



Ministry of Finance and Economic Planning  
Office of the United Nations Resident Coordinator



Development Partners Coordination Group

**XXXV DEVELOPMENT PARTNERS COORDINATION GROUP MEETING**

**Held on Thursday, 2 November 2006, at 09h00**

**Ex-MINIPLAN Conference Room**

**Kigali, Rwanda**

**MEETING MINUTES**

**ANNEX I: FOLLOW UP MATRIX**

**ANNEX II: LIST OF ATTENDEES**

**ANNEX III: PRESENTATION ON SUMMARY AND CONCLUSIONS OF  
LIVINGSTONE CONSULTATIONS**

**1. Agenda Item #1: Review and Adoption of the 14 September 2006 and 10 October  
2006 DPCG Meeting Minutes**

*1.1.* The Chair, Secretary General MINECOFIN, reviewed the Agenda for the 2 November 2006 DPCG meeting which was adopted with no change or AOB.

*1.2.* The Chair reviewed the 14 September DPCG Meeting Minutes and the 10 October Extraordinary DPCG Meeting Minutes which were adopted with no change.

**2. Agenda Item #2: Update on the IMF Mission**

**John Rwangombwa, Secretary General and Secretary to the Treasury, MINECOFIN**

*2.1.* The IMF Mission started on 18 October and is concluding on 2 November 2006. Consultations on Art. IV of the PRGF looked at obstacles to Rwanda's growth, external competitiveness, and scaling up challenges./ The principal objective of the PRGF-supported program is to advance Rwanda's medium-term economic agenda, while preserving macroeconomic stability. In the first review of the PRGF program, plans for 2006 and 2007 were looked at. The program has performance targets; as of now, almost all targets have been met, except the quantitative performance criterion on priority spending . This was due to delayed implementation of Kivu gas reclamation project, which led to missing the target by 1.7 billion. Priority targets missed in June were met and surpassed in September.

2.1.1. Qualitative targets are also on track. However, there is a problem with monitoring on movement of project accounts. Two measures are currently used; the first to report on movement of accounts which was met; the other, to give cash flow projections from June 2006 to June 2007 which has not yet been met. This will be made a priority for the GoR.

2.1.2. The GoR does not expect to meet the deadline on the comprehensive review of the salary policy. This review is to start by end of November 2006 to be completed by February 2007.

2.1.3. As it stands, the IMF and the GoR are convinced that the programme is on track. 2007 programme was discussed and centered on the proposed budget for 2007. Comments were also received from budget support donors in the September JBSR. Discussions are being finalized to agree on the budget for 2007. Proposed increase on military salaries was cut by 2.6 billion. There is also a reduction in non-priority spending by 2.2 billion. 340 million is being reallocated to MINAGRI and 4.6 billion to the electricity sector. The set up of the budget has been agreed upon. The major focus for peer review for 2007 is on private sector development, infrastructure, energy, and the financial sector, issues highlighted in the WB report on Doing Business. Agriculture development and service delivery will also be a main focus. The GoR is seeking external financing mostly in the form of grants and this should be complemented by measures to strengthen the domestic revenue base.

**Lars Engstrom, Resident Representative, IMF**

2.2. The IMF Mission consisted of classic budget discussions. These were not dominated by any big issues. The process this year took much time but it was inclusive on all sides and allowed for good discussions. The budget that is now agreed upon is a good compromise on all sides. Monetary policies consist of issues which we all have to monitor in order to ensure positive impacts on the economy and especially to avoid inflationary effects. The IMF continues to monitor this with the Central Bank.

**2.3. Discussions**

2.3.1. The Chair clarified that the fiscal policy is the framework through which the budget is drafted, which allows to decide upon priority and non-priority spending. There is close monitoring of the monetary side to ensure that the overall macroeconomic framework remains stable. Generated revenue mainly comes from tax revenue. The proposed budget for 2007 is financed 44 % by tax revenue, 4.7% by draw down of reserves, and 50.7% by external assistance. According to the WB, Rwandan tax levels are actually lower than the average in the region.

**3. Agenda Item #3: Update on the OECD-DAC Baseline Survey**

## **Christian Shingiro, Budget Specialist, EFU**

3.1. The Baseline Survey is Country-based survey that aims to establish a baseline on both GoR and donor performance in terms of aid effectiveness, against Paris criteria. From the baseline, targets can be derived for the Paris indicators in 2010. The process is being led by OECD-DAC in Paris, with EFU responsible for rolling-out the survey in-country:

- 6 July 06: Survey methodology presented at DPCG. Survey workbook and accompanying notes sent out to all DPs.
- 11 Aug 06: Deadline for donor submissions to the Survey. EFU then analysed all submissions individually, and discussed anomalies / problems in reporting with DPs with a view to ensuring consistent and accurate reporting.
- 14 Sept 06: Draft Rwanda results discussed at DPCG, and submission is validated by GoR and DP representatives. Country submission forwarded to OECD-DAC on 15 Sept 06.
- 12 Oct 06: OECD's draft chapter for their report is sent to EFU. EFU forwarded this to DPCG members and invited comments before this DPCG meeting.
- Now: Comments received from some DPs. These have been summarised in a document, along with comments from the national survey team, and are presented at the DPCG today.

3.1.1. The OECD-DAC report chapter on Rwanda distributed to the DPCG is OECD's assessment of the state of aid effectiveness in Rwanda. This is based mainly on the survey data that we collected in-country, though not exclusively. (They also use desk reviews by the WB and OECD for parts of it). This is a first draft of the report chapter, and for this reason, we are collecting and aggregating the comments of DPs on behalf of OECD-DAC. This chapter will sit alongside other country-specific chapters, as well as an international overview of aid effectiveness. All of this is being prepared by OECD-DAC with the assistance of a reputable international consultancy group. The aim of the baseline survey, and the report, is not to criticise either donors or government, but to give a broader view of the "state of play" with regards to aid effectiveness in each country, while setting targets for 2010. The targets are provisional – when new data arrives from donors, we will update the targets at country level, so that they remain as realistic as possible.

3.1.2. Comments were received from a number of DPs. We have sought to combine these DP comments with those of the national survey team, responding in particular to queries raised by the report's author (highlighted in the draft).

3.1.3. The GoR and DPs welcome the Baseline initiative as a piece of analytical work that will be beneficial to all, and in setting targets for 2010. On the whole, the draft chapter is representative of the processes and practices of both donors and government at the country level. The data set is not complete – a small number of donors provided data late, and these will be forwarded to the DAC for incorporation into the final report (thank Japan, France and Germany for their submissions). A revised set of indicators and targets will be forwarded to DPs in due course. We have sought to provide the practical examples that the author asked

for re. problems of getting aid on budget, and the predictability indicator. On the whole, we should be clear that no single factor is the cause of these disparities. Rather, there is a need to improve donor-government communication of financial information, at the same time as further improvements in government systems (budget preparation and financial reporting, for example). Some more technical issues (for example issues of double-counting of PIUs, joint missions etc) are already being discussed by the national survey team and the DAC. As far as we are aware, there are no in-country initiatives relating to the untying of aid (see para. 12 of the comments), though if partners know of any, we would be happy to add details of such initiatives to the submission. The issues surrounding Programme Based Approaches are also mentioned. In particular, we have picked up on the summary table (first page of the report), in which “*reliance on project aid in most sectors*” is identified as a key challenge to harmonisation. Rather, we would prefer to see reference made to the problems of *stand-alone*, poorly coordinated projects. The project modality is not a barrier to harmonisation *per se*, and the GoR is keen to maintain a mixed portfolio in terms of aid modalities, as set out in its Aid Policy.

3.1.4. The GoR invites all DPs to review the doc and suggest any changes, or give additional comments. These will be sent to the DAC at the close of business today, so as to meet their tight time schedule. We will share any follow-up work, along with the final report, with DPs in a timely manner.

## 3.2. **Discussion**

3.2.1. The WB commented that it welcomed this initiative by the GoR in that it is helpful for WB to start looking at internal issues in relation to the Paris Declaration. On targets defined in the survey, a common position is needed to clarify if these are individual for each donor or an average for Rwanda. For PIUs, there should be guidance on how to spot a parallel PIU and what best practice is. The disbursement data in table 33.5 of the report gives data recorded by the government; there are some differences between information captured in the DAD and those in this report.

3.2.2. The GoR responded that targets as set in the survey are an average for Rwanda.. There is a clear definition of what PIUs are provided by the OECD-DAC. The WB and the UN both have high numbers of parallel PIUs. Table 33.5 was taken from budget execution data – as such, efforts are still required to improve reporting and avoid discrepancies with the DAD.

3.2.3. Head of ACU indicated that in the draft statement of intent (currently under discussion between DPs), it is suggested that donors commit to individual targets, aiming at going beyond the targets set in the survey in order to achieve the objectives set by the Aid Policy. At the DPR, it was agreed that CEPEX would lead a study to assess having one project management unit per ministry and evaluate PIUs; this exercise is currently ongoing.

3.2.4. A DP indicated that still much effort need to be done for donor harmonization. And, partners should all look into the added value of all these efforts to measure progress. It was asked what the margin of error was on these figures.

3.2.5. The GoR indicated that all partners need to look at the gains accomplished through aid effectiveness efforts. As for margins of error, it is impossible to avoid them; however, work is being done to minimize these through formulas and better reporting.

3.2.6. Although it is a painful exercise, harmonization is very important and DFID corporately has big plans to do more on harmonization. DFID appreciates efforts in this field by the EFU-ACU. Aid effectiveness efforts can only be worthwhile if they make for better development processes. A baseline and targets are necessary for all stakeholders to be able to measure performance and progress. The survey is very helpful in that it provides this information. There are relatively few donors in-country in Rwanda. Can we use this chapter to persuade other donors to come into Rwanda.

#### **4. Agenda Item #4: 2006 Government of Rwanda Development Partners Meeting**

##### **Gianluca Rampolla, Head of Aid Coordination Unit, MINECOFIN**

4.1. The Agenda, Concept Note, DPM Info Sheet, Tourism Info Sheet have been distributed to all invitees. All of these documents are available on the devpartners website. Comments given by DPs at the October DPCG Meeting were considered in revising the DPM Agenda

4.1.1. The deadline for registration has been extended to 6 November. The DPU will be facilitating the post-DPM in-depth discussions. Speakers are currently working on their presentations and background documents for the DPM and were informed in their guidelines of suggestions made by DPs. The Deadline to submit presentations and background documents is 8 November. This will allow for translation and reproduction. A rapporteur plan has been prepared.

4.1.2. International and national media are being contacted to ensure proper coverage of the event. All facilities and requirements are booked. Meeting have been held to ensure the success of this event with the InterContinental, Symposia (as conference support and interpretation), Rwanda Safaris (as transportation). All MINECOFIN as well as other Line Ministry augmented staff have been identified and informed of their role for the organization of the DPM. 2 Meetings have been held. To avoid delays on the day of the DPM, pre-registration will take place on Tuesday, 21 November 2006 in the lobby of the DPM. Registration will take place from 0700 to 0800 in the parking of the InterContinental on Wednesday, 22 November 2006. Two Receptions will be hosted by the Minister of Finance

and Economic Planning and by the UN Resident Coordinator. A Kigali Tour with stops to sites of development interest is being arranged and more details will be communicated.

## **5. Agenda Item #5: Report Backs**

### **5.1. *Consultations on Harmonization, Alignment and Aid Management to Zambia (25-27 October 2006)***

**See ANNEX III, presentation by Christian Shingiro, Budget Specialist, EFU**

#### **5.1.1. Discussion**

5.1.2. Head of ACU indicated that the GoR made a conscious decision to have an aid policy versus a Joint Assistance Strategy - JAS . With the Aid Policy in place, and pending its proper implementation, a JAS could easily be adopted later on down the road. If the GoR has support in this DPM from donors for the Aid Policy, along with strong statement of intent, Rwanda will de-facto have a JAS.

5.1.3. A DP indicated that success in Tanzania in aid effectiveness was due to big support from HQs. This can be learned from the Tanzanian experience as Rwanda is quite advanced in terms of H&A and playing its role.

5.1.4. The Chair indicated that the DPM needs to be utilized to mobilize support from HQ.

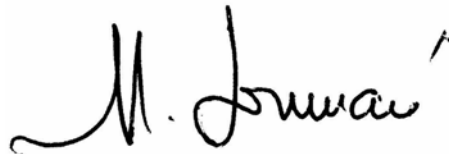
#### **5.2. *Update on the DAD***

**Dereck Rusagara, ICT Specialist – ACU, MINECOFIN**

5.2.1. What is presented in the DAD is what is given by donors. It is thus important for donors to keep improving their reporting in the DAD. These figures are the ones being used to produce reports for the DAD. MINECOFIN is currently working to use the DAD internally government wide in the near future. Training is ongoing with CEPEX to avoid multiple GoR requests on donors. Information from the DAD has also been shared with NIS. Now, the exercise for collecting data for 2005 is almost exhausted. MINECOFIN will soon request for 2006 data from donors.



**Secretary General and Secretary to the Treasury  
Ministry of Finance and Economic Planning  
Government of the Republic of Rwanda  
Co-Chair of the Development Partners Coordination Group**



**UN Resident Coordinator  
Kigali, Rwanda  
Co-Chair of the Development Partners Coordination Group**

## ANNEX 1 – FOLLOW-UP MATRIX

Follow-Up Actions	Responsibility	Required Coordination	Action to be complete by:
<i>GoR to present an outline of its implementation plan for the RAP</i>	<i>EFU-ACU</i>	<i>MINECOFIN</i>	<i>2006 DPM</i>
<i>DPs to present a joint statement of support for the RAP</i>	<i>DPs</i>	<i>ACU</i>	<i>2006 DPM</i>
<i>Recommendations for DPCG Meeting frequency to be drafted</i>	<i>EFU-ACU</i>	<i>DPs</i>	<i>2007 DPR</i>
<i>Consider conducting studies which rectify discrepancies in the 2006 KKZ Report</i>	<i>DPs</i>	<i>GoR</i>	<i>on-going</i>
<i>Consider having international think tanks conduct in country assessments and develop local research institutes</i>	<i>GoR</i>	<i>DPs</i>	<i>on-going</i>
<i>Long-term discussions to take place on indicators and methodology used in KKZ reports as well as in other reports and indicators</i>	<i>All</i>	<i>--</i>	<i>on-going</i>
<i>Recommendations made for more sources to be used for future KKZ reports to reduce margins of error</i>	<i>WB</i>	<i>DPs – GoR</i>	<i>on-going</i>
Rwanda Chapter of OECD-DAC Baseline Survey to be sent to Paris	EFU	<i>--</i>	ASAP
Organization of DPM to continue	EFU-ACU	MINECOFIN	November 2006
Donors to provide all data on 2006 for the DAD	DPs	EFU-ACU	January 2007



## ANNEX II – LIST OF ATTENDEES

*(by organization)*

	<b>Full Name</b>	<b>Job Title</b>	<b>Organization</b>
<b>1</b>	Mr. Joseph Nyirmana	Agronomist	AfDB – African Development Bank
<b>2</b>	Mr. Dirk Brems	First Secretary, Cooperation	Belgian Embassy
<b>3</b>	Mr. Victor Nsengiyumva	Programme Coordination	CCOCAIB
<b>4</b>	Mr. Roberto Carr-Ribeiro	Head of Cooperation	CIDA – Canadian International Development Agency
<b>5</b>	Mr. Michel Frechette	Director	CIDA – Canadian International Development Agency
<b>6</b>	Dr. Colin Kirk	Head of Office	DFID – UK Department for International Development
<b>7</b>	Ms. Angeline Bitahaninkindi	Project Manager	EC – European Commission Delegation
<b>8</b>	Mr. Jerome Le Roy	Counselor	EC – European Commission Delegation
<b>9</b>	Ms. Elisabeth Balesa	Representative	FAO – Food and Agriculture Organization
<b>10</b>	Mr. JB Luciana	Head of Mission a.i.	French Embassy
<b>11</b>	Mr. Hans Von Schroeder	Deputy Head of Mission	German Embassy
<b>12</b>	Mr. Charles Karake	Director	HIDA – Capacity Building
<b>13</b>	Mr. Eric Rwabidadi	Field Liaison Officer	IFAD – International Fund for Agriculture Development
<b>14</b>	Mr. Lars Engstrom	Resident Representative	IMF – International Monetary Fund
<b>15</b>	Mr. Valerio Ruggirello	Representative	Italian Cooperation
<b>16</b>	Ms. Tomoko Shimada	Human Resources Development Advisor	JICA – Japan International Cooperation Agency
<b>17</b>	Mr. John Rwangombwa	Secretary General and Secretary to the Treasury	MINECOFIN – Ministry of Finance and Economic Planning
<b>18</b>	Mr. Thomas Gatabazi	Accountant General	MINECOFIN – Ministry of Finance and Economic Planning
<b>19</b>	Mr. Gianluca Rampolla	Head of Aid Coordination Unit	MINECOFIN – Ministry of Finance and Economic Planning
<b>20</b>	Mr. Christian Shingiro	Budget Support Specialist, EFU	MINECOFIN – Ministry of Finance and Economic Planning
<b>21</b>	Mr. Didier Gakuba	Aid Management Specialist	MINECOFIN – Ministry of

	<b>Full Name</b>	<b>Job Title</b>	<b>Organization</b>
		– External Finance Unit	Finance and Economic Planning
22	Mr. Alex Karangwa	Economist in charge of Multilateral Organizations, EFU	MINECOFIN – Ministry of Finance and Economic Planning
23	Mr. Robin Ogilvy	ODI Fellow, External Finance Unit	MINECOFIN – Ministry of Finance and Economic Planning
24	Mr. Michel Sebera	Economist in charge of Bilateral Organizations, EFU	MINECOFIN – Ministry of Finance and Economic Planning
25	Mr. André Habimana	DPU Director	MINECOFIN – Ministry of Finance and Economic Planning
26	Ms. Jennifer Mujuni	Programme Assistant, External Finance Unit	MINECOFIN – Ministry of Finance and Economic Planning
27	Mr. Dereck Rusagara	ICT Associate, EFU/ACU	MINECOFIN – Ministry of Finance and Economic Planning
28	Mr. Paul Farran	Programme Officer EFU/ACU	MINECOFIN – Ministry of Finance and Economic Planning
29	Mr. Jeff Bower	JPC – ACU	MINECOFIN – Ministry of Finance and Economic Planning
30	Mr. Hugh Waddington	ODI Fellow	MINECOFIN – Ministry of Finance and Economic Planning
31	Mr. Narcisse Musabeyezu	Secretary General	MINEDUC – Ministry of Education
32	Mr. Justin Nsengiyumva	Secretary General	MINICOM – Ministry of Commerce
33	Mr. Vincent Gatwabuyege	Secretary General	MININFRA – Ministry of Infrastructure
34	Ms. Anthe Vrijlandt	Expert External Links	MININFRA – Ministry of Infrastructure
35	Mr. Emmanuel Nsanzumuganwa	Secretary General	MINITER – Ministry of Land
36	Mr. Jean Damascene Habimana	Secretary General	Parquet General de la Republique
37	Mr. Gertjan Tempelman	Head of Development Cooperation	Royal Netherlands Embassy
38	Mr. David Musewakwali	E.S	Rwanda Governance Advisory Council
39	Ms. Marianne Kronberg	Economist	Sida – Swedish International Development Co-operation Agency
40	Mr. Kekoura Kourouma	Country Director	UNAIDS

	<b>Full Name</b>	<b>Job Title</b>	<b>Organization</b>
<b>41</b>	Mr. Mbaye Diouf	Director	UNECA – United Nations Economic Commission for Africa
<b>42</b>	Mr. Alain Noudehou	Deputy Resident Representative and Programme Director	UNDP – United Nations Development Programme
<b>43</b>	Mr. John Bosco Ruzibuka	Assistant Representative	UNFPA – United Nations Population Fund
<b>44</b>	Mr. Moustapha Soumaré	Resident Coordinator	UNRCO – United Nations Resident Coordinator’s Office
<b>45</b>	Mr. Frederil Matthys	JPO	UNRCO – United Nations Resident Coordinator’s Office
<b>46</b>	Mr. Amadou Lamine Diallo	Coordination Officer	UNRCO – United Nations Resident Coordinator’s Office
<b>47</b>	Ms. Bintou Keita	Representative	UNICEF – United Nations Children’s Fund
<b>48</b>	Mr. Amadou Lamine Diallo	Coordination Officer	UNRCO – United Nations Resident Coordinator’s Office
<b>49</b>	Mr. Christophe Tocco	Supervisory Program Officer	USAID – United States Agency for International Development
<b>50</b>	Mr. Tembo Maburiki	Resident Economist	WB – World Bank
<b>51</b>	Ms. Liz Drake	Agriculture Specialist	WB – World Bank
<b>52</b>	Dr. Nsue Milang	Representative	WHO – World Health Organization
<b>53</b>	Ms. Maarit Hirvonen	Country Director	WFP – World Food Programme