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PROJECT PERFORMANCE ASSESSMENT REPORT



RWANDA

Urban Infrastructure and City Management Project (UICMP)

Report No. 133113

DECEMBER 20, 2018

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PROJECT PERFORMANCE ASSESSMENT REPORT

RWANDA

**RWANDA URBAN INFRASTRUCTURE AND CITY MANAGEMENT PROJECT
(UICMP)**

(IDA-H1880)

December 20, 2018

Financial, Private Sector, and Sustainable Development

Independent Evaluation Group

Currency Equivalents (annual averages)

Currency Unit = Rwanda Francs (RF)

| | | |
|------|--------|----------|
| 2005 | \$1.00 | \$556.46 |
| 2006 | \$1.00 | \$552.74 |
| 2007 | \$1.00 | \$546.86 |
| 2008 | \$1.00 | \$542.85 |
| 2009 | \$1.00 | \$546.86 |

Abbreviations

| | |
|----------|--|
| APL | Adaptable Program Lending |
| ASSETIP | Association d'Exécution des Travaux d'Intérêt Public |
| EDPRS | Economic Development and Poverty Reduction Strategy |
| ERR | economic rate of return |
| ICR | Implementation Completion and Results Report |
| ICRR | Implementation Completion and Results Report Review |
| IEG | Independent Evaluation Group |
| M&E | monitoring and evaluation |
| MININFRA | Ministry of Infrastructure |
| NPV | net present value |
| PAD | project appraisal document |
| PCU | Project Coordination Unit |
| PDO | project development objective |
| PPAR | Project Performance Assessment Report |
| RUDP | Rwanda Urban Development Project |
| UICMP | Urban Infrastructure and City Management Project |

All dollar amounts are U.S. dollars unless otherwise indicated.

Fiscal Year

Government: July 1–June 30

| | |
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This report was prepared by Lourdes N. Pagaran, who assessed the project in January 2018. The report was peer reviewed by George Matovu and panel reviewed by Lauren Kelly. Richard Kraus provided administrative support.

Principal Ratings

| Indicator | ICR | ICR Review | PPAR |
|-----------------------------|---------------------|---------------------|--------------|
| Outcome | Highly satisfactory | Highly satisfactory | Satisfactory |
| Risk to development outcome | Moderate | Moderate | Moderate |
| Bank performance | Satisfactory | Satisfactory | Satisfactory |
| Borrower performance | Highly satisfactory | Highly satisfactory | Satisfactory |

Note: The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Global Practice. The ICR Review is an intermediate Independent Evaluation Group product that seeks to independently validate the findings of the ICR. PPAR = Project Performance Assessment Report.

Key Staff Responsible

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IEG Mission: Improving World Bank Group development results through excellence in independent evaluation.

About This Report

The Independent Evaluation Group (IEG) assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the World Bank's self-evaluation process and to verify that the World Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20–25 percent of the World Bank's lending operations through fieldwork. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or World Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, interview World Bank staff and other donor agency staff both at headquarters and in local offices as appropriate, and apply other evaluative methods as needed.

Each PPAR is subject to technical peer review, internal IEG panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible World Bank Country Management Unit. The PPAR is also sent to the borrower for review. IEG incorporates both World Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the World Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEG Rating System for Public Sector Evaluations

IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: <http://ieg.worldbankgroup.org>).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current World Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, country assistance strategies, sector strategy papers, and operational policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared with alternatives. The efficiency dimension is not applied to development policy operations, which provide general budget support. *Possible ratings for outcome:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, highly unsatisfactory.

Risk to development outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for risk to development outcome:* high, significant, moderate, negligible to low, and not evaluable.

Bank performance: The extent to which services provided by the World Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan or credit closing, toward the achievement of development outcomes). The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Borrower performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for borrower performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Preface

This Project Performance Assessment Report (covers the Rwanda Urban Infrastructure and City Management Project), which was approved by the Board of Executive Directors on November 10, 2005 and closed on December 31, 2009.

The PPAR serves an accountability purpose by verifying whether the operation achieved its intended outcomes. In addition, the report draws lessons intended to inform the design and implementation of ongoing and future operations on urban development in Rwanda and elsewhere.

The report presents findings based on the review of the project appraisal document, Implementation Status and Results Reports, Implementation Completion and Results Report, Implementation Completion and Results Review, and other relevant materials. In addition to reviewing project documents, information for this assessment was obtained from interviews conducted with government officials, project supervisors, local government authorities, project beneficiaries, members of the donor community, and World Bank staff during an Independent Evaluation Group mission in Rwanda in January and February 2018. Interviews were also conducted in Washington, DC, with World Bank staff. Field visits were conducted for selected project sites in Kigali and Musanze.

The author would like to acknowledge the cooperation and support provided by World Bank staff in the country office and in Washington, and to all interviewees.

Following standard Independent Evaluation Group procedures, the report was sent to the government officials and agencies in the Rwanda for review and comments. Borrower comments are attached in Appendix I.

Summary

This Project Performance Assessment Report reviews the Rwanda Urban Infrastructure and City Management Project (UICMP). The project was approved on November 10, 2005 and became effective on June 2, 2006. The project's original closing date of March 31, 2009, was extended by nine months to December 31, 2009. The project was financed by an International Development Association (IDA) grant (\$20 million) and a Professional Human Resource Development grant (\$0.46 million), and contributions from the government of Rwanda (\$2.6 million). The Nordic Development Fund provided parallel financing (\$6.4 million).

The UICMP is the first and only World Bank urban operation in Rwanda that has reached full completion. Since the project's closing in 2009, the World Bank had no follow-on operation until the recent approval of the Rwanda Urban Development Project in FY16. Prior to the UICMP, an urban operation was approved in 1989 but was canceled in 1991 owing to its complex design, lack of government ownership, and the deterioration of the country conditions in 1991.

The project took four years to prepare. The World Bank needed that time to collect data and undertake analytical work to underpin the design of the project and to build consensus among key counterparts. The project's approval was delayed as a result of the reduction of the IDA envelope allocated to the project. The project had to be renegotiated and the lending instrument changed to a two series Adaptable Program Lending (APL) to accommodate the smaller IDA allocation. However, the second APL of the UICMP was dropped at the request of the government who preferred to allocate more IDA resources for budget support.

The project development objective (PDO) was to increase access to urban infrastructure and services in the primary city of Kigali and the two secondary cities of Butare and Ruhengeri through physical investment and upgrading and improved management tools. With the country-wide administrative reorganization in 2006, Ruhengeri and Butare were redefined and enlarged to become the districts of Huye and Musanze, respectively. This report will subsequently refer to Huye and Musanze.

The PDO was highly relevant to the country context and priorities, and the World Bank Group's country strategies (Country Assistance Strategy, FY03–05; Interim Strategy Note, FY07–08). The project's objective was also relevant to the government's decentralization policy of enhancing the capacity of local governments. The PDO remains relevant notwithstanding the decision in 2009 to drop the second APL series because of the government's preference for budget support and the realignment of division of labor among donor partners. In 2014, the urban sector has re-emerged as one of the key building blocks of the government's economic transformation as reflected in its Economic Development and

Poverty Reduction Strategy 2 and Vision 2020. This is supported by the Bank Group's Country Partnership Strategy for FY14–19, in which the urban sector is identified as one of the subpillars of the Country Partnership Strategy for accelerating economic growth.

The project's design was substantially relevant. The stated objective was clearly linked to the proposed activities and outputs, and the connection between funding and outputs were clear and convincing. The postconflict circumstances in the country and the lack of institutional capacity, at both project and sector levels, may explain why the World Bank measured results at the output level. The use of an APL series was appropriate given the limited client capacity and the World Bank's nascent engagement in the urban sector in Rwanda. The pilot approach on urban upgrading and land development was also appropriate given the limited knowledge and implementation experience in the sector in Rwanda. The project design explicitly recognized weak implementation by integrating a capacity building component and by using a contract management agency through the Association d'Exécution des Travaux d'Intérêt Public (ASSETIP) to execute the civil works component of the project. However, the risk that the government would not pursue the second APL was not identified in the PAD although there were already indications that budget support was the government's preferred mode of financing.

Efficacy of the project is rated **substantial**. The project contributed to increasing access to paved roads in Kigali and Huye, contributed to opening up new areas to development, and benefited the poor. It also contributed to increasing access to social infrastructures (health centers, schools, and youth centers) in Kigali and Musanze. The findings from the slum upgrading pilot assessment indicate that project beneficiaries were satisfied with the in situ improvements, including increased mobility within the area; the public street lighting made people feel safer and changed the perception of the area as difficult to access and dangerous at night; better access to and from the area resulted in the creation of new small businesses; and better roads provided easy access for emergency and security vehicles.

Efficiency of the project is rated **substantial**. The ex postanalysis for selected works indicate that the economic rate of return and net present value were comparably higher than the ex ante assessment. In terms of administrative efficiency, the project's closing date was extended by nine months from the original closing date. Actual total project cost was higher than planned as reflected in higher IDA and government counterpart financing and in the higher operating cost for ASSETIP compared with planned estimates. Nonetheless, the cost overruns were reasonable given the postconflict status of the country and the weak implementation capacity of the government. However, the land development pilot remains vacant and unused, which suggests inefficient use of project resources.

The quality of monitoring and evaluation is rated **substantial**. The outcome indicator was appropriate, albeit with some measurement shortcomings. The indicators had baselines and

targets. Monitoring and evaluation data were collected regularly and was used to inform project implementation and management decisions.

Overall, the risk to development outcome is rated as **moderate**. The project outputs (including roads, schools, health centers, and bus stations) were maintained by the local governments with support from the national government. The government largely adapted and mainstreamed the tools introduced under the project. At project closure, the World Bank facilitated the transition and mainstreaming of the ASSETIP. An ongoing operation, the Rwanda Urban Development Project, which was approved in 2016, serves as a de facto follow-on operation to UICMP with similar objectives and scope regarding geography and project components.

Overall, Bank performance is rated **satisfactory**. The project design was underpinned by extensive analytical work and consultation with key counterparts. The World Bank worked closely with other donors, including the UN Habitat and the Nordic Development Fund, and secured Professional Human Resource Development funds to support the extensive preparatory work. The World Bank supervision team was stable, with two task team leaders during project implementation. The World Bank was proactive in resolving implementation issues. It facilitated an orderly transition arrangement for the project, which was critical when the second APL series was discontinued.

Government performance is rated **satisfactory**. The government showed strong ownership at both project preparation and implementation stages. However, the government's decision to drop the second phase of the APL in favor of budget support created knowledge and implementation gaps in the sector. The Project Coordination Unit and ASSETIP collaborated well together to implement the project with limited delays, notwithstanding early implementation delays caused by staff turnover in the Project Coordination Unit.

The main lessons from this operation are as follows:

- **The World Bank's absence in a sector creates knowledge and implementation gaps for both World Bank and client, requiring significant catch-up transaction costs.** In the case of postconflict Rwanda, the World Bank took four years to prepare the project to undertake analytical and preparatory work and extensive consultation with key stakeholders. Combined with strong implementation support, the World Bank was able to successfully implement and complete the first urban project (UICMP) in Rwanda. The World Bank's withdrawal from the sector in 2009 and re-engagement in 2014 entailed rebuilding its knowledge base and implementation capacity at central and project levels and relearning some of the lessons from the UICMP albeit in a much different urban environment. In both cases, the lack of World Bank activity in the urban sector for several years translated into significant

“catch-up” transaction costs for the World Bank and the client in terms of knowledge base and implementation capacity when re-engagement takes place.

- **Using a delegated management agency to address the weak implementation capacity of local governments requires a focus on building such capacity and a clear exit strategy to ensure long-term sustainability.** The use of a contract management agency approach in postconflict Rwanda through ASSETIP ensured that the civil works were generally of good quality and were completed on time. However, the use of this type of implementation modality needs to have a clear exit strategy to ensure sustainability of results by focusing on building the capacity of local governments. In the case of Rwanda, the World Bank had a clear exit strategy by facilitating the mainstreaming of ASSETIP in coordination with government through a framework agreement that would allow ASSETIP to work on behalf of decentralized entities and public institutions to execute their investment programs. Under this arrangement, local governments would decide when and how to use the services of ASSETIP to complement their capacity needs.
- **To maximize learning from pilot project components, their lessons should be documented and disseminated to inform the future work of the World Bank and government.** In the case of Rwanda, the pilots on urban upgrading and land development were envisaged to demonstrate what works and does not work in addressing the issue of informal settlements. The urban upgrading pilot demonstrated how upgrading an informal settlement could improve the lives of the beneficiaries. Although the lessons from the two pilots were documented at project close, the lessons had not been disseminated, largely because the second phase of the UICMP was dropped and the World Bank did not have any further engagement in the urban sector until 2014. Absent the dissemination of lessons from the pilots, the World Bank and the government had to relearn the lessons from previous interventions (for example, urban upgrading is currently being piloted under the ongoing Rwanda Urban Development Project).

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1. Background and Context

1.1 Rwanda is a low-income country with gross national income per capita of \$720 in 2017. Since the 1994 genocide, Rwanda has experienced high economic growth that contributed to its remarkable progress in reducing poverty and inequality. Gross domestic product (GDP) growth rate averaged 7.7 percent a year between 2002 and 2017, and GDP growth rate per capita averaged 5.2 percent for the same period. These figures compare favorably with the Sub-Saharan Africa average of 4.9 percent and 2.1 percent, respectively. Poverty head count ratio dropped from 56.7 percent in 2005 to 39.1 percent in 2015.¹ Income inequality as measured by the Gini index also declined to 45 in 2015 from 52 in 2005 (see appendix B, table B.1). With 85 percent of its population living in rural areas, the country is still predominantly rural. Yet, it has been urbanizing rapidly at an average rate of 6.7 percent annually, with the level of urbanization increasing from 15.8 percent in 2002 to 26.5 percent in 2012 (see also figures C.1, C.2, and C.3).

1.2 The World Bank's engagement in the urban sector in Rwanda has evolved over time following the government's division of labor and in line with the government's strategy on urban development. In previous decades, the government's attention focused on providing urban infrastructures as part of the 1994 reconstruction and to address infrastructure deficits in areas experiencing significant population movement. Subsequently, the government's objective was to decongest the agricultural zones through master plan implementation (the Economic Development and Poverty Reduction Strategy; EDPRS 1). By 2014, the government had placed urban development as one of the core pillars of its economic transformation objective, reflected in its EDPRS 2 and Vision 2020 (see appendix D).

Project Context

1.3 The Urban Infrastructure and City Management Project (UICMP) was the first and only World Bank urban operation in Rwanda that reached full completion.² Since the project's closing in FY10, the World Bank had no follow-on operation until the recent approval of the Rwanda Urban Development Project in FY16. Prior to the UICMP, an urban operation was approved in 1989 but was canceled in 1991.³ At the time of preparation of the UICMP in 2003, Rwanda was transitioning from postconflict to peace and reconciliation, and development. Government and donors focused their development efforts in the rural areas in large part because the country was still predominantly rural, and poverty was concentrated in the rural areas.⁴ Following the 1994 genocide, the large influx of population from the rural to the

urban areas in search of jobs and opportunities resulted in a significant increase in urban population, particularly in the capital city, Kigali. There was widespread development of slums in urban areas because of increased levels of rural-urban migration (Rwanda 2002, 27). Informal settlements accounted for more than 70 percent of housing in Kigali. The need for increased provision of infrastructure during this time was particularly acute given the destruction of infrastructure and the high rate of rural-urban migration that put a strain on infrastructure, which could not keep up with increased levels of population demand especially in the urban areas. At the same time, local governments did not have the resources and capacity to manage and provide for basic services.

1.4 UICMP was envisaged to support the government's decentralization policy by targeting urban districts and addressing the twin issues of inadequate provision of urban infrastructure and limited institutional capacity.⁵ The preparation and implementation of UICMP coincided with the two phases of decentralization in Rwanda. The support to decentralization implies working with the city government of Kigali and the two secondary cities and building their implementation and institutional capacities to effectively carry out their new responsibilities. The project would introduce several urban management tools that would help government manage and sustain the physical assets created under the project and beyond. The project had also to align with the territorial reform in 2006, which resulted in the reconfiguration in geographic scope of districts, and the corresponding change in the territorial coverage and adjustments in the target secondary cities (from Butare to Huye and from Ruhengeri to Musanze).

1.5 The project took four years to prepare. First, the World Bank and the government had neither experience nor data in the urban sector in Rwanda because it was the first World Bank operation after the genocide. The World Bank needed the time to collect data and undertake analytical work to underpin the design of the project. Second, the World Bank had to build consensus among key counterparts (including the district and communities) and build trust and confidence of the government counterparts which had no institutional capacity in the urban sector. Third, the turnover in World Bank team leadership also contributed to the long preparation time. Fourth, the project's approval was delayed owing to the reduction of the International Development Association (IDA) envelope allocated for the project. The project had to be renegotiated and the lending instrument changed to accommodate the smaller IDA allocation. The project was originally designed as specific investment lending (now called investment project financing) with a funding envelope of \$40 million over a five-year period. By the time of negotiation, the

amount available to the project had been reduced to \$20 million. Hence, the project had to be redesigned and renegotiated as an APL in two phases to accommodate the limited project financing.

1.6 During the discussion of the World Bank's Country Assistance Strategy for FY09–12, the government decided to allocate more IDA resources for budget support and informed the World Bank that it would no longer continue with the second APL of the UICMP. It was envisaged that the policy reform part of the urban sector would be taken up in the budget support, while the infrastructure elements would be undertaken by other donors, including the African Development Bank and China. With no funding available for the second phase of UICMP and in line with the government's division of labor, the World Bank had effectively disengaged in the urban sector. At the time of the UICMP, the World Bank was the only major donor agency to provide significant financing for the urban sector, and it continues to be until now. The World Bank's disengagement in the sector had effectively discontinued the work that it started under UICMP, albeit some of the urban practices were adopted by the government. Nonetheless, the World Bank's absence created significant knowledge gaps in the urban sector in Rwanda during the long hiatus of almost 10 years.

2. Relevance of the Objectives and Design

2.1 The UICMP was approved as a series of two Adaptable Program Loans (APLs). The project appraisal document (PAD) provided both program and project objectives. The overall program objective was to increase access to urban infrastructure and services in Kigali and five secondary cities (PAD, 5). The project development objective (PDO) of phase 1 was to increase access to priority urban infrastructure in Kigali and two secondary cities (Ruhengeri and Butare; PAD, 6).⁶ However, the PDO statement in the PAD's data sheet and Annex 3 and the Grant Agreement did not use the word "priority urban infrastructure."⁷ The PDO statement in the Grant Agreement (p. 25) was: "to increase access to urban infrastructure and services in the primary city of Kigali and the secondary cities of Butare and Ruhengeri through physical investment and upgrading and improved urban management tools." The PDO formulation between the PAD and Grant Agreement does not constitute a significant difference in substance. This assessment will use the PDO statement as stated in the grant agreement in line with the Independent Evaluation Group's Implementation Completion and Results Report (ICR) Review guidelines.

2.2 With the administrative reorganization in 2006, Ruhengeri and Butare were redefined and enlarged to become the districts of Huye and Musanze, respectively. This report will subsequently refer to Huye and Musanze.

Relevance of the Objectives

2.3 The relevance of objectives is rated **high** at appraisal and closing. At appraisal, the project's objective was aligned with the World Bank's Country Assistance Strategy for FY03–05, and the interim strategy note for FY07–08, and in line with the government's Poverty Reduction Strategy (PRSP) 2002, which included economic infrastructure as one of the six priority areas for public action.⁸ The influx of migrants to the cities, particularly Kigali, had resulted in increased informal settlements, poor housing conditions, and significant gaps in urban infrastructure and services in relation to the burgeoning urban population. For instance, the level of infrastructure in Kigali was envisaged to support a population of about 450,000, whereas the population reached 800,000; with an estimated 80 percent living in informal settlements.⁹ The project's objective was also relevant to the government's decentralization policy, which was adopted in 2000 and to be implemented in three phases, with local empowerment as one of its key building blocks, including enhancing local government capacity for implementation and service delivery.

2.4 At closing, the project's objective remains relevant in the context of the government's priorities as articulated in its Economic Development Poverty Reduction Strategy 1 (EDPRS 1), 2008–12, and Vision 2020 and its decentralization policy. The PDO remains relevant notwithstanding the government's decision to drop the second APL series in line with the division of labor in 2010,¹⁰ as well as its desire to reduce the number of projects and its preference to use IDA resources for budget support. It was envisaged that the urban sector could be supported under budget support operations and by other donor agencies.

2.5 In 2014, the government requested that the World Bank Group take the lead in urban development in line with its EDPRS 2 and Vision 2020, which placed urban development as one of the building blocks of its economic transformation pillar. In support of the government's priorities, the current Country Partnership Strategy (FY14–18) includes urban development as one of its subpillars under accelerating economic growth. Access to basic infrastructure in urban areas in Rwanda remains relevant as it was at the time of the UICMP. Although some progress has been made, access to basic infrastructure remains a challenge because the landlocked nature of the country and inadequate capacity at the local level result in a high cost of infrastructure provision. In FY16, the World Bank approved the Rwanda Urban

Development Project (RUDP) which in effect is the de facto follow-on operation to the UICMP in terms of its PDO, geographic scope, and components.¹¹

2.6 On balance, the relevance of objectives is rated **high**.

Design

Components

2.7 The project had three components: (i) urban infrastructure; (ii) slum urban upgrading and low-income area development zone pilot; and (iii) institutional capacity building program.

2.8 **Component 1: Urban infrastructure** (appraisal cost: \$10.6 million; actual cost: \$13.76 million).¹² This component aimed to improve the provision of priority urban infrastructure and services in Kigali and two secondary cities (Huye and Musanze) at two levels: (i) city and interdistrict investments, particularly for Kigali; and (ii) district-level investment programs. The city and district investments included but were not limited to roads, pathways, schools, health centers, youth centers and recreational facilities, sanitation, drainage, environmental improvement, markets, and small bus stations. The priority investments were to be identified through the Commune Development Plans, reviewed and screened through urban audits, which then formed the basis for the city Priority Investment Program and were included in the city contract (or *imihigo* in the local language). The introduction of a city contract approach is not new in Rwanda; the performance contract called *imihigo* was introduced in 2006 (see appendix E on Rwanda's Imihigo System or Performance Contracts).¹³

2.9 **Component 2: Slum area upgrading and low-income area development zone pilot** (appraisal cost: \$1.9 million; actual cost: \$2.03 million). This component was envisaged to pilot new pro-poor urban upgrading and land development strategies. It had two subcomponents.

- Subcomponent 1: Slum area upgrading in Kigali. This subcomponent involved upgrading one slum area in a peri-central part of Kigali focusing, inter alia, on: (i) access through secondary and tertiary roads and pedestrian pathways; (ii) drainage and runoff control; (iii) recreational facilities; and (iv) public and community spaces.
- Subcomponent 2: Piloting of a development zone in a low-income area of Kigali. This subcomponent would support the implementation of a land

development pilot for serviced land for low-income inhabitants in the Akumunigo area of Kigali ¹⁴ and provide land to low-income households that could be resettled under the project.

2.10 **Component 3: Institutional capacity building and project management** (appraisal cost: \$4.0 million; actual cost: \$3.61 million). This component aimed at strengthening urban local governments, and selected government agencies. It had three subcomponents.

- Subcomponent 1: Financing for studies, training, logistical support, targeted technical assistance, and implementation of focused operational activities critical for the management of decentralized entities. These activities included (i) resource mobilization; (ii) accounting procedures and municipal management for the improvement of operations and maintenance; and (iii) management of the urban environment.
- Subcomponent 2: Funding for the resettlement action plans and any unexpected resettlement needs that would occur as a result of the implementation of the infrastructure subprojects.
- Subcomponent 3: Financing for the Project Coordination Unit (PCU) and the contract management agency (Association d'Exécution des Travaux d'Intérêt Public; ASSETIP), including staff, operating costs, technical assistance, monitoring and evaluation (M&E), and audits costs to implement the UICMP.

Implementation Arrangements

2.11 The project was implemented by the beneficiary cities (Kigali, Huye, and Musanze), with support from the PCU and ASSETIP. Both the PCU and ASSETIP were created under the project. The executing agency for the project was the Ministry of Infrastructure (MININFRA) which provided oversight over the PCU and ASSETIP. A clear division of labor was established between the PCU and ASSETIP. The contract management agency type of arrangement for implementation was introduced to deal with acute implementation problems.¹⁵ Project documentation indicated that this implementation modality would be reviewed at midterm, and its sustainability considered at project closure.

2.12 The PCU, which consisted of a small unit led by a project coordinator, was responsible for the overall technical and financial operations, and M&E of the project. It was also responsible for the supervision and coordination of the implementation of the institutional capacity building component of the project.

ASSETIP on the other hand, was in charge of the execution and supervision of the civil works for components 1 and 2, in close coordination with the PCU.

Relevance of the Design

2.13 The project's objective was to be achieved through two types of interventions: (i) implementation of physical investments and upgrading programs identified through participatory process in targeted cities; and (ii) introduction of management tools to improve the programming, financing, and implementation mechanisms of service delivery, as well as municipal management and maintenance. The stated objective was clearly linked to the proposed activities and outputs, and the connection between funding and outputs are clear and convincing. Given limited implementation capacity, the project design explicitly integrated capacity building efforts in one of its project components (component 3) and supplemented limited implementation capacity by introducing the contract management agency modality through ASSETIP.

2.14 The use of an APL series was appropriate and allowed for an incremental approach given constrained client capacity and the World Bank's limited engagement in the sector in Rwanda. It could have been ideal to measure project results at the outcome level; however, capacity issues at both project and sector levels may explain the rationale for measuring results at the output level. The pilot approach on urban upgrading and land development, was also appropriate given the nascent engagement in the sector and limited capacity of the government. However, the risk that the government would not pursue the second APL series was not identified in the PAD as a possible risk factor although there were already indications that the budget support was the government's preferred mode of financing.

2.15 On balance, the relevance of design is rated **substantial**.

3. Implementation

Planned versus Actual Expenditure by Component

3.1 Total project cost at appraisal was \$23.06 million,¹⁶ consisting of an IDA grant (\$20 million), contributions from the government (\$2.6 million), including through the Common Development Fund, and a Professional Human Resource Development grant (\$0.46 million). At closing, total project cost was \$23.79 million, including an IDA grant (\$20.67), government contributions (\$2.64 million), and a Professional

Human Resource Development grant (\$0.48 million). The Nordic Development Fund provided parallel financing (appraisal; \$6.4 million; actual, \$7.13 million) for storm water drainage and erosion control improvements.

Table 3.1. Total Project Cost by Component, Planned versus Actual

| Component | Appraisal | Actual | Difference |
|--|------------------|---------------|-------------------|
| Component 1: Urban infrastructure | 10.60 | 13.76 | 129.81 |
| Component 2: Urban upgrading and local development areas | 1.90 | 2.03 | 106.84 |
| Component 3: Institutional capacity building | 4.00 | 3.61 | 90.25 |
| Total base cost | 16.50 | 19.40 | 117.58 |
| Physical contingencies | 1.00 | 0.00 | 0.00 |
| Price contingencies | 1.20 | 0.00 | 0.00 |
| Total project cost | 18.70 | 19.40 | 103.74 |
| Front end fee Project Preparation Facility | 1.30 | 1.26 | 96.92 |
| Total financing | 20.00 | 20.66 | 103.30 |

Note: International Development Association financing only.

Implementation Experience

3.2 The project was approved by the Board of Executive Directors on November 10, 2005 and became effective on June 2, 2006. The project's closing date was extended to December 31, 2009, nine months after the original closing date of March 31, 2009. The midterm review of the project was held on March 24, 2008. There were two project restructurings: (i) to extend the closing date, and (ii) to drop one of the intermediate outcome indicators included in the Development Grant Agreement¹⁷ and revise one intermediate indicator included in the Project Agreement.¹⁸ The modifications of these intermediate indicators did not affect the achievement of the PDO and outcome indicators. The two restructurings were approved by the Country Director on October 9, 2008, and January 12, 2009, respectively.

3.3 Several factors contributed to implementation delays. Rapid staff turnover of the PCU contributed to the initial implementation delays, particularly with respect to the institutional development component of the project. Other factors that affected implementation include the protracted work of Electrogaz to move the electricity networks, shortage of cement for several months, and poor performance of contractors. The implementation of the land development pilot was also delayed owing to challenges associated with site selection, topographic design, and relocation of people affected by the project. However, these implementation

challenges are not uncommon especially given the nascent reengagement in the urban sector both by the World Bank and the client.

Monitoring and Evaluation

3.4 **Design.** The PAD identified two outcome indicators: “additional population having access to improved social and economic urban infrastructures” and “percentage of additional resources allocated yearly through the municipal budget.” The indicators had baselines and targets. In addition to project monitoring reports, the PAD also identified other data collection instruments that included technical audits, beneficiary assessments, and a stakeholder workshop. The PCU had overall responsibility for coordinating and consolidating M&E reports. However, the M&E design had some shortcomings. The outcome indicator was stated as “access to improved social and economic infrastructures,” but it did not provide for specific outcome measures for access to social and economic urban infrastructures. For instance, access to health centers could be measured in terms of distance of less than 2 kilometers from the main road. At the ICR stage, the outcome indicator was narrowed down to “access to paved road in Kigali and Huye.”

3.5 **Implementation.** It was reported that M&E data was collected regularly and systematically by the PCU and shared with the World Bank and MININFRA. Technical audits and beneficiary assessments were conducted. A socioeconomic assessment of the two pilots on urban upgrading and land development was also completed.

3.6 **Use.** The M&E data was used to inform project implementation and management decisions. Implementation issues were addressed proactively and management decisions were sought for early resolution of issues. For instance, the territorial reform in 2006 prompted the dropping of one intermediate indicator that would no longer be relevant under the new district structure. The final report for the two pilots was completed at project close, but the findings had not been disseminated since the second APL was dropped. The ongoing RUDP is undertaking a pilot on urban upgrading which is similar in substance to the pilot under UICMP.

3.7 On balance, M&E is rated as **substantial**.

Safeguards Compliance

3.8 The UICMP is a Category B operation. Two safeguards policies were triggered: OP 4.01 Environmental Assessment and OP 4.12 Involuntary Resettlement. The Environment Management Plan was reported to have been

implemented and the recommendations adopted, including improvements in the sustainability of infrastructure and security of beneficiaries. The Resettlement Action Plans were prepared albeit with some delays owing to the novelty of this approach in Rwanda. Technical specifications of projects were modified to minimize adverse social impacts of the project. Overall, it was reported that there was good collaboration across all involved parties to ensure that the resettlement procedures were adopted. A total of 866 persons were compensated in compliance with the Resettlement Action Plan. The Implementation Status and Results Reports for the project consistently rated safeguards compliance as satisfactory.¹⁹ The implementation support missions of June 2009 and March 2010 for safeguards reported that the World Bank safeguards policies have been complied with.

Financial Management and Procurement

3.9 Financial management and procurement were reported to have been satisfactory. Two financial audits were undertaken during project implementation. The audit review of December 31, 2009, issued an unqualified audit opinion for both the PCU and ASSETIP. Implementing agencies implemented action plans as required. Overall procurement performance was reported to have been satisfactory. Nonetheless, the audit review noted that ASSETIP had litigations with two contractors, with one consultant contract terminated because of poor performance.

4. Achievement of the Objectives

Objective

4.1 Increase access to urban infrastructure and services in the primary city of Kigali and the secondary cities of Huye and Musanze through physical investment and upgrading and improved urban management tools.

4.2 The PAD identified two indicators for the project: (i) additional population having access to improved social and economic urban infrastructures; and (ii) increase in percent of financial resources allocated annually through municipal budget to finance infrastructure and maintenance programs. However, the second indicator went beyond the scope of the PDO. The outcome indicators and targets in the PAD (annex 3) are broadly consistent with the key performance indicators and targets in Schedule 5 of the Grant Agreement.²⁰ This project evaluation will focus on the access dimension, which was the core objective of this operation. The second indicator is also discussed but not as an outcome measure. At the ICR stage, the

baseline and target for the first outcome indicator was disaggregated by beneficiary city/district.

Outputs

4.3 Urban infrastructure (see appendix F for the expanded list of urban infrastructures and their specific project locations).²¹

- Roads: 22.64 kilometers of urban roads were constructed (versus the target of 20 kilometers in 2009 and baseline of zero in 2005).
- Schools: 58 classrooms were constructed or rehabilitated (compared with the target of 58 classrooms in 2009 and baseline of zero in 2005).
- Health facilities: one health facility constructed in Musanze (compared with the target of one health facility, with a baseline of zero in 2005).

4.4 Slum upgrading and low-income area development zone piloted.

- Slum upgrading pilot implemented (target of one pilot achieved).
- Land development implemented with revised standards (target of one pilot achieved).
- Serviced plots distributed to target beneficiaries (target not achieved).

4.5 Institutional capacity building developed.

- Action plans prepared by three cities to improve resource mobilization (achieved the target of three, with zero baseline).
- Municipal financial reports and ratios were produced annually by the beneficiary cities (achieved the target of three, with zero baseline).
- Percentage of operating costs for ASSETIP maintained at 5 percent (compared with the actual cost of 8 percent).

Outcomes

4.6 **Increase access to priority urban infrastructure in Kigali and two secondary cities in Muzanse and Huye.** This assessment validated the construction of the roads, schools, and health facility financed by the project through a series of interviews and site visits.²² Although the Independent Evaluation Group was not able to estimate the number of additional persons that have benefited from the infrastructure, some proxies were used, alongside research and data collected by the

project to validate the project's impacts. It should also be noted that the World Bank was the only donor agency to commit significant resources to support urban development at the time of the project and this remains the case to date with the World Bank's re-engagement in 2014 under the ongoing operation (RUDP).²³

4.7 **Access to economic opportunities.** The project contributed to the opening up of new areas to development in poor areas (World Bank 2017b). The construction of 22.64 kilometers of asphalted and stone paved roads increased access to roads in slums and poor neighborhoods, and increased circulation. The bus stations in Kicukiro and Kimironko increased access to interdistrict movements and ease of movement between Kimironko, Kimironko-Nyabugogo, the city of Kigali, and the rest of the country.

4.8 Although the exact costs and benefits of the road rehabilitation were not re-estimated by this assessment, it is plausible that the road improvements resulting from the project contributed to the reduction in transport costs, and in turn contributed to the reduction in prices of food staples in target districts in Kigali and Huye. Increased access because of rehabilitated roads have also contributed to the opening up of 51 additional new businesses in Huye.

4.9 **Access to education and health services through the construction of social infrastructure.** The construction of schools in Kigali and Musanze contributed to an increased number of classrooms thus reducing the congestion in classrooms. For example, the construction of the primary schools resulted in a decrease in the number of children in each class from 60 to 46. However, owing to increased population, particularly in Kigali, the ratio of students per classroom has recently increased.

4.10 The construction of a health facility in Musanze brought health care services closer to the population within its coverage area by locating it within 2 kilometers from the main road, thus reducing the transport time for the beneficiary population.²⁴ Improvements in access to the health facility contributed to increasing uptake by the target population of general health services, including family planning consultations, HIV testing and counseling services, as well as nutrition services.

4.11 The final report for the two pilots reported that the beneficiaries of the slum upgrading pilot were satisfied with the in situ improvements, including increased mobility within the area (by foot or vehicle); the public street lighting made people feel safer and changed the perception of the area as difficult to access and dangerous by night; better access to and from the area resulted in the creation of new small

businesses; and better roads provided easy access for emergency and security vehicles (Rwanda 2009). However, the sites and services pilot in Akumunigo remained vacant and unused. The 33 hectares in the Akumunigo site were developed with the intention of distributing the serviced plots to low-income households. Since the land was developed in 2009, the serviced plots have not been distributed, and efforts to find developers have not been successful to date.

4.12 Increase in percent of financial resources allocated annually through municipal budgets to finance infrastructure and maintenance programs.

4.13 The ICR and ICR Review reported that between 15 percent and 27 percent of municipal budgets were allocated to infrastructure and facilities maintenance. Based on information provided by the district, about 15 percent of the district budget is allocated for maintenance.²⁵

4.14 Overall, the efficacy of the project in contributing to achievement of this objective is rated as **substantial**.

5. Efficiency

5.1 **Economic efficiency.** At appraisal, the economic rate of return (ERR) for selected rehabilitation works was estimated as ranging from 23 percent to 56 percent, and net present value net present value (NPV) between \$780,000 and \$5.8 million.²⁶ The ERR and NPV for components 1 and 2 were also calculated with an ERR of 39 percent and NPV of \$8.3 million. At closing, the ex ante economic analysis was updated. For major roads financed in Kigali, the estimated ERR was between 33 percent and 120 percent and NPV of 20.7 million while the economic analysis for components 1 and 2 had an ERR between 29 percent and 120 percent and NPV of \$24.3 million. In sum, the ex postanalysis had higher estimated efficiency values compared with the ex ante assessment. The PPAR did not recalculate the ERR and NPV owing to a significantly changed environment since project completion in 2009. Nonetheless, the methodology for the ERR and NPV for major road works is in line with the transport sector approach.

5.2 **Administrative efficiency.** The project closing date was extended only once, from March 31, 2009, to December 31, 2009, nine months after the original closing date. The actual total project cost was slightly higher than the appraised cost by 3 percent; however, the comparison only refers to IDA cost estimates. In effect, actual total project cost is higher than planned as reflected in higher government counterpart financing versus planned estimates. It also did not reflect the higher

operating cost for ASSETIP, which was adjusted at project restructuring by capping it at 8 percent versus the original estimate of 5 percent.

5.3 The PAD did not calculate the economic benefits of the two pilots. Nevertheless, the final report for the urban upgrading pilot noted that although there were some delays in the upgrading activities, the pilot was completed by project closing and generated many positive impacts, including employment generation for the duration of works, and development of new activities along the newly paved roads.²⁷ However, the distribution of serviced plots from the Akumunigo pilot did not materialize by closing and has not to the present time. The land development was completed but the plots remained undistributed. The government's plan to develop the area through public-private partnership fell through after one of the partners experienced financial difficulties. At the time of the field visit, the land remained idle which indicates inefficient use of project resources.

5.4 Overall, the efficiency of the project is rated **substantial**.

6. Ratings

Outcome

6.1 The project's objective was highly relevant at appraisal and closing. Efficacy is rated **substantial**. The project contributed to increasing access to economic and social infrastructures in Kigali and two secondary cities (Huye and Musanze). Efficiency is rated **substantial**. The ERR and NPV for major road works indicate higher ex post values compared with ex ante calculation. However, the land development pilot has not been used since 2009, suggesting inefficient use of project resources.

6.2 On balance, the overall outcome is rated as **satisfactory**.

Risk to Development Outcome

6.3 Overall, the risk to development outcome is rated as **moderate**. The field mission confirmed that most of the project outputs (roads, schools, health centers, and bus stations) were maintained and used by the local governments with support from the national government. The tools introduced under the project were for the most part adapted and mainstreamed by the government (for example, the city contract or what is called imihigo). However, the land development pilot, which was envisaged to be subdivided and distributed to targeted beneficiaries, did not

materialize. To date, the plot of land that was developed under the project (33 hectares) remains undistributed and unused. Information gathered during the mission indicates that the government had intended to develop the land jointly with the private sector, but the transaction did not proceed when one of the partners experienced financial difficulties. It remains to be seen whether the ongoing efforts to find another private sector partner to develop the land will succeed. The ongoing World Bank operation, RUDP, approved in 2016, serves as a de facto follow-on operation to UICMP with similar objectives and scope (geographic and components).

6.4 At project closure, the World Bank facilitated the transition and mainstreaming of ASSETIP by requesting MININFRA and the Ministry of Local Government (MINALOC) to consider a framework agreement with ASSETIP through which sectoral ministries and decentralized entities and public institutions could use the DMA approach to execute their investment programs. In 2014, a new framework approach was issued by MINALOC that would allow ASSETIP to work with decentralized entities in the implementation of infrastructure projects.

Bank Performance

Quality at Entry

6.5 Neither the World Bank nor the client had a long history of engagement in the urban sector in Rwanda. The UICMP was the first operation to be supported by the World Bank following the 1994 genocide. Hence, it took four years to prepare the project. The project was underpinned by advance analytical and preparatory work, which helped shape the project design and obtain buy-in and consensus from key stakeholders.²⁸ This approach is particularly important given that this is the World Bank's first re-engagement in the urban sector after the failed 1989 operation and in light of the postconflict nature of the country. The programmatic approach through a two-APL series was appropriate in line with the limited capacity of the local and national governments. The World Bank worked closely with the government during project preparation and collaborated closely with UN Habitat. The World Bank also facilitated the contributions of the Nordic Development Fund and Cities Alliance. It secured Professional Human Resource Development funds to support the extensive preparatory work for the two pilots on urban upgrading and land development.

6.6 The project design provided the right balance of supporting urban infrastructures and introducing urban management tools to help build capacity of the targeted local governments. It also piloted two initiatives that were quite new to Rwanda to address the issue of informal housing and settlements. The urban slum

upgrading pilot was implemented, but the land development aspect did not materialize as envisaged. The government's implementation capacity was reinforced by putting in place the PCU at the time of project preparation and providing additional support in project execution through the creation of ASSETIP. The World Bank identified key risks and mitigating measures to the project. However, the World Bank did not anticipate that the government would not pursue the second phase of the APL, notwithstanding the significant investments in upfront work to prepare the project and the satisfactory implementation of the project.

6.7 Overall, the quality at entry is rated **satisfactory**.

Quality of Supervision

6.8 The World Bank fielded six supervision missions during the life of the project. The supervision team was stable, with two task team leaders during implementation. The first brought the project to the Board and the second was part of the team that provided continuity to the overall implementation of the project. The World Bank provided "no objection" in a timely manner and was proactive in resolving implementation issues, including the delayed implementation of the Resettlement Action Plans. When the supervision team was informed of the World Bank's disengagement from the sector, the team reacted quickly by facilitating an orderly transition arrangement. For example, the World Bank ensured that there was clear transition for ASSETIP, which was specifically created for the project to address acute implementation issues. It also supported the creation of the Rwanda Housing Authority which would take on the function of urban and rural settlements and affordable housing.

6.9 The quality of World Bank supervision is rated **satisfactory**. The ratings for quality at entry and quality at supervision lead to an overall rating of Bank performance of **satisfactory**.

Borrower Performance

Government Performance

6.10 The government showed strong ownership both at preparation and implementation. It provided counterpart funds through the Common Development Fund and increased its contributions to defray additional costs related to the displacement of the Electrogaz networks and operating costs for the PCU and ASSETIP. The government drafted the law for the creation of the Rwanda Housing Authority, which was established in 2010. The government maintained the assets

created under the project and mainstreamed some of the management tools introduced under the project. However, the government's decision not to pursue the second phase of the APL in favor of budget support, notwithstanding the satisfactory completion of the triggers for the next phase, have created knowledge gaps in the sector.

6.11 Overall, government performance is rated as **satisfactory**.

Implementing Agency Performance

6.12 The PCU and ASSETIP collaborated well together to implement the project. Notwithstanding early implementation delays owing to rapid staff turnover,²⁹ the PCU was able to perform its function effectively, including proactive consultation with project beneficiaries in the identification and implementation of priority activities. Project reports were delivered on time and interaction with the World Bank and MININFRA was satisfactory.

6.13 Implementing agency performance is rated as **satisfactory**. The two ratings of **satisfactory** for quality and supervision lead to an overall borrower performance rating of **satisfactory**.

7. Lessons

7.1 The main lessons from this operation are as follows:

- **The World Bank's absence in a sector creates knowledge and implementation gaps for both World Bank and client, requiring significant catch-up transaction costs.** In the case of postconflict Rwanda, the World Bank took four years to prepare the project, to undertake analytical and preparatory work and extensive consultation with key stakeholders. Combined with strong implementation support, the World Bank was able to successfully implement and complete the first urban project (UICMP) in Rwanda. The World Bank's withdrawal from the sector in 2009 and re-engagement in 2014 entailed rebuilding its knowledge base and implementation capacity at central and project levels and relearning some of the lessons from the UICMP albeit in a much different urban environment. In both cases, the lack of World Bank activity in the urban sector for several years translated into significant "catch-up" transaction costs for the World Bank and the client in terms of knowledge base and implementation capacity when re-engagement took place.

- **Using a delegated management agency to address the weak implementation capacity of local governments requires a focus on building such capacity and a clear exit strategy to ensure long-term sustainability.**

The use of a contract management agency approach in postconflict Rwanda through ASSETIP ensured that the civil works were generally of good quality and were completed on time. However, the use of this type of implementation modality needs to have a clear exit strategy to ensure sustainability of results by focusing on building the capacity of local governments. In the case of Rwanda, the World Bank had a clear exit strategy by facilitating the mainstreaming of ASSETIP in coordination with government through a framework agreement that would allow ASSETIP to work on behalf of decentralized entities and public institutions to execute their investment programs. Under this arrangement, local governments would decide when and how to use the services of ASSETIP to complement their capacity needs.

- **To maximize learning from pilot project components, their lessons should be documented and disseminated to inform the future work of the World Bank and government.**

In the case of Rwanda, the pilots on urban upgrading and land development were envisaged to demonstrate what works and does not work in addressing the issue of informal settlements. The urban upgrading pilot demonstrated how upgrading an informal settlement could improve the lives of the beneficiaries. Although the lessons from the two pilots were documented at project close, the lessons were not disseminated, largely because the second phase of the UICMP was dropped and the World Bank did not have any further engagement in the urban sector until 2014. Absent the dissemination of lessons learned from the pilots, the World Bank and the government had to relearn the lessons from previous interventions (for example, urban upgrading is currently being piloted under the ongoing RUDP).

7.2 During the preparation of the Country Partnership Strategy (FY14–18), the government approached the World Bank to lead the urban sector and to support the government’s priority interventions.³⁰ The government’s EDPRS 2 and Vision 2020 placed urbanization as one of the central pillars of its economic transformation objective. In line with the government’s priorities under EDRPS 2, the current Country Partnership Strategy (FY14–18) includes the urban sector as one of the subpillars of accelerating economic growth. The first urban sector operation, the RUDP, was approved in FY16, 10 years after UICMP was approved. The RUDP

builds on the design elements of UICMP with regard to the project objective (access to urban infrastructure), geographic focus (six secondary cities), and components (urban upgrading). Except to mention UICMP's outcome rating of **highly satisfactory**, none of the project documents, including the PAD, referred to lessons from the UICMP.

7.3 In parallel with the preparation of the RUDP, the World Bank had undertaken several analytical pieces on the role of urbanization in economic development, which provided the basis for a synthesis note on urbanization. Urbanization and economic transformation was also part the World Bank's recently completed flagship report on Rwanda on Future Drivers of Growth. The World Bank's Advisory Services and Analytics were completed between 2015 and 2017, a bit late to influence the government's policy and strategy which were issued between 2015 and 2016. Nonetheless, the work provides the building blocks for the World Bank's policy dialogue with the government on urban development and could potentially influence the government's policy and strategy on urban development in Rwanda over time (World Bank 2019).

¹ World Bank, World Development Indicators as of 10/19/2018.

² Urban Infrastructure and City Management Project (UICMP) is more widely known in Rwanda by its French acronym, PIGU (Project d'infrastructure et gestion urbaine).

³ The Urban Institution Sector Development Project was approved in 1989, but implementation was stalled owing to complex design and lack of government ownership. The project was canceled before it could get implemented, because of the deterioration of country conditions in 1991.

⁴ The country also does not have a long history of urbanization. Previous administrations during the colonial and post-independence periods promoted "ruralization" of the population, which led to low urban population growth, uncontrolled spatial expansion, and uncoordinated provision of basic services in urban areas (UN Habitat 2016).

⁵ In 2000, the Government of Rwanda adopted an ambitious decentralization policy with local empowerment as one of its key foundations. Rwanda's decentralization policy was motivated by its desire to move away from the past of a highly decentralized structure and to address governance issues, which were among the major causes of disunity in the country. Rwanda's decentralization had three phases. The UICMP straddled the first two phases of decentralization. The first phase (2000–05) provided the basic policy and legal framework and the second phase (2006–10) marked the territorial realignment and established district

governments as key units of service delivery. During the second phase, the number of districts was reduced from 106 to 30.

⁶ In 2006, Rwanda implemented territorial reform that redefined district limits and merged large rural areas and secondary cities. With the administrative reorganization, the city of Butare was enlarged to include the rural hinterland and became the district of Huye. In the same manner, the city of Ruhengeri became the district of Musanze.

⁷ Both the Implementation Completion and Results Report (ICR) and ICR Review used the project development objective statement with “priority urban infrastructure.”

⁸ The six priority areas include (i) rural development and agricultural transformation, (ii) human development, (iii) economic transformation, (iv) good governance, (v) private sector development, and (vi) institutional capacity building.

⁹ Ministry of Infrastructure, National Urban Housing Policy in Rwanda, 2008.

¹⁰ The division of labor among donor agencies was prescribed by the government and sought to limit the participation of donor agencies in key sectors with the objective of reducing transaction costs, improving aid effectiveness, and ensuring greater evenness in donor coverage of the government’s priorities (World Bank 2018, 4).

¹¹ The objective of the Rwanda Urban Development Project is to provide access to basic infrastructure and enhance urban management in selected urban centers of the participating districts. The Rwanda Urban Development Project has components and geographic coverage similar to those of the UICMP.

¹² All component costs refer to International Development Association financing only. The Project Performance Assessment Report uses both project appraisal document (appraisal) and ICR (actual) numbers.

¹³ The performance contract is signed between the president and the district mayor. *Imihigo* is based on a traditional practice in Rwanda where individuals commit to certain acts or deeds. This practice has been mainstreamed and is known to have improved upward accountability, but there is more scope to improve downward accountability.

¹⁴ Akumunigo is now called Rugarama.

¹⁵ The contract management agency type of arrangement is typically found in Francophone countries.

¹⁶ The project appraisal document, ICR, and ICR Review provided slightly different figures. The numbers provided are based on annex 1 (b) of the ICR.

¹⁷ Schedule 5 Performance Indicators of the Development Grant Agreement. The dropped indicator was “by closing date, all of the beneficiary cities and districts have prepared and updated their city contracts on the basis of urban, financial and organizational audits.” According to the restructuring paper, the transfer of responsibilities from district to sector

level made this indicator irrelevant for which no organizational and institutional data would be available.

¹⁸ Schedule 1 of the Project Agreement reflects the modification of the operating costs of Association d'Exécution des Travaux d'Intérêt Public to 8 percent of the cost associated with the investment program under Part A.

¹⁹ Eleven Implementation Status and Results Reports were completed during implementation.

²⁰ By the project closing date, the total population of the beneficiary cities that had access to improved social and economic infrastructure increased by 572,000 persons compared with 2004. By the closing date, the proportion of the annual municipal budget of the city of Kigali allocated to the financing of infrastructure and facilities maintenance programs had reached at least 15 percent. For Butare and Ruhengeri cities, and for each district of Kigali city, the proportion had reached at least 10 percent.

²¹ Some of the outputs were identified through the Commune Development Plans/District Development Plans. Hence, the types of outputs to be supported under the project were identified but the target was not established ex ante.

²² Given the time elapsed between the closing of UICMP in 2009 and this assessment (2018), IEG was not able to validate the ICR claim that an additional 535,580 people have access to paved roads in Kigali and Huye; that an additional 70,528 have access to social infrastructures (school and health center) in Musanze; or that a total 608,108 additional people gained improved access to economic and social infrastructure because of the investments made by the World Bank project. The ICR did not provide or make explicit the methodology that was used to calculate the number of persons that gained increased access that is attributable to the World Bank project investments.

²³ World Bank, project appraisal document, UICMP, page 3; complemented by interviews with World Bank staff. Other donors such as the European Union had supported small-scale, labor-intensive urban infrastructure projects.

²⁴ The health center covers two sectors (Cyuve and Gacaca, with a combined population of 62,156).

²⁵ Information provided by the Executive Secretary for the districts of Musanze and Rubavu (beneficiary district under the Rwanda Urban Development Project).

²⁶ The economic analysis was calculated using the Roads Economic Decision Model. A discount rate of 12 percent was applied.

²⁷ The final report refers to the pilot as "improving living conditions in precarious areas."

²⁸ Some of the analytical and preparatory work included (translated from French to English): Diagnostic and Strategic Elements of the Intervention Program in Poor Districts in Kigali; Basic Document for Improvement of Urban Services and Habitat in the Strategic Secondary

Cities Program in Rwanda. See also the PAD for a complete list of the analytical and preparatory work.

²⁹ SMO dated June 5, 2007. According to the SMO, rapid staff turnover in the PCU, including the replacement of the Coordinator and Municipal Finance Specialist, contributed to the initial slow start of the institutional development component of the project.

³⁰ However, the World Bank was not the first choice to lead the sector. Information gathered during the field visit suggests that the African Development Bank was approached first by the government and a scoping mission was initiated. However, the African Development Bank decided not to proceed with supporting the urban sector, citing that urban development is not in their Country Assistance Strategy.

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Appendix A. Basic Data Sheet

Rwanda Urban Infrastructure and City Management Project (P060005)

Table A.1. Key Project Data

| Financing | Appraisal Estimate (\$, millions) | Actual or Current Estimate (\$, millions) | Actual as Percent of Appraisal Estimate |
|---------------------|--------------------------------------|---|---|
| Total project costs | 18.70 | 19.41 | 103.80 |
| Loan amount | 20.00 | 20.67 | 103.35 |
| Cofinancing | 2.60 | 2.64 | 100 |
| Cancellation | | | |

Table A.2. Cumulative Estimated and Actual Disbursements

| | FY06 | FY07 | FY08 | FY09 | FY10 |
|-----------------------------|------|------|-------|-------|---------|
| Appraisal estimate (US\$M) | 0 | 6.47 | 15.10 | 19.28 | 20.00 |
| Actual (US\$M) | 0 | 6.17 | 12.99 | 18.28 | 20.68 |
| Actual as % of appraisal | | 95.3 | 86.0 | 94.8 | 103.0 |
| Date of final disbursement: | | | | | 12/2010 |

Table A.3. Project Dates

| Event | Original | Actual |
|----------------|------------|------------|
| Concept review | | |
| Negotiations | | |
| Board approval | 11/10/2005 | |
| Signing | | |
| Effectiveness | 06/02/2006 | 06/02/2006 |
| Closing date | 03/31/2009 | 12/31/2009 |

Table A.4. Staff Time and Cost

| Stage of Project Cycle | Staff Time and Cost (Bank Budget Only) | |
|------------------------|--|---|
| | No. of staff weeks | USD Thousands (including travel and consultant costs) |
| Lending | | |
| FY02 | 8 | 69.68 |
| FY03 | 15 | 91.52 |
| FY04 | 24 | 105.67 |
| FY05 | 44 | 185.97 |
| FY06 | 18 | 50.41 |
| FY07 | | 0.00 |
| FY08 | | 0.00 |
| Total: | 109 | 503.25 |
| Supervision/ICR | | |
| FY02 | | 0.00 |
| FY03 | | 0.00 |
| FY04 | | 0.00 |
| FY05 | | 0.00 |
| FY06 | | 13.58 |
| FY07 | 27 | 75.65 |
| FY08 | 34 | 117.92 |
| FY09 | 24 | 87.10 |
| FY10 | 28 | 102.80 |
| Total: | 113 | 303.47 |

Note: ICR = Implementation Completion and Results Report.
a. Including travel and consultant costs.

Table A.5. Task Team Members

| Name | Title ^a | Unit | Responsibility or Specialty | |
|---------------------------------|--|----------------|---------------------------------|-----------------------------------|
| Lending | | | | |
| Ernestina Attafuah | Senior Program Assistant | AFTU | TTL TTL, initial preparation | |
| Sylvie Debomy | Senior Urban Planner | W | | |
| Catherine D. Farvacque-Vitkovic | Lead Urban Specialist | LCSUW | | |
| Sophie Hans-Moevi Language | Language Program Assistant | WBIUR | | |
| Paul Kriss | Lead Urban Specialist | AFTSN | | |
| Joseph Kizito Mubiru | Senior Financial Management Specialist | EASCS LCSFM | | |
| Prosper Nindorera | Senior Procurement Specialist | | | |
| Deo-Marcel Niyungeko | Senior Municipal Engineer | AFTPC | | |
| Isabelle Paris | Senior Environmental Specialist | AFTU W | | |
| Emmanuel Tchoukou | | CESI2 | | |
| Denise R. Vaudaine | Financial Management Specialist | AFTFM | | |
| | Consultant | AFTU2 | | |
| Supervision/ICR | | | | |
| Sylvie Debomy | Sr Urban Planner | LCSUW | | TTL, preparation & implementation |
| Ernestina Attafuah | Senior Program Assistant | AFTUW | | |
| Otieno Ayany | Financial Management Specialist | AFTFM | | |
| Yvette Laure Djachechi | Senior Social Development Specialist | AFTCS | | |
| Maya El-Azzazi | Program Assistant | MNSSD | | |
| Diego Garrido Martin | E T Consultant | AFTRL | | |
| Lungiswa Thandiwe Gxaba | Sr Environmental Specialist | AFTEN | | |
| Bathilde Jyulijyesage | Program Assistant | AFMRW | | |
| Chantal Kajangwe | Procurement Analyst | AFTPC | | |
| Abdoulaye Kane | Urban Specialist | AFMBF | | |
| Lucienne M. M Baipor | Social Development Specialist | AFTCS | | |
| Joseph Kizito Mubiru | Sr Financial Management Specialist | LCSFM | | |
| Deo-Marcel Niyungeko | Senior Municipal Engineer | AFTUW | TTL, ICR | |
| Africa Eshogba Olojoba | Sr Environmental Specialist | AFTEN | | |
| Moustapha Ould El Bechir | Senior Procurement Specialist | AFTPC | | |
| Helen Z. Shahriari | Sr Social Scientist | ECSS4 | | |
| Marie-Adele Tchakounte | Language Program Assistant | AFTUW | | |
| ChristianVang Eghoff | Operations Officer | AFCF1 | ICR primary author | |

Note: ICR = Implementation Completion and Results Report.

a. At time of appraisal and closure, respectively.

Appendix B. Selected Economic and Poverty Indicators

Table B.1. Rwanda: Selected Economic Indicators, 2002–17

| Selected Economic Indicators | 20 | 20 | 200 | 20 | 20 | 20 | 20 | 20 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 2002–17 Average | |
|---|------|-----|------|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------|-------------------------------|--|
| | 02 | 03 | 4 | 05 | 06 | 07 | 08 | 09 | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Rwan da | Sub- Sahar an Africa | |
| GDP growth (<i>annual %</i>) | 13.2 | 2.2 | 7.4 | 9.4 | 9.2 | 7.6 | 11.2 | 6.2 | 7.3 | 8.0 | 8.6 | 4.7 | 7.6 | 8.9 | 6.0 | 6.1 | 7.7 | 4.9 | |
| GDP per capita growth (<i>annual %</i>) | 10.4 | 0.5 | 5.8 | 7.3 | 6.7 | 4.9 | 8.2 | 3.4 | 4.5 | 5.3 | 5.9 | 2.0 | 5.0 | 6.2 | 3.4 | 3.6 | 5.2 | 2.1 | |
| GNI per capita, PPP (<i>current international \$</i>) | 750 | 760 | 830 | 920 | 1,010 | 1,100 | 1,210 | 1,260 | 1,330 | 1,420 | 1,530 | 1,580 | 1,680 | 1,800 | 1,880 | 1,990 | 1,315.6 | 2,909.0 | |
| GNI per capita, Atlas method (<i>current \$</i>) | 220 | 210 | 230 | 270 | 320 | 370 | 450 | 510 | 560 | 610 | 660 | 680 | 700 | 710 | 710 | 720 | 495.6 | 1,198.7 | |
| Inflation, consumer prices (<i>annual %</i>) | 2.0 | 7.4 | 12.3 | 9.0 | 8.9 | 9.1 | 15.4 | 12.9 | -0.2 | 3.1 | 10.3 | 5.9 | 2.4 | 2.5 | 7.2 | 8.3 | 7.3 | 5.8 | |

Source: World Bank, World Development Indicators as of 10/21/2018.

Note: GDP = gross domestic product; GNI = gross national income; PPP = purchasing power parity.

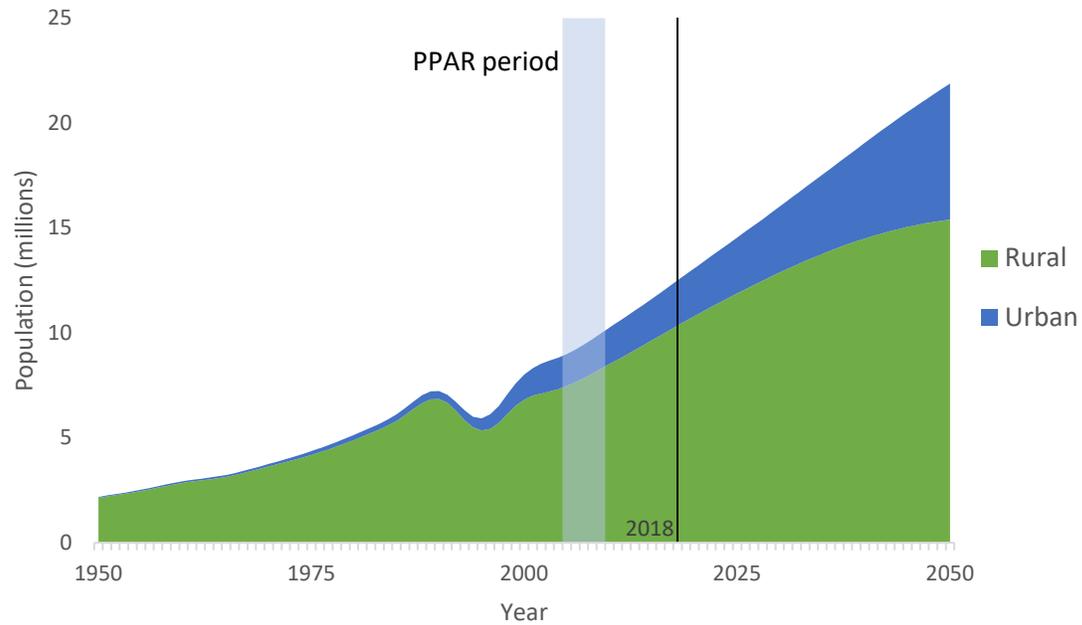
Table B.2. Rwanda: Selected Poverty Indicators

| Poverty Indicator | Year | | | |
|--|------|------|------|------|
| | 2000 | 2005 | 2010 | 2015 |
| Poverty headcount ratio at \$1.90 a day (2011 purchasing power parity) (% of population) | 76.5 | 67.2 | 62.4 | 56 |
| Poverty headcount ratio at national poverty lines (% of population) | 58.9 | 56.7 | 46 | 39.1 |
| Rural poverty headcount ratio at national poverty lines (% of rural population) | .. | 61.9 | 48.7 | .. |
| Urban poverty headcount ratio at national poverty lines (% of urban population) | .. | 28.5 | 22.1 | ... |
| GINI index (World Bank estimate) | 48.5 | 52 | 47.2 | 45.1 |

Source: World Bank, World Development Indicators as of 10/19/2018.

Appendix C. Rural-Urban Population Trends

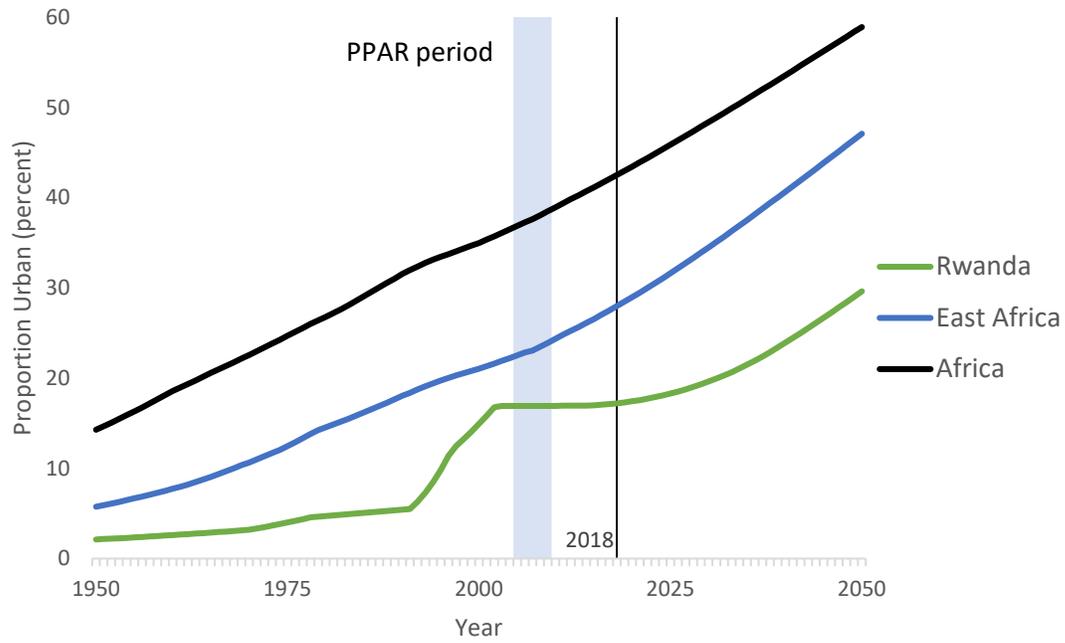
Figure C.1. Rwanda: Annual Urban and Rural Population at Midyear, 1950–2050



Source: United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision, Online Edition.

Note: Projections for urban and rural populations after 2018.

Figure C.2. Annual Percentage of Urban Population at Midyear, 1950–2050

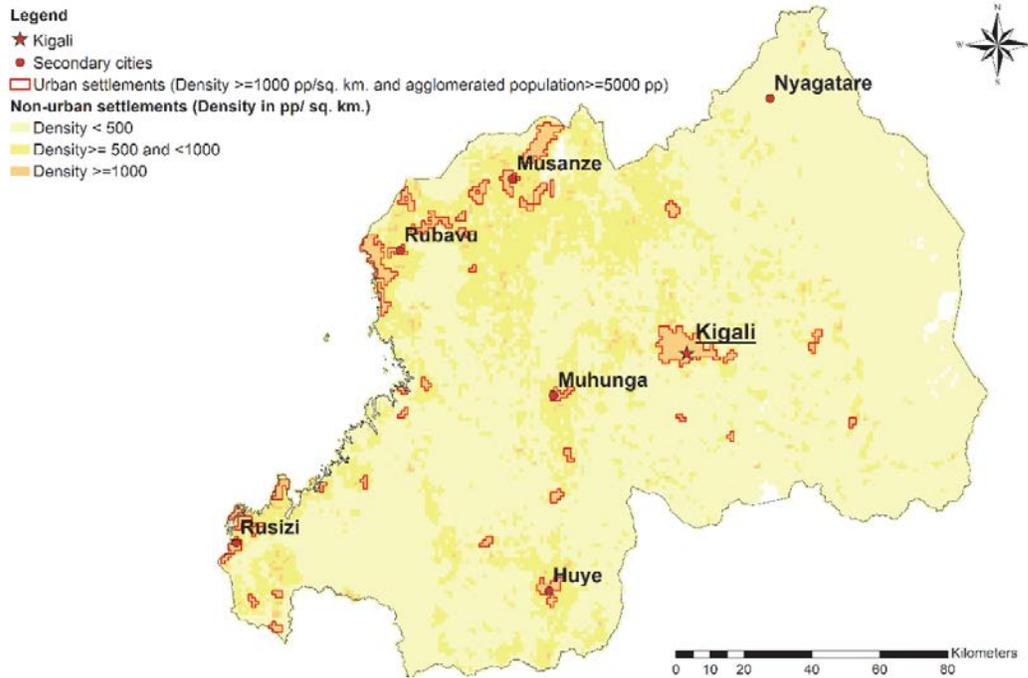


Source: United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision, Online Edition.

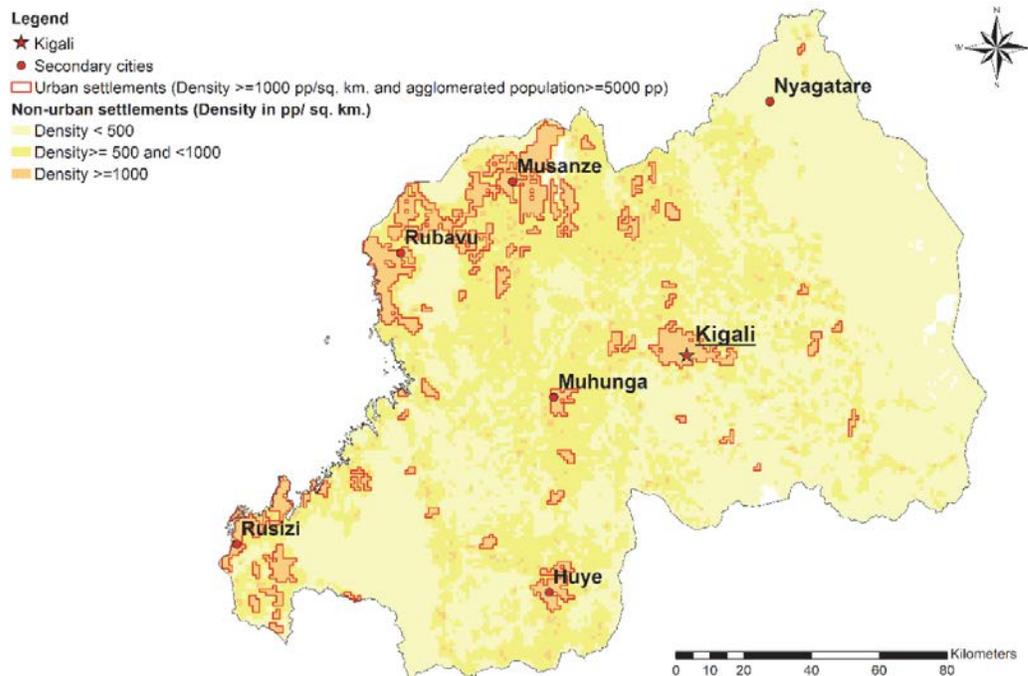
Note: Projections for urban populations after 2018.

Figure C.3. Evolution of Urban Settlements between 2002 and 2015

a. 2002



b. 2015



Source: Staff calculation based on WorldPop data.

Note: Reproduced from World Bank Group. 2017. Reshaping Urbanization in Rwanda: Urbanization and the Evolution of Rwanda's Urban Landscape. World Bank, Washington, DC. © World Bank.

<https://openknowledge.worldbank.org/handle/10986/29081> License: CC BY 3.0 IGO.

Appendix D. Evolution of the Government’s Strategy on Urbanization

| Government Strategy | Focus/Foundational | Objective/Targets |
|---|--|--|
| Poverty Reduction Strategy Paper (PRSP) 2002 | Economic Infrastructure | Following the 1994 genocide, lack of infrastructure due to destruction from the civil war and movement of people from rural to urban areas. |
| Vision 2020 (2012 revised) | “Infrastructure, Habitat and Urbanization” cluster | By 2020, each town will have updated urban master plans with coordinated implementation of the plans. The country will develop basic infrastructure in urban centers and in other development poles, enabling the decongestion of agricultural zones. The proportion of those living in towns and cities will increase from 14.8% in 2010 to 35% in 2020 (from 10% in 2000). |
| Economic Development and Poverty Reduction Strategy (EDPRS) 1 (2008–12) | Infrastructure, Habitat and Urbanization | Contained in the Summary Policy Matrix: National Policy on Urbanization and master plan to support the implementation of <i>imidugudu</i> ; Continuation of the adoption of cities master plans and implementation of <i>imidugudu</i> . |
| EDPRS 2 (2013) | Urbanization is one of five Priority Areas for Economic Transformation under EDPRS 2: Priority Area Four: Transform the economic geography of Rwanda by facilitating and managing urbanization and promoting secondary cities as poles of economic growth. | Six secondary cities will be developed as poles of growth and centers of nonagricultural economic activities. This will require investment in specific hard and soft infrastructure and strategic economic projects that will trigger growth of these cities and enhance linkages to other towns and rural areas. Affordable housing will also be a key element of increased attractiveness of these cities. Kigali will continue to be developed as a regional hub. |
| Vision 2020 revised targets | More off-farm jobs, more urbanization. | <ul style="list-style-type: none"> • 3.2 million off-farm jobs • 35% of population urban |

Sources: Rwanda PRSP, EDPRS 1 and 2, Vision 2020.

Appendix E. The Rwanda Performance Contracts or the *Imihigo* System

Performance contracts (*imihigo*) are contracts between the President of Rwanda and various government agencies detailing the respective agency or institution targets for several indicators. The stated objective of the imihigo system is to improve the speed and quality of execution of government programs, thus making public agencies more effective.

Since 2006 this approach has been used by local government authorities for setting local priorities in district development plans (DDPs), setting annual targets, and defining activities to achieve them. When preparing the performance contracts each local government administrative unit determines its own objectives (with measurable indicators), taking into account national priorities, such as the Millennium Development Goals,, the Vision 2020 Umurenge (social protection) Program, and the Economic Development and Poverty Reduction Strategy (EDPRS). Once DDPs are drawn up, Annual Action Plans (AAPs) are prepared annually by all budget agencies, including district authorities, specifying activities meant to be completed within a year. The performance contract is inserted as a subcomponent of the AAP, highlighting priority activities and associated indicators that are to be used to measure the performance of the local authority. The imihigo are set yearly but evaluated every six months.

The consolidation and reconciliation of national and local priorities at the district level and discussion of draft imihigo with central government authorities is undertaken, after which the imihigo is presented to stakeholders and approved.

Reference

World Bank. 2015. *Rwanda—Decentralization and Community Development Project*. Independent Evaluation Group, Project Performance Assessment Report 97163-RW. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/672001468188937152/pdf/97163-PPAR-P074102-P130822-IDA-SecM2015-0159-Box393177B-OUO-9.pdf>.

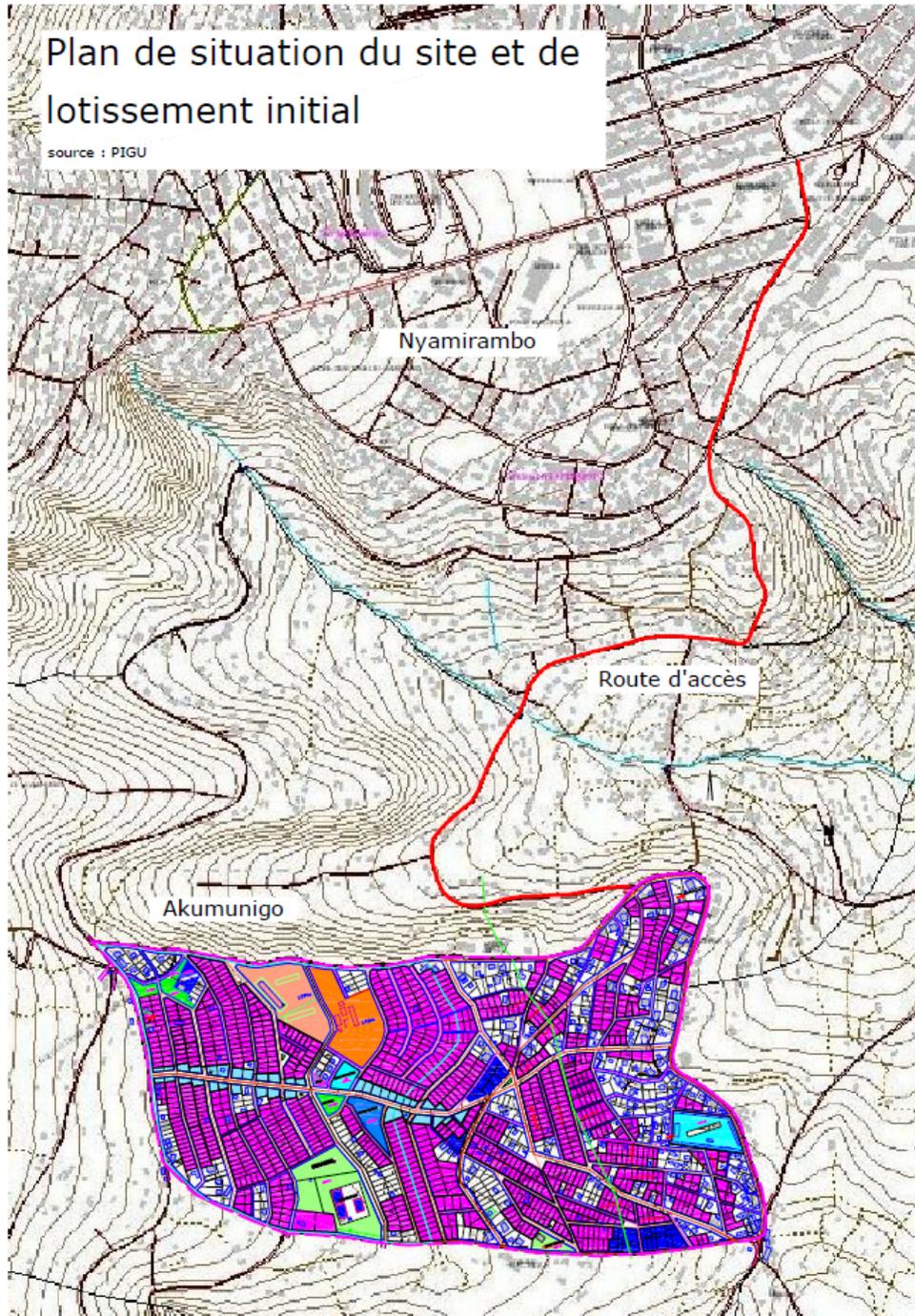
Appendix F. Selected Urban Infrastructure under Component 1

| |
|---|
| <p>Kigali City</p> <ul style="list-style-type: none"> • Asphalt roads: (12.81 km): Giporoso-Kabeza-ISAE (5.06 km); Memoria-Fawe-Nyarutaram (7.76 km) • Bus station: Construction of Kimironko bus station • Youth center: Construction of Kimisagara youth center including furniture and equipment • Erosion protection: (1,063 meters): Bibare, 862 meters; Migina, 55 and 146 meters |
| <p>District of Gasabo (Kigali)</p> <ul style="list-style-type: none"> • Roads (2.08 km) stone paved road • Construction of Gasabo district administration building |
| <p>District of Nyarugenge (Kigali)</p> <ul style="list-style-type: none"> • Extension of Cyahafi primary school (construction of 12 classrooms, IT room and management offices) • Rehabilitation and construction of 25 classrooms, IT room and management offices • Administrative building: Rehabilitation and modification of Mageragere sector office • Water: Improvement of one water source • Roads: stone pavement on four small access roads to Biryogo market (0.78 km) |
| <p>District of Kicukiro (Kigali)</p> <ul style="list-style-type: none"> • Bus station: construction of Kicukiro bus station |
| <p>Ruhengeri (Musanze)</p> <ul style="list-style-type: none"> • School: extension of Kabaya primary school (construction of 12 classrooms and office for the school director, and furniture) • Health center: construction and equipment of 5 buildings in Karwasa (including access road works and minor improvement) • Multipurpose hall: construction of Mubona multipurpose hall including parking |
| <p>Butare (Huye)</p> <ul style="list-style-type: none"> • Roads (4.04 km of asphalt roads): Mukoni-Rango (2.31 km); Librarie Universitaire-Matyazo (1.73 km) |

Source: Independent Evaluation Group.

Appendix G. The Urban Infrastructure and City Management Project

Figure G.1. Schematic Map of the Land Development Pilot (Akumunigo)



Source: Final Report.

Figure G.2. Schematic of the Urban Upgrading Pilot



Source: Final report

Figure G.3. The Akuminugo Site (now called Rugarama)



Source: Independent Evaluation Group.

Figure G.4. Kigali: Akumunigo



Source: Independent Evaluation Group.

Figure G.5. Akumunigo Site (Kigali)



Source: Independent Evaluation Group.

Figure G.6. Kigali: Access Road to Biryogo Market



Source: Independent Evaluation Group.

Figure G.7. Kimironko Bus station



Source: Independent Evaluation Group.

Figure G.8. Kigali: Neighborhood



Source: Independent Evaluation Group.

Figure G.9. Musanze: Health Center



Source: Independent Evaluation Group.

Figure G.10. Musanze: Youth Center



Source: Independent Evaluation Group.

Figure G.11. Musanze: School



Source: Independent Evaluation Group.

Figure G.12. Musanze: School



Source: Independent Evaluation Group.

Appendix H. List of Persons Met

I. World Bank Group:

Diarietou Gaye, former Country Director

Yasser El-Gammal, Country Manager

Carolyn Turk, former Country Manager

Omowumi Ladipo, former Country Manager

Ignace Bacyaha, Resident Representative, International Finance Corporation

Sylvie Debomy, Lead Urban Specialist and Task Team Leader of the Urban Infrastructure and Management Project, (UICMP)

Deo-Marcel Niyungeko, Senior Water and Sanitation Specialist, ICR Team Leader

Christian Vang Eghoff, Senior Urban Specialist, ICR Primary Author

Narae Choi, Urban Specialist and Task Team Leader of the Rwanda Urban Development Project (RUDP)

II. Government Counterparts:

Eddy Kyazze, Division Manager for Urbanization, Human Settlement and Housing, Ministry of Infrastructure (MININFRA)

Saidi Seboma, Deputy Director General, Local Administrative Entities Development Agency (LODA), Ministry of Local Government (MINALOC)

George Munyaneza, Project Coordinator (RUDP), MININFRA

Auguste Kampayana, Head of Human Settlement and Planning, Rwanda Housing Authority

III. Local Government

Pascal Nyamulinda, Mayor, City of Kigali

Abbias Phillippe MUMUHIRE, Coordinator, RUDP, City of Kigali

Peter Claver BAGIRISHYA, Executive Secretary, Musanze District

Sylvain NSABIMANA, Executive Secretary, Rubavu District

Gorette MUSABYIMANA, Health Center Manager, Karwasa Health Center, Musanze

Beatha HARELIMANA, School Manager, Kabaya Primary and secondary school, Musanze

Zamida UZAMUKUNDA, Director, Intwari Primary School, Nyarugenge

Elie NDAHAYO, Kimironko Bus Station Manager, Gasabo District

IV. Development Partners/Donors

Philippe Munyaruyenzi, Infrastructure Specialist, African Development Bank (AfDB)

Ulrich Berdelmann, Programme Director, Decentralization and Good Governance, German Agency for International Cooperation (GIZ)

Catherine Kalisa, National Technical Advisor, UN-HABITAT

Innocent Kabenga, Country Representative, Global Green Growth Institute (GGGI)

Sally Murray, Senior Country Economist, International Growth Center (IGC)

V. Others:

Mireille Umwali, former Project Coordinator (UICMP)

J. Marc Rossignol, former consultant (UICMP).

Gilbert Kalimba, ASSETIP

Appendix I. Borrower Comments

Subject: Re: Draft IEG Project Performance Assessment Report for Rwanda Urban Infrastructure and City Management Project

[External]

Dear Narae,

I hope you haven't started your Xmas leave yet

We have gone through the IEG report (Eddy & George) on UICMP and our observations are as follows:

- 1) The report explains the rating criteria and for which every stakeholder is rated against.
- 2) The rating was based on the achievement of project development objectives based on the output in terms of Relevance, Efficacy and Efficiency accorded at the end of the project in which the general performance was ranked Substantial.
- 3) The report talks on the sustainability mechanism put in place for the already constructed projects to last longer. However, the report recommends that the Project Coordination Unit (PCU) did not provide for specific outcome measures for access to social and economic urban infrastructures like access to health centers like Km less than 2Km from the main road and yet it talks of constructed hospital in Musanze District. We did not clearly understand where the issue was (page 21), also there are several repetitive statements like former Butare and Ruhengeri and yet it was described to be replaced by Huye and Musanze respectively

In general the report is fine.

Thanks and best regards