

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA2532

Project Name	Rwanda Feeder Roads Development Project (P126498)
Region	AFRICA
Country	Rwanda
Sector(s)	Rural and Inter-Urban Roads and Highways (50%), General agriculture, fishing and forestry sector (30%), General transportation sector (20%)
Theme(s)	Rural services and infrastructure (60%), Decentralization (30%), Administrative and civil service reform (10%)
Lending Instrument	Specific Investment Loan
Project ID	P126498
Borrower(s)	Ministry of Finance and Economic Planning
Implementing Agency	Rwanda Transport Development Agency
Environmental Category	A-Full Assessment
Date PID Prepared/Updated	09-Jan-2014
Date PID Approved/Disclosed	14-Jan-2014
Estimated Date of Appraisal Completion	15-Jan-2014
Estimated Date of Board Approval	27-Mar-2014
Decision	

I. Project Context

Country Context

Rwanda comprises four Provinces and the City of Kigali, and is divided into thirty districts.

According to provisional results of the fourth Population Census, 2012, the total population is 10.5 million with a population density of 416, the highest in Africa. About 86.6 percent of the population lives in rural areas. Rwanda is also among the poorest countries in the World, with an estimated gross domestic product (GDP) of US\$570 per capita in 2011. Rwanda's human development index (HDI) value for 2011 is 0.429—in the low human development category—positioning the country at 166 out of 187 countries and territories. Between 1980 and 2011, Rwanda's HDI value increased from 0.275 to 0.429, an increase of 56 percent or average annual increase of about 1.4 percent. Rwanda's 2011 HDI of 0.429 is below the average of 0.456 for countries in the low human development group and below the average of 0.463 for countries in Sub-Saharan Africa. The country remains heavily dependent on foreign aid to finance its national budget—in the original FY12/13 budget, foreign aid accounted for 44 percent of the budget (or approximately 11.1 percent of GDP).

Rwanda has made significant progress in maintaining a stable macroeconomic framework, accelerating growth, and reducing poverty. Over the past decade, Rwanda's economy grew at an annualized average of about 8.2 percent. According to official figures based on the most recent national household survey (EICV3), carried out in 2010/11, headcount poverty (national poverty line) decreased from 58.9 percent in 2000/01 to 44.9 percent in 2010/11. Poverty is reported to have declined considerably in rural areas from 61.9 percent in 2005/06 to 48.7 percent in 2010/11, while extreme poverty is reported to have declined from 35.8 percent in 2005/06 to 24.1 percent in 2010/11.

Agriculture remains the backbone of Rwanda's economy and the majority of households in Rwanda are engaged in some sort of crop or livestock production activity. Crop production constitutes the major part of agricultural production. The agriculture sector is therefore widely regarded as the major catalyst for growth and poverty reduction. As a share of the GDP, the agriculture sector contributed 31.9 percent in 2011, while the labor force engaged in agricultural activities was about 86.6 percent in 2010/11. The EICV 3 results show that the national level share of marketed agricultural output (harvest sold), in 2010/11, was on the average 26.9 percent.

In recent years, the Government of Rwanda (GOR) has implemented several ambitious programs (i. e. crop intensification program, one cow per poor family, accessing fertilizers, etc.) to increase productivity in the agriculture sector. But poor physical infrastructure – exacerbated by hilly/mountainous topography – remains a major constraint to increasing access, diversifying production, and enhancing competitiveness. As a result of isolation, insufficient all-weather connectivity and high transport costs, farmers have difficulties sourcing and transporting key inputs (like seeds or fertilizers) and marketing their products. A significant part of perishable products are lost or damaged in transit. The lower farm gate prices of agricultural products perpetuate basic subsistence agriculture since poor farmers cannot save enough to modernize. Lack of access also affects human capital, as poor households cannot send their children to local schools nor access social services provided in health or community centers.

Sectoral and institutional Context

The National Transport Sector Policy (December 2008) identifies the important role transport plays in stimulating economic growth by increasing internal production and facilitating access to domestic and international markets, while ensuring favorable conditions for provision and distribution of imported products within the country. Emphasis is placed on the development of transport infrastructure and services, in terms of construction, rehabilitation, and maintenance of transportation networks, aimed at growth and economic development in order to achieve the objectives of Vision 2020. The transport policy identifies the need to reduce constraints to transport in order to promote sustainable economic growth and decrease poverty.

Rwanda has a road network of about 14,000 km of which about 4,700 km is classified, and consists of 1,075 km paved national roads; 1,785 km unpaved national roads; and 1,838 km unpaved district roads. The unclassified roads (about 9,302 km), which are predominantly very low engineering standard earth roads; principally constitute the feeder roads network. However, these roads are in a dismal state, and are a major constraint to the mobility of the rural population. Farmers' transport to markets relies predominantly on human transport and Intermediate Means of Transport (IMT). Thus, with limited resources, investment in rural roads should be prioritized by the roads' ability to connect areas of economic growth.

Due to lack of maintenance and sub-standard construction only about 15 percent of the classified district roads are in good and fair condition while about 50 percent of the nation network in general is in good and fair condition. However, about 97 percent of the 1,075 km of paved roads in Rwanda are in good and fair condition, as a result of the intensive road rehabilitation works carried out over the last decade.

The transportation sector in Rwanda is experiencing dramatic institutional challenges. Neither an inventory of feeder roads in Rwanda, nor systematic methods to prioritize investments exist. Furthermore, there is weak planning collaboration for road investment between the various affected government ministries such as the Ministry of Infrastructure (MININFRA), Ministry of Agriculture and Animal Resources (MINAGRI), and Ministry of Local Government (MINALOC). A sustainable funding mechanism is essential and the Road Maintenance Fund (RMF) is expected to provide funds for feeder roads maintenance.

The responsibility for the administration of feeder road has been decentralized. The Road Act issued in December 2011, has vested the responsibility for road administration to districts. To assist in the coordination of the activities of districts, MINALOC would provide direction to the District Infrastructure Units and carry out periodic monitoring and evaluation of their activities. MININFRA and the Rwanda Transport Development Agency (RTDA) deals with policy issues and support planning and budgeting for feeder roads.

II. Proposed Development Objectives

1. The proposed Project Development Objective (PDO) of the Rwanda Feeder Roads Development Project (RFRDP) is to enhance all season road connectivity to agricultural market centers in selected districts. The proposed PDO will be mainly achieved by improving access roads to agricultural market centers in selected areas.

2. The proposed project contributes to the overarching goal of increasing agricultural production, ensuring food security, and enhancing agricultural marketing. The project is designed as an integral part of the agricultural support initiatives in Rwanda. This project, coupled with the agriculture operations, is expected to have impact on improving the livelihood of the rural population, and this will be monitored during implementation.

III. Project Description

Component Name

Rehabilitation, Upgrading and Maintenance of Selected Feeder Roads

Comments (optional)

Component Name

Strategy Development for Rural Access, Transport Mobility Improvement and Institutional Development Support

Comments (optional)

Component Name

Support to Project Management

Comments (optional)**IV. Financing (in USD Million)**

Total Project Cost:	49.00	Total Bank Financing:	45.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			4.00
International Development Association (IDA)			45.00
Total			49.00

V. Implementation**A. Institutional and Implementation Arrangements**

The proposed project would be led and coordinated at the national level by the Ministry of Agriculture and Animal Resources (MINAGRI), which will be the focal institution for feeder roads programs coordination purpose. A sub-working group, for feeder roads under the Agriculture Sector Working Group, consisting of key national stakeholders, including MINAGRI (chair), MININFRA, MINALOC, RTDA, RLDSF and development partners has been established. Under the oversight of the steering committee for feeder roads the RSSP/LWH-SPIU of MINAGRI will implement the project activities to be implemented at central level. Therefore, the PIU will be scaled-up to RSSP/LWH/Feeder Roads-PIU.

The core task of feeder roads rehabilitation, upgrading and spot improvement, as well as maintenance of district and feeder roads will be implemented by the four participating districts. The districts have established key operational fiduciary departments/units to carry out financial management, procurement, contract management, maintenance, environmental management and monitoring functions. The districts have hired critical mass of young professional staff to man the functional units and have in place basic procedures and systems. For implementation coordination purpose and create synergy among the different functional units, the districts will establish a District Project Management Team (DPMT), by negotiations. The Infrastructure Officer (head of the Infrastructure Department/Unit) will be the leader of the DPMT and the Project Coordinator at district level while the finance, procurement, environment, agriculture and planning officers will represent their respective Departments/Units at the DPMT. This implementation arrangement helps to ensure sustainability as it allows districts to build the institutional base for feeder roads management.

MININFRA/RTDA is designated to provide support to districts and monitoring implementation. RTDA will work closely with the districts in procurement, contract management safeguard management. In addition, MININFRA/RTDA will provide guidance on standards and specifications. To strengthen the capacity of national and district levels implementing entities, there is adequate provision for Technical Assistance under the proposed project.

The project will be implemented over a period of 5.9 years , including two years for the rehabilitation and upgrading works, three years for the multi-year maintenance, and nine months for

preparatory and project winding up activities.

B. Results Monitoring and Evaluation

Project outcomes and outputs will be monitored based on the agreed indicators of the Results Framework . Project targets are defined and baseline data has been collected for key indicators and missing few will be established during the first year of implementation. Data will also be disaggregated by gender.

The proposed project is mapped as one of the candidate operations for impact monitoring. In line with this, the project has identified appropriate indicators, including changes in agricultural production and income of the rural population, which will form the basis for impact evaluation. A framework for evaluating the impacts of selected feeder roads has been established by the World Bank DIME initiative. It is also planned to evaluate the impact of the feeder roads program at national level and the project level impact will be monitored as part of the national initiative.

The project will support a participatory Monitoring and Evaluation mechanism to enable citizens and project stakeholders to register any complaints or grievances that may arise. The project may be faced with issues related to quality of work, safety, environmental and social issues, as well as complaints on contract awards or delays. Moreover, a participatory approach to feeder roads maintenance and monitoring may improve response times for maintenance, increase road user satisfaction and improve the public perception of government agencies working on feeder roads in the participating districts thus contributing to greater project success and overall government accountability. In the Rwandan institutional context, there is an Office of the Ombudsman to receive citizen complaints. However, given that remote rural local stakeholders may lack awareness about the Ombudsman complaints service and may not want to escalate concerns at such a formal level in the first instance, and it is proposed to supplement these existing mechanisms with a specific project grievance redress mechanism. In addition to the indicators included in the Results Framework the project will monitor specific Grievance Redress indicators.

C. Sustainability

Ensuring the sustainability of the proposed investments is one of the most critical challenges of the proposed project. Acknowledging the complexity of this issue and the need to promote full ownership by local stakeholders, the proposed project will build on the experience of maintenance of the national roads, by engaging LCAs and micro-enterprises for routine maintenance, including slide clearing. The project will also include multi-year maintenance contracting inbuilt into construction and maintenance contracts.

To ensure sustainability of the investment under this project and establish the practice of allocating funds for feeder roads maintenance the Government of Rwanda through RMF is required to contribute funds to this project in a form of parallel financing. However, The Road Maintenance Fund does not finance District Class 2 roads, which constitutes the biggest part of the feeder roads and maintenance financing has to rely on Government budget and compete with other priority sectors. Stable flow of fund for maintenance of feeder roads could be a major challenge, which requires a dialogue to look into the option of expanding the coverage of the Road Maintenance Fund into District Class 2 roads.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36	x	
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)**VII. Contact point****World Bank**

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