

### Rwanda: Umutara Community Resource and Infrastructure Development Project

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Rwanda: Umutara Community Resource and Infrastructure Development Project</b>	
Loan No.	537-RW	
Project Id.	1149	
Board Date	04-May-2000	
Effectiveness Date	05-Dec-2000	
Original Closing Date	31 December 2010	
Final Closing Date	31 December 2011	
Total Project Cost US\$(M)	US\$32.9 million	
IFAD loan US\$(M)	US\$16.0 million	
Cofinanciers (if any)	OPEC Development Fund: US\$9.9 million; Non-Governmental Organizations: US\$2.3 million	
Implementing Agency	Ministry of Finance and Economic Planning	
Principal Components	The project is structured around five components: (i) capacity building; (ii) infrastructure development; (iii) on-farm productive investments; (iv) financial services; and (v) institutional support	
<b>Project Performance</b>		
Relevance	The project's objective, strategy and components were deemed relevant to the needs of the rural poor. Project design was aligned with the 2002 Poverty Reduction Strategy Paper, the 2008-2012 Rwanda Economic Development and Poverty Reduction Strategy, IFAD's Strategic Framework and COSOP (country strategic opportunities programme) for Rwanda. In 2002, its size was increased by 80% to add a Twin Project, covering an adjacent area previously supported by the African Development Bank (AfDB). Project implementation arrangements were reviewed and aligned with Government of Rwanda's (GoR) local government reforms (decentralization of Government of Rwanda (GoR) services and budget, and reorganization of district structures). A key element of the project's success has been its commitment to the participatory and inclusive development planning of the GoR considered as crucial to the reintegration and reconstruction of the rural society. The outputs of all (sub-) components were relevant to the priority needs of the rural poor. The rationale and orientation of project design probably influenced Rwanda's own Poverty Reduction Strategy.	5
Effectiveness	The project was designed under the flexible lending mechanism (FLM) and its size was increased by 80% in 2002 when a Twin project, previously supported by AfDB was added (see Relevance). The project's goal was to enable a fast and purposeful recovery from a period of extreme conflict and social disintegration. Most of the project's objective could be met. At the activity level, most of the interventions were reasonable effective in generating the expected benefits after a slow start. Implementation arrangements were based on a strong project coordination unit (PCU) organizing and managing service delivery with i.e. with local units of line ministries. However, the PCU did not have enough experience to manage such business like contracts. The monitoring and evaluation (M&E) system was very weak and not useful for project management. It was limited to the measurement of input/output data. Impact information has not been generated. In addition, project design was geared towards delivering outputs and less towards outcomes (what can be provide as opposed to what can be achieved through the infrastructure and training to be provided). Nevertheless, economic activity in the area has steadily developed in terms of outflow of agricultural produce, trade, investments, improved dwellings, health, sanitation. Returnees have stayed and reintegration and consolidation of the rural society has been remarkable. It is not clear, however, how much is attributable to the project, given the country's overall economic recovery, continued population movements and administrative rearrangements.	4
Efficiency	The project has experienced a slow start and has suffered from under-qualified staff, a shortage of qualified services providers and an understaffed PCU, especially after 2002 when the Twin project was added. Nevertheless, the project performed satisfactorily in delivering the intended ambitious social uplift and economic boost, and in transferring its planning tools and management capacity to the local Government structures. The project implementation period was extended. The average cost per beneficiary was estimated at US\$63 per (US\$84 for direct beneficiaries and US\$17 for indirect beneficiaries). Cost estimates were robust, except for feeder roads construction, which appears to have been underestimated at appraisal. PCU expenditures needed to be increased too. The specific implementation context of the project made it difficult to conduct a baseline study given the population movements in the project area. No information on the internal rate of return (IRR) was available.	4
Project Performance		
Partner Performance		

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IFAD	IFAD's original project design and modifications introduced later were found appropriate. Implementation support was provided through the Project Implementation and Facilitation Unit in Kigali. In 2008, IFAD took over the direct supervision of the project in 2008. Loan administration has been timely and efficient. Altogether, direct supervision has allowed to shorten the turnaround time for management problem resolution and to improve efficiency and transparency of supervision and loan administration.	5
Cooperating Institution	UNOPS/Nairobi was entrusted with the supervision and loan administration of the project until 2008. The frequency (bi-annual) and staffing (2 experts) of the supervision missions was considered inadequate given the difficulties the project underwent, especially during the 2 <sup>nd</sup> phase when the Twin project was added.	4
Government	GoR has fulfilled its financial commitments in mobilizing counterpart funding and taxes. Supervision and oversight through the Project Steering Committees and later, the Project Strategy Committee has been adequate.	5
NGO/Other	The PCR provides little information. However, it appears that the performance of INGOs (international NGOs) as co-founders and services provider of the project did not work out as foreseen at appraisal. INGOs found it difficult to move away from the culture of humanitarian assistance to providing development related services. Also, NGO/CBO (community based organisations) services became increasingly less cost effective with growing private sector services providers.	3
Cofinancier(s)	OFID (OPEC Fund for International Development) co-funded both the initial IFAD project and the Twin project by covering the costs of the Rural Infrastructure component. IFAD administrative arrangements were respected. OFID loan administration has been timely and efficient. No further information is provided in the PCR.	5
<b>Combined Partner Performance</b>	Partners appear to have worked well together, in particular IFAD and GoR, given the main thrust of the project which was to strengthen participatory development process as crucial element for the successful reintegration and reconstruction of the rural society.	
<b>Rural Poverty Impact</b>		
Household Income and Net Assets	The project has had an important impact on incomes and assets. Access to roads, water (for domestic use and livestock), and public infrastructure in general have made a difference in the livelihoods of the rural populations. Living conditions, incomes, trade and investments have generally increased. The project's impact on the availability of rural financial services has been moderate. Nevertheless, it could be observed that credits and borrowing in general was increasingly used to finance investments rather than consumption which can be seen as a positive move. Despite the lack of figures, the project's felt impact on incomes and assets is considered moderately satisfactory. On the negative side, many poor farmers are still operating on low margins and remain vulnerable to external shocks.	4
Natural Resources and Environment	The Environmental Impact Assessment indicates the project's failure to implement damage mitigation measures. Its impact on the sustainable management of the fragile resource base is therefore qualified as minor.	3
Human, Social Capital and Empowerment	The project has had its strongest impact by strengthening the social capital and social cohesion of the target group. Rural populations and women in particular were empowered through institutional development activities based on participation, partnership and gender balance. A crucial area has been access to water for domestic use and livestock rearing, including the capacity of the beneficiaries to manage access to water resources themselves. Also, beneficiaries, including women, have benefited from literacy training and training in health and sanitation which has had a positive impact on the human capital in general, the beneficiaries' quality of life, their capacity to work and to generate an income. Semi-labor based constructions methods were used on feeder roads to maximize the transfer of skills. Also, project and micro-enterprise management skills were transferred systematically to community groups.	5
Ag. Productivity	The first priority of the project was to re-start the rural economy based on agriculture as a business. Despite rapid progress in re-launching the rural economy, prospects to develop a viable agriculture other than livestock are thin. As a result, many households still derive an inadequate income from farming activities. Nevertheless, the three districts covered by the project have become net exporters of food and dairy products to other regions of the country. Adaptive research and group-based extension was provided to support small-scale agriculture, forestry and livestock development.	4
Food Security	The project's impact on food security has been only moderately satisfactory. Despite a generally improved on-farm and off-farm income situation, many households still derive an inadequate income from farming activities and their food security is not ensured.	4
<b>Agricultural Productivity and Food Security</b>		4
Inst. & Policies	The project's support to the decentralization process and to the realization of the country's poverty reduction goals has been substantial. The project has had an important impact by kicking off the implementation of an institutional development process based on	4

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	participation, partnership and gender equity. Important and lasting results have been reached in the mobilization and conduct of economic and social development groups and organizations at the local level, based on mutual confidence and group cohesion. Moderate impact was achieved in capacitating the district officers responsible for local development planning and management.	
Markets	The project has had only a minor impact on markets through improved physical infrastructure (transportation and handling) and relevant training of producers.	3
<b>Project Impact</b>		<b>5</b>
<b>Overarching Factors</b>		
Innovation	The project has introduced two major innovations: (i) mobilization of rural finance through the creation of genuine savings & credit institutions; and (ii) targeted promotion of social cohesion while at the same time investing into rural economic growth to foster the peace and harmony (poverty being recognized as a source of conflict and violence).	5
Replicability and Scaling-up	The project's central thrust of promoting peace and social recovery through community mobilization based on sustainable income generation and hence, poverty reduction has been very successful and can be replicated in other post-conflict situations. Strong potential for replication and scaling up is also seen in the pumping of water uphill from high-yielding boreholes to supplement gravity systems. This technique was successfully tested by the project. Another approach worth replicating is the contracting of a retailer to operate shared public water points. This has enabled effective and continued provision of water.	5
<b>Innovation, Replicability and Scaling-up</b>		<b>5</b>
Sustainability and Ownership	Efforts have been made throughout the life of the project to strengthen the beneficiaries' capacity to manage their assets, with marked success in the critical area of water supply. The new confidence of rural producers and producers groups, particularly women, and their new acquired managerial skills of local services providers (GoR services and private contractors) are likely to be sustainable and to provide important benefits beyond those directly generated by the project. However, sustainability of the infrastructure provided has to be ensured. This concerns in particular investments into feed road constructions and rehabilitation works. GoR has a strong interest in maintaining the infrastructure provided. It can therefore be assumed that efforts will be made to ensure organizational and physical sustainability of community assets. However, doubts are raised regarding the capacity of district officers to manage the basic participatory management processes. The PCR states that sustainability of efforts made in the area of institution building and social solidarity need to be assessed at a later stage (2016).	4
Targeting	At appraisal, more than 95% of the population in the project area were classified as poor. As such, the project targeted the entire rural population, including smallholders, herders, mixed farmers, women, youth and child headed households. The project's targeting strategy was to implement a culture of community-based participation whilst putting in place basic economic and social infrastructure in support of economic revival in the aftermath of the genocide. The project's approach was built on maximum participation and social cohesion. Emphasis on public private partnerships was intended to build confidence within the small-scale private sector. The project failed however to implement a strategy to integrate the most vulnerable.	4
Gender	Women participation was strongly encourage in all community development activities, training & empowerment and economic development activities. Gender goals could be achieved by making gender an integral part of the planning and realization of all project activities, rather than making it a stand-alone goal.	5
<b>Overall Performance</b>		
Estimated number of beneficiaries	The target group which comprises 90% of the rural population of the 3 districts is generally classified as poor. In 1996, when the project was identified, some 250 000 people lived in the selected area. Since then, post-conflict returnees moved back to the area the rest of the Umutara province was added during the design of the Twin Project. In 2010, following further administrative restructuring, the populations of the project zone had increased to about 1 million.	
<b>PCR Quality</b>		
Scope	All aspects covered. Results of the PCR were discussed during the stakeholder workshop.	6
Quality	Well-structured and to the point, but short (main report has only 17 pages) given the lack of quantitative and qualitative information available. Despite the lack of data, it appears that slightly more detailed information about the project's outputs and impacts could have been given. Nevertheless, the reader gets a good feeling for the project's achievements, its strengths and weaknesses.	4
Lessons	The PCR identified 4 areas where important lessons have been learned: (i) project organization & management; (ii) targeting, incl. women participation; (iii) participatory development processes; and (iv) market-driven agriculture.	5

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Candour	The PCR is far more positive than the follow-up report prepared two years earlier. It is not entirely clear if performance could be substantially improved over the past 2 years or if the PCR looked at the projects' achievements from a different angle. The absence of data does not allow the reader to have an informed opinion on this. The triangulation with other sources of information seems to indicate that the PCR gives a slightly too positive picture of the project's achievements.	4