



Rwanda Public Sector Governance Program For Results (P149095)

AFRICA | Rwanda | Governance Global Practice |
IBRD/IDA | Program-for-Results | FY 2015 | Seq No: 3 | ARCHIVED on 30-May-2016 | ISR22360 |

Implementing Agencies:

Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)

The PDO of the Rwanda Public Sector Governance Program-for-Results operation is "to enhance Rwanda's Public Financial Management and statistics systems to improve transparency and accountability in the use of public funds, revenue mobilization, and the quality and accessibility of development data for decision making".

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

The Program is supporting the results in the following three level results areas: i) Enhanced national and subnational revenue collection. ii) Improved national and subnational transparency and accountability in the use of public funds. iii) Improved use of public data for decision making.

The Program was approved by the Board of Directors on October 31, 2014, with a net commitment of SDR 65.9 million. It became effective on December 11, 2014 and set to close on December 2018. A mid-term review is due in the second half of this calendar year. 66.5 % of the Credit has been disbursed. At the current exchange rate, USD 31.2 million equivalent remains undisbursed.

The Program is on track to meeting most of the Disbursement Linked Indicators (DLIs). At the end of the recent mission, six of the eight DLIs for the current FY had been met or good progress had been made towards meeting them. DLI number 6 (the number of government financial management staff who achieve foundational level professional qualifications) was not on track to being met.

Good progress is being made on meeting the intermediate results indicators for the program. However, progress measured by the PDO indicators is mixed. It might be necessary to revise some PDO indicators for better assessment by a restructuring.


Good progress is also being made on implementation of the Project Action Plan (PAP). Nine out of 11 PAPs, that are due, have been met. A learning strategy and sharing of the Program Budget Template is pending. Government is on track to meeting 3 out of 5 PAP actions due by June 2016. Information is pending on two actions.

GOR reporting under the program is significantly delayed. An M&E officer was hired for the SPIU in November 2015 and the situation is expected to improve in the coming months.

The audited financial statements for the program were due on March 31, 2016 and some of them are outstanding at the time of the filing of this ISR.

The overall risk rating for the operation, combination of technical, fiduciary, and social and environmental risk, remains substantial.

**Data on Financial Performance****Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P149095	IDA-55470	Effective	XDR	65.90	65.90	0.00	43.82	22.08	 67%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P149095	IDA-55470	Effective	31-Oct-2014	11-Nov-2014	11-Dec-2014	31-Dec-2018	--

Disbursement Linked Indicators (DLI)

► DLI 1: Number of pilot ministries submitting investment plan in which feasibility studies are conducted for new projects exceeding US\$1 million have, per instructions in budget call circular (Number)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	3.00
Date	09-Oct-2014	--	29-Apr-2016

► DLI 2: Number of districts using automated local government revenue management system (Number)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	30.00
Date	09-Oct-2014	--	29-Apr-2016

Comments

Achieved. Rwanda transitioned from local collection of District taxes and fees to centralized collection in FY2014/15. Efforts to implement automated revenue collection systems in districts was discontinued and a nationwide web-based system is being put in place. Currently, Registration and Declaration Modules of this system has been rolled out to all counties. Audit, Enforcement and Reconsolidation modules have been developed but testing is pending.



► DLI 3: Implementation of e-procurement (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	No e-procurement system implemented	--	Functioning of IFMIS and E-Procurement interface protocols on track to being achieved.
Date	09-Oct-2014	--	29-Apr-2016

Comments

Good progress is being made towards achieving the DLI: The complete e-GP system has been developed consisting of user registration, procurement planning, bidding process, contract award, complaints-appeals and review process, reporting, monitoring and evaluation, procurement review/audit, contract management, catalogue management and disposal process. IFMIS and E-Procurement interface protocols have been developed/coded. The e-procurement project team in the RPPA has been set up to provide technical support, training and rollout assistance.

► DLI 4: Percent of MDAs receiving unqualified audit opinion (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	32.00	--	--
Date	09-Oct-2014	--	29-Apr-2016

Comments

The status for FY14/15 is not know at present.

► DLI 5: Percent of sub-districts using simplified accounting and financial reporting application (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	21.00	--	100.00
Date	30-Jun-2013	--	29-Apr-2016

Comments

SEAS has been rolled out to all 416 sub-districts/Sectors and the DLI has been achieved for all years of the program. MINECONFIN and the Office of the Auditor General confirmed during the mission that Sectors are able produce financial statements and undertake reconciliations and submit reports to districts using SEAS.

► DLI 6: Number of Government PFM staff with at least foundation-level professional finance qualifications (Number)

	Baseline	Actual (Previous)	Actual (Current)
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Value	294.00	--	--
Date	09-Oct-2014	--	29-Apr-2016

Comments

The current number is not know. For FY14/15, the verification agency, the OAG, stated: "The DLI was not achieved. The projected target for DLI6 was 350 while the actual result is 311, which is below projected outcome".

► DLI 7: Increased production of economic statistics and dissemination in time for strategic planning and decision making (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Last comprehensive agricultural survey dates from 2008 (experimental agricultural survey was conducted in 2013); no systematic program of business or labor statistics, GDP with base year 2011. Full national agricultural survey conducted based on lessons learned from experimental survey and report produced and disseminated	--	The target for FY15/16 is on track to being achieved: "Integrated business enterprise survey conducted and report produced and disseminated"
Date	09-Oct-2014	--	29-Apr-2016

► DLI 8: Open Data initiative extended to progressively include more surveys and administrative sources of data (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	National Data Archive (NADA), from which survey microdata can be downloaded by anyone free of charge, established in 2010; no access to administrative data produced by line ministries.	--	Microdata of EICV4 poverty survey (2013/14) released in NADA is on track to being achieved.
Date	09-Oct-2014	--	29-Apr-2016

Results

Results Area

Intermediate Results Area



Enhanced National and Subnational Revenue Collection

Improved National and Subnational transparency and accountability in the use of public funds

Improved use of public data for decision making

Project Development Objective Indicators**► PDO Indicator 1: Tax to GDP ratio (Percentage, Custom)**

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	14.20	14.90	15.90	17.40
Date	30-Jun-2013	30-Jun-2014	29-Apr-2016	30-Jun-2018

Comments

The SPIU reported that as of January 2016, tax collection stood at 7.9 percent of expected annual GDP for the financial year. The latest assessment under the PSI is that tax to GDP for FY15/16 will be around 15.9 pct. of GDP. This is a downward revision compared to the 17.1 pct. envisioned in the PAD. The target in the PAD was derived from the latest PSI Review at the time of project preparation.

► PDO Indicator 2: Improved national and sub-national transparency and accountability in the use of public funds, measured by the percent of entities submitting monthly financial statements by due date (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	40.00	--	0.00	80.00
Date	09-Oct-2014	--	29-Apr-2016	30-Jun-2018

Comments

MINECOFIN reported during the April 2016 mission that entities are on track to submitting monthly financial statements as stipulated. However, MINECOFIN does not see benefit in making these reports public. Options for restructuring of the DPO indicator was discussed during the mission.

► PDO Indicator 3: Share of MDAs using official statistics for both analysis of current developments for short-term decision making and analysis of trends for longer-term policy formulation (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	68.00	--	--	75.00
Date	09-Oct-2014	--	29-Apr-2016	30-Jun-2018

Comments

User satisfaction surveys are only undertaken every two-three years. Accordingly, the PAD included a target for year 1 and 3 but not for FY15/16.



The GOR has requested that the indicator be revised to correct an error in the baseline in the PAD.

Overall Comments

Intermediate Results Indicators

► Intermediate Results Indicator 1: Hours per year spent paying taxes (Hours, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	113.00	107.00	109.00	100.00
Date	09-Oct-2014	31-Dec-2014	29-Apr-2016	30-Jun-2018

Comments

According to the 2016 Doing Business (DB) survey for Rwanda hours spent on paying taxes has increased from 107 in 2015 to 109. Rwanda would thereby exceed the PAD target for 2015/16 by 4 hours. The mission confirmed that the DB methodology for this indicator had not changed from 2015/2016.

► IRI 1.2: Increase tax collection measured by the number of districts using automated revenue collection system (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	30.00	11.00
Date	09-Oct-2014	--	29-Apr-2016	30-Jun-2017

Comments

Rwanda transitioned from local collection of District taxes and fees to centralized collection in FY2014/15. Efforts to implement automated revenue collection systems in districts was discontinued and a nationwide web-based system is being put in place. Currently, Registration and Declaration Modules of this system has been rolled out to all counties. Audit, Enforcement and Reconsolidation modules have been developed but testing is pending. With the functioning of the two modules, the indicator is assessed as being met.

► IRI 1.3 Percentage of active small and micro tax payers file taxes using e-tax portal, against number of active taxpayers (percentage) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	69.30	--	88.60	87.00
Date	09-Oct-2014	--	29-Apr-2016	30-Jun-2018

Comments

The RRA reported that current usage stands at 88.6% of small and micro taxpayers using either mobile phones (m-tax) or the internet (e-tax). RRA is on track to exceeding the FY15/16 target.

► IRI 2-1. Proportion of MDAs receiving unqualified audit opinion (percent) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	32.00	--	38.00	47.00
Date	30-Jun-2013	--	29-Apr-2016	30-Jun-2017

Comments

Audited reports have are not yet available.

► 2.2 Proportion of sub-districts (Sectors) using a simplified accounting and financial reporting application (percent) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	100.00	80.00
Date	09-Oct-2014	--	29-Apr-2016	30-Jun-2018

Comments

This indicator is exceeded as all sub-districts/sectors use the Subsidiary Entities Accounting System (SEAS) application for accounting and financial reporting.

► 2.3. Gap between annual budget and the 2nd year MTEF in previous year (percentage) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	--	--	11.00
Date	30-Jun-2014	--	29-Apr-2016	30-Jun-2018

Comments

The FY 16/17 budget is being prepared and an assessment of this indicator is not possible at this time.



▶ 3.1 Annual national agricultural survey conducted (yes/no) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	30-Jun-2013	--	29-Apr-2016	30-Jun-2018

Comments

On track to being met for this FY.

▶ 3.2. Annual labor market statistics collected and disseminated (yes/no) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	09-Oct-2014	--	29-Apr-2016	30-Jun-2018

Overall Comments

On track to being met for this FY.