



1. Project Data:		Date Posted : 05/08/2003	
PROJ ID: P002238		Appraisal	Actual
Project Name: Transport Sector	Project Costs (US\$M)	148.85	124.08
Country: Rwanda	Loan/Credit (US\$M)	40	85
Sector(s): Board: TR - Roads and highways (100%)	Cofinancing (US\$M)	50.72	29.32
L/C Number: C2136			
	Board Approval (FY)		90
Partners involved : EEC/EDF; Swiss Cooperation; OPEC; FRG/KFW.	Closing Date	06/30/1997	04/30/2002
Prepared by:	Reviewed by:	Group Manager :	Group:
Kavita Mathur	Patrick G. Grasso	Alain A. Barbu	OEDST

2. Project Objectives and Components

a. Objectives

The objectives of the project were to:

- protect capital investment and to increase the service life of international and national roads through a countrywide routine and periodic road maintenance program;
- implement cost effective approaches to design, construction, supervision, and maintenance;
- strengthen the institutions responsible for implementing road components through improvement of maintenance planning and operations;
- promote communal development and better economic integration through improved communal roads in selected sub-prefectures;
- improve access to Kibuye prefecture through the upgrading and paving of the Gitarama - Kibuye road;
- improve resource mobilization to support international and national as well as regional and communal road maintenance activities through a newly created Road Fund;
- consolidate and improve overall road maintenance practices and achieve a better balance between road maintenance and construction;
- improve general policy of the sector as outlined in a Statement of Sectoral Development Policy;
- support lake transport, vessel maintenance and access to the shore on Lake Kivu; and
- assist in improved road safety by means of a regular system of vehicle inspection.

The project objectives remained intact following the two restructuring. The supplemental credit adopted the same objectives but the emphasis was to:

- improve the road access in the Kibuye area to assist in voluntary resettlement, social cohesion, and to support re-establishment of agricultural activities, especially production of coffee and tea for export;
- improve the main road link with the Democratic Republic of Congo;
- consolidate the progress achieved in the "Transport Policy" by providing support to institutions for sustainable private sector based road maintenance; and
- improve road safety.

b. Components

The main components of the project were: (a) upgrading of the Gitarama-Kibuye road; (b) rehabilitation and maintenance of 600 km of communal roads; (c) support to four year road maintenance program; (d) institution building, technical assistance and professional training for the Ministry of Public Works and Energy and Ministry of Transport; and (e) transport improvement program including lake transport and vehicle inspection.

Revised components: The lake transport component was dropped and the scope of other components was reduced.

c. Comments on Project Cost, Financing and Dates

In 1994, the project was suspended for almost two years due to lack of counterpart funds and the civil war. In May 1995, the project was restructured during a mid-term review, mainly to align implementation to post-war circumstances. In 1997 a Supplementary Credit in the amount of SDR 33.09 million (US\$45 million equivalent) was approved by the Board to bridge the financing gap resulting from the withdrawal of three of the four cofinanciers and the Government's inability to meet its own financial contribution.

3. Achievement of Relevant Objectives:

The project was implemented during a period of political turmoil and civil war. The project was largely successful in achieving its physical objectives:

- The Gitarama-Kibuye road has been improved. The average travel time on the road (75.5 km) has decreased by 5.5 hours, down from 7 hours before reconstruction to only 1.5 hours now.
- The main road link with the Democratic Republic of Congo was improved .
- Better road markings and traffic lights has improved traffic safety. Accident rate in the city of Kigali is 0.3%, much lower than the rest of the country (8 %).
- Between 1999 and 2000, the cultivated land in the project area increased sharply by 78%, four times the national average increase of 21%.
- About 2 million war refugees were settled in the project area, which far exceeds the 1.5 million target estimated in the 1997 Supplemental Credit.
- The project fell short of its rehabilitation target. Of the 600 km of secondary/feeder communal roads due to be financed from the initial credit, the project completed only 148 km. Of the 550 km of the feeder/national roads planned for the Supplemental Credit, 190 km of earth roads were rehabilitated. This is mainly due to the guerrilla war insecurity in the project area.

The project achieved its institutional objectives:

- Sector institutions were streamlined by merging of the two ministries - Ministry of Transport and the Ministry of Public Works.
- To promote private sector-based road maintenance, a unit to contract out works to the private sector was established within the Directorate of Roads. Small and Medium Enterprises (SMEs) in the road industry were trained to promote private sector-led road maintenance.
- To improve resource mobilization, a law establishing a "Second Generation Road Fund" was enacted. Also, an autonomous agency, responsible to a board with road user representation, was established to oversee the activities of the road fund.

4. Significant Outcomes/Impacts:

- Improvement in roads and the reduction in transport costs has increased the access to markets for agricultural products. Vehicle operating costs (VOC) have decreased by 50%, while transporters' costs have dropped by 40%. A general shift from subsistence agriculture towards production for the market is being observed in the project area.
- Significant reduction in travel time - travel time has been reduced by an average of 62% on the rehabilitated roads.
- The project was successful in creating an enabling environment for private road contractors and promoting private sector involvement in road maintenance.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Lack of counterpart funding resulted in temporary suspension of the project in 1994.
- The construction of the vehicle inspection center was completed and the operating equipment was purchased. However, the center is not yet operational. Also, the eight weigh bridges that were bought under the project have not been installed.
- A "corrosive" reaction was observed on a 17 km stretch of Gitarama-Kibuye road. An independent evaluation of the road was conducted. This evaluation is silent as to whether this is due implementation flaws. Corrective measures are estimated at US\$ 2 million.
- Cancellation of works for the improvement of drainage system in the city of Kigali. The works were halted as drainage works caused severe punctures and disruptions on water and telephone network.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Modest	

Sustainability :	Likely	Non-evaluable	Given the uncertain political environment, the sustainability of project benefits is non-evaluable.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The ICR identifies a number of important lessons, four lessons are repeated here:

- Projects that are re-started at the end of the war/conflict need to be re-appraised or restructured to respond to new circumstances and conditions.
- Provision of infrastructure alone is not a sufficient condition to resolve the problem of road transport. To promote higher productivity and increased incomes, improved rural access both in terms of infrastructure and affordable motorized and non-motorized transport are needed.
- To monitor the achievement of transport sector strategy, the Bank needs to develop appropriate sector indicators that are defined in the context of the sector strategy.
- Road projects should include appropriate mineralogical studies to prevent problems such as the "corrosive" reaction which was observed on a 17 km stretch of Gitarama-Kibuye Road.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR covers all relevant points, provides detailed information, and is objective in assessing results and drawing lessons. There are some inconsistencies in cost figures in Annex 2 tables.