



76thDevelopment Partners Coordination Group Meeting

14 December 2020

Virtual Meeting

1. Remarks by Chair and Co-Chairs

The virtual DPGC meeting was presided over by Hon. Minister of State in charge of National Treasury, Richard Tusabe, and conducted *via* videoconference. The Hon. Minister opened by welcoming all participants and thanked the Co-Chairs and DPCG Secretariat for the good work done to prepare for this meeting. Ms. Rolande Pryce was acknowledged as incoming new Co-chair. In his opening remarks, appreciation was given for DPs' commitment to maintaining a high degree of mutual respect and transparency and for their solidarity with Rwanda. He noted progress made to date since the last meeting in responding to COVID-19, including getting most students back to school, resuming most international flight connections, and conducting a backward review of the country's COVID-19 health response. Government recently concluded all Joint Sector Review meetings as well as a mid-year budget review; it continues to face tough decisions in budget allocations, balancing needs social protection with long-term investment in critical projects and infrastructure to accelerate renewed growth. In this endeavor, he called upon DPs to continue support and have faith in Rwanda's making the right decisions drawing upon the conclusions of these reviews, which will be elaborated in the presentations on the agenda.

The Co-Chairs, represented by the World Bank Country Director and UN Resident Coordinator, expressed thanks to Leslie Marbury as outgoing Co-Chair. Mr. Ndiaye commended the Government in its readiness to confront COVID-19 and for its leadership on the COVID-19 Interaction Review, the School Reopening Action Plan, among other key strategies done in this period. He reiterated the need for DPCG to serve as a mechanism for high-level oversight of national strategy implementation including NST1 and the COVID-19 Economic Recovery Plan noting the existence of important building blocks already in place to ensure Rwanda's ability to 'build back better'. In this vein, DPs perceived it to be more important to review the 2019 DPR recommendations with a forward-looking perspective, in line with these strategies, rather than taking a retrospective view. He noted that DPs desired more detailed information on social protection plans for next year, including beneficiary coverage and the size of benefits, as well as the M&E framework and evaluation results of past actions. The importance of a COVID-19 national vaccine deployment strategy under development was emphasized. Finally, he noted that the African Continental Free Trade Agreement, which offers opportunities for renewed growth in Rwanda, was given a boost by the AU's 13th Assembly where members agreed to accelerate action on implementation by 1 January 2021.

2. Approval of Agenda

The minutes from 75th DPCG meeting circulated via email were approved. The agenda was presented and agreed. The agenda focused on the key achievements, challenges and opportunities, and expectations of Government vis-à-vis DPs in regard to the public health, macro-economic, and socio-economic

ramifications of COVID-19. The agenda also included presentations on the Joint Sector Reviews recently conducted as well as the development of the land-use master plan.

3. Presentation on Economic Impacts of COVID-19 and ERP

The Sr. Economist gave an update on the economy and status of Economic Recovery Plan implementation. He stressed that the recovery will take longer than anticipated and presented evidence that a rebound is occurring faster in the industrial and manufacturing sector, as compared to the service sector. His presentation touch upon the following trends:

- While IMF has revised upward global GDP *growth* projections, these are still negative. Rwanda's projection remains at -0.2% for 2020 and it will only return to past trend line levels in 2023. Year-on-year economic growth in Q2 dropped 12.4%, while the expected decline in Q3 will be less, based on early data (i.e. company turnover data from RRA & Real CEIA indicators).
- The *trade balance* is slowly recalibrating back toward pre-COVID levels, but the composition looks different as compared to before COVID.
- *Inflation* remained relatively high in 2020, mainly due to lower agricultural productivity and increased transport prices. However, in recent months food inflation is dramatically coming down.
- While *unemployment* increased from 13% to a high of 22%, it is now at 16%. Trends are uneven; employment growth has been seen in the construction and information and communication sector, whereas sectors such as hospitality and food & beverage witnessed a large decline.
- Rwanda's *debt management* is being monitored yet remains sustainable, with recent analysis showing debt expected to reach 66% of GDP and the risk of distress maintained as moderate. In terms of private debt, there are some signs of tighter credit conditions, as commercial banks appear more focused on restructuring existing loans rather than providing new investment loans.

The Sr. Economist revealed that budget execution and disbursements were roughly on track and in line with projections, noting however that data was only available for Q1 of FY 2020. RRA saw a 12.7% increase in domestic revenue from tax and non-tax revenue collection, fortunately higher than expected. He then provided a status update on the uptake of funds by banks and firms accessing the Economic Recovery Fund (ERF) reiterating that its priority is to address non-performing loans and to keep enterprises going that can support the economy to rebound. The hotel refinancing window has been fully subscribed. Regarding working capital loans to businesses, 88 RWF billion in loans have been approved, revealing an improving trend in uptake despite being lower than expected. This should change as revised ligibility requirements came into effect in late November. Companies must now show that year-on-year sales had declined by just -30% vs. original requirement of 50%. A tax clearance certificate would continue to be required; however, a mutually agreed tax arrears payment plan with RRA could be accepted *in lieu*. RWF Some RWF 5 billion has already been disbursed for the SME window. Flexibility was extended to SACCOs to look at account movements for micro-businesses to determine eligibility and other measures to fast-track technical approval for accessing funds under that window.

The P.S. MINALOC provided updates on the implementation of the National Social Protection Response & Recovery Plan, giving updated figures on support mobilized in the latest period. Social protection and cash transfer mechanisms had been scaled up and were performing well. Trends indicate an increase in the provision of support in Q1 of this FY across all the different programs (i.e., public works, food and nutrition, and asset-building), and that geographic and household coverage had increased. One notable

achievement was that close to 2 million additional households were supported to join *mutuelle de santé* health care insurance. He emphasized that the plan is built around the existing social protection framework and that an M&E framework is in place to ensure for a coordinated approach and more streamlined information flow. Both technical and financial aspects of delivery are monitored, and field visits/spot checks are periodically undertaken. MINALOC will do a mid-term and an end-term evaluation.

IMF inquired as to the prognosis for a faster recovery in the services sector. MINECOFIN responded that there was a need to see in January/February how the pandemic situation evolves, as new restrictions would temper optimistic expectations of a rebound matching the construction sector. The pace of recovery in the latter sector was also dependent on how well big projects may go. Moreover, although tax revenue in the first quarter was higher than expected, little tax growth was expected from the corporate sector in the third quarter of this FY. However, one positive reform to note is that companies may now pay income tax based on quarterly forward projections as opposed to last year's projections.

UNDP reiterated a need to boost access to business credit for the most vulnerable population groups whose livelihoods are affected by restrictions, including youth, women, and people living with disabilities. There is strong interest to incorporate environmental risks and sustainability criteria into the ERP and ERF, and it pledged support to help GoR to integrate these into future implementation. UNDP's programming will further support youth and women run businesses go green. The Chair welcomed UNDP's offer.

The WB, EU and others commented a need for accelerated uptake and wider coverage of ERF. MINECOFIN responded that in the coming month, a new structure of support windows will be published. Some new sectors could be covered with new windows of support, or funding scaled up for some existing windows.

DPs provided comments and queries on the social protection schemes, including on whether the budget could be met for continuation of social protection programs without additional funds in 2021 to sustain and scale-up the support. EU expressed appreciation for the clear figures on support to date and for a clear picture of the target groups assisted, noting that the response appeared comprehensive. The P.S. responded that the currently available budget was around 57% of estimated total needs, and that effort underway to see how to optimize budget resources to be more efficient.

EU noted seemingly divergent figures for support provided to date and raised the need to be clearer on the scope and timeframes in relation to the budget. UNICEF and UK pledged support to further develop M&E frameworks to ensure evidence on effectiveness of past aid, and to ensure gaps could be filled to ensure poor and vulnerable Rwandans are protected. UNDP stressed the importance of including people living with disabilities in the plans going forward. WFP noted that it had been supporting the M&E framework development for food security. MINALOC responded that it had expanded direct cash transfer support to PLWD and taken the unique needs of women and youth into account.

The Chair welcomed the feedback from DPs and the support pledged, including strengthening the M&E plans for the ERP including its social protection pillar.

4. Presentation on COVID-19 preparedness and response plan implementation

The P.S., Ministry of Health, discussed the implementation status of the COVID-19 national response plan and preparedness and the view going forward, including vaccine preparedness. Given a longer than

expected duration of the pandemic, the plan is being updated. Despite the immediate impacts, Rwanda has achieved a general increase in citizens' accessibility to health services, thanks in part to an increase in the number of new facilities established in recent years. This includes two new district hospitals recently established, and 500 health posts opened in the last four years.

He then gave an overview of the National Vaccine Deployment Plan, which considers various drug options under development, noting this is overseen by an already established Task Force. Hospitals and health centers have already started planning for a future roll-out. Rwanda has also already submitted a request for funds to GAVI for early efforts under the COVAX advanced market commitment. This will ensure up to 20% of the population would be vaccinated at minimal cost to Treasury. Negotiations had commenced with the WB to cover a projected 60% gap in vaccine acquisition costs. April 2021 could be earliest starting date for vaccinations administration. The Rwandan FDA would need to first give prior approval for an import license for any selected vaccines. By mid-January, there will be an updated demographic health survey out, which will help inform the target group. The general order of priority will be frontline workers, followed by elderly people over age 65, and then people living with co-morbidities (NCDs). Nine new cold storage rooms at central level would need to be established with 2 fully dedicated to vaccines. There was enough storage capacity at intermediate level.

DPs queried whether the Plan was costed and what were the gaps. MOH replied that this was in process; however, the deployment plan will outline the costs based on different scenarios and contingencies that needed to be catered. For example, cold storage infrastructure costs would depend on which vaccine(s) were selected and approved for use. Storage temperatures range from +2°C to +8°C for some options, whereas storage at -30° C would require new infrastructure in case one option available is selected.

Following the presentation, WHO noted concern that recent days had seen a 20% increase in COVID-19 infections in the region. It noted that while previous surveys had identified people living with chronic conditions, there was a need for updated exercises to pinpoint vaccine candidates, including through mass screening drive. Other DPs queried actual expected availability of vaccines in 2021. WHO noted that the expected dosages available for 2021 will be lower than planned and MoH echoed that the success of the COVAX effort is dependent on availability of supply globally, but estimated number of dosages available is still fluid with global estimates ranging from 1.3 billion to just short of 2 billion dosages. The Chair noted that DPs can help to map areas of the plan that can be funded with money and in-kind contributions.

5. Presentation on Joint Sector Reviews outcome

The Director of NPRD a.i. outlined the key takeaways from the backward-looking JSR meetings held in October. He reiterated the five key objectives and common themes discussed across all sectors, including: progress against targets, budget performance, priority areas for FY 2021/22, review of the implementation of prior recommendations, and progress against related SDG indicators. An improvement in terms of JSR recommendation implementation has been observed, with 75% of prior recommendations being fully implemented, 13% being partially implemented and only 11% not implemented. Nevertheless, there is a need to follow through better and implement recommendations from prior meetings.

Mr. Mushabe then summarized MINECOFIN's assessment of interim progress for FY 2019-20 against NST1 implementation, noting those areas that would need catch-up plans to be developed. Out of 61 total NST1KPIs, 25% were already fully achieved, 33% were on track, 21% were considered 'on watch' and 13% were off track. An estimated 8% remained unreported. Looking long-term at FY 2023-24, some 15% of

targets were rated as on track and over half of all targets considered to be on-watch as a result of COVID impacts. However, not all trends were negative; for example, use of electronic payments, which is one key economic transformation indicator, had increased significantly in the last year. Regarding SDG monitoring, it was reiterated that sector leads needed to liaise with NISR and DPs to bridge data gaps and Focal Points should be designated to ensure regular reporting. Out of 182 indicators, 32% are still not monitored.

The Co-Chair reiterated that DPCG should be viewed as a building block for NST1 & SDG monitoring and a forum to discuss cross-cutting issues. He noted ongoing capacity building of NISR by the UN to conduct three-layered national SDGs reporting and believed Rwanda was poised to be among the first countries globally to be able to do such reporting. He recommended that GoR revitalize the SDG Task Force, Co-Chaired by UNDP, to support stronger SDG monitoring.

The Co-Chair and other donors commend the recent partnership between CSOs and local governments to seek citizens' views in planning and budgeting, and the good practice of having CSOs contribute to the Voluntary National Review (VNR) for the SDGs. It was hoped the process can be continued. Yusuf Murangwa, NISR, noted that the new health and demographic survey available by May 2021 could feed into SDG monitoring for several indicators for which there are now gaps. In addition, GoR approved a fully-fledged new department in NISR for big data that will be staffed up soon and can support the effort of plugging missing data gaps.

6. Presentation on DPR 2020 Recommendations and DPR 2021 agenda

The Division Manager a.i. of EFU, MINECOFIN presented a summary of the implementation status of the nine 2020 DPR recommendations received to date, noting that lower than expected progress was achieved for the most part due to the immediate COVID-19 response priorities that had intervened for the designated leads. The DPR Recommendations were not fully validated as envisioned and therefore it was agreed with Co-Chairs to focus more attention on key remaining issues and the way to move forward in their realization in 2021.

MINECOFIN recommended establishment of a Task Force between now and the DPR to streamline DPAF framework indicators as per recommendation #2. EU noted that the Public-Private Dialogue (PPD) mechanism for private sector-GoR-DPs engagement was viewed as an important instrument to achieve recommendation #5, but efforts were required to revitalize it. The PPD could be an important intermediate structure between SWGs and the DPR under the aid co-ordination architecture. A follow up meeting with PSF, DPs and relevant GoR institutions (RDB, MINICOM, MINECOFIN) was proposed to be convened to determine how to best support this platform achieves its aims. USAID noted that a detailed update on recommendation #9 regarding budget analyses on stunting reduction remained pending and suggested this could be addressed prior to the DPR.

Following Mr. Mugabe presentation, a zero-draft agenda for the 2021 DPR. This was well received by the Co-Chairs and DPs agreed to make comments by the end of the week. DPs suggested the GoR initiate its plans to confirm dates and reserve a venue, if the meeting will be held physically. The Co-Chairs suggested the value of having at least two interim planning meetings and working sessions with the Secretariat, prior to the DPR and once the agenda had been finalized.

7. Presentation on Land Use Master Plan

MINECOFIN gave a presentation of the Cabinet approved updated *National Land-Use and Development Master Plan (NLDMP)* which replaced the only one in place adopted in 2011. The update was foreseen as needed to better align to the country's new development plans and strategies and will address coordination gaps in linking planning to improved land-use. Given the large increase in population expected, and Rwanda's high population density and limitations on arable land, there is a need to carefully consider land-use and the expected desired boundary size for different activities. For example, the new plan targets land use for forest and conservation to be 29.3%, and agriculture and livestock land to be approximately 47.2%. Implementation of the plan will depend critically upon the development of both sectoral and sub-national strategies to mainstream the NLDMP into existing district and sector plans including more detailed site plans for urban areas. For cities, Kigali's master plan has been finalized and approved, while in secondary cities master plans remain under development. Moreover, these only consider the urban zones and not rural areas of those districts. For all other remaining districts land use master plans will need to be completed, for which mobilization of resources is important to ensure the process can commence by FY 2021-22 to fill the gap.

DPs welcomed the results of the policy and planning update, making additional observations. The WB appreciated the thoughtfulness of changes, such as the incentives to plant cash crops on high slopes; it recalled that it had a relatively large engagement on sustainable urbanization. It inquired as to the dissemination and outreach plans. FAO queried how fertile vs. infertile land had been determined when conducting the planning, noting that RAB had prepared an agro ecological zoning map of the country that could be employed. It also noted it was important to understand which areas were most vulnerable to disasters such as landslides, when implementing decentralized land planning strategies. MINALOC reiterated that compliance was critical in order for the new plans to be effective. To that end it suggested increased use of technological tools and satellite imagery for surveillance, including monitoring protection of conservation and arable land. The UN RC expressed the interest and willingness of various UN agencies to provide support on sustainable urbanization. UNDP complemented that strengthening tools and capacities such as on environmental impact assessments (EIAs) and strategic environmental assessments (SEA) to support urban planning and infrastructure decision-making including siting could ensure the sustainability of the NLDMP and green growth strategy. It offered to help relevant actors.

MINECOFIN reassured DPs mass media will be used to engage citizens to build awareness of its principles, including at decentralized level. Further use of technology will be encouraged, including piloting paperless land registration to ensure data is synchronized. It responded that MINAGRI was part of technical advisory group developing the NLDMP and that the National Agricultural Atlas (2018) informed the mapping of agricultural lands, but that this will be complemented by other tools such as a Wetlands Master Plan.

8. Closing Remarks

Ms. Pryce gave closing remarks by thanking all participants for the rich discussion and thanked DPs for their ongoing commitment and engagement as illustrated by the length of time devoted to the meeting. It was encouraged by early data portending some degree of economic recovery. She saluted Rwanda's ability to manage health crises; but also encouraged more thinking on using the crisis as an opportunity for broader health system strengthening. The time is ripe to identify the basic things needed and that can get done in this period of time. It looked forward to ongoing discussion on the potential broadening of the scope and coverage of the ERF. DPs were heartened to hear all that has been done on social protection in 2020 and that GoR intends to continue existing programs, while recognizing there is still a budget gap.

DRAFT MINUTES FOR CIRCULATION

Discussions are welcomed to ensure avoiding a cliff in order to continue supporting those most in need. Finally, she urged all actors to remain vigilant in the holiday period for COVID-19. The Chair thanked all participants and reiterated the expression of best wishes for the holiday and New Year to all.

Matters Arising

Circulation of Additional Information	<ul style="list-style-type: none">• MoH to circulate National Vaccine Deployment Plan when available in January.• DPR recommendation (#9) requires an update.
2021 DPR Agenda	<ul style="list-style-type: none">• Comments on draft agenda to be shared by 18 Dec.• More time in DPR to be dedicated to review of recommendations and establishment of clearer DPCG work plan for 2021.• Interim planning meetings to be convened before February.