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Report No:

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF US\$ 50 MILLION

TO THE

REPUBLIC OF RWANDA

FOR A

LAND HUSBANDRY, WATER HARVESTING AND HILLSIDE IRRIGATION PROJECT

February 11, 2011

Agriculture and Rural Development Unit
Sustainable Development Department East
Africa Country Cluster II
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 31, 2010)

Currency Unit = Rwanda Franc (RWF)
590 = US\$1

FISCAL YEAR

July– June 30

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
CBO	Community Based Organization
CFE	Common Framework for Engagement
CIDA	Canadian International Development Agency
CPIP	Country Procurement Issues Paper
DA	Designated Account
DIF	Dynamic Information Framework
DPs	Development Partners
EA	Environmental Assessment
EDPRS	Economic Development and Poverty Reduction Strategy
EFA	Economic and Financial Analysis
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ERR	Economic Rate of Return
ESMF	Environmental and Social Management Framework
FM	Financial Management
FMM	Financial Management Manual
GoR	Government of Rwanda
GIS	Geographic Information System
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFR	Interim Financial Report
IP	Implementation Progress
IPM	Integrated Pest Management
ISR	Implementation Status and Results Report
JICA	Japanese International Cooperation Agency
LSG	Land Husbandry Self-help Groups
LWH	Land Husbandry, Water Harvesting and Hillside Irrigation
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MFI	Micro Finance Institution
MINAGRI	Ministry of Agriculture and Animal Resources
MINECOFIN	Ministry of Finance and Economic Planning
MINIFOM	Ministry of Environment and Lands
MIS	Management Information System
MTEF	Medium Term Expenditure Framework
NAEB	National Agricultural Export Development Board

NGO	Non-Governmental Organization
NRM	Natural Resources Management
OAG	Office of the Auditor General
PAD	Project Appraisal Document
PAPSTA	Support Project for the Agricultural Transformation Strategic Plan
PCN	Project Concept Note
PDO	Project Development Objective
PIM	Project Implementation Manual
PPF	Project Preparation Facility
PRSP	Poverty Reduction Strategy Program
PSCBP	Public Sector Capacity Building Project
PSTA	Plan Stratégique pour la Transformation Agricole (Strategic Plan for
RAB	Rwanda Agricultural Board
RADA	Rwanda Agricultural Development Authority
RAP	Resettlement Action Plan
RCA	Rwanda Cooperatives Agency
RF	Results Framework
RIF	Rural Investment Facility
RPF	Resettlement Policy Framework
RPPA	Rwanda Public Procurement Authority
RSSP	Rural Sector Support Program
SIL	Specific Investment Loan
SLM	Sustainable Land Management
SPAT	Strategic Plan for Agricultural Transformation
SWAp	Sector Wide Approach
TOR	Terms Of Reference
USAID	United States Agency for International Development
WUA	Water Users' Association

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REPUBLIC OF RWANDA
Land Husbandry, Water Harvesting and Hillside Irrigation Project

TABLE OF CONTENTS

RWANDA	5
LAND HUSBANDRY, WATER HARVESTING AND HILLSIDE IRRIGATION PROJECT	5
ADDITIONAL FINANCING DATA SHEET	5
I. INTRODUCTION	1
II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING	2
III. PROPOSED CHANGES	4
IV. APPRAISAL SUMMARY	6
ANNEX 1:	10
ANNEX 2	15
OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)	15
ANNEX 3	46

RWANDA

LAND HUSBANDRY, WATER HARVESTING AND HILLSIDE IRRIGATION PROJECT

ADDITIONAL FINANCING DATA SHEET

Basic Information - Additional Financing (AF)	
Country Director: Johannes Zutt	Sectors: General Agriculture, fishing and forestry sector (55%), Irrigation and Drainage (45%)
Sector Manager/Director: Karen Brooks/Jamal Saghir	Themes: Rural services and infrastructure (67%), Other rural development (33%)
Team Leader: Loraine Ronchi	Environmental category: Partial Assessment
Project ID: P124785	Expected Closing Date: December 31, 2015
Expected Effectiveness Date: April 1, 2011	
Lending Instrument: Specific Investment Loan	
Additional Financing Type: Scale Up	
Basic Information - Original Project	
Project ID: P114931	Environmental category: Partial Assessment
Project Name: Land Husbandry, Water Harvesting and Hillside Irrigation Project	Expected Closing Date: December 31, 2015
Lending Instrument: Specific Investment Loan	Joint IFC: Joint Level:
AF Project Financing Data	
<input type="checkbox"/> Loan <input type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:	
AF Financing Plan (US\$m)	
Source	Total Amount (US \$m)
Total Project Cost:	121.4
Of which:	
GAFSP Additional Financing:	50.0
IDA Baseline:	35.0
Cofinancing:	
USAID	14.0
Canadian CIDA	8.0
Recipient:	7.8
Communities:	7.6
Client Information	
Recipient: Republic of Rwanda Responsible Agency: PSTA/Programme 1 Ministry of Agriculture and Animal Resources Box. 621, Kigali, Rwanda Telephone No.: (250) 252 586104 Fax No.: (250) 252 584644 Email: innocent.musabyimana@gmail.com	
AF Estimated Disbursements (Bank FY/US\$m)	

FY	2012	2013	2014	2015
Annual	16.0	16.0	14.0	4.0
Cumulative	16.0	32.0	46.0	50.0
Project Development Objective and Description				
<p>Original project development objective: The Project Development Objective is to increase the productivity and commercialization of hillside agriculture in target areas.</p> <p>Revised project development objective: No change.</p> <p>Project description;</p> <p>(a) Capacity Development and Institutional Strengthening for Hillside Development, which aims to develop the capacity of individuals and institutions for improved hillside land husbandry, stronger agricultural value chains, and expanded access to finance;</p> <p>(b) Infrastructure for Hillside Intensification, which provides the essential hardware for hillside intensification to accompany the capacity development of the first component, and</p> <p>(c) Implementation through MINAGRI's SWAP structure, which aims to ensure that project activities are effectively managed within the government program.</p>				
Safeguard and Exception to Policies				
Safeguard policies triggered:				
Environmental Assessment (OP/BP 4.01)			[X]Yes [] No	
Natural Habitats (OP/BP 4.04)			[X]Yes [] No	
Forests (OP/BP 4.36)			[X]Yes [] No	
Pest Management (OP 4.09)			[X]Yes [] No	
Physical Cultural Resources (OP/BP 4.11)			[X]Yes [] No	
Indigenous Peoples (OP/BP 4.10)			[]Yes [X] No	
Involuntary Resettlement (OP/BP 4.12)			[X]Yes [] No	
Safety of Dams (OP/BP 4.37)			[X]Yes [] No	
Projects on International Waters (OP/BP 7.50)			[X]Yes [] No	
Projects in Disputed Areas (OP/BP 7.60)			[]Yes [X] No	
Does the project require any exceptions from Bank policies? Have these been approved by Bank management?			[]Yes [X] No []Yes [] No	
Conditions and Legal Covenants:				
Financing Agreement Reference	Description of Condition/Covenant		Date Due	
Article IV	This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition has been satisfied: the Recipient has recruited to Program 1 Implementation Team, a land husbandry specialist, a horticulturalist, a technical assistant to the marketing officer, and an operational assistant to the program manager, and District Implementation Support Teams		Effectiveness	
Schedule II, Section I.A.	The Recipient shall, by April 30, 2011, recruit and assign to Program 1 Implementation Team, additional financial management and procurement staff for the implementation of the Project, with qualifications and mandates acceptable to the World Bank.		April 30, 2011	

I. INTRODUCTION

1. This Project Paper seeks the approval of the Regional Vice President to provide an additional grant in an amount of US\$ 50 million from the Global Agriculture and Food Security Program (GAFSP) to the Republic of Rwanda for the Land Husbandry, Water Harvesting and Hillside Irrigation Project (Credit No. 4674-RW). This proposed additional funding will provide financing to implement an additional series of catchment areas within the overall Government of Rwanda (GoR) Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) program.
2. The Recipient submitted a proposal for a grant from the newly created Global Agriculture and Food Security Program (GAFSP) Trust Fund, requesting that the World Bank be the implementing agency. Their proposal was one of the first approved by GAFSP, on June 21, 2010. GAFSP provides readily available financing to scale-up agricultural and food security assistance on a coordinated basis in response to demonstrated commitment to results by countries.
3. Rwanda was the first country to conduct a CAADP Roundtable Meeting and to sign a CAADP Compact in March 2007. Since the signing of the Compact, Rwanda has worked closely with CAADP and its Development Partners in the preparation of the Second Strategic Plan for Agricultural Transformation (PSTA II) a detailed, costed investment plan to achieve 8% growth in the sector and to meet relevant Millennium Development Goals (MDGs), in particular, MDG 1. Through a Post Compact Meeting, Rwanda became the first country to present a fully developed PSTA II-based agricultural investment plan reviewed, endorsed, and supported by CAADP and the Development Partners.
4. GAFSP will fund activities identified in Rwanda's investment plan to help farmers transform hillside agriculture to reduce erosion and bolster productivity in an environmentally sustainable manner. GAFSP support will increase production of high-valued horticultural crops on irrigated portions of hillsides by smallholders, and improve productivity and commercialization of rain-fed food and export crops on the non-irrigated portions.
5. This proposal will allow for the expansion of the project to seven to eight additional catchment sites. This will allow GOR to come closer to achieving their LWH program first phase target of 32 sites. The current IDA funding level is designed to cover four to five catchment sites, with co-financing from USAID and CIDA expected to cover an additional four to five sites. The Japanese government has committed to a further unspecified number of sites in a parallel financing operation. All parallel and cofinancing has been predicated on the World Bank initiative in supporting the LWH.
6. The GAFSP additional financing will increase the areas protected against soil erosion by 5775 ha, and increase land under irrigation by 1155 ha. This brings the project total to 10,375 ha of sustainably managed hillsides, including a new total of 2055 ha of irrigated land. The additional financing will allow the project to reach an additional 6,000 households, from an expected 5,000 households to a total of 11,000 households (or 44,000 direct and indirect beneficiaries).

II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

7. **Background.** The larger government LWH program, of which the IDA project is funding selected catchments, is a key element of GOR's Economic Development and Poverty Reduction Strategy (EDPRS), addressing its strategic outcome of raising agricultural productivity. It is also fully aligned with the key EDPRS indicators of increasing land sustainably managed against soil erosion and raising exports. The LWH also has important poverty objectives, as it develops hillsides where the vast majority of the country's arable lands, and its farmers, are found. The LWH program is explicitly identified in the current Country Assistance Strategy (CAS) for Rwanda (2009-2012). The LWH PDO contributes to Programmes 1 and 3 of the Government's PSTA II, which seek to intensify production and increase the marketing and commercialization of crops, respectively. Support to the project implementation team for LWH to contribute directly to the capacity of MINAGRI for implementation (PSTA Program 4) in future phases of the Government's LWH Program. The LWH is therefore the key mechanism for financing across the entire PSTA II; a scale up of LWH is the best vehicle for providing additional finance for Rwanda's CAADP-approved investment plan for the sector. The current project is being implemented satisfactorily, with several development partners as parallel and co-financiers.

8. **Project Objectives and Components.** The project development objective (PDO) of the LWH is "to increase the productivity and commercialization of hillside agriculture in target areas". It is a flagship program in the Government's overall poverty reduction and agricultural strategies as mentioned above. The LWH program is designed to address some of the key constraints to agricultural growth in Rwanda: the need for larger scale, community-based infrastructure approaches rather than household level interventions; and, the need for strong farmer mobilization, education and support alongside these investments. As LWH is a large government program, the role of the World Bank has been critical in developing the program's Common Framework for Engagement (CFE), which includes common technical, financial, economic and safeguards criteria as well as common approaches to community engagement. Safeguards documents (Environmental and Social Management Framework, Resettlement Policy Framework and Pest Management Plan) have been reviewed and cleared by the Bank and are in use for all 101 program sites (phases one and two).

9. LWH uses a modified watershed approach to introduce sustainable land husbandry measures for hillside agriculture on selected sites, as well as developing hillside irrigation for sub-sections of each site. The project has three components: (a) Capacity Development and Institutional Strengthening for Hillside Development (additional financing US\$ 17.9 m), which aims to develop the capacity of individuals and institutions for improved hillside land husbandry, stronger agricultural value chains, and expanded access to finance; (b) Infrastructure for Hillside Intensification (additional financing US\$ 27.1 m), which provides the essential hardware for hillside intensification to accompany the capacity development of the first component, and (c) Implementation through MINAGRI's SWAP structure (additional financing US\$ 5 m) which aims to ensure that project activities are effectively managed within the government program. See project cost tables in Annex 3 for more detail.

10. **Partnership Arrangements.** When MINAGRI presented the LWH Program to development partners in the Agriculture Sector Working Group (ASWG), the World Bank undertook a technical review of selected aspects of the LWH and found it addresses the key

agricultural growth constraints in Rwanda. The GoR then specifically requested the Bank's financial and technical support to the LWH, which culminated in the approval of an IDA credit in 2010. The Bank's catalytic role with other partners in the AWSG, both by its expertise and as a financier, resulted in Canadian and Japanese Government commitment supporting the Program. USAID has since followed suit. With its environmental and social safeguards management framework fully adopted in the Government's CFE, the Bank provided stewardship for parallel and co-financiers that could not be met through other sources of funding. Furthermore, in the wake of the recent signing of the agricultural sector SWAp, the World Bank is in the key position to demonstrate for other development partners, a model of SWAp-supportive implementation that does not resort to the creation of new and separate PIUs.

11. **Project Performance.** The IDA financed LWH Project was approved on December 22, 2009 and became effective on June 2, 2010. A project preparation facility, along with substantial GoR funding, allowed the project to carry out the following activities to date:

- Baseline studies have been completed, and increased quality of data provides enhanced knowledge to the implementation team. This has increased technical capacity, which has been disseminated to local government and site committees through training and exchange visits.
- Land husbandry work on the first four sites financed by IDA (Gatsibo 8, Nyanza 23, Karongi 12 and Karongi 13) is underway. The technical approaches used such as the labor intensive approach to terracing have been found effective and are now accepted as the overall government strategy on soil conservation.
- The participatory crop selection process was successfully carried out and has wide ownership. The GoR has recently introduced it in other government intensification programs. Analysis of market information done by the project team provides a good basis for community selection.
- The Ministry of Agriculture and Animal Resources (MINAGRI) newly constituted irrigation and mechanization task force and soon to be constituted dam safety panel provide additional backstopping and quality control to the project.
- The role of local government has been further strengthened. Local leaders and technical staff have been provided training to ensure buy-in and participation.
- Demonstrated capacity of environmental staff has increased confidence that safeguards compliance will be met. Environmental management plans have been prepared and approved for the first four sites and resettlement instruments approved for three. Key project team members have participated in a Bank safeguards training clinic in November 2010.

12. The main conclusion on the fiduciary aspects are based on implementation support missions carried out in June and November 2010 which resulted in moderately satisfactory ratings in financial management and procurement, with fully satisfactory ratings on progress towards achieving the Development Objectives and for Implementation Progress. LWH has made major strides in fulfilling the outstanding implementation conditions with the recruitment and reinforcement of the FM staff based on the activity levels. LWH has also completed the acquisition of software and the installation and the FM staff received the necessary user training.

The merger of the respective FM and Procurement staff working on the two World Bank programs managed by the ministry will strengthen the fiduciary management of the Project. GoR has substantially complied with all legal covenants currently due, and audits are current. The original financing agreement contains the most recent procurement guidelines, which would also apply to this trust fund.

13. **Project Achievements.** LWH has had an impressively rapid and comprehensive start on Project activities: mass mobilization of beneficiaries for sensitization; implementation of a labor-intensive approach to land works; preparation and disclosure of safeguards; development and execution of participatory crop selection on all sites; staffing up of Project Teams; preparation of terms of reference (TOR) for a number of necessary studies; the first set of contracts have been signed and land husbandry works on the first four sites have started; advance preparation on dam safety; and extension and marketing support for production on the first terraces for the very first planting season after effectiveness. While it is too early in Project implementation to report on the PDO indicators (since a first harvest has not yet been marketed), and on any indicators that involve irrigation or cooperatives given the timing and sequencing of these activities, three intermediate outcomes have already been assessed. The target proportion of farmers in project affected areas using improved farm methods for Year 1 is 50% for women and for men. Although less than half way through the first year, (and only halfway through the first season), the proportion taking up improved methods is 17%, fully 52% of which are women. The percentage of population using services of financial institutions for Karongi 12 is 53.1% and 39.7% for women and for men, respectively, compared to the Project's average baseline of 17.6% and 22%. As compared to a full Year 1 target of 50%, the proportion of land protected against soil erosion on the first site is 40%, representing 11% of total Project area.

14. **Rationale for Additional Financing.** The rationale of the Bank in supporting the program, as outlined in the current CAS, is to provide an effective means to advance the Government-led sector-wide approach and the ongoing harmonization process. Indeed, as mentioned above, the Bank's involvement in LWH has leveraged and galvanized additional support for the LWH from other development partners. The Bank has strong experience and expertise in agricultural intensification and in successful watershed management approach to hillside irrigation and is a result of a specific request from GOR to take the lead role given its role as lead development partner and co-chair with GoR of the ASWG.

III. PROPOSED CHANGES

15. There is no proposed revision to the PDO, as it remains relevant for the scale-up. PDO indicators will also remain unchanged as they represent increases in productivity per hectare and percentage increases in the share of commercialized products from target areas. See the updated Results Framework (attached) for increases in physical targets resulting from the additional financing.

16. The additional financing will provide financing to implement an additional series of catchment areas within the overall government LWH program. Institutional arrangements will be enhanced to enable the government team to take on the additional workload. Enhancements to capacity include:

- The project team will be strengthened with the addition of a technical land husbandry specialist (to twin with the senior technical adviser before his tenure ends), a horticulturalist, technical assistance to the marketing officer, an operational assistant to the program manager, and additional fiduciary staff. Implementation has shown that the current implementation team should also be strengthened in the areas of procurement, financial management, agronomy and rural sociology/community development. Also planned is the merger of the LWH and the Second Rural Sector Support Project (RSSP 2) procurement departments into one unit, as well as the merger of the two project financial management departments. RSSP is a long-standing World Bank supported project with strong experience and capacity. This will strengthen fiduciary support for LWH while reinforcing WB support for MINAGRI's SWAp and the GoR's streamlining objective for PIUs. The need for incremental fiduciary staff will be assessed after this merger and the addition of these staff is a dated covenant.
- Service providers who carry out farmer mobilization and group formation need improved backstopping from the implementation team, and revision of guidelines and training materials should be done based on lessons learned from the first site.
- The Project Implementation Manual (PIM) and fiduciary manuals, including the community participation manual be updated and elaborated as necessary to reflect the experiences from the startup phase. Technical manuals will also be elaborated and improved by the time of the scale up to reflect lessons learned.
- Both the site selection process and the participatory crop selection process will be improved as a result of increased quality of data, various studies which have been completed since appraisal of the original project, and improved analysis of market information and site specific production conditions and crop budgets. The site selection process include: (i) social criteria such as social impact and number of beneficiaries; (ii) economic criteria including rate of return and access to markets, and (iii) technical and environmental criteria such as water harvesting potential and findings of environmental assessment.
- Activities will be included to ensure available planting materials for soil conservation activities as well as to fulfill the farmer's choices elaborated through the crop selection process. This includes farmer participation in seed multiplication and tree nurseries. This will be critical for scale up.
- Community participation and oversight will be significantly strengthened through the introduction of improved training tools. Capacity building for group formation will be strengthened to ensure that community level institutions critical for project success such as cooperative societies and water user associations provide a solid basis for management of assets and the marketing function. Strengthening of farmers organizations will assure that cross cutting issues such as gender are taken into account.
- Increased support to the use of enhanced information and communications technology (ICT) in the LWH through its spatial mapping tool called the Dynamic Information Framework. This tool will enhance the capacity of GoR to analyze the hydrology and soil characteristics of particular catchments. This will allow better monitoring of the

effects of project interventions as well as irrigation levels and water requirements at catchment level.

- Efforts to advance sustainable hillside watershed programs require complex organizational collaboration. Implementation arrangements will be strengthened to ensure that both the technical and management resources are sufficient to ensure that project benefits are achievable.

17. **Implementation Arrangements** Implementation arrangements remain embedded in Program I of the SWAP structure in MINAGRI, enhanced as described above. Incremental staff, including a land husbandry specialist, horticulturalist, assistant to the program manager, and additional fiduciary staff will be recruited. Community development specialists at district level will be hired to boost the capacity of the district implementation teams. The project has suffered from high staff turnover due for the most part to the remuneration package, which has become uncompetitive (see paragraph 31). It was agreed during the last review mission that the remuneration package, especially those at district level, be reviewed. This issue will be discussed and agreed at negotiations.

18. A cofinancing arrangement has been established between four financiers (IDA, GAFSP, USAID and CIDA), with the World Bank as implementing agency. The respective financing agreements are built on a common, fully costed four-year program of investment. Site selection is ongoing, with four of the five sites to be financed by IDA already identified. As sites are identified through the criteria agreed in the CFE, each site will be assigned to one of the four cofinanciers. The costs related to that site will then be earmarked to respective co-financier through the annual work program and budgeting process (AWPB). This AWPB will form the basis for that year's expenditure plan. Actual expenditures will be documented in a common, consolidated interim financial report (IFR), which will be cleared by the World Bank before the recipient submits the respective withdrawal request for each source of funding.

19. **Credit Closing Date.** It is proposed that there be an extension of the project closing date by eighteen months, to December 31, 2015 to allow for completion of the expanded program. This is the first extension of the project closing date. The trust fund, which is providing this additional financing, would be used within three years of the current closing date of the project, June 30, 2014.

IV. APPRAISAL SUMMARY

20. **Economic and Financial Analysis.** Activities financed through the LWH are expected to generate four broad categories of benefits: (i) on-site private benefits within the project area coming from direct income increase, avoidance of yield or income loss without project, food security, risk reduction, increased employment, and securing long-term income opportunities; (ii) downstream public benefits in the form of externalities such as sediment load reduction and its associated cost savings from avoiding sediment load removal costs and from reduction of irrigation capital costs; and (iii) global public benefits in the form of carbon sequestration. From the point of view of the economic and financial analysis, the three Project components represent one integrated package and cannot be treated separately. Resettlement costs, environmental safeguards and soil erosion control measures are included in the project costs, which are an

integral part of the irrigation investment. Both economic and financial analyses used the same financial prices as economic prices for tradable goods, since there are no major policy distortions affecting the prices of inputs and outputs. The overall economic and financial analysis of LWH shows strong economic and financial profitability. The original credit undertook analysis based on data from six potential sites (four of which were subsequently chosen as preliminary sites) which resulted in an ERR of 29 percent (see LWH PAD, Annex 9). Furthermore, LWH interventions show strong economic and financial profitability in all the scenarios estimated, despite explicit consideration of pessimistic scenarios.

21. The program is expected to increase the productivity of the targeted irrigated command area, the targeted non-irrigated hillsides, and increase the share of commercialized products from the targeted areas. The additional financing will scale up the coverage by adding some 5775 ha to the targeted areas. This will result in an additional 6,000 households benefitting from the program (see the attached revised results matrix).

22. **Technical Analysis.** The design of the land husbandry, water harvesting and hillside irrigation technical activities of the Project was informed by the findings of early studies conducted by international and local expert consultants. They include hydrological, topographical, agro-climatic and agronomic assessments for hillside intensification; conceptual design studies summarized in the Government's LWH Program Proposal; detailed site feasibility studies for a number of sample LWH sites; detailed watershed design studies; detailed dam and irrigation infrastructure design studies; Environmental Impact Assessments (EIAs) on a sample of sites; and socio-economic surveys. These studies enabled the Project to make concrete activity proposals and provide important baseline information.

23. The final Project design reflects the technical recommendation of the need for a balanced 'hardware' and 'software' approach and the need to focus on marketing considerations. The transformational nature of the land husbandry and irrigation activities proposed called for a more holistic approach than that of the original design, involving extensive participatory processes, strong capacity building, as well as a value chain approach explicitly considering access to finance and marketing issues. To this end, the project diagnoses on farmer organizations, the extension strategy and the strategic social assessment for community mobilization, communication and gender indicate the priority activities and resources necessary to ensure the institutional and human resources required for Project success. These were incorporated into Project design. Furthermore, the original Government program design required a more marketing-based selection of horticultural crops that takes into consideration potential domestic, regional and overseas markets. The results of the LWH horticultural study provided very clear guidance on the priority on-farm and post-harvest investments—both software and hardware—that would be required for getting goods to markets.

24. **Fiduciary Analysis.** This review of the fiduciary aspects of LWH is based on a supervision mission carried out in November 2010, which rates financial management progress as moderately satisfactory. GOR has substantially complied with all legal covenants currently due, and while the first audit is not due until December 2011, LWH did submit a satisfactory unaudited interim financial statement for the period ended 30 June 2010. The IFR has been harmonized and previously agreed with the project to conform to the provisions of Article 70-71 of the Organic Budget Law on financial reporting. The proposed merger of RSSP 2 financial management functions to that of LWH will strengthen the FM function for the Project. It will be important to draft a delineation of roles and responsibilities of the merged unit together with

RSSP 2 and submit to the Bank for review. To ensure smooth progress on FM, the LWH should, through MINAGRI request support from the Office of the Government Chief Internal Auditor to undertake internal audit, or seek resolution through the proposed merger with RSSP 2, as they have that function. A dated covenant requiring the Recipient to have in place by April 30, 2011 the necessary incremental financial management and procurement staff as agreed with the Association has been included as part of the Grant Agreement.

25. The recent review mission also found the procurement function of the Project to be moderately satisfactory. The Procurement Officer in LWH resigned in October 2010, leaving a vacancy in the senior procurement position of LWH. Recruitment is ongoing and the replacement is expected to be on board by the effectiveness of the additional financing. Given the volume and value of procurement transactions in the LWH, it is imperative that this recruitment yields a highly qualified and experienced candidate to join the junior procurement officer. The merger of LWH with the RSSP procurement teams on one hand and financial management teams on another hand will strengthen the fiduciary function, which has experienced some weaknesses in the first five months of implementation. While this is normal for a new Project with new staff, the number of iterations and corrections on procurement documents thus far has contributed to delays. The PIM will be updated in order to reflect the new arrangement and to reflect the new RPPA prior review thresholds.

26. A key procurement risk to the operation is the lack of competition and weak local construction capacity for the extensive works under LWH. To increase competition, it is recommends: (i) combining works for dams, irrigation schemes, operations and maintenance (O&M), and command areas in land husbandry, and then combining these for LWH sites into one tender with individual lots; (ii) combining the works for land husbandry on water catchment and command area catchment, and the combining these for multiple LWH sites into one tender with individual lots; and (iii) advertising not only in DGmarket/UNDB but also in the East African press, and informing Kigali based embassies of upcoming tenders.

27. The financing agreement contains the most recent procurement guidelines, which would also apply to this trust fund. The funds flow arrangements for the Additional Financing will use the existing financial management arrangements for the current IDA Credit, as per the original project appraisal document, although there would be a new disbursement letter for the TF. The additional funds will be deposited onto the existing Designated Account. The IFR and audit arrangements remain the as per the original project, with cofinancing arrangements as outlined in paragraph 19 above building on that foundation. A revised IFR format will be attached to the minutes of negotiations, which will reflect the new cofinancing reporting arrangements.

28. **Environment and Social Safeguards.** No changes in environmental category of the project are required, and the existing safeguards documents (covering all 101 program sites through the CFA) apply to this additional financing. An updated riparian notification was issued in November 2010.

29. The last implementation review found overall safeguard compliance fully satisfactory. The project has prepared high quality Process Frameworks (PFs) for each site identified which the Bank has flagged as best practice. Using this approach, the stakeholders understood the compensation process, and through the process, vulnerable Project Affected Persons (PAPs) have been identified and consulted. Compliance with Safeguard Policy OP4.12 on Involuntary Resettlement is rated satisfactory.

30. The Government is hiring a consultant to create a baseline data bank on water quality, which will help the Project monitor water quality in the Project sites and take timely corrective water management measures as necessary. A TOR has also been prepared and cleared for a Dam Safety Panel of Experts. Environmental Management Plans (EMPs) as well as environmental assessments of future sites prior to detailed dam studies for the dams will be undertaken by a separate entity from the one undertaking detailed design work. Tools have also been introduced to allow the project to measure the cumulative effects of the program on water quality and quantity.

31. **Risks.** The project received a moderate overall risk rating at appraisal. The team has updated the risk matrix in the attached Operational Risk Assessment Framework. Overall risk remains moderate, with the following key issues:

- Capacity at the local level remains weak. The specific technical capacities of the government, private sector service providers and communities required for successful implementation is substantially supported through the LWH program and this additional financing, which is undermined the ability of the Government to recruit and retain competent decentralized staff. The presence of qualified technical staff at local level is critical to achieving objectives of the LWH and ensuring high quality decentralized staff is central to mitigating risk for the scale up. A sample of comparator decentralized Project salaries from other development partners and NGOs shows that the current LWH remuneration package is not competitive (the package is 27% to 87% lower than reviewed comparators). To mitigate implementation risk for the base project, and particularly for scale-up, the decentralized remunerative package for LWH needs to be adjusted upwards.
- LWH scale up involves simultaneous implementation of an increased number of watershed catchment sites. Contracting capacity for civil works as well as extension capacity for cooperative and farmer empowerment is overstretched. Actions to mitigate these risks such as reaching regional contractors and service providers, and changing the tendering procedures to enhance competition can be found in the attached ORAF.
- The SWAP implementation structure at MINAGRI is new and capacity is still being built. Progress has been made since the IDA credit was approved, with donor support (DFID and IFAD) of MINAGRI's sector strategic framework through the ongoing PAPSTA program (Program to Support the Strategic Plan for Agricultural Transformation). The LWH program is, by design, supporting the implementation capacity of the program dealing with intensification and development of sustainable production systems.
- The program triggers environmental and social safeguards, which require capacity to manage correctly. The startup phase has trained staff and communities, resulting in completion of environmental management plans and resettlement action plans and process frameworks for the sites to be funded by the ongoing IDA operation. Compliance is rated satisfactory and the experience gained will allow the team to roll out the process in the new sites.

32. There are no exceptions to Bank policies.

**ANNEX 1:
Results Framework and Monitoring**

**Rwanda: Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Project
Additional Financing from the Global Agriculture and Food Security Program (GAFSP)
Trust Fund**

Revisions to the Results Framework		Comments/ Rationale for Change
PDO		
<i>Current (PAD)</i>	<i>Proposed</i>	
Increase the productivity and commercialization of hillside agriculture in target areas.	No change	
PDO indicators		
<i>Current (PAD)</i>	<i>Proposed change*</i>	
Productivity of Non Irrigated Hillside (\$/ha) end of project target	End of project target increased from \$1400 to \$1600/ha.	Extra year of implementation
Intermediate Results indicators		
<i>Current (PAD)</i>	<i>Proposed change</i>	
Cost recovery ratio for operation and maintenance of water user associations in project area (%)	End of project target increased from 40% to 60%	Extra year of project implementation.
Participating financial institutions using new products (Number)	End of project target increased from 12 to 24	Expanded geographical coverage and extra year of project implementation.
Area developed for irrigation (ha)	End of project target increased from 1500 to 2055	Expanded geographical coverage.

REVISED PROJECT RESULTS FRAMEWORK

Project Development Objective (PDO):												
Increase the productivity and commercialization of hillside agriculture in target areas.												
PDO Level Results Indicators	Core	UOM	Baseline Original Project Start (2009)	Progress To Date (2010)	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					FY 2011	FY 2012	FY 2013	FY 2014				
<i>1. Productivity of target irrigated command area (\$/ha)</i>		Amount (US\$)	\$1,000			\$1,200	\$1,400	\$1,700	Annually	Survey /Coop Reports	LWH M&E	
<i>2. Productivity of targeted non-irrigated hillside (\$/ha)</i>		Amount (US\$)	\$1,000		\$1,000	\$1,200	\$1,400	\$1,600	Annually	Survey/ Coop Reports	LWH M&E	
<i>3. Share of commercialized products from target areas (%)</i>		%	35%		30%	45%	55%	60%	Annually	Coop M&E Committee Report	MINAGRI and LWH M&E	Marketed share of total value of production. Initial decrease due to construction period.
<u>Beneficiaries</u>												
<i>Direct project beneficiaries</i>	☒	Number	0		5,000	7,000	9,000	11,000	Annually	Project Reports	LWH M&E	Figures reflect number of farm households included in catchment works under IDA and GAFSP funding.

												USAID and CIDA site figures not included.
<i>of which female (beneficiaries)</i>	<input checked="" type="checkbox"/>	Number			2,500	3,500	4,500	5,500	Annually			50% of total

Intermediate Results and Indicators

Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2009)	Progress To Date (Sept. 2010)	Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2011	2012	2013	2014				
<i>Component A: Capacity Development and Institutional Strengthening for Hillside Intensification</i>												
<i>Revenues made by cooperatives in project area (% increase)</i>	<input checked="" type="checkbox"/>	US\$	0	TBD		10% over year one	20% over year one	40% over year one	Annually	Coop M&E Committee Report	LWH M&E	Would include revenues from sales and services
<i>Cost recovery ratio for operation and maintenance of water user associations in project area (%)</i>		%	0			20%	40%	60%	Bi-annually	LWH progress report	LWH M&E	Second year of cost recovery (by site)
<i>Participating farmers in project area using improved farm methods, by gender (%)</i>		%	Male 30%, Female 25%	Male 8.2%, female 8.9%	50% of male and female	70% of male and female	80% of male and female	90% of male and female	Annually	Survey	MINAGRI	Broken down by gender

Intermediate Results and Indicators												
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2009)	Progress To Date (Sept. 2010)	Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2011	2012	2013	2014				
<i>Population in project area using the services of formal financial institutions, by gender (%)</i>		%	17.6% female, 22% male	57.2% female, 42.8% male	22% f, 26% m	26% f, 30% m	31% f, 35% m	36% f, 40% m	MTR and End of Project	Survey based on FinScope methods	MINAGRI	Broken down by gender
<i>Participating financial institutions using new products (Number)</i>		#	0		3	6	12	24	Bi-annually	LWH progress report	LWH M&E	

Component B: Infrastructure for Hillside Intensification¹

<i>Land protected against soil erosion in project area (%)</i>		%	44.5%	40%	50%	60%	70%	80%	Bi-annually	MINAGRI data and or survey	LWH M&E	Grass strips, trash lines, agroforestry interventions, intercropping, soil bunds, radical/progressive terraces, and microbasins with tree planting, reforestation.
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¹ Component three does not have any intermediate results as it relates to project management.

<i>Area developed for irrigation (ha)</i>		ha	0		350	900	1500	2055	Bi-annually	LWH progress report	LWH M&E	IDA funding will develop 900 ha and GAFSP 1155 ha.
<i>Reduction in annual soil loss in project areas (ha)</i>		ha	0			10%	30%	50%	Annually	LWH progress report	LWH M&E	Project area as compared to control farms. Pin method will be used across various slope categories in each group.

ANNEX 2

OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)

**Rwanda: Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Project
Additional Financing from the Global Agriculture and Food Security Program (GAFSP) Trust Fund**

Project Development Objective(s)				
Increase the productivity and commercialization of hillside agriculture in target areas.				
PDO Level Results Indicators:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">1. Increase the productivity of targeted irrigated command area.</td> </tr> <tr> <td style="padding: 2px;">2. Increase the productivity of targeted non-irrigated hillsides.</td> </tr> <tr> <td style="padding: 2px;">3. Increase the share of commercialized products from target areas.</td> </tr> </table>	1. Increase the productivity of targeted irrigated command area.	2. Increase the productivity of targeted non-irrigated hillsides.	3. Increase the share of commercialized products from target areas.
1. Increase the productivity of targeted irrigated command area.				
2. Increase the productivity of targeted non-irrigated hillsides.				
3. Increase the share of commercialized products from target areas.				

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
1. Project Stakeholder Risks					

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
1.1 Stakeholder	Medium-I	The agenda of environmentally sustainable hillside intensification and reduced dependence on rainfall are aligned with the GoR's objectives and policy targets for poverty reduction (EDPRS ²). The EDPRS, as well as the LWH itself, have received repeated validation and support from development partners (DPs). Internal and international image of the GoR for LWH has been positive, as witnessed by the considerable support shown within the	Due to transformational nature of LWH productivity measures on private land, community buy-in from beneficiaries is critical to the operation's success. Buy in is equally important from other stakeholders. Benefits of the LWH should be felt by all members of the watershed community to avoid a situation of 'have' and 'have-not' in the same watershed. Ownership, from beneficiaries to local authorities to the Ministerial level at the Ministry of Agriculture	<p><i>Guaranteeing Ownership</i> LWH was conceived by the GoR and developed in close partnership with DPs. The AF contributes to what is therefore a partner-endorsed, Government-owned set of activities.</p> <p><i>Sensitization and Communication</i> Strategic Social Assessment formed part of original project preparation, resulting in LWH design specifically including community mobilization, communication and gender activities, all of which are fully resourced.</p>	C C NYD (done once)

² EDPRS is Economic Development and Poverty Reduction Strategy, the PRS for Rwanda.

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>agricultural sector working group, and through co-financing (USAID, JICA, CIDA) given its simultaneous address of environmental and poverty objectives.</p> <p>Due to the transformational nature of LWH productivity measures on private land, community buy-in from landed beneficiaries is critical to the operation's success. The landless and vulnerable in the Project areas also have to benefit to avoid a 'have' and 'have-not' scenario within the</p>	<p>and Animal Resources (MINAGRI) should feel ownership on the LWH for it to succeed.</p>	<p><i>Community Buy-in</i> Building on the experience of the LWH startup phase, a great deal of beneficiary consultation from farmer to district authority takes place <i>prior</i> to site selection to ensure community buy-in</p> <p><i>Inclusion Measures in Project Design</i> The start up phase has resulted in very positive reactions by landed and landless beneficiaries given the Project design (i) extensive consultation; (ii) the LWH's labor intensive approach for land husbandry construction (source of employment for all, with special consideration for vulnerable households); and</p>	<p>sites preliminarily selected)</p> <p>C</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		same watershed. The rating is explained by the considerable buy-in witnessed in the LWH start up phase on four sites, from watershed beneficiaries, up to local and Ministerial authorities. The Project uses a watershed approach so that all watershed members (not just landed) are involved (see mitigation measures).		(iii) the explicit support and income generating activities for both landed (e.g. farmers) and landless (e.g. off farm activities like compost selling) beneficiaries.	
2. Operating Environment Risks					
2.1 Country	Medium- I	Political instability and the threat of conflict are real possibilities in neighboring countries such as DRC.	Political instability and the threat of conflict are real possibilities in neighboring countries such as DRC.	Security Security issues carry risk of reversal of development gains post-genocide. But, GoR has continued building strong judiciary and	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		Land is very scarce in Rwanda while population growth is among the highest in the region.	Land is very scarce in Rwanda while population growth is among the highest in the region.	<p>reconciliation systems to avoid a repeat of the 1994 genocide. There are joint efforts by GoR and DRC to solve instability in the region, particularly by members of the exiled forces/ FDLR</p> <p><i>Land use:</i> risk that limited availability leads to social unrest if land allocation issues not handled appropriately. But, GoR has implemented a successful land redistribution program in last two years</p> <p>Specific actions by GoR include the passing of the 2005 Land Law, enshrining rights of even customary landholders; making land</p>	<p>C</p> <p>C</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
				<p>ownership over 30ha illegal; embarking on an ambitious land registration and titling program, strongly supported by DPs such as DFID and (analytically) the World Bank. These actions remove ambiguity, formalize even customary land claim rights, improve incentives for</p> <p>The GOR and its development partners have recently concluded a joint governance assessment, which provides a good basis for dialog on governance issues, land investments and helps with access to finance (collateral).</p> <p>Finally, intensification</p>	<p>O</p> <p>O</p> <p>C</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
				<p>efforts (more output from fixed land) of GoR have received increasing share of national budget. LWH is one example.</p> <p>At the Project level, registration and titling process have been prioritized for LWH sites to ensure clarity in Project areas.</p> <p>As noted above, the Project explicitly addresses benefits and participation of landless in the watershed (e.g. off-farm opportunities, vulnerable peoples on watershed committees) to avoid conflicts and disparities.</p>	
2.2 Institutional	Medium-	Additional financing	Ownership of the LWH	<i>Ownership and Commitment</i>	C

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
Risk (sector & multi-sector Level)	L	(AF) for LWH contributes to the GoR's own initiative for hillside intensification. GoR shared and developed their LWH program extensively with DPs who support environmentally sustainable intensification efforts in Rwanda. The Project contributes to key indicators in the GoR's strategy for poverty reduction and growth at the national level, which the sector is accountable for. There is therefore little risk that a sector level institution would change/misalign these objectives.	is very high. The LWH Project contributes to the larger LWH Program in the country, originally conceived and designed by GoR. Instead of creating a new PIU, the Project contributes to and forms part of the SWAp implementation structure of MINAGRI. The SWAP structure itself has benefitted from consultation and ratification from the DPs. It meets GOR and partner requirements to	The AF for LWH—by design—is based on and builds on a GoR concept and design and it contributes to medium term objectives for the agricultural sector and for national growth (EDPRS), therefore linking its activities and outputs with supra-sectoral leadership and concerns. Similarly, the implementation structure designed for the Project builds the SWAp capacity for MINAGRI and contributes to the national objective of 'One PIU' per ministry. The LWH modality selected is that of a SIL so as to provide the fiduciary and due diligence support in the fledgling SWAp structure at	C

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>To maximize ownership, the LWH project implementation team is embedded in the new SWAp implementation structure of MINAGRI. Under the SWAp, there will be one implementation team for each of the four programs in the GoR's agricultural strategy (making up 'One PIU' for each ministry). The LWH Project staffs and supports the Program 1 team so that LWH implementation contributes directly to the MINAGRI's capacity to implement its own</p>	<p>Paris declaration principles, which entails some implementation risk as there may be a tendency for the LWH team to respond to other sectoral activities. On the other hand, in terms of risks related to sector level rules/ process and systems, as a SIL, the LWH use Bank fiduciary oversight.</p> <p>Using a holistic approach, success of the LWH depends in part on multisectoral cooperation (with ministries of land, commerce and finance) and with decentralized levels that need to share</p>	<p>MINAGRI. The parent Project Appraisal Document outlines, by design, the need for LWH implementation team to be uniquely responsible for LWH implementation initially, subject to mutual review between the Bank and GoR before taking on other SWAp sectoral activities.</p> <p>Since appraisal of the parent Project, the LWH calls for inter-ministerial coordination. For finance, for example, the LWH contributes to the harmonizing body of Access</p>	<p>O/C</p> <p>C</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>programs under an eventual SWAp. As such, staff working on LWH is seen as ministry staff and work beyond the boundaries of the project. While meeting DP and GoR commitments to Paris principles, this carries some implementation risks as focus of implementation team can be diluted.</p> <p>Using a holistic approach, the LWH does depend to some degree on multisectoral collaboration, e.g. between ministries of agriculture, and those of land (for land</p>	<p>the vision of considerably reforming hillside intensification and greater market approaches.</p>	<p>to Finance Rwanda (AFR) and therefore places MINAGRI as an active partner in the access to finance agenda, formalizing the needed coordination. The LWH is in frequent contact with the National Land Center regarding registration. Finally, the oversight committee for the LWH is deliberately multisectoral (Interministerial Steering Committee).</p> <p>District level technicians are provided with training on holistic watershed approaches and concepts of integrated land husbandry by the Project. The same are actively sensitized to notions</p>	<p>O</p> <p>C/O</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>registration); of commerce (for cooperative development); of finance (for MFI engagement), as well as with decentralized levels (e.g. district agronomists) who have to understand and share the vision of a new holistic approach to hillside intensification and greater market orientation.</p> <p>Sector and multi sectoral level policies are largely in place (e.g. legal framework for water user associations in place, Land Law under implementation,</p>		<p>of market orientation (e.g. by having them attend community participatory crop selection sessions)</p> <p>The Bank is the lead development partner co-chairing the agricultural sector working group, the main policy dialogue platform for the sector and has a TA facility for policy support. The Bank is also part of the rotating leadership for the national policy dialogue platform as general budget support donors so that project related policies are discussed actively. In terms of quality and support to sectoral policies, both USAID and DFID are also preparing</p>	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		post harvest horticultural strategy under development, etc.)		sectoral budget support operations with strong policy support components.	
3. Implementing Agency Risks (including FM & PR Risks)	Medium-I	While corruption risk is low in Rwanda, and concerns for both corruption and governance in the implementation agency and line ministry are also low, the capacity risk is high, given the need for strong human resources to implement a scaled up holistic intervention like the LWH.		See detailed measures below	
3.1 Capacity		The Project is more than doubling in size with this AF. Start up phase has identified some weaknesses in implementation, particularly at decentralized levels, which require mitigation prior to scale up. Specifically, gaps in technical capacity were documented in the last	The Project is more than doubling in size with this AF. Start up phase has identified some weaknesses in implementation, particularly at decentralized levels, which require mitigation prior to scale up. The FM and procurement teams would need to be significantly	The LWH-AF proposed sufficient scaled up resources for additional staff and institutional support for improved technical, FM and procurement capacity for scale up: <i>Technical Skills</i> (a) In preparation for the AF, and based on the pilot experience of the parent project, a technical staff	C/O

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		commitment to the Project is confirmed for the life of the Project at the Cabinet level (i.e. enshrined in the organic budget law). Retention of critical decentralized level staff has been an issue due to relatively low remunerative package.		going forward. <i>Procurement and FM</i> (b) The LWH will merge the two procurement units and the two financial management units, respectively, of the experienced and well-functioning IDA-financed RSSP 2 project, with those of LWH. This will strengthen fiduciary support for LWH while reinforcing WB support for MINAGRI's SWAp and the GOR's streamlining objective for PIUs. Further, the current recruitment of an experienced procurement staff will help to mitigate the risk related to low capacity. Existing procurement staff has received Bank training	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
				<p>and are scheduled for further as new staff comes on.</p> <p><i>Decentralized Capacity</i> (c) Retention issues at decentralized level will be addressed prior to effectiveness with a review and adjustment of the remunerative package to align the LWH scale more closely to those of other decentralized activities in Rwanda.</p>	
	High	Low availability of contractors for the type of works required for LWH physical works poses some risk to implementation of project activities. Experience from pilot	Low availability of contractors for the type of works required for LWH physical works poses some risk to timely implementation of project activities.	(a)Tenders in international technical magazines and websites and in regional publications in addition to the DGmarket/UNDB and local newspaper will expand the current scope of tender and improve competition.	NYD NYD

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		activities of the parent project, as well as of other related activities (e.g. RSSP 2) has demonstrated constraints on local capacity for works contracts (i.e. skills for comprehensive land husbandry, machinery, supervision capacity) and a low number of bidders, particularly for dam construction. The result is high bids and potential for delays.		<p>(b) Grouping similar dam work tenders across multiple LWH sites (possible with the AF scale up) and across MINAGRI projects and programs will make the tenders more attractive to international bidders and improve competition and quality of capacity;</p> <p>(c) Revisit evaluation criteria in order to tackle constraints to competition. Tender requirements as a possible source of rejection of a number of proposals, reducing bid competition are being reviewed with an eye to maintaining final quality;</p> <p>(d) Development of local</p>	<p>O</p> <p>C and O</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
				capacity such as ongoing efforts to train local agricultural, land husbandry and engineering graduates through an LWH internship program has been introduced	
	Low	Capacity is generally good for undertaking Monitoring and Evaluation for an enlarged project.	Capacity for data collection and management of Monitoring and Evaluation may be strained with scale up.	<p>(a) Development and adoption of a spreadsheet based M and E tool similar to RSSP 2, which will improve data collection and management.</p> <p>(b) Additional funding provision for data collection activities.</p> <p>(c) Introduction of a spatial mapping tool (Dynamic Information Framework) to increase the use of ICT in project monitoring.</p>	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
3.2 Governance	Low	The LWH implementation team consists of MINAGRI staff instrumental in the Program's conception even prior to Bank support. The leadership on the implementation team was active in preparation and negotiation of the parent project. As mentioned elsewhere, the LWH contributes directly to stated national (EDPRS) and sectoral objectives. Key project activities are participatory (e.g. crop selection) and the implementation team has shown commitment to these in the pilot phase of the project.	Ownership and alignment are strong in the LWH. Lines of accountability are clear and culminate with the Program Manager and line Ministry leadership, imposing considerable workload on Project management that can affect quality of decisions.	In preparation for the AF, and based on the pilot experience of the parent project, a technical staff assessment was undertaken and identified an operational support assistant for Project Management. Recruitment is underway.	O

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		Decision making, accountability and oversight processes are organized under the LWH Program Manager, imposing a heavy workload that can impact on the quality of decisions. While the quality has been satisfactory thus far, a scale up would increase the burden on the project management.			
3.3 Fraud & Corruption	Low	Fraud and corruption risk low in Rwanda in general and fraud and corruption have not been notable issues for the sector. The GoR is reactive in instances of identified corruption in	Fraud and corruption risk low in Rwanda in general. At the Project level, while fraud and corruption have not been notable issues at the sector level, importance of transparency of	The Project will adopt a risk-based approach for the internal audit function based on significant thresholds, to allow for more detailed review of a sub-set of high-cost activities. The AF is for a SIL structure	NYD C

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		the country, which is punished as a criminal offense. The LWH is a SIL and receives substantial review of tendering processes and documents and assistance/advice upon request. As the volume and value of these increases, importance of transparency of processes must be maintained. In general, the Bank has completed a multiyear detailed assessment of procurement systems and processes within country, which are found to be broadly satisfactory.	processes must be maintained. The Bank has completed a multiyear detailed assessment of procurement systems and processes within country, which are found to be broadly satisfactory.	to ensure continued support through scale up on contract management, procurement, etc. The Bank team includes procurement staff intimately acquainted with the country-wide assessment of procurement systems.	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
4. Project Risks					
4.1 Design	Medium-I	Project activities during the startup phase of the parent project confirm that the Project design is workable, but requires the full complement of skills and capacity. National capacity in technical/engineering, agricultural extension and commercial agriculture and marketing may impede the project to scale up and absorb the additional funds. The Project is designed to learn from initial sites (such as has been done so far) and this helps to manage the holistic nature of the Project	Project activities during the startup phase of the parent project confirm that the Project design is workable and flexible, but requires the full complement of skills and capacity. National capacity in technical/engineering, agricultural extension and commercial agriculture and marketing may impede the project to scale up and absorb the additional funds. The pilot approach of the parent Project (whereby lessons from one or more sites are incorporated into the	The nature of the parent project enables learning from one or more sites to be incorporated into further sites. These lessons were carefully reviewed to balance the need for further investment in the critical hillside agenda with the capacity of the Project to absorb additional financing. Specific mitigation measures thereby identified include: (a) MINAGRI's irrigation task force and dam safety panel successfully initiated to provide additional backstopping and quality control to the project; (b) Implementation manuals	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>approach. Lessons learned from one site are incorporated into other sites so that learning is incremental. These lessons so far have helped to identify capacity constraints, the mitigation of which has been explicitly considered in the current AF proposal (see above). Technical designs have also improved, which informs scale up design (both hardware and software aspects). In terms of implementation arrangement and complexity, the AF simply scales up on the existing implementation</p>	<p>development of further sites) is part of the risk mitigation measures in this respect.</p>	<p>will be updated and elaborated to reflect experiences from the startup phase;</p> <p>(c) Agricultural marketing function will be strengthened with technical assistance currently under recruitment;</p> <p>(d) Agricultural Extension model will be developed to document the experiences and approach developed thus far;</p> <p>(e) Land husbandry supervision improved through regional advertising and by scaling up LWH internship program for new graduates.\;</p>	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		arrangement, which was considered in-depth with a wide range of stakeholders during preparation on the original project. This arrangement has been validated by the actual experience of the start up phase (e.g. need for district technician sensitization, need to added competencies, all discussed above), confirming the Project's design flexibility.		(f) other technical staff identified for scale up recruitment, as discussed above in this ORAF and in the Project Paper	
4.2 Social & Environmental	Medium-I	Social and environmental safeguards for the parent LWH project have consistently been rated as satisfactory (see the PAD for	Social and environmental safeguards for the parent LWH project have consistently been rated as satisfactory, so that risk of poor	The Parent project undertook multiple social surveys and developed a strategic social assessment document to identify all members of the watershed community and their	C

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>summary of safeguard policies triggered). The Project and GoR have shown strong commitment to safeguard policies. Risk of poor compliance with safeguards policies unlikely. Key social issues concern resettlement, temporary loss of income for land husbandry activities (one season); and shared benefits within the watershed community.</p> <p>The above is important since water harvesting and hillside irrigation affects the use of productive resources on</p>	<p>compliance with safeguards policies unlikely.</p> <p>This is important since water harvesting and hillside irrigation affects the use of productive resources on private land. Failure to adequately implement resettlement framework in a timely manner would undermine community interest, critical to sustaining Project achievements. The LWH is designed with very concrete environmental benefits in mind and it is important that environmental management plans are</p>	<p>issues/concerns. It served as a key input to project design.</p> <p>Further, an ESMF and resettlement framework has been prepared and will be implemented for all project sites.</p> <p>Four environment management plans and three resettlement instruments for the IDA sites have been prepared and cleared for implementation so far, as part of the parent projects. The resettlement instruments in particular, were rated as best practice by safeguards management.</p> <p>As for the Parent project, continued training for the</p>	<p>C</p> <p>C</p> <p>C and O</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		private land. Failure to adequately implement resettlement framework in a timely manner would undermine community interest and participation by laying a basis of mistrust, which can undermine the community buy in, critical to sustainability of Project outcomes. Further the resettlement activities required for irrigation contributes to the win-win approach for all members of the watershed community, as discussed above in the ORAF. The LWH is designed with very concrete environmental benefits in mind and it is	well adhered to ensure that there is no cancelling out of positive effects due to poor environmental management. Riparian notification, as with the parent Project, has been undertaken.	LWH safeguards team in GoR is resourced, and social-related staff has been scaled up (see above).	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		important that environmental management plans are well adhered to ensure that there is no cancelling out of positive effects due to poor environmental management in design and during construction. Riparian notification for the parent project did not present any issues and has been repeated for the AF. Only technical inquiries have been returned at this point and the team will prepare a complete summary of Riparian response after the final deadline.			
4.3 Program &	Low	The LWH project is part	The LWH project is part	To mitigate any risk around	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
Donor		of the larger GoR LWH Program. Financing for the program enjoys a high degree of coordination as the bulk is co financed with the IDA operation so that there is no mismatch between the Bank and other DPs (USAID and CIDA). The third DP, JICA, is financing the program in a parallel operation guided by the LWH Common Framework of Engagement (CFE) led by GoR and developed as part of the parent IDA-financed project. As discussed above, the LWH meets the objectives of the nation	of the larger GoR LWH Program. Financing for the program enjoys a high degree of coordination as the bulk is co financed with the IDA operation so that there is no mismatch between the Bank and other DPs (USAID and CIDA). The third DP, JICA, is financing the program in a parallel operation guided by the LWH Common Framework of Engagement (CFE) led by GoR and developed as part of the parent IDA-financed project. This controls the potential risk of any lack of coordination round	program dependency or mismatch, the LWH has: (a) Been the center of cofinancing arrangements have already been initiated with two partners (USAID and CIDA), with all the routine provisions for timely disbursements and the use of Bank processes and systems and supervision activities for monitoring thereof. (b) The LWH parent project, under leadership of GoR, developed the CFE that all financiers (co-financiers or other) must follow to ensure alliance with common LWH objectives and approaches. The CFE is in full force as JICA is currently preparing	

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		and the sector and therefore falls in line with the principles of the sector wide approach signed by all DPs and implemented through the agriculture sector working group (ASWG), chaired by the WB and MINAGRI, which is highly functional.	LWH objectives	support under the CFE; (c)The SWAP coordination document signed by most partners (the SWAp MoU) is actively implemented and forms the framework for the highly active ASWG.	
4.4 Delivery Quality	Medium-I	Sustainability issues lay at the hard of the innovative implementation design of the LWH. By contributing to the establishment, capacity building and experience of the SWAp implementation structure of the Ministry for LWH and similar	By contributing to the establishment, capacity building and experience of the SWAp implementation structure of the Ministry for LWH and similar programs, the project ensures that implementing agencies have the technical and institutional capacity to	<i>Sustainability</i> (a) The MINAGRI PAPSTA project which supports ministry capacity building informed LWH implementation design, which was guided by the commitments of DPs to supporting a SWAp implementation structure within MINAGRI. The LWH was the first to be	C

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>programs, the project ensures that implementing agencies have the technical and institutional capacity to maintain project initiatives after project completion (as they form part of the permanent SWAp structure in the Ministry).</p> <p>M&E systems of the parent project, including an innovative ICT component discussed above, have consistently been rated as satisfactory. It is important to maintain the rolling baselines and sufficient M&E capacity</p>	<p>maintain project initiatives after project completion (sustainability). While the M&E systems of the parent project, including an innovative ICT component discussed above, have consistently been rated as satisfactory, it is important to maintain the rolling baselines and sufficient M&E capacity as LWH is scaled up. This is particularly important to monitor identified service delivery constraints at the decentralized level, which are being addressed for scale up. With scale up, there are</p>	<p>implemented in this way and multiple donors (IFAD, AfDB) have followed suit;</p> <p><i>Decentralized Delivery</i> (b) Decentralized implementation is a core part of MINAGRI's strategy and is supported by its own budget.</p> <p>(c) M&E systems are designed for use and communication from the ground up. Scale up on decentralized M&E staff as the Project scales up is envisioned;</p> <p><i>Contract Management</i> (d) a 5-year plan for works' schedules across all potential sites (as and when</p>	<p>C and O</p> <p>C and O</p> <p>O</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measure	Status C= completed O = ongoing NYD = Not yet Due N/A = Not Applicable
		<p>as LWH is scaled up, however. This is particularly important to monitor identified service delivery constraints at the decentralized level, which are being addressed for scale up.</p> <p>With a considerable increase in size and scope of activities, it is critical to maintain good contract management. Weaknesses in planning identified in early implementation have been addressed and require careful attention going forward.</p>	risks to good contract management, which must be mitigated going forward.	identified) is being developed by the technical teams on the Project, in conjunction with procurement to ease multiple contract management	

A - Proposed Rating before Decision Meeting³:

Project Team	Risk Rating: Preparation	Risk Rating: Implementation	Date	Comments
Overall Risk	Medium-I	Medium-I	1/18/2011	This is additional financing for an ongoing and satisfactorily performing project. Experience and lessons from project startup phase have been incorporated in scaled-up project design.

B - Review by IL Risk Team for Decision Meeting:

Risk Team	Risk Rating: Preparation	Risk Rating: Implementation	Date	Comments
Overall Risk	Medium- I	Medium-I	2/10/2011	Confirms review at concept meeting stage.

Final Decision Meeting Rating:

Appraisal Decision Chair	Risk Rating: Preparation	Risk Rating: Implementation	Date	Comments
Overall Risk	Medium-I	Medium-I	2/13/2011	Rating confirmed.

³ For Track II Operations only.

ANNEX 3

Project Costs

Rwanda
Land Husbandry, Water Harvesting and Hillside Irrigation Project
Components by Financiers
(US\$ '000)

	IDA		USAID		CIDA		GAFSP		Beneficiaries		The Government		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
A. Capacity Development and Institutional Strengthening for Hillside Intensification																	
1. Strengthening Farmer Organizations																	
Support and Training of Farmers Organizations	995.7	13.6	1,108.0	15.1	590.0	8.0	4,624.8	63.0	-	-	20.2	0.3	7,338.7	6.0	5,115.0	2,223.7	-
2. Extension																	
Training on Participatory Extension	1,972.9	30.3	842.0	12.9	464.1	7.1	3,223.5	49.6	-	-	0.0	-	6,502.5	5.4	1,292.0	5,210.5	-
3. Marketing and Finance																	
Marketing	3,441.8	29.0	132.1	1.1	-	-	8,080.7	68.1	113.0	1.0	91.7	0.8	11,859.3	9.8	5,895.5	5,963.8	-
Rural Finance	3,318.9	34.2	2,517.9	26.0	1,583.0	16.3	1,943.3	20.0	-	-	330.0	3.4	9,693.1	8.0	1,567.5	7,795.6	330.0
Subtotal Marketing and Finance	6,760.7	31.4	2,650.0	12.3	1,583.0	7.3	10,024.0	46.5	113.0	0.5	421.7	2.0	21,552.4	17.8	7,463.0	13,759.4	330.0
4. Institutional Strengthening and Capacity Building : MINAGRI and its Agencies																	
GIS-DIF	540.2	50.1	320.2	29.7	216.9	20.1	-	-	-	-	-	-	1,077.3	0.9	62.5	1,014.8	-
RHESI	50.1	100.0	-	-	-	-	-	-	-	-	-	-	50.1	-	40.0	10.1	-
Subtotal Institutional Strengthening and Capacity Building : MINAGRI and its Agencies	590.3	52.4	320.2	28.4	216.9	19.2	-	-	-	-	-	-	1,127.4	0.9	102.5	1,024.9	-
Subtotal Capacity Development and Institutional Strengthening for Hillside Intensification	10,319.5	28.3	4,920.1	13.5	2,854.1	7.8	17,872.4	48.9	113.0	0.3	441.9	1.2	36,521.0	30.1	13,972.5	22,218.5	330.0
B. Infrastructure for Hillside Intensification																	
1. Land Husbandry Infrastructure																	
LHI Gatsibo 8	1,406.3	96.7	-	-	-	-	-	-	47.9	3.3	-	-	1,454.2	1.2	310.2	1,144.0	-
LHI Nyanza 23	1,042.8	100.0	-	-	-	-	-	-	-	-	-	-	1,042.8	0.9	-	1,042.8	-
LHI Karongi 12	2,995.0	100.0	-	-	-	-	-	-	-	-	-	-	2,995.0	2.5	-	2,995.0	-
LHI Karongi 13	3,020.5	100.0	-	-	-	-	-	-	-	-	-	-	3,020.5	2.5	-	3,020.5	-
LHI IDA Site	1,615.0	80.0	-	-	-	-	-	-	403.8	20.0	-	-	2,018.8	1.7	-	2,018.8	-
LHI USAID Sites	-	-	3,375.8	71.6	-	-	-	-	632.4	13.4	708.0	15.0	4,716.2	3.9	314.5	3,693.8	708.0
LHI CIDA Sites	-	-	-	-	2,010.4	71.5	-	-	377.7	13.4	422.9	15.0	2,810.9	2.3	33.6	2,354.5	422.9
LHI GAFSP Sites	-	-	-	-	-	-	12,403.4	85.0	2,190.8	15.0	0.0	-	14,594.2	12.0	2,484.0	12,110.2	-
Subtotal Land Husbandry Infrastructure	10,079.5	30.9	3,375.8	10.3	2,010.4	6.2	12,403.4	38.0	3,652.6	11.2	1,130.9	3.5	32,652.6	26.9	3,142.3	28,379.5	1,130.9
2. Water Harvesting Infrastructure																	
WHI Gatsibo 8	1,240.8	100.0	-	-	-	-	-	-	-	-	-	-	1,240.8	1.0	-	1,240.8	-
WHI Nyanza 23	1,145.3	100.0	-	-	-	-	-	-	-	-	-	-	1,145.3	0.9	-	1,145.3	-
WHI Karongi 12	907.6	100.0	-	-	-	-	-	-	-	-	-	-	907.6	0.7	-	907.6	-
WHI Karongi 13	1,352.6	100.0	-	-	-	-	-	-	-	-	-	-	1,352.6	1.1	-	1,352.6	-
WHI IDA Site	724.4	100.0	-	-	-	-	-	-	-	-	-	-	724.4	0.6	-	724.4	-
WHI USAID Sites	-	-	2,200.6	78.9	-	-	-	-	276.9	9.9	309.9	11.1	2,787.4	2.3	-	2,477.5	309.9
WHI CIDA Sites	-	-	-	-	1,211.5	73.3	-	-	208.4	12.6	233.3	14.1	1,653.2	1.4	139.0	1,280.9	233.3
WHI GAFSP Sites	-	-	-	-	-	-	7,813.0	83.4	1,555.6	16.6	0.0	-	9,368.6	7.7	1,088.0	8,280.6	-
Subtotal Water Harvesting Infrastructure	5,370.8	28.0	2,200.6	11.5	1,211.5	6.3	7,813.0	40.7	2,040.9	10.6	543.3	2.8	19,180.0	15.8	1,227.0	17,409.7	543.3
3. Irrigation Infrastructure																	
II Nyanza 23	1,313.1	100.0	-	-	-	-	-	-	-	-	-	-	1,313.1	1.1	-	1,313.1	-
II Karongi 12	1,133.7	90.0	-	-	-	-	-	-	126.0	10.0	-	-	1,259.6	1.0	-	1,259.6	-
II Karongi 13	1,206.1	90.0	-	-	-	-	-	-	134.0	10.0	-	-	1,340.1	1.1	-	1,340.1	-
II IDA Site	652.0	90.0	-	-	-	-	-	-	72.4	10.0	-	-	724.4	0.6	-	724.4	-
II USAID Sites	-	-	1,831.4	80.4	-	-	-	-	148.2	6.5	299.2	13.1	2,278.8	1.9	-	1,979.6	299.2
II CIDA Sites	-	-	-	-	1,010.6	79.3	-	-	87.6	6.9	176.8	13.9	1,275.0	1.1	116.0	982.1	176.8
II GAFSP Sites	-	-	-	-	-	-	6,107.6	82.9	1,258.5	17.1	0.0	-	7,366.2	6.1	682.0	6,684.2	-
Subtotal Irrigation Infrastructure	4,304.9	27.7	1,831.4	11.8	1,010.6	6.5	6,107.6	39.3	1,826.7	11.7	476.1	3.1	15,557.3	12.8	798.0	14,283.2	476.1
4. Social and Environmental Safeguards																	
Safeguard Instruments Provisions	520.9	12.4	213.9	5.1	121.1	2.9	807.1	19.3	-	-	2,522.3	60.3	4,185.3	3.4	-	4,185.3	-
Subtotal Infrastructure for Hillside Intensification	20,276.1	28.3	7,621.7	10.6	4,353.5	6.1	27,131.1	37.9	7,520.2	10.5	4,672.5	6.5	71,575.1	59.0	5,167.3	64,257.7	2,150.2
C. Implementation Through the Ministerial SWAP Structure																	
1. Coordination and Management																	
Project Management Staff	2,502.5	23.8	1,460.6	13.9	802.0	7.6	5,001.3	47.5	-	-	768.9	7.3	10,535.3	8.7	1,216.1	9,319.2	-
District LWH Capacity Support	908.0	32.8	-	-	-	-	-	-	-	-	1,857.6	67.2	2,765.7	2.3	-	2,729.2	36.5
Subtotal Coordination and Management	3,410.6	25.6	1,460.6	11.0	802.0	6.0	5,001.3	37.6	-	-	2,626.5	19.7	13,300.9	11.0	1,216.1	12,048.4	36.5
Total PROJECT COSTS	34,006.2	28.0	14,002.4	11.5	8,009.5	6.6	50,004.7	41.2	7,633.2	6.3	7,740.9	6.4	121,397.1	100.0	20,355.8	98,524.6	2,516.7

Rwanda
Land Husbandry, Water Harvesting and Hillside Irrigation Project
Disbursement Accounts by Financiers
(US\$ '000)

	IDA		USAID		CIDA		GAFSP		Beneficiaries		The Government		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
1. Civil Works	19,755.2	34.4	4,943.1	8.6	3,121.1	5.4	20,019.8	34.8	7,520.2	13.1	2,150.2	3.7	57,509.7	47.4	310.2	55,049.3	2,150.2
2. Goods	2,351.2	22.6	999.9	9.6	563.8	5.4	6,283.7	60.3	113.0	1.1	104.8	1.0	10,416.4	8.6	6,187.5	4,124.2	104.8
3. Training	5,009.2	32.3	2,426.1	15.7	1,521.3	9.8	6,405.6	41.3	-	-	139.1	0.9	15,501.3	12.8	2,109.5	13,252.7	139.1
4. Consulting Services	5,972.5	17.8	5,237.1	15.6	2,565.0	7.6	16,450.2	49.0	-	-	3,377.4	10.1	33,602.1	27.7	11,748.7	21,767.2	86.2
5. Recurrents Costs	-	-	396.3	11.5	238.2	6.9	845.5	24.5	-	-	1,969.5	57.1	3,449.5	2.8	-	3,413.0	36.5
6. PPF	918.1	100.0	-	-	-	-	-	-	-	-	-	-	918.1	0.8	-	918.1	-
Total PROJECT COSTS	34,006.2	28.0	14,002.4	11.5	8,009.5	6.6	50,004.7	41.2	7,633.2	6.3	7,740.9	6.4	121,397.1	100.0	20,355.8	98,524.6	2,516.7