

Country Name	The Project for the Rehabilitation of Public Transport
Rwanda	

I. Project Outline

Project Cost	E/N Grant Limit: 937 million yen (Phase I) 618 million yen, (Phase II) 319 million. yen	Contract Amount: 923 million yen (Phase I) 618 million yen, (Phase II) 305 million yen
E/N Date	(Phase I) August 2005, (Phase II) June 2006	
Completion Date	July 2007	
Implementing Agency	Office National des Transports en Commun (ONATRACOM), Public Transport Corporation, Ministry of Infrastructure	
Related Studies	Basic Design Study: January 2005 – July 2005	
Contracted Agencies	Consultant	Japan Engineering Consultants Co., Ltd.
	Contractor	None
	Supplier	ITOCHU Corporation
Related Projects (if any)	<u>Japan</u> <ul style="list-style-type: none"> • Le Projet de Renforcement et d' Amelioration de Moyens de Transport en Commun (Procurement of 266 buses in total (Grant Aid, 1981, 1985, 1987, and 1992) • The Project for Rehabilitation of Public Transport System in the Republic of Rwanda (Grant Aid, 1997) • Technique d'entretien des Vehicules Poids Lourds a Moteur Diesel (Training 2002-2004) • Project for the improvement of Public Transportation Management System (Technical Cooperation, 2006-2007) • Technical Training for the Engineers of ONATRACOM (Training 2011) • 2 JOCVs dispatched (2010-2012) 	
Background	<p>In Rwanda, the bus transportation system, which was operated by ONATRACOM, a sole public transportation company, was the only public transportation means in Rwanda due to no railway network in the country. ONATRACOM provided the nationwide public transportation service connecting urban and rural areas in the country. However, the most buses were destroyed and lost at the civil conflicts in 1994. Although the restoration of the public transportation system in the country was the key issue for promotion of regional development as well as reconstruction of the country, the ONATRACOM could not have reestablished its bus operation system yet. Therefore, the Government of Rwanda requested the Government of Japan to support procurement of buses and workshop equipment.</p>	
Project Objectives	Outcome To restore the bus service system to normal status before the civil conflict by procurement of buses and workshop equipment at ONATRACOM.	
	Outputs(s) Japanese Side <ul style="list-style-type: none"> • Large bus: 70 units, Medium bus: 23 units, Service truck: 1 unit, Spare parts: 1 unit, Workshop equipment: 1 set Rwandan Side <ul style="list-style-type: none"> • Recruitment of staff (driver, conductor, mechanic and others). • Training cost for maintenance staff at each local branch and bus manufacturers in neighboring countries (such as Kenya) in order to improve their maintenance skills. 	

II. Result of the Evaluation

Summary of the Evaluation

In the short-term strategy of the Ministry of Infrastructure for 2005-2010, the restoration of the public transportation system was one of the priorities. In 1998, Japan granted 30 large size buses to support the restoration of bus system. However, ONATRACOM could operate only 60 buses which were not enough to reestablish the functional bus system in order to cover nationwide.

This project had achieved the objective of restoring the bus service system to normal status before the civil conflict just after the project completion; but at the time of ex-post evaluation, there was observed that a scaled down number of buses in operation, bus route network and passengers. As for sustainability, problems have been observed especially in terms of financial aspects, in status of operation and maintenance as well as in internal management problems. The bus record management system was not effectively utilized; and some basic Rwanda regulations of financial and assets management and public procurement procedures were not complied with, especially in case of emergency; and also there were some external challenges such as operating in upcountry unpaved roads and unprofitable route networks.

For relevance, the project has been highly relevant with Rwandan development policy, development needs, as well as Japan's ODA policy at the time of both ex-ante and ex-post evaluation. For efficiency, the project period slightly exceeded the plan.

In the light of above, this project is evaluated to be unsatisfactory.

1 Relevance

This project has been highly relevant with Rwandan development policies of the Economic Development and Poverty Reduction Strategy (EDPRS) and the Transport Sector Policy (“Improvement of transport links internally and internationally”), development needs (“Improvement of quality of transport services to reduce constraints of mobility of the population), as well as Japan’s Country Assistance Strategy to Rwanda in 2005 for promoting economic development including improvement of economic infrastructure and industry development at the time of both ex-ante and ex-post evaluation. Therefore, its relevance is high.

2 Effectiveness/Impact

Since the number of buses for ONATRACOM increased to 169 in 2007 from 60 in 2004, the number of service routes also increased from 73 to 263 for the same period. As a result, the number of passengers expanded from 3.4 million in 2004 to 5.8 million in 2007. According to the interview survey with the ONATRACOM staff of five branch offices in Kibungo, Butare, Kibuye, Gisenyi and Ruhengeri as well as with 78 local residents, the extended network of bus service operated by ONATRACOM improved flows of people and materials which had revitalized regional economies. Also it was recognized that the accessibility to markets and public facilities such as schools and hospitals were improved by the project because many regional cities and remote areas were connected only by the bus service of ONATRACOM.

However, after 2009¹, the number of buses in operation has been decreasing due to lack of spare parts which caused a lack of proper maintenance based upon the established manuals and procedures. This was mainly caused by the fact that a large number of spare parts were purchased from international markets and their prices went increasing periodically and also its procurement process is relatively long. The Bus replacement plan was not followed because of financial constraints. As a result, only around 40 buses were in operation in mid-2012 and approximately other 36 buses were undergoing minor repairs for operation. Consequently, the number of service routes has decreased to 59; and the total distance of service routes in 2012 is only 7,500km which is below the service distance in 2004 (7,520km), though it had once increased to 15,502km in 2007. The number of passengers also dropped to approximately 2.3 million because (i) the number of buses in operation were decreased, (ii) the bus could not access to some service routes in rural areas due to deteriorated road and bridge conditions, and (iii) because of rapid growth of Rwandan economy, the number of private companies operating in the same areas serviced by ONATRACOM has doubled since 2007². In addition, ONATRACOM considers that the prolonged rainy season due to the climate change might affect the number of passengers in the rural areas because deteriorated road surface would interrupt the bus service. And according to interview with the ONATRACOM, in addition to a number of factors such as financial problems, unprofitable route networks, and unpaved roads, the challenge of unexpected risks (such as inflation which caused the increase of cost of fuel and spare parts) and the lack of proper internal control system affected the implementation of its bus operation business. As a result, the positive effects of the project have been shrinking. On the other hand, the project didn’t make any negative impacts in terms of the natural and social environment.

While this project had achieved its objectives at the time of the completion (2007), there was observed that a limited level of achievement at the time of ex-post evaluation (2012). Therefore, effectiveness/impact of this project is low.

Quantitative Effects

Indicator (unit)	baseline value (2004)	target value (2007)	actual value ³ (2007)	actual value (2012)
Indicator 1 No. of buses available for use at ONATRACOM (unit)	60	136 ⁴	169	40
Indicator 2 No. of service routes at ONATRACOM (No. of routes)	73	162	263	59
Indicator 3 Total distance of service routes at ONATRACOM (km)	7,520	14,850	15,502	7,500
Indicator 4 No. of passenger/year served by ONATRACOM (no. of passengers)	3,400,000	Increase	5,800,000	2,334,165

(Note) As for August 2012, ONATRACOM has total 169 buses, of which 89 buses need major repairs, 76 need minor repairs including 40 buses currently in operation, and one scrapped bus.

3 Efficiency

Although the project cost was within the plan (98% against plan), the project period slightly exceeded the plan (106% against plan) because of delay in sea transportation. The outputs of both Japanese and Rwandan sides were produced mostly as planned. Therefore, efficiency of this project is fair.

4 Sustainability

The organization responsible for operation and maintenance (O&M) of the procured buses is ONATRACOM. At the time of ex-post evaluation, around 40 buses out of 169 were in operation. This is particularly due to the financial aspect: the revenue from the bus service in 2011 was approximately 3.4 billion Rwanda Francs which is below the revenue in 2007. In particular, the annual subsidy provided by the government has stopped since 2008 although it was necessary for ONATRACOM in light of its public nature to provide transport services to the rural areas which was not profitable. As a result, ONATRACOM cannot cover proper O&M costs including cost of spare parts and necessary fuels. The organizational management had changed in 2011 to address the internal management problems. While the sufficient number of bus

¹ ONATRACOM has undergone a severe drop in revenue from 2009 mainly due to the decrease of number as explained above.

² According to data from Rwanda Utilities Regulatory Agency (RURA), the number of private companies operating in ONATRACOM networks has increased from 15 in 2004 to 32 in 2012.

³ The 2007 data was provided by the ONATRACOM at the time of ex-post evaluation (This note is added in September 2014.).

⁴ Revised from 153 to 136 (July 2014). It was planned that 17 buses be scrapped by 2007 and these 17 buses should not be included as the target value (Page 3-12 of the Basic Design Report).

drivers (92 drivers) is employed for the bus service operation, the number of workshop staff was 38 staff at the time of ex-post evaluation. ONATRACOM adjusted the number of staff members according to the government public service reforms plan, including those in charge of O&M. In terms of the technical level of workshop staff, 6 staff who received the technical training by JICA (2011)⁵ worked for ONATRACOM and their technical capacity and skills to repair and maintain buses provided by this project meet the requirements. However, the update trainings for the workshop staff are not available and the O&M manuals developed under the former management have not been fully utilized.

The 2009 and 2010 reports of the Office of the Auditor General of State Finances pointed out a number of financial and procurement errors, physical assets management mistakes of ONATRACOM, and listed a number of recommendations. In response to the recommendations, the new management has prepared a bus operation plan and bus assignment plan to facilitate proper management of bus fleets for its service routes. However, unified monitoring system (including harmonized data recording/reporting system on number of passengers, fuel consumption, and all related bus operation data between branch offices and the head office) was not fully implemented. Series of JICA Technical cooperation supported ONATRACOM to establish and develop such management system; however, it is still needed to facilitate with effort the effective operation and maintenance system as assisted by JICA Technical Cooperation scheme.

This project has major problems especially in financial aspects and the current status of operation and maintenance of the implementing agency due to management methods and internal control system. Therefore, sustainability of this project is low.

III. Recommendations & Lessons Learned

(1) Recommendations for Implementing agency

- It is desirable that the operation and maintenance of the equipment as well as pre-established O&M procedures are implemented properly with continuous monitoring and proper management of buses in operation and spare parts.
- It is necessary to repair the buses that need minor repair as a first priority and increase the available number of buses in operation as much as possible. In addition, ONATRACOM needs to prepare comprehensive and feasible management plan especially in financial aspects. In order to implement such restoration plan, it is necessary for ONATRACOM to have a consultation with the government on what kind of support they can provide to ONATRACOM in particular, the financial assistance in light of its public nature to provide transport service to the rural areas which is not profitable but is necessary for the people living there by mobilizing the government lending and subsidiary schemes.
- It is necessary to establish staff training programs in order to strengthen its competitiveness as below:
 - a) For staff of administration and finance departments: annual staff training for capacity building especially in public finance and management in collaboration with the Public Sector Capacity Building Secretariat, the Rwanda Institute of Administration and Management under the Ministry of Labor;
 - b) For staff of technical departments: technical trainings supported by the Rwanda Workforce Development Authority. Also, establishment of the formal system to disseminate the technical skills and know-how from those who received the technical training by JICA to other staff through workshops and on-the-job trainings.
- It is useful to collaborate with the public transport companies in the neighboring counties of East African Community (Kenya, Uganda, Tanzania, Burundi) for learning and exchanging the successful management models of public transport service providers.

(2) Lessons learned for JICA

For a better implementation of the project of this kind, in the Basic Design Study it is important to consider not only its technical skills aspect but also the following aspects of the project need to be established such as:

- Capacity for administrative and financial department staff
- To ensure that implementing agency has capacity to prepare a proper business plan which helps to address and manage unexpected risks such as inflation, increase of cost or spare parts, etc.
- Proper supervision system inside the implementing agency as well as for supervising agency.

In addition, it is desirable to analyze more in planning stage how the road conditions affect the equipment (buses and spare parts) provided by the Project when they are used for transport service to connect rural and urban areas and to support the implementing agency to establish and implement proper maintenance according to the road network condition.



(A number of Buses in grounded in ONATRACOM main parking)



(After repair a bus is being tested in ONATRACOM workshop in Kigali)

⁵ Technical Training for the Engineers of ONATRACOM (Feb-Mar.2011), which was organized in collaboration with Isuzu Motors Limited. This was a follow-up to the technical cooperation “the Project for the Improvement of the Public Transport Management System” (2006-2007).