

**MINISTRY OF PUBLIC SERVICE AND LABOUR
MINISTRY OF FINANCE AND ECONOMIC PLANNING**



Result Based Performance Management (RBM) Policy for Rwanda Public Service

August, 2015

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Executive Summary

This document sets out the policies for implementing results based performance management in the Rwandan Public Service based on the Results Based Management (RBM) concept. RBM is a modern management strategy which compels actors in an institutional context to direct their efforts towards achieving a common set of results. In the context of Rwanda, this should maximise the value of services delivered by the public service to citizens. This document sets out the rationale and guiding principles as well as the rules for implementing this policy within public institutions in Rwanda.

Performance management is not new in the Rwanda public service. Indeed, over the past decade Government has engaged in numerous efforts to strengthen the performance-orientation of the Public Service so that it can be effective and efficient in its role of delivering public services. Perhaps the most significant and successful of these efforts have been the introduction and implementation, since 2006, of the *Imihigo* - a performance based and accountability mechanism, and the introduction of performance based budget reforms – the sector wide approaches and results based budgeting, to complement the *Imihigo*.

While these efforts have been broadly successful, they have not been sufficiently deep or gone far enough. Government has been concerned that the focus on high level results within Institutions and for Public servants is not sufficiently strong to drive its efforts to deliver commitments under the EDPRS in a timely manner. Indeed, a key resolution of the 2014 Leadership Retreat was to strengthen the outcome rather than output focus of individual and institutional *Imihigo*. Performance reforms have also not spread to all service sectors and Institutions (for example the *Imihigo* are yet to be implemented among the Judiciary, Medical Workers and Teachers) and where they have been implemented, they are not sufficiently coordinated within and across Institutions to achieve an integrated outcome.

The Policy is therefore required to provide for an integrated framework for results based performance management across all Public service which will comprehensively address gaps inherent in the current performance systems, strengthen the focus on high level outcomes within Institutions, and promote greater coordination of Government's efforts towards its development commitments under the EDPRS II or any subsequent development strategies.

In this regard, the objective of the Policy has been selected as **to introduce and operationalise RBM as a result based performance management practice to the Rwandan Public Service in order to promote greater efficiency and effectiveness in services enabling the Government to meet timely policy commitments and targets in its National development strategy.**

The policy is founded on key RBM principles including accountability, ownership, inclusiveness, evidence based learning, transparency and entrenchment of a culture for results. In design, the policy has also built on the successes and good practices resulting from past efforts of Government in performance management.

In light of the impediments to performance management that have been cited earlier, a key requirement of the policy is to compel all Public institutions across all service sectors (Executive, Judiciary, and Legislature) to implement result based performance management within their operations consistent with the RBM principles set out in this document. Other policy actions have been selected to focus on institutionalising result oriented practices within Public institutions in a form that will promote an integrated and coordination approach to performance management. These include (i) a review and adoption of a comprehensive legal framework for result based performance management, (ii) streamlining the national planning and budgeting processes to integrate result based performance management principles, (iii) introducing rules for training that will target performance gaps of employees in the context of this policy so that capacity development plans

compliment performance management systems, and (iv) reviewing and aligning ICT systems for personnel management, budgeting and M&E to support the performance management system.

Linking annual plans of Institutions to policy priorities and outcomes obtained from the national development strategy and other policy dialogue fora and other sources of policy guidance is critical for result based performance management in Rwanda. This has been emphasised. In addition, the policy has provided for stronger rules for cascading results in institutional action plans down to programmes, sub-programmes and to individuals. Outputs and activities will be prioritized in accordance with the impact they are expected to have on the high level results (Level I, Level II and Level III) with high level impact starting from Level I through Level III. Prioritisation will ensure that individuals provide more attention to actions that will have the highest impact on results of institutions and ultimately, on national level outcomes. This approach is also expected to lead to greater alignment between outcomes of individual performance evaluations at the end of the year and those of their institutions.

The policy has also introduced a continuous process of engagement between an employee and his/her line manager in relation to executing the employee's performance contract (*Imihigo*). A points system will be used to instantly recognise efforts of individuals as they deliver results assigned to them. Moreover, timeliness will be a key element in this point system; results will need to be delivered on a timely basis in accordance with targets set in individuals' performance contracts. Annual evaluation of performance contracts (*Imihigo*) of individuals will hence be based on points gained cumulatively by each individual over the period of execution of his/her contract. Accordingly, employees, and their managers will be compelled to continuously focus on executing performance contracts throughout the period.

A mid-year review of institutional and individual action plans has been introduced. This process will allow institutions, and individuals together with their supervisors, to review progress in the implementation of their action plans, to consider adjustments in order to accommodate changes that will be necessary to improve execution of these plans or take on new assignments. This mid-year review will take place at the same time as, and will be designed to complement the mid-year budget revision. Accordingly, the policy states that the Ministry responsible for national planning in collaboration with the Ministry responsible for Public Service will guide the process. Revised action plans will be cleared by the Ministry responsible for national planning and will accordingly form the basis for revised performance contracts.

1. Introduction

The Government of Rwanda has adopted the Results Based Management approach as a policy. This document sets out the rationale and guiding principles as well as the rules for the implementation of this policy within Public institutions in Rwanda. This document has been developed through a widely consultative process led by the Ministry of Public Service and Labour (MIFOTRA) and the Ministry of Finance and Economic Planning. Key factors guiding the development of this policy include the alignment with other policies and laws governing the Rwanda public service, and the integration with existing institutional processes and systems, in particular in the area of planning and budgeting.

Section 1 introduces the policy. Section 2 sets out the background leading to the adoption of RBM. The problem statement is presented in section 3 followed by a statement of the objective of the policy in section 4 and, Scope of the Policy in Section 5, fundamental principles on which the policy is built in section 6. Section 7 lays out National Planning, Monitoring and Evaluation Framework and Actions which are vital for implementing RBM within institutions. Section 8 enumerates the key policy actions for institutions that are to be carried out to address the problem issues in section 3 as the Government implements the policy. This is followed by identification in Section 9 of key processes and systems that will need to be reviewed to enable proper institutionalisation of RBM. Finally, an elaboration of management and oversight arrangements for the policy is provided in Section 10 while the Implementation Strategy and Plan is indicated in Section 11.

2. Background

Rwanda has set its target to become a middle income economy by the year 2020 under its Vision 2020. The Government of Rwanda (GOR) is also implementing a second phase of the Economic Development and Poverty Reduction Strategy (EDPRS), a medium term framework for the implementation of its development aspirations under this Vision 2020. Achieving the medium term goals within the EDPRS will provide the assurance needed that Rwanda's long term objectives under the Vision 2020 will be attained.

Box 1: Goals of the Vision 2020 and the EDPRS

Rwanda's Vision 2020

The Vision presents a framework and key priorities for Rwanda's development and a guiding tool for the future. It aims to transform Rwanda into a middle-income country by the year 2020 with a per capita income of US\$1,240, reduced poverty rates to 20% and an average life expectancy of 66 years (from 49 years in 2000)¹.

Rwanda's Economic Development and Poverty Reduction Strategy (EDPRS) phase II

The EDPRS II is the medium-term framework guiding Government's programs towards its long-term development agenda under the Vision 2020. Building on the EDPRS I (2008 to 2012), the main aim of the EDPRS II is to further improve the quality of life for the people of Rwanda through four thematic pillars; (i) Economic Transformation, (ii) Rural Development, (iii) Productivity and Youth Employment and (iv) Accountable Governance. Some of the key targets of the EDPRS II include: increasing off-farm jobs from 1.4m (2010/11) to 2m, improving service delivery to ensure citizens satisfaction levels of 80%., reducing infant mortality from 50 (in 2010) to 22 per 1,000, improving quality of education with a pupil to teacher ratio from 62 to 48 for primary education, and increasing access to basic infrastructure through among others upgrading class 2 to gravel roads from 71.6km (in 2012) to 2550km².

¹ Refer to Rwanda Vision 2020, revised in 2012

² Refer to EDPRS 2013-2018, abridged version, May 2013

Government has identified that an effective and efficient public service, and one that is performance-oriented is central to the implementation of its national development objectives³. In this regard, GoR has engaged in numerous efforts to improve performance in the public service over the past decade. Earlier efforts are traceable to the Rwanda's Civil service reform programme commissioned in 2002. However, the successful introduction and implementation, since 2006, of the *Imihigo* - a performance based and accountability mechanism, in Local Governments, and later in Central Government Institutions, has been the most fundamental effort in instilling performance practices within the public services. These efforts were also later supplemented by performance based budget reforms – the sector wide approaches and results based budgeting, which emphasise the use of results of services in planning and as a basis for allocating resources within sectors and public institutions. The EDPRS II (2013-18), by including measures for accountable governance for all public institutions, strongly backs these efforts. Finally, the specific resolutions⁴ adopted at The National Leadership Retreat in March 2014 further demonstrate Government's resolve to implement performance based practices across the public service. Key of these are:

- **(Resolution 16)** To improve preparation of institutional performance contracts so that they are outcome-based rather than output-based.
- **(Resolution 20)** To improve the preparation and evaluation of individual performance contracts in public institutions so that evaluation is based on the contribution of each civil servant to the overall mandate of the institution.

3. Problem Statement

While efforts to introduce performance oriented practices that are enumerated in the above section have been broadly successful, they have not gone sufficiently far and have not been deep enough. As a result, they have been limited in generating a coordinated impact that is necessary to achieve the objectives for a performance oriented public service;

- a. The current *Imihigo* practices have resulted in narrowing the focus of institutions on results for which they are accountable under these performance contracts. This has created a gap in attention and accountability for key strategic results at national level that may not be apportioned to a single institution but which have greater impact on the transformational agenda of Rwanda
- b. The *Imihigo* itself has been in practice activity based with limited focus on outputs and institutional outcomes and limited linkage with national goals.
- c. On the legal framework for performance management, various pieces of legislation have been in place - prominently, the General Statutes for the Rwanda Public Service, the Prime Minister's Order on Performance Appraisal and other Prime Minister's Orders gazetting the mandates and structures of public institutions. However, these have not been sufficiently comprehensive to facilitate the implementation of an integrated performance management framework desired for Rwanda for not covering all Government Sectors;
- d. Whereas all sectors have strategic plans, at institutional level, not all Ministries or institutions have put in place well-articulated strategic frameworks that link each

³ For the purpose of this policy, the National Development Strategy refers collectively to policy commitments under the Vision statement, the EDPRS II or its successors, resolutions and statements adopted through policy fora including National Leadership Retreat and National Dialogue Council.

⁴ 11th Leadership Retreat Resolutions, March 08-10, 2014

institution's objectives and strategies with operational plans, activities and performance measures;

- e. On the national planning and budgeting cycle, while it provides a good opportunity to operationalise an integrated performance management framework – particularly in linking efforts of individual to institutional performance commitments, this has not been fully reformed to support this goal
- f. On integration, the link between institutional annual action plans and the individual *Imihigo* remains weak. This has limited the ability of staff efforts to drive the achievement of institutional goals and ultimately the attainment of the strategic National goals. As a result, major variances between results of staff and institutional performance assessments have been common.
- g. During evaluation, methods used for assessing individual *Imihigo* on both functional and behavioural factors remain considerably subjective limiting the ability to accurately rate staff contributions and to encourage their participation in the performance management system.
- h. There has been incoherence in monitoring frameworks, with monitoring systems at the National, sub-National and sectoral levels being products of different initiatives. This has resulted in excessively large number of indicators and a noticeable lack of a coordinated National integrated monitoring and evaluation system
- i. In relation to capacity development for staff competences, this has not been managed in a fashion that targets gaps in staff performance. Decisions on training and capacity development are not always informed by results of assessment of past performance of individuals. In this regard, capacity building efforts are not properly integrated and do not always compliment the performance management system that is in place;
- j. With regard to systems for budgeting and for personnel management⁵, while they offer a major opportunity to facilitate performance management, they are not linked in their operations nor are they adapted to this purpose. For example, as noted earlier, the operations of *Imihigo*, a key innovation in the current performance management system, have remained largely unsupported by these systems.

These gaps have invariably limited the appraisal of Government's efforts in the implementation of its development strategy and its efforts to ensure sectors, institutions and individuals remain focused on the achieving results required. The policy is therefore necessary to introduce RBM as a performance based system across all public services in order to address these challenges. RBM is well suited to do so by, among others:

- providing a comprehensive integrated and standardised framework for result based performance within the Rwandan public service, covering sectors, all institutions and individuals;
- strengthening the link between sector, institutional and individual performance so that the individual becomes the principle driver for institutional results and institutions drive sector and national results;
- entrenching a culture for results by introducing RBM principles within operations of institutions and a mix of incentives to enforce their application;

⁵ Current systems for budget is the SmartGov IFMIS, and for personnel management is the IPPIS

- leveraging the capability of ICT systems to enforce the application of standards and rules in performance management across all institutions, increase transparency and efficiency in monitoring, performance assessment and reporting, and reduce complexity in operations that will come with the introduction of RBM.

4. Objectives of the Policy

The overriding goal is to have a public service that is result based and one that is efficient and effective in delivering its services enabling the Government to meet its policy commitments and targets as provided in its national development strategy timely.

The objective of this policy is to introduce RBM as a performance management practice to the Rwandan Public Service, to prescribe principles and rules for its operationalization within Rwanda's Public institutions in order to achieve the above goal, and to inspire other sectors (civil society and private sector) to adopt similar principles to their operations

5. Scope of the Policy

With regard to coverage of the Policy, Government will ensure that RBM is established as the single platform for performance based management across all Public service in Rwanda. This policy shall apply, at both individual and institutional levels, to all Public institutions with exception of security organs. Public institutions concerned shall be obliged to introduce and to implement result based performance management as defined within this policy.

6. Guiding Principles to the Policy

Implementing RBM will be guided by a set of fundamental principles. The principles adopted for the RBM based performance management system in the Public service in Rwanda are enumerated here below. The policy will formalize and further institutionalize their application.

- **Accountability**

In adopting RBM, the Government shall seek to strengthen accountability to its citizens and all stakeholders for the delivery of national goals and priorities as agreed in its development strategy and other national programmes through demonstrable results.

- **Ownership**

The Government will take primary responsibility and will demonstrate its leadership in the formulation and implementation of national policies and development strategies in order to achieve sustainable development. This level of ownership will also be cascaded to sectors and to all levels of Public institutions within their strategies, programs and activities.

- **Inclusiveness**

The formulation and evaluation of Government's strategies and programmes shall be conducted in an open, consultative and participatory manner with stakeholders at national and local levels as well as local communities to achieve the highest level of inclusiveness in the determination and management of Rwanda's development agenda.

- **Alignment of operations to RBM**

Individual roles, institutional structures, strategies, programs and activities will be aligned to institutional mandates and to national goals. Annual performance contracts of employees will demonstrate clear and direct relation with institutional mandates and priorities. At the same time, the linkage between annual institutional programs (results), medium term sector strategies and national priority goals will be clarified.

- **Evidence based learning**

The use of performance information shall form the basis in planning, policy formulation and decision-making. Managers at all levels will set meaningful performance expectations for their programs, measure and analyse results, learn from this evidence to adjust delivery and modify or confirm programme design, and report on the performance achieved against expectations.

- **Transparency in operations**

The process of formulating results at individual, institutional and sector levels, assessment and reporting on them shall be transparently and objectively carried out. Frameworks to be used in the formulation and assessment of results for sectors, institutions and individuals shall be based on objective criteria and which shall be clearly understood by those to whom they will be applied.

- **A culture of results**

Managing for results requires fostering an appropriate organizational culture of results. The Government will promote and demand for results within the Rwanda Public service Institutions, establish supportive systems, incentives, procedures and practices, reorient accountability systems towards results, and reward performance based on results.

7. National Planning, Monitoring and Evaluation Framework and Actions

Achieving the goals set out in Rwanda National Vision and medium term strategy will require careful planning. The purpose of planning will be to provide orderly and coordinated mechanisms for identification of national priorities and formulation of national programs across all Public institutions in order to deliver Rwanda's medium and long term development objective. The function of planning is at the centre of the results based performance management policy.

This section presents key concepts and principles for planning, monitoring and evaluation framework in the context of results based performance.

7.1. Planning, Monitoring and Evaluation guiding Principles

The principles outlined under section 6 of this policy will apply to the planning, monitoring and evaluation functions of Government. In addition, the following principles are selected because of their specific significance to the planning, monitoring and evaluation system in Rwanda.

- **Results focus**

Planning and monitoring and evaluation across all levels within Government will be driven by the need to achieve results, consistent with Results based performance management. Accordingly, plans and M&E frameworks at all levels will demonstrate the results they set out to achieve, and the strategies carefully selected to achieve these results.

- **Sustainable development**

Planning at all levels will promote sustainable development. Results for which plans are formulated at all levels will aim to be sustainable – by contributing directly to lasting impacts to the social wellbeing of Rwandans, promoting a sustainable economy and conforming to national environmental policies.

- **Realism**

The formulation of plans and monitoring and evaluation frameworks at all levels must take into account the resource (human, financial or otherwise) that are or will be available for their execution so that they are achievable within the period set for their implementation. However, this should not limit the ambition to achieve more.

- **Participation**

The formulation of plans at all levels in Central and Local Government will follow a participatory process bringing on board citizens, private sector, civil society at all levels so that priorities relevant to all stakeholders are taken into account. Monitoring and evaluation frameworks, developed through participatory process, will provide the basis for reporting on the

implementation of plans so that the stakeholders receive accountability for the implementation of each plan.

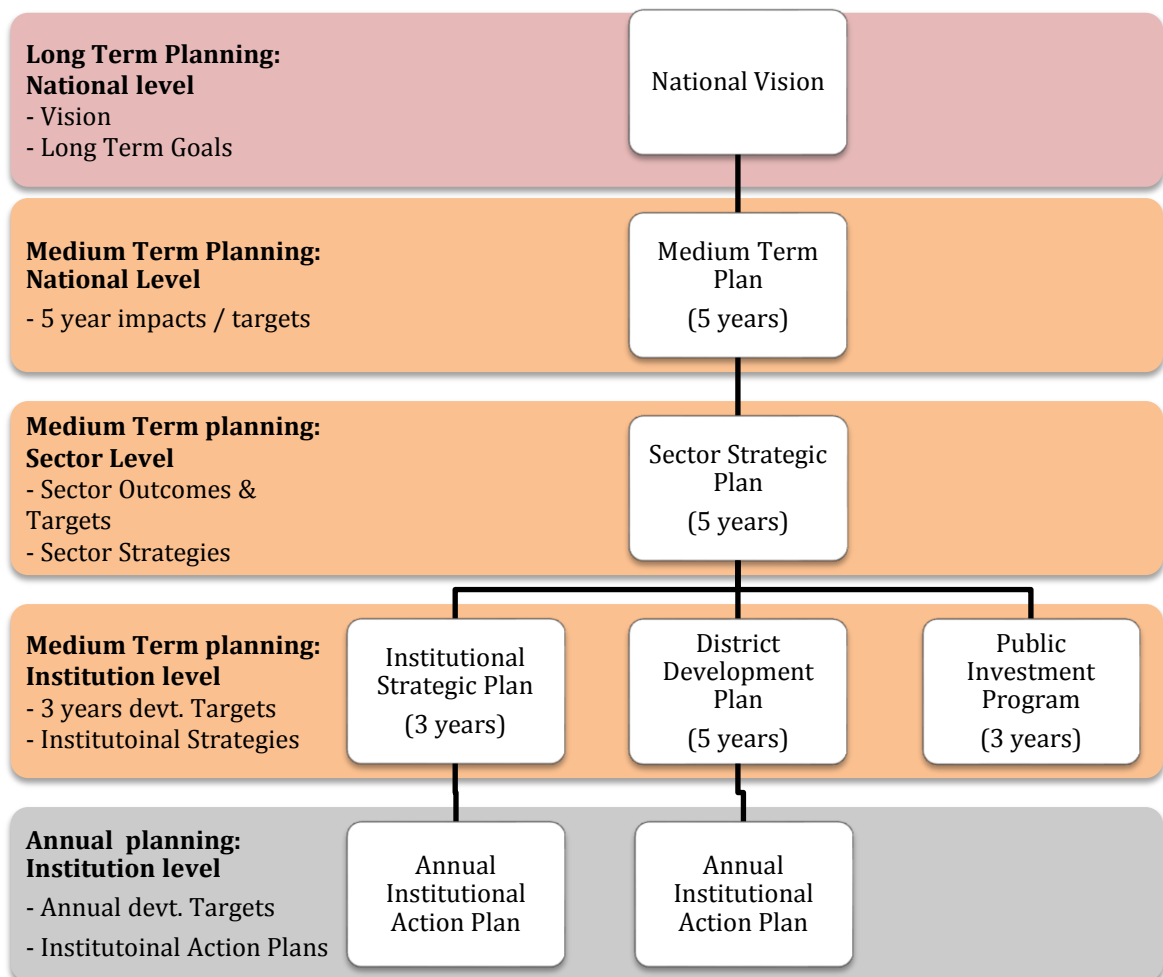
7.2. Planning Framework

The National planning framework establishes a common mechanism for coordinating planning across all Public institutions and to relate it to National development objectives. The framework also sets out the Government’s planning policies and how these are expected to be applied across Public institutions.

7.2.1. Planning system

The planning system shall follow a framework that consist of 3 levels; long term, medium term and annual planning.

The figure below depicts Rwanda’s national planning framework to which all institutions will conform:



7.2.1.1. Long Term Planning;

Long Term Planning will be used to identify strategic development goals and target goals for Rwanda over the longer term. Planning at all other levels (medium term / annual) must reflect and promote National development aspirations as set out in the long term planning. These aspirations are

expressed in these key documents; the National Vision and the Long Term Plan deriving from the political manifesto.

- **Vision**

The vision will be used to set out the long term strategic development aspirations and targets of Rwanda which the Government will aim to achieve over a long time. The vision provides the basis for the elaboration of medium term National and sectoral plans.

The process of formulating a new National vision shall commence at least 2 years prior to coming to end of the foregoing vision. It shall be led by the Ministry in charge of National Planning which shall publish a protocol to be followed in the formulation. It shall be conducted in an open and participatory manner so that the emerging National vision is owned widely by Rwandans; consultations shall involve Central and Local Government Institutions, private sector, civil society, political institutions (Parliament) and other stakeholder groups. The Vision shall be approved by Cabinet.

The long term National aspirations shall also draw inspiration from regional, Continental and Global Development aspirations among others.

7.2.1.2. Medium Term Planning;

Medium term planning translates long term goals and targets into medium term commitments so that a series of medium term plans should enable the Government of Rwanda to achieve its development objectives under the long term planning framework. Medium term plans will be expressed in 3 documents; the Medium Term Development Plan, medium term sector strategies, and 3 year institutional strategies.

- **Medium-Term Development Plan (MTDP) – 5 years**

The Medium Term Development Plan shall be the main instrument for translating the vision and the LTSP into practical implementation steps. It shall identify development priorities over a 5 years period consistent with the Vision and key strategies for their delivery. The MTDP shall also include a projection of costs for its implementation together with a monitoring and evaluation framework.

The process of formulating the MTDP shall be led by the Ministry in charge of national Planning. The Ministry shall issue a detailed protocol on how this will be conducted taking great care to ensure that (i) the process is participatory and adequately involves state, non-state institutions and political and non-political institutions, (ii) the outcome of the process is in harmony with both the national vision.

Formulating of a new MTDP shall commence at least one year prior to coming to end of the foregoing MTDP and shall be informed by performance of the foregoing MTDP and past sector strategies.

- **Sector Strategic Plan (SSP) – 5 years**

Sectors shall be defined as key functional areas of public services delivery such as; education, health, agriculture, infrastructure, justice, etc. Institutions (Ministries and Agencies) which have service delivery objectives that are related under functional areas shall be grouped⁶ to form a sector. The Ministry in charge of Planning shall regulate the classification of sectors and shall issue guidelines on their organisation and operation.

Each sector shall be required to put in place a medium term (5 years) sector strategy which shall be its main planning document . The SSP shall form a common framework for contributing

⁶ It should however be noted that a given Institution might contribute to more than one sector. E.g. The Ministry of Local Government could contribute to the Decentralization and Governance Sector as well as Social Protection.

to the MTDP by institutions that fall within the sector. Results identified within SSPs may be contributed to by more than one institution. The SSP will also be used to lay out a comprehensive strategy which involves one or more institutions within the sector, for delivering on these results, together with costs for the strategy and a sector specific monitoring framework.

The Ministry in charge of Planning shall issue detailed guidelines to sectors on the formulation of sector strategies. The process of formulating medium term and long term strategies shall be participatory – involving all sector institutions and non-state sector stakeholders.

The period of implementation of each sector strategy shall be synchronised with that of the MTDP.

- **District Development Plan (DDP) – 5 years**

DDPs are 5-year strategic plans of districts. Each district will be required to establish a DDP. DDPs shall draw from the MTDP and SSPs and shall outline district specific strategic development priorities and targets over a 5 year period aligned to the MTDP and SSPs together with strategies to achieve them and costs associated with these strategies. These should well encompass the Sectoral policy orientation or guidance, local specific challenges as well as potentialities. In their formulation, Districts shall also take account of local political commitments. Each DDP shall also include a monitoring framework.

The Ministry in charge of national Planning in collaboration with the Ministry responsible for Local Government, shall issue detailed guidelines to districts on the formulation of DDPs and, like in the case of SSPs, DDPs shall be prepared in a participatory manner involving communities, lower levels of Local Government structures, civil society, private sector and other development actors within the districts. The period of the DDP shall coincide with that of the MTDP. Accordingly, districts shall be required to renew or reformulate their DDPs as soon as a new MTDP has been approved.

- **Institutional Strategic Plan:**

Each Institution (Ministries and implementing Agencies) will prepare an Institutional Strategic Plan (ISPs) – a 3 year rolling plan aligned to the Sector Strategic Plans to which it belongs. Institutions will use their 3 years strategies to curve out results and strategies in the SSPs and to expand these into intermediate results and detailed actions within their mandate so that the plan relates more closely to their organisation.

At the start of the cycle of each sector strategy, each institution shall formulate a 3-year strategic plan, drawing from the SSP. The ISP shall be a rolling plan; each year, the institution shall review its ISP and readjust it to capture commitments in the 3 financial years that will follow. In the 4th and 5th year of SSP, the institution, in consultation with the sector, shall project results / targets beyond the end of the SSP but ensure they continue to be in harmony with policies of sectors to which an institution belongs.

The Ministry in charge of Planning shall issue to institutions guidelines on the structure and preparation of the ISPs.

- **National Investment Program (NIP)**

The National Investment Program (NIP) will lay out the investment portfolio of the Government over a 3 year period aligned to Sector Strategic Plans and the Medium Term Development Plan. Capital investment projects in the NIP will be selected in line with development objectives of the Government outlined in the SSPs and MTDP. The NIP should encompass projects under Public Investment Programme (PIP), Public Private Partnership (PPP) and joint ventures. No investment project involving Government shall be implemented outside the NIP. The Ministry in

charge of National Planning shall provide guidelines on the criteria for selecting and including investment projects in the NIP.

7.2.1.3. Annual (1 year) planning

The Government will use annual planning to translate medium term targets into annual plans so that implementation of successive annual plans will lead to the achievement of medium goals of those institutions and sectors to which they belong.

Each year, at the time prior to preparing the annual budget, each institution will prepare its annual action plan through which it will define results and targets it will set out to deliver over a period of one year. This determination shall be consistent with the institution's 3 year strategic plan.

7.2.2. National Policy Fora and other sources of Policy Guidance

Strategic policy fora shall continue to provide input to the national planning process. These include the Annual Leadership Retreat, and the National Dialogue Council. The national planning shall also be informed by Presidential Pledges, Cabinet Resolutions, etc.

On annual basis, resolutions and their results arising out of these policy fora shall be integrated into rolling institutional strategic plans, to the extent they relate to those institutions, and subsequently into the annual action plans of those institutions. Mid year or end of year reviews of SSPs and DDPs shall ensure appropriate adjustments are made to capture these resolutions – where applicable. The Ministry in charge of National Planning shall guide institutions in this process.

7.3. Linking planning to budgeting

The Organic Law on State Finance and Property requires that priorities identified within the planning documents at all level of Government form the basis for budget allocations. At the same time, it is the policy that plans of sectors and institutions must be affordable by Government on annual basis and in the medium term. To provide a link between the budgeting framework with the planning framework, the following key documents shall be used:

- (i) A medium term expenditure framework of budget financial proposals for each institution shall be formulated and integrated into the national single framework indicating how the Government intends to finance its policies and sector strategies under the planning framework; and
- (ii) The annual budget which sets out detailed financing proposals for each institution shall be consistent with the medium term expenditure framework as set at national level.

7.4. Results based Performance Contracts (imihigo)

Results based or focused performance contracts shall be designed in a way that allows fast tracking the delivery of interventions and achievement of aspirations enshrined in the annual and medium term strategies.

These shall be administered in two forms i.e. Institutional (individual Institution) *imihigo*, and the Joint *Imihigo* which shall be jointly executed by institutions.

7.4.1. Institutional *Imihigo*

Every year, each institution shall be required to sign with its supervising body the performance contract outlining the key results and targets it will be expected to achieve over the year. The institutional performance contract is the same as the performance contract of the head of institution and activities to commit are drawn from the institution's single action plan. His/her performance contract shall encompass all the activities from the single action plan of the institution together with support activities not reflected in the single action plan.

Individual staff performance contracts at different levels below the Chief Budget Manager cascade from the Chief Budget Manager's performance contract with focus on the mandate of the specific departments or units in the delivery of institutional and National Development Objectives.

7.4.2. Joint Imihigo

The Joint imihigo (SLI) shall be signed in addition to individual institutions' Imihigo for those institutions to which it applies

Joint *Imihigo* shall be annual and prepared to ensure that institutions, including the private sector, can work jointly to achieve national objectives and strategic results in the national development framework which may not be apportioned wholly to a single institution. Institutions that play a primarily role in the delivery on each of these strategic results shall be required to sign jointly the joint imihigo (Second Level *Imihigo*/SLI), and to coordinate and collaborate in the execution of their actions related to the results under the joint *imihigo*. These institutions, including the private sector – where applicable, shall be held collectively responsible and accountable for the delivery of the results under each joint *imihigo*. The joint *imihigo* shall include key results frameworks (results, their measures and annual and medium term targets) for joint execution. Institutions will sign *imihigo* with other institutions, including private sector, with whom they will collaborate in delivering results within joint planning areas as shall be designated by the Ministry in charge of National Planning.

Every year, the Ministry in charge of National planning shall determine the priority areas under which joint *imihigo* should be formulated and facilitate the joint planning by concerned institutions prior to institutional planning to ensure activities from the joint planning are reflected in the institutional planning.

In order to execute activities from joint *imihigo* effectively, institutions shall incorporate within their Institutional *Imihigo* specific results specific to the institution relating directly to the delivery of each of the joint results.

The Ministry in charge of National Planning shall issue detailed guidelines on the formulation, management, implementation and evaluation of Joint *Imihigo*.

7.5. Monitoring and Evaluation

Under this Policy, a common monitoring and evaluation framework shall be established for monitoring and evaluating progress across all sectors and institutions in the implementation of the results under the *National Development Framework*. The National Monitoring and Evaluation System (NMES) shall inform the national planning process providing it with evidence on the implementation of the National planning framework and informing decisions for adjustments to National, sectoral and institutional planning documents as the case may be.

Monitoring will be done at all levels – National, Sectoral and institutional (Ministries, districts, agencies), and will constitute collecting data and producing reports on the implementation of planned activities and results. Evaluation will be conducted at National (National development strategy), sector (SSP) and programme or project level

Each of the medium term and annual planning documents shall include a result framework for the purpose of monitoring and evaluation. The results framework shall specify long term and short term results expected to be achieved, together with key performance indicators for measuring these achievements and their targets.

The Ministry in charge of National Planning shall issue detailed guidelines to institutions on use of the monitoring and evaluation framework. The National Institute of Statistics of Rwanda (NISR) shall also

play a critical role of supporting Sectors or Institutions in defining the metadata of the indicators agreed upon, the frequency of data collection, quality assurance of the data among others.

7.5.1. Progress monitoring

Every year, institutions will collect performance data on results measurements for purpose of monitoring and reporting on progress of implementation of their annual action plans and *imihigo*.

Ministries or Parent Institutions have the coordination role of Monitoring progress against execution of action plans and Imihigo for such institution as well as its affiliated Agencies. Accordingly, quarterly and annual reports shall be submitted to line Ministries who then consolidate progress of their annual performance including that of its affiliated agencies and submit the reports to the Ministry in charge of National Planning.

The Ministry in charge of National Planning shall submitted consolidated report to the Office of the Prime Minister about the performance of the respective Ministries and implementing Agencies together with agreed upon remedial actions (recovery plans) to address areas of weakness.

7.5.2. Annual Sector Review

Under the coordination of the Ministry responsible for National planning, there will be an annual sector review process through which each sector will review progress in the implementation of sector strategies based on results recorded by implementing institutions. Sectors shall submit reports of their annual sector reviews to the Ministry in charge of National Planning.

Sector Working Groups that include players from Ministries/ Government Institutions, Development Partners, Civil Society and Private Sector shall agree on coordination mechanisms include sub working groups that enhance effective delivery of Sector Objectives. Lead Ministries in each Sector shall champion this coordination role.

The Ministry in charge of National Planning shall issue terms of reference including timelines for such review and reporting.

7.5.3. RBM Medium Term Review

There will be a mid-term review (MTR) exercise for each SSPs which shall take place in during the implementation of each sector strategy. The MTR shall bring together sector stakeholders to appraise progress in implementing sector strategies and to revisit targets (where necessary) or reach consensus on corrective measures where necessary, in order to achieve agreed targets. In the same way, there will be a mid-term review of MTDP after the sector MTR.

7.5.4. End of Term Evaluation

There will be an end of term Evaluation for the MTDP and for each of the sector strategies. The evaluation shall be carried out in a period that allows results of the evaluation to inform the formulation of the ensuing planning document.

The Ministry in charge of National Planning shall issue detailed guidelines for monitoring and evaluation to institutions and sectors.

8. RBM Policy Actions for Institutions

The Government will undertake the policy actions outlined in this section in order to address the issues identified in section 3 and to achieve the objectives of this policy in full.

8.1. Legal framework to support performance management

The Government will streamline legislation to address gaps and to facilitate proper implementation of result based performance management systems for Rwanda public service as intended in this policy. Among others, the Government will;

- a. Enact legislation to institutionalize results based management (RBM) in all public institutions taking into account sector specificities;
- b. The RBM legislation should require all sectors to establish strategic frameworks, consistent with the National development framework, which will guide institutions within the sectors in their medium term and annual planning process;
- c. Ensure a coordinated approach across pieces of legislation to establish an integrated performance management framework that will strengthen linkages between institutional mandates and policy commitments and between institutions and their staff functions.

8.2. Integrating Performance management in the annual Planning and Budgeting cycle

The section here below presents the policy actions that relate to integrating result based performance management into the four stages of the annual National planning and budgeting cycle namely; planning and budget formulation, implementation, monitoring and reporting, and evaluation.

8.2.1. Performance Management during planning and budgeting

Planning and budgeting, in relation to RBM performance management, will continue to follow policies for National planning articulated in the guidelines and circulars issued by the Ministry of Finance and Economic Planning. In addition, the following policy actions will be instituted;

- a. The outcomes deriving from strategic priorities to which institutions will contribute on annual basis shall be limited in number in order for the Annual Action Plans of Institutions to remain focussed on the key results relevant to the National development goals;
- b. A specific outcome shall be added under each institution to which support and administrative functions within the institution shall relate so that the contribution of these functions are visible and can be appraised;
- c. When preparing an annual action plan, each institution will be required to generate a results matrix which will clearly map the institutional outcomes (high level results), drawn from sector strategic plan to which it belongs, to its programmes and sub-programmes levels with a clear demonstration of how results at these levels (lower level results) relate to the high level results;
- d. During planning, the use of ranks (level I, level II and level III) will be introduced in order to distinguish the priority attached to results at each level. Prioritisation shall involve respective players at each level with high level impact starting from level I towards level III.

The value associated with each level for the purpose of assessing points to be earned by an institution on delivery of the targeted results, shall be established in the appropriate legislation regulating the implementation of this policy within each service sector.

- e. On annual basis, each individual employee, in consultation with his/her supervisor, will prepare an individual action plan clearly specifying the key results they expect to deliver over a period of one year;
 - the employee's action plan will distinguish between functional and behavioural results. Functional results will be aligned to institutional results framework and action plan and to the requirements of his/her job positions.
 - in agreement with the Supervisor, functional results within the employee's results framework shall be allocated weights (level) as either level II, Level I or level III, to reflect the priority attached to them in relation to the higher level institutional results to which they relate.

The value associated with each weight, for the purpose of assessing points to be earned by an individual on delivery of the result, shall be consistent with the values selected under Institution's action plans (refer to (d) above)

- behavioural results will be derived from competences in the competency framework, associated with the employee's job position. In agreement with the Supervisor, performance targets will be set for each competence and included in the employee's action plan.
- f. Each individual's action plan shall form part of his/her annual performance contract. The individual's performance contract shall be considered and approved by a panel of Supervisors appointed by the Head of Institution.
- g. The individual's performance contract shall include the following key performance areas:
 - Functional results linked to the institutional action plan and the individual's job description;
 - Annual actions linked to the institutional action plan;
 - Competencies (including technical, core and general competencies) and targets of performance against these competencies;
 - Additional accomplishments (if any) resulting from tasks assigned to the individual outside the action plan agreed at the beginning of the year.
- h. To eliminate confusion in interpretation and to ensure heads are driven by their institution's results, results frameworks of institutions or units will form a part of results frameworks of individuals heading them.

8.2.2. Performance Management during Implementation

Implementation in relation to performance management system concerns the execution of annual actions plans of institutions and individuals in the course of the year. During this stage, the following policy actions shall be applied;

- a. Each individual will be required to submit to their supervisor the product (outputs) of their activities consistent with their annual action plan, as soon as he/she has completed it. Under the guidance of his/her Supervisor, it is the responsibility of the individual to deliver such a product within the time set out in his/her action plan and in accordance with the criteria specified by the Supervisor in the action plan.
- b. During the course of implementing the institution's programs, new requirements may emerge requiring new tasks to be assigned to individuals. Heads of institutions will be required to incorporate these new assignments in their action plans and passed on to specific individuals deemed appropriate to implement them.
- c. Whenever significant changes occur to the performance contracts, both individual and institutional, the contract implementer shall notify them to the concerned supervising authority and shall be considered during performance evaluation.

8.2.3. Performance Management during Monitoring and Reporting

The following policy actions shall be applied during monitoring and reporting stage of National planning and budgeting cycle, in order to implement RBM performance management;

- a. Monitoring and reporting on institutional performance contracts shall be based on targets within the performance contract of institutions and shall follow policies and guidelines for monitoring and evaluation issued through the Ministry of Finance and Economic Planning.
- b. On quarterly basis, each Ministry and District shall also prepare a quarterly progress report and submit it to the Ministry responsible for National planning. The Ministry's report shall cover implementation status of activities of public institutions under its supervision. The Ministry responsible for National planning shall thereafter carry out an assessment of

submitted reports and submit a resulting consolidated report to the Office of the Prime Minister..

8.2.4. Performance Management during Evaluation

A Competent authority shall establish appropriate legal instruments or policy guidelines setting the basis and methodology for undertaking objective and transparent assessment of institutional and joint Imihigo performance against their results frameworks. Evaluation will be premised on targets for results assigned to an entity (institution and joint) over a period, and clear measures for the assessment of results (indicators) established at the planning stage.

Annual evaluations will take place at the end of the year under review as outlined below.

8.2.4.1. Individual performance appraisal

Evaluation of Individual performance shall comprise two components; behavioural and functional appraisal. Evaluation will be carried out not later than July 31st following the conclusion of the individual's performance contract and shall involve the individual, his/her supervisor and panel of supervisors selected by the Head of Institution for this purpose;

- a. Functional assessment shall be based on key results and targets derived from the individual's performance contract aligned to his/her job description and the institutional results framework. Each individual's functional assessment shall be based on the delivery of results within his/her annual performance contract.
- b. Assessment and rating of each individual's functional performance will be carried as a continuous process in the year taking account of intermediate and final results. Final results shall be awarded on the basis of points earned in the course of implementing each individual's performance contract during the year.
- c. Behavioural assessment shall be based on attributes and targets derived from each individual's competence framework. This assessment shall consider (i) the individual's performance on the basis of the target agreed for each competence during the formulation of his/her performance contract, (ii) the individual's application of the competence to his/her job position, and (iii) demonstration of requisite skills related to the competence. The grading scale, for purpose of rating behavioural performance, is outlined in the competence framework.
- d. Other significant priority activities assigned and executed during the fiscal year by the individual outside his/her performance contract shall be taken into account when it comes to annual performance evaluation.
- e.

8.2.4.2. Institutional performance appraisal

The institutional performance appraisal will be based on the following guidelines:

- a. The Ministry responsible for National planning shall consolidate annual institutional performance assessment reports for submission to Office of the Prime Minister. This report shall be regarded as an in-house self-assessment entailing action points or recovery plans for areas that were not met as achieved. The Office of the Prime Minister may decide to use independent evaluators. The report from the Ministry in Charge of National Planning may provide input to the evaluation exercise of independent evaluators.

- b. The grading scheme for institutions will deduce on implementation of annual performance contracts that should reflect performance of an institution against its mandate and performance with respect to the national development strategy and priority policy commitments;
- c. The scoring methodology and ranking of institutional performance shall be entailed in the evaluation guidelines issued by the Office of the Prime Minister or any delegated institution as deemed necessary.
- d. Never the less, the institutional performance score will be affected by both individual institutional performance and joint imihigo's evaluation outcome.
- e. Factors beyond the control of an institution or the group under joint Imihigo shall be taken into account during evaluations including alternatives that may have been undertaken following the occurrence of certain circumstances.

9. Integrating performance practices within other processes and system

A set of coordinated actions will be implemented to ensure all institutional processes and systems are adjusted to conform with or support the implementation of results based practices based on RBM. Below, some of these are highlighted.

9.1. Staff capacity development to support performance management

A competent and capacitated staff establishment is fundamental to the successful implementation of a result based performance management system based on RBM principles. Gaps will appear on staff competences and these will need to be addressed.

At the beginning of each year, each institution will be required to compile a staff development plan deriving from the gaps in performance of each staff on functional and behavioural factors in relation to his/her action plan. The institution will ensure that funds are allocated for its implementation. Each institution will also monitor and report on its staff development plan at the end of the year

9.2. Aligning systems to support performance management

Systems for budgeting and financial management and for personnel management, and all other systems that have the potential to support the performance management across public service, shall be reviewed and upgraded so that they can effectively provide such support in a coordinated and harmonised manner. This will include the use of common classification standards for data, harmonised data exchange and reporting.

10. Rewards and Sanctions

Ensuring compliance with the RBM policy is vital to its implementation. Performance will have to be recognised and rewarded, while non-compliance needs to be dealt with.

Reward and sanction mechanisms for both Individual and institutional performance in relation to this policy shall be provided by appropriate legal instruments.

11. RBM Customization to the Legislature and Judiciary

RBM principles borne in this policy shall be customized to the Legislature and Judiciary to fit the peculiarities of those Government branches. Appropriate legal instruments shall be enacted to implement those principles.

12. Policy implementation Strategy and Plan

This section outlines the institutional arrangement that will facilitate the coordination and implementation of the policy.

12.1. Monitoring the implementation of the Policy

The implementation of the policy will keep being monitored to ensure that it is properly institutionalised in line with its objective; and that all institutions conform to the RBM policy in their operations, that roles within each institution have been assigned for RBM, that relevant capacity for RBM operations are put in place, the desired results culture is realised across all Government, and harmony is ensured with other Government policies.

The Ministry responsible for public service and labour and the Ministry responsible for National planning will ensure effective monitoring of implementation of RBM policy across all concerned Government institutions and report to the Governance Cluster.

12.2. Change Management

Change management and capacity development of staff will constitute a critical component of RBM during its implementation. Accordingly, MIFOTRA will coordinate the formulation and consolidate a change management and capacity development plan across all institutions. MIFOTRA will also put in place procedures for monitoring the implementation of the plan and its effectiveness. Each institution will have a duty to ensure the full participation of its staff in the change management and capacity development plan.

12.3. Timing

Given the urgency to implement results based performance management , the dependency of the implementation on the Rwanda National planning and budgeting cycle and the range of preparatory activities, the year 2015/16 has been set at the first year for commencing the implementation of RBM based performance contracts.

12.4. Phased implementation

Implementing performance management across the entire public service, as outlined under this policy, is a complex undertaking. In order to increase the chances for its successful implementation, the execution shall be carried out in a phased manner as elucidated in the following table:

Phase	Institutions Involved	Period when institutions commence implementing Performance Contracts based on RBM
1	High Offices, Ministries, Public Agencies and Local Government	July 2015
2	Education (Teaching Institutions)and Health (Hospitals)	July 2016
3	Judges and Judicial Personnel and Parliamentarians	July 2015

12.5. Building capacity for implementing and sustaining RBM

Upgrading the capacity of institutions and their staff to implement the RBM performance management system shall be conducted in a coordinated and phased manner across all institutions. The challenges for capacity building planning relate to the large number of institutions involved, and to the variation in knowledge as institutions that have implemented the *Imihigo* are likely to have better understanding and knowledge regarding performance management.

12.6. Implementation Plan

The roadmap for implementing RBM is provided in the table below. The roadmap is derived from the strategies discussed above and key actions in the policy.

RBM Policy Implementation Roadmap

#	Activity	Completion Dates	2015/16				2016/17				Responsible
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Approval of the RBM policy	31 July 15		X							MIFOTRA
2	Enact RBM legal instruments	31 Aug 15		X							MIFOTRA
3	Develop and implement the Capacity building for RBM (planning, monitoring, evaluation and reporting)	30 June 16	X	x	x	x					MIFOTRA
4	Integrate RBM principles in the 2016/2017 planning and budget guidelines	30 November 15		x							MINECOFIN
5	Review and integrate the competence framework into job descriptions	31 March 16			x						MIFOTRA
6	Review / upgrade IPPIS to support performance management	31 June 16				x					MIFOTRA
7	Clarify roles, including for M&E, for performance management within each institution	31 Mar 16			X						MIFOTRA
8	Implement the change management plan	Apr – Jul 16			X	X	X				MIFOTRA
9	Implementing the training program	30 Apr 16				X					MIFOTRA
10	Support institutions to integrate RBM in their annual plans and budgets for FY 2016-2017	31 May 16				X					MIFOTRA / MINECOFIN
11	Provide continuous support and training to institutions in performance management	30 June 16				X					MIFOTRA
12	Draft and Enact the legislation covering the Education and Health personnel	30 June 2016				x					
13	Draft and Enact the legislation covering the Judiciary / Legislature Service Sector	30 June 2017								X	MIFOTRA
14	Prepare and issues reports on implementation to Governance Cluster	Quarterly			X	X	X	X	X	X	MIFOTRA
15	Governance Cluster review meetings	Quarterly			X	X	X	X	X	X	MIFOTRA
16	Annual review of the Implementation	Annual				X					MIFOTRA
17	Final Review of Implementation	End Project					X				MIFOTRA