

**PERFORMANCE CONTRACT (IMIHIKO) AND SOCIO-ECONOMIC  
DEVELOPMENT OF RWANDA: A CASE OF NYAMASHEKE  
DISTRICT (2014-2019)**

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**ABSTRACT**

This study was conducted to assess the significance Performance Contract (Imihigo) on socio-economic development of Rwanda: A case of Nyamasheke District (2014-2019). The researcher has used both secondary data and primary data for assessing the study hypothesis. The researcher also used descriptive and correlative research design. Primary data were collected from 54 sampled staffs of Nyamasheke District. The study findings (secondary data) have been shown that 100% Nyamasheke district respect the format of Imihigo, Nyamasheke District also use national priorities, pillars for setting outcome, outputs, indicators sector by sector. In other case, indicators are well defined with clear baseline, targets, responsibilities and budget. These findings were used by the researcher to reject H01 "Nyamasheke District performance contracts (as a whole) and individual staff performance contracts are not well formulated". The assessment of H02 "Imihigo signed by District in last 6 years (2014-2019) on socio-economic development was poorly performed" also have revealed that Nyamasheke District ensures moderate performance in terms of imihigo evaluation. On the case of the economic pillar, this district was ranked good with more than 80% marks the same case for individual performance. This was resulted in the authority to the researcher for not accepting this hypothesis. Assessment again of secondary data has shown that Nyamasheke district is a poor performer in the real economy (the researcher use this as the difference of paper evaluation and field visit (visiting households one by one) as made by NISR through EICV5 and find that Nyamasheke District ranked the last (30th) in 30 districts in poverty reduction. Due to that, the researcher has accepted the H03. For the H04, the researcher has tested primary data (findings from the field) on the perception of respondents (District staffs) on both variables). Pearson correlation ( $r$ ) is 0.210 meaning that, there is a weak positive correlation between imihigo (performance contract) and socio-economic development. Sig. (2-tailed) is equal to 0.001 showing that, thus correlation resulted or signified by  $r$  is statistically significant. Thus, the researcher concludes that H04 is not accepted. Thus, evaluation of Imihigo may rank a district or a staff on good rank while on field people are suffering. A good ranking should be delivered from households looking changes they got in their living conditions with the support of local government authorities. In Other case performance contracts have a little (weak positive correlation) on socio-economic development; it counts only 21% while the remaining 79% is from other factors not captured by this study.

**Keywords:** Performance; Contracts; Social; Economic; Development

## 1.0 INTRODUCTION

After the most serious and violent conflict faced by Rwanda in the 20th century (1994 Genocide against Tutsi), the country is making a good and quick recovery in all sectors (political, social and economy). Development of the country after the 1994 Genocide against Tutsi was made as a joint initiative for both people (nationals and foreigners) together with the government of Unit and reconciliation, other governments and non-governmental organizations. But the main role was played by nationals and Rwandan Government of Unit and Reconciliation.

To achieve this, the government has initiated performance contracts as a tool for increasing the performance of authorities and population in general (Imihigo). Rwanda's performance contracts are binding agreements between government agencies and the President of the Republic for the former to reach certain targets on socio-economic development indicators (IPAR, 2016) and people (households) also has Imihigo notebook. This study focus on the agreements (imihigo) signed between local authorities the higher authorities (districts and ministry). Performance contract has started in 2006 and now cover most central and decentralized government agencies. Local authorities at district to cell levels are these working closely with the local population hands in hands for all policies and programme implementation of the government. In Rwanda, imihigo, also known as performance contracts, are signed between the president, local governments, and line ministries to achieve community targets. They play an integral role in the ability of the Rwandan government to deliver a better life for all. Imihigo reflect pre-colonial governance where each chief explains to the king what is planned to perform to his people (Daniel et al, 2014 ). The main purpose is to strive authorities and measuring the socio-economic achievements in a specific period, poor performers are advised in public. Based on this effort the country expects to become a middle-income country by 2024 (MINECOFIN, 2018). Thus, this study intends to evaluate the extent to which signing imihigo or performance contracts has boosted socio-economic development of Nyamasheke District in the last 5 years (2015-2020).

## 2.0 BACKGROUND

Imihigo is delivered from plural Kinyarwanda word of Umuhigo, which simply mean to vow to deliver. Imihigo also tends also to signify Guhiganwa, which means to work hard and achieve more compared to others in the same works. Imihigo is not a new concept as it describes the pre-colonial cultural practice in Rwanda where an individual sets targets or goals to be achieved within a specific period of time. The person must complete these objectives by following guiding principles and be determined to overcome any possible challenges that arise could be solved (IPAR, 2017).

As part of efforts to reconstruct Rwanda after 1994 Genocide against Tutsi, and nurture a shared national identity, the Government of Rwanda drew on aspects of Rwandan culture and traditional practices to enrich and adapt its development programs to the country's needs and context. The result is a set of Home-Grown Solutions culturally owned practices translated

into sustainable development programs. One of these Home-Grown Solutions is Imihigo which is still in use as a tool for encouraging and creating performers.

According to IPAR (2016) as published by World Bank (2017) Rwanda's extraordinary recovery to complete political, economic, and social collapse following the 1994 genocide against the Tutsi is one of Africa's most encouraging development success stories (Simeone, 2017). The Government of Rwanda (government of Unit and Reconciliation) has since committed to undertake a fundamental, broad-based economic and social transformation intended to shift the country from low to middle-income country's status, and this commitment has already yielded highly remarkable results. Rwanda is one of the few African countries that achieved most of the Millennium Development Goals (MDGs). Its real economic growth averaged 8% per annum from 2001 to 2015, which translated into significantly reduced poverty levels, from 56.7% in 2000 to 39.1% in 2014, as well as a decline in extreme poverty levels from 35.8% in 2000 to 16.3% in 2014 (IPAR, 2016).

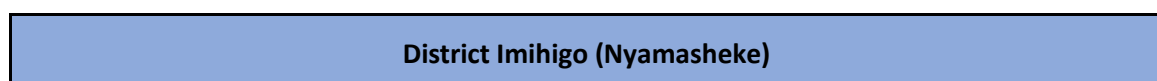
A key element of Rwanda's success is linked with the implementation of Imihigo, an ancestral cultural practice relating to performance contracts. The modernization of this practice is one of several innovative approaches being used to reinforce development planning, implementation, and evaluation towards improving living conditions for Rwandans (Odi, 2012). All levels of government including national, provincial, and district are required to plan and implement their own Imihigo commitments and targets (e.g. infrastructure development, job creation, etc.). These are informed by broader medium and long-term planning and budgeting processes, such as Rwanda's Vision 2020, the Economic Development and Poverty Reduction Strategy (EDPRS), sector-specific strategic plans, annual action plans, and the 5-year District Development Plans and the current underuse are NST1 (National Strategy for Transformation) and Vision 2050 (Jonathan, 2018).

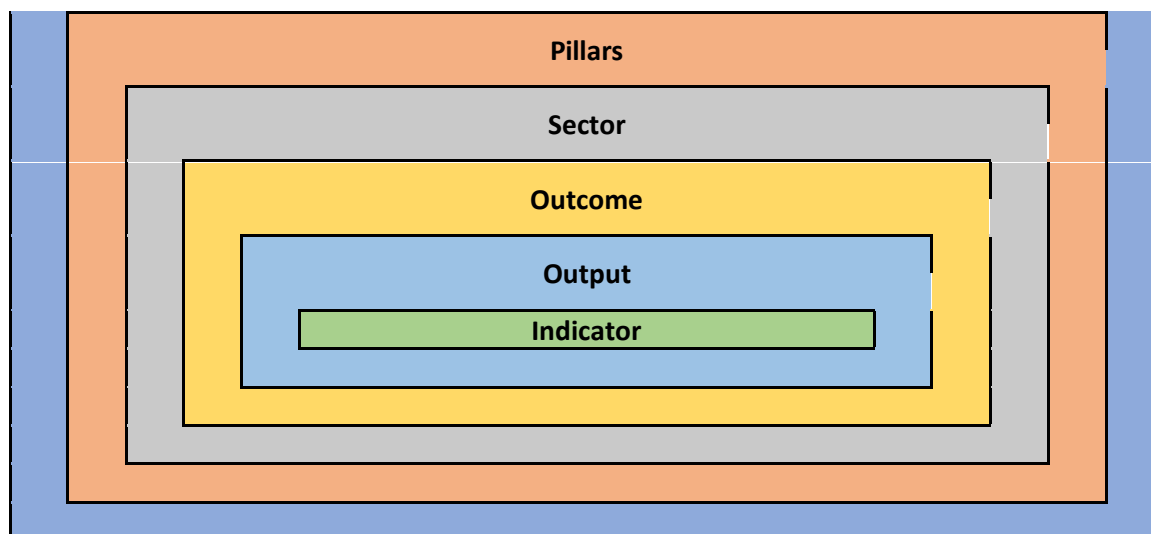
### 3.0 LITERATURE REVIEW

District performance contracts (Imihigo) stand from the national goals (also delivered from international goals and domestic initiatives) which decentralized to local authorities. District imihigo is formulated as follows:

The pillars for district imihigo are (1) Economic transformation; (2) social transformation; and (3) Transformational Governance. Within each pillar, specific sectors are settled, under which outcomes per sector are defined, per each outcome outputs are defined and per each output, indicators are defined. For measuring this, each indicator has a baseline (defined in the clear source), targets (by quarters within a year), total annual target, activities and responsible personnel under each indicator and the end budget allocation is based on these activities (Nyamasheke, 2019).

**Figure 1: Diagram for District Imihigo Structure**





Source: (Nyamasheke, 2019)

## **Preparation of performance contracts (Imihigo):**

Reference concept paper developed by Bruno Versailles (2012) here are identified four steps for Imihigo preparation: (1) National priorities identification by each line ministry to be implemented by local authorities under their guidance and this could be parallel with budget transfers to local authorities which signed to implement; (2) In local from government priorities are discussed and communicated to local government leaders; (3) District takes initiative with all stakeholders to develop these priorities and define them in the district development plan (five years range with annualized targets) and (4) final decentralized Imihigo and discussion of this draft to all stakeholders at all levels under district and QATT (Quality Assurance Technical Team) which ended by approval of Imihigo (Bruno, 2012).

Imihigo is not only signed by District officials because they are not alone in district. Districts sign performance contracts after that other central government institutions like line ministries also sign performance contracts with the President. After districts five levels (from the bottom-up): (a) Village, (b) Cell, (c) Sector, (d) districts and (e) Provinces and the city of Kigali. Unless otherwise indicated, this note deals with performance contracts at the district level, the most visible of the imihigo. "Imihigo is the cultural practice in the ancient tradition of Rwanda where an individual would set him/herself targets to be achieved within a specific period of time and do so by following some principles and having the determination to overcome the possible challenges" it is in that context even people in their households set annual Imihigo to be achieved and sets way to achieve them (Habamenshi et al, 2019).

## **Socio-economic development indicators at District level:**

Reference to the essay of N’Kosi Craigwell-Walkes (2018) a given area is said socio-economically developed when there are remarkable changes happened on people’s per capita income (increased), creation of new opportunities in education, healthcare, employment in different economic sectors (agriculture, industry, services and transport). For example in each district of the country people are into four social-economic classes (Ubudehe categories) and

most of Imihigo takes a look to the last classes (1st Ubudehe category which composed by the very poor people in the district) for moving them from the 1st class to the 2nd or the 3rd but also if possible to the 4th Ubudehe class.

Decentralized to Nyamasheke District from the national level (Rwanda), agriculture occupies 70% of the total households and 75% of agricultural production is from smallholder farmers (RDB, 2019). With NST1 (1st National Strategy for Transformation 2018-2024), Rwanda needs to become a middle-income country with a knowledge-based economy. It is in that context the Imihigo in agriculture sector stand for land consolidation and growing modern crops with modern agriculture tools and technics use. This offer inputs to agro-processing industries. Looking socio-economic development in the district, the evaluators look different indicators to all sectors, for example, number of jobs created per economic sector, crops production, land consolidated, milk and meat production, health post or centres constructed, access to sanitation, performance against malnutrition, schools constructed and overall infrastructures, number of households and productive uses connected to electricity and with access to water, an increase of income per capita, and overall changes in social integration, etc.) (IPAR, 2017).

## 4.0 THEORETICAL REVIEW

Performance contract was delivered from contract theory which studies how economic actors can and do construct contractual arrangements, generally in the presence of asymmetric information. Because of its connections with both agency and incentives, contract theory is often categorized within a field known as Law and economics. One prominent application of it is the design of optimal schemes of managerial compensation (Letangule, 2012).

A performance contract is applied in management science for management control systems. It is a contractual arrangement for setting goals and ensuring arranged and easy management of goals implementors (Simiyu, 2012).

The theory of contract is concerned with the choice between a sales contract and an employment contract. The theory of incentives is concerned with a choice that is applicable to either type of contract, is looking of interest is on method for indirectly guiding the actions of the agent, a worker or a contractor (Kihara, 2013). Yawell formulates a general decision-theoretic incentive model and investigates its properties under sets of assumptions, including certainty and uncertainty. The incentives relationship he studies includes only two parties. This relationship is further simplifying for purposes of analysis so that the payoff to the principal results exclusively from the action of the agent, while the agent's reward is determined solely by the principal according to the perceived results of the agent's actions. Yawell assumes that the basic relationship between the two parties is formed for the benefits of both and investigates the extent to which the principal can guide the agent's actions by establishing rewards conditional on the results the agent achieves. This is similar to the way Imihigo or performance contracts in Rwanda are underutilized toward socio-economic development. It is mandatory to the employee to achieve contracts and the best are getting a reward (not mandatory) but the poor performers decide themselves to resign (Kogei et al, 2013).

It is difficult for management and control of public interests' activities which are managed by people who work for monthly income and work for personnel or family interests. Supervision from ministries to districts and from districts to villages need inter coordination which could be evaluated easily rather than making daily checkup. That's why contract theory selected to be linked to performance contract management which is being assessed by this study on its significance on socio-economic development. Looking initiatives created by signing performance contract on socio-economic development. This is due to the fact that performance contract is communicated to the population, are evaluated in public and poor performers get punishment clear to everyone (MINECOFIN, 2018).

## 6.0 STUDY GAP

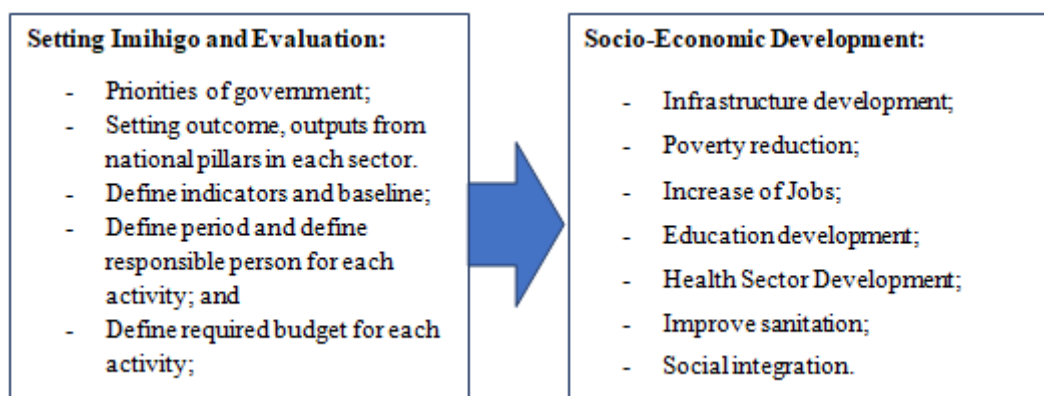
In his study Habamenshi et al, (2019) on the contribution of Imihigo on the socioeconomic development in Rwanda (2013-2018) a case study of Gakenke District, by using a mix of quantitative and qualitative approaches whereby primary data were collected using questionnaire, interview, focus group discussions, personnel observations and telephone calls; and secondary data were collected using archival review. The findings explain that signing Imihigo for district authorities has improved agricultural techniques that increased the production which in turn improved the lives of the citizens and reduced hunger (affirmed by 100% of respondents); New forest and trees planted and soil protection against erosion and increased agricultural productivity (affirmed at 100%). Signing Imihigo contributed to the improvement of new roads and the creation of new roads (affirmed at 97%); signing Imihigo contributed to the increase of access to electricity (70%). Signing Imihigo system resulted in the creation of new jobs (72%) (Habamenshi et al, 2019); Cooperatives were improved (affirmed at 69%); Imihigo improved the lives of poorest households through social protection programs namely VUP and Girinka (affirmed at 100%); education sector was improved by new classrooms constructed (affirmed at 100%); Signing Imihigo implemented mechanisms reducing dropouts together with school feeding (affirmed at 86%); Imihigo system improved health care services (affirmed at 90%). Challenges outlined by the research include limited budget allocated to infrastructure, fertilizers, BDF (Business Development Funds), VUP (Vision 2020 Umurenge Program) and Girinka (Habamenshi et al, 2019).

According to the National Institute of Statistics (NISR, 2018), imihigo is one of the home-grown solutions embarked on by the Government of Rwanda to solve some of the most pressing challenges that the country faces. It creates the ability to Rwandans to take part in their own development and aspirations. Rwandans access their own problems and take initiatives for solving them without thinking of external support. This is the logic and spirit that has been driving Imihigo Performance Contracts since 2006 (NISR, 2018). These contracts, signed between ministers, district mayors, senior executives of selected Boards (parastatals) with the Head of State, aim at improving Rwandans living conditions. Consequently, Imihigo is a tool for accelerating the ambitions that have been set by the leadership of the country that are geared towards meeting the expectations that the people of Rwandan have for their leaders enshrined in national strategic plans (NISR, 2018).

Learning from EICV5 (NISR, 2018) poverty rate in some districts, most notably Kicukiro, Nyarugenge, and Gasabo, is relatively low (below 15%), while in some it is very high, reaching close to 70% in Nyamasheke. Nyamasheke District is the first district reported in

Rwanda as a poorest district (with a high rate of poor people) in 2013/14 around 62% which increased to 70% in 2016/17 (NISR, 2018). This poor performance was marked while employees coted good performance in terms of the performance contract. According to imihigo evaluation report 2017/2018 published by NISR, it is stated that "The performance of Nyamasheke District on Imihigo has relatively declined in terms of improvement for over the last three years. In FY2015/2016, it was ranked 9th while in the Financial year 2016/2017, it was ranked 11th and 17th in this financial year 2017/2018 respectively with 67.1% % in the overall performance". Thus, the gap is how in the same period in Imihigo Nyamasheke was ranked 17th while in a survey on poverty ranked indicators ranked the last among 30 districts from 2013 to 2017 (NISR, 2018). However, they are several indicators to be considered while evaluating Imihigo and poverty is the main indicator covering more others for assessing socio-economic development. It is in that context; the researcher intends to assess the contribution of performance contract (Imihigo) to the socio-economic development of Nyamasheke District (2015-2019).

**Figure 1: Conceptual framework**



Source: Researcher, 2020

As seen from the above figure and defined in the literature review, national priorities are decentralized to the district. To define district imihigo there defined into outcomes pillar by pillar, each outcome also defined into output, and from each output, indicators are defined with clear (with source) baseline. For each indicator, targets are settled (total annual disaggregated into quarterly targets) and activities per each which later facilitate to estimate targets. Each employ within District set Imihigo delivered from District Imihigo. For measuring the achievement of District Imihigo each indicator is evaluated looking at the achievement level (in the form of a percentage). District Imihigo performance on side of socio-economy are measured in terms of number of infrastructures developed, number of households secured from poverty (this include change in income, crops and animal production, etc), number of jobs created, education development, health services to the population, sanitation (quality of toilet and access to water) and achievements in people's opinions and association via unit and reconciliation and working together in cooperatives.

## 7.0 METHODOLOGY

### 7.1. Area of the study

Nyamasheke district is one among 7 districts of Western Province (Rwanda), it has 15 sectors, 68 cells and 588 villages. Nyamasheke district has surface area of 1,174-kilometer square with 412,352 population (Murangwa, 2014). The average size of the household for Nyamasheke district is 4.9 persons, which is the same as for Western Province. It is slightly higher than the national average (4.8). Nyamasheke district has 123 females per 100 males, which is above the national average of 111 females; Nyamasheke is ranked first country-wide on this indicator (Murangwa, 2012).

## 7.2. Research design

This study is a descriptive design and correlational design. It is descriptive as the researcher gives description of Nyamasheke District employees and their Imihigo structure. This study also describes the socio-economic indicators which are observed as results of Imihigo signing (performance contracts). This study also is correlative as it intends to analyse the correlation between performance contract and socio-economic development of Nyamasheke District.

## 7.3. Population

Primary data of this study was collected from District employees who used to sign a performance contract with District mayor (individual performance contracts) which are in line with districts performance contracts signed between the mayor and President of Republic. The total is 119 staffs which subdivided to 36 district employees (working at Nyamasheke District head office), 15 executive secretaries from 15 sectors of Nyamasheke District and 68 executive secretaries of cells. As populations seem to be large, the researcher has applied sampling formula to reduce the size of the population to sample size.

## 7.4. Sampling methods and techniques

Yamane (1967:886) provides a simplified formula to calculate sample sizes. This formula was used to calculate the sample sizes from 119 Nyamasheke District Staff (as total population) to 54 staff of Nyamasheke District (sample size).

$$n = \frac{N}{1 + N * (e)^2} = \frac{119}{1 + 119 * (0.1)^2} = 54.33 \approx 54$$

Where N represents the total population, n signify sample size, e confidence level (which is 90% for this study). Sampling technique adopted is non-probability sampling "purposive sampling" which stand from the fact that the researcher chose to staff from different departments. The reason why at sector and cells level only executive secretary was selected as the target population.

## 7.5. Data collection tools

This study has used both primary and secondary data for assessing validity of its hypotheses and objectives. Secondary data was collected using a documentary review (District Development Strategy Report and District Imihigo Reports 2014-2020). Primary data were



collected using a questionnaire, and this questionnaire was filled by the researcher as an output of face to face talks between the researcher and the sampled respondent.

## 7.6. Study objectives

This study focuses on four angles:

1. Evaluate the quality of Nyamasheke District Performance contracts and staff individual performance contracts (pillars, outcome, output, and indicators);
2. Evaluate the level of imihigo performance in last 6 years (2014 to 2019) at all sectors of socio-economic development.
3. To assesses socio-economic development of Nyamasheke District from 2014 to 2019; and
4. To evaluate the significant correlation between performance contract and socio-economic development of Nyamasheke District.

## 7.7. The hypothesis of the study

This study focuses on four hypotheses:

**H01:** Nyamasheke District performance contracts (as a whole) and individual staff performance contracts are not well formulated.

**H02:** Imihigo signed by District in last 6 years (2014-2019) on socio-economic development were poorly performed.

**H03:** From 2014 to 2019 Nyamasheke District has ensured poor performance in socio-economic development.

**H04:** There is no significant correlation between performance contracts and socio-economic development of Nyamasheke District.

## 7.8. Data analysis

As explained above, this study was analyzed in both primary and secondary data. H01, H02 and H03 were tested using secondary data while H04 was tested using primary data. Secondary data were analyzed using descriptive statistics and primary data for testing Hypothesis H04 was used bivariate correlation analysis.

$$r_{xy} = \frac{n \sum x_i y_i - \sum x_i \sum y_i}{\sqrt{n \sum x_i^2 - (\sum x_i)^2} \sqrt{n \sum y_i^2 - (\sum y_i)^2}}$$

$r_{xy}$  = Pearson r correlation coefficient between x and y

n = number of observations

$x_i$  = value of x (for ith observation)

$y_i$  = value of  $y$  (for  $i$ th observation)

$r$  is ranked between  $\pm 1$  and ranked into a various category based on the level strong, weak or moderate positive or negative correlation. This correlation may be statistically significant once Sig.(2-tailed) is less or equal to 0.05.

## 8.0 FINDINGS OF THE STUDY

### 8.1. Background of respondents Nyamasheke District Staffs

Respondents were classified based on their working level (groups), sex, ages and years of experience as employees in Nyamasheke District. Respondents characteristics facilitate to understand the value of findings from them. Where performance, ideas, and reasoning capacity as well as working ability and role in the society vary from one person to another with the interaction of the working group or level, ages, sex, and experience. For example, if other factors remain constantly experienced employees are good performers (these with more years of experience at work).

**Table 1: Characteristics of Respondents**

Characteristics of Respondents	Frequency	Percent
<b>Staff category</b>		
District Staffs (working at Office)	16	29.6
Executive secretary at Sector Office	7	13.0
Executive secretary at Cells Office	31	57.4
<b>Sex</b>		
Females	18	33.3
Males	36	66.7
<b>Ages interval</b>		
Between 21 to 31 years	7	13.0
Between 31 to 41 years	16	29.6
Between 41 to 51 years	21	38.9
Between 51 to 61 years	9	16.7
61 years and above	1	1.9
<b>Years of experience (in Nyamasheke)</b>		
Less than 3 years	4	7.4
Between 3 to 5 years	33	61.1
Between 5 to 7 Years	10	18.5
7 years and more	7	13.0
<b>Total</b>	<b>54</b>	<b>100</b>

Source: Primary data, 2020

Table 1 shows that from 54 assessed Nyamasheke District staffs 16 (29.6%) were staffs working in the head office of Nyamasheke District, 7 (13%) were sampled from Executive secretary of sectors and 31 (57.4%) were sampled from 68 cells executive secretary in Nyamasheke District. By sex gender balance in Nyamasheke District was respected where from 54 sampled district staffs 18 (33.3%) were females and 36 (66.7%) males. By age

Nyamasheke District is experienced mature staff where most of them 21 (38.9%) aged between 41 to 51 years old, followed by 16 (29.6%) aged between 31 to 41 years old, 9 (16.7%) aged between 51 to 61 years old, 7 (13%) aged between 21 to 31 years old and 1 (1.9%) aged 61 years old and above. By experience Nyamasheke District staff are experienced where most of them 33 (61.1%) experienced between 3 to 5 years, 10 (18.5%) experienced between 5 to 7 years, 7 (13%) experienced 7 years and more and 4 (7.4%) are experienced less than 3 years.

## 8.2. Test of H01

H01: Nyamasheke District performance contracts (as a whole) and individual staff performance contracts are not well formulated.

The researcher has observed and assessed performance contracts signed by Nyamasheke district from 2014/2015 to 2018/2019 and find that, they are in line with government priorities. They are all developed as follows: Pillar, outcome, output and per each output a number of indicators are defined where per each a baseline is well defined, source, targets, responsible person and estimated budget. Based on this observation and as it's in line with government priorities the H01 is rejected.

**Table 2: Nyamasheke District Imihigo (performance Contracts): Socio-Economic Development Indicators**

Outputs (Under priority area/ sector/ Pillars)	Indicator
<b>ECONOMIC TRANSFORMATION PILLAR</b>	
<b>SECTOR: AGRICULTURE</b>	
<b>Outcome 1: Increased productivity for priority crops on consolidated sites</b>	
<b>Output 1.1:</b> Agricultural productivity through land use and inputs use increased	Number of ha consolidated under priority crops
	MT of improved seeds timely delivered and used by farmers
	MT of fertilizers timely delivered and used by farmers
<b>Output 1.2:</b> Effective and efficient irrigation developed under an Integrated Water Resource Management (IWRM) framework	Number of Ha under Small Scale Irrigation (SSIT) developed
<b>Output 1.3:</b> Area of land protected against erosion increased	Number of ha of radical terraces constructed (cumulative).
	Number of Ha of progressive terraces constructed (cumulative).
<b>Outcome 2: Post-harvest infrastructures increased</b>	
<b>Output 2.1:</b> Post-harvest drying facilities constructed	Number of Rice drying facilities constructed
<b>Outcome 3: Increased animal productivity</b>	
<b>Output 3.1:</b> Genetics for cows improved	Number of cows inseminated (cumulative)
	Number of AI born calves registered (cumulative)
<b>Output 3.2:</b> Livestock vaccinated against diseases	Number of cows vaccinated against

Outputs (Under priority area/ sector/ Pillars)	Indicator
	diseases
<b>Outcome 4: Increased cash crops production</b>	
<b>Output 4.1:</b> Tea production increased	Quantity of dry tea produced (T)
<b>Output 4.2:</b> Coffee production Increased	Quantity of washed Coffee produced (MT)
<b>Output 4.3:</b> Vegetables production increased	Area of vegetables planted (Ha)
<b>SECTOR: PRIVATE SECTOR DEVELOPMENT &amp; YOUTH EMPLOYMENT</b>	
<b>Outcome 5: Increased productive Jobs through entrepreneurship and business development</b>	
<b>Output 5.1:</b> Productive jobs increased	Number of productive jobs created (cumulative)
<b>Output 5.2:</b> New TVET graduates accessing start up toolkit facilities increased	Number of TVET graduates and cooperatives received start up toolkit facilities
<b>Output 5.3:</b> Start -up and Micro, Small and Medium Enterprises (MSMEs) coached to access finance	Number of start-up and existing MSMEs coached to access finance (Cumulative)
<b>Output 5.4:</b> Markets Infrastructure developed	Execution rate of Rugari Cross Border Market
	Number of selling point constructed
<b>SECTOR: FINANCIAL SECTOR DEVELOPMENT</b>	
<b>Outcome 6: Enhanced EJO HEZA Long Term Savings</b>	
<b>Output 6.1:</b> Subscriptions and Savings increased through Ejo Heza Long Term Saving Scheme	Number of members enrolled (cumulative)
	Amount of money saved (cumulative)
<b>SECTOR: ENERGY (Connections to Productive Use Areas)</b>	
<b>Outcome 7: Electricity access to Productive uses increased</b>	
<b>Output 7.1:</b> Productive use areas connected to electricity (on grid)	Number of Productive use areas connected to electricity (cumulative)
<b>SECTOR: ENVIRONMENT AND NATURAL RESOURCES</b>	
<b>Outcome 8: Increased sustainability and profitability of forestry management</b>	
<b>Output 8.1:</b> Forest coverage maintained and increased	Number of ha of land under agro forestry
<b>Output 8.2:</b> Fruit trees planted	Number of fruit trees planted

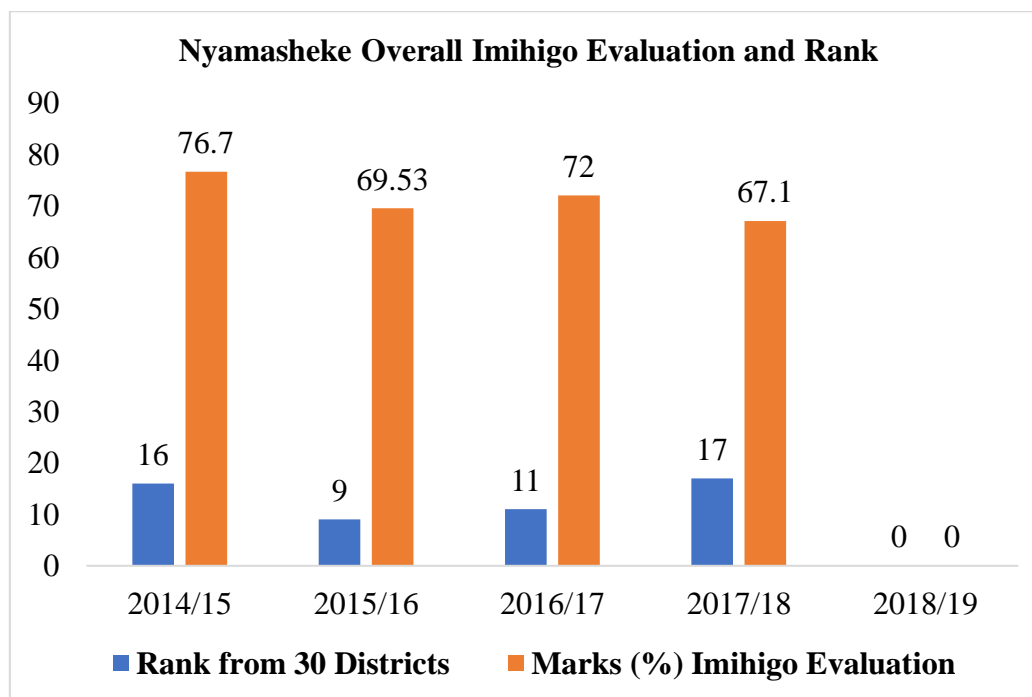
Source: (Nyamasheke, 2019)

### 8.3. Test of H02

H02: Imihigo signed by District in last 6 years (2014-2019) on socio-economic development were poorly performed.

To test this, the researcher has analyzed the performance of Nyamasheke District vis a vis another district in Imihigo. The figure below gives more clarifications.

**Figure 2: Nyamasheke District Overall Imihigo Evaluation 2014/15 to 2018/19**



Source: (Office of the Prime Minister, 2020)

As seen in Figure 2, Nyamasheke District does not have consistency in Imihigo performance, always vary from one year to another. In general, from 2014/15 there is a descending rate from 76.7% to 67.1% of 2017/18 because 2018/19 evaluation was not conducted at a national level. The position always remains above 10th position in 30 districts. This mark middle performance while on individual Imihigo performance this district got 8th position with 80.3% marks in 2016/17. In the same year (2017/18) social-economic pillar Nyamasheke also has got a good position (5th) with 80.7% marks. Based on that, the researcher stands on findings and conclude that H02 is not accepted.

#### 8.4. Test of H03

H03: From 2014 to 2019 Nyamasheke District has ensured poor performance in socio-economic development.

Secondary data assessed on socio-economic performance of Nyamasheke District were captured from EICV5 (NISR, 2018). This report shows that Nyamasheke district has 69.3% poverty incidence rate, 41.5% extreme poverty rate, 45.1% labour force participation rate, 34.4% unemployment rate, 17.3% percentage of land under consolidation, 70.3% percentage of land protected against soil erosion, 2.1% percentage of land under irrigation, 22.1% of households using electricity, 89% households using an improved water source, 34% of stunted children under five years, 1.2% households owning a computer, 69.9% literacy of population aged 15 and above, 80% of adult financial inclusion and 28.7% of households with rainwater catchment systems. All these indicators lead to the ranking of Nyamasheke District on the 30th Position on poverty ranking (the last among 30 Districts) or the poorest among others. Thus, due to that, the H03 is accepted.

#### 8.5. Test of H04

H04: There is no significant correlation between performance contracts and socio-economic development of Nyamasheke District.

**Table 3: Effectiveness of Imihigo (performance Contract) in Nyamasheke District**

Items Assessed	SA		A		D		Mean	Stdv	Rank
	fi	%	fi	%	fi	%			
Nyamasheke District Set Imihigo and individual imihigo based on National Priorities	54	100.0	0	0.0	0	0.0	5.000	0.00	Strong Homogeneity
Imihigo are settled with a respect of general format (Pillar, Sector, Outcome, Output and Indicators)	45	83.3	9	16.7	0	0.0	4.833	0.14	Strong Homogeneity
Each Indicator is defined with clear baseline and Target	50	92.6	4	7.4	0	0.0	4.926	0.07	Strong Homogeneity
Activities are well defined in Imihigo with significant calculated budget and clear on responsibility for each staff or institution	12	22.2	30	55.6	12	22.2	3.778	1.08	Strong Heterogeneity
Imihigo Evaluation is being conducted with everyone contribution and everyone is happy on rating	3	5.6	40	74.1	11	20.4	3.648	0.76	Strong Heterogeneity

Source: Primary Data 2020

Table 3 shows that Nyamasheke District Set Imihigo and individual imihigo based on National Priorities (100% strongly agreed), Imihigo are settled with respect of general format (Pillar, Sector, Outcome, Output and Indicators) (83.3% strongly agreed and 16.7% agreed), Each Indicator is defined with clear baseline and Target (92.6% strongly agreed and 7.4% agreed), Activities are well defined in Imihigo with a significant calculated budget and clear on responsibility for each staff or institution (22.2% strongly agreed, 55.6% agreed and 22.2% disagreed) and Imihigo Evaluation is being conducted with everyone contributes and everyone is happy on rating (5,6% strongly agreed, 74.1% agreed and 20.4% disagreed).

**Table 4: Socio-economic performance of Nyamasheke District**

Items Assessed	SA		A		D		Mean	Stdv	Rank
	fi	%	fi	%	fi	%			
Nyamasheke District has made good performance in infrastructure development	17	31.5	27	50.0	10	18.5	3.944	1.07	Strong Heterogeneity
Nyamasheke District has made good effort in poverty reduction	2	3.7	13	24.1	39	72.2	2.593	0.96	Moderate Heterogeneity

Items Assessed	SA		A		D		Mean	Stdv	Rank
	fi	%	fi	%	fi	%			
Nyamasheke District has made good performance in improved health services and sanitation to its households	20	37.0	14	25.9	20	37.0	3.630	1.75	Strong Heterogeneity
Nyamasheke District is a good performer in socio-economic development compared to other Districts	2	3.7	7	13.0	45	83.3	2.370	0.73	Moderate Heterogeneity
Nyamasheke Districts staff are good enough to help the district to achieve its targets	5	9.3	40	74.1	9	16.7	3.759	0.71	Strong Heterogeneity

Source: Primary Data 2020

As seen from table 4, Nyamasheke District has made a good performance in infrastructure development (31.5% strongly agreed, 50% agreed and 18.5% disagreed), Nyamasheke District has made a good effort in poverty reduction (3.7% strongly agreed, 24.1% agreed and 72.2% disagreed), Nyamasheke District has made a good performance in improved health services and sanitation to its households (37% strongly agreed, 25.9% agreed and 37% disagreed), Nyamasheke District is a good performer in socio-economic development compared to other districts (3.7% strongly agreed, 13% agreed and 83.3% disagreed) and Nyamasheke Districts staff are good enough to help the district to achieve its targets (9.3% strongly agreed, 74.1% agreed and 16.7% disagreed).

**Table 5: Bivariate analysis**  
Correlations

Tested Indicators representing Independent and Dependent Variable	Performance Contracts	Socio-Economic Development
<b>Performance Contracts</b>	Pearson Correlation	.210**
	Sig. (2-tailed)	.001
	<b>N</b>	<b>54</b>
<b>Socio-Economic Development</b>	Pearson Correlation	.210**
	Sig. (2-tailed)	.001
	<b>N</b>	<b>54</b>

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data 2020

Table 6 present bivariate correlation analysis of primary data (perception of respondents on items assessed). Pearson correlation (r) is 0.210 meaning that, there is a weak positive correlation between imihigo (performance contract) and socio-economic development. Sig.

(2-tailed) is equal to 0.001 showing that, thus correlation resulted or signified by  $r$  is statistically significant. Thus, the researcher concludes that H04 is not accepted.

## 9.0 CONCLUSION

This study was conducted to assess the significance Performance Contract (Imihigo) on socio-economic development of Rwanda: A case of Nyamasheke District (2014-2019). The study findings (secondary data) have been shown that 100% Nyamasheke district respect the format of Imihigo, Nyamasheke District also use national priorities, pillars for setting outcome, outputs, indicators sector by sector. In other case, indicators are well defined with clear baseline, targets, responsibilities and budget. These findings were used by the researcher to reject H01 "Nyamasheke District performance contracts (as a whole) and individual staff performance contracts are not well formulated". The assessment of H02 "Imihigo signed by District in last 6 years (2014-2019) on socio-economic development was poorly performed" also have revealed that Nyamasheke District ensures moderate performance in terms of imihigo evaluation. On the case of the economic pillar, this district was ranked good with more than 80% marks the same case for individual performance. This was resulted in the authority to the researcher for not accepting this hypothesis. Assessment again of secondary data has shown that Nyamasheke district is a poor performer in the real economy (the researcher use this as the difference of paper evaluation and field visit (visiting households one by one) as made by NISR through EICV5 and find that Nyamasheke District ranked the last (30th) in 30 districts in poverty reduction. Due to that, the researcher has accepted the H03. For the H04, the researcher has tested primary data (finings from the field) on the perception of respondents (District staffs) on both variables). Pearson correlation ( $r$ ) is 0.210 meaning that, there is a weak positive correlation between imihigo (performance contract) and socio-economic development. Sig. (2-tailed) is equal to 0.001 showing that, thus correlation resulted or signified by  $r$  is statistically significant. Thus, the researcher concludes that H04 is not accepted. Thus, evaluation of Imihigo may rank a district or a staff on good rank while on field people are suffering. A good ranking should be delivered from households looking changes they got in their living conditions with the support of local government authorities. Other case performance contracts have a little (weak positive correlation) on socio-economic development, it counts only 21% while the remaining 79% is from other factors not captured by this study.

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