

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



RWANDA

PORTFOLIO REVIEW REPORT

COUNTRY DEPARTMENT
CENTRAL REGION
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RWANDA Portfolio Review Summary

1. This review report on the Bank Group portfolio in Rwanda was prepared with a view to informing the Board of Directors on the Status of our operations in the country since 1997 and to recommend to the Government the measures required to improve the quality of our portfolio. It is based on information gathered during the different supervision missions conducted between 1998 and 1999 and the pluridisciplinary portfolio review mission of October 1999. The decision to conduct the latter mission was taken by the Bank in agreement with the Rwandan Government, following a meeting of donor agencies held in July 1999, in London, and aimed at formulating recommendations to improve foreign aid to the country.

2. As at 31/12/99, the volume of net commitments to Rwanda amounted to UA 266.47 million, including UA 257.52 million from the ADF/TAF window, UA 2.97 million from the ADB window and UA 6 million from NTF. The result of the operations show a total of 48 operations, thirteen (13) of which were entirely or partially cancelled within the context of the portfolio restructuring exercise, eighteen (18) have been completed, fourteen (14) other operations are ongoing and 2 have not yet become effective. Indeed, the active portfolio comprises 16 operations, including 10 projects, 3 studies, an institutional support operation, a line of credit and a structural adjustment programme, for net commitments of UA 98.4 million, exclusively from the ADF window. This portfolio is divided between the following sectors: agriculture (21%), transport (21.0%), public utilities (15.0%), industry and banks (4.0%), multisector (18%) and the social sector (20.0%). Relatively high levels of resources are allocated to the social sector because of the priority given by the Government of Rwanda to the reconstitution of the human capital following the war and the 1994 genocide.

3. The average rating of 1.8 for the 14 evaluated operations shows a relatively satisfactory management of the portfolio but which ran into difficulties that the Bank should closely monitor. This rating, which is lower than that of the last portfolio review of 1997 (an average of 2), reflects a deterioration of the portfolio. The problem projects represent 43% of the portfolio. The deterioration of the portfolio noted during the past two years is the result of the weak administrative capacity bequeathed to the country by the war and the 1994 genocide. Since the end of the war, there have been long delays in the fulfilment of the conditions precedent to the effectiveness of the new loans as well as in the physical implementation of relatively old projects. This situation does not facilitate implementation of the projects in keeping with schedules set out in the appraisal reports. As a result, it is often necessary to reformulate the projects or to update their costs.

4. Regarding the generic problems, they are: (i) the weak administrative capacity bequeathed to the country by the war and the 1994 genocide; (ii) the low project implementation pace; (iii) the recurrent imposition of sanctions between 1996 and 1997 owing to arrears; (iv) lack of familiarity with the Bank's rules of procedure; (v) difficulties in efficiently utilizing technical assistance; (vi) failure to systematically prepare annual audit reports; and (vii) failure of the project executing agencies to systematically submit the quarterly progress reports. These generic problems resulted in a relatively low disbursement rate of 35%. The average age of the projects is eight (8) years or five (5) years in the case of projects approved after the war. The time it takes, on average, for projects to become effective is two (2) years or one year concerning projects approved after the war.

(ii)

5. The key recommendations aimed at improving the performance of the portfolio were formulated during the pluridisciplinary mission of October 1999. They involve the preparation, for each project, of a plan of action and an updated implementation schedule which should increase the disbursement rate to 28 % at the date of the mission and from 35% at the time of preparation of this report to 62.3% in the Year 2000. This performance should be obtained by stepping up the pace of disbursements under the ongoing projects and complete the old operations started before the war. To facilitate monitoring of the implementation of these measures, quarterly project progress reports should be submitted to the ADF. Similarly, the Bank should regularly monitor the progress of the programme of action by reviewing quarterly reports and ensuring that an average of one and a half supervision missions are conducted per project each year. It was agreed that a plan for the award of contracts would be prepared for each executing agency, followed by a plan of action for the resumption of activities. Furthermore, it was decided that a new portfolio review would be conducted exceptionally in November 2000, if necessary, to review the performance of the portfolio in the wake of the implementation of the programme of action.

6. At the end of the Year 2000, the Bank's portfolio of sixteen operations should be five operations less because those five should be virtually completed. These five operations are: (i) the Feasibility Study for the Privatization of the Tea Factory; (ii) the Line of Credit to the «Banque rwandaise de développement»; (iii) the Project for the Rehabilitation and Extension of the Electricity Networks in Six Centres; (iv) the Technical and Vocational Education Project II; and (v) Structural Adjustment Programme II.

7. The Boards of Directors is invited to take note of the situation of the portfolio and the conclusions of this report.

1. INTRODUCTION

1.1 Objective and Structure of the Report

1.1.1 This report is intended to inform the Board of Directors of the status of the Bank Group portfolio in Rwanda. It is based on information gathered during the different supervision missions conducted between 1998 and 1999 and the pluridisciplinary portfolio review mission of October 1999. The decision to conduct the latter mission was taken by the Bank in agreement with the Rwandan Government, following a meeting of donor agencies held in London, in July 1999. The mission was also motivated by the commitment of the Bank Group to improve its assistance to Rwandan and its objective was to thoroughly review the factors that hinder the implementation of Bank projects, propose measures to accelerate the disbursement of funds and enhance their developmental impact.

1.1.2 In addition to the introduction, this report comprises six parts, namely: (i) the review of ongoing projects; (ii) evaluation of the country's project management and implementation capacity; (iii) aid coordination with the other donor agencies; (iv) repayment of loans and arrears; (v) initiatives to be taken to improve the portfolio quality; and (vi) the main conclusions and recommendations.

1.2 Scale and Composition of the Portfolio

As at 30/12/99, the review of the operations show a total of 48 operations, including 31 projects, 10 studies, 3 lines of credit, 2 SAPs and, within the context of the emergency programme adopted by the Government in 1995, an emergency humanitarian assistance and a balance of payments support. The volume of net commitments to Rwanda amounts to UA 266.47 million, comprising UA 257.5 million from the ADF/TAF window, UA 2.97 million from the ADB window and UA 6 million from the NTF. The breakdown of Bank Group operations is as follows: 21% to agriculture; 21% to transport, 15% to public utilities, 20% to the social sector, 18% to the multisector operations; and 4% to the industry and development banks sector.

II. REVIEW OF ONGOING PROJECTS

2.1 GENERAL OVERVIEW

Net Bank Group commitments to Rwanda amount to UA 266.47 million, earmarked to finance 48 operations. Out of these operations, thirteen (13) have been entirely or partially cancelled within the context of the portfolio restructuring exercise, eighteen (18) have been completed, fourteen (14) other operations are ongoing and two (2) have not yet become effective. The sectoral breakdown of Bank Group operations in 1995 (just after the 1995 portfolio restructuring operation) and in 1999 is described in Tables 1 and 2 below. It indicates an increase in multisector and social sector operations as of 1998. It should be noted that in 1995, the portfolio restructuring operation resulted in the cancellation of non-performing projects in the social, transport and public utilities sectors.

Table 1 :
Status of the Portfolio in 1995 After its Restructuring
In Million UA

Sectors	ADF Resources	Cancellations *	Net Total	Number of Operations	Cancellations	Net Number of Operations
Agriculture	55.3	4.2	51.1	12	-	12
Equipment	47.59	8.21	39.29	9	1	8
Transport	63.62	13.07	50.55	10	1	9
Industry and Banks	9.00	-	9.00	3	1	2
Social Sector	22.46	12.44	10.02	6	-	6
Multi-sector	11.50	5.00	6.50	1	-	1
Sub Total	209.47	42.92	166.46	41	3	38

Sectors	ADB Resources	Cancellations	Net Total	Number of Operations	Cancellations	Net Number of Operations
Industry and Banks	6.67	3.7	2.97	2	1	1

Sectors	NTF Resources	Cancellations	Net Total	Number of Operations	Cancellations	Net Number of Operations
Transport Sector	6.00	-	6	1	-	1
TOTAL	222.14	46.62	175.43	44	4	40

*These are partial cancellations

Table 2 :
Status of Portfolio at 31/12/1999
In Million UA

Sectors	ADF Resources	Reallocation After 1995	ADF VII Allocation	Net Total	Cancellations	Net Number of Operations
Agriculture	51.10	4.20	1.04	56.34	-	13
Equipment	39.29	-	-	39.29	-	9
Transport	50.55	-	-	50.55	-	8
Industry and Banks	9.00	-	-	9.00	-	4
Social Sector	10.02	13.72	30.32	54.04	-	8
Multi-Sector	6.50	25.00	16.78	48.28	-	4
Sub Total	166.46	42.92	48.14	257.5	-	46

Sectors	ADB Resources	1995 Reallocation	96-98 Allocation	Net Total	Cancellations	Net Number of Operations
Industry and Banks	2.97	-	-	2.97	-	1

Sectors	NTF Resources	1995 Reallocation	Allocation 96-98	Net Total	Cancellations	Net Number of Operations
Transport Sector	6.00	-	-	6		1
TOTAL	175.43	42.92	48.14	266.47	-	48

2.2 PRESENTATION OF THE ONGOING PROJECTS

2.2.1 The portfolio comprises 16 ongoing operations, including 10 projects, 3 studies, an institutional support operation, a line of credit and a structural adjustment programme, for net commitments of UA 98.4 million, exclusively from the ADF window.

Table 3
SUMMARY OF ONGOING OPERATIONS
(In Million UA)

Sectors	Number	Gross Amount	ADF	TAF	Net Amount*	Disbursed	% Disbursed	Undisbursed
Agriculture	5	22.61	18.63	3.97	22.61	6.37	28	16.24
Public Utilities	2	7.15	6.32	0.83	7.13	5.97	80.5	1.18
Industry and Banks	2	6.08	5.52	0.55	6.08	4.95	81.4	1.13
Social	5	45.75	45.75	0.00	45.75	2.1	4.6	45.04
Multisector	2	16.78	15.28	1.5	16.78	15.37	91	1.40
Total	16	98.4	91.5	6.85	98.4	34.76	35.3	63.59

* Less cancellations

A. The Agricultural Sector

2.2.2 The agricultural sector is the mainstay of the Rwandan economy. It employs more than 90% of the total population, contributes about 40% of GDP and generates over 85% of the export earnings. The main constraints to the development of the agricultural sector are the high pressure on natural resources, with the resultant rapid deterioration in fertility, miniaturization of the farms, the scarcity and high cost of the inputs and disorganization of the agricultural support services. The Bank Group devoted 24.0% of its net commitments in Rwanda to the agricultural sector (that is UA 62.6 million) to finance 13 operations, 8 of which have been completed. Overall disbursements amount to UA 46.36 million, that is 74% of the sector commitments. Currently, the Bank Group is financing five operations in the agricultural sector. These operations are the following: (i) Byumba Agricultural Development Project II; (ii) Mutara Agricultural Development; (iii) Feasibility Study of the N'Shili-Kivu Tea Factory; (iv) Project for the Urgent Resumption of Agricultural Production Activities; and (v) Study of the Master Plan for the Development of Marshlands, Protection of the Catchment Areas and Soil Conservation. The disbursement rate of the ongoing projects is low and is estimated at 35%.

Title of Project No. 1 :
Byumba Agricultural Development Project II
Basic Administrative and Financial Data
(in million UA)

<u>Loan Amount:</u> ADF: 3.4 TAF Grant: 1.4	<u>Disbursement:</u> ADF: 2.25, <u>TAF:</u> 0.9	<u>Balance:</u> ADF: 1.15 TAF 0.5
<u>Date of Approval:</u> 19/11/90	<u>Date of Signature:</u> 10/05/91	<u>Date of Effectiveness:</u> 10/10/91
<u>Deadline for Last Disbursement:</u> 30/12/99		<u>Executing Agency:</u> Byumba Rural Development Project
<p><u>Objective and Description:</u> The project generally seeks to sustainably improve the economic conditions of the rural population of the Byumba prefecture. In particular, it seeks to increase the agricultural output of the poor farmers, create economic prospects for those who do not have lands or do not have sufficient lands, strengthen the voluntary associations and encourage environmental protection. To attain these objectives, priority will be given to identification of the production obstacles, the creation of new technological blocks, strengthening of the extension system, increasing the cultivable lands by improving 185 ha of the Warufu marshlands and distributing them to some 880 landless families as well as by encouraging the peasant farmers to resort to credit institutions.</p> <p><u>Supervision Mission:</u> April and October 1999</p> <p><u>Audit:</u> Auditing of the 1996, 1997 and 1998 financial years.</p>		

Compliance with the Conditions

2.2.3 The first disbursement was made 10 months after the approval of the loan. Since the resumption of the project activities in 1997, the Bank Group has been regularly receiving monthly and quarterly progress reports. The auditor to be entrusted with the auditing of the 1999 accounts is currently being recruited. Performance in this area has been more than satisfactory.

Procurement of Goods and Services

2.2.4 The delay of the authorities to implement the Bank's recommendations on the technical files as well as their lack of familiarity with the Bank's rules of procedure affected the project's goods and services procurement performance. Performance in this area was barely satisfactory.

Financial Performance

2.2.5 Serious management lapses by the project management resulted in the suspension of disbursements since 20/05/99. The resumption of disbursements was subject to repayment of the non-eligible expenses by the Government. At the end of November 1999, the Government submitted to the Bank a schedule for the repayment of these loan resources. On the whole, therefore, the performance of this project is barely satisfactory.

Activities and Output

2.2.6 Since the resumption of disbursements, the project made significant progress as demonstrated by the numerous achievements to its credit. However, the executing agency has a very low administrative capacity. Performance is barely satisfactory.

Impact on Development

2.2.7 If the country rapidly solves the problem of non-eligible expenditure, the project should sustainably improve the economic conditions of the rural population of the Byumba prefecture. The probable impact on development could be considered to be relatively satisfactory.

Overall Performance Evaluation

2.2.8 The indicators below show that the project's performance rating is generally satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPMENT	OVERALL EVALUATION
RATINGS	2.66	1	1.6	1	1.75	1.6

Title of Project No. 2 : Mutara Agricultural Development **Basic Administrative and Financial Data (In Million UA)**

<u>Loan Amount:</u> ADF : 9,94		<u>Disbursement:</u> 2.09	<u>Balance:</u> 7.85
<u>Date of Approval:</u> 18/12/90	<u>Date of Signature</u> 10/05/91		<u>Date of Effectiveness:</u> 05/03/96
<u>Deadline for Last Disbursement:</u> 30/12/99		<u>Executing Agency:</u> Permanent Secretariat of the Mutara Master Plan	
<p><u>Objective and Description:</u> The project seeks to reduce the food deficit through rice and Soya production on an area of 1,470 ha, reduce the milk and meat shortages by improving the pastures and to increase the production of traditional food crops (beans, sorghum, cassava) by cultivating an area of 14,000 ha. It also contributes to improving the income of the farmers and their living conditions. Similarly, the project will contribute to drinking water supply to 110,000 people. Furthermore, the Milk-Meat Sector Study planned under the project will facilitate the adoption of a project capable of solving the main livestock sub-sector problems.</p> <p><u>Supervision Mission :</u> March and October 1999</p> <p><u>Audit:</u> That of the 1997 financial year is underway.</p>			

Compliance with the Conditions

2.2.9 The loan did not become effective until 1996, that is five years after its approval. Project implementation was considerably delayed by the country's socio-economic situation, the repetitive sanctions for accumulation of arrears and the withdrawal of the other donor agencies. Since that date, the quarterly reports are regularly submitted to the Bank Group. The auditor to be entrusted with the auditing of the 1999 accounts is currently being recruited. Performance of the project in this area is barely satisfactory.

Procurement of Goods and Services

2.2.10 The project executing agency's performance with respect to the procurement of goods and services was poor and this adversely affected the time it took to award contracts. The main bottleneck to the application of the procurement procedures is the lack of qualified staff in the project team and at the National Tender Board. Performance of the project in this area is barely satisfactory.

Financial Performance

2.2.11 The financial performance of the project was affected since start-up as a result of the withdrawal of the other donor agencies. Indeed, UA 32.6 million was initially expected under the cofinancing arrangement but the amount dropped to UA 9.93 million, that is, the ADF/TAF contribution.. The loan resources were disbursed very slowly. Only 21.04% of the loan amount was disbursed, which is hardly satisfactory.

Activities and Output

2.2.12 Faced with the withdrawal of the other donor agencies, which reduced the funds available for project implementation to the ADF share alone, the Government addressed a request to the Bank on 1/4/98 for the reformulation of the project. Two other reformulation requests were submitted to the Bank but were declared inadmissible. The last supervision mission helped the project management to finalize the wrap-up report, which includes all of the Bank's past observations. The reformulation report was submitted to the Bank at the end of November 1999 as agreed.

Impact on Development

2.2.13 The withdrawal of the other donor agencies resulted in the suppression of the agricultural improvements component, which could have increased agricultural output of the region. Consequently, the project objectives relating to this component could not be attained. However, once the reformulation is completed, the activities that are maintained under the project should be implemented because they would be useful for the Mutara prefecture, which is one of the regions hardest hit by the events of 1994.

Overall Performance Evaluation

2.2.14 The indicators below rate the overall performance of the project at 1.3, which is hardly satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPMENT	OVERALL EVALUATION
RATINGS	1.33	1	1.2	1	1.5	1.3

Title of Project No. 3 : Study of the Nshili-Kivu Tea Factory and the Tea Sector
Basic Administrative and Financial Data (In Million UA)

<u>Loan Amount:</u> TAF : 1.66		<u>Disbursement:</u> 1.56	<u>Balance:</u> 0.1
<u>Date of Approval:</u> 18/12/89	<u>Date of Signature</u> 29/05/90		<u>Date of Effectiveness:</u> 14/10/93
<u>Deadline for Last Disbursement:</u> 31/12/99		<u>Executing Agency:</u> Tea Board (Office des thés - OCIR-THE)	
<u>Objective and Description:</u> Study, on the one hand, all the conditions relating to the establishment of a tea factory for processing the output of the Nshili-Kivu plantations, and on the other, study the tea sector so as to propose to the Government the best options for privatizing management of the tea sector. <u>Supervision Mission :</u> April and October 1999 <u>Audit :</u> The study accounts will be audited at the end of the study.			

Compliance with the Conditions

2.2.15 As a result of the war, the grant did not become effective until four years after its date of approval. The feasibility study of the factory has been completed and the final report has been submitted to the Bank Group. The second phase of the study on the privatization of the tea sector is being completed. Overall performance in this area has been relatively satisfactory.

Procurement of Goods and Services

2.2.16 The delay of the authorities to implement the Bank's recommendations on the technical files as well as their lack of familiarity with the Bank's rules of procedure contributed to delaying the conduct of the study. Performance in this area was barely satisfactory.

Financial Performance

2.2.17 Conduct of the second phase of the study is quite advanced now. The disbursed amounts stand at UA 1.56 millions (that is about 94% of the amount of the loan). The financial performance of the study is relatively satisfactory.

Activities and Output

2.2.18 The conditions relating to the establishment of a tea factory for processing the output of the Nshili-Kivu plantations have been examined. However, considering that the Government plans to privatize the tea sector, it was advised to contact the private operators who could secure a loan from the Bank's Private Sector Unit to finance the tea factory. However, the Government has thus far failed to define its privatization policy and no request has been received in the Bank.

Impact on Development

2.2.19 It is expected that the study will help to solve the problem of processing of the Nshili-Kivu tea output and it proposes to the Government the best options for privatizing management of the tea sector. The construction of the factory and privatization of the sector, which should follow the study, will help to increase the income of the tea producers and the State's foreign exchange earning. These actions will have a

positive impact on development.

Overall Performance Evaluation

2.2.20 The indicators below rate the overall performance of the project at 1.6, which is hardly satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPMENT	OVERALL EVALUATION
RATINGS	1.66	1.5	1.7	1.3	2	1.6

Title of Project 4: Project for the Urgent Resumption of Agricultural Production Basic Administrative and Financial Data (In Million UA)

<u>Loan Amount:</u> ADF : 4.2		<u>Disbursement:</u> 0.00	<u>Balance:</u> 4.2
<u>Date of Approval:</u> 04/09/97	<u>Date of Signature</u> 10/05/98		<u>Date of Effectiveness:</u> 01/04/99
<u>Deadline for Last Disbursement:</u> 31/12/2003		<u>Executing Agency:</u> Ministry of Agriculture	
<u>Objective and Description:</u> The objective of the project is to increase the production of white rice. The project primarily seeks to: (i) rehabilitate the Bugarama and Rwamagana rice fields; (ii) develop and farm the Bishenyi and Rugende pilot rice fields; (iii) improve technical supervision (extension, credit etc...) on these schemes so as to increase the production of irrigated rice; (iv) transfer qualified staff and effective logistic resources to DGRCS; and (v) train local managers.			
<u>Launching and Supervision Mission:</u> March and October 1999			
<u>Audit :</u> The Government was requested to launch the audit in 1999			

Compliance with the Conditions

2.2.21 The Government delayed in fulfilling the conditions precedent to the effectiveness of the loan. The Bank declared the loan effective 19 months after its approval. The performance of the project in this area is barely satisfactory.

Procurement of Goods and Services

2.2.22 To date, no procurements have been made by the project. However, the bidding documents for the rehabilitation of the Rubyiro dam have been prepared and approved by the Bank. The process for the recruitment of the technical assistant is underway. The Bank's relevant rules and procedures in the area have been complied with and, therefore, the performance is considered to be satisfactory.

Activities and Output

2.2.23 The project activities implementation schedule defined during the launching mission of 19 February to 7 March 1999, was not complied with. Furthermore, with the exception of the coordinator, the staff designated for project implementation were not transferred. These factors delayed both the start

up and implementation of the project activities. Consequently, performance in this area is barely satisfactory.

Impact on Development

2.2.24 This project is expected to rehabilitate the two irrigation schemes and to develop the two pilot marshlands.

Overall Performance Evaluation

2.2.25 The indicators below provisionally rate the overall performance of the project at 1.5, which could be considered to be hardly satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPMENT	OVERALL EVALUATION
RATINGS	1	2	N.A.	1	2	1.5

**Title of Project 5: Study of the Master Plan for the Development of Marshlands,
Protection of the Catchment Areas and Soil Conservation**
Basic Administrative and Financial Data
(In Million UA)

<u>Loan Amount:</u> ADF : 1.03		<u>Disbursement:</u> 0.00		<u>Balance:</u> 1.03	
<u>Date of Approval:</u> 11/03/98		<u>Date of Signature</u> 28/05/98		<u>Date of Effectiveness:</u> 01/03/99	
<u>Deadline for Last Disbursement:</u> 31/12/2001			<u>Executing Agency:</u> Ministry of Agriculture		
<p><u>Objective and Description:</u> The objective of the study is to provide the country with a tool for the rational exploitation of the marshlands, development of the catchment areas and soil conservation. The study comprises two phases: (i) the master plan preparation phase, which will lead to the preparation of technical proposals for the marshlands utilization and development plan, protection of the catchment areas and soil conservation; and (ii) the phase relating to the feasibility studies, the preliminary design and detailed engineering design of 5,000 ha net, including hill and soil development and conservation activities and an environmental impact study on 5,000 ha of marshlands, which could be extrapolated to all the marshlands.</p> <p><u>Launching and Supervision Mission:</u> March and October 1999.</p>					

Compliance with the Conditions

2.2.26 The study became effective twelve months after its approval. The launching mission was conducted in March 1999. The performance of the Government is satisfactory.

Procurement of Goods and Services

2.2.27 No procurement has been conducted since the time when the grant became effective. However, the terms of reference and the bidding files for the recruitment of the consulting firm have been prepared and approved by the Bank. The performance is satisfactory.

Activities and Output

2.2.28 The staff designated for the monitoring of the study have not been transferred to the study in spite of the commitments given by the Government to this end. The resultant lack of staff adversely affected the start up and implementation of the study activities. The performance is barely satisfactory.

Impact on Development

2.2.29 This study is expected to facilitate the adoption of a rational marshland management policy and strategy as well as a better utilization of the lands through protection of the catchment areas and soil conservation.

Overall Performance Evaluation

2.2.30 The indicators below rate the overall performance of the project at 1.8, which is relatively satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	2	2	N.A.	1	2	1.8

B. The Industry and Banks Sector

2.2.31 The industrial sector consists primarily of the agro-food industry (which includes breweries and the tea units), industries producing basic commodities for the households (soaps, plastics, batteries etc.), construction materials industries, pharmaceutical industries and the textile industries. The weight of this sector is estimated at about 14.7% of GDP, which is low. The main constraints of the sector include the small size of the domestic market, the weak infrastructure and shortage of qualified manpower. The Bank Group implemented five operations in the industry and banks sector, that is 5.5% of its operations for a total amount of UA 14.33 million. Total disbursements stand at UA 13.2 million, that is 92% of commitments in the sector. Currently, the following two operations are ongoing: i) the Line of Credit to «Banque Rwandaise de Développement» and ii) the Feasibility Study of the Limestone and/or Crushed Bolster Production Project. The disbursement rate of the ongoing projects stands at 81.4%.

Title of Project No. 6 :
FEASIBILITY STUDY OF THE LIMESTONE AND CRUSHED BOLSTER PRODUCTION
PROJECT

Basic Administrative and Financial Data (In Million UA) :

<u>Loan Amount:</u> incl.: 0.55	<u>Disbursements:</u> TAF: 0.50	<u>Balance:</u> TAF: 0.05
<u>Date of Approval:</u> 24/11/92	<u>Date of Signature:</u> 13/05/93	<u>Date of Effectiveness:</u> 12/12/96
<u>Deadline for Last Disbursement:</u> 31/12/99	<u>Executing Agency:</u> General Directorate of Industry (Ministry of Trade, Industry and Cottage Industries)	
<u>Objective and Description:</u> The objective of the study is to examine in detail the possibility of producing, from the local bolster deposits, lime for Rwandan agriculture, the construction industry and water treatment, on the one hand, and on the other, crushed bolster for soil enrichment. To attain this objective the study should focus on the following points: i) confirmation and classification of the Rwandan bolster reserves; ii) study of the local market for lime and crushed bolster; iii) formulation of a project for the production of lime and/or bolster; iv) institutional, economic and financial evaluation of the project; and v) environmental impact assessment of the project.		
<u>Supervision Mission:</u> November 1999		

Compliance with the Conditions

2.2.32 The grant became effective in December 1996, that is four years after the approval of the grant and the study started in February 1999. The performance is barely satisfactory.

Procurement of Goods and Services

2.2.33 The bids and draft contract of the consultants to be entrusted with the study had to be revised and renegotiated with a less experienced administration, which took a long time. Consequently, performance in this area is barely satisfactory.

Financial Performance

2.2.34 The first disbursements were made in February and March 1999. The Government should now enter in its budget its contribution to the financing of the study. The financial performance has now become satisfactory.

Activities and Output

2.2.35 The study has fallen considerably behind schedule and the project management has not taken the necessary measures to accelerate start up. The consultancy team is now at the site. The performance is barely satisfactory.

Impact on Development

2.2.36 If the study is conducted and culminates in the adoption of a lime project for the enrichment of soils, then it would have a major impact on development given the importance of agriculture in Rwanda.

Overall Performance Evaluation

2.2.37 In light of the foregoing, particularly considering the delay in the study, the overall performance of the project is barely satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1	1	2.0	1.3	2	1.5

Title of Project No. 7

LINE OF CREDIT TO THE «BANQUE RWANDAISE DE DEVELOPPEMENT»

Basic Administrative and Financial Data (In Million UA):

<u>Loan Amount :</u> ADF : 5.53 BAD : 4.00	<u>Disbursements:</u> ADF : 4.6 BAD : 0.30	<u>Balance:</u> ADF : 0.93 BAD : 3.70 (cancelled)
<u>Date of Approval:</u> 12/06/89	<u>Date of Signature:</u> 20/07/89	<u>Date of Effectiveness:</u> 16/11/90
<u>Deadline for Last Disbursement:</u> 31/12/99		<u>Executing Agency:</u> Banque Rwandaise de Développement
<u>Objective and Description:</u> The line of credit is intended to finance the foreign exchange costs of the different SME sub-projects in the industrial, agro-industrial and service sector. It will make it possible to finance the equipment and materials and to set up the units for production of the goods and services that will be sold on the local market or exported. <u>Supervision Mission in 1999 :</u> June/July <u>Audit:</u> The Government was requested to launch the audit.		

Compliance with the Lending Conditions

2.2.38 The loans became effective 17 months after the approval of the loan. The BRD does not regularly transmit the supervision reports of the sub-projects financed from the line of credit. It does not forward the audit reports either. However, a general audit of BRD was conducted in 1997. The performance of the project in this area is barely satisfactory.

Procurement of Goods and Services

2.2.39 The origin of the locally procured goods is difficult to verify and information relating thereto is not always communicated to the Bank by the BRD. In contrast, the imported goods are procured from the ADB member countries and the contracts are awarded according to rules acceptable to the ADB. Performance in this area is satisfactory.

Financial Performance

2.2.40 The line of credit had been suspended and was restored in November 1997 after the conduct of a general audit. The disbursement rate has improved significantly and now stands at about 90%. The financial performance has become highly satisfactory.

Activities and Output

2.2.41 To assess BRD's actual situation, the Bank requested the conduct of a portfolio, financial, organizational and strategic audit, which is a condition for resuming the refinancing of sub-projects from this line of credit. The audit reports, the findings of which were favourable, have been submitted to the Bank. Consequently, the line of credit has been reactivated and the deadline of the loan was extended to 31/12/1999. Seven (7) sub-projects were since approved by the Bank in 1998. The line of credit should be fully utilized before 31/12/99. Performance in this area is hardly satisfactory.

Impact on Development

2.2.42 In spite of the civil war, the sub-projects did not suffer very serious damages. The balance of the line of credit should make it possible to finance the rehabilitation of some already financed sub-projects as well as new sub-projects in the BRD's operations programme. Consequently, notwithstanding all these difficulties, the project could attain its objectives.

Overall Evaluation

2.2.43 The indicators below show that the overall performance of the project is satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1.3	2	2.7	1.5	2	1.9

C. The Public Utilities Sector

2.2.44 Since 1974, the Bank Group has financed eight operations, including major studies such as the Extension of the Drinking Water Supply to Kigali and the Main Regions and the study of the Master Plan for Drinking Water Supply to Kigali up to the Year 2000. The Bank Group's operations in this sector in Rwanda represent 15% of its commitments and amount to UA 37.9 million. The disbursement rate stands at 97%. Implementation of the Laves Region Drinking Water Supply Project was stopped since 1990 owing to insecurity. The completed projects are the Telecommunication Project of the Kagera Basin Organisation (OBK), which brings together four countries of the region, and the Kigali Drinking Water Supply Project II. The Bank Group is currently financing two old projects in the country's public utilities sector. These operations are the following: (i) the Project for the Rehabilitation and Extension of the Electricity Networks in Six Centres; and (ii) the Study of the Kigali Drinking Water Supply Project III. The disbursement rate of the ongoing projects stands at 80.5%.

Title of Project 8 :
PROJECT FOR THE REHABILITATION AND EXTENSION OF THE ELECTRICITY
NETWORK IN SIX CENTRES

Basic Administrative and Financial Data (In Million UA)

<u>Loan Amount:</u> 6,318	<u>Disbursement :</u> 5,785	<u>Balance :</u> 0,532
<u>Date of Approval:</u> 17/08/87	<u>Date of Signature:</u> 14/10/87	<u>Date of Effectiveness:</u> 03/05/90
<u>Deadline for Last Disbursement:</u> 31/12/99		<u>Executing Agency:</u> ELECTROGAZ
<u>Objective:</u> At the sectoral level, the project seeks to satisfy the future energy needs of the towns of Gitarama, Byumba, Rwamagana, Gikongoro, Cyangugu and Bugarama. The specific objectives of the project are rehabilitation, strengthening and extension of the distribution networks in order to improve electricity supply from the qualitative and quantitative standpoints and to improve the technical and financial performance of ELECTROGAZ. <u>Supervision Mission in 1999 :</u> March and October <u>Audit:</u> The project's 1997 to 1999 accounts were audited in October 1999.		

Compliance with the Lending Conditions

2.2.45 The conditions precedent to the effectiveness of the loan were fulfilled 32 months after approval of the loan. Submission of status reports to the Bank has become fairly irregular. Compliance with the lending conditions is barely satisfactory.

Procurement of Goods and Services

2.2.46 After the resumption of project activities, there were delays in the preparation and entry into force of the riders. However, the procurement of goods and services was conducted in keeping with the Bank's rules of procedure. The goods and services procurement performance is satisfactory.

Financial Performance

2.2.47 The project, financed by the ADF and the Government, did not encounter any problems relating to the availability of local currency. In spite of the additional expenditure necessitated by the war, the project costs remained within the set budgetary limits. There are no disbursement problems. The equipment installed are adequately maintained. The financial performance of the project is quite satisfactory.

Activities and Output

2.2.48 The project has been completed. The completion report prepared by the borrower was expected to be submitted to the Bank in December 1999. However, considering the huge delay in implementation, project performance is relatively satisfactory.

Impact on Development

2.2.49 The project's objectives of improving and increasing the electricity distribution capacity will be attained. Its impact on development is satisfactory.

Overall Performance

2.2.50 In light of the foregoing, the project's overall performance is satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1.7	2	3	1.7	2	2.1

Title of Project No. 9 : KIGALI DRINKING WATER SUPPLY PROJECT III

Basic Administrative and Financial Data (In Million UA)

<u>Amount of Grant:</u> Grant: UA 0.828.million		<u>Disbursement:</u> TAF: UA 0.18		<u>Balance:</u> TAF: UA 0.65 million	
<u>Date of Approval:</u> 30/10/90		<u>Date of Signature:</u> 07/03/91		<u>Date of Effectiveness:</u> 24/07/92	
<u>Deadline for Last Disbursement:</u> 31/12/99			<u>Executing Agency:</u> Water and Gas Production, Transport and Distribution Utility (ELECTROGAZ)		
<u>Objective and Description of the Study:</u> The objective of the study is to cover the drinking water supply needs of the town of Kigali by the Year 2010. The main component of the study is the preparation of engineering designs, plans and the bidding documents required to meet the drinking water supply needs of the town of Kigali by the Year 2010. <u>Supervision Mission in 1999</u> : July					

Compliance with the Conditions of the Grant:

2.2.51 The grant became effective twenty-one months after its approval. No quarterly progress report was submitted because the start-up advance was paid only recently. The grant was not subject to the fulfilment of any conditions.

Procurement of Goods and Services:

2.2.52 After the war, for reasons that were not justified to the Bank, the new authorities of the country tried to suspend the contract of the consultant at the time of disbursement of the start-up advance. However, after a period of consultations with the Bank, the adoption of a rider helped to solve the problem.

Financial Performance:

2.2.53 No other co-financier contributes to the financing of this study. The method of direct disbursement adopted for the study is expected to be effective because the country traditionally follows this procedure. The start-up advance was recently released by the Bank. Following the adoption of the rider, the consultant's contract is within the limits of the budget allocated to the study. This should reassure against the risk of cost overruns.

Activities and Output:

2.2.54 The study started more than five years behind the planned schedule. In 1998, the conditions precedent to the start up of the performance of the contract were fulfilled. A draft rider prepared to this effect was approved by the Bank in June 1999 and the consultant received notification of the order to commence his services.

Impact on Development

2.2.55 With the reconstitution of the implementation unit, and the approval of the CVs of its members by the ADF, the study can be conducted and it will contribute to capacity building. The expected impact on development will be satisfactory.

Overall Evaluation

2.2.56 Considering the recent developments referred to above, the overall performance of the study is relatively satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1	1	3	1.5	2	1.7

D. The Social Sector

2.2.57 Bank Group operations in this sector increased after the war and the genocide of 1994. Indeed, the already precarious social situation worsened with the displacement of the population, the majority of which is made up of women and children. Bank Group operations in this sector in Rwanda represented 17% of net commitments and amounted to UA 47.78 million. The disbursement level is very low. The Bank Group currently finances five operations in the country, including two emergency projects for the rehabilitation of health facilities and secondary schools, a second vocational training project, a poverty reduction project and a third education project. Two important projects, namely the Education Project III and the Poverty Reduction Project, totalling an amount of about UA 30 million, are yet to become effective.

Title of Project No. 10
STRENGTHENING OF TECHNICAL AND VOCATIONAL EDUCATION II

Basic Administrative and Financial Data

(In Million UA)

Loan Number: F/RWA/EDU/88/23

<u>Loan Amount:</u> ADF : UA 14.09	<u>Cancellation:</u> UA 12.44	<u>Balance:</u> UA 1.65
<u>Date of Approval:</u> 20/09/1988	<u>Date of Signature :</u> 20/07/1989	<u>Date of Effectiveness:</u> 11/04/1991
<u>Deadline for Last Disbursement:</u> 31/12/99		<u>Executing Agency:</u> SFCS – Service de Financement et de Construction Scolaires
<p><u>Objective and Description:</u> Extend and strengthen the intake capacity of the technical education schools and enhance the teaching qualifications of the general secondary and technical education staff. The project comprises the following three components:</p> <ol style="list-style-type: none"> 1) Creation of Three New Official Technical Schools (Ecoles techniques Officielles - ETO) in Cyangugu, Gitarama and Ruhengeri; 2) Strengthening of the Applied Science Faculties (Faculté des Sciences Appliquées - FSA) in Butare and the creation of Teacher Training School (Ecole Normale Supérieure - ENS) in Ruhengeri ; and 3) Strengthening of the Project Implementation Unit. <p><u>Last Supervision Mission:</u> October 1999</p> <p><u>Audit:</u> The Bank Group requested the Government to audit the project for the 1997-1998 period.</p>		

Compliance with the Conditions

2.2.58 This loan became effective 30 months after its approval and it was partly cancelled following the portfolio restructuring exercise of 1995. Only the Official Technical Schools (ETO) component of Gitarama, implemented to the tune of 50%, was maintained. The project has not yet been audited. The performance is barely satisfactory.

Procurement of Goods and Services

2.2.59 Negotiations, between the Government and the company that won the initial contract, were blocked on the issue of compensation for the damages suffered by the company as a result of the war as well as the repayment of the start-up advance received by the same company with respect to the construction of the Ruhengeri ETO. The Government communicated to the Bank the draft rider representing 58% of the amount of the basic contract. This rider, which corresponded to category D of the Guidelines was not taken into account by the Bank. At the end of the November 1999, the Government submitted a rider not exceeding 50% of the basic contract. However, this rider was considered inadmissible. The Government was requested to submit the rider on the new works to be implemented and those implemented before the war.

Financial Performance

2.2.60 Within the context of the portfolio restructuring, an amount of UA 12.44 million was cancelled under this project and a provision of UA 1.3 million was set up for the completion of the Gitarama Official Technical Schools (ETO). However, since the end of the war, no disbursements have been made from this project. The financial performance can be considered to be satisfactory.

Activities and Output

2.2.61 Since its resizing, the project is yet to restart. The performance of this indicator is satisfactory.

Impact on Development

2.2.62 At completion, this project is expected to help increase the intake capacity and improve the conditions for training specialized manpower. However, in relation to its initial objective of building three schools, the impact on development is barely satisfactory.

Overall Performance Evaluation

2.2.63 The following indicators show a barely satisfactory overall project performance rating.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1	1	1	1	1	1.0

Title of Project No. 11

PROJECT FOR THE EMERGENCY RÉHABILITATION OF SECONDARY EDUCATION AND THE BUSOGO HIGHER INSTITUTE OF AGRONOMY AND STOCKBREEDING

Basic Administrative and Financial Data
(In Million UA)

<u>Loan Amount:</u> ADF: 9.0	<u>Disbursement:</u> 0.51	<u>Balance:</u> 8.49
<u>Date of Approval:</u> 5/06/96	<u>Date of Signature :</u> 31/07/97	<u>Date of Effectiveness:</u> 01/12/98
<u>Deadline for Last Disbursement:</u> 31/12/2000		<u>Executing Agency:</u> Schools Financing and Construction Division (DFCS- Project Implementation Unit)
<p><u>Objective and Description:</u> The sectoral objective is to strengthen the basis for national reconciliation, social rehabilitation and economic recovery. The objective of the project is to restore the secondary education services, and those of the Higher Institute of Agronomy and Stockbreeding (ISAE) to the level at which they were before the events of April 1994.</p> <p>This project, the implementation of which will span 24 months, comprises the following components: (1) the renovation and re-equipment of thirty-one secondary schools, the training of secondary school teachers and the production and distribution of textbooks for the secondary schools; (2) the renovation and re-equipment of ISAE; (3) project management, which will involve the creation of a project implementation unit within the Schools Financing and Construction Division. The local staff will be backed by technical assistants provided by UNESCO within the context of the ADB/UNESCO cooperation agreement.</p>		

Compliance with the Conditions

2.2.64 The memorandum of understanding became effective more than two years after the approval of the project. This delay was due to the Government's request to reduce the technical assistance component considering that this expertise could be obtained locally. Finally, the Government accepted to sign the memorandum of understanding as it was. The quarterly progress reports have been submitted but the accounts have not yet been audited. The performance is barely satisfactory.

Procurement of Goods and Services

2.2.65 The memorandum of understanding between UNESCO and the Government was approved by the ADF in August 1998 and the technical assistance is now available. The bidding documents for the construction works and for the procurement of equipment/furniture for the secondary schools and ISAE are being finalized. Bidding for the recruitment of the auditing firm started on 21 September 1999. The performance is satisfactory.

Activities and Output

2.2.66 The status of the new sites has been established and the relevant bidding documents are being finalized. The technical specifications relating to the production of textbooks by the Textbook Printing Service are being prepared as well as the list of equipment for secondary schools and ISAE. The performance is barely satisfactory.

Financial Performance

2.2.67 Only preparatory activities leading to project implementation are ongoing. This is what explains the low loan disbursement rate of 5.68%. The financial performance of the project is hardly satisfactory.

Impact on Development

2.2.68 The proper functioning of the project institutions will contribute to the reconstitution of the country's human resource potential, which was considerably affected by the 1994 events. The project institutions will help to train qualified staff for the different sectors of the economy (agriculture, industry and cottage industries). The performance should be satisfactory.

Overall Evaluation

2.2.69 Considering the recent improvements mentioned above, the overall performance of the project is barely satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPMENT	OVERALL EVALUATION
RATINGS	1.3	2	1	1	2	1.5

Title of Project No. 12
PROJECT FOR THE EMERGENCY REHABILITATION OF HEALTH FACILITIES

Basic Administrative and Financial Data (In Million UA)

Loan Amount: 4.76	<u>Disbursement</u> : 0.37	<u>Balance</u> : 4.39
<u>Date of Approval</u> : 05/06/1996	<u>Date of Signature</u> : 31/07/1997	<u>Date of Effectiveness</u> : 31/07/1998
<u>Deadline for Last Disbursement</u> : 31/01/2001		<u>Executing Agency</u> : PIU within the Ministry of Health
<p><u>Objective and Description</u>: The sectoral objective is to restore the socio-economic well-being of the country's populations and that of the returnees. The objective of the project is ensure access of the communities to quality health services organized by the districts in the health regions of Kibuye, Gisenyi and Kibungo through the renovation, equipping and training of health workers and technicians.</p> <p><u>The Last Supervision Mission</u>: October 1999</p> <p><u>Audit</u>: The Government was requested to audit the project's 1999 accounts.</p>		

Compliance with the Conditions

2.2.70 The memorandum of understanding for consolidation became effective on 30/7/98, that is two years after the approval of the project. The quarterly progress reports are submitted regularly. The project is expected to be audited by the end of 1999. The overall performance is barely satisfactory.

Procurement of Goods and Services

2.2.71 Technical assistance in support of the PIU is provided by WHO/AFRO. The technical assistance was set up in May 1997 before the effectiveness of the WHO/AFRO prefinancing. Overall performance is satisfactory.

Activities and Output

2.2.72 Owing to the insecurity prevailing in the area (Gisenyi and Kibuye health regions), the Government addressed to the Bank a request to transfer the sites. The request was examined and it was decided that the replacement sites would be visited by a mission to assess the level and nature of the works. Following the request to update the project costs, the estimation of the costs of the civil engineering works was communicated to the Bank and approved by the Bank mission. Performance in this area is satisfactory.

Financial Performance

2.2.73 The loan became effective in July 1998. The disbursement rate stood at 10.8%. The performance is barely satisfactory.

Impact on Development

2.2.74 Although the project contributed to the improvement in the quality of medical services at the different levels, owing to the delay in the start up and the unitary costs currently applicable, the number of health facilities concerned by the initial project dropped from 45 to 11. The initial objective of the project remains unchanged. The performance of this project is satisfactory.

Overall Evaluation

2.2.75 Considering the recent improvements referred to above, the overall performance of the project is barely satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1	2	1	1.66	2	1.5

E. Multisector

2.2.76 Bank Group operations represent 18% of net commitments in Rwanda. The disbursement rate of 97% (that is UA 46.88 million) is relatively satisfactory. Within the context of the portfolio restructuring, the Bank Group reallocated UA 25 million to balance of payments support. This support made available to the country the foreign exchange required to back up the rehabilitation of the economy and stabilize the financial system. The Bank Group has two ongoing operations in the sector. They are Structural Adjustment Programme II and the Project for Institutional Support to the Ministry of Finance and Economic Planning and the Central Bank of Rwanda. The disbursement rate for the two ongoing operations stands at 91%.

Title of Project No. 13:

STRUCTURAL ADJUSTMENT PROGRAMME II

Basic Administrative and Financial Data (In Million UA)

<u>Loan Amount:</u> ADF : 15.28	<u>Disbursement:</u> 15.28	<u>Balance:</u> 0.00
<u>Date of Approval:</u> 15/07/98	<u>Date of Signature :</u> 27/07/98	<u>Date of Effectiveness:</u> 07/12/1998
<u>Deadline for Last Disbursement:</u> 31/12/2000	<u>Executing Agency:</u> Permanent Technical Committee (CTP) within the Ministry of Finance and Economic Planning.	
<p><u>Objective and Description:</u> The objectives of the Structural Adjustment Programme are to: (i) restore the country's main macroeconomic balances; (ii) strengthen its administrative capacity and promote private sector development; (iii) restructure the main sectors of the economy; and (iv) consolidate the national reconciliation policy initiated at the end of the war to create the basis for sustainable growth and poverty reduction. The quantitative objectives of the programme are to: (i) obtain an average annual growth rate of 8% as of 1999; (ii) reduce the inflation rate to about 5%; (iii) reduce the internal and external financial imbalances; and (iv) maintain the level of the official foreign exchange reserves set at the equivalent of five and half (5 ½) months of imports.</p> <p><u>Last Supervision Mission:</u> October 1999</p> <p><u>1999 Audit:</u> The Government should start the audit</p>		

Compliance with the Conditions

2.2.77 The loan agreement became effective in December 1998, that is five months after its approval by the Board of Directors. The Government submitted to the last mid-term review mission all the pending quarterly project status reports. The Government was requested to audit the special account before the end of 1999. The performance is deemed to be more than satisfactory.

Procurement of Goods and Services

2.2.78 The planned bidding concerns imports financed from the loan resources. The Government exhausted the last tranche of the loan and submitted the relevant justifying documents certifying that it had followed the Bank Group's goods and services procurement policies. The performance could be considered to be more than satisfactory.

Financial Performance

2.2.79 The cofinancing of this programme together with the IMF and the World Bank made foreign exchange available. The IMF disbursed the first two tranches in 1998 and 1999. The World Bank evaluated its recovery credit of about 70 million dollars in March 1999. In December 1999, the Bank Group disbursed the second tranche of its loan. The financial performance of the programme is more than satisfactory.

Activities and Output

2.2.80 This programme has now been fully disbursed following the mid-term review mission of October 1999. The IMF concluded that implementation of the second year of the ESAF was satisfactory and it disbursed the second annual tranche. The performance could be considered to be satisfactory.

Impact on Development

2.2.81 This programme is expected to help restore the macro-economic framework, stimulate economic growth and improve governance. Furthermore, implementation of the reform programme will create the basis for sustainable growth and the programme benefits should last beyond the implementation phase. The performance is therefore expected to be more than satisfactory.

Overall Evaluation

2.2.82 The overall project performance is more than satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPMENT	OVERALL EVALUATION
RATINGS	2.66	3	2.7	2	2.7	2.6

Title of Project No. 14:
PROJECT FOR INSTITUTIONAL SUPPORT TO MINECOFI AND BNR
Basic Administrative and Financial Data
(In Million UA)

<u>Loan Amount:</u> ADF : 1.5	<u>Disbursement:</u> 0.1	<u>Balance:</u> 1.4
<u>Date of Approval:</u> 05/11/97	<u>Date of Signature :</u> 28/11/97	<u>Date of Effectiveness:</u> 10/09/98
<u>Deadline for Last Disbursement:</u> 31/12/2001	<u>Executing Agency:</u> Ministry of Finances and Economic Planning (PIU)	
<u>Objective and Description:</u> The overall objective of the institutional support project is economic-and-financial-management capacity building and the sectoral objective is to back up the main institutions responsible for defining the country's macro-economic, monetary and financial focus. To ensure the sustainability of the project, during its implementation, each technical assistant should be seconded by a local counterpart whom he will be required to train..		
<u>Last Supervision Mission:</u> October 1999		
<u>1999 Audit:</u> The Government was requested to launch the audit.		

Compliance with the Conditions

2.2.83 The project became effective in September 1998, that is ten months after its approval. Government has not yet submitted to the Bank the status report or evidence of fulfilment of the other conditions. The project should be audited at the end of 1999. The performance could be considered to be relatively satisfactory.

Procurement of Goods and Services

2.2.84 The project implementation unit has not always complied with the Bank's rules of procedures for the procurement of goods and services, particularly the deadline set for bidders. This unnecessarily lengthened the goods and services procurement period. The performance is just satisfactory.

Financial Performance

2.2.85 Our cofinanciers, namely the International Monetary Fund and the World Bank, assist the Government in their respective areas of competence (Public Finance and Macro-Economic management). The first revolving fund of the Bank Group project was set up in December 1998. Utilization of the project resources is slow. Since the effectiveness of the project, the Government has used only 6.4% of the resources. At this stage of project implementation, one cannot talk of overspending. We consider the financial performance of the project to be hardly satisfactory.

Activities and Output

2.2.86 This project is more than six months behind schedule. Following the refusal of the Bank to examine the Government's proposal to modify the list of goods and services, which involves substituting the planned technical assistance with the recruitment of local managers, it was agreed that the project would be implemented in keeping with the appraisal report. The performance of this indicator is barely satisfactory.

Impact on Development

2.2.87 In the end, the project should contribute to the attainment of the set objective of strengthening the administrative capacity of the Ministry, which is fairly low. It should also help to preserve the benefits beyond the project investment phase. Consequently, the performance should be more than satisfactory.

Overall Evaluation

2.2.88 The overall performance of the project is relatively satisfactory.

INDICATORS	PROGRESS	PROCUREMENT OF GOODS AND SERVICES	FINANCIAL PERFORMANCE	ACTIVITIES AND WORKS	IMPACT ON DÉVELOPPEMENT	OVERALL EVALUATION
RATINGS	1.7	2	1.25	1	2.7	1.7

2.3 Old and Potentially Problem Projects or Actual Problem Projects

2.3.1 The average age of projects in Rwanda is eight and a half years. This average drops to five and a half years when one excludes the following three operations, which have been virtually completed: (i) the Feasibility Study of the Nshili–Kivu Factory; (ii) the Project for the Electrification of Six Centres; (iii) the Technical and Vocational Education Strengthening Project II. In spite of the approval of new projects since 1996, the portfolio has deteriorated. The problem projects identified during the last portfolio review increased from two to six. These problem projects represent 43% of the portfolio.

2.3.2 The problem operations, which are defined as the operations with a rating of less than 1.5 with respect to their progress or their contribution to the development objective, are six in all, namely: (i) the Project for the Urgent Resumption of Agricultural Production; (ii) Feasibility Study for the Production of Limestone and Bolster; (iii) Technical and Vocational Education Strengthening Project II; (iv) Project for the Emergency Rehabilitation of Health Facilities; (v) Emergency Secondary Education Rehabilitation Project; and (vi) Study of the Kigali Drinking Water Supply Project III. For the first two operations and the last one, the difficulty lay at the activities start-up stage. Their implementation should now be smooth. The preoccupying operation is the Technical and Vocational Education Strengthening Project II, in respect of which a new rider should be submitted to the Bank for consideration. The Bank Group should notify the Government of its position on the rider and if that position is favourable, the works could then start. The difficulties encountered in the case of the emergency projects concerned the need to change some sites already rehabilitated by the NGOs at the end of the war. New sites have now been identified and bids will be invited.

2.3.3 The potentially problem projects and the risky projects are complex and raise issues of poor management, limited progress of projects signed but not yet effective. They are the following: (i) the Poverty Reduction Project; (ii) the Education Project III; (iii) Mutara Development Project; (iv and v) the two emergency projects in the social sector; and (vi) the Project for Institutional Support to the Ministry of Finance and Economic Planning. Two of the projects, namely the Poverty Reduction Project and the Education III Project, suffer from the administrative weaknesses the country inherited from the war and the Government's long delay in ratifying the legal agreements. In reality, the Ministry of Family Affairs and the Promotion of Women, the line ministry, may not have sufficient skilled staff to coordinate the different operations. Considering that it took more than six months after signature for

these loans to become effective, they could be cancelled. The main difficulty encountered in the case of the Institutional Support Project concerned the determination of the Government to modify the list of goods and services, which was not consistent with the Bank's rules of procedure. The Bank Group opposed this idea and now the project should be implemented in keeping with the appraisal report. Implementation of the Mutara Project should resume once the reformulated draft is submitted to the Bank. Furthermore, as a result of the management problems encountered with respect to the Byumba Project, the Bank decided to suspend disbursements and make their resumption contingent upon repayment of the ineligible expenditure effected.

2.3.4 The high number of problem projects and potentially problem projects is due to the fact that the country's situation is still fragile. It should be noted that as a result of the action and monitoring plan adopted during the last portfolio review mission, the number of problem projects and potentially problem projects should be reduced. The Government has now fulfilled virtually all the conditions precedent to the effectiveness of the poverty reduction project. The only cause for concern is the Education III Project, which has been at a standstill since its signature in January 1999.

2.4 Evaluation of the Frequency of Supervision Missions and their Quality

Since 1998, the Bank Group has been endeavouring to conduct three supervision missions every two years for each project and, in general, each mission lasts fifteen days. Some problem projects, particularly in the agricultural sector as well as the electricity project were supervised twice a year. Two monitoring missions were conducted for the industrial and infrastructure projects. Launching missions were also planned for projects the effectiveness of which are delayed. Furthermore, the Bank experts seize the opportunities offered by the monitoring and supervision missions as well as the economic missions to discuss with the political authorities and executing agencies the problems encountered during project implementation. In general, during the supervision missions, the Bank Group experts assist the Government officials and the executing agencies to implement the different duties planned under the project and to find ways of overcoming the hurdles. In general, the missions are composed of sector specialists and a financial analyst. When the projects is complex, the expert is accompanied by a consultant. The inadequacies noted with respect to compliance with this criterion concern the number of days devoted to project supervision. In general, the Bank devotes ten working days thereto per project. Considering the limited staff population, the experts tend to supervise two or three projects during a supervision mission. Consequently, the supervision of these projects suffers as the supervision criterion is not properly applied. Furthermore, it is unfortunate that the Government does not diligently implement the recommendations of the different supervision missions. The latest pluridisciplinary mission (OCDC, CLEG and FPRU) that visited Rwanda in October 1999 was able to discuss all the problems that hinder project implementation and propose immediate solutions.

2.5 Crosscutting Issues

Most of the operations financed in Rwanda have a considerable impact on the following crosscutting issues (see Annex V):

Environment: the environmental issues were addressed, based on the classification of projects during their appraisal. Detailed studies are required for agricultural sector projects considering their impact on the soils and the biosphere.

Poverty Reduction: the determination to translate poverty reduction into concrete actions is reflected in the number of operations approved by the Bank since 1996 in favour of the poor and through a more thorough analysis of gender issues in projects, in general. Out of a total of sixteen projects, ten, that is two-thirds of the portfolio, concentrate on poverty reduction. The poverty reduction project will seek to promote the socio-economic activities of women and to ensure the integration of women into the

development process (they represent 52% of the total population and 80% of the workforce in the agricultural sector). This project will be implemented with the assistance of the NGOs and it plans to launch micro-credit activities to promote the income-generating activities of women. Furthermore, Rwanda's familiarity with micro-credit operations, following the creation of People's Banks (Banques populaires) around 1974, enhanced the utilization of this instrument. Moreover, considering that studies on the poverty profile in Rwanda indicated that poverty in the country is mainly of rural origin, most of the agricultural sector projects (Byumba, Mutara, Urgent Resumption of Agricultural Activities), aimed at increasing the income of the rural populations, are considered as appropriate poverty reduction tools.

Gender Issues: the predominance of women in the total population (i.e. 52%), which resulted from the war, led the Bank Group to give priority, in its approved projects, to measures aimed at checking the deterioration of the living conditions of the vulnerable groups, particularly women and children. The poverty reduction project, approved, in June 1998, is an illustration of this concern. Furthermore, the social infrastructure rehabilitation projects of 1996 were required to facilitate the access of women and girls to the basic social services.

Participatory Approach: this approach is now systematically applied in the preparation, appraisal and implementation of projects. It is perceived as a means for obtaining a consensus around the key orientations of projects financed by the Bank Group in Rwanda. It was followed for the preparation of the poverty reduction project and for the preparation of the country's 1999-2001 country strategy paper. The Bank's utilization of this approach should be improved. However, it is recommended that participation therein be extended to include more NGOs. Through its poverty reduction project, the Bank Group should strengthen some NGOs.

Social and Population Issues: Within the context of the 1996-98 operations programme, the Bank Group invested UA 45 million in human resource development projects (particularly the Education III Project, the Poverty Reduction Project and two emergency health and secondary education infrastructure rehabilitation projects). This orientation addresses the Government's concern to rehabilitate the country's social fabric that was destroyed by the war and the genocide.

Regional Integration: within the context of the 1998-2001 medium-term economic programme, supported by an ESAF and adopted in July 1998, the Government undertook to adopt fiscal and economic measures aimed at enhancing the development of regional trade. The actions should be strengthened by integrative projects, particularly road infrastructure and telecommunications projects, in the Bank Group's future operations programmes.

2.6 Evaluation of the Overall Portfolio Performance

2.6.1 The average 1.8 rating of the 14 evaluated operations shows a relatively satisfactory portfolio management, which ran into problems that the Bank should closely monitor. This rating, lower than that of the last portfolio review conducted in 1997 (i.e. an average rating of 2), denotes a deterioration of the portfolio. It is reflected by the high number (six) of potential problem projects. In fact, the deterioration of the Rwanda portfolio stems from the country's limited administrative capacity inherited from the war and the genocide of 1994. Since 1995, there have been long delays in the fulfilment of the conditions precedent to the effectiveness of new loans as well as in the physical implementation of relatively old projects. On average, it takes two years for the ongoing projects to become effective. When the projects approved before the war are excluded, it takes on average one year for them to become effective. For the effectiveness of these projects, the Government is confronted with the noted institutional weaknesses concerning the ratification of agreements as well as the limited number and inadequate training of the management staff. Furthermore, for the implementation of certain projects, the Government should take a decision on the substantive issues relating to sectoral policies, particularly in the field of education, and the need to redefine or even update the cost of the projects appraised just before the war. Poor performance ratings are noted in the case of the criteria relating to activities and works (1.4). The overall

rating is improved by the performance of the criteria relating to impact on development (2.1) and financial performance (1.9). The performance of the goods and services procurement criteria as well as the criteria on progress of the project were relatively satisfactory (1.7).

2.6.2 It is believed that the project implementation delays are partly due to the long time taken by the Bank Group to make the Rwandan Government comply with its rules of procedure for the procurement of goods and services. The recent creation of the National Tender Board has not helped to accelerate the award of public contracts. This structure does not yet have the wherewithal to meet the different requests of the administration in general and projects in particular. Currently, it still takes a very long time to process local competitive bidding files. Indeed, it takes 6 to 7 months for the goods or works contracts to be processed whereas the average duration for ensuring a significant increase in the disbursement rate under projects should be 3.5 months.

2.6.3 At the sectoral level, the best average rating goes to the multi-sector (2.5), followed by the public utilities sector (2.1), industry and banks (1.9), agriculture (1.5) and the social sector (1.4). The high average obtained by the multisector is due primarily to the satisfactory performance of the SAP, which is a rapid-disbursing operation. This programme was implemented in five months. The 2.1 average of the public utilities sector is attributable to the satisfactory performance of the Project for the Rehabilitation and Extension of the Electricity Network of Six Centres, which has been implemented to the tune of 71%, as well as the marked improvement in the performance of the Third Kigali Drinking Water Supply Study, which has now started. The improved performance of the industry and banks sector is due to the launching of the Feasibility Study of the Project for the Production of Limestone and Crushed Bolster.

2.6.4 The performance of the agricultural and social sector projects, which represent the majority of the portfolio (i.e. 8 out of 14 ongoing projects and 10 approved projects out of 16), is low. In the agricultural sector, it was difficult to revive some projects after the war, particularly the Byumba and Mutara Projects. It was also difficult to start the last two operations approved in 1997 and 1998, namely, the Project for the Urgent Resumption of Agricultural Production and the Study of the Master Plan for the Development of Marshlands. The relatively low rating of the performance of the sector is due to the long delays in the award of contracts. The low average of the social sector is attributable to the barely satisfactory performance of three problem projects, namely the Technical and Vocational Education Strengthening Project II and the two projects for the emergency rehabilitation of secondary and health education as well as delays in the implementation of the projects approved in 1998. Considering the six-month lapse of time between their signature and effectiveness, the Poverty Reduction Project and the Education Project III are liable to cancellation.

RWANDA: GENERAL PORTFOLIO EVALUATION

Project Title	Approved Amount In Million UA	Rating
AGRICULTURAL SECTOR		
- Byumba Rural Development Project II	4.8	1.6
- MUTARA Agricultural Development	9.93	1.3
- Study of the Nshili-Kivu Tea Factory and the Tea Sector	1.66	1.6
- Project for the Urgent Resumption of Agricultural Activities	4.2	1.5
- Study of the Master Plan for Development of the Marshlands	1.03	1.8
INDUSTRY AND BANKS		
- Feasibility Study for the Production of Limestone and Bolsters	0.55	1.5
- Line of Credit to BRD	5.55	1.9
PUBLIC UTILITIES SECTOR		
- Project for the Rehabilitation and Extension of the Electricity Networks in Six Centres	6.32	2.0
- Study on the Kigali Drinking Water Supply Project III	0.83	1.7
SOCIAL SECTOR		
- Strengthening of Technical and Vocational Education Project II	1.65	1.0
- Rehabilitation of the Health Facilities	4.76	1.5
- Rehabilitation of Secondary Education	9.00	1.5
MULTISECTOR		
- Institutional Support to MINECOFI and BNR	1.50	1.7
- Structural Adjustment Programme	15.28	2.6
TOTAL	66.97	
Weighted Average		1.8

2.7 Disbursements

As at 30 September 1999, the cumulative amount of Bank Group disbursements stood at UA 201.27 million, including UA 2.97 million from the ADB, UA 192.3 million from the ADF and UA 6.0 million from the NTF. Compared to commitments of 266.47 million, this cumulative amount corresponds to an overall disbursement rate of 75%, comprising ADB, ADF and NTF disbursement rates of 100%, 75% and 100%, respectively. An average disbursement rate of 75% for a country shows the high number of completed projects. The current disbursement rate of 35% for ongoing projects shows the slow pace of project implementation. In actual fact, the Bank Group portfolio in Rwanda is divided into two types of operations. The first type of operation concerns relatively old and virtually completed projects in the following three sectors: (i) public utilities; (ii) industry and banks; and (iii) agriculture. The second

category of operations concerns those approved between 1996 and 1998 in the social and agricultural sectors. These two types of operations experience difficulties. The problems facing the first type of operations are at the level of physical implementation of the projects and the problems of the second type of operations concern fulfilment of the conditions precedent to the effectiveness of the projects.

III. EVALUATION OF THE PROJECT MANAGEMENT AND/OR IMPLEMENTATION CAPACITY

3.1 Performance of the Government

3.1.1 The Ministry of Finance and Economic Planning is still confronted with serious shortcomings, namely lack of adequate equipment and logistic support as well as a limited number of staff members who are poorly qualified and have insufficient experience. In relative terms, the civil service salaries are too low to attract and retain qualified management staff. As a result of this institutional weakness, there are serious project implementation difficulties.

3.1.2 The performance of the Rwanda portfolio declined during the 1998-1999 period. The generic problems include: (i) the weak administrative capacity bequeathed to Rwanda by the war and genocide of 1994 ; (ii) the slow project implementation pace ; (iii) recurrent sanctions between 1996 and 1997 owing to arrears; (iv) lack of familiarity with the Bank's rules of procedure; (v) difficulties to efficiently use technical assistance; (vi) failure to systematically prepare annual audit reports; and (vii) failure to systematically submit quarterly project status reports. The recommendations formulated during the portfolio review mission of October 1999 should improve this situation.

3.2 Performance of the Bank Group

3.2.1 During the seminar organized in Kigali in order to define the Bank Group's operations strategy for the 1999-2001 period, it was recognized that the Bank's performance in the management of its Rwanda portfolio improved with the intensification of supervisions missions and the opening, in June 1997, of the Bank Group Operations Monitoring Unit with the assistance of UNDP. This Unit, which organized monthly meetings with the heads of the executing agencies, fully performed its duty of «facilitator» of communication between the Bank and the Rwandan Government. However, the improvement of the quality of Bank Group operations in Rwanda requires the conduct of the following actions:

- familiarization of the project executing agencies with the Bank Group's rules of procedure through the organisation, in Kigali, of seminars on disbursements and goods and services procurement procedures; and
- the intensification of consultations between the Bank and the Government during project preparation and evaluation missions in order to encourage the Rwandan Government not to request the modification of approved projects.

3.2.2 The measures described above and monitoring of the recommendations of the portfolio review mission conducted in October 1999 should help to improve future Bank performance in Rwanda.

IV. AID COORDINATION

4.1 Evaluation of the Capacity of the Government to Coordinate External Aid

Poor coordination of the operations of the donor agencies and the utilization of the budget as a financial programming and investment tool, led the Government, at the end of 1998, to set up within the Ministry of Finance and Economic Planning, a Central Projects and External Financing Unit (CEPEX) and project implementation units (PEX) in all the ministries. The establishment of CEPEX and the PEX should result in a better project selection, implementation and monitoring. The CEPEX will be responsible for the coordination of the feasibility studies, the preparation and appraisal of projects as well as the conduct of project audits. It will liaise with the PEX of the different ministries. The establishment of CEPEX was accompanied by the creation of a development committee chaired by the Minister of Finance and Economic Planning and entrusted with the definition of the national priorities. This committee is composed of a limited number of members from MINECOFI and is assisted by officials of other ministries as well as representatives of the donor agencies, if necessary. It will be responsible for ensuring that the projects selected under the PIP are properly evaluated, viable and likely to have a sustainable impact.

4.2 Evaluation of the Capacity of the Bank Group to Coordinate with the Other Donor Agencies

The contribution of the Bank Group to the financing of the 1998-2001 medium-term economic programme, prepared with the assistance of the Bretton-Woods Institutions, enables it to play a key role in the coordination of external aid in Rwanda. Indeed, the African Development Fund, the International Monetary Fund and the World Bank are requested to participate in all the international initiatives organized by Rwanda. The Bank Group participated in the Stockholm International Conference, which resulted in the creation of a trust fund responsible for the repayment of Rwanda's external debt service during the programme period. The Bank Group participated in the sectoral roundtables organized on education, health and the private sector in 1999. To strengthen coordination with the donor agencies represented in Rwanda, Education Project III was discussed with all of them. Furthermore, the Bank Group was selected to be a member of the ad hoc Committee of donor agencies (including the UNDP, Canada, the Netherlands, the United Kingdom, the World Bank, the IMF and the ADB), which was set up at the end of the London Conference of July 1999 to make concrete proposals to enhance external assistance to Rwanda.

4.3 Evaluation of the Performance of the Cofinanciers in the Cofinanced Operations

The Bank Group is cofinancing two of the ongoing operations. They are the Byumba Project, cofinanced with IFAD, and the SAP, which is cofinanced with the IMF and the World Bank. The other operations, such as the Institutional Support Project and the Study of the Master Plan for the Development of the Marshlands, are financed in parallel with the Bretton-Woods Institutions and the FAO, respectively. Regarding the poverty reduction project, it is not yet effective but will be financed in parallel with Canada and the World Bank. Cooperation in the implementation of these projects is satisfactory. Joint missions were often conducted with IFAD to supervise the Byumba Project. The Government's medium-term economic programme was negotiated in the presence of the three multilateral institutions, i.e. the African Development Fund, the World Bank and the IMF. Cooperation with the UNDP was less satisfactory, particularly with respect to the coordination of our operations and our cooperation within the Operations Monitoring Unit.

V. REPAYMENT OF LOANS AND ARREARS

In 1997, thanks to the assistance of the Netherlands, Rwanda was able to honour its commitments vis-à-vis the Bank Group. The creation of a trust fund in 1999, at the initiative of the international community, in the wake of the Stockholm International Conference of July 1998, should ensure payment of all of Rwanda's debt service for the entire duration of the programme, i.e. up to 2001. Moreover, it is expected that the implementation of the 1998-2001 reform programme will contribute to the restoration of the country's main internal and external financial balances. This situation should enable the State to honour its counterpart contributions to the financing of development projects and to honour its financial obligations to its main development partners.

VI. INITIATIVES TO BE TAKEN TO IMPROVE THE QUALITY OF THE PORTFOLIO

6.1 Potential Problems and Solutions

6.1.1 The generic problems stated in parag. 3.1.2 resulted in a low 35% disbursement rate for the ongoing projects. Indeed, in Rwanda, implementation of the old projects is difficult and the new projects take a long time to become effective. Within the context of the portfolio review mission, conducted in 1999, a plan of action and an updated implementation schedule were defined for each project, in order to increase the overall disbursement rate to 28 % at the date of the mission and from 35% at the time of preparation of this report to 62.3% in the Year 2000. This increase in the level of disbursements by one third, will result from the start up of the activities of the two emergency projects in the social sector and the three agricultural sector projects as well as the completion of the five operations that are virtually at an end (see parag. 6.1.2). Application of these measures should be monitored through the submission of quarterly project progress reports to the ADF at the end of the months of December 1999, and March, June, September and December 2000. Progress of the programme of action will be regularly monitored by the Bank through a careful examination of the quarterly reports, on the one hand, and on the other, by through supervision missions, which have been increased to 1.5 missions per project per year. During the portfolio review mission, it was requested that a procurement plan be prepared for each executing agency, followed by a plan of action for resumption of the activities. It was also agreed that a new portfolio review would be conducted exceptionally in November 2000, if necessary, to examine the performance of the portfolio following the implementation of the programme of action.

6.1.2 At the end of the Year 2000, the following five operations, virtually completed, will be removed from the portfolio: (i) Feasibility Study of the Privatisation of the Tea Factory; (ii) Line of Credit to the «Banque rwandaise de développement»; (iii) Project for the Rehabilitation and Extension of the Electricity Network in Six Centres; (iv) Technical and Vocational Education Project II; and (v) the Structural Adjustment Programme II. The active portfolio will be limited to eleven projects, or even ten operations if the Education Project III is cancelled. The closing date of the six projects will be extended.

6.2 Summary of the Plan of Action

The key measures adopted under the plan of action will seek to launch the operations confronted with start up problems, to complete old operations and, in general, to closely monitor projects. Indeed, attention should be paid to the following activities: launching of the operations relating to the Study on the 3rd Kigali Drinking Water Supply Project; Study on the Production of Crushed Limestone; Study on the Development of the Marshlands; Project for the Emergency Resumption of Agricultural Production Activities and the two emergency projects in the social sector; and the effectiveness of the Project for Poverty Reduction and the Integration of Women into the Development Process as well as the Education III project. A favourable reaction of the Government to three of the projects, namely the Mutara, Byumba and the Vocational Technical Education Project II, will help to revive these operations.

6.3 Lessons to be Learnt for the Future CSPs and Portfolio Reviews

The main lesson to be learnt for future CSPs concerns the pace of Bank Group operations given the country's absorptive capacity. The Bank should concentrate its future operations in the sectors with a relatively sound performance, pending improvement of the management capacity of the other ministries.

VII. CONCLUSION AND RECOMMENDATIONS

Conclusion

The portfolio review made it possible to thoroughly review all the ongoing operations in Rwanda as well as the macro-economic context in which they are implemented. The 1.8 rating shows a relatively satisfactory portfolio management. However, the high number of potential problem projects (six out of a total of sixteen) has lowered the rating. Compared to the preceding review, there has been a deterioration of the portfolio as a result of delays in the effectiveness of the recently approved loans and in the physical implementation of projects. The adopted measures should help to increase the disbursement rate and rehabilitate the portfolio by completing all of the old projects by 2000 or 2001. The performance should also improve accordingly.

General Recommendations to the Government:

- ensure compliance with the schedules for the effectiveness of the Bank loans;
- accelerate the procedures for the ratification of loan agreements;
- comply with the Bank's rules of procedure that require the submission of quarterly progress reports and the systematic conduct of annual audits;
- fully participate in the preparation of Bank Group projects and clearly indicate the Government's priorities and needs to the preparation missions;
- enhance the utilization of technical assistance to facilitate the effective transfer of knowledge to local managers; and
- reduce the review carried out by the NTB prior to any procurements under Bank-financed projects. This will avoid redundant controls, considering that the ADF participates in the procurement process and it will shorten the time it takes to award contracts;

Recommendations to the Bank Group:

- avoid delays in the processing of disbursement requests submitted by the executing agencies;
- reopen the Bank Group operations monitoring unit in Rwanda, which should facilitate monitoring of the portfolio management;
- study the possibility of strengthening CEPEX in order to improve the implementation monitoring of Bank Group operations in particular (see Annex);
- organize training seminars on the Bank's rules of procedure for managers, professional staff and new recruits as well as on the transmission of documentation relating to these procedures;
- through the participatory approach, intensify consultations between the Bank, the Government and civil society during project preparation and appraisal missions;
- systematize the enhancement of administrative capacities through the conduct of appropriate training programmes.

Specific Recommendations (see matrix, Annex IV)

Byumba Agricultural Development Project: The Bank Group resumed disbursements under this project following review of the repayment schedule proposed by the Government.

Study of the NSHILI-KIVU Tea Factory and the Tea Sector: This project has been completed. The Government was expected to forward the privatization report to the Bank before the end of 1999.

Study on the Development of Marshlands: The Government should accelerate the start-up of this study.

Structural Adjustment Programme: This operation has been completed. The Government should commence the auditing of the programme.

Project for Institutional Support to the Ministry of Finance and Economic Planning: The Government should implement the project in keeping with the appraisal report.

Line of Credit to the Banque rwandaise de développement: This operation has been completed.

Project for the Rehabilitation and Extension of Electricity Networks: This project has been completed.

Project for the Revival of Agricultural Activities: The Government should recruit the requisite staff for managing the two irrigation schemes and preparing the preliminary designs for the works.

Mutara Agricultural Development: The Bank Group should review the reformulated report submitted to it. The Government should strengthen staff of the project executing agency. The closing date of the project should be extended.

Feasibility Study of the Project for the Production of Limestone and Bolster: The Government should step up the pace of this study.

Study on the 3rd Kigali Drinking Water Supply Project: The Government should step up the pace of this study.

Project for the Emergency Rehabilitation of Health Facilities: Following the identification of new sites, the Bank Group and the Government should agree on a reallocation of project resources and invite bids for the rehabilitation of the health centres.

Strengthening of Technical and Vocational Education Project II: The Government should submit to the Bank Group an additional clause solely on the new works to be implemented as well as those implemented before the war.

Project for the Emergency Rehabilitation of Secondary Education and the Busogo Higher Institute of Agronomy and Stockbreeding: The Government should communicate to the Bank, bidding documents relating to the first fifteen schools to be built before the end of November 1999.

Regarding the potential problem projects and risky projects:

Project for Poverty Reduction and Actions in Favour of Women: The Rwandan Government

should fulfil the conditions precedent to the effectiveness of the project as quickly as possible because this project was signed in January 1999 and could be cancelled. Unless tangible progress is made, notice of cancellation should be sent to the Government.

Education Project III: The Rwandan Government should fulfil the conditions precedent to the effectiveness of the project as quickly as possible because this project was signed in January 1999 and could be cancelled. Notice of cancellation should be sent to the Government.

Summary of Completed or Cancelled Operations
(In Million UA)

Sector/Project	Source	Year of Approval	Amount of Loan/Grant	Amount Disbursed	Cancelled Amount	Undisbursed Amount	Year of Completion	PCR	Performance Audit
AGRICULTURAL SECTOR									
GISOVU Tea Project	ADF	21/07/77	4.42	4.42	-	0.0	30/06/88	Yes	
Supplementary RAMBA-GASEKE Tea Project	ADF	23/03/78	2.11	2.11	-	0.0	31/12/82	Yes	
Supplementary GISOVU Tea Project	ADF	31/01/80	3.13	2.90	0.9	0.0	30/06/88	Yes	
BUYAMBA Rural Development	ADF	24/09/81	9.21	9.21	-	0.0	30/06/94	Yes	Yes
RAMBA-GASEKE Integrated Rural Development	ADF	23/06/83	9.76	6.67	0.9	3.08	30/06/94	Yes	
RUHENGERRI Rural Master Plan Study	TAF	23/04/87	0.833	0.527	-	0.08	09/06/97	No	
MULINDI-PFUNDA Tea Factory	ADB	18/07/78	3.3	2.671	0.68	-	31/12/87	Yes	
PUBLIC UTILITIES SECTOR									
KIGALI Water Supply	ADF	26/10/76	4.69	4.69	-	0.0	31/12/87	No	
BUTARE Water Supply	ADF	14/12/76	2.357	2.357	-	-	30/04/81	Yes	No
KIGALI Water Supply (I)	ADF	18/03/82	1.574	1.574	-	0.0	31/12/87	Yes	No
KIGALI Water Supply (II)	ADF	18/06/86	11.97	9.76	7.21	2.45	14/08/86	Yes	No
Laves Region Drinking Water Supply	ADF	19/05/87	10.21	9.74	-	0.1	31/12/97	No	
KIGALI Drinking Water Supply	TAF	15/06/84	1.344	1.344	-	0.00	30/06/88	No	
TRANSPORT SECTOR									
CYANGUGU-KIBUYE Road Study	ADF	09/10/74	0.41	0.41	-	-	31/03/80	N.A.	
RUHENGERRI-CYANIKA Road Construction	ADF	30/08/79	3.96	3.96	-	0.0	31/12/84	No	
CYANGUGU-NTENDEZI Road Construction	ADF	22/11/80	9.21	9.19	-	0.09	30/06/86	No	
KAYANZA-GABIRO-KAGITUMBA Road Construction	ADF	16/12/83	11.97	8.402	3.57	-	31/12/85	Yes	No
GITARAMA-NGORORERO Road	NTF	23/02/88	9.21	8.9	-	0.31	30/06/94	Yes	No
Warehouse in MOMBASSA	ADF	18/01/90	2.87	-	2.87	0.0	-	N.A.	
GITARAMA-NGORORERO Road	ADF	18/06/91	8.28	8.28	-	0.0	30/06/94	Yes	No
NTENDEZI-MASHYUZA Road Project	ADF	06/01/93	9.21	-	9.21	0.0	31/12/97	N.A.	
GITARAMA-NGORORERO Road	NTF	23/02/88	6.0	6.0	-	-	30/06/94	Yes	No
INDUSTRY AND BANKS									
Agro-Industrial Line of Credit to BRD	ADB	12/06/89	4.0	0.29	3.7	0.0	30/06/95	N.A.	No
Line of Credit to BRD	ADF	28/08/85	4.6	4.59	-	-	31/12/92	Yes	
Feasibility Studies of the Peat Deposits Development Study	TAF	30/10/90	0.534	0.0	-	0.534	30/06/94	No	No
SOCIAL SECTOR									
Strengthening of Vocational Technical education	ADF	14/03/84	6.92	3.3	-	3.6	30/06/94	No	
Pre-investment Studies of the Sec. and Technical Teacher Training Sch.	TAF	14/03/84	0.442	0.356	0.622	0.572	31/12/97	No	
Emergency Aid to the Civilian Victims	TAF	23/08/94	2.043	2.052	0.016	0.0	30/09/95	No	-
Health Sector Development	ADF	28/08/81	7.0	7.04	-	-	31/12/97	Yes	No
MULTI-SECTOR									
Structural Adjustment Programme *	ADF	28/08/91	11.052	11.052*	5.5	-	31/12/97	N.A.	N.A.
Balance of Payments Support	ADF	17/11/95	-	25.00*	-	-	31/12/97	Yes	No

(*) This concerns reallocation of the 1995 resources.-

REPUBLIC OF RWANDA
1997 Portfolio Review
SUMMARY OF ONGOING OPERATIONS
(in million UA)

Sector/Project	Source	Year of Approval	Date of Signature	Loan Amount	Cancelled Amount	Disbursed Amount	% Disbursed	Undisbursed Amount	Closing Date
AGRICULTURAL SECTOR									
MUTARA Agricultural Development	ADF/TAF	18/12/90	10/05/91	9.93	-	1.66	16.7	8.27	30/12/99
BYUMBA Agricultural Development II	ADF/TAF	19/11/90	10/05/91	4.8	-	3.15	65	1.65	30/12/99
Study of the NSHILI-KIVU Tea Factory and the Tea Sector	TAF	18/12/89	29/05/90	1.66	-	1.56	93	0.1	31/12/99
Project for the Urgent Resumption of Agricultural Production Activities	TAF	04/09/97	10/05/98	4.2	0.0	-	-	-	31/12/2003
		11/03/98	25/05/98	1.04	0.0	-	-	-	31/12/2001
PUBLIC UTILITIES SECTOR									
Project for the Electrification of Six Centres	ADF	17/08/87	14/10/87	6.32	-	5.74	90	0.58	31/12/99
KIGALI Water Supply III	TAF	30/10/90	07/03/91	0.83	-	0.18	22	0.65	31/12/99
INDUSTRY AND BANKS									
Feasibility Study for the Production of Limestone and Bolster	TAF	24/11/92	13/05/93	0.552	-	0.05	9	0.500	31/12/99
Line of Credit to BRD	ADF	12/06/89	20/07/89	5.526	-	4.9	88	9.66	30/12/99
SOCIAL SECTOR									
Strengthening of Technical and Vocational Education	ADF	20/09/80	20/07/89	14.09	12.44	-	-	1.647	31/12/99
Rehabilitation of Health Facilities*	ADF	05/06/96	-	4.76	-	0.37	7.7	4.76	31/01/2001
Rehabilitation of Secondary Education*	ADF	09/06/96	-	9.0	-	0.34	4	4.39	30/12/2000
Poverty Reduction	ADF	17/06/98	17/01/99	9.54	-	-	-	8.66	31/12/2001
Education III	ADF	14/12/98	18/01/99	20.78	-	-	-	-	12/12/2003
MULTISECTOR									
Institutional Support to the Ministry of Finance and Economic Planning	ADF	05/11/97	28/11/97	1.5		0.096	6.4	1.404	31/12/2001
Structural Adjustment Programme	ADF	15/07/98	27/07/98	15.28		9.0	59	6.28	31/12/2001

List of Projects According to their Numbering Order

- Project 1 : Byumba Agricultural Development II
- Project 2 : Mutara Agricultural Development
- Project 3 : Study of the NSHILI-KIVU Tea Factory and the Tea Sector
- Project 4 : Project for the Urgent Resumption of Agricultural Production
- Project 5 : Study of the Master Plan for the Development of Marshlands, Protection of
the Catchment Areas and Soil Conservation
- Project 6 : Feasibility Study for the Production of Limestone and Bolster
- Project 7 : Line of Credit to the «Banque rwandaise de développement»
- Project 8 : Project for the Rehabilitation and Extension of the Electricity Networks in Six Centres
- Project 9 : Study on the 3rd Kigali Drinking Water Supply Project
- Project 10 : Strengthening of Technical and Vocational Education II
- Project 11 : Project for the Emergency Rehabilitation of Secondary Education and the
Busogo Higher Institute of Agronomy and Stockbreeding
- Project 12 : Rehabilitation of Health Facilities
- Project 13 : Poverty Reduction Project
- Project 14 : Education Project III
- Project 15 : Structural Adjustment Programme II
- Project 16 : Project for Institutional Support to MINECOFI and BNR

BYUMBA Rural Development II

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
A. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	3
2. Compliance with the general conditions	2	3
3. Compliance with other conditions	2	2
B. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	1	1
2. Procurement of goods and works	1	1
C. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	2	1
2. Availability of local currency	1	2
3. Disbursement flows	2	2
4. Cost management	2	1
5. Performance of cofinanciers (where applicable)	3	2
D. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	2	2
2. Performance of consultants and technical assistants	2	1
3. Performance of contractors	2	1
4. Performance of the project management	2	0
E. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	3	2
2. Likelihood of maintaining the benefits beyond the project investment phase	3	2
3. Likely contribution of the project to institution building	2	1
4. Expected rate of return		2
F. OVERALL PROJET ASSESSMENT		
1. At Present	2.0	1.6
2. Trend over time	2	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Mutara Agricultural Development

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
G. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	1	2
3. Compliance with other conditions	3	1
H. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	2	1
2. Procurement of goods and works	2	1
I. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	1	2
2. Availability of local currency	1	1
3. Disbursement flows	1	2
4. Cost management	1	1
5. Performance of cofinanciers (where applicable)	1	0
J. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	1	0
2. Performance of consultants and technical assistants	2	2
3. Performance of contractors	2	1
4. Performance of the project management	2	1
K. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	1
2. Likelihood of maintaining the benefits beyond the project investment phase	2	2
3. Likely contribution of the project to institution building	2	2
4. Expected rate of return	2	1
L. OVERALL PROJET ASSESSMENT		
1. At Present	1.8	1.3
2. Trend over time	2	1
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Feasibility Study on the Privatization of the NSHILI-KIVU Tea Factory and Tea Sector

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
A.COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	N.A	2
3. Compliance with other conditions	3	2
M. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	S	2
2. Procurement of goods and works	N.A	1
N. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	3	2
2. Availability of local currency	2	2
3. Disbursement flows	2	1
4. Cost management	N.A	2
5. Performance of cofinanciers (where applicable)	2	1
O. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	2	1
2. Performance of consultants and technical assistants	2	
3. Performance of contractors	2	2
4. Performance of the project management	2	1
P. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	3	2
2. Likelihood of maintaining the benefits beyond the project investment phase	N.A	2
3. Likely contribution of the project to institution building	2	2
4. Expected rate of return	N.A	
Q. OVERALL PROJET ASSESSMENT		
1. At Present	2.4	1.6
2. Trend over time	2	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Project for the Urgent Resumption of Agricultural Production

EVOLUTION DU PROJET	
INDICATORS	R A T I N G S
R. COMPLIANCE WITH THE LENDING CONDITIONS	
1. Compliance with the conditions precedent to effectiveness of the loan	1
2. Compliance with the general conditions	1
3. Compliance with other conditions	N.A
S. PROCUREMENT PERFORMANCE	
1. Procurement of consultancy services	N.A
2. Procurement of goods and works	2
T. FINANCIAL PERFORMANCE	
1. Availability of foreign exchange	N.A
2. Availability of local currency	N.A
3. Disbursement flows	N.A
4. Cost management	N.A
5. Performance of cofinanciers (where applicable)	N.A
U. ACTIVITIES AND WORKS	
1. Adherence to the implementation schedule	1
2. Performance of consultants and technical assistants	N.A
3. Performance of contractors	N.A
4. Performance of the project management	1
5. Project Implementation	1
V. IMPACT ON DEVELOPMENT	
1. Likelihood of achieving the project objectives	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2
3. Likely contribution of the project to institution building	2
4. Expected rate of return	2
W. OVERALL PROJET ASSESSMENT	
1. At Present	1.5
2. Trend over time	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>	

BYUMBA Rural Development II

EVOLUTION DU PROJET	
INDICATORS	RATINGS
	Present Report
X. COMPLIANCE WITH THE LENDING CONDITIONS	
1. Compliance with the conditions precedent to effectiveness of the loan	2
2. Compliance with the general conditions	N.A
3. Compliance with other conditions	N.A
Y. PROCUREMENT PERFORMANCE	
1. Procurement of consultancy services	N.A
2. Procurement of goods and works	2
Z. FINANCIAL PERFORMANCE	
1. Availability of foreign exchange	N.A
2. Availability of local currency	N.A
3. Disbursement flows	N.A
4. Cost management	N.A
5. Performance of cofinanciers (where applicable)	N.A
AA. ACTIVITIES AND WORKS	
1. Adherence to the implementation schedule	1
2. Performance of consultants and technical assistants	N.A
3. Performance of contractors	1
4. Performance of the project management	1
5. Project Implementation	1
BB. IMPACT ON DEVELOPMENT	
1. Likelihood of achieving the project objectives	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2
3. Likely contribution of the project to institution building	2
4. Expected rate of return	2
CC. OVERALL PROJET ASSESSMENT	
1. At Present	1.8
2. Trend over time	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>	

Study for the Production of Limestone and Bolster

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
DD. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	2	N.A
3. Compliance with other conditions	N.A	N.A
EE. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	3	1
2. Procurement of goods and works	N.A	N.A
FF. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	N.A	N.A
2. Availability of local currency	N.A	1
3. Disbursement flows	N.A	2
4. Cost management	1	3
5. Performance of cofinanciers (where applicable)	N.A	N.A
GG. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	0	1
2. Performance of consultants and technical assistants	1	3
3. Performance of contractors	N.A	N.A
4. Performance of the project management	1	1
HH. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	2
2. Likelihood of maintaining the benefits beyond the project investment phase	N.A	2
3. Likely contribution of the project to institution building	2	2
4. Expected rate of return	N.A	N.A
II. OVERALL PROJET ASSESSMENT		
1. At Present	1.7	1.5
2. Trend over time	N.A	N.A
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Line of Credit to the «Banque rwandaise de développement»

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
JJ. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	2	1
3. Compliance with other conditions	2	2
KK. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	3	N.A
2. Procurement of goods and works	3	2
LL. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	1	N.A
2. Availability of local currency	3	3
3. Disbursement flows	1	2
4. Cost management	1	3
5. Performance of cofinanciers (where applicable)	N.A	N.A
MM. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	1	1
2. Performance of consultants and technical assistants	N.A	N.A
3. Performance of contractors	N.A	N.A
4. Performance of the project management	2	2
NN. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2	2
3. Likely contribution of the project to institution building	2	2
4. Expected rate of return	N.A	N.A
OO. OVERALL PROJET ASSESSMENT		
1. At Present	2	1.9
2. Trend over time	2	2
Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.		

Project for the Rehabilitation and Extension of the Electricity Networks in Six Centres

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
PP. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	3	2
3. Compliance with other conditions	2	2
QQ. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	3	2
2. Procurement of goods and works	3	2
RR. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	3	N.A
2. Availability of local currency	3	3
3. Disbursement flows	2	3
4. Cost management	1	3
5. Performance of cofinanciers (where applicable)	N.A	N.A
SS. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	1	1
2. Performance of consultants and technical assistants	1	2
3. Performance of contractors	2	2
4. Performance of the project management	2	2
TT. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2	2
3. Likely contribution of the project to institution building	1	2
4. Expected rate of return	2	2
UU. OVERALL PROJET ASSESSMENT		
1. At Present	2.23	2.1
2. Trend over time	2.5	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Study on the Third Kigali Drinking Water Supply

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
VV. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	0	N.A
3. Compliance with other conditions	0	N.A
WW. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	1	1
2. Procurement of goods and works	N.A	N.A
XX. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	2	N.A
2. Availability of local currency	1	3
3. Disbursement flows	0	3
4. Cost management	0	3
5. Performance of cofinanciers (where applicable)	N.A	N.A
YY. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	1	1
2. Performance of consultants and technical assistants	2	2
3. Performance of contractors	N.A	N.A
4. Performance of the project management	1	1
ZZ. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2	2
3. Likely contribution of the project to institution building	1	2
4. Expected rate of return	N.A	N.A
AAA. OVERALL PROJET ASSESSMENT		
1. At Present	1.3	1.7
2. Trend over time	2	3
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Strengthening of Technical and Vocational Education II

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
BBB. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	3	1
2. Compliance with the general conditions	N.A	1
3. Compliance with other conditions	1	1
CCC. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	1	1
2. Procurement of goods and works	1	1
DDD. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	2	N.A
2. Availability of local currency	2	1
3. Disbursement flows	2	1
4. Cost management	2	1
5. Performance of cofinanciers (where applicable)	N.A	N.A
EEE. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	1	1
2. Performance of consultants and technical assistants	1	N.A
3. Performance of contractors	1	1
4. Performance of the project management	1	1
FFF. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	1
2. Likelihood of maintaining the benefits beyond the project investment phase	2	1
3. Likely contribution of the project to institution building	1	0
4. Expected rate of return	1	N.A
GGG. OVERALL PROJET ASSESSMENT		
1. At Present	1.5	1.0
2. Trend over time	2	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Project for the Emergency Rehabilitation of Health Facilities

EVOLUTION DU PROJET		
INDICATORS	RATINGS	
	Previous Report	Present Report
HHH. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	1	1
2. Compliance with the general conditions	1	2
3. Compliance with other conditions	1	1
III. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	N.A	2
2. Procurement of goods and works	N.A	2
JJJ. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	3	2
2. Availability of local currency	1	1
3. Disbursement flows	1	1
4. Cost management	N.A	N.A
5. Performance of cofinanciers (where applicable)	N.A	N.A
KKK. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	1	1
2. Performance of consultants and technical assistants	1	2
3. Performance of contractors	1	N.A
4. Performance of the project management	1	2
LLL. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	2	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2	2
3. Likely contribution of the project to institution building	2	2
4. Expected rate of return	N.A	N.A
MMM. OVERALL PROJET ASSESSMENT		
1. At Present	1.4	1.5
2. Trend over time	2	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

**Project for the Emergency Rehabilitation of Secondary Education and
the Higher Institute of Agronomy and Stockbreeding**

EVOLUTION DU PROJET		
INDICATORS	R A T I N G S	
	Previou s Report	Present Report
NNN. COMPLIANCE WITH THE LENDING CONDITIONS		
1. Compliance with the conditions precedent to effectiveness of the loan	1	1
2. Compliance with the general conditions	1	2
3. Compliance with other conditions	1	1
OOO. PROCUREMENT PERFORMANCE		
1. Procurement of consultancy services	N.A	N.A
2. Procurement of goods and works	N.A	2
PPP. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange	N.A	N.A
2. Availability of local currency	N.A	1
3. Disbursement flows	N.A	N.A
4. Cost management	N.A	1
5. Performance of cofinanciers (where applicable)	N.A	N.A
QQQ. ACTIVITIES AND WORKS		
1. Adherence to the implementation schedule	2	1
2. Performance of consultants and technical assistants	2	N.A
3. Performance of contractors	2	N.A
4. Performance of the project management	2	1
RRR. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving the project objectives	3	2
2. Likelihood of maintaining the benefits beyond the project investment phase	3	2
3. Likely contribution of the project to institution building	N.A	2
4. Expected rate of return	3	2
SSS. OVERALL PROJET ASSESSMENT		
1. At Present	2	1.5
2. Trend over time	N.A	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>		

Structural Adjustment Programme II

EVOLUTION DU PROJET	
INDICATORS	RATINGS
	Present Report
TTT. COMPLIANCE WITH THE LENDING CONDITIONS	
1. Compliance with the conditions precedent to effectiveness of the loan	3
2. Compliance with the general conditions	2
3. Compliance with other conditions	N.A
UUU. PROCUREMENT PERFORMANCE	
1. Procurement of consultancy services	N.A
2. Procurement of goods and works	3
VVV. FINANCIAL PERFORMANCE	
1. Availability of foreign exchange	3
2. Availability of local currency	N.A
3. Disbursement flows	3
4. Cost management	N.A
5. Performance of cofinanciers (where applicable)	2
WWW. ACTIVITIES AND WORKS	
1. Adherence to the implementation schedule	2
2. Performance of consultants and technical assistants	N.A
3. Performance of contractors	N.A
4. Performance of the project management	2
XXX. IMPACT ON DEVELOPMENT	
1. Likelihood of achieving the project objectives	3
2. Likelihood of maintaining the benefits beyond the project investment phase	3
3. Likely contribution of the project to institution building	2
4. Expected rate of return	N.A
YYY. OVERALL PROJET ASSESSMENT	
1. At Present	2.6
2. Trend over time	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>	

Institutional Support to the Ministry of Finance and Economic Planning and BNR

EVOLUTION DU PROJET	
INDICATORS	R A T I N G S
	Present Report
ZZZ. COMPLIANCE WITH THE LENDING CONDITIONS	
1. Compliance with the conditions precedent to effectiveness of the loan	3
2. Compliance with the general conditions	1
3. Compliance with other conditions	1
AAAA. PROCUREMENT PERFORMANCE	
1. Procurement of consultancy services	N.A
2. Procurement of goods and works	2
BBBB. FINANCIAL PERFORMANCE	
1. Availability of foreign exchange	1
2. Availability of local currency	1
3. Disbursement flows	1
4. Cost management	2
5. Performance of cofinanciers (where applicable)	N.A
CCCC. ACTIVITIES AND WORKS	
1. Adherence to the implementation schedule	1
2. Performance of consultants and technical assistants	N.A
3. Performance of contractors	N.A
4. Performance of the project management	1
5. Project Implementation	1
DDDD. IMPACT ON DEVELOPMENT	
1. Likelihood of achieving the project objectives	3
2. Likelihood of maintaining the benefits beyond the project investment phase	3
3. Likely contribution of the project to institution building	2
4. Expected rate of return	N.A
EEEE. OVERALL PROJET ASSESSMENT	
1. At Present	1.7
2. Trend over time	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>	

Project for Poverty Reduction and Actions in Favour of Women

EVOLUTION DU PROJET	
INDICATORS	RATINGS
	Present Report
FFFF. COMPLIANCE WITH THE LENDING CONDITIONS	
1. Compliance with the conditions precedent to effectiveness of the loan	1
2. Compliance with the general conditions	1
3. Compliance with other conditions	N.A
GGGG. PROCUREMENT PERFORMANCE	
1. Procurement of consultancy services	N.A
2. Procurement of goods and works	N.A
HHHH. FINANCIAL PERFORMANCE	
1. Availability of foreign exchange	N.A
2. Availability of local currency	N.A
3. Disbursement flows	N.A
4. Cost management	N.A
5. Performance of cofinanciers (where applicable)	N.A
III. ACTIVITIES AND WORKS	
1. Adherence to the implementation schedule	N.A
2. Performance of consultants and technical assistants	N.A
3. Performance of contractors	N.A
4. Performance of the project management	N.A
5. Project Implementation	N.A
JJJJ. IMPACT ON DEVELOPMENT	
1. Likelihood of achieving the project objectives	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2
3. Likely contribution of the project to institution building	2
4. Expected rate of return	N.A
KKKK. OVERALL PROJET ASSESSMENT	
1. At Present	1.5
2. Trend over time	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>	

Education III

EVOLUTION DU PROJET	
INDICATORS	RATINGS
	Present Report
LLLL. COMPLIANCE WITH THE LENDING CONDITIONS	
1. Compliance with the conditions precedent to effectiveness of the loan	1
2. Compliance with the general conditions	1
3. Compliance with other conditions	N.A
MMMM. PROCUREMENT PERFORMANCE	
1. Procurement of consultancy services	N.A
2. Procurement of goods and works	N.A
NNNN. FINANCIAL PERFORMANCE	
1. Availability of foreign exchange	N.A
2. Availability of local currency	N.A
3. Disbursement flows	N.A
4. Cost management	N.A
5. Performance of cofinanciers (where applicable)	N.A
OOOO. ACTIVITIES AND WORKS	
1. Adherence to the implementation schedule	N.A
2. Performance of consultants and technical assistants	N.A
3. Performance of contractors	N.A
4. Performance of the project management	N.A
5. Project Implementation	N.A
PPPP. IMPACT ON DEVELOPMENT	
1. Likelihood of achieving the project objectives	2
2. Likelihood of maintaining the benefits beyond the project investment phase	2
3. Likely contribution of the project to institution building	2
4. Expected rate of return	N.A
QQQQ. OVERALL PROJET ASSESSMENT	
1. At Present	1.5
2. Trend over time	2
<p>Legend: 3 = Highly satisfactory. 2 = Satisfactory : Some problems; the Bank should monitor. 1 = Barely satisfactory : problems exist; the Bank should closely monitor the situation but no immediate action is required. 0 = Unsatisfactory : serious problems exist; the Bank should take action.</p>	

EVALUATION OF THE BANK GROUP PORTFOLIO IN RWANDA

Projects Sectors of Activity \ Performance Criteria	Status	Procurement of G&S	Financial Performance	Activities & Works	Impact on Development	Overall Evaluation	Amounts (in Mn UA)	Weighted Evaluation
A. Agricultural Sector	1.6	1.3	1.4	1.0	1.7	1.5		
1. Byumba Rural Development II	2.66	1	1.6	1	1.75	1.6	4.80	7.68
2. MUTARA Agricultural Development	1.33	1	1.2	1	1.5	1.3	9.93	12.91
3. Study of the Nshili-Kivu Tea Factory and Sector	1.66	1.5	1.7	1.3	2	1.6	1.53	2.50
4. Project for the Urgent Resumption of Agricultural Activities	1	2		1	2	1.5	4.2	6.30
5. Study of the Marshlands Devt. Master Plan	2	2		1	2	1.8	1.04	1.82
B. Industry and Banks	1.3	1.9	2.6	1.5	2.0	1.9		
6. Feasibility Study of Limestone + Bolster production	1	1	2	1.3	2	1.5	0.553	0.81
7. Line of Credit to BRD	1.3	2	2.7	1.5	2	1.9	5.553	10.55
C. Public Utilities Sector	1.6	1.9	3.0	1.7	2.0	2.0		
8. Project for the Rehabilit. and Extension of the Electricity Network in 6 Centres	1.7	2	3	1.7	2	2.1	6.32	13.15
9. Study of the 3 rd Kigali Drinking Water Supply	1	1	3	1.5	2	1.7	0.83	1.41
D. Social Sector	1.2	1.9	1.0	1.2	1.9	1.4		
10. Strengthening of Technical and Vocational Educ. II	1	1	1	1	1	1.0	1.67	1.67
11. Rehabilitation of the Health Facilities	1	2	1	1.66	2	1.5	4.76	7.29
12. Rehabilitation of Secondary Education	1.3	2	1	1	2	1.5	9.00	13.14
E. Multisector	2.6	2.9	2.6	1.9	2.7	2.5		
13. Institutional Support to MINECOFI and BNR	1.7	2	1.25	1	2.7	1.7	1.50	2.60
14. Structural Adjustment Programme II	2,66	3	2.7	2	2.7	2.6	15.28	39.91
TOTAL	1.7	1.7	1.9	1.4	2.1	1.8	66.97	121.73

MATRIX OF COMMON PROBLEMS

Common Problems	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8
Limited Admin. Capacity	X	X		X	X	X		X
Non-Compliance with the Rules	X							
Management Problems	X							
Limited Cap. of OE	X			X	X	X		X
Difficulty to Use the Techn. Assist.		X		X	X			
Delays in the Physical Implemen.	X	X	X			X	X	X
Delays in Effectiveness				X	X	X		
Failure to Submit Progress Reports	X	X	X				X	X
Failure to Conduct Audits	X	X	X					X

Common Problems	Project 9	Project 10	Project 11	Project 12	Project 13	Project 14	Project 15	Project 16
Limited Admin. Capacity	X	X	X	X	X	X	X	
Non-Compliance with the Rules		X						
Management Problems		X						
Limited Cap of OE	X		X	X	X	X	X	
Difficulty to Use the Techn. Assist			X	X		X	X	
Delays in the Physical Implemen.		X	X	X		X		
Delays in Effectiveness	X		X	X	X	X	X	X
Failure to Submit Progress Reports		X	X	X	X	X		
Failure to Conduct Audits		X	X	X	X	X		

ANNEX V

MATRIX OF CROSSCUTTING ISSUES

Issues	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8
Environment	X	X		X	X			
Gender Issues	X	X		X				
Participatory Approach								
Poverty Reduction	X	X		X	X			X
Population	X	X						
Micro-credit	X							
Regional Integration								X
Social Issues	X	X		X	X			X

Issues	Project 9	Project 10	Project 11	Project 12	Project 13	Project 14	Project 15	Project 16
Environment					X			X
Gender Issues			X					X
Participatory Approach								X
Poverty Reduction		X	X	X	X	X	X	X
Population		X	X	X		X	X	X
Micro-credit								X
Regional Integration					X			
Social Issues		X	X	X	X	X	X	X

RWANDA: MATRIX OF THE PLAN OF ACTIONS FOR ONGOING PROJECTS

Project Title	Problems Encountered	Actions Implemented	Actions Required	Deadline
<p>I. General Consideration</p> <p>1. Slow project implementation pace</p>	<p>The disbursement rate of the ongoing projects stands at 28.1%</p>	<p>Creation of an operations monitoring unit to facilitate communication and ensure rapid processing of the files</p> <p>Multiplication of the supervision and launching missions</p>	<p>Implement the different plans of action and the implementation schedule to increase the disbursement rate to 62.3%.</p> <p>The executing agencies should regularly submit the quarterly status reports in December, March, June September and December and the Bank Group should react thereto rapidly.</p> <p>The CEPEX should monitor on a monthly basis, the implementation of Bank projects.</p>	<p>November 2000</p> <p>December 1999</p> <p>November 1999</p>
<p>2. Administrative Capacity of the Government</p>	<p>Limited familiarity of the managers with the Bank Group's rules of procedure</p> <p>Limited number of management staff and inadequate training</p> <p>Long delays in the award of public contracts</p> <p>Refusal to accept technical assistance</p>	<p>Organization in December 1998 of a seminar for the Rwandan management staff on the Bank Group's rules of procedure governing disbursements and the procurement of goods and services</p> <p>Provision of technical assistance to projects where administrative shortcomings are detected</p>	<p>Continue the organization of seminars for the Rwandan management staff</p> <p>Institutional support to CEPEX and the National Tender Board</p> <p>Provide technical assistance to projects each time</p>	<p>January 2000</p> <p>January 2001</p> <p>January 2000</p>
<p>3. Effectiveness of the new loan agreements and grant memoranda of understanding</p>	<p>It takes too long for the loan agreements to become effective</p>	<p>Intensification of launching missions and exchange of correspondence, on the obstacles, through our operations monitoring unit.</p> <p>Improve project preparation using the participatory approach</p>	<p>Simplify procedures for the ratification of loan agreements</p> <p>The Government should take, through the CEPEX, the requisite provisions to comply with the operations implementation schedule. As soon as a loan is approved, one of the services of this structure should see to the fulfilment of the conditions precedent and the application of the funds by the designated Agency.</p> <p>Take into account the institutional capacity of the country for the fulfilment of the conditions precedent to the effectiveness of loans.</p>	<p>January 2000</p> <p>December 1999</p> <p>December 1999</p>
<p>4. Project implementation</p>	<p>Implementation of the projects, particularly the old ones, takes too long</p>	<p>Intensification of launching missions and exchange of correspondence, on the obstacles, through our operations monitoring unit.</p>	<p>Stringent application of the Bank Group's rules governing the cancellation of projects.</p> <p>Strengthen the National Tender Board which is responsible for the award of public contracts.</p>	<p>December 1999</p> <p>January 2001</p>

ANNEX VI

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Project Title	Problems Encountered	Actions Implemented	Actions Required	Deadline
3. Project for the Emergency Rehabilitation of Secondary Education	The Government has submitted a new list of schools in replacement of those which were selected at the time of appraisal and have already been rehabilitated. Some of those are not junior secondary schools. The Government wishes to replace the UNESCO technical assistance by regional technical assistance.	The Bank Group strengthened the monitoring of this project in order to facilitate its launching.	Bidding documents for the first tranche of the rehabilitation works, comprising a group of fifteen schools, should be communicated to the Bank.	November 1999
4. Byumba Agricultural Development Project II	Some project components are considerably behind schedule (rural credit, stockbreeding, rehabilitation of feeder roads, research/development and development of the marshlands). Abnormalities have been noted in the management of this project, with the financing of non eligible expenditure for an amount of 102 million Rwandan francs.	Two supervisions missions were conducted in 1999. The Bank Group has suspended disbursements pending the conduct of the audit. The Government has submitted a payment schedule for the repayment of all of the non-eligible expenditure. The payment will be in three tranches. The first tranches representing a third of the amount will be paid forthwith and the other two tranches will be paid in January and March 2000.	The Government should submit to the Bank a request for extending the deadline of the last disbursement. The Government should prepare a plan of actions for the application of the recommendations of the project audit. The Government should launch the audit in 1999.	November 1999 January 2000 December 1999
5. Feasibility Study of the Nshili-Kivu Tea Factory and the Tea Sector	Delays in the conduct of the study.	A national seminar was organized to validate the interim report of this study.	The Government should forward to the Council of Ministers, for consideration and approval, the recommendations of the seminar and forward to the consultant the recommendations approved by the Council of Ministers. The Government should forward to the Bank the privatization report and the audit report.	January 2000 15/12/1999 30/03/2000

Project Title	Problems Encountered	Actions Implemented	Actions Required	Deadline
<p>6. Mutara Development Project</p>	<p>The project management is not always conversant with the Bank's rules of procedure. Most of the documents forwarded to the Bank are either incomplete or not conform, which further lengthens the procurement approval and loan disbursement times.</p> <p>Delays in the implementation of the valley-dams construction works.</p> <p>At the request of the Government, the project was reformulated so as to take into account the withdrawal of the other cofinanciers.</p>	<p>The Bank conducted two supervisions missions in March and October 1999 to help the executing agency to prepare its reformulation report. The reformulation report forwarded to the Bank was inadequate. The Bank made observations thereon.</p> <p>The Government submitted the reformulation report at the end of November 1999.</p>	<p>The Government should submit to the Bank a request for extending the deadline of the last disbursement before the end of November 1999.</p> <p>Address an injunction to the company entrusted with the valley dams construction works, ordering it to proceed with the works within a month, failing which the contract termination procedure will be initiated.</p> <p>Strengthen the project staff and conduct the pending audits.</p>	<p>November 1999</p> <p>December 1999</p> <p>January 2000.</p>
<p>7. Project for the Urgent Resumption of Agricultural Production Activities</p>	<p>Delays in the preparation of the engineering designs of the rehabilitation works of the Bugarama and Rwamagana schemes and the development of the two pilot marshlands.</p> <p>The marshlands selected for development were changed without the prior approval of the Bank.</p>	<p>The Bank Group strengthened the monitoring of this project to speed the effectiveness of the project. In 1999, two supervisions missions were conducted.</p>	<p>The Government should maintain the development of the selected marshlands, i.e. the Rugende and Bishinye marshlands.</p> <p>The Government should recruit the requisite staff for the management of the two schemes, particularly the directors and the technical assistance and prepare the preliminary engineering designs of the works.</p>	<p>December 1999</p> <p>December 1999</p>
<p>8. Study of the Master Plan for the Development of Marshlands.</p>	<p>Delays in the finalization of the TORs and the bidding documents for the consulting firms and failure of the Ministry to transfer the requisite staff.</p>	<p>The Bank Group strengthened the monitoring of this project to speed the effectiveness of the project. In 1999, two supervisions missions were conducted.</p>	<p>The Government should take the necessary measures for the invitation of bids and transfer staff required to monitor the study.</p>	<p>December 1999</p>

Project Title	Problems Encountered	Actions Implemented	Actions Required	Deadline
9. Project for the Emergency Rehabilitation of Health Facilities	<p>Following the rehabilitation works by other partners and the subsequent destruction of the facilities as well as the insecurity in the area, which does not encourage investments in the regions, the Government addressed a request to the Bank for the transfer of the two sites.</p> <p>The unitary costs indicated in the report in 1995 are no longer correct.</p> <p>The Project is two years behind schedule.</p>	The Bank Group strengthened the monitoring to speed the launching of the project.	The Government and the Bank Group should agree on a reallocation of the amounts budgeted in the categories of expenditure.	December 1999
10. Project for Institutional Support to MINECOFI and BNR	<p>The Project is 8 months behind schedule. The initial working capital was made available in January 1999 (i.e. 6.4% of the total).</p> <p>The Government wanted to recruit local experts to replace the technical assistance provided for in the project.</p>	The Bank Group consulted the different departments (FPRU, CLEG) so as to adopt a stance.	The Government should continue implementation of the project in keeping with the stipulations of the appraisal report.	November 1999
11. Kigali DWS III	The Project is considerably behind schedule.	The Bank Group strengthened the monitoring to speed the launching of the study. In 1999, two launching missions were conducted.	<p>The Bank Group should pay the first disbursement request relating to the study.</p> <p>The Government should comply with the TOR and ensure that the services are provided within the set limits.</p>	<p>December 1999</p> <p>December 1999</p>
12. Line of Credit to BRD	BRD was allowed a very short time to identify eligible and well prepared sub-projects, which could be financed by the Banque before the closing date of the line of credit scheduled for 31/12/99.		The project has been completed. The Government should commission the audit and have the wrap-up report prepared.	March-June 2000
13. Limestone production Study	The Project is behind schedule.	The Bank Group conducted two launching missions in 1999 and that facilitated the launching of the study in February.	The Government should step up the pace of the study.	December 1999

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Project Title	Problems Encountered	Actions Implemented	Actions Required	Deadline
14. Education III	Start-up of the project was delayed.	The National Assembly approved the project in July 1999	The Government should fulfil the conditions precedent to the effectiveness of the project before 15 November 1999. The project could be cancelled because it was signed in January 1999.	November 1999.
15. SAP	Start-up of the programme was delayed.	The Government has fulfilled most of the conditions precedent to the disbursement second tranche.	The Government should commission the audit and have the wrap-up report prepared.	March-June 2000
16. Project for the Electrification of Six Centres	Completion of the 6 th centre was delayed and repair of the damages caused by the war.	The Bank Group strengthened the monitoring of this project through the conduct of two supervision missions.	The Government should use the outstanding balance to have the audit conducted.	January 2000.

SUMMARY OF THE MONITORING PLAN

PROJECTS	Actual Disbursement Rate as a %	Projected Disbursement Rate for November 2000 as a %
1. Byumba Agricultural Development II	70	100
2. Mutara Agricultural Development	21	44
3. Study of the NSHILI-KIVU Tea Factory and the Tea Sector	88	100
4. Project for the Revival of the Emergency Agricultural Production	-	38
5. Study of the Master Plan for the Development of Marshlands, Protection of the Catchment Areas and Soil Conservation	-	40
6. Feasibility Study for the Production of Limestone and Bolster	16.6	100
7. Line of Credit to the «Banque rwandaise de développement»	92	100
8. Project for the Rehabilitation and Extension of the Electricity Networks in Six Centres	91	100
9. Study on the 3rd Kigali Drinking Water Supply Project	22	90
10. Strengthening of Technical and Vocational Education II	-	100
11. Project for the Emergency Rehabilitation of Secondary Education and the Busogo Higher Institute of Agronomy and Stockbreeding	5.68	93
12. Rehabilitation of Health Facilities	10.8	55
13. Poverty Reduction Project	-	10
14. Education Project III	-	25
15. Structural Adjustment Programme II	59	100
16. Project for Institutional Support to MINECOFI and BNR	6.4	48