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ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT
ON A
PROPOSED CREDIT

IN THE AMOUNT SDR 65.9 MILLION
(US\$100.00 MILLION EQUIVALENT)

TO THE
REPUBLIC OF RWANDA
FOR A
PUBLIC SECTOR GOVERNANCE PROGRAM-FOR-RESULTS

September 24, 2014

Macroeconomics and Fiscal Management, and Governance Global Practices
Africa Region

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Overview

An Environmental and Social Systems Assessment (ESSA) was undertaken by the Bank team for the Program for Results (PforR) operation as per the requirement of the Bank's Operational Policy OP 9.00. The aim of the ESSA was to review the capacity of existing government systems to plan and implement effective measures for environmental and social impact management and to determine if any measures would be required to strengthen them.

Approach and Methodology: The assessment team used various approaches to review the environment and social systems that are relevant to the proposed PforR operation (Program). It included analysis of information and government data on national statistical system, and national and district level consultations with key program stakeholders. National and district level consultations were conducted with stakeholders for feedback on the implementation of provisions to enhance transparency and accountability and other related environment and social issues. One of the key purposes of the consultations was to seek local information and views on experiences with transparency and accountability through technology from the key relevant stakeholders.

Environmental and social risks of the Program are assessed as low. The Program involves very few physical activities, and those that are envisaged have limited potential environmental and social impacts. Overall, Rwanda's national systems for handling environmental and social aspects in development operations are relatively strong, and there is a solid recent track record in compliance with both national legislation and Bank safeguards policy. No land acquisition is required for implementation of the Program, and no issues related to social conflicts are anticipated. The only civil works planned include construction of the national training center, which will be conducted within the existing NISR compound. In addition, strengthening ICT infrastructure for NISR and NSS, along with strengthening NISR's physical assets, will require the eventual need for management of e-waste from old IT and other equipment. The scope of potential negative impacts is limited by the nature of the activities. Implementation will be closely monitored through routine program reporting and occasional field verification by Bank missions.

Applicability of Core principles of ESSA: The six core principles that guide the ESSA analysis are presented in the Program-for-Results financing guidelines as follows:

Core Principle 1: General Principle of Environmental and Social Management

Core Principle 2: Natural Habitats and Physical Cultural Resources

Core Principle 3: Public and Worker Safety

Core Principle 4: Land Acquisition

Core Principle 5: Indigenous Peoples and Vulnerable Groups

Core Principle 6: Social Conflict

Among the six core principles, core principles 2, 4, 5 and 6 are not applicable, as the activities of the Program do not affect the natural habitats and physical cultural resources, land acquisition, vulnerable people and social conflict. Core principles on general principle of environmental and social management and public and workers safety are applicable to the Program.

ESSA Methodology: In order to assess the existing systems as well as analyze how these systems are applied in practice, the process of preparing the ESSA has drawn on a wide range of data. Inputs analyzed for this ESSA include the followings.

- **Desk Review of policies, legal framework and program documents:** The review examined the set of national policy and legal requirements of related to environment and social management. The review also examined technical and implementation support documents from previous and ongoing World Bank projects and programs in Rwanda.
- **Institutional Analysis:** An institutional analysis was carried out to identify the roles, responsibilities and structure of the relevant institutions responsible for implementing the program, including coordination between different entities at the national, and sub national levels. Sources included existing assessments of key institutions focusing on environmental and social assessment and management processes. The Rwanda Environmental Management Authority (REMA) which has the overall mandate in enforcing environmental and social impact assessment (ESIA) at the national level was also reviewed.
- **Field visits:** ESSA drew on field visits and reports conducted for preparation of parallel PforR program in agriculture sector. Assessment of the performance and capacity of the existing system used data gathered for other projects such as Rwanda Rural Sector Support Projects (RSSP), Water Harvesting and Hillside Irrigation project (LWH), Landscape Approach Forest Restoration project (LAFREC), and Lake Victoria Environmental Management project (LVEMP).
- **Stakeholder Consultation Process:** The Program has very limited environmental impact. Thus, the consultations conducted during the preparation of the Program are deemed sufficient. The consultations included the three main stakeholders: Ministry of Finance and Economic Planning (MINECOFIN), Ministry of Local Government (MINALOC) as the lead ministry of the Governance and Decentralization and Rwanda Development Board (RDB) as the entity reviewing and approving the environmental impact assessments for all development projects in the country. Summary of consultation report is presented in Section 7.

The ESSA recommends: (i) when required, proactive management of procurement process for ICT equipment to ensure the strategy for disposal of expired equipment is established during equipment acquisition. This can be achieved through regular training of ICT staff and proper record keeping of equipment purchased, reused and auctioned; and (ii) use of sustainable construction practices for the establishment of the statistical training center within NISR. This can set the best practice example for future government construction projects and promote environmentally friendly practices as part of the knowledge management strengthening objective of the Program.

Section 1: Program Description

1. The Program Development Objective (PDO) of this operation is enhancing 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. In order to achieve the PDO, the PforR operation aims to achieve the following three results: (i) Increased efficiency in national and subnational revenue collection; (ii) Improved national and subnational transparency and accountability in the use of public funds; and (iii) Improved use of development data for decision-making.

2. The PFM Sector Strategic Plan (SSP) for 2013-18 and the second National Strategy for the Development of Statistics (2014-18) are the two main strategies describing the government programs on PFM at the national and subnational levels as well as statistics. To the lesser extent, these government programs are supported by other SSPs such as the Governance and Decentralization SSP and other strategies such as the OAG Strategic Plan 2011-16.

3. Programs to be supported by the Program are a subset of Government's own programs. National and subnational PFM as well as statistics to support effective PFM cut across three sectors strategies. The Program will support selected programs, sub-programs and strategic areas essential to achieve the program development objective of the proposed operation through the results areas (table 1). The boundaries of the Program are based on strategic relevance, government demand as well as support of other development partners.

4. **Rationale for the Program Boundaries.** All program and sub-programs in PFM SSP as well as the strategic objectives of NSDS 2 are interrelated and constitute an important element of the PFM cycle (figure 3). Therefore, the Program covers almost all programs and sub-programs of these strategies. Nevertheless, considerations are made to exclude some sub-programs based on Bank's comparative advantage, involvement of other development partners and lead government agencies managing them. For example, on sub-program 5-2 on IPPIS, MIFOTRA has been effectively managing this sub-program¹. On NSDS 2, NISR will be able to adequately cover strategic objective 5 on consolidating coordination within NSS and strategic objective 6 on improving resource mobilization and building strategic partnerships by themselves.

¹ The Bank has supported the IPPIS in the Eight Poverty Reduction Support Financing (PRSF-8, P122247).

Table 1: Boundaries of the program supported by the PforR

Government Programs		World Bank PforR	
Strategy	Program, Sub-Program / Strategic Areas	O/W supported by the Program	Main Implementing Ministries and Agencies
PFM SSP	1. Economic Planning and Budgeting		
	(1) National Development Planning	<input checked="" type="checkbox"/>	MINECOFIN (Planning Dept.)
	(2) Economic Policy Formulation	<input checked="" type="checkbox"/>	MINECOFIN (Chief Economist)
	(3) Public Investment Programming	<input checked="" type="checkbox"/>	MINECOFIN (Planning Dept.)
	(4) Policy Based Budgeting	<input checked="" type="checkbox"/>	MINECOFIN (Budget Dept.)
	2. Resource Mobilization		
	(1) Tax Policy Formulation	<input checked="" type="checkbox"/>	MINECOFIN (Chief Economist)
	(2) Tax Administration	<input checked="" type="checkbox"/>	RRA
	(3) External Finance	<input checked="" type="checkbox"/>	MINECOFIN (Planning Dept.)
	3. Budget Execution, Internal Control, Accounting & Reporting		
	(1) Budget Execution	<input checked="" type="checkbox"/>	MINECOFIN (Accountant General)
	(2) Treasury Management	<input checked="" type="checkbox"/>	MINECOFIN (Accountant General)
	(3) Internal Audit	<input checked="" type="checkbox"/>	MINECOFIN (Chief Internal Auditor)
	(4) Accounting & Reporting	<input checked="" type="checkbox"/>	MINECOFIN (Accountant General)
	(5) Public Procurement	<input checked="" type="checkbox"/>	RPPA
	(6) Fiscal Risk Management in Public Enterprises	<input checked="" type="checkbox"/>	MINECOFIN (Accountant General)
	4. External Oversight and Accountability		
	(1) External Audit	<input checked="" type="checkbox"/>	OAG
	(2) Legislative Oversight	<input type="checkbox"/>	
	5. Electronic Service Delivery and IFMIS		
(1) IFMIS	<input checked="" type="checkbox"/>	MINECOFIN (Accountant General)	
(2) Integrated Personnel & Payroll Systems (IPPS)	<input type="checkbox"/>	MIFOTRA	
6. Fiscal Decentralization			
(1) Resource Mobilisation by Local Administrative Entities	<input checked="" type="checkbox"/>	RRA	
(2) Facilitation of Fiscal Transfers	<input checked="" type="checkbox"/>	MINECOFIN (Budget Dept.)	
(3) Strengthening PFM Systems and Capacity at subsidiary Level	<input checked="" type="checkbox"/>	MINECOFIN (Budget, Accountant General)	
7. Coordination of PFM Sector Activities Management			
(1) PFM Coordination and Management	<input checked="" type="checkbox"/>	MINECOFIN (SPIU)	
(2) Coordination of HR Training & Capacity Building	<input checked="" type="checkbox"/>	MINECOFIN (Accountant General)	
(3) Monitoring & Evaluation	<input checked="" type="checkbox"/>	MINECOFIN (SPIU)	
NSDS 2	1. Strengthen civil registration system, administrative records, surveys and other sources of data.	<input checked="" type="checkbox"/>	NISR
	2. Improve quality and dissemination of statistics and public statistical literacy.	<input checked="" type="checkbox"/>	NISR
	3. Improve statistical advocacy and integrate use of statistics in decision making.	<input checked="" type="checkbox"/>	NISR
	4. Develop capacity within NSS.	<input checked="" type="checkbox"/>	NISR
	5. Consolidate coordination within NSS.	<input type="checkbox"/>	
	6. Improve resource mobilization and build strategic partnerships	<input type="checkbox"/>	

1.1 Implementation Arrangements

5. **The Single Project Implementation Units (SPIU) of MINECOFIN will take the lead in implementing, monitoring, and reporting on the Program once implementation begins.** The Cabinet resolution of February 11, 2011 established SPIUs across line ministries and public agencies. The overall objective of SPIUs is to create institutional frameworks that guide the design and implementation of projects earmarked for fast-track realization of development targets envisaged in the SSPs.² The SPIU of MINECOFIN has accumulated relevant knowledge and experience.

6. **The multiplicity of processes, procedures, and information systems required by different donors create challenges for the Government.** These requirements increase the workload of accountants and procurement officers, create silos, and discourage the strengthening of country systems. It is therefore important for the SPIU to use a single system applicable to all projects, irrespective of donor. In the long run, increased use of country systems by development partners is expected to reduce transaction costs and increase the capacity to handle multiple tasks. In the short run, to ensure effective implementation of the Program, the Bank, through the Program Implementation Support Plan, will work with the SPIU, meeting periodically, for example, with the implementing agencies to review implementation progress.

7. **Each implementing agency will implement the relevant PFM programs and subprograms, with MINECOFIN's SPIU coordinating their efforts** (see table 7 in PAD). The MINECOFIN SPIU has been exercising a secretariat function on PFM reforms (organizing technical working group meetings and coordination forum, for example). It will be able to handle the coordination role. The unit will submit annual audited Program financial statement reports of the five implementing agencies within six months of the close of each fiscal year.

8. **NISR will lead implementation of the statistical component of the Program.** NISR has solid program implementation capacity. It implemented NSDS 1 on schedule, with all major surveys and censuses conducted according to a timetable. An NSDS coordination team, consisting of procurement, financial management, M&E, and planning staff, is already in place. It has been trained by World Bank procurement and financial management specialists in the framework of the Bank's investment project support to NSDS 1.

9. **Governance and Anti-corruption (GAC):** Rwanda has reasonably strong institutional and legal frameworks and capacity to handle risks of fraud and corruption including capacity and commitment to use the Bank's Guidelines on Prevention of Corruption in the PforR financing, the use of the complaint mechanism and in the management and mitigation of such risks. There is clear division of responsibilities between the Offices of the Ombudsman (OM) which deals with cases of corruption and the Criminal Investigation Department (CID) which deals with cases of fraud, while the National Prosecution Authority (NPA) prosecutes cases on fraud and corruption after investigations. The legal provisions are strong for investigation, prosecution and prevention of fraud corruption; corruption is comprehensively defined in Article 633 of Organic Law No. 01/2012/OL of 02/05/2012 of the Penal Code and complemented by several other laws to help fight, prevent, investigate and punish fraud and corruption. In 2013 the Office of the

² <http://www.minecofin.gov.rw/index.php?id=58>

Ombudsman was given the powers to prosecute cases of corruption in order to speed up the process of prosecution.

10. **The Auditor General's report provides pointers to potential cases of fraud and corruption.** In addition, the public provides information through hot lines and other media channels. There is also a reasonably good citizen's engagement and multiple sources for lodging and recording complaints on fraud and corruption both in procurement and financial management through the NPA and the OM. The NPA and OM have multiple sources of receiving complaints, including hotlines, secure complaints boxes in most public organizations and in each of the 30 districts, via email and letters etc.

1.2 Environmental and Social Effects of the Program

11. The anticipated adverse environmental and social impacts of the Program are expected to be low taking into consideration: (i) proposed construction is relatively small and confined to an existing government owned land; ii) mitigation measures both for construction and operation as well as e-waste management are known and effectively provide proper oversight.

a. Social Effects

12. The Program is expected to have positive social impacts through: (i) increased efficiency in national and subnational revenue collection; (ii) Improved national and subnational transparency and accountability in the use of public funds; and (iii) Improved use of development data for decision-making. The Program will increase effectiveness and efficiency of national and sub national government, strengthening transparency and accountability by improving access to information through the use of information technology. There are no adverse social impacts of the project.

b. Environmental Effects

13. The only physical investment under the program is the construction of a training center within the premises of NISR. There environmental risks of this activity are limited to construction phase impacts.

14. The ICT and physical assets capacity strengthening to NSIR and NSS of the program may cause environmental risks associated with e-waste management of old IT equipment. Inappropriate management of e-waste causes is far more hazardous than many other municipal waste because electronic gadgets contain highly toxic chemicals and metals. Long-term exposure to these substances damages the nervous systems, kidney, and bones, reproductive and endocrine systems. The informal and crude method of handling e waste without environmental monitoring generates many kinds of pollutants with serious problems for ecological and human environment. The open burning of cables to recover copper produces highly toxic dioxin emissions, which are emitted to the ambient air.

Section 2: Description of Applicable Environmental and Social Management Systems

15. This section details the assessment of the capacity of Program institutions to effectively implement the environmental and social management system as defined in the rules, procedures and implementing guidelines relevant to the Program. Aspects of this assessment examine (i) adequacy of institutional organization and division of labor; (ii) adequacy of institutional capacity, including staff, budget and availability of implementation resources to carry out defined responsibilities under the applicable Program system; (iii) effectiveness of inter-agency coordination arrangements and, (iv) performance of the implementing agencies in ensuring that the rules and procedures are being followed.

16. This Assessment builds on the existing environmental and social safeguards management documents for similar projects in Rwanda, such as: the Lake Victoria Environmental Management project (LVEMP), Rwanda Land Husbandry, Water Harvesting and Hillside Irrigation project (LWH); Rwanda Rural Sector Support Projects (RSSP) series; Landscape Approach Forest Restoration project (LAFREC); and Rwanda Feeder Roads Development project; and.

2.1 Legal and Regulatory Framework Applicable to Program

17. **Rwandan Constitution of 2003:** The constitution is the supreme law of the country. Several articles of the constitution cover environmental and social aspects. Article 49 states that every citizen is entitled to a healthy and satisfying environment. Every person has the duty to protect, safeguard and promote the environment. The state shall protect the environment. The law determines the modalities for protecting, safeguarding and promoting the environment.

18. **Information Disclosure:** In November 2012, the government passed a new law on rights to information, which further enhances transparency and accountability of the government. The Law N° 04/2013 of 08/02/2013 relating to Access to Information calls for public organs or a private body to disclose information where the public interest in disclosure outweighs the interest of not disclosing such information. The purpose of this law is to promote public consultations, ensure that the expenditure of public funds is subject to effective management and oversight; to keep the public regularly and adequately informed about the existence of any danger to public health or safety or to the environment; and to ensure that any public authority with regulatory mission properly discharges its functions.

19. **General Grievance Mechanisms in Rwanda:** Grievance mechanisms provide a way to reduce risk for projects, provide an effective avenue for expressing concerns and achieving remedies for communities, and promote a mutually constructive relationship. Grievance mechanisms are increasingly important for development projects where on-going risks or adverse impacts are anticipated. They serve as a way to meet requirements, prevent and address community concerns, reduce risk, and assist larger processes that create positive social change. Experience has shown that open dialogue and collaborative grievance resolution simply represent good business practice—both in managing social and environmental risk and in furthering state and community development objectives.

a. Social Aspects

Decentralization and Public Participation

20. The decentralization policy has been implemented since 2000 encompassing political administrative and fiscal decentralization. The policy was updated in 2012³. The main purpose of the decentralization is to enhance participation, increase accountability and transparency and promote equitable economic development. The Ministry of Local Government has the overall responsibility for implementing decentralization policy and quality assurance.

21. Political decentralization in Rwanda is implemented along two related perspectives: 1) the power of citizens to elect their leaders (vote power); and on the other side of the spectrum; 2) the right of citizens to participate, either directly or indirectly through representation, in decision making. Citizen's participation empowers local communities and enables them to receive and utilize the powers that are transferred to them especially in problem analysis, priority setting, planning, budgeting and demanding accountability from their local and national leadership or any governance actor at the local level. Community participation is manifested among other things in community work, election of leaders, financial contribution, monitoring of services and holding leadership accountable, formulation of district development plans, participatory budget process and formulation of district council agenda. Participatory local planning and budgeting process is established where community needs and priorities are identified at household, village, cell and sector levels feeding into the district plan, participatory budget process is conducted at district level, monitoring of service provision, and participation in the formulation of district council agenda.

22. Administrative decentralization relates to transfer of functions, authority, responsibility and financial resources for providing public services to Local Governments.

23. The fiscal decentralization has resulted in increased resource transfer to districts for improved service delivery. The 30 districts have a role of initiating, planning financing and implementing service delivery programs and accounting for resources in timely and accurate manner.

Workers Health and Safety

24. The Government's contract conditions include provisions for public and worker safety (for example, regulations on use of explosives, provision of barricades at construction site, use of personal protection gear by workers, disposal of construction debris and waste water, preventing creation of conditions conducive to disease vectors, etc.). The state has also issued guidelines/regulations on aspects concerning public and worker safety risks from construction/operation of facilities. Law No 13/2009 of 27 May 2009 regulating labor in Rwanda, recognizes occupational rights and safety of workers and establishes the updated Labor Code (from 2001 version), that covers the issues of health and safety at the workplace, prohibition of child labor and protection of pregnant or breastfeeding women.

³ National Decentralization Policy, June 2012:

http://www.minaloc.gov.rw/fileadmin/documents/Minaloc_Documents/Revised_Decentralisation_Policy_for_Cabinet_30_01_2013.pdf

Grievance and Redress Mechanisms

25. Grievance mechanisms provide a way to reduce risk for projects, provide an effective avenue for expressing concerns and achieving remedies for communities, and promote a mutually constructive relationship. Grievance mechanisms are increasingly important for development projects where on-going risks or adverse impacts are anticipated. They serve as a way to meet requirements, prevent and address community concerns, reduce risk, and assist larger processes that create positive social change. Experience has shown that open dialogue and collaborative grievance resolution simply represent good business practice—both in managing for social and environmental risk and in furthering company and community development objectives.

26. To ensure the grievances are resolved locally and by the local leaders at the Village/Umudugudu level, there are village-level mediators (abunzi) whose work is to hear disputes, especially land disputes. The abunzi, or mediation committees, have mandatory jurisdiction over land disputes involving amounts that are less than three million RwF, which means over most land disputes. The Abunzi also have mandatory jurisdiction over succession and boundary disputes involving less than three million RwF. The abunzi is the first stop for resolving disputes and grievances following land acquisition or any other dispute.

b. Environmental Aspects

27. The Republic of Rwanda has a number of laws for the protection and conservation of environment. Some of these relevant to the Program are:

28. **Organic Law** No 04/2005 of 08/04/2005 determines the modalities of protection, conservation and promotion of environment in Rwanda and advocates environmental impact assessment (EIA). Chapter IV subjects every project to EIA before implementation. EIA procedure is specified in Ministerial order 2008.

29. **The National Policy of Environment**⁴ was adopted by the Cabinet in November 2003. This policy presents broad categories of development issues that require a sustainable approach. The overall objective is to ensure judicious utilization of natural resources and the protection and management of eco-system for sustainable development. The policy anticipates improved management of environment both at central and local level in accordance with the country's current policy of decentralization. With regard to the protection and management of natural resources and environment, the aim of the Government of the Republic of Rwanda is to see, by 2020, the percentage of households involved directly in primary agriculture reduced from 90% to less than 50%; effective and updated regulations established which are adapted to the protection of environment and sustainable management of natural resources; the rate of diseases related to environmental degradation reduced by 60%; and the share of wood in national energy balance

⁴ Rwanda National Environmental Policy, MINECOFIN:
http://minirena.gov.rw/fileadmin/Environment_Subsector/Laws_Policies_and_Programmes/Policies/POLITIQUE_ENVIRON- Anglais.pdf

reduced from 94% to 50%, The application of laws and regulations, the adoption and dissemination of environment friendly technologies will constitute a high priority for the central and local authorities.

National Development Strategy

30. Land use management, urban and transport infrastructure development are considered as important pillar among 6 pillars of Vision 2020 and protection of environment and sustainable natural resource management is one of the crosscutting areas of the vision. The other important planning tools are: the Economic Development and Second Poverty Reduction Strategy (EDPRS II), the National Investment Strategy, Millennium Development Goals (MDGs) and the Medium Term Expenditure Framework. The vision document advocates development of economic infrastructure of the country and transport infrastructure in particular. The Government of Rwanda (GoR) has developed National Strategies and Action plans for the following:

- National Biodiversity Strategy and Action Plan (NBSAP) 2003;
- National Plan of Action (NAPA) for climate change adaptation (2006/7); and
- National Action Plan (NAP) for combating desertification.
- National Land Use and Development Master plan (2011)

31. These strategies and action plans reflect national priorities for environmental natural resources sector that are in line with the Rwanda's EDPRS II as a medium-term framework for achieving the country's long term development aspirations as embodied in Rwanda Vision 2020 and the Millennium Development Goals (MDG) priorities.

32. **Environmental Impact Assessment:** Law no 003/2008 and no 004/2008 August 2008; Cabinet Approval on 14/11/2007 (Pursuant to Organic Law No 04/2005 of 08/04/2005 especially in Article 67, 68, 69 and 70).

33. **Inspection Law No 005/2008 and no 007/2008:** Ministerial order establishing modalities of inspecting companies or activities that pollute the environment and list of protected animals and plant species.

34. **The Land Use Planning Law:** the article 3 and 4 of this law N°24/2012 of 15/06/2012 relating to the planning of land use and development in Rwanda.

35. **Rwanda E-Waste management Policy and Guideline:** In Rwanda, there are currently no specific legislations regulating the management and safe disposal of Electronic Waste. However, legislations are being developed on the management of wastes in general such as Organic Law N° 04/2005 of 08/04/2005 determining the modalities of protection, conservation and promotion of environment in Rwanda and Law N° 39/2001 of 13/09/2001 establishing an agency for the regulation of certain public utilities that will handle the removal of waste products from residential or business premises. EIAs are required for all development projects and activities that are likely to have significant impact on the environment, to identify adverse impacts prior to their implementation and ways and means to mitigate or minimize the negative impacts while maximizing the positive outcomes. Following the completion of a study to assess

the problem of e-waste in Rwanda⁵, REMA is in the process of developing specific E-Waste management policy and guidelines.

2.2 Institutional Responsibilities

36. **Ministry of Natural Resources (MINIRENA)** is a multispectral ministry covering five sectors: Land, Water Resources, Forest, Mining and Environment. Environment is a cross cutting sector covering the other four other sectors. The Ministry is responsible for developing land utilization policies (including surveying, land classification, land laws and land tenure); the development of environmental policies and procedures (including impact assessments), protection of natural resources (water, land, flora, and fauna), environmental legislation, biodiversity, and other environmental aspects.

37. **Rwanda Environment Management Authority (REMA)** is responsible for facilitating coordination and oversight of the implementation of national environmental policy and the subsequent legislation. The functions of REMA include:

- Implementing Government's environmental policy and decisions of the Board of Directors.
- Advising the Government on legislative and other measures for the management of the environment or the implementation of relevant international conventions, treaties and agreements in the field of environment, as the case may deem necessary.
- Taking stock and conducting comprehensive environmental audits and investigations, to prepare and publish biannual reports on the state of natural resources in Rwanda.
- Undertaking research, investigations, surveys and other relevant studies in the field of environment and disseminate the findings.
- Monitoring and evaluation of development programs in order to control observance of proper safeguards in the planning and execution of all development projects, including those already in existence, that have or are likely to have significant impact on the environment.
- Participating in the setup of procedures and safeguards for the prevention of accidents which may cause environmental degradation and propose remedial measures for such accidents.
- Advice and technical support, where possible, to entities engaged in natural resource management and environmental protection.
- Providing awards and grants aimed at facilitating research and capacity-building in matters of environmental protection.
- Publishing and disseminating manuals, codes or guidelines relating to environmental management and prevention or abatement of environmental degradation.

38. **Rwanda Natural Resources Authority (RNRA)** takes the lead in the management and promotion of natural resources including, land, water, forests, mines and geology. RNRA is responsible for supervision, monitoring and in ensuring the implementation of issues relating to

⁵ Assessment of e-wastes status and trends in Rwanda and development of recommendations for the prevention and management of e-wastes, May 2011 http://www.rema.gov.rw/rema_doc/PC%20&%20IR/Study%20on%20E-wastes%20status%20in%20Rwanda.pdf

the promotion and protection of natural resources in programs and activities of all national institutions.

39. **Rwanda Development Board:** REMA was initially responsible for reviewing and approving EIA reports for development projects. However, this duty was reassigned to the recently created Rwanda Development Board (RDB), where a dedicated department of EIA was created and tasked with review and approvals of all EIA studies. RDB is a one stop institution bringing together several government bodies in Rwanda focused at promoting investment in Rwanda. RDB has created a dedicated department of EIA responsible for reviewing all projects EIA before approval.

40. Rwanda also adheres to several international agreements, treaties and conventions, though management legal tools for compliance with these agreements are not yet well developed. Among conventions ratified by the Republic of Rwanda, the most important ones which have influenced the national policy with regard to environment are:

- Convention on Biological Diversity of June 10th, 1992 ratified on March 18th, 1995.
- United Nations Convention on Desertification Control of June 17th, 1991 and ratified on October 22nd, 1998.
- RAMSAR Convention on February 2nd, 1971 on wetlands.

Section 3: Program Capacity and Performance Assessment

41. Drawing on the information and analysis presented in the preceding sections, the analysis presented here on the Program systems' consistency with each of the six Core Principles outlined in OP 9.00. Overall, the existing system in Rwanda is consistent with the core principles of OP 9.00. However, implementation needs to be strengthened. This section presents the environmental and social benefits, risks and impacts of the Program. The risks have been identified using the Environmental and Social Risk Screening Worksheet and cover the likely environmental and social effects, the environmental and social context, the Program strategy and sustainability, the institutional complexity and capacity, and the reputational and political risk.

Core Principle # 1: Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social impacts

Strengths:

- The Government has solid environmental legal and policy framework in place to protect, conserve and mitigate adverse impacts. There is also a well-defined policy framework to enhance transparency of the development projects.

Gaps:

- The implementation of the existing legal/regulatory provisions faces challenges (due to multiple regulations, overstretched regulatory authorities, weak monitoring etc.).

Opportunities:

- The government has experience of integrating rules and procedures for environmental and social management in individual Agriculture investments – for example, LVEM, LWHP,

RSSP and LAFREC projects. Strengthened environmental and social management rules and procedures have been developed by the government to manage the impacts of the above mentioned projects.

Risks:

- Addressing the environmental management needs in a national project depends on capacity building of the key sector organizations both in terms of human resources and training, and strong monitoring.
- Poor implementation of the strengthened environmental and social management rules and procedures is a possible risk.

Core Principle # 2: Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program

Not applicable. The PforR Program would neither impact nor convert critical natural habitats, does not generate any adverse impact on terrestrial flora. There are no any anticipated impacts on physical cultural resources. The Program will not support civil works outside of limited construction within the existing NISR compound.

Core Principle # 3: Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and, (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

Strengths:

- The government's contract conditions for contractors include provisions for public and worker safety (for example, regulations on use of explosives, provision of barricades at construction site, use of personal protection gear by workers, disposal of construction debris and waste water, preventing creation of conditions conducive to disease vectors, etc.).
- The state has also issued guidelines/regulations on aspects concerning public and worker safety risks from construction/operation of facilities.
- The legal/regulatory system in the country includes provisions for safeguarding water resources and ecologically significant areas from pollution and is thus applicable to regulating the disposal of toxic chemicals, hazardous wastes, etc. In addition, on the issue of toxic materials and hazardous wastes, the Ministry of Youth and ICT published a draft policy on e-waste (June 2012). In addition, in May 2013, a study by REMA revealed the urgent need to take further steps for finalizing and strengthening the e-waste legislation. (iii) The proposed activities will not be conducted in the areas prone to natural hazards; neither will the Program include rehabilitation or reconstruction of infrastructure.

Gaps:

- Implementation capacities need to be strengthened to monitor and supervise the safety and protection provisions.

Opportunities:

N/A

Risks:

- Systematic implementation of these provisions requires enhanced awareness in the key sector organizations and strengthened monitoring.
- Resources availability for implementation of the ESMP.

Core Principle # 4: Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards.

Not applicable. The PforR Program does not envisage any civil works outside of an existing government compound; additional land acquisition will not be required.

Core Principle # 5: Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups

Not applicable. The PforR does not support provision of basic services to communities and will not impact any vulnerable groups.

Core Principle # 6: Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes

Not applicable. The history of genocide in the country has led the GoR to ensure equality for all as citizens of Rwanda setting aside ethnicity. There are no conflicts or territorial disputes in the project area.

Section 4: Inputs to the Program Action Plan

42. The ESSA does not propose activities to be included in Program Action Plan. The challenges identified through the ESSA are included in the program support plan.

Section 5: Environmental and Social Risk Ratings

43. This section presents the environmental and social benefits, risks and impacts of the Program. The risks have been identified using the Environmental and Social Risk Screening Format included in OP 9.00 that determined the boundary of assessment. It also covers the likely environmental and social effects, the environmental and social context, institutional capacity, and the reputational and political risk.

44. As the PforR operation mainly consists of activities strengthening PFM and statistical systems, direct environmental or social impacts are not anticipated for the most part. Nevertheless, the Program only involves PFM reforms and indicators, and does not specify, modify or depend upon the nature of the related activities or investments, such environmental or

social effects are not considered direct impacts of the Program, and were not considered within the scope of this assessment.

45. The PforR Program involves very few physical activities, and those that are envisaged are small scale and site specific potential environmental and social impacts. There is no land acquisition required for the implementation of the Program and no anticipated issues related to social conflicts. The only civil works planned include construction of the national training center, which will be conducted within the existing NISR compound. During the proposed construction activities, the implementing agency will undertake close monitoring according to national legislation, which will be complemented by the Bank implementation support missions. Two of the program activities, strengthening ICT infrastructure for NISR and NSS, along with strengthening NISR's physical assets, are expected to scale-up the use of ICT equipment within the National and District government offices. Overall program activities are environmentally benign and are not likely to cause any negative environmental effects, any loss or conversion of natural habitats, any changes in land or resource use, or any environmental pollution.

46. Therefore, the associated **environmental and social risks of the program are low** (Table 2).

Table 2: Environmental and Social Risk Assessment Matrix

Risk	Environmental and Social Risk Screening and Assessment
<p>Environmental and Social Context (Geographical coverage and scope of the Program and environmental and social conditions in the Program area that may have significance for Program design and implementation)</p> <p>As one of its activities, the Program will improve the national statistical system and develop its management capacity. It envisages a very limited infrastructure development within Program 4, which will include creation of a statistical training center within the existing premises of NISR.</p>	<p>Environment: In addition to construction of the training center, the program may finance the ICT equipment (e.g. computer, network connections, and other equipment) as part of strengthening ICR infrastructure under the Government PFM SSP Program 4.</p> <p>Social: Access to information at the citizen level is an important issue for the program.</p> <p>Risk Assessment: low</p>
<p>Associated or Likely Social and Environmental Effects (potential benefits, impacts and risks that are likely to be associated with the Program.)</p> <p>The Program will improve the national statistical system and related capacity by employing IT systems and developing a national training center for statistics.</p>	<p>Environment: The Program may have an indirect negative effect caused by the disposal of the expired ICT equipment. The assessment found that the country’s legal and regulatory framework is adequate to address safe disposal of e-waste. The program is not expected to create any significant and long-term environmental impact. Accordingly, the program will also not have impact on natural habitats or create environmental pollution. Changes in land use pattern and/or resource use are not expected due to the program intervention.</p> <p>Social: The program will not have any associated adverse social impacts.</p> <p>Risk Assessment: low</p>
<p>Program Strategy and Sustainability (situate the Program, and its environmental and social management systems within the country’s broader development strategy, with particular emphasis on identification of factors that may impede successful Program management over time.)</p>	<p>The Government has adequate and satisfactory environment and social systems in place to respond to potential environmental and social impacts. The P4R program aims to strengthen transparency and accountability measures, ensuring sustainability of development programs.</p> <p>Risk Assessment: low</p>
<p>Institutional Complexity and Capacity (organizational, administrative and regulatory structures and practices, as they relate to environmental and social assessment, planning and management.)</p> <p>Current national system for handling of environmental and social aspects in development operations is relatively strong and there is a solid recent track record in compliance with both national legislation and World Bank safeguards policies. However, management of e-waste is an emerging issue and has not been fully incorporated into the legislation to date.</p>	<p>Environment: The PFM component will be implemented by MINECOFIN SPIU. The statistics component will be implemented by the NSDS coordination team (NCT), which will be in charge of managing the construction of the national training center. In addition, the overall program is likely to generate limited e-waste at the end of life of the equipment and accessories.</p> <p>Social: N/A</p> <p>Risk Assessment: low</p>

Risk	Environmental and Social Risk Screening and Assessment
<p>Reputational and Political Risk Context (environmental and social issues, trends or other factors that may cause the program, the country, or the Bank to be exposed to significant reputational or political risk.)</p> <p>For the most part, the program does not present notable reputational and political risks. In fact, the Program responds to the present risks of insufficient transparency at the central and local levels.</p>	<p>Environment: Overall the program will not pose any special challenges or threats to the environmental settings and no special attention is required. By focusing on information transparency, the Program is likely to improve the incentives for government and beneficiaries.</p> <p>Social: Overall risks associated with the program are low.</p> <p>The overall risk is low.</p>

Section 6: Inputs to the Program Implementation Support Plan

47. Based on the above assessment and findings, this section outlines recommended actions for improving the social and environmental management systems, where appropriate. These options for improvement of the environmental and social management system (ESMS) have been discussed with the implementing agencies.

48. Social and environmental specialists within the Bank task team will provide ongoing advice on the development of management systems on a needs-basis, and will join at least one implementation support mission per year to review progress in the field. Particular attention will be provided to the following:

- a) Satisfactory implementation of the national laws during construction of the **national training center**, with supporting supervision visits to NISR office. Encourage the use of **sustainable construction practices**, which can set the best practice example for future government construction projects and promote environmentally friendly practices as part of the knowledge management strengthening objective of the Program.
- b) Proactive management of the issues related to **e-waste management** (by the SPIU, NCT and other stakeholders) according with the draft E-Waste Policy paper developed by Ministry of Youth and ICT, in consultation with the best international practices.
- c) **Adaptation to technology and improving revenue base from small and micro enterprises.** - Strengthen the capacity building that promotes behavioral change to shift from “manual” to “automated” services. It will require learning from successful programs and promote sharing of knowledge and training on use of technology. DLI 3 (Centralization of subnational revenue collection) builds on the study on local government revenue potential in late 2013, the government decided to enhance local revenue-administrative capacity by facilitating collaboration between the Rwanda Revenue Authority (RRA) and districts. The collaboration covers the installation of new automated revenue systems and procedures, together with staff on-boarding, training and other forms of capacity building. A pilot project on the new automated revenue systems funded by the African Development Bank will be carried out in three districts in Kigali. Also, the government has formulated a specific action plan to follow up on the government’s decision to delegate the tax collection function to RRA on behalf of the districts. Phase 1 includes RRA support to all districts in collecting tax

revenues of three tax sources, using existing systems and in collaboration with staff at the districts. Phase 2, planned to be launched in January 2015, is intended to have RRA taking over all functions on revenue mobilization, including taxes and fees collection, tax audit, enforcement, objections and appeals against assessed taxes. This new mandate for RRA requires a review of the existing legal framework in the second half of 2014. The Program supports the automated revenue systems and key output in the action plan. The proposed DLI in the first year is procurement of the automated local government revenue management system and the second year DLI is a creation of tax database by type in each district. As the system will be in operation in FY2015, the third year DLI is a creation of action plan to roll out the system to the remaining districts. In addition, the RRA is in charge for tax awareness and collection of taxes. RRA in their expenditure framework have developed and implemented a comprehensive communication strategy to enhance taxpayers' education and sensitization, RRA has from time-to-time organized sensitization campaigns to help citizens understand the importance of paying tax and in a timely manner. RRA educates people on various taxes for the various groups of taxpayers to increase tax compliance and tax mobilization, as well as widen the tax base. Over time, taxpayer sensitization campaigns that are always held in partnership with local authorities, Private Sector Federation and security agencies have proved to be effective in tax mobilization and enforcement.

- d) **Public Participation and Grievance Redress:** The program will strengthen the existing system of contact point for complaint management. The experience from the past and on-going project design and implementation in Rwanda suggests a clear policy and practice of community consultation and participation as essential to the sustainability of the projects and programs. This practice has afforded potentially affected community an opportunity to participate in all development activities and reduce the likelihood for conflicts between and among community. Effective and close consultation with communities is a pre-requisite for project success. At the Cell/Umdugudu level, there are existing village-level mediators (*abunzi*) whose work is to hear disputes among the communities or with local governments. The *abunzi*, or mediation committees, have mandatory jurisdiction over all disputes and have played an active and constructive role in conflict resolution.

Section 7: Stakeholder Consultation

49. **The Program has very limited environmental impact.** Thus, the consultations conducted during the preparation of the Program are deemed sufficient. The consultations included the three main stakeholders: Ministry of Finance and Economic Planning (MINECOFIN), Ministry of Local Government (MINALOC) as the lead ministry of the Governance and Decentralization and Rwanda Development Board (RDB) as the entity reviewing and approving the environmental impact assessments for all development projects in the country. During preparation of the ESSA, the team conducted interviews with the project stakeholders. The draft report was circulated to the reviewers, which included MINECOFIN, MINALOC and RDB during June-July 2014. The comments and revisions provided by reviewers were included into the final version of the report. The reviewers pointed out the recent updates to e-waste management legislation and provided inputs on the oversight responsibilities for environmental and social issues within the Government of Rwanda.