Capacity Building Program for the development of a system of **Payment for Environmental Services** in Rwanda

Key financial Elements of the PPES.

Zoila Rodríguez Tencio, Chief of the Finance and Accounting Department, FONAFIFO
Key elements for the Financial Management of the PPES

1. Legal framework
2. Information System
3. System for the Financial Management
   - Plan-Budget
   - Treasury
   - Accounting
Key elements for the Financial Management of the PPES

1. Legal framework

- Forestry Law No 7575 and its regulation.
- Law 8114 “Fiscal simplification and efficiency”.
- Regular Budgets Law for each economic exercise.
- Executive Decree / Administrative guidance for PPES every year.
- Executive Decree N°32868 ``Water use tariffs``
- Procedures Handbook for PES.
- Regulation for the operation of the sole cash principle
- Guidance from National Comptroller’s Office.
- Guidance from Budget Authority.
- Guidance from National Directorate of Public Budgets.
- Guidance from National Treasury.
- Guidance from National Accounting.
Key elements for the Financial Management of the PPES

2. Information Systems

MANAGMENT OF ENVIRONMENTAL SERVICES CONTRACTS

➢ Contracts
➢ Disbursement Programming
➢ Amounts to be paid
➢ Payment Modalities
➢ Expiration dates
➢ Beneficiaries
➢ Banking Accounts
Key elements for the Financial Management of the PPES

2. System for the Financial Management

- **Budgets**: Subsystem that includes the principles, techniques, methods and procedures used in the process of formulation, discussion, approval, implementation and budgetary evaluation.

- **Treasury**: Subsystem that includes the legal regulations and procedures used in the reception, follow-up and control of financial resources and payments.

- **Accounting**: Subsystem that includes the principles, legal regulations and technical procedures to compile, review, process and control all economic transactions.

**Financial Management**: System that includes the range of legal regulations, principles and procedures used in the process of planning, allocation, use, registry, control and evaluation of financial resources.
Key elements for the Financial Management of the PPES

1. **Planes**
   - Strategic plan
   - POI

2. **Financial Planning**
   - Generation of financial information
   - Budgets

3. **Treasury**
   - Banking (Central)
   - Fiduciary

4. **Management Control**

5. **Ministry of Finance**
   - Policies
   - Procedures
   - Controls

6. **MINAET**
   - Policies
   - Procedures
   - Controls

7. **Accounting**
   - Registration

8. **MINISTRY OF FINANCE**
   - Registration

9. **MINISTRY OF ENVIRONMENT**
   - Registration

10. **SwedBio**
Thank You

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