REPUBLIC OF RWANDA

MINISTRY OF FINANCE AND ECONOMIC PLANNING

REVISED FISCAL AND FINANCIAL DECENTRALIZATION POLICY

Adopted by Cabinet on May 11, 2011

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I. Preamble

Fiscal and financial decentralization consists in the devolution of the financial resources and decision-making powers to sub-national governments that will allow them to implement the functions and responsibilities that have been delegated to them. In principle, every new responsibility must be followed with the appropriate level of resources and a precise definition of the sources of revenue for the execution of that new responsibility. In other words, finance must follow function.

The goal of this Fiscal and Financial Decentralization Policy is not only to pursue efficiency in the provision of services at the local level, but also to achieve sustainable development, economic growth and poverty reduction. Indeed, sustainable development implies efficient management of resources and the environment and a dynamic economic growth process, all based upon a partnership between the public sector, the private sector and civil society. Fiscal and financial decentralization can promote efficiency, innovation, human resource development, entrepreneurship, and dynamism at the local level. Indeed, these are the key elements of a poverty reduction policy.

A Fiscal and Financial Decentralization Policy must be designed within a legal framework that clearly defines the functions and responsibilities devolved to the local level as well the decentralized sources of revenue. Thus, fiscal decentralization must be linked to institutional and legal reform and its implementation must be continually coordinated, monitored and evaluated. The institutions in charge of carrying out the decentralization being MINALOC and MINECOFIN, the appropriate legal framework must be put in place so that it is better able to implement the fiscal and financial portion of the process.

At the core of a Fiscal and Financial Decentralization Policy are some basic principles, including, matching funding with responsibilities, equity, transparency, accountability, incentives and enforcement. The application of the policy is stronger if it is based on a participative approach, which incorporates all the local actors in the decision-making process. A well-conceived Fiscal and Financial Decentralization Policy aims at promoting a balanced development process at the local level. This requires that adequate levels of resources be made available to local authorities to carry out their devolved functions and that the distribution of resources be based on equity.

There are two main ways local authorities can be empowered to do so

- By empowering local governments to collect their own revenues locally from taxation, user charges and other forms of locally raised revenues
- By transferring funds as grants from centrally collected government resources, including donor funds

In this context, is should be noted that a distinction may be made between the sources of revenue allocated to local government and the responsibility for administration/collection of revenue from a particular source. Fiscal decentralization also implies that local governments are provided with autonomy to deliver services in line with local needs and priorities.

Sustainability requires effective participation and ownership by local communities. This is best achieved if local authorities and policy implementers adopt a code of conduct based on a set of ethics and values that are conducive to building trust between them and the communities. Thus, local financial and fiscal management must be carried out in total transparency. In addition, local authorities must be accountable to the populations they serve. Measures can be put in place to incite excellence, but when necessary, such as in cases of corruption or embezzlement for example, appropriate sanctions must be applied; the credibility of the decentralization process depends on this approach.

Given the macroeconomic implications, the fiscal decentralization policy takes into consideration the provision (from the Organic Budget Law) that any borrowing made by public institutions is subject to prior approval by the Minister of Finance.

II. Political and socio-economic background

During the colonial and post-colonial periods, the Rwandan Government was characterized by a highly centralized state. Decision-making authority and resources were tightly maintained by the central Government allowing it domination over political, social and economic life. Citizens did not participate in decisions affecting them. Accountability of the public sector was upwards toward the center, rather than to citizens and communities. This system of governance caused significant inefficiencies in service delivery and created a passive attitude regarding civic responsibilities among citizens.

The National Decentralization Policy was approved in 2001 as mechanism to achieve good governance principles (through improved participation, promotion of transparency and accountability, and setting up responsive decentralized structures), enhance local economic development (through efficiency and effectiveness in implementation of development programs) and bringing quality and accessible services closer to the citizens.

The Policy is being implemented in successive phases: every five years, the Government defines key strategic orientations, based on an evaluation of achievements from a previous phase. The 1st phase (2001-2005) established democratically elected structures at local level and institutionalized decentralization. During the last five years, i.e. 2005-2010, implementation of decentralization focused on devolving more resources (both human and financial) to Local Governments in order to enhance mechanisms for service delivery to the citizens, but also to streamline coordination of development efforts.

An evaluation of the decentralization process conducted towards the end of the second phase that indicated a number of challenges hampering optimal functioning of the decentralization framework. These challenges fall into the following categories:

- **Legal and Institutional Framework** with lack of clarity and coherence between documents.
- **Sectoral Decentralization** which is hampered by asymmetrical responses to decentralisation by different sector.
- **Service delivery** which is hampered by lack of guides on service delivery performance standards.

- **Fiscal and Financial Decentralization** where funding is still highly earmarked, bureaucracies through inter-agency transfers, and generally low local revenue generation and collection.
- **Capacity Building of Local Government staff** which is often not coordinated and local governments have less discretion in setting local priorities for capacity building initiatives.
- **Local Economic Development (LED),** which includes development of towns and urban centres and strengthening social protection.

For the next five years (2011-2015), the Government has just defined a framework for the 3rd phase of decentralization, focusing on consolidating past achievements in governance and service delivery, and on scaling up on local economic development.
The Government's template for this phase is the *Five-year Decentralization Implementation Programme (DIP),* which builds on the following strategic areas, which are considered as key for further development of the Rwanda Decentralization agenda:

- Institutional strengthening and development
- Sectoral decentralization
- Fiscal and Financial decentralization
- Local economic development
- Citizen participation and accountability mechanisms
- Capacity building

III. Basis for the Fiscal and Financial Decentralization Policy

Various evaluations of the local government finances indicate the following shortcomings:

1. In general, the levels of resources available to local governments are low.

2. The tax base devolved to Local Governments is narrow in that tax revenues are essentially collected from fixed rates and fees imposed on small-scale economic activities.

3. Investments at the Local Government level generally involve social investment, such as ambulance vehicle purchases, construction and renovation of offices, schools, health centers, markets, etc… The importance of these social investments must not be underestimated, however, it must be noted that the Local Governments do not have development budgets but rely on sector ministries transfers that fail to incorporate local development strategies that could result in the creation of private sector employment and the broadening of the taxable base at the local level.

4. Whereas the responsibility for service delivery has been devolved to decentralized levels, this has not yet been fully matched with a transfer of funds.

5. The standards of financial management systems at the Local Government level are now substantially improved through the use of the integrated financial management system but further improvements are required.

6. Public access to information as a monitoring device is improving but can be enhanced further.

7. The coordination between sectoral ministries and the Local Governments needs to be strengthened for more efficiency of service delivery.

8. Central Government resources allocated to Local Governments do not reach down to Sectors, which constitutes the points of service delivery and Public Finance Management capacity within districts (including sectors and cells) and service providers (health facilities, schools etc) is of variable quality, but the best information available (from audits) describes the capacity as poor;

9. There are still many gaps in Human resource capacity at all levels of Local Government.

These observations explain the necessity for the present revision of the Fiscal and Financial Decentralization Policy. Enacting the policy requires legal and institutional reform.

The Institutional Framework

Since the first Fiscal and Financial Decentralization Policy were adopted, Rwanda has implemented the National Decentralization Policy in a forthright manner. The administrative reform process lays out the responsibilities devolved to the Local Governments and they have been accorded a greater role for service delivery across all sectors. Sectors (and in the future cells) are mandated as the nodes of service delivery. Local Governments co-ordinate and assist Sectors to deliver better services to the population by determining, co-ordinating and implementing development plans and programmes.

This restructuring has led to the full integration of Local Governments' needs into the National Budget which defines the financial relationships between Local Governments and the Central Government. Such formal mechanisms must also apply to the financial relationships between the Local Governments and lower administrative levels.

IV. Objectives of the Fiscal and Financial Decentralization Policy

IV.1. General Objective

To provide Local Governments with adequate resources and the necessary resource mobilization powers to implement their decentralized functions.

IV.2. Specific Objectives

The specific objectives of this policy are:

- To develop an efficient and sustainable resource mobilization base for local communities.

- To provide the resources for a balanced and equitable local development.

- To strengthen planning and management capacity at the local level using a participative approach.

V. Implementation Strategies and Mechanisms

In order to reach the objectives delineated above, the following strategies will be applied.

Objective 1

To develop an efficient and sustainable resource mobilization base for local communities

Strategies

Increase local revenue generation and broaden local revenue base through local economic growth.

Greater local autonomy and sustainable and dynamic local resource mobilization requires finding sources of revenue other than government transfers and taxes. Local Governments will have to develop growth-enhancing strategies and will work in partnership with the private sector and development partners to implement those strategies.

Diversify Local Governments sources of revenue

Evaluations of local finances have determined that the tax base available to Local Governments is narrow. Local taxing powers are limited and their collection is expensive.

Hence, the government will review the sources of revenue available to Local Governments through a legal reform to increase Local Governments collection of their own taxes and fees and to diversify their sources of revenue.

Enhance local revenue collection using a participative approach

Local Governments will use the principles of transparency and accountability as instruments of local resource mobilization.

The capacity of Local Governments will be enhanced to ensure efficacy in the application of the prevailing laws and regulatory framework, including partnerships and other arrangements with the Rwanda Revenue Authority (RRA) to both enhance tax collections and the capacity of Local Governments.

While enhancing the Local Governments tax base, the following principles will be taken into consideration:

- The authority to levy taxes by Local Governments will be limited to avoid creating distortions in the local economy, red tape and excessive burden on taxpayers. The tax base must be clearly identifiable and distinguishable from taxes to be collected by RRA to avoid institutional conflicts and confusions among taxpayers.
- While the tax base will vary across taxpayers, tax rates should be flat to ensure equitable treatment of taxpayers. Progressivity in taxation will rest solely with regular national taxation and will not be introduced into local taxes.
- The Local Governments tax base will be as simple and transparent as possible to make tax assessments predictable and understandable by each taxpayer to ensure accountability to local constituencies.
- The Local Governments tax base will be designed without adversely affecting the environment for doing business or increasing red tape.

Local Governments will develop mechanisms for the identification, census and monitoring of present and potential tax payers.

A distinction may be made between the sources of revenue allocated to Local Governments and the responsibility for administration/collection of revenue from a particular source. The latter will largely depend upon the efficiency of administration/collection and the requisite capacities. The government is committed to allocate to Local Governments sources of revenue (tax and non-tax) broadly according to their overall responsibilities. Effective partnership or other arrangements with the RRA will respect the mandate and authority of Local Governments in respect of their tax base.

Objective 2

Provide the resources for equitable development at the local level

The purpose of making intergovernmental transfers to Local Governments is (1) to provide them with the means to carry out the functions and responsibilities that have been devolved down, and (2) to correct the economic and social distortions that exist between Local Governments.

Strategies

Establish an efficient system of transfer of Central Government resources to the level of service delivery

While transferring resources, government recognizes the need for a balance between engaging Local Governments to undertake required actions to achieve the national development objectives and providing resource to address Local Government priorities.

To this end, there are two main ways government will transfer funds for service delivery to the Local governments:

1. Block or un-earmarked grants, and
2. Earmarked grants

The majority of service delivery will be financed through a series of earmarked grants, whilst block transfers will fund the administrative functions of Local Governments and provide discretionary funds to supplement earmarked allocations to service delivery.

Depending on a Local Government's fiscal capability to mobilize their own resources, the block transfer will be allocated to enable the Local Governments to cover their recurrent expenditures.

MINECOFIN, in consultation with all relevant stakeholders, will develop and apply a formula for allocating the block transfer between Local Governments. This formula will cover the medium term and will be reviewed and validated annually by Cabinet for purposes of transparency.

Government will strive in future to limit the total number of earmarked grants to a maximum of one grant per sector. However, each earmarked grant may be split into different components. Earmarking of funds and attaching conditions and sector specific guidelines is a useful mechanism in managing the implementation of national sectoral policy, but government will ensure that its use is decreased as the fiscal and planning capacities of Local Governments increase.

Earmarking should not be seen as restricting the autonomy of Local Governments. It rather serves to keep explicit ties with the relevant sector ministries at the national level, who have a clear mandate for capacity building and support to the Local Governments with respect to planning, budgeting, and use of the available funds. In this way, sector ministries help to increase the absorption capacity at local levels and thereby boost the development process.

Finally, earmarking allows the channeling of donor's funds to Local Governments in specific sectors through the Central Government systems, rather than donors setting up separate projects, which would be likely to stretch limited local capacity. In future years, the degree of detail of the earmarking will be gradually reduced, especially in response to evidence of good planning, budgeting and reporting practices at the Local Government level and good service delivery performance.

Establish a method of equitable and balanced distribution of the resources allocated to Local Governments

The various Local Governments in Rwanda have different characteristics in terms of population profile, geography, poverty and socio-economic development levels.

In recognition of this fact, earmarked funds will be distributed among the Local Governments based on objective data using transparent, needs based and poverty sensitive formulae. Separate formulae will be developed for each earmarked transfer, thus allowing them to be kept very simple. The exact formulae for earmarked funds in each sector will be proposed by the relevant line ministry or budget agency in charge of the specific sector, in consultation with Local Governments and MINECOFIN, and approved by the Minister of Finance.

All un-earmarked transfers will take into consideration poverty levels, as well as fiscal potential and fiscal efforts. The un-earmarked funds will serve a purpose of equalization, awarding more resources to poorer Local governments and those that have low potential for their own revenue mobilization. The un-earmarked funds allocations will be made in a way to encourage and stimulate increased local resource mobilization.

The distribution of transfers based on objective formulae allows Local Governments to anticipate their allocations and to fully integrate them in the planning and budgeting process.

All allocation formulae governing the distribution of all grants as well as the earmarked grant transfer framework will be discussed and validated during the national budget preparation process and disseminated to the Local Governments.

Objective 3

To strengthen planning and management capacity at the Local Governments **level using a participative approach**

Local absorptive capacity of allocated resources remains weak; this is due to the technical capacity of the human resources at the Local Governments level. The Government will therefore strive to build and strengthen local technical capacity in partnership with the private sector and development partners. Specifically, this will include development of tools to facilitate local implementation.

As mentioned above, through the mechanism of earmarked transfers the Local Governments maintain explicit ties with the national sector ministries, who will be ready to assist in the alleviation of bottlenecks in the implementation of development projects.

Strategies

Develop a clear planning and budgeting cycle for Local Governments and appropriate tools

Evaluations of the decentralization program have shown that local financial management capacity is inadequate with added devolved responsibilities and functions. In addition, the internal and external control systems are weak. Therefore, the government introduced the integrated financial management system that uses a modern, efficient and coherent planning, budgeting and financial management processes at central and local levels. This financial management system requires deepening in terms of its use and understanding by Local Governments.

Strengthen local capacity in planning, financial management, and financial control at all levels

Training will also be provided for local decision-makers and financial managers at the central and local levels.

Internal and external audits will include providing appropriate advice to financial managers and Public Finance Management instructions will be circulated to them in order to strengthen the financial management in Local Governments. Incentive measures will be designed to promote efficiency and excellence at work.

However, when necessary, sanctions will be applied rigorously, unequivocally, and without regard to the persons involved at all levels.

Integrate the sectoral decentralization policy in the planning and management processes at the local level

Sectoral decentralization, in the education and health sectors for example, is an integral part of the decentralization policy. In the process of planning and budgeting, Local Governments will integrate the need for coordination and implementation of their sectoral responsibilities in order to mobilize adequate resources.

The integration of sectoral decentralization in the management practices at the local level will require establishing mechanisms of coordination and synchronization of sectoral policies at the central and local levels. Therefore, at the central level, the National Decentralization Steering Committee will coordinate all decentralization aspects at the central level. At the local levels, the Local Governments Councils and the Joint Action Development Forums (JADF) carry out monitoring and coordination of sectoral decentralization.

The Inter-Ministerial Committee and the Local Governments Councils and the Joint Action Development Forums (JADF) will coordinate their activities with each other and with development partners for a more effective and efficient implementation of sectoral decentralization.

Finally, line ministries will have a crucial role in coordinating and monitoring Local Governments planning, performance, budget preparation and execution. In so far as is practicable, all development funds will be decentralized to Local Governments as part of the national budget process.

Create and implement a program of information, education, and communication to achieve a better participation of all stakeholders in local development

The success of fiscal and financial decentralization crucially depends on the degree of participation and ownership by the various sectors of local populations. There is no question that there is strong link between the degree of community participation and the attitude and code of conduct adopted by local authorities and implementers.

For instance, in order to stimulate civic responsibility at the local level and motivate taxpayers to voluntary pay taxes, authorities must inform and sensitize the local populations, and involve them at all levels of the decision-making and budgetary planning and implementation processes. In order to gain the trust of local populations local authorities must adopt a practice of transparent and equitable fiscal and financial management. Decision-makers and implementers must be accountable to the communities they serve. Corruption, embezzlement, and incompetence will be severely punished according to the law.

Awareness campaigns will be designed and implemented continually to inform and educate the populations and the private sector with respect to their roles, rights and responsibilities, in the fiscal and financial decentralization process. These awareness campaigns will use all available means of communication, be it modern or traditional, and will involve the different civil society organizations such as NGO’s, trade unions, and women and youth organization, as well as development partners.

VI. Implementation Framework

VI.1. Intergovernmental fiscal relations

The modalities for intergovernmental fiscal relations play a central role in the success of the decentralization process. They shape the relations between central government and local governments, and determine the broad framework in which local governments must prepare their plans and budgets.

A decentralized system of budgeting requires substantial coordination in the budget preparation process. The roles and responsibilities of each of the line ministries and the Local Governments must be extremely clear with respect to how they fit into the process.

A clear framework of intergovernmental fiscal relations is in place and requires close and pro-active monitoring and coordination of the different actors.

VII. MINECOFIN and MINALOC’s respective responsibilities

Differentiating the roles and responsibilities of the ministries responsible for finance and local government is an important part of developing a stable and efficient intergovernmental fiscal relations system. This differentiation of roles assists government in ensuring that duplication is reduced, synergies are created and avoids potential confusion.

VII.1. Responsibilities defined in the Organic Budget Law

The Organic Budget Law specifies the responsibilities of the Minister of Finance in ensuring sound budget and fiscal management practices at local government level. Generally, the Minister of Finance is responsible for policy development and the setting of standards, while the Minister in charge of Local Government is responsible for day to day management.

Specifically, the Minister of Finance and Economic Planning (MINECOFIN) shall

1. Determine, subject to Cabinet approval, the fiscal framework for local government. In this regard the Minister determines the:

- Share of nationally-raised revenue (including donor funding) to be allocated to local governments
- Share of the nationally-raised revenue going to each local government and which portion would be conditional (or not)

2. Foster macroeconomic stability which ensures the long-term financial stability of local government through stable intergovernmental transfers to that sphere.
3. Determine the processes and formats to be used by the local governments when they prepare their budgets.
4. Establish and maintain the integrated financial management system for local governments.
5. Determine the processes and formats for monitoring, evaluation and reporting to be used by the local governments.
6. Monitor, evaluate and report on the financial performance of each local government.
7. Monitor and assess whether local governments adhere to:-
    a. Any applicable standards of generally recognised accounting practice.
    b. Uniform expenditure and revenue classification systems;
8. Investigate any system of financial management and internal control in any local government (or an entity that reports to it) and recommend improvements.

A unit in charge of fiscal decentralization within MINECOFIN is responsible for taking forward these issues.

The Minister of Local Government

1. The Minister of Local Government (MINALOC) has a core responsibility of mentoring local governments and putting in place mechanisms that ensure the implementation of this Fiscal and Financial Decentralization Policy.

   These mechanisms include

   - Coordinate the establishment of service delivery guidelines and standards for local governments.
   - Monitoring and evaluation of local government performance in the framework of local government performance contracts.
   - Coordinate capacity building for local governments.
   - Coordinate with MINECOFIN donor support to decentralization.
   - Establish a mechanism for regular inspection to ensure adherence to established standards for financial management and reporting.
   - Coordinate monitoring and mentoring of the use and accounting for funds in the implementation of local government programmes and service delivery functions.
   - Coordinate local governments to ensure financial reports and accounts are prepared and submitted to MINECOFIN within the stipulated time frame.
   - Ensure that local governments Joint Action and Development Forums are effectively functional and contributing to local government planning, budgeting, monitoring and evaluation and development partner coordination at local government level.
   - Coordinate with MINECOFIN and line ministries to ensure an increased awareness and commitment to a sustained process of devolution of service delivery to local governments and fiscal decentralization by line ministries.
   - Continuously monitor local government performance in service delivery and efficiency in use of resources.
   - Work with local governments to strengthen and enhance their revenue collection potential.

2. MINALOC must ensure that local governments structure and manage their administrative and planning processes to give priority to the basic and developmental needs of the community.
3. Central government, through MINALOC, must support and strengthen the capacity of local governments to manage their own affairs, exercise their powers and perform their functions.

VII.2. Respective responsibilities of Line Ministries and Local governments

In general terms, there is a clear separation of responsibilities between line ministries and Local Governments for decentralized service delivery, as summarized in the table below.

Table1: New Roles under Decentralised Service delivery

Level	Role
Central Government	Establishment of national policies and strategies for local service delivery, the elaboration of systems and guidelines for local governments, the provision of fiscal transfers to enable services delivery, and the monitoring of and provision of support to local governments in the delivery of services.
Local Government	Delivery of services, within the context of national policies and guidelines, which are responsive to the needs of the local population, and oriented towards the achievement of national policy objectives

Specifically in the context of financial management, the different responsibilities can be summarized as follows:

Responsibilities of line ministries

Ministries are responsible to negotiate an overall amount with the Ministry of Finance to be transferred to the Local Governments earmarked for specific sectors. The line ministry will determine the breakdown of this amount into specific components, such as wage, non-wage, or development spending, and may specify specific intervention areas (such as, for example, feeder road construction within the infrastructure development grant). The line ministry will also determine an allocation formula to distribute the transfer amount between the different Local Governments, and propose a monitoring framework to follow up on the use of transferred resources (financial reporting standards are determined by the Ministry of Finance). In principle, line ministries will strive to limit the number of conditions and degree of earmarking to a minimum, based on a judgment of what allocation is desirable to reach national objectives.

Line ministries follow up Local Government budget execution and performance in the sector they are in charge of, and provide regular updates to MINECOFIN. To promote and strengthen progress in the sector, Local Governments can call upon the respective line ministries to provide technical support to the Local Governments in respect of elaboration of project proposals, procurement issues, preparation of the annual budget,

Responsibilities of Local Governments

Once a Local Government receives an indication of the amount to be received from central government (earmarked and unearmarked transfers), they are in charge of preparing a budget that shows how the expected transfers are to be used, while respecting the conditions that are attached to the transfers in terms of earmarking to specific intervention areas. During budget execution, Local Governments have to respect all financial management procedures as specified by MINECOFIN, and provide regular reporting on budget execution and performance achieved, in line with the monitoring framework specified by the various line ministries in collaboration with MINECOFIN. Where transfers are affected on a quarterly basis, proper reporting may be a pre-condition to receive a next grant installment.

VIII. Composition of the National Decentralization Steering Committee

The National Decentralization Steering Committee will be chaired by the Permanent Secretary, MINALOC, and co-chaired by the Permanent Secretary/Secretary to the Treasury, MINECOFIN. Other members include a representative from RALGA, a representative of Rwanda Governance Board, the Accountant General, the Director Generals from MINECOFIN in charge of economic planning and national budget, and the Director of Planning MINALOC; the Commissioner General from RRA; and the Mayor of MVK.

The National Decentralization Steering Committee may evolve into a Local Government Finance Commission.

IX. Composition of the Fiscal Decentralization Steering Committee

The Fiscal Decentralization Steering Committee which convenes on a quarterly basis is the main institutional structure for monitoring and evaluating performance of the fiscal decentralization strategy.

This Steering Committee shall be chaired by the Permanent Ministry of Finance and Economic Planning and co-chaired by the Permanent Secretary, MINALOC. Other members includes: the Permanent Secretary, MININFRA, the Permanent Secretary MINEDUC, the Permanent Secretary MINISANTE, the Permanent Secretary MINAGRI, the Auditor General, the Commissioner General of RRA, the Executive Secretary (all Provinces) and the Mayor of Kigali City, a representative from RALGA, a representative from Rwanda Governance Board, the Accountant General, the Director Generals from MINECOFIN in charge of economic planning and national budget, the Director General in charge of Planning MINALOC and the Coordinator of Fiscal Decentralization Unit.

Implementation Plan

The implementation plan is laid out over 5 years beginning in 2011/2012 Fiscal Year.

Activities	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
• Updating FD regulatory framework relative to resource mobilization powers and capacity at local level	⟷				
• Provision of training and capacity to elected local leaders to carry out their responsibilities	⟷	⟷	⟷	⟷	⟷
• Enhancing technical capacity at the local level	⟷	⟷	⟷	⟷	⟷
• Definition of clear guidelines governing intergovernmental financial relations and PFM instruction to Local Government	⟷				
• Design and Implementation of Information, Education and Communication strategies	⟷	⟷	⟷	⟷	⟷
• Development of a code of conduct for good governance based on ethics, values and best practices	⟷				
• Enforcement of code of conduct	⟷	⟷	⟷	⟷	⟷
• Monitoring and evaluation based on clear performance indicators	⟷	⟷	⟷	⟷	⟷