

GOVERNMENT OF RWANDA



MINISTRY OF FINANCE AND ECONOMIC PLANNING

RWANDA OFFICIAL DEVELOPMENT ASSISTANCE REPORT

AN EXTENDED REVIEW 2015/2016 FISCAL YEAR

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ACRONYMS

AfDB: African Development Bank
AfDF: African Development Fund
BADEA: Arab Bank for Development of Africa
BNR: National Bank of Rwanda
DAC: Development Assistance Committee (of OECD)
DFID: Department for International Development (UK)
DMFAS: Debt Management and Financial Analysis System
EDPRS: Economic Development and Poverty Reduction Strategy
EU: European Union
FAO: Food and Agriculture Organization
FDI: Foreign Direct Investments
FPI: Foreign Private Investments
GDP: Gross Domestic Product
GNI: Gross Domestic Income
GFTAM: Global Fund to Fight Tuberculosis, AIDS and Malaria
GoR: Government of Rwanda
IBRD: International Bank for Reconstruction and Development
IDA: International Development Association
IFAD: International Fund for Agricultural Development
JICA: Japan International Cooperation Agency
KFAED: Kuwait Fund for Arab Economic Development
KOICA: Korea International Cooperation Agency
MINECOFIN: Ministry of Finance and Economic Planning
NTD: Non-traditional donors
ODA: Official Development Assistance
OFID: OPEC Fund for International Development
OPEC: Organization of Petroleum Exporting Countries
PAU: Public Accounts Unit
SDF: Saudi Fund for Development
SSC: South-South Cooperation
OPEC: Organization of Petroleum Exporting Countries
SDF: Saudi Fund for Development
SSC: South-South Cooperation
UNDP: UN Development Programme
UNEP: UN Environmental Programme
UNFPA: UN Population Fund
UNICEF: UN Children Fund
UNIFEM: UN Women
WB: World Bank
WHO: World Health Organization
WFP: World Food Programme

FOREWORD

We are pleased to present the report on the Official Development Assistance of Rwanda for the 2015/2016 fiscal year.

This assessment is done in the context of changing landscape of development finance in Rwanda. Due to a robust ODA management and implementation system established in Rwanda, ODA continues to be a major resource for financing the development strategies outlined in the Economic Development and Poverty Reduction Strategy II (2013-2018), although its share in the total development finance is declining. This is due to the significant increase of the volumes of other forms of finance – primarily of private origin, as Rwanda continues to maintain a favorable investment climate, establishing an effective and trustworthy public finance management and governance systems.

The need for diversification and leveraging more resources to finance Government's development priorities has been identified and acknowledged in previous ODA reports. To that effect, this report has an additional focus - reviewing beyond-ODA resources - to obtain a holistic picture of the entire envelop of external resource of the Government to the extent permitted by available data within Government Institutions and from international sources. The Government will endeavor to institutionalize this new scope of development cooperation analysis.

While the management and coordination of ODA in Rwanda is recognized to have attained remarkable effectiveness and efficiency, it is understood that diversification of types of development finance and their sources will require additional management efforts on policy, institutional and human resource capacity dimensions. Considering the changing patterns in development finance flows, such management efforts have a potential to yield tangible development results, specifically through the attraction of more resources from multiple sources and their allocation according to their comparative advantages.

The EDPRS II provides orientation and guideline for this exercise, and it has now become imperative to adapt and align Government's existing policy and strategic documents – Aid Policy of Rwanda, Aid Policy Manual of Procedures, framework for Development Partners Assessment Framework - to this newer reality. Other policies may need to be put in place to strengthen coordination within and outside the Government system to manage more complex cooperation frameworks, information sharing and management mechanisms, the latter being particularly relevant for annual development finance reviews.

EXECUTIVE SUMMARY

The ODA analysis is a key development assistance management instrument and has been published annually since 2009. The current study is a continuation of this management tradition, while it also attempts to review beyond-ODA development finance flows to Rwanda – a new dimension compared to previously published assessments.

The report aims at building a knowledge on volumes, composition, destination and trends of various development finance flows in 2015/16 fiscal year - and also in a retrospective - to inform development and ODA planning, resource mobilization and allocation strategies in consideration of the currently prevailing development cooperation landscape in Rwanda.

The report outlines the sources of external development finance available to Government of Rwanda in the past, and reviews the trends in each of them. These include ODA, non-traditional assistance, private development finance among others.

Key findings from this assessment are summarized in the table below:

Aid dependency reduced: ODA/GNI ratio	11 % in 2015 vs 18.5% in 2000
Total development finance in 2015/16, of which ODA, including From traditional donors From non-traditional donors Private flows, including Foreign Direct Investments Overseas remittances Non-public and philanthropic flows ¹	US\$ 1,479.6 million US\$ 984.9 million – 66.6% of the total US\$ 932.7 million – 63% of the total US\$ 52.2 million – 3.5% of the total US\$494.7 million – 33.4% of the total US\$ 323.2 million – 22% of the total US\$ 161.4 million – 11% of the total US\$ 10.1 million – 0.6% of the total
Type of Assistance in 2015/16 ODA grants, change from 2014/15 ODA loans, change from 2014/15	US\$ 625.2 – decreased by 11% US\$ 359.7 – increased by 16%
Delivery instruments Budget support, change from 2014/15 Project support, change from 2014/15	US\$ 311.8 million – unchanged US\$ 673.1 million – unchanged
ODA recorded on budget, change from 2014/15	82.7% - increased 8%
Fragmentation (average size of disbursement per project), change from 2014/15	US\$ 2.7 million – improved (increased) by 15%
Top 5 donors	WB, USA, AfDB, EU, Global Fund
Top 5 sectors supported	Health, Agriculture, Social protection, Energy, Transport

¹ As recorded in Public Accounts of the Government of Rwanda

1. INTRODUCTION

1.1 Background

Official Development Assistance (ODA) has been a major part of external development finance received by Rwanda in the past two decades. It has to a large extent contributed to the implementation of an inclusive poverty-reducing growth model of the country, which has yielded, *inter alia*, a stable average economic growth rate of 8-9% on average, reduced the poverty rate from 60.4% in 2011 to 39.1% in 2014 (1). Additionally, improved governance, better management of public finances, a strengthened private sector and an enhanced investment climate has led to the continuous growth of foreign private investments over the past decade, complementing public resources for development.

Having demonstrated an extraordinary performance in management of large amounts of ODA in the past, the Government of Rwanda (GoR) has documented remarkable in improving its effectiveness. One evidence of this is Rwanda's high score - 4.0 - of the World Bank's Country Policy and Institutional Assessment (CPIA) index in 2015, compared to average of 3.2 across Sub-Saharan Africa². The GoR has applied efforts to reduce the reliance of the Rwandan economy on aid, which resulted in a decrease of ODA/GNI ratio - from close to 18.5% in 2000 to 11.0% in 2015, thus proving that "aid is truly effective if it progressively put itself out of business"³. Table 1 below illustrates the dependency of economy of Rwanda on ODA compared with other countries with comparable income and similar geographic stance (e.g. landlocked).

Table 1: ODA vs GDP per capita: 2000 - 2014

Countries	GDP per capita, US\$		Net ODA per capita, US \$	
	2000	2015	2000	2015
Burkina Faso	226.8	713.4	15.5	63.7
Chad	166	1,024.70	15.7	28.6
Ethiopia	124.1	619.1	10.3	37
Mali	267.4	842.1	26.1	72.2
Nepal	215.9	701.7	16.3	31.2
Uganda	238.1	714.6	35.9	43.2
Rwanda	216.3	720	40.1	78.9

Source: World Development Indicators, <http://data.worldbank.org/indicator>

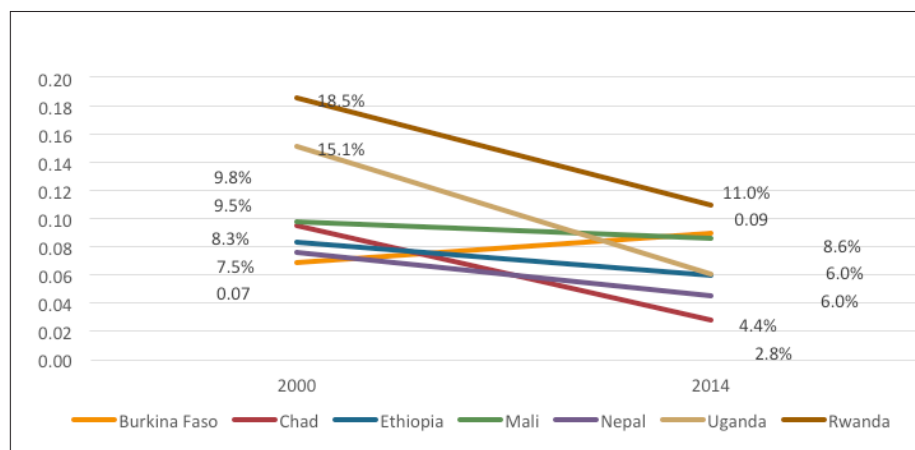
The table shows, that per capita aid in Rwanda grew faster than in other sample countries, but also economic growth has been rather impressive since early 2000s.

Decline of ODA/GDP ratio can be observed in all but one select countries (figure 1 visualizes it), albeit at varying rates. Given limited natural resource endowment and the onerous burden for recovery in the aftermath of the genocide of 1994, the performance of the GoR in reducing aid dependency by 7.5 percentage points of GDP can be rated well above average and is an indication of effective use of ODA in Rwanda in the past.

2. MINECOFIN, <http://www.minecfin.gov.rw>

3. Donald Kaberuka, the President of African Development Bank, 2010

Figure 1: ODA/GDP ratio dynamics for select countries.



Source: Own calculations, MINECOFIN

Box 1: Aid dependency projections by IMF

Budget and sector support as well as project financing, grants and loans, accounted for 11.6 percent of GDP and 40 percent of government spending in FY13/14. For FY 2014/15, budget aid (grants and loans, including projects) is projected at 10.9 percent of GDP, about 0.7 percent of GDP lower than budgeted. However, discussions with development partners and donors suggest that Rwanda's reliance on aid is unlikely to bounce back to the high levels observed earlier this decade.

Source: Report on IMF Article IV Consultations, 2014 (2)

The Economic Development and Poverty Reduction Strategy 2013-2018 (EDPRS II) of Rwanda is the main framework that guides the allocation of financial resources, including external resources, to development priorities of the country. Its overarching goal is *"Accelerating progress to middle income status and better quality of life for all Rwandans through sustained average GDP growth of 11.5% and accelerated reduction of poverty to less than 30% of the population"* (3). The recent interim review of EDPRS II (4) shows, that 40.7% of mid-term targets have been achieved, 14.8% are on track, and the remaining 44.4% are either on watch or lagging behind.

While pursuing further reduction of dependency of Rwandan economy on foreign aid (5), the GoR also acknowledges that financing needs for implementing of EDPRS II and beyond may not be fully covered by domestic public resources for some time to come, which calls for further increase and diversification of external development finance. This will include both public and private flows, further encouraging and facilitating Foreign Direct Investments (FDIs) and remittances, private contributions and so forth. At the same time, the role of the private capital is strategized under EDPRS II, so that by the end of 2017 it is expected to take over as the main source of investment. Progress towards achievement of the respective targets of FDIs vs GDP ratio documented in the EDPRS II interim review (4) is an indication that the private capital is likely to become a major source for development of Rwanda, as envisaged.

In light of the above, every source of development resource actually or potentially available to the GoR should be examined to support further decisions on their mobilization and allocation, as their characteristics and comparative advantages in terms of producing desired results vary largely.

1.2 Objective

In recognition of the significance of the development cooperation for sustainable development of Rwanda, the Ministry of Finance and Economic Planning (MINECOFIN) has endeavored to carry out a systematic review of ODA flows to the country. The objective of these reviews is to inform policy

dialogue and decisions on planning, mobilization and utilization of development resources based on lessons of past performance.

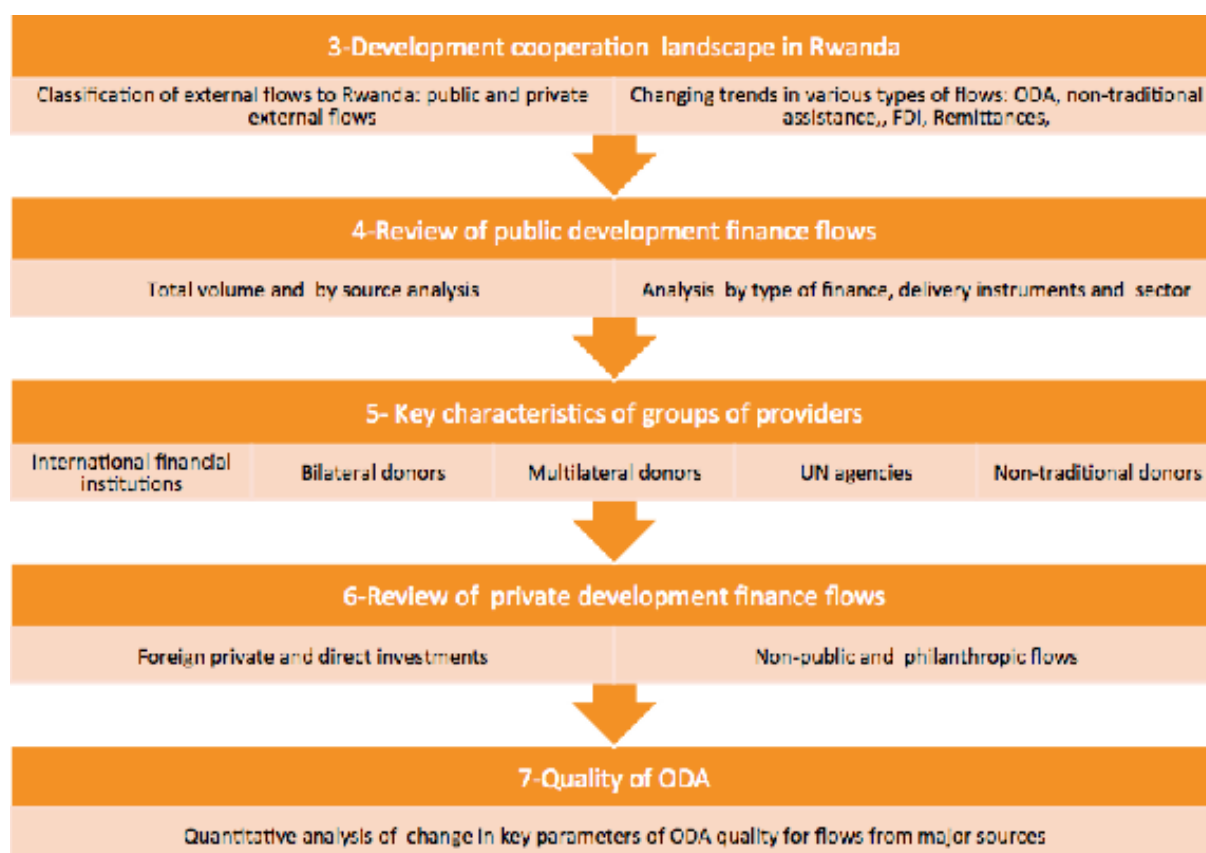
The main source of information on ODA flows to Rwanda has been the Development Assistance Database of Rwanda (DAD-Rwanda) which was established in 2006. DAD-Rwanda is regularly populated by resident development partners of Rwanda, according to procedures developed and operationalized by MINECOFIN (6). Given the known difficulties in capturing all flows, such as those channeled through the NGO sector, originated from non-DAC member countries and non-traditional donors (including South-South Cooperation (SSC), private philanthropic foundations and so forth, the DAD-Rwanda has only occasionally recorded information on such flows. Therefore, the previous ODA reports have mainly focused on analysis of ODA flows provided to the public sector of Rwanda.

Aside from ODA, this report also reviews 'beyond-ODA' development finance flows, including FDI, remittances, and other non-public flows to the extent permitted by the availability of respective information.

The main objective of this study is to build and compile a knowledge on volumes, composition, destination and trends of various development finance flows – ODA in the first place - to inform development planning and resource mobilization and allocation strategies in consideration of the currently prevailing development cooperation landscape in Rwanda.

2. HOW TO READ THIS REPORT

The report starts with introduction and formulation of its objective ([section 1](#)), followed by this guide. The logic of the presentation of the main material is outlined in the diagram 1 below:



The [third section](#) is devoted to the analyses of the evolution of development finance flows to Rwanda, including the public and private flows, their absolute volumes and relative shares, and based on that reveals the current prevailing landscape of development finance.

The [fourth section](#) assesses the volumes, composition and key parameters of public development finance, including their contribution to the budget of the GoR.

The [fifth section](#) reviews ODA flows from various groups of providers and their key characteristics.

The [sixth section](#) reviews flows originated from non-public and private sources that are developmental in purpose.

The [seventh section](#) analyses the quality of ODA and its change in 2015/16 compared to 2014/15 fiscal year.

The report completes with conclusions and recommendations ([section 8](#)).

Annexes contain division of labor matrix ([Annex I](#)) and a brief note on global practice of non-traditional aid management ([Annex II](#)) and flows of non-public organizations captured by the Public Account Unit (PAU) of MINECOFIN ([Annex III](#)).

3. EXTERNAL DEVELOPMENT FINANCE LANDSCAPE IN RWANDA

ODA inflows to Rwanda have been on steady rise from 2006 to 2011, exceeding US\$ 1 billion in 2011, reduced notably in the following 2 years and restored to pre-2012 level in 2014.

Apart from ODA, there have been other inflows of development finance to Rwanda, from both public and private sources. The table 2 below classifies external development finance flows to Rwanda, on which information has been available for this study.

Table 2: External development finance flows to Rwanda

Public sources	Private sources
ODA from Bilateral DAC donors	Foreign Direct Investments
ODA from International Financial Institutions	Overseas Remittances
ODA from Multilateral Institutions ⁴	Contributions of non-public organizations ⁵
ODA from UN System	
ODA-like flows from non-traditional donors ⁶	

Table 3 presents volumes of public resources received from traditional and non-traditional development groups of providers in 2013/14 - 2015/16 fiscal years.

Table 3: ODA to Rwanda, 2013/14-2015/16 Disbursed in USDs

Funding Source	2013/2014	2014/2015	2015/2016
Bilateral	395,468,186	483,425,766	400,424,478
IFI	352,693,011	266,570,497	330,648,594
Multilateral	177,005,995	116,091,394	164,256,992
UN	53,450,058	43,959,141	37,366,225
Non-traditional	61,438,911	37,441,246	52,170,644
Total	1,040,056,161	905,756,216	984,866,933

Source: DAD-Rwanda, last accessed 5 January 2017, DMFAS

4. Include the EU, Vertical Funds

5. Includes disbursements from private philanthropic foundations, academic institutions, international NGOs and associations

6. Include flows from South-South Cooperation providers and Arab Development Funds

The total volume of public resource received in 2015/16 fiscal year was US\$ 984.9 million presenting 8% increase from the volume of the previous year. Thereby, flows from bilateral donors have slightly increased (1.2%), flows from IFIs and multilaterals have decreased by 6.2% and 7.3% respectively and the UN ODA has decreased for about 30% compared to 2014/15 fiscal year. Non-traditional assistance has also decreased by nearly 16% in the period under review.

Flows from multiple sources listed above differ by their key parameters, such as volume, modalities and channels of delivery, level of direct influence by the GoR on both their management and alignment to national priorities, as well as their association with development cooperation effectiveness agenda (e.g. Busan and Paris principles) currently managed by the Government.

Significance of various types of external flows to Rwanda is different and is changing. As illustrated in table 4 below total ODA – despite its decrease relative to GDP- remains the largest resource, but FDI and remittances have notably increased – nearly 10-fold and 5-fold respectively, reaching 4% and 2% of GDP respectively.

Table 4: Development finance flows to Rwanda, 2006-2015

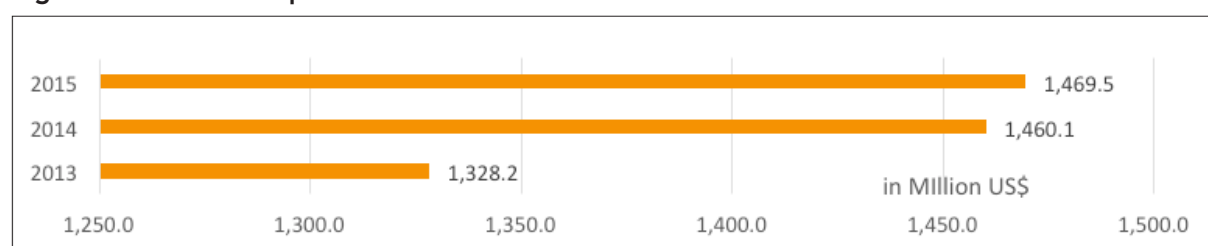
Year	GDP	ODA	FDI	Remittances
2006	3,110	481.5	30.6	29.0
2007	3,775	640.6	82.3	121.5
2008	4,797	764.6	103.3	67.8
2009	5,309	930.7	118.7	92.6
2010	5,699	973.9	42.3	106.5
2011	6,407	1,124.2	106.2	174.3
2012	7,220	979.5	159.8	182.4
2013	7,522	910.1	257.6	123.1
2014	7,912	978.8	291.7	128.2
2015	8,096	932.7	323.2	161.4

Source: DAD-Rwanda, National Bank of Rwanda (BNR), World Bank Indicators. Amounts are in million US\$.

In addition to this, [non-traditional assistance](#) (NTA) by South-South Cooperation providers (China and India) and Arab development funds is estimated to have reached 0.6% of GDP in 2015, and has been quite significant in absolute terms making up at least US\$ 37.4, 61.1 and 52.2 million in 2014, 2015 and 2016 respectively⁷.

Using this data, the figure 2 below illustrates that the total amount of development finance in 2015/16 has slightly increased compared to 2014/15 fiscal year, and remains notably larger than in 2013/14 fiscal year. Given that public development finance decreased in the fiscal year under review (please refer to table 3 above), the increase in total development finance must have been due to private flows.

Figure 2: Total development finance flows to Rwanda

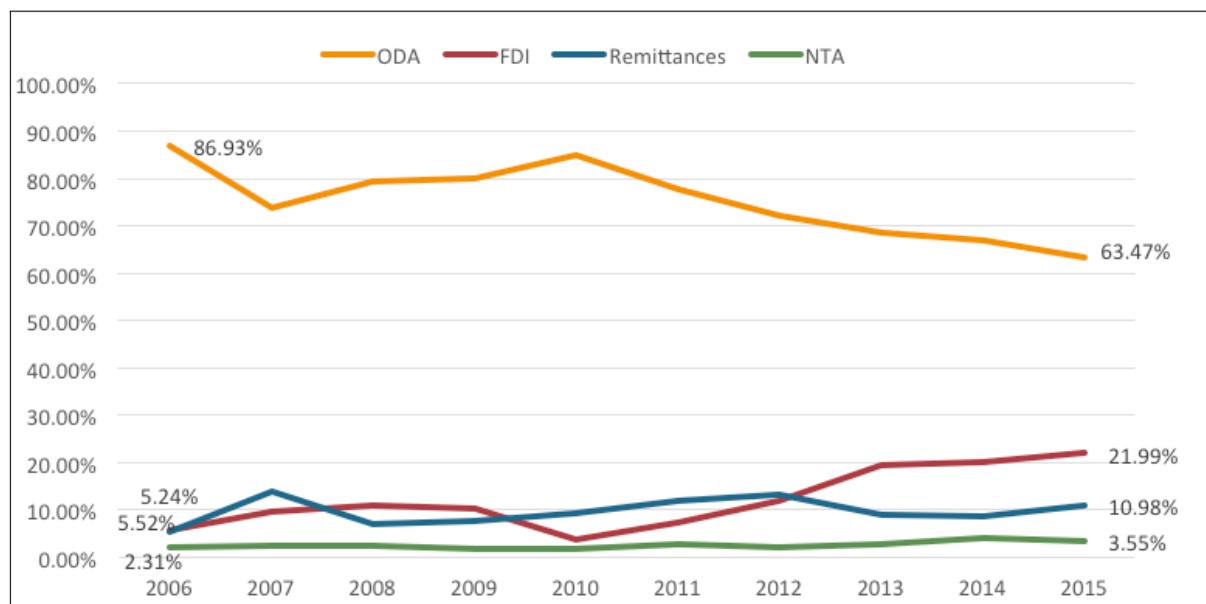


Source: DAD-Rwanda, DMFAS, WB Indicators

7. Data extracted from Debt Management and Financial Analysis System of Rwanda

An important and explicit measure of significance of various types of development finance is their share/percentage of the total flows. The figure 3 below shows the evolution of most significant development resources in a 10-year retrospective, which eventually resulted in what we can consider as the most recently observed development finance landscape in Rwanda.

Figure 3: Evolution of major development finance flows



Source: DAD-Rwanda, DMFAS, WB Indicators, % of total development finance

Finally, the development finance to Rwanda is also supplemented by flows originated from non-public entities and private philanthropic foundations, which disbursed US\$ 10.1 million in 2015/16 fiscal year⁸.

Considering the above, the total amount of external development finance flown to Rwanda in 2015/16 fiscal year was US\$ 1,479.6 million, of which US\$ 984.9 million from public sources (ODA and NTA) and US\$ 494.7 million from private sources, including FDIs, overseas remittances, non-public organizations.

The share of ODA in total development resource has decreased, while private flows – FDI and overseas remittances – have significantly increased in the past decade, reaching 22.0% and 11.0% of the total respectively, as opposed to less than 6% each in 2006. Flows from non-traditional sources, originated primarily from Arab Development Funds, China and India made up 3.5% of the total development finance provided to Rwanda in 2015. In a nutshell, the ODA currently makes up 63%, and beyond-ODA flows– 37% of total external development finance, the latter largely represented by private capital. Compared to 2006, when the proportion was 89% vs 11%, this undoubtedly depicts a distinctive change in the external development finance landscape.

4. PUBLIC DEVELOPMENT FINANCE

4.1 The volume and composition by source

ODA in the total amount of US\$ 984.9 million in 2015/16 - from both traditional and non-traditional sources - was disbursed to 275 projects. Its composition by sources of origin is presented in table 5. The three major financiers were the WB, USA and AfDB, which together provided 51% of the total ODA.

In terms of the number of projects, the patterns have remained largely similar to those observed in the 2014/15 fiscal year. A large number of projects have been registered by the UN system represented by 7 agencies reported to DAD-Rwanda, including One UN Fund, IFAD and GEF. The US has been traditionally reporting at the program level – hence a small number have been recorded under the category “number of projects”. Large multilateral agencies, including international financial institutions – the World bank and African Development bank groups have disbursed their funds to 23 and 22

8. Data on non-public flows is limited to that of recorded on Government systems only

projects respectively, and the EU – to 18 project. Some bilateral partners have also recorded relatively high number of projects, such as Belgium -23, South Korea 20, Germany 16. Non-traditional donors have implemented up to 5 projects each, among them China and Kuwait who disbursed to only 1 project each.

Table 5: Composition of ODA by source of origin

Funding Source	# of Projects	Disbursed, US\$	Per project disbursed, US\$
WB Group	23	231,099,032	10,047,784
United States of America	5	170,434,858	34,086,972
AfDB Group	22	99,549,562	4,524,980
European Union	18	88,534,746	4,918,597
Global Fund	3	75,722,246	25,240,749
Netherlands	13	39,101,843	3,007,834
United Nations	58	37,366,225	644,245
Germany	16	36,298,981	2,268,686
United Kingdom	13	53,907,168	4,146,705
Belgium	23	29,198,896	1,269,517
China	1	25,936,870	25,936,870
Japan	32	25,586,321	799,573
South Korea	20	23,798,060	1,189,903
Switzerland	9	15,938,574	1,770,953
OPEC	3	9,335,019	3,111,673
Sweden	5	6,159,777	1,231,955
BADEA	5	6,117,224	1,223,445
Saudi Arabia	3	5,211,008	1,737,003
Kuwait	1	4,076,773	4,076,773
India	2	1,493,750	746,875
Total	275	984,866,933	3,581,334

Source: DAD-Rwanda, last accessed 31 January 2017

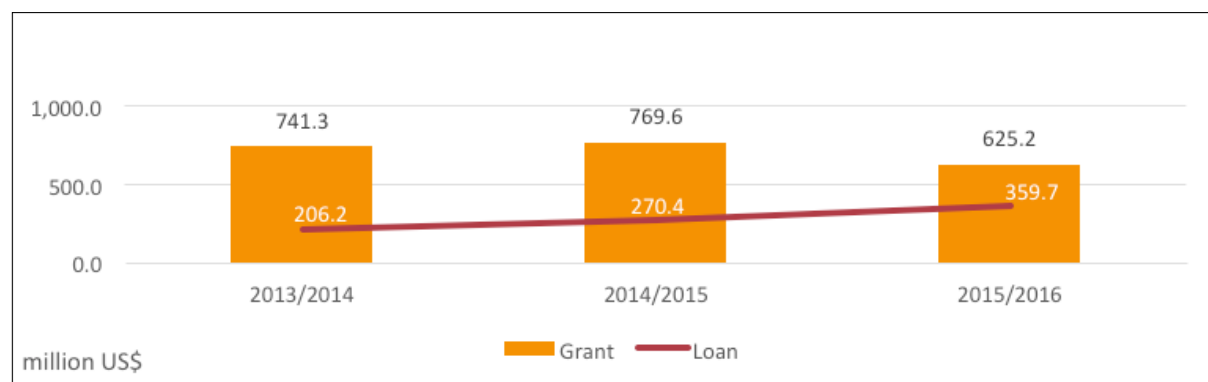
An important quality parameter of development finance is its fragmentation – the average size of development activities financed – a good proxy of which is the amount disbursed per project, often measured as total disbursed amount divided by the number of projects funded by a donor in a given period of time. The smaller the resulting number is, the higher is the fragmentation. In these terms, a 10% increase in the average size of disbursements (e.g. average size of a development activity) can be observed in the fiscal year under review – US\$ 3.6 million compared to US\$ 3.2 million in 2014/15. However, this is mainly due to the disbursements coming from the US, the Global Fund and non-traditional donors. It should also be noted that whereby the US and the Global Fund are reporting to DAD at program level, China has only one project recorded. If these special cases are excluded, the average per project disbursement in 2015/16 was US\$ 2.7 million whereby in 2014/15 it was US\$ 2.3 million, which depicts a 15% improvement in the proliferation rate in the fiscal year under review.

4.2 Composition by type of assistance

The majority of ODA has been provided in the form of grants, which made up 63 % of total aid in 2015/16 FY – a decrease in 11 percentage points from the previous year. Figure 4 illustrates the trends in loan and grant components over the past 3 years, clearly showing that the ODA envelop of Rwanda

is changing in its composition. Namely, the loan/grant ratio has shifted towards a notable increase of the share of loans - from 21% in 2013/14 to 37% in 2015/16 of the total aid.

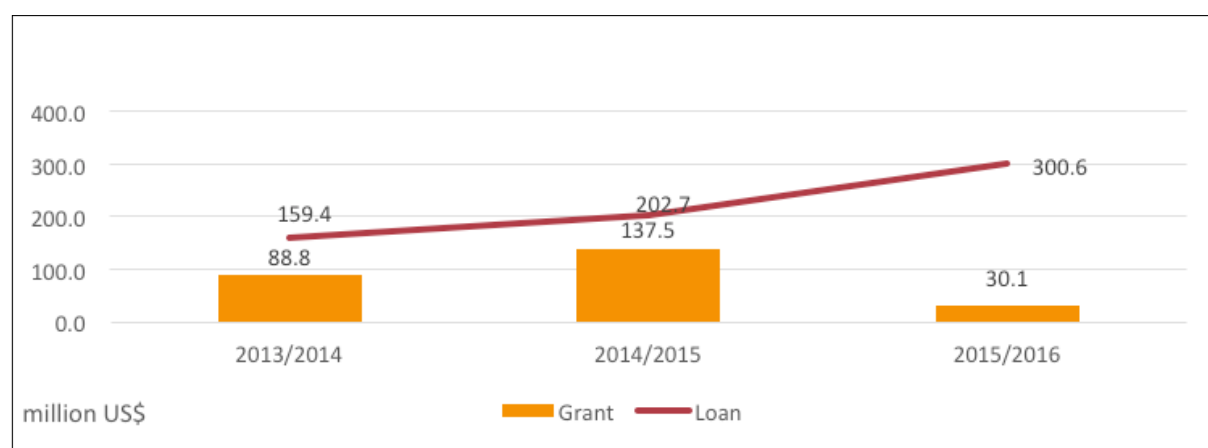
Figure 4: Trends of loans and grants in total ODA



Source: DAD-Rwanda, last accessed 6 January 2017

This is due to a substantial increase in the loan component of financing project portfolios from International financial institutions, as illustrated by figure 5 overleaf.

Figure 5: Trends of loans and grants in ODA from IFIs



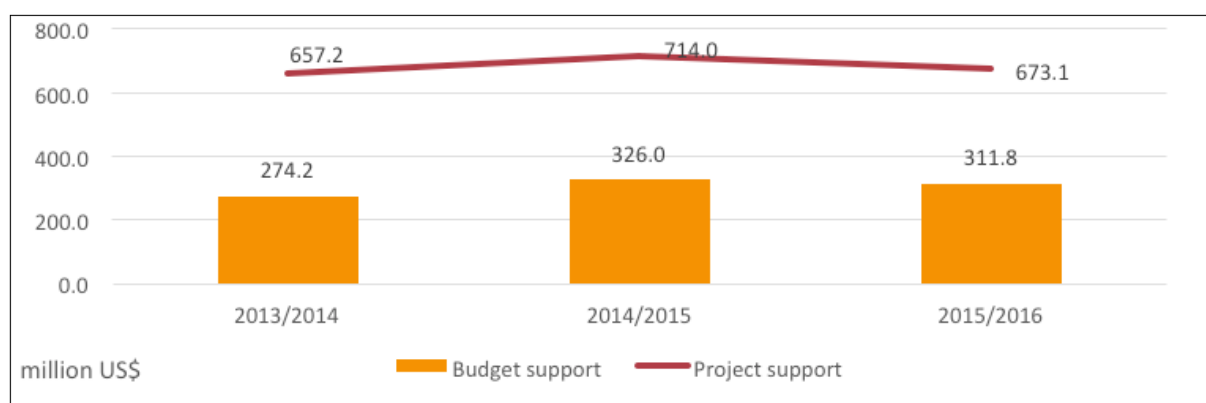
Source: DAD-Rwanda, last accessed 6 January 2017

As project portfolios of bilateral and multilateral donors are primarily composed of grants, and their volume has decreased in the 2015/16 fiscal year, the overall ODA composition by type of assistance is largely influenced by the IFI's portfolios, leading to a significant increase in the loan component of the overall aid envelope. Flows from non-traditional donors, which are exclusively provided in the form of loans, additionally intensify this trend.

4.3 Delivery instruments

Delivery instruments have not changed from 2014/15 to 2015/16 fiscal years: in both, proportions of project and budget support modalities were 68% and 32% respectively. However, compared to 2013/14 fiscal year the proportion of budget support has increased from by 3 percentage points.

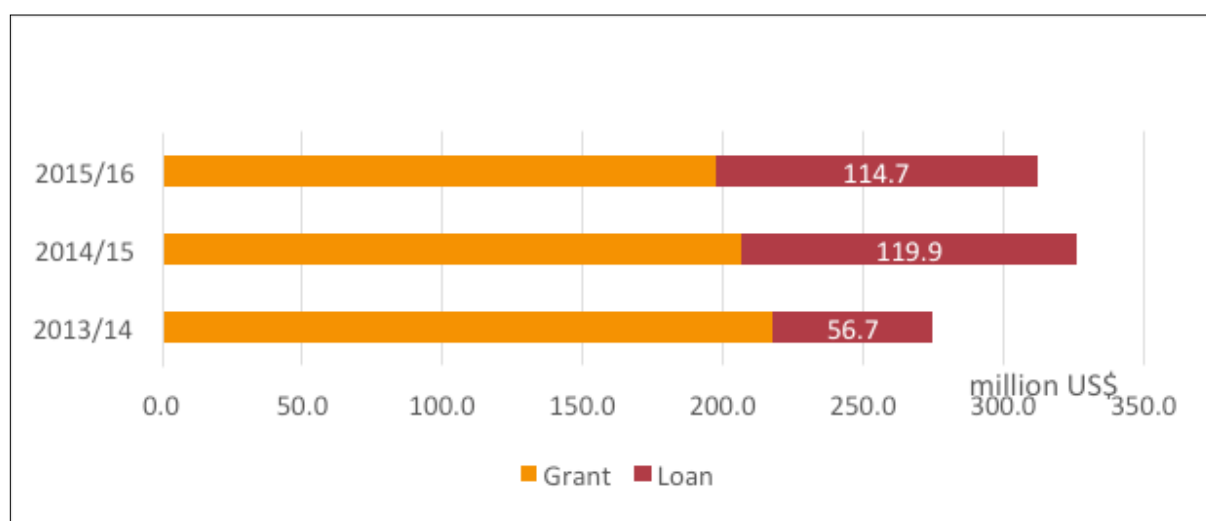
Figure 6: Trends in ODA delivery instruments



Source: DAD-Rwanda, last accessed 31 January 2017

In provision of budget support, the share of the loan components have been the same in 2014/15 and 2015/16 fiscal years – 36.8%. However, compared to 2013/14 fiscal year, when the loan component was only 25% of the total ODA, its increase is rather sizable, which manifests into a trend where loan financing is taking over grants when using budget support instruments (figure 7).

Figure 7: Share of loans and grants in provision of budget support

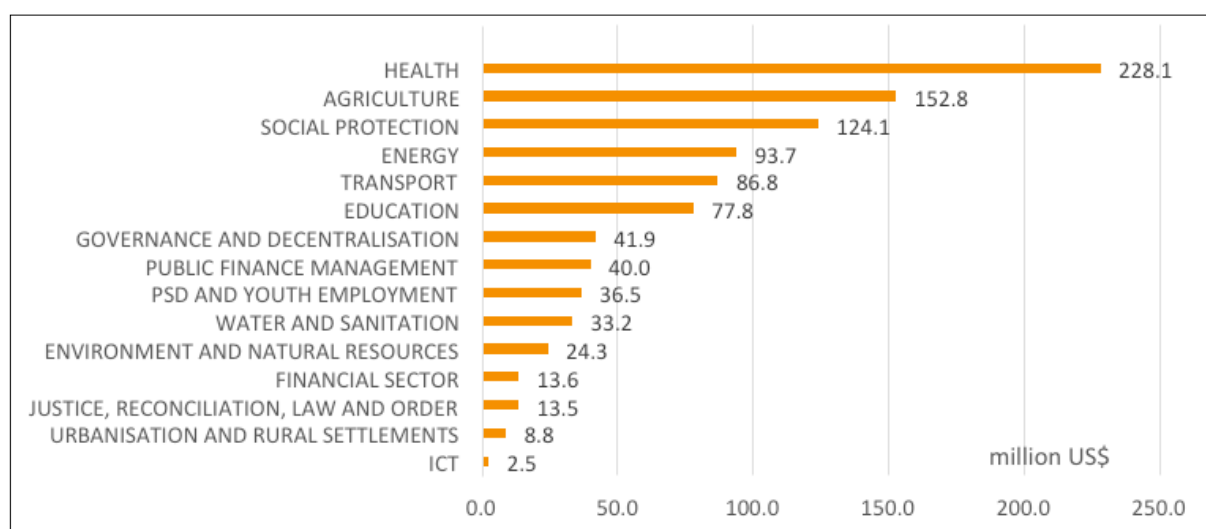


Source: DAD-Rwanda, last accessed 31 January 2017

4.4 Sectorial distribution and alignment to GoR priorities

The sectorial distribution of public development finance flows in 2015/16 is presented in figure 8.

Figure 8: Sectorial distribution of public development finance in 2015/2016



Source: DAD-Rwanda, last accessed 31 January 2017

Social sectors – Health, Education and Social Protection together - have attracted as much as 44% of the total donor funds. The health sector appears to be the largest consumer of development finance with disbursements of US\$ 228.1 million, followed by Agriculture with US\$ 152.8 million. Disbursements to Infrastructure sectors – Energy, Transport, and Water and Sanitation – have amounted to US\$ 213.7 million, constituting a share of 21% of the total. The smallest volumes of investments in 2015/16 have been made in ICT, Urbanization, Justice and Financial sectors – US\$ 2.5, 8.8, 13.5 and 13.6 million respectively.

According to EDPRS II, the total volume of investments in 2015/16 fiscal year was estimated at US\$ 1,976.5 million in thematic and foundational sectors together, of which external flows channeled from public sources have financed the above mentioned US\$ 984.9 million.

Development cooperation flows were broadly in line with GoR priorities, as illustrated in table 6 overleaf. In the Education sector 20%, in Water and Sanitation – 25%, in Justice and Reconciliation – 28% of required costs have been financed by external resources. In Health sector external financing has been 91% of the estimated costs, in Environment – 68%, in Agriculture, Energy and Transport sectors – more than 40%.

Table 6: Alignment of development finance to EDPRS priorities in 2015/2016

Sector	Actual disbursements		EDPRS estimates	
	million US\$	Share, %	million US\$	Share, %
ICT	2.5	0.3	101.8	5.2
PUBLIC FINANCE MANAGEMENT	40	4.1	14.8	0.7
FINANCIAL SECTOR	13.6	1.4	9.8	0.5
JUSTICE, RECONCILIATION, LAW AND ORDER	13.5	1.4	47.3	2.4
URBANISATION AND RURAL SETTLEMENTS	8.8	0.9	35.7	1.8
ENVIRONMENT AND NATURAL RESOURCES	24.3	2.5	35.5	1.8
WATER AND SANITATION	33.2	3.4	131	6.6
PSD AND YOUTH EMPLOYMENT	36.5	3.7	97.3	4.9
EDUCATION	77.8	8.0	374.3	18.9
GOVERNANCE AND DECENTRALISATION	41.9	4.3	14.1	0.7
TRANSPORT	86.8	8.9	209.2	10.6

Sector	Actual disbursements		EDPRS estimates	
	million US\$	Share, %	million US\$	Share, %
SOCIAL PROTECTION	124.1	12.7	90.9	4.6
AGRICULTURE	152.8	15.6	356.4	18
HEALTH	228.1	23.4	249	12.6
MULTISECTOR	7.3	0.7	n/a	n/a
TOTAL	984.9	100	1976.5	100

Source: DAD-Rwanda, last accessed 31 January 2017

In PFM, Financial, Governance and Social Protection sectors external financing has been in excess of EDPRS funding estimates. It is worthwhile noting a correlation between overfunding of these sectors (highlighted in the above table) and the number of donors active in these sectors. To illustrate, the actual number of donors in those sectors in 2015/16 fiscal year were in excess of the preferred number defined in the revised 2013 division of labor matrix (7): in Governance - 6 vs 4, in Social Protection - 5 vs 2, in Financial - 5 vs 2. The division of labor matrix for 2015/2016 fiscal year can be found in [Annex I](#) to this report.

4.5 Contribution of external development finance to national budget

The total disbursements of development partners in the fiscal year 2015/16 were US\$ 984.9 million, of which traditional ODA amounted to US\$ 932.7 million, and non-traditional – US\$ 52.2 million. Traditional ODA recorded on budget was US\$771.5 million and non-traditional – US\$69.4 million. External resources – traditional and non-traditional together - contributed to 35% of the state revenue and financed 45% of the development budget in 2015/16 fiscal year. The budget execution report of 2015/16 fiscal year (8) certifies that performance on external finance has been on track, with minor shortfalls in grants and loans, equivalent to US\$ 1.4 and US\$ 17 million respectively.

Taking the latter into account, actual receipt of ODA directed to public sector in 2015/16 was US\$ 753.1 million, which suggests that 76.5% of the total disbursed ODA has been delivered to public sector of Rwanda.

This analysis aims at revealing the proportion of ODA from individual donors accounted for in DAD-Rwanda that is on-budget (based on revised budget of 2015/16), expressed as the ratio of respective on-budget amount to the disbursed amount by a donor (as recorded in DAD). As such, the closer this ratio is to 100%, the better the performance will be with regards to commitments of a particular donor towards the national budget. Disbursements exceeding budget records indicate that respective portion of aid has been channeled to non-public entities, while the opposite suggests that respective commitments have not been met in full.

A technique proposed in Development Partners Assessment Framework (DPAF) is used here, whereby the above defined ratio is inverted, if the value of a budget record exceeds the disbursed amount for a particular donor. However, in addition to DPAF, this analysis also refers to absolute values of disbursements and budget records in order to explicitly highlight the cases, where such an inversion has been done, i.e. where a donor disbursed less than projected on the budget. The table 7 consolidates results of this analysis for official development flows from traditional donors.

Table 7: ODA Disbursements versus ODA in budget for traditional donors, 2015/16

Funding Source	ODA Disbursed, US\$	ODA on budget, US\$	ODA recorded in budget, %
1	2	3	4
Part A: ODA disbursed is more than recorded on budget			Col.2/Col.3
European Union	88,534,746	87,548,251	98.9%
Netherlands	39,101,843	38,256,087	97.8%
South Korea	23,798,060	21,174,092	89.0%
Germany	36,298,981	30,143,512	83.0%

Funding Source	ODA Disbursed, US\$	ODA on budget, US\$	ODA recorded in budget, %
1	2	3	4
Part A: ODA disbursed is more than recorded on budget			Col.2/Col.3
Switzerland	15,938,574	7,289,118	45.7%
United States of America	170,434,858	0	0.0%
Japan	25,586,321	0	0.0%
Part B: ODA disbursed is less than recorded on budget			Col.3/Col.2
WB Group	231,099,032	259,669,013	89.0%
United Nations ⁹	37,366,225	45,863,760	81.5%
United Kingdom	53,907,168	73,197,052	73.6%
Global Fund	75,722,246	110,608,861	68.5%
Sweden	6,159,777	16,484,031	37.4%
Total Traditional ODA	932,696,289	771,501,743	82.7%

Source: DAD-Rwanda, last accessed 31 January 2017

In 2015/16 fiscal year the EU had the highest share of on budget recorded aid (98.9%) followed by the Netherlands (97.8%) and South Korea (89%).

The shares of on-budget recorded ODA of the total for Germany, Belgium, AfDB and Switzerland was 83%, 80.4%, 58.1% and 45.7% respectively.

The WB, the UN, UK and Global fund have disbursed less than projected in the budget. Thus the respective ratios of on-budget recorded ODA to actually disbursed amounts as per DAD-Rwanda have been inverted. For the WB and the UN this ratio is still rather big – 89% and 81.5% respectively, indicating a relatively good reflection of the disbursed amounts in the budget. The caveat of a relatively lower ratio of the on-budget to disbursed funds for the UK (73.6%) is that some of its funds were channeled through a basket fund (for example GBP 11,000,000 for Agriculture) and have not been recorded in DAD in full on purpose – in order to avoid double counting. In the case of Sweden, there has been a large variance between disbursed and budgeted amounts due to delays in planned disbursements of some of the projects (e.g. US\$ 2.1 million in support to University of Rwanda), which were only disbursed in 2016/17 fiscal year.

A major reason for the discrepancies between disbursed amounts and on-budget records can also be the currency exchange rate fluctuations between the planning and actual disbursement dates, bank charges and other transaction fees, especially as it relates to European donors, who use their own currencies – EURO, GBP, Swedish Krona, Swiss Francs – to record their disbursements in DAD, while DAD aggregates all amounts in US dollars.

A key takeaway from this analysis is that 82.7% of total traditional ODA has been recorded on budget, which represents a 8% improvement compared to 2014/15 fiscal year.

Contributions of non-traditional partners is reviewed separately, since they don't report to DAD-Rwanda and information has been made available by the Debt unit of MINECOFIN. The table 8 shows that except for China, actual disbursements of non-traditional donors were less, than recorded on the budget. In total, 75.2 % of budgeted flows from non-traditional sources were reported to have been disbursed in 2015/16 fiscal year. This can be explained by undisbursed amounts in projects funded by these donors as of the beginning of the 2015/16 fiscal year, as captured in the Debt Management and Financial Analysis System (DMFAS) of MINECOFIN.

9. Only agencies reporting to DAD-Rwanda are considered

Table 8: Disbursements versus on-budget recorded funds of non-traditional donors in 2015/16

Funding Source	Disbursed, US\$	Recorded on budget, US\$	ODA recorded in budget, %
China	25,936,870	20,963,655	80.8%
BADEA	6,117,224	11,313,093	54.1%
OFID	9,335,019	11,726,255	79.6%
Saudi Arabia	5,211,008	6,896,849	75.6%
Kuwait	4,076,773	10,823,431	37.7%
India	1,493,750	7,650,070	19.5%
Total	52,170,644	69,373,353	75.2%

Source: DMFAS, last accessed 23 November 2016.

5. ODA PORTFOLIOS BY GROUPS OF PROVIDERS

5.1 ODA flows from bilateral partners

Bilateral donors have collectively disbursed US\$1,279,651,751 in the recent 3 years– from 2013/4-2015/16.

All assistance of bilateral donors has been in the form of grants, using both project and budget support instruments of delivery, with the relative shares in 2015/16 of 90% and 10% respectively. Table 9 consolidates information on disbursements by bilateral donors.

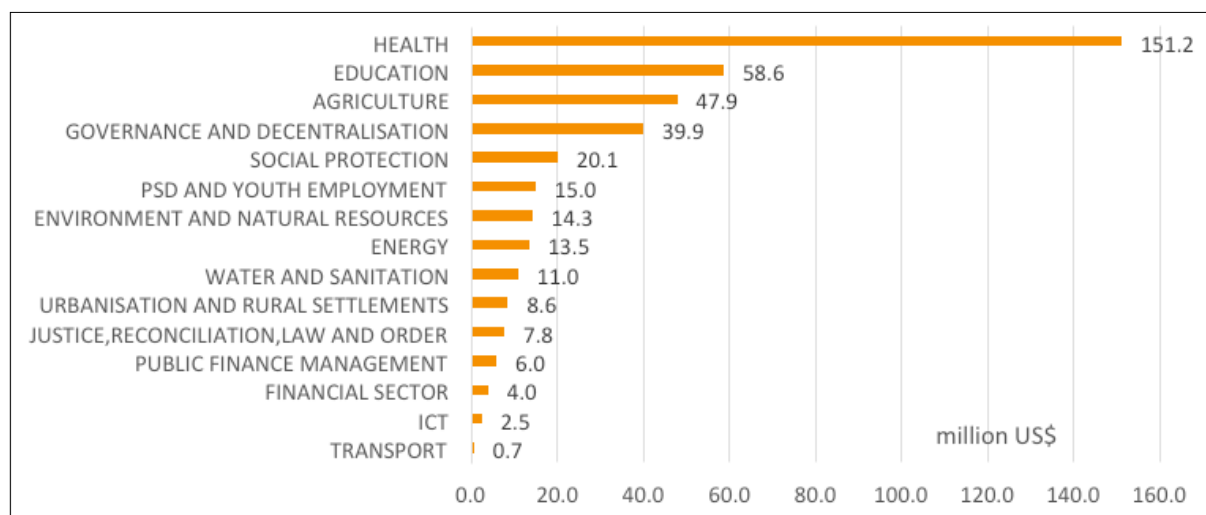
Table 9: Disbursements of bilateral donors in 2013/14-2015/16 FY

Funding Source	Disbursed, US\$			
	2013/2014	2014/2015	2015/2016	Total
United States of America	195,513,663	163,086,298	170,434,858	529,034,819
United Kingdom	113,018,839	61,233,900	53,907,168	228,159,907
Netherlands	37,834,447	38,293,692	39,101,843	115,229,982
Belgium	44,115,371	36,039,011	29,198,896	109,353,278
Germany	19,955,417	35,827,317	36,298,981	92,081,714
Japan	45,207,749	14,319,357	25,586,321	85,113,427
South Korea	13,371,213	20,333,764	23,798,060	57,503,037
Switzerland	6,511,052	10,388,652	15,938,574	32,838,278
Sweden	4,050,447	11,993,766	6,159,777	22,203,990
Canada	3,847,569	3,952,430	0	7,799,999
Total	483,425,766	395,468,186	400,424,478	1,279,318,430

Source: DAD-Rwanda - last accessed 31 January 2017

Distribution of bilateral ODA by sectors is given in the figure 9 overleaf. As illustrated, bilateral donors provided support to all EDPRS sectors– from as much US\$ 151.2 million (Health) to as little as US\$ 0.7 million (Transport sector). Disbursements in the range of 40-60 million US\$ have been made to Education, Agriculture and Governance and Decentralization sectors. Other high priority sectors of EDPRS, such as Social protection and Private Sector Development have consumed US\$ 20.1 and 15 millions of bilateral funds respectively.

Figure 9: Bilateral ODA by sector in 2015/16



Source: DAD-Rwanda, last accessed 31 January 2017

All sectors of the economy have received project support, Public Finance Management and Social protection have been partially funded through joint financing mechanisms, and sector budget support have been provided to Education, Governance and Decentralization, Agriculture, Health and Justice sectors, with the distribution depicted in the table 10.

Table 10: Sector budget support by bilateral donors in 2013/14-2015/16

Sector	Disbursed, US\$		
	2013/2014	2014/2015	2015/2016
JUSTICE, RECONCILIATION, LAW AND ORDER		6,250,000	4,946,237
GOVERNANCE AND DECENTRALISATION	16,762,360	12,245,950	19,931,903
AGRICULTURE	15,672,413		
HEALTH	13,888,889	21,964,286	10,952,381
EDUCATION	61,536,946	19,950,207	15,416,679
Total	107,860,608	60,410,443	51,247,200

Source: DAD-Rwanda, last accessed 31 January 2017

Sector budget support by bilateral donors has seen a declining trend over the past 3 years - from US\$ 117 million in 2013/14 to less than US\$ 51 million in 2015/16. Education sector has been the most "favored" for the SBS instrument over the 3 year period, as well as Governance and Decentralization. In 2015/16 Governance was the larger consumer of budget support (close to US\$ 20 million), followed by Education and Health sectors received US\$15.42 and US\$ 10.95 million respectively.

5.2 ODA flows from International Financial Institutions

IFIs have disbursed US\$ 949.9 million of concessional assistance in the period of 2013/14-2015/16, of which US\$ 330.6 million in 2015/16 fiscal year – a 6.2% decrease compared to 2014/15 fiscal year, as shown in table 11.

Table 11: Disbursements of international financial institutions in 2013/14-2015/16

Funding Source	Disbursed, US\$			
	2013/2014	2014/2015	2015/2016	Total
AfDB Group	90,483,737	139,053,505	99,549,562	329,086,804
WB Group	157,668,486	201,136,431	231,099,032	589,903,950
Total	266,570,497	352,693,011	330,648,594	949,912,102

Source: DAD-Rwanda, last accessed 31 January 2017

The breakdown of these flows by types of assistance is given in the table 12 overleaf. It is worthwhile noting that the trends in the two components of the flows – loans and grants – are diametrically opposite: loans are increasing, while grants are decreasing as shares of the total. This is typical for both the WB and AfDB in the 3-year period.

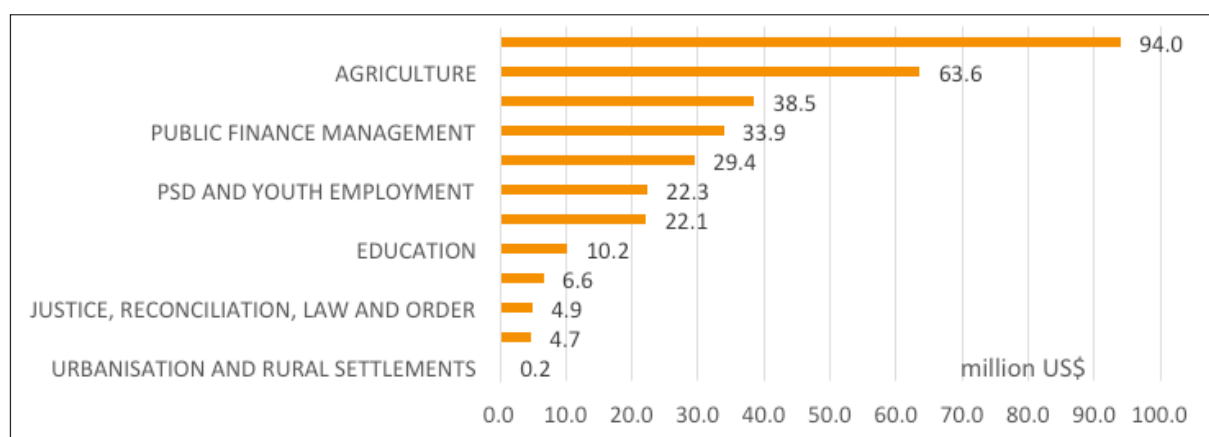
Table 12: Disbursements of IFIs by type of assistance in 2013/14-2015/16

Assistance Type / Funding Source	Disbursed, US\$		
	2013/2014	2014/2015	2015/2016
Grants, total, of which	97,802,353	143,726,519	30,087,338
AfDB Group	32,105,403	110,207,011	27,606,416
WB Group	56,677,361	27,267,970	2,480,922
Loans, total, of which	168,768,143	208,966,492	300,561,257
AfDB Group	58,378,334	28,846,494	71,943,147
WB Group	100,991,125	173,868,461	228,618,110
Total	266,570,497	352,693,011	330,648,595

Source: DAD-Rwanda, last accessed 31 January 2017

The distribution of IFI assistance by sector is given in figure 10.

Figure 10: Distribution of IFI flows by sector in 2015/2016



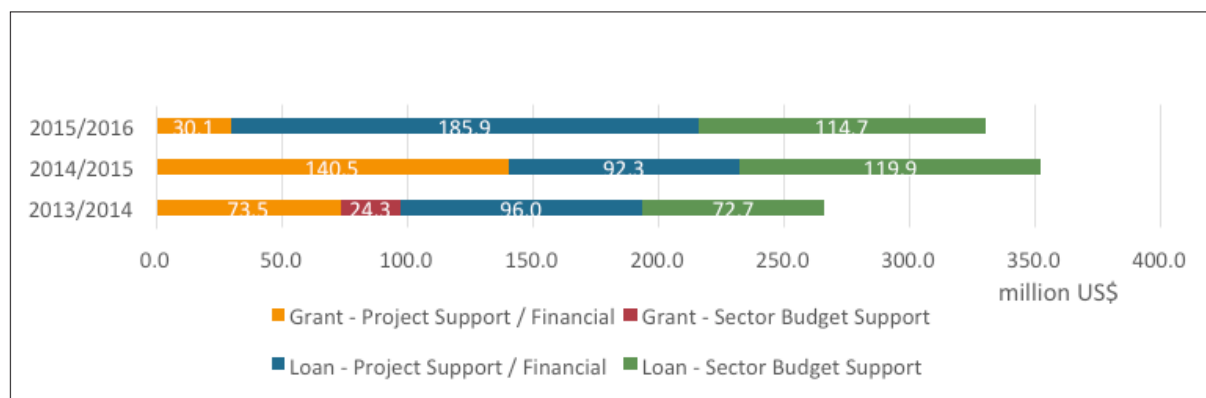
Source: DAD-Rwanda, last accessed 31 January 2017

Unlike the bilateral portfolio, where the Social Protection sector attracted a modest amount of investment, this sector was by far the largest consumer of IFI finance – US\$ 94 million. Agriculture sector has been the second largest recipient of IFI funds (US\$ 63.6 million), followed by Energy, PFM

and Transport sectors with approximately equal funding – US\$38.5, 33.9 and 29.4 million respectively.

IFIs have been using both project and sector budget support instruments for delivery of their assistance. However, sector budget support in grants has not been used since 2014/15 fiscal year¹⁰, replaced by loans, as illustrated in figure 11 overleaf.

Figure 11: Delivery instruments of IFIs in 2013/14-2015/16



Source: DAD-Rwanda, last accessed 6 January 2017

While the use of SBS modality has remained practically equal to the previous year and close to 50% more than in 2013/14 fiscal year, however, in 2015/16 the SBS portfolio of IFIs has only been composed of projects in two sectors – Social protection supported by the WB (US\$ 93.9 million) and PSD and Youth Employment financed by the AfDB (US\$ 20.7 million).

5.3 ODA flows from multilateral donors

Under the adopted classification in DAD-Rwanda, multilateral donors are represented by the European Union and the Global Fund to Fight Tuberculosis, AIDS and Malaria (GFTAM). It should be noted however, that while the EU is a donor extending its support to multiple sectors and utilizing various delivery instruments, the GFTAM represents so called Vertical Funds – donors which assistance extends to one particular area across all countries – in this case to the Health sector. Contribution of multilateral donors in 2013/14-2015/16 period is consolidated in table 13 below.

Table 13: Disbursements of multilateral donors in 2013/14-2015/2016

Funding Source	Disbursed, US\$			
	2013/2014	2014/2015	2015/2016	Total
EU	116,091,394	50,814,295	88,534,746	255,440,436
Global Fund		126,168,306	75,722,246	201,890,552
Total	116,091,394	176,982,601	164,256,992	457,330,988

Source: DAD-Rwanda, last accessed 31 January 2017

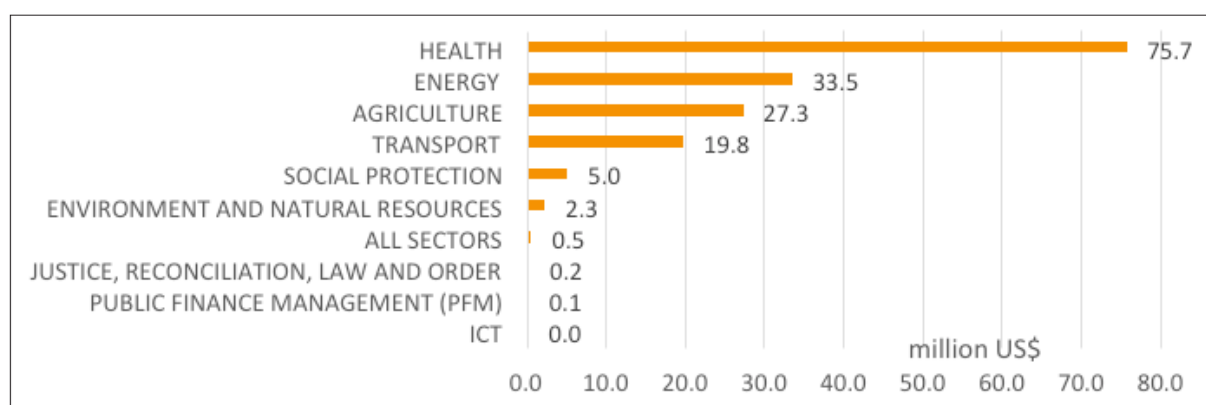
Multilateral assistance has been provided exclusively through grants, and sector budget support has been the dominant instrument of delivery, its share has been steadily increasing in the period under review, having reached nearly 99% of the total in 2015/16 fiscal year.

Multilateral donors have supported overall 9 priority sectors of the GoR in 2015/16 fiscal year, but this should be mainly attributed to the EU, as the GFTAM have only been active in Health sector.

10. Sector budget support in grants has only been provided to Social Protection sector in the amount of US\$ 24.3 million in 2013/14 fiscal year

The distribution of multilateral assistance by sector in 2015/16 is presented in figure 12 overleaf.

Figure 12: Distribution of multilateral flows by sector in 2015/16



Source: DAD-Rwanda, last accessed 31 January 2017

The Health Justice sector was by far the largest consumer of the multilateral assistance (e.g. US\$ 75.7 million from the Global Fund) followed by Energy, Agriculture and Transport sectors with allocations of US\$ 33.5, 27.3 and 19.8 million respectively.

5.4 ODA flows from the United Nations system

UN agencies reported to DAD have collectively provided US\$ 165.7 million¹¹ in the past three years, of which US\$ 37.36 million in 2015/16 fiscal year. The largest contribution has been made by UNICEF – US\$ 17 million, followed by IFAD and UNDP, having disbursed US\$ 17, 12 and US\$ 3.6 respectively.

Table 14: Disbursements of UN agencies in 2013/14-2015/16

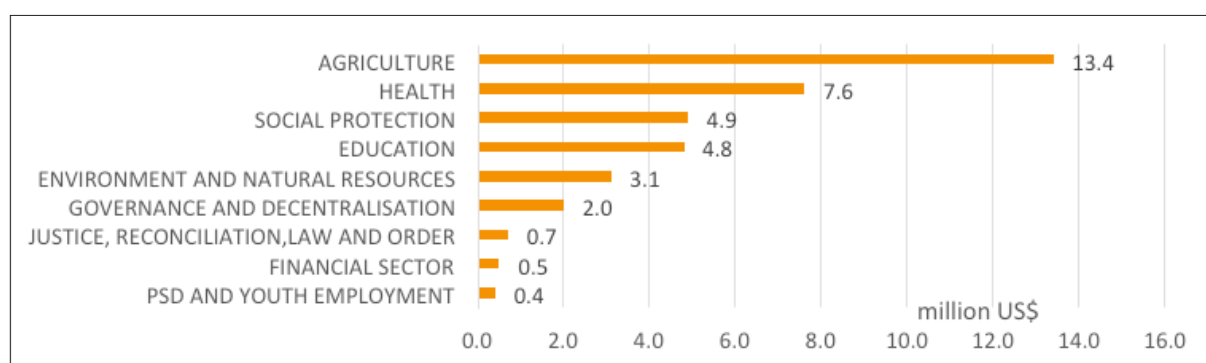
Donor Agency	Disbursed, US\$			
	2013/2014	2014/2015	2015/2016	Total
FAO	269,742	666,717	674,994	1,611,453
GEF			154,363	154,363
IFAD	18,418,274	12,503,075	12,404,271	43,325,620
IOM	70,000			70,000
One UN Fund	1,079,929	3,643,334	3,121,925	7,845,188
UN Women	641,009			641,009
UNCDF	1,834,050	326,099		2,160,149
UNDP	6,026,073	7,201,968	3,682,469	16,910,510
UNFPA	3,183,892	3,785,979		6,969,871
UNICEF	15,905,087	14,178,781	17,169,367	47,253,235
WFP	14,949,359	23,647,180	158,835	38,755,374
Total	62,377,415	65,953,133	37,366,225	165,696,773

Source: DAD-Rwanda, last accessed 6 January 2017

68% of the UN assistance has been disbursed as grants, while 32% - through loans provided by IFAD. A mix of project support instruments included financial and in-kind forms of delivery, 97% of which delivered by Government agencies.

11. Excludes funds received from other donors for projects, where the UN agencies are implementing partners

Figure 13: Sectorial distribution of UN flows in 2015/2016



Source: DAD-Rwanda, last accessed 6 January 2017

UN agencies have contributed to 9 priority sectors of the GoR in 2015/16 fiscal year as can be observed from the figure 14 below. The largest consumers of UN funds have been Agriculture, Health, Social Protection and Education sectors, with the funding of US\$ 7.6, 4.8 and 4.8 million respectively, which together made up 82% of the UN assistance. Environment and Governance sectors have received 8.1% and 5.4% of the total assistance respectively. Other sectors, such as Justice, Financial and Private sector development consumed between 1% and 2% of total funds.

5.5 Non-traditional donors

Rwanda received US\$ 52.2 million from non-traditional donors in 2015/16 – a decrease by 15% from the previous year's US\$ 61.4 million. Sources and volumes of non-traditional assistance in the past 3 years are presented in table 15 below.

Table 15: Disbursements of non-traditional donors in 2013/14-2015/16

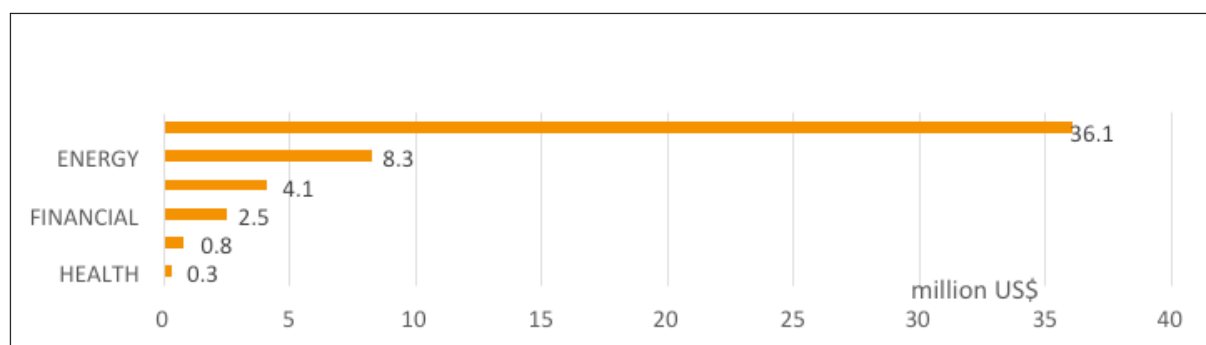
Funding Agency	Disbursed. US\$			Total
	FY 2013/14	FY 2014/15	FY 2015/16	
China	6,685,373	36,542,042	25,936,870	69,164,285
OFID	10,067,308	6,177,907	9,335,019	25,580,234
India	14,389,255	5,199,220	1,493,750	21,082,225
BADEA	3,327,190	7,656,968	6,117,224	17,101,382
KFAED	2,512,950	5,139,101	4,076,773	11,728,824
SDF	459,170	723,674	5,211,008	6,393,853
Total	37,441,246	61,438,911	52,170,644	151,050,802

Source: DMFAS, last accessed 23 November 2016

China was by far the largest donor in this group of providers of development finance (US\$ 69 million in 3 years), followed by OPEC fund for International Development (OFID), India and Arab Fund for Development of Africa (BADEA), disbursed US\$ 25.5, 21 and 17 million respectively.

Sectorial composition of non-traditional assistance is presented in figure 14.

Figure 14: Sectorial distribution of non-traditional flows in 2015/16



Source: DMFAS, last accessed 23 November 2016

In accordance to Division of Labor matrix, non-traditional donors are active in all sectors depicted in the figure 19 above, however their “favorite” was the Transport sector, to which US\$ 36.1 million - or 70% of total assistance has been allocated in the period under review. Energy and Education sectors have received US\$ 8.3 and 4.1 million respectively, Financial sector – US\$ 2.5 million and health sector – received only 0.3 million. Non-traditional assistance is provided exclusively through project financing instruments and in the form of concessional or semi-concessional loans.

The importance of non-traditional - or as it also called ‘beyond ODA’ - assistance is widely acknowledged, especially for funding large infrastructure projects, skills transfer and sharing experience. Estimates show that ‘beyond ODA’ flows grew almost 10-fold in the period of 2000-2010, reaching US\$ 53.3 billion in 2010 or as much as 30% of the total development assistance provided to developing countries (9). Substantial part of this comes from countries of the global South (also called South-South Cooperation providers) and Arab development funds.

NTA is attracting an increasing amount of attention from governments of many developing countries as not only a complementary, but also an alternative source of development resource. NTA is known to be less conditional and more tied, but is believed to be faster in delivery – a criteria missing in Busan and Paris aid effectiveness frameworks – but which is increasingly signified by many developing countries, especially those who pursue aggressive, fast growing development strategies. Rwanda is no exception of this changing paradigm, although the NTA still have a rather small share – 3.55% - of the total external development finance for the country.

The foregoing suggests that the GoR could consider to leverage NTA further, including through learning from global and regional practice. A brief summary of non-traditional development cooperation and how it is managed in select countries can be found in [Annex II](#) to this report.

6. PRIVATE DEVELOPMENT FINANCE

6.1 Foreign private and direct investments

As illustrated in section 2 of this report, FDI as the dominant (more than 80%) portion of foreign private investment flows (FPI) (10) have increased in Rwanda almost tenfold during the past decade, and now constitutes 22% of the overall development finance envelop of the country and 4% of GDP. FPI envelop also includes portfolio investments involving the purchase of stocks, bonds, commodities, or money market instruments by non-residents. Other investments comprise long-term and short-term loans. The composition of FPIs in Rwanda by category is presented in table 17.

Table 16: Foreign Private Investments Inflows by Category, 2008-2014

Year	2008	2009	2010	2011	2012	2013	2014
FDI	66.9	103.3	250.5	119.1	255	257.6	458.9
Portfolio investment	1.1	0.7	1.5	87.3	1	1.7	5.6
Other investment	77.9	35.7	91	150.2	153.3	168.4	96.3
Total	145.9	139.7	343.1	356.6	409.3	427.7	560.8

Source: Foreign Private Capital in Rwanda, National Bank of Rwanda, 2015. Amounts are in million US\$

In 2014, the total inflows amounted to US\$ 560.8 million, outflows stood at US\$ 212.9 million, resulting in net flows of US\$ 347.9 million.

FPIs have been investing, among others, to Corporate Social Responsibility Funds, acknowledged to be one of the new sources of private development finance.

Box 2: Corporate Social Responsibility Funds in Rwanda

Corporate social responsibility is a corporate initiative to take responsibility for the company's effects on the environment and social welfare. Those initiatives are directed to environment, infrastructure, educational programs, health and other social, cultural or community services that benefit the population. The contributions of companies to corporate social responsibility stood at US\$ 2.3 million in 2014 down from US\$ 5.0 million in 2013.

The activities which attracted substantial CSR expenditures were sports development, donations to vulnerable groups, education; health & welfare which on average accounted for 48.4 percent.

Source: Foreign Private Capital in Rwanda, National Bank of Rwanda, 2015

Data on sectorial breakdown of FPI to Rwanda was not available for the FY 2015/16 under review. However, as illustrated in table 17, there have been large and increasing investments in the past – more specifically in 2014 – which are likely to have contributed to the progress towards some of the EDPRS II targets. Therefore, it is important that we review FPI contributions to some of the sectors, which are also prioritized under the transformational and foundational areas of EDPRS II.

ICT, Finance and Agriculture sectors are among those that have attracted large amounts of private foreign capital. The table 18 below consolidates development costs estimated for these sectors under EDPRS II, and actually covered by ODA and FPIs. It is understood, that the latter does not represent a significant development expenditure as such, but is likely to have made a development impact.

Table 17: Public and Private Investments in select sectors in 2014

Sector	EDPRS cost	ODA	FPI	Possible impact areas	EDPRS thematic Areas
ICT	42.5	2.5	116.0	Increased connectivity; Enhanced information flows	Economic transformation Rural development Accountable governance
Finance	7.4	13.6	69.0	Access to finance; Increased private sector investments	Economic transformation
Agriculture	289.1	157.9	9.0	Productivity and sustainability of agriculture	Rural development

Source: DAD-Rwanda, National Bank of Rwanda, EDPRS II. Amounts are in million US\$

The table above illustrates, that investments in ICT and Finance sectors are dominated by private capital, while public development finance providers still provide the majority of financing for Agriculture.

An assessment of the impact of each type of development finance on development indicators may become an important instrument, which could open up new policy options for GoR to source and allocate various resources to development priorities by motivating potential investors. As the development finance available to GoR expands and diversifies, the use of such an instrument could help optimize alignment of multiple flows to national priorities and results framework.

6.2 Non-public and philanthropic flows

This segment of external development finance distinguishes from other flows discussed in previous sections by that it is largely public in purpose, but private or – by a larger context – non-public in origin. It consists of flows originated from benevolent funds, academic institutions, international associations and NGOs and private philanthropic foundations.

Some of these flows have been recorded on national systems. According to the GoR public accounts unit (PAU), Rwanda received US\$ 10.1 million in grants in 2015/16 fiscal year – as much as in the previous 2014/15 fiscal year - from a number international entities primarily specialized in agricultural research and education, which allows to assume that these funds were used in line with EDPRS II respective priorities. These flows are highly proliferated: the US\$ 10.1 million have been provided by 85 organizations which brings the average contribution per provider to some 0.1 million. The list of entities and their disbursements in 2015/16 fiscal year as recorded on Public Accounts can be found in [Annex III](#) of the report.

In addition to the amounts recorded in the GoR systems, the NGO sector is known to be delivering a sizable part of ODA provided by traditional donors. Analysis of table 7 of [section 4.5](#) allows us to assume that flows in an amount of approximately US\$ 161.2 million or 16% of the total ODA have not been recorded on budget, which suggests that they have been channeled through or to other than government destinations, of which NGO sector is traditionally one of the major recipients. This is in line with OECD DAC statistics, according to which the ODA channeled through NGO sector may reach 20-30% of total country programmable aid (CPA)¹².

The above speculations suggest that this segment of external flows deserves a more systematic analysis and probably specific policy approaches to improve access to respective information and gain a better development leverage from them.

7. QUALITY OF AID: CHANGE IN KEY PARAMETERS

While the quality of aid provided by individual development partners is reviewed in a detailed DPAF report, important policy relevant observations can also be documented through an assessment of aid quality parameters of flows that originate from various sources of development finance.

Four key characteristics of public development finance – the volume, the use of flexible financing modalities, reflection in national planning and financial systems and the fragmentation – have been discussed in sections 4 and 5 above. This section reviews the change of these parameters over time with regards to ODA originated from Bilateral, Multilateral and IFI sources, using the following criteria measured in percentage:

The change in the volume of aid measured as:

*[the volume of ODA in 2015/16 – the volume ODA in 2014/15] *100 the volume of ODA in 2014/15]*

The share of budget support instruments in the ODA measured as:

[the share of budget support in 2015/16 – the share of budget support in 2014/15]

The share of ODA recorded on-budget measured as:

[the share of ODA recorded on budget in 2015/16 – the share of ODA recorded on budget in 2014/15]

Fragmentation of aid measured as:

*[size of per project disbursement in 2015/16-size of per project disbursement in 2014/15] *100 average size of per project disbursement in 2014/15]*

All of the above measures are rather intuitive to assess: they can obtain both negative and positive values, whereby a negative value would indicate an undesired and positive value – a desired change in particular quality criteria.

These four dimensions of the quality of the aid are reviewed in terms of their change patterns, rather than absolute values, which allows to compare various flows regardless of their volumes.

The figure 15 overleaf illustrates the change of quality parameters of ODA originated from the above referenced 3 sources against their values in 2014/15 fiscal year and how they contributed to the quality of total ODA.

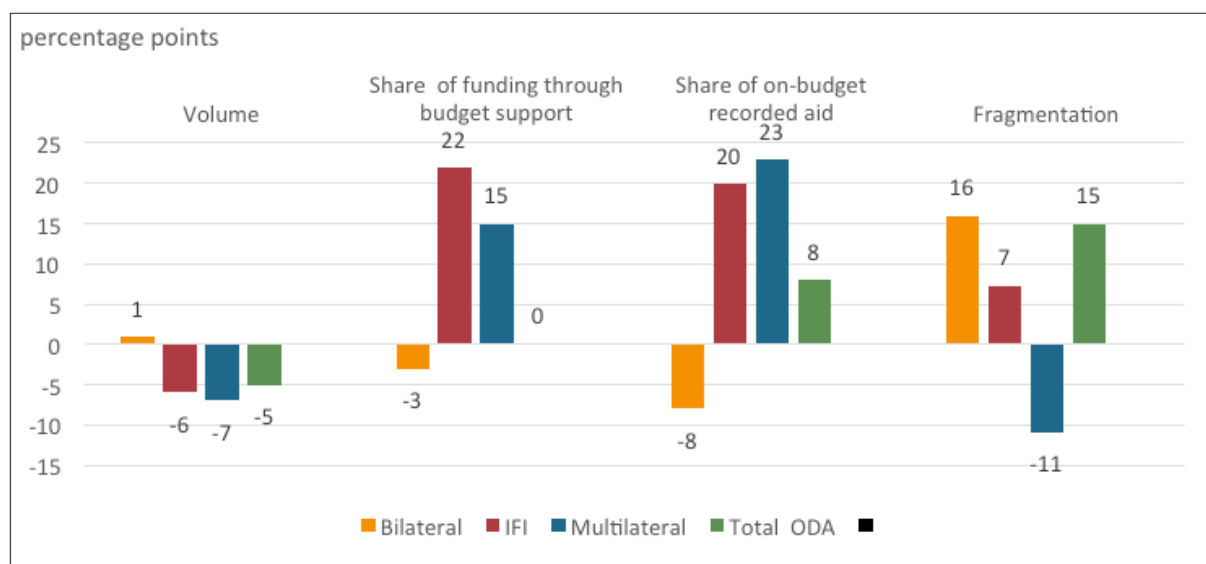
As already indicated above, the volume of ODA in 2015/16 decreased by 5%. This has been due to reduction in multilateral and IFI flows by 7% and 6% respectively. Bilateral flows slightly increased (by 1%) compared to the previous year.

12. Country Programmable Aid (CPA) is defined as the proportion of aid that is subjected to multi-year programming at country level, and hence represents a subset of ODA flows. Please, refer to www.oecd.org for a complete definition and the concept of the CPA.

The use of budget support instruments has practically not changed. It has increased in the cases of IFIs and multilaterals (by 22 and 15 percentage points respectively) and decreased in bilateral flows by 3 percentage points.

The proportions of aid recorded on budget and fragmentation have both improved by 9 and 15 percentage points respectively, whereby positive changes in aid recorded on budget have been registered in all but bilateral flows. Fragmentation has improved in bilateral and IFI flows, and deteriorated in multilateral aid.

Figure 15: Change in ODA quality parameters in 2015/16 compared to 2014.15



Source: DAD-Rwanda, last accessed 31 January 2017

8. KEY OBSERVATIONS AND WAY FORWARD

Development Finance Landscape in Rwanda

Development finance landscape is changing in Rwanda. Total development finance has been increasing over the past decade, having reached US\$ 1.479.6 billion in 2015/16, of which ODA – traditional and non-traditional – amounted to US\$ 984.9 million, or 66.5% of the total. Thus, ODA remains a dominant development resource, but its volume is decreasing, so is its share in the total development finance. While benefiting from large ODA receipts, Rwanda has succeeded in implementing an investment climate, which enabled a continuous growth of cross-border private inflows to the country, such as FDIs and remittances – a strategic target formulated in the EDPRS II as a key factor and driver of economic growth. And this trend is likely to sustain.

The volume of ODA decreased

The volume of traditional ODA decreased by 5 % compared to the previous fiscal year and amounted to US\$ 932.7 million, which contributed to 35% of the state revenue and financed around 45% of development budget of Rwanda in 2015/16 fiscal year. In absolute terms this was US\$ 771.1 million showing that 82.7% of traditional ODA was recorded on budget - an increase in 8 percentage points compared to the previous 2014/15 fiscal year.

Development resource is becoming more expensive

The composition of ODA by type of assistance is changing: shares of loans and grants in the total ODA received by Rwanda have shifted from 21% and 79% in 2013/14 to 37% and 63% in 2015/16 respectively, manifesting a rather stable pattern of increasing of loans' portion in the external development finance envelope in a retrospective of the 3 year period. This new trend implies that development resource is becoming more expensive for the GoR, suggesting a correlation with improving economic performance of the country.

The quality of ODA improved

Despite the reduced volume, the quality of aid has improved in 2015/16 compared to 2014/15 fiscal year: aid recorded in the budget has increased by 8 percentage points, and fragmentation - the average size of development activities - has improved (reduced) by 15 percentage points. The use of budget support instruments in the fiscal year under review has remained at the same level as in 2014/15, but compared to 2013/14 increased by 12 percentage points.

A modest share of the assistance of non-traditional donors

Assistance of non-traditional donors is widely acknowledged to be an important complement – and often an alternative – to traditional development finance. Rwanda does receive some support from these donors, which in absolute terms is large enough and has contributed to a number of important projects. But compared to other flows its share remains rather modest – only 3.55% of the total aid in 2015/16 FY. Thus, the potential for non-traditional assistance known to be effective in job creation, technology and skills transfer has yet to be unveiled and effectively leveraged.

FDIs and remittances

The steady growth of FDI and remittances in Rwanda suggests that these flows – although not developmental in purpose – have a distinct potential to produce development impact. A sample review of FDIs and ODA investments proposed in the report in sectors where comparable data was available shows that ICT and Finance sectors have attracted large volumes of FDIs exceeding ODA many times, while Agriculture still remains mainly funded by ODA.

Limited knowledge of contributions from non-public and private philanthropic organizations

Analysis of other non-public and private flows revealed a rather modest reflection in government systems of contributions of international non-governmental organizations, associations, academia and philanthropic foundations - 0.7% of the total development finance. Considering the potential of some of these entities – particularly private philanthropic organizations - in financing development, and also their possible involvement in delivering assistance funded by other traditional ODA providers, this segment of development finance could be large enough to be worth examining in the future.

Way forward

Looking ahead in light of foregoing, the following are key policy issues the GoR will seek to address in cooperation and dialogue with its partners and non-state actors.

1. Institutionalize the management of new types of development finance in government's policy framework. The Aid Policy of Rwanda of 2006 focuses mainly on ODA management and coordination, with its effectiveness agenda framed around Paris principles. The landscape of development finance has dramatically changed since then, with the global recognition of the fact that ODA alone is not sufficient a resource to finance highly ambitious development agendas of developing nations, especially as they are being aligned and are expected to contribute to achievement of Sustainable Development Goals. Access to other sources of finance – primarily from private and non-traditional sources– are globally acknowledged to be essential for development, which among others, have different criteria of effectiveness going beyond the Paris and Busan frameworks. The EDPRS II provides a strategic orientation for leveraging these sources of finance, which will be useful to unfold into robust policy statements in the revised Aid policy of the GoR, to reflect newer realities and imperatives, including how to amend the performance framework of development partners.
2. In pursuit of further reduction of dependency of Rwanda on ODA and considering also that the traditional financing is likely to continue to decline in the years to come, it could be beneficial for the GoR to explore more strategic and effective ways of using ODA. In particular, there is scope for expansion of public-private partnerships - and ODA can play a key catalytic role to attract more private investment - in sectors known to have a large potential to contribute to inclusive growth and poverty reduction, such as Agriculture, which is found to have attracted much less of private capital than it deserves.
3. One strategic criteria of more effective use of ODA could be its impact on the increase of domestic revenues - particularly through the support of the private sector development - which converted

into development finance essentially represent the largest source thereof in many countries. And, in as much as ODA itself is concerned, a further increase of the share of relatively flexible budget support instruments of its delivery will remain a priority for the GoR to pursue.

4. It could be beneficial to analyze contribution of various forms of development finance to the EDPRS II financing envelop and results framework. This may require consolidation of information on ODA and private development finance on the basis of harmonization of sector classifications used for ODA and FDI analysis, in order to assess how different types of finance – public and private alike - contributed to development of public goods as per the outcomes and outputs of EDPRS II, and also to reveal their relative effectiveness and comparative advantages. Essentially, if an instrument for such a consolidated review is developed, FDIs and other private flows can be expected to influence division of labor arrangements.
5. If the review of an entire envelope of development finance becomes a regular practice, similar to the ODA review, there could be an advantage in revising and expanding the classification proposed in DAD-Rwanda to allow consolidation of information on development finance originated from multiple sources – public and private alike. In this regard, an adaptation of the “Aid Policy Manual of Procedures” to the new landscape of development finance to be monitored and tracked by MINECOFIN is required.
6. To carry out the work in management and analysis of development finance in a larger than ODA context, the capacities of External Finance Unit may need to be strengthened to effectively carry enhanced management and coordination tasks emanating from the above articulated new policy and analytical dimensions of the Unit's work.

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ANNEXES

Annex I: Division of Labor Matrix 2015/2016

	JUSTICE, RECONCILIATION, LAW AND ORDER	FINANCIAL SECTOR	PUBLIC FINANCE MANAGEMENT	TRANSPORT	WATER AND SANITATION	ENERGY	ENVIRONMENT AND NATURAL RESOURCES	AGRICULTURE	ICT	URBANISATION AND RURAL SETTLEMENTS	PSD AND YOUTH EMPLOYMENT	HEALTH	EDUCATION	SOCIAL PROTECTION	GOVERNANCE AND DECENTRALISATION
AfDB Group		6.6		28.2	22.1	10.6		4.2		0.2	21.0		6.6		
Belgium						2.2	2.0	2.5				12.0	2.2		8.3
European Union	0.2		0.1	19.8		33.4	2.2	27.3	0.0					4.9	
Germany	0.7	2.0	5.3			9.9					2.5		4.0		12.0
Global Fund												75.7			
Japan	0.2			0.7	7.2	1.4	0.2	10.3					1.7	3.8	
Netherlands	6.9						1.6	4.4		5.4	5.6				15.1
South Korea		0.8						9.9	2.5			2.5	8.2		
Sweden											4.3		1.8		
Switzerland					3.8			1.0			2.6	5.8	2.0		0.7
United Nations	0.7	0.5					3.0	13.3			0.4	7.6	4.8	4.8	2.0
United Kingdom		1.2	1.2				10.4			2.8		2.8	16.3	16.4	3.9
United States of America								19.7				128.2	22.5		
WB Group	2.7		33.9	1.2		27.9	0.9	59.4						94.0	
BADEA				2.9		3.2									
China				25.9											
India						0.6		0.8							
KFAED													4.1		
OPEC				3.6		5.7									
SDF				4.9								0.3			
Donors per sector	6	5	3	8	3	9	7	11	2	4	6	8	12	5	6

Annex II: Global practice in managing non-traditional flows: A summary note

Abstract

This note is a short summary of the international experience in managing and leveraging development finance from non-traditional sources drawn from available literature. It is not exhaustive, and not prescriptive either, as most of the published resources are primarily devoted to identifying the changing trends in non-traditional development finance volumes and composition, and - while recognizing the importance of these resources – explicitly note limited empirical evidence of how best they must be managed to produce needed development results. We borrow herein main findings and recommendations of recently completed development finance studies in a number of countries of Africa, Asia and Pacific regions, as they seem to be well backed by systematic and laborious country level research with participation of specialized international teams and national expertise, including Government officials and systems. These studies include:

- Development Finance and Aid Assessments (DFAA) carried out with the support of UNDP in Vietnam, Philippines, Papua New Guinea, Bangladesh, Lao PDR and currently underway in Myanmar and The Gambia;
- “Age of Choice” series of studies carried out by Overseas Development Institute (ODI) in Ethiopia, Ghana, Zambia, Senegal, Kenya and Uganda, Cambodia, Fiji, Vanuatu and Timor-Leste.

In this Note references should be assumed to have been made to respective reports on individual countries, unless explicitly indicated otherwise.

Definitions

There is a large and growing segment of global development cooperation, which goes beyond traditional development assistance provided by DAC bilateral donors and international financial institutions and extends both to public and private providers of external development finance, including governments of global South and Eastern Europe, private philanthropic organizations, Arab development funds, Vertical Funds, and so forth. As taxonomy of development finance has not been finalized yet, various authors put substantial focus in their studies on definitions of types and sources of development assistance.

To that effect, it has been noted, that terms, such as “emerging donors”, “South-South Cooperation providers”, “non-traditional donors” are often interchangeably used across many research papers and reviews, while denoting to the same phenomenon, and that is – public finance originated from other than official ODA sources.

We don’t attempt here to discuss and provide exhaustive definitions in that regard, but would like to mention, that label “emerging donors” may not apply, for example to China, which development assistance to other developing countries has started as far ago as in mid 60’s of the 20th century. “South-South Cooperation” may apply to countries that are not necessarily located in geographical South of the Globe (e.g. Russia), Vertical Funds may not be considered entirely non-traditional, as they are still funded by mainly DAC donors and, last but not least, assistance by these providers is often similar to ODA in a sense that it can be developmental in nature and concessional by terms. However, other terms of such assistance can substantially differ from traditional ODA terms, such as lower conditionality, tied status of aid, mixed instruments of delivery, and so forth, and that makes it difficult to distinguish between its various forms and to understand its nature in general.

Box 3: Nature and goal of Chinese development assistance

China’s own policy actively contributes to the confusion between development finance and aid. The Chinese government encourages its agencies and commercial entities to “closely mix and combine foreign aid, direct investment, service contracts, labor cooperation, foreign trade and export.” The goal is to maximize feasibility and flexibility of Chinese projects to meet local realities in the recipient country, but it also makes it difficult to capture which portion of the financing is – or should be – categorized as aid. One rather convincing theory is that the Chinese government in effect pays for the difference between the interest rates of concessional loans provided to Africa and comparable commercial loans. Therefore, only the small difference in interest rates could qualify as Chinese aid

Source: *Brooking Institute*¹³

13. *China’s Aid to Africa: Monster or Messiah*, Brooking Institute, <https://www.brookings.edu/opinions/chinas-aid-to-africa-monster-or-messiah/>.

The aforementioned suggests, that the label “non-traditional” could, in our opinion, be the best single characteristic of these flows – hence the title of this Note - denoting development finance originated from other than official ODA providers (e.g. DAC member states and IFIs).

Background

Globally, ODA continues to increase, reaching \$165.6 billion in 2014, compared to \$78.6 billion in 2004 in disbursement¹⁴. ODA trends vary by country, with most experiencing increasing or constant flows, but ODA as a percentage of GDP is decreasing across countries, largely due to economic growth. To illustrate, the volume of ODA is increasing in Bangladesh, Cambodia, Ethiopia, Kenya, Senegal and Vietnam; is relatively constant in Ghana, Lao PDR, Malawi, Nepal, Papua New Guinea, and Uganda; and is decreasing in Zambia, Lesotho, Swaziland, Iraq, Afghanistan. In Rwanda ODA in absolute terms has been relatively stable for the last 4-5 years. But as a percentage of GDP ODA is decreasing in all of these countries, including Rwanda.

The composition of ODA is also changing, with a shift from grants to loans. Increases in ODA are often due to an increase in loans, as has been the case in Kenya, Lao PDR, and Vietnam. Bilateral assistance is going through a transition in many countries, with some bilateral donors exiting or changing the type of assistance they provide, especially in countries that have experienced substantial economic growth such as Vietnam and the Philippines.

Overall, while still an important source of development finance in many countries, ODA is declining in significance, but is increasingly recognized as a resource that can be used strategically to leverage different types of development finance, or to achieve specific results.

The role of non-traditional donors

Decreasing ODA volumes go in parallel with increasing trends in other types of development finance, particularly those originated from non-traditional donors, including SSC providers.

Studies on various types of development resource available to Governments for financing their development plans recently completed in many countries¹⁵ have allocated considerable space to analysis of SSC, with regards to its volumes, trends, terms and conditions, policy preferences in managing SSC and their potential role as perceived by respective Governments.

Box 4: A snapshot of SSC in select countries

South-South Cooperation is emerging as a critical new source of development finance. There are multiple types of South-South Cooperation, but the most studies focus almost exclusively on bilateral financial assistance, with few providing data on loans provided by Arab development funds such as the Abu Dhabi Fund for Development (ADFD), Islamic Development Bank (IsDB), Kuwait Fund for Arab Economic Development, etc.

The amount of bilateral financial assistance flowing from non-DAC, non-traditional partners to developing countries has increased significantly over the past decade and this trend is expected to continue. According to ODI, this increase has largely been driven by an increase in assistance from both non-DAC members who report to DAC (e.g. Turkey, Arab Development Funds) and China. China is the largest provider of South-South Cooperation, and their role and volume of assistance is increasing. Estimate show that ODA-like flows from China to Africa increased from \$628 million in 2002 to \$3.1 billion in 2012. China's assistance to Lao PDR has increased significantly since 2009 and it is now one of the top three largest providers of development finance. In Cambodia, compared to all DAC and non-DAC donors, China is the largest, and by number of projects it is the largest in Ghana. In Kenya, China is the largest provider of development assistance, providing \$295 million per year on average from 2011/12 to 2014/15. As Governments typically view Chinese assistance favorably, and China has long-standing economic and political interests in Africa, it is expected that this trend will continue, with Ethiopia already predicting the doubling of Chinese assistance in the near future, and Uganda expecting that 99% of borrowing from Non-DAC bilateral partners to come from China.

Source: Development Finance Assessments in Philippines, Vietnam, Bangladesh, PNG, Lao PDR (2012-2016); “Age of Choice” studies in Ethiopia, Kenya, Uganda, Zambia, Senegal, Cambodia

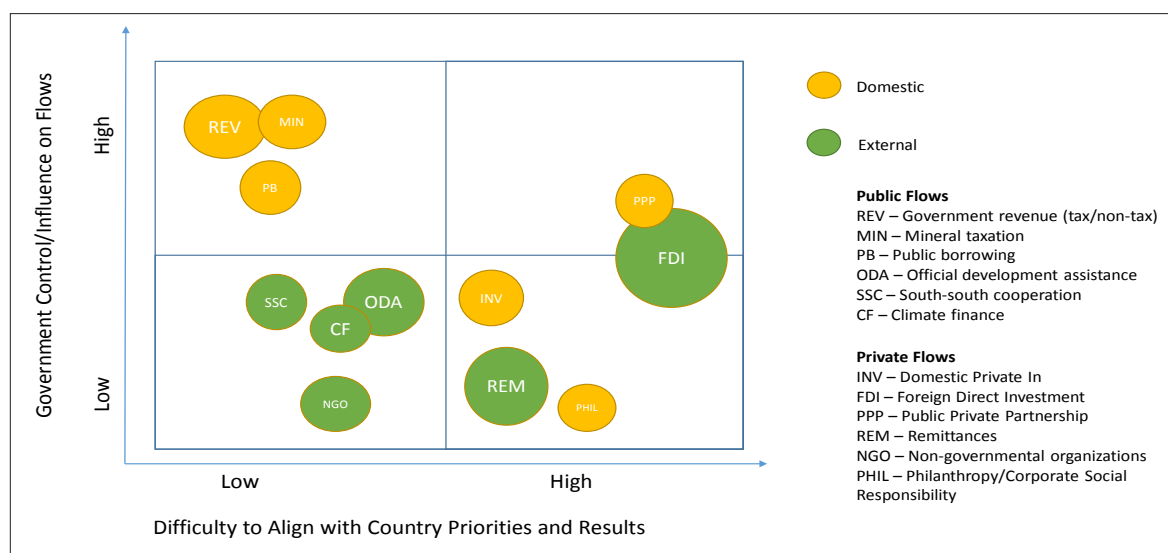
The global experience shows, that efforts needed for managing non-traditional flows— particularly SSC - with some approximation around two key dimensions of development effectiveness – Government

14. Creditor Reporting System, OECD, last accessed 15 November 2016

15. Series of Development Finance and Aid Assessment (DFAA) supported by UNDP and “Aid of Choice” series of studies supported by OECD and carried out by Overseas Development Institute (ODI)

control/ownership and Alignment to country priorities – are commensurate with those of ODA. The figure overleaf illustrates that both SSC and ODA are characterized by low government influence on their provision and low barriers to align respective flows with national priorities. Additionally, the SSC is relatively easier to align than the ODA. This phenomenon has largely influenced a shift in some developing countries' perception of effectiveness of aid, who are now valuing ownership, alignment and speed of delivery of development resources when it comes to the 'terms and conditions' of external development assistance. Non-traditional donors were found to score well against this set of criteria¹⁶.

Classification of flows by efforts needed for their management¹⁷



Source: A Guide for Development Finance and Aid Assessment¹⁸

In practice, some countries (Ethiopia, Cambodia, Ghana, Senegal) give a higher preference to less concessional loans from SSC providers, as it brings more flexibility in their acceptance and management due to lower levels or absence of conditionality, as opposed to finance provided by traditional donors (such as DAC bilateral donors and International Financial Institutions). This is thought to be particularly relevant to countries who have recently graduated or are currently graduating from low- to middle- income status, which also means that external finance will likely to become more expensive for them overtime and needs to be well managed in order to keep the external debt under control and its servicing sustainable.

However, while most governments welcome the opportunity of choice in leveraging various types of development finance, (which, *inter alia*, is contributing to negotiating stance and power of recipients) institutional mechanisms and policy tools which assess and manage development resources from non-traditional sources have not been formally established in most countries. For example, coordination systems have been so far successfully used for ODA management but vary largely from country to country, given the significant differences in their economic and governance contexts.

Approach to management of non-traditional development finance: current international practice

As mentioned above, country economic and governance contexts can influence governments' priorities towards various forms of development finance and policies to manage them. Major factors to be examined in that regard typically include:

- (a) **Economic context:** GDP growth rates; Human Development; Access to private capital; Natural resource endowment; ODA/GNI ratio; Debt/GDP ratio
- (a) **Governance context:** Accountability, transparency and capacity in service delivery, including institutional and human resource capacity; Ease of doing business; Government-NGO relations; Implementation of aid effectiveness agendas, including coordination and management structures.

As it comes to potential availability of additional sources of development finance, case studies show, that countries look for more finance for development and value wider opportunities for choice in

16. The New Development Finance Landscape: Developing Countries' Perspective, OECD, June 2014

17. Sources of flows depicted in this figure are rather inclusive and may not exist or signified in every country

18. Development Finance Assessment (DFA): Linking Finance and Results to Implement the SDGs at Country Level, A Guide, UNDP, March 2016

accessing them, especially on the background of reducing ODA. This is the case with rapidly growing economies reaching or aiming at a MIC status. Some countries (Ethiopia, Cambodia) are effectively using the existence of non-traditional sources of development finance to increase their negotiating capital vis-à-vis traditional donors.

Available information does not indicate a particular concern of recipient countries with regards to aid dependency, especially when fast growing strategies were adopted by governments to reduce the - ODA/GNI ratio (Rwanda is one example of this). With regards to debt sustainability, most governments would employ debt management strategies that typically link to country capacity in order to repay the loans, or limit additional borrowings to projects that are systemic in significance, such as for development of infrastructures which support productive sectors.

Similarly, harmonization and increased fragmentation of development assistance resulting from the in-country presence of non-traditional donors do not present a particular priority to address for most governments.

Quite interesting is the countries' approach to division of labor between traditional and non-traditional donors. In all countries reviewed, operational mechanisms exist for coordination of traditional donors. However, almost all countries (Ethiopia, Cambodia, Senegal, Ghana and Timor Leste) do not show strong interest in including non-traditional donors in these mechanisms, nor those donors see reasons in participation. More specifically, the principles of low or no conditionality and of non-interference in development assistance policies by non-traditional donors does not infer a necessity for them to engage in policy dialogue on conditionality, which is taking place in traditional aid coordination fora. Thus, with the exception of Zambia and Bangladesh, governments prefer to keep dialogue with traditional and non-traditional donors separate, and even at individual level only, to maximize their negotiating power.

However, the approach is different in Zambia, where non-traditional donors –China, Brazil, India and South Africa - are part of the overall aid coordination mechanism. This is due to willingness to share experience and information from all sides – Government, traditional and non-traditional donor community.

Bangladesh is also pursuing an integrated approach to management of ODA, non-traditional as well as Climate Change finance, all generating public finance flows and as such having direct influence on national budget, albeit to a different extent.

Box 5: An integrated approach to management of non-traditional and traditional development cooperation

Bangladesh has Joint Economic Commission(JEC)/ Joint Commission (JC) agreements with 18 counterparts: China, India, Indonesia, Islamic Republic of Iran, Kuwait, Malaysia, Nepal, Pakistan, Philippines, Republic of Korea, Romania, Saudi Arabia, Sri Lanka, Thailand, Turkey, Viet Nam, United Arab Emirates, and the European Union. The prime objective of JEC/JC meetings is to enhance bi-lateral cooperation and install effective measures in order to achieve a comparative advantage in each country. Bilateral relations such as political, economic, trade, industrial, investment, civil aviation, cultural, shipping, education, health, labor force are discussed during JEC meetings.

Source: <http://www.erd.gov.bd>

Key policy orientation for leveraging these sources in all countries reviewed embed a focus on strategic capacity building in government and building an evidence of the role of each of these resources in strengthening domestic resource mobilization. Bangladesh uses different mechanisms to access SSC funds, including regional trading agreements, bilateral trade agreements with partners from Global South, and bilateral financing and technical cooperation agreements from Global South, and is planning to establish a SSC unit within its Economic Relations Division.

"The benefits of increased transparency vis-à-vis resource flows for Development are potentially quite considerable for both developing countries and the development community overall. Greater transparency can lead to a more effective choice of funding instruments and better allocation of resources. However, achieving greater transparency will require more disciplined and sustained efforts by all development actors to measure, track and report resource flows and financing details¹⁹."

19. *The New Development Finance Landscape: Developing Countries' Perspective*, OECD, June 2014

Box 6: Availability of information on SSC is a challenge

Availability of quality data and information about SSCs is a problem in many countries. Lack of systematic analysis and data collection for SSC undermine the government's capacity to manage these funds properly. This has also the negative consequences for development partners as it is difficult for them to have an informed perspective of the results obtained with their cooperation.

Source: *Development Finance and Aid Assessment in Bangladesh, 2016*

Annex III: Flows from non-public sources recorded on public accounts of the GOR in 2015/16 FY

NAME OF ORGANIZATION	Disbursed, US\$
TRADE MARK EAST AFRICA	3,253,686.81
EAST AFRICA PUBLIC HEALTH LABORATORY NETWORK	1,259,944.84
INVESTMENT CLIMATE FACILITY	542,325.16
CHILDREN'S INVESTMENT FUND FOUNDATION	504,596.56
NICHE PROJECT	465,923.81
INTERNATIONAL DEVELOPMENT RESEARCH CENTER	459,294.36
SWEDISH REFUGEE COUNCIL	282,542.08
ARES AI BELGIUM	248,058.93
PAMU	219,664.01
ICBF	195,759.78
CENTER FOR AGRICULTURE BIOSCIENCE INTERNATIONAL	195,115.47
ALIANCE FOR A GREEN REVOLUTION IN AFRICA	150,235.14
NUFFIC/PRISAE II	123,651.38
GREEN CLIMATE FUND	117,979.24
INTERNATIONAL CENTER OF TROPICAL AGRICULTURE	102,986.52
THE WORLD AGROFORESTRY CENTER	96,557.84
INTERNATIONAL POTATO CENTER	89,720.01
ZIF GERMAN	85,211.29
SAVE THE CHILDREN	84,092.72
ARISE NETWORK	84,059.67
HARVESTPLUS	81,267.75
MICHIGAN UNIVERSITY	78,320.40
WORLD METEOROLOGICAL ORGANIZATION	72,587.72
FOUNDATION DAMIEN	71,977.89
BOSTON UNIVERSITY	70,366.11
AFRICA RICE	68,637.52
FSD KENYA	68,597.45
WATSAN	61,509.51
MARI	61,337.93
FDS RELTD INV	60,470.96
COMMODITIES FOR COFFEE	44,711.88

NAME OF ORGANIZATION	Disbursed, US\$
GLES GBV	43,765.33
GLOBAL HEALTH AND DVPT/AMSTERDAM	38,903.86
WILLIAM DIVISION INSTITUTE	33,004.16
INTERNATIONAL FERTILIZER DEVELOPMENT CENTER	32,285.05
ESRI PROJECT	32,039.38
SIMLESA CYMMIT	31,045.86
PROJECTS FUNDS	31,037.15
INKOA SYSTEM/SPIRIT PROJECT	28,266.92
COUNTRY FUND GLOBE WETLANDS 2ND HALF2015	26,514.81
UNIVERSITY OF QUEEN'S LAND AUSTRALIA	25,356.24
KIRKHOUSE	24,836.73
INTERNATIONAL INSTITUTE OF TROPICAL AGRICULTURE	24,701.78
ICPT FUNDS	24,545.38
FOJO MEDIA INSTITUTE	23,478.08
ASSOCIATION FOR STRENGTHENING AGRICULTURAL RESEARCH IN AFRICA	22,713.36
Q. POINT TRANSFER FOR WORKSHOP ON STUDENT CONTERED EDUCATION	22,248.45
CENTRO INTERNATIONAL DE KILOMETRO	21,571.32
THE AGRICULTURAL RESEARCH CENTER	21,394.61
KILIM TRUST FUND	20,384.99
UPPSALA UNIVERSITY/TANZANIA	18,116.58
EAUMP NUR	16,527.65
TRINITY COLLEGE	14,425.02
INSTITUTE OF DEVELOPMENT STUDIES	13,840.55
WOB/CONTRIBUTION TOWARD TRAINING	13,705.92
UNIVERSITY OF CA, LOS ANGELES	13,649.89
LAND O'LAKES	11,996.96
EMR/MINISANTE	11,899.08
VVOB	11,681.65
PATRIMOINE DE LURVE	11,403.16
FOCHHOCHSHULE KAERANTNE PRIVATST	11,113.50
AARHVS UNIVERSTITY	10,617.07
MBBF/German Federal Ministry of Education and Research	10,056.53
IMAD	10,002.26
INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE	9,076.69
KOPPET BIOLOGICAL SYSTEM	8,914.10
UK UNIVERSITY	7,469.94
DEVELOPMENT INTERNATIONAL LLC	6,293.79
TUFTS UNIVERSTI Y	5,945.50
COURTESY ASSOCIATES LLC	5,782.98
B.V/AMSERDAM	5,200.07

NAME OF ORGANIZATION	Disbursed, US\$
INTERN. TELECOM/WASHINGTON	5,102.96
COLUMBIA UNIVERSITY	4,347.96
ADVANTA	4,307.62
CENTRE INTERNATIONAL MATHEMATICS	4,298.77
AGENDA	4,139.48
ORGANISATION INTERNATIONALE DE LA FRANCOPHONIE	3,788.58
UNIVERSITY OF OXFORD	2,642.14
RWANDA FAMILY	2,393.34
ISP FUND FOR VISIT IN INDIA PROF YADA	1,870.49
INTERNATIONAL INSTITUTE OF TROPICAL AGRICULTURE	1,504.51
LINNE UNIVERSITY	1,404.13
UMEA UNIVERSITY	487.73
AFRICAN POPULATION AND HEALTH RESEARCH CENTER	484.08
TOTAL	10,093,774.86

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