

REPUBLIC OF RWANDA



FONDS D'ENTRETIEN ROUTIER

ROAD MAINTAINANCE FUND

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B.P. 6658 KIGALI.



FER WORK PROGRESS REPORT

Period: 1st July 2009 – 30th June 2010

August 2010

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1. FOREWORDS OF THE DIRECTOR GENERAL

The Road Maintenance Fund (FER) is an institution established by the law No.52 bis/2006 of 12/12/2007 documented in the official gazette of the Republic of Rwanda, to ensure collection and funding for the maintenance of road networks in Rwanda.

Ever since its establishment in 1998, the Road Maintenance Fund has achieved significant progress with regards to funding road maintenance, in spite of limited resources currently available.

The purpose of this report is to show the progress on the implementation of Road Maintenance Fund in Rwanda for the period starting from 1st July 2009 and ending 30th June 2010. This is the first budget year starting on 1st July of one year and ending 30th June of the following year in order to be in conformity with the East African Community System. This annual report is intended to inform our stakeholders and the public on the progress made in maintenance funding, the management of the fund and the challenges that we face.

From the time of its creation until now, FER has recorded significant achievements in terms of road maintenance and bridge rehabilitation. Unfortunately, these achievements are at a modest level in comparison to general maintenance requirements throughout the country. This modest level is the consequence of insufficient execution competence of contractors and the slow procurement processes on the side of our partners (MININFRA and MVK).

Efforts should be made in order to speed up the procurement processes and to make a good choice in selection of contractors to be awarded the road maintenance tender.

Road Maintenance Fund
Director General
Soteri GATERA

2. FER OPERATION FRAMEWORK

The Ministry of Infrastructure (MININFRA) is responsible for the overall formulation of policies for the road sector, as well as the implementation of road sector strategies (*maître d'ouvrage*). Formally it is responsible for the overall management of the classified road network. In line with government policy of decentralisation, district roads management is being handed over to the districts. It is in this regard, that the urban roads in Kigali are under the responsibility of Kigali City Council. The management of the rural feeder roads (non-classified) is vested in the Districts. This implies that two ministries are involved in the management of road sub-sector today, viz. MININFRA and MINALOC, which governs the districts and the City of Kigali.

According to article 3 of the law No.25bis/2006 of 12/12/2007 determining the attributions, structure and functioning of the Road Maintenance Fund (FER), FER shall have the main task of receiving, managing and the disbursement of funds for the maintenance of public roads as determined by presidential order.

FER ensures funding of road maintenance on the basis of an annual programme of activities prepared by department for roads in MININFRA, the Kigali City Council and the district authorities (*maître d'oeuvre*) and approved by the Cabinet Meeting.

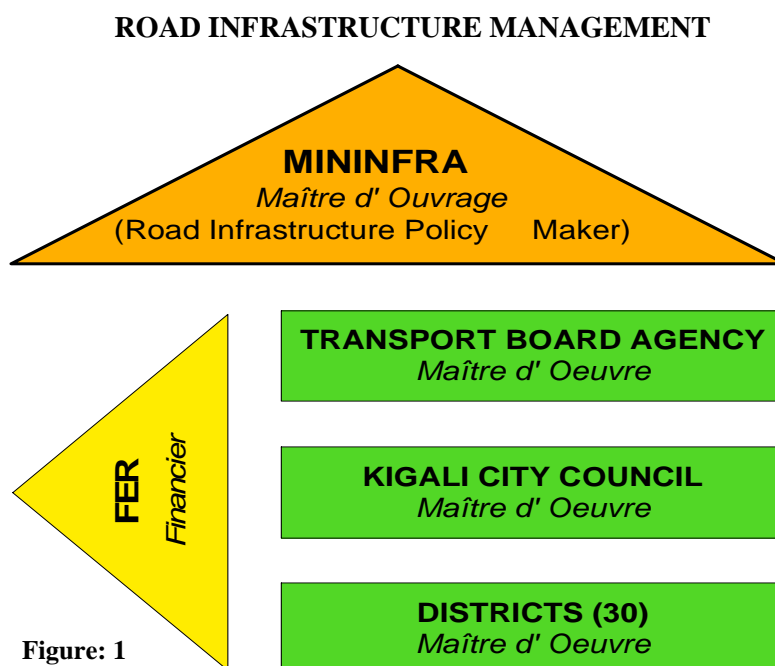


Figure: 1

2. 1. Road infrastructure

The length of the Rwandan road network is estimated to be about 14.000 km. Out of this road network, 4.698 km length were suggested by a study done in the year 2005, as maintainable and considered as classified Road Network. The proposed classified Road Network as a result of the 2005 study still requires the final and official consent by the parliament. Until the official approval of the above study, the specifications contained in it are regarded as generally binding.

Within classified road network, the MININFRA Transport Sub-Sector Plan (2008-2012) included urban roads of the country. The city of Kigali has a road network of 1.044 km length. This adds up to a total length of road network to be maintained by MININFRA, 5.742,00 km.

The table 1 below shows the different components of the network.

National road network	Paved (Km)	Unpaved (Km)	Total (km)
National roads / RN	1.074,70	1.784,80	2.859,50
District roads / RD	-	1.838,50	1.838,50
Classified road network, as proposed in the 2005 study	1.074,70	3.623,30	4.698,00
Kigali urban roads / MVK	153,2	890,8	1.044,00

The responsible authorities for the maintenance of classified road are:

- ◆ For National Roads (RN): MININFRA, Policy Planning and Capacity Building Unit (PPCBU).
- ◆ For District Roads (RD): An individual executive committee of 30 districts, governed by the directorate of infrastructure.
- ◆ For Kigali City Roads (Vairies de Kigali-VK): Kigali City Council, Infrastructure Department.

2. 2. Road sector financing

Transport sub-sector Strategic plan / MTEF

Recently in September 2008, MININFRA set-up a new Transport sub-sector Strategic plan 2009- mid 2012. The strategic plan is used to determine the aggregate resource envelope and is the basis for setting indicative planning figures for the Rwandan development budget for road construction, rehabilitation and maintenance.

MTEF provisions for road sub sector

The planning period of the current MTEF is 3 years (Middle of 2009 to middle of 2012). During this time, total expenditures are projected to be 69.25 billion RWF. Part of the maintenance works on the national road network is financed out of the national recurrent budget and the administration of these funds is under the responsibility of FER.

However the planning and implementation of the maintenance works is subject to the road authorities (MININFRA, Kigali City and Districts), as already mentioned above.

In normal circumstances, FER would finance emergency works, routine maintenance and periodic maintenance. Rehabilitation works and reconstruction works would be financed by the development budget, managed by MININFRA's road department.

Figure 2 shows the distribution scheme between the development and the recurrent budget.

Maintenance categories	Budget allocation
Reconstruction works	Development Budget MININFRA
Rehabilitation works	
Periodic Maintenance	RMF Recurrent Budget
Routine maintenance	
Emergency Maintenance	

The diagram illustrates the flow of budget allocation. A red arrow points from the 'Development Budget' (MININFRA) section down to the 'Recurrent Budget' (RMF) section. The arrow passes through a red 'X' symbol, indicating a transition or allocation point between the two budget types.

Figure 2

3. FER ORGANISATION

3.1. Attributions of Road Maintenance Fund

On 5th of November 1998 with the law no. 14bis/98, the National Road Fund has been renamed Road Maintenance Fund (FER) and the resources were fixed. The latest changes have been documented in law no. 52bis/2006 from 12th of December 2006, determining the attributions, structure and functioning of the Road Maintenance Fund.

In accordance to the newest FER-Law, article 3, FER shall have the main attribution of receiving, effectively manage and distribute funds for the maintenance of public roads which as determined by a Presidential Order.

It has the following particular attributions:

- To collect and effectively manage funds received from sources provided for by article 19 of this law;
- To collaborate with other relevant organs in preparation of road maintenance programs which are FER funded;
- To examine project studies and the bidding documents for road maintenance before launching tenders;

- d. To monitor the activities in technical terms and finance disbursed in order to ensure that activities are carried out as planned in the signed contract.

The Fund carries out payment for maintenance activities, monitoring, and technical as well as financial audits on the basis of invitations to tender, in conformity with the law regarding the awarding of public offers as well as the cost of the evaluations and programming of road maintenance activities.

3. 2. FER financial resources (recurrent budget)

Road Maintenance Fund's law defines by article 19 a number (11) of types of resources:

- ◆ State budget;
- ◆ Government / donor subsidies;
- ◆ Funds from activities performed by FER;
- ◆ Interest from investments;
- ◆ Road user charge levied on gas, oil & petrol;
- ◆ Road toll levied on foreign registered vehicles;
- ◆ Annual road toll levied on locally registered vehicles;
- ◆ Fines levied on overloaded transport vehicles;
- ◆ Compensation for damages caused to the road sector;
- ◆ Fines paid by persons who contravene the road traffic law;
- ◆ Donations & bequests.

The current revenues of the Road Fund are derived from (i) a petrol and diesel levy (at present FRW 62.37 Rwf per litre (€ 0.076) for both petrol and diesel), which is about 69.4 % of the revenues, (ii) a road toll (based on COMESA regulations) charged on foreign heavy vehicles (29.6 % of fund revenues), and (iii) a number of other sources (mainly fines paid for overloading vehicles and for contravening the traffic law). These other sources generate about 1 % of the total revenues.

Revenues from fuel levy and road toll levied on foreign registered vehicles are collected by Rwanda Revenue Authority (RRA) and transferred into the Road Maintenance Fund account held in the Central bank of Rwanda (BNR).

3.3. Road Maintenance Fund's objectives

The objectives of FER are:

- ◆ To follow and implement the government of Rwanda vision 2020 policies with regard to developing and maintaining road infrastructures
- ◆ To seek ways to broaden and review the existing revenue base and tariffs levied
- ◆ To undertake periodical reviews on the progress of the roads being maintained throughout the country
- ◆ To put in place efficient mechanisms for revenue collection
- ◆ To undertake quarterly and annual reporting on FER performances,

- ♦ To put in place and develop tools (program and financial tools) that will enable the Fund to meet its vision, goals and plans.

3.4. Organisational structure

FER is administered by a Board of Directors and is headed by a Director General being secretary of the Board of Directors. Seven members of the Board of Directors are appointed by an order of the Prime Minister.

According to the current organisation structure, 9 positions are put in place to carry out the attributions and tasks assigned to FER (see organisation scheme in Figure 3 below).

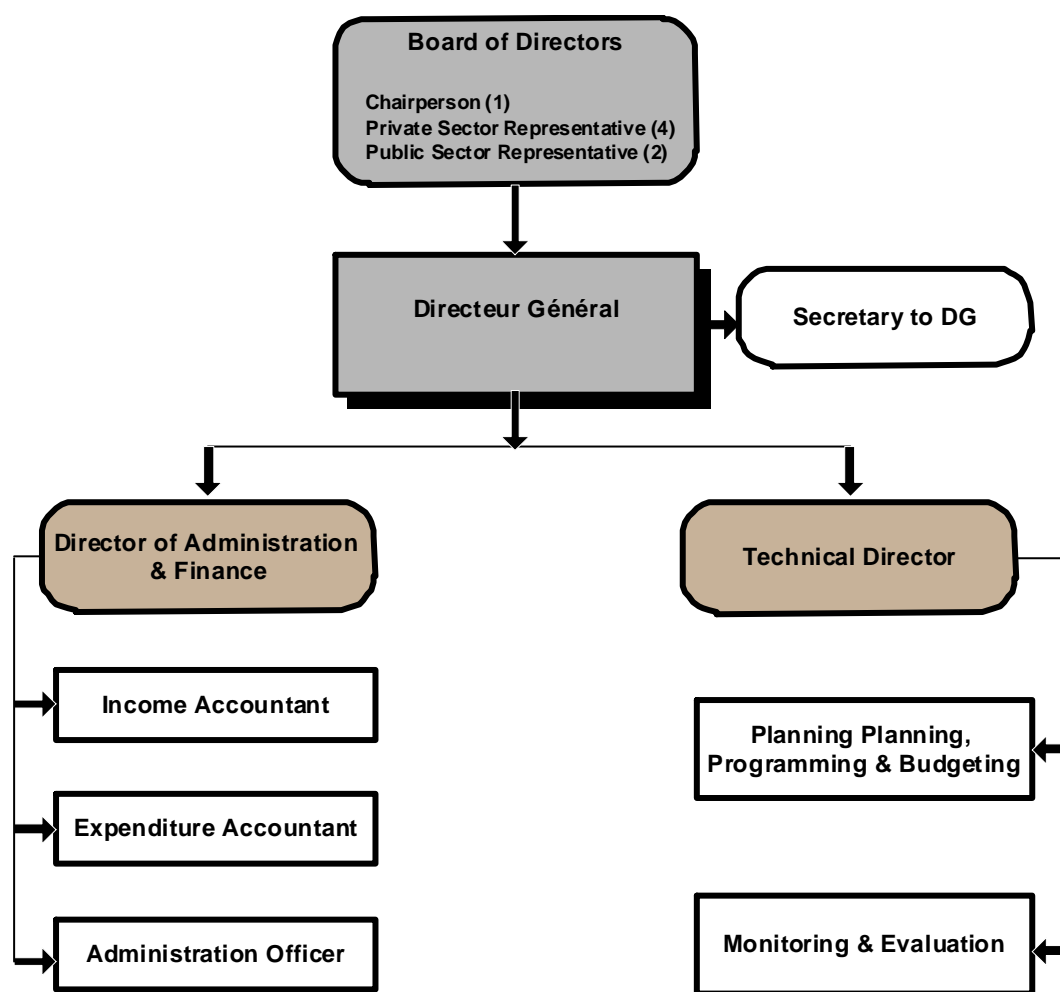


Figure 3

The positions of the Director General and the Director of Administration and Finance are vacant. The DAF left FER since June 2008 and recruitment process of another DAF is still underway, whereas the DG left in June and FER is waiting for a new DG appointed by the cabinet.

4. PLANNING 2009-2010

The revenues and disbursement shown in the tables below were planned for the fiscal year starting July 2009 and ending June 2010.

4.1. Planed Revenues in 2009-2010

	Description	Sources	Sums (M'RWF)
1	Cash balance brought forward (FY 2009-2010)	Taxes/FER	5,223,743,005
2	Interest from Investments	Taxes/FER	0
3	Road User Charge levied on gas, oil & petrol	Taxes/FER	11,364,03,546
4	Road Toll levied on foreign registered Vehicles	Taxes/FER	3,716,000,000
5	Annual Road Toll levied on locally registered vehicles	Taxes/FER	183,000,000
6.	Overloading and other penalties	Taxes/FER	0
7.	Others	Taxes/FER	0
	Total FER revenues		20,486,774,551
8.	State Budget (Subsidies)	Government	3,273,050,599
9.	Donors subsidies	Donors	-
	Total revenues 2009-2010		23,759,825,150

4.2. Planed disbursements 2009-2010

	Description	MINNFRA	Districts	Kigali Roads	Total (M'RWF)	%
1	Construction	0	0	2 880 000 000	2 880 000 000	12.12
2	Routine maintenance	777 661731	0	0	777 661731	3.27
3	Periodic maintenance	14 128 903 261	0	0	14 128 903 261	59.47
4	Emergency maintenance	733 000 000	0	0	733 000 000	3.09
5	Current maintenance	1 426 575 235	0	324 714 109	1 751 289 344	7.37
6	Project study, planning & supervision	348 756 891	0	40 000 000	388 756 891	1.64
7	Project supervision	472 669 502	0	273 680 000	746 349 502	3.14
8	Rehabilitation works	1 800 000 000	0	0	1 800 000 000	7.58
9	Arrears	250 000 000			250 000 000	1.05
10	FER Administration				303 864 421	1.28
	Total (M'FWR)	19 937 566 620	0	3 518 394 109	23 759 825 150	100

5. PERFORMANCE REPORT

5.1. Available funds as at 30.06.2010

	Description	Sources	Sums (M'RWF)
1	Cash balance as at 1 st July 2009	Taxes/FER	5,223,756,565
	Revenues up to 30.06.2010		
2	Interest from Investments	Taxes/FER	0
3	Road User Charge levied on gas, oil & petrol	Taxes/FER	9,281,311,499
4	Road Toll levied on foreign registered Vehicles	Taxes/FER	3,795,354,357
5	Road Toll levied on locally registered vehicles	Taxes/FER	2,559,543
6	Fine and other penalties	Taxes/FER	130,828,445
	Total FER's resources		13,210,053,844
7	State Budget (Subsidies)	Government	0
9	Donors subsidies	Donors	0
	Total revenues by 30.06.2010		13,210,053,844
	Total Funds available at 30.06.2010		18,433,810,409

5.2. Disbursement up to 30 June 2010(General overview)

Maintenance Type	Number of contracts	Total Contract amount (In millions)	Amount Paid before period of report (In millions)	Paid in period of report (In millions)	Total amount paid (In millions)	Balance (ongoing projects) (In millions)
Paved						
01 Routine maintenance	20	846,754	310,171	46,338	356,509	490,245
02 Recurrent Maintenance	5	2 752,035	468,061	944,708	1412,769	1 339,266
03 Periodic maintenance	1	0,884	0,865	0	0,865	0,019
04 Emergency works	12	1 809,631	870,135	402,262	1272,397	537,234
05 Rehabilitation works	3	505,175	172,801	0	172,801	332,374
06 Construction	10	8 547,201	3 099,214	1 722,560	4 821,774	3 725,427
10 Study & planning	2	82,112	18,365	18,365	36,730	45,382
11 Work supervision	6	827,848	26,111	515,689	541,800	286,048
Sum:	59	15 371,640	4 965,723	3 649,922	8 615,645	6 755,995

Maintenance Type	<i>Number of contracts</i>	<i>Total Contract amount (In millions)</i>	<i>Amount Paid before period of report (In millions)</i>	<i>Paid in period of report (In millions)</i>	<i>Total amount paid (In millions)</i>	<i>Balance (ongoing projects) (In millions)</i>
Unpaved						
03 Periodic maintenance	10	19 871,774	906,992	4443,379	5 350,371	14 521,403
04 Emergency works	27	2 719,246	663,709	810,127	1 473,836	1 245,410
11 Work supervision	15	2 109,890	412,442	488,513	900,955	1 208,935
12 Study & planning & work	8	1 308,179	173,380	354,527	527,907	780,272
Sum:	60	26 009,089	2 156,523	6 096,546	8 253,069	17 756,020
Sum projects:	119	41 380,729	7 122,246	9 746,468	16 868,714	24 512,015
FER Administration				144,803		
Total Sum				9 891,271		

5.3. Remarks on Technical and Organisational issues

Technical Assistance

The technical assistance of GTZ IS and SGI has contributed to the improvement of follow-up, monitoring and evaluation as well as the reporting of program execution through the development of Data Management System as a reporting tool. For the time being this FER DMS has been affected by the new installation of accounting software “Sage Pastel” which rendered the DMS inaccessible. It is highly needed to call upon the technical assistance to come and fix this problem.

Training of personnel

Recently, the road Maintenance Fund (FER) has made a significant progress in ensuring maintenance of roads in the country. The efforts are not only focused on the financial capability to improve the road asset management but also the capacity building of the key staff involved in these activities. It is in this context that Mr. Emile Patrick BAGANIZI; the road engineer (FER) has attended the short course on Road Sector Management in Stockholm/ Sweden from 17th August to 4th September 2008 and. Mr. Leonard TWAGIRUMUKIZA has attended the training on Road Management and maintenance technologies for Africa B, from 19th August to 19th September 2009 in Japan.

Reliability of planning documents

In normal circumstances the road maintenance program and budget would be prepared after the survey of road degradation by the road agencies (MININFRA and MVK) with out exceeding the ceiling. After the preparation, the program and budget are submitted to Road Maintenance Fund (FER) which in return sends it either to the board of directors for approval once it is acceptable or to the road agencies for review.

Once the program and budget is approved by the board it has to be sent to MININFRA so that the Minister of Infrastructure presents it to cabinet for approval.

For the time being, the program and budget that we are using has never been passing through these stages due to the fact that it was not sent in the format desired.

Difficulties in payment System.

By the beginning of 2009-2010 budget year, the ministry of Finance and economic planning automated smartgov our payment order generating system where by all taxes remittable to RRA are calculated by the system and deducted from the client's invoice automatically . However, special issues concerning contracts that involve advances, retentions and penalties deductions were not provided for in the system. For this reason, FER was exposed to problems of advances, retentions and penalty deductions from applicable invoices and till today the Fund has to first ask the ministry to do manual adjustments for applicable invoices to be fully settled. This renders delays in payment of such invoices.

FER has advanced the issue to MINECOFIN's smartgov coordinator for system adjustments that can allow the above mentioned deductions and the demand is still pending solution.

6. FINANCIAL STATEMENTS

Income Statements, from July 2009 to June 2010

6. 1. Statement of Revenue and Expenditure as at 30th June 2010

		FY 2009/2010 12 Months to 30 June 2010	FY 09 6 Months to 30 June
Descriptions	Notes	Amount in RWF	Amount in RWF
Revenues			
Cash transfers from Treasury-recurrent			-
Direct Payments			-
Inter entity transfers(Transfer from other Ministries)			-
Transfer from development budget			-
Grants from Donors (list per donor			-
Other income	2	13,210,053,844	3,723,290,250
Total revenues (A)		13,210,053,844	3,723,290,250
Expenses			
Wages and Salaries/Salaires	3	84,171,023	42,959,972
Social Security Contributions (GVT contributions)		3,345,424	1,726,698
Government contribution to RAMA		3,975,638	2,207,268
Purchases of goods and services	4	9,794,532,437	3,279,264,702
Exceptional expenses and others	5	2,337,975	5,237,954
arrears			
Interest on domestic debt		-	-
Interest on external debt		-	-
Transfers abroad		-	-
Membership fees	6	2,908,309	0
Social assistance to vulnerable groups			0
Capital expenditure			1,929,632
Domestic public debt principal amortization			
Amortization of external public debt			
Project/donor funded expenses			
Direct payments to the Ministries			
Total expenses (B)		9,891,270,806	3,333,326,226
Surplus/deficit for the period (C=A-B)		3,318,783,038	389,964,024
Fund balance at the beginning of year (D)	7a	9,187,737,974	8,797,773,950
Adjustment on opening balance (E)	7b	342,692,196	0
Fund balance at the end of the period(F=C+D+E)		12,849,213,208	9,187,737,974

6. 2. Balance Sheet

Financial Assets and Liabilities as at 30th June 2010

		FY 2009/2010 12 Months to 30 June 2010	FY 09 6 Months to 30 June
	Notes	Frw	Frw
Assets			
Cash at Bank	8	5,968,095,903	5,223,743,005
Cash in hand	9	72,000	13,560
Accounts Receivables	10	7,480,055,996	4,396,700,228
TOTAL ASSETS		13,448,223,899	9,620,456,793
Less: Liabilities			
Accounts Payables	11	599,010,691	432,718,819
TOTAL LIABILITIES		599,010,691	432,718,819
Net assets		12,849,213,208	9,187,737,974
Representing			
Accumulated surplus (Deficit) from previous years		9,187,737,974	8,797,773,950
Prior periods adjustments		342,692,196	0
Net surplus / (Deficit) for current Period		3,318,783,038	389,964,024
Total		12,849,213,208	9,187,737,974

NB: For the 12 months period ended 30 June 2010, FER had commitments amounting to

24,512,014,735 (Note 12)

6.3. Note to the Financial Statements

I. ACCOUNTING POLICIES

a. Basis of preparation

The financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial Statements and to comply with the requirements of Article 70 of the Organic Law on State Finances and Property: law No 37/2006 of 12 September 2006 and ministerial Order No 002/07 of 9 February 2007 relating to Financial Regulations.

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. In the context of ministerial Order no 002/07 of 9 February 2007 relating to financial regulations, the modified cash basis of accounting means financial transactions which are recognized as follows:

1. Generally, transactions are recognized only at the time the associated cash flows take place;
2. The expenditure on acquisition of fixed assets is not capitalized.
3. Prepaid expenditure/advances is written-off during the period of disbursement.

The recognized "modification" is as follows:

1. Invoices for goods and services which are outstanding on the date of the closure of the fiscal year are recognized as liabilities for that specific year;
2. Loans and advances are recognized as liabilities/assets at that time of disbursement and related interest is recognized only when disbursed. Interest payable on public debt is accrued; and
3. Book balances denominated in foreign currencies are converted into the Rwandan Francs at the rates of exchange ruling on that date issued by the National Bank of Rwanda. The associated exchange losses are recorded as recurrent expenditure while the exchange gains are recorded as recurrent revenue.

b. Reporting entity

The financial statements are for Road Maintenance Fund. The entity was incorporated in 1998. The principal activity of Road Maintenance Fund is to collect and effectively manage funds for the maintenance of public roads which are determined by Presidential Order. The entity is hosted in the building of Post Office located in Kigali at Kimihurura and falls under the Ministry of Infrastructure.

c. Presentation Currency

The financial statements are reported in Rwandan Francs, being the currency of legal tender in Rwanda.

d. Revenue

- **Cash transfers from Treasury**

These are budgetary allocations from central government and are disbursed directly to the bank account of the institution periodically. The budgetary allocation is mainly used to fund recurrent expenditure of the institutions. The receipts are recognized when the cash is received.

- **Direct Payments**

These are payments directly made to suppliers by Government on behalf of the institutions. Since May 2008, the suppliers were directly paid from Road Maintenance Fund's bank accounts through payment Orders from Smart Gov.

- **Inter-entity transfers from a Ministry/agency**

These are funds received from a budget agency and they are recognized when they are received.

- **Grants from Donors**

These are funds received from donors which are recognized as revenue when the institution receives the cash

- **Other Income**

Other income includes revenue on Axle Tax, Levy on petrol and diesel for road use, Road toll paid by foreign vehicles, penalties on contracts and other income.

e. Expenditure

Expenditure is classified according to major categories in line with Article 19 of Ministerial Order No 002/07 of 09/02/2007 relating to financial regulations. The main categories of expenditure includes salaries, goods and services, exceptional expenditure, interest payment, repayment of principal on debt, subsidies and current transfers and capital expenditure. Expenditure is recognized when payment is made.

f. Cash

Cash comprises of cash on hand and cash at bank.

g. Receivables

Receivables mainly relate to loans and advances which are recognized at the time of disbursement. Receivables also include amounts due to the budget agency as at the end of the reporting period.

h. Liabilities

These mainly relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for that specific reporting period. Liabilities also relate to loans and advances to the institution which are recognized at the time of disbursement.

7. SPECIAL REMARKS

7. 1. Increment of Fuel levy tariff

From July 2009, one of the sources of fund of FER has increase. This is the fuel levy which has increased 155.3%, meaning from 24.43 Rwf per litre to 62.37 Rwf per litre. The increment of the fuel levy tariff has a positive impact on the increase of the financial capability of the Road Maintenance Fund, which facilitates it to fulfill its mandate relevant to maintenance of the road network, on which the overall development of the country depends on to a large extent.

7. 2.

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8. CONCLUSION

The Road Maintenance Fund (FER) is one of the institutions that significantly contribute to the socio-economic development of the country.

Since its establishment in 1998, FER has achieved significant progress in ensuring maintenance of roads in the country despite its limited resources although efforts are underway to determine ways to increase its resource base.

In order to increase the FER's financial resources so as to enable this institution to fulfill its mandate regards to maintenance of the road network, on which the overall development of the country depends to large extent, executive measures should be taken.

The most reasonable proposal to increase resources of FER's budget is to raise the relevant tax base, since the existing taxes were established over 17 years ago and are no longer adapted to the current requirements.

In addition to this, the request should be made to the Government of Rwanda, to avail its contribution to the Fund

To ensure the smooth running of the fund, a lot of efforts are being made. It is in this regard that the Road Maintenance Fund developed a strategic plan that will enable to achieve its goals and objectives in the next five years.

APPENDICES

A.1 Notes to the financial statements

REVENUES

Note 2 - Other income

During the 12 months period to 30 June 2010, we received funds from various sources as listed in the schedule below :

Account N°	Account Name	FY 2009/2010 12 Months to 30 June 2010	FY 2009 6 Months to 30 June 2009
7114/711401	Revenue on Axles Taxes	2,559,543	11,029,777
7114/711402	Revenue on Fuel and Gazoil tax	9,281,311,499	1,883,752,346
7114/711403	Revenue on Road Toll tax	3,795,354,357	1,801,387,875
7123/670001	Other revenue	91,107,408	18,042,500
7123/670001&670002	Other revenue/Penalties on contracts	39,721,037	9,077,752
Total revenue		13,210,053,844	3,723,290,250

EXPENSES

These relate to payments as recorded in the cashbook of Road Maintenance Fund.

Note 3 - Wages and salaries

Account N°	Account Name	FY2009/2010	FY2009
		12 Months to 30 June 2010	6 Months to 30 June 2009
6109/610901/100	Wages and salaries (Gross)	72,282,447	37,620,894
6109/610902/100	Transport allowance (Lumpsum)	9,665,606	4,133,616
6109/610912/100	Terminal Benefits	-	-
6109/610914/100	Communication allowance	1,310,000	1,070,000
6119/611901/100	Wages and salaries (Gross)	912,970	706,640
	TOTAL	84,171,023	43,531,150

Note 4 - Purchase of goods and services

Account N°	Account Name	FY 2009/2010 12 Months to 30 June 2010	FY 2009 6 Months to 30 June 2009
6201/620101/100	Office supplies&Consumables(Stationary)	1,687,655	802,870
6201/620102/100	Cafetariat-Beverages,Tea,Coffee etc	803,750	168,700
6201/620103/100	Office supplies&Consumables(Cleaning)	178,300	0
6201/620104/100	Computer consumables	0	178,000
6202/620201/100	Water and Energy-Electricity bills	1,000,000	500,000
6204/620402/100&620402/100	Clothing&Uniforms/Other official Wear	0	0
6206/620601	Maintenance&Repairs/Administrative buildings	0	0
6206/620607/100/170301	Maintenance&Repairs/ Roads MININFRA	6,715,814,828	2,324,957,969
6206/620607/100/170302	Maintenance&Repairs Roads/ MVK	2,953,553,076	867,181,627
6206/620607/100/170303	Maintenance&Repairs/Roads DISTRICTS	77,100,175	66,541,588
6206/620611/100	Maintenance&Repairs/Office Equipment	882,050	801,503
6207/620701/100	Transport and travel-Domestic-Car Hires	4,645,110	2,581,740
6207/620702/100	Transport&travel/International Airfares	1,350,820	0
6207/620704/100	Transport and travel-Domestic Perdiems	639,960	436,000
6207/620705/100	Transport&Travel/International Perdiems	930,358	0
6208/620801/100	Rental costs/Office Rentals	16,194,596	0
6209/620901/100	Publications&Printing/Journals& News papers	2,803,521	2,435,260
6209/620902/100	Publications&Printing/Books	488,520	2,547,504
6209/620904&06/100	Publications&Printing/Passports, National IDs&Driving Permit/Postmark	143,100	130,000
6210/621001/100	Domestic entertainment costs	170,994	262,000
6210/621003/100	Adverts and announcements	0	28,320
6210/621005/100	Hire of conference rooms	0	960,000
6210/621007/100	Public relations/Official Receptions	0	0
6210/621009/100	Public relations/Public Holidays Ceremonies	0	0
6211/621101/100	Communication costs/Postage&Courier	556,506	132,384
6211/621102/100	Communication costs/Fax and Telephone	1,260,000	500,000
6211/621103/100	Communication costs/Internet Cost	607,400	371,700
6212/621201/100	Professional Services/Consultants' Fees	3,987,757	432,297
6212/621202/100	Professional services/Translation costs	0	1,620,800
6212/621204/100	Professional Services/Accountancy& Audit	9,277,477	0
6214/621401/100	Training Costs/Trainers' Fees and Expenses	456,484	835,440
6214/621403/100	Training related costs	0	0
6216/621608/100	Other G. Supplies/Casual workers	0	0
6216/621609/100	Other General Supplies	0	0
6218/621801/100	TIG Expenses (Food Supplies,Vehicle hire etc)	0	4,859,000
	TOTAL	9,794,532,437	3,279,264,702

Note 5 - Exceptional Expenses and Others

Account N°	Account Name	FY 2009/2010	FY 2009
		12 months to 30 June 2010	6 Months to 30 June 2009
6299	Miscellaneous Expenses	124,691	4,449,894
6299/629901	Bank charges & Commissions	113,284	73,060
6299/629908/100	Miscellaneous exp./Sitting Allowance	2,100,000	715,000
6299/629909/100	Miscellaneous exp./RRA revenue collection fee	0	0

Note 6 - Membership Fees

Account N°	Account Name	FY 2009/2010	FY 2009
		12 months to 30 June 2010	6 Months to 30 June 2009
6512/651202/100	Subscription to Regional Organisations (ARMFA)	2,908,309	

Note 7a – Fund balance at the beginning of the year

These include cashbook reconciled balances, petty cash balances, accounts payables balances as well as accounts receivables balances.

Source of funds	FY 2009/2010 As at 01 July 2009	FY 2009 Balance as at 01 January 2009
Cash at Bank	5,223,743,005	4,361,518,216
Cash in Hand	13,560	61,452
Accounts Receivables	4,396,700,228	4,861,226,055
Accounts Payables	(432,718,819)	(425,031,773)
TOTAL	9,187,737,974	8,797,773,950

Note 7b – Adjustments on opening balance

Description	Amount RWF
Adjustment on Roads' advances recorded as expense in previous periods (2008)	342,692,196
TOTAL	342,692,196

Note 8 – Cash at bank

The bank amounts shown in the table below have been reconciled to the bank statements as at 30 June 2010 and 30 June 2009.

Account N°	Account Name	FY 2009/2010 12 months to 30 June 2010	FY 2009 6 Months to 30 June 2009
511703/51170301	BNR FRW- 1250015 (a)	3,968,160,903	3,223,782,005
511703/51100302	BNR FRW-1250016(a)	0	0
511703/51170304	BNR FRW- 1250017 (a)	1,999,935,000	1,999,961,000
	TOTAL	5,968,095,903	5,223,743,005

Note 9 – Cash in hand

The petty cash balance amounts as at 30 June 2010 shown in the table below has been reviewed by the Chief Budget Manager and a petty cash count certificate is included as an appendix to this report.

Account No		FY 2009/2010 Balance as at 30 June 2010	FY2009 Balance as at 30 June2009
541703/54170301	PETTY CASH	72,000	13,560
	TOTAL	72,000	13,560

Note 10 – Accounts receivables

Account N°	Account Name	FY 2009/2010 12 months to 30 June 2010	FY 09 6 Months to 30 June
3100	Receivables Account	234,320	234,320
3100/310001	Debtors as at 31/12/2006(2)	3,484,062,444	3,484,062,444
3100/310002	Other debtors as at 31/12/2006	4,717,400	4,717,400
3101	Receivables from RRA-FUEL	462,185,830	0
3102	Receivables from RRA-ROAD TOLL	47,241,908	0
3150	Contractor's advances on roads maintenance works	3,225,204,584	651,276,554
3150/315001	Contractor's advances on roads maintenance works before 2007	256,409,510	256,409,510
	TOTAL	7,480,055,996	4,396,700,228

(2) These are mainly government borrowing from the National Road Maintenance. When FER took over National Road Maintenance it also inherited both the assets and liabilities in 1998. Road Maintenance Fund has written to MINECOFIN for advice and authorization to provide for these bad debts; both the board and Ministry of Finance are aware of this issue.

Note 11: Accounts payables

Account No	Account Name	FY 2009/2010 12 months to 30 June 2010	FY 2009 6 Months to 30 June 2009
4300	Other Payables	0	10,666
4350	Retained Guarantee	493,862,880	253,584,359
4350/435001	Retained Guarantee & other payables before FY07	104,109,794	179,109,794
4400/440007	Payroll Liabilities/CSR Contribution Payable	1,038,017	0
3200	Payroll Advances	0	14,000
	TOTAL	599,010,691	432,718,819

Note 12- FER's Commitments on road maintenance contracts as at 30 June 2010 (off balance sheet item)

Payables on roads' contracts (4310): This is the account in which amounts payable on roads' contracts are recorded. It increases when new contracts are signed and decreases when payments are made. Though the balance of this account is not a genuine payable, it indicates outstanding amount on various contracts for roads to be maintained through FER'S money, and it enables the follow up of each road project funded by FER.

Roads' contracts –Control account (3500): This account has been created for the purpose of controlling works status, at a given period, on various roads' maintenance contracts to be funded by FER. The balance of this account should be equal to the outstanding amount on road's contracts not yet paid (Amount payable on roads contracts signed by FER for funding). Being a control account, it enables the follow up of each road project funded by FER.

A.2 Photographs



PERIODIC MAINTENANCE OF KIBUNGO – RAMIRO ROAD





RECURRENT MAINTENANCE OF KIGALI – GITARAMA ROAD





EMERGENCY WORKS OF ROAD RESTORATION AT PK 2 OF MUSANZE – CYANIKA ROAD



EMERGENCY WORKS OF BUGESERA BRIDGE REHABILITATION



EMERGENCY WORKS OF GISWI – UWINTEKO ROAD DIVERSION



PERIODIC MAINTENANCE OF BUTARE – KIBEHO – MUSE ROAD (ONGOING)



CONSTRUCTION OF ASPHALT CONCRETE ROADS IN KIGALI CITY (RDB – TELE 10 ROAD AND POLICE HOSPITAL & HEADQUARTERS ACCESS ROADS)





CONSTRUCTION OF STORMWATER DRAINAGE SYSTEM AT KAJEKE IN KIGALI CITY

