

2005 DPCG Retreat Report

On February 2nd and 3rd, Rwandan Development Partners met in Gisenyi, Rwanda, for the first Development Partners Coordination Group (DPCG) Retreat and the first DPCG meeting of 2005.

The retreat had the following stated objectives:

- To review 2004 milestones, progress and lessons learned;
- To agree on specific measures for further consideration of existing harmonization and development effectiveness mechanisms with use of national and international best practices;
- To identify priority actions and deliverables for 2005;
- To review OECD/DAC latest developments and measures to support Rwanda's proactive involvement in the February 2005 High-Level Meeting.

In addition to this overall report detailing the main outcomes and recommendations of each session, the following documents are among the follow-up reporting for the retreat:

1. A Highlights Briefing summarizing the main conclusions and recommendations of the 2 days
2. A Timeline of Deliverables (to be agreed upon at the next DPCG)
3. Associated Annexes:
 - Final Agenda (To be posted on website)
 - Final List of Participants
 - Visual Outputs of Working Groups
 - Diagram of Children's Cluster (Session 6)
 - 2005 – 2006 Rwanda Harmonization Calendar (Session 9)
4. Power Point Presentations & Associated Resource Materials (To be posted on Website)
 - Session 1: 2004 Milestones – Progress and Lessons Learned, Lisa Smirl, UNRCO
 - PRSP Emerging Issues and Roadmap to PRSP II, Ernest Rwamucyo, Director of Strategic Planning Unit of MinEcoFin
 - Coordination, Harmonization, Alignment – Claver Gatete, Secretary General of MinEcoFin
 - BEST PRACTICE: Tanzania Experiences, Joyce Mapunjo, External Finance Commissioner-Tanzania
 - Experiences from Harmonization, Alignment and Coordination, HAC – Processes in KENYA, Kalle Hellman, Swedish Embassy-Nairobi
 - New Organization Chart of the Ministry of Finance and Economic Planning

Please see the final annotated agenda for details of the description and purpose of each session.

It was agreed to postpone the two sessions on short-term and medium/long-term capacity bottlenecks and that a separate meeting on these issues would be convened within two months.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Opening Statements and Outline of Retreat Agenda

Welcome Statement: Claver Gatete, MinEcoFin
Outline and Purpose of retreat: Macharia Kamau, UN / UNDP

The retreat was opened by the Secretary General (SG) of the Ministry of Economic Planning and Finance (MinEcoFin), Mr. Claver Gatete and the UN Resident Coordinator/UNDP Resident Representative, Mr. Macharia Kamau. They welcomed participants and laid out the objectives of the retreat. Mr. Gatete gave a brief review of the aid management history in Rwanda and laid out the government priorities for 2005.

1994 – 1998 was the emergency period in Rwanda, focused on immediate resource mobilization and management in the post-genocide context. The period from 1998 to the present has been marked by sustainable development. From 2002, the implementation of PRSP has been the instrument by which Vision 20/20 has been implemented. In 2002, 8 Clusters were created; Government and Development Partners (DP) have been working with them since. In 2003 saw significant reforms, including: the first democratic elections since the genocide, the implementation of significant Government reforms, and the first review of the PRSP. In 2004, a successful PRS Annual Progress Report focused attention on how the GOR and DP can most effectively work together for the PRSP II. The December 2004 DPM identified the need to clarify the consultative mechanisms, including the Budget Support Harmonization Group (BSHG) and Harmonization and Alignment in Rwanda of Projects and Programmes (HARPP).

A refinement of guidelines and mechanisms was identified as one of the goals for 2005. Another key priority for the government is to look closely at concrete steps that can be taken towards either budget support, or, where that is not possible, consolidated or pooled funds. Here, the Tanzanian experience will be important to examine. Momentum should be maintained on the Public Finance Management (PFM) Reform, including the finalization of the Organic Budget Law by Parliament shortly. These reforms will be aided by the introduction of an integrated finance management information system.

Unlike previous years, the action plan should allow DP and Government to maintain focus and monitor the achievement of key outputs throughout the year.

Mr. Kamau thanked MinEcoFin and the SGs for their presence and the overall commitment of the GOR to improved aid management. He also thanked the representatives of the multi and bilateral organizations, local and international NGOs, and the private sector.

He reminded participants that this was a retreat, as opposed to a workshop and that further, 'hands on' work could be done in follow up activities through the various bodies (DPCG, HARPP, Clusters). The objective of the retreat was to keep it informal in order to facilitate transparent and honest dialogue among partners and to build trust between GOR and its Development Partners. It should be considered to be the first of the 2005 DPCG Meetings and be used to create a roadmap for the next 11 meetings, providing the clusters with an anchor for 2005 activities. He gave the commitment of the DPCG Secretariat, under the Office of the UN Resident Coordinator to facilitate the process and proceeded to review the agenda of the retreat.

Action Points:

- **Retreat to produce roadmap for 2005 DPCG activity**
- **Clarify functions of consultative mechanisms (HARPP, BSHG)**

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Session 1: 2004 Milestones. Progress and Lessons Learned.

Chair/Facilitator: Lambert Grijns, Dutch Cooperation
Presenters: Claver Gatete, MinEcoFin
Lisa Smirl, UN Resident Coordinators Office
Documents: Non-Paper on Aid Coordination

Description: This session reviewed the progress made in 2004. Lambert Grijns chaired the session and Claver Gatete and Lisa Smirl presented what they felt to have been the major successes of 2004 as well as identifying priority areas for 2005.

The chair emphasized that harmonization is not an end unto itself, but rather a tool for poverty reduction. There is the need to look at concrete steps that we need to take during the year and urged panelists to give concrete recommendations. The panelists focused on their comparative areas of expertise. They agreed that we need to build on the past to move forward, instead of reinventing the proverbial wheel.

Achievements 2004:

Significant achievements were made in the area of Harmonization, Coordination and Alignment in Rwanda in 2004. There was a reinvigoration of cluster activity with the clusters being actively involved in both the PRS Annual Progress Review (APR) and the Development Partners Meeting (DPM) preparations. Through these processes, development partners began to realize the opportunities for the system and many clusters and sub-clusters clarified their Terms of Reference and Objectives. The Development Partners Cooperation Group (DPCG) held monthly meetings which were increasingly well attended and increasingly focused on substantive policy issues.

The PRS APR itself was judged to be a success in terms of its transparent and participatory process and the inclusion of civil society.

The DPM in December was also seen as successful and produced a variety of outputs that will be followed up on as priority items in 2005. Other achievements include the finalization of the Budget Paper and the approval of the 2005-2007 PRGF.

Challenges:

The need remains to define and structure the clusters. Clear direction is needed on this from government. Particular challenges also exist with regard to specific sectors. It could be useful to identify which sectors are priorities in contribution to PRSP, MDGs, GPD growth (here, the example given was Agriculture). There is also the need to address cross cutting issues.

While the Government's preferred funding modality is clearly budget support, approaches to make project support just as attractive should be examined (i.e. how can non-budget support be made more effective for those donors who are simply not able to move towards budget support). It would be useful to have a frank discussion on budget support and the harmonization of conditionality and to look at ways to make project support AS attractive as budget support.

Objectives for 2005:

The PRS process leading to PRS II is a key priority for 2005. Here, the focus on poverty reduction must be continued and deepened to ensure that real impact is being achieved.

There is the need to look at the budget process, and if necessary, to change the way in which the budget is prepared; to streamline donor procurement and reporting requirements; and to improve the predictability of disbursements. Ideally, this would include the approval of, and adherence to a Budget

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Calendar (by all development partners), as well as the move towards development of well monitored MTEFs.

The PFM reforms were seen to be very useful and the need to follow up on the recommendations was stressed. The FARAP and fiscal decentralization were identified as key priorities.

In the area of donor harmonization, clarification will be given to the cluster system. By the end of the first quarter of 2005, a meeting between the SGs will be convened to decide on operational guidelines for cluster functioning and a consequent paper will be circulated. Donors were asked to focus attention on the reduction of missions, and the rationalization and harmonization of reporting structures.

There is the need for a dialogue on the harmonization of conditionalities as suggested by the SPA.

Recommendations:

General recommendations coming out of the discussions included the need to take a comparative look at clusters – and determine what is working, what is not, and what are the opportunities. In the design of the clusters it was recommended that the focus is placed on functionality, and that the clusters should focus on concrete activities in order to ‘learn by doing’ rather than focusing too much on abstract concepts or objectives. A basic Terms of Reference would be very helpful, including a plan of action for each cluster with specific objectives, targets. The ‘Non-Paper’ on Aid Coordination was pointed to as a good starting point for discussions on basic operating procedures for the cluster system, and development partners were urged to give their comments on the paper.

Donors mentioned that an overview of sector strategies would be helpful as it is unclear which strategies are complete, in the pipeline, etc.. Government acknowledged that it needed to be better at communications – both across its own institutions (Ministries, Departments) and also with its development partners. It would also be useful to have a clear plan from MinEcoFin on what each sector needs to contribute and to state what the numerical impact of these sector plans will be on GDP. Targets need to be set.

Several agenda changes were recommended and it was agreed that the majority could be accommodated under the agenda, in its current form.

Action Points:

- Meeting of SGs and decision paper on operational guidelines circulate (end of March)
- Reduce missions
- Rationalize reporting structures
- Dialogue on harmonization of conditionalities
- Follow up on recommendations from SPA conference

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Session 3: National Coordination Mechanisms in Light of Ongoing Reforms

Chair/Facilitation:	Christian Pouyez, CIDA
Presenter:	Claver Gatete, MinEcoFin Vincent Karega, MIFOTRA Jean Jacques Nyirubutama, MinEcoFin (External Finance Unit)
Document:	Organigram of MinEcoFin

Description: The session was chaired by Christian Pouyez, CIDA. Claver Gatete from MinEcoFin gave the overall presentation on the reforms, with planned interventions from Vincent Karega, SG of MIFOTRA, and Jean Jacques Nyirubutama, Acting Head of the new External Finance Unit.

MinEcoFin is in the process of a major restructuring which will radically transform the way in which it does business. The Ministry will now have 2 Director Generals – one for Economic Planning and the other for Finance. Seven units are to be headed by Directors: Microeconomics; Strategic Planning; National Budget; General Accounting; Internal Audit; External Finance; and Treasury. There will also be a unit for overall administration. Government priorities are increased clarity and transparency to ensure zero corruption; increased competency and professionalism of staff, including better motivation, will be stressed. Structurally, the reforms will facilitate coordination and harmonization of activities both within the Ministry itself and across the line Ministries. The directors of units will be empowered to take decisions and support staff will be reduced.

A review of procedures is under way, including laws, recruitment, appointments, and salaries. Where necessary, personnel will be relocated, or retrained. A new structure is envisaged in the decentralized organs but the place of the commissions, within this structure, has still to be addressed. A capacity building system – RIAM is under development.

These changes draw on the recommendations from the Joint Review of MinEcoFin that was carried out in 2004. Other recommendations of the Joint Review that will be followed up on include the need for an updated, finalized, strategic plan for the Ministry, detailing capacity gaps, and ways in which donors can align to fill them. Donors were also urged to look at ways to jointly support the civil service reform.

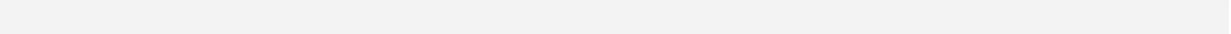
From the perspective of aid coordination, an important change is the creation of an External Finance Unit, which is foreseen to provide a centralized interface with donors. It will have two parts – one for resource mobilization and one for aid coordination. CEPEX – traditionally tasked with aid coordination - will now concentrate on the monitoring and evaluation of projects. Priorities for the unit will include the drafting of a Rwanda aid policy document. There is a need to address how the Development Partners can support the drafting of this document, as well as how to better involve NGOs and Civil Society and a harmonized and coordinated fashion. It is envisaged that the DPCG Secretariat will move to MinEcoFin: most likely within the External Finance Unit. Donors were also encouraged to seriously look at ways in which they could reduce the burden of reporting requirements on government ideally by harmonizing reporting requirements.

Action Points:

- The External Finance Unit will produce an aid policy document by the end of the first quarter; DPCG Secretariat may support donor inputs into this document.

* Subject to final approval

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

- MinEcoFin's Strategic Plan needs updating and finalizing including the urgent need to address capacity building gaps.
 - Need for coordinated support to civil service training in support of the new reforms.
 - More focus needs to be placed on harmonization of reporting amongst donors.
 - Strategy to be developed on integration of the DPCG Secretariat within the External Finance Unit.
 - Discuss/agree on the participation of civil society, NGOs and private sector.
- 

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Session 4: PRS Roadmap 2005

Chair/Facilitator: Colin Kirk, DFID
Claver Gatete, MinEcoFin
Presenter: Ernest Rwamucyo, MinEcoFin (SPPMD)
Relevant Document: PRS Roadmap PowerPoint

Description: This session provided a brief overview of last year's PRS process, but focused mainly on what the road map should be for the next PRS. The discussion revolved around whether partners should immediately embark on the next PRS (II) or whether a full evaluation should first be carried out. The importance of a thorough review – even if this means delaying PRS II – was stressed, as was the need for a solid statistical base. The timeframe proposed by the GOR foresees an improvement of indicators by August 2005 and the costing of sector strategies by December 2005. There is a need to determine what data is already available, and what needs to be generated.

The presentation emphasized that certain aspects of the first PRS were very positive, such as the civil society consultation, and the participatory nature of the Annual Progress Review 2004. The proposed schedule for the PRS in 2005 included a review of PRS I by June 2005 with the PRS II finalized by December 2005.

It was proposed that the PRS II be based on the recommendations of a detailed review of the PRS I, and that participation is required to ensure ownership. In addition to reporting on progress, reviews and evaluations will be conducted looking at mainstreaming of cross-cutting issues. It was proposed that this would be finalized by June 2005. Partners will need to determine what the preferred review format of the PRS should be.

PRS II will take into account minimum requirements for a PRSP, notably: a description of the participatory process; a diagnosis of poverty; targets, indicators and monitoring systems; and priority public actions within a sustainable macroeconomic framework. It is proposed that the 2005 PRS APR will include various performance indicators and simultaneously reflect on progress over the whole PRS I period, thus constituting a valuable element of PRS II. It is worth noting that the production of an annual PRS progress report by June 2005 is a required performance indicator for the release of some tranches of donor support.

In PRS I, the analysis of poverty drew heavily on the 2000 Household Living Conditions Survey (EICV). The next EICV will be launched in 2005; preliminary results will not be available until late 2005, and final results will not be available until 2006. This raises the question as to whether it is possible to undertake a poverty diagnosis informing future policy decisions on the basis of existing data from previously conducted surveys (EICV 2000, Census 2002, QUIBB 2003, CRC, routine data, etc.) and/or those to be conducted in the course of 2005. The options for timing of the PRS II are as follows: December 2005 without waiting for EICV results, or mid-2006 if the new EICV results are to be used. A determination needs to be made on whether the situation has changed significantly enough to warrant a revision of priority areas. PRS I envisaged that PRS II would be based on sector strategies and important progress has been made in this respect.

Proposed next steps will be:

1. Synthesize ministerial plans into sector strategies (by April 2005)
2. Improve the range of (input, output, outcome, impact) indicators to cover all sectors (by August 2005)
3. Improve costing of current sector strategies (by December 2005)

These will be done in the framework of cluster groups to ensure maximum participation of development partners.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Action Points:

- **There needs to be a full review of PRS I before embarking on PRS II:** Recommendations following from the review should shape PRS II. Participants stressed that we shouldn't be afraid to set new priorities.
- **Investment needs to be made to ensure that the statistical basis is solid and the focus is squarely on monitorable poverty reduction:** To what extent is this possible without the new EICV? To what extent is it possible to accelerate the roll out of the EICV? On issues of population measurement: do we need a PPA, PRT, etc. again? We should find out what resources will be needed to do this and how development partners can work together to accomplish this.
- **Strengthen sector strategies and cost them:** preferably through the cluster system. The time to synthesize ministerial plans into sector strategies will depend on the quality of current plans.
- **Strike a balance between a highly participatory approach and time, efficiency and cost considerations:** Where possible, use the existent consultative mechanisms – DPCG and clusters groups - to carry out consultations. How consultative should/can the various outputs – PRS APR, sector strategies, development plans – be?
- **MinEcoFin Stakeholders will be brought together shortly to determine the process for the next PRS**

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Session 5: Government-Donor Partnership Forums

Chair/Facilitation: Dirk Brems, Belgian Cooperation
Presenter: Claver Gatete, MinEcoFin
Relevant Document: Harmonization, Alignment and Coordination PowerPoint

Description: The session was intended to focus participants on the pros and cons of the existing consultative mechanism and discuss ways to improve it. The discussion was quite wide ranging and displayed the importance of a venue for policy dialogue as well as the more concrete aspects of implementing sector strategies.

The presentation identified the key constraints of the Harmonization, Alignment and Coordination process in Rwanda, to date. These include issues of alignment of donor financial resources with PRS framework, harmonization of donor procedures, processes and conditionalities, information sharing on government policies, budget support and an overload of missions.

There has been a lot of progress towards the refinement of a framework for aid coordination in Rwanda. This includes the creation of CEPEX as a key instrument for coordination and harmonization of development resources as well as the development of clusters to align donor assistance with Government priorities. The DPCG was also formed to provide a platform for donor – government discussions on key issues.

Currently, there is a need to strengthen the role of the DPCG and widen its mandate as a coordinating body. Under the new reforms of the Government, an External Finance Unit is being created within MinEcoFin and this would be the recommended location for the DPCG Secretariat. The participants found that the existing clusters were too big and some of them, like the Infrastructure and ICT have not been functioning effectively. It was recommended that the Clusters should align with 14 sectors and the working modalities clarified for additional intersectoral clusters (Decentralization, HIV, and Gender). It was also noted that to date, there has been an absence of private sector and civil society involvement in the process.

The participants recognized the importance of political conditionality as an instrument for accountability. However, political conditionalities should not be a barrier to development, but rather be used as an instrument to achieve certain objectives

Civil society representatives stated that it was very useful for them to understand what coordination mechanisms exist and how they operate. They would like to be more involved in the process and be more aware of the political conditionalities under discussion.

Action points

- SGs regroup the different clusters and examine the cluster system and how to align them with the different sectors. Thus far, some clusters have lacked clear and specific objectives and guidance from Government
- Increased exchange of information on clusters
- Close collaboration between the External Finance Unit with different clusters
- Clusters should focus on improved alignment of donor assistance with Government Priorities.
- The potential role for clusters for policy dialogue (i.e. on issues of political conditionality) could be examined further.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Session 6: Sharing Cluster Experiences – Breakout Groups

This session allowed participants to break into groups to discuss the successes and shortcomings of the various clusters. While each session was chaired by the cluster leads, participation was mixed in order to allow participants to learn from one another. Since the clusters are all slightly different, it was very interesting for participants to exchange experiences.

The session was judged to be a large success by all participants and it was recommended that a follow up meeting (perhaps a special session of the HARPP) be held in order to discuss the outcomes of the various groups.

Chairs were given the following discussion points to address:

- 1. Identify at least 3 aspects that work well in the cluster and that they would recommend to be adopted by other clusters. This could include active participation of government in cluster, inclusion of civil society, conducting joint reviews. In addition to identifying these aspects. Groups should say WHY these aspects work well in the cluster.*
- 2. Identify aspects that need to be improved and possible solutions (where possible, drawing on knowledge or experiences of other clusters).*
- 3. Key government benchmarks that the cluster has supported/been involved in. This could include joint reviews, PRSC, etc..*
- 4. Key strategic documents that the cluster has produced*
- 5. Key planning processes and management structures*
 - In there a work plan?*
 - Where is the cluster managed?*

Group 1: Governance and CDF/Decentralization

Facilitators : Elian Kayitesi (MINALOC)
 Kjetil Hansen (UNDP)
 Lambert Grijns (Dutch Cooperation)

Due to the particular nature of the Governance cluster, with its various sub-cluster and sub-sub clusters, the various participants in the working group were not all familiar with the specific experience of the Governance cluster itself. Because of this constraint and due to the importance of solving the issues regarding the structure of the clusters that fall under governance, it was decided to focus on this discussion instead of the particular outputs and results of the governance cluster itself.

UNDP, being the focal agency on the part of the donor community, gave a brief overview of results from governance cluster as well as ongoing discussions regarding the future of the cluster. It was noted that the cluster had worked out TORs for its functioning, and that the cluster had participated in the preparation of the DPM paper on Good Governance and Capacity Building. The cluster group members had decided that since Governance is a cross cutting issue, and not one in which a single government programme can be supported and implemented, the Cluster itself should function as a political platform for dialogue between the government and partners. Coordination and harmonization of donor support to Government in the area of Governance would take place in the technical Sub-clusters such as Justice, Decentralization, Economic Governance and Media and Civil Society. It had also been decided that these sub-clusters should not be under the Governance cluster – that is, they should not have to report to it. Rather, they would be independent clusters which would report directly to the DPCG when necessary.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Participants in the working group agreed with these initial conclusions and felt that the discussion in the working group should focus on (a) the general workings of clusters and (b) the value added of having a separate Governance Cluster.

General role of clusters:

Participants noted that the principles of pragmatism and demand should guide the workings of each cluster. In order to achieve the goals of improved coordination – such as reduced transaction costs, the frequency of meetings should be set according to need. It might be necessary to meet quite frequently for short period of time when for example joint reviews are being carried out or when financing modalities are being worked out. When there are not pressing issues, meetings should be limited or might even cease for a considerable amount of time, leaving both Government and Donors to focus on implementing their respective programmes and projects. Each Cluster will, as a starting point, need to work out an action plan – with clear outputs and timeframes. Each cluster would also need a lead agency willing and able to spend the requisite time and effort on preparing necessary documents and follow up on recommendations from the cluster. Most participants noted that clusters, which did not have these elements in place, did not perform. It was also noted that the Government should be the leader for each of the cluster, with donors in a supporting role.

Value added of separate Governance Cluster:

Most participants noted that they had not had the time to participate in the Governance Cluster on a regular basis. Those who had noted that the cluster seemed more like a ‘talk shop’ than an instrument for donor harmonization, and that it included too many issues and institutions to be effective in promoting improved harmonization and coordination. One participant noted that although having a platform for political dialogue is useful, those issues requiring serious dialogue between government and donors should be brought up at the level of the DPCG itself. As such, a separate cluster group would not be necessary. The priority which both government and donors give to an institution or instrument is often a good indication of how important it is to them, and looking at the participation in the governance cluster so far is an indication that most partners, both on the government and donor side do not see this cluster as having much value given competing demands and limited time. *It was thus agreed amongst working group participants to recommend that the Governance Cluster be discontinued, with the current sub-clusters becoming clusters in the governance area. When required, a task force could be constituted to handle general governance issues that cover more than one cluster.*

Group 2: Health and HIV/AIDS

Facilitators : Dr. Ben E. Karenzi (MINISANTE)
 Dirk Brems (Belgian Cooperation)
 Regan Whitworth (USAID)

Positive lessons learned:

- If the cluster is to work, good people are key to push the process forward and to work on the relationship between Government and Donors
- The cluster started once the strategic plan was completed which gave the cluster a clear focus and direction.
- These issues (HIV/AIDS) have clear problems that people could see and discuss
- Meetings were scheduled every two months – this was seen as manageable
- The technical subgroups meet as needed. Such an arrangement is deemed as creative rather than an external constraint

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

- The lead of the technical sub groups is not given to government in order to limit the burden on government

Aspects to Improve

- Need to cost the Strategic Plan and agree on a mechanism to fund it. Here, reference was made to Education where a DFID consultant was seeing how to integrate different funding mechanisms behind one strategic plan.
- Need for a transparent Monitoring and Evaluation System

No key government benchmarks were identified, as the cluster had only been meeting for 6 months

Key strategic documents

The cluster was involved in the development of the Strategic Plan

Management Structures

- The cluster has co-chairs – the Secretary General + 1 donor representative – which is seen as positive
- The Belgium Cooperation have funded a small secretariat to assist with administrative support
- The TOR designed by this cluster has been used by other clusters

Group 3: Education

Facilitators: Casimir Rutayitera (MINEDUC)
Sandra Diesel (SIDA)[†]

The Education Development Partners Group has been meeting regularly since 2001, facilitated by DFID. Until recently development partners only attended meetings, but now MINEDUC are taking an active co-chaired role.

Aspects that work well in the cluster and they would recommend to be adopted by other clusters:

- to develop a common plan or strategy behind which donors can align
- the development of a SWAP with government ownership
- the establishment of a joint review mechanism with a common set of indicators to monitor progress of the sector

Aspects that need to be improved and possible solutions

- Important to think of the Education Sector Strategic Plan (ESSP) as a living document which can reflect changing priorities
- There needs to be alignment between the ESSP and the MTEF. An education budget workshop should be help on this.

[†] Usually co-chaired with DFID, but Education Advisor could not be present at the retreat.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

- Monitoring and Evaluation should be enhanced, improve existing systems both at MINEDUC level and at MinEcoFin. Recommend setting up a M&E working group with MINEDUC.
- Need an improved framework for financing and conditionality. There is currently a piece of work being led by MinEcoFin and supported by MINEDUC on the development of principles and guidelines for the provision and guidance of external aid to the education sector.

Key government benchmarks that the cluster has supported/been involved in.

- Joint reviews
- PRS Progress report
- PRSC alignment to existing structures

Key strategic documents that the cluster has produced

- Joint review aide memoires
- Draft principles, an operational framework and Terms of Reference for the group have been developed, but not agreed
- Work is in progress on a framework for the provision and management of all external support to the education sector
- Two cluster retreats 2003
- Regular Education Partner Group meetings and systematic documentation thereof

Key planning processes and management structures

- Draft principles, an operational framework and Terms of Reference for the group have been developed, but not agreed
- Monthly meetings co-chaired by MINEDUC and Lead Donor
- Joint Annual Reviews for the Education Sector

Group 4: Private Sector

Facilitators: Robert Bayigamba (RPSF)[‡]
Tim Muzira (USAID)

Overview: The Cluster was initiated post DPM 2002 but meetings started formally in March 2003. The Cluster is co-chaired by the Rwanda Private Sector Federation (RPSF) and USAID. It has remained an information exchange platform for all stakeholders involved in private sector development.

Lessons learnt

- The cluster has been meeting regularly at least every six weeks. This has maintained a momentum among members of the cluster.
- In absence of a clear TOR, the cluster has focused on academic or policy topics of interest to the group, featuring key guest speakers

[‡] Usually co-chaired with MINICOM, but SG of MINICOM could not be present at the retreat.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

- Recently, we have seen increased ownership of MINICOM in the cluster
- The cluster provided inputs into the PRS-APR process in a timely manner but also gave its inputs in the 2004 DPM

Challenges

- There is a lack of specific sector focus in the cluster
- The cluster needs to evolve from being reactive to proactive
- The Private Sector Federation has been involved in the cluster but not in the DPCG mechanism
- Need for more analyses to determine where interventions are channeled through the cluster
- Limited donor interventions supporting private sector development
- Cross-cutting issues such as Energy, Transport, Financing, Regional Trade Integration need to be well addressed in the context of Public-Private Partnership(s)

Way forward

- The cluster needs to develop a clear strategy aiming at private sector development with measurable targets and outputs around trade and industry
- The cluster would appreciate knowing the time frame for the development of the aid coordination document from MinEcoFin for the purpose of aligning the clusters strategy with the policy document
- Impact monitoring is critical to assess whether the targets set out in the strategy are met. Equally critical is to establish a harmonized system where development partners report on Private Sector (PS) development
- MinEcoFin should appoint a focal point to the cluster with good experience in planning and policy direction
- A draft TOR for the PS development strategy with a detailed work plan needs to be developed. Any TA required should be supported by members of the cluster.

These recommendations should align with MINICOM and RPSF strategic plans and must be supported by all members of the cluster.

Group 5: Rural Development

Facilitators: Fulgence Nsengiyumva (MINAGRI)
Jean Barbé (European Commission)
Kampeta Sayinzoga (World Bank)

Positive lessons learned:

- The cluster held constructive discussions on the agricultural policy and strategy before they were finalized.
- With clear strategic directions in place (i.e. Agriculture Sector Strategy, Environmental Law, Land Law etc), there is a great opportunity for greater GoR leadership in the Rural Development cluster. The World Bank as co-chair can play the role of facilitator.
- There is strong interest and willingness from development partners to actively participate to the cluster and work together.

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

Aspects to Improve

- The initial aim of the cluster was very broad, yet discussions in the cluster seemed to focus mainly on agriculture. Its scope should now be expanded (environment, forestry policy, housing, ...)
- In order to run the cluster smoothly the following prerequisites were noted the need for :
 1. strategic direction for all areas;
 2. clear Government lead and clear definition of development partners contribution;
 3. clear scope of the cluster;
 4. sufficient resources, needs well identified.
- More involvement in the cluster of the civil society.

Key strategic documents

- Agricultural strategy, Land Law, Environmental Law, etc.
- The cluster was involved in the 2004 DPM (a document was prepared), and on a regular basis in the DPCG.

Management Structures

- The cluster is led by Minagri, facilitated by World Bank.
- The scope of this cluster being so huge, there is a need of thematic sub-groups, with efficient communication amongst themselves.
- A small secretariat should be foreseen to ensure smooth communication and handle all logistical support
- TORs of the cluster should be finalized as soon as possible based on the template TORs previously circulated

Group 6: Emerging Clusters

Facilitators: Anna Gahongayire (MIGEPROF)
Judy Walker (DFID)

This group looked at the proposal for the Children's Cluster including its suggested structure. The proposed structure (see attached organigram) is composed of a Forum which includes representation from the Children's Parliament. The forum – which includes a wide range of stakeholders – meets quarterly. In addition, to the open Forum, the Cluster is directed by a Committee – called the National Children's Cluster Steering Committee. This committee has the authority to make decisions on behalf of the cluster. The Steering Committee stands in place of a "lead donor". The Committee is deliberately kept small in order to aid decision making. A "challenge fund" – a specific fund for financing children's issues – has been proposed along with a secretariat to support the committee and oversee the fund and are under discussion.

The cluster is very much government driven and has already put together concrete proposals on how children's issues could be mainstreamed across the other clusters.

Some outstanding issues/lessons learned include:

- The Proposed Secretariat : It is not clear where the secretariat for the cluster should be located. Options include within MIGEPROF, within UNRCO or within UNICEF. A consultancy will soon examine the pros and cons of each option. This is likely to be a temporary arrangement to start the

DAY 1: CONSOLIDATION OF HARMONIZATION AND ALIGNMENT MECHANISMS

cluster operating. Can clusters function effectively without investment in a mechanism that helps it to operate?

- Financing: Finance for the cluster will come from three sources : From the main Ministry's [MIGEPROF] budget; from the work of other Sectors and from a new "Challenge Fund".
- The Cluster will work most effectively if there is a separation of functions and a clarification of roles. In the children's' cluster this was done by separating out the policy and implementation dialogue functions (located in the Forum) and the strategic, implementation and oversight function – which is located in the committee.
- Government leadership is crucial.
- Not all clusters need to be the same.

DAY TWO: ACTION PLAN FOR 2005

Session Two: Best Practice Experiences from Tanzania and Kenya

Chair/Facilitator:	Claver Gatete
Presenters:	Joyce Mapunjo (Tanzania External Finance Commissioner) Kalle Hellman (Swedish Embassy - Nairobi)
Key documents:	Tanzanian Assistance Strategy Power Point Presentation – Joyce Mapunjo Power Point Presentation – Kalle Hellman http://www.tzdac.or.tz/

The objective of this session was to learn from the experiences of neighboring countries in the area of aid coordination and harmonization. In particular, the Tanzanian example is well known as a 'best practice' in aid coordination, harmonization and alignment. The Government of Tanzania has kindly hosted Rwandan MinEcoFin staff in the past, providing them with the opportunity to learn from the Tanzanian model. The experiences were of great interest to the participants and the session was extended by consensus. Details of the country experiences are available through their PowerPoint presentations.

TANZANIA EXPERIENCE

Background

Government-donor relations deteriorated during the early to mid 1990s, with many donors suspending their support to the country. During this period, the Government was accused of weak governance, poor tax administration, lack of commitment to economic reforms, and a lack of a clear vision of development and national strategies. In turn, donors were critiqued for being unrealistic in their demands, overly intrusive in domestic policy-making, unwilling to share information and circumventing Government systems.

In response to the situation, a group of 5 independent advisors was commissioned in mid 1994 to evaluate Tanzania's aid relations, following an agreement between the Governments of Tanzania and Denmark. The group came up with a set of recommendations on how to improve development cooperation. These were discussed and jointly adopted by Government and donors in 'Agreed Notes' in January 1997.

Key issues agreed upon:

- The need for Tanzanian ownership and leadership of the development process under broad-based stakeholder involvement
- Government to set out clear national development vision and priorities
- Strengthening of GOT financial management system
- Improved accountability and effectiveness of budget management processes
- Donor funded national priorities, increased transparency on planned and actual aid flows
- Long-term aid commitments
- Channeling resources through the Government budget and Exchequer system
- Rationalization and harmonization of donor procedures
- Formulation of National Vision 2025, National Poverty Eradication Strategy (NPES) in 1997, and Poverty Reduction Strategy (PRS) in 2000
- Improvements of public financial management with the adoption of a computerized Integrated Financial Management System (IFMS), a government-led Public Expenditure Review (PER)/MTEF

DAY TWO: ACTION PLAN FOR 2005

process since 1998, a Public Financial Management Reform Programme (PFMRP) and various other reforms

- Launch of national strategy for development co-operation and aid management in 2002 – the Tanzania Assistance Strategy (TAS)

Achievements and challenges under TAS

1. Increased predictability of aid flows
2. Integrating donor funds in Government budget system
3. Harmonizing and rationalizing processes
4. Capacity building in aid coordination and external resource management

Way forward

Currently, the GoT, in consultation with the Development Partners Group and other stakeholders develops a Joint Assistance Strategy (JAS) in order to further improve aid effectiveness and enhance national ownership. The JAS aims to replace individual partners' country assistance strategies. Government takes the lead in its preparation. The JAS details how external resources can be used collectively to support national development strategies and aims to introduce division of labor among donor activities based on comparative advantage

Conclusions

It is widely recognized that Tanzania and its Development Partners have come a long way in building successful partnerships and in constructing a framework for aid coordination and harmonization. These improvements are founded on both sides' commitment to enhance aid effectiveness by strengthening the partnerships based on trust and open dialogue. This commitment is evidenced by Tanzania's adoption of a clearly articulated national development framework and to improved public financial management. The Government and its partners continue to move forward in their efforts to improve aid effectiveness for poverty reduction and sustainable development.

KENYA EXPERIENCE

Mr. Kalle Hellman, SIDA, gave a presentation on Harmonization, Alignment and Coordination (HAC) in Kenya. According to Mr. Hellman, on HAC issues, Rwanda is at least five years ahead. Kenya is trying to take some of the steps that Rwanda has already taken. The biggest difference between Rwanda and Kenya is the close working relationship between the GOR and the Donors. In Kenya, donors are much more focused on coordinating strictly among themselves. Government is not integrated into the consultative groups.

Background

During the past 10 years, the majority of donors decided to work outside government structures. This was mainly due to a lack of progress on governance – particularly corruption – and a lack of perceived ownership on behalf of government regarding poverty reduction.

The HAC was established in February 2004. Its long term objective was to merge donor and aid policies. It aimed for a Government-driven system for: coherent dialogue between Government and Development Partners, increased efficiency of aid use and commensurately reduced transaction costs.

Its activities have included the development of a Terms of Reference for the Development Cooperation Group, detailing its content and structure. It has undertaken a mapping of existing structures for coordination at various levels, and the identification and filling of structural gaps.

DAY TWO: ACTION PLAN FOR 2005

Some lessons learnt

- It is important to remember that HAC is a process, not a project and is built on trust.
- Conditionality can conflict with country ownership.
- HAC needs also to be applied to macro conditionalities.
- There is a need for close dialogue between Government and Donors.

Action Points

- **GOR to develop a Rwanda Assistance Strategy** based on the GOT experience
- **Look into producing a Joint Assistance Strategy** based on the positive experiences from Tanzania
- **DPCG Secretariat to look into ways of sharing best practices on a country level**

DAY TWO: ACTION PLAN FOR 2005

Session 9: Identifying Strategic Alignment & Harmonization Deliverables for 2005

This session allowed participants to break into groups to discuss specific deliverables for 2005. The session was judged to be a large success by all participants. DPCG Secretariat will follow-up with representatives of the Government and Development Partners to help achieve the deliverables identified in this session.

Group 1: Resourcing Harmonization

Facilitators: Colin Kirk (DFID)
Anna Gahongayire (MIGEPROF)

The working group focused on looking at the different experiences of the various clusters and international best practice in order to answer the questions:

- As the clusters form and take on more responsibilities, what should be the parameters of their activities? What responsibilities should be included/excluded? What kinds of resources would be required?
- DPCG secretariat support would support general harmonization initiatives. If other cluster, secretarial support is developed what is the relationship to the DPCG? What are the responsibilities between the Ministry of Finance and the other Ministries?
- Is it possible to identify pooled/joint funding mechanisms for sector and cross-sector strategy implementation through clusters? Can specific sectors be identified? Could we identify certain sectors (perhaps Health?) that are ready for a pilot initiative. What type of support would this require? Can we build on/learn from existing attempts at pooled funding such as the Capacity Development Fund?

An in depth discussion concluded that the following outputs should be prioritized for 2005:

- An Aid Management Policy document should be drafted. The document should
 - Define resourcing needs (Human and Financial)
 - Define roles of various stakeholders. It is recommended that Government takes the lead in coordination and technical aspects while Donors take the lead on administration and technical assistance. Non State Actors should take the lead on consultations, participation and accountability
- Clusters should mobilize resources for their activities – both human and financial - with support from Harmonization Secretariat/MinEcoFin External Finance Unit, if necessary
- Design Common performance assessment framework (CPAF)
- All clusters should contribute to poverty reduction impact study

The following characteristics were identified in making a cluster 'successful'

- Leadership
- Focus
- Clear Plan and Process
- Communication
- Resources

DAY TWO: ACTION PLAN FOR 2005

The following potential resources were identified:

GOR inputs

- MinEcoFin/ Harmonization Unit
- Sector

External

- Development Partners Office
- Consultants
- PRSC Teams

Group 2: Operational Guidelines

Facilitators: Dr. Ben E. Karenzi (MINISANTE)
Lambert Grijns (Dutch Cooperation)

This group was asked to address the following questions:

- Identifying what type of guidelines would be useful – how should they be developed? By whom? Where would they be housed? Would they be binding/non-binding?
- Focusing on one initiative – for example, joint reviews or missions – and agreeing to achieve a specific benchmark by the end of the year – even between 2 or 3 donors.
- Developing action-oriented policy and strategy *implementation plans* with MTEF's, capacity development elements and clear and measurable benchmarks

Seven priority actions/recommendations for Development Partners

1. Joint country analysis
 - This should use World Bank Expertise
 - Discussion: should it be with GOR or donors only?
 - It should be sufficiently in depth and covering also political aspects
2. Common performance assessment framework
3. Independent monitoring group should be established
 - Experiences thus far (DFID, NL, Sweden) are mixed. What does GOR want?
 - Does GOR really want this approach
 - This is linked to discussions regarding conditionalities: the need to make a difference between sanctions and pressure, and between positive and negative conditionalities.
 - **DPCG should establish working group to determine action**
4. Joint reviews
 - Quick wins can be made if the IFIs (WB, IMF) are really willing to include bilateral donors in their review processes e.g. PRSC, PRGF etc..
 - Strong GOR responsibility needed to make joint reviews happen
5. Joint Missions

DAY TWO: ACTION PLAN FOR 2005

- Action: **DPCG Secretariat to write a protocol for joint missions**
6. Quiet time (no missions, workshops etc)
 - To be determined by the GOR
 7. No more bilateral discussion but instead link up to one common framework
 - This raised a discussion of the nature of bilateral consultations. Are they only political or also social and economic?

Group 3: Principles and Ethics of Partnership

Facilitators: Johnston Busingye (MINIJUST)
Arne Strom (SIDA)

This group was asked to try and reach clarification and agreement upon principles and ethics of partnership (i.e. levels of communication and collaboration). Where does the responsibility for this lie?

The group decided to start by proposing and discussing the usefulness of a number of principles for partnership between the GOR and Development Partners.

Principles:

- Any partnership should be based on regional and national environment
- There should be mutual accountability between partners
- GOR should lead the partnership
- Partnership should recognize possible resources to higher levels of dialogue if necessary.
- **GoR should establish a partnership with international NGOs that should have a multi year perspective**
- **The DPCG framework should work towards a Joint Assistance Strategy (JAS) to replace individual partners' country assistance strategies**
- Transparent Public Finance Management including accurate accounting and auditing is necessary to increase mutual trust, required for a productive partnership

Ethics:

- Timely communication between partners when problems are foreseen.

The group concluded that DPCG should work out a complete list of principles and ethical guidelines and approve it in consensus.

Group 4 - Salaries

Facilitators: Vincent Karega (MIFOTRA)
Hans von Schroeder (German Embassy)

This group was asked to look at the following questions

- *Salary harmonization and incentive issues*
- *Discussions on new Pay Policy*

DAY TWO: ACTION PLAN FOR 2005

- *Salary supplementation*
- *Possible basket-fund mechanisms for within a ministry*

New pay scheme:

MIFOTRA is currently working on a standardized pay scheme for almost all state employees on the national level as well as for the local level. The new pay scheme is supposed to be published in March after decision by MinEcoFin and the cabinet.

Absolute amounts have not been set, but rather ratios between the salaries of different levels. Low wage and salary levels might experience an increase, higher salaries should remain or even slightly decrease. For some specific professions like health personnel in rural areas, teachers and ICT staff where larger incentives are required to bring the number of applicants to required levels, supplement pay schemes will be established. Pay schemes for the police forces and military personnel are set up separately as well.

In total the GoR is expecting slightly lower expenses for salaries.

Main objectives of the new scheme are harmonizing the salaries between state ministries and other administrative bodies and to create more transparency.

Attraction to public sector:

To make the public sector even more attractive, a number of fringe benefits like housing, medical and transport schemes will be also reformed. Working in the public sector remains generally very attractive for Rwandans and the number of applicants for job offers is usually high enough to ensure sufficiently qualified personnel in all sectors.

Donor and public sector

Salary competition from the private sector or international donors is NOT a major concern for the government as the number of people poached is limited. Also, those who work on the free market acquire more experience and can later re-enter the public service. The money they earn usually strengthens the local economy. There are no plans for restricting the free labour market or to introduce a ceiling for salaries paid by donors.

However, GoR asks donors to restrain from any direct supplement pay to individuals or specific sectors in the public administration and especially in the future to personnel working under the new pay scheme. This would create distortions in the harmonized pay scheme and moves donors in a kind of complicated "shared employer role" with the GoR.

Very much welcome, however, is any kind of technical support and contributions to basket funding or secondments as long as it is demand-driven.

Follow-up:

- Information and discussion on the new salary scheme should continue.
- GoR is expected to address donors on the issue of salary supplements and related rules and "Do's and Don'ts" once the new scheme has been approved.

Group 5: Streamlining with PRSP & PRSC

Facilitators: Claver Gatete (MinEcoFin) & Judy Walker (DFID)

DAY TWO: ACTION PLAN FOR 2005

The group was asked to address the following questions:

- *Discussing what the relationship should be between the Clusters and the PRSP*
- *Discussing how to build upon previous PRS process – i.e. what aspects do we want to strengthen and which do we want to reform. Is it preferable to go right into PRSP II or do we want to do a comprehensive review in 2005?*
- *Development and Monitoring of indicators? How does this relate to the strengthening of statistical capacity?*

This group was able to re-construct the "harmonization" calendar for 2005 / 6 - from a variety of sources (attached).

Conclusions:

- The next eighteen months look very packed. The timetable will stretch both the Government and the donors to their full capacity.
- The Government needs to be very strict about maintaining a "silent" period and will have to reschedule a number of IFI Missions accordingly.
- The calendar is useful for all those who attempt to plan out their year in advance. But, to be most useful, it will require a great effort on everybody's part to keep it up-to-date.
- It is useful to maintain a line in the calendar for civil society. Their inputs into the year need also to take account of all other events and it is helpful to see them as part of the national programme rather than outside it.
- The timeframe for developing the PRSP II was carefully considered. The group took into account the prior decision to "relax" the PRSP II so that the results of EICV - the national household survey - could be included.

This meant that there were three activities to take place to help develop the PRSP II :

1. an evaluation of PRSP I (which will take the place of the PRS Annual Review in 2005);
2. the development of preliminary data by each sector / cluster identifying new targets for PRSP II that build on progress in the PRSP I.
3. the discussions and decisions that will take place around the policy options for PRSP II (including the incorporation of the EICV evidence - hopefully from around February / March 2006 onwards). We assumed that these discussions would need to reach some firm conclusions on the balance between social sector investment and investments elsewhere. We also assumed that MinEcoFin would produce an options paper for the Cabinet to consider between March and April 2006. This paper will make the arguments for the balance between growth / poverty-reduction in PRSP II.

The PRSP II process needs to be charted out in more detail. The group could not exactly locate all the workshops and consultation exercises that are required to make this process fully participatory. We look forward to a further clarification by MinEcoFin.

Group 6: Financing Mechanisms for External Support

Facilitators: Jean Jacques Nyirubutama (MinEcoFin)
Jean Barbé (European Commission)

This group was asked to address the following questions:

DAY TWO: ACTION PLAN FOR 2005

- *Organic Budget Law and possible challenges that may arise from it;*
 - *How can donors be made more aware of what this implies for their programmes in a consistent manner?*
- *Strategies for enhancement of national accountability mechanisms*
- *Piloting mergers of PIU's and reviewing their role in national ministries/institutions – are they cases of duplicative PIUs? How we know about this?*
- *Donor Accountability – Development of Indicators for the monitoring aid effectiveness as part of the PRS?*
- *Budget Integration (Integrating donor projects into MTEF)*

Scope of discussion

The group identified the following type of support:

1. Budgetary support;
2. Project.
3. Basket fund;
4. Pooling funding;
5. Buy-in support (Multiple-Donor Projects).

The aim of the discussion has been to explore how the new Organic Budget Law will challenge the current Government/Donors preparation/reporting practices.

The Organic Budget Law framework:

Ben Cropper (ODI fellow in Minecofin) presented the Organic Budget Law framework.

According to this law (Article 5-1) “for purposes of operating the central government budget, a consolidated fund shall be established, which constitutes all revenues and other public monies, including earmarked revenues of extra budgetary funds, and external loans and grants raised or received for the purpose of, or on behalf of the central government.”

It will require stronger reporting on projects. The induced flows of information will be organised and led by a new unit within Minecofin (External Finance unit).

The objective is a full integration of recurrent and development budgets. An intermediate stage is possible for country with a heavy reliance on external project assistance.

<u>Partial integration</u>	<u>Full integration</u>
Ministry/Directorate/Programme/Sub-programme 1. Current expenditures 2. Capital (not included in “development”) 3. Development - Capital - Recurrent	Ministry/Directorate/Programme/Sub-programme 1. Current expenditures 2. Capital

Follow-up:

GoR (External Finance unit) is expected to clarify the system for reporting on donors projects in line with the OBL after discussions with donors. Some technical issues (identification of donors, avoidance of double accounting, nomenclatures, electronic format...) need to be tackled.

DAY TWO: ACTION PLAN FOR 2005

Session 10: OECD/DAC High Level Forum

Chair/Facilitator:	Arne Ström (Sida)
Presenters:	Joyce Mapunjo (Ministry of Finance, Tanzania) Kalle Hellman (Sida, Kenya)
Key Documents:	Power Point Presentation – Kalle Hellman

Description: This session aimed to familiarize participants with the OECD/DAC work on harmonization, alignment and coordination drawing on the experiences of Tanzania and Kenya. It also sought to clarify ways in which Rwanda could become more involved in the process. It also provided development partners some of the broader issues related to harmonization and alignment.

The current discussions on aid effectiveness can be traced to the Monterrey Conference which highlighted the importance of partnership among donors and developing countries. In 2002, the Rome High Level Forum set out principles for aid effectiveness. From February 28th – March 2nd, donors will meet again to assess progress in Paris. Areas of attention will include the need for long term commitment of donors, delays in disbursement of aid and problems of unpredictability, donors' flexibility, PRSP as aid coordination mechanisms, and financial and accountability systems in recipient countries.

Rwanda was urged by the panelists to look at ways in which they could become more engaged in this process. Rwanda is expected to be represented by two government officials at the Paris Forum. It would be useful if the outcomes from the forum could be fed back into the DPCG.

In the general discussion, the need to consider countries' unique circumstances was stressed. In the case of Rwanda, this is the result of the post-conflict experience in aid management. It was suggested that this experience could be a valuable contribution to the OECD/DAC discussion on aid effectiveness in fragile states.

Other recommendations included the need for a harmonization of harmonization indicators, capacity building for donors on coordination, harmonization and alignment as well as training in Public Financial Management (Basket Funding, Budget Support).

Action Points:

- Better communication between government representatives at the OECD/DAC forum and development partners
- Increased involvement in the OECD/DAC for Rwanda, drawing on our comparative experience in certain aspects of coordination
- Alignment of harmonization indicators
- Training for development partners in general HAC as well as PFM

DAY TWO: ACTION PLAN FOR 2005

Final Session: Summary of Agreements and Closing Remarks

Chair/Facilitators: Vincent Karega (MIFOTRA) on behalf of Claver Gatete (MinEcoFin)
Macharia Kamau (UNDP)

In this session, a preliminary draft of the Highlights Briefing was presented to participants for feedback and comments.

The conclusions of the retreat are presented in the final Highlights Briefing and accompanying 2005 Timeline of Deliverables.

The chairs thanked the participants and organizers and closed the first DPCG Retreat.