

Final Communiqué as endorsed.

**Eighth Annual Government of Rwanda and Development Partners Meeting
27- 28th November 2008**

1. At the invitation of the Government of the Republic of Rwanda, the Eighth Annual Meeting of the Government and its Development Partners was held from 27th – 28th November 2008 in Kigali, Rwanda. The Right Honourable Prime Minister, Bernard MAKUZA, opened the conference. Mr James MUSONI, Minister of Finance and Economic Planning, presided over the proceedings, assisted by Development Partners as co-chairs.
2. Representatives of the following governments participated in the Meeting: Austria, Belgium, Burundi, Canada, Egypt, Germany, Ireland, Italy, Japan, Korea, Kuwait, Luxembourg, the Netherlands, Norway, South Africa, Sweden, Switzerland, the United Kingdom, and the United States of America. The following organisations also participated in the Meeting: Africa Capacity Building Foundation, African Development Bank, CEPGL, European Commission, European Investment Bank, The Global Fund, IMF, the United Nations (FAO, IFAD, ILO, UNAIDS, UNCTAD, UNDP, UNECA, UNEP, UN-HABITAT, UNIDO, UNFPA, UNICEF, UNIFEM, UNHCR, WFP, WHO), and the World Bank. Representatives from international and national non-governmental and civil society organisations, the private sector and the media also participated.
3. **The theme of this year’s conference was “Beyond Aid: Innovative Mechanisms for Financing the EDPRS”.** The conference agenda included good governance; a review of macroeconomic performance and challenges; progress and challenges in the implementation of the EDPRS; emerging sources of development finance, review progress against the Monterrey Consensus and Paris Declaration and, at the invitation of the

Government, a donor-led presentation and discussion focussed on mutual accountability.

4. **In his keynote speech, the Rt. Hon. Prime Minister emphasised the need for strong partnerships to implement the EDPRS to achieve sustainable economic growth and poverty reduction.** He went on to emphasise the need for global partnerships to be translated into local actions, particularly in the face of new and emerging challenges such as the global financial crisis, and food and fuel price crises.
5. **The Honourable Minister of Finance and Economic Planning welcomed delegates to the Development Partners Meeting.** In his remarks, he focussed on the need to look beyond traditional sources of finance if the EDPRS is to be implemented fully. He also spoke of the need to ensure that external aid becomes increasingly responsive to Rwanda's needs, including investment in the infrastructure on which Rwanda's sustainable growth will rely.
6. **The Honourable Minister for Development Cooperation of the Kingdom of the Netherlands delivered an opening statement,** in which he underlined the importance of international commitments, particularly in the context of the outcomes of the Accra High Level Forum on Aid Effectiveness, and the forthcoming Doha Financing for Development Review Conference. He congratulated Rwanda for impressive development achievements across all sectors, and emphasised the need to focus on equitable and inclusive growth and identify innovative means – such as Public-Private Partnerships – to finance the EDPRS.
7. The Honourable Minister of the Netherlands went on to stress the importance of three key areas of action emerging from Accra: the need for donors to increase their efforts to align to country priorities; the need for joint work to promote mutual accountability and north-south partnerships, and the importance of open political dialogue. He concluded by reminding participants of the need for regional peace and security, and urged all parties to make increased efforts to

support peace in the region. In doing so, he committed to work with other European Union member states to take action against the leadership of the FDLR and the illegal exploitation of natural resources which is fuelling the conflict.

8. **The United Nations Resident Coordinator, speaking on behalf of Development Partners, commended the progress made to date by Rwanda in the implementation of its development vision, and in the strength of partnerships developed in the face of global challenges.** He noted that whilst strong progress was being made towards the attainment of the Millennium Development Goals, further joint efforts would be necessary to see their full realisation by 2015. He commended efforts made by the Government of Rwanda towards good governance, regional integration, the ease of doing business, strengthening statistical capacities and promoting gender equality. He went on to stress the importance of an enabling environment characterised by peace, security and good governance if Rwanda is to realise its development vision. The UN Resident Coordinator expressed the commitment of development partners to continue working together in synergy to supporting Rwanda in its endeavours. He highlighted the efforts being undertaken by the United Nations, under the leadership of the Government of Rwanda, to Deliver as One at the country level.
9. **The Government presented the Joint Governance Assessment, the first joint assessment of governance issues between the government and development partners.** Both the Government and Development Partners reiterated their satisfaction with the process undertaken to date, stressing the importance of continued open, frank dialogue on governance issues. Participants concurred on the importance of ensuring that such dialogue continues to be grounded in the realities and specificities facing Rwanda today. Participants also welcomed the impressive progress in good governance since the last DPM, but recognised that challenges remain and that these will be tackled through the Integrated Action Plan.

10. **Participants noted the importance of a continued process of joint assessment going forward**, agreeing that the transparent assessment and discussion of issues pertaining to the governance of development partners will be dealt within the framework of the DPAF. Recognising the vital contribution of civil society in Rwanda's development, participants concurred on the need to further opportunities for engagement of civil society in policy formulation, implementation and domestic accountability. Representatives of civil society organisations recognised the structural, technical and financial constraints still facing Rwanda's civil society in its desire to participate more actively on issues such as governance, outlining some of their goals to better organise and strengthen their advisory and advocacy role.
11. **The Government and its development partners noted the importance of regional peace and stability** as part of the enabling environment within which development programmes are implemented, and agreed on the need for continued partnership to create and sustain this environment. Participants commended Rwanda for its commitment and leadership in advancing regional integration.
12. **The Government provided participants with an overview of macroeconomic performance over the last year, highlighting particular challenges ahead.** Participants noted the impressive growth rate likely to be achieved by Rwanda in 2008, though noted that high inflation, provoked by rising food and fuel prices, and domestic demand pressures, is likely to remain a challenge in the short-term. In his response to the Government's presentation, the Representative of the International Monetary Fund indicated that Rwanda's performance over the course of the year remained on track. In the context of uncertainty over the future impact of the global financial crisis, the IMF recommended that Government should stand prepared to take corrective actions, if needed, to maintain macroeconomic stability. Participants expressed their commitment to work with the government to mitigate the effects of the crisis on the poor.

13. Both the Government and its Development Partners recognised the urgency facing all stakeholders if the MDGs are to be realised fully in Rwanda, as the mid-point to 2015 passes.

Participants recognised the need to further enhance the national framework and joint mechanisms for monitoring, with a view to ensuring that evidence-based policy making and implementation is further refined, and contributes tangibly to economic development and poverty reduction. Participants noted the particular importance of enhancing efforts towards the intensification and transformation of agriculture, recognising the importance of agriculture to the majority of Rwanda's poor population. It was also recognised that the development of Rwanda's agriculture sector – and the anticipated growth arising from it – depends on complementary investments in sectors such as infrastructure and education. The progress to date in enhancing Rwanda's business environment was commended. Participants agreed on the need to ensure that public investments are translated into equitable growth in incomes within decent employment and the attainment of the Millennium Development Goals, with the Goals concerning the incidence of poverty, malnutrition and maternal and child health requiring special attention. The need to strengthen policies to manage population growth was also recognised by participants. A clear consensus emerged that the particular challenges of effective aid delivery in the health sector need to be tackled urgently by government and partners.

14. The Government expressed its strong desire to diversify and increase the means at its disposal to finance its development strategy, going beyond traditional Official Development Assistance and its increasing domestic revenue base, as well as providing incentives for mobilising domestic resources for investment. In its presentation, the Government highlighted the wide range of emerging sources of development finance, and explained in detail the Government's approach to date towards Public-Private Partnerships. The Government and its Development Partners agreed on the appropriateness of such sources of development finance, and

on the need for all such investment to be undertaken in the context of policy and programmatic frameworks consistent with Rwanda's long-term development vision, and in a clear transparent legal and institutional context. The fiscal risks associated with PPPs were discussed, as was the need to ensure such investments are pro-poor. Government recognised its responsibility for refining this further, and for ensuring that the capacities are in place with which to spearhead solid project proposals. Development Partners committed to supporting this capacity development.

15. **Noting the desire of participants to see new sources of development finance play a more prominent role in Rwanda, the Government and its Development Partners stressed the need to continue working together to ensure that existing resources – both domestic and external - are used more effectively.** In this context, and at the invitation of the Government of Rwanda, the World Bank Country Manager presented on progress and challenges in the implementation of the commitments on the quality and volume of development finance entered into at Paris and Monterrey. Participants noted the impressive progress made by the Government of Rwanda in implementing some of its commitments consistent with the Monterrey Consensus: recent years have seen impressive growth in domestic resource mobilisation, domestic investment, foreign direct investment and remittances. Participants also noted the new challenges that may emerge in ensuring debt sustainability as the Government of Rwanda seeks to diversify its financing portfolio.

16. **Participants discussed progress in the implementation of the Paris Declaration on Aid Effectiveness, acknowledging that performance to date has been slow.** Government urged its bilateral and multilateral partners to increase their efforts if the targets agreed under the Paris Declaration are to be met at the country level by 2010. At the same time, Government was urged to increase its efforts to increase domestic saving, investment and export growth. Participants noted the challenge of youth unemployment. The

government indicated its commitment to implement its youth employment programmes.

17. The Rwanda Civil Society Platform presented a joint statement on behalf of civil society organisations. The following partners delivered statements on behalf of their respective governments and organisations: African Development Bank, Belgium (on behalf of the Presidency of the European Union), Canada, European Investment Bank, Japan, United Nations, United States, World Bank. They commended the government of Rwanda for its development vision and steadfastness in implementing it. They further expressed their readiness to continue to support Rwanda's development endeavour.

18. Participants concluded by commending the performance shown by the Government of Rwanda to date, supported by the Development Partners, acknowledging the importance of open and inclusive dialogue and strengthened partnership between the Government of Rwanda and all of its Development Partners. Participants concluded by conveying their gratitude to the Government for hosting this meeting, and reaffirming their commitment to working in partnership. Participants agreed that in the future, this meeting will be held on a biennial basis.