



## 68<sup>TH</sup> (LXVIII) DPCG MEETING MINUTES

Date: Friday, 11<sup>th</sup> May, 2018

Time: 9:00 -12:00 am

Venue: MINECOFIN (Ground Floor) Conference Room

Development Partners Coordination Group

## **1. Remarks by Chair**

The chair of the Development Partners Coordination Group (DPCG) and Permanent Secretary and Secretary to the Treasury (PS/ST), Mr. Caleb Rwamuganza gave a warm welcome to all the Development Partners, Government officials and Civil Society Organizations to the 68<sup>th</sup> DPCG meeting. The Chair gave a special welcome to Leslie Marbury who is co-chairing her first DPCG meeting.

The Chair welcomed the new Country Manager of the AfDB Ms. Martha Phiri, the new Deputy Chief of Mission from Republic of Korea, Ms. Hwang Hyuni, as well as new PS of MINIJUST. As the last DPCG meeting for the Fiscal Year 2017/18, the Chair thanked everyone on behalf of the Government for the tireless efforts and continued collaboration. A lot has been achieved and everyone is looking forward to the budget for FY 2018/19 had requested update on the finalization of Vision 2050. The final policy notes of the Future Drivers of Growth study are now available and will be validated by end June, in line with the Vision 2050 elaboration process. World Bank has been supportive in elaboration of this study that informs Vision 2050. The Chair expressed his anticipation to the World Bank Mission that will work with the team from Government to elaborate concrete interventions to advance key areas identified in this study as future drivers for economic growth. The National Steering Committee will be called to review the draft Vision 2050 and provide further guidance.

## **2. Remarks by co-chairs**

The co-chair Leslie Marbury appreciated the welcoming and thanked the government and Development Partners for their time and efforts in development cooperation. The co-chair welcomed the openness and constructive partnerships and noted that the country's Vision has taken into consideration the new ambition of the country's leadership. The co-chair Fode Ndiaye, agreed with Leslie's remarks and expressed his gratitude for the continuous positive dialogue between government and Development Partners.

## **3. Approval of the draft minutes of the previous DPCG**

The minutes of the 67<sup>th</sup> DPCG meeting were approved without any amendments.

## **4. Presentation of the FY 2018/19 Budget proposal highlights**

The BFP was informed by various consultations at different level:

- The budget framework for 2018/2019 fiscal year and the medium term reflects the current economic situation in Rwanda, opportunities and threats in the region and global outlook. The resource allocation is in line with NST1, which is expected to contribute towards attaining NST1 objectives;
- The medium-term projections are built on conservative assumptions regarding domestic revenue mobilization efforts. In line with this, accelerating domestic revenue mobilization through implementation of various measures aiming at broadening the tax base and increasing efficiency in tax collection remains a key priority;
- Ministerial planning and budget consultations have ensured linkage between sector priorities and resource allocation;
- The Cabinet has provided strategic guidance and approved the BFP before submission to Parliament;
- The minister of Finance and Economic Planning tabled the BFP to both Chambers of the Parliament for their scrutiny, CSOs and PSF are part of the on-going hearing at parliamentary commission;

- Today's consultation will inform the draft Finance Law that (Budget FY2018/19);
- However, public expenditure levels alone will not be sufficient to generate the required transformation expected in NST1. The Government recognizes the role of private sector towards the achievements of NST1 targets and much effort will be invested in various programmes and projects aimed at harnessing the private sector potential for an accelerated growth, "Made in Rwanda" being one of them. Thus public expenditure will then be supported by contribution from a dynamic private sector.

## **5. Update on the Capacity Building Secretariat transfer to RDB (scope and mandate)**

The previous scope and the mandate remain and can be summarized as follows:

- Promote and coordinate public and private sector skills and capacity development strategies and actions to respond to development priority needs;
- Coordinate the planning and implementation of Employment Programs;
- Develop and maintain a database of Rwandans with rare and/or niche skills in-country and abroad and facilitate their integration into the labour market;
- Manage the Labour Market Information System to profile available skills in the private sector and inform the required skills for private sector growth;
- Undertake future skills planning and coordinate interventions that respond to future private sector human capital needs.

Implications of the Transfer of CESB to RDB:

- Restructuring exercise to accommodate former CESB mandate and staff (concluded and awaiting approval);
- Effective and efficient coordination in matching skills supply and demand;
- Existing coordination framework (e.g. CD Stakeholders Forum, NEP SteerCo, SSWG), constituencies and chairmanship maintained;
- There are ongoing commitments under Projects financing agreements signed between GoR and Development Partners and the new transfer of the mandate is ensuring the efficiency in implementation and Coordination without interruption.

## **6. Discussion on next steps for DPR recommendations**

Recommendations from DPR 2018

Pillar 1: Financing and Investment in the NST

1. DPs to develop a consolidated report on available de-risking instruments for Rwanda and GoR to develop a list and concept notes for investment opportunities identified in coordination with SWGs that can use blended financing (DPs, Minecofin and RDB)
2. Agree on a platform that convenes joint teams from government and interested DPs, bilateral and multilateral development finance institutions and development banks to discuss areas of investment using blended finance and priority reforms identified in consultation with the private sector (Minecofin, RDB, relevant Ministries, DPs, DFIs)

3. DPs in agriculture and interested DFIs to engage in a dialogue with domestic banks to discuss ways in which agriculture risks can be reduced and mechanisms set up to help foster agriculture investment (DPs, DFIs, MoA, RAB, Minecofin; commercial banks; National Bank of Rwanda)
4. Support the Government in designing a development financing strategy (MINECOFIN and interested DPs)
5. Through the DPCG, discuss the domestic capital market development and DPs support to enhance domestic savings and investment (Minecofin, DPs)
6. Conduct analysis on Rwanda's comparative advantage and possibility of scale and specialization for a few products/services in the context of boosting Made in Rwanda value chain development (Ministry of Trade and Industry and RDB)
7. Seek financial and business development support to SMEs to access affordable financing availed by DFIs through local institutions (MINECOFIN, BRD and DPs/DFIs)

#### Pillar 2: Human capital development and demographic dividend

8. Increase financing (GoR& DPs, private sector) for early childhood development, access to reproductive health and education, and continue to ensure more knowledge-based information and analysis in reducing stunting in Rwanda to maximize future returns to human capital (NECDP, MOH, DPs, MINECOFIN).
9. Work together in the context of the Education Sector Strategy to identify new approaches to improve teacher skills, knowledge and incentives as well as link curriculum to skills development (including soft skills) to respond to labour market demands. (MINEDUC and DPs)
10. Conduct analysis and recommend approaches on health sector sustainable financing (MINECOFIN, MoH, DPs)

#### Pillar 3: Multi-stakeholder partnerships

11. Review DPAF report and agree on relevant targets to make development cooperation more effective (MINECOFIN and DPs)
12. Continue support to CSO capacity-strengthening and assess opportunities to enhance their role as independent actor in the development process (RCSP, RGB, CESB, DPs supporting CSO capacity-building)
13. Discuss and agree on a more structured, comprehensive and strategic mechanism to engage all key domestic and external development actors. (MINECOFIN in consultations with DPs and all key stakeholders)

#### Next Steps:

- Regular monitoring of progress in each cluster through the DPCG meetings:
  - Cluster 1: Financing and investment for the NST (Government lead - MINECOFIN, RDB; DP lead - WB)
  - Cluster 2: Human capital development and demographic dividend (Government lead MIGEPROF in coordination with MINEDUC, MINESANTE; DP lead – DFID)

- Cluster 3: Multi-stakeholder partnerships (Government lead MINECOFIN, RGB; DP lead – UNDP)
- A template will be shared through the Cluster leads asking responsible institutions in coordination with the DPs focal points to identify key actions and indicative timeline for each recommendation.