

Republic of Rwanda



Rwanda Environment  
Management Authority  
(REMA)



## **Consultancy to support strengthening of the capacity of the Government of Rwanda in environmental mainstreaming, environmental fiscal reform, and public environmental expenditure reviews**

### **Inception report and work plan**

**Submitted by**



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**30<sup>th</sup> March, 2010**



## **Acronyms**

DAD:	Development Assistance Database
EFR:	Environmental Fiscal Reform
ENR:	Environment and Natural Resources
FONERWA:	National Fund for Environment
GDP:	Gross Domestic Product
GoR:	Government of Rwanda
IFMS:	Integrated Financial Management System
MINALOC:	Ministry of Local Government
MINECOFIN:	Ministry of Finance and Economic Planning
NAFA:	National Forestry Authority
ODI:	Overseas Development Institute
PEER:	Public Environmental Expenditure Review
PEI:	Poverty-Environment Initiative
PEM:	Public Expenditure Management
PER:	Public Expenditure Review
REMA:	Rwanda Environment Management Authority
ToR:	Terms of Reference
UNDP:	United Nations Development Programme
UNEP:	United Nations Environment Programme

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## 1. Introduction

1. This Inception Report and Work Plan respond to Contract No. 13288 from UNEP to “support the strengthening of the capacity of the Government of Rwanda, particularly in the Ministry of Finance in the area of environmental mainstreaming, environmental fiscal reform, and public expenditure reviews”. The terms of reference under the contract are attached as Annex 1.
2. The assignment builds upon previous work on PEER, the PEER Training Manual and EFR by the same consultant. Subsequently, ODI peer reviewed the same work and provided useful comments for improving it/or filling the gaps. In particular, ODI provided comments as follows:
  - (i) written comments on PEER and the Training Manual referred to as Annex A in the ToR
  - (ii) tracked comments in PEER report referred to as Annex B in the ToR
  - (iii) tracked comments in PEER Training Manual referred to as Annex C in the ToR
  - (iv) written comments by Dr. Nicola Cantore on EFR, referred to as Annex D in the ToR
3. The inception report has been written to communicate the (i) the appreciation and relevance of the tasks outlined in the ToR and (ii) the assessment of the feasibility and practicability of addressing all comments raised by ODI in the time given. Alongside, a workplan has been included in Annex 2.
4. The assignment is scheduled to last 65 days, between 15<sup>th</sup>/03/2010 and 14<sup>th</sup>/08/2010. They have been allocated in the contract as follows:

(i) Incorporation of ODI comments into PEER and Training Manual;	20 days
(ii) Incorporation of ODI comments into EFR;	15 days
(iii) Provision of technical support to MINECOFIN;	<u>30 days</u>
<b>Total</b>	<b><u>65 days</u></b>
5. Further, out of the 65 days, 45 days are to be spent in Rwanda, over 3 trips. In preparation of this Inception Report, some clarifications on the ToR were sought from National Coordinator, PEI Rwanda. They have accordingly informed the consultant on the depth of the assignment and timing of activities to be carried out in Rwanda. The response to the ToR in the subsequent sections have been structured under 8 result areas for the assignment.

## 2. Response to the ToR by key result areas

### 2.1 Result 1: The Workplan

6. The consultant sought broad guidance on the package of activities to be carried out in Rwanda, in addition to those to be carried out at home (e.g. editing of the previous report). The guidance was well received. The consultant appreciates that details may be provided in course of time. Otherwise, the consultant has earmarked on diary the period between 14<sup>th</sup>

May and 14<sup>th</sup> August 2010 within which to make the three trips to Rwanda. The workplan is provided in Annex 2.

## **2.2 Result 2: Inception Report**

7. As mentioned earlier, the inception report has been written to communicate the understanding and appreciation of the assignment and to assess the feasibility of the tasks, specifically arising out of ODI comments. The consultant has accordingly identified those tasks that can practically be addressed and those that would not, with reasons. They are discussed under the subsequent Result Areas.
8. To the extent possible, the consultant will take advantage of being in Rwanda after 14<sup>th</sup> May to make targeted visits to collect additional information, data, and evidence to enrich the reports ahead of their submission on 1<sup>st</sup> June, 2010.

## **2.3 Result 3: Edited and improved PEER**

9. The ODI comments on the ToR were that:
  - (i) There is no established and uniformly recognised framework for a PEER
  - (ii) There is need for tailoring the needs of PEER to the budget
  - (iii) The ToR for PEER Rwanda were ambitious and
  - (iv) The average budget for a PEER is US\$ 200,000
10. With all the above in mind, incorporating *all* ODI comments would make the exercise even more ambitious. Accordingly, the consultant has highlighted along, where it may not be feasible.
11. Further, the consultant observes that ODI did not give comments and suggestions on Annexes 6-9 that were used to capture budgets and budget expenditure in the context of Rwanda's PEM reform programme. In light of the above, the consultant has made reference to them in elucidating the improvements that can realistically be made and those which may not be made.
12. Some of the comments made by ODI (e.g. having to be specific on PEER objectives, scope of analysis e.t.c) will be used to sharpen the Training Manual.
13. The proposed structure for the revised PEER report will be adopted.
14. All in all, it is understood and appreciated that the edited/revised PEER report could serve as a very useful point of reference and case study in the training on PEER in Rwanda. However, suffice it to highlight the understanding of some comments on PEER.

- ***Comment 1: Public expenditure management***

15. In carrying out the PEER, a key premise was that it is a part of a broader public expenditure management (PEM) programme being implemented by the GoR. A review of PER reports under World Bank database shows that PERs have examined PEM in detail particularly when either (i) the ToR have expressly emphasised that or there is a planned programme to reform a country's PEM. This was not emphasised in the ToR for PEER-Rwanda. Neither was the likely scope of work for MINECOFIN provided at that time. There is now urge to expand this aspect in light of the planned work with MINECOFIN.
16. The consultant will expand this section to cover the generic aspects of a PEM system but with focus on environmental mainstreaming, budgeting and reporting. These include:
  - Policy review
  - Strategic planning
  - Budget preparation
  - Budget execution
  - Accounting and monitoring
  - Reporting and audit
  - IFMS in support of PEM

- ***Comment 2: Analysis of efficiency, effectiveness and sustainability***

17. ODI observes that Rwanda PEER did not analyse 'efficiency, effectiveness and sustainability.' At the same time, it correctly observes that this is easier in a sector rather than across sectors.
18. Traditionally, it is the PERs in education and health that have made a breakthrough with the above analysis particularly because the sectors have well defined and homogeneous **units of analysis**. Further, the same units of analysis in these sectors are used as **indicators** of sectoral performance on a **continuous** basis. Because they are used by almost all countries, they make cross-country comparisons possible. Examples in education for example include primary, secondary and tertiary education; enrolment; female education; primary school completion rate, e.t.c. Those in health include under 5 mortality rate, maternal mortality rate, doctor-patient ratio e.t.c.
19. The above notwithstanding, the consultant will seek to analyse some of case studies of projects to demonstrate the importance of efficiency, effectiveness and sustainability. Projects to be selected will be those where **baseline indicators** were measured at the commencement, and where data was systematically collected to measure progress and achievement of target indicators. As ODI suggests, the unit of analysis (and related indicators) will have to be kept the same over the period of analysis. The consultant will liaise with National Coordinator on the choice of project or programme for such analysis.
20. Further, ODI suggests that perhaps, the analysis would have been improved with a **value-for-money framework**. The consultant would like to express that the value-for-money audit in order to measure efficiency, effectiveness and sustainability is an involving

exercise in its own right. The consultant will therefore not carry out value-for-money audit. Instead, he will review, once again, the value-for-money audits by the Office of the Auditor General with a view of identifying improvements to be done in the ENR sector.

21. With regard to the analysis of equity, the consultant will make this aspect more prominent in the report, particularly under the formulae for fiscal decentralization.

- ***Comment 3: Spending by the public sector agencies by region***

22. The ToR had requested for review of only a few public sector agencies, called SAGA (e.g. REMA and NAFA). With regard to expenditure by region, the consultant indeed wanted to do that but found two constraints. First, the details in the DAD did not include expenditure by region or district. Rather instead, it shows the number of projects by location. One could not deduce the proportionality of spending to different locations.
23. Secondly, an attempt was made to capture expenditure by districts by similar programmes. It was found and reported that some expenditure to some districts is earmarked and therefore not necessarily covering all districts. That was shown in Annex 7 of the PEER report.
24. Nonetheless, the consultant will address this comment if it is found that:
  - (i) DAD has been improved with regard to showing amounts (rather than projects) by location, and
  - (ii) MINALOC has completed its study on revenue generation by districts and the costing of decentralization policy and implications for fiscal decentralization (paragraph 228).

- ***Comments 4 and 5: Source of funding for the environment sector***

25. The multiplicity and complexity of funding to the environment in Rwanda was described in sections 4.2, 4.3, 4.4, 4.5, and 4.5. The report further showed in Table 9 that some expenditure is not yet centrally captured. However, at the time of the review, MINECOFIN was finalising a study on extra-budgetary resources from all sectors. The consultant will seek the final report on this study with a view of quantifying the revenues from environmental-related activities and services. This will be useful in bringing into one section revenues from EFR.
26. During the review, it was found that there was no single reference point where the revenues by districts were being collected. Nonetheless, the consultant will rely on the results from studies by MINALOC and MINECOFIN referred to above. These sources of information will complement data that the consultant found already existing under the budget laws and budget execution reports.

- ***Comment 6: Climate change related activities***

27. The consultant will report on the existing and planned interventions, particularly with regard to the funding mechanisms.
28. Further, he will report on the political-economy of environmental management and coordination in Rwanda.

- ***Comment 7: Reporting on all environmental expenditures by all ministries and agencies.***

29. Indeed, it was the intention to report on the above when the PEER was being made. It is out of that desire that programme areas in Table 4 were prioritized from among the many programmes for benchmarking PEER in Rwanda. Where expenditure of budgets were found, they were tabulated and analysed (Annexes 6, 8 and 9). Unfortunately, it was not possible to “pull out” all environmental activities and their budgets (and expenditure) because the action plans did not break them down.
30. Further, in the PEER report, the consultant had noted that: (i) expenditure in Rwanda is not yet captured by outputs or activities (Figure 1 and paragraph 49) and (ii) most action plans by sectoral ministries and agencies lacked the detailed breakdown (Paragraph 77). However, where details were found, they were reported (Table 17 and Table 18 in the PEER report). Accordingly, until environmental mainstreaming and related budgeting is improved, one may not authentically report on **all** environmental expenditure.
31. With the above in context, the consultant will make a table of programme areas and show (i) where actual expenditure figures exist, (ii) where only the budget figures exist and it can be assumed that the budgets were spent, and (iii) where environmental activities were carried out (e.g. EIAs) but their budgets and expenditure are not available.

- ***Comment 8: Data analysis***

32. ODI suggested some relevant analysis that can be done with some indicators (e.g. ENR expenditure as a percentage of budget; ENR expenditure as a percentage of GDP, e.t.c). Some analysis already exists in the report. It will be pulled together and repeated in one section. Some analysis could not be performed because it would be misleading because there is still much expenditure not captured by the government systems (Table 9). The consultant will however indicate in the PEER Manual the analysis that can be made if data permits.

- ***Comment 9: Lessons from PEER***

33. The consultant will improve the section on lessons by creating sub-headings where lessons are summarized. On the basis of the lessons, recommendations will be made.



## 2.4 Result 4: Editing and improving the Training Manual on PEER

34. The comments on the training manual were also well received. They will systematically and carefully be addressed so that those trained in the use of the manual can gain both skills and confidence to participate in future PEERs in Rwanda.
35. The consultant has accordingly made the checklist of the issues and improvements to be made (See Table 1). In addition, new sources of literature to guide the finalisation of the manual will be identified.

**Table 1: Checklist of key issues to incorporate in the PEER Manual**

List of issues to be addressed	
1. Provide a timetable for PEER activities that links to the PEER and JSRs, budgeting, e.t.c in Rwanda	
2. Provide a generic PEER report structure, with sections and notes for each section	
3. Provide notes on how to interpret the results	
4. Provide definitions and glossary of terms at the end of the Manual,	
5. Broaden on the concepts in the Manual to include, relevance, equity, sustainability, among others, and how to analyse them	
6. Provide an analytical framework for PEER that takes coquisant of the multi-sectoral nature	
7. Include the challenges of defining the boundary and the limits of public environmental expenditure	
8. Provide list of analyses to be made and respective indicators to be used with some examples	
9. Include list of indicators that can allow cross-country comparisons	
10. Broaden the list of existing challenges for carrying out PEER in Rwanda, and show steps being taken, or could be taken to address them	
11. Give examples of good practice of similar PEERs or PERs in general as case studies	
12. Provide a list, as an annex, of sources of literature on PEERs	

## 2.5 Result 5: Edited and improved EFR report

36. The general and specific comments by ODI were carefully reviewed. With respect to the general comments, the consultant will:
  - (i) highlight which of the two principles (pollution-pays-principle and beneficiary-pays-principle) apply to each existing and potential EFR
  - (ii) explain the linkage between the polluter-pays-principle and the beneficiary-pays-principle and the theory of externalities
  - (iii) explain the linkage between public goods and the need for clearly defined property rights regimes

- (iv) introduce each EFR with Rwanda's environmental problem
- (v) show where synergies of EFR can be taken advantage of
- (vi) show where trade-offs may be necessary
- (vii) analyse, in a few cases, the pro-poor impacts and
- (viii) delete or remove EFRs for which data in Rwanda to provide evidence lacks

37. However, the consultant wishes to observe that the social impact assessment of existing EFRs and of the potential ones will not be feasible in this assignment. This is because such an assessment requires time and resources to gather data for quantitative evidence and/ or to hold several meetings with different categories of stakeholders. ODI calls for social impact assessment of not less than 12 EFRs shown below.

**Table 2: List of Policies for which social and other impacts have been requested by ODI**

List	Reference in the report	Page in ODI comments
1. Land titles and lease agreements	Paragraph 75	6
2. Land law	Paragraph 80	7
3. Tax code/privatization	Paragraph 88	7
4. Property rights for planting and using forest resources	Paragraph 94-105	7
5. Full cost pricing policy	Paragraph 112-113	8
6. Urbanisation and human settlement policy	Paragraph 116	9
7. Decentralisation	Paragraph 118	9
8. Privatization of waste management	Paragraph 129	10
9. Landfill dumping fee	Paragraph 134	10
10. Tax exemption on garbage trucks	Paragraph 135	10
11. Greenhouse carbon reduction deal	Paragraph 149	11
12. Quotas	Paragraph 168	12

38. With the above in mind, the consultant considers it feasible to address the specific comments provided by ODI on EFR report. That will include relevant references and more evidence where data permits. Annex 3 provides additional literature identified to date.

## 2.6 Result 6: Four studies on financial instruments

39. The TOR have requested that:

- (i) The studies be from four **different** sectors of the EFR report
- (ii) The rationale, findings and recommendations of each case be given and
- (iii) The choice of the case studies be identified in collaboration with the PEI team

40. The consultant accepts the above guidance. In addition, he lists below a checklist of issues to consider when prioritising the case studies with PEI team. They are:

- (i) there is high likelihood of benefiting the poor directly or indirectly
- (ii) existence of well known environmental problem to which the economic instrument should be targeted
- (iii) feasibility for cost-effective implementation
- (iv) high degree of complementing other policy instruments
- (v) high likelihood of political acceptance
- (vi) likelihood that it would not unduly affect the competitiveness of the product/ industry/ sector or country
- (vii) likelihood that it would be catalytic in mobilising policy makers to accept EFR
- (viii) there is enabling legal framework so that the approval of the EI does not lose time because of new legislation

41. The consultant proposes that he submits the draft on the above cases by the end of second week in July.

42. Further, the consultant believes that as part of capacity building, interns could be co-opted to participate in these studies. This opportunity will be explored when they are recruited.

## **2.7 Result 7: A checklist for operationalisation of FONERWA**

43. The above result will also build from the report on FONERWA by the same consultant. Nonetheless, the consultant envisages that the checklist should include:

- (i) aspects for which top level policy clearance is required
- (ii) broad categories of activities to give effect the implementation of choices made in (i) above, and
- (iii) list of needs and support for operationalisation of FONERWA.

44. The consultant proposes that he submits the draft checklist by the end of second week July.

## **2.8 Result 8: Report on training and advisory support to MINECOFIN**

45. The ToR expressly state that the consultant shall deliver targeted training sessions determined by PEI/REMA (training of trainers) in PEER based on the revised training manual. The implication the consultant draws from the above task is that training will be done after June, that is, when the revised Manual has been finalised.

46. In addition, the ToR include reference to capacity building in;

- (i) Integrating environment into national and district budgets, planning, policy and budget process
- (ii) Development of poverty-environment and economic indicators

47. The consultant will liaise with the National PEI coordinator on the modalities for delivering the above activities. That could also include training and policy level meetings.

48. The consultant sought some guidance from the National PEI Coordinator on the nature of MINECOFIN activities. He understands that they will include:
- (i) Training MINECOFIN employees on sustainable development
  - (ii) policy level focused presentations on enhancing the understanding of sustainability and therefore justification for improved planning and budgeting for environment
  - (iii) Any other training and presentations as may be identified and decided in due course
49. The consultant also learnt that the process for recruiting interns has commenced, but they are not on board. In meantime, he understands that key among the activities is to train and orient them on environmental mainstreaming

## Annex 1: Terms of Reference

### Standard Format for Terms of Reference (ToR)

Request for:                      Consultant ☒                      Individual contractor ☐

**Organizational Unit** \_\_\_\_\_

UNDP-UNEP Poverty and Environment Initiative - Country project: Rwanda  
Division of Regional Cooperation

#### 1. Purpose (justification for request)

1.1 Explain the requirement for a consultant / individual (*Box 1(a) of P.104/A*):  
*(summary of why consultant is needed) The overall objective of this consultancy is to strengthen the capacity of the GoR, and particularly the Ministry of Finance, in the area of environmental mainstreaming, fiscal reform and public environmental expenditure reviews. More particularly, an international or regional consultant is needed in Rwanda to conduct a comprehensive editing and expansion of the two reports: 1) the Rwanda Public Environmental Expenditure Review (PEER), including a PEER training manual, and 2) the Rwanda Environmental Fiscal Reform Report based on a peer review and comments/ recommendations given by the Overseas Development Institute (ODI). Moreover, the consultant will provide support and technical advice to the Ministry of Finance (MINECOFIN) on how to mainstream environment into national and district planning, policy and budget processes in support to sustainable development as reflected in the Economic Development and Poverty Reduction Strategy (EDPRS).*

1.2 Qualifications / special skills or knowledge (*box 1(a) of P.104/A*)  
*(Indicate what expertise and experience, i.e. special skills or knowledge are required / essential to perform tasks and responsibilities and the level of expertise required)*

- *Masters Degree in a relevant field such as Environment Management, Environmental policy, Natural Resources Management, Agronomy, Development Economics, environmental engineering;*
- *Minimum ten (10) years work experience in related fields;*

*The consultant must have experience in the following specific fields:*

- *A good knowledge of the links between Poverty and Environment as well as Environment and social and economic development/growth,*
- *Experience in Rwanda or in a country with the same characteristics in the region*
- *Good understanding of relevant legal and regulatory instruments in Rwanda*
- *Fluency in English and/or French (preferably both). Knowledge of Kinyarwanda is preferable.*
- *Strong interpersonal skills with ability to work under pressure and to establish and maintain effective work relationships with people of different backgrounds;*
- *Ability to take initiative and to work independently, as well as part of a team;*
- *Proven capacity to organize and facilitate workshops and meetings;*
- *Excellent communication skills, reporting with ability to express ideas clearly, concisely and effectively, both orally and in writing;*
- *Computer literacy in full Microsoft Office Package and web browser capability;*

**1.3 Ultimate result of services (box 1(b) of P.104/A):**

1. Work plan within the first ten (10) days;
2. An inception report after ten (10) days, indicating feasibility of the tasks referring specifically to comments from ODI if any seems non manageable.
3. Edited and improved Public Environmental Expenditure Review report, with ODI comments and recommendations incorporated;
4. Edited and improved Public Environmental Expenditure Review Manual, with ODI comments and recommendations incorporated;
5. Edited and improved Environmental Fiscal Report, with ODI comments and recommendations incorporated.
6. Four specific studies on selected financial instruments, presenting rationale, findings and recommendations on way forward.
7. A checklist that facilitates the operationalization of the environment fund.
8. Summary report including major findings and recommendations based on the trainings and technical advisory support given to MINECOFIN to improve environmental mainstreaming;

**1.4 Legislative authority reference (box 1(c) of P.104/A):**

**1.5 Title and identification number of programme / project: (box 1(d) of P.104/A):**

**1.6 Duration (box 1 (e) of P.104/A)**

Duration: 3 months spread over 5 months: Starting date: 15/03/10; End date: 14/08/10

2.1 Source of Funds      Regular Budget ☐      Extra-budgetary ☒  
(box 4 of P.104/A)

**2.1 Allotment Account / Budget Line: 2010-LAL-8412-2A58-1141-1201**

2.3 Indicative level of remuneration: Total remuneration of **USD\$41,421**(including travel & DSA);

- o Consultancy fee of **USD\$31,500** to be paid as follows:
- o (i) 20% payment upon submission of inception report and workplan per TOR; (ie. USD\$6,300);
- o (ii) 40% payment upon delivery of final reports for EFR and PEER Report & Training Manual per TOR (ie. USD\$12,600);
- o (iii) 40% payment once all deliverables have been validated by the PEI Rwanda and PEI Africa Team (ie. USD\$12,600);

**3. Travel involved – (box 7 of P.104/A)**

Payment of all Travel & DSA upon signature: **USD\$9,921** as follows:

3 missions travel:

Itinerary: Kampala – Kigali – Kampala(USD\$320x3); 45 days DSA (189x45);

Terminal Expenses: (38x4)x3;

Travel will be organized by      Substantive Office ☐      Selected candidate ☒

## Annex 1: Terms of Reference

### 4. Workplan

#### 4.1 Objectives, output expectations and performance indicators

*The consultants will work under direct supervision of the national PEI coordinator, with back-up from UNDP-Rwanda and UNDP-UNEP PEI Africa.*

*Submission of work plan: 10 days after starting date of the consultancy*

*Submission of inception report (indicating feasibility of the tasks referring specifically to comments from ODI if any seems non manageable); ten (10) days after starting date of the consultancy*

*Submission of final drafts (electronic) of revised PEER, training manual and EFR: 1<sup>st</sup> of June 2010*

*Submission of final drafts (electronic) of summary report and remaining outputs: 23<sup>rd</sup> of July 2010*

*The objective of the consultancy is to strengthen the capacity of the GoR, and particularly the Ministry of Finance, in the area of environmental mainstreaming, fiscal reform and public environmental expenditure reviews.*

*The expected outputs are:*

- 1. Edited and improved Public Environmental Expenditure Review report, with ODI comments and recommendations incorporated;*
- 2. Edited and improved Public Environmental Expenditure Review Manual, with ODI comments and recommendations incorporated;*
- 3. Edited and improved Environmental Fiscal Report, with ODI comments and recommendations incorporated.*
- 4. Four specific studies on selected financial instruments, presenting rationale, findings and recommendations on way forward.*
- 5. A checklist that facilitates the operationalization of the environment fund.*
- 6. Summary report including major findings and recommendations based on the trainings and technical advisory support given to MINECOFIN to improve environmental mainstreaming;*

#### 4.2 Specific tasks and responsibilities

*The responsibilities of the consultant will be the following:*

- 1.1.1 Incorporate ODI's comments into the PEER report and the training manual. All comments as per Annex A, B, C should be incorporated unless otherwise is stated (20 days).*
- 1.1.2 Incorporate ODI's comments into the EFR report. All comments as per Annex D should be incorporated unless otherwise is stated. (15 days)*

*The following areas should be particularly paid attention to in the revision of the EFR:*

- *More attention should be given throughout the report to the social impacts of the existing policies and of the proposed reforms. A further literature can be useful to understand consequences of policies. Sometimes it is said implicitly that a reform mechanism is pro-poor, but without evidence to back this up. Thus the pro-poor benefits or disadvantages of EFR clearly need to be expanded, preferably sector by sector (Forestry, mining, lands, waste management, transport etc.). More specific comments are in the ODI report.*
- *Need to elaborate on the policy discussion with further reading and to add, as possible, evidence and theoretical support that can validate policy conclusions. Build on references and suggestions given by ODI, in particular: OECD 2005, "Environmental fiscal reform for poverty reduction".*

1.1.3 *In collaboration with the PEI technical advisor to Ministry of Finance (MINECOFIN), give technical support to MINECOFIN and the sectors in the following areas: (30 days)*

- *Based on the ODI comments prepare four in-depth assessments of four different sector specific financial instruments based on the report on Environmental Fiscal Reform. Final decisions on FIs and sectors will be discussed and approved by PEI. These assessments should include the rationale, findings and recommendations on way forward. The specific instruments to be analysed should be identified in collaboration with the PEI team.*
- *Deliver targeted training sessions determined by and upon request of PEI/REMA (training of trainers) in Public Environmental Expenditure Reviews based on the revised training manual.*
- *Support capacity building activities in the area of integrating environment into budgets and the development of poverty-environment and economic indicators.*
- *Support REMA in the operationalization of the environment fund (FONERWA) through development of a checklist to guide REMA in the steps to follow in engaging stakeholders in making the fund operational to support sustainability.*
- *Additional ad hoc support to TA MINECOFIN (should not exceed 10 days)*

#### **4.3 Reporting lines**

*The consultant will report to and be evaluated by the National PEI coordinator, Mr. Fred Sabiti, and the UNDP-UNEP-PEI Focal points for PEI-Rwanda, Ms. Louise Sorensen and Ms Elise Christensen (in collaboration with other stakeholders e.g. Government of Rwanda and PEI-Team)*



## Annex 2: Workplan for Consultancy to support strengthening of the capacity of the Government of Rwanda in environmental mainstreaming, environmental fiscal reform, and public environmental expenditure reviews

	March 2010				April 2010				May 2010				June 2010				July 2010				August 2010			
Activities by Result	Week				Week				Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>Result 1: WORKPLAN</b>																								
1.1: Seek clarification from National Coordinator PEI, Rwanda on activities and their timing																								
1.2: Assess the feasibility of addressing ODI comments																								
1.3: Prepare and submit workplan that responds to the tasks in the Inception Report																								
<b>Result 2: Inception report</b>																								
2.1: Review all the comments from ODI																								
2.2: Review additional literature from ODI																								
2.3: Assess the feasibility of responding to ODI comments																								
2.4: Search for new data sets in Rwanda																								
2.4: Prepare and submit Inception Report																								
<b>Result 3: Edited and improved PER report</b>																								
3.1: Review additional literature from ODI																								
3.2: Search for additional information from sectors in Rwanda																								
3.3: Make targeted visits to identify additional data and information																								
3.4: Prepare and submit Edited and improved Report																								

**Annex 2: Workplan for Consultancy to support strengthening of the capacity of the Government of Rwanda in environmental mainstreaming, environmental fiscal reform, and public environmental expenditure reviews con't**

	March 2010				April 2010				May 2010				June 2010				July 2010				August 2010			
Activities by Result	Week				Week				Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>Result 4: Edited and Improved PER Manual</b>																								
4.1: Revise the Manual based on all ODI comments																								
4.2: Submit the Edited and Improved and Improved Report																								
<b>Result 5: Edited and improved EFR report</b>																								
5.1: Review literature commended by ODI																								
5.2: Search for additional literature on EFR																								
5.3: Search for information on social impacts of EFR																								
5.4: Make targeted visits to collect additional data and evidence																								
5.5: Incorporate the changes in the Report																								
5.6: Submit the Report																								
<b>Result 6: Four sector specific studies on selected financial instruments</b>																								
6.1: Make a presentation in Rwanda to the top executives of key institutions on the existing and potential EFR by sector																								
6.2: Make a presentation on generic criteria for assessing the feasibility of EFR																								
6.3: Provide and discuss a list of potential different sector specific instruments from which four preferences can be selected																								
6.4: Obtain additional contributions on any other instrument to be part of 4 sector specific case studies.																								

## Annex 2: Workplan for Consultancy to support strengthening of the capacity of the Government of Rwanda in environmental mainstreaming, environmental fiscal reform, and public environmental expenditure reviews con't

	March 2010				April 2010				May 2010				June 2010				July 2010				August 2010			
Activities by Result	Week				Week				Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
6.5: Identify additional data and information needs to justify the 4 choices																								
6.6: Co-opt interns and guide them in additional data and information gathering and analysis																								
6.7: Write structured brief reports on each of the 4 case studies																								
6.8: Submit the draft case studies for review																								
6.9: Incorporate emerging comments																								
6.10: Finalise the write-ups																								
6.11: Present the case studies in a meeting to top executives																								
<b>Result 7: Checklist for operationalisation of FONERWA</b>																								
7.1: Make a presentation of FONERWA report to selected top executives																								
7.2: Provide in the presentations specific areas over which policy decisions and choices have to be made																								
7.3: Translate the choices made from above into operational activities																								
7.4: Identify a chronological checklist of other activities in support of the operationalisation of FONERWA																								
7.5: Identify a checklist of needs and support for the operationalisation of FONERWA																								
7.6: Summarise the checklist and submit for comments																								

**Annex 2: Workplan for Consultancy to support strengthening of the capacity of the Government of Rwanda in environmental mainstreaming, environmental fiscal reform, and public environmental expenditure reviews con't**

	March 2010				April 2010				May 2010				June 2010				July 2010				August 2010			
Activities by Result	Week				Week				Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
7.7: Present the checklist to selected top executives																								
<b>Result 8: Summary report on training and advisory support to MINECOFIN</b>																								
8.1: Make training materials for target audiences																								
8.2: Conduct the training																								
8.3: Make relevant presentations at targeted for a																								
8.4: Support MINECOFIN in mainstreaming environment in national and district plans																								

### **Annex 3: Additional literature identified**

1. Brian Pearce, David Pearce: Setting Environmental taxes for Aircraft: A case study of UK
2. Burniaux, J.M & Troung, T.P [2002]: GTAP-E: An energy environmental version of the GTAP model
3. Callan T, Lyons S, Scot S, Tol R, Verde S [2008]: The distributional implications of a carbon tax in Ireland
4. CARLOS EDUARDO FRICKMANN YOUNG [2005] *Financial Mechanisms for Conservation in Brazil*
5. Carlos Munoz Pina: Effects of an environmental tax on pesticides in Mexico
6. Christian Aid report [2009]: Undermining the poor: mineral taxation reforms in Latin America
7. Connor D [2008]: Organic agriculture cannot feed the world.
8. Daniel Bouille, Hilda Dubrovsky, Crescencia Maurer [2001] *Reform of the Electric Power Sector In Developing Countries: Case Study of Argentina*
9. David M. Stoms and Frank W. Davis [2002]: Economic Instruments for Habitat Conservation
10. David Pearce: The Role of Carbon Taxes in Adjusting to global warming
11. David sawyer, Genevieve Perron, Mary Trudeau: *Analysis of Economic Instruments for Water conservation*
12. Deepak Das [2005] *Environmental Fiscal Reforms- some recommendations; An Indian Perspective*
13. Dijkgraaf E, Vollebergh H [2004]: Burn or bury? A social cost comparison of final waste disposal methods
14. Don Fullerton, Andrew Leicester, Stephen Smith [2007]: Environmental taxes
15. Don Fullerton, Andrew Leicester, Stephen Smith [2008] Environmental taxes
16. Gilbert Metcalf [2005]: Tax reform and Environmental taxation
17. House of Commons [2008] Vehicle Excise duty as an environmental tax
18. Jan van Heerden, James Blignaut and Margaret Mabugu: Redistributing Environmental tax revenue to reduce poverty in South Africa: The Cases of Energy and Water
19. John Humpreys: Exploring a Carbon Tax for Australia
20. Lazarowick M [2009]: Global carbon trading; a framework for reducing emissions
21. Litman T [2007]: Evaluating transportation equity; Guidance for incorporating distributional impacts in transportation planning

22. Mireille CHIROLEU-ASSOULINE, Mouez FODHA [2008]: Environmental Tax and the Distributions of Income with Heterogeneous Workers
23. Paul Johnson, Steve McKay, Stephen Smith [1990]: The distributional consequences of Environmental taxes
24. R. Andreas Kraemer, Britta Pielen, Anna Leipprand [2003] Global Review of Economic Instruments for Water Management in Latin America
25. R. Andreas Kraemer, Zulma Guzmán Castro, Ronaldo Seroa da Motta, Clifford Russell [2003]: *Economic Instruments for Water Management: Experiences from Europe and Implications for Latin America and the Caribbean*
26. Richard Morgenstern [1995] Environmental taxes, Dead or Alive?
27. Ronaldo Seroa da Motta [1996] *The Economics of Biodiversity in Brazil: The Case of Forest Conversion*
28. Stefan Bach<sup>1</sup>, Michael Kohlhaas, Bernd Meyer, Barbara Praetorius and Heinz Welsch [2001]: The Effects of Environmental Fiscal Reform in Germany: A simulation study