



CTB

Republic of Rwanda



**MINISTRY OF FINANCE AND
ECONOMIC PLANNING**

ANNUAL REPORT- STUDY AND EXPERTISE FUND 2014

**STUDIES AND CONSULTANCIES
SUPPORT PROGRAM
(RWA 1309111 PAREC)**

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Acronyms

BTC	Belgian Development Agency
EDPRS	Economic Development and Poverty Reduction Strategy
EmONC	Emergency, Obstetric and Neonatal Care
ESIA	Environment & social impact assessment
EWSA	Energy Water and Sanitation
JLCB	Joint Local Consultative Body
M&E	Monitoring and Evaluation
MINECOFIN	Ministry of Finance and Economic Planning
MININFRA	Ministry of Infrastructure
MoH	Ministry of Health
PO	Program Officer
RDB	Rwanda Development Board
REG	Rwanda Energy Group
RMH	Rwanda Military Hospital
RNRA	Rwanda National Resources Authority
RR	Resident representative
ToR	Terms of References
SA	Specific Agreement
SC/PSC	Steering Committee /Project Steering Committee
SLA	Service Level Agreement
WASAC	Water and Sanitation Corporation

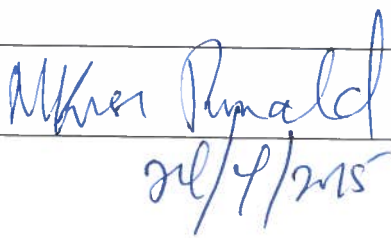
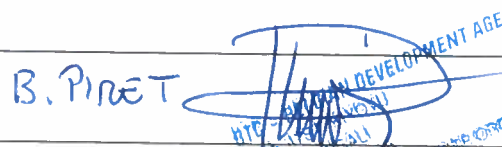

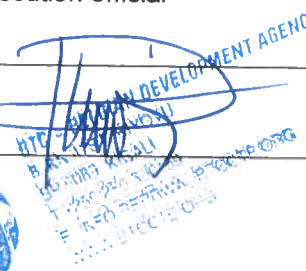
1 Intervention at a glance

1.1 Intervention form

Intervention name	Studies and Consultancies Support Program
Intervention Code	RWA 1309111
Location	Kigali
Budget	2,444,936 Euros
Partner Institution	MINECOFIN
Date of Specific Agreement	28/10/2010
End date Specific Agreement	27/10/2015
Objective	Providing funds to implement studies and consultancies in support of the bilateral cooperation program and of the Paris Declaration

1.2 Budget execution

Total Budget	Expenditure year N	Balance	Total Disbursement rate
2,444,936 Euros	- 16,566.33 ¹	1,564,591.19 ²	36%

National execution official	BTC execution official
 28/4/2015	 B. PIRET  

¹ The negative expenditure amount resulted from the reimbursement of 80.916,06 USD (equivalent to 57.010,72 Euros) by AFD (Agence Française de Développement), who wished to contribute to the financing of study ESIA Karisimbi. The actual expenditures in 2014 amount to 40.444,39 Euros

² At the time of drafting this annual report, this balance is almost entirely committed

2 Context

2.1 General context

In 2014 the public sector in Rwanda underwent a reform which was still ongoing at the end of the year. Energy sector, which was the beneficiary of most of activities of the 2014 study fund operational plan, underwent a fundamental reform which left the former EWSA split into two holdings notably the Rwanda Energy Group (REG) and the Water and Sanitation Corporation (WASAC). Due to these reforms some activities were delayed and payments postponed.

The new law on public procurement requires procuring entities to get a legal advice from the ministry of justice before signing a contract above 500 million Rwandan francs. The application of this legal provision on the National Forest Inventory study, funded under PAREC, delayed somehow the implementation of this study without causing a real problem.

2.2 Management context: execution modalities

The study fund is jointly managed by the Ministry of Finance and Economic Planning (MINECOFIN) and BTC. At the decision making level, the steering committee is composed of the BTC Resident representative and the Head of the External Finance Unit (EFU) of MINECOFIN. Contrary to other interventions, at the operational level the study fund does not have a project management unit. A secretariat is composed of a staff of EFU of MINECOFIN and a BTC PO with following responsibilities:

- Daily management of the study funds
- Financial management of approved studies
- Secretariat of the steering committee

It is noteworthy to mention that the role of the secretariat as listed above is the same as the one of a standard project management unit which is solely recruited for the benefit of the project, while in the case of the study fund, the secretariat accomplishes its roles as secondary responsibilities in addition to other key priorities assigned to them by their respective employers.

2.3 Harmo-context

The study fund focuses mainly on priority sectors of the Rwanda Belgium cooperation namely Health, Energy and Decentralization. All the requests received and approved in 2014 were from these priority sectors. Out of a total amount of 1.473.136,36 Euros committed (approved) by the Steering committee, 882.026,91 Euros were allocated to the Energy sector while 591,109.45 Euros were allocated to Health sectors. There was no request from the decentralization sector.

Studies financed by the study fund are aligned with the Rwandan government strategies, for not only the requests come from Rwandan public institutions through Permanent Secretary of the line Ministry, but also the Ministry in charge of economic planning scrutinize the requests before approval to ensure their alignment with EDPRS II, Vision 2020 and sectors policies and strategies.

The process to approve request for funds includes assessment of level of ownership by beneficiary institutions as well as sustainability aspects in terms of use of findings and other deliverables of the study.

It is in this regards that it was decided to implement the EmONC needs assessment through execution agreement to allow the Ministry of Health to fully pilot the study and ensure ownership of the activity and use of results.

For other studies that do not use execution agreement as implementation modality, the beneficiary institutions still remain the pilot for both the tendering process and the contract management, while the role of BTC and MINECOFIN is limited to providing funds and ensuring proper financial and procurement management. Yet sustainability needs to be reinforced.

3 Analysis of progress made

3.1 Studies

3.1.1 Progress of studies

Progress of studies ³	A	B	C	D	Comments (only if the value is C or D)
1) Lake Kivu Biological baseline	X				
2) EWSA Procedure manual			X		The activity was delayed due to the reform in EWSA.
3) Environmental and social impact assessment KARISIMBI & KINIGI	X				
4) six films on energy for the museum of environment in Karongi	X				
5) Study Smart Subsidies Private Sector investment in energy				X	The activity was cancelled
6) National Forest inventory		X			
7) The feasibility and business study for a super-specialty hospital (RMH)		X			An evaluation of the acceptability of this study was done, so that the formal request can be launched in 2015
8) EmONC Needs assessment		X			
9) In-depth needs assessment on Medical equipment procurement and maintenance system			X		Slow procurement process

³ A: Ahead of schedule
 B: On schedule
 C: Delayed, corrective measures are required.
 D: Seriously delayed (more than 6 months). Substantial corrective measures are required.

3.1.2 Analysis of studies completed

Two studies were completed during the reporting period:

Title of study:	Environmental and social impact assessment KARISIMBI & KINIGI
<i>Describe, in a few sentences, for who the study was organized, and what it was about</i>	<p>The goal of the ESIA procedure is to evaluate the temporary and permanent impacts of the drilling phase on the physical, biological and human environment.</p> <p>This ESIA has three objectives:</p> <ul style="list-style-type: none"> to help EWSA to design a project which respects the environment and populations by jointly defining activities and measures which need to be implemented in order to improve the environmental and social quality of the project, to allow stakeholders to be informed and participate in project design. to inform Rwandan Development Board (RDB)'s decision-making process by verifying the social and environmental viability of projects.
<i>Have the studies been used as intended?</i>	Yes. The survey was conducted in accordance with the provisions of the terms of references
<i>To what did the study contribute?</i>	The study allowed the implementation of the exploration drillings in Karisimbi
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	Drillings have started before the completion of the ESIA, leading to the risk of AFD refusing to disburse its contribution to the ESIA (35%). After negotiations, AFD agreed to pay its share of the study.

Title of study:	Six films on energy for the museum of environment of Karongi
<i>Describe, in a few sentences, for who the study was organized, and what it was about</i>	To produce six educational films on energy for the national museum of environment of Rwanda that were supposed to be projected in the new museum in Karongi.
<i>Have the studies been used as intended?</i>	The new museum had not yet opened at the end of 2014 and the films will be used in the museum once will be opened to public in 2015
<i>To what did the study contribute?</i>	The study was supposed to contribute on the awareness on the efficient use of energy and this will happen from the moment that the museum will be opened and the films will be projected.
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	The delay of the opening of the museum has influenced negatively the result of the activity that it is postponed.

3.2 Expertise

In 2014, no expertise activity was implemented.

3.3 Budget execution

The execution rate by December 31st 2014 is 36% (See annex 5.1.).

An additional tranche of 890.000 EUR from the ICP was released in December 2014 in order to allow MINECOFIN & BTC to commit new studies during the SC meeting of March 2015.

A final balance of 710.000 EUR remains available in the ICP for disbursement in 2015.

Quality criteria

Relevance: The degree to which studies and expertise are in line with local and national priorities

Efficiency: Degree to which studies and expertise have been executed on time and on budget.

Effectiveness: Degree to which studies and expertise actually contribute to their intended objectives

Criteria	Score
Relevance	A
Efficiency	B
Effectiveness	B

3.4 Risk management

Risk Identification			Risk analysis			Risk Treatment			Follow-up of risks		
Description of Risk	Period of identification	Risk category	Probability	Potential Impact	TOTAL ⁴	Action(s)	Resp.	Dead line	Progress	Status	
Delays in the implementation of the studies and expertise funded by PAREC	Results Delivery	Efficiency	High	Medium	C	To be in closer contact with the beneficiaries of the studies and expertise in order to identify in advance the reasons for delays and to find solutions when possible	Project secretariat	Recurrent	REG, RNRA and MoH contacted by PO BTC	On Track	
Legal issues and delays in completing certain activities, due to a lack of manpower in PAREC	Results Delivery	Efficiency	High	High	D	To discuss the possibility of having a part time employee responsible for PAREC with MINECOFIN and the Belgian Embassy	BTC Representation	31-mars-14	The steering committee of November 5 th 2014 agreed that funds from PAREC may be used through an SLA to provide BTC the needed resources to properly manage the individual the project.	On Track	
Delays of completion of EWSA Procedures Manual and possible additional cost due to change in scope resulting from restructuring of EWSA	Results Delivery	Efficiency	Issue	Medium	C	Review ToRs for technical specification of the consultant and analyze the financial implication Analyze report from the DDG Corporate services on the new scope and financial implication and possibly submit a the exception report for a change request to the BTC and MINECOFIN (PSC)	Procurement Unit REG PAREC Secretariat	31-juil-14 15-aout-14	NO to resume the contract granted by BTC Request for signing addendum sent to BTC and MINECOFIN, Addendum signed	Completed Completed	

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Potential impact	High	B	C	D
	Medium	A	B	C
	Low	A	A	B
		Low	Medium	High
Probability				

4 Steering and Learning

4.1 Recommendations

An auto-evaluation of the implementation performance of the study fund was made by the steering committee in November and December 2014, leading to the following recommendations:

Gaps (In the Specific agreement and procedure manual)	Proposed solutions
Not enough flexibility as all activities need to be awarded through a procurement process, leaving no room for execution agreement.	<ol style="list-style-type: none"> 1. Allow the principle of the use of the execution agreement modality between a government institution and BTC for implementing studies 2. Allow the principle of the possibility for BTC to recruit an expert under a BTC employment contract to implement an expertise request, upon request from the beneficiary institution and after approval of MINECOFIN
No mention about post-intervention sustainability follow-up	<ol style="list-style-type: none"> 1. Add in the scope of the fund activities linked to analysis or improvement of post-intervention sustainability and maintenance of project investments 2. Add in the SA the principle of the transfer of the budget balances of closed projects to the study fund
Not clear enough about the responsibilities of BTC and the management modality	For each study and expertise request, the request will specify the systems and responsibilities to be used to manage the request
Does not provide BTC the needed resources to properly manage the individual requests and the project at large	Joint management of the fund and of the requests by BTC will be financed through the study fund based on a service level agreement between the fund and the BTC Representation and the production of a monthly time sheet to be approved by chair and co-chair

These recommendations have been approved by the steering committee and the partner committee of December 2014 (CPPR). They will be incorporated in the new specific agreement and technical and financial file to be signed in 2015.

4.2 Lessons Learned

Lessons learned	Target audience
Inclusion of the use of findings / deliverables of the study in the ToR and Budget, can contribute to the sustainability of the intervention	Beneficiary institution, BTC and MINECOFIN

5 Annexes

5.1 "Budget versus current (y - m)" Report

Budget vs Actuals (Year to Month, Last 5 Years) of RWA1309111

Project Title : PAREC

Budget Version : F1

Currency : EUR

YTM :

Year to month : 31/01/2015

Report includes all closed transactions until the end date of the chosen closing

	Status	Fin Moce	Amount	Start to 2011	2012	2013	2014	Expenses	Total	Balance	% Exec	
A BALANCE FOR NEW STUDIES AND EXPERTISE												
01 balance for new studies and expertise												
01		REGIE	480,491.00	0.00	0.00	898,911.14	-16,598.33	0.00	0.00	880,348.59	1,564,587.41	38%
02		COGES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	480,491.00	0.00	0%
02 ALLOCATED FUNDS												
01		COGES	1,979,245.00	0.00	0.00	894,003.31	-17,959.02	0.00	0.00	876,044.29	1,103,200.71	44%
02		COGES	17,311.00	0.00	0.00	17,213.49	0.00	0.00	0.00	17,213.49	97.51	99%
03		COGES	9,060.00	0.00	0.00	9,014.20	0.00	0.00	0.00	9,014.20	45.80	99%
04		COGES	56,250.00	0.00	0.00	58,228.51	0.00	0.00	0.00	58,228.51	21.49	100%
05		COGES	43,364.00	0.00	0.00	51,887.68	0.00	0.00	0.00	51,887.68	-8,503.68	120%
06		COGES	93,000.00	0.00	0.00	58,519.02	0.00	0.00	0.00	58,519.02	-4,480.98	93%
07		COGES	62,000.00	0.00	0.00	48,787.43	0.00	0.00	0.00	48,787.43	11,212.57	81%
08		COGES	82,000.00	0.00	0.00	81,428.81	0.00	0.00	0.00	81,428.81	570.19	99%
09		COGES	96,000.00	0.00	0.00	57,574.59	0.00	0.00	0.00	57,574.59	38,425.41	60%
10		COGES	287,400.00	0.00	0.00	215,917.90	28,820.75	0.00	0.00	244,738.65	-42,661.35	85%
11		COGES	53,000.00	0.00	0.00	48,904.93	2,423.27	0.00	0.00	51,328.20	1,671.80	97%
12		COGES	50,000.00	0.00	0.00	48,830.83	0.00	0.00	0.00	48,830.83	3,369.17	93%
13		COGES	70,000.00	0.00	0.00	66,272.14	0.00	0.00	0.00	66,272.14	3,727.86	95%
14		COGES	128,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	128,500.00	0%
15		COGES	33,500.00	0.00	0.00	153,842.80	-49,203.04	0.00	0.00	104,439.76	82,120.24	56%
REGIE												
COGEST												
TOTAL												
			2,444,938.00	0.00	0.00	898,911.14	-16,598.33	0.00	0.00	880,348.59	1,564,587.41	38%



Budget vs Actuals (Year to Month, Last 5 Years) of RWA1309111 Printed on: Friday 27 February 2015

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Budget vs Actuals (Year to Month, Last 5 Years) of RWA1309111

Project Title : PAREC

Budget Version : F1
 Currency : EUR
 YTM :

Year to month : 31/01/2015

Report includes all closed transactions until the end date of the chosen closing

	Status	Fin Mode	Amount	Start to					Expenses		Balance	% Exec
				2011	2012	2013	2014	Total	%			
15 THE EXECUTION OF FORESTRY			784.300,00	0,00	0,00	0,00	0,00	0,00	0,00	784.300,00	0%	
03 IMPREVUS		COGES	5.200,00	0,00	0,00	2.907,83	1.392,69	0,00	3,78	4.304,50	83%	
01 FRAIS ADMINISTRATIFS ET FINANCIERS		COGES	200,00	0,00	0,00	54,49	27,58	0,00	3,78	114,17	43%	
02 AUTRES FRAIS		COGES	5.000,00	0,00	0,00	2.853,34	1.365,13	0,00	0,00	781,53	84%	
99 Conversion rate adjustment			0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	7%	
99 Conversion rate adjustment			0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	7%	
		REGIE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	7%	
		COGEST	2.444.936,00	0,00	0,00	898.911,14	-18.586,33	0,00	3,78	880.348,59	38%	
		TOTAL	2.444.936,00	0,00	0,00	898.911,14	-18.586,33	0,00	3,78	880.348,59	38%	

Budget vs Actuals (Year to Month, Last 5 Years) of RWA1309111 Printed on vrijdag 27 februari 2015

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5.2 Decisions taken by the JLCB and follow-up

Decision taken		Decision taken				Action		Follow-up	
Decision taken	Date of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status
Decision 1: For the sake of getting the requesting institutions own more the study and its process, MINECOFIN and BTC will no longer put their signatures on the contracts. They will give a separate non objection before the signature of the contract	31-oct.-13	31-oct.-13	PMU	BTC RR and MINECOFIN	Include this provisions in the funds request approval note	Secretariat of PAREC	15/01/2014	Done for new studies	On Track
Decision 2: The steering committee requests the secretariat of PAREC to contact the beneficiaries and clarify the situation of the 3 studies ("Geothermal Expert Advisory Committee" – EWASA, "Study of the Rwanda Military Hospital for Safety, Health and environment programs" – RMH and the study for "Smart Subsidy to the Private Sector for Green Energy" – MININFRA) not yet started. The secretariat must also contact EWASA to clarify what will happen to the study of "EWASA's Procedure Manuel which seems irrelevant after the split of EWASA.	31-oct.-13	Before next PSC	SC	Secretariat of PAREC	To contact EWASA, RMH and MININFRA to clarify the situation	Secretariat of PAREC	Before next steering committee	The three institutions have been contacted. The issues have been clarified. The institutions are going to write to clarify their decision.	On Track

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Decision taken							Action			Follow-up	
Decision taken	Date of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status		
Decision 3: It is approved that every time that the contract for a study or activity is signed, the amount of the budget of that study or activity can be replaced by the real amount of the contract.	31-oct.-13		SC		Regularly update the budget for each study	Secretariat	recurrent	Done	On Track		
Decision 4: MINECOFIN will consult with line Ministries to gather their request for studies, including TOR. MINECOFIN will then submit a priority list to BTC and Embassy of Belgium.	31-oct.-13		SC	Tom Butera	To collect and send the information to BTC to be discussed in the next steering committee	Tom Butera	Before next steering committee	A first list has been received. Tom has requested more details	On Track		
Decision 5: BTC will present for approval, a written proposal with details on how the fund managed in own management could work.	31-oct.-13				BTC will present for approval, a written proposal with details on how the fund managed in own management could work.	Benoit	Before next steering committee	A draft of a new Specific agreement is in preparation	On Track		
Decision 6: The steering Committee approve the request to finance Institutional Review of MINIFRA	05-11-2014				MINECOFIN will send a formal communication to MINIFRA after no objection from Belgium Embassy and start procurement process	Tom Butera		Tendering process ongoing	On track		

Decision taken				Action			Follow-up		
Decision taken	Date of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status
Decision 7: The steering committee approves the feasibility and business study for a super-specialty hospital (RMH), on the condition that the request is officially transferred to MINECOFIN by the line ministry	05-11-2014	None	SC		ToR for feasibility and business plan study to be fine-tuned, through a framework contract financed by the Belgium funded project RWA0806611 Minisante4	Dr Vincent Tihon	None	Meeting with the Director of Rwanda military hospital and BTC PO and Co-manager of MS 4. Tender ready to be launched.	Ongoing
					Architectural design will be conducted only after completion and conclusive feasibility and business plan study	PAREC Secretariat	None	Depend on action above	Not yet due
					BTC was tasked for following-up the revision of the ToRs, in collaboration with RMH	BTC PO	None	Meeting with the Director of Rwanda military hospital and BTC PO and Co-manager of MS 4	Ongoing
Decision 8: The steering committee approves the request for EmONC Needs assessment from MoH, under the condition of implementation through an execution agreement between the study fund (BTC and MINECOFIN) and SPIU/MoH	05-11-2014	None	SC		MINICOFIN will consult with MoH to confirm if the execution agreement is the best implementation modality.	Chair/Ronald Nkusi	11th November 2014	Use of execution agreement approved in the follow-up meeting held on 8 th December 2014. ToR and documents are in the signing process and the tendering process started.	On track

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Decision taken				Action				Follow-up	
Decision taken	Date of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status
Decision 9: The steering committee rejects a request for funding a study for EWSA reform because it does not respect PAREC procedures (contract already signed with KPMG at the time of the request), possible conflict with public procurement law principle with regards to single sourcing and possible overlap with previous study assigned to KPMG.	05-11-2014		SC		Inform EWSA about this decision	Chair / Ronald Nkusi		EWSA informed about the decision	Completed
Decision 10: The steering committee approves a request for funding the in-depth needs assessment on Medical equipment procurement and maintenance system	05-11-2014		SC		Send a formal communication to MoH after a no objection from the Belgium Embassy	Chair / Ronald Nkusi		Formal letter sent to MoH, the study is ongoing.	On track
Decision 11: The steering committee decides to allow the principle of the use of the execution agreement modality between a government institution and BTC for implementing studies	08 th December 2014		SC						
Decision 12: The steering committee decides to allow the principle of the possibility for BTC to recruit an expert under a BTC employment contract to implement an expertise request, upon request from the beneficiary institution and after approval of MINECOFIN	08 th December 2014		SC						

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Decision taken				Action			Follow-up		
Decision taken	Date of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status
Decision 13: The steering committee decides to add in the scope of the fund activities linked to analysis or improvement of post-intervention sustainability and maintenance of project investments	08th December 2014		SC						
Decision 14: The steering committee decides to add in the SA the principle of the transfer of the budget balances of closed projects to the study fund	08th December 2014		SC						
Decision 15: The steering committee decides that for each study and expertise, the request will specify the systems and responsibilities to be used to manage the request	08th December 2014		SC						
Decision 16: The steering committee decides that joint management of the fund and of the requests by BTC will be financed through the study fund based on a service level agreement between the fund and the BTC	08th December 2014		SC		Representation and the production of a monthly time sheet to be approved by chair and co-chair	PAREC Secretariat	Recurrent		Not yet due

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