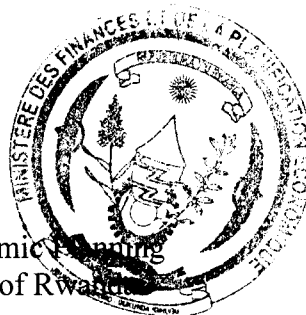




**XXI Development Partners Coordination Group Meeting
held on 22 April 2005, at 10:00
at the UNDP (OCHA) Conference Room
Kigali, Rwanda**

**MEETING MINUTES
FOLLOW-UP MATRIX
LIST OF ATTENDEES**

Secretary General
Ministry of Finance and Economic Planning
Government of the Republic of Rwanda



Co-Chair of the Development Partners Coordination Group

UN Resident Coordinator
UNDP Resident Representative
Kigali, Rwanda

Co-Chair of the Development Partners Coordination Group

Agenda Item #1. Introductions

The Chair of the meeting requested that first-time attendees of the DPCG introduce themselves.

Agenda Item #2. Review and Adoption of March DPCG Minutes

The Chair reviewed the March DPCG Minutes page by page and asked for comments, if any:

- Comment made regarding unclear language used to describe the type of vehicle preferred by the government. SG MINECOFIN apologized for delay on handing over vehicles. It was mentioned that the savings are considerable and will help the Government. The GOR will write correspondence officially to clarify size of vehicles preferred, and inform responsible authorities to send donors the appropriate official communications. The ministries are also being affected, and have been sharing vehicles from projects. Apologies were presented to the donors for any inconveniences.

Minutes were adopted with no changes.

Agenda Item #3. Follow-up from last DPCG

Aid Policy Document (SG MINECOFIN)

SG MINECOFIN presented an update on progress on the Aid Policy Document (APD) on behalf of the Director of the External Finance Unit (EFU), who was on mission outside of the country: At the beginning of the year, MINECOFIN created a new EFU department. MINECOFIN had done previous work on this sort of policy, but now wishes to come up with a policy that will guide them. The EFU is putting together material on best practices on aid coordination and aid policy. MINECOFIN has been looking at: Tanzania, Uganda and Mozambique. Taking into account discussions in Gisenyi at the Development Partners Retreat, the GOR wants to come together on a comprehensive policy for all different types of support. MINECOFIN wishes to capture all elements and concerns of various departments, and find a policy that takes into account how all types of cooperation and national resources can support GOR programmes. The process for putting this policy together must be defined carefully and will engage all DPCG members.

Preparations are underway so that, by June, three consultants will be hired to focus on the following crucial areas:

- Public Financial Management and Aid Delivery
- Macroeconomics Analysis of Aid – including debt relief
- Aid Management, institutional reform and donor harmonization and coordination

MINECOFIN will try to meet the proposed deadlines. The Policy is owned by the government. Whatever the consultants give MINECOFIN will be an input into the policy that is developed by GOR.

Director a.i. of the EFU added that in designing the TORs, the EFU wished to make it comprehensive. At this point, however, timing is a concern. The original plan was to present the APD at the DPM. Because MINECOFIN would like to receive the inputs from development partners that will be directly affected, the timeline may be too short. This Policy should reflect the aspirations of the GOR, but should take into account the need to achieve government-wide support, including line ministries. MINECOFIN has shared these TORs to get feedback with development partners and line ministries. Partners were invited to contribute so that the EFU can refine the development of the APD TORs that will help guide the GOR in this process. Partnership is important in the process.

The chair of the meeting requested comments from members of the DPCG, and asked that the APD timeline be added to the Harmonization Calendar once it has been set.

Donor Comments on APD

The partners congratulate the GOR for taking this initiative and coming this far. GOR has had MoU with Sida, UK, Netherlands, and the dialogue of coordination has not been perfect. The three aforementioned bilateral donors wish to perform a study to evaluate the effectiveness of these MOUs. They have asked Prof. Tony Killick to look at better coordination and better alignment with the GOR, as well as security of cash flows. This study was overtaken by events and now wish to have the study relate to the development of the APD. Upon request, the chair accepted to have Prof. Killick say few words on the APD:

- Prof. Killick was a member of the original Independent Monitoring Group (IMG) in the mid-1990s in a time of crisis between the Government of Tanzania (GOT) & Donors. This was a good model at the time, and a similar group was convened in 2001. In particular, the GOT was looking at the development of their Tanzania Assistance Strategy (TAS), which the DPCG has already heard about at the Gisenyi retreat. Improvements included the fact that the GOT had developed their own TAS in collaboration with the donors, but in the end presented their own point of view. Unfortunately, Prof. Killick believed that the GOT was not strong enough and sufficiently challenging to the donor ideas presented in consultations. He wanted to draw attention to what he sees personally as some key differences between the two cases:
 - The level of organization and coherence between donors had reached higher levels in Tanzania than it has here, despite all the good work that has been done. Donors had developed a code of good practices and used peer pressure to implement these practices. An implication of this may be that it will be more difficult to develop a consensus document here.
 - Aid in Tanzania was less political than it is in Rwanda. Aid decisions are strongly influenced by regional implications here. If one wants to move to an APD, it is important to recognize that this policy should be developed in a consensus building manner.
 - By the beginning of this decade, greater levels of mutual agreement and trust existed between the GOT and donor community. On both sides, there was a greater willingness to come to an agreement and levels of dialogue were equally developed. Even so, GOT took several years to create their TAS. I am not suggesting to take several years with this APD, but wish to stress the importance of building consensus and maintaining government ownership. Also important to use the development of the JAS as a tool for mutual accountability based on the Paris Declaration.
 - Last, an important feature of the TAS was that it was a living document. He would suggest periodic and not infrequent reviews of the APD once it is developed.

The Chair agreed with the points made by Prof. Killick and thanked him for his inputs. He urged that the process of developing this APD should reflect the realities in Rwanda. Levels of coherence between donors are not at the desirable level, yet. Colleagues from the EFU will be leading this process and will be holding consultations with partners between DPCG meetings to make sure the process is accelerated. The DPCG expects from EFU a calendar of these consultative meetings, and timeline for comments on the development of the APD.

One donor representative stressed that the APD is one of the most important documents brought to a DPCG meeting. Also, the representative congratulated the government on reaching the HIPC completion point. This means that the GOR will have to mobilize increasing donor support in the form of grants. The APD, as it develops, will be an important tool. Policies need to be realistic and implementable; one way is to make sure that interested stakeholders are involved. Proposal that there will be a series of meetings for the process of developing the APD is welcome. It is unlikely that GOR and donors can get past a Framework by the DPM, but this would still be a major step forward. A suggestion was made for a phased approach involving major stakeholders. Donors need to be able to sign up to the policy as much as GOR needs to own it. The political dimension points to specific sets of principles & procedures. Rwanda is a very special case and a special context.

Another donor representative echoed that the timing issue is quite relevant. The DPCG has seen good harmonization initiatives that have resulted only in documents. In time, as donors, we should be actively involved. Most of the donors will be on holiday during the summer and hope to have the time for consultations. Regarding Prof. Killick's point on the political nature of aid in Rwanda, donors have been going through some critical discussions with GOR, and difficult dialogue is not necessarily bad. The GOR has kept a good and open relationship with donors. Ministers here are accessible and willing to share. We should build on this relationship.

SG MINECOFIN added that the APD is not a document like others. It is important to give comments. The GOR needs the APD to guide Rwanda. The policy should be a living document.

Civil Society Participation in the DPCG process

A representative of the Network of International NGOs (NINGO) stressed the importance of civil society representation in the DPCG process. Civil society is an important development partner. In addition to government and donors, the NINGO and Local NGO network should be launched as civil society platforms.

SG MINECOFIN agreed that this point is very crucial. Procedure should be setup for DPCG membership. The DPCG should include Private Sector, INGOs and National NGOs. The civil society platforms should choose representatives democratically, so that the representative from these three platforms can report back and represent their collective views. Permanent members of the DPCG will receive invitations to every DPCG meeting, and depending on the subjects to be discussed, others can be invited as well. DPCG should include National and INGOs and private sector as permanent members.

The Chair of the meeting emphasized that it is important to finalize DPCG TORs and adopt them at the next DPCG meeting. He solicited comments on the draft TORs distributed in the background materials.

APRM Progress (SG MINECOFIN)

The Chair added to the agenda a brief report-back on the status of the APRM. SG MINECOFIN stated that a team of 16 people chaired by panel of imminent persons are reviewing the self-assessment of the GOR. On the agenda of Heads of State Meeting is a progress report on the APRM. Rwanda has undergone process of self-assessment and given their final report. Final review for the Heads of State forum and peer review for Rwanda is being finalized. Work in Tanzania & Ghana should be complete by end of May. Kenya should be finished by July, and Mauritius by end of June.

Work by these external review teams is very important. They will also assess progress-made up to the next review meeting. Progress will be monitored according to the implementation of various programmes, including infrastructure (ICT) and peace & security. Included in this review are the modalities of work with IFIs such as IMF & WB. Work for the the Commission on Africa was also discussed. It is important for the AU to give comments on the report, including the three areas of financing responsibility and international taxation and drawing rights. The millenium report on MDGs was discussed; a meeting will be held in September regarding this report. Meetings on April 11th and 12th approved the extension of the PRGF programme and was extended for another 6 months.

HIPC Completion Point (SG MINECOFIN)

IMF programme started in 1991 but stopped for some time during Genocide and restarted in 1998, a decision point was reached in 2000. After this, some of the requirements were identified, including progress in social sector, and at least 1 year implementation of a full PRSP. By end-June last year, there was delay of disbursements.

The Chair asked how much new funding this means for the GOR. SG MINECOFIN stated that the GOR will save from debt payments, securing an additional 8 million USD per year that would have had to be paid, and will use these funds for poverty reduction now that the GOR has reach the HIPC completion point.

Harmonization of Basket Funds (RR/RC UNDP)

The Chair introduced the issue of harmonizing basket fund modalities to the DPCG, since the Health and Education sectors have already begun advanced work on this. He made the suggestion that the DPCG task the HARPP forum to take on these modalities of basket fund mechanisms. The main idea is to come up with standardized management system for basket funds that can be used to support a sector or sub-sector. In collaboration with MINEDUC, MINECOFIN has developed a good report on this (Mick Foster report on external aid to the education sector) and can be used as basis for the development of standard modalities.

A question was raised regarding how project support donors will be able to play a role in this. The response was that basket funds are linked to strategic plans, so certain lines can be financed through projects within the agreed plan.

The SG MINECOFIN added that the more we discuss this, the more we need to see policy guidelines on aid. APD should clarify procedures and management of these processes. The SG requested some input from Prof. Killick: Basket funding is very useful for moving from a purely project-oriented approach. It is however very difficult to work with. Probably all the donors will insist on some project support outside of the basket. One has to be realistic when considering what can be achieved and how quickly can it be implemented.

A multi-lateral donor representative expressed that it favors the option of general budget support. The representative added that when talking about aid, everything should appear in the budget. Another donor commented that the GOR made their preference at the end of last year for general budget support. This is seen as a learning step that is difficult for a few donors, but good for the country. Another comment was made regarding the different modalities of support that should stem from investments on the revenue side in comparison to the capital side. Another donor provided a word of caution that this type of process often depends on the slowest donor.

SG MINECOFIN added that to finance the PRS, there has to be way to ask donors to finance specific programmes that are under the PRSP. Some of the resources for projects are not being captured by MINECOFIN. Agreeing on these modalities would be the best way of coordinating the incoming resources. We are halfway there from project to programme to sector support. We want to make sure to have a system to account for all these resources. All investments should appear in the budget in line with the PRSP.

The Chair suggested we move forward on harmonizing basket fund modalities with the leadership of the EFU at MINECOFIN, and the Belgians and DFID on the donor side due to advanced work in the health and education sectors.

Visit of NEPAD Review Team (Executive Director of NEPAD Secretariat)

The purpose of this visit was to thank the development partners for their support of this process, and the second was to present the NEPAD review team to the DPCG. The team will identify issues to validate the workshops and have a broad participation; after the validation, the team will compile additional information that will help them to prepare the final report. Exactly the same way as an external audit report, the report is sent back to the country reviewed. The whole idea of the process is to identify strengths and weaknesses of the countries under review and share experiences. The members of the DPCG were invited to contribute to this process. The programme of action can be shared by the government. We found that some of the problems that Rwanda is facing are being considered for action.

The SG MINECOFIN added that Rwanda joining the APRM is taken very seriously. The efforts of this review team are crucial. The GOR would like to identify these weaknesses and draw up a plan of action to see how to implement interventions to take these on. There are some things we can share with others, and some aspects we can learn from. For example, other countries have learned about the Gacaca process here, and have expressed interest in duplicating this idea for reconciliation in their respective countries. UNECA & ADB are helping the GOR after the self-assessment report to make sure that everything has been addressed correctly and GOR can send the report.

PRS II Roadmap (SPPMD, MINECOFIN)

In the background documents provided at the meeting, there were two sets of calendars: one general DPCG harmonization calendar, and one detailed PRSP Timeline. SPPMD representative gave a few brief comments on the roadmap to the finalization of the PRSP II. The GOR, in consultation with donors, decided that the PRSP II will be finalized in early 2007. The PRS Annual Review and Mid-Term Reviews will feed into the development of the PRSP II. The GOR has already started sector reviews and macro-review. This year, the GOR will be slightly behind schedule in reviewing all sectors by the end of April; the GOR will be able to have a final APR by the end June. Validation workshop, that is indicated to occur in April, will be delayed. Review of PRSP I will have 2 parts: sector reviews and independent evaluation of PRSP I and institutionalization of the PRS. MINECOFIN hopes that by January 2006, the independent evaluation will have taken place. The GOR wishes to also identify the best way to achieve growth rates and will start by May-June and present to council of ministers next year. Will have first draft of PRSP II by 2006 DPM and hope to have final PRSP II by March 2007.

The Chair commended SPPMD for the changes in the timeline since the Gisenyi calendar was first drafted, especially for the allocation of more time to the development of the PRSP II.

Silent Period (SG MINECOFIN)

SG MINECOFIN informed the DPCG that the GOR has not come to a decision concerning the Silent Period. It was agreed that the SG will propose to the GOR a silent period. The suggestion agreed to in the DPCG was to have a silent period for the last 2 weeks of August and all of September. This year, the GOR wants to do budget consultations differently. MINECOFIN team will be very busy during the budget planning time. Budget has to be in parliament by 5 October. The silent period will have to be really serious in September because everything needs to feed into the budget. This will be a time for donors to reduce number of missions as much as possible so that there are no missions in September.

A concern was raised regarding the timing of the DPM so close to budget preparations, influencing the amount of preparation time.

It was noted by a donor representative that an IMF review was scheduled for September. SG MINECOFIN responded to this statement by clarifying the importance of the macro framework in relation to budget preparations, and therefore the need for the IMF review at this time. PRSC is part of the budget process as well, because we need them to understand how we prepare our budget. The silent period is for any activities not directly related to budget preparations.

Agenda Item #4. Report Backs

Budget Support and PFM Review (Director of Budget, MINECOFIN)

The report from this review is done and should be distributed ASAP. In March, we conducted BS & PFM review. The main objective was to arrive at a harmonization framework, predictability of disbursements and look at the achievements made in PFM. The reports were focusing on public spending & poverty reduction. The report also focused on the background, achievements and challenges of PFM reform and improving economic & financial governance. The review was successful because there was a lot of information to be shared. It assessed the outputs achieved as a result of the harmonization framework, and the way forward for the PRS II.

“Quick Wins” Session on Addressing Capacity Gaps (UNDP RR / UNRC)

The Chair provided a brief summary of the purpose and origin of the “quick wins” session held in March. The following items were identified as follow-up to the session:

Health Cluster should follow-up on the report SG Karenzi has agreed to do, regarding a costed plan for addressing capacity gaps in the Health Sector. Bottlenecks in the Public Service Sector were also addressed. Discussions were held around the development of standard pier diem policy and contracts, there is a need to streamline this as quickly as we can. SG MIFOTRA had agreed to move forward on this. Charles Karake, the Director of the Human and Institutions Development Agency (HIDA)

presented on the Multi-Sector Capacity Building Plan. HIDA is considering how best to engage donors in this programme. Please refer to follow-up matrix at the end of the report in the materials provided.

DPCG Annual Report

SG MINECOFIN requested that the Aid Coordination Unit prepare an annual report for the DPCG, starting with 2004. The annual report should be finalized by the end of May.

1st Steering Committee Meeting for Improving Aid Effectives Project **(Head of Aid Coordination Unit)**

Minutes have been distributed. The meeting reviewed achievement throughout the year in 2004, and can be consolidated in the annual report of DPCG. The Aid Coordination Unit will continue support and facilitator role in terms of aid coordination and harmonization mechanisms, and support to clusters, and will try relaunch the HARPP and BSHG. It will also work closely with the External Finance Unit to develop the APD. It is envisaged that the Unit be transferred to MINECOFIN during the course of the year.

The Chair stated that the DPCG is generally pleased with the achievements of the secretariat. He supported the idea that other donors join the steering committee financially and politically providing guidance and direction. He also stressed the importance of greater involvement and leadership in the process by the WB, EC, and IMF. He thanked the key donors for their continued support and leadership.

Private Sector (RPSF and USAID)

RPSF: The Rwanda Private Sector Federation (RPSF) thanked the DPCG for including Private Sector in this process and bringing these issues on board. The involvement of the RPSF with the Government on Public-Private Partnerships has brought on to their agenda a development role and improving the ability for business to grow. With that in mind, the RPSF has developed a 3 year strategic plan and has discussed some of the programmes on that plan. The chairman of the RPSF has done a country-wide tour to disseminate information on the major components of the plan. The major focus of the plan is in business development services. Last week, the RPSF held a workshop and most development partners were involved. The main output is to setup business development centers that can be easily accessed and penetrate into the rural areas.

USAID: One of the objectives from the Gisenyi retreat was to develop a clear plan for the Private Sector Cluster. The cluster discussed the new RPSF Plan in order to get a clear picture of the Private Sector development in Rwanda.

SG MINECOFIN added that the Private Sector is on the agenda because the GOR is in a phase of sustainable development. What are the sources of growth and who should be driving this process? Rwanda needs sustained GDP growth of at least 7%. Government will lead this process until 2010, but then private sector is supposed to take over. Emphasis on export production, energy & transport, etc... The GOR wants the private sector to participate more in the budget process, in order to complement each other on development issues. This forum should examine the RPSF strategic plan, and hold special session to present it. Sustainability of the Private Sector is important. RPSF will be the engine of growth.

Agenda Item #5. Announcements

Gender Audit (Senior Social Development Adviser, DFID)

Sub-committee of gender cluster is leading audit. Two consultants have been tasked with it. A briefing note on the Gender Audit was circulated that clarifies key questions. Feedback was requested.

Agenda Item #6. AOB

On behalf of the Diplomatic Corps, the Belgian Ambassador thanked Macharia Kamau, the UNDP Resident Representative and UN Resident Coordinator, for his leadership in this DPCG process. Mr. Macharia Kamau will be leaving his post at the end of April.

DPCG MEETING FOLLOW-UP MATRIX		
Follow-Up Action(s)	Responsibility	Action to be complete by:
Disseminate Budget Support & PFM Review Report to Development Partners	Budget Department	End-April
Provide feedback on gender audit	Interested Development Partners	End-April
Add APD development timeline and series of consultative meetings to the Harmonization Calendar	External Finance Unit Aid Coordination Unit	Mid-May
Decide on appropriate forum to follow-up on “Quick Wins” Session on Addressing Capacity Gaps	Aid Coordination Unit	Mid-May
Draft First DPCG Annual Report for 2004	Aid Coordination Unit	End-May
Convene workshop to launch PRSP II process	SPPMD	End-May
Send official correspondence to donors regarding preferred size of vehicles to be purchased for the GOR	MINECOFIN, MININFRA	June DPCG
Add APD development timeline to the Harmonization Calendar	Aid Coordination Unit	June DPCG
Finalize and adopt DPCG Terms of Reference (including membership of INGOs, Nat'l NGOs and Private Sector)	Aid Coordination Unit	June DPCG
Convene HARPP meeting for harmonization of basket-fund modalities	EFU, DFID, Belgian Cooperation	June DPCG
Report by GOR on adoption of the DPCG established silent period (Aug 15 to Sept 30)	MINECOFIN	June DPCG
Invite EC, WB & IMF to join steering committee on aid effectiveness in Rwanda (Project 00040553)	Aid Coordination Unit	June DPCG
Disseminate RPSF strategic plan to all development partners	RPSF, Aid Coordination Unit	June DPCG

List of Attendees

(by Organization)

	Full Name	Job Title	Organization
1	Dirk Brems	Cooperation Attaché	Belgian Embassy
2	H. E. Marc Gedopt	Ambassador	Belgian Embassy
3	Dirk Heuts	Cooperation Counsellor	Belgian Embassy
4	Julie Fournier	Second Secretary, Development Cooperation	Canadian Embassy
5	Claudia Lormann-Nsengiyumva	Country Director	DED - German Development Service
6	Colin Kirk	Head of Office	DFID - UK Department for International Development
7	Judy Walker	Senior Social Development Adviser	DFID - UK Department for International Development
8	Mr. David MacRae	Head of Delegation	EC - European Commission Delegation
9	Alessandro Villa	Counsellor	EC - European Commission Delegation
10	Jean-Baptiste Luciani	Cooperation Attaché	French Embassy
11	Mr. Hans von Schroeder	Deputy Chief of Mission	German Embassy
12	Dr. Petra Windisch	Country Director	GTZ - German Agency for Technical Cooperation
13	Landis MacKellar	Consultant	HIV/AIDS Cluster study on Donor Coordination
14	Tilla McAnthony	Consultant	HIV/AIDS Cluster study on Donor Coordination
15	Jean-Baptiste Nahabakomeye	Consultant	HIV/AIDS Cluster study on Donor Coordination
16	Mr. Masayoshi Ono	Japanese ODA Advisor	JICA - Japan International Cooperation Agency
17	Mr. Charles Karake	Director, HIDA	MIFOTRA - Ministry of Public Services, Training, Skills Development and Labour
18	Michael Bayingana	Director a.i., External Finance Unit	MINECOFIN - Ministry of Finance and Economic Planning
19	Mr. Claver Gatete	Secretary General	MINECOFIN - Ministry of Finance and Economic Planning
20	Camille Karamaga	Director of Budget	MINECOFIN - Ministry of Finance and Economic Planning
21	Leonard Rugwabiza	SPPMD	MINECOFIN - Ministry of Finance and Economic Planning
22	Marco de Swart	Programme Manager	NPA - Norwegian People's Aid
23	Dadmar Forland	Resident Representative	NPA - Norwegian People's Aid

24	Lambert Grijns	Deputy Head of Mission and Head of Development Cooperation	Royal Netherlands Embassy
25	Bart Gasana	Executive Secretary	RPSF - Rwanda Private Sector Federation
26	Verena C. Muenzenmeier	Resident Director	SDC - Swiss Agency for Development and Cooperation
27	Sandra Diesel	Program Manager	Sida - Swedish International Development Co-operation Agency
28	Arne Ström	Head of Mission	Sida - Swedish International Development Co-operation Agency
29	Tony Killick	Consultant	Sida, DFID, Netherlands
30	Franck Gaynor	Country Director	Trocaire
31	Dr. Dirk van Hove	Country Coordinator	UNAIDS - Joint United Nations Programme on HIV/AIDS
32	Mr. Kjetil Hansen	Assistant Res Rep, Governance	UNDP - United Nations Development Programme
33	Mr. Macharia Kamau	UN Resident Coordinator and UNDP Resident Representative	UNDP - United Nations Development Programme
34	Sebastian Silva Leander	SPEMU Programme Specialist, JPO	UNDP - United Nations Development Programme
35	Alain Noudehou	Deputy Resident Representative	UNDP - United Nations Development Programme
36	Christine Umutoni	Head of Justice, HIV/AIDS and Gender Unit	UNDP - United Nations Development Programme
37	Bintou Keita	Representative	UNICEF - United Nations Children's Fund
38	Mr. Felix Rusake	Economic Security Regional Program Officer	UNIFEM - United Nations Development Fund for Women
39	Danila Boneva	Programme Specialist, Aid Coordination Unit	UNRCO - United Nations Resident Coordinator's Office
40	Mr. Kareem I. Oweiss	Aid Coordination Associate	UNRCO - United Nations Resident Coordinator's Office
41	Gianluca Rampolla	Head of Aid Coordination Unit	UNRCO - United Nations Resident Coordinator's Office
42	Michelle Cachaper	Deputy Program Officer	USAID - United States Agency for International Development
43	Caroline Connolly	Health Team Leader	USAID - United States Agency for International Development
44	Dr. Regan Whitworth	Senior Technical Advisor	USAID - United States Agency for International Development
45	Tim Muzira	Agribusiness Specialist	USAID - United States Agency for International Development
46	Kampeta Sayinzoga	Junior Professional Associate	WB - World Bank
47	Dr. Diosdado-Vicente Nsue-Milang	Resident Representative	WHO - World Health Organization