



TRANSPORT SECTOR BACKWARD-LOOKING JSR REPORT 2015/2016



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1. BACKGROUND AND RATIONALE

Transport infrastructure is critical for achieving inclusive growth, and is particularly positively related to growth in agriculture productivity¹. The Transport Sector Strategic Plan (TSSP) 2013-18 was adopted in 2013 and is being implemented to improve transport infrastructure and services. A key objective of the TSSP is to develop an integrated multimodal transport system while ensuring economy, safety, and environment sustainability, among other things. To achieve this objective, the TSSP targets increasing the share of national roads (paved and unpaved) in good condition from 63.2% in 2012/13 to 80% by 2018.

This backward-Looking Joint Sector Review (JSR) the third in series aims to assess progress on the Transport Sector objectives and targets with attention on 2015/16 to the targets for EDPRS 2 core indicators. The document is guided by the terms of reference issued by the Ministry of Finance and Economic Planning and has the following areas of focus:

- To assess progress in achieving sector objectives with focus on 2015/16 targets for EDPRS 2 core indicators;
- To present and discuss budget execution performance;
- To highlight priority areas (maximum of five) for the 2017/18 fiscal year that will inform the planning and budget process for institutions in the sector
- To review progress against implementation of recommendations from the last JSR meetings.

The outline of this review is as follows:

Section I: Summarizes the progress in achieving sector objectives with focus on the FY 2015/16 matrix and EDPRS 2 core indicators/targets and their corresponding policy actions;

Section II: Discusses the budget execution performance for FY 2015/16;

Section III: Statement of sector priority areas (maximum of five) for the FY 2017/18;

Section IV: Discusses the progress against implementation of recommendations from the last JSR meetings;

Section V: Summarizes the updates on latest developments in the sector including analytical works.

¹ The 2015 World Bank Poverty Assessment reveals a negative relationship between access to infrastructure and Poverty. In particular, households that are isolated from key infrastructure such as public transport facilities, markets and social infrastructure are twice as likely to be poor compared to households in proximity to such infrastructure.

SECTION 1: PERFORMANCE FOR THE FY 2015/16 TARGETS

I.1: CORE EDPRS-2 INDICATORS

Two out of ten transport indicators are monitored in transport sector as core EDPRS-2 indicators. These include; (i) Percentage of National Road (paved and unpaved) in Good condition and (ii) Number of km of District Road Class 2 (Feeder roads) upgraded to gravel road. Good Progress has been made in achieving the transport sector core targets. The share of national roads (paved and unpaved) in good condition was achieved by 71.4% compared to 73.2% EDPRS-2 target for 2015/16. This means that the target was achieved at 97.5%. The low performance of national unpaved roads was due to the fact that most of these roads are under rehabilitation and construction. These roads include; Kivu Belt Lot 6&7, Base-Butaro-Kidaho (63km), Base-Rukomo-Nyagatare (127km), and Ngoma-Nyanza (130km). We expect that once completed, they will raise the road condition to satisfactory level. Performance on the second EDPRS-2 core indicator was satisfactory. The number of kilometers of district road class 2 graded into paved roads was achieved by 98% whereby 1,507 km were upgraded out of the target of 1,530 km. Please see table below for details².

	Total network (km)	Surveyed (km)	Good (km)	Bad (km)	Target 2015/2016	Good (%)
National Paved Roads	1,279.00	1,151.71	1,100.03	51.68	95%	95.5%
National Unpaved Roads	1,469.84	1,205.30	583.90	621.40	58%	48.4%
Total National Roads	2,748.84	2,357.01	1,683.93	673.08	73.2%	71.4%
District roads class 1	3,906.29	2,763.56	1,465.08	1,298.48	52%	53%

Source: RTDA

² Equipment used during IRI survey was Roughmeter III. The assessment indicator are: Very good (0-2); Good (3-4); Fair (5-6); Poor (7-10) and Bad 11+

TABLE 1: EDPRS-2 CORE INDICATORS

S/N	EDPRS Out-come	Indicators	Unit	Baseline Value (2014-2015)	2015/16 Tar-gets/EDPRS 2 Mid-term targets	Actual performance	Score progress indicator			Indicator Score
ECONOMIC TRANSFORMATION										
1	Improved and sus-tained of road net-work	National Road (paved and unpaved) in Good condi-tion	Percentage	72.20%	73.20%	71.4%	On-Track			97.5%
RURAL DEVELOPMENT										
2	Improved and sus-tained of road net-work	District earth road Class 2 (Feeder road) upgraded to gravel road	Km	994.927	1,530	1,507	On-Track			98%

1.2: OTHER SECTOR INDICATORS

Out of 8 sector indicators monitored by the Sector, 5 have been achieved, while the 3 need improvement. The indicators that have made satisfactory progress includes:

- i. Percentage of District road Class 1 in Good condition (53% out of 52%, thus 102% achieved);
- ii. Number of Km of unpaved roads upgraded to paved roads (1,492 km out of 1,580 km were achieved); representing 94%. This was due to implementation of 1,279km of national roads, 78km of district roads, 74.5km of roads in City of Kigali, 35.64 km of other urban roads, and 25.2km of roads in secondary cities;
- iii. Number of Km of integrated roads created in regional urban areas including disabled access (102 km out of 91 km) were achieved, representing 112%;
- iv. Number of Km of scheduled bus routes (Rural, Intercity and Urban combined) (13,912 km out of 5,500km) were achieved, representing 253%;
- v. Number of Km of High Quality footpath and pedestrian track including disable access facilities (102km out of 120km) were achieved; representing 85%.

The 3 sector indicators that need improvement include:

- i. Number of passengers transported in air transport per year by all airlines combined (585,875 out of 954,536), representing 61%;
- ii. Number of new transport modes introduced, and
- iii. Number of Km for formal inland water transport service.

TABLE 2: OTHER SECTOR INDICATORS

S/N	EDPRS Out-come	Indicators	Unit	Baseline Value (2014-2015)	2015/16 Tar-gets/EDPRS 2 Mid-term targets	Actual performance	Score progress indicator		Indicator Score
							Score	Progress	
1		Percentage of District road Class I in Good condition	Percentage	45%	52%	53%	Achieved		102%
2		Number of Km of unpaved road upgraded to paved road	Km	1,363.20	1,580	1,492	On-Track		94%
3		Number of Km of integrated roads created in regional urban areas including disable access facilities	Km	65.8	91	102	Achieved		112%
4		Number of Km of scheduled bus routes (Rural, Intercity and Urban combined)	Km	4,817.60	5,500	13,912	Achieved		253%
5		Number of Km of High Quality footpath and pedestrian track including disable access facilities	Km	107.87	120	102	On-Watch		85%
6		Number of new transport modes introduced		0	0	The draft contact advisory for Isaka-Kigali railway line is under legal opinion. The consultant submitted investment interim report for SGR awaiting approval.	N/A		
7		Number of passengers transported in air transport per year by all airlines combined		603,529	954,536	585,875	On-Watch		61%
8		Number of Km of formal inland water transport service	Km	332	100		N/A		

The indicators which did not meet the targets as expected are (i) Number of Km of formal inland water transport services, and (ii) Number of new transport modes introduced. The major set-backs were due to financial challenges. However, the Government is working with Development Partners and Private sector through PPP to mobilize financing for their implementation. Trade Mark East Africa has shown interest in development of ports and is currently reviewing their economic and feasibility studies whereas AfDB has started awareness campaign to interest potential investors in railway projects.

1.3: EDPRS-2 MID-TERM ASSESSMENT

According to the EDPRS-2 Interim Mid-Term Assessment Report from MINECOFIN, Transport sector was ranked among the best performing sectors where out of 100%, priority areas for implementation, 75% was achieved. The gap of 25% is on feeder road programme. The feeder road program is aimed at improving the link of farms to markets for raising local productivity and increasing economic livelihood of the farmers. The Ministry of Infrastructure and the Ministry of Agriculture and Animal Resources in Partnership with Development Partners developed a comprehensive national feeder roads policy and maintenance strategy that will provide the framework for prioritization of investments, maintenance, and defining the institutional and financial arrangements to implement the policy and the strategy. The policy is currently waiting for cabinet approval.

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SECTION II: BUDGET EXECUTION PERFORMANCE FOR FY 2015/16

TABLE 1: GENERAL BUDGET EXECUTION PERFORMANCE FOR ALL AGENCIES

The total budget allocated to transport sector in 2015/16 amounted to 153,798,710,210 Rwf. This budget was executed by 90.8%. This aggregate execution rate represents the domestically financed component which was executed by 87.7% and the externally financed component which was executed by 96.7%. The performance of 87.7% for domestically financed budget was mainly as result of budget re-allocation for Land acquisition for Gisenyi Airport, and the project was carried forward to FY 2016/17. The detailed table on budget execution is presented as annex.

Description	Allocation (Rwf)	Execution (Rwf)	Execution rate (%)
Domestically Funded	101,193,000,428	88,789,851,839	87.7
Externally Funded	52,605,709,782	50,861,063,922	96.7
Total	153,798,710,210	139,650,915,761	90.8

Source: Agencies (i.e RTDA, RCAA & RMF)

From the table above, the disbursement rate indicates 90.8%, which is satisfactory disbursement.

TABLE 2: BUDGET EXECUTION PERFORMANCE FOR RTDA

Description	Allocation (Rwf)	Execution (Rwf)	Execution rate (%)
Recurrent Budget	45,783,021,903	45,456,943,372	99
Development Budget	52,605,709,782	50,861,063,922	97
Total Budget	98,388,731,685	96,318,007,294	98

Source: RTDA

From the table above, the disbursement rate indicates 98%, which is satisfactory disbursement. The details of External Financing Disbursement are attached in annex 2.2.

TABLE 3: DOMESTICALLY FINANCED BUDGET FOR RCAA

Description	Allocation (Rwf)	Execution (Rwf)	Execution rate (%)
Total Recurrent Budget	29,860,746,732	18,951,200,681	63.5

Source: RCAA

From the table above, the low disbursement rate on domestically financed budget expenditure of 63.5% was mainly as result of budget re-allocation for Land acquisition for Gisenyi Airport, and the project was carried forward to FY 2016/17. On the studies, the low disbursement was due to prioritization of Apron expansion and construction of a new partial parallel taxi way.

TABLE 4: DOMESTICALLY FINANCED BUDGET FOR RMF

Description	Allocation (Rwf)	Execution (Rwf)	% execution
Total Recurrent Budget	25,540,231,793	24,381,707,786	95.5

Source: RMF

From the table above, the disbursement rate on domestically financed budget is 95.5%, which is a satisfactory disbursement.

SECTION III: FOCUSES ON PRIORITY AREAS FOR THE 2017/18 FISCAL YEAR

RTDA

- I. Ngoma-Nyanza road rehabilitation project: This road aims to connect the South East to South West part of Rwanda. The road will be instrumental in facilitation of trade, agriculture, tourism, health, education and other sectors of economy. It will also connect New Bugesera International Airport to the surrounding EAC member states. The project will be financed by World Bank (USD 100 million) and JICA (USD 60million);
- II. Rukomo-Nyagatare road rehabilitation project: The main objective of this project is to open up the region and connect the Eastern, Northern and Western provinces, thus boosting both national and international trade flows. This project will be financed by BADEA USD 15million, OFID USD 15million and OPEC-USD 15million;
- III. Kagitumba-Kayonza-Rusumo road rehabilitation project: The main objective of this project is to improve transport services in Kagitumba-Kayonza-Rusumo areas, and to stimulate and support local economic activities. The outcomes of the project are reductions in vehicle operating costs and travel time, increased mobility, improved access to economic and social facilities, and increased efficiency in delivery of road infrastructure. This project will be financed by AfDB USD 94 million, European Union USD 21.7 million and Japan USD 68.4 million;
- IV. Bugesera Expressway Road: Expressway to New Bugesera International Airport is a major project simply because all investments related to the Airport are directly linked to the construction of this road;
- V. Kigali Ring Road project: The main objective of this project is to reduce traffic jam in Kigali City Centre.
- VI. Huye - Kibeho road upgrading: This connects Tea growers to the market and Tourist to Kibeho religious based tourism.

RCAA

- I. NBIA project: The New Bugesera International Airport project is to develop a new modern international airport which will provide both extra capacity for passenger transport and develop the cargo freight. The project targets to become an International hub in East Africa and beyond; and will also increase significantly the land value in the airport area and attract more private investment and urban development. The Government of Rwanda signed a major deal with a Portuguese investor to begin construction of New Bugesera International Airport (NBIA) project at a tune of \$818 million. The deal is a joint venture between the Government of Rwanda acting through Aviation Travel Logistics Holdings Limited (ATL) signed with Mota-Engil, Engenharia e Construção África, S.A. The project has so far received \$418 million initial investment, which is enough to complete the first phase and expected to be completed by December 2018. After completion of phase 1, the extension works will be undertaken at the cost of \$ 400 million, bringing the total cost of the project to \$818 million. The agreement comprises of financing construction and operation of the airport project over a period of 25years with an optional 15 years extension;
- II. Rehabilitation and asphalt works of KIA perimeter road: This project aims at improving safety and security of the airport;
- III. Construction of Gisenyi airport perimeter fence: The project aims at improving safety and security of the airport.

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SECTION IV: REVIEW OF LAST JSR RECOMMENDATIONS

No	Issue raised	Recommendation	Action taken
1	Institutional responsibilities under feeder road program	MININFRA to work with MINAGRI for better coordination	This was done through the consultative meetings during the policy and strategy formulation. Institutional set up and responsibilities were clarified in the feeder road policy which is under-going Cabinet approval. The consultative meeting resolved that MININFRA/RTDA responsibilities will be; <ul style="list-style-type: none"> i. Feeder road policy management (custodian of the road network); ii. Monitoring and evaluation of FR implementation; iii. Jointly plan and prioritize FR development with MINAGRI & MINALOC. MINAGRI responsibilities will be: <ul style="list-style-type: none"> i. FR development partners coordination; ii. Monitoring the impact of feeder road program.
2	Prioritization of policy studies	MININFRA should prioritize few sector studies not exceeding five per year which can be easily funded by the Development Partners.	The shortlist of the five priority studies that were considered for implementation in 2015/16 include; the Road safety, Inland waterways, Road Transport law, Transport Fare policy and the Gender policy and strategy. The WB expressed interest in financing the gender policy and strategy under Ngoma- Nyanza road project. The rest of the studies that have not been successful in mobilizing fund are being developed internally by the staff of MININFRA and the drafts are ready for validation.
3	Sub- Sector Working Group	Secretariat to conduct sub-sector working groups and discuss on the implementation progress.	Secretariat held consultations with stakeholders including Rwanda National Statistics and JICA on SDGs Sector indicator and JICA secured funds to finance local consultant to conduct a survey and develop sector baseline indicator. Terms of reference were prepared by the secretariat in collaboration with JICA for recruitment of a consultant.
4	Maintenance of quality road network	It was identified that RTDA was experiencing difficulties in identifying roads in bad condition for maintenance	With the funding from AfDB, the Consultant is on board developing road maintenance management system that will be used by both RMF and RTDA to solve the issue.

SECTION V: UPDATES ON LATEST DEVELOPMENTS IN THE SECTOR INCLUDING ANALYTICAL WORKS

The Sector is developing policies, strategies and laws that will help in implementation of transport sector priorities.

I. I: POLICIES, STRATEGIES AND LAWS

Policies, Strategies and Laws completed awaiting approval

- I. **Feeder Road Policy and Strategy:** The current Feeder Roads Development Program (FRD) has got a number of challenges to operate with optimal efficiency and cost – effectiveness. The policy under review intends to address challenges on a clear framework for prioritization of investment, maintenance and institutional arrangements in implementing FRD and address deficiencies in planning, collaboration and prioritization among Ministries and Agencies;
- II. **Axle Load Policy and Law:** This policy is in compliance with EAC Act/Regulations on Axle load control; and the main objectives are to control vehicle loads, harmonized enforcement and institutional arrangements for the Regional Trunk Road Network within the EAC;
- III. **Inland Waterways Policy & Strategy:** One of the key components of transport sub-sector in Vision 2020 is to develop modern IWT infrastructure and quality services, while ensuring sustainable economic growth and developing eco-friendly, safe and seamless integrated multimodal transport system for passenger and goods both at National and Regional level. The Ministry is in advanced stages to develop the policy to promote competitiveness of the Rwandan economy and making use of opportunities for job creation, while linking the IWT policy with other sectors of society and improve safety and security in IWT in order to ensure safe, secure and efficient shipping and port operations.
- IV. **Public Transport Fare Policy & Strategy:** The overall intent of this policy is to establish a reliable and justifiable transport fare and collection/payment system where by people and goods move effectively, efficiently, safely and affordably;

Policies, Strategies and Laws under development

- I. **Parking Policy for both Private and Public Transport vehicles:** The overall purpose of this policy is to ensure safe and efficient flow of traffic, particularly where this will benefit vulnerable road users, pedestrians, cyclists, and bus passengers, discourage the use of private vehicles in commercial zones thereby encouraging public transport, reducing of air pollution, prioritize the parking needs of urban residents, disabled people, suppliers of goods and services, businesses, and their customers. This policy will contribute to a city's economic activities by ensuring a turnaround of different vehicles rather than long stay vehicles;

- II. **Road Management Policy:** This policy will enable the modern infrastructure development and cost-effective and quality services with due regard to safety and environmental concerns, and to ensure the development of road infrastructure network in a sustainable manner to support economic growth of the country and contribute to poverty reduction. The policy will cover maintenance and development work on roads and road related infrastructure including, but not limited to, earthworks, road pavements, road surfaces, bridges, tunnels, major culverts, storm water drainage, signs, safety barriers and any other physical item that have a foreseeable impact on the safety and amenity of road users within the road reserves under the care and control of respective institutions (as per the provisions of Road Act 2011).

Laws and Regulations under development

- I. **Inland Waterways Policy and Strategy:** One of the key components of transport sub-sector in Vision 2020 is to develop modern IWT infrastructure and quality services, while ensuring sustainable economic growth and developing eco-friendly, safe and seamless integrated multimodal transport system for passenger and goods both at national and regional level. The ministry is in advanced stages to develop the policy to promote competitiveness of the Rwandan economy and making use of opportunities for job creation, while linking the IWT policy with other sectors of society and improve safety and security in IWT in order to ensure safe, secure and efficient shipping and port operations;
- II. **Road transport law:** This law aims to govern transportation of people (passengers), as well as goods, in the jurisdiction of Rwanda on roads and will address current dynamics in the transportation of people and goods on a commercial basis.

V.II: NEW SECTOR ACHIEVEMENTS

Automated fare collection in the City of Kigali

The JSR Public Transport Operators in the City of Kigali have worked with AC group Ltd to introduce the automated fare collection system using smart cards. The system began with KBS (Zone I) 12 routes, Royal Express (Zone II) 3 routes and RFTC (Zone III) 5 routes. The system is fully integrated and one card can be used across all the Companies in the City of Kigali. The system aims at reducing time taken in payment processes, safety issues as people carry cash onto the bus, ascertaining the real revenue collections, etc.

New Bugesera International Airport (NBIA) construction

Rwanda signed a major deal with a Portuguese investor to begin construction of New Bugesera International Airport (NBIA) project at a tune of \$818 million. The deal is a joint venture between the Government of Rwanda acting through Aviation Travel Logistics Holdings Limited (ATL) signed with Mota-Engil, S.A. The project is scheduled for completion by December 2018 in its first phase, which will deliver a facility with a capacity to receive 1.7 million passengers every year. Upon

completion of this phase, extension works will be undertaken, to upgrade the capacity to 4.5 million passengers annually.

Acquisition of new Airplane

RwandAir recently acquired a new wide body Airbus A330-200 and becoming the launch operator of the type in East Africa. The carrier also has an A330-300 on order, which will also be delivered in November. The A330-200 is configured in a three-class cabin layout with 20 seats in business, 21 in premium economy and 203 seats in economy class.

Upgrading road network in the City of Kigali

Rwanda entered into a \$72.5 million agreement with the Export-Import Bank of China to upgrade 51.5 kilometers road network in the City of Kigali. The works will be carried out by China Road and Bridge Corporation for a period of 32 months.

V.III: STUDIES UNDER DEVELOPMENT

- I. Study of Ngororero-Nyakinama-Musanze-Cyanika (79km): The final feasibility has been approved with comments to be considered in the draft detailed design;
- II. Cyanika OSBP/Rubagabaga: The detail design and tender documents were finalized and submitted;
- III. Muhanga urban roads (4.96km) Phase I: Final design ongoing. World Bank will finance construction works;
- IV. Nyagatare urban roads (3.98km) Phase I: Feasibility studies were completed and final design in ongoing. World Bank will finance construction works;
- V. Development of modern ports in Rubavu, Karongi and Rusizi: The design and bidding documents were completed:
 - AfDB has committed to finance development of Nkora Port in Rutsiro District and;
 - TMEA is interested in financing the Ports development and their decision will be communicated to GoR after review of their economic and feasibility studies which is currently underway.

SECTION VI: CROSS CUTTING ISSUES

During the implementation of transport sector infrastructures and services, cross cutting issues like gender, environment, HIV/AIDS and youth employment are put into consideration. This is done through employment of women and youth in road construction and maintenance work and sensitization campaigns during and after project implementation processes.

Creating priority seats in public transport buses for pregnant, disable and old people are prerequisites for public transporters operating within and outside the country.

Chairperson:

Christian RWAKUNDA
Permanent Secretary
Ministry of Infrastructure



Co-Chair:

Negatu MAKONNEN
Resident Representative
African Development Bank

A blue ink signature of Negatu MAKONNEN, written in a cursive style.



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