



1. Project Data

Project ID P164807	Project Name Rwanda PFM Reform Project		
Country Rwanda	Practice Area(Lead) Governance		
L/C/TF Number(s) IDA-63290	Closing Date (Original) 28-Feb-2023	Total Project Cost (USD) 19,354,018.33	
Bank Approval Date 23-Oct-2018	Closing Date (Actual) 31-Dec-2024		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	20,000,000.00	0.00	
Revised Commitment	20,000,000.00	0.00	
Actual	19,354,018.33	0.00	
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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (p. 4), the objective of the Rwanda Public Financial Management Reform Project was **"to improve budget reliability and control of funds for service delivery, enhance budget transparency, and increase professionalization of public finance officials."** For the purpose of this ICR Review, and as parsed here, the project's objectives were to:

- improve budget reliability
- improve the control of funds for service delivery



- enhance budget transparency
- increase professionalization of public financial officials

The project was restructured in 2023 and extended by 22 months to account for delays in implementation owing to the Covid-19 pandemic and to accommodate new activities identified during its mid-term review. As a consequence, the project scope was expanded, although the objectives did not change. Several indicators and targets revised, and, in some cases, made more ambitious. As such, a split evaluation was not warranted.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

The project was composed of the following components:

Component 1: Public Financial Management (PFM) Information Technology (IT) Roll out (Approved: US\$5.0 million; Revised allocation: US\$7.9 million; Actual: US\$5.8 million). This component intended to support the expansion of the Integrated Financial Management System (IFMIS) and electronic government procurement (e-GP), developed under the predecessor project (Public Sector Governance Program for Results, US\$100 million, P149095), to service delivery units. Rollout was accompanied by technical assistance (TA), training, and support with addressing change management issues. Activities included developing a disaster recovery plan and establishing a Disaster Recovery Centre (DRC) for IFMIS and e-GP, conducting a security review of IFMIS to ensure data integrity, expanding IFMIS's functionality, replacing the e-GP server, hiring consultants to reduce vendor dependency for e-GP, and purchasing hardware for the DRC.

Restructuring: A new activity was added to improve the controls and processes of the IFMIS-integrated personal and payroll information system. The project increased funding allocation to accommodate this activity, but actual costs were lower due to cost savings in other activities.

Component 2: Accounting and Financial Reporting (Approved: US\$3.5 million; Revised allocation: US\$4.3 million; Actual: US\$4.4 million). This component was designed to facilitate the government's transition to the accrual-based International Public Sector Accounting Standards (IPSAS) by establishing an IPSAS implementation unit at the Ministry of Finance and Economic Planning (MINECOFIN) and by supporting the initial stages of accounting reform. The project financed the roles of the unit's manager and three technical staff and provided TA to coordinate and implement the standards. Activities included preparing an accounting manual, developing a unified chart of accounts integrated with the budget classification, preparing guidelines for its application, developing financial reporting templates compliant



with IPSAS, supporting fixed asset valuation, and supporting change management through consultations and awareness raising at spending agencies.

Restructuring: Additional funds were added to expand the TA being provided to the IFMIS team and support IPSAS implementation (restructuring paper, p. 19).

Component 3: Performance-Based Budgeting and Medium-Term Budgeting (Approved: US\$0.70 million; Revised allocation: US\$0.65 million; Actual: US\$0.60 million). This component aimed to strengthen the government's multi-year budgeting perspective and the implementation of performance-based budgeting (PBB) through improved links between the budget and sector strategic plans. Activities included reviewing the PBB system, including a survey of international experiences in medium-term and results-oriented budgeting; piloting PBB and program costing at the Ministries of Education, Health, and Infrastructure; and providing TA to improve medium-term budgeting. In addition, the component sought to strengthen budget transparency and citizen's engagement on the budget by improving the format and presentation of budgetary-related information, supporting consultations with the public, and establishing a feedback mechanism on service provision.

Restructuring: This component remained unchanged.

Component 4: Professionalization of PFM Staff – PFM Capacity Development (Approved: US\$10.9 million; Revised allocation: US\$7.7 million; Actual: US\$8.6 million). This component was designed to support the implementation of the government's PFM Learning and Development Strategy through a mass-scale professionalization program for public officials and capacity building to implement the PFM competency framework. Activities included establishing a Public Sector Training Unit at the Institute of Certified Public Accountants of Rwanda (ICPAR); mass training of public officials across accounting, audit, budgeting, and other functions; and designing a professional procurement certificate program. Component resources would also be used for communications activities in order to raise awareness about and support of PFM reforms.

Restructuring: PFM capacity building activities were expanded by offering training and qualifications in other PFM areas (e.g., corporate governance, ICT, "green" PFM) and extending training opportunities to officials in decentralized units and state-owned enterprises (SOEs). In addition, the following activities were added: developing a training/ mentorship program to maintain a pipeline of PFM officials, developing a public sector PFM Certification Course, establishing a sustainable model to continue PFM professionalization beyond the project, and developing a strategic plan for oversight of SOEs.

Despite the new and expanded activities, the project decreased the funds allocated to this component because of cost savings from: 1) rationalizing the number of students who can achieve full certification during the remainder of the project period (rather than a level of certification, as originally targeted); 2) using ongoing costs as the basis for budgeting rather than the costs estimated at the beginning of a project, which were higher; and 3) removing sub-activities that were funded by the PFM Basket Fund and government (restructuring paper, p. 7).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates



Appraisal cost: US\$20.0 million. Actual cost: US\$19.35 million, with discrepancy due to exchange rate fluctuations. Project restructuring did not entail a revision of the project total costs, although the allocation of funds among project components was revised (see table below).

Component	Original Cost (M\$)	Revised Cost (M\$)
1 - PFM IT roll out	5.00	7.39
2 - Accounting and financial reporting	3.45	4.27
3 - PBB and medium-term budgeting	0.70	0.65
4 - Professionalization of PFM staff	10.85	7.70

Project Financing. The project was financed by an International Development Association (IDA) credit.

Borrower contribution. No Borrower contribution was anticipated or made.

Dates. The project was approved on October 23, 2018, and became effective on December 21, 2018. A mid-term review (MTR) was conducted February 16-22, 2021. The project's original closing date was February 28, 2023, but due to a 22-month extension, its actual closing was December 31, 2024.

Restructuring. The project was restructured once, in January 2023, with no change to the project development objective (PDO). The project revised several indicators and their measurements due to an expansion in scope and an overall increase in ambition. See table below.

Indicator	Revision
Percentage deviation in aggregate expenditure outturn from original approved budget	The target was reduced from 10 percent to 5 percent (the reduction in the target represented an increase in ambition).
Percent IFMIS coverage of performance information	Target increased from 90 percent to 100 percent.
Percent IFMIS coverage of education institutions	Measurement was changed to capture IFMIS coverage of education expenditures, with a target set at 88 percent
Number of improved IPSAS standards	The indicator was changed to improved disclosures in consolidated financial statements, with a target of preparing a non-audited government consolidated IPSAS financial statement by project end.
Number of public finance staff with a level of professional qualification achieved (target 1,800)	Measurement was changed to staff who have completed a professional qualification, with a target of 826.
Number of female trained qualified accountants	Indicator was replaced with percent representation of female staff in trainings, with a target of 27.92 percent.

The purpose of restructuring was to compensate for disruptions due to the COVID-19 pandemic and to accommodate new activities identified during the project's MTR. At the time of restructuring, 58.2 percent of project funds had been disbursed. The project funded new activities with cost savings from other activities



and by reallocating funds between components. Despite the reallocation of resources, the project forecast meetings all of its original indicator targets (restructuring paper, p. 7).

The restructuring extended the project closing date by 22 months, from February 28, 2023 to December 31, 2024. The extension allowed the project to catch up on activities that had been delayed due to the COVID-19 lockdown and to expand existing activities and implement new ones. All new activities were aligned with the PDO and updated indicators and results, according to its restructuring paper (p. 6).

Under Component 1, a new activity upgraded the functionalities of the Integrated Personnel and Payroll Information System (IPSS), which is linked to IFMIS. Upgrades included improving the system's security and developing new modules for recruitment, contract management, training, and career development. Strengthening IPSS was identified as a need after a quality assurance review and in order to provide better and more accessible data for human resource management.

Under Component 4, the PFM capacity building activity was expanded to include other training topics (e.g., corporate governance, information and communication technology (ICT), "green" PFM), and training opportunities were extended to officials in decentralized units and SOEs. This expansion came at the request of the Government of Rwanda (GoR). New activities included developing a training/ mentorship program, a public sector PFM certification course and establishing a sustainable model to continue PFM professionalization beyond the project. These activities were intended to address the challenges facing the professionalization of students and to support training sustainability. Last, in response to the government's priority of improving SOE governance and accountability, an activity was added to develop a strategic plan for oversight of SOEs.

Split rating

A split rating was not applied to this evaluation. As per the Implementation Completion and Results Report Review (ICRR) Guidance Manual, a split rating is not necessary when the PDOs do not change as a consequence of project restructuring, and/or when the scope of the project is expanded, as is the case with this project. While the project introduced new activities, these were aligned to and supported the achievement of the PDO. Furthermore, the project's total financing was not increased to accommodate these activities. Last, most of the changes to the indicators reflect reasonable adaptations made during implementation and improved measures of achievement.

3. Relevance of Objectives

Rationale

Country/ Sector Context. Rwanda was experiencing solid but slightly decelerating economic growth. While the economy grew on average 8.0 percent from 2007-2011, growth declined to an average of 7.2 percent from 2012-2017 due to the reduction in development support and lower prices for its traditional exports. Rwanda's public spending had increased from 22.0 percent in 2006 to 27.3 percent in 2016, which was funded partly by an increase in revenues, but also from borrowing. As a consequence, Rwanda's debt increased from 37.0 percent of its gross domestic product (GDP) in 2015 to 47.0 percent in 2017, mostly driven by external debt. Despite the increase, public debt remained manageable. A joint International



Monetary Fund (IMF) and World Bank (WB) Debt Sustainability Analysis (DSA) in 2017 confirmed that Rwanda was at low risk of debt distress.

Adverse external shocks weakened the country's external position and led Rwanda's authorities to request an arrangement under the IMF Standby Credit Facility (SCF) in May 2016, approved in June of the same year. The SCF raised foreign reserves and was supported by continued exchange rate flexibility as the main adjustment too, and tighter fiscal and monetary policy to contain imports. Fiscal tightening reforms included revenue mobilization and commitments to strengthen PFM and improve fiscal transparency, which was sought to increase spending efficiency over time.

Rwanda's PFM system faced several challenges including budget unreliability due to weak linkages between the medium-term expenditure framework (MTEF) and annual budgets; large in-year changes in expenditure composition, indicating weak alignment between budget allocations and policy priorities; insufficient monitoring of payment arrears and of service delivery performance; and unpredictability in the control of funds for service delivery, with significant transactions happening outside of fiscal reporting.

Other challenges related to budget transparency, personnel, and accounting and information management systems, which undermined fiscal transparency and the achievement of SCF objectives. Budget transparency and citizen engagement were weak, with the citizen's budget lacking links between financing and results and failing to incorporate feedback from the public. The public sector had a shortage of qualified staff in accounting, auditing, and procurement, especially at the subnational level, and a gender imbalance. Importantly, the country's accounting system was not compliant with IPSAS' international standards, and its application was not consistent, which lowered the quality of the reports. Furthermore, IFMIS did not track revenue and expenditures down to end-users, did not capture in-kind resources to non-budget agencies and data were not used to prepare aggregated expenditure reports by type of service unit and geography. These issues led to an overall weak quality of fiscal reports, low transparency, undermining accountability and the quantity and quality of public service delivery.

Alignment with World Bank Strategies

The project's objectives were highly relevant to addressing constraints to economic development resulting from inefficiencies in the country's PFM system. They were aligned to both WB and government strategies and built upon the achievements of a predecessor project ("Public Sector Governance PforR," P149095, FY2014-2018, US\$100 million), whose objectives were "to enhance Rwanda's PFM and statistics systems to increase transparency and accountability in the use of public funds, revenue mobilization, and the quality and accessibility of development data for decision-making."

At appraisal, the project was aligned to the Country Partnership Strategy for Rwanda FY2014-FY2018. The strategy's third theme focused on supporting accountable governance through PFM and decentralization. This theme highlighted the importance of improving service delivery and strengthening subnational administrative capacity, including in PFM. The CPS observed that the weak link between district-level resources and service delivery indicators was a major challenge to fiscal decentralization. A predecessor PforR project initially supported reforms to improve PFM and decentralization alongside other development partners as part of the PFM Basket Fund. This project continued and built upon their achievements.

At project closure, the Rwanda Country Partnership Framework (CPF) FY2021-2026 did not include accountable governance or improved PFM among its five objectives. PFM reform, however, may be seen as a cross-cutting area that contributes to achieving overarching objectives. That is, by enhancing the



reliability and efficiency of the budget process, the project was aligned to the framework’s intermediate result of “maximizing finance for development” (CPF FY21-26, p. 31). Additionally, the CPF highlighted the reforms implemented by the project as a core institutional area of focus for the WB (CPF FY21-26, p. 30) and its ongoing support to strengthen country systems (CPF FY21-26, p. 54).

Alignment with Country Strategies

The project supported implementing two of GoR strategies. This included the PFM Sector Strategic Plan 2018-2024, which focused on decentralization, accounting reform, capacity development, PBB, procurement, and IFMIS rollout. In addition, the project contributed to implementing the PFM Learning and Development Strategy, which aimed to build a cadre of PFM professionals across the public sector. Moreover, the project was aligned to the National Strategy for Transformation (NST) 2018-2024, which operationalizes Vision 2050, Rwanda’s national development strategy. Specifically, the NST’s third pillar, Transformational Governance, has a priority to “strengthen capacity, service delivery, and accountability of public institutions (NST, p. 37).

Overall, the relevance of the project's objectives is rated as **High**.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Improve budget reliability

Rationale

Under Objective 1, the project aimed to improve budget reliability by implementing PBB and improving the accuracy of medium-term cost estimates. The activities to be implemented to achieve this objective included reviewing the existing budget processes, performance metrics, and the MTEF; expanding the IFMIS) to capture performance data; and piloting PBB at the Ministries of Health, Education, and Infrastructure. These activities were well-sequenced and linked to the objective. The review would lay the groundwork for and inform the PBB rollout, while the expansion of IFMIS would provide the data to enable PBB.

The PDO indicator was to measure the deviation between aggregate expenditure outturn from the original approved budget. Drawing on an existing Public Expenditure and Financial Accountability (PEFA) indicator (PI-1), this PDO was a relevant proxy for budget reliability.[1] The intermediate result indicators (IRIs) would measure the extent to which IFMIS captured performance management information and to which improved program budgeting methodology was in use. An unstated assumption of the latter indicator was that PBB is



the improved program budgeting methodology, and agencies would adopt and effectively use it. These IRIs were valid indicators for monitoring progress on the objective's key activities.

Outputs

The project delivered the following key outputs:

- Enhanced IFMIS to capture performance data and information for PBB programs, including output indicators, baselines, quarterly targets, achievements, and narrative comments.
- Implemented medium-term costing of recurrent and capital expenditure with linkages between budget allocations, performance information, and multi-year costing.
- Rolled out PBB to all sectors. After the initial pilot in three ministries in FY 2019/2020, the project rolled out the methodology in the City of Kigali and in four districts in FY 2021/2022, then to all of the sectors by FY 2022/2023.

Intermediate Results.

The project met its target for both IRIs.

- IRI 1: IFMIS coverage of performance information. Baseline (2018): 0 percent. Target: 90 percent. Revised target: 100 percent. Actual (2024): 100 percent. **(IRI 1: Achieved)**.
- IRI 4: Improved program budgeting methodology in use. Baseline (2018): Program budgeting methodology has weakness in connecting financial and performance information. Target: Program budgeting methodology improved to connect performance and financial information by program. Actual (2024): Program budgeting methodology improved to connect performance and financial information by program. **(IRI 4: Achieved)**.

By project completion, a performance management module was uploaded to IFMIS, which was considered to represent 100 percent completion. It is unclear, however, what values below this total, as reported in implementation status and results reports (ISRs) #8, #9, #10, signified. If the project could not link components of the module to percent completion, then a binary Yes/No indicator would have sufficed.

By 2023, the project had rolled out PBB to all ministries and captured their implementation experiences and lessons learned (ICR, p. 8). The project interpreted this as meeting its IRI 4 target of "Program budgeting methodology improved to connect performance and financial information by program." This indicator, however, was not well specified. Without additional reporting, it would have been unclear if the target was met at one ministry, the pilot ministries, or the government as a whole. Instead of a qualitative indicator, it would have been better to tally or provide a proportion of ministries and agencies implementing PBB.

Outcome

PDO 1: Percentage deviation in aggregate expenditure outturn from original approved budget. Baseline (2018): 20.0 percent. Target: 10.0 percent. Revised target: 5.0 percent. Actual (2024): 1.6 percent. **(PDO Indicator 1: Exceeded)**.

At restructuring, the project changed PDO 1's denominator from the budget of the three pilot ministries to the budget of the overall government because the project was providing TA to strengthen PBB and the MTEF at all budget agencies (restructuring paper, p. 15). As noted above, PBB had been rolled out to all sectors.



Expansion of this measurement was therefore warranted in light of the progress made on the associated activities. The project exceeded its revised target by 3.4 percentage points, signifying an improved adherence to the budget and enhanced fiscal discipline. Combined with the achievement of the two IRIs, this objective is rated **High**.

[1] <https://www.pefa.org/node/4762>

Rating

High

OBJECTIVE 2

Objective

Improve the control of funds for service delivery

Rationale

Under Objective 2, the project aimed to improve the control of funds for service delivery. The activities planned to meet this objective included expanding IFMIS functions, rolling the system out to schools, and providing training on the system's use. The expansion of IFMIS to include project management, auditing, and School Database Management System (SDMS) modules would improve the ability of officials to monitor and manage district expenditures. The rollout of the system to schools would increase the district expenditures covered by IFMIS. A critical assumption was that school expenditures comprise a sufficient proportion of the district budget that improving their management would measurably affect the control of funds for service delivery. Providing training on the new system would support user buy-in and effective use of IFMIS.

The PDO indicator would measure changes in the district expenditure arrears to the consolidated district budget. This was an appropriate proxy for the control of funds for the project because of its focus on budget reliability and capturing all expenditures within IFMIS. Additional metrics like the timeliness of funds disbursement and the rate of delivery completion, however, are needed for a more comprehensive picture of the control of funds.

The revised IRI would measure the proportion of education expenditures covered by IFMIS. While this was a valid indicator for monitoring progress on the school rollout activity, education expenditures are only a portion of district expenditures. At the subnational level, the government had already rolled out IFMIS to health facilities, so the project focused on schools. This reduction of the scope, however, limited the impact of the activity on the objective of improving the control of funds for overall service delivery.

Outputs

The main outputs were the expansion and upgrade of IFMIS. The project:

- Expanded IFMIS to include project management, audit management, and SDMS modules.
- Rolled out the system to secondary schools, extended its coverage to educational expenses, and provided user training to staff.
- Integrated IFMIS with the e-procurement system Umcyo.



- Modified IFMIS to include a payable monitoring schedule for districts, which allowed MINECOFIN to monitor long overdue payables and take necessary measures.

Intermediate Results

- IRI 2: IFMIS coverage of *schools*. Baseline (2018): 0 percent. Target: 90 percent. Actual (2022): 51 percent.
- Revised IRI 2: IFMIS coverage of *education expenditures*. Baseline (2018): 0 percent. Target: 90 percent. Revised target: 88 percent. Actual (2024): 83 percent. **(IRI 2: Partially Achieved)**.

At restructuring, the project changed IRI 2's unit of measure from schools to education expenditures because the latter provides a better measurement of the school-level financial information that is digitized for control and reporting (restructuring paper, p. 14). This was a better measurement for the IFMIS school rollout activity, as it eliminated the assumption of IFMIS uptake and reporting.

While the project approached its revised IRI 2 target, the denominator was limited to secondary school expenditures. The ICR explained that primary school expenditures were excluded because the number of primary schools grew after project restructuring, as did their budgets due to the introduction of a school feeding program, resulting in a larger denominator. The ICR added that progress has continued on the activity since the project closed, with 400 primary schools expected to be onboarded to IFMIS by March 2025.

Primary school expenditures, however, are often the largest proportion of a district's education expenditures. Their exclusion is a serious limitation to the achievement of the activity and a further limitation to its impact on the objective.

Outcome

- PDO 2: Share of district expenditure arrears to consolidated district budget. Baseline (2018): 10.00 percent. Target (2024): 6.00 percent. Actual (2024): 1.12 percent. **(PDO 2: Exceeded)**.

The project surpassed its target by 4.88 percentage points, indicating improved financial management. Because of the limitations of the IRI and its partial achievement, this objective, however, is rated **Substantial**.

Rating

Substantial

OBJECTIVE 3

Objective

Enhance budget transparency

Rationale

Under Objective 3, the project aimed to enhance budget transparency by implementing the IPSAS and publishing an improved citizen's budget.



The project proposed establishing an IPSAS implementation unit at MINECOFIN and providing TA to support implementing the accounting standards. These activities were well-founded. As an internationally recognized framework, IPSAS contributes to budget transparency through accrual-based and standardized reporting, disclosure requirements, and improved auditability.[1] As such, the project's support for conducting fixed asset valuation and preparing IPSAS-compliant financial reporting templates would contribute to enhancing budget transparency. Additional project activities included improving the format and content of the citizen's budget and supporting public consultations on program budgets. These activities would make the budget more accessible and understandable to the public, supporting transparency.

The PDO indicator would assess achievement of the outcome by the annual publication of an improved citizen's budget. While public disclosure of budgetary information is an exercise in transparency, this indicator captures only the government's side of the equation. It does not provide insight on the public's actual engagement with the budget. The revised IRI would gauge improvements in the disclosures of consolidated financial statements. This indicator assumed that financial statement disclosures are sufficient for capturing progress on the project's IPSAS implementation.

Outputs

The project delivered the IPSAS-related outputs below. The ICR did not provide any outputs related to publication of the citizen's budget.

- Established an IPSAS implementation unit.
- Developed a capacity building strategy for continuous training on IPSAS,
- Facilitated the signing of a memorandum of understanding between MINECOFIN and the Institute for Certified Public Accountants of Rwanda (ICPAR) provide continuous an IPSAS training.
- Supported the government to register and value significant assets and liabilities.

Intermediate Results

- IRI 3: Number of approved IPSAS standards. Baseline (2018): 0. Target: 7. Actual (2022): 0.
- Revised IRI 3: Improved disclosures in consolidated financial statements. Baseline (2023): None provided. Target (2024): Non-audited government consolidated IPSAS financial statement is prepared. Actual (2024): The financial statement for FY2024 was partially IPSAS compliant. (**IRI 3: Partially Achieved**).

At restructuring, the project changed IRI 3 from monitoring the number of approved IPSAS standards to monitoring disclosures in the financial statement because the latter provided a more tangible way to track improvements to the financial statement (restructuring paper, p. 15). As noted, the focus on disclosures in the financial statement would miss progress on other IPSAS-related achievements, such as completing fixed asset valuation.

By project end, the government had made progress on IPSAS reforms by registering and valuing significant assets. It did not, however, fully adopt an IPSAS accrual basis for FY2024 reporting primarily because of the valuation adjustments required on opening balances (ICR, p. 10). The government found this too costly and opted for IPSAS 33, a standard designed for first-time adoption of accrual basis reporting. This established an important foundation for future IPSAS compliance, according to the ICR.



Outcome

- PDO 3: Improved budget transparency and citizens engagement. Baseline (2018): Citizens' budget does not contain links between financing and results, does not incorporate citizens' feedback, and is published in most years. Target: Citizens' budget is published annually and includes information on budget execution, the medium-term financial program, analysis of links between financing and results, and citizens' feedback on programs along with suggested actions to address citizens' feedback. Actual (2024): Citizens' budget is published annually and includes information on budget execution, the medium-term financial program, analysis of links between financing and results, and citizens' feedback on programs along with suggested actions to address citizens' feedback (**PDO3: Achieved**).

By project closure, MINECOFIN published an annual budget that included the improvements the project identified. The PDO indicator, however, was not well specified. It required detailed qualitative reporting and interpretation to understand progress. To facilitate understanding, it would have been better to link the identified improvements (e.g., incorporation of public feedback) to percent completion and reported the indicator quantitatively.

While the project did not meet its IRI target, it made some progress on implementing IPSAS reforms by supporting the government in valuing assets and liabilities and applying accrual-based reporting for the first time. Combined with achieving its outcome target, the achievement of this PDO is rated **Substantial**.

[1] <https://www.ifac.org/knowledge-gateway/public-sector/publications/public-sector-financial-management-transparency-and-accountability-use-international-public-sector>; <https://cfr.worldbank.org/node/4205>

Rating

Substantial

OBJECTIVE 4

Objective

Increase professionalization of public financial officials

Rationale

Under Objective 4, the project aimed to increase the professionalization of public officials by strengthening the capacity of ICPAR and the PFM skills of government staff. The activities planned toward meeting this objective included establishing a public sector unit at ICPAR and developing a procurement certificate program. The new ICPAR unit would deliver training on PFM subjects, supporting implementation of key PFM reforms such as the transition to IPSAS. The procurement certificate program would fill a competency gap identified by the GoR.

In addition, the project would fund the delivery of mass PFM training in accounting, auditing, budgeting, and other functions. These trainings would raise the total number of public officials with professional qualifications to 1,800 (Project Appraisal Document (PAD), p. 12). Men and women would have equal access to training



opportunities, helping to close the gender gap in the PFM profession. The activity would improve the qualifications and skills of current PFM staff.

The revised PDO indicator would count the number of public finance staff who have completed a professional qualification. This was an appropriate indicator, also tracked by the predecessor PforR project, for the outcome of professionalization. The IRIs under this objective would tally the number of officials trained by the project and report the proportion of women in the trainings. These were useful indicators for monitoring progress on the mass training activity and the project's commitment to increasing female participation in the capacity development opportunities.

Outputs

As a result of new activities added during restructuring, the project delivered more outputs than originally planned. It:

- Established a public sector unit at IPCAR.
- Created an internship pathway for high-performing students to enter the public sector.
- Developed an online PFM certification program hosted by ICPAR.
- Supported the development of a procurement certificate program.
- Supported the establishment of an institute for procurement professionals.

Intermediate Results

While the project surpassed both of its IRI targets, one appears to have been set low.

- IRI 5: Number of public finance officials who received training or are in training under the project. Baseline (2018): 0. Target: 5,000. Revised Target: 6,000. Actual (2024): 8,209. **(IRI 5: Exceeded)**.
- IRI 6: Number of qualified female accountants trained. Baseline (2018): 0. Target: 2000. Actual (2022): 576.
- Revised IRI 6: Representation of female staff in professional PFM training. Baseline (2023): None provided. Target: 27.92 percent. Actual (2024): 29.60 percent. **(IRI 6: Exceeded)**.

At restructuring, the project increased the target for IRI 5 because it began to count public sector staff who were taking but had not completed professional qualification courses under this indicator, in addition to those taking short training courses, workshops, etc. sponsored by the project. The project exceeded its revised target by 36.8 percent.

The project also changed IRI 6 from the number of qualified female accountants trained to percent female representation in training. The restructuring paper explained the latter was a sub-IRI that was elevated to an IRI, but did not provide a justification for dropping the original indicator (p. 16). The project's Team Task Leader (TTL), however, explained that the term "qualified" in the indicator title meant the female trainees had completed their qualification, which was not what the project intended to convey. Rather, the project meant to track female disaggregation of trainees.

While the project exceeded its target for the revised IRI 6 by 1.68 percentage points, there were limitations to the indicator. First, the project did not provide a baseline. The ICR misstated the baseline as 0, as did the ISRs, likely because they copied the baseline for the original numeric indicator. It is very unlikely that PFM



trainings under the predecessor Program for Results (PforR) project had no women in attendance. Without a baseline, it is difficult to assess the extent of the project's achievement in increasing women's PFM training participation.

A second limitation is that the IRI's target may have been set low. The project's TTL explained that the 27.92 percent target was set based on historical trends and recruitment projections. According to the PAD, however, women comprised one-third of public finance officials in Rwanda (PAD, p. 8). In addition, the target for the original indicator was 2,000. If this target is divided by the revised target for IRI 5, the result is 33.33 percent. For these reasons, a target of 27.92 percent appears to have been unambitious.

Outcome

- PDO 4: Number of public finance staff that have *achieved a level* of professional qualification. Baseline (2018): 655. Target: 1,800. Actual (2022): 2,026.
- Revised PDO 4: Number of public finance staff that have *completed* a professional qualification. Baseline (2018): 225. Target: 826. Actual (2022): 1,015. **(PDO 4: Exceeded)**

At restructuring, the project revised PDO 4 by mapping level of achievement to full certification. Previously, the project had counted all staff enrolled in professional courses under this indicator but moved to counting them under IRI 5. This revision was warranted because PDO 4 is an outcome-level indicator, as was lowering the target because of the higher threshold to meet.

The project exceeded the revised PDO 4 target by 22.9 percent. By project end, almost five times as many PFM officials completed a qualification under this project than had done so under the predecessor PforR project, indicating that qualifications training had been taken to scale. Because the project also surpassed its IRI targets, though one may have been set low, this objective is rated **High**.

Rating

High

OVERALL EFFICACY

Rationale

The overall efficacy is rated **Substantial**. Objective 1, improve budget reliability, is rated **High**; Objective 2, improve the control of funds for service delivery, is rated **Substantial**; Objective 3, enhance budget transparency, is rated **Substantial**; and Objective 4, increase professionalization of public financial professionals, is rated **High**.

Overall Efficacy Rating



Substantial

5. Efficiency

Economic Efficiency. No economic analysis was conducted at appraisal. The PAD observed that quantifying the project's economic benefits was challenging and provided a qualitative assessment instead. To that end, it estimated the efficiency gains from proposed activities that included expanding IFMIS coverage and strengthening domestic PFM training capacity. Expanding IFMIS was expected to result in cost savings stemming from more effective and automated PFM management. Specifically, the savings from reduced borrowing needs were expected to generate over US\$1 million a year, covering the investment in the system's rollout (PAD, p. 17). Building upon IFMIS and e-GP would be more cost-efficient than developing new or parallel systems. Similarly, mass-scale training of PFM officials was expected to cost US\$1,600 per person, a lower cost compared to sending officials to foreign institutions (PAD, p. 17).

A cost-effectiveness analysis (CEA) was completed at project closing (ICR, Annex 5). The CEA was inadequate, however. First, it confused project efficiency with project effectiveness. Most of the CEA results—e.g., higher PEFA scores to which the project plausibly contributed; indicator actuals that exceed PDO targets—are evidence of project efficacy, not efficiency. PEFA assesses the strengths and weaknesses of PFM systems, not their efficiency. Second, the CEA did not provide a basis for comparison of the economic results it presented. Using data extrapolated from the World Development Indicators and based on research linking PFM improvements to public investment outcomes, the CEA estimated that the project contributed US\$911.6 million in additional gross fixed capital formation to the gross domestic product (GDP). It also theoretically contributed to an additional 2.07 million people accessing basic sanitation services and an additional 1.99 million cellular subscriptions. The ICR compares these extrapolated benefits to the project's costs, but without a comparison—e.g., the average costs of those benefits in Rwanda or in the region—it is difficult to assess whether they were achieved efficiently.

Implementation and Administrative Efficiency. The project's disbursement lagged for much of the implementation period. At the time of project restructuring, in January 2023, less than a month before its original closing date, the project had a disbursement rate of 58.2 percent. This was mainly due to disruptions caused by the COVID-19 pandemic, and the project caught up and disbursed its committed amount by its revised December 31, 2024, closing date.

That said, the ICR mentioned several other implementation challenges that delayed or likely resulted in delays to project completion. These included high staff turnover in the Single Project Implementation Unit (SPIU), leaving key finance and monitoring and evaluation positions vacant. On the WB side, the project's Task Team Lead changed three times. Contract management issues between MINECOFIN and its vendor PricewaterhouseCoopers delayed the transition to IPSAS. In addition, the COVID-19 pandemic lockdowns delayed the rollout of IFMIS to schools and suspended PFM trainings and professional exams. Project management adapted, including by leveraging digital technology for engagement and training, but delays were inevitable.

Efficiency Rating

Substantial



a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The overall outcome of the project is **Satisfactory**. This is based on a **High** rating for relevance of objectives, a **Substantial** rating for overall efficacy, and a **Substantial** rating for overall efficiency, as outlined in the table below.

Criteria	Rating
Relevance of Objectives	High
Efficacy of Objective 1: Improve budget reliability	High
Efficacy of Objective 2: Improve the control of funds for service delivery	Substantial
Efficacy of Objective 3: Enhance budget transparency	Substantial
Efficacy of Objective 4: Increase professionalization of public financial officials	High
Overall Efficacy	Substantial
Efficiency	Substantial

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The risk to sustaining the project's development outcomes is low because the PFM reforms implemented continue to progress and have been institutionalized. ISR #11 notes that the government continues to roll out IFMIS to additional service delivery units, including 400 primary schools after project closure (ISR#11, p. 11). Rwanda's latest PFM Sector Strategic Plan, for 2024-2029, calls for building upon this and other project-supported reforms, including IFMIS integration with the MTEF and use of its data in policy making; full implementation of IPSAS; strengthened budget processes through PBB; and a sustained pipeline of PFM officials with critical skills. The government has codified the use of PBB and meeting IPSAS standards into existing laws, assuring reforms beyond the project's lifespan. The



MoU between IPCAR and MINECOFIN integrated PFM training into Rwanda's education system, and the internship program is expected to expand the workforce. These activities ensure the continued upskilling and pipeline of staff into the public sector.

8. Assessment of Bank Performance

a. Quality-at-Entry

The WB's performance in ensuring quality at entry was Satisfactory.

The project's design was informed by the government's PFM priorities, previous WB PFM operations, stakeholder consultation, and the identification of risks and mitigation measures. Activities were selected in collaboration with the government, ensuring political commitment and alignment to national strategies. Broad stakeholder engagement with central, line, and oversight agencies fostered buy-in of PFM reforms. The PAD also recognized the gender imbalance in the PFM profession and sought to ameliorate it through inclusive training (p. 8).

Project design incorporated lessons from recent similar PFM operations in Africa, Europe, and Central Asia; a study documenting the WB's 25 years of experience with supporting the development of financial information management systems; and the predecessor PforR project. The PforR operation, specifically, provided the most context-specific lessons around measuring performance, supplementing implementation with capacity building, and coordinating effectively with donor partners (PAD, p. 14).

Despite tapping into these resources, the WB produced a ToC for the project that was incomplete (PAD, pg. 45). The ToC was missing key activities (e.g., PBB rollout/ implementation, mass PFM training) and necessary assumptions (e.g. IFMIS coverage of schools is sufficient to impact the control of district funds for service delivery). Without these elements, the project's causal logic breaks down. The ToC also did not explain the project's focus on school rollout and coverage of education expenditures under Component 1.

The project's overall risk was assessed to be moderate, with only the institutional capacity risk dimension rated as substantial. To mitigate risks, the WB provided continuous training to MINECOFIN and SPIU staff on various project management topics and worked closely with the team on ensuring a transparent and competitive process for IT procurement.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The quality of the WB's supervision of the project is rated Satisfactory.



The WB supervised the project regularly, including through 11 implementation support missions between July 2019 and October 2024, and produced an equal number of ISRs. Technical missions were also undertaken to assess fiduciary performance. In February 2022, the WB conducted a mid-term review (MTR) that laid the groundwork for project restructuring to compensate for COVID-19-generated delays and identified new activities to be implemented with a no-cost extension.

The WB's restructuring of the project in 2023 was responsive to the government's requests and accommodated them within the project budget by reallocating funds between components and from savings from executed activities. In light of progress made to date and given an extended timeline of 22 months, the WB also revised some indicator measurements and targets.

There were shortcomings in the WB's supervision. The WB provided training in audit but did not require an internal audit. Such a requirement would have allowed the SPIU to put into practice what it learned and could have preempted some of the discrepancies found by the audit. Additionally, the WB did not follow up on the need to update the baselines for some indicators that had been modified at restructuring.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project's Results Framework (RF) comprised four outcomes measured by PDO indicators and six intermediate results measured by IRIs (PAD, pp. 21-27). IEG agrees with the ICR that the RF was generally adequate. In addition, it agrees with the ICR that the target for the revised IRI 3, which measured IPSAS compliance, was too ambitious. As full compliance with the framework was unlikely during the project life, the original indicator, or another monitoring the phased implementation of IPSAS, would have been more informative. Additionally, a few other indicators could have been better constructed to more easily and quantifiably track progress on activities.

The ToC diagram in the PAD and modified in the ICR was lacking. Importantly, it omitted key activities like the piloting/rollout of PBB at ministries (under Objective 1, Component 3) and delivering mass PFM training (under Objective 4, Component 4). Without these key inputs, the link to the achievement of corresponding intermediate results—improved budgeting methodology in use and PFM officials trained under the project—was missing.

b. M&E Implementation

The SPIU implemented and routinely reported on the M&E framework. It reported on PDO and IRI results in 11 bi-annual reports from January 2019 to November 2024. At restructuring, the project for the most



part appropriately revised indicator measurements and targets in light of better alternatives and the progress made. However, as previously discussed, the target for the revised IRI 3 (Improved disclosures in consolidated financial statements) was set too high. Additionally, the baseline for PDO 4 (Number of public finance officials that have completed a qualification) was not updated, and no baseline was set for the revised IRI 6 (Percent female representation in PFM training).

c. M&E Utilization

M&E data were available throughout project effectiveness and informed the ICR (ICR, p. 17). Project data were also used during the MTR to review implementation progress and revise the RF during restructuring, including adjusting some indicator measurements and updating some targets.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as Category C, indicating minimal or no adverse environmental impacts (PAD, p. 19). According to the ICR, the project's Environment and Social risk was rated low at design and throughout the project's life (ICR, p. 17). A grievance redress mechanism set up for the project did not record complaints.

b. Fiduciary Compliance

The project's financial management (FM) risk was rated moderate at appraisal. The PAD proposed several mitigation measures: a) upgrading IFMIS to prepare financial reports and annual statements, and to retrieve and classify information by project component; b) training for the SPIU FM staff on the WB's disbursement guidelines and procedures; and c) training on internal audit of WB projects. However, as MINECOFIN had experience in implementing donor-funded projects, including the previous PforR project, and was adequately staffed, the WB found its FM arrangement satisfactory and acceptable.

Throughout implementation, the project's self-assessed FM performance was rated satisfactory. The project upgraded IFMIS to capture transactions and submit clean and unqualified financial and audit reports, according to the ICR (ICR, p. 17). However, the project encountered a few FM challenges. The SPIU's financial manager position was not filled on time, and an auditor identified gaps in financial statements, including inconsistencies between the approved budget in IFMIS and cleared by the WB. To further strengthen financial oversight, the ICR observed that the project could have benefited from an internal audit review.

The project's procurement risk was rated moderate at design. The project adhered to WB procurement regulations and guidelines but encountered delays in updates to the System Tracking of Exchanges in



Procurement system. This and other delays in procurement processes resulted in the project self-assessing its procurement performance as moderately satisfactory throughout implementation. Procurement was also challenged by a dearth of qualified vendors with the required technical expertise. Nonetheless, the project successfully executed 24 procurements encompassing IFMIS upgrades, IPSAS training programs, and PBB initiatives.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

This review agrees with the lessons provided in the ICR, especially on the need for a phased approach, with gradual adoption and enhanced training, to complex reforms like switching to accrual-based financial reporting under IPSAS.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR sufficiently assessed the PDO, appropriately discussed project implementation shortcomings, and provided solid lessons learned.



That said, the ICR had a few shortcomings that challenged this review. As discussed in the M&E Design section, the ICR did not adequately modify the ToC diagram to capture the key activities the project actually implemented (e.g., PBB rollout, mass PFM training). This required the reviewer to redo the ToC in order to understand the project's results chain. In addition, the ICR's reporting of some results in the Efficacy section was inconsistent with the format established by the RF (Annex 1). Specifically, the ICR reported on PDO 3 and three IRIs as if they were binary Yes/No indicators, but these were qualitative indicators for which partial progress was possible and was described elsewhere in the ICR. The ICR likely presented the actuals in this simplified way to fit all M&E results in tables, but this necessitated reverting to Annex 1 to cross-check the results and better understand progress made.

Lastly, the ICR included information irrelevant to the assessment criteria. For example, as discussed previously, the CEA presented in Annex 5 and summarized in the ICR's Efficiency section was more of an assessment of the project's efficacy in meeting PFM objectives than an analysis of project implementation efficiency. Similarly, in the Quality of M&E section, the ICR discussed factors like the project's fiduciary management and the PFM Technical Working Group's practices that seemed to have little to no bearing on the project's M&E quality. In these sections, the ICR could have been more concise and focused exclusively on the criteria being evaluated.

a. Quality of ICR Rating
Substantial