit packages, etc. In addition, a distinction is made between a household and members of the household. This is crucial to cater for women and youth, which represent important productive capacities but may not be heads of households. Hence, eligibility to these programs intends to address the concerns of women and the youth populations. The program components are implemented through a set of projects, which are designed and coordinated at Umudugudu level and implemented at Umudugudu level. Both program components and projects are linked to technical specialists in sector ministries, which also provide the strategic direction and priorities as well as specific technical standards and policies.

Figure 6: Summary of the Program

Program components (“focus”)	Additional benefits (“externalities”)	Areas where changes need to be instigated in a systematic fashion (“change management”)
Public works	Creation of off-farm employment opportunities	Assist local governments to coordinate the implementation of national sector ministries’ strategies
Credit packages	Monetization & formalization of the economy	Instill the notion of interconnectedness of services across sector ministries
Direct supports	Effectiveness of social protection	Change attitudes through pro-active interventions of all sector ministries to accelerate the rate of poverty reduction in Rwanda.

Source: Vision 2020 Umurenge, 2007, p (iii)

5.6 VUP process: Methodology

VUP is a form of pro-poor projects providing the creation of off-farm employment opportunities, the monetization and formalization of the economy, and the effectiveness of social protection at two levels:

- **At village level:** by identifying the priority need at village level, which can be dealt with immediately to improve the livelihood of the residents.
- **At household level:** the process starts by identifying the poorest family of the village and think of an activity to be undertaken by the identified family, which can sensibly improve their livelihood.

Most of the time, livestock, commerce, small infrastructure, agriculture, handicrafts, health care and microfinance activities are selected in rural areas. This only depends on whether or not the

family possesses land or if they have basic skills, which only require facilitation.

Both processes use in essence the same methodology. The community/household goes- with the help of facilitators- through the following steps:

- Determine the poverty profile as perceived by the people themselves;
- Determine the causes and consequences of poverty;
- Draw up the social category (different categories are again decided by the people themselves);
- Identify and analyze the problems faced by the community and determine a most prominent problem to address;
- Plan the activities and relative means needed for addressing the prioritized problem through a collective action plan;
- Put in place a system to manage the identified collective action (soft system check list);
- Submit the action plan to a pertinence test for all stakeholders to see if the retained strategies are the best to solve the identified problem;
- Check if collective action principles are respected;
- The management committee, elected by the community, local authorities and other stakeholders approve the execution of the collective action and engage to safeguard and respect the principles of collective action.

After this process, funds are made available to support the identified collective action to be undertaken under the VUP. The village assessment serves as basis for the household intervention. However household intervention has some specific steps the families members must take with the support of facilitators, these steps are:

- Determine their coping strategies throughout the year (seasonality);
- Analyze these strategies in order to come up with a strategy favorable to the promotion

and improvement of the living conditions within the household (preference scoring);

- Plan activities and budget the necessary means to execute the retained strategy;
- A pertinence test is then carried out by wise men in the village “*Inyangamugayo*” (Person with integrity chosen in the village to facilitate the process) to make sure that the retained strategy is appropriate and will be good use to the household;
- The household members finally accept and sign for the funds that are accorded to them. They agree that the funds supporting the execution of their strategy will have a rotating character.

After this process, funds are made available to support the identified household strategy. Household intervention have a rotating character in the sense that a family benefiting from VUP support is also supposed to assist another poor family not only materially but also through mentorship to show that poverty can be overcome if one is determined to fight it.

5.7 Impact of VUP in fighting poverty in Rwanda

The impact of VUP will be assessed for the two main phases: the first one from 2008-2009 and the second one from 2010 to 2011. The 2007 pilot phase implemented in Butare will not be considered due to its limited coverage and the short period of implementation. We would however mention that because an audit and evaluation were conducted after the pilot phase concluding into positive results, which motivated the Government of Rwanda (GoR) to adopt VUP as a national strategy. To assess the impact, reference will be made to the recent Joint Evaluation conducted by the UK Department for International Development (DFID), European Union (EU) and the Government of Rwanda (GoR) in October 2009 and January 2010.

5.7.1 Socio-economic impact of VUP

a) Methodology used

The initiative of a Monitoring and Evaluation Strategy for the VUP Support is instrumental

for the programme to meet its objectives in a most cost0effective manner. To this end, a survey conducted by the Rwanda Local Development Support Fund (RLDSF) in collaboration with Development Partners, Civil Society and NGOs in order to study the effectiveness of the VUP support in reducing the depth of poverty since its implementation. The objectives of the survey are manifold. First, it will provide baseline information on the socio-economic and demographic characteristics of the poorest population eligible for assistance, which is accepted to validate the initial subjective ranking of household welfare. Particularly, cut-off consumption levels are obtained for subsequent impact of the social assistance program on key welfare outcomes, such as rising income, improved skills, social participation, accumulation of human capital (access to health care, education of children, etc...) and other indicators. As such, the survey was trying to analyze the impact of the projects, including challenges faced in the course of the implementation of VUP in Rwanda. Thus, a socio-economic evaluation was conducted on: (i) 120 “Community” projects; 60 “Household” projects; (iii) 60 “Sectors” questionnaires were distributed; and (iv) 120 “Training” questionnaires were distributed. The questionnaire included qualitative and quantitative questions. On a geographical level through 120 Community projects and 60 Household projects (sample), which were divided in each of 30 districts of the country, with 2 Sectors per District (therefore 60 in total) and 2 projects per Sector (therefore 120 in total). The survey also covered different areas of intervention as per the table below:

Table 3: Type of the 120 VUP “Community projects”

Type of projects	Number	Percentage (%)	VUP Funds (Rfw)	% of funds
Livestock/Breeding	31	25.83	18,240,000	8.81
Construction of classrooms	20	16.70	67,800,000	32.76
Water	15	12.50	12,621,700	6,10
Roads /Bridges	11	9.17	33,600,000	14.79
Electricity	11	9.17	33,000,000	15.95
Agriculture	10	8.33	6,278,300	3.03
Mills	7	5.82	8,200,000	4.06
Radical terraces	7	5.82	4,200,000	2.03
Construction of Health Centers	5	4.16	24,000,000	11,60
Small shops	3	2.50	1,800,000	0.87
TOTAL	120	100%	206,940,000	100%

Source: OSSREA, 2010

Table 4: Type of the 60 VUP “Household projects”

Type of project	Number	Percentage (%)
Livestock/Breeding	27	45.00
Small shop	17	28.34
Agriculture	11	18,33
Craft industry	2	3.33
Others	3	5.00

TOTAL	60	100
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Source: OSSREA, 2010

The general evaluation followed the five criteria's, which are:

- a) **Relevance**: The extent to which an activity is suited to the priorities and policies of the target group, recipient and donor. Here, answers for both community and individual projects were given as follows (OSSREA, 2010, p. 5)

Table 5: Perception on the relevance

Was your project a priority for the social & economic development of your village?		
Yes	99.10%	
No	0.90%	
What was the ranking of this priority?		
1 st	84.35%	
2 nd	11.30%	
3 rd	3.48%	
More	0.8%	
Did the Authorities recommend it?	Villages	Individuals
Yes	2.44%	36.7%
No	97.56%	63.30%

Source: OSSREA, 2010

The overall feedback looks positive except from the involvement of the authorities in choosing the projects. One of the rules of VUP is actually that authorities should not put pressure on the selection of the priorities, which does not seem to be the case here whether questions were asked

to these authorities or individuals met in the villages at the time of investigations. Obviously, authorities and individuals do not have the same opinion on the subject especially individuals feels high level of implication of leaders at 36.7%. Therefore, more emphasize is required in strengthening decentralization principles where the voice must be given to the people especially in local governance related issues.

b) Efficiency: Measures outputs – qualitative and quantitative- in relation to inputs. It signifies the use of the least costly resources possible in order to achieve the desired results.

Efficiency also looks at the level of satisfaction beneficiaries got after getting support from VUP and contributing for the better implementation of their selected projects. Before looking at the level of satisfaction, we can look at the transfer efficiency as assessed in 2009 (DFID, 2009, p. 18).

Does every poor benefit from VUP?

Table 6: Coverage of VUP

	Percentage
Yes	73.96
No	26.04
TOTAL	100.00

Source: OSSREA, 2010

With confidence that the funds are mostly going to the right people, we can now look at how those funds are used to achieve the set goals.

Table 7: Beneficiaries satisfaction

Do you think your objective has been properly reached?	
Quite well	59.1% (71 villages)
More or less	28.3% (34 villages)
Not really	2.5% (3 villages)
No response	10% (12 villages)

Source: OSSREA, 2010

The majorities of projects funded are agriculture and livestock related and depend very much to the season ability, the quality of land, the availability of water, etc. This is used as an illustration of the fact that success depends also on additional factors, which cannot fully be controlled under VUP. Therefore, 59.1% can be considered as a success while the lessons learnt in the past create wisdom to do better in the future.

Why do you think your objective has NOT been properly reached?

Table 8: Challenges faced

Insufficiency of funds	85.30%
No agriculture harvest till now for being able to judge results	2.94%
Some services are not provided in the health center (disappointment)	2.94%
The price for the water has increased	2.94%
Maladjustment of the project	2.94%
Construction of classes finished but not yet of use, causes not inaugurated	2.94%
TOTAL	100%

Source: OSSREA, 2010

c) **Effectiveness**

Effectiveness relates to the extent to which an activity achieves its objectives and outputs leading to intended outcomes. The effectiveness of this project can be seen at different levels mainly:

- Social cohesion: being a post conflict country, the Rwandan society was affected by the lack of trust and collaboration among the population. VUP has managed to gather members of the communities, helped them to believe that they have potentials to deal with their poverty problems and pool resources together to solve the identified problems. The answer to the question below show social cohesion was assessed.

Do you think that the participants to VUP have been a significant factor of reinforcement of social cohesion?

Table 9: Impact of VUP on social cohesion

	Percentages
There was no change	5.22%
There was little change	6.09%
There was a great change	41.74%
There was a very great change	46.96%
TOTAL	100

Source: OSSREA, 2010

- Proper targeting and direct impact on the poor: Contrary to other mechanisms implemented at macro level using much time and resources, VUP has been direct impact

on the poor using less time and resources as the major work is being done by the community for almost free.

- **Capacity building:** VUP has built the capacities of families, communities and the nation at large. This capacity building is mainly seen in the empowerment of the beneficiaries whom through household support got a basis on which to build their prosperity process but also community infrastructure projects have opened communities to many economic opportunities while maximizing the use of roads, electricity, markets, etc. This is also seen in social investments like the construction of community schools and hospitals enabling the people to play a more active role in poverty eradication. Moreover, VUP, through its two phases of projects implement has trained facilitators and beneficiaries. This exercise has contributed tremendously to the improvement of local community skills and self-management capacity and the ability to acquire new skills in terms of participation, planning and management of collective initiatives.

VUP, however, cannot only be summarized through its social and economic impact. A notable cultural change has also been witnessed; that of the progressive birth in the campaign of spirit of entrepreneurship and financial sustainability as well as the creation of jobs through the construction of class-room, health centers, construction of radical terraces etc. New jobs have also been created for teachers, shepherds, employees of mills, small trades or distributors of water (Vision 2020, p. 51).

d) Impact

This segment assesses the changes produced by VUP, directly or indirectly, intended or unintended. It analyzes the 2010 survey entitled “ EDPRS Poverty Analysis of VUP”, which will serve as baseline focusing on analyzing the performance and perceptions of households on

poverty reduction, as well as to emphasize the relevance of VUP practices to sectors of the economy. This survey assessed the situation from the beginning of the implementation of VUP, which will now be compared with the data after two years of implementing this unique program, from 2008-2010.

The answers to the initial survey were persuasive in terms of the impact perceived by the households themselves: more than 74% of all households believed that the approach could abolish poverty in their communities; 74% of all households expressed that VUP empowers the poor either well, very well and excellent; 86.11% believed that VUP reinforces the participation in planning, and more than 82% indicated that VUP has enhanced unified action (OSSREA, 2010, p. 9).

However, before analyzing the two sets of data, we must first recall that there do exist variable impacts, as presented below:

- Certain projects can have several impact: for example, the radical terraces make it possible to fight against erosion, which is important in Rwanda because of strong frequent rains on steeply sloping grounds. But simultaneously, they increase the agricultural productivity and place fodder at the disposal of the cattle.
- The impacts also vary depending on the type of projects. In fact, a project on cow breeding does not have the same, breeding projects were observed to affect 5 to 6 households, whilst projects of health centers often impacted on over 3, 000 beneficiaries.
- Lastly, the impact generally differs according to whether the project relates to one or more villages.

Saying that, let us see initially the needs that the projects were supposed to satisfy, before coming back to the impact.

Table 10: VUP's beneficiaries initial needs

Improve my production	22	36.6%
Improve my living conditions	11	18.33%
Nourish my family	10	16.6%
Build a house	7	11.67%
Earn money	6	10.00%
Others	4	6.6%
TOTAL	60	100

Source: OSSREA, 2010

1) Improve my production

Depending on which project is being implemented, VUP has remarkably impacted on productivity especially in the agriculture and livestock sectors where the basic needs were covered so that the products resulting and fertilizer were availed and reinvested to raise the productivity moving from basic survival activities to market oriented production. These also apply to infrastructure related projects whereby the construction of roads, for example encouraged people to produce more as new markets were opened to them. The results in terms of productivity can be measured together with the income being the final outcome as represented below.

2) Improve my living condition

Below are tables giving a clear picture of how VUP has positively impacted on some key factors of human living conditions like:

- **Capacity to buy clothes for the family:**

Table 11: Capacity to buy clothes

	Before the project	Since the project
No	42.10%	1.72%
Little	47.37%	13.79%
Fairly	10.53%	50.00%
Well	0%	34.48%
TOTAL	100%	100%

Source: OSSREA, 2010

▪ **Capacity to pay school expenses**

	Before the project	Since the project
No	61.22%	12.50%
Little	38.78%	10.42%
Fairly	0%	43.75%
Well	0%	33.33%
TOTAL	100%	100%

Source: OSSREA, 2010

Concerning the capacity to pay the school expenses, it is worth to know that 100% of households expressed initially a very low (“No” or “Little”) capacity to face such expenses, whilst 77.08% declare their ability to do it thanks to VUP project.

▪ **Capacity to pay expenses**

Table 12: Capacity to pay medical expenses

	Before the project	Since the project
No	63.80%	7.14%
Little	31.03%	7.14%
Fairly	3.45%	25.00%
Well	1.72%	60.71%
TOTAL	100%	100%

Source: OSSREA, 2010

The same is to be noticed for health expenses: 94.83% at the start: “No” or “Little” versus 83.71% who said “Fairly” and “Well” since the project. The above table show a remarkable increase in various variables of living conditions enabling people not only to think and work to satisfy basic needs but also to reach the set development targets.

3) Capacity nourish the family

Table 13: Capacity to nourish the family

Capacity to nourish the family		
	Before the project	Since the project
No	44.07%	0%
Little	52.54%	59.32%
Fairly	3.39%	59.32%
Well	0%	30.51%
TOTAL	100%	100%

Source: OSSREA, 2010

Whereas food security has become a serious issue in Rwanda, we can see from the figures presented above that the impact of VUP on the households is extremely significant: whilst 96.61% were not able to properly nourish their family before the program started, 89.93% of households now declare to have a fair or good capacity to respond to being food secure. These results are quite satisfactory.

4) Ability to renovate the house

Table 14: Ability to renovate the house

	Before the project	Since the project
No	81.48%	18.87 %
Little	18.5%	16.98%
Fairly	0%	30.19%
Well	0%	33.96%
TOTAL	100%	100%

Source: OSSREA, 2010

5) Level of revenue (Earn money)

Following the project, did your incomes improve?

Table 15: Level of revenue

Yes, they have	57	95.00%
No, they are stable	2	3.33%
No, they have decreased	1	1.67%
TOTAL	60	100%

Source: OSSREA, 2010

Based on the information from the table above, we can see that 95% confirm that their income had improved, within that; about 71% considered that their income had doubled and 22% consider that their income had more than tripled.

6) Sustainability

It measures whether the benefits of an activity or set of activities are likely to continue after funding has been withdrawn. The potential sustainability of VUP realization recovers two major questions:

- i. The way in which the recipients themselves perceive the possible sustainability of their actions and;
- ii. The confrontation between this perception and probable reality.

The sustainability of VUP relies on the following realities:

Table 16: Factors justifying the sustainability of VUP realization (Community projects)

	Number	%
Determination of the population, ownership, commitment to maintenance	21	17.5
Community work, associative controls, community of maintenance, breeding associations	20	16.6
Community project, priority of the population, good understanding, solidarity	13	10.8
The project meets the daily needs	9	7.5
Existence of school infrastructure, schooling	8	6.6Ac
Accelerated & improved production	4	3.3
Benefits to be reinvested	4	3.3

Support of the local authorities	4	3.3
Good management	15	12.5
Other	18	15
No response	18	15
TOTAL	120	100

Source: OSSREA, 2010

It is worth mentioning that VUP has created awareness of the importance to fight against poverty and it served as a starting point leading the population mostly pro-poor to benefit from other development programs such as cooperatives, access to micro-finances services, one cow per family program, small business, etc. Apart from this general aspect, is the opinion of the beneficiaries?

Table 17: Reasons given by the community justifying the sustainability

Do you think the improvements obtained are likely to last?	
Yes	98.21%
Why?	
<ul style="list-style-type: none"> ▪ The project made it possible to reinforce the Community bonds 	
<ul style="list-style-type: none"> ▪ The Community has been able to put in place a structure of management which makes it possible to solve the problems of long-term maintenance 	
<ul style="list-style-type: none"> ▪ The project made it possible to reinforce the confidence of the villagers in themselves 	
<ul style="list-style-type: none"> ▪ The community knows today how to work out a project 	

<ul style="list-style-type: none"> ▪ The project has generated a multiplier effect

Source: OSSREA, 2010

Table 18: VUP results contributing to sustainability

Thanks to my cattle	40	66.67
Because my ground produces more	36	60.00
Because I will reinvest in my development	34	56.67
Because my business is well developing	28	46.66
Because I have the capacity of it	28	46.66
Other	7	11.67

Source: OSSREA, 2010

Before concluding this part of sustainability some specific examples can serve to give a more realistic overview. Several interesting examples of reinvestments of benefits resulting from agricultural projects are announced within the framework of the VUP program 2010-2011, for example the plantation of 26.000 pineapples in the village of Rugayantele (an example of a Community project to be done under VUP). The first harvest brought back 105.000 RfW, which were immediately reinvested in 378 coffee trees and 5.000 squares meters of cassava plot. In addition, the community has been able to pay the health insurance scheme commonly called

“Mutuelle de Sante” for three households and by the end of 2009 each household was expected to be able to pay the health insurance enrolments for two members.

On top of these micro level sustainable indicators, we can mention certain macro-level inputs to VUP sustainability:

- The Institutionalization of VUP: It started as a project exploring how culture values can serve for poverty eradication, which the pilot phase proved to be possible. The two next phases of the use of VUP at national level bared fruits leading to its full institutionalization not as a project but a national program to which the Government of Rwanda has allocated human and financial resources and is encouraging Development Partners to invest in as well.
- The consideration of VUP as part of EDPRS (2008-2012): As one of its flagship program, this ensures that at least up to 2012, this strategy will be fully used as a key program for poverty eradication.
- The Awarding of VUP by the United Nations: By giving the Service delivery Award in 2010. VUP has entered the record of best practices in poverty eradication for the rest of the world. The dissemination of the VUP experience beyond Rwandan border constitutes a source of inspiration for the short and long term. But also it stimulates all stakeholders to value the results and pursue this process.
- Last year, Rwanda concluded its Presidential elections and as part of the current leadership manifesto appears the commitment to fight against poverty using VUP among the key instruments. Therefore, for the 2010-2017 Presidential term, VUP remains on the agenda in terms of poverty eradication in Rwanda.

Finally, let go back to the backbone of this study by asking ourselves is VUP, as a home grown initiative adopted by the Government of Rwanda (GoR) efficiently contribute to poverty

eradication in Rwanda? One of the most significant answers is the fact that beneficiaries at a portion of more than 96% estimate that they are less poor today than before the program started (GoR project), thus significantly confirming the statement from “ EDPRS Poverty Analysis of VUP” that this program appreciably empowers the poor.

According to the same survey, some questions have been asked to a sample identified by the team on the ground in order to assess the efficiency of the VUP in the poverty eradication, which was the main objective of the program.

To the question, how do you consider yourself today in terms of poverty?

Table 19: Poverty level assessment

Poorer	1.69%
At the same level of poverty	1.69%
Less poor	96.61%
TOTAL	100%

Source OSSREA, 2010

What was your level of poverty before the project? And how would you estimate your current level of poverty today?

Table 20: Progress made in poverty eradication

	Before the project		Today	
	Number	%	Number	%
Abject poverty (Umutindi)	3	2.88	3	2.50

nyakujya)				
Very poor (Umutindi)	15	14.42	7	5.83
Poor (Umukene)	52	50.00	33	27.50
Resourceful poor (Umukene wifashije)	32	30.77	54	45.00
Food rich (Umukungu)	2	1.92	5	4.17
TOTAL	104	100	120	100

Source: OSSREA, 2010

Based on the information above, the first observation here is that the number of people in “abject poverty”, however very weak, does not fall. The second observation relates to the fact that despite the categories of “poor” and “resourceful poor” taken together did not significantly decrease (from 80.77% to 72.5%). The number of the poor significantly decreases from 50% to 27% and the shift from a lower category of poverty to a higher category of “richness” is obvious.

Before concluding this study, let assess the volume of impact of VUP as a Rwandan home grown initiative, which has served as our case study. If considering in a very careful way that each of the 23,298 VUP projects within the Community funded would only have directly benefit to 10 final recipient households, which an average of 5 people per household, the full number of final recipient only for the community project would nearly reach 1,165,000 people. The same

calculation carried out for the 31,759 households supported under the VUP, with an average of 5 people per household, would still add about 160,000 final recipients on the already mentioned 1.2 million. We should also add about 50,000 people trained on VUP issue till 2008, thus reaching an overall total close to 1.4 million direct beneficiaries. It is, therefore, not hazardous to estimate that probably at least 20% of the population of Rwanda has benefited from the program, when including indirect beneficiaries, which are of course difficult to estimate into the scope. By taking into account the budget spent by DFID and EU for VUP (23,338,888,63) the investment would represent the equivalent of 16 per final direct recipient. Talking of poverty reduction for the period under consideration in this paper, we can conclude that *VUP* has emerged as one of the pro-poor approach bearings direct and promising results. Therefore, homegrown initiatives are efficient tools for poverty eradication if valued and properly used.

Thus, most of the majority of the people questioned during the survey and who represented our sample, believe that the projects under the VUP are actually responding to one of their priorities, the exceptionally high relevance of the VUP programme towards beneficiaries needs is demonstrated. However, the process has also been a learning-by-doing exercise during which challenges were also faced and overcome accordingly. We can here mention some of them:

- The reluctance of Development Partners (DPs) to support this process: Only DFID and EU (during the pilot phase) have funded this process when other poverty eradication projects or programmes benefit from diverse funding. Currently, the EU funding came to an end in 2011; we do hope that with the positive mid-term evaluation of the programme, DPs will join DFID in this important activity.
- The inefficiency of the financial procedures during the first phase, which were too

administrative, long and not appropriate to such framework when transparency should go with simplification and rapidity of services delivery.

- Insufficiency of enough resource at Common Development Fund (CDF) level to monitor all households and community projects. The role of coordinating committees and local governments' entities was quite relevant. Nevertheless, we have registered some recent positive development on this issue, notably through the pressure of "*Imihigo*" (Performance contracts signed on annual basis between mayors and President of the Republic) regular evaluations, but also through different M&E initiatives in the field of the VUP or inside the CDF.
- Lack of regular reports on the implementation process: there is no decentralization without a top-down chain command and a bottom-up feedback of information. It is thus crucial to install a mechanism of effective transfer of information at all administrative levels of the country. There are certainly many handicaps to the implementation of such a system, in particular the lack of basic technical means. Indeed, how is it possible to imagine that the villages and Sectors would be able to regularly transmit relevant information to the higher administrative levels, when the majority of the villages and many headquarters of Sectors neither have electricity, nor fixed telephones, or any computers? Special effort must be undertaken in the years to come to overcome this bottleneck in terms of the flow of information. It is also a question of building the confidence of the financial partners in the development actions undertaken by the State and the local governments.
- Some beneficiaries criticized the high involvement of local leaders in choosing the projects to be funded under VUP especially at community level, which caused less

ownership by the people impacting on the proper maintenance of the set infrastructure.

- VUP is less popular in developed parts of urban areas where a lot of activities are taking place and people have different interests. Special attention should be paid for these areas whereby sometimes only community projects could be implemented through public participation and community empowerment mechanisms.
- The lack of performance indicators, impact assessments and related lessons learned: Any decentralization supposes the devolution of competences, which cannot be implemented without performance indicators and the replication of lessons learned into the programming process of new projects and programmes.

Given the extent of rural poverty in Rwanda, despite the existence of complementary programmes to “VUP”, Ubudehe or “One cow, one family”, it is essential to maximize the effort. Expectations from the poor remain high and rarely are there programmes or projects that can boast such success at the field level.

More than the “ EDPRS Poverty analysis of VUP”, a survey done in 2010 with all the indicators that we have used for the present assessment have improved. Empowering the poor is the ultimate goal in poverty eradication and this programme has managed to reach it without long and delaying administrative procedures and high level of expertise. Therefore, the values anchored in a society can be considered as cost efficient and sustainable mechanisms for poverty eradication.

As a conclusion, we would like to emphasize that *VUP* is one of the biggest achievements Rwanda registered over the past years. VUP has won the prestigious UN public Service Award due to the participation and ownership of millions of citizens and the strong support of the

Authorities of Rwanda for poverty alleviation. As such, the price that was awarded seems totally justified. This success was no coincidence, but the results of work, often unique, made by all programme stakeholders, led by the Government of Rwanda and the constant support provided by its Development Partners especially DFID and EU.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1. Introduction

We are coming to the end of an analysis of poverty eradication and all the mechanisms used with more focus on home grown initiative learning from “*Vision 2020 Umurenge Programme (VUP)*” as case study. This study gives a global view on the definition and causes of poverty, its measurements and the various forms of approaches development stakeholders put in place in fighting against poverty. It assesses various tools used in poverty eradication bringing in home grown initiatives as one fundamental opportunity to be properly exploited. Our “VUP” case study shows the potentialities communities through participative actions offer in the fight against poverty. This helps in creating awareness about the devastating consequences of poverty and the existing weapons the community and its members predispose to free themselves from poverty chains. From that point of view, poverty becomes an issue not only for the United Nations, international organizations or states but everyone owns the problems and is equipped to play an active role in fighting against poverty.

6.2. Summary of the main findings

This report shows various results but in a nutshell, the following can be mentioned:

- As we initially said, that despite all the efforts to get a standard definition, the term “poverty” is differently defined depending on situations and needs. Home grown initiatives help people to define “poverty” in their own context, identify its causes, draw a map of the people most affected by poverty who need immediate attention and lay strategies required to surmount poverty. This helps in converting poverty eradication from theories to the reality and is practical in dealing with it.
- Home grown initiatives help to tackle poverty directly, taking resources from providers to the people in needs without incurring a lot of transactions costs but having concrete

impact for the populations. Thus, home grown initiatives address directly the needs of people affected by poverty. This can be illustrated by the case of VUP assessment conducted by the RLDSF and which shows that 99, 10% confirm that community projects funded through VUP were a priority for the social & economic development of their village. On the other side, the evaluation shows that 73.96% of poor people in Rwanda benefit from VUP. Therefore both in terms of targeting the real needs and extending largely the benefits, this form of home grown initiatives has been efficient.

- Home grown initiatives facilitate a notable culture change in terms of a sprit of entrepreneurship and financial sustainability. It therefore enriches not only financially but also in terms of mindset change whereby beneficiaries cease to believe that solutions will come from far away but start looking deeply within the boundaries of their communities, find opportunities where external support can properly used for their own development. This is also experimental in many countries where cultural based rotating saving schemes created self-employment civilization and plans beyond daily survival but longer-term investment and productivity.
- Home grown initiatives build concurrently social values and economic values. By empowering head of families, children can get resources to go to school and get medical care, etc. Again, the fact of bringing people together for a constructive enterprise, space for social conflicts is reduced thus building social cohesion. In the specific case of Rwanda with the 1994 Genocide of 1994, which saw the Rwanda's socio-cultural capital destroyed, the adoption of VUP has been a significant factor of reinforcement of social cohesion. This said in a post conflict country like Rwanda, gives a lot of credit to VUP.
- The use of home grown initiatives in poverty eradication help in increasing people's revenue. Thus the impact on the purchasing power, which is a key, variable in economic

growth. Therefore, home grown initiatives, by empowering the poor, facilitate economic growth and equity. Out of the 60 households used a sample for the evaluation of VUP conducted by the RLDSF, we can come up with the conclusion that 95% of the beneficiaries confirmed, that VUP improved their revenues, therefore allowing them to acquire additional assets or investing in various profit making activities contributing in building their local economy.

6.3. Conclusion

Poverty eradication is not only a need but also a profitable enterprise if beneficiaries are invited to the decision making table. These beneficiaries can be government, which get budget support or citizens for whom pro-poor projects are drafted and funded. Coupling macro level interventions with micro level support to community initiatives creates a balance between economic growth and equity. Many countries have made remarkable progress in economic growth but much less in poverty eradication, this makes the investment quite vulnerable as few resources can not fit all and the poor deprive the community from their purchasing power as they do not have money, their skills, which were not developed or their physical capacities which lacked medical care, etc.

Rwanda has been using a dual system of macro and micro interventions especially by implementing cultural based pro-poor initiatives to accelerate the reduction of poverty. VUP, which is one among them, is as a system of intra-community co-operation based on collective actions. The context analysis shows that VUP, through the four years of its implementation at community level, has raised people's livelihood, at least 20% of Rwandan population has benefited from the program, which has helped them to upgrade from one socio-economic category to the other. Therefore, there is particular high relevance of the VUP program towards beneficiary's needs but also towards the attainment of national goals set in EDPRS, the national

Vision 2020 and the Millennium Development Goals priorities, which are all guiding reform initiatives being undertaken by the Government of Rwanda (GoR).

Developing countries see a sort of mismatch between culture and new models of economics and governance whereas this should not be the case because the two should be interrelated. The most important thing is to create a socio-economic revolution, which allows cultural values to be processed and give inputs in national development. Governments, communities and their development partners should create an enabling environment for these models to work. Economic and political stability as well as prosperity can efficiently be attained after this transaction (Umeasiegbu, p.2). Nevertheless, a governance structure, which is self confident in the cultural values and is committed to build on them to pave the ground for prosperity is of paramount important in this process. In the specific case of Rwanda, we should emphasize that the political will and leadership commitment have facilitated in making VUP a success story in poverty eradication. Thus, the following table captures the essence of the refection:

Table 21: Summary of concepts/theories of poverty eradication translated into home grown initiatives of poverty eradication through VUP in Rwanda

Concept/Theory	Home grown initiatives	Vision 2020 Umurenge Programme
Internationally recognized Poverty Eradication Strategies	Internationally Poverty Reduction Strategies Papers (PRSPs) developed by different countries for fighting against poverty	VUP, one of the flagship programmes of the Economic Development and Poverty Reduction Strategy (EDPRS): An integrated Local Development Program

Concept/Theory	Home grown initiatives	Vision 2020 Umurenge Programme
		adopted by the Rwanda in order to accelerate poverty eradication, rural growth, and social protection.
Adoption of Millennium Development Goals (MDGs) by developing countries for fighting against poverty	Localizing the MDGs into local context	Aligning the existing MDGs goals and targets to local context by reflecting a participatory processes, which can build awareness among local authorities and stakeholders and demonstrate how MDGs are linked to their own objectives and priorities.
Internationally recognized aid modalities mostly driven by donors/development partners	Preferred aid modalities by recipients countries based on their national systems	General Budget Support (GBS), Sector Budget Support (SBS), and Sector/Program Support according to the Aid Policy of Rwanda
Pro-poor programmes internationally recognized	National programmes taking roots in community' s values and culture	Specific strategies aiming at local economic development through various infrastructure development projects, market development strategies and the implementation of pro-poor

Concept/Theory	Home grown initiatives	Vision 2020 Umurenge Programme
		projects: (i) Public Work; (ii) Direct Support; and (iii) Credit Packages

Source: made by author based on different government official papers

We can then conclude by saying that while experts are in the field finding ways to fight poverty, leaders should work hand in hand with them and with the participation of the population in order to make sure that countries develop their unique form of poverty, which is participatory and result oriented. Both modern mechanisms and home grown initiatives need to be readjusted and converted into mechanisms, which fit into country context and the modernization agenda.

The VUP is well summarized by the following quote:

“It is about a commitment to help create conditions, which can lead to a significant empowerment of those who at present have little control over the forces that condition their lives”(Quote taken from “Who change? Institutional Participation in Development”, by James Blackburn & Jeremy Holland.)

6.4. Recommendations

As initially mentioned, this study wishes to contribute to the debate on poverty eradication by analyzing what is commonly done worldwide and what individual through community development can offer. We can now say that the debate of poverty alleviation does not belong to governments and international organizations only but it is first and foremost a major concern for the poor who would give everything he/she can to get out of it. This attitude should motivate policy markers to find solutions with and within communities and associate them to other macro levels strategies. To fight poverty efficiently using home grown initiatives, we do recommend the

following:

1. It is crucial to use dual mechanisms in poverty eradication with macroeconomic intervention for economic growth but also micro level support based on community values. The use of only one create imbalance, thus inequity and fragility of the economic system.
2. Values imbedded in the communities should be considered as valuable assets for poverty eradication, inclusive economic growth and equity. National decision makers should therefore value uniqueness of their society and invest in that for sustainable development
3. In line with the Paris Declaration and the Accra Agenda for Action (AAA), donors agencies should seize properly the alignment principles by considering the values of the countries or communities they to cooperate with and accept to work with them in order to develop cost efficient and sustainable means for development. This will ease the connection between the expertise and financial support they are bringing and the needs as well as the capabilities of the beneficiaries hence allowing ownership for the partner country and aid effectiveness for the donor agency.
4. Home grown initiatives need to be equipped with single but efficient mechanisms for planning, monitoring and evaluations to assess their contribution and help the stakeholders to value their efforts, appreciate achievements and learn from failure or mistakes where they occur. This must include the establishment of an appropriate database in order to best inform the government, all time and ministries and local governments on the exact development and impact of home grown initiatives implemented in specific areas.
5. As in the case of Rwanda, the successful implementation of poverty eradication related home grown initiatives requires the existence of a permanent institution in charge of the

coordination of this important initiative and which will offer the required technical assistance especially in planning, financial management, monitoring and evaluation. This support should be offered along with local leaders support to the beneficiaries as far as the support does not of course take away the ownership of the community in this process.

6. Home grown initiatives requires multi stakeholders involvement in the sense that all actors within communities are sensitized not only to understand the concept but also to work with direct beneficiaries to ensure smooth implementation of the programme. We can illustrate this with the case of Rwanda where “Banque Populaire du Rwanda (BPR)” offered its service to facilitate the transfer of money to beneficiaries, existing cooperatives received VUP beneficiaries as members, health medical insurance organizations facilitated them to pay their premium in installment, local government helped them in getting appropriate seeds for agriculture related projects, etc. This joint action ensured efficiency of the process, which could not be possible with funds provision only. That is why implementation of home grown initiatives should be preceded by asset mapping in order to see how every asset can contribute in making the process effective and sustainable.
7. Home grown initiatives require a high level of integrity and clear mechanisms of accountability to ensure that the resources invested in communities are suitably used. At this stage, the role of the leadership is quite relevant in terms of creating an enabling environment to restore social trust, build a development oriented mindset and accompany by the home grown initiatives as multi stakeholder.

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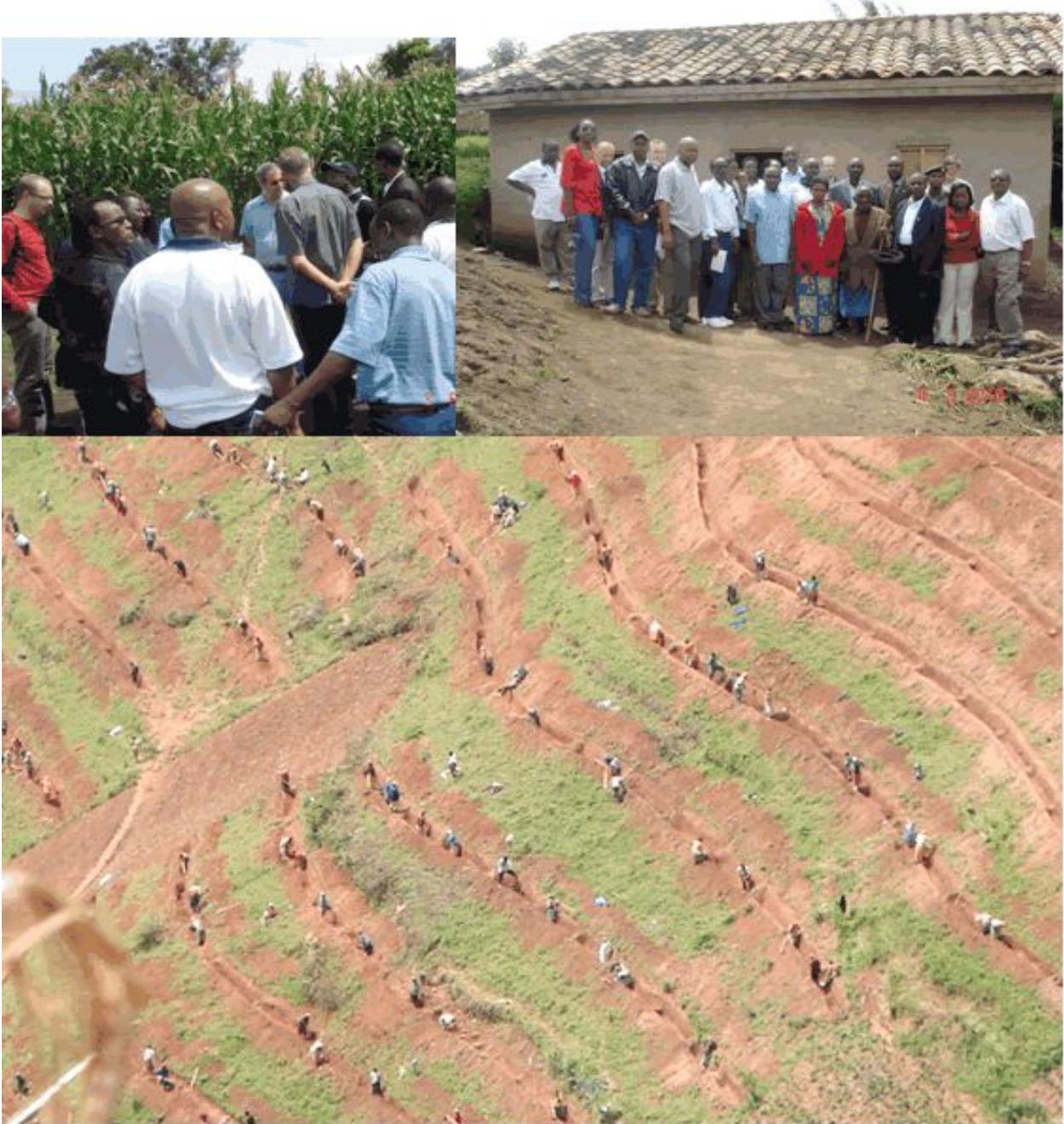
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APPENDICES

Appendix 1: Example of Public Work (VUP components of poverty eradication)



Source: Ministry of Local Government, example of Public Work (One of the VUP component)

Appendix 2: Example of Direct Support (VUP components of poverty eradication)



Source: Ministry of Local Government (MINALOC): Cow husbandry has increased agriculture production