KfW Development Bank

Ex post evaluation Public financial management reform, Rwanda

Title	Public financial management reform
Sector and CRS code	Public finance management (15111)
Project number	2014 68 206
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Recipient/Project-executing agency	Republic of Rwanda, Ministry of Finance and Economic Planning (MINECOFIN)
Project volume/ Financing instrument	EUR 7.5 million grant
Project duration	*2015–2019*
Year of report	2022
Year of random sample	2021

Objectives and project outline

The project supported the public financial management (PFM) reform programme and the implementation of the Rwandan government's PFM sector strategy plan for the period 2013/14–2017/18 in the form of collaborative basket funding involving international partners. As part of this financing, funds were paid into a basket earmarked for PFM reforms. In addition, two separate sub-baskets were created to support the Office of the Auditor General (OAG) and the tax authorities as well as the procurement authority and the auditing institute at a later stage.

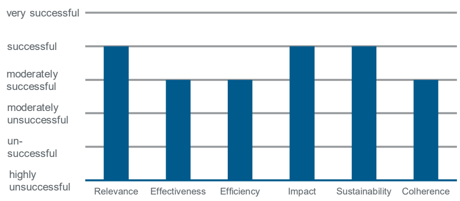
At outcome level, the objective was to sustainably improve the quality and performance of PFM and the management of public finances. At impact level, the objective was economic development and reducing poverty in Rwanda. The project supported measures at the Ministry of Finance and Economic Planning (MINECOFIN) as well as other public institutions involved in Rwandan finance.

Key findings

At outcome level, the objective of the financial contribution (FC) measure was achieved within the framework of the basket funding. The project has been rated successful for the following reasons:

- The measure was aligned with the country's political priorities. The results chain was plausible and donor contributions were harmonised through the use of joint financing.
- The design of the interventions was consistent with the partner's own efforts and complementary to the national strategies. However, there were delays in implementing the measures due to differences between individual stakeholders.
- Effectiveness was moderately successful. Three out of six indicators were achieved and the failure to achieve one of the indicators was due to the impact of the pandemic.
- With the continuation of the reform agenda in the area of public finances as well as the ambitious objectives of the transformation agenda and Vision 2050, the Rwandan government is demonstrating the will to further expand and consolidate what has been achieved. The administration is also willing and able to drive the agenda forward.

Overall rating:
successful



Conclusions

– The advantages of harmonised basket funding have been confirmed but transparent communication among the partners is essential.

– Creating institution-specific sub-baskets to strengthen the independence of individual institutions can be useful for the sustainable implementation of reforms.

– The progress in public finance is creating a need for more staff, which can be addressed by setting up an auditing institute.

Ex post evaluation – rating according to OECD DAC criteria

General conditions and classification of the project

Reforming the public finance systems in Rwanda is seen as a key prerequisite for increasing the effectiveness of public action to achieve national poverty reduction targets (at that time, it was the Economic Development and Poverty Reduction Strategy (EDPRS) and since 2017, the National Strategy for Transformation (NST)). Significant progress has already been made, but an analysis in the context of the Public Financial Management Sector Strategic Plan (PFM SSP) 2012 revealed a need for further action. This is where the project started in order to support the target achievement of the resulting SSPs 2013–2018, which in turn were linked to the objectives of EDPRS 2. Specifically, the commitment related to the fiscal years 2015/16–17/18. This had been preceded by financial cooperation (FC) commitments in this field since 2010, for example within the context of the Macroeconomic Programme Support project of the EDPRS (project number 2011 70 315). Since 2017, the project has been an integral part of the decentralisation and good governance priority area of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Brief description of the project

The project supported the reform of the government finance system in Rwanda and the objective was to sustainably implement the domestic development strategy. The support aimed to sustainably improve the quality and performance of PFM and the management of the public finances. These provide the basis for the targeted use of public funds to achieve the Rwandan government's overarching economic development and poverty reduction strategy. The Ministry of Finance (MINECOFIN) was the project-executing agency. The individual measures implemented within the framework of open basket funding involved MINECOFIN in particular and, due to the open character, other relevant institutions within the scope of the main basket amounting to EUR 4.5 million. Through sub-baskets, a further EUR 3.0 million was directly allocated to the Office of the Auditor General (OAG) and the Rwanda Revenue Authority (RRA) and subsequently to the Rwanda Public Procurement Agency (RPPA) and the Institute of Certified Public Accountants Rwanda (ICPAR).

Breakdown of total costs*

		Inv. (planned)	Inv. (actual)
Investment costs (total)**	**EUR million**	**25.9**	**25.1**
Counterpart contribution	EUR million	-	2.0
Debt financing	EUR million	-	25.6
of which BMZ funds	*EUR million*	*7.5*	*7.5*

** Figures only refer to fiscal years 2015/16–17/18.*

*** Figures are based on the average EUR-USD exchange rate for 2015–2019.*

Rating according to OECD DAC criteria

Relevance

Policy and priority focus

The objectives of the project implemented through basket funding (PFM basket) corresponded to the priorities of the partner country. Improvements in PFM were stipulated in the EDPRS 2 development strategy (2013/14–2017/18) and are considered to be an important prerequisite for economic development and success in reducing poverty. The policy field is highly relevant in the political dialogue.

At the time of the project appraisal in 2015, the existing situation for the project measures was good. The growth rates of the Rwandan economy were in the high single digits with inflation in the mid-single digits.[1] The proportion of people living in poverty fell from 59% to 45% between 2000 and 2011.[2] Compared to the turn of the century, households classified as poor had better housing, better access to clean water, attended school more frequently and were more extensively vaccinated.[3]

The EDPRS 2 national development strategy, which is relevant for the period of the project, set the overarching objective of accelerating progress towards the status of a middle-income country with a better quality of life due to average GDP growth of 11.5% p.a. and by reducing poverty to less than 30% by 2025.[4] To achieve the objectives of EDPRS 2 and Vision 2020, the PFM reform strategy (PFM SSP, 2013/14–2017/18) provided for the cross-sectoral task of improving PFM capacity and systems and optimising the allocation and use of the funds. This objective was based on the review of the previous SSP and envisaged the development of human resources capacity and modern and effective systems and procedures to enable effective and transparent PFM. From today's perspective, the objective was particularly in line with the two BMZ 2030 quality criteria of anti-corruption and alleviating poverty.

By signing a Memorandum of Understanding (MoU) between the government and the development partners (UK Department for International Development (DFID)[5], the EU and KfW), the harmonised financing mechanism (PFM basket) was aligned directly with the objectives set out in the PFM reform strategy for the period 2013/14 to 2017/18. The FC intervention supported this harmonised financing mechanism by contributing a total of EUR 7.5 million to the main basket, which also financed two sub-baskets for specific institutions (OAG and RRA). However, the basket for the RRA was reassigned to directly finance two other institutions as part of the implementation (see Effectiveness). In terms of the approach, using joint financing to implement the project eased the burden on the partner and made it easier to harmonise the external support.

Focus on needs and capacities of participants and stakeholders

The target group of the project comprised the entire Rwandan population (2013: 11.7 million; 2020: 12.9 million), which was supposed to benefit from effective and efficient management of public finances and a sustainable improvement in the quality and performance of public financial management. In this way, the population was supposed to benefit from improved state service provision, greater transparency in political decision-making processes such as the allocation of funds, and higher national revenue which would create greater scope for state intervention. This was particularly relevant for the poor members of the population, who were disproportionately dependent on state services in terms of the provision of public services. Due to this approach and the funded measures, the project did not involve the target group.

MINECOFIN provided the Single Project Implementation Unit (SPIU), which was the programme secretariat for the PFM programme and was responsible for coordinating the entire PFM SSP and consequently the baskets, too. The heads of the individual stakeholders in the Rwandan PFM sector, such as the Rwandan OAG and the RRA tax authority, were responsible for implementing the respective reforms in their institutions. This institutional anchoring made sense when implementing the extensive and complex SSPs, particularly with regard to a central coordinating body that also served as a point of contact for the donor community. From today's perspective,

[1] *Annual inflation & annual GDP growth*; World Bank Open Data (https://data.worldbank.org/).
[2] https://www.afdb.org/en/documents/document/rwanda-2014-country-profile-improving-economic-competitiveness-to-bring-about-shared-growth-summary-report-47793
[3] https://www.rw.undp.org/content/rwanda/en/home/countryinfo.html
[4] https://www.minaloc.gov.rw/fileadmin/user_upload/Minaloc/Publications/Useful_Documents/EDPRS_2__1_.pdf
[5] Today: Foreign, Commonwealth and Development Office (FCDO).

however, it can be said that the SPIU was significantly under-staffed. This was all the more true because MINECOFIN assigned the SPIU with responsibilities that went beyond the programme during the project period. Clearer demarcation within the Ministry at the time of the project appraisal could have alleviated these problems.

Appropriateness of design

Since 2007, the Rwandan government has made significant progress in establishing a modern PFM system. A comparison of Public Expenditure and Financial Accountability (PEFA) analyses for Rwanda in 2007 and 2010 showed improvements in almost all categories. In addition, significant successes of the PFM strategy 2008–2012/13 have been confirmed in various evaluations since 2010, including in financial management and reporting, the integrated financial management information system (IFMIS), procurement, and treasury management.[6] However, various challenges were also identified for the PFM reform strategy 2013/14–2017/18 and these were to be addressed as a core problem within the scope of the project. They existed in the area of i) budget planning/budgeting, ii) mobilisation of self-generated revenues, iii) accounting and iv) structural capacities in central PFM institutions at both national and local levels. Furthermore, v) external control was also to be further strengthened.

Two of these challenges were particularly important for the FC project. Firstly, Rwanda lagged behind the regional average with a tax rate (tax income) of 14.8% of GDP and tax and non-tax income of 16.8% of GDP in the 2013/14 fiscal year (FY) and failed to meet the secondary convergence criterion of the East African Community.[7] Secondly, in the area of external control, the Rwandan OAG needed to be further strengthened institutionally and structurally. With its clear mandate for the comprehensive auditing of government expenditure, its legal and political independence laid down in the Rwandan Constitution and the Office of Auditor General Act and its close cooperation with the Rwandan Parliament's Committee on Public Accounts, it has a key responsibility in external budget control. Two sub-baskets were created for the OAG and RRA to promote these two priorities in particular. While setting up the sub-baskets was contrary to the open character of basket funding and so limited the scope on the partner side, a specific focus on priority areas to shield financial contributions for important institutions also made sense from today's perspective.

The project addressed the above-mentioned challenges and supported the seven programmes (outputs) of the PFM SSP: i) budget planning and budgeting, ii) mobilisation of resources, iii) budget implementation, accounting and reporting, iv) external control and accountability, v) electronic data processing/IFMIS, vi) fiscal decentralisation and vii) coordination of PFM reform management. These programmes of the PFM SSP 2013/14–2017/18 were coherent and the resulting programme objective of improved availability of funds (improved resource base, impact objective) was feasible: coherent multi-year budget planning (outcome) provides planning certainty, especially for multi-year reform programmes. Higher government revenues allow for the expansion of investments and a more extensive provision of services. Improvements in budget implementation, accounting and reporting (outcome) improve the allocation of funds. Increased external control and accountability (outcome) decreases the misuse of funds and corruption (impact). Implementing IT systems in PFM reduces administrative processes and contributes to traceability and transparency (impact). Fiscal decentralisation, in turn, strengthens regional bodies. The results chain is plausible. The PFM reform programme therefore aimed to sustainably improve the quality and performance of the management of public finances.

Response to changes/adaptability

The risks and potential assessed during the project appraisal changed to the extent that the RRA (the tax authority supported by the project) was affected by an alleged case of corruption that was linked to the 2017 presidential elections and supposedly politically motivated. As a result, BMZ withdrew from this sub-basket and reallocated the corresponding funds to funds (still basket financing) earmarked for the RPPA procurement authority and the ICPAR auditing institute. In this context, after problems arose among the various donor agencies and these were subsequently exacerbated by differences in terms of people and content, the EU and DFID left the basket funding. In addition to coherence, this development also affected the subsequent phases of the reform programme (see Coherence and Sustainability).

[6] https://blog-pfm.imf.org/pfmblog/2011/08/rwanda-a-decade-of-difficult-but-sustained-public-financial-management-reforms.html
[7] All information: https://www.worldbank.org/en/news/press-release/2015/07/15/the-rwanda-economic-update-financing-development

Furthermore, the project was not significantly adapted during its implementation. However, the choice of financing through a largely open basket provided substantial flexibility with regard to the reforms to be financed.

Summary of the rating:

In summary, it should be noted that the project was geared towards the political priorities of the country and the needs of those involved. The results chain used as a basis for the design is credible; donor contributions were harmonised through joint financing. We rate the relevance of the project as successful overall.

Relevance: 2

Coherence

Internal coherence

As part of the “Decentralisation and Good Governance” Development Cooperation (DC) programme, various points of contact arose within the German DC. These involved the Technical Cooperation (TC) through the Macroeconomic Advisory Services programme to improve multi-year budget planning due to more reliable macroeconomic forecasts, for example, or in the area of improved investment planning and support for various projects for the National Investment Programme. MINECOFIN was also the project-executing agency for this programme. There were other (FC and TC) links to the DC programme, too. On the one hand, the FC projects involved in decentralisation laid the foundations for a key objective of PFM support – self-generated revenue – by investing in economic infrastructure according to local priorities. Furthermore, the work of the TC programme was also directly linked to the DC programme, especially in terms of the “fiscal decentralisation” component. This is because, as a sub-area of PFM reform, MINECOFIN also had responsibility for managing this area, especially the unit for fiscal decentralisation. There were also links in the area of local tax collection at district level, which, according to the local stakeholders, was not very well thought out and was implemented accordingly. This was mainly due to unclear institutional responsibilities on the part of the partners involved in the overlapping topics as it led to duplication or limited training measures. Within the framework of advancing civil society, the TC supported Transparency International Rwanda in the analysis of the annual district audit reports of the Rwandan Office of the Auditor General.

The objectives of the project were in line with the BMZ’s 2014 Good Financial Governance Concept with regard to the requirements for a) ownership and self-financing, b) use of the partners’ financial systems and c) harmonisation in the donor landscape.

External Coherence

In addition to Germany, the UK government represented by DFID and the EU – both as co-financiers of the basket – as well as the World Bank as a financing partner of the PFM sector and with a separate programme (Public Sector Governance Program for Results) were the key development partners involved in the PFM reforms. Donor group coordination took place through regular dialogue between all four development partners and the government in the PFM Basket Fund supervisory bodies comprising the PFM Technical Working Group (TWG) and the PFM Coordination Forum (PFM CF) led by MINECOFIN. The two sub-baskets involved the joint supervisory bodies of the four development partners, the RRA Rwandan tax authority and the OAG in accordance with the framework agreement.

The overarching decision-making and supervisory body was the PFM CF, which met every six months and was responsible for setting priorities and supporting overarching policy recommendations for the PFM reform programme. In addition to the Rwandan government, which was represented by MINECOFIN and the heads of the individual components, PFM CF members also include all the development partners engaged in the PFM sector as well as representatives of other ministries and institutions.

The work of the PFM CF was based on the proposals of the PFM TWG, which was responsible for the design and adoption of the annual work and procurement plans, overseeing implementation, and for follow-up within the context of the basket funding and the World Bank programme. The PFM reform programme was managed by the SPIU programme secretariat at the Ministry of Finance. It consisted of a programme coordinator and other specialists who were responsible for the overarching coordination of the complex reform (including the merging of work and procurement plans for the awarding of contracts and reports).

Since 2014, the reforms have also received significant support through the World Bank's Public Sector Governance Program for Results. This programme was not only geared towards the PFM reforms already mentioned, but also aimed to improve Rwandan public statistics. It focused on three objectives: i) efficiency in mobilising tax revenues at national and subnational level, ii) transparency and reporting with regard to the spending of funds at national and subnational level, and iii) use of statistical data for decision-making. In addition to MINECOFIN, the RRA and OAG were also key partners of the World Bank. Interventions were aligned with the objectives, activities and indicators of the PFM SSP and closely coordinated with the partners of the PFM Basket Fund within the framework mentioned above.

Besides MINECOFIN, the Rwandan OAG audit authority and the RRA tax authority also directly benefited from the FC measure. Contributions for their earmarked funding were channelled through the PFM basket to the two separate sub-baskets for the OAG and the RRA respectively. Through the sub-components of the SSP, a large number of MINECOFIN departments as well as other Rwandan institutions and partners at both central and decentralised levels, such as the RPPA for example, benefited from the basket funding. Each participating institution has a programme manager who is in charge of the design and implementation of the reform measures within the respective component. Regarding the sub-baskets, the Joint Coordination Committee (JCC) coordinates the implementation of the OAG's modernisation process. The sub-basket for the tax authorities comprising members of the RRA, MINECOFIN and the PFM development partners was managed by a Programme Management Committee (PMC) chaired by the Commissioner General of the RRA and co-chaired by KfW.

However, the actual coordination and implementation of the joint programme often had its limits. Content-related and personal differences often hindered joint design, the establishment of the overall annual budget and prioritisation within the bundle of measures. For the years 2014/15 and 2015/16, the budget of the basket could only be approved after a long delay of five to six months. The overall implementation of the budget for both fiscal years suffered accordingly. In addition, both the TWG and the Coordination Forum were insufficiently used for substantive discussions, so these structures only convened irregularly as a result. Along with coordination problems involving the SPIU, which resulted from its lack of staff as well as a limited willingness to cooperate in some cases, the situation was consequently problematic for the partner side. The resulting frictions between the institutions could not be fully resolved by the end of the project and so impair the efficiency of the project.

Summary of the rating:

The internal coherence of the project was ensured as part of the DC programme. To sum up, it can be concluded that the design of the interventions was consistent with and complementary to the partner's own efforts in terms of external coherence. However, the reality of the implementation of the measures was characterised by differences and delays. We therefore rate coherence as moderately successful.

Coherence: 3

Effectiveness

Achievement of (intended) targets

At outcome level, the evaluation was based on the objective of sustainably improving the quality and performance of PFM and the management of public finances at all government levels. The achievement of the outcome objective can be summarised as follows:

Indicator	Status during PA	Target value	Actual value at EPE
Deviation between the medium-term expenditure framework (MTEF) and the actual budget allocation (%).	> 23%	< 10%	Not achieved: Fiscal year (FY) 2020/21: 358% (16/17: 3%; 17/18: 10%).[8]

[8] Based on data from the three ministries of education, infrastructure and health.

Proportion of ministries, departments and agencies that receive an unqualified audit/note of confirmation (%).	9%	> 50%	Achieved (use of the funds): 18/19: 55%; 19/20: 53%; 20/21: 57%. Not achieved (compliance): 18/19: 36%; 19/20: 31%; 20/21: 39%.[9]
Proportion of public contracts awarded through competitive procedures (%).	75%	85%	Not achieved: 20/21: 62%.[10]
Share of the budget controlled by the OAG in the total budget (%).	75%	87%	Achieved: 20/21: 91%.[9]
Proportion of government entities linked to the IFMIS that use the system (%).	-	95%	Achieved (2022): Central government: 96%.[11] Regional bodies: 100%.[12]
Proportion of subordinate administrative bodies using a simplified accounting and financial reporting application (subsidiary entities accounting system (SEAS)).	-		The system was not used and the administrative units were directly linked to the IFMIS.
Proportion of OAG's recommendations that were fully or partially implemented (%).	69%	>75%	Not achieved: 20/21: 64%.

Contribution to achieving targets

Indicator 1: This indicator has been achieved since the 2016/17 fiscal year (2016/17 3%, 2017/18 10%, 2018/19 10%), but was then missed in 2020/21 due to changes in political priorities as a result of the COVID-19 crisis (358%). Two ministries can be used as an example to illustrate this. In the Ministry of Education (MINEDUC), there was a deviation of 408%. This was due to: (i) the decision to bring forward to FY 2020/2021 the construction of classrooms planned in the Medium-Team Expenditure Framework (MTEF) for a later year. The aim here was to avoid overcrowding in classrooms and so reduce the incidence of infection; and (ii) extending school meals to all levels of education to reduce the number of early school leavers. This involved significant investment in building school kitchens and purchasing cooking stoves. The Ministry of Infrastructure (MININFRA), on the other hand, shows a negative deviation of 56% (reduction in the 20/21 budget). The reasons for this were: (i) streamlining expenditure in relation to COVID-19 recovery strategies, and (ii) the postponement of the Commonwealth Heads of State and Government (CHOGM) meeting to 2022, which postponed the expansion of the envisaged infrastructure and the associated expenditure by one year. The deviation in the 2020/21 fiscal year is based on external events that cannot be influenced. The budget adjustment and the reallocation of funds are economically and socially plausible.

Indicator 2: The percentage of items that received no objections during the OAG's financial audit rose from 34% in the 2012/13 fiscal year to 57% in the 2020/21 fiscal year. The percentage of institutions that received a qualified audit certificate rose from 30% in 2019/20 to 35% in 2020/21. The percentage of items that received an adverse audit opinion fell from 15% in 2019/20 to 8% in 2020/21. This shows a positive development in the overall level of accountability and transparency during this period.

When auditing regularity, the percentage of unqualified audit opinions rose from 34% in 2019/20 to 39% in 2020/21, with the percentage of qualified audit opinions remaining the same and the percentage of adverse audit opinions dropping from 30% to 27%. While this means that public authorities have not yet reached a generally acceptable level of compliance with applicable laws and regulations for ongoing expenditure, the improvements

[9] Auditor General Report 2020/21 (https://oag.gov.rw/index.php?id=173).
[10] Based on RPPA data.
[11] Data of the IFMIS project in MINECOFIN.
[12] Excluding public schools.

are significant. This also applies to the proportion of illegal expenditure/misappropriations of funds, which fell by more than 61% between 2018/19 and 2020/2021.

Indicator 3: The proportion of public contracts awarded through competitive procedures:

Fiscal year	Based on the number of competitive bids	Based on total value of competitive bids
2019–2020	83.7%	59.2%
2020–2021	83.2%	62.3%

The 85% target for public contracts awarded through competitive procedures could neither be achieved on the basis of the number of tenders nor on their total value. However, in 2019, the World Bank and the RPPA also assessed this issue: the results showed that Rwanda's public procurement system is characterised by a consolidated legal framework, an effective control and audit system with strict ethical and anti-corruption measures, and a fully operational e-procurement system comparable to those in advanced economies.[13]

Following the introduction of e-procurement in 2015, all public institutions are now obliged to use the program. With nationwide availability of the IFMIS financial management system, districts, regional hospitals, and pharmacies are linked to e-procurement. Tenderers must join the business register, which is also linked to the tax authority, and in this way, they can access the procurement list of all public entities that have to publish their annual procurement plans. Complaints are handled by an independent department within the authority and recourse to court is the final instance.

In the 2018/19 fiscal year, the RPPA audited 1,221 procurement projects from 70 public institutions to examine compliance with the legal framework, such as in invitations to tender exceeding the national threshold of RWF 1.0 million. The evaluation of the indicators audited shows that 59% of invitations to tender were without any or with only moderate weaknesses. There is a need for improvement within the audited institutions with regard to the archiving of procurement documents, technical specifications in the tender documents, the announcement of awarded contracts, execution and portfolio management, implementation monitoring, delays in the implementation of tenders, and payments to contractors as well as the availability of audit reports. A major challenge for compliant implementation of award processes is the high turnover of staff in the awarding bodies, both at national level in the ministries and at district level.

Indicator 4: The expansion of OAG capacity in recent years has had positive results, which are reflected in the OAG's steadily increasing scope to audit all government spending (from 2017/18: 86.6% to 2020/21: 91%). The number of audit reports also increased significantly from 178 in 2017/18 to 238 in 2020/21.

In addition to the achievement of the indicator, it is positive to note that the OAG's well-structured and comprehensible reports are published promptly and are easily accessible. In a comprehensive parliamentary session, the MPs are given the opportunity to ask questions about the OAG's reports. Furthermore, press conferences and the publication of a summary of the report are made available on the website and some of them are actively taken up by the media.

Indicator 5: With regard to the central government units, 96% of the 740 eligible institutions use the IFMIS; at regional body level, 100% of the 5,855 relevant institutions use the IFMIS. The expansion of the IFMIS was supported by hardware and software development within the scope of the basket funding. Financial administration is now fully digitalised. The system now enables the entire budget process and budget implementation to be presented and managed, from planning to implementation. It integrates accounting and generates reports. There are also further interfaces for the public award of contracts (e-procurement), tax collection (e-tax), e-banking payments from the treasury single account at the central bank, and payroll accounting for public employees and officials via the payroll system.

Indicator 6: SEAS was abolished in 2017 after all the institutions were connected to the IFMIS. MINECOFIN, in cooperation with the Ministry of Education and the Rwanda Information Society Authority (RISA), has additionally developed a School Data Management System (SDMS) that primary and secondary schools at all levels use for academic and financial management matters.

[13] https://blogs.worldbank.org/governance/what-rwanda-can-teach-us-about-effective-public-procurement-reform-using-maps

Indicator 7: The intended objective of increasing the implementation of the OAG's recommendations could not be achieved. The proportion of fully and partially implemented recommendations remains constant (2018/19: 64%; 2020/21: 64%). Moreover, the rate of fully implemented recommendations has not reached 50% in the last three years. This is mainly due to insufficient coordination between the OAG and the budget administrators as well as the limited availability of staff for follow-up. What is striking here is that state-owned companies and boards have performed particularly poorly in implementing the recommendations over the years, at an average of less than 30%.

Gender-specific issues had already been included in the government programmes before the project was implemented. Gender-specific budgeting has been implemented since 2008. Since then, all ministries and districts have had to report separately on gender-specific expenditures when drawing up the budget. Within the context of the project, there were no measures that directly addressed potential impact on gender. However, the project indirectly supported the implementation of the "Rwanda Vision 2020", which prominently supports this issue under the title "gender equality". Since the project was not designed to involve the target group, it was only possible to make an indirect contribution to achieving targets relating to particularly disadvantaged and vulnerable groups by encouraging the implementation of the poverty strategy.

The project has contributed to improving the quality and performance of PFM and the management of public finances at all government levels. The IFMIS contributes to the rapid implementation of the budget and creates greater transparency in the allocation and use of funds. Digitalisation of the OAG and the tax authorities has increased the efficiency of the institutions. It can be assumed that the further development of public finance reform was supported through regular donor dialogue within the basket. An important factor for the success of the project was the high level of ownership on the part of the government and the civil service, which was and is under a great deal of pressure to succeed. The donors' overall assessment of the content of the strategy is therefore very positive and it seems certain that donors will continue to support the government's efforts on this basis (see Sustainability).

Quality of implementation

The SPIU consisted of a programme coordinator and other specialists who were responsible for the overarching coordination of the complex reform (including the merging of work and procurement plans and the award of contracts and reports). The specialists boasted many years of experience with the Rwandan PFM reform process. However, given the wide range of tasks, the multitude of interfaces and the complexity of the PFM reform programme, capacities were stretched. This led to delays in programme implementation, particularly in the sequencing of large tenders and extensive expert assignments. In addition, differences between the donors and the ministry led to delays due to partner demands not being implemented by the Rwandan side. There were also some coordination problems within the donor community. These ultimately led to delays in the preparation of work plans, procurement lists and the annual budget.

Unintended consequences (positive or negative)

With regard to the six quality criteria, it is difficult to directly measure impacts as the nature of the project did not involve the target group. This particularly applies to the impact on human rights, gender equality and inclusion. Conversely, contributions to anti-corruption and alleviating poverty were explicit parts of the project and were therefore intended (see Impact). This also applies to the promotion of digitalisation, which is strongly encouraged by the government and is expressed through the expansion and use of the IFMIS, among other things. Unintended effects could not be determined. No further contributions to overarching, unintended positive or negative developmental changes at social, economic or environmental level are known.

Summary of the rating:

Effectiveness is rated as moderately successful, as a positive trend is emerging. Although only three out of six indicators were achieved, the non-achievement of the objectives of medium-term financial planning in the last year under review was due to external factors that could hardly be influenced. The increase in the OAG's audit activities is expected to reduce corruption and the misuse of funds in the medium term. The implementation and use of the IFMIS can be classified as remarkable.

Effectiveness: 3

Efficiency

Production efficiency

A microeconomic analysis is not possible due to the basket funding of the project. In terms of financial management, the project achieved the following positive effects: Effective tax administration increases public revenues, which widens the scope for action in the allocation of funds. At the same time, transaction costs for taxpayers and within the tax administration are reduced. Improvements in budget planning and budget management lead to a more effective and reliable allocation of funds and more efficient processes. A strengthened system of public procurement and ensuring competition can reduce costs and improve quality in the awarding of public contracts. Effective internal and external financial control ultimately helps to increase transparency. Increased transparency in political decision-making processes also creates a better basis for opportunities for public participation. An approximate quantification of these effects can be found under Effectiveness.

This is in contrast to costs for basket funding activities amounting to USD 27.6 million, distributed across the seven SSP reform programmes. Due to the nature of basket funding, Germany's share of the total amount of EUR 7.5 million cannot be presented in detail for the individual programmes. The extent to which the inputs have been used sparingly in relation to the outputs produced can only be assessed indirectly. Contracts were awarded on the basis of the national procurement system, which generally has a legal, structural and procedural framework that complies with international requirements by promoting fair, open and transparent competition among bidders. However, there were attempts to circumvent the review of plausibility stipulated in the framework agreement (Memorandum of Understanding) with regard to tender documents for consultancy services and agreement extensions exceeding USD 200,000. In individual cases, the procurement requirement was split into several contracts or the cost estimate was deliberately kept low to avoid exceeding the threshold value and consequently avoid having to grant the donors access to the terms of references. The dubious cost estimates were revised upwards after donors had initially approved the work plan, suggesting that this was a way of avoiding donors' direct involvement.

This includes the provision of reference prices for invitations to tender for various goods and services as well as the auditing of procurement. Beyond this, the technical working groups and the review process gave donors the opportunity to monitor the disbursement of funds.

Allocation of funds, USD					
Programme	Budget 2015/16	Budget 2016/17	Budget 2017/18	Total	% of total
Programme 1: Economic planning and budgeting	$235,814	$720,000	$1,004,200	$1,960,014	7%
Programme 2: Resource mobilisation	$2,084,835	$1,762,003	$1,431,000	$5,277,838	19%
Programme 3: Budget implementation, internal control, accounting and reporting	$1,401,114	$2,444,057	$6,538,100	$10,383,271	38%
Programme 4: External oversight and accountability	$422,183	$317,398	$1,936,000	$2,675,581	10%
Programme 5: Electronic service provision and IFMIS	$994,574	$966,574	$1,403,200	$3,364,348	12%
Programme 6: Fiscal decentralisation	$544,399	$601,454	$500,900	$1,646,753	6%
Programme 7: PFM sector, coordination and management	$664,073	$1,009,636	$556,200	$2,229,909	8%
Total	**$6,346,992**	**$7,821,122**	**$13,369,600**	**$27,537,714**	**100%**

Due to the differences between MINECOFIN and the donors on the one hand, and within the donor community on the other, some outputs were delayed in their delivery. Differences particularly arose among the donors because of the incidents involving the RRA tax authority, which had originally been allocated a sub-basket that was subsequently included in the reallocation of the DC funds to two other institutions and tied up staffing capacities. As a result, DFID left the basket and set up a separate project, which undermined the sense and purpose of the harmonised basket financing. There were several reasons for the differences between the donors and MINECOFIN: The donors criticised the use of basket funding for staffing costs that went beyond IT investments. Although these staffing costs were directly linked to the investment, this approach was inconsistent with the established financing options. The distinction between national and international experts was particularly contentious in discussions among MINECOFIN and the individual institutions. International experts could be bought in as a consultancy service whereas national workers with similar qualifications were subject to the aforementioned block on the financing of staffing costs and so could not be contracted directly. In addition, absorption of the funds provided by the basket was at times significantly below plan.

Allocation efficiency

The basket was set up to provide a harmonised funding mechanism to implement public finance reforms and reduce direct funding driven by individual donor preferences. In addition, the actual costs of the reform agenda could be reflected in the budget, which is not usually the case for direct financing and individual projects. Furthermore, this approach allowed all aspects of the reform programme to be addressed. The harmonised approach enabled transaction costs to be reduced for the partners. This approach made it easier for agreement on the content and the sequencing of reforms, as coordination no longer had to be conducted through individual donors in separate meetings. Given this harmonised approach, it is unlikely there would be an alternative, more cost-efficient way of delivering the achieved impacts.

Summary of the rating:

Efficiency is rated as moderately successful. While allocation efficiency can be rated as good due to the harmonised financing mechanism, there were challenges in production efficiency. These arose in particular in the coordination of all partner institutions within the basket, which led to delays although not to a degree that had a significant negative impact on efficiency.

Efficiency: 3

Overarching developmental impact

Overarching (intended) developmental changes

The objective on which the evaluation is based was to improve the delivery of public services, provide infrastructure and involve the citizens of all 30 districts more in planning and decision-making processes. Target achievement at impact level can be summarised as follows:

Indicator	Status PA	Target value	Actual value at EPE
Tax ratio in relation to GDP.	14.7% (2013/14)	16.0%	Achieved: 16.1%.[14]
Transparency of public financial management (Open Budget Index).	36 (2015)	> 40	Achieved: *Transparency*: 45/100.[15] *Public participation*: 15/100. *Budget oversight*: 65/100.
Corruption (Transparency International Corruption Perception Index).	Rank: 54/180 Score: 49 (Year: 2014)	<50 (rank) >50 (score)	Partially achieved: Rank: 52 (2021).[16] Score: 53 (2021).

[14] RRA data (https://www.rra.gov.rw).
[15] https://www.internationalbudget.org/open-budget-survey/country-results/2021/rwanda
[16] https://www.transparency.org/en/cpi/2021/index/rwa

Indicator 1: Since the 2017/18 fiscal year, tax revenues have risen in nominal and real terms and have also remained constant in relation to GDP despite tax shortfalls and tax rebates granted as well as a moratorium linked to the Covid-19 pandemic. Revenue from VAT increased by an average of 8% annually (2018–2021). Improvements in access to information on tax liability and tax debt and the use of risk management tools increased compliance with payments in all tax areas.

RRA tax revenue annual reports					
Fiscal year	Tax revenue in RWF billion	Nominal growth in tax revenue	Inflation	Real growth in tax revenue	Taxes/GDP
2020/21	1,580	9.4%	4.2%	5.2%	16.1%
2019/20	1,495	6.8%	6.1%	0.7%	15.9%
2018/19	1,340	13.4%	0.8%	12.6%	16.1%
2017/18	1,234	13.5%	2.3%	11.2%	15.6%

Indicator 2: With regard to PFM transparency, International Budget Partnership data are used to assess the online availability, timely publication, and completeness of central budget documents. Appraisal of this criterion has continuously improved since 2010, rising from 11/100 in 2010 to 45/100 in 2021. Rwanda ranks 66 out of 120 countries in the overall rating and with a score of 45/100, it is in line with the global average. However, scores below 61/100 are rated as "inadequate". The public participation criterion scored 15/100, which is also rated as "inadequate" although it was slightly above the global average (14/100). With regard to the "budget oversight" criterion, which assesses the roles of Parliament and the supreme supervisory authority (here the OAG), Rwanda has scored 61/100 for parliamentary control and 72/100 for the supreme supervisory authority. Both results are rated as "adequate" by the institute.

Indicator 3: Transparency International's corruption rating in absolute terms has only changed slightly for Rwanda with its score hovering at around 50, which can generally be considered sufficient and acceptable in the African context. A country's score relates to the perceived level of corruption in the public sector on a scale from 0 to 100, where 0 is very corrupt and 100 is transparent. The relative score, expressed as a rank in relation to other countries, has also remained constant.

Contribution to overarching (intended) developmental changes

Public finance is a key prerequisite for a country's ability to act and therefore also plays an overarching role in the objective of improving living conditions that was defined in the project (see Relevance). However, this also makes it more difficult to measure the project's direct contribution to relevant developments in the public services sector. The achievement of key outcome indicators and the successful increase in the tax rate (Indicator 1) suggest that when used appropriately, these can also guarantee improved public services. The following section takes a closer look at the developments of key indicators relating to human development by way of an approximation for this contribution. It is also difficult to quantify a specific contribution with regard to the objective of improving public involvement in decision-making and planning processes.

However, the FC contribution to the improvements noted in transparency (Indicator 2) and made through the central financing instrument of public finance are plausible and in line with the results chain (see Relevance).

Since 2005, Rwanda has made significant progress in reducing poverty. If the international poverty line of USD 1.90 (2011 purchasing power parity (PPP)) is taken as the basis, the poverty rate fell from 68.3% in 2005–2006 to 56.5% in 2016–17. Based on the official national poverty line, there is an even greater reduction in poverty, with a fall from 56.7% in 2005–2006 to 38.2% in 2016–17.[17]

Significant progress has also been made in education, with the net school enrolment rate exceeding 92% since 2016.[18] It should be noted, however, that only 67% of children complete primary education and the school enrolment rate is slightly below average for sub-Saharan Africa, but higher than average in the East African

[17] All World Bank open data (https://data.worldbank.org/). No more recent periods available.
[18] http://uis.unesco.org/en/country/rw

Community.[19] In the total budget, the share of the budget for the education sector has been 11.7% on average over the last five years.[20] Rwanda's Human Development Index (HDI) score for 2019 was 0.543, so the country falls into the lowest category and ranks 160 out of 189 countries. It is worth noting that between 1990 and 2019, Rwanda's HDI score rose from 0.248 to 0.543, corresponding to an increase of 119%.[21] Public health expenditure per capita (PPP in USD) has risen continuously since 2000 (from 5.44 in 2006 to 20.53 in 2020).[22] Maternal mortality decreased from 373/100,000 births to 248 between 2010 and 2017.[23] For children aged 12–23 months, the measles vaccination rate is 94%, and life expectancy rose from 63 years of age in 2010 to 69 in 2020. Wasting among children under the age of five decreased from 3.4% in 2010 to 0.9% in 2020. Technology infrastructure has improved significantly, with 46.6% of the population now having access to electricity (compared to 9.7% in 2010) and 88% of the population having a mobile phone connection (vs. 35% in 2010); 27% used the internet in 2020 compared to only 7% in 2010.[24]

Contribution to overarching (unintended) developmental changes

The evaluation did not reveal any unintended changes, either in a negative or a positive sense. It seems unlikely that the politically motivated allegations of corruption described under Relevance are directly attributable to the project. The tax authority had already played a key role independently of the basket funding; moreover, the case occurred right at the beginning of the project. This tax authority did not receive any further support in the form FC funds, which were reallocated to other institutions in the PFM sector as a direct response to the allegations.

Summary of the rating:

The indicators used as a basis for the EPE were largely achieved, and progress in public services and consequently, improvements in living conditions over the past few decades are also evident. Overarching indicators for the public financial systems also show positive trends, with basket funding as a whole having a direct impact on them. In light of the country's recent history, this development is considerable. The overarching developmental impact is rated as successful.

Overarching developmental impact: 2

Sustainability

Capacities of participants and stakeholders

The Rwandan government still continues to adhere to the process of reforming public finances today. The PFM SSP 2018–2024 reform programme is directly linked to its predecessor. Vision 2050[25] and the National Strategy for Transformation (NST-1), to which the PFM programme contributes directly, have set the objectives of achieving the status of a middle-income country by 2035 and the status of a high-income country by 2050. The specifications of the transformation agenda are highly ambitious. A key success factor is the government's high level of ownership of the reform process and the commitment of the administration entrusted with implementing the agenda. It can be assumed that both the ownership and commitment of the administration will continue. At the same time, it must be noted that a culture of implementation has been established in Rwanda and this will continue to have an impact beyond the project.

To achieve these ambitious goals, it is essential that the institutions operating in the area of public finance have sufficient staff. At the time of the evaluation, the capacity constraints of the SPIU, which will continue to be the central coordinating unit in the future, improved. At the same time, the capacities of the institutions such as the Office of the Auditor General and the tax authority are stretched. This is not expected to change in the near future and makes it difficult to implement the planned reforms quickly. Until now, this could not be mitigated by the creation of the Institute of Certified Public Accountants of Rwanda (ICPAR), which was also supported by the basket

[19] https://www.unicef.org/esa/media/10121/file/UNICEF-Rwanda-2021-2022-National-Budget-Brief.pdf
[20] https://www.unicef.org/esa/media/10126/file/UNICEF-Rwanda-2021-2022-Education-Budget-Brief.pdf
[21] Rwanda – Human Development Index – HDI 2019 | countryeconomy.com
[22] https://data.worldbank.org/indicator/SH.XPD.GHED.GD.ZS?locations=RW
[23] https://www.macrotrends.net/countries/RWA/rwanda/maternal-mortality-rate
[24] https://data.worldbank.org/country/rwanda?view=chart
[25] https://www.minecofin.gov.rw/reports?tx_filelist_filelist%5Baction%5D=list&tx_filelist_filelist%5Bcontroller%5D=File&tx_filelist_filelist%5Bpath%5D=%2Fuser_upload%2FMinecofin%2FPublications%2FSTRATEGIES%2FVision_2050%2F&cHash=52a2a35dd9c6bb98dee90f7f3f370b55

and trains people accordingly. The private sector continues to offer more attractive salaries, meaning that qualified employees leave the public sector or do not work in the public sector at all.

Contribution to supporting sustainable capacities

The project has supported the institutions of partners and project-executing agencies as well as the staffing capacities of the ministry, the OAG, the tax authority and other institutions. Further progress has been made in digitalisation and the automation of administrative processes, which were already a high priority for government and administration. Employees are able to initiate and manage complex processes. The further development and use of the IFMIS by the Rwandan authorities is a good example here. Although the fact that the civil service is less attractive than the private sector remains a challenge, the situation is also likely to improve in the foreseeable future due to the increasing number of ICPAR graduates.

Durability of impacts over time

Internal risks to the continuity of reforms currently seem small due to the key role attributed to public finance in Rwanda. Staff shortages have more impact on the speed at which reforms are implemented than on the fundamental question of whether public finance should be further reformed and consequently, whether the effects already achieved will be perpetuated further. Speed also depends on the availability of additional funds from international partners, as Rwanda's budget is heavily supported by these payments. Although DFID (FCDO) and the EU had left the basket funding, it was possible to gain the Belgian cooperation ENABEL for a follow-up phase. Discussions as part of the evaluation also showed that a new cooperation involving the (former) donors is currently being considered again. Since the World Bank's involvement in this area already extends above and beyond the basket, it seems unlikely that progress already made will be constrained.

External risks exist in particular for the overarching impacts with regard to improving living conditions. The current global upheavals, including inflation and availability of raw materials and food, are influencing the country's economic development. The further success of the Rwandan NST reform agenda will also depend heavily on how widespread the growth impact can be and therefore benefit the rural areas as well.

Summary of the rating:

With the continuation of the reform agenda in the area of public finances as well as the ambitious objectives of the transformation agenda and Vision 2050, the Rwandan government is demonstrating the will to further expand and consolidate what has been achieved. The administration is also willing and able to drive the agenda forward. Challenges exist in terms of staff shortages, but these only affect the speed of further reforms. Against this background, we rate the project's sustainability as successful.

Sustainability: 2

Overall rating: 2

The project aimed to improve PFM at all government levels in order to support the development strategies (EDRS 2 2013/14–2017/18) and in cooperation with local partners and other donors, it was able to achieve this. The objectives were in line with the partner's requirements and the basket funding mode of implementation enabled close coordination between donors and the government, which reduced transaction costs. State structures and their capacities have been strengthened so that government services can be provided more effectively and efficiently in terms of good financial governance. The structures, modalities and instruments developed with the support of the project will continue to be used beyond the end of the measure and will serve as the basis for further reforms. Against this background, we rate the project as successful overall.

The success of the Rwandan administration in developing, using and expanding the IFMIS digital applications and the e-procurement system are particularly noteworthy. Both applications are also exemplary beyond a regional context.

Contributions to the 2030 Agenda

Universal application, shared responsibility and reporting

The overarching objective of the PFM reform strategy is to guarantee the efficient, effective and accountable use of public resources as a basis for economic development and reducing poverty by improving the provision of services. This is achieved by modernising Rwanda's infrastructure, regulatory framework, policies and PFM systems at central and local government levels. The aim is to ensure that the Rwandan government as a whole is able to manage its own budget funds and report and account for them on a regular basis.

The project used national systems for the implementation. Awarding of public contracts followed national guidelines and used their system; control was carried out by the Rwandan Office of the Auditor General. The project was implemented through joint financing involving other donors and development partners. It was based on a harmonised matrix of measures, objectives and indicators.

Interaction between economic, ecological and social development

The role of the PFM sector is to enable the efficient, effective and accountable use of public resources as a basis for economic development and eradicating poverty by improving the provision of services. In this sense, public finance is a cross-cutting issue and a key prerequisite for achieving SDGs including the economic, environmental and social aspects of these goals. There were no significant (un)intended interactions in these aspects during the implementation of the project.

Inclusiveness/leave no one behind

The project used the results chain for improving PFM to support the implementation of the poverty strategy, which stipulates an integrated approach to sustainable development. This strategy is aimed in particular at reducing the proportion of the population living in absolute poverty; the project indirectly supports efforts to involve disadvantaged groups accordingly. However, the cross-government nature of the public financial system and the fact that it does not involve the target group mean it is not possible to measure the direct impact on any positive or negative changes involving particularly disadvantaged groups and based on the norms and standards for their participation.

Project-specific strengths and weaknesses as well as cross-project conclusions and lessons learned

The project had the following strengths and weaknesses in particular:

- The harmonisation of the design, follow-up and control of activities involving the government, the administration and other donors
- The development of digital applications in the area of administration, in particular the Integrated Financial Management Information System or IFMIS and e-procurement (public procurement) systems
- Difficult and lengthy coordination processes involving the donor institutions and partners within the basket funding

Conclusions and lessons learned:

- The well-known advantages of joint financing, such as the focus on partners, harmonisation, and reduction in transaction costs as well as the significance of the basic prerequisite of ownership and commitment have been confirmed. At the same time, consensus-building can also be challenging in the area of reforming public finances, especially when donor interests differ. Ongoing coordination that is independent of the respective responsible parties in the institutions is a basic prerequisite for speaking with one voice when discussing difficult issues with local partners.A holistic view of all the relevant institutions of the public financial sector is key to the sustainable implementation of the reforms. In the medium term, the creation of an institute of public accountants can mean that the increasing demand for trained experts is partly covered and bottlenecks can therefore be limited.
- The creation of sub-baskets in harmonised basket funding must be carefully considered. Although substantive reasons such as shielding funds from political influences may make sense for key institutions, this step should be well coordinated, especially when basket funding involves several donors. Otherwise, different interests can lead to inconsistencies among the donors and in extreme cases, can weaken the basket.

Evaluation approach and methods

Methodology of the ex post evaluation

The ex post evaluation follows the methodology of a rapid appraisal, which is a data-supported qualitative contribution analysis and constitutes an expert judgement. This approach ascribes impacts to the project through plausibility considerations which are based on a careful analysis of documents, data, facts and impressions. This also includes – when possible – the use of digital data sources and the use of modern technologies (e.g. satellite data, online surveys, geocoding). The reasons for any contradicting information are investigated and attempts are made to clarify such issues and base the evaluation on statements that can be confirmed by several sources of information wherever possible (triangulation).

Documents:
Internal project documents, secondary specialist literature, strategy papers, context, country and sector analyses, comparable evaluations and media reports.

Data sources and analysis tools:
Databases, on-site data collection and partner monitoring data.

Interview partners:
Project-executing agencies, involved institutions, internal project management, NGOs and other donors.

The analysis of impacts is based on assumed causal relationships, documented in the results matrix developed during the project appraisal and, if necessary, updated during the ex post evaluation. The evaluation report sets out arguments as to why the influencing factors in question were identified for the experienced effects and why the project under investigation was likely to make the contribution that it did (contribution analysis). The context of the development measure and its influence on results is taken into account. The conclusions are reported in relation to the availability and quality of the data. An evaluation concept is the frame of reference for the evaluation.

On average, the methods offer a balanced cost-benefit ratio for project evaluations that maintains a balance between the knowledge gained and the evaluation costs, and allows an assessment of the effectiveness of FC projects across all project evaluations. Therefore, the individual ex post evaluation cannot meet the requirements of a scientific assessment in the sense of clear causal analysis.

Methods used to evaluate project success

To evaluate the project according to OECD -DAC criteria, a six-step scale is used for all criteria except for the sustainability criterion. The scale is as follows:

Level 1 very successful: result clearly exceeds expectations

Level 2 successful: result is fully in line with expectations and has no significant shortcomings

Level 3 moderately successful: falls short of expectations but the positive results dominate

Level 4 moderately unsuccessful: significantly below expectations, with negative results dominating despite discernible positive results

Level 5 unsuccessful: despite some positive partial results, the negative results **clearly dominate**

Level 6 **highly unsuccessful: the project has no impact or the situation has actually worsened**

The overall rating on the six-point scale is compiled from a weighting of all six individual criteria as appropriate to the project in question. Rating levels 1–3 of the overall rating denote a “successful” project while rating levels 4–6 denote an “unsuccessful” project. It should be noted that a project can generally be considered developmentally “successful” only if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“impact”) and the sustainability are rated at least “moderately successful” (level 3).

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List of annexes:

Target system and indicators annex

Risk analysis annex

Project measures and results annex

Evaluation questions in line with OECD DAC criteria/ex post evaluation matrix annex

Target system and indicators annex

<table>
<tr><th colspan="2">Project objective at outcome level</th><th colspan="4">Rating of appropriateness (former and current view)</th></tr>
<tr><td colspan="2">During project appraisal: Improving (sustainable increase in the quality and performance) PFM and the management of public finances at all government levels.</td><td colspan="4">At both points in time, it made sense to have the restriction that no decentralised government levels were to be financed (through the FC contribution) and should not be directly financed.</td></tr>
<tr><td colspan="6">During EPE (if target modified): -</td></tr>
<tr><th>Indicator</th><th>Rating of appropriateness
(for example, regarding impact level, accuracy of fit, target level, smart criteria)</th><th>PA target level</th><th>PA status (2014/15)</th><th>Status at final inspection (2017/18)</th><th>Optional: EPE status (year)</th></tr>
<tr><td>Differences between medium-term budget planning and annual allocations</td><td>Indicator is appropriate, as it targets the quality of budget planning. However, even with good quality planning, there may be major deviations due to unforeseeable events, policy adjustment, etc.</td><td><10%</td><td>23%</td><td>17%</td><td>see Section 1.</td></tr>
<tr><td>Proportion of ministries, departments and agencies that receive an unqualified audit or audit opinion (%).</td><td>The indicator does not cover whether there was also implementation and corrections were made (see supplement below).</td><td>>50%</td><td>9%</td><td>38%</td><td>see Section 1.</td></tr>
<tr><td>MODIFICATION Proportion of awards granted in competition.</td><td>Appropriate. It would be even better to distinguish between the number of lots or the total volume of public awards (differentiation according to down payment and volumes). This data was not available.</td><td>85%</td><td>75%</td><td>84.8%</td><td>see Section 1.</td></tr>
<tr><td>Proportion of budgetary expenditure audited by the audit office</td><td>Appropriate.</td><td>87%</td><td>75%</td><td>81%</td><td>see Section 1.</td></tr>
<tr><td>Share of public institutions using IFMIS</td><td>Appropriate.</td><td>95%</td><td>-</td><td>91%</td><td>see Section 1.</td></tr>
</table>

Proportion of subordinate public institutions (sectors) using the simplified accounting system	Appropriate.	-	0%	-	see Section 1.
NEW: Proportion of the audit office's recommendations that were fully or partially implemented (%).		EPE: >75%	69%	-	see Section 1.

Project objective at impact level	**Rating of appropriateness (former and current view)**
At PA: The supply of public services and infrastructure is improved, and the population in Rwanda's 30 districts is more involved in planning and decision-making processes.	Good public finance management is one essential precondition (of several) for the supply of public services and infrastructure to the population – this sub-objective is therefore appropriate. The module has little direct influence on the second sub-objective of the DC programme "Greater participation of the population in the 30 districts of Rwanda in planning and decision-making processes", but it is included as it corresponds to the DC programme objective. However, the project aims to increase the transparency and accountability of public finances and thus indirectly contributes to the possibility of participating in decision-making processes.
During EPE (if target modified):	

Indicator	**Rating of appropriateness** (for example, regarding impact level, accuracy of fit, target level, smart criteria)	**Target level at PA**	**PA status (2014/15)**	**Status at final inspection (2017/18)**	**EPE status (year)**
Tax rate in relation to GDP (implicitly from PP as the only impact target)	Reasonable as it reflects the core objective of PFM reform efforts and the Economic Development and Poverty Reduction Plan. However, this is not sufficient to measure improved service provision. For this reason, see supplements below.	16%	14.7% (13/14)		see Section 1.

NEW: OBI (Open Budget Score) The Open Budget Score increases over the relevant project period.	Reflects the transparency of public finance data.	EPE: >40	36 (OBS 2015)	-	see Section 1.
NEW: Transparency International The Corruption Perception Index improves during the relevant project period.	Reflects perceived corruption in the public service – an objective of the project.	EPE: <50 (rank) >50 (score)	Rank 54/180; value: 49 CPI 2015	-	see Section 1.

Risk analysis annex

Risk	Relevant OECD-DAC criterion
Risk of good governance with regard to good financial governance (ex-ante).	Effectiveness
Fiduciary risks of basket funding with regard to the use of the funds (ex-ante).	Efficiency
Risks of sustainability with regard to the will to reform (ex-ante).	Relevance
Risks of implementation with regard to delays and expansion of staff capacities (ex-ante).	Efficiency
Risk of sustainability in terms of staffing given the continuing large agenda in the sector (ex post).	Sustainability

Project measures and results annex

Programmes and sub-components of the PFM priority area strategy paper

	Programme/Sub Programme	Primary Responsibility
P1	**Economic Planning and Budgeting**	**Director National Budget Department**
SP 1.1	National Development Planning	National development Planning & Research Unit
SP 1.2	Economic Policy Formulation	Macro Economic Policy Unit
SP 1.3	Public Investment Programming	Public Investment Technical Team
SP 1.4	Policy Based Budgeting	National Budget Department
P2	**Resource Mobilisation**	**Government Chief Economist**
SP 2.1	Tax Policy Formulation	Macro Economic Policy Unit
SP 2.2	Tax Administration	Rwanda Revenue Authority (RRA)
SP 2.3	External Resources	External Finance Unit (EFU)
P3	**Budget Execution, Internal Control, Ac-counting & Reporting**	**Accountant General**
SP 3.1	Budget Execution	National Budget Department
SP 3.2	Treasury Management	Treasury Management Unit
SP 3.3	Internal Audit	Office of Government Chief Internal Auditor
SP 3.4	Accounting & Reporting	Public Accounts Unit
SP 3.5	Public Procurement	Rwanda Public Procurement Authority
SP 3.6	Fiscal Risk Management of Public Enterprises	Government Portfolio Management Unit
P4	**External Oversight and Accountability**	**Auditor General**
SP 4.1	External Audit	Office of the Auditor General
SP 4.2	Legislative Oversight	Clerk to the Chamber of Deputies
P5	**Electronic Service Delivery and IFMIS**	**Coordinator IFMIS**
SP 5.1	Integrated Financial Management Information System	IFMIS Unit
SP 5.2	Integrated Personnel and Payroll System	Ministry of Public Service and Labour
P6	**Fiscal Decentralisation**	**Coordinator Fiscal Decentralisation Unit**
SP 6.1	Resource Mobilisation by Local Administrative Entities	Ministry of Local Government
SP 6.2	Facilitation of Fiscal Transfers	Fiscal Decentralisation Unit
SP 6.3	Strengthening PFM Systems and Capacity at Subsidiary Levels	Fiscal Decentralisation Unit
P7	**Coordination of PFM Sector Activities**	**SPIU Coordinator**
SP 7.1	PFM Co-ordination and Management	SPIU – PFM Manager
SP 7.2	Human Resources & Capacity Building in PFM Disciplines	SPIU – Training Specialist
SP 7.3	Monitoring and Evaluation	SPIU – M&E Specialist

Relevance

Evaluation question	Specification of the question for the present project	Data source (or rationale if the question is not relevant/applicable)	Rating	Weighting (- / o / +)	Reason for weighting
Evaluation dimension: Policy and priority focus			2	o	-
Are the objectives of the programme aligned with the (global, regional and country-specific) policies and priorities, in particular those of the (development policy) partners involved and affected and the BMZ?	Do the measures chosen at the time of the project appraisal (PA) (basket + 2 sub-baskets for the RRA and OAG) fit into the priority area strategy paper for PFM (sectoral objectives) and into the priorities of the EDPRS (national overarching objectives). Does the design correspond to the Federal Ministry for Economic Cooperation and Development (BMZ) sector strategy paper "Good Financial Governance" from 2014?	PFM priority area strategy paper 2013/14 – 17/18 EDPRS I and II BMZ's 2014 Good Financial Governance Concept PEFA reports			
Do the objectives of the programme take into account the relevant political and institutional framework conditions (e.g. legislation, administrative capacity, actual power structures (including those related to ethnicity, gender, etc.))?	-	Respective institutions: https://rppa.gov.rw/index.php?id=188 https://www.rra.gov.rw/index.php?id=1 https://www.minecofin.gov.rw https://www.minecofin.gov.rw/1/spiu https://www.minecofin.gov.rw/mandate/projects/ifmis			
Evaluation dimension: Focus on needs and capacities of participants and stakeholders			2	o	-
Are the programme objectives focused on the developmental needs and capacities of the target group? Was the core problem identified correctly?	The target group here is the entire population of Rwanda; more specifically, it relates to the supported institutions in the PFM framework.	PFM priority area strategy paper 2013/14 – 17/18 EDPRS I and II			

Were the needs and capacities of particularly disadvantaged or vulnerable parts of the target group taken into account (possible differentiation according to age, income, gender, ethnicity, etc.)? How was the target group selected?	-	Not relevant, the target group is the entire population of Rwanda, it is a non-target group project. Effects on poor parts of the population are expected to be achieved through better public service provision, but not specifically designed in this way.			
Evaluation dimension: Appropriateness of design			2	o	-
Was the design of the programme appropriate and realistic (technically, organisationally and financially) and in principle suitable for contributing to solving the core problem?	Was the development of personnel capacities adequately considered? Why was the current reform programme (2016) only paid into during the programme and not from the outset (2013)?	PFM priority area strategy paper 2013/14 – 17/18.			
Is the programme design sufficiently precise and plausible (transparency and verifiability of the target system and the underlying impact assumptions)?	At impact level, the intent was to increase self-generated revenues – were awareness campaigns for the populations considered with regard to paying taxes?	PFM priority area strategy paper 2013/14 – 17/18.			
Please describe the results chain, incl. complementary measures, if necessary in the form of a graphical representation. Is this plausible? As well as specifying the original and, if necessary, adjusted target system, taking into account the impact levels (outcome and impact). The (adjusted) target system can also be displayed graphically. (FC-E-specific question)	see Section 1.	PFM priority area strategy paper 2013/14 – 17/18.			
To what extent is the design of the programme based on a holistic approach to sustainable development (interplay of the social, environmental and economic dimensions of sustainability)?	-	PFM priority area strategy paper 2013/14 – 17/18. EDPRS I and II.			
For projects within the scope of DC programmes: is the programme, based on its design, suitable for achieving the	-	Project proposal (PP), project completion report (PCR) and reporting.			

objectives of the DC programme? To what extent is the impact level of the FC module meaningfully linked to the DC programme (e.g. outcome impact or output outcome)? (FC-E-specific question)					
Evaluation dimension: Response to changes/adaptability			2	o	-
Has the programme been adapted in the course of its implementation due to changed framework conditions (risks and potential)?	-	BE			

Coherence

Evaluation question	Specification of the question for the present project	Data source (or rationale if the question is not relevant/applicable)	Rating	Weighting (- / o / +)	Reason for weighting
Evaluation dimension: Internal coherence (division of tasks and synergies within German development cooperation):			2	o	see Section 1.
To what extent is the programme designed in a complementary and collaborative manner within the German development cooperation (e.g. integration into DC programme, country/sector strategy)?	How is the project specifically related to GIZ programmes? How was the Federal Ministry for Economic Cooperation and Development's (BMZ) Good Financial Governance Concept observed?	Interviews with KfW/GIZ, PP.			
Do the instruments of the German development cooperation dovetail in a conceptually meaningful way, and are synergies put to use?	How did GIZ's programme lead to the development of staff support/capacity for the promoted institutions?	Interviews with GIZ/MINECOFIN.			

Is the programme consistent with international norms and standards to which the German development cooperation is committed (e.g. human rights, Paris Climate Agreement, etc.)?	-	Federal Ministry for Economic Cooperation and Development's (BMZ) Good Financial Governance Concept.			
Evaluation dimension: External coherence (complementarity and coordination with actors external to German DC):			3	+	see Section 1.
To what extent does the programme complement and support the partner's own efforts (subsidiarity principle)?	-	PFM priority area strategy paper 2013/14 – 17/18.			
Is the design of the programme and its implementation coordinated with the activities of other donors?	How well is the coordination of activities and their implementation functioning between the members of basket financing, the World Bank and the Rwandan partners? How often does the TWG and the Coordination Forum meet? At what levels are these committees operating?	On-site interviews.			
Was the programme designed to use the existing systems and structures (of partners/other donors/international organisations) for the implementation of its activities and to what extent are these used?	What exactly are the existing systems and structures that are used? Were the sub-baskets founded by German DC or did they already exist? Was there coordination with AFROSA and the CoST initiatives?	On-site interviews.			
Are common systems (of partners/other donors/international organisations) used for monitoring/evaluation, learning and accountability?	How does the monitoring system established as part of the project work and how is it used?	Interviews with donor/partner.			

Effectiveness

Evaluation question	Specification of the question for the present project	Data source (or rationale if the question is not relevant/applicable)	Rating	Weighting (- / o / +)	Reason for weighting
Evaluation dimension: Achievement of (intended) targets			3	o	-
Were the (if necessary, adjusted) objectives of the programme (incl. capacity development measures) achieved? Table of indicators: Comparison of actual/target	-	See main section Effectiveness.			
Evaluation dimension: Contribution to achieving objectives:			3	o	-
To what extent were the outputs of the programme delivered as planned (or adapted to new developments)? *(Learning/help question)*	How were the funds in the two sub-baskets reallocated?	Interviews with all participants.			
Are the outputs provided and the capacities created used?	**IFMIS**: If the IFMIS modules are: planning, budgeting, payments, receipts, assets management, accounting, consolidation, reporting and system administration? Are the interfaces to IFMIS such as e-Procurement, e-Tax, Payroll System and Central Bank's Core Banking functional and are they used? **OAG**: Has the OAG conducted IT and forensic reviews? **ICPAR**: Are the graduates of the institute accepted by the private sector? **RPPA**: Is e-procurement used?	Interviews on site/reports from the individual institutions.			

	RRA: Is the SAGE X3 programme being used and the investment plan implemented?				
To what extent is equal access to the outputs provided and the capacities created guaranteed (e.g. non-discriminatory, physically accessible, financially affordable, qualitatively, socially and culturally acceptable)?	-	Not relevant, as it is not relevant to target groups.			
To what extent did the programme contribute to achieving the objectives?	What would a scenario have looked like without FC financing?	Interviews/documents.			
To what extent did the programme contribute to achieving the objectives at the level of the intended beneficiaries?	-	Not directly relevant as it is not aimed at target groups, see Achievement of goals.			
Did the programme contribute to the achievement of objectives at the level of the particularly disadvantaged or vulnerable groups involved and affected (potential differentiation according to age, income, gender, ethnicity, etc.)?	-	Not directly relevant as it is not aimed at target groups, see Achievement of goals.			
Which project-internal factors (technical, organisational or financial) were decisive for the achievement or non-achievement of the intended objectives of the programme? *(Learning/help question)*	How do the employees of the various institutions involved see themselves in a position to meet the requirements of reform formulation and implementation?	Interviews with all participants.			
Which external factors were decisive for the achievement or non-achievement of the intended objectives of the programme (also taking into account the risks anticipated beforehand)? *(Learning/help question)*	Which factors supported or hindered implementation?	Interviews with all participants.			
Evaluation dimension: Quality of implementation			3	o	-

How is the quality of the management and implementation of the programme (e.g. project-executing agency, consultant, taking into account ethnicity and gender in decision-making committees) evaluated with regard to the achievement of objectives?	-	Interviews with project manager, partners.			
How is the quality of the management, implementation and participation in the programme by the partners/sponsors evaluated?	What was the reason that communication with partners was limited to some extent? Does this correspond to the ability to assert control? What challenges did communication have to face with regard to management by the partner?	Interviews with project manager, partners.			
Evaluation dimension: Unintended consequences (positive or negative)			2	o	-
Can unintended positive/negative direct impacts (social, economic, ecological and, where applicable, those affecting vulnerable groups) be seen (or are they foreseeable)?	Effects on transparency and corruption as indirect impacts of the project?	On-site interviews.			
What potential/risks arise from the positive/negative unintended effects and how should they be evaluated?	-	On-site interviews.			
How did the programme respond to the potential/risks of the positive/negative unintended effects?	Does the reallocation of funds in the sub-baskets reflect an adjustment to emerging risks?	On-site interviews.			

Efficiency

Evaluation question	Specification of the question for the present project	Data source (or rationale if the question is not relevant/applicable)	Rating	Weighting (- / o / +)	Reason for weighting
Evaluation dimension: Production efficiency			3	+	see Section 1.
To what extent were the inputs of the programme used sparingly in relation to the outputs produced (products, capital goods and services) (if possible in a comparison with data from other evaluations of a region, sector, etc.)? For example, comparison of specific costs.	What proportion of the costs were accounted for by IT purchases, what specifically was procured?	On-site interviews/other evaluations.			
If necessary, as a complementary perspective: To what extent could the outputs of the programme have been increased by an alternative use of inputs (if possible in a comparison with data from other evaluations of a region, sector, etc.)?	-	Not relevant, as basket financing is part of the current sectoral (no alternative in the sense of a single) reform programme.			
Were the outputs produced on time and within the planned period?	Why were the funds not fully exhausted in the planned years, but in some cases postponed further?	PCR/reporting.			
Were the coordination and management costs reasonable (e.g. implementation consultant's cost component)? (FC-E-specific question)	-	PCR/reporting.			
Evaluation dimension: Allocation efficiency			2	o	-
In what other ways and at what costs could the effects achieved (outcome/impact) have been attained? *(Learning/help question)*	-	Interviews with all participants.			

To what extent could the effects achieved have been attained in a more cost-effective manner, compared with an alternatively designed programme?	-	Not relevant, as basket financing is part of the current sectoral (no alternative in the sense of a single) reform programme.
If necessary, as a complementary perspective: To what extent could the positive effects have been increased with the resources available, compared to an alternatively designed programme?	Would a complementary measure have been able to improve staff absorbing capacity?	Interviews with all participants.

Impact

Evaluation question	Specification of the question for the present project	Data source (or rationale if the question is not relevant/applicable)	Rating	Weighting (- / o / +)	Reason for weighting
Evaluation dimension: Overarching developmental changes (intended)			2	o	-
Is it possible to identify overarching developmental changes to which the programme should contribute? (Or if foreseeable, please be as specific as possible in terms of time.)	Achievement of the impact objective (own revenue) + supplemented indicators.	Partner systems + external sources according to indicators.			
Is it possible to identify overarching developmental changes (social, economic, environmental and their interactions) at the level of the intended beneficiaries? (Or if foreseeable, please be as specific as possible in terms of time).	-	Not directly relevant as it is not aimed at target groups, impacts at institution level according to indicators.			
To what extent can overarching developmental changes be identified at the level of particularly disadvantaged or vulnerable parts of the target group to which the programme should	-	Not relevant as the target group is the total population.			

contribute? (Or, if foreseeable, please be as specific as possible in terms of time).					
Evaluation dimension: Contribution to overarching developmental changes (intended)			2	o	-
To what extent did the programme actually contribute to the identified or foreseeable overarching developmental changes (also taking into account the political stability) to which the programme should contribute?	Contribution to the complementary indicators in the dimensions of transparency, corruption and public service provision.	External source according to indicators.			
To what extent did the programme achieve its intended (possibly adjusted) developmental objectives? In other words, are the project impacts sufficiently tangible not only at outcome level, but also at impact level? (e.g. drinking water supply/health effects)	-	Not relevant, see above. Objective already at a high development policy level.			
Did the programme contribute to achieving its (possibly adjusted) developmental objectives at the level of the intended beneficiaries?	-	Not directly relevant, as the target group is the total population.			
Has the programme contributed to overarching developmental changes or changes in life situations at the level of particularly disadvantaged or vulnerable parts of the target group (potential differentiation according to age, income, gender, ethnicity, etc.) to which the programme was intended to contribute?	-	Not relevant as the target group is the total population.			
Which project-internal factors (technical, organisational or financial) were decisive for the achievement or non-achievement of the intended	-	Interviews with all participants.			

developmental objectives of the programme? *(Learning/help question)*					
Which external factors were decisive for the achievement or non-achievement of the intended developmental objectives of the programme? *(Learning/help question)*	-	Interviews with all participants.			
Does the project have a broad-based impact? - To what extent has the programme led to structural or institutional changes (e.g.in organisations, systems and regulations)? (Structure formation) - Was the programme exemplary and/or broadly effective and is it reproducible? (Model character)	-	On-site interviews, data from internal systems, external sources.			
How would the development have gone without the programme? (Learning and help question)	Would the sub-baskets financed by FC have received sufficient funds without the contribution?	Interviews with all participants.			
Evaluation dimension: Contribution to (unintended) overarching developmental changes			2	o	-
To what extent can unintended overarching developmental changes (also taking into account political stability) be identified (or, if foreseeable, please be as specific as possible in terms of time)?	Details on the incident of the political instrumentalisation of the RRA during the project term and the resulting reprogramming of the project funds.	Interviews with local partners.			
Did the programme noticeably or foreseeably contribute to unintended (positive and/or negative) overarching developmental impacts?	-	Interviews with local partners.			

Did the programme noticeably (or foreseeably) contribute to unintended (positive or negative) overarching developmental changes at the level of particularly disadvantaged or vulnerable groups (within or outside the target group) (do no harm, e.g. no strengthening of inequality (gender/ethnicity))?	-	Interviews with local partners.

Sustainability

Evaluation question	Specification of the question for the present project	Data source (or rationale if the question is not relevant/applicable)	Rating	Weighting (- / o / +)	Reason for weighting
Evaluation dimension: Capacities of participants and stakeholders			2	o	-
Are the target group, executing agencies and partners institutionally, personally and financially able and willing (ownership) to maintain the positive effects of the programme over time (after the end of the promotion)?	In what direction has the budget and staffing of a) ECOFIN, b) the IFMIS Unit, c) the SPIU, d) the RRA, e) the RPPA, f) the OAG changed since the end of the promotion? To what extent can CPAR finance itself? How high is the staff turnover at the promoted institutions?	Interviews with local partners.			
To what extent do the target group, executing agencies and partners demonstrate resilience to future risks that could jeopardise the impact of the programme?	How much dependence is there on (donor) fund allocations for upcoming priority area strategy papers in the PFM sector?	Interviews with partners / other donors on site.			
Evaluation dimension: Contribution to supporting sustainable capacities:			2	o	-
Did the programme contribute to the target group, executing agencies and partners being institutionally, personally and financially able and willing (ownership) to maintain the positive effects of	How does the role of MINECOFIN continue to be understood	Interviews with partners / other donors on site.			

the programme over time and, where necessary, to curb negative effects?					
Did the programme contribute to strengthening the resilience of the target group, executing agencies and partners to risks that could jeopardise the effects of the programme?		Interviews with partners / other donors on site.			
Did the programme contribute to strengthening the resilience of particularly disadvantaged groups to risks that could jeopardise the effects of the programme?		Not directly relevant, as the project is not related to the target group.			
Evaluation dimension: Durability of impacts over time			2	o	-
How stable is the context of the programme (e.g. social justice, economic performance, political stability, environmental balance)? (*Learning/help question*)		-			
To what extent is the durability of the positive effects of the programme influenced by the context? *(Learning/help question)*	How are reforms initiated in the new sector strategies?	-			
To what extent are the positive and, where applicable, the negative effects of the programme likely to be long-lasting?	How high is the staff turnover, how high is the political will to keep the PFM system on track for reform?	On-site interviews.			