

**6<sup>th</sup> Annual GoR and Development Partners Meeting**  
**Opening Speech by the Hon. Minister of Finance and Economic Planning**

**Your Excellency the President of the Republic of Rwanda,**

**The President of the Senate,**

**The President of the Chamber of Deputies,**

**Right Honourable Prime Minister,**

**The President of the Supreme Court,**

**Honourable Ministers,**

**Honourable members of parliament,**

**Your Excellencies,**

**Members of the Diplomatic Corps,**

**Distinguished heads of cooperation agencies and partners in development,**

**Distinguished Delegates,**

**It is with pleasure that I welcome you to the 6<sup>th</sup> Government of Rwanda and Development Partners meeting, whose theme is “Long-Term Investments for Economic Growth and Poverty**

**Reduction”. Permit me to briefly review key measures and initiatives that have been implemented in our pursuit of a stronger foundation for quality growth, since our last meeting. As will become apparent in my remarks, our accomplishments require long-term approach – hence the theme of this meeting.**

**First and foremost, our Poverty Reduction Strategy (PRS) was reviewed, and the outcomes fed into the process of formulating our next generation of PRS, namely, the Economic Development and Poverty Reduction Strategy (EDPRS).**

**During this period, the Aid Policy was approved by Cabinet. The plan of action for its implementation has been finalised. This Policy was a result of constructive dialogue that involved key Rwandan stakeholders as well as our development partners. This important policy should result in effectiveness, alignment, harmonisation, and predictability of development assistance to Rwanda.**

**The 2007 budget approved by Cabinet in September 2006, and is currently being debated in Parliament, constitutes a major step towards performance based-budgeting. This budget is based on two things: firstly, on reviews of the PRSP1. Secondly, it is based on inclusive and extensive consultations among stakeholders, from which a statement of priorities was derived. Furthermore, the budget focuses on measures that will in the near term contribute towards long-term sustainable growth.**

**Your Excellency the President of the Republic of Rwanda,**

**Public Expenditure Management has been strengthened with the implementation of the Public Finance Management reform agenda. The organic budget law on state properties and finances was gazetted. Instruments to implement it have also been put in place.**

**A comprehensive administrative reform including civil service and local government reforms, reduction of public expenditure including zero fleet policy has been implemented. A framework for fiscal decentralisation has also been put in place. This will increase local government capacity for service delivery and implementation of socio-economic development programmes.**

**Through the Multi-lateral Debt Relief Initiative (MDRI) Rwanda benefited from debt stock cancellation. This significantly reduced Rwanda's debt stock from US\$1.5 billion to US\$ 365 million. This brings debt servicing expenditure to less than 5% of the national revenue. It also provides more room for expenditure in other critical sectors including the productive sector, education and health.**

**Export promotion strategy and plan was adopted. The strategy aims at boosting the traditional sectors and diversifying to expand the export base.**

**Let me also note that financial sector plan was finalised. The plan seeks to address the following aspects: i) accessibility of**

**Rwandans to financial services, ii) capital market development, iii) streamlining and modernising payment systems, and iv) regulation of the financial sector including non banking financial institutions.**

**All the above measures and initiatives are aimed at enhancing Rwanda's capability to meet her development challenges.**

**Your Excellencies, Ladies and Gentlemen,**

**Let me now comment on the broad parameters and issues that are to be addressed at this meeting over the course of the next two days. They include key challenges presently faced in Rwanda, issues that moreover require proactive measures in order to sustain our development agenda. These include the development of physical infrastructure, the rural economy to improve the quality of rural areas, as well as the improved social sector. We will also discuss human as well as institutional capacity building and strategies to increase private sector development and national competitiveness. In implementing the strategies agreed upon, Rwanda will remain committed to maintaining macro-economic stability and fiscal discipline.**

**Your Excellency the President of the Republic of Rwanda,**

**Distinguished Ladies and Gentlemen,**

**During this meeting, we should be able to turn our eyes and look back from where we have come from, but also look forward to**

where we are going. The critical sectors improved tremendously in 2005. Agriculture grew by 5.8 % in 2005 compared to 1.4 in 2004, Industry grew by 11.1 % in 2005 compared to 6.9 in 2004 and services grew by 5.4 % in 2005. The outlook for 2006 remains strong with the expected overall GDP growth of about 6% despite weak agriculture output.

Access to drinking water in rural areas has risen from 41% of the population in 2002, and is expected to rise to about 60% in 2006. Net primary school enrolment rates rose from 72% in 2000 to about 94% in 2006, Enrolment for boys and girls is equal. Childhood vaccination has improved, and the incidence of HIV/AIDS has lowered to 3.5 %. Take-up of the *mutuelle* scheme – a form of health insurance – has been much higher than expected growing from 7% in 2003 to above 50% in 2006.

There are still challenges and I think that is one of the main reasons we are here: to prescribe the most effective solutions to the challenges we meet. These challenges will be dealt with in the framework of the EDPRS.

Discussions during last year's Meeting emphasised the fact that the progress made in the social sectors was perhaps not reflected in our productive sectors. The discussions also pointed out a number of issues that required attention including:

- i) ensuring a stronger linkage between the sector strategic plans, the Medium Term Expenditure Framework (MTEF) and the annual budgets;**
- ii) institutional capacity building; and**
- iii) acceleration of rural development.**

**We took note of these very important discussions, and the EDPRS will have an emphasis on interventions aimed at addressing these issues.**

**Your Excellency the President of the Republic of Rwanda;  
Ladies and Gentlemen;**

**Economic growth cannot come without significant investment. Long term investment needs will require a substantial scaling up of financing if Rwanda's development agenda is to be realised. We are grateful for the existing commitments made by our development partners in this respect, and we are confident that they will rise to our expectations. I see this meeting as an important catalyst in strengthening dialogue with and between our development partners, and to agree on strategies that will put resources together for the realisation of our aspirations.**

**Excellencies,**

**Distinguished Ladies and Gentlemen,**

**With these remarks, allow me now to invite His Excellency the President of the Republic of Rwanda to open officially the 6<sup>th</sup> Annual Rwanda and Development Partners Meetings.**

**I thank you for your attention.**