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Rwanda:
Evaluation of the AfDB Country Strategy and Program (2012-2021)
Summary Report

October 2021
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IDEV Country Strategy Evaluation, October 2021

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<td>AFAWA</td>
<td>Affirmative Finance Action for Women in Africa</td>
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<td>AfDB</td>
<td>African Development Bank Group</td>
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<tr>
<td>AHHD</td>
<td>Human Capital, Youth and Skills Development Department</td>
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<td>AHWS</td>
<td>Water and Sanitation Department</td>
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<tr>
<td>CORW</td>
<td>AfDB Rwanda Country Office</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<td>CSP</td>
<td>Country Strategy Paper</td>
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<td>CSPE</td>
<td>Country Strategy and Program Evaluation</td>
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<td>DoL</td>
<td>Division of Labor</td>
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<td>DP</td>
<td>Development Partner</td>
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<td>DPCG</td>
<td>Development Partner Coordination Group</td>
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<tr>
<td>ECCE</td>
<td>Country Economics Department</td>
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<tr>
<td>ECGF</td>
<td>Governance and Public Financial Management Coordination Office</td>
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<tr>
<td>EDCL</td>
<td>Energy Development Corporation Limited</td>
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<tr>
<td>EDPRS</td>
<td>Economic Development and Poverty Reduction Strategy</td>
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<td>EIRR</td>
<td>Economic Internal Rate of Return</td>
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<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
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<td>ESW</td>
<td>Economic and Sector Work</td>
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<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GoR</td>
<td>Government of Rwanda</td>
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<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
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<tr>
<td>IDEV</td>
<td>Independent Development Evaluation</td>
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<tr>
<td>IPR</td>
<td>Implementation Progress and Results Report</td>
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<td>LOC</td>
<td>Line of Credit</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<tr>
<td>MINECOFIN</td>
<td>Ministry of Finance and Economic and Planning</td>
</tr>
<tr>
<td>MININFRA</td>
<td>Ministry of Infrastructure</td>
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<tr>
<td>MSME</td>
<td>Micro, Small &amp; Medium Enterprise</td>
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<tr>
<td>MTR</td>
<td>Mid-Term Review</td>
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<tr>
<td>NISR</td>
<td>National Institute of Statistics of Rwanda</td>
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<td>NRW</td>
<td>Non-Revenue Water</td>
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<td>NST</td>
<td>National Strategy for Transformation</td>
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<tr>
<td>PAR</td>
<td>Project Appraisal Report</td>
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<td>PBO</td>
<td>Policy-Based Operation</td>
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<td>PCR</td>
<td>Project Completion Report</td>
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<td>PCREN</td>
<td>Project Completion Report Evaluation Note</td>
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<td>PESR</td>
<td>Energy Financial Solutions, Policy and Regulations Department</td>
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<td>PFID</td>
<td>Financial Sector Development Department</td>
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<td>PICU</td>
<td>Infrastructure and Urban Development Department</td>
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<td>PIU</td>
<td>Project Implementation Unit</td>
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<tr>
<td>PSD</td>
<td>Private Sector Development</td>
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<td>RBF</td>
<td>Results Based Financing</td>
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<td>RCRBS</td>
<td>Crisis Response Budget Support Program</td>
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<td>RMF</td>
<td>Road Maintenance Fund</td>
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<td>RSWSSP</td>
<td>Rwanda Sustainable Water Supply and Sanitation Program</td>
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<td>RDGE</td>
<td>East Africa Regional Development and Business Delivery Office</td>
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<td>RTDA</td>
<td>Rwanda Transport Development Agency</td>
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<td>RURA</td>
<td>Rwanda Utilities Regulatory Authority</td>
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<tr>
<td>SBDP</td>
<td>Skills and Business Development Program</td>
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<td>SEAP</td>
<td>Scaling-Up Energy Access Project</td>
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<td>SEEP</td>
<td>Skills Employability and Entrepreneurship Program</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>SNDR</td>
<td>Delivery, Performance Management and Results Department</td>
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<td>STEM</td>
<td>Science, Technology, Engineering and Mathematics</td>
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<td>SWG</td>
<td>Sector Working Group</td>
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<td>TBA</td>
<td>Theory-Based Approach</td>
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<td>ToC</td>
<td>Theory of Change</td>
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<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
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Executive Summary

Introduction

This summary report presents key findings, lessons and recommendations of an evaluation of the African Development Bank Group’s (AfDB or the Bank) country strategy and programs in Rwanda over the period 2012-2021. The Bank approved 37 projects for a total value of UA 1.7 billion1 during this period. The Bank also developed two country strategy papers (CSPs) within the same period: CSP 2012-2016 and CSP 2017-2021; both having two pillars, infrastructure development and skills/entrepreneurship development. The portfolio comprised water supply and sanitation, energy, transport, and social sector.

The main purpose of the Country Strategy and Program Evaluation (CSPE) is to inform the design of the Bank’s next country strategy (2022-2026). Its objectives are to: i) assess the contribution of the Bank to the development results of Rwanda; ii) identify the factors that enabled or hampered success and explain why this was the case; and iii) provide recommendations for future strategies and programs.

Methodology

The evaluation applied a Theory-Based Approach (TBA) by assessing the extent to which, through the pillar-specific interventions, the AfDB has been able to design and deliver a relevant response to development challenges facing Rwanda. The evaluation applied international standard evaluation criteria which mainly focus on relevance, coherence, effectiveness, efficiency and sustainability. A four-point rating scale2 was used to judge each of these evaluation criteria. The key evaluation methods were: i) desk reviews of key documents; ii) portfolio reviews; iii) interviews and focus group discussions (FGDs); and iv) six case studies of projects. Due to COVID-19 travel restrictions, most interviews were done through virtual platforms. The evaluation team made site visits to selected infrastructure projects with the help of national consultants.

Main Findings

Relevance of AfDB Strategies

The AfDB’s interventions in Rwanda were found highly relevant to the needs, development challenges and priorities of the country, where inadequate infrastructure, limited private sector development, high poverty rates, income inequality and high youth unemployment have remained key bottlenecks to broader socioeconomic development. The long-term development frameworks of Rwanda, as articulated in its Vision 2020 (and now Vision 2050) in addition to associated strategic frameworks such as the Economic Development and Poverty Reduction Strategy (EDPRS) 2013-2017 and the National Strategy for Transformation (NST-I) 2017-2024, emphasized the development of basic infrastructure and called for private sector-led economic growth. Consultations with various stakeholders including the government, the private sector, civil society, and development partners (DPs) confirmed that the Bank’s strategic pillars remained relevant to the needs, development challenges and priorities of the country over the evaluation period. However, the evaluation found that better targeting in the financial sector could have enhanced the relevance to Small and Medium Enterprises’ (SMEs) needs.

In addition, Bank interventions were also highly relevant to the Bank’s own policies and strategies at
corporate level. Overall, the relevance of the Bank’s strategies was found **highly satisfactory**.

**Coherence of Interventions**

The evaluation found the Bank’s interventions to be coherent and well-coordinated internally, especially at the sector level. In the energy and water sectors, Bank approved interventions were linked with each other. In the social sector, the Skills Employability and Entrepreneurship Program I (SEEP), SEEP II, and SEEP III are intimately related and complementary to the Skills and Business Development Program (SBDP). In most cases, new interventions drew on lessons learnt from previous ones.

In addition, the Bank’s interventions were harmonized and complementary to those of other DPs and organizations. The AfDB has been active with Development Partner Coordination Groups (DPCGs) responsible for coordinating external assistance. Through these groups, the Bank and other key players discuss sector development issues, exchange information, build a common understanding on sector development priorities, and avoid duplication of efforts. However, there remains room for the Bank to improve in terms of proactive and continuous engagement with DPs.

Overall, the coherence of the Bank’s interventions was rated as **highly satisfactory**.

**Effectiveness of Interventions**

The evaluation found that the Bank’s interventions in infrastructure development have achieved or are likely to achieve their objectives. For example, projects in the energy sector have benefitted communities, schools and business. In addition, Bank-supported transport projects have already contributed to several important outcomes, including an improved performance of transport sector institutions - particularly those in the Rwanda Transport Development Agency (RTDA). Interventions have also seen a reduction in transport costs and travel times, reduction in composite Vehicle Operating Costs (VOC), and increased economic empowerment of populations in the project areas, including women. For example, the Base-Gicumbi-Rukomo road project has reduced the travel time from 3 hours in 2014 to 1 hour in 2018, with the distance to be covered between these cities having been significantly reduced from 160 km to 52 Km. Average VOC have been reduced from US$0.84 per Veh/km in 2013 to US$0.35 per Veh/km. However, these figures should be further confirmed through socio-economic study.

In the water supply and sanitation sector, the Kigali Bulk Water Supply Project resulted in an important bulk water supply facility, including a water treatment plant (WTP) in Kanzenze and the main water reservoirs to which it supplies water. The Kanzenze WTP has a daily water production capacity of 40,000m3. The Bidudu reservoir (5,000m3) serves populations in Bugesera while the Gahanga reservoir in Kicukiro district (7,000m3) supplies water to Remera.

In the social sector and multisector, the Bank support increased access to quality training, mostly in environmental design, planning, and engineering. The interventions have also achieved several policy reforms for creating a conducive enabling environment and economic diversification. For example, the implementation of a Made in Rwanda policy and a domestic recapturing strategy contributed to the diversification of exports away from coffee, tea, and minerals to other new export commodities such as horticulture, hides and skins. This helped increase exports as a share of Gross Domestic Product (GDP) from the baseline level of 8.6% in 2016 to 12.3% in 2019. The Bank’s response to COVID-19 has contributed to increased testing capacity of the country (MOH- Annual Report, fiscal year 2019-2020).

Although progress has been made in Technical and Vocational Education and Training (TVET), the evaluation found little evidence to show that support to enterprise development and TVET resulted in adequate skills development and job creation. The enrollment in priority skills areas is not reaching its
targets in the fields of infrastructure, agriculture, natural resources, investments, trade, industry, Information and Communications Technology (ICT), health, and education. Youth unemployment is still high, and businesses face difficulties to find the right skills for job openings. Successive AfDB programs did not reduce the skills mismatch between supply and demand in the labor market, and the private sector continues to cite an “inadequately educated workforce” as one of the largest constraints. SMEs supported through Policy-Based Operation (PBOs) have partially contributed to livelihood support, but not necessarily job creation.

In the finance sector, the Bank’s Lines of Credit (LOCs) have resulted in greater capacity of beneficiary institutions to finance their growth and to support national economic development. The LOCs were found to be effective in augmenting lending institutions’ liquidity, enabling them to diversify their sectoral focus and to expand their loan portfolios. More businesses have been able to access long-term financing, enabling them to scale up their operations and create new employment (more than 10,000 jobs). However, the LOCs did not adequately target the desired end-beneficiaries.

Overall, the effectiveness of the Bank’s support in Rwanda is assessed as satisfactory.

**Efficiency of Interventions**

The Bank’s infrastructure interventions were found to be economically viable at appraisal. A review of Project Appraisal Reports (PARs) showed that most Pillar I projects’ Economic Internal Rate of Return (EIRR) calculated at appraisal stage were generally higher than the opportunity costs of capital, at 10% to 12%. However, ex-post EIRRs have not been yet available since most infrastructure projects are still ongoing. Interventions in the water supply and sanitation sector faced challenges in terms of their financial performance. In most cases, the Water and Sanitation Corporation (WASAC) operates and manages water and sanitation infrastructure. But it has a high rate of Non-Revenue Water (NRW) (around 40% in 2020) which makes it very difficult for it to make any profit.

While social and institutional support projects were generally implemented according to the planned timelines, infrastructure projects experienced frequent implementation delays due to delays in procurement and project start-up processes, weak implementation capacity of some implementing agencies and contractors, and floods. COVID-19 has also negatively affected project implementation plans and has delayed the Bank’s interventions across all supported sectors, particularly infrastructure.

Overall, the efficiency of the Bank’s interventions was rated as satisfactory.

**Sustainability of Interventions**

Rwanda has sound institutional and governance structures, with strong technical capacities, that are likely to ensure continued flow of benefits associated with Bank supported projects after completion, particularly in the energy and transport sectors. The Bank’s interventions have satisfactorily ensured compliance with the required environmental and social safeguard measures. Notwithstanding this, financial sustainability is unlikely for interventions in water and sanitation due to insufficient revenue-generating capacity. Road projects are likewise facing risk due to inadequate maintenance budgets and delays in implementing axle-load control, and electricity tariffs are also not cost-recovering despite several tariff reviews. The sustainability of the Bank’s interventions in Rwanda is therefore assessed as partly unsatisfactory.

**Crosscutting Issues**

The evaluation found that project designs were gender sensitive and, in most cases, had gender disaggregated performance targets. The review of CSP documents and PARs indicate that most of the Bank’s projects included a gender dimension, describing how the projects will benefit women. In addition, they highlighted the importance of
supporting the most vulnerable groups, including female-headed households. Gender considerations were also reflected in the AfDB project reporting. For example, the Quarterly Progress Report (Oct-Dec 2020) for the Base-Gicumbi-Rukomo road project states that the project has created 37,036 jobs, of which women represent 21%.

Some Bank projects were specifically developed to support Rwanda’s efforts to transition to green growth, although it is too early to assess their effectiveness. For example, the Bank has encouraged “green” projects in the energy sector with a low carbon footprint (hydroelectricity, solar, methane from Lake Kivu), in addition to “directing investors towards independent production (IPP)” by installing mini-grids (decentralized or connected to the national network managed by Energy Development Corporation Limited [EDCL]). The Bank has also promoted private sector growth through supporting the enabling environment, Public-Private Partnerships in energy and water and sanitation, and LOCs.

Design and Selectivity

The design quality of the Bank’s two country strategies, CSP 2012-2016 and CSP 2017-2021, was found satisfactory. They focused on the key development challenges in Rwanda and addressed them in an effective way. The Bank’s interventions implemented during the two CSP periods also contributed to (or are on track to contribute to) important development outputs and outcomes. Stakeholders were very satisfied with the CSPs as well as the Bank’s sectors of support. However, while a large portion of the Bank’s support was for the energy, transport, and water supply and sanitation sectors, the Bank has been involved in nine sectors in all. This shows the need for further improving selectivity in practical terms.

In knowledge work and policy advice, the Bank’s knowledge activities have been influential in shaping Rwanda’s policy orientations (see section on Knowledge and Policy Advice). By participating actively in sector working groups (SWGs), e.g., in water supply and sanitation, the Bank has contributed to the policy dialogue at the sector and country levels.

In managing for development results, the Bank has established a result monitoring framework (at the strategic and operational levels) through which periodic monitoring of specific interventions as well as reviews of CSPs are conducted. This framework appears to work well but could be improved by setting more realistic targets and by better capturing relevant data for monitoring and evaluation (M&E).

Recommendations

The evaluation proposes the following recommendations.

**Recommendation 1:** The Bank should maintain the focus on key sectors while improving selectivity in its support to the country:

- Consolidating the results achieved to date, the Bank should continue its support to transport, water supply and sanitation, and energy.
- Strike a balance between the “hard” and “soft” components of support (including dialogue and knowledge products) in all Bank interventions.
- Ensure appropriate sequencing of interventions to address institutional weaknesses in terms of implementation capacities.

**Recommendation 2:** Sharpen the strategy and approach to private sector development by making it more coherent and comprehensive:

- The Bank should carefully define the areas of its private sector agenda and address them in a more coherent manner, ensuring synergy with the interventions of other DPs who are taking the lead on macroeconomic and structural policy reforms.
Any LOC projects should ensure careful targeting of enterprises. This support should be combined with capacity building for the participating financial institutions so that they are able to better address the needs of the Micro, Small & Medium Enterprises (MSMEs).

**Recommendation 3:** Ensure the sustainability of the long-term benefits of infrastructure projects.

Engage the government in policy dialogue to design and implement policy measures to address tariff issues in the energy and water supply and sanitation sectors, and earmark adequate budget for the maintenance of road infrastructure.

Support policy and institutional reforms to ensure sustainability of development results.

**Recommendation 4:** Continue supporting the country to overcome the challenges of COVID-19 and facilitate post-pandemic economic recovery in collaboration with other DPs.

Enhance support to developing social infrastructure for the procurement and roll-out of vaccines against COVID-19 and support the health system capacity for future pandemic preparedness.

Towards achieving economic recovery, revive the ongoing but currently stalled infrastructure operations.
Management Response

Management welcomes IDEV's evaluation of the Country Strategies and Programs of the African Development Bank in Rwanda for the period of 2012 to 2021. The evaluation assessed the performance and the results of the Bank's operations in the country, highlighting strengths and providing recommendations to improve the implementation of current operations and inform decisions on future programs. Overall, Management agrees with the evaluation's lessons, conclusions, and recommendations, many of which are consistent with its findings from regular monitoring, follow-ups, and portfolio reviews. The evaluation findings and recommendations have been used as a basis for the design of the new CSP (2022-2026) as well as guiding the implementation of the ongoing operations and the design of future programs/projects.

Introduction

The Independent Development Evaluation Department (IDEV) launched an evaluation exercise to assess the Bank's Country Strategies and Programs (CSP) in the Republic of Rwanda for the period 2012-2021. IDEV notes that, the quality of the Bank's two CSPs for Rwanda (CSP 2012-2016 and CSP 2017 – 2021) was satisfactory by virtue of their focus on the key development issues in Rwanda's economy and by addressing them in an effective way, following a clearly articulated logic of intervention. The long-term development frameworks of Rwanda emphasized the development of basic infrastructure and called for private sector-led economic growth. The focus on two pillars facilitated the design of sound interventions that enabled inclusive and green growth and promotion of high value-added economic activities and economic transformation.

Overall, Management agrees with the evaluation's findings, conclusions, and recommendations. For instance, the issue of selectivity, private sector engagement to ensure higher utilization of ADB non-sovereign resources were also echoed by CODE as well as the CSP task team as reflected in the Rwanda CSP Completion Report. The findings and the recommendations have informed management’s dialogue with the authorities on the strategic thrust of the new CSP 2022-2026 and will support to improve the effectiveness and the efficiency of the lending program. In line with the recommendations of the evaluation, management has designed the new CSP to focus on two complementary priority areas of (i) Strengthening physical Infrastructure, and (ii) improving skills and financial capabilities to foster private sector and productivity-led growth in Rwanda. Management is also committed to mobilizing relevant Bank departments and development partners to strengthen dialogue on policy reforms critical in building resilient post pandemic economic recovery and sustainable impacts of development interventions.

Relevance

The evaluation found the Bank’s strategies in Rwanda highly relevant to the needs, development challenges and priorities of the country. Inadequate infrastructure limited private sector development, high poverty rates; income inequality and high youth unemployment have remained to be the key bottlenecks to broader socioeconomic development.

Management welcomes IDEV's observations on relevance and finds them consistent with outcomes of the recent national consultations on the new CSPs. Management affirms its commitment to
increase relevance of its operations by better aligning its interventions to the priorities of the country as articulated in the National Strategy for Transformation (NST-I) 2017-2024.

**Effectiveness**

The evaluation highlighted that the Bank’s strategies and programs have made progress on achieving their specified outputs and outcomes. The evaluation rated the Bank’s operations as satisfactory overall (although with variation across sectors). This positive performance is explained by the comparative advantage of the Bank, the Country Office’s leadership in portfolio management, including proactive collaboration with Executing Agencies.

Management takes note of IDEV’s observation regarding the skills mismatch and low rate of employment. The Bank supported higher education and Technical and Vocational Education and Training (TVET) through investment projects and budget support operations. Bank projects have also contributed to specialized skills in Information Communication Technology\(^6\), architecture and built environment\(^7\). As of May 2020, Carnegie Mellon University (CMU) Africa has 262 alumni, with 96% employed after six months of graduation. Through budget support operations (PBOs), the Bank has contributed to key policy and legal reforms that have contributed to the creation of off-farms jobs from 100,000 (2013-2014) to an average of 214,000 (2017-2018-2019). Further examples are included in Annex 1 (B). Going forward, the Bank will focus on supporting skills development infrastructure and adapting training systems to support a skilled labour force tailored to industry needs and ensure it reaches its potential and effectively contributes to job creation.

Management also takes note of the finding that lines of credit (LOCs) did not adequately target the desired end-beneficiaries. The issue of monitoring and evaluating the impact of financial sector operations, particularly lines of credit and trade finance was raised, which in turn questions the conservative stand of commercial Banks’ role in improving access to finance in Africa. In its response to that evaluation, Management accepted the need to improve monitoring and evaluation of LOCs, including through better ex-ante definition of expected development outcomes and development of a robust results framework and functioning monitoring and evaluation system. Management is working to develop a digital development outcome tracking tool that can be hosted within the African Development Bank and open to the Financial Institutions (FIs) and their SME clients for them to track the utilisation and impacts of funds. The tool will allow data inflows from SMEs to FI/Intermediaries and from FI/Intermediaries to the Bank, and would capture for each project, its development outcomes.

**Efficiency**

The evaluation assessed the overall Bank’s performance on efficiency as satisfactory, reflecting positive assessment of resource use, portfolio quality and project returns on investment.

Management acknowledges IDEV’s observation that projects experienced significant implementation delays mainly due to procurement delays and lengthy project start-up processes as a result of weak contract management skills in project implementation units (PIUs) among others. These result in low disbursement rate and often lead to the extension of the projects’ implementation duration. Additionally, COVID-19 has also negatively affected project delivery and has delayed the Bank’s interventions across all sectors, particularly infrastructure.

Management has taken measures to address these issues through the use of advance contracting\(^8\) and systematic supervisions and constant follow-up. The Regional Hub (RDGE) and Country office (CORW) have increased their attention to the regular monitoring of supervision missions. Mission plans are being coordinated and reviewed at the regional
level and ensured that all planned activities are completed, and progress reports are produced in a timely manner.

Sustainability

The evaluation notes that sustainability of Bank’s projects in the water and transport sectors in Rwanda are assessed as partly unsatisfactory. This is due to insufficient revenue generating capacity by the water and sanitation supply system resulting from high technical water losses (40% of water produced in 2020) as a result of dilapidated water distribution infrastructure. Inadequate road toll collections are also insufficient to maintain roads in good condition.

Management partially agrees with this observation and recognises that this is a structural challenge that will require long terms concerted efforts by all development actors in the sector. Management will use the Bank’s convening power as the leader of the water sector and energy working group to mobilise the required funding and technical assistance from different development partners (DPs) to coordinate efforts and upgrade the water distribution infrastructure.

The ongoing water programs address both technical and commercial losses by rehabilitating old water supply networks, developing smart billing system network, using supervisory control and data acquisition (SCADA) systems, installing smart water management system as well as installing pressure meter values in the networks.

On energy sector, there is a plan to start decommissioning Thermo Power Plant as a new renewable power plant come on Board. Ongoing Rusumo Project is expected to be commissioned in 2022. This will enable for having cheaper power as compared to thermo power, the substation (constructed under Rusumo project) will contribute to the strengthening of network reliability and quality of customer services and sustainability. Dialogue with Government and DPs in the transport sector on the most optimal road toll charges that balance issues of affordability and costs recovery to maintain roads in good condition will continue. The study on upgrading road maintenance fund supported by the Bank has been completed, the second-generation road fund will be capable of funding the maintenance of all national road network (refer to Annex 1(C)).

Crosscutting Issues

Management welcomes IDEV’s findings that the ageing CSPs broadly considered well crosscutting issues in design and implementation. This strong alignment to the country priorities draws inspiration from Rwanda’s global leadership in promoting gender equality, championing issues for promoting green growth and limiting the impacts of climate change including pioneering the establishment of the fund for environment and climate change (FONERWA) on the continent and sustained efforts to reform the business enabling environment.

The evaluation found that project designs were gender sensitive and in most cases gender disaggregated performance targets were included and reported on. However, closing the gender gaps in access to productive assets remained an unfinished agenda.

IDEV’s findings also show that the Bank’s projects especially in the energy and water sector were well designed to support Rwanda’s strategy to transition to green growth but the impact of these projects could not be measured at the stage of evaluation as they were still at early stages of implementation. The findings confirm that private sector development and leveraging private public partnerships (PPP), constituted a key criterion for project selection. Similarly, the evaluation considers that issues of inclusive growth were given high consideration.

Management reiterates its commitment to bridge gender gaps in access to productive assets through better targeting of our skills development programs and access to finance including through
the Affirmative Finance Action for Women in Africa initiative (AFAWA) to benefit more women entrepreneurs. Management also believes that most of the Bank’s green projects in renewable energy and water sector will continue to limit carbon emissions and build resilience to the impacts of climate change. Private sector development and issues of inclusion remain core to the design of the new CSP.

Design and Selectivity

The evaluation recognises the Bank’ intervention over the previous two CSPs cycles reflected greater selectivity in transport, energy and water sector where it concentrated (73 of the total funding) to deliver bigger and catalytic projects, but selectivity focus was less so in six other sectors where 28% of the total portfolio was dispersed thinly with limited development impacts. Management takes note of IDEV’s observation and wishes to highlight that greater selectivity has been the cornerstone of the new CSP 2022-2026.

The new CSPs programming complies with the Government led donor division of labour (DoL) which limits each development partner to only three sectors of intervention. In line with the DoL the Bank concentrates its lending program to three areas of comparative advantage namely, (i) infrastructure development in water and sanitation, transport, and energy sector, (ii) Human development and (iii) private sector and financial sector development. This criterion has informed the selectivity focus in the new CSP.

Knowledge and Analytical Work: Management takes note of the finding that Bank-supported knowledge activities and technical assistance interventions were determining factors in shaping Rwanda’s policy orientations and through its participation in Sector Working Groups, the Bank has contributed to the policy dialogue at sector and country levels. For example, the energy sector review helped to define national targets for energy development in Rwanda and amplified the Bank’s position in country dialogue in the energy sector working group. Management will be continuing to carry out such demand led analytical studies to inform the prioritisation of new interventions. For example, prioritisation of the new CSP is anchored on a series on analytical studies such as Country diagnostic note (CDN) which analysed the binding constraints to growth and opportunities to address them and precede and underpin the preparation of CSPs. Other studies which helped to articulate the key pillars of the new CSP include the energy sector review and the country resilience and fragility assessment.

Partnerships, Harmonization and Leverage: The evaluation found that the policy dialogue between the Bank and the Government of Rwanda has been effective but more national based Task managers especially in transport and energy sector could enhance further the quality of dialogue and partnership in their sector working groups. Management concurs with this observation and is in the process of recruiting an in-country energy sector task manager to lead dialogue in the energy sector working group to which the Bank is the current co- chair in the donor division of labour. The field presence of the country manager, the country program officer (CPO), two task managers in water and sanitation and human development sector and two country-based economists will reinforce each other to sustain effective strategic and operational dialogue on all matters imperative to the development of Rwanda at the supreme Development Partners Coordination Group (DPCG) and sector working groups respectively.

The performance of the Government of Rwanda for harmonization, aid coordination and fulfilment of commitments to the Bank during the evaluated period was satisfactory. This is evidenced by the fact that no interventions were cancelled during the entire period 2012-2021 due to Government’s failure to comply with its commitments and delays in other operations.
The evaluation noted that better synergy could have been achieved through more coordinated, programmatic approaches to the design of operations in areas where several ministries and development partners were involved. In programming and preparation of the new CSP, more sector departments were involved including in the engagement of the private sector and civil society.

Management concurs with the finding of the evaluation that the country has not sufficiently used the Bank’s non-sovereign window to facilitate lending to commercial companies. Management initiated dialogue with Private Sector Federation to explore ways to attract private sector engagement with the Bank. The issue is also being discussed at the DPCG level chaired by the Government.

**Conclusion**

Management appreciates the observations, and recommendations made by the evaluation. The outcomes of the evaluation are valuable and will inform the current engagement and design of future strategies and programs. Responses to each of the four (4) recommendations are provided in the Management Action Record table below.

<table>
<thead>
<tr>
<th>Management Action Record</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation</td>
</tr>
<tr>
<td><strong>Recommendation 1:</strong> The Bank should maintain the focus on key sectors while improving selectivity in its support to the country.</td>
</tr>
</tbody>
</table>
| a. Consolidating the results achieved to date, the Bank should continue its support to transport, water supply and sanitation, and energy. | **Further actions:**
| | i Management welcomes this observation which is consistent with the finding from CSP consultations. The new CSP will continue to prioritize interventions in Energy, Water and Transport sector to reduce infrastructure costs of doing business in Rwanda. ([CORW, Q4 2021](#)) |
| b. Strike a balance between the “hard” and “soft” components of support (including dialogue and knowledge products) in all Bank interventions. | i The Bank will continue to lead dialogue in water and energy sector as a co-chair of the DPCG. Management has included a robust pipeline 2022-2024 of knowledge products including feasibility studies of the private sector, transport sector and gender country profile for Rwanda. ([CORW, Q3 2022 onwards](#)) |
| c. Ensure appropriate sequencing of interventions to address institutional weaknesses in terms of implementation capacities. | i Management will ensure capacity building and effective sequencing is a key focus in all sectors of its interventions. This will be done by (i) carrying out capacity assessment to determine capacity gap (ii) implementing a capacity building action plan derived from the capacity assessment such as, fiduciary clinics which will be organized to build capacity of the PIUs across sectors. Emphasis will include strengthening skills on contract management, Bank procurement procedures etc. ([CORW, Q4 2022 - ongoing](#)) |
### Management Action Record

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Management Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 2:</strong> Sharpen the strategy and approach to private sector development by making it more coherent and comprehensive.</td>
<td><strong>Agreed</strong> – Management agrees with these recommendations. Pillar 2 of the new CSP addresses these concerns by focusing on skills and access to finance particularly for Micro, Small and Medium Enterprises (MSMEs).</td>
</tr>
</tbody>
</table>

**a.** The Bank should carefully define the areas of its private sector agenda and address them in a more coherent manner, ensuring synergy with the interventions of other development partners who are taking the lead on macroeconomic and structural policy reforms.

**Further actions:**
- Management will continue to build synergies with other key stakeholders by participating actively in donor dialogue activities in Private Sector Youth and Development (PSYD) working group. *(CORW quarterly basis from 2022)*
- Emphasis will be placed on supporting TVET and specialized skills for industrial value chains which have a strong potential for high value-added production, exports, and job creation. Emphasis will also be placed on support to science, technology, engineering and math (STEM) for innovation and entrepreneurship for enhanced self-employment. The Bank will focus on (i) targeted investment projects tailored for quality infrastructure for TVET and specialized skills (skills enhancement zones) anchored to government priority industry value chains (e.g., light manufacturing; agro-processing; construction; mining and aviation) and (ii) deepening access to finance to tackle financial constraints, through lines of credit (LoC). *(AHHD, PIFD, AFAWA - from Q1 2023 – onwards)*

**b.** Any LoC projects should ensure careful targeting of enterprises. This support should be combined with capacity building for the participating financial institutions so that they are able to better address the needs of the MSMEs

**Further actions:**
- As outlined in its response to the Evaluation of the Bank’s Role in improving Access to Finance, management will move from a pipeline to a portfolio approach to measure the results at the end beneficiary level. This means moving from a focus on financing specific beneficiaries to increasing the FI’s portfolio of target beneficiaries. PIFD will seek specialist resources (including through Trust Funds) to support the portfolio approach to measuring development outcomes. Under the new Financial Sector Development Strategy in preparation the Bank will: (i) support FIs to deepen their internal capacity to scale-up lending to SMEs; (ii) develop financial infrastructure to support increased lending to SMEs such as credit bureaus, collateral registries and SME credit insurance; and (iii) innovate through other mechanisms for SME financing such as leasing, SME shared service platforms, and factoring solutions for SMEs in corporate value chains. *(PIFD, Q2 2022)*
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Management Response</th>
</tr>
</thead>
</table>
| **Recommendation 3:** Ensure the sustainability of the long-term benefits of the infrastructure projects. | **Agreed** – Management agrees with these recommendations and will continue to dialogue with the Government and other Development Partners using its convening power as a co-chair of the water and energy working group to explore optimal ways to ensure sustainability of development impact in the sector. **Further actions:**  
- **a.** Engage the government in policy dialogue to design and implement policy measures to address tariff issues in the energy and water supply and sanitation sectors, and earmark adequate budget for the maintenance of road infrastructure.  
- **b.** Support policy and institutional reforms to ensure sustainability of development results. |
Management Action Record

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Management Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 4:</strong> Continue supporting the country to overcome the challenges of COVID-19 and facilitate post-pandemic economic recovery in collaboration with other development partners.</td>
<td></td>
</tr>
<tr>
<td>a. Enhance the support to developing social infrastructure for the procurement and roll-out of vaccines against COVID-19 and support the health system capacity for future pandemic preparedness.</td>
<td>Partially agreed – Management acknowledge the recommendations provided. The Bank has always expressed its willingness to help Rwanda in its fight against COVID and its recovery. The interventions in the infrastructure sector as well as skills development will significantly contribute to the Government’s Economic Recovery Plan. Management recognizes the observation of stalled operations in energy, water etc. which occurred during lock down due to disruption of the global supply chain. However, following the lifting of COVID restrictions, all operations have resumed operations at scale. Management believes that, this is no longer an issue.</td>
</tr>
<tr>
<td><strong>Further actions:</strong></td>
<td></td>
</tr>
<tr>
<td>- As in action number one, the Bank’s has built a strategic pipeline in the energy, water, transport, skills and financial deepening sectors in the new CSP, these sectors have also been identified by the Rwandan Government in their COVID-19 Economic Recovery Plan (ERP) as key to sustain economic recovery and private sector development. (CORW, ECGF, PFID, AHHD, PICU, PSD – Annually from 2022)</td>
<td></td>
</tr>
<tr>
<td>b. Towards achieving economic recovery, revive the ongoing but currently stalled infrastructure operations.</td>
<td>Of the ongoing projects there are some regional projects for power and road. For 2022 pipeline one project Base – Butare - Kidaho and Cross Boarder Road is expected to be presented to the Board. Once approved it will reduce travel time and cost and will boost economic activities in the area of influence and promote regional integration, regional trade and help post COVID-19 economic recovery.</td>
</tr>
</tbody>
</table>
Introduction

This summary report presents key findings, lessons and recommendations of the evaluation of the African Development Bank Group’s (AfDB or the Bank) country strategy and programs in Rwanda over the period 2012-2021. The Bank developed two country strategy papers (CSPs) between 2012 and 2021: CSP 2012-2016 and CSP 2017-2021. Both CSPs have two pillars: infrastructure development, and skills and private sector development. The Bank approved 37 projects for a total value of US$1.7 billion during this period. The portfolio comprised operations in water supply and sanitation, energy, transport, and social sectors. The Bank is currently preparing new CSP which will cover 2022-2026. The country strategy and program evaluation (CSPE) will inform the design of this new CSP. A more comprehensive reporting of the evaluation findings is available in the corresponding Technical Report.

The report is structured as follows: this section briefly presents the evaluation purpose, scope, methodological approach, and its limitations. Next, there is a discussion on the country context, followed by the highlights of the Bank’s strategies and portfolio in Rwanda. Then, the report presents the findings of the evaluation and underlying evidence of the Bank’s contribution to development results. The following two sections outline the management of the Bank’s interventions in Rwanda and assess the borrower performance. Finally, the report draws conclusions, lessons, and proposes forward-oriented recommendations.

Evaluation Purpose, Questions and Scope

The main purpose of the CSPE is to inform the design of the next country strategy. Its objectives are to:

i. Assess the contribution of the Bank to the development results of Rwanda;

ii. Identify what worked or did not for the programs supported by the Bank, and to explain why this was the case; and

iii. Provide recommendations for future strategies and programs.

The overarching evaluation question is: “What are the contributions of the Bank to the development of the country”? The detail of specific questions by evaluation criteria are presented in Annex 1.

The reference period for the evaluation is 2012-2021 which covers two strategy cycles. The evaluation covered all the Bank’s lending interventions including investment projects, budget support, lines of credit, etc. In addition, the evaluation also assessed the Bank’s analytical work, advisory services, policy dialogue, capacity development, and aid coordination. Some interventions that were approved prior to 2012 but concluded during the evaluation period were also covered to collect evidence regarding the effectiveness of Bank support.

Evaluation Approach and Methodology

The evaluation applied a theory-based approach (TBA) by assessing the extent to which and how, through the pillar-specific interventions, the AfDB has been able to design and deliver a relevant response to development challenges in Rwanda. The analysis used the Theory of Change (ToC) to assess the extent to which the AfDB developed relevant interventions with plausible results. The TBA enables the collection of empirical evidence showing whether the changes anticipated in the ToC occurred or not.
(and why), while identifying the main factors shaping the pathways through which change was expected. The evaluation applied the international standard evaluation criteria namely, relevance, coherence, effectiveness, efficiency, and sustainability. It used a four-point rating scale (Table A2.1, Annex 2) in assessing these evaluation criteria. The details of the methodology are in Annex 2. The key approaches are summarized below.

**Desk review of key documentation:** An extensive document review was undertaken. This covered secondary materials relevant to the country context, the Government’s strategies and plans, the Bank’s strategies and programs, previous evaluations and development partner (DP) reports.

**Portfolio review:** The evaluation undertook a comprehensive portfolio analysis. This provided information regarding the composition and nature of the Bank’s portfolio, distribution, and implementation status.

**Interviews and focus group discussions (FGDs):** The evaluation team undertook virtual interviews and consultations with a wide range of stakeholders in the Bank and in the country. The stakeholders included officials in government ministries and relevant executing agencies, Bank staff, DPs, civil society organizations, and private sector. In addition, the evaluation team interviewed project beneficiaries during project site visits.

**Case studies:** Case studies were undertaken to provide an in-depth assessment of the performance and results of selected AfDB-supported projects. The evaluation team conducted six project case studies (Table A2.2, Annex 2). The case study selection criteria include sector distribution, project status, project size and financing instrument. The purpose of these case studies was to collect detailed information in a range of sectors about the actual results of Bank operations.

**Online survey:** The evaluation administered an online survey to collect perceptual data about the Bank’s contribution to the development results in Rwanda. The survey was deployed to government and Bank officials, DPs and other key stakeholders with specific familiarity with the AfDB’s interventions. Due to a low response rate, the results of the survey were not used in the evaluation report.

**Evaluation Limitations and Mitigation Measures**

This evaluation was undertaken in the context of the COVID-19 global pandemic. Because of this, the evaluation team at Bank Headquarters could not participate in field visits to Rwanda due to travel restrictions. Two national consultants were recruited to implement direct data collection in the field with remote support from the international members of the team. Support provided by national consultants was essential in reaching project beneficiaries.

The evaluation team used Zoom and Microsoft Teams to conduct interviews and discussions with stakeholders. However, in some instances, it was difficult to reach key stakeholders due to their engagement in vaccination activities and other urgent commitments in addition to weak internet connections. This was mitigated by allocating more time than usual to planning interviews and FGDs; and by offering multiple options for communication with key informants, such as calls via Zoom, Microsoft Teams, Skype, or by submitting questions in writing. The support of the Bank’s Country Office in Rwanda greatly contributed to the success of all consultations that were held for this evaluation.

Lastly, there was a low response rate to the online survey. Information that was to be collected using the survey was, however, captured through interviews, FGDs, project site visits and document reviews. This ensured that all findings are supported by at least two lines of credible evidence.
Country Context

Political Context

Rwanda has a vibrant electoral democracy. The country adopted a new constitution in May 2003 through a national referendum which paved the way for the county’s first election since 1994. Three elections have been held since then, in 2003, 2010 and 2017, with President Paul Kagame winning each of these elections. The 2017 elections were held after a national referendum in 2015 which amended the constitution to relax presidential term limits. The country also held parliamentary elections in 2013 and 2018 and senatorial elections in 2011 and 2019. International observers indicated that these past elections were free and fair.

Economic Context

Agriculture dominates employment but services provide the bulk of the nation’s output. About 70% of the population are engaged in the agriculture sector. In 2019 agriculture contributed 24% to the Rwandan economy, industry contributed 18%, services contributed 49% while the remainder of 9% was attributed to public services.

Rwanda had experienced many years of solid economic growth prior to the pandemic. The country had maintained an average growth rate of real GDP of 8% for over two decades, with the rate improving to 9.4% in 2019. According to the AfDB 2021 Africa Economic Outlook (AEO), annual real GDP growth contracted by 0.4% in 2020. Statistics obtained from the AEO database indicates that the year 2020 recorded the lowest annual real GDP growth during the period 2012-2021. However, forecasts indicate a likely improvement on this indicator to 3.9% and 6.9% in 2021 and 2022 respectively.

COVID-19 has impacted all sectors of the Rwandan economy, but tourism and related services have borne the brunt of the COVID impact. To bolster aggregate demand, the budget deficit was increased from 5.1% of GDP in 2018/19 to 9.1% of GDP in 2019/2020, mainly driven by increased spending on health, relief payments and lower-than-expected revenue collection (Figure 1).

Figure 1: Trends in Rwanda’s Fiscal Deficit (% of GDP)

Social Context

Rwanda’s population was estimated at 12.66 million in the year 2020 (NISR, 2019). Some 82.5% live in rural areas while only 17.5% live in urban areas. According to the latest Integrated Household Living Condition Survey (2016/17), the share of the population living below the poverty line declined from 58.9% in 2000/2001 to 38.2% in 2016/2017. However, the World Poverty Clock\(^{10}\) reports that the proportion of the population living in extreme poverty remains above 50%. The available data shows that income inequality has declined: the Gini Coefficient declined from 0.522 to 0.429 over the same period (NISR, 2019).

The 2019 UNDP Human Development Index ranked Rwanda 157th out of 189 countries, with life expectancy of 68.7 years (female 69; male 65 years). The maternal mortality rate has been steadily declining, from 487 per 100,000 live births in 2010 to 253 per 100,000 live births in 2015. Likewise, the infant mortality rate declined from 43.9 to 27 per 1,000 live births between 2010 and 2018.\(^{11}\)
Bank Strategies and Portfolio

Bank Country Strategies

The Bank formulated two CSPs between 2012 and 2021: CSP 2012-2016 and CSP 2017-2021. Both CSPs targeted infrastructure development and creating an enabling environment for the private sector, with an emphasis on skills development (Table 1). At Mid-Term Review (MTR) of each of these CSPs, these focuses were maintained throughout their respective program periods.

The Bank’s Portfolio in Rwanda

During the evaluation period 2012-2021, the Bank portfolio in Rwanda comprised 37 projects, with a total funding amount of US$1.7 billion. There was an increase in portfolio size from US$556.9 million in CSP 2012-2016 to US$1.1 billion in CSP 2017-2021, representing an 98% increase, mainly due to Rwanda’s access to ADB’s sovereign lending window. The number of projects approved under CSP 2012-2016 (24 projects) was much higher than that approved under CSP 2017-2021 (13 projects). The portfolio comprised of 29 national projects accounting for about 85.3% of total volume while the rest corresponded to 8 multinational projects.

Most of the interventions approved during the evaluation period are still ongoing. Project status data showed that 76% of the portfolio (representing 25 projects) is ongoing while 19% of the portfolio (representing 11 projects) were completed or closed. Projects at approval stage accounted for 5% (representing one project) of the total volume of the net-loans.

In terms of the sectoral composition, the largest portion of the funding was allocated to the water and sanitation sector (30.3%) followed by the power sector (29.1%). The social sector accounted for 15.6% while the transport sector accounted for 14.1% of the total lending volume (Figure 2).

Table 1: Overview of Bank Strategic Priorities in Rwanda (2012-2021)

<table>
<thead>
<tr>
<th>Period</th>
<th>Pillars</th>
<th>Components</th>
<th>Overarching objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-16</td>
<td>1. Infrastructure development</td>
<td>Transport</td>
<td>Promote economic competitiveness for inclusive growth and poverty reduction in Rwanda.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water supply and sanitation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Enterprise and institutional development.</td>
<td>Support to SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>At MTR, this pillar was renamed as</td>
<td>Skills Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“private sector development” but its</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>focus remained the same.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-21</td>
<td>1. Investing in energy and water</td>
<td>Energy</td>
<td>Through this CSP the Bank seeks to</td>
</tr>
<tr>
<td></td>
<td>infrastructure to enable inclusive and</td>
<td>Water and sanitation</td>
<td>accelerate the country’s economic</td>
</tr>
<tr>
<td></td>
<td>green growth</td>
<td></td>
<td>transformation process, thereby</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>boosting inclusive private sector-led</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>growth and creating higher value-added formal wage employment</td>
</tr>
<tr>
<td></td>
<td>2. Developing skills to promote high</td>
<td>Skills Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>value-added economic activities and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>economic transformation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CSP 2012-2016 and CSP 2017-2021
During the first CSP (2012-2016), the power, social and transport sectors accounted for a large share of the Rwanda portfolio, with the agriculture, environment, finance, and water supply and sanitation sectors accounting for less than 8% of the net loans committed under that CSP period.

In the second CSP cycle 2017-2021, the Bank priorities shifted to the water supply and sanitation sector which received the highest share of the portfolio. The power sector also witnessed an increase in the share of total Bank commitments while there were no new projects approved in the transport sector. The share of total commitments allocated to social sector operations also declined under CSP 2017-2021.

During the two CSP periods, the Bank’s support to the public sector accounted for 96 % while the rest of the balance went to private sector support. In terms of instruments, the largest portion was in the form of investment projects, 58.2%; followed by PBOs, 21.6%, and Results Based Financing (RBF) at 16.6%. About 2.6% was in the form of LOCs while institutional support comprised less than 1%.

### Figure 2: Sectoral Distribution (%) of Bank Support (2012-2021)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Support (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sup/Sanit</td>
<td>30.3%</td>
</tr>
<tr>
<td>Power</td>
<td>29.1%</td>
</tr>
<tr>
<td>Social</td>
<td>15.6%</td>
</tr>
<tr>
<td>Transport</td>
<td>14.1%</td>
</tr>
<tr>
<td>Multi-Sector</td>
<td>6.0%</td>
</tr>
<tr>
<td>Finance</td>
<td>2.9%</td>
</tr>
<tr>
<td>Communications</td>
<td>1.9%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>0.06%</td>
</tr>
<tr>
<td>Environment</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

What Has the Bank Contributed to Development Results in Rwanda?

Relevance of the Bank’s Country Strategies

Relevance was assessed as the extent to which the Bank’s interventions in Rwanda responded to the country’s policies and priorities, beneficiary needs and the Bank’s own priorities. It also looks at whether the Bank responds to changing circumstances in the global and country context.

The evaluation found that the relevance of the Bank’s strategies and interventions in Rwanda was highly satisfactory. The interventions were fully consistent with government’s major development needs and expectations; the needs of target groups; and the Bank’s own corporate policies and strategies. Some Bank interventions were innovative: for example, in the water supply and sanitation sector where the Bank supported the first large-scale PPP project in Rwanda. Involving the private sector in infrastructure delivery provided the Bank with additional strategic leverage for stimulating inclusive economic growth. The Bank also rapidly responded to curtail the impact of COVID-19. However, the evaluation found that better targeting in financial sector would have enhanced the relevance to Small and Medium Enterprises’ (SMEs) needs.

Alignment with National Strategies/ Policies

The AfDB’s interventions in Rwanda were highly relevant to the needs, development challenges and priorities of the country. During the evaluation period, inadequate infrastructure, limited private sector development, high poverty rates, income inequality and high youth unemployment remained the key bottlenecks to broader socio-economic development. The long-term development frameworks of Rwanda, as articulated in its Vision 2020 (and now Vision 2050) and associated strategic frameworks such as the Economic Development and Poverty Reduction Strategy (EDPRS) (2013-2017) and the National Strategy for Transformation (NST-I) 2017-2024, emphasized the development of basic infrastructure and called for private sector-led economic growth. Consultations with various stakeholders including the government, the private sector, civil society, and DPs confirmed that the Bank’s strategic pillars remained relevant to the needs, development challenges and priorities of the country.

The interventions under Pillar I – infrastructure development – aimed at addressing the country’s development bottlenecks in transport, energy, and water and sanitation. The Bank approved several energy and transport operations whose primary objective was to deepen regional economic integration by improving Rwanda’s connectivity with regional markets.

For example, the road projects (Kagitumba-Kayonza-Rusumo, Base-Gicumbi-Rukomo, and Rubavu-Gisiza) in the transport sector focused on the improvement of internal and external transport connectivity in order to increase exports and promote regional integration. These projects were fully aligned with the National Transport Policy (2008) of Rwanda; the Law Governing Roads (2011); the Public Transport Policy and Strategy (2012); and the Strategic Transport Master Plan RSTMP (2012).
The Bank’s energy projects were developed with the aim of ensuring access to energy services under affordable and reliable conditions. For example, as part of the Government of Rwanda’s (GoR) electricity rollout program, the SEAP-I Project and SEAP II/RBF Program sought to contribute to improvement of access to reliable and cost-effective electricity services for households and key institutions.

The Bank’s interventions in the water supply and sanitation sector sought to contribute to increased access to affordable, sustainable, and reliable water supply and sanitation services. The Kigali Bulk Water Supply Project, a Public Private Partnership (PPP) between the GoR and Kigali Water Limited was designed to be in line with the main thrusts of Rwanda’s water and sanitation development policies. The project is also aligned with Rwanda’s National Policy and Strategy for Water and Sanitation Services (2013-2018).

The Bank’s interventions under Pillar II, private sector development, were also fully aligned with the GoR’s desire to restore macroeconomic stability, boost economic growth and deepen structural reforms to support private sector participation in the country’s economy.

In the finance sector, LOCs approved by the Bank were aligned with the Rwandan Government’s strategy for private sector growth and job creation espoused in EDPRS I and II. Towards this end, LOCs were designed to support the financial inclusion of Micro, SMEs and the overall development of the private sector.

In the multisector, the Bank designed the COVID-19 Crisis Response Budget Support Program (RCRBS) which was a response to the GoR’s COVID-19 National Preparedness and Response Plan (NPRP) and Economic Recovery Plan (ERP) (May 2020-December 2021). These were initiated to support the GoR’s efforts to respond to the COVID-19 pandemic and mitigate its socio-economic impacts.

Alignment to the Needs of Target Groups

The Bank’s CSPs were designed to deliver tangible support to final beneficiaries in the different sectors of support. Interviews conducted with executing agencies revealed that the AfDB interventions generally addressed the needs of their respective target groups as well as their own institutional development needs. For example, the Bank’s interventions such as the Kigali Bulk Water Supply project and the Rwanda Sustainable Water Supply and Sanitation Program (RWWSSP) are providing access to affordable and reliable water supply and sanitation to the rapidly increasing urban and rural populations. All interventions in the transport sector have helped national and regional freight carriers reduce their costs and improve their performance and competitiveness. Likewise, the Bank’s projects in the energy sector sought to address the electricity needs of households and priority institutions by improving their access to reliable and cost-effective electricity services.

Although the LOCs benefited the financial institutions by enhancing their capacity to provide long-term loans, the evaluation found that they did not adequately target the end beneficiaries. In principle, SME-related LOCs are expected to expand financial services to underserved groups, but there is little evidence that LOCs facilitated first-time borrowers.

Alignment with the Bank’s Priorities

The Bank’s portfolio in Rwanda was found to be well aligned with the Bank’s own corporate strategies and priorities. Both country strategies were consistent with the Ten-Year Strategy (TYS) (2013-2022). Moreover, the CSP 2017-2021 was aligned with the Bank’s High 5 priorities. Interventions in the energy sector were aligned with the Bank’s Energy Sector Policy (2012) targeting inclusive and green growth and access to modern, affordable, reliable energy services, as well as the operational priorities of the Bank’s TYS. The Bank’s projects in the transport sector were in line with the
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Regional Integration Strategy Paper for East Africa (2011-2015); the Private Sector Development Policy (2013-2017); and the TYS. The evaluation also found that interventions in the social sector and private sector were aligned with the Bank’s Human Capital Strategy 2008-2012. And finally, the financial sector interventions were fully aligned with the TYS which commits the Bank to strengthening financial sector development. Furthermore, increasing access to finance is one of the three objectives of the Financial Sector Development Policy and Strategy (2014-2019).

Coherence

This section examines the degree of internal and external coherence of the Bank’s interventions in the country. While internal coherence assesses the synergy and linkages between the Bank’s interventions, external coherence considers the consistency of the Bank’s interventions with other DP interventions.

Overall, the coherence of the Bank’s strategies was highly satisfactory. All Bank interventions were internally well coordinated and with adequate synergy. In addition, the Bank coordinated its efforts with other DPs and leveraged resources. Although it varies by sector, there is room to improve in terms of proactive and continuous engagement with DPs.

Internal Coherence and Synergy

The Bank’s interventions were coherent and well-coordinated internally, especially at the sector level. In the energy and water sector, the Bank approved interventions that were linked to each other. In the social sector, SEEP I, SEEP II, and SEEP III are intimately related and complementary with the SBDP. Interventions were also designed based on lessons learnt from previous ones. In 2011, the Bank provided a loan to KivuWatt as a PPP project which was successfully implemented. However, one of the key risks identified during project implementation was the lack of skills (locally) required to operate and maintain the plant. After consultations between the GoR and the Bank, it was agreed to develop a broad Technical Assistance project, on Skills Development in the Energy Sector, that covered the entire energy sector.

External Coherence and Leverage

The Bank’s interventions were harmonized and complementary to those of other DPs and organizations. The AfDB has been active in the DPCG responsible for coordinating external assistance in the energy, transport and water and sanitation sectors. Through these fora, the Bank and other key players discuss sector development issues, exchange information, and build a common understanding on sector development priorities. This enables the participating agencies, including the Bank, to design interventions that complement one another and avoid overlaps.

However, the evaluation did not find any mention of a SWG for the finance and social sectors. In line with the DPs’ Division of Labour (DoL) in Rwanda, the Bank’s interventions were harmonized with other donors to avoid duplication and to simplify aid procedures. Under the DoL, each DP was to operate in no more than three core sectors\(^1\). As such, during the CSP 2012-2016, the Bank retained two of its core sectors, energy and transport, while water and sanitation were replaced with private sector development and youth employment. In the second CSP (2017-2021) the Bank came back to the water supply and sanitation sector at the request of the government.

The DPCG is the highest-level aid coordination mechanism in Rwanda, it comprises all key DPs, government agencies, and civil society organizations. For example, through the DPCG, the Bank has contributed to the design and implementation of the EDPRS-2 and underlying sector strategies. The GoR has, in collaboration with DPs through relevant DPCGs, harmonized procedures, including use of standard software for M&E of national programs at the sector level.
While acknowledging the important contributions made by the Bank through these coordination mechanisms, some representatives of DPs and GoR indicated that the level of proactive coordination and consultation with the Bank has diminished in recent years because the Bank’s Country Office in Rwanda did not have many of its sector experts (energy, transport, etc.) present in the country except for those in the water and sanitation sector.

The Bank mobilized complementary financing and other resources to augment the ADF and ADB resources. Using its convening power, the Bank was able to leverage USD 291 million from parallel and co-financing sources. Supplementary resources were mobilized from trust funds managed by the Bank and co-financing from the European Union Africa Infrastructure Trust Fund and the Japan International Cooperation Agency (JICA). The Bank also participated in parallel financing with other partners (Table A3.1, Annex 3). Advisory services were provided through the African Legal Support Facility to support GoR in the negotiation of complex transactions particularly in the infrastructure sector and multinational projects.

**Effectiveness**

In this section, effectiveness assesses the extent to which the Bank’s interventions achieved or are likely to achieve the expected objectives and results. The evaluation found that the Bank’s interventions during the two CSP periods were generally delivering well and are likely to deliver against most of their stated objectives, although performance varies per sector. The results of Bank support are discussed per sector below.

The effectiveness of the Bank’s support in Rwanda is assessed as satisfactory. Overall, the evaluation found that the Bank’s activities were delivering well against their stated objectives. Tangible outputs and outcomes in the energy, transport and water supply and sanitation sectors have so far made an important contribution to the country’s infrastructure development efforts. The Bank also improved access to finance through LoCs and responded timely to curtail the impact of COVID-19. However, the evaluation found little evidence to show that support to enterprise development and TVET resulted in adequate skills development and job creation. There are still gaps in adequately linking skills development and the private sector.

**Energy Sector**

The Bank’s portfolio in the energy sector during the CSPs 2012-2021 comprised of six investment projects and three institutional support projects with a total value of US$399.3 million. These approvals cover both national and regional operations (including one PPP project). The SEAP II-RBF program alone represents 72.4% of the total amount approved during the two CSPs.

The Scaling-up Energy Access Project (SEAP-I) has achieved 100% of the expected results. The project constructed 543 km of 30 kV lines and 822 km of 0.4 kV network. It has i) rehabilitated and upgraded the non-functioning Gifurwe 110kV/30kV substation to 10MVA, ii) upgraded and relocated the Rulindo 110kv/30kV substation from 3MVA to 20MVA, and iii) constructed 464km of medium voltage (MV) and 710km of low voltage (LV) distribution lines. The project also provided technical assistance and capacity building in the energy sector and created 800 jobs (600 semi/low-skilled) of which 120 went to women (15%).

SEAP-I also provided on-grid access to 30,636 households (of which 4,953 were women-headed households) and 80,582 women out of 151,975 people (vs. 25,438 expected at appraisal), as well as electrification of 32 health centers (vs. 29 expected), 210 schools (vs. 179 expected) and 52 sector administrative facilities (vs. 25 expected) in six districts. The project has also contributed to improving the sustainability and reliability of power supply by reducing the number of interruptions and power losses. The baseline value for the electricity
What Has the Bank Contributed to Development Results in Rwanda?

The Skills Development in the Energy Sector project has already achieved its expected results. More than 200 people were trained in the energy sector of which 25% were women. Interviews and a project report indicate that the employers were satisfied with the trainees. The project also achieved another outcome which enabled the integration of hydropower and geo-thermal skills and competencies into a Qualifications Framework. These two results represent an important contribution of the Bank to the strengthening of the capacity of the key institutions in the energy sector.

Overall, the evaluation found that the Bank’s intervention in the energy sector delivered ample benefits to the primary beneficiaries such as communities, schools and other business. For example, the site visit to Cyansenge Village (Karama cell, Buyoga Sector) by the evaluation team showed that this village was provided with electricity after the construction of the new substation in 2018. Most of the houses that are located closer to the main road are now connected to electricity. The project also contributed to improving youth employment, by enabling income generating in activities. In addition, during the site visit, the evaluation identified two schools, Groupe Scolaire Kadendegeri and Groupe scolaire Shagasha, which are connected to electricity and able to use ICT equipment (internet, photocopy, and printing). According to the schools’ administration, this helped them to improve the quality of the work of their personnel and reduced delays in reporting.

Other ongoing projects in the energy sector are also showing progress towards achieving results. By end June 2020, the construction of the 80 MW Rusumo Hydro Power plant reached 64% and is expected to be commissioned by the end of 2021. In addition, tripartite agreements were signed between Burundi, Rwanda and DRC for the 147 MW Rusizi-III Hydro Power plant. These projects, once completed, will contribute to EDCL’s ability to serve more households, commercial and industrial customers.

Transport Sector

The Bank’s portfolio in the transport sector included three operations, two of which are regional in scope (Rubavu-Gisiza in 2012 and Kagitumba-Kayonza-Rusumo in 2016) and one project which is national in scope (Base-Gicumbi-Rukomo in 2014). All three projects were approved in the CSP period 2012-2016. The three projects benefited from the Bank’s funding for a total amount of US$234.5 million. The Nigeria Technical Cooperation Fund (NTCF) also granted an amount of US$0.56 million to finance a study for the development of a Road Maintenance Fund (RMF). The two multinational roads were
planned to be completed by mid-2021; while the national road should be completed by the end of 2022.

Although these projects are not yet fully completed, they are already contributing to the expansion and/or rehabilitation of the road network in Rwanda. The Kagitumba-Kayonza-Rusumo road project has rehabilitated and widened the Kagitumba-Bugaragara-Gabiro road (60km) and the Gabiro-Kayonza road (56km) and the Base-Gicumbi-Rukomo road project has upgraded the Base-Gicumbi-Rukomo road (51.5 km). This road is meant to facilitate trade between Rwanda, Uganda and the Eastern African region. For Rubavu-Gisiza road, the physical progress of works for the main road (48km) had been completed and the overall physical progress of upgrading works of additional sections was estimated to be 73% (as of December 2020). These new or rehabilitated roads are likely to increase the traffic and to reduce the cost of transport and trade with Burundi.

The evaluation found that Bank-supported transport projects have already contributed to several important outcomes (Box 1), including the improved performance of transport sector institutions (particularly the RTDA Agency), a reduction in transport costs and in travel times, reduction in composite VOC, and increased economic empowerment of populations in the project areas, including women. The Base-Gicumbi-Rukomo road project is reported to have created 37,036 jobs with women being 21%. In addition, the travel time on this road has been reduced to one hour in 2018 against 3 hours in 2014. The distance to be covered between Musanze-Rukomo-Gicumbi has been significantly reduced from 160km to 52 Km. Average VOC have been reduced from US$0.84 per Veh/km in 2013 to US$0.35 per Veh/km.17

With the implementation of the Rubavu-Gisiza road project, average daily traffic at the border reached 1,557 vehicles (compared to 1,450 in 2011) and users of this international road, particularly transporters, are already reaping major financial benefits in the form of fuel savings and a reduction in vehicle maintenance costs. Within the project area, the rural accessibility index has improved with the population living within two kilometers of walking distance from a motorable road now at 69% (against 59% in 2011). In addition, the number of shops in the urban centers of Mabanda-Nyanza and Mabanda-Mugina has increased from 368 in 2014 to 485 in 2018. Nearly 500 temporary jobs were created in 2015 and 4,000 others in 2016, 30% of which are held by women. The travel time from Pfunda to Gisiza (not less than 3 hours before the project) is now less than 1 hour for private vehicles. According to RTDA reports, changes have been observed in term of transportation of agro-based produce and access to markets, while new forms of business (road-side shops/markets) have sprung up along the road. The movement of agricultural products has moved from bicycle-back to small trucks, and new markets for farm products have mushroomed. In addition, the evaluation found that Bank’s road projects in Rwanda have successfully implemented ancillary development works that provide the population with additional basic services such as schools, markets, and drinking water schemes.

Box 1: The Kagitumbo-Gabiro-Kayonza-Rusumo Road

The Kagitumbo-Gabiro-Kayonza-Rusumo road has had a significant impact in reducing transport costs. It has reduced the cost of transport by reducing the travel time (transporting goods from Uganda and Tanzania) from an estimated 6 hours to 4 hours. The better roads have had significant positive effects along the entire supply value chains (maintenance was done every 2 months before, now it can be after every 3-4 months). It is also believed that the road has incentivized the Rwanda business community to purchase more trucks, therefore reducing the number of foreign trucks bringing goods into Rwanda.

Source: Interview with Rwanda Freight Forwarders Association
Water and Sanitation Sector

The total amount approved by the Bank for the water supply and sanitation sector was US$358.7 million. The RSWSSP approved in 2017 represents 91.4% of this total. Other approved projects include the Kigali Bulk Water Supply project (in the form of a PPP); the Rwanda National Integrated Water Supply and the Sanitation Master Plans. The Kigali Bulk Water Supply project was completed and commissioned in December 2020, whereas the other two projects are ongoing.

A significant number of physical outputs were delivered in the water supply and sanitation sector. These include WTPs, water pumping stations and reservoirs, pipelines to transport raw water and treated water, fecal sludge treatment plants, household latrines and public toilets. The Kigali Bulk Water Supply Project resulted in an important bulk water supply facility, including the WTP in Kanzenze and main water reservoirs to which it supplies water. The Kanzenze WTP has daily water production capacity of 40,000m3. The Bidudu reservoir (5,000m3) serves populations in Bugesera while the Gahanga reservoir in Kicukiro district (7,000m3) supplies water to Remera.

According to the latest Implementation Progress and Results Report (IPR) in March 2021, the ongoing RSWSSP has already resulted in additional 25,212 m3/day in six satellite cities (Musanze, Rubavu, Muhanga, Nyagatare, Huye and Rusizi). In addition, 120 water vending kiosks, 3 WTPs, a 2.5 million m3 dam and 93 km pipeline were constructed. Finally, the sanitation component of this project has already delivered three fecal sludge treatment plants (versus 4 expected) and 3 landfills (versus 4 expected). The evaluation found that the undelevered infrastructure outputs were mainly due to modest project implementation delays. Interviews with the Bank’s staff and WASAC representatives indicate that some of these outputs will be achieved by 2021 or in the next few years.

The Bank’s projects have provided basic services to thousands of citizens throughout the country. The MTR of CSP 2012-2016 indicates that AfDB interventions during this period resulted in over 769,000 people (399,880 women) gaining access to an improved water source compared to the planned 158,000 people (82,160 females). Furthermore, 85,005 people (44,202 females) benefitted from improved sanitation facilities, also higher than the planned 8,000 beneficiaries. The Rural Drinking Water Supply and Sanitation (RWSS) Sub-program Phase II, a Bank’s intervention approved before 2012 and completed during the CSP period 2012-2016, contributed to these results (Box A3.1, Annex 3).

The Bank’s support also helped improve operations and maintenance capacity in the water and sanitation sector. Interviews with WASAC staff and Project Implementation Unit (PIU) teams revealed that they had benefited from the Bank’s capacity development activities, including training and on-the-job learning from technical experts supplied by the Bank’s projects to PIUs. However, two important institutional support outputs under the ongoing RSWSSP were not delivered: an analytical laboratory and a training center for the WASAC. Interviews indicated that WASAC has preferred to start with the implementation of an infrastructure component and then turn to institutional components later. However, parallel implementation of both components could have complemented each other in delivering results. For example, the WTPs that are being built and/or rehabilitated would benefit from the laboratory services as soon as they are completed; whereas the training center would provide trained technicians to operate the systems immediately after their commissioning.

The Bank’s projects have satisfactorily benefited target group members (or are likely to do so once completed). Examples include the Kigali Bulk Water Supply Project which was commissioned in 2020 and started supplying water to WASAC on 20th February 2021. Consultations with stakeholders indicated that the project has started benefiting residents of Kigali and neighboring areas. Residents
of Nyamata and Kanzenze/Karumuna areas are now connected to the water distribution network. Discussions with water users near the Bidudu Reservoir as well as in Karumuna expressed high levels of satisfaction resulting from having access to reliable and affordable waters sources (Box 2). Previously, communities in these areas relied on water vendors who sold drinking water at a high price. The water was often fetched from unprotected sources, with high risks of contamination with water-borne diseases. Interviews with business owners (e.g., restaurants) revealed that the value of real estate in regions supplied with drinking water is also steadily rising.

**Finance Sector**

During the last two CSPs, the Bank’s support consisted of three LOCs provided during 2012-2021 to the financial institutions i) Access Bank Rwanda (ABR), approved in 2015, for US$6.3 million, ii) Development Bank of Rwanda (DBR), approved in 2017, for US$20.7 million, and iii) COGEBANQUE Plc Rwanda, approved in 2019 with US$14.5 million. The total approval amount was US$41.6 million. Before the CSP 2012-2016, the Bank also provided a LOC to the Banque of Kigali in 2010, for an amount of US$12.8 million.

The Bank’s LOCs have resulted in a greater capacity of beneficiary institutions to finance their growth and support national economic development. The LOCs were found to be effective in augmenting lending institutions’ liquidity, enabling them to diversify their sectoral focus and expanding their loan portfolios. More businesses have been able to access long-term financing, enabling them to scale up their operations and create new employment.

Available information suggests that the three LOCs have achieved good results, ranging from jobs created by supported SMEs and large-scale enterprises in a variety of targeted sectors, and in the number of jobs created at the financial institutions themselves (Box A3.2, Annex 3).

Despite the reported results, the evaluation team found that the institutions implementing LOCs did not systematically track the performance of their clients, which makes it difficult to precisely determine the effectiveness of these interventions. This finding is also in line with an earlier evaluation synthesis of LOCs stating that, “the effectiveness of LOCs is often questionable because information at the end-beneficiary level for analyzing the development results through the evaluation criteria are missing” (IDEV, 2018).

The evaluation found that end-beneficiaries of LOCs were not well targeted. In particular, there was no specific targeting of women, youth etc. As a result, it is difficult to know the extent to which underserved target groups benefited from the Bank’s LOCs, especially because of insufficient data collected by financial institutions on their clients. Access to finance by underserved target groups would be more effective if these groups were specifically defined in

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<th>Box 2: Benefits to Target Group Members</th>
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<td>“I used to pay Frw 200 to buy a jerrican of 20 liters of water and this was expensive as my family needed at least 7 jerricans a day. With the construction of the reservoir in our area, my family has running water at all time and now I am only paying 10% of what I used to spend on water per month before the construction of the reservoir. We are all happy and thankful to the Government of Rwanda for this...” Source: A woman resident in Karumuna (in Kanzenze)</td>
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<tr>
<td>“The construction of Kanzenze WTP and Bidudu reservoir has been like a miracle to our community members. We used to walk long distances to fetch water and but now with the invaluable contribution Bidudu reservoir we have water almost at all time....” Source: A Woman resident in Kabeza village in Kicukiro.</td>
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the portfolio with clear baseline data and indicators to be monitored over time.

Social Sector

Under the social sector, the Bank’s interventions aimed to contribute to CSP Pillar II of the two CSPs: Developing skills for economic transformation. The Bank supported five projects including the Support to Science and Technology Skills Development Project approved prior to the 2012-2016 CSP and four budget support programs approved between 2012-2021. The total value to the former was US$8.3 million and to the latter (the four budget supports), US$240.4 million.

The Bank’s interventions focused on strengthening the capacity of main institutions of higher learning in Rwanda, such as the Kigali Institute of Science and Technology (KIST). By selecting this beneficiary institution, the GoR sought to enhance its ability to add qualified mid and high-level workers to the labor market. The Support to Science and Technology Skills Development project has benefited students nationwide, and women, through increased access to quality training, mostly in environmental design, planning, and engineering. The Equal Opportunity Program in science and technology has contributed to the promotion of gender equality at the higher education level in Science, Technology, Engineering and Math (STEM). The project promoted innovation and technology transfer in rural areas through the establishment of KIST’s Center of Innovation and Technology Transfer (CITT) in the Musanze and Nyagatare districts.

SEEP – I addressed the budgetary financing gap and ensured continuation of programs in skills development and entrepreneurship being undertaken by GoR. All sectors of the country’s economy were characterized by the prevalence of limited skills, low labor productivity and youth underemployment. SEEP-I was designed as a single tranche budget support of UA 25.6 million to protect critical expenditures in education, employment and entrepreneur development sectors being threatened by aid cutbacks.

In SEEP I, the PCREN indicated that there was lack of data availability to measure the degree of achievement for many of the outcomes and outputs. For example, the share of self-employment in off-farm employment and the share of off-farm jobs in total employment could not be assessed as there was no data available. The only output that was measured and realized was the share of TVET enrolment in upper secondary stream (38% share of TVET enrolment, vs 41% expected). Similarly, for SEEP II, the PCREN concluded that it was hard to gain a clear picture of the effectiveness of the program in achieving its outcome and output targets due to deficiencies in data and data analysis. SEEP III, which focused on skills, employability and entrepreneurship development, achieved most of the outcomes and outputs as confirmed by the PCREN but did not reduce the skills mismatch between supply and demand in the labor market. This was fundamentally due to the GoR remaining in control of the TVET system.

The most recently completed budget support program was the SBDP, which was built on SEEP I-III. It was designed to support policy reforms for boosting domestic production through skills development and enterprise growth for job creation. SBDP has contributed to 313,956 off-farm jobs (41% taken up by youths and 35% by women) that were created by the GoR between 2017 and 2019 as evidenced by the 2020 labor force survey (PCR, March 2021). SBDP has also supported Rwanda in a number of policy reforms for creating a conducive enabling environment and economic diversification. For example, the implementation of the Made in Rwanda policy and the domestic recapturing strategy contributed to the diversification of exports away from coffee, tea and minerals to other new exports commodities such as horticulture, hides and skins. This helped an increase in exports as a share of GDP from the baseline level of 8.6% in 2016 to 12.3% in 2019. The Entrepreneurship Development Policy, a reform measure under the program has
helped to create a conducive environment for the growth of MSMEs and cooperatives. This ecosystem will facilitate firm growth and productivity of MSMEs and large enterprises hence enabling sufficient increase in job creation. One of the challenges in this PBO was that these policy reforms targeted mainly micro-enterprises which constitute over 90% of total firms. While overall this makes sense, it may not be the most effective means of achieving the expected results. According to the PCR of this program:

“There is little evidence that micro enterprises are drivers of growth in developing countries and their contribution to job creation is unclear. It is medium enterprises which create jobs and have higher productivity levels. Yet they seem to have been less targeted by the intervention. Micro enterprises typically provide unskilled or semi-skilled employment to poor people especially women and produce a range of goods for consumers not reached by large firms but are unlikely to contribute much to economic transformation.” (PCR, March 2021 p. 5).

Although progress has been made in TVET education, the evaluation found that enrollment in priority skills areas is not reaching its targets in the fields of infrastructure, agriculture, natural resources, investments, trade, industry, ICT, health and education. Youth unemployment is still high and businesses face difficulties to find the right skills for job openings. Up to 40% of the youth aged between 25-30 years were unemployed due to a lack of education, or appropriate skills training, which is not acceptable to the GoR. The private sector continues to cite an “inadequately educated workforce” as one of the largest constraints. MSMEs support through the PBOs has partially contributed to livelihood support, but not necessarily job creation.

The evaluation also found that the TVET system, despite making advances, has fallen short of generating the skilled labor needed by the labor market (about 20,000 to 30,000 students per annum shortfall from the TVET target) and this is part of the reason why the private sector is not up to speed as expected. Moreover, the TVET system has experienced both under enrolment and misalignment between the career path chosen by students and the skillsets needed by the labor market. There are also training gaps in apprenticeships and it appears that bringing in systems from other places and applying them in Rwanda may not work.

The geographic distribution of the TVET system in Rwanda is also important for its effectiveness. 82.5% of the population lives in rural areas, and private sector (industries) should be spread across the districts in the country for improved benefits. Thus, the location of TVET in secondary cities and creating incentives for private sector development to invest in those cities could improve employment creation.

**Multisector**

The Bank supported Rwanda’s efforts to respond to the impact of COVID-19. The Rwanda COVID-19 Crisis Response Budget Support Program (RCRBS) was approved in July 2020 with a total value of US$100.1 million. The program was designed to support the implementation of the National Preparedness and Response Plan (NPRP) and the Economic Recovery Plan (ERP) (May 2020 to December 2021) of the government. The program comprises three broad mutually reinforcing components namely: i) strengthen the health system to contain the spread of COVID-19; ii) safeguard economic resilience against COVID-19 shocks; and iii) mitigate the impact of COVID-19 on the vulnerable through expanding social protection coverage. The evaluation found that the ongoing RCRBS has already contributed positively to the GoR’s COVID response.

The findings indicate that Rwanda has registered significant achievements in terms of increasing its national COVID-19 testing capacity. The country’s testing capacity was enhanced through operationalizing eleven decentralized laboratories which have increased the national testing capacity from 200 to 5,000 samples per day in a six month period with the country now being one of the best in the region and having the highest testing capacity per million people tested (MOH Annual report, FY19/2020). The GoR also conducted training to
health care professionals to be able to respond to COVID-19 and continues to conduct countrywide mass media campaigns focusing on COVID-19 awareness raising and preventive measures including handwashing and sanitization, social distancing, and hygiene in public places. As of June 29, 2021, out of 1,631,415 people tested since the confirmation of the first COVID-19 case in country, 38,198 were confirmed positive, 27,272 have recovered, 10,495 are active cases and 431 deaths. All the people who tested positive for COVID-19 are referred to the designated sites for COVID-19 treatment. The number of people vaccinated as of end of June 2021, is 391,785 (MOH).  

The government, through the Rwanda Development Board, has developed a new online internship system to digitalize and manage internship applications as a response to the sharp decline of professional internships due to COVID-19. Interviews and documents reviewed showed that the number of MSMEs supported to access capital or to be provided with business development advisory services has declined due to COVID-19. This has forced employees to learn new skills required in doing business such as online transactions, e-commerce, online services delivery, home delivery services, etc. to maintain their jobs. In response to this, the RDB rapidly re-skilled employees with soft skills (digital literacy) to adapt to the new market dynamics and job requirements. Some 885 graduates did internships in private and public institutions to acquire professional skills in 2020. About 1,746 people were trained in partnership with companies for direct employment and more than 40% of them were hired. More than 400 people have been trained in new skills and have been able to maintain their jobs. About 1,024 projects of TVET graduates were supported to acquire start-up toolkit loan facility to start their own businesses. Among these businesses, 558 (54.5%) were women-owned, 459 (44.8%) male-owned, and 7 (0.7%) were cooperatives.

Sustainability

The sustainability of the Bank’s interventions was assessed based on technical soundness; institutional capacity; beneficiary ownership; social and environmental aspects; and financial sustainability.

The sustainability of the Bank’s interventions in Rwanda is assessed as partly unsatisfactory overall. Rwanda has sound institutional and governance structures that are likely to ensure continued flow of benefits associated with Bank supported projects after completion, particularly in the energy and transport sectors. Most hard infrastructure were built with appropriate and durable technology. In addition, the Bank’s interventions have satisfactorily ensured compliance with the required environmental and social safeguard measures. Notwithstanding this, financial sustainability is unlikely for interventions in water and sanitation due to insufficient revenue-generating capacity. The road sub-sector is also facing risk due to inadequate maintenance budget and delays in implementing axle-load control, and electricity tariffs are also not cost-recovering.

Technical Sustainability

Most interventions in infrastructure are technically sound. The hard infrastructure built in energy, transport, and water and sanitation generally used appropriate technology and approaches. For example, all the operations in the Kanzenze WTP are automated and controlled on a single screen/laptop. In addition, there is no technical fault identified on the road and energy infrastructure.

However, rural water supply and sanitation investments appear to face risks. The RWSSP II project which was approved before the CSP period 2012-2016 contributed to improved access to water supply and sanitation. However, interviews with Non-Governmental Organizations indicated that sustainability issues were not properly addressed in the RWSSP II project. Already, some of the water and
sanitation systems set up are no longer functional (e.g., in districts such as Nyamasheke and Rusizi).

**Institutional Capacity**

Rwanda has sound institutional and governance structures, with technical capacities, that are likely to ensure the continued flow of project benefits. In the energy sector, EDCL has qualified human resources to keep the energy projects functioning well throughout their economic lifetimes. Since 2014, Rwanda has undertaken reforms of energy sector institutions, resulting in a sound sector framework. Utility operations are now separate from energy resource development, which allows for clearer financial accountability. In transport, the RTDA has the institutional capacity required to handle Bank supported projects during the period 2012-2021. The GoR has improved governance practices and institutional mechanisms as well as technical competences. Rwanda is also engaged in a procedure for the adoption of legal and regulatory acts that will contribute to the safeguarding of its road network. However, a delay in starting the planned axle-load controls is likely to pose risks to the road infrastructure.

In their design, the Bank’s interventions have generally included capacity development as an integral component, which is critical to the sustainability of achieved benefits. For example, in the energy sector, the SEAP-I project provided Rwanda Energy Group teams with training in procurement, technical, and managerial capability for operation, as well as maintenance of the electrical network. In the transport sector, the Bank, through the NTF, provided technical assistance to the RMF and RTDA in the form of two international road experts in maintenance and development of a road management system. Another excellent example is the RSWSSP program which allocated about 10% of total budget of the program to strengthening PIUs and wider capacity development of WASAC. Interviews with Bank’s staff and WASACs confirmed that the program has effectively recruited competent technical assistants with experience to support and help develop critical skills required to augment the performance of the PIU. The technical assistants provided on the job and structured trainings in areas of program management, procurement, civil, mechanical and process engineering.

**Beneficiary Ownership**

The Bank’s interventions have generally adopted participatory approaches in design and implementation, creating a sense of shared ownership among key stakeholders and beneficiaries. Across all sectors, projects included clear and sound implementation arrangements – where roles and responsibilities for different parties involved are detailed. Beneficiaries and local officials were involved in the design and implementation of projects, either directly or through their representative organizations and associations. In addition, the use of local services (e.g., local labor during construction works) during implementation helps reinforce a strong sense of ownership. The Bank’s projects have nurtured solid community ownership by integrating a broad stakeholder approach from project conceptualization to implementation.

**Environmental and Social Aspects**

The Bank’s interventions have satisfactorily ensured compliance with the required environmental and social safeguard measures. Analysis of PARs showed that, at the design phase, all the Bank’s projects had satisfactorily complied with the environmental and social safeguards laid down for Environmental Category I and II projects. The Bank’s projects generally included the conduct of Environmental and Social Impact Assessments (ESIA). The implementation of Environmental and Social Management Plans, which were developed as part of the ESIA, helped to mitigate adverse environmental and social impacts. Discussions with Implementing Agencies for infrastructure-related projects showed that their PIUs generally have an environmental monitoring officer and sociologist
on their teams, and that they take environmental and social sustainability very seriously. Consulted IPRs indicate that the Environmental and Social Management Plans are generally implemented as scheduled during project implementation.

### Financial Sustainability

The evaluation found that financial sustainability is weak in the water and sanitation projects. For these projects, WASAC is responsible for both implementation of the programs, operation, and maintenance of the infrastructure. The financial sustainability of these projects is questionable given WASAC’s insufficient revenue-generating capacity—which is explained in large part by the high level of NRW (40% in 2020). The poor maintenance of water supply systems and a lack of high-quality service standards is likely to result in a low level of willingness among clients to pay more for the water supply and sanitation services. Consulted Bank staff, WASAC management and government officials in Rwanda indicate that the tariffs charged by WASAC generally do not cover all the costs of operating and maintaining the water supply systems (i.e., are not fully cost recovering). To date, the price of water sold by WASAC covers only part of the operational and maintenance costs.

In the transport sector, the lack of adequate budget for road maintenance was identified by the RMF as the key bottleneck for road infrastructure sustainability.

Despite the tariff reviews implemented throughout the evaluated period, electricity tariffs in Rwanda are still not cost recovering and the GoR has been providing subsidies to the energy sector. For example, the GoR has implemented a subsidy regime that cost USD 57 million in fiscal year 2015/16 alone in its bid to ensure an affordable electricity supply. Although the subsidy is decreasing progressively over time, it is a major factor constraining the sustainability of energy projects.

### Crosscutting Issues

#### Gender and Other Social Dimensions

The evaluation found that project designs were gender sensitive and, in most cases, had gender disaggregated performance targets. The review of CSP documents and the PARs indicates that most of the Bank’s projects included a gender dimension, describing how the projects are going to benefit women, and highlighted the importance of supporting the most vulnerable groups, including female-headed households. For example, in line with the Revised Log-Frame of the SEAP-I project (in 2018) a new target was stated as “creation of 800 jobs of which 120 will go to women (15%).”

Most of the Bank’s projects in the social sector in Rwanda were also gender sensitive and had gender disaggregated targets though these were often over-ambitious and were not fully achieved. In addition, the projects related to infrastructure were designed to enforce the accessibility to infrastructure for people with disabilities. For example, disability access considerations were mainstreamed in transport projects during construction of bus shelters with special facilities for the disabled.

Gender considerations are also reflected in AfDB project reporting. For example, the Quarterly Progress Report (Oct-Dec 2020) for the Base-Gicumbi-Rukomo road project states that “the project has created 37,036 jobs, of which women represent 21%.” In the context of the SEAP-I project, the August 2020 IPR reports that the project enabled on-grid access to 30,636 households of which 4,953 were women-headed households, and that 80,582 were women out of 151,975 people (vs. 25,438 expected at appraisal).

This good practice of integrating gender and equity issues in Bank’s interventions was further inspired by sectoral policy and strategy frameworks in Rwanda. For example, the Infrastructure Gender Mainstreaming Strategy (2017-2022) provides an
The outline of how the infrastructure sub-sectors will mainstream gender in its plans, processes, programs and projects. The National Energy policy (2015) also recommends addressing energy concerns in a gender-sensitive manner while identifying and evaluating appropriate technologies for any given energy service. The Bank’s operational guidelines, including its gender strategy and requirements, have also influenced its interventions in Rwanda during the evaluation period.

However, most of the Bank’s interventions recognized that closing gender gaps remains a long-term challenge. Despite several reforms undertaken in the country to enhance gender equality and foster women’s empowerment, there are still restrictive social norms and patriarchal attitudes which hinder gender equality and impede the socio-economic empowerment of women.

The Bank also considered equitable distribution of project benefits as a clear project design criterion. The evaluation found that AfDB water and sanitation projects effectively ensured the inclusion of poor and vulnerable groups to access and benefit from these interventions. The PARs consulted as well as interviews showed that WASAC has a pro-poor program, ensuring that those who have little purchasing power have access to clean drinking water. The Rwanda Utilities Regulatory Authority (RURA) has also established a social tariff: the existing tariff system starts with a lifeline social tariff for the first 5 m³; this social tariff was considered for the inclusion of poor and vulnerable groups. The Rwanda Utilities Regulatory Authority (RURA) has also established a social tariff: the existing tariff system starts with a lifeline social tariff for the first 5 m³; this social tariff was considered for the inclusion of poor and vulnerable groups. The industrial and commercial activities have special higher tariffs. Additionally, the poor and vulnerable groups have access and benefits from the water supply and sanitation services through standpipes and public latrines.

Similarly, in the energy sector, RURA announced a new tariff regime at the end of August 2018 which has a social dimension. The tariff adjustments were made as a result of the conditions for Bank approval of several of its energy sector projects.

**Climate Change and Green Growth**

Bank’s interventions in the water supply and sanitation sector are expected to have positive effects on the environment since they improve water quality and hygiene. One notable example is the RSWSSP which includes many sub-projects which are expected to improve the environmental conditions in the country. The WTPs have the potential to limit bacterial pollution of water and the natural environment due to sewage discharge to rivers and groundwater. The landfills and fecal sludge treatment plants are also expected to contribute to alleviating the impacts of the existing open dumping and uncontrolled solid waste disposal on the natural environment.

Some Bank projects were specifically developed to support Rwanda’s efforts to transition to green growth, although it is too early to assess their effectiveness. For example, the Bank has encouraged “green” projects in the energy sector with a low carbon footprint (hydroelectricity, solar, methane from Lake Kivu), in addition to “directing investors towards independent production (IPP)” by installing mini-grids (decentralized or connected to the national network managed by EDCL). The “green mini-grids”, targeting small communities, are increasingly seen as the ideal approach as they allow these communities to quickly achieve universal access to electricity at a reasonable cost while limiting adverse environmental impacts linked to traditional electricity systems. The approach is particularly relevant in Rwanda, given the high costs of extending the conventional network, and the high costs of fossil fuels that the utility imports for conventional thermal power stations and generators. In this regard, the two regional hydroelectric projects (the RUZIZI-III and RUSUMO projects) are likely to result in new hydropower-plants at lower production cost (and far lower pollution) which could also help the country to reduce imports of fossil fuels.
What Has the Bank Contributed to Development Results in Rwanda?

Knowledge and Policy Advice

Policy Dialogue

The evaluation found that the policy dialogue between the AfDB and the GoR has been effective. The Bank’s knowledge and its trust built over time with senior officials has allowed it to help inform dialogue on a wide range of topics with the GoR. Interviews with stakeholders revealed that the Bank has consistently participated in sector coordination mechanisms, such as SWGs (e.g., WASH, Energy) that bring together government representatives, DPs, private sector actors, and civil society organizations. The Bank also held bilateral meetings with relevant ministries (e.g., Ministry of Finance, Economy and Planning (MINECOFIN), Ministries of Infrastructure etc.) to advance its dialogue.

The Bank has co-chaired Water and Energy SWGs. Stakeholders appreciated the fact that the AfDB has appointed a Task Manager for water supply and sanitation who is based in Kigali. This has enabled timely provision of much needed support and has improved collaboration between the MINECOFIN, the line Ministry and the executing agency WASAC. Moreover, government stakeholders expressed a strong desire for the Bank’s Country Office in Rwanda to have Task Managers for other key sectors such as energy and transport. They argued that, in the absence of Task Managers/experts for these sectors in Rwanda, it has been challenging to benefit from the Bank’s chairmanship in those SWGs.

Knowledge and Analytical Works

During the evaluated period, the AfDB has influenced policy dialogue through its analytical work in support of its interventions. Implementation of these analytical work has been satisfactory, and their outcomes have continued to reinforce lending activities and to inform policy dialogue. The Bank’s knowledge activities (Table A3.2, Annex 3) and associated knowledge products were described as very useful by stakeholders in the Bank, government institutions and executing agencies. The Bank delivered twelve Economic and Sector Works (ESWs) out of 16 planned during the evaluation period. One is ongoing while 3 were dropped due to changes in government priorities. The Bank also implemented nine additional ESWs (4 completed and 5 ongoing) which were not planned in the CSPs.

Most analytical works contributed to the design or implementation of lending operations, while others related directly to supporting reforms under the PBOs. For example, the Energy Sector Review and Action Plan provided analysis of available energy resources and project readiness for implementation. The results of this review informed a prioritized energy pipeline covering a 25-year period. Similarly, the Study of the Transport Sector Review and Action Plan (2013) identified a prioritized pipeline of transport sector operations that informed the Transport Sector Strategic Plan (2013-18).

As a result of recommendation from the study on Leveraging Capital Markets for SME Financing in Rwanda, the first set of SMEs were listed on the Rwanda Stock Exchange in 2016 by the Rwanda Capital Market Authority. Listing on the stock market marks the culmination of a process which includes identifying prospective SMEs and providing capacity development to them in corporate governance.

The Gender and Youth Employment in Rwanda study informed the design of the SEEP-II. This program focuses on, among other things, youth and women MSMEs. The findings and recommendation from the Growth Diagnostics study informed dialogue with Rwandese authorities during the CSP 2012-16 MTR in 2014 and led to the sustained prioritization of investments in transport and energy. The study on Improving Labor Productivity through TVET for Enterprise Development and Job Creation recommended the need to invest in skills development for key sectors including manufacturing, ICT, energy, and construction which were taken into account to inform the strategic thrust of CSP 2017-21.
How Has the Bank Managed its Interventions in Supporting Development Results?

Design and Selectivity

The quality of the Bank’s two country strategies, CSP 2012-2016 and CSP 2017-2021, was found satisfactory. They focused on key development challenges in Rwanda and addressed them in an effective way. As described under the section on effectiveness, the Bank’s interventions implemented during the two CSP periods have contributed to (or are on track to contribute to) important development outputs and outcomes. Stakeholders were very satisfied with the CSPs as well as the Bank’s sectors of support. However, while a large portion of the Bank’s support was for three main sectors of intervention, the Bank was involved in nine sectors in total.

Over the period 2012–2021, the Bank has made efforts to focus its portfolio in areas of great interest to the country and where it has a comparative advantage in delivering support. The portfolio review shows that a large portion of the Bank’s assistance to Rwanda went to water and sanitation, energy, and transport. These three sectors alone have absorbed about 73% of the resources. This is an area where the Bank has wide experience across the continent, and in Rwanda in particular. The Bank’s comparative advantage in infrastructure sectors is well acknowledged by the consulted stakeholders who also perceive it as a trusted partner. The Bank is currently the largest funding institution in the water sector in Rwanda, providing about 80% of total donor funding for the sector. The Bank also contributes 32% and 30% of total donor funding in energy and transport, respectively.

Although the Bank consolidated its interventions around the three sectors, selectivity of interventions was not adequately reflected in practice within the portfolio. The portfolio review shows that the Bank’s support has covered nine sectors (Figure 2). The relevance of the Bank’s focus on sectors such as environment and communications remain questionable, given that only a very small portion of the resources have been devoted to operations in these sectors. The evaluation considers that the benefits of the Bank’s support would have been maximized by focusing on a few sectors (three at most) and by making sure that these are addressed holistically by tackling both hard and soft aspects of each sector’s development.

While conventional loan instruments were mainly relied on, the Bank was innovative in the delivery of its support. The introduction of Public-Private Partnerships for water supply delivery was an important innovation during this evaluation period. In the water supply and sanitation sector, the Bank supported the first PPP project on large scale. In the Energy Sector, the Ruzizi III Project was the first regional power project in East Africa to be established as a PPP.

The use of a RBF instrument was another innovative approach. Consultations with the Bank’s staff and GoR’s officials indicated that the RBF instrument has helped the Bank to link its support to the results of specific GoR’s programs of expenditures and to focus the intervention directly on systems improvement, capacity development and partnership with government.
The Bank also responded adequately to the country’s need to curtail the impact of COVID-19. In July 2020, the Bank approved the Rwanda COVID-19 Crisis Response Budget Support Program to mitigate the socioeconomic impact of this pandemic.

**Efficiency**

Efficiency assesses the extent to which the Bank’s interventions deliver or are likely to deliver results in an economic and timely manner.

The efficiency of AfDB projects was assessed as satisfactory. For most projects in the energy, transport, finance and social sectors, efficiency was satisfactory or highly satisfactory. However, infrastructure projects frequently experienced implementation delays due to procurement challenges. Although interventions in the water and sanitation sector were found to be economically viable, their financial viability appears to be unlikely due to low tariffs and limited revenue generation.

**Returns on Investment**

While evidence on ex-post rates of return is limited, the available evidence suggests that returns on Bank-supported investments are positive. In sectors such as transport, there were savings on project budgets which were used to finance more project outputs. For example, in the case of Kagitumba-Kayonza-Rusumo road project, project savings were used to finance “additional works” as follows: Kagitumba-Kayonza (116 km), rehabilitation of Ryabega - Nyagatare (11.15 km) and Gatsibo roads (5.2 km), and road lighting along the Kagitumba-Kayonza (116 km) and Ryabega-Nyagatare (11.15 km) roads.21

The Bank’s interventions were found to be economically viable at appraisal. A review of the PARs showed that projects’ EIRR calculated at appraisal stage were, for most projects in Pillar I, generally higher than the opportunity costs of capital, at 10% to 12%. Since most projects are ongoing, post-completion EIRRs are not yet available. The estimated EIRRs at appraisal may slightly decline due to delays in project implementations but remain at acceptable levels. In the finance sector, LOCs were found to be a cost-effective instrument for reaching private borrowers. This is because LOCs allowed AfDB to channel financial assistance through financial intermediaries instead of directly delivering resources to end-beneficiaries.

However, interventions in the water supply and sanitation sector faced challenges in terms of their financial performance. In most cases, WASAC operates and manages water and sanitation infrastructure. But the utility has a high rate of NRW22 (around 40% in 2020) which makes it very difficult for it to make any profit. Although the RURA can adjust water and sanitation tariffs whenever necessary, it is not clear if WASAC has the ability to optimize operating costs; commercialize water to improve revenue; limit NRW losses; and operate within a sufficient margin to ensure profitability and to meet operations and maintenance costs.

**Timeliness**

Frequent implementation delays were experienced in both multinational and national projects. In most cases, the delays were related to procurement and project start-up processes, and weak implementation capacity of some implementing agencies and contractors. An analysis of the Bank’s portfolio showed that social and institutional support projects were generally implemented according to the planned timelines; but this was not the case for the infrastructure projects. At the time of this evaluation, there were six projects that were completed (or closed) and which had data on planned and actual dates of completion. More than half of these projects were implemented within the planned timeline, while two projects were delayed (Figure 3). In fact, most infrastructure interventions in Pillar I were granted an extension during their implementation, with many receiving more than one extension.
For example, SEAP I in the energy sector shows significant deviation from the planned completion period. This project was originally considered as a showcase project but became a problematic project due to its long procurement process and PIU staff turnover. The project experienced disbursement issues and had to be extended twice. By contrast, the evaluation team found that SEAP II, which is financed through RBF, is on track and is likely to deliver timely on all targets with a close follow up.

The Bank’s interventions encountered delays in procurement processes. Document review and interviews suggest that implementation delays due to procurement were frequent. For instance, RSWSSP involved many contracts (around 70 contracts of varied sizes and therefore diversity of contractors) and the procurement processes was lengthy. However, for some procurement processes, the country’s systems were used. The fact that the Bank has used the national systems in at least some aspects of project procurement was very much appreciated by the government.

In the social sector, the Support to Science and Technology Skills Development program experienced significant delays in the preparation of architectural design due to the suspension of the consultant’s contract initiated by the Ministry of Education and later reinstated by the Rwanda Public Procurement Authority.

Key factors that caused the delays were low technical capacity of some implementing agencies and contractors, the procurement approach (contracting designer and contractor separately vs. Design and Build approach) adopted during the procurement process, contract termination, and flooding. In addition, a lack of project baseline data, unqualified labor, PIU staff turnover, and delayed communications all contributed to the delays.

COVID-19 has also negatively affected project implementation plans and has delayed the Bank’s interventions across all supported sectors, particularly infrastructure. All projects involving constructions (water and sanitation, transport, energy) were put on hold due to the

**Figure 3: Planned Versus Actual Duration (Number of Months) for Completed Projects**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Actual</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills Development in the Energy Sector</td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Skills And Business Development Program (SBDP)</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>Skills, Employability and Entrepreneurship Program III</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Skills, Employability and Entrepreneurship Program I</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Skills, Employability and Entrepreneurship Program II</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Scaling-Up Energy Access Project</td>
<td></td>
<td>86</td>
</tr>
<tr>
<td>Integrated Household Living Condition Survey (EICV4)</td>
<td>24</td>
<td>23</td>
</tr>
</tbody>
</table>
Government’s COVID lockdown measures. For example, the physical works of Rubavu-Gisiza road and of Base-Gicumbi-Rusumo road were suspended in March 2020 to scale down on potential virus contraction. All non-essential services were stopped in the case of the Kigali Bulk Water Supply project as a result of the wider lockdown. Kigali Water Limited, through WASAC, managed to obtain approval to utilize a small work force to continue construction works on the site.

The evaluation also found that project start-up was often delayed. An analysis of the Bank’s portfolio indicated that, on average, it took about 6 months for projects to make first disbursement after effectiveness. The portfolio analysis also showed that, on average, it required about 11 months between the approval date and the first disbursement for public investment projects (Table A3.3, Annex 3).

Managing for Development Results

The evaluation found that the Bank has put in place result tracking mechanisms. Interviews and project documents indicated a consistent use of CSP and project-levels logical or results frameworks which are developed in collaboration with relevant ministries and implementing agencies. These frameworks are developed early on at the start of each CSP and at the design phase of projects. These frameworks generally contain details about CSP (or project inputs, outputs, and outcomes) and provide indicators that measure levels of success.

Supervision missions were emphasized by stakeholders as the principal tool for project-level monitoring of Bank projects, drawing attention to issues that could weaken project results and craft timely solutions. Interviews show that supervision missions were carried out regularly, often involving the Bank staff together with members from implementing agencies and M&E specialists within project implementation units. Stakeholders were generally positive about the quality of monitoring done by the Bank. The Bank also performed MTRs for both CSPs.

The Bank’s Country Office presence on the ground facilitated routine follow-up and monitoring of projects, and provision of timely solutions to project implementation challenges. As example, this was the case for the water supply and sanitation sector where the Task Manager is based in Rwanda. As a result, the AfDB Country Office has been strongly involved in supporting WASAC on procurement issues, and the utility acknowledged the quality of the Bank’s support not only on procurement but also on supervision in general. However, for the energy and transport sectors, stakeholders as well as quarterly reports indicated that monitoring for some projects was problematic. This was notably the case of the SEAP-I project which experienced turnover of the person who was in charge of the PIU. In the case of the Ruzizi III hydroelectric project, the EDCL required close supervision as the project experienced difficulties of coordination between the three countries with the PIU was based in Burundi.

Limited data availability continues to be a challenge for measuring performance in the social and finance sectors. For instance, the lack of a timely Establishment Survey was mentioned as a factor that made it difficult to measure outcomes achievement in the case of the SEEP. Similarly, it was not possible to track and measure development outcomes for end-beneficiaries of LOCs in the finance sector due to gaps in the intermediator banks’ statistical reporting systems. A document review also showed that there was lack of candor of some PCR’s assessment of project results as identified by IDEV’s validation of the PCR of SEEP-I where the development outcome rating was downgraded.

In addition, the CSPs Results-Based Framework also had over-ambitious target setting. The CSP 2017-2021 completion report highlighted weaknesses in the definition of indicators and realism of targets in the original CSP Results-Based Framework. This affected the measurement of results and reporting during the implementation period.
Borrower Performance

The GoR has taken the lead in aid coordination and has fulfilled its commitments to the Bank. The government ministries, such as MINECOFIN and MININFRA, and implementation agencies such as RTDA, WASAC and EDCL, provided adequate support to the design and implementation of AfDB interventions. The evaluation team found that ongoing bilateral dialogue between MINECOFIN, line ministries, and the Bank allowed the GoR to fully honor its commitments. In addition, the GoR established a high-level DPCG which facilitates dialogue and discussion between the Government and the DPs on important issues.

The Bank generally involved relevant stakeholders in the design, implementation, and monitoring of interventions. The Bank’s strategic choices as stated in CSPs are the result of the process of policy dialogue initiated by the government. The fact that the Bank implements its projects through State Implementing Agencies (RTDA, WSAC, REG) or ministries helps to foster ownership and strong participation in the Bank’s interventions. However, there is room for improvement as better synergies could have been achieved through more coordinated, programmatic approaches to the design of operations in areas where several ministries and DPs are involved. For example, consulted stakeholders indicated that infrastructure projects could have better integrated climate change and resilience issues if the Ministry of Environment had been involved in the initial project design discussions.

The evaluation found that Rwanda has an institutional setting conducive to M&E and which fosters management of development results and evidence-based decision-making. There are many elements of the country’s institutional environment that foster a culture of M&E in Rwanda. The country’s Imihigo culture, institutionalized since 2006, is one such feature that has encouraged regular M&E, creating demand for timely and accurate data across all development sectors and levels of the government.
Conclusions

Relevance: The relevance of the CSPs was rated as highly satisfactory. Interventions under Pillar I related to infrastructure were aimed at accompanying Rwanda to address development bottlenecks in transport, energy, and water and sanitation. The Bank supported several projects in energy, transport, and water supply and sanitation with the primary objective of deepening regional economic integration by improving Rwanda’s connectivity with regional markets and improve access to electricity and water and sanitation.

Bank’s interventions under Pillar II were also fully aligned with the GoR’s desire to restore macroeconomic stability, boost economic growth and enhance structural reforms to support private sector participation in the country’s economy. Although all the Bank’s interventions aligned with the need of the target group, LOCs had limitations in terms of reaching their expected end beneficiaries.

Coherence: The coherence of Bank country strategies was highly satisfactory. The Bank ensured the coherence of its programs and operations through adequate consultations and dialogue with the government and DPs. However, there is room for the Bank to improve in terms of proactive and continuous engagement with DPs.

Effectiveness: The findings show that the Bank’s two CSPs were generally effective in delivering development results and are rated as satisfactory, but performance varied per sector. Interventions under infrastructure development (Pillar I) were delivering well, and at times exceeding their targets across the two CSPs. That is, the projects that are completed or advanced in their implementation have delivered the major strategic outputs and intermediate outcomes that were planned or are firmly on track towards achieving them.

Under Skills Development and Entrepreneurship (Pillar II), the Bank’s interventions have benefited students nationwide through increased access to quality training, mostly in environmental design, planning, and engineering. The Bank supported policy reforms, such as the Made in Rwanda policy and the Entrepreneurship Development Policy, have also created a conducive environment for the growth of MSMEs and cooperatives. However, the evaluation found little evidence to show that support to enterprise development and TVET resulted in adequate skill development and job creation. Successive Bank programs did not reduce the skills mismatch between supply and demand in the labor market, and there are still gaps in adequately linking the skills development and private sector.

The LOCs have also adequately benefited borrowing Financial Institutions, notably by increasing their capacity to finance their growth and to support national economy. However, the evaluation found that end-beneficiaries, notably SMEs, were not appropriately targeted.
**Efficiency:** Overall, the evaluation rated the efficiency of the CSP as **satisfactory**. Most interventions were found to be economically viable at design. However, infrastructure operations frequently encountered implementation delays due to procurement challenges. In addition, revenue generation from investments in the water supply and sanitation sector appears to be low, which puts the financial viability of these operations at risk.

**Sustainability:** The evaluation assessed the sustainability of benefits of the Bank’s support as **partly unsatisfactory**. Rwanda has sound institutional and governance structures, with technical capacities, that are likely to ensure continued flow of benefits associated with the Bank supported projects after completion, particularly in the energy and transport sectors. The Bank has developed its interventions based on prior experiences and up-to-date sector knowledge as well as involved beneficiaries in the design and implementation of operations, strengthened technical and institutional capacities. Notwithstanding this, high NRW levels and low tariffs in the water sector make it unlikely that financial sustainability will be achieved for interventions in water and sanitation. In addition, road infrastructure faces risk due to the shortage of a maintenance budget and delays in implementation of the axle-load control system, and electricity tariffs are still not cost-recovering despite various tariff reviews.

**Lessons**

The evaluation draws the following lessons.

**Lesson 1:** Rightly sequenced and coherent approaches can make critical contributions to sector development.

- This was noted in the energy sector where a solid performance of the SEAP I led to an innovative results-based SEAP-II. Both have delivered the planned results of improved distribution and transmission systems with access and system reliability. The development of hydropower is expected to make a significant contribution to the use of renewable energy resources, while development of sector manpower is providing the technical skills base that the country requires to operate a more diverse grid and off-grid power system. Support for tariff setting has also helped contribute to a policy setting conducive to sustainable delivery of power supplies from a variety of providers.

**Lesson 2:** Adapting the country program to the prevailing situations of vulnerability to climatic and health shocks enabled the Bank to effectively respond to the country needs.

- During the past decade, the Rwandan economy was buffeted by major floods and shortly thereafter, by the COVID pandemic. The Bank responded flexibly to both shocks, by adjusting time frames for project implementation in response to the floods and by providing financing for the RCRBS in the aftermath of the COVID pandemic.

**Lesson 3:** Deployment of sector experts in the Country Office with implementation support responsibilities can enhance the delivery of Bank support.

- The Bank’s support to Rwanda was coordinated between the AfDB Headquarters, the Kenya Regional Office and the Rwanda Country Office. Overall, the Bank’s support to strategy and program design and implementation was delivered effectively in a timely manner. It was noted that stationing a full-time staff officer with responsibilities for the water supply and sanitation sector in the country has proved to be highly effective in supporting the government’s efforts to advance its investments and reform in that sector. It is expected that other core sectors would benefit
from this example for achievement of better results.

**Lesson 4:** Careful targeting is essential for impactful LOC operations.

- The financial sector operations provided a low-cost entry point for the Bank’s private sector support for Rwanda. However, stakeholder feedback shows that better targeting of the LOCs to actual small enterprises could have improved their impact on SME development and on building the channeling of the Bank’s capacity to support to them.

**Recommendations**

The evaluation proposes the following recommendations.

**Recommendation 1:** The Bank should maintain a focus on key sectors while improving selectivity in its support to the country.

- Consolidating results achieved to date, the Bank should continue its support to transport, water supply and sanitation, and energy.

- Strike a balance between the “hard” and “soft” components of support (including dialogue and knowledge products) in all Bank interventions.

- Ensure appropriate sequencing of interventions to address institutional weaknesses in terms of implementation capacities.

**Recommendation 2:** Sharpen the strategy and approach to private sector development by making it more coherent and comprehensive.

- The Bank should carefully define the areas of its private sector agenda and address them in a more coherent manner, ensuring synergy with the interventions of other DPs who are taking the lead on macroeconomic and structural policy reforms.

- Any LOC projects should ensure careful targeting of enterprises. This support should be combined with capacity building for the participating financial institutions such that they are able to better address the needs of the MSMEs.

**Recommendation 3:** Ensure the sustainability of the long-term benefits of infrastructure projects.

- Engage the government in policy dialogue to design and implement policy measures to address tariff issues in the energy and water supply and sanitation sectors, and earmark adequate budget for the maintenance of road infrastructure.

- Support policy and institutional reforms to ensure sustainability of development results.

**Recommendation 4:** Continue supporting the country to overcome the challenges of COVID-19 and facilitate post-pandemic economic recovery in collaboration with other DPs.

- Enhance support to developing social infrastructure for the procurement and roll-out of vaccines against COVID-19 and support health system capacity for future pandemic preparedness.

- Towards achieving economic recovery, revive the ongoing but currently stalled infrastructure operations.
Annexes

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## Annex 1: Evaluation Matrix

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<td><strong>Development results - What Has Been Achieved by the Bank?</strong></td>
<td><strong>Relevance</strong></td>
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| To what extent are the Bank’s interventions relevant to the needs, development challenges and priorities of Rwanda? | • Degree of alignment between global and sectoral priorities listed in the Bank’s CSPs and those of Rwanda’s strategic frameworks  
• Perception of stakeholders on the alignment of Bank’s strategies with the needs and priorities of Rwanda  
• Bank staff’s perceptions on quality at entry of CSP  
• Perception of stakeholders on the alignment of the Bank’s individual interventions (Bank portfolio) with the development needs and priorities of Rwanda | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results Assessments  
Online Survey  
Debriefing workshop | CSPs, national and sectoral strategies, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
| To what extent do the Bank’s interventions address the needs of target groups in Rwanda? | • Clear identification of target groups/beneficiaries and their needs in the CSPs  
• Clear identification of target groups/beneficiaries and their needs in each project and rationales given for selection  
• Perceptions of beneficiaries and target groups on how the AfDB interventions address their needs  
• Degree of coherence between the needs identified and the activities undertaken to respond to them  
• Opinion of stakeholders on relation between intervention objectives and needs of beneficiaries | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results Assessments  
Online survey  
Debriefing workshop | CSPs, national and sectoral strategies, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
## Key Questions and Sub-Questions

To what extent are the interventions in Rwanda aligned with the Bank’s priorities?

- Level of alignment and operational translation of Bank's priorities at the continental and regional levels (general and per sector) in specific project interventions (energy, transport, WSS, finance, etc.)
- Degree to which sector distribution of the Bank's portfolio (and budget) reflects the Bank's priorities
- Level of correspondence between development objectives/outcomes in country plans (general, sectoral) and CSPs
- Perceptions of stakeholders on alignment of the country interventions with the AfDB's priorities
- Bank personnel's opinion on adequacy of AfDB continental and regional policy documents in Rwanda

### Indicators

- Key Questions and Sub-Questions
- Effectiveness

### Methods of Data Collection

- In-depth Document Review
- Key Informant Interviews and FGDs
- Project case studies
- Project Results Assessments
- Online Survey
- Debriefing workshop

### Data Sources

- CSPs, national and sectoral strategies, MTR, AfDB regional and continental policy documents (High five, Regional Integration)
- Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)
- Other relevant literature (e.g., donor reports, national statistics, etc.)
- Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)
- Online survey results
- Field visits

## Effectiveness

To what extent have the Bank’s interventions achieved their expected development objectives and results?

- Percentage of expected outputs achieved, on track towards achievement, not achieved and or abandoned (intervention level)
- Expected effects from each intervention stated, monitored, and achieved
- Evidence of tangible and demonstrable outputs achieved by AfDB supported projects (e.g., households, schools, with new electricity and water connections, roads constructed, rehabilitated, or maintained (km)
- Evidence of tangible and demonstrable outcomes (as listed in the projects’ logical frameworks) achieved by the ADB interventions or to which they have contributed to (e.g., reduction of income inequality measured by Gini index)
- Evidence of outputs’ convergence towards achievement of intended outcomes at sectoral and thematic levels
- Estimated contribution to sector key indicators of: (i) intermediate outcomes; (ii) long-term results (e.g., increased share of population with access to electricity (%))

### Methods of Data Collection

- In-depth Document Review
- Key Informant Interviews and FGDs
- Project case studies
- Project Results Assessments
- Debriefing workshop

### Data Sources

- CSPs, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)
- Other relevant literature (e.g., donor reports, national statistics, etc.)
- Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)
- Online survey results
- Field visits
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</table>
| What have been the impact of COVID-19 on the Bank’s operations and the country’s development? | • Identification of different categories of effects/impact COVID has had on the AfDB operations and on the country’s development  
• Evidence of effects in these different categories | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results  
Assessments  
Debriefing workshop | Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
| To what extent have the Bank’s interventions benefitted target group members? | • Perceptions of beneficiaries and target groups on how the Bank’s interventions have addressed their needs (adequacy of interventions).  
• Evidence of benefits obtained by target groups (e.g., increase of income, of knowledge) due to implementation of the interventions  
• Beneficiaries’ perception of what has changed for them during implementation and following the intervention  
• Degree of interventions’ ownership by beneficiaries  
• Perception of stakeholders (beyond beneficiaries) on the benefits that target group members derived from Bank’s interventions  
• Level of correspondence between project beneficiaries and beneficiaries as stated in country strategic documents | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results  
Assessments  
Debriefing workshop | CSPs, national and sectoral strategies, MTR,  
Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
| To what extent have the Bank’s interventions contributed to the achievement of development objectives and expected development results of the country, including impacts (both intended and unintended)? | • Evidence of the Bank’s support contribution to the country development objectives (e.g., households with new electricity connections, total installed electricity capacity, roads constructed, rehabilitated, or maintained (km) – see AfDB Results framework indicators)  
• Perception of stakeholders (government, DPs, civil society) on the Bank’s contribution to the country development objectives  
• Perception of stakeholders (implementing agency, beneficiaries, civil society) on the AfDB interventions’ contribution to the country development objectives  
• Evidence of unintended effects (positive and negative) generated by the AfDB supported interventions | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results  
Assessments  
Debriefing workshop | CSPs, national and sectoral strategies, MTR,  
Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, Rwanda’s development indicators, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
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| **Sustainability**               | To what extent have the achieved benefits continued or are they likely to continue once the Bank’s interventions are completed? | • Attention paid to sustainability and results sustainability factors in the AfDB strategies and policy dialogue  
• Degree to which different aspects of sustainability (financial, technical soundness, social, institutional, environmental) were considered at the appraisal and design stages of AfDB interventions  
• Perception of stakeholders on the importance given to sustainability by the Bank  
• Existence of intervention and sector sustainability plans (exit-strategies)  
• Evidence that GoR has absorbed the results of the interventions (ownership) and has provided for their sustainability (e.g., financially, organizationally, policy)  
• Clear definition as to accountability for sustainability  
• Existence of satisfactory institutional arrangements and regulations to ensure infrastructure and equipment maintenance, or territorial management  
• Evidence that capacity (individual, organizational, institutional) has been strengthened to sustain the achieved benefits  
• Completed Operations with Sustainable Outcomes Rating (COSOR) | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results Assessments  
Debriefing workshop | MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
| **Crosscutting Issues**          | To what extent are the Bank’s interventions inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender, youth and geography) in terms of gender equality and regional disparity? | • Degree to which AfDB supported projects are informed by contextual and situational analyses, with clear statistics and evidence on regional disparities, most vulnerable groups, gender and equity issues, youth employment levels, etc.)  
• Evidence that issues of gender equality, youth employment, and geographic disparities are considered as a criterion in the selection of AfDB supported projects.  
• Degree to which issues of gender equality, youth employment, and geographic disparities are considered in the implementation of projects  
• Degree of effective intervention inclusiveness (number of project direct and indirect beneficiaries) | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results Assessments  
Debriefing workshop | CSPs, national and sectoral strategies, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
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<td>To what extent are the Bank’s interventions environmentally sustainable and support the transition to green growth?</td>
<td>• Evidence that the quality of environmental assets (e.g., climate resilient water infrastructure) are considered as a criterion in the selection of AfDB supported projects&lt;br&gt;• Examples of AfDB supported projects that specifically address climate resilience issues.&lt;br&gt;• Evidence that climate resilience issues are considered in AfDB supported projects (climate-informed design and implementation).</td>
<td>In-depth Document Review&lt;br&gt;Key Informant Interviews and FGDs&lt;br&gt;Project case studies&lt;br&gt;Project Results Assessments&lt;br&gt;Debriefing workshop</td>
<td>CSPs, national and sectoral strategies, MTR, Project documents (PAR, PCR, IPR, M&amp;E Reports, Annual Reports)&lt;br&gt;Other relevant literature (e.g., donor reports, national statistics, etc.)&lt;br&gt;Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)&lt;br&gt;Online survey results&lt;br&gt;Field visits</td>
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### Managing the Bank’s Interventions - To What Extent and Why Were the Development Results Achieved or Not?

#### Design

| To what extent is the quality of the CSP satisfactory? | • Degree to which the CSP design is informed by relevant analytical work (studies) and policy guidelines and frameworks<br>• Degree to which the thematic areas of interventions (or Pillars) of the CSPs are adequately selected based on thorough analyses of the Country’s development needs?<br>• Existence of sound and coherent CSP instruments: theories of change and/or log-frames with clear outcomes, outputs, and activities<br>• Evidence that CSP individual projects are selected based on clear quality at entry criteria<br>• Degree of dissemination of analytical work to stakeholders of funded interventions<br>• Perception of Stakeholders on the quality of CSPs? | In-depth Document Review<br>Key Informant Interviews and FGDs<br>Debriefing workshop | CSPs, MTR, other relevant literature,<br>Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)<br>Online survey results<br>Field visits |

<p>| To what extent has the Bank applied selectivity in designing its country portfolio and focused on areas where it brings added value? | • Budgetary share of interventions under the priority sectors of the Bank (global and by sector)&lt;br&gt;• Evidence that the AfDB portfolio is focused on sectors (and sub-sectors) where the Bank adds value and has comparative advantage&lt;br&gt;• Justification of priority areas and thematic choices (specific issues &amp; constraints; links with the national strategy; added value in PARs)&lt;br&gt;• Interventions in fields or specific areas not covered by other DP and critical for the country&lt;br&gt;• Continuity of the Bank’s leadership in selected sectors / thematic | In-depth Document Review&lt;br&gt;Key Informant Interviews and FGDs&lt;br&gt;Portfolio Analysis&lt;br&gt;Debriefing workshop | CSPs, national and sectoral strategies, MTR, Project documents (PAR, PCR, IPR, M&amp;E Reports, Annual Reports)&lt;br&gt;Other relevant literature (e.g., donor reports, national statistics, etc.)&lt;br&gt;Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)&lt;br&gt;Online survey results&lt;br&gt;Field visits |</p>
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| To what extent has the Bank been innovative in adapting its approach to the country's context and development challenges/needs? | • Evidence of adjustments made at strategy, sector and intervention levels following changes in country context  
• Degree of flexibility of Bank's operations in response to country's changing circumstances  
• Relative shares in the intervention portfolio of each aid modality / fund mobilized and their evolution during the evaluation period  
• Perception of stakeholders on the interventions and instruments mobilized by the Bank and their relevance to the situation of the sector / country context  
• Comparison between the instruments used by the Bank and those of the other main donors during the period | In-depth Document Review  
Key Informant Interviews and FGDs  
Portfolio Analysis  
Online survey  
Debriefing workshop | CSPs, national and sectoral strategies, AfDB regional and continental policies, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports, national statistics, etc.)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
| To what extent are the Bank's interventions coherent and well-coordinated internally? | • Degree of coordination between sectoral interventions of AfDB, at design, planning and implementation levels  
• Evidence of intersectoral synergies between interventions across different sectors  
• Evidence of complementarity between AfDB instruments and support modalities instruments in response to country needs  
• Perceptions of AfDB staff and country level stakeholders’ partners on the frequency and quality of intersectoral communication  
• Degree of liaison between the analytical work carried out and the sectors / themes of intervention  
• Degree of dissemination of analytical work to stakeholders of funded interventions (knowledge and awareness of the existence of analytical work)  
• Degree of consideration of lessons learned from analytical work in the design of interventions (integration of lessons learned) | In-depth Document Review  
Key Informant Interviews and FGDs  
Online survey  
Debriefing workshop | CSPs, national and sectoral strategies, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant documents  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
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| **Efficiency**                 | To what extent are the Bank’s interventions delivered in an efficient manner (i.e., whether resources and inputs are economically converted to results)? | • Use of cost benefit analysis/ economic and financial analysis (NPVs, IRRs) at project appraisal stage, including systematic testing of alternative designs.  
• Comparison of the benefits obtained compared to the costs (economic rate of return)  
• Results of return on investment (ROI) calculations (where available) | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant literature (e.g., donor reports)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, private sector)  
Online survey results  
Field visits |
| To what extent are the Bank’s interventions implemented in a timely manner and in compliance with operational standards? | • Elapsed time between project approval and first/final fund disbursement  
• Degree of compliance with the implementation schedule of the interventions (comparison of the estimated duration and the actual duration of execution from the date of entry in force)  
• Duration for intervention approval and before first disbursement  
• Staff and partners’ appreciation on the timeliness of the Bank interventions  
• Elapsed time between project proposal for funding by the AfDB and approval/rejection.  
• Percentage of projects completed on time, Percentage of projects with extensions  
• Stakeholders’ perceptions on the appropriateness of the AfDB’s operational standards (e.g., quality of supervision, procurement, financial management)  
• Degree of compliance to reporting audit reports, progress reporting from borrower | In-depth Document Review  
Key Informant Interviews and FGDs  
Portfolio Analysis  
Project Case studies  
Project Results  
Assessments  
Online survey  
Debriefing workshop | Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
MTR, Other relevant documents  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, private sector)  
Online survey results  
Field visits |
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| **Knowledge and Policy Advice** | To what extent has the Bank actively engaged in and influenced policy dialogue through relevant advice? | • Existence of relevant CSP guidelines on policy dialogue  
• Evidence of engagement and involvement of the ADB in policy dialogue with government (e.g., frequency of meetings, working groups, etc.)  
• Evidence that the advice provided by the ADB to the GoR and other beneficiaries (strategic, instruments) is followed  
• Role of the Bank in the coordination and synergies between DP  
• Stakeholder appreciation of the role of the Bank and its contribution to political dialogue (influence)  
• Stakeholder perceptions on the role of the ADB on influencing policy dialogue and the impact this has had | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, MTR, Other relevant documents  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results |
| To what extent has the Bank delivered adequate analytical work in support of its interventions, positioning and policy advice? | • Number of studies completed with the Bank’s support, potentially informing development work in the areas of intervention of Bank assistance (sectors, cross-cutting)  
• Stakeholder perceptions on the quality, availability, usefulness (of results) of the Bank supported analytical work  
• Degree of dissemination and use of analytical work by relevant stakeholders | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | MTR, Other relevant documents  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, CSOs, DPs, private sector) |
| **Partnerships, Harmonization, and Leverage** | To what extent are the Bank’s interventions harmonized with those of other donors (avoiding duplication, simplifying procedures etc.)? | • Degree of sector / thematic specialization of the main DPs and place / role of the Bank (division of labor)  
• Evidence of efforts (e., platforms, sectoral partnerships, shared procedures) aimed to coordinate development interventions between DPs and role (influence, coordination) of ADB therein  
• Degree of cooperation and co-financing in individual of the results of interventions funded by different DPs including the Bank  
• Stakeholder perceptions on the quality of efforts made to foster harmonization, coordination, and complementarity | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Other relevant documents  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector) |
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<th>Data Sources</th>
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</table>
| To what extent are the Bank’s interventions and resources bringing in other players and being leveraged for maximizing development effectiveness at country level? | • Proportion of AfDB interventions jointly financed and or implemented with other DPs  
• Examples of projects initiated by the AfDB and later joined by other DPs following Bank leadership  
• Role and importance of the Bank in intervention design, and in terms of facilitation and resource mobilization by other DPs  
• Degree of the Bank’s use of different instruments and aid modalities in relation to other DPs | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, DPs) |

**Managing for Development Results**

| To what extent has the Bank successfully implemented a performance management strategy that focuses on performance and the achievement of outputs, outcomes, and impacts? | • Degree of application of RBM principles and instruments in the AfDB work (e.g., clearly defined objectives, expected results and SMART indicators allowing tracking progress towards achievements)  
• Existence and type of M&E products (quarterly and annual progress reports, MTRs, final evaluations, completion reports)  
• Timeliness of reporting  
• Evidence that new AfDB supported projects use lessons learned from previous projects in their design  
• Evidence that responses to issues and recommendations raised in M&E are followed  
• Frequency of supervision missions allowing timely identification of problems and adjustments | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, implementing agencies) |

| To what extent has the Bank supported the development of national capacities and management systems that focus on results? | • Evidence of national technical, managerial, governance and institutional capacities strengthened by AfDB interventions  
• Examples of AfDB’s support to government M&E units in setting up project and program management systems that are results-oriented | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, implementing agencies, CSOs, private sector) |

**Borrower Performance**

| To what extent did the borrower partner show leadership in aid coordination/harmonization? | • Evidence of country leadership of the development agenda (selection of strategic areas of interventions, choice of financing modalities)  
• Nature of political dialogue: modality and quality  
• Clarity of orientations set out in national policies  
• Examples of Borrower’s efforts to coordinate and organize the work of DPs (e.g., DoL among DPs) | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, MTR, Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, DPs, private sector) |
### Key Questions and Sub-Questions

| To what extent did the borrower partner and other clients participate in design and implementation of interventions (CSP, preparing for AfDB operations; compliance with AfDB loan covenants and conditionality; timely provision of counterpart funds; following procurement guidelines, etc.)? | • Degree of ownership in the development of national strategies underpinning the evaluation period (role of the Bank and other partners)  
• Degree of ownership of the implementation of national strategies and the importance of support from the Bank and other DPs in this area  
• Perception of the role and contribution of the Bank to the respect of the principle of appropriation  
• Proportion of aid (and % of AfDB intervention) of the country included in the national budget  
• Percentage of Government’s financial contribution to interventions | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, national policy documents MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports)  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, implementing agencies, DPs, private sector) |

| To what extent did the country support the management of development results? | • Evidence of functional systems (and or functions) set up by the borrower promote effective performance management of development interventions  
• Evidence of measures taken by the GoR (or lack thereof) to foster the achievement of results by the AfDB interventions (and beyond)  
• Degree of national efforts invested in M&E modalities and follow-up provided to the attainment of development results | In-depth Document Review  
Key Informant Interviews and FGDs  
Debriefing workshop | CSPs, National M&E and policy documents, MTR, Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, implementing agencies, DPs, private sector) |

| What are the facilitating or constraining factors to borrower performance? | • Identification (and evidence) of facilitating or constraining factors to borrower performance. Factors are identified at strategic, portfolio and project levels. | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results Assessments  
Debriefing workshop | CSPs, national and sectoral strategies, MTR, Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, implementing agencies, DPs, private sector) |

| Drivers of Success and Lessons Learned | What are the key factors positively and negatively influencing the achievement of development results? | • Identification (and evidence) of key factors positively and negatively influencing the achievement of development results. Factors are identified at strategic, portfolio and project levels. | In-depth Document Review  
Key Informant Interviews and FGDs  
Project case studies  
Project Results Assessments  
Debriefing workshop | CSPs, MTR, Project documents (PAR, PCR, IPR, M&E Reports, Annual Reports). Other relevant documents  
Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector)  
Online survey results  
Field visits |
<table>
<thead>
<tr>
<th>Key Questions and Sub-Questions</th>
<th>Indicators</th>
<th>Methods of Data Collection</th>
<th>Data Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the key lessons learned that could inform future strategies and programs?</td>
<td>• Identification (list) of lessons learned at strategic, portfolio and project level that could inform future strategies and program in Rwanda</td>
<td>In-depth Document Review Key Informant Interviews Project case studies Project Results Assessments Debriefing workshop</td>
<td>CSPs, national and sectoral strategies and policies, MTR, Project documents (PAR, PCR, IPR, M&amp;E Reports, Annual Reports) Other relevant documents Semi-structured interviews and or FGDs with stakeholders (AfDB staff, GoR, project executing agencies, beneficiaries, CSOs, DPs, private sector) Online survey results Field visits</td>
</tr>
</tbody>
</table>
Annex 2: Evaluation Methodology

The evaluation applied a broad multi-level approach aimed at providing inputs from distinct levels of analysis. The multi-level approach places strong emphasis on the articulation and integration between obtained outputs at different levels to provide an overall analysis and synthesis of AfDB support to Rwanda during the evaluation period. Three levels were targeted in this evaluation: project level, thematic level (pillar), and strategic level (country strategy) level. Figure A2.1 provides a schematic representation of the methodological process, activities and deliverables of the CSPE.

Theory of Change of the CSPs

The evaluation applied a TBA by assessing the extent to which and how, through the Pillar specific interventions, the AfDB has been able to design and deliver a relevant response to development challenges facing Rwanda. The evaluation team constructed the TOC describing the overall logic of AfDB interventions in Rwanda during

Figure A2.1: Schematic of the CSPE methodological process, activities, and deliverables

- OECD/DAC Criteria (Relevance, Coherence, Effectiveness, Efficiency, Impact, Sustainability)
- Cross-Cutting Issues: Inclusiveness (gender equality and regional disparity) Environmental sustainability
- Institutional Performance and focus on results
- Borrower’s performance
- Knowledge and policy advice, partnerships, harmonization, and leverage, analytical work
- AfDB Results Measurement Framework
- Country context, COVID-19, other external pressures
the strategic periods 2012-2016 and 2017-2021. The ToC (Figure A2.2) emphasizes the Pillars selected by the Bank and explains the results-chains between different inputs and associated interventions for each Pillar, and how these were understood to produce a series of results that would contribute to achieving the final intended outcomes and impacts. The ToC was drawn based on the review of CSP documents, projects and other strategic documents, complemented with insights that emerged from discussions with representatives of the GoR, the Bank, and other partners. This ToC served as an analytical framework for the performance analysis at the country level, helping the evaluators to determine the contribution of the Bank’s programs to the country results.

In addition, the evaluation employed a utilization-focused evaluation approach which has the advantage of ensuring that the evaluation results are of value to primary and secondary users and that they will be used. Therefore, while safeguarding the independence of the exercise, the evaluation engaged with AfDB staff and external stakeholders at country level to ensure that the evaluation responds to their needs and priorities. Within the Bank, the evaluation consulted with the relevant Sectoral Departments, Country Office Representative and sectoral experts, the Eastern African Regional Development and Business Delivery Office, Regional Development, the Integration and Business Delivery VP Complex, and the Economic Governance and Knowledge Management VP Complex. At the country level, consultations took place with relevant government officials, program beneficiaries, DPs, private sector, and CSOs.

**Data Analysis**

The analysis presented in the Technical Report, and in hence in this Summary Report, corresponds to the strategic (country strategy) level where the evaluation team synthesized the evaluation findings, overall ratings, conclusions, and recommendations arising from the complete evidence base of the evaluation (e.g., project results assessments, thematic reports, case studies, portfolio analysis). A particular emphasis is placed on the use of the ToC for the CSP to understand how the AfDB contributed to the results obtained through each thematic pathway that improved overall development results for the country. Among other things, the analysis sought to explain how AfDB support responded to key development challenges in Rwanda, and whether the followed approach enabled the Bank to invest in sectors where strong bottlenecks had been identified. As the AfDB does not operate in a vacuum, the analysis at this level also considered the impact of the borrower’s performance, the actions of DPs and other stakeholders, and changing external economic and public health conditions on the outcomes achieved by the CSP.

In addition, the evaluation employed a four-point rating scale (from 1 “unsatisfactory” to 4 “highly satisfactory”) in summarizing the performance of the Bank’s intervention along standard evaluation criteria (Table A2.1). This common scoring scale aims at ensuring sound qualitative assessment based on evidence.
**Annexes**

**An IDEV Country Strategy Evaluation**

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**Figure A2.2: Theory of Change CSP 2012-2016 and CSP 2017-2021**

**High 5: Feed**

- **Sector Strategic objective**: Ensure adequate international and regional transport links
- **Outcomes**: Increased access to safe water, promote and develop sanitation facilities and hygiene
- **Outputs**: Increased access to safe water, promote and develop sanitation facilities and hygiene
- **Intervention Modalities**: ADB Loans and Grants

**Integrate**

- **Sector Strategic objective**: Increased energy supply increased
- **Outcomes**: Electricity and other energy supply increased
- **Outputs**: Increased energy supply increased
- **Intervention Modalities**: Sectoral Budget Support

**Industrialize**

- **Sector Strategic objective**: Create an enabling environment for private sector and export development
- **Outcomes**: Create an enabling environment for private sector and export development
- **Outputs**: Create an enabling environment for private sector and export development
- **Intervention Modalities**: Non-Lending Operations

**Light up & Power**

- **Sector Strategic objective**: Develop skills for productive employment and to spur private sector innovation
- **Outcomes**: Develop skills for productive employment and to spur private sector innovation
- **Outputs**: Develop skills for productive employment and to spur private sector innovation
- **Intervention Modalities**: Support to Financial Capacity Development

**Quality of life**

- **Sector Strategic objective**: To promote economic competitiveness for inclusive growth and poverty reduction in Rwanda
- **Outcomes**: CSP 2012-2016: To promote economic competitiveness for inclusive growth and poverty reduction in Rwanda
- **Outputs**: CSP 2012-2016: To promote economic competitiveness for inclusive growth and poverty reduction in Rwanda
- **Intervention Modalities**: Support to Financial Capacity Development

---

**Assumptions**

- Country macro-economic, social, and political context remains stable
- Graft sector strategies and plans are implemented
- Developed infrastructure is used and maintained
- Private sector is actually enabled and has access to finance
- Knowledge produced through ADB investments is used for decision making
- Adequate support is provided by ADB for both Pillars I and II
- Borrower has adequate capacity to undertake planned activities
- Technical Assistance advice by ADB is used
- M&E systems exist to track performance and report progress

---

**Rwanda’s Objectives**

- **Purpose**: To boost inclusive private sector-led growth and creating higher value-added formal wage employment
- **PILLAR I: Infrastructure Development**
  - Increased national road network in good condition
  - Increased district (rural) road network (feeder roads) in good condition
- **PILLAR II: Private Sector Development**
  - Increased national power generation capacity
  - New transmission lines constructed or upgraded

---

**Vulnerability to external shocks due to a narrow export base and high dependence on external assistance Inadequate public sector capacity to implement and manage the investment programs**

---

**Figure A2.2: Theory of Change CSP 2012-2016 and CSP 2017-2021**

---

**Annexes**
Table A2.1: The four-point rating scale

<table>
<thead>
<tr>
<th>Scale</th>
<th>Unsatisfactory - 1</th>
<th>Partly Unsatisfactory - 2</th>
<th>Satisfactory - 3</th>
<th>Highly Satisfactory - 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>Very weak, not at all appropriate design and very limited / non-existent alignment</td>
<td>Weak, improper design and limited alignment / several gaps</td>
<td>Rather strong and appropriate design, strong alignment</td>
<td>Very solid and appropriate design, complete alignment</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Expected outputs not achieved in most cases</td>
<td>Expected outputs achieved with significant gaps</td>
<td>Expected outputs achieved in most cases</td>
<td>Expected outputs fully achieved</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Very significant difference between the ERR and the opportunity cost of capital</td>
<td>Significant difference between the ERR and the opportunity cost of capital</td>
<td>Moderate difference between the ERR and the opportunity cost of capital</td>
<td>Little or no difference between the ERR and the opportunity cost of capital</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are not assured</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are hindered by significant risks</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are generally ensured, with certain minor risks</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are fully assured</td>
</tr>
</tbody>
</table>

Data Collection

The methodology pursued for this evaluation included a variety of methods. As such, the analysis used detailed evidence and analysis from many lines of inquiry (including document review; stakeholder consultations - through interviews, online survey, FGDs, project results assessments; portfolio analysis, and field visits) with answers to each evaluation question providing a thorough assessment of the AfDB’s contribution to development results during the evaluated period. At-a-glance, the methods used in this evaluation are as follows:

- **Interviews and FGDs**: Consultations with key stakeholders during both the Inception Phase and the Data Collection Phase, including with staff members of AfDB project implementing agencies and their partners, as well as key players at the sectoral level. The latter included consultations with representatives from government agencies, non-governmental organizations, DPs, as well as project beneficiaries. The list of people interviewed is in Annex 4.
- **Desk review of key documentation**: An in-depth document review specific to each of the AfDB-supported sectors, pillars, and case studies was conducted in the evaluation. This included documents related to country and international contexts, Bank strategies and M & E reports, previous evaluations, and DP reports.

- **Online survey**: Interactive surveys were implemented to collect perceptual data about the AfDB’s contribution to development results in Rwanda. The e-survey was deployed to project participants, government and Bank officials, DPs and other key stakeholders with specific familiarity with AfDB’s interventions. Due to a low response rate, this report did not use the results from this survey.

- **Case studies**: The evaluation team conducted six case studies with project case study analyses corresponding to the Bank intervention level (i.e., individual projects and operations). The case study selection criteria included sector distribution, project status, project size and financing instruments. The purpose of these case studies was to collect detailed information for conducting a deep, contextualized analysis of the AfDB’s contribution to development results in Rwanda, in a diversity of sectors, as per the evaluation criteria and the range of evaluation questions. Case studies were based on document review, site visits, interviews and FGDs with relevant stakeholders to offer an in-depth analysis. The case studies involved either completed projects or projects near completion. Table A2.2. displays case study projects.

### Table A2.2: Case study projects and associated site visits

<table>
<thead>
<tr>
<th>Sector</th>
<th>Project</th>
<th>Site visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Scaling up Energy Access Project (I, II)</td>
<td>• Rulindo: Resettlement Action Plan: 3 Households Compensated and relocated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Transformers and Stations: Gifurwe substation rehabilitated and capacity upgraded; Rulindo substation relocated and capacity upgraded</td>
</tr>
<tr>
<td>Transport</td>
<td>Rwanda- Busega-Mpigi &amp; Kagirumba-Kayonza-Rusumo Road Project</td>
<td>• Visit of few kilometers of the road to see Drainage works, Erosion protection, Road signage, Road Lighting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 3 of the 10 Water boreholes:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• (Some community members sell the water)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1 of the 2 Cross border market (CBM)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2 of the 2 Weighbridge stations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 3 of the 10 Milk collection centers rehabilitated</td>
</tr>
<tr>
<td>Water supply and Sanitation</td>
<td>Kigali Bulk Water Supply Project</td>
<td>• Kanzenze WTP, wells, storage reservoirs and Pumping stations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Gahanga reservoir</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Bidudu reservoir</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Project end-beneficiaries in Remera or Kanombe areas (Kigali)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Kigali Water Limited Head Quarters</td>
</tr>
<tr>
<td>Finance</td>
<td>Access Bank Rwanda – Africa SME Program</td>
<td>N/A</td>
</tr>
<tr>
<td>Social</td>
<td>Skills Employability and Entrepreneurship Program (SEEEP I, II, &amp;III)</td>
<td>N/A</td>
</tr>
<tr>
<td>Multi-sector</td>
<td>COVID-19 Crisis Response Budget Support Program (RCRBS)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Annex 3: Additional Supporting Evidence

Table A3.1: Bank’s Parallel Financing Operations (2012-2020)

<table>
<thead>
<tr>
<th>BANK OPERATION</th>
<th>PARALLEL FINANCERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubavu-Gisiza (Kivu-Belt) road project</td>
<td>China Exim Bank and the OPEC Fund</td>
</tr>
<tr>
<td>Scaling-up Energy Access Program (SEAP)</td>
<td>World Bank, Department for International Development, and the Belgian Technical</td>
</tr>
<tr>
<td></td>
<td>Cooperation, Delegation of the European Union, BADEA, Saudi Fund</td>
</tr>
<tr>
<td>Rusumo Hydro project</td>
<td>World Bank, Delegation of the European Union</td>
</tr>
<tr>
<td>World Bank, Delegation of the European Union</td>
<td>Nordic Development Fund</td>
</tr>
<tr>
<td>Rusizi III Hydropower project</td>
<td>World Bank, KfW, Delegation of the European Union, European Investment Bank, and AFD</td>
</tr>
<tr>
<td>Kigali Bulk Water project</td>
<td>Emerging Africa Infrastructure Fund and International Finance Corporation</td>
</tr>
</tbody>
</table>

Source: Bank’s portfolio analysis, IDEV (2021)

Table A3.2: Economic and Sector Works (ESWs) of the Bank in Rwanda

I. ESW in Pillar I (CSP 2012-2016 and 2017-2021)

<table>
<thead>
<tr>
<th>Year</th>
<th>ESWs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Study on Energy Sector Review and Action Plan</td>
</tr>
<tr>
<td>2013</td>
<td>Study Transport Sector Review and Action Plan</td>
</tr>
<tr>
<td>2017</td>
<td>Sustainable Energy for All Investment Prospectus</td>
</tr>
<tr>
<td>2017</td>
<td>Rwanda Green mini grid projects feasibility study</td>
</tr>
<tr>
<td>2019</td>
<td>Economic and Financial Assessment of Electricity Transmission System</td>
</tr>
<tr>
<td></td>
<td>Reinforcement &amp; Decongestion strategies, and impacts on the quality</td>
</tr>
<tr>
<td></td>
<td>and cost of service</td>
</tr>
<tr>
<td>2020</td>
<td>Electricity Tariff Setting Strategy for Economic Efficiency and</td>
</tr>
<tr>
<td></td>
<td>Financial Sustainability of power utilities in Rwanda’s IPP</td>
</tr>
<tr>
<td></td>
<td>dominated Electricity Market</td>
</tr>
<tr>
<td>2020</td>
<td>Electricity Tariff Setting Strategy for Economic Efficiency and</td>
</tr>
<tr>
<td></td>
<td>Financial Sustainability of power utilities in Rwanda’s IPP</td>
</tr>
<tr>
<td></td>
<td>dominated Electricity Market</td>
</tr>
<tr>
<td>2020</td>
<td>Water Tariff Setting Strategy for Economic Efficiency and Financial</td>
</tr>
<tr>
<td></td>
<td>Sustainability of water utilities in Rwanda</td>
</tr>
<tr>
<td>2020</td>
<td>A study on Water access rollout program to connect households and</td>
</tr>
<tr>
<td></td>
<td>productive use areas.</td>
</tr>
<tr>
<td>2021</td>
<td>Country Water Sector Profile: A snapshot of water security</td>
</tr>
</tbody>
</table>
II. ESWs under Pillar II

<table>
<thead>
<tr>
<th>Year</th>
<th>ESWs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Gender and Youth Employment in Rwanda</td>
</tr>
<tr>
<td>2014</td>
<td>Growth Diagnostics (GD) study</td>
</tr>
<tr>
<td>2016</td>
<td>Improving Labor Productivity through TVET for Enterprise Development and Job Creation (jointly with GoR and OSHD).</td>
</tr>
<tr>
<td>2019</td>
<td>Inclusive Growth Analysis study (jointly with GoR and EDRE)</td>
</tr>
<tr>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>CPIA Note</td>
</tr>
<tr>
<td>2020</td>
<td>Country Financing Parameters for Rwanda – Policy document</td>
</tr>
<tr>
<td>Planned</td>
<td>Assessment of Bank Group support to Skills and Entrepreneurship Development in Rwanda</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Rwanda Country Diagnostic Note</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Private Sector Profile</td>
</tr>
</tbody>
</table>

Table A3.3: Average time (months) spent at project start-up

<table>
<thead>
<tr>
<th>Milestone dates</th>
<th>Indicator</th>
<th>Public Sector Investment Projects</th>
<th>Private Sector Investment Projects</th>
<th>Institutional support Public Sector</th>
<th>All projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approval to Signature Date</td>
<td>Average time</td>
<td>0.8</td>
<td>6.2</td>
<td>2.3</td>
<td>1.7</td>
</tr>
<tr>
<td>% delayed</td>
<td></td>
<td>0%</td>
<td>25%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Signature to Effectiveness</td>
<td>Average time</td>
<td>3.4</td>
<td>2.5</td>
<td>0.5</td>
<td>2.7</td>
</tr>
<tr>
<td>% delayed</td>
<td></td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Effectiveness to first disbursement</td>
<td>Average time</td>
<td>6.6</td>
<td>1</td>
<td>6.6</td>
<td>6.1</td>
</tr>
<tr>
<td>% delayed</td>
<td></td>
<td>32%</td>
<td>0%</td>
<td>60%</td>
<td>33%</td>
</tr>
<tr>
<td>Approval to first disbursement</td>
<td>Average time</td>
<td>11.4</td>
<td>7</td>
<td>9.8</td>
<td>10.7</td>
</tr>
<tr>
<td>% delayed</td>
<td></td>
<td>53%</td>
<td>67%</td>
<td>60%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Note: Percentage Delayed computation was done by calculating the duration of months that elapsed for projects to be processed in the respective stages as highlighted in the table compared with a reference point of six months, for the first four indicators. In addition, for the last indicator, projects that were approved in 2016 - 2021, the analysis applied six months as a benchmark (for projects to be processed from approval to first disbursement based on Presidential Directive No. 02/2015, and 12 months for projects that were approved 2012-2015). The computed percentage used the total number of delayed projects in each project category as numerator and sum of projects that were delayed and those that were on time as denominator.
**Box A3.1: Contribution of a Water Supply and Sanitation Project Approved Before 2012**

The important AfDB intervention contributing to water supply and sanitation output results was the “Rural Drinking Water Supply and Sanitation (RWSS) Sub-program Phase II” which was approved before 2012 but completed during the CSP 2012-2016. The program covered 15 districts in three Rwandan provinces (North, West and South) out of the four in the country. These districts are Musanze, Burera, Rulindo, Gicumbi, Gakenke, Rubavu, Nyabihu, Rutsiro, Ngororero, Karongi, Nyamasheke, Rusizi, Muhanga, Ruhango and Nyanza. The PCR indicates that this program has supplied safe drinking water to 710,650 people compared to the original target of 642,000 people. At the time of completion, sanitation facilities provided by the program were benefiting 155,000 people which was in line with program target. Most of the 13 project outputs were either fully achieved (100%) or surpassed (over 100%). Only one output was partially achieved. Project implementation went very smoothly thanks to the lessons learnt during the implementation of the previous phase of this project.

Source: PCR – Rural Water Supply and Sanitation-II

**Box A3.2: LOC to Development Bank of Rwanda**

The LoC was to provide funding to SMEs and corporate entities in Rwanda particularly in the areas of Energy, Agribusiness and Manufacturing. This was expected to create sustainable jobs, alleviate poverty, and promote socio-economic development.

This intervention has enabled Development Bank of Rwanda to finance 21 projects in agriculture, energy, horticulture, construction and real estate sectors. The LoC gave more comfort to external lenders and shareholders, providing the catalyst for BRD to attract US$ 36.5M direct lines of credit and additional direct equity injection. The GoR renewed confidence in BRD and entrusted the management of BRD with the Renewable Energy Fund (US$ 48.94M), the Rwanda Housing Finance Project (US$ 150 M) and the Socio-Economic Inclusion of Refugees & Host Communities in Rwanda Project (US$ 60 M) to BRD.

The LoC provided suitable financing to SMEs and large-scale enterprises active in the key priority sectors of BRD and Rwanda. All the projects financed can be considered successful (they are either in class 1 or 2 in terms of credit risk) and has contributed in diverse ways to support the economy of Rwanda. In 2019, the bank estimate that at least 8,004 jobs (both permanent and seasonal) have been created through the different projects financed. Taxes paid to government by the sub-project companies financed by the LoC is estimated to be RWF 3,392 B (BTOR, July 2019). YUMNI Ltd, one of the sub-projects company is expected to contribute 80 MW of power to the national grid making it the biggest energy project in the country.

Source: Review of project report
Annex 4: List of Collaborating Organizations

AfDB and Government

1. African Development Bank (Country Office, East African Regional Office, HQ)
3. Ministry of Infrastructure
4. Energy Development Corporation.
5. Rwanda Transport Development Agency
6. Water and Sanitation Corporation
7. Rwanda Development Board
8. Ministry of Agriculture and Natural resource

Development partners

10. European Union
11. Agence Française de Développement
12. KfW
13. GIZ
14. JICA
15. Sweden Embassy in Rwanda
16. Netherlands Embassy in Rwanda
17. UNICEF
18. European Investment Bank
19. USAID

Civil Society

20. Water for People
21. Water Aid
22. World Vision

Private Sector

23. Private Sector Federation
24. Kigali Water Limited
25. Metito Global
26. Access Bank Rwanda
27. Rwanda Development Bank
References


**Government Documents**


Government of Rwanda (2019) Rwanda Demographic and Health Survey - Key Indicators. Government of Rwanda, Kigali


MINECOFIN (2016) Ministerial order No. 001/16/10/TC relating to financial regulations. MINECOFIN, Kigali

MINECOFIN (2017) National Investment Policy. MINECOFIN, Kigali


Miscellaneous


NISR (2017) Unlocking Rwanda’s potential to reap the Demographic Dividend. NISR, Kigali.


Endnotes

1 Converted from AfDB Units of account (UA) at the exchange rate of 1 UA = 1.41 USD in November 2021.
2 The four-point ratings are: 1 - Unsatisfactory, 2 - Partly unsatisfactory, 3 - Satisfactory, 4 - Highly satisfactory
3 Skills Employability and Entrepreneurship Program
4 RTDA–Transport Implementation of Activities Roadmap (Oct, 2020); Quarterly Progress Report (Oct-Dec 2020) and IPRs
5 NRW is defined as the difference in the quantity of water produced and delivered to the water distribution system and the quantity of water sold to customers (or in other words, the water that has been produced and distributed but is not translated into revenue).
7 Support to Science and Technology Skills Development Project (2009-2017) supported School of Architecture and Built Environment (SABE) & - Centre of Innovation Training and Technology (CITT) – Musanze and Nyagatare
8 Contribute to reduce procurement challenges and informally reviewing procurement and disbursement requests before official submission where needed.
9 1- Unsatisfactory, 2- Partly Unsatisfactory, 3- Satisfactory, and 4-Highly Satisfactory
10 https://worldpoverty.io/map
11 https://data.worldbank.org/indicator/SP.DYN.IMRT.IN.
12 The selection criteria include budget gaps in priority sectors; the ability of a donor to provide preferred aid modality; the track record in sector contribution to key development results; the mandate of the donor (e.g., vertical funds, or UN system, GF); and the donor expertise and experience.
13 SAIFI is a reliability indicator that measures the number of times (per year) or the frequency of interruptions to electricity supply in a given period in the distribution system
14 SAIDI is a reliability indicator that measures the average duration (in hours per year) of interruption to electricity supply per customer, over a given period in the distribution system.
15 REG- Progress Report; September 2020
16 Source: Rwanda –Transport Implementation of Activities Roadmap; RDTA 15-10-2020
17 RTDA–Transport Implementation of Activities Roadmap (Oct, 2020); Quarterly Progress Report (Oct-Dec 2020) and IPRs.
18 The AfDB undertakes self-evaluation of its projects through Project Completion Reports (PCRs) prepared by the appropriate operations departments at the end of project cycle. IDEV subsequently reviews all PCRs on an annual basis and produces a PCR Evaluation Note (PCREN) for each PCR as well as a synthesis report on the yearly POREN cohort.
20 Source: RURA Annual reports 2019-2020
21 RTDA-Quarterly project progress report (Oct-Dec 2020)
22 NRW is defined as the difference in the quantity of water produced and delivered to the water distribution system and the quantity of water sold to customers (or in other words, the water that has been produced and distributed but is not translated into revenue).
23 MININFRA = Ministry of Infrastructure
24 Imihigo is a traditional Rwandan cultural practice whereby leaders or warriors would publicly vow to achieve certain goals—and face public humiliation if they failed. The modern imihigo process linked this traditional practice with planning, monitoring and oversight.
About this evaluation

This report presents the key findings, lessons, and recommendations of the evaluation of two of the African Development Bank Group’s (AfDB or the Bank) country strategy and programs (CSPs) in Rwanda over the period 2012-2021. The Bank approved 37 projects for a total value of US$1.7 billion during this period. The portfolio included operations in water supply and sanitation, energy, transport, and social sectors, focusing on infrastructure development as well as skills and private sector development. The evaluation applies a theory-based approach to assess the extent to which and how the Bank has designed and delivered a relevant response to development challenges in Rwanda.

The evaluation found that the Bank’s interventions were highly relevant to the country’s needs, development challenges and priorities, despite some limitations to lines of credits reaching their expected end beneficiaries. The coherence of the AfDB’s programs and operations was also highly satisfactory, although there is potential to improve engagement with Development Partners.

While effectiveness was satisfactory, performance varied by sector. Infrastructure development notably delivered well, but enterprise development and Technical and Vocational Education and Training programs did not reduce the skills mismatch between supply and demand in the labor market. Overall, the two CSPs were efficient, even with frequent delays due to procurement challenges. However, in terms of sustainability, the evaluation found insufficient revenue-generating capacity in the water and sanitation sector, non-cost-recovering electricity tariffs, and shortfalls in the maintenance budget for road infrastructure.

To fill these gaps in future strategies and programs, this evaluation recommends that the Bank develops a more coherent and comprehensive private sector strategy for Rwanda. It also recommends that the Bank engage with the government in policy dialogue and institutional reforms to ensure the long-term benefits of infrastructure and maintain focus on key sectors while improving selectivity.