



Difficulties in the Management of Public Finances and Execution of Budgets in Kigali City (2019–2023)

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Abstract

This research explores the efficiency and obstacles associated with public financial management (PFM) and budget implementation within the local government of Kigali City from 2019 to 2023, a period characterized by rapid urban growth and heightened demand for infrastructure and public services.

The population of Kigali is rising at an annual rate of 5.3%, leading to an increased necessity for effective financial management to meet the shifting requirements of the city. This study employs an engaging mixed-methods approach for an in-depth analysis. It integrates quantitative and qualitative methods to reveal valuable insights and promote a well-rounded understanding of the subject. The research utilizes budgetary data from the financial reports of Kigali City Council and includes significant viewpoints collected through interviews with 30 committed finance officers, project managers, and departmental heads. The study reveals enhancements in budget transparency, noting a 20% improvement since 2019 due to better reporting practices and compliance initiatives. The advancement of public financial management (PFM) presents opportunities for transformative change, even when faced with challenges like funding delays that may take four to six months. Such delays can obstruct project execution and disrupt financial planning within the public sector, ultimately impacting vital services and community initiatives. For example, the holdups in fund allocation have already delayed essential initiatives, like expanding Nyabugogo Road and vital drainage improvements in flood-prone regions. Moreover, in 2022, only 65% of the infrastructure budget was used due mainly to procedural challenges and the necessity for better collaboration between departments.

The study recommends adopting digital financial management systems to improve project tracking, reduce disbursement times, and enhance accountability. It also suggests specialized training programs for finance officers and project managers to enhance skills and capacity. Proactively addressing these challenges could improve operational efficiency, boost project

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completion rates, and increase public satisfaction, fostering positive community transformation and more resilient infrastructure.

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