

FINAL COMMUNIQUE

GOVERNMENT OF RWANDA DEVELOPMENT PARTNERS CONFERENCE

The Fourth Rwanda-Development Partners Conference

Kigali 9-10 December 2004

At the invitation of the Government of the Republic of Rwanda, the Annual Meeting between Government and Development Partners was held from the 9th- 10th of December, 2004 in Kigali. The Conference was officially opened by His Excellency The Prime Minister Bernard Makuza. Hon. Dr. Donald Kaberuka, Minister of Finance and Economic Planning, presided over the proceedings.

The following countries and organizations participated in the meeting: Belgium, Canada, China, France, Germany, Italy, Japan, Norway, Russia, South Africa, Sweden, Switzerland, The Netherlands, USA, AfDB, DFID, European Commission, FAO, KUWAIT FUND, IFAD, IMF, Nile Basin Initiative, SAUDI FUND, UNAIDS, UNDP, UNECA, UNHCR, UNIFEM, UNOPS, UNICEF, USAID, WFP, WHO, World Bank. Representatives from International and Local NGO's, the Private Sector and Civil Society also attended.

1. The Agenda of the conference covered Rwanda's economic situation, progress in implementation of the PRS, challenges of post-HIPC financing, sector strategies, aspects of regional security, donor coordination as well as NEPAD and APRM process.
2. The Conference commended the economic progress being made by Rwanda and the gains in macroeconomic stability. However, it noted that the economy still remains vulnerable to external and internal shocks, mainly due to ever increasing petroleum prices, fluctuating commodity prices, energy shortage and poor rains.
3. The Conference also noted with concern the energy crisis arising from increased demand and under-investment in this sector for many years. Acknowledging the impact of such crisis on all sectors, poverty reduction, sustainable economic growth and development, it agreed there was need for urgent measures on the basis of the investment programme and conclusions of the Energy and Water Conference held on 8th December 2004.

4. Conference noted that Rwanda would reach HIPC completion point shortly and agreed the country is a case warranting topping up of the enhanced HIPC initiative assistance. The meeting noted that financing under the current definition of debt sustainability remains a serious concern for Rwanda. To achieve the MDGs and the PRS priorities, without worsening debt sustainability implies relying on grants. Yet availability of Grants which are long term and predictable is not certain. Participants agreed that Rwanda is on the right path to achieving its development goals and deserves increased support.
5. The meeting acknowledged that the PRS process has continued to be a highly participatory process with substantial input from the Development Partners, Civil Society and the Private Sector. The meeting further agreed on the importance of maintaining and sustaining progress to date while addressing the emerging issues; raising productivity in agriculture, the country's competitive position and external imbalances.
6. Progress made by Government towards the development of clear sector strategies was noted. The cluster system has been developed along sector lines. This system will focus on streamlining the structure and moving beyond a sector specific approach to the development of SWAPs in various sectors. Focus should be put on the creation and monitoring of concrete indicators to permit evaluation and analysis of poverty reduction. This will require further investment into the statistical capacity, both at the national and local level, which Development partners agreed to support.
7. The conference acknowledged progress made by the country in governance. Major achievements since the last GOR-DPM include: adoption of a new constitution, general elections, reforms in the justice system, office of Ombudsman and the Gacaca jurisdictions. The meeting noted the wide range of legislation and associated institutional reforms undertaken in the country in the last two years.
8. The Government of Rwanda gave a comprehensive presentation about the security threat to Rwanda posed by the EX-FAR INTERAHAMWE/FDLR/FOCA forces operating on or from the territory of DRC. The Government reiterated its call to the international community to end once and for all this threat to Rwanda and her people. There was agreement that this significant threat still exists, despite many accords entered into between the DRC and Rwanda to end it. Development partners appreciated the threat the genocidal forces pose to Rwanda's development efforts and urged that a definitive solution be found within the context of a multilateral approach. The need for continued dialogue on this issue with partners was expressed.

9. The conference took note of the ongoing work on Aid coordination, harmonization and alignment and appreciated the progress made to date by Government and Development Partners. It was agreed the importance of progressively moving towards predictable and long term budget support, aligning behind national priorities and assisting the country reinforce its system of accountability.
10. Development Partners congratulated Rwanda member of the Heads of State Implementation Committee (HSIC) for being very active in the NEPAD and being among the first countries to participate in the African Peer Review process. The importance of continued engagement of Rwanda in this process was appreciated and the need to ensure a close integration of NEPAD priorities and activities with national plans was emphasized. NEPAD is particularly important given the inter-relationships of Rwanda's economic development with those of the larger region.
11. The conference concluded by acknowledging a wide convergence of views between the Government and its partners during a frank and open dialogue. The Government of Rwanda appreciated the active participation of the Development Partners and their commitment to continued support to Rwanda's development efforts and emphasized the crucial issue of Mutual Accountability. Decisions of the Conference to be followed up bilaterally.
12. Participants expressed their gratitude to the Government and people of Rwanda for the organization of the meeting and for their hospitality.

Kigali 10th December 2004