

**MINISTRY OF FINANCE AND ECONOMIC
PLANNING**

**Rwanda Government / Development Partners 4th Annual
Conference**

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REPORT

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List of Abbreviations

ADB	African Development Fund
APR	Annual Progress Report
APRM	African Peer Review mechanism
BSHG	Budget Support and harmonization Group
CDF	Community development Fund
CEPEX	Central bureau for Projects and External Finance
CNLS	Commission National Lutte contre SIDA
COMESA	Common Market for East and Southern Africa
DPCG	Development Partners Coordination Group
DPM	Development Partners Meeting
DRC	democratic republic of Congo
ECA	Economic commission of Africa
EU	European Union
FAO	Food and Agriculture Organization
FNL	Force National de Liberation
GDP	Gross Domestic product
GOR	Government of Rwanda
HARPP	Harmonization and Alignment in Rwanda of Projects and Programs
HIPC	Highly Indebted Poor Countries
ICT	Information Communications Technology
IMF	International Monetary Fund
IT	Information Technology
MDGs	Millennium Development Goals
MINECOFIN	Ministry of Finance and Economic Planning
MONUC	United Nations Mission in Congo
NEPAD	New Partnership for African Development
PRSP	Poverty Reduction Strategy Paper
RITA	Rwanda Information Technology Authority
UNDP	United Nations Development Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Women Organization

Acknowledgements

The Ministry of Finance would like to thank the Rt. Honorable Prime Minister, Bernard Makuza, senior government officials, representatives of multilateral organizations, heads and representatives of diplomatic missions, representatives of the private sector and members of the civil society whose participation in the meeting stimulated frank and constructive discussions that lead to commendable recommendations and conclusions.

The successful conclusion of the 4th DPM that took place 9th to 10th December 2004 is attributed also to the hard work of the organizing committee and task force comprised of members from Prime Minister's Office, MINECOFIN, UNDP and IMF/World Bank. In addition the Ministry of Finance would like to take this opportunity to express its gratitude to the development partners who contributed to the funding of the conference, particularly the UNDP, World Bank and ADB.

Preamble

Why the Government of Rwanda/ Development Partners Meeting?

Every year the Government of Rwanda/Development Partners Meeting takes place to discuss issues of common concern for Rwanda's development. This year the 4th GOR/DPM was opened by the Rt. Honorable Prime Minister and discussions dwelled on the following:

- Review of Rwanda's economic situation and challenges of post HIPC financing and debt sustainability
- Emerging issues in the Poverty Reduction Strategy
- Sector Strategies
- Security issues in the Great Lakes Region
- Development Partners Coordination, Harmonization and Alignment
- NEPAD / APRM process and implementation in Rwanda

The meeting took place at the time when there is notable economic progress and gains in macroeconomic stability, although it was noted that the economy is still vulnerable to external shocks, mainly from ever increasing petroleum prices, fluctuating commodity prices and the energy crisis (there was a specific meeting on 8th/12/2004 to discuss energy and water crisis). General recommendations from the meeting were drawn as seen on page 5.

Most of the invitees from within Rwanda and from abroad were able to attend and participate in the meeting. The ministry of Finance and Economic Planning on behalf of the Government of Rwanda is infinitely grateful for their contribution to the success of the meeting.

Recommendations:

The 4th Government of Rwanda / Development Partner's Meeting, made the following recommendations:

1. Government and Development Partners recommended that since all themes discussed are closely inter-related, both parties must continue working in a coordinated manner behind key strategic areas crucial for Rwanda's economic development.
2. It was agreed that there was need for urgent measures to address the energy crisis since it impacts on all sectors and is directly linked to poverty reduction, sustainable economic growth and development.
3. The country was urged to continue progress governance. Achievements already made were recognized namely: end of transition with new constitution, democratic Presidential and Parliamentary elections, reform in the judicial process, gacaca jurisdictions, and associated institutional reforms.
4. The meeting affirmed that Rwanda is a case warranting topping up of the enhanced HIPC initiative assistance because it is difficult to mobilize resources to achieve the MDGs and the PRS priorities, without worsening debt sustainability.
5. The PRS process has continued to be a participatory with input from the Government, Development Partners, Civil Society, the Private Sector and decentralized entities; sector strategies have also been developed. The meeting recommended that to ensure implementation of these strategies, there is need to put up a strong monitoring and evaluation process and where possible, to use joint funding and implementation mechanisms.
6. Scaling up investments in the productive sector is very crucial because there has been uneven growth between the productive and social sectors. High investment in the social sector has not been complemented with similar investments in the productive sector.
7. Focus should also 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 levels. These indicators should be harmonized across sectors.
8. The meeting suggested that Public Sector Reform may improve the problem of brain drain from national and local government institutions. Donors were advised to be more cognizant of the impact of their remuneration policies on government's ability to retain qualified staff in key positions.

9. Participants appreciated the threat that the genocidal forces (Ex-FAR interahamwe) in DR Congo 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.
10. Significant progress in the area of aid coordination, harmonization and alignment notably in the cluster system, was noted. It was recommended that HARPP and BSHG should continue so that Rwanda benefits from global best practice and that the DPCG currently located under the Office of the Resident Coordinator, should be moved to MINECOFIN as part of the new restructuring underlying the importance of strengthened government leadership.
11. The importance of continued engagement of Rwanda in NEPAD/APRM process was emphasized and the need to ensure a close integration of NEPAD priorities and activities with national plans was emphasized.
12. The conference concluded by acknowledging a wide convergence of views between the GOR and its partners during a frank and open dialogue. It was recommended that Rwanda is on the right path to achieving its development goals and deserves support.

Conference Proceedings

The three-day conference consisted of an opening ceremony, sessions of presentations and discussions, bilateral meetings and up country visits.

A. *Official Opening Ceremonies:*

- Welcome Statement by Hon. Dr. Donald Kaberuka, Minister for Finance and Economic Planning.
- Statement by Mr. Kamau Macharia, UNDP Resident Representative
- Official Opening address by the Rt. Hon. Bernard Makuza, Prime Minister of the Republic of Rwanda

B. *Presentations and Discussions*

- Review of Rwanda's economic situation and challenges of post HIPC financing and debt sustainability
- Emerging issues in the poverty reduction strategy
- Sector Strategies
- Security issues in the Great Lakes Region
- Development Partner's Coordination, Harmonization and Alignment
- NEPAD / APRM process and implementation in Rwanda

C. *Wrap up Discussions*

- Remarks by Hon. Solina Nyirahabimana, Minister in the President's Office.
- Remarks by the Ambassador of the Netherlands and Dean of the diplomatic corps.
- Remarks by Mr. Kamau Macharia UNDP Resident Representative.
- Remarks by Hon. Dr Donald Kaberuka Minister for Finance and Economic Planning.
- Adoption of Final Communiqué and Closing.

A. OFFICIAL OPENING

Welcome Statement by the Minister of Finance and Economic Planning

The Minister of Finance and Economic Planning Hon. Dr. Donald Kaberuka welcomed participants to the conference and especially thanked the Hon. Prime Minister for availing himself to officially open the meeting despite his busy schedule. He went through the agenda for the entire conference, elaborating on some of the items and highlighting the importance of frank discussions in this conference and process.

Dr. Kaberuka recognized that Rwanda's economy has done well but is still vulnerable to external shocks, such as poor rains that have affected agriculture, high petrol prices and the energy crisis. On the issue of poverty reduction, he noted that after two years there is a need to review the PRSP and shift gears. It is important to improve on agricultural productivity, look at post HIPC completion point and debt sustainability, and attract high rates of investment for the country to attain the goal of being a middle income economy by 2020.

He informed the meeting that discussions will continue on different sectors and gladly noted improvement in the work of the clusters over the past 2 years. This type of system is intended for constructive dialogue between government, development partners, civil society, private sector and NGOs, all of whom were represented at the meeting. Ministers present were encouraged to provide clarification on different issues and participants were asked to read the distributed documents for further information. Dr. Kaberuka stressed the fact that Rwanda's economic development and progress is attributed to peace and security in the country and the whole region.

The Minister noted that sometimes there are unilateral withdrawals of aid and this shocks the country's economy, this should not occur unless under dire circumstances. In conclusion he encouraged aid through budget support saying countries not already doing so should start as this is the best way to support national programs in a transparent manner.

Statement by UNDP Resident Representative, Mr. Kamau Macharia

Mr. Macharia Kamau, on behalf of the development partners, recognized the great political, economic and social achievements that the government of Rwanda has made since the genocide, and the last development partner's meeting in particular. In his opening statement, Mr. Kamau lauded the government on its major successes: the peaceful and participatory transition, especially the presidential and parliamentary elections held last year; maintenance of macro economic stability and economic growth; and the promotion of comprehensive institutional reforms.

He said major challenges persist in the sectors of health, agriculture, and energy, some of which were discussed during the Energy and Water Conference. The fight against HIV/Aids continues to require urgent attention, though gains in the form of increased Anti-Retroviral access were recognized.

Poor rainfall and subsequent food shortages have highlighted the precarious nature of Rwanda's subsistence based agricultural economy. He discussed the need to diversify in order to adequately address poverty reduction.

To further facilitate the continued commitment to partnership and financial assistance, he emphasized that harmonization and coordination of development partner's and government activities is vital. To this end, the establishment of the Development Partners Coordination Group (DPCG) was recognized for availing a suitable platform. More proactive participation by government ministries in the developmental cluster systems was requested, while development partners were cautioned to better align their projects with Rwanda's PRS priorities and the Millennium Development Goals. Recent developments about the Democratic Republic of Congo have caused much concern for development partners, Mr. Macharia hopes that Rwanda will continue playing a positive and leadership role in maintaining peace and security in the region.

Finally, he said there is no doubt that Rwanda needs and deserves more development assistance, noting that partnership with government is important because any assistance given plays a significant role in changing people's lives.

Official Opening Statement by the Rt. Honorable Prime Minister, Bernard Makuza

The Rt. Honorable Prime Minister Bernard Makuza thanked the participants for honoring Rwanda's invitation to the meeting and said the government recognizes the role of development partners in helping Rwanda's development initiatives.

He reiterated the commitment of his government to the Poverty Reduction Strategy Program and highlighted Rwanda's progress in the different sectors including: combating corruption in public fund management through institutions of good governance like the office of the OMBUDSMAN, the office of the Auditor

General, the Rwanda Revenue Authority and the National Tender Board. He commended the ongoing privatization process and integration of the country in regional organizations such as COMESA, NEPAD, and the AU.

Rt. Honorable Bernard Makuza, brought to the attention of the meeting challenges faced by Rwanda, including the energy and water crises, low-levels of agricultural productivity, increased oil prices, and sincerely thanked development partners that have made pledges to support these sectors. He said the last two years have been used to improve the political situation and reemphasized the tremendous achievements in the consolidation of Rwanda's political and institutional base for sustainable development, notably;

- Adoption of a New Constitution
- Presidential and parliamentary Election in 2003
- Executive and Judiciary Reform

He expressed his concern regarding the security situation in the Great Lakes Region, saying that Rwanda has never hesitated to sign and adhere to agreements aimed at creating and maintaining peace and security, proved by signing the Dar es Salaam declaration this year, among others.

Rt. Honorable Makuza told the meeting that the whole world is on the alert to prevent and fight terrorist groups else where, and thought it unacceptable to see similar groups, or may be even worse groups, protected by the same international community as far as Rwanda and Great Lakes security is concerned. He said the Government of Rwanda is not ready to give up its responsibility of fighting the genocide ideology and protecting its people, and invited the International Community to contribute to the resolution of the security problems in the region caused by the ex-FAR/Interahamwe. He wished the meeting good deliberations, thanked those who traveled long distances to attend the meeting and wished them a pleasant stay in Rwanda. He declared the meeting officially open.

B. PRESENTATIONS AND DISCUSSIONS

I. OVERVIEW OF RWANDA'S ECONOMIC SITUATION AND CHALLENGES OF POST HIPC DEBT FINANCING

Review of Rwanda's Economy

Presenter- Mr. Prosper Musafiri, Director Macro Economic Policy.

Mr. Musafiri discussed the subjects of: economic performance, price inflation, external trade, monetary sector developments, fiscal performance, PRGF performance, structural measures to development, and the HIPC assessment

and completion point. From these key indicators, medium to long-term financing requirements were presented. The 2005 budget proposals focus on addressing various structural problems which are key to achieving growth targets, improving the trade balance and reducing poverty.

He told the meeting that key economic indicators reveal that the economy has performed well overall since 2000, but does remain vulnerable to exogenous economic shocks – especially poor rainfall, high fuel and commodity prices.

The industrial base remains weak and uncompetitive; this year it has suffered especially from entrance into COMESA and the energy crisis, evidenced by 22% decline in industrial goods. However, the construction sector has demonstrated consistent strong growth while transport, tourism and communications remain the engine of growth in services. As far as prices are concerned, inflation remained above 10% due mainly to high food prices. On external trade, he said export performance is strong: coffee exports have grown in volume and value terms, cassiterite tin grows rapidly in response to a 60% rise in price, and coltan has also reversed its downward trend this year as prices jump to 67%.

In the monetary sector: Tight monetary policy has this year maintained monetary aggregates in line with PRGF targets. Mr. Musafiri briefed the meeting on reforms aimed at improving the monitoring of the Development Budget, namely improving the legal and regulatory framework of public investments, establishing rules and obligations of various partners in project negotiation, financing, implementation, recording and reporting, and a new Public Financial Management System.

On the issue of HIPC, Mr. Musafiri said the current external and publicly guaranteed debt is USD 1473.2 million as at end of December 2003, representing a 4% increase on 2002. Rwanda hopes to reach HIPC completion in March and therefore becoming eligible for “Topping up” under the Enhanced HIPC Initiative.

Rwanda’s medium term strategy seeks to finance the PRSP which is focused on economic growth and poverty reduction in line with the MDGs. Given domestic resource constraints, it will need to attract about \$200m of additional financing each year to meet its expenditure requirement and if Rwanda wants its debt levels to be sustainable then it must limit borrowing to only \$20m each year. The challenge remains finding these additional resources in the form of grants (\$180m each year).

The 2005 Budget proposals focus on addressing various structural problems which are key to achieving growth targets, improving the trade balance and reducing poverty.

Presentation by IMF representative on Rwanda’s Economy:

The IMF representative made a presentation on the economic progress made by Rwanda since 1994. Achievements include stability, security and new political and administrative structures. The speaker noted that there is a GDP growth of

8.5%, macroeconomic stability with relatively low inflation, poverty has been reduced but is still higher than before 1994, but commended the government on track macro-economic policies in 2004.

The medium term challenges were stated as improving economic growth, reducing poverty, and achieving Millennium Development Goals. In the short term there is need to plan how to increase capacity and ability to manage shocks to the economy. Some of the building blocks to achieve goals for the medium term are strategies that enhance productivity, increased grants, administrative capacity and public expenditure management systems, macroeconomic impact from inflows and lasting peace in the region.

The plan for 2005 should include: an increase in poverty reduction spending with macroeconomic objectives, productivity enhancing strategies and debt sustainability analysis with the intention to take Rwanda to HIPC completion. IMF remains committed to working with Rwanda to promote growth, reduce poverty, achieving the MDGs and keeping external debt ratios to manageable levels.

Emerging issues and recommendations

- Need to improve economic growth, reduce poverty, and achieve the Millennium Development Goals.
- Need to plan on how to increase capacity to manage shocks to the economy.
- Need to direct funds into capacity building to improve absorption capacity with regard to development partner's funding. Existing institutional frameworks should be improved rather than creating parallel structures so that capacity development is done in a coordinated and harmonized manner.
- Rwanda needs to take advantage of opportunities beyond borders because sustainable economic development in the long run depends on regional co-operation. This is envisaged in Rwanda's vision 2020.

II. EMERGING ISSUES IN THE POVERTY ERADICATION STRATEGY

Progress Report on Poverty Reduction and Emerging issues

Presenter- Mr. Ernest Rwamucyo, Director Planning and Poverty Reduction

Rwamucyo's presentation focused on the PRS process noting that preparation of the 2002 PRSP was a highly participatory process. The same principle has been adhered to and strengthened for the 2004 Annual Progress Report (APR) where government worked in partnership with development partners to draft chapters in the report. A joint validation workshop was held and main achievements and key challenges in PRSP priority sectors were mentioned

There are notable achievements in public finance management, good governance, rural development and agricultural transformation, human resource development, economic infrastructure and private sector development. There have been reforms in the public sector and progress in cross-cutting issues, including the establishment of RITA responsible for ICT development, a gender budget initiative which is now in place and increased representation of women in parliament. A multi-sectoral capacity building programme has been developed and an environment policy, law and bill were adopted.

He mentioned key challenges:

- under-investment in the productive sector: investment in social sectors has been at the expense of the productive sector causing uneven growth between the two sectors
- Post HIPC financing needs: how to meet huge investment needs without worsening debt sustainability. Questions remain to be answered: Are current definitions of debt sustainability adequate? Can more grants be mobilised?
- Growth is important for poverty reduction but the distribution of that growth matters as well. Progress in poverty reduction could be greater if more attention is paid to distributional issues.
- High levels of political will constrained by low institutional and human resource capacities

The way forward includes an update of PRSP II in 2005 using a participatory approach, addressing special issues including strengthening productive sectors, trade (especially export promotion), infrastructure (especially energy and water), strengthened monitoring and evaluation, and mainstreaming of cross-cutting issues.

Emerging issues and recommendations

- The growing gap between the rich and the poor is largely due to: rural areas being the most affected by the genocide, little investment in these areas, and the impact of investment in sectors like infrastructure or education is only demonstrated over a long period of time.
- Rural urban migration is due to low agricultural productivity, lack of modern employment in villages, poor infrastructure, land fragmentation and tenure and lack of access to credit.
- Poor system of statistical data collection: It would be beneficial for development partners to help the government set up a statistical shop to address the issue of poor systems of statistical data collection.
- Although lack of statistics in specific poverty reduction mechanisms was recognized this should not stop the process of taking the PRSP II forward. The PRS process should be flexible.

III. SECTOR STRATEGIES

Sector Strategies, key Priorities and Challenges

Presenter- Minister of State for Economic Planning, Hon M. Nsanzabaganwa

Hon. Monique Nsanzabaganwa presented the key challenges and strategies/priorities for all sectors to be discussed during the rest of the meeting. She said 2002 PRSP Priorities have been identified as: agricultural transformation and rural development, human resource development, economic infrastructure, good governance, private sector development and institutional capacity building. She indicated the emerging issues, namely the need to: focus on productive sectors and the supportive infrastructure, achieve debt sustainability, improve export promotion, and find a new financing strategy. She mentioned the importance of distribution of growth and the urgency in reducing vulnerability to agriculture.

She concluded by saying that much progress has been made since the 2002 PRSP, and further gains will depend on success in mobilising the productive sectors (on which the whole economy and subsequent poverty reduction depends) and the capability to finance existing needs which far exceed available resources. She said government will continue to work together with their partners to balance existing priorities for maximum poverty reduction and sustainable economic growth.

Private Sector Cluster

Statement by USAID on Private Sector cluster

A USAID Representative spoke on behalf of the development partners in the private sector cluster noting that during the previous 2002 DPM, USAID was privileged to be asked to take on the role of this cluster's facilitator. Since then, MINICOM has convened cluster meetings regularly and attempted to coordinate technical and budgetary inputs. The cluster will work with MINICOM to turn challenges into achievements mainly in the following areas:

- Trade
- Tourism
- Infrastructure
- Agribusiness
- Human and Institutional Capacity

Statement by Minister of Commerce Hon. Murekezi Anastas

Hon. Murekezi commented on Private sector performance and said its making headway but there are still issues to address namely:

- Energy crisis
- Low productivity
- Little value added
- Legal and regulatory frame work – however, a new bill on taxation customs is now being adopted.

The ministry is committed to poverty reduction through wealth creation because it impacts on all sectors of society, and believes that trade activities should be a tool of reducing poverty. Hon. Murekezi noted the following requirements for addressing existing challenges: strengthening capacity building for the private sector, attitude change towards competition, improving quality standards and strengthening financing.

Emerging issues and recommendations

- Although the private sector has a good partnership with government and development partners, there remain some challenges including: capacity building, limited coordination and lack of a base for resource mobilization.
- Eminent challenges include: poor infrastructure (such as roads and energy), landlocked-ness that causes heavy transport costs, lack of small and medium size enterprises, lack of capital, thus high cost of money, and lack of knowledge to access export incentives.
- It was noted that there is a significant improvement in the private sector, since new companies are emerging. Markedly, last year investments accredited to Rwanda were worth 3.2 billion FRW, while this year, new investments accredited to Rwanda are worth 136 billion FRW, 79% of which are local enterprises and 21% foreign driven enterprises.
- Incentives like partial financing, subsidies in transport costs, and a quick registration process for new companies would create a better environment for investors. The private sector needs to exploit the opportunities availed by Rwanda's potential membership of the East African Community – government should offer the necessary support.
- Rwanda adopted competitiveness as a framework to develop the economy and is committed to support private sector associations so they can become active and operational tools. Donations to the private sector undermine innovation – sources for capital financing are a preferred option.

Rural Development Cluster

Statement by EU on Rural development cluster

The EU representative told the meeting that the EU gladly accepted the invitation to chair the cluster after the 2002 conference, and identified it as one that is complex and requiring strong leadership. In this regard, while the need for government coordination of interventions in the rural development sector was noted, it was also stressed that a combination of government and development partner's efforts was necessary to address the challenges facing the cluster.

The EU representative mentioned unpredictable rainfall and the practice of subsistence farming among the factors contributing to the sector's fragility, and suggested fertilizer use, micro-credit and sustainable land use as possible solutions.

Statement by Dr. Patrick Habamenshi, Hon. Minister for Agriculture

Dr. Habamenshi offered several factors for declining productivity in the rural sector, among those: poor water management, inadequate exploitation of marshlands, low integration of agriculture and animal husbandry, and lack of value added agricultural products. He attributed low income generation in rural areas to subsistence farming, low access to markets, lack of diversification of cash crops (there is mainly coffee and tea), and low financing of agricultural sector (only 2-3% financing).

He suggested a number of strategies for intervention, namely intensifying production using modern input (e.g. new seeds), diversification (not only the type of product but also the activities in the area), soil and water management to protect against erosion, watershed management and the organization of farmers, including provision of professional/advisory services to them.

Emerging issues and Recommendations:

- Structural challenges will take time to be adequately addressed in the cluster due to insufficient investment in agriculture. Guaranteeing land tenure and security is very crucial as is increased allocation of funds to rural development.
- Poor management of water resource needs to be addressed. Collection and use of rain water for agricultural and domestic use could help.
- There is need for development partner's support to policies that will lead to increased land value, address water issues, erosion, desertification, and land degradation.
- Declining funds made available for rural development indicate that the cluster, like many others, requires more money than it is allocated.
- There is need to strengthen data collection procedures with more professional equipment and better trained personnel on rainfall and other factors affecting agriculture.

Social Sector (Education, Health, HIV/Aids, Gender, Youth) Clusters

Statement by the Belgian Ambassador on the Health cluster.

The Belgian Ambassador reported on behalf of the health cluster and congratulated the government on the developments in the the sector in the last two years, expressing eagerness to implement the next steps in the health framework. He noted increased funding available for the next five years from development partners and wish to know how the government intends to fund Health sector priorities in order to work in harmony. Major hurdles identified were poor infrastructure, lack of human resource capacity and insufficient service delivery.

The Ambassador applauded the government's restructuring program especially with regard to reproductive health and child care, but warned that Rwanda's MDGs in these areas will not be met unless it maintains a high rate of immunization and promotes modern contraception methods. The fact that Rwanda has slipped down to 11th position in UNICEF's report on child mortality necessitates serious action. Mutuelle's (health insurance) progress so far was recognized, though it was noted that at present it cannot provide sufficient coverage for all Rwandans; further investment in this program is required. The development partners in this cluster said they look forward to developing a SWAP in Health Sector reiterated their willingness to work towards harmonization and co-ordination and requested clear government leadership in this area.

Statement by USAID on HIV/Aids cluster

USAID presented the progress report of the HIV/Aids cluster as the lead development partner, stating that despite significant increases in funding for prevention, treatment and care, there are very limited resources to adequately address the pandemic. There are marked improvements in the fight against HIV/Aids; in 2003 fewer than 100 people had access to Anti-Retroviral (ARV) treatment, now there are over 5000. There is also an increase in the number of associations of people dealing with HIV/Aids prevention and support. There is a need to decentralize management and delivery – new staff, programs and more funds have helped, but coordination is now a bigger challenge. However, the government was commended on its national plans to address these challenges, and it was reported that Rwanda is implementing the “Three One's” program, CNLS is working well, and that TRAC is providing much needed clinical leadership. The USAID representative remarked that prevention is just as important as providing treatment to those already infected, and noted that Rwanda's policies reflect this. Technical skills and capacity are a challenge, and this will have to be improved for better service delivery. Providing ARV treatment is technically complex, and Rwanda needs to build up clinical staff – importing staff and equipment will not help cultivate the required resources. It was stressed that HIV/Aids programs should do more than divert resources but should also strengthen and protect the health sector. The development partners expressed

readiness to explore how HIV/Aids resources strengthen the entire health care system. Currently more than a dozen development partners are funding cross country programs as well as dealing with multiple sectors. All provinces are covered and different aspects of the epidemic are addressed. USAID commended the government for its efforts so far and encouraged it to continue.

Statement by Dr. Innocent Nyaruhirira, Hon. Minister of State for Health

Dr. Nyaruhirira began his remarks by stressing the importance of resources for the health sector, and complimented the development partner's holistic approach to the sector. He highlighted the urgent need for coordination, and mentioned the crippling lack of human resources. He pointed out that while the ministry appears to be sufficiently or over-funded, the emphasis on particular epidemics (e.g. HIV/Aids) depletes human resource capacity in other areas. The biggest challenge facing the sector is retaining qualified health care personnel, who often take up better paying jobs in the private sector. Dr. Nyaruhirira went on to note that poverty strategies need to ensure that the citizens have adequate resources to finance their health care otherwise the Mutuelle (medical insurance) system will not work. Government and development partners assistance is needed to strengthen the Mutuelle system (medical insurance), and quality of health care is a particular priority, especially with regard to investing in new infrastructure and maintaining the old. He thanked Belgium and Luxembourg who fund health care infrastructure and personnel and concluded that health care should be at least 10% of the national budget.

Emerging Issues and Recommendations

- Support from development partners is encouraging but there is still a 50% financing gap until 2007. It was also suggested that a basket fund be set up to support the "Three Ones" program for better harmonization.
- A policy for salaries is necessary and appropriate remuneration for health specialists and doctors is important in order to keep them motivated and prevent them from taking their much needed resources to the private sector. Some development partner's funding could be specially allocated to salaries, to mitigate the staffing problem.
- HIV/Aids is a multi-sectoral problem cutting across sectors such as agriculture and gender, and CNLS is structured to meet that need. Due to the integrated approach needed to address this issue, development partners were urged to disburse funds on time and to facilitate coordination and harmonization, especially with regard to their different procedures and other related administrative protocols, which make working with them challenging. The contribution of civil society organizations was recognized.

- Poor immunization and other related problems like malaria, respiratory diseases, chronic malnutrition and lack of access to health care maternal care are critical issues to be addressed if children under 5 are to survive. Development partner's support is needed to deal with the lack of resources and infrastructure necessary to improve the situation.

Statement by DFID for the Education cluster.

The DFID representative presented a report on the education cluster's progress. He thanked Hon. Minister for Education Prof. Romain Murenzi on behalf of the development partners in the cluster for his leadership. Rwanda now has the highest level of enrollment in the region, and gender imbalances continue to be corrected. He mentioned however, that girl enrollment must be improved upon, and that Rwanda will not meet the MDGs if net completion rates do not increase.

The education sector plan is not fully funded and it remains the obligation of development partners and government to ensure that all external funds are aligned. It was strongly recommended that the sector move away from project funding and move towards flexible aligned funding. The need for more predictable, transparent and flexible aid was highlighted and the government's clear lead for enabling harmonization and increasing development partner's participation was recognized. The importance of development partner's ability to demonstrate impact and value for money was stressed, and the DFID representative called for good management and sound analysis to evaluate progress, especially with regard to how education can impact upon poverty reduction.

Statement by Prof. Romain Murenzi, Minister for Education

The Hon. Minister for Education, Prof. Romain Murenzi began his remarks by thanking the development partners for their support so far. He noted that Rwanda is aspiring to create a knowledge based, middle income economy and consequently, the current school going generation is very important for the future of Rwanda's economy. By 2020, the children of today especially the 28% presently in school will be the work force. Access to quality education is a fundamental human right that the GOR recognizes, and in an effort to provide this opportunity to as many Rwandans as possible, the ministry is expanding primary schools in order to improve access to lower secondary. The declaration of free primary education has increased access from 70% to 94%. The number of years of compulsory education has increased from six to nine, and includes free lower secondary. National illiteracy stands at about 52%, hindering a majority of the population from effectively participating in the democratic process. The ministry is planning a National Literacy program for next year with the help of local partners like the army and various churches.

Vocational training is also being promoted; the government aims to have at least one technical school in every province. Science and Technology, Human Rights and Peace education are also priorities.

The Minister emphasized the need to incorporate Science and Technology into the school curriculum to promote critical thinking skills, emphasizing the link between critical thinking and peace and stability. With development partner's support, the ministry intends to place 1-2 computers with internet access in every high school. Although this will come at a cost, this kind of connectivity initiative will save money on costly book distribution because teachers can download and print materials.

Education cuts across several other sectors: health is important to ensure that children have the necessary vaccinations and are well nourished. Children can now be vaccinated at school and drop out levels are lower where there are feeding programs. Teachers and students at higher levels have been asked to take HIV tests to determine their status. Schools are also working on their sports programs to improve the overall capacity of the country in that sector. The three main languages – Kinyarwanda, English and French – are incorporated into the curriculum to ensure that students are able to interact effectively both in the region and internationally. The Minister concluded by thanking the Education sector's partners.

Emerging Issues and Recommendations

- The Ministry of Education needs to work harder to address the problem of an imbalanced ratio between higher and lower education. Higher education scholarships now in form of loans will reduce pressure on the ministry as students begin to pay back the loans.
- Rwanda should be unapologetic about promoting often costly Science and Technology programs and institutes in Higher Education. It was noted that higher education brings wealth, and that Rwanda is already reaping the benefits of such programs in the NUR, KIST, and KIE.
- Rwanda receives a high return of higher tertiary students than it sends abroad, but recognized that the issue of salaries must be addressed as an incentive

Statement by UNDP on Good Governance cluster

The UNDP representative emphasized that good governance and capacity building are interdependent. He said partnership and coordination must continue and be improved upon, noting that Vision 2020 and the PRSP gives a general framework for capacity building and good governance, thus development partners should support the instruments available to make this happen.

The cluster system is becoming more operational and has proved very useful. Sub-clusters comprise decentralization; justice; economic governance; media

and civil society and some joint initiatives such as CDF, Gacaca, and Justice need to be kick started.

He further said that to make clusters work better they need advance preparation for meetings so that decisions can be made on specific issues. Improved planning and coordination could help. Overall clusters should act as government policy making organs and sub clusters should be more technical – development partners are willing to help.

He noted the importance of a strong civil society to lobby government on certain issues, and support it on others and hopes that the deliberations in this meeting will cement the common vision that exists between government and development partners on good governance priorities.

Statement by Hon. Musoni Protais, Minister for Local Government

Hon. Musoni stated that good governance is the cornerstone of individual and collective enterprise. Building instruments of good governance in Rwanda is an ongoing process that started at the Urugwiro meetings in 1998. It culminated in creating a vision and legal environment for setting up a democratic state that is effective, efficient, modern and relevant to the Rwandan society.

The government now has appropriate policies in place, and continues to develop a culture of participation and consultation with the national populace. He noted, however, that major challenges are the general expectation of top-down delivery, and delays in the move from policy formulation to implementation that can cause apathy. The government does not have the capacity to move at the rate it desires, and should use the institutions that are already in place, then monitor and fill the capacity gaps. He warned against developing parallel structures that undermine existing capacities, advising rather that mechanisms be put in place to ensure total productivity. The CDF should be used as a tool to channel funds efficiently and other partnership and co-ordination forums that exist should be exploited.

Hon. Musoni informed the meeting that capacity building goes hand in hand with information sharing, monitoring and evaluation, security and stability. Although the importance of dialogue is enshrined in our constitution, on matters of national security if dialogue fails the government has to do everything possible to prevent a return to the 1994 crisis.

He emphasized the fact that coordination and partnership with development partners, the private sector and civil society is essential for development work, and suggested that steering committees are vital because they give everyone a chance to participate. Although members of the cluster have different backgrounds, interests and understandings of broad definitions, they now have clear guidelines to facilitate the implementation of clear, suitable policies.

Statement by Mrs Evlyne Kamagaju, the Auditor General- on Economic Governance

The Auditor General noted that Rwanda has set up institutions for economic governance, including the Office of the Auditor General, Rwanda Revenue Authority and the National Tender Board. She observed that while this is a good step there are some bottle necks: lack of capacity (Rwanda has only 20 qualified accountants), lack of a professional body of accountants, inadequate local training institutions, lack of appropriate recognition for qualified accountants and high cost of training both at the local and international institutions.

Government has passed an organic budget law under which the government will have to manage finances according to international standards. At present, only 10 firms exist, and not all of them have properly qualified staff. Rwanda wants to join regional economic blocs such as the East African Community, but with about 5000 accountants in Kenya, 3000 in Tanzania, 500 in Uganda, the gap left to fill is staggering. The Auditor General urged development partners to help where they can and elaborated upon a chartered road map to change which includes: setting up a code of conduct and ethics for professionalism in accountancy, continuous professional education, addressing the resource drain (develop local capacity so that there is no need to hire expensive foreign consultants), setting up a professional body of accountants, putting in place legal frameworks by drafting an Accountants law, setting up professional institutes, drawing up of national exams (tailoring external exams to the local situation) and an examination body, licensing of practicing accountants, and setting accounting and auditing standards.

The Auditor general hopes that this will form a good accounting framework and a platform for advice to government as prerequisite for good corporate governance and thanked the governments of the Netherlands and Sweden for their support.

Emerging Issues and Recommendations

- Partners were advised to help Rwanda generate the required capacity or be patient until the country attains the capacity levels necessary. They were encouraged to visit the School of Finance and Banking and see what they can do to support it.
- Rwanda was commended for her efforts in the fight against corruption and it was noted that in comparison to neighboring countries with over 5000 accountants, with a mere 20 accountants, Rwanda is known for comparative low levels of corruption!
- It is important that every enterprise has a chartered accountant and development partners should make every effort to support training because technical assistance is temporary and consultation firms do not contribute to capacity building. Local firms need to be brought to

international standards, and challenged the private sector to assist; saying government cannot and should not be left to handle this alone. It was recommended that government and development partners should not underrate or forget capacity building at the rural level.

- Rwanda is doing well in other areas of good governance and democracy, such as free speech and media (several private radio stations emerging), and using ICT as a tool of democracy. This creates good public debate, and empowers civil society to play a watch dog role to government.

Statement by Hon. Bizimana, Minister for Infrastructure

Hon Bizimana noted that Rwanda is land locked and a meeting point of three transport corridors. There is need to increase performance in the transport sector; concentrating on rehabilitating roads and the airport. It is important because it is a major link between Rwanda and the region.

Regarding Information Technology (ICT), RITA has been set up but there are no funds to develop it. He emphasized the need for reconstruction and expansion of telecommunication infrastructure and informed the meeting that Rwandatel's privatization is near completion.

Constraints noted are: the performance and maintenance of roads, electricity and water works, lack of financial and human resources, and very limited intervention by the private sector in infrastructure development. He said development partners can help in building capacity in this area. A special unit to solve certain problems and bring in better management has been created in the ministry. The government encourages the participation of demobilized soldiers and the local population in line with the poverty reduction strategy.

The minister promised that because of high transport costs (40% of import/export costs), feasibility studies will start to look into the development of railway transport and invited development partners to support by contributing to these efforts.

Emerging Issues and Recommendations

- Development partners supporting infrastructure are very keen and willing to continue support in this area.
- Continued investment in infrastructure is important especially because Rwanda is dependent on road transport which is very expensive.
- It is important to invest in IT because it has potential to transform Rwanda.
- Needs in the Energy sector were appreciated, as elaborated in the previously held Water and Energy conference.

IV. SECURITY ISSUES IN THE GREAT LAKES REGION

Security in the Great Lakes Region

Presenter: Ambassador Sezibera, Special Envoy to the Great Lakes Region

Ambassador Sezibera briefed the meeting on regional security, more especially on the threat posed by recent developments regarding ex-FAR and interahamwe attacks into Rwanda from DR Congo. Although the number of interahamwe in the Eastern DRC has decreased from about 125 000 to 1500, they still pose a big threat to Rwanda's territorial integrity, economic development and that of its neighbors.

These genocidal forces have structured command and organization with the aim to: complete the 1994 Genocide, disrupt Rwanda's socio-economic stability, reverse achievements in National Unity and Reconciliation and arrest Rwanda's economic growth. Negative effects from previous attempts to destabilize the country were mitigated by the government's intervention, and this is why there was notable recovery. This is evidenced by figures from MINECOFIN which indicates that GDP decreases as security threat increases and vice versa.

Ambassador Sezibera informed the meeting that there have been 11 recent armed incursions in Rwanda by the interahamwe from the DRC, the last one being on November 15th 2004. He expressed surprise that the international community remained quiet although people were injured and kidnapped. He noted that if interahamwe are allowed to create extra shocks to the already fragile economy, progress and development will be hindered.

The government is aware that in South Kivu, interahamwe are working with the Congolese army by sharing information, equipment and plans. Some groups cross back and forth from Burundi preparing attacks with the help of rebel groups especially FNL, but government forces in Burundi have been able to curtail their activities.

He noted that no resolution exists to disarm the interahamwe, and highlighted the fact that this is not a Rwandan issue, or one exclusively between DR Congo and Rwanda, but one that calls for regional and international responsibility. The UN Security Council has met several times to discuss the Great Lakes region security issues but has not yet addressed the issue of the interahamwe.

The Lusaka agreement provided the opportunity to restore regional peace by establishing: cessation of hostilities, withdrawal of all foreign forces, inter-Congolese dialogue, and demobilization and Disarmament of armed groups. The first three were accomplished but the interahamwe have not been disarmed; yet a plan was put in place. MONUC has not accomplished what it was supposed to do in this regard.

There are new initiatives such as the Joint Verification Mechanism, the Joint Disarmament Mechanism, the Tri-Partite Regional Security Mechanism, the

International conference on the Great Lakes region, and the resultant Dar es Salaam declaration leading to the 2005 Summit which will adopt a Stability Pact for the region, but it is difficult to imagine any progress bearing in mind that disarmament of interahamwe has not yet been achieved.

Rwanda has made attempts to normalize her relationship with DR Congo through different visits by her Minister of Foreign Affairs to DR Congo, designating an Ambassador to Congo and organizing a number of meetings between the two presidents but Congo has not yet responded to any of these initiatives.

Meanwhile, as Rwanda awaits effective action by MONUC or a possible Regional African Force, the government has offered the government of DRC a number of options for consideration namely; a joint (DRC-Rwanda) military operation, the DRC government allowing Rwandan troops inside its territory to deal with the problem, and/or Rwandan troops go into the DRC under DRC command. The DRC government, however, has not communicated any response in this regard.

Ambassador Sezibera concluded by emphasizing that Rwanda is committed to any mechanism that promotes regional peace but cannot accept a situation of no action at all. Where there is no action the remaining option would be a unilateral approach by Rwandan forces pursuing the interahamwe in DR Congo but the government of Rwanda prefers effective multilateral action. He urged all present to support Rwanda in this regard.

Emerging Issues and Recommendations

- Clear linkages between peace, security and development are important, and are needed for long term economic growth.
- Rwanda's long term development is largely dependent on its internal policy and regional stability. DFID expressed a desire to pursue a review of last two years of dialogue and interaction with government regarding both political and development aspects.
- Rwanda's security concern of the extreme threat to regional stability caused by interahamwe in DRC was recognized, but the government was called on to use existing mechanisms to solve the crisis.
- Partners noted that they are not always informed about developments regarding security threats, highlighting the importance of keeping the diplomatic core informed so that they can react appropriately.
- If existing communication mechanisms are not sufficient, improvement will be made in this regard. There is room for improvement regarding communication and dialogue between government and development partners; the appropriate format and forum can be discussed. However, Rwanda has been in frequent contact with all relevant UN organs and the AU, requesting that Rwanda's security threat be discussed but there has been no response.

V. DEVELOPMENT PARTNERS COORDINATION HARMONISATION AND ALIGNMENT

Foreign Aid by Development Partner and by Sector

Presenter: Jean Kanyamuhanda, Head of Department, Financing Coordination and Resource Mobilisation- CEPEX

Mr. Kanyamuhanda offered a two part presentation. He first discussed foreign aid in relation to specific development partners, noting those who provide foreign aid and giving the amount offered by the different development partners in specific sectors. The development partners analyzed include 13 bilateral development partners, 15 multilaterals and 41 NGOs. He went on to discuss foreign aid by sector, elaborating amounts allocated to each sector and sub sector. The different sectors mentioned were good governance, production and environment, infrastructure and the social sector. He then discussed the different levels of disbursement of funds indicating significant delays in some cases, and pointed out that there are about 928 different interventions of different sizes ranging from programs of 10,000 M USD to 60,000,000 USD. In this regard, he cautioned that alignment and harmonization becomes difficult and complex because each funding agency or development partners has different and specific procedures of intervention.

It was noted that having different responsible units for the same projects creates a lot of work for both the government and development partners, as recipients are obliged to follow different administrative procedures. It is therefore very important to design harmonization procedures that will improve the situation for quick disbursement of funds and increased level of project implementation.

Development Partner's Coordination

Presenter: Mr Gatete Claver, Secretary General- Ministry of Finance and Economic Planning

The Secretary General of the Ministry of Finance and Economic Planning offered a brief presentation and began by defining *coordination* as sharing information, lowering transaction costs, and avoiding duplication of efforts; *harmonization* as the streamlining and simplification of development partner's procedures and practices; and *alignment* as the assurance that assistance is given in accordance with the GOR's priorities and adapted to the Rwandan context.

He continued to identify the key constraints, among them: aligning development partner's financial resources with PRS framework, harmonization of development partner's procedure's processes and conditionalities, budget support, basket

funding and coordination of project support in various sectors, capacity constraint with regard to managing many missions coming to Rwanda and timely disbursements of funds.

Since the last DPM in 2002, Rwanda has made some significant achievements, namely: setting up a framework for aid coordination in Rwanda – CEPEX – which is key in the coordination and harmonization of development resources, establishing the Development Partners Coordination Group (DPCG), establishing two technical advisory groups – HARPP and BSHG, and adopting the Cluster System to improve alignment of development partner’s assistance with Government priorities (8 clusters were adopted after DPM 2002).

Two stumbling blocks have been; the lack of clear and specific objectives and guidance from government, and overlooking the function of cluster groups as forums for policy dialogue. A proposed organogram for the DPCG’s structure was presented. Functional challenges related to the DPCG, HARPP, BSHG, and the respective clusters are: the need to strengthen leadership, increased membership, setting up a secretariat, establishing a reporting modality, increasing the frequency of meetings, and improving coordination and harmonisation.

The main recommendations for the way forward regarding the DPCG and related structures were outlined as follows: strengthening the DPCG’s role and widening its coordination mandate, relocating the DPCG secretariat to MINECOFIN, attempting to align the HARPP to national, regional and global objectives, and making clusters evolve to align with 14 sectors and additional inter-sectoral clusters while acting as forums for discussion on various issues such as PRSP, Sector strategies and budget cycle.

Mr. Gatete thanked development partners providing financial support for coordination namely; the Trust Fund managed by UNDP, DFID, Netherlands, Switzerland, Sweden, and Canada.

Emerging Issues and Recommendations

- The government was congratulated for a marked improvement in development partner’s co-ordination and harmonization.
- Development partners should pay closer attention to the connection between regional peace, stability and economic development – a mechanism should be found to facilitate this.
- Predictability is very important for development partners-that is not easy to achieve but development partners can attempt to be transparent. They should have data available regarding disbursements with an overview of how funds are allocate to different sectors.
- Every country has specific requirements and an appropriate solution regarding harmonization and coordination should be formulated for Rwanda – it cannot rely on solutions found for other countries. It is

necessary for example to address the issue of oversubscribed and undersubscribed provinces and how to level out the imbalances.

- It is helpful to set achievable goals and enjoy small successes. Harmonization becomes difficult because of resistance to being coordinated – stakeholders want to do the coordinating. It should be noted that development partners provide funding but ultimate ownership of programs lies with the government.
- The issue of mutual accountability is important – both government and partners are accountable to each other regarding decisions made at this meeting.
- The cluster on macro economic stability is very important; indirect resources are an aspect that needs close attention, therefore coordination should be improved to exploit these funds. Indirect aid given to civil society and the private sector that supports the implementation of government policy was recognized.
- Women and children make up an important part of post genocide Rwanda. The government has committed itself at the highest levels to give more weight to empower women economically and otherwise; development partners were urged to do the same. The sector needs capacity development and aid harmonization. Children have to be recognized and there should be a to adequately address their needs.
- The government has put into place a multi sector approach for human resource capacity building for greater efficiency. The budget for these activities has a deficit – harmonization and coordination of aid is important to overcome these challenges.

VI. NEPAD / APRM

NEPD/ APRM Progress and Implementation

Presenter: Mr. Gatete, Claver Secretary General- Ministry of Finance and Economic Planning

The Secretary General in the Ministry of Finance and Economic Planning began his presentation by identifying NEPAD's core principles and objectives as: ensuring African ownership, leadership and partnership, poverty reduction, achieving and sustaining an average GDP growth of over 7% per annum for next 15 years, making Africa attractive to both domestic and foreign investors, ensuring that the continent achieves MDGs, promoting sub-regional and continental integration, promoting partnership in the implementation of NEPAD and promoting partnership with industrialized countries and multilateral organizations.

He mentioned NEPAD's priority areas and noted the countries/organizations responsible for them, namely: Political Governance (South Africa/AU), Economic Governance (Nigeria/ECA/AfDB), Market Access and Agriculture (Egypt/FAO/Secretariat), Human Development (Algeria) – Health, Education and ICT, Infrastructure – Science and Technology (Senegal/AfDB,) and Capital Flows, Aid and Debt (Nigeria/ECA).

National Stakeholders in this process are: Government, Parliament, Private Sector, the Media, Civil Society, and Development Partners. Current NEPAD projects underway in Rwanda are in the sectors of Agriculture, ICT, Transport, Energy and Health.

Much attention was given to the APRM, a voluntary self-monitoring mechanism of which Rwanda has offered to play a lead role. The APR process was founded on the basis that there is continental consensus that governance is a specific weakness, and includes five stages. The first stage is an analysis of the governance and development environment in the country, the second is a Country Review Visit, the third is the preparation of the APR teams report based on the first 2 stages, the fourth is submittal of the report to the APR Forum through the APRM Secretariat – who then consider and adopt the final report, and the final step is to publish the report.

The Secretary General concluded by thanking the following development partners for their support: UNDP, FAO (CAADP), UNIFEM, UNICEF, Canada, and DFID (through NEPAD Trust fund) and urged members present for more support.

C. WRAP UP DISCUSSIONS AND FINAL COMMUNIQUE

Vote of thanks by the Minister in the President's Office Hon. Solina Nyirahabimana.

On behalf of the Government of Rwanda she thanked everybody for productive deliberations during the last two days, and said that there was convergence on a lot of issues which is a sign of willingness to cooperate. She noted that it was both normal and expected – in the context of seeking continuous improvement – to encounter issues that need further review and discussion. She informed the development partners that such a meeting enables them to become more familiar with the situation in Rwanda and hopes that at the end of it all they will be good ambassadors for Rwanda. The Minister thanked every body who made a commitment and hoped that those commitments will be honored. She wished the participants successful bilateral meetings and urged visitors to take time to tour the beautiful country side. She wished those already leaving a safe journey home and pledged good cooperation between the government of Rwanda and its development partners.

Vote of thanks by the Ambassador of the Netherlands-Dean of the Diplomatic Corps.

The Ambassador said it was a great honor for him to give a vote of thanks on behalf of the development partner community. He sincerely thanked government for a well prepared meeting which was very interactive and noted that there was good progress in comparison to the meeting two years ago.

He lauded the idea of development partners speaking as cluster spokespersons rather than individual countries, noting that although harmonization is difficult there has been progress. He emphasized that capacity building was seen as an area with special need.

Remarks made by Mr. KAMAU Macharia. The UNDP Resident Representative and Co-Chairman.

The UNDP Resident Representative thanked all the participants and emphasized that it is important that this process works for the sake of those who try to provide leadership for it. He said two years ago this meeting was a different experience and a lot of work has been done since then. He was grateful for an open, transparent and supportive group.

He thanked the Ministry of Finance and Economic Planning for being appreciative to the sensitivity of the positions and situations of development partners. He welcomed the ministry's efforts to keep an open spirit and hoped this will not change, noting that communication is vital in business.

Mr. Kamau said he cherishes and appreciates working with the Minister of Finance and Economic Development because of his intelligence and vision. He thanked the UNDP team as well for working very hard in preparation for the DPM.

Closing Remarks by the Minister of Finance and Economic Development, Dr. Donald Kaberuka – Chairman

Hon. Minister Kaberuka joined previous speakers in thanking everyone present for their participation and contribution as the meeting came to an end after two days of hard work, noting that it had been a frank and constructive meeting. Together with his colleagues he promised to transmit to the relevant authorities – the Prime Minister and the President – the meeting's outcomes, which are instrumental to paving the way for very important programs in the coming weeks and months.

He stated that people keep asking what the economic challenges of Rwanda are; for those who had been in the meeting for the last two days, major issues have been put on the table. He posed two questions: First, he asked how government and development partners could work together to ensure that the Rwanda does not re-experience the economic decline of 1989, which only worsened with the

genocide and the insurgency that followed? Secondly, he asked how government and development partners can join hands to ensure that the gains over the last 10 years are maintained in a condition of security and stability. Dr. Kaberuka mentioned the possibility of having the meeting earlier next year to coincide with the budget cycle, and promised to consult with others in leadership positions and inform participants on the decision taken. He thanked delegates once again, and expressed appreciation for the support from the UNDP, the staff of the Ministry of Finance and Economic Planning, the translators and other support staff for the good work done. He concluded by wishing everyone a good evening, a Merry Christmas, and a Happy New Year.

Adoption of Final Communiqué and Closing

The Final Communiqué was read to the participants and it was agreed that it would be circulated after corrections suggested in the meeting were made.

A number of bilateral meetings took place between different Development Partners and Government departments. On the third day 11th/12/2004 (straight after the conference deliberations). Visits were organized to Jabana (centrals thermatiques), Ntaruka-Mukungwa (central electriques) and CAP Rubona/ UPEGAZ. Delegates who wanted to go for private touristic visits were also facilitated.