

REPUBLIC OF RWANDA

Kigali, 11 NOV 2014
N° 1090/MS.D/014



MINISTRY OF INFRASTRUCTURE
P.O Box 24 KIGALI

The Permanent Secretary
Ministry of Finance and Economic Planning
KIGALI

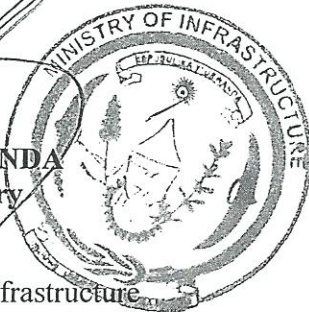
Dear Madam,

Re: WATSAN Forward-Looking Joint Sector Review Documents

Following the Forward-Looking Joint Sector Review meeting that was held on 30th October 2014 at the Ministry of Infrastructure, I hereby wish to submit to you the WATSAN Forward-Looking Joint Sector Report and annexes for your consideration.

Yours Sincerely,


Christian RWAKUNDA
Permanent Secretary



Cc:
- Hon. Minister of Infrastructure
- Hon. Minister of State in charge of Transport
- Hon. Minister of State in charge of Energy and Water
- The Chief Representative/JICA Rwanda office
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Republic of Rwanda



Ministry of Infrastructure

WATSAN SECTOR

BACKWARD-LOOKING JOINT SECTOR REVIEW REPORT 2013/2014

October 2014

1. Introduction

During the fiscal 2013-2014, notable progress was made in WATSAN sector, especially with regard to increasing access and sector institutional reforms. The Energy, Water and Sanitation Authority was replaced by a transitional company Energy, Water and Sanitation Limited, which was subsequently divided into two companies i.e. Rwanda Energy Group (REG) and the Water and Sanitation Corporation (WASAC).

The Water and Sanitation Sector Secretariat was also established and a Coordinator was appointed. This initiative will enable improved coordination among all the stakeholders in the Water and Sanitation Sector.

The coverage of improved water supply and sanitation in Rwanda is estimated at 75.7% (Source: MIS, 2014) and 74.5% (Source: EICV 3).

2. Progress in achieving sector objectives

The following section describes the main achievements within the WATSAN Sector supported by the Government of Rwanda as well as development partners:

- **Access to clean drinking water**
 - Construction of 548 Km of new water supply system in rural areas
 - Construction of 347 km of new water supply system in urban areas
 - Rehabilitation of 119 Km of existing water supply system
 - 590,548 new people were supplied with clean drinking water
 - 41,153,620 m³ volume of water were produced which represent an increase of 10.9% of water production from last year production
 - 4 mobile water treatment plant with a capacity of producing 2,000 m³/day each was installed in Bugesera, Nyanza, Nyagatare and Rwamagana
 - Training modules (themes or topics) as well as model contract were elaborated for a better Operation and Maintenance of rural water supply systems
 - Training of trainers were conducted regarding M&E, PPP Contract and Tender document, assets management in rural water supply systems, service quality, cost recovery and O&M for rural water supply system

- **Access to improved sanitations facilities**
 - 3,790 improved household latrines (benefitting over 16,000 people) were constructed for vulnerable families. In addition, over 40,000 people gained access to improved sanitation facility on self-help basis.
 - 151 blocks of public latrines were constructed at school and health centers
 - 13 incinerators were constructed in health centers
 - Over 5 million people were reached with messages on safe hygiene practices through community outreach activities and mass media
 - More than 27,000 refugees living in camps were provided emergency WASH services. In addition, 5,700 returnees were provided emergency WASH assistance.

- **Studies**
 - The Contract to conduct Nyabarongo Upstream catchment water supply master plan has been awarded, the study has started and will be completed in the 2014-2015 fiscal year
 - The Consultant has started the engineering design for the Kigali centralized sewerage system covering Nyarugenge Districts, the study is at 70% of progress and is planned to be completed by December 2015. For the two other Districts in Kigali City (i.e. Kicukiro and Gasabo), the procurement process is ongoing to select a Consultant who will also carry out the same assignment.



- Finally, the procurement process is also ongoing to select a Consultant who will conduct a Sanitation Master Plan study for the Districts of Huye, Muhanga and Rwamagana.

3. Priority Budget execution performance

During the 2013-2014 fiscal year, the WATSAN Sector was allocated funds from the Ministry of Finance and Economic Planning (MINECOFIN) as follows: (i) Domestic funding = Rwf 7,599,348,895 and (ii) External funding = Rwf 14,900,658,000. This makes the total allocation for the fiscal year Rwf 22,500,006,895.

Of the total budgeted allocation (external + domestic) of Rwf 22,500,006,895, an amount of Rwf 14,757,093,363, i.e. 65.58 %, was disbursed. For the domestic funding, Rwf 5,860,987,671 (84.3%) were disbursed while Rwf 8,896,195,692, representing 60%, were disbursed against the allocation for external financing. A detailed budget execution report is annexed to this report.

4. Recommendations of the previous JSR

- Within the framework of strengthening and improving the Sector Coordination, the previous JSR recommended the recruitment of the Coordinator of the WATSAN Sector Working group Secretariat. The Coordinator was recruited with the support of JICA and started his duties in September 2014.
- Another recommendations was the involvement of private sector within the sector. In this context, two major projects have been identified to interest potential investors. These include Kigali Bulk Water (Kanzenze) and Mutobo projects. For Kigali Bulk Water (Kanzenze Project), technical and financial evaluation has been completed to select the potential investor who will invest his resources to implement the project. For Mutobo project, the Government, through the Ministry of Infrastructure and the Water and Sanitation Corporation (WASAC), is in discussion who potential investor who have shown their interest in implementing the project.

5. Analytical work

The following studies are being conducted within the WATAN Sector:

- Study to harmonize WASH concept and standards
- Study to establish guidelines to implement large scale water supply project
- Nyabarongo Upstream catchment water supply master plan



- Engineering design for the Kigali centralized sewerage system covering Nyarugenge Districts.

There are also some other studies that are in pipelines, those are:

- Engineering design for the centralized sewerage system covering Gasabo and Kicukiro Districts
- Sanitation Master Plan for the Districts of Huye, Muhanga and Rwamagana.
- Updating of the National Policy and Strategy for Water Supply and Sanitation Services.
- Assessment of supply chain for rural sanitation


6. 2015/2016 Priority areas

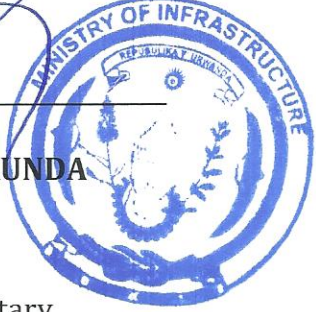
For the fiscal year 2015/2016, the following priority areas have been identified, considering the priority actions for the EDPRS 2 Core Indicators and the Sector Indicator Matrix for WATSAN sector:

1. Increase access to improved water supply in urban and rural areas through construction of new water supply systems, rehabilitation of nonfunctional water systems and increase in water production
2. Improve operation, maintenance and sustainability of water supply systems in urban and rural areas through training on O&M, especially for private operators in rural areas; development of bench marks and operationalization of framework for performance monitoring of private operators; review of water tariffs and reduction of non-revenue water
3. Improve access to improved sanitation by promoting construction of improved household latrines as well as construction of public sanitation facilities including solid waste landfills and fecal sludge treatment plants
4. Strengthen policy and institutional framework for the sector including implementation of WASAC Sector reforms and updating of the National Policy for Water Supply and Sanitation Services
5. Improve the coordination among the stakeholders of the WATSAN sector with the facilitative support from its secretariat, and move forward to establish the full-scale SWAP framework in the sector.



Signed by the Chair and Co-Chair of the Water Supply and Sanitation Sector working group.





Christian RWAKUNDA
Chair of the SWG
Permanent Secretary
Ministry of Infrastructure





Takahiro MORIYA
Co-Chair of the SWG
Chief Representative
JICA Rwanda Office

Annex 1 EDPRS 2 Core Indicators Matrix

| No. | EDPRS OUTCOME | INDICATORS | UNIT | BASELINE (2012) VALUE | 2013/14 Targets | Actual Performance | Policy Actions | Brief Narrative Progress against Policy Actions | Responsibility for Reporting |
|--------------------------------|--|---|---|--|---|--------------------|--|---|---|
| ECONOMIC TRANSFORMATION | | | | | | | | | |
| 1 | Increased electricity generation capacity | 1. Electricity generated | Mega Watts | 110 | 86.7 MW | | 1. Complete Construction of key generation project: <ul style="list-style-type: none"> - 6 Micro Hydro plants and RUKARARA II (6.2 MW), - Gole (4MW), - Nyabarongo I & II (28MW), - KIVUMATT (25 MW), GIGAWATT (8.5 MW), - Gishoma Beat (1.5 MW) | | Energy |
| 2 | Accelerated growth exports | 2. Exports to GDP (Value of exports goods and services) | Percent (Value \$US\$) | 14.9 (1029.9) | 16.2 (\$1,277m) | | 1. Develop and approve Market entry sustainability plan of all accessed markets including Congo-Brazza, Gabon and Turkey. 2. Establish Export Councils in identified sectors as a channel through which government and industry interact and collaborate towards the formulation of an export 'vision' for the sector | | Private Sector and Youth Employment |
| 3 | Increased private sector investment and financing | 3. FDI/ GDP 4. Private investment/ GDP 5. Credit to the private sector/ GDP | Percent (Value \$US\$) Percent (Value \$US\$) Percent | 2.3 (1.60) 10 (693.5) 15.6 | 2.6% (\$204m) 11.0% (\$844m) 17.6 | | 1. Revise the investment code 2. Establish system for Key Account Managers (KAM) to feed into a structured investor aftercare team and customer relationship management system within RDB. 1. Undertake review of business environment and regulations for micro informal enterprises. 2. Continue to develop Kigali SFZ. 1. Stimulate credit to the private sector through Macro-Economic policy. 2. Develop financial institutional capacity in SME lending. | | Private Sector and Youth Employment Financial Sector |
| 4 | Managed increase in urbanization through development of secondary cities and Kigali City | 6. Population living in urban areas (Secondary cities, Kigali City) | Percent | To be covered by census | To be informed by census | | 1. Conduct study to develop a package of strategic investment for secondary cities to trigger growth of urbanization. 2. Thirty (30) ha of Land acquired and serviced for 2,500 affordable housing units 1. Upgrade 136 km of unpaved National roads into paved roads 2. Periodic maintenance of 334 km of unpaved National roads | | Urbanization and rural settlements |
| RURAL DEVELOPMENT | | | | | | | | | |
| 5 | Increased graduation from extreme poverty | 8. Category 1 or 2 beneficiary households who move to Category 3 to 6 | Percent | 9.8 | 25% | | 1. Implement 234 projects and support 85,000 beneficiaries for public works, 57,000 HH for direct support and 58,500 beneficiaries for financial services. 2. Revise the Ubudehe categories to support better targeting, monitoring and graduation 1. Produce policy paper, training modules and Teaching materials for Water Use Organizations and Cooperatives 2. Develop 3500 Ha of Marshland and 1908 Ha of hillside irrigation schemes. | | Social Protection Agriculture |
| 6 | Increased productivity and sustainability of agriculture | 9. Aven under irrigation(Marshland & Hillside) | Ha | 27,796 being baseline as per June 2013 | 33,204 | | 1. Elaboration of layout plans for all villages, sensitization and mobilization of rural population on rural settlement programs. | | Urbanization and Rural Settlement |
| 7 | Enhanced rural settlements that facilitate access to basic services | 10. Rural households living in planned (integrated & economically viable) settlements | Percent | 37.5 | 43 | | 1. Electricity connections increased by 90,000 2. Extend the scope of the electrification program to enterprises include connections of small and medium enterprises | | Energy |
| 8 | Increased access to basic infrastructure for households and enterprises | 11. Households with access to electricity | Percent | 18 (17 on grid, 1 Off-grid) | 25 (20 on grid, 5 off-grid) | | | | Energy |

| | | | | | | | |
|--|---|--------------|--------------------|--|--|---|---------------------------------|
| 15] Improved education quality and learning outcomes across all levels of education | 21. Pupil-qualified teacher (Primary) | Ratio | *62:1 | *58:1 | | 1. Develop school curriculum regionally harmonized | Education |
| | 22. Pupil-qualified teacher (Secondary) | Ratio | *32:1 | *32:1 | | 2. Train 1475 teachers in new curriculum 1. Develop school curriculum regionally harmonized 2. Train 546 lower secondary and 489 upper secondary teachers in new curriculum. | Education |
| 16] Reduced Maternal Mortality | 23. Births taking place in health facilities (HC+Dh) | % | 66 (2012) | 69 | | 1. Training of ASM in Community Maternal Neonatal Health Package in 30 districts 2. 1st annual confidential survey of maternal, neonatal and child death. | Health |
| | | | | | | 1. To equip all public health facilities with at least two IUCDs kits | Health |
| 17] Increased use of modern contraceptives | 24. Contraceptive prevalence among married women 15-49 years | Percent | 45 (2011) | 57 | | | Health |
| 18] Enhanced rule of law, accountability and business competitiveness environment | 25. Adult population with confidence in the control of corruption, transparency and accountability | Percent | 77.1 (2012) | At least 80% of embelized recoverable microfinance institutions' funds recovered | | 1. Review legal framework for prosecuting those who cause loss to government and streamline the collaboration mechanism between stakeholders 2. Recover funds and prepare periodic report on state funds recovery | JRLOS |
| 19] Increased use of modern payment systems | 26. Payment transactions done electronically | Percent | 41.5 | 50 | | 1. Sensitize and deliver trainings to taxpayers on using e-tax services. 2. Introduce mobile declaration and payment of taxes (using mobile phones) | Financial |
| 20] Improved resource base | 27. Tax revenue(GDP (Revenue collected) | Percent (Rw) | 13.6/ Rwf 641.2 bn | Rwf 709.2 bn | | 1. Expand usage of electronic billing machines (EBM) for efficient administration of VAT. 2. Strengthen enforcement operations of collectable tax arrears. | PFM |
| 21] Increased effectiveness of delivery of District Development Targets | 28. Districts achieving a minimum of 80 % of their service delivery and sustainable local development targets | Percent | 75 | 77 | | 1. Conduct Leadership training for Sector's ESs and Districts Directors 2. Conduct an inspection on the implementation of Service Charters in LG, identify any potential gaps and formulate proper recommendations | Governance and Decentralization |
| 22] Reduction of capacity gaps across sectors in line with national development priorities | 29. Skill requirement levels available within priority sectors to deliver EDPRS 2 | Percent | 25 | 13,500 | | 13,500 Critical Skills Training Targets in priority sectors (Infrastructure, Agriculture, Natural Resources, Trade and Industry, ICT, Health, Education) | NCBS |

Annex 1.2 Sector Indicators Matrix (For the selected 10 sector indicators)

| No. | EDPRS/SECTOR OUTCOME | INDICATOR | UNIT | BASELINE (2012) | 2013/14 Targets | Actual Performance | Policy Actions | Brief Narrative Progress against Policy Actions | Responsibility for Reporting |
|---|----------------------|---|---------|-----------------|-----------------|--------------------|---|--|------------------------------------|
| ECONOMIC TRANSFORMATION | | | | | | | | | |
| RURAL DEVELOPMENT | | | | | | | | | |
| 1 | | % Population with access to a clean drinking water source | Percent | 74 | | 75.7 | New People supplied with safe drinking water increased by 533,688. Construct 440.25 kms in Rural area and 280 kms in urban area of pipe lines Upgrade 37 Kms of existing water pipelines in rural Volume of water production increased by 7% | 590,548 new people supplied with clean drinking water 548 Km of new water supply system constructed in Rural areas 347 k m of new water supply system constructed in Urban areas 119 Km of existing water supply system rehabilitated 41,060,213 m ³ of water were produced and the increase of water produced was 8% | WATSAN WATSAN WATSAN |
| | | % of households with improved access to safe and clean drinking water | | N.A. | | N.A. | | | WATSAN |
| | | % of fully functional water systems in urban/Rural areas | Percent | 47 | | N.A. | MIS update in progress | MIS update in progress | WATSAN |
| | | Number of public institutions with improved sanitation facilities | | N.A. | | N.A. | -construction of sanitation facilities in 60 schools -Conduct sanitation master plan Study for Muanze, Rubavu, Rusizi and Nyagatare District. | 3,790 domestic latrines were constructed for vulnerable families 151 blocks of public latrines were constructed at school and health centers 13 incinerators were constructed in health centers Over 5 million people were reached with messages on safe hygiene practices through community outreach activities and mass media | WATSAN |
| | | % of households with improved sanitation facilities | | N.A. | | N.A. | Conduct detailed engineering design study for Centralized sewerage for Gasabo and Kicukiro District | Procurement process has started | WATSAN |
| | | % of urban households with access to a centralized sewerage system | | N.A. | | N.A. | Construction of 3 solid waste modern landfill (Kayanza, Nyagatare and Nyanza) | project delayed due to procurement process | WATSAN |
| | | Number of functional Landfills | | N.A. | | N.A. | Construction of 4 Fecal sludge treatment plant (Kigali, Kayanza, Nyagatare and Nyanza) | project delayed due to procurement process | WATSAN |
| | | Number of fecal sludge treatment plants constructed in urban areas | | N.A. | | N.A. | | | WATSAN |
| PRODUCTIVITY AND YOUTH EMPLOYMENT | | | | | | | | | |
| ACCOUNTABLE GOVERNANCE | | | | | | | | | |
| FOUNDATIONAL AND CROSSCUTTING ISSUES | | | | | | | | | |

Annex 2.1 Execution Performance against Domestically Financed Budget

| | Initial budget approved | Reallocation | Revised with Reallocation | Treasury Commitment | Treasury Balances | Budget execution |
|---|-------------------------|--------------|---------------------------|---------------------|-------------------|------------------|
| 1814 WATER AND SANITATION | 7,599,348,895 | 0 | 6,949,096,046 | 5,880,987,671 | 1,046,164,361 | 84.3 |
| 181401 DRINKING WATER ACCESS | 7,293,348,895 | 849,817,661 | 6,893,531,234 | 5,805,422,859 | 1,046,164,361 | 84.2 |
| 18140101 NATIONAL RURAL WATER SUPPLY AND SANITATION PROGRAMME | 560,000,000 | 0 | 560,000,000 | 560,000,000 | 0 | 0 |
| 18140102 RURAL WATER SUPPLY AND SANITATION II (PRSC-PEAMER) | 1,526,326,536 | 541,120,099 | 2,067,446,635 | 1,994,855,032 | 72,591,603 | 0 |
| 18140103 WATER SANITATION AND HYGIENE | 60,000,000 | 0 | 60,000,000 | 60,000,000 | 0 | 0 |
| 18140104 Water Projects Implementation Support | 708,000,000 | 0 | 708,000,000 | 444,025,411 | 263,974,589 | 0 |
| 18140105 LAKE VICTORIA WATER SUPPLY AND SANITATION PROJECT PHASE II | 22,000,000 | 0 | 22,000,000 | 22,000,000 | 0 | 0 |
| 18140107 RURAL WATER SUPPLY EASTERN PROVINCE | 113,000,000 | 58,055,986 | 54,944,014 | 54,944,014 | 0 | 0 |
| 18140111 RULINDO CHALLENGE PROGRAMME | 212,000,000 | 375,000,000 | 587,000,000 | 565,113,004 | 21,886,996 | 0 |
| 18140112 OPTIMIZED PRODUCTION OF NYABARONGO GROUND WATER | 782,000,000 | -312,797,507 | 469,202,493 | 469,202,493 | 0 | 0 |
| 18140113 RURAL DRINKING WATER QUALITY CONTROL PROJECT | 463,051,988 | -218,322,592 | 244,729,396 | 220,817,580 | 23,911,816 | 0 |
| 18140116 Tax Expenditures for Water Projects | 755,022,359 | 0 | 755,022,359 | 201,812,106 | 553,210,253 | 0 |
| 18140114 RURAL WATER SUSTAINABILITY SUPPORT | 70,000,000 | | | | | |
| 18140118 EXPROPRIATION FOR WATSAN IN BUGESEERA-KARENJE AND OTHER | 175,000,000 | 75,000,000 | 250,000,000 | 173,851,628 | 76,148,372 | 0 |
| 18140174 WATER SUPPLY IN BUTARE ZEMBE PHASE | 530,000,000 | -200,000,000 | 330,000,000 | 295,559,268 | 34,440,732 | 0 |
| 18140175 STUDIES FOR CLEAN WATER SUPPLY IN 7 SECONDARY TOWNS: | 102,227,279 | 102,227,279 | 0 | 0 | 0 | 0 |
| 18140180 WATER SUPPLY MUTOBO-KIGALI (STUDY) | 246,948,012 | 58,055,986 | 188,892,026 | 146,948,012 | 0 | 0 |
| 18140184 IMPROVEMENT OF URBAN WATER SUPPLY | 967,772,721 | 371,478,410 | 596,294,311 | 596,294,311 | 0 | 0 |
| 181402 SANITATION ACCESS | 306,000,000 | 250,435,188 | 55,564,812 | 55,564,812 | 0 | 100.0 |
| 18140201 IMPROVEMENT OF SANITATION IN URBAN AREAS | 306,000,000 | 250,435,188 | 55,564,812 | 55,564,812 | 0 | 0 |

Reallocated to Subsidies (Fuel) end of April 2014

Annex 2.2 Execution Performance against Externally Financed Budget

| PROJECTS | Budget approved | Budget disbursed | Balance | Budget execution % |
|---|------------------------|-------------------------|----------------------|---------------------------|
| NATIONAL RURAL WATER SUPPLY AND SANITATION PROGRAMME (PNEAR) | 1,700,000,000 | 1,975,519,459 | (275,519,459) | 116% |
| WATER SANITATION AND HYGIENE | 4,420,000,000 | 1,227,757,087 | 3,192,242,913 | 28% |
| LAKE VICTORIA WATER SUPPLY AND SANITATION PROJECT PHASE II (LWVWATSAN II) | 3,999,000,000 | 1,648,422,816 | 2,350,577,184 | 41% |
| RURAL WATER SUPPLY EASTERN PROVINCE | 3,151,658,000 | 3,151,658,000 | - | 100% |
| RUUNDO CHALLENGE PROGRAMME | 1,130,000,000 | 662,450,000 | 467,550,000 | 59% |
| WATER SUPPLY IN BUTARE ZEME PHASE | 500,000,000 | 230,388,330 | 269,611,670 | 46% |
| TOTAL | 14,900,658,000 | 8,896,195,692 | 6,004,462,308 | 60% |

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