

Business Case and Intervention Summary

Intervention Summary

Title: Vision 2020 Umurenge Programme

What support will the UK provide?

The UK will provide £29.03m over 5 years (2008/9-2012/13). Support will be provided as financial aid and technical cooperation to the Vision 2020 Umurenge Programme (VUP), the Government of Rwanda's (GoR) flagship social protection programme. £27.73m is to be disbursed to GoR in financial aid for programme delivery. An additional £1.05m is earmarked for technical support of the programme and £252,000 is reserved for DFID to cover the costs of monitoring and due diligence. DFID's financial aid contribution to VUP is pooled with other donors' funds and Government of Rwanda financing to deliver the overall programme outcome of reducing extreme poverty levels in targeted VUP sectors.

Why is UK support required?

Does funding contribute to delivering the Operational Plan or published DFID results commitments? If yes, how?

Yes. The programme will directly deliver headline results on poverty, vulnerability and hunger in DFID Rwanda's current Operational Plan, measured by the number of people directly assisted by DFID funded social assistance programmes.

What need are we trying to address?

Despite recent progress in reducing poverty, Rwanda remains a very poor country where nearly a quarter of the population live in extreme poverty (and very many of these live far beneath the extreme poverty line). These families have low levels of food consumption, and limited resources to deploy in the face of shocks. The effects of chronic poverty are evidenced in the very high levels of child stunting in the country, which are highest amongst the extreme poor (reaching 60% of children living in households "in abject poverty" and 53% of children in households who are "very poor"). Livelihoods for the poorest are fragile: dependent on low income agriculture and agricultural wage labour. Household vulnerabilities are compounded by other factors: where households are headed by older persons, where dependency rates are high (eg because of young children and members with disabilities) and where households are headed by women.

What will we do to tackle this problem?

We will provide financial and technical support to the VUP. This flagship programme of Rwanda's first Economic Development and Poverty Reduction Strategy (EDRPS) aims to extend coverage of social protection amongst the poorest (through scaling up unconditional cash transfers and public works employment) and to increase the efficiency of social protection spend in Rwanda. By supporting the GoR's flagship social protection programme, we will also support improved targeting of social protection interventions on the poorest.

Who will be implementing the support we provide?

VUP is delivered through a dedicated unit in the Rwanda Local Development Support Fund (an agency of the Ministry of Local Government, MINALOC), working alongside District and Sectorⁱⁱ authorities. Dedicated sector and district staff are responsible for delivering the programme, whilst RLDSF maintains responsibility for programme management and development, training and monitoring and evaluation. In addition technical support will be contracted both by DFID and by RLDSF to provide support in key areas (programme management and development, financial management, monitoring and evaluation). Annual reviews and due diligence requirements will be delivered by independent

service providers, and will be contracted by DFID.

What are the expected results?

What will change because of our support? How will impact be sustained?

Our support will contribute to the achievement of the outcome of “accelerated reduction of extreme poverty in targeted VUP sectors”. The programme expects to deliver (in 180 sectors by 2013):

- Reduction in % of population living below the extreme poverty line in VUP sectors from 39.4% (2006) to 30.2% (2013)
- Reduction in extreme poverty depth in VUP sectors from 33.6% (2006) to 29.7% (2013)
- A reduction in the % of households categorised as extremely poor by the community in VUP sectors from 34% in 2007 to 28.6% in 2013

This will contribute to the impact of reduced income poverty and inequality levels in Rwanda. The programme’s design is intended to ensure that results, in terms of improvements in the lives of beneficiaries, are sustained through skills building and financial services components.

What are the planned outputs attributable to UK support?

The programme has five outputs which DFID’s support will contribute to delivering:

- Extremely poor households have access to public works in targeted VUP areas
- Operational community assets in place, according to good international practices
- Extremely poor households assisted through direct support
- People, including those from extremely poor households, access financial services
- Institutional strengthening to ensure effective and sustainable delivery of the VUP programme

In the final year of the programme (2012/13) it is expected that 42,500 households will benefit from direct support in 180 sectors, benefiting 95,450 individuals (23,375 of these households attributable to DFID supportⁱⁱⁱ). 85,000 households will benefit from cash transfers from public works in 150 sectors, benefiting 450,500 family members (46,750 of these households attributable to DFID support). And 58,500 people will be helped with new loans in 150 sectors (of these 32,175 people attributable to DFID support), providing a step up into productive activities. In previous years, DFID support has helped VUP to deliver the results below^{iv}.

No of beneficiaries	2009/10	2010/11	2011/12
Direct Support (hhs)	9,692	18,879	27,631
Public Works (hhs)	61,335	71,484	77,469
Financial services (individual loans)	55,675	53,228	55,326

How will we determine whether the expected results have been achieved?

A review of progress against the logframe will take place annually, with a project completion review undertaken by June 2013. These will be undertaken by independent reviewers. In addition, performance will be monitored through the social protection sector, which DFID co-chairs, including the six monthly Joint Sector Review process. Information on poverty reduction will come from VUP’s own monitoring and evaluation system and household survey, and supplemented by information from the living standards survey (EICV) and community well-being categorisation (Ubudehe).

What is the value for money assessment of the project?

The most recent annual review notes that overall cost-efficiency in terms of programme delivery has improved, and that the proportion of funds expended as transfers to beneficiaries is comparatively high. According to the VUP Annual Report 2009/10, published in 2011, the average cost of transferring Rwf1 to a VUP participant fell from 56 cents in 2008 to 16 cents in 2009/10, representing an improvement in programme efficiency and value for money of 71%. For public works, delivery costs are higher because

of costs of asset construction, but these also fell substantially, from 70 cents in 2008 to 24 cents in 2009/10, an improvement of 66%. The positive results can be attributed to strengthened systems as lessons are learned and the programme matures, an increase in the average payment to VUP households, and economies of scale as the programme's geographical coverage increases.

ⁱ These categories represent Ubudehe groups 1 and 2. Ubudehe is a social mapping of poverty where communities categorise households into 6 categories, or wealth groups. CSFVA, 2012.

ⁱⁱ A sector is the lowest administrative unit. Rwanda comprises 416 sectors, in 30 districts, across 5 provinces.

ⁱⁱⁱ Attribution is calculated based on RLDSF's updated annual budget forecast 2012/13, drawn from the 2012 Fiduciary Risk Assessment of the VUP. The proportion that DFID's funding represents of total funds for 2012/13 is applied to anticipated results for the same year.

^{iv} 2009/10 and 2010/11 data from DFID annual reviews. 2011/12 data from Joint Sector Review October 2012.