



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 15-Aug-2020 | Report No: PIDC207499



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P172862		Moderate	Rwanda: Advancing Citizen Engagement Project
Region	Country	Date PID Prepared	Estimated Date of Approval
AFRICA EAST	Rwanda	15-Aug-2020	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Comic Relief	Spark Microgrants	

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	2.73
Total Financing	2.73
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	2.73
Japan Social Development Fund	2.73

B. Introduction and Context

Country Context

Strong state institutions and capable public administration have been the cornerstones of Rwanda’s post-genocide transformation. Rwanda is one of Africa’s fastest growing economies, with growth averaging more than seven percent every year since 2000. Sustained economic growth rates have seen gross domestic product (GDP) per capita increase from US\$242 in 2000 to US\$787 by 2018.[1] Rwanda’s official poverty estimates suggest a continued decrease in poverty from 45 percent in 2010/11 to 38 percent in 2016/17. These impressive results have been driven by strong economic growth and improved agricultural productivity as well as a commitment to good governance, both in terms of economic management and service delivery. The gains



in poverty reduction have been accompanied by impressive progress in human development, including meeting most of the Millennium Development Goals (MDGs) in 2015.

Despite the impressive progress on reducing poverty and building human capital, Rwanda remains one of the poorest countries in the world. Even before the onset of the COVID-19 global pandemic, Rwanda continued to face major development challenges, including high levels of rural poverty (peaking at 69 percent in Nyamasheke district) and stunting (38 percent).[2] Since 2014, poverty reduction has stagnated despite continued growth, particularly in rural areas.[3] Two-thirds of households face seasonal food shortages. This situation limits the productive capacity of the next generation as well as Rwanda's future competitiveness. The COVID-19 pandemic will exacerbate Rwanda's development challenges, with growth projected to slow to 5.1 percent in 2020. Headcount poverty is expected to rise this year and only recover slightly by 2022. [4]

Rwanda's National Strategy for Transformation 1 (2017-2024) seeks to address the challenge of persistently high rates of poverty through continued economic growth and effective management of public sector investments. Rwanda ranks well in global governance metrics, including corruption in the World Governance Indicator rankings and competitiveness in the World Economic Forum's Global Competitiveness Index. The country's Vision 2050 aims to deliver an improved standard of living for all Rwandans. This entails providing food security and nutrition, universal access to water and sanitation, affordable and reliable energy, and universal access to quality health care, education, financial services and housing. Delivering on these ambitious goals will require enhanced local government capacity as Rwanda continues to actively decentralize development planning and the delivery of services across multiple sectors. The National Decentralization Policy, adopted in 2001, aims to promote good governance and effective and transparent service delivery, and reduce poverty. As a result of the policy, local governments (primarily District Governments) are now the primary implementers of national policies and programs.

The decentralization policy has established the institutional architecture for subnational government, but citizen voice and participation remains limited and planning processes are still centralized and top-down. Implementation of the policy has put in place the institutional structure for context appropriate, participatory, bottom-up planning and social development processes. The 1st phase (2001-2005) established democratically elected structures at the local level and institutionalized decentralization. The second phase (2005-2010) devolved more resources (human and financial) to local governments to enhance mechanisms for service delivery and streamline coordination of development efforts. The third phase, which included the approval of the 2011 Fiscal and Financial Decentralisation Policy to adequately resource local governments in line with their responsibilities, focuses on sectoral decentralization, local economic development, citizen participation and accountability mechanisms and local government capacity building (especially for Public Financial Management).

Improving implementation of decentralization, including by enhancing citizen engagement, has been identified by the Government of Rwanda and development partners as necessary to accelerate poverty reduction. The Rwanda Governance Board has recommended strengthening citizen engagement (CE), particularly in terms of bottom-up planning.[5] Social justice NGO, Never Again Rwanda (NAR), has observed that weak participation is due to the fact that local leaders do not assign enough time to listen to groups they



represent, leaving many groups underrepresented.[6] The Local Administrative Entities Agency (LODA) of the Ministry of Local Government (MINALOC), has also highlighted the ongoing centralized nature of decision making in Rwanda and asserted that village planning processes need to be strengthened to ensure that local leaders represent the needs of communities. [7] This is expected to improve the alignment between community needs and public spending, in the process leading to more effective use of government resources and better development outcomes for the rural poor.

Rwanda is widely recognized for its commitment to gender equality, however, women still face several important constraints. The Government of Rwanda has formulated policies and enacted progressive legislation on gender equality and protection of family property. Rwanda has a National Gender Policy and a ministry dedicated to gender issues. It ranks first in the world for female representation in the national parliament and fifth in the World Economic Forum’s Gender Gap Report. In line with the gender commitment enshrined in the decentralization policy, the participation of women in leadership positions at the local level has kept improving. In 2019, 45 percent of District Councilors, 27 percent of District Mayors and 42 percent of Vice-Mayors are women.[8] However, addressing Rwanda’s human development challenges will require improvements in the socio-economic status of women. More female-headed households live in poverty than those headed by males (37 percent compared to 44 percent). Women’s literacy rates are lower than men’s (60 percent compared to 70 percent, respectively), constraining already limited opportunities in terms of accessing resources, creating and managing small businesses, and participating in decision-making processes.[9] The World Bank’s 2019 Rwanda Systematic Country Diagnostic (SCD) highlights the need to build on Rwanda’s success in gender equality, including by ‘strengthening women’s participation in subnational democratic bodies’.[10] Women are also being disproportionately affected by the health and economic impacts of the coronavirus. [11]

[1] National Institute of Statistics of Rwanda (2018), GDP National Accounts 2018 at <http://www.statistics.gov.rw/publication/gdp-nationalaccounts-2018>.

[2] Fifth Integrated Household Living Conditions Survey, *National Statistics Institute of Rwanda*, 2016/17

[3] 38 percent of the population are living in poverty (from 39 percent in 2014) and 16 percent in extreme poverty (no change since 2014). The poverty rate increases to 43.1 percent in rural areas.

[4] World Bank Group 2020, *Rwanda Macro Economic Outlook*. World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. <http://pubdocs.worldbank.org/en/366631492188168425/mpo-rwa.pdf>

[5] Rwanda Governance Board *Good Governance and Decentralization in Rwanda, Rwanda Governance Review*. Vol. VI Special Issue, June, 2018.

[6] Governing with and for Citizens - Lesson from a Post-Genocide Rwanda, *Never Again Rwanda*, 2016. Founded in 2002 in response to the 1994 genocide, NAR is a peacebuilding and social justice non-governmental organization. NAR aims to empower citizens towards positive change, including through greater citizen participation in decision-making.



[7] LODA is an implementing arm of the Ministry of Local Government (MINALOC). It is responsible for participatory development planning and implementation, via decentralized local government entities. LODA acts as fund manager and intermediary for donors and local administrative entities, conducts monitoring, builds the capacity of local administrative entities, and is responsible for citizen mobilization and engagement in development planning and programs.

[8] Gender Monitoring Office 2019, *The State of Gender Equality in Rwanda: From Transition to Transformation*

[9] World Bank. 2014. *Country Partnership Strategy for Rwanda FY2014-2018*. Report No: 87025-RW p. 16. The strategy was extended until FY20 through a Performance and Learning Review, Report No. 106731-RW of March 20, 2017.

[10] World Bank Group, 2019, *Rwanda Systematic Country Diagnostic*, Report No. 138100-RW, p. 4.

[11] World Bank Group. 2020. *Protecting People and Economies: Integrated Policy Responses to COVID-19*.

Sectoral and Institutional Context

Rural poverty remains high in Rwanda, despite two decades of sustained economic growth. The poverty headcount in rural areas (43.1 percent) significantly outstrips urban areas (15.8 percent), peaking at 69.3 percent in Nyamasheke district. Within some districts, pockets of poverty are even worse, such as Busengo Sector in Gakenke District, in which 89 percent of families live in the no/low-income brackets, and 80 percent of people are malnourished. The World Bank Systematic Country Diagnostic identifies wage-farm workers residing in rural areas with little access to land as a fast-growing yet vulnerable occupational group with the highest poverty rate. In addition to structural transformation of the economy and enhancing agricultural productivity, the government sees access to finance and more accountable, citizen-oriented local governance as central to reducing poverty and improving sustainable livelihood opportunities in the rural countryside.

Figure 1: Rwanda Poverty Map

The government has recognized that the centralized, top-down development model that proved effective in the initial phase of post-genocide state-building will not serve Rwanda's next phase of development. The decentralization policy was designed to strengthen citizen engagement and begin the shift to a more bottom-up, participatory approach to development planning. However, local governments and communities are not yet driving decision-making processes at the local level. [1] This has seen many of the poor in rural areas – and particularly marginalized members of the community such as youth, persons with disabilities and women – being left out of the benefits of Rwanda's economic growth.

Multiple analyses have highlighted that the government needs to strengthen citizen engagement in local governance to improve development outcomes. The government has launched a number of initiatives to enhance CE, including through LODA's August 2019 concept note to strengthen Citizen Engagement in Social



Protection Programs. However, these efforts remain a work in progress, as acknowledged in the 2019 joint Government of Rwanda (GoR)-World Bank *Future Drivers of Growth* study, which observed that ‘the government’s top-down approach to public administration...impairs trust and stifles local initiative and creativity.’ [2] The Rwanda Governance Board’s 2018 Governance Scorecard Report recommends to ‘increase efforts to continue raising the level of citizens’ participation in planning [and] budgeting’ and to strengthen partnerships with civil society. [3] These recommendations are reflected in the *National Strategy for Transformation 2017-2024 (NST1)*. In particular, priority areas 5 and 6 under the NST1 Transformational Governance Pillar, ‘Strengthen capacity, service delivery and accountability of public institutions’ and ‘Increase citizens’ participation, engagement and partnerships in Development’, are seen as important strategies for improving livelihood and social welfare. [4]

The government is also responding to the challenges of rural poverty and limited citizen engagement by preparing a new decentralization policy. The new policy is expected to enhance citizen voice and downwards accountability. In parallel, the government is planning to significantly increase state capacity below the district level by shifting thousands of personnel to cells to bring the government closer to the people. [5]

Figure 2: Government of Rwanda Administrative Structure

While the GoR is increasingly committed to strengthening citizen engagement for decentralization and rural poverty reduction, important gaps remain. Firstly, the government lacks a framework for inclusive and participatory village-level planning. And secondly, local government capacity for participatory village planning is limited. At the village level, community mobilization is undertaken by Social Economic Development Officers (SEDOs) within the respective cell government administrative units. SEDOs clearly understand the targets set by government to reduce poverty, improve household assets and support food security. However, many feel ill-equipped to mobilize citizens to own and lead change. Engagement processes continue to be influenced by top-down development objectives, with limited technical capacity for community dialogue, feedback cycles, and inclusive participation. The government recognizes that civil society organizations (CSOs) have an important role to work alongside public officials to strengthen local capacities for citizen engagement and mobilization. CSOs can also help to establish inclusive village-level development planning platforms to provide space for the voices of women in decision-making processes and women’s leadership in village and cell-level committees.

In 2017, the government approached Spark MicroGrants to request support to strengthen citizen engagement, increase the uptake of government social programs and improve rural livelihoods. Founded in Rwanda in 2010, Spark has formulated a participatory village development approach that leverages historical Rwandan social organizing practices, including *ubudehe*, *imihigo*, and *umuganda*. *Ubudehe* refers to the long-standing Rwandan practice and culture of collective action and mutual support to solve problems within a community.[6] *Imihigo* is a precolonial tradition where individuals or communities publicly set goals and promise to achieve them. *Imihigo* has been formalized in Rwanda into performance contracts which hold public officials accountable on an annual basis. *Umuganda* is a practice derived from the precolonial Rwandan culture of self-help and cooperation.[7] In March 2019 (updated January 2020), LODA signed an MoU with Spark for a strategic collaboration to: (a) develop a National Framework for Participatory Village Planning for all 14,000



villages in Rwanda; and (b) strengthen existing decentralization initiatives by building on historical Rwandan traditions. This partnership opens up a timely opportunity to address important gaps in Rwanda’s approach both to rural poverty reduction and local governance.

At the same time, faced by the COVID-19 crisis, the GoR has identified supporting livelihoods and social cohesion as top priorities for community recovery from the impact of the global pandemic. A substantial number of people most affected by COVID-19 are not traditional safety net beneficiaries. The government’s Economic Recovery Plan calls for increased social protection and sustainable livelihood programming to tackle the expected medium-longer term impacts of the coronavirus on the Rwandan economy. Government counterparts have recently affirmed the ongoing relevance of the MOU with Spark in the COVID context.

The proposed *Advancing Citizen Engagement* project can play an important role in strengthening grassroots participation and sustainable rural livelihood in Rwanda. The proposed project aligns closely with the objectives of the Japan Social Development Fund (JSDF), which seeks to empower the poorest and most vulnerable groups not reached by other programs and improve their lives through direct benefits. The JSDF grant would pilot community-driven development planning and financing at the village level to increase rural incomes for the rural poor that have been left out of Rwanda’s economic success and are unreached by the government’s existing programs. It will establish a platform for cooperation between NGOs and local and national government to strengthen the decentralization process in Rwanda at a strategic time in its evolution. The JSDF financing would also be leveraged to institutionalize participatory and inclusive planning at the village level. Finally, mobilization of CSO partners such as Spark will contribute to national efforts for long-term sustainable recovery from the COVID-19 crisis.

[1] Ministry of Local Government (2017) *Assessment of the impact of decentralization policy implementation in Rwanda (2001-2017)*.

[2] World Bank Group; Government of Rwanda. 2019. *Future Drivers of Growth in Rwanda: Innovation, Integration, Agglomeration, and Competition*. Washington, DC: World Bank

[3] Rwanda Governance Board *Good Governance and Decentralization in Rwanda, Rwanda Governance Review*. Vol. VI Special Issue, June, 2018.

[4] 7 Years Government Program: National Strategy for Transformation (NST 1) 2017-2024. See p.19, Priority Area 6: Priority area 6: Increase citizens’ participation, engagement and partnerships in Development. http://www.minecofin.gov.rw/fileadmin/user_upload/NST1_7YGP_Final.pdf

[5] World Bank (2020) “Rwanda Human Capital for Inclusive Growth Project Preparation Mission Aide Memoire”, January 2020.

[6] In 2001 the Ubudehe Program was launched as a flagship poverty reduction program with the ambition to strengthen democratic processes and good governance through greater community involvement in decision making. Today Ubudehe is one of the country’s core development programs, including a process of



household poverty/wealth categorization. However, the process has been diluted over time, is quite top down, and involves very little real consultation or constructive engagement.

[7] Traditionally, members of the community would call upon their family, friends and neighbors to help them complete a difficult task. For example, villagers may band together to help someone to harvest their crop if they are sick, disabled, or elderly when the harvest time comes, set a day aside to work together to build houses for the poor, or provide transportation to medical facilities to those who were in need.

Relationship to CPF

The proposed JSDF grant is aligned with the Country Partnership Strategy (CPS) for FY14-18 and with the Systematic Country Diagnostic (SCD) that will guide the next Country Partnership Framework.[1] The project seeks to improve rural incomes and strengthen participatory planning and accountable governance at the village level across Rwanda. The grant will support livelihoods for poor and vulnerable rural communities while promoting greater participation, voice and downwards accountability in development planning through collaboration with the government to formulate a National Framework for Participatory Village Planning. Accordingly, the project activities are consistent with two of the three themes of the current CPS: (a) improving the incomes and productivity of the poor through rural development and social protection; and (b) supporting accountable governance through public financial management and decentralization. The project is also consistent with key themes in the SCD, which highlights that, 'Making sure that [Rwanda's] growth remains inclusive is currently its main challenge.' Echoing the assessment of the Rwanda Governance Board, the SCD also states that, 'the governance system in Rwanda also needs to institute a greater responsiveness to citizen concerns by improving the state's accountability to its citizens and ensuring that policies and programs are aligned with the needs and aspirations of the people.'

The grant is also aligned with the World Bank Group's approach to the COVID-19 pandemic. Activities under this grant are consistent with pillar two of the WBG's Integrated Policy Response, namely 'protecting human capital and livelihoods against shocks and for economic recovery'. [2] By supporting sustainable income-generation for the rural poor, the proposed grant also supports the second prong of the World Bank's Africa Region Operational Response Framework, 'protecting livelihoods'.

[1] World Bank. 2014. Country Partnership Strategy for Rwanda FY2014-2018. Report No: 87025-RW. The strategy was extended until FY20 through a Performance and Learning Review, Report No. 106731-RW of March 20, 2017. The SCD is Report No. 138100-RW of June 25, 2019.

[2] World Bank Group. 2020. *Protecting People and Economies: Integrated Policy Responses to COVID-19*.

C. Project Development Objective(s)

Proposed Development Objective(s)

To improve livelihoods for 19,600 households/85,000 people and capacity of communities and national and local



government for citizen engagement in 245 villages in Rwanda.*

The PDO will be achieved through a set of activities combining sustainable livelihood grants for poor, rural communities and capacity-building for district, sector, cell and village officials and communities on inclusive, participatory planning. The experience of the grants and the capacity-building support in the JSDF pilot areas will be captured through partnership with national and local government officials in a new framework for participatory village planning, which will be applied across Rwanda.

* The project will be implemented in 245 villages, which constitutes 10-12 percent of the villages in each of the project districts, assuming 4-5 districts will be covered. Each village has approximately 160-170 households (HHs), with an average HH size of 4.35 people. This results in approximately 178,000 people in the target villages. This entire number is expected to benefit from improved village planning and engagement with local government, including enhanced understanding of and access to government social protection programs. On average, approximately 80 households in each target village will attend meetings and benefit from a range of activities, including capacity-building for planning and savings groups. This equates to 19,600 HH, for a total of 85,260 direct beneficiaries.

Key Results

Indicator	Comments
% increase in capacity of local government officials to facilitate community discussions and engage with citizens	Increased capacity for 28 local government Social and Economic Development Officers (SEDOs) will be measured through pre-and post-tests on knowledge, practices and attitudes towards citizen engagement.
% satisfaction with participation and civic engagement of poor and marginalized groups	Quality of participation and civic engagement will be measured during the baseline, midline and endline studies by assessing satisfaction levels with engagement platforms and the extent to which people feel they influence community decisions. Intermediate indicators will also be included in the Results Framework to monitor # of people attending meetings, disaggregated by income level and gender, and # of people speaking in meetings, disaggregated by gender. One of the intermediate indicators, taken from the JSDF Results Framework, will be ‘% participation and civic engagement of poor and marginalized groups’.
\$ value increase of microgrant-funded village subprojects	This indicator will be measured during the total project cycle, on a semi-annual basis. The target is for subprojects on average to increase in value from \$8,000 to \$10,000 six months after the disbursement of the full grant amount to each village.
% increase in the value of household assets of participating households.	To be measured in all target villages during baseline, midline and endline studies.

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	<p>This indicator will measure expected household-level changes in assets of direct beneficiaries. Direct beneficiaries are considered the individuals who are directly attending village meetings or represented in meetings by a member of their immediate household. The expected number of direct beneficiaries is 85,000, or 50% of target village populations. This indicator will measure expected changes in the households of these direct beneficiaries. They will benefit not only from the microgrant but from increased uptake of government social protection programs through the project’s participatory approach.</p>
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D. Preliminary Description

Activities/Components

The project will combine grassroots and policy level activities to strengthen rural livelihoods and establish a National Framework for Participatory Village Planning that will institutionalize participatory and inclusive community development planning at the village level in Rwanda. Working with an established NGO partner under a strategic collaboration with government, the project aims to catalyze an important evolution in Rwanda’s dominant development model to become more participatory and reach those otherwise left behind from development programming, including for the COVID-19 recovery efforts. The project will support community-driven planning and livelihood programs in 245 villages in four-five districts. The target districts will be identified prior to appraisal, based on the criteria identified below in the Project Beneficiaries section. Experience from the community-level activities will then be translated into a national policy framework for participatory village planning, in partnership with central and local government.

The project will be implemented through four components, as described below. Additional activities under each component will be supported through complementary funding provided by the grant recipient, Comic Relief, as detailed in Annex 1.

Component 1: Village and Local Government Capacity Building (US\$516,435)

This component will build the capacity of local government at the district, sector and cell levels to facilitate community-driven village development processes to enhance citizen engagement and improve rural livelihoods. It will also build community capacity to engage in development planning and to manage village level subprojects.

District, sector and cell level government officials will be trained on a Facilitated Collective Action Process (the ‘FCAP’, also known as *Inzira Y’Iterambere* in Kinyarwanda). The FCAP is a two-year village mobilization and capacity building process to establish a platform for development coordination at the village level. The



FCAP approach will seek to prevent elite capture and ensure inclusion and equity as central elements of the project design.

The FCAP fully supports and builds on existing government planning frameworks and is designed to support implementation of the government's citizen engagement plans. It brings structure and purpose to existing platforms for CE by: (a) building the capacity of village leaders and local officials who coordinate the official planning process; (b) mobilizing communities to attend and meaningfully participate in regular weekly village meetings conducted by the government; and (c) supporting the formulation of inclusive village-owned plans that will integrate with plans above the village level. The FCAP helps transform the government's weekly village meetings from a forum for one-way dissemination of information to a platform for exchange and truly participatory constructive engagement.

Figure 3: Facilitated Collective Action Process

Through the FCAP, the project will build capacity in each target village for planning, financial management and advocacy skills to plan and execute collective action. The FCAP process will help target villages to elect a Village Leadership Committee (minimum 40 percent women, who support the existing *Ubudehe* Committee), and prepare a Village Development Plan (VDP). The VDP will assess local development challenges and include a list of priority subprojects to be financed by government or development partners, including from the JSDF grant (see Component 2). The VDP might also recommend the establishment or strengthening of local savings groups. The planning process will be repeated in the second year of the project, with a reduction in support by Spark staff, who will completely step out of the process and hand over to local government by year three. The FCAP is facilitated through a series of regular village-wide meetings. In addition to supporting preparation of the VDP, these meetings will help bring communities back together after the COVID-19 lockdown period.

Component One activities will comprise:

- **Local Government capacity development.** The project will finance training and workshops in each district to: (a) build the capacity of district and sector-level staff on the coordination of the FCAP through hands-on mentoring, district exchange visits, and quarterly task force meetings; (b) build the capacity of cell-level SEDOs (four per sector) to implement and supervise the FCAP through a Training of Trainers and hands-on mentoring. The objective of training will be to develop the capacity of SEDOs and sector officials to lead community-driven village development planning. The Government of Rwanda will contribute office space and staff time to this activity.
- **Village-level capacity development.** The project will finance: (a) community-based facilitator (CBF) training, mentoring, and monthly CBF meetings to build their capacity to coordinate and implement the FCAP; (b) capacity-building of Village Leadership Committees for effective, transparent and accountable development planning and inclusive leadership and decision-making; (c) annual inter-village exchange visits to enhance villagers' capacity for planning and project management; and (d) two expert Trainers per District to train and provide hands-on mentoring to CBFs (two per village) and

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SEDOs, and (e) translation of training and facilitation materials. The Government of Rwanda will contribute staff time and office facilities to this activity.

The budget for this component is consistent with global experience in the World Bank, which suggests that a funding split of 80 percent grant to 20 percent capacity-building and facilitation is appropriate.

Complementary funding will finance staff and training costs associated with these activities (see Annex 1).

Component Two: Microgrants (US\$1,951,292)

Component two will finance priority subprojects identified in the VDPs to improve livelihoods. Each target village will be provided a grant of US\$8,000, disbursed over two years.[1] The government in each of the target districts will contribute five percent of the total grant amount, while community members will make contributions in-kind. Microgrant eligibility is guaranteed for every target village provided eligibility conditions are met, including election of a Village Leadership Committee, completion of the VDP and submission and approval of a subproject proposal. [2]

Communities will choose the subproject(s) to be financed by the microgrant to improve the social and/or economic welfare of the village, in support of the VDP. Other than a limited set of disallowed costs, communities will have a free choice of project, as long as it meets proposal review criteria – designed to bring communal benefits to the village in support of their stated goals, gender mainstreamed, etc. – and is decided through community consensus.

Due to the small size of the grant and relatively high levels of public infrastructure in Rwanda, it is anticipated that most subprojects will be small-scale, communally managed livelihoods activities, such as a cattle-rearing, small livestock (goats, sheep) and moto-taxi businesses.[3] Other community development priorities, such as public infrastructure or services, will be captured in the VDP but are expected to be financed by government or other development partner programs.

The Village Leadership Committee is responsible for management of the microgrant subproject. In year 1 of the FCAP cycle, the Leadership Committee and CBFs will facilitate proposal development for the first subproject (60 percent of total grant), including coordinating with other villages and local government officials to ensure technical feasibility. Subproject proposals will be reviewed by a Proposal Review Committee (PRC) for sustainability, feasibility, and to ensure they meet the standard criteria around procurement, social protection, gender, inclusive/communal allocation of household benefits, and compliance with World Bank environmental and social standards. While village leaders will play an active leadership role, the proposal and budget development process will involve the whole community - they will brainstorm ideas and approve the budget and all activities and procedures collectively. Qualified technical advisors will support the process to ensure that subprojects are viable and connect to local market opportunities.

Figure 4: Subproject proposal review and approval process



The microgrant subproject proposal will include an operational action plan and budget, including inputs, costs, people responsible, and timelines. The PRC will review project proposals and give feedback, allowing the community to receive expert input, align expectations, and fine tune budgets (see process in Figure 4). A 'sector pathway selection meeting' will also be held, in which proposed subprojects from across the sector will be discussed to ensure that they do not pose feasibility issues, and for feedback and support from sector-level officials. Spark will support villages to open a new bank account (within existing Savings and Credit Cooperative or SACCO village accounts) for microgrant subproject funds and to establish fund withdrawal procedures. Spark will give final approval of the proposal and sign a sub-grant agreement with community members prior to disbursement of the first tranche of funds. Spark will issue approval for withdrawals based on alignment with subproject proposals and standard withdrawal request procedures.

Spark will build villagers' capacity in banking and record-keeping during the weekly village meetings under component one, ensure they understand the disbursal procedure, auditing and stock management. Villagers will also be trained on the use of an SMS platform to ensure accountability for and transparency of fund utilization.[4] Communities will be trained to follow standard, simplified procurement guidelines consistent with World Bank standards, and account to Spark for all funds spent.

In year two, a similar but slightly abbreviated process is followed for the second allocation (40 percent of the grant), for communities to launch a second subproject.

Component Two will finance: (a) the microgrant; (b) a sector-level project selection meeting where projects across the sector are compared and coordinated; and (c) one technical adviser per village. Spark works with local government counterparts to identify subject matter experts for each village to ensure the quality of subproject proposals and support implementation. Technical advisers largely comprise existing government staff, such as livelihoods officers, veterinarians or agronomists, who are already serving the target villages and are, thus, part of a longer-term support system for the villagers. If no government TA is available, an external contractor will be hired, (e.g. small business adviser).

Component Three: National Framework for Participatory Village Planning (US\$25,100)

Component Three will consolidate lessons from the pilot activities under components one and two and support the government of Rwanda to prepare a National Framework for Participatory Village Planning.

Activities under this component will: (a) integrate the FCAP into existing planning systems; (b) promote the effectiveness of community-driven planning methodologies among government stakeholders; and (c) develop a framework for a government-owned national scale initiative to strengthen participatory, village-led planning and development - a National Framework for Participatory Village Planning.

Spark will support a working group comprising the Ministry of Finance and Economic Planning (MINECOFIN), the Ministry of Local Government (MINALOC) and LODA to prepare the National Framework. District mayors and vice-mayors from the project target areas will also be represented on the working group to bring implementation experience from component two to bear in the policy-making process. Members of the



working group will be supported to understand and utilize learning from the JSDF pilot and will also be exposed to international experience on participatory village development planning.

Supported by Spark, the working group will develop the policy framework, drawing on the FCAP experience from components one and two. This approach is intended to generate a cost-effective and high-quality policy document for government that is strongly owned by policy makers and built on ownership and real experience from the grassroots.

The JSDF financing for this component will be geared towards ensuring strong local government and grassroots engagement in the policy process. It will ensure that lessons learned from the experiences under components one and two are brought to bear in the formulation of the national framework. Activities under this component will include: (a) District and national-level conferences/events for knowledge exchange between Government staff and community members, including dialogue with other ministries and development partners; (b) development of policy papers and manuals; (c) related travel expenses for learning and exchange activities to connect national and local stakeholders; and (d) materials and printing costs related to development and sharing of policy drafts. The project will produce a policy paper on the National Framework for Participatory Village planning, followed by more detailed design and implementation manuals to support adoption of the National Framework. Complementary funding from Comic Relief will fund other costs related to the formulation of the National Framework.

Component 4: Project Management, Monitoring and Evaluation, and Knowledge Dissemination (US\$237,173)

Project Management and Administration. This sub-component includes overall project management, including internal supervision, travel, administration, progress and completion reporting, annual audit, and associated costs (office equipment, supplies and utilities). The project will build on Spark's decentralized staffing model, deploying teams to Districts and Sector offices, supervised by Provincial office hubs and management in Kigali and Musanze.

This sub-component will specifically finance: (a) dedicated finance and procurement specialists for the project, (b) office facilities and equipment, (c) annual financial audits, (d) expenses related to the mid-term review, and (e) a project launch event. Other associated management costs, including project management staff and transport costs will be financed through complementary funding (see Annex 1).

Monitoring and Evaluation (M&E). This sub-component will ensure that the project's M&E system engages all stakeholders in a participatory and inclusive way, involving community members, training partners and local government. Routine data on attendance at meetings (disaggregated by gender and income levels) is collected at all community meetings. This information will be collected remotely through a mobile based USSD interface by Community-based Facilitators and verified by a separate SMS system.[5]



Spark will maintain an internal database that presents all levels of management with dashboards of quality and performance per target village against key results indicators. This will be shared with government partners for strategic reflection.

Project outcomes will be collected through community and government evaluation forms that gather data on short- and long-term change expected within communities and government. These include the key results (PDO level outcomes) alongside greater detail of indicators around social cohesion, civic engagement and improved government capacity. These evaluation forms will be issued during baseline, midline and endline in a sample of communities within each sector that allows project results to be generalized to each sector and project. In addition, Spark will submit regular progress reports to the World Bank in line with JSDF requirements.

This sub-component will finance project baseline, midline and endline studies, a mid-term review and a project completion report. Spark has the necessary systems, strategy and staff in place for the proposed M&E activities. Complementary funding provided by Comic Relief (see Annex 1) will cover an M&E specialist experienced in experimental and quasi-experimental impact evaluation design to routinely collect and analyze data and learning and to lead a mixed-methods impact evaluation to explore the impact of participatory processes and better engagement between local government and communities on poverty reduction. This impact evaluation will generate policy and program-relevant lessons for Spark, the Government of Rwanda, and the World Bank. More details on the methodology for the impact evaluation will be provided before appraisal.

Knowledge Dissemination. The project will prepare a communications and knowledge dissemination strategy to share lessons learned with policy-makers and promote project visibility. This component will finance visibility materials for the project and production of project reports. See Annex 1 for additional knowledge dissemination activities to be completed using complementary funding.

Sustainability

Sustainability will come in three forms: (a) *policy development* through the preparation with the government of Rwanda of a new National Framework for Participatory Village Development that will be applied across the entire country; (b) *capacity-building* for national, district, sector and cell level officials, as well as community members and facilitators on participatory planning and managing development projects;^[6] and (c) *connection to World Bank-financed operations*: the grant will complement the Strengthening Social Protection project (P162646) by: (i) targeting the same geographic areas; (ii) supporting the design of citizen engagement mechanisms; (iii) strengthening economic impacts through a community microgrant; and (iv) enhancing the use of village savings and loans associations. The grant will also directly support the Socio-economic Inclusion of Refugees and Host Communities project (P164130) by: (i) preparing tools for village-based participatory development planning to be used in the target districts; and (ii) generating learning on approaches to sustainable rural livelihood that will be incorporated into the project. Furthermore, as a multi-sector village development program, the JSDF grant would complement ongoing World Bank-financed



projects in a range of sectors, including education, health and agriculture and provide inputs for pipeline development under IDA19.

Through the project, Spark will implement a sustainable operational exit strategy with two main elements: (a) financial reconciliation of microgrant funds; and (b) hand over of coordination responsibilities to local government. At the close of the project, all community microgrant funds will be accounted for through a process of financial reconciliation, field audits and handover of signatory authority for withdrawals to elected village leaders.[7] Responsibilities for VDP development and implementation will be progressively handed over to CBFs and SEDOs to manage independently, reflected in reduced Spark staff time allocated in years two and three of the project. Strong and effective engagement with Mayors, Vice-mayors, Sector Executive Officers and District officials is critical to building ownership of the initiative, creating the conditions for a sustainable handover upon the conclusion of the JSDF grant.

Spark's continued presence in Rwanda, including in Northern and Southern Provinces, assures ongoing liaison with the Government of Rwanda in mainstreaming, refining, and scaling up the project approach within the National Framework for Participatory Village Development consolidated through the JSDF-financed project.

Further work to strengthen the sustainability strategy will be undertaken prior to appraisal.

[1] This amount is based on Spark's prior experience in Rwanda (where grants from \$2000-\$22,000 have been tested since 2010). \$8000, in Spark's experience, is large enough to distribute value across vulnerable households over time (villages in Rwanda are relatively small), small enough that communities can spend and effectively manage the money in the allocated time based on the training they receive, and small enough to avoid crowding other infrastructure and public services that would be more appropriately resourced through Sectoral or District Development Plans or allocated to Cell or Sector implementation plans (e.g. rural infrastructure, schools, public works programs). The two disbursements are made as follows: 60 percent of the total in year 1, 40 percent in year 2. Communities may 'top-up' their original subproject or invest in a secondary subproject. Subproject review and feasibility requirements are the same. The disbursements are arranged in this way to encourage an increase in community contribution & ownership for the 2nd subproject.

[2] The Village Leadership Committee has the following mandatory positions: President, VP, Treasurer, Secretary, Audit Committee (3 people), plenary committee (2 people)

[3] In the past, Spark programs have seen successful increases in livelihoods from this approach. For example, studies show a 20-80 percent higher value of animals per household in Spark communities (who selected a variety of sub-projects) than in control communities (measured one and three years post-start of the process and *excluding* the value of animals purchased through the grant, in villages where livestock subprojects were selected).



[4] Every time funds are disbursed, an SMS will be sent to the cell phone of every registered community member to provide the majority of households with the information needed to engage in decision-making and ensure accountability of the Village Leadership Committee who may withdraw funds.

[5] The USSD system is designed to work on basic phones without need for data coverage or smartphone capabilities.

[6] Studies show that 91 percent of villages that complete the FCAP continue to repeat the participatory process independently, committing their own funding for prioritized development actions. These ongoing financial contributions are enabled partly by increased membership in savings groups and revenue from the first projects.

[7] Bank accounts will be set up through SACCO (Savings and Credit Cooperatives) which are located all across the country. Communities can continue to keep their accounts open after the project, subject to SACCO regulations and procedures.

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Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8	Cultural Heritage	Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
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Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The project presents low social risks. The project aims to improve livelihoods for 178,000 people and capacity of communities and national and local government for citizen engagement in 245 villages in Rwanda. It is expected to have a significant positive social outcome as it will finance community-driven development (CDD) and poverty reduction priority subprojects to improve livelihood and empower the poorest and most vulnerable groups not reached by other programs. It will also provide capacity building support (component 1) for local government to facilitate community-driven village development processes to enhance citizen engagement in development activities and improve rural livelihoods, and for local communities to engage in development planning and to manage village level subprojects. The priority subprojects (under component 2, microgrants) will focus on socio-economic welfare and livelihood improvement of the beneficiaries. The size of the grant is USD 8,000 per village and the anticipated subprojects to be funded include small scale community managed livelihoods activities such as cattle-rearing, small livestock (goats, sheep) and moto-taxi businesses that communities will choose. Other community priorities such as public infrastructure or services will not be financed under this project. Hence, the activities to be funded under this project will not involve any involuntary land take, expropriation or resettlement. National Framework for Participatory Village Planning (NFPVP) (component 3), and project management, including knowledge dissemination, (component 4) will also have positive social impacts. All these, in turn, will also have positive environmental impacts if environmental issues related to CDD subprojects (component 2) and NFPVP (component 3) are managed as per the GoR's policies and legal frameworks and the WB ESSs. On the other hand, small-scale CDD subprojects (Component 2) related to cattle- and goats/sheep- fattening/rearing are likely to have temporary, predictable, and easily mitigated environmental impacts if they are not carried out in environmentally sensitive areas, which is the expectation of this project. Also, there will be some increases in local air pollution and greenhouse gas emissions from small-scale livestock rearing/fattening activities; however, they are not expected to generate severe adverse effects to human health and the environment. Subprojects/project activities related to the moto-taxi business, in addition to safety (fatalities/injuries), may/will have some undesired effects like crime (theft, GBV, etc.), and health and environmental (air/greenhouse gas emissions and noise) problems. Furthermore, it may exclude potential women beneficiaries from becoming moto-taxi operators if there are cultural and other related issues. The preparation of NFPVP (Component 3), along with detailed design and implementation manuals to support adoption of the National Framework, may have direct or indirect environment and/or social impacts. Hence, it will require assessment of environmental and social implications to be included in the project design, along with integration of the principles and objectives of all relevant Environmental and Social Standards in the NFPVP during its preparation. Also, the implementing agency does not have prior experience in implementing WB financed projects; thus, capacity building assessment for Spark Microgrants will be carried out during the project preparation to identify specific capacity building areas in order to manage potential environmental and social risks and impacts of the project. In addition, for any capacity building and technical assistance activities of the project, Spark should incorporate reference to the ESSs in the ToRs to ensure that activities and outputs are consistent with the WB Environment and Social Framework. At this stage, the following

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standards apply to this project: ESSs 1, 2, 3, 4, 6, 8 and 10. Spark Microgrants will prepare and disclose the following instruments prior to project appraisal: (a) Environmental and Social Management Framework (ESMF); (b) Stakeholders Engagement Plan (SEP); and (c) Environmental and Social Commitment Plan (ESCP).

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