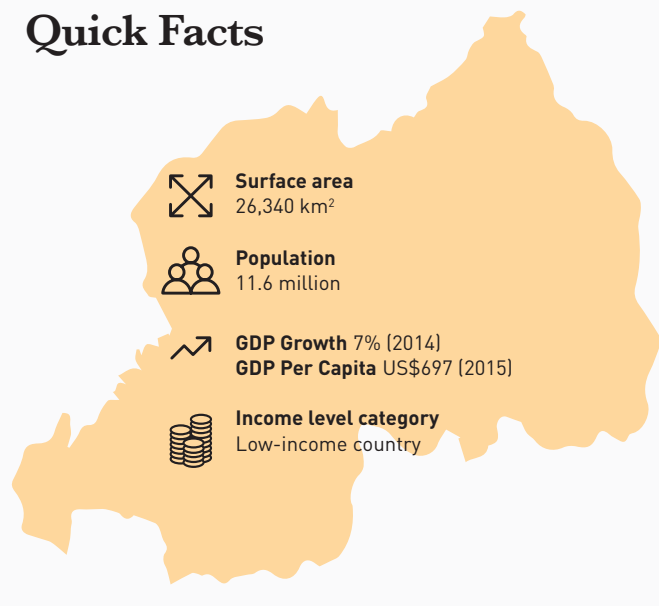




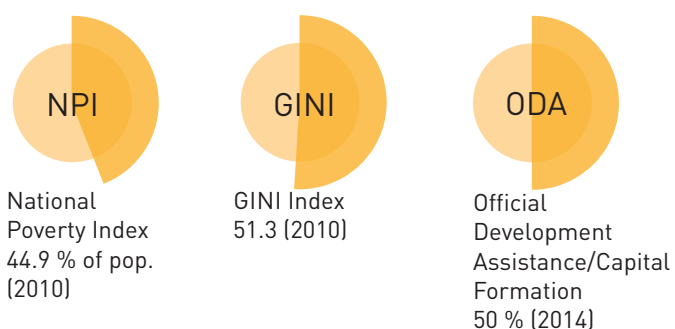
1. Country Context

Rwanda has introduced fundamental changes that opened doors for the country to move forward and build a new nation whose citizens could live in prosperity following the genocide in 1994. Growth in incomes has risen by more than 8% annually since 1996. Rwanda is now the second-most competitive country in sub-Saharan Africa. This performance has allowed Rwanda to markedly reduce poverty. Rwanda is among a few countries at the forefront in achieving the Millennium Development Goals. The country has benefited from substantial inflows of official development finance that continue to play a significant role in Rwanda's development. In 2014, official development finance to Rwanda was some US\$1 billion, representing 13.3% of GNI and close to 40% of the national budget. Most of this official development finance comes from a relatively limited group of development partners, including the United States, World Bank, United Kingdom, Global Fund, The Netherlands and others. The focus of official development finance in Rwanda has changed substantially. In the years following the genocide, attention focused on emergency activities. Later, the focus shifted to longer-term development programmes. In recent years, Rwanda has become one of the front line countries in the 'new architecture of official development finance'.

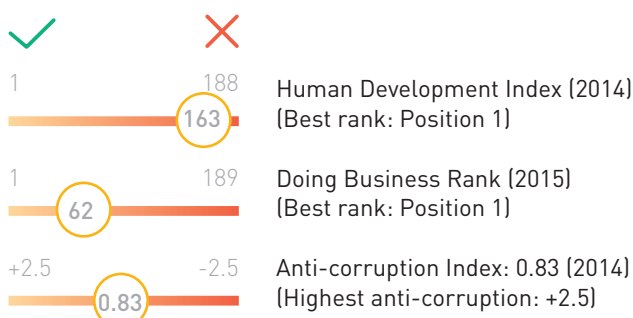
Quick Facts



Key Development Indices:

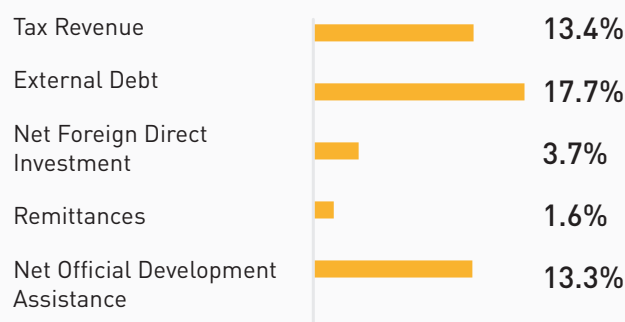


ODA per Capita US\$91.17 (2014)



Inflows (% Gross Domestic Product)

LATEST YEAR AVAILABLE



Key Development Challenges

The legacy of the 1994 genocide continues to weigh heavily on the social and economic recovery of the country. These events impoverished Rwandans and increased their vulnerability. Land scarcity drives environmental degradation, which, in turn, exacerbates the effects of land scarcity. Rwanda's economy is agrarian. The country is poorly endowed with mineral resources. Subsistence food production is the dominant activity in the agriculture sector. Its landlocked position, deficient infrastructure and small domestic market with limited purchasing power have held back foreign direct investments.

2. Efforts to Implement the Effectiveness Principles

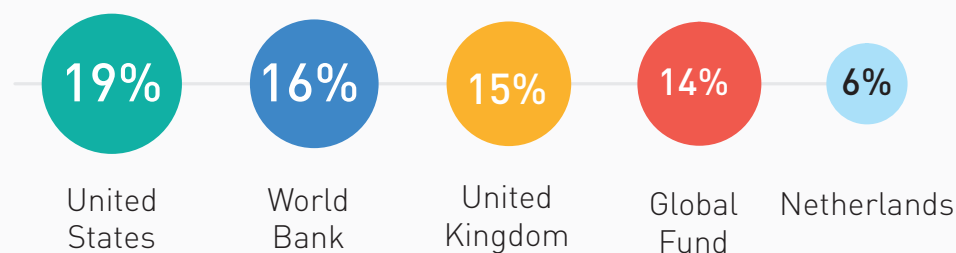
A. Policies and Tools for Partners' Alignment

Rwanda has made alignment central to its policy framework, as defined in its long-term development agenda, the Vision 2020 and in its medium-term strategy Second Economic Development and Poverty Reduction Strategy (EDPRS 2). Most development partners have agreed to align themselves to government priorities and have even participated in their elaboration. Rwanda's Aid Policy (2006) draws heavily

on the principles of alignment and, in this context, it identifies un-earmarked budget support as the preferred modality for official development finance, followed by sector budget support and stand-alone projects. It also prefers development partner resources to be pooled rather than earmarked for individual projects. Alignment is relatively good in Rwanda and has progressed enormously since the latter half of the

1990s when most co-operation was based on development partner-defined modalities and stand-alone interventions. Some development partners have had difficulty converting the alignment principles into operational practices. There is also ongoing debate regarding underlying assumptions, such as the relative emphasis on economic growth and the role of civil society.

Major Development Partners of this Round (by Reported Disbursements)



Participation in 2014 Monitoring

Yes



Existence of a National Co-operation Policy

Yes

B. Governance and Management of Development Finance and Co-operation

A cabinet-level Aid Policy Implementation Committee provides high-level oversight and strategic direction to official development finance. The External Finance Unit of the Ministry of Finance and Economic Planning manages external official development finance and serves as a Secretariat for the GoR-development partners' forums. The Development Partners Coordination Group brings together the government, the development partners, CSOs and private sector for high-level dialogue. At the sectoral level, the dialogue between the government and partners is organized through Sector Working Groups (SWGs) that also engage the private sector and civil society. Each SWG has a designated lead ministry and a lead development partner. However, challenges remain in attracting wide stakeholder participation.

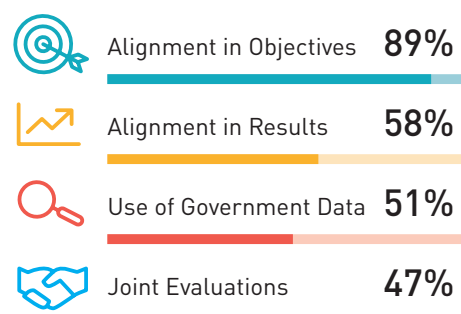
The Development Assistance Database (DAD) is the government's official online tool on development assistance (<https://dad.minecofin.gov.rw/#>). The government uses the DAD to collect official development finance data from development partners and to publish annual official reports on ODA and assess development partner performance against some 14 effectiveness indicators of official development finance stemming from the Kigali Action Plan, the Paris Declaration and the Busan Monitoring Framework. Rwanda has signed up for IATI. It has a proactive South-South co-operation policy and it was estimated that South-South assistance and non-DAC official development finance represent some 15% of external resources financing. Rwanda has also hosted a number of peer exchange and learning events with other countries.

3. Country Ownership

Indicator 1: Partners' Alignment and Use of Country-Led Results Frameworks

The overall use of country results frameworks in development co-operation is 67.5%, which reflects potential for improvement in the short and medium terms. Mid-term expenditure frameworks and public finance management systems are further developed to enhance the use of country-led results frameworks. Collective efforts in evaluations are increasingly common. The government monitors and evaluates its own performance through

various mechanisms that are also frequently used in development partner support. The government and development partners monitor project performance through Country Portfolio Performance Reviews, the Donor Performance Assessment Framework and Joint Sector Reviews. More systematic and efficient use of monitoring tools is needed to ensure increased use of country-led processes.

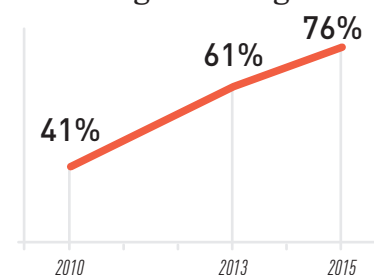


Indicator 6. Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)

The portion of official development finance that was included in the national budget was 76% (2015). There has been an increasing trend in the share of official development finance being recorded in the government's annual budget. In 2010, the rate was 41.5%, and in 2013 it improved to 61%, as a result of the government's priority of having budget support as a preferred modality for official development finance. Development partners have shifted their official development

finance from various forms to budget support, making an important contribution to official development finance on budget. Projects supported by multilateral development partners have been reported on budget more consistently than have those of bilateral development partners. Some challenges remain in capturing projects that do not use the Single Treasury Account, and MTEF data is not complete for all development partners.

Percentage on Budget



Indicators 9 and 10. Use of Country Systems

Overall, 80% of official development finance relied on Rwanda's public finance management systems, according to results from the current monitoring round. The use of country systems in Rwanda has increased (73% in 2014, 66% in 2013 and 53% in 2010), which demonstrates a major success for Rwanda. There has been joint commitment by government and

development partners at the senior level to get official development finance 'on treasury', which allows government to put official development finance to use according to its own programmes for development. Increased use of country systems has been supported by a trend to move to 'sector wide approaches' in Rwanda, where development partners pool resources to work with

government on sector approaches, including in health and energy. The more resources are coursed through government systems, the more likely those resources can benefit development processes. However, some projects continue to bypass country systems, undermining national ownership and capacity-building.

	Budget (ideal: 100%)	Financial Reporting (ideal: 100%)	Auditing (ideal: 100%)	Procurement (ideal: 100%)	CPIA* (maximum: 6)	Untying (ideal: 100%)
INDICATOR 9B.	68% ▲	84% ▲	78% ▲	88% ▲		
INDICATORS 9A & 10.					4.0 ►	84% ▲

* Country Policy and Institutional Assessment

4. Inclusive Partnerships for Development

Indicators 2 and 3. Fostering Inclusive Partnerships for Development

CSOs are fully involved in all aspects of development planning and implementation. The elaboration of the national budget process starts with the participation of civil society and CLADHO (an umbrella of CSOs) that works closely with the government for the design, implementation and monitoring of national development policies. At district level, CSOs participate in the elaboration and monitoring of the budget and District Development Plans through the Joint Action Development Forum. At national level, CSOs engage and contribute through the Sector Working Groups in the design, implementation and monitoring of sector

strategies and policies. CSOs (Rwanda CSOs Platform and the NINGO Platform) are also represented in the high-level dialogues with government and the development partners. CSOs also have self-organized thematic forums in which they contribute to the development and monitoring of national development policies. Most development partners consult with CSOs and follow CSO engagement frameworks in doing so. However, a systematic, across-the-board approach is lacking, as is systematically shared information on initiatives with CSOs. The Private Sector Federation, whose main mission is advocating for the private sector,

is represented in the Rwanda Public-Private Dialogue (RPPD) platform. The RPPD finds solutions for effective coordination between the business community and government institutions and is an effective mechanism for dialoguing with the government. The Government of Rwanda is considered a reliable partner for private sector development and its great trust in and understanding of the private sector are manifest in the available mechanisms for public-private dialogue and the involvement of the private sector in the formulation of national policies and strategies.

Indicator 8. Gender Empowerment

The government's system of tracking gender allocations is contained in the Organic Budget Law. Gender budget statements inform budget allocation decisions by

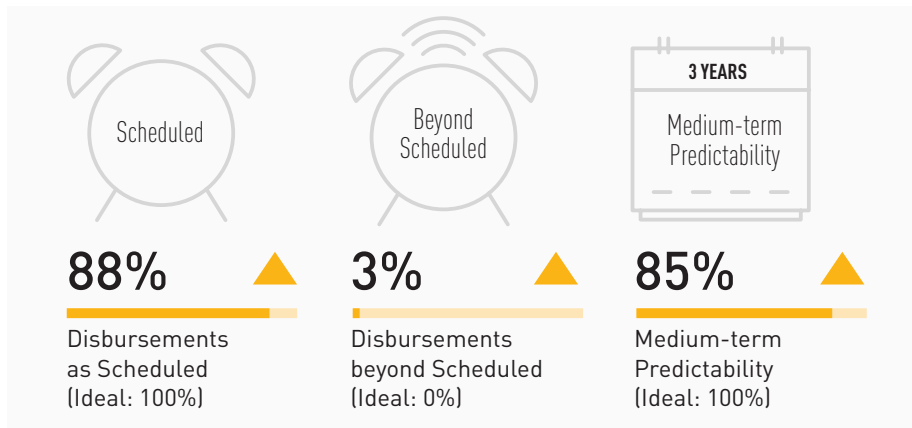
showing gender gaps in various sectors and districts. Regular impact assessments of expenditures address how women and men benefit from government expenditures.

Annual assessments are conducted on how plans of gender budget statements were implemented across sectors and districts.

5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

Results from the current monitoring round indicate that annual and medium-term predictabilities are relatively high, at 85% and 88%, respectively. This means that most development co-operation funds are disbursed as scheduled in the short and medium terms. Nevertheless, there is discrepancy among development partners, requiring their continuous effort.



Indicator 7. Mutual Accountability

Rwanda has an Aid Policy defining national priorities as regards development co-operation. It also has an Aid Policy Manual of Procedures that operationalizes the Aid Policy. The Donor Performance Assessment Framework (DPAF) includes specific country-level targets for effective development co-operation for the government and providers. Assessment towards these targets is undertaken jointly

by the government and development partners, and non-government stakeholders such as civil society are also involved in such reviews, before results of such exercises are made public. Rwanda has made significant progress in strengthening its mutual accountability framework, including through the Division of Labour Agreement. The Agreement limits development partners' work to no more

than three sectors to prevent fragmentation of official development finance. DPAF includes indicators articulated in the Post-Busan Global Monitoring Framework. Rwanda now boasts what is very close to 'best practice' in mutual accountability frameworks and it takes part in the post-Busan initiative 'Building Block on Results & Mutual Accountability'.

National Priorities Going Forward

“Over the past decades, the aid effectiveness agenda has largely transformed the way that official development finance has been provided to recipient countries. The Paris Declaration principles of national ownership, use of country systems and mutual accountability have been fully taken on board in Rwanda's Aid Policy and dialogue with our partners. The evidence generated through the monitoring of the DPAF and the global monitoring rounds has enlightened us on the good and not-so-good practices in formulating and delivering official development finance. As a partner, we would like to emphasize that the above-mentioned principles and their corresponding indicators and targets continue to be a priority for us. We would like to witness greater alignment, more use of country results frameworks and systems, better predictability and transparency. Rwanda is also evolving rapidly and not solely relying on official development finance. The government has put in place a number of policies and measures to increase domestically mobilized resources and to attract new sources of finance. We welcome our partnerships with foundations, the private sector and South-South co-operation development partners. We are also looking into tapping the development potential of remittances and other private finance to boost our private sector. Going forward, Rwanda will continue to monitor the core of the development effectiveness principles and also increasingly invest in forming new partnerships and assessing their quality.

**Ronald Nkusi, National Coordinator
Director of the External Finance Unit
Ministry of Finance and Economic Planning
Government of Rwanda**

Disclaimer This document was prepared based on data collected from voluntary reporting to the Second Monitoring Round of the Global Partnership for Effective Development Co-operation and, for Country Context, other open source information available online. The views presented cannot be used or cited as an official UNDP source of information.

For ease of reference, the term 'country' is used to refer to developing countries and territories that reported to the Monitoring Round. Participation in this process and mention of any participant in this document is without prejudice to the status or international recognition of a given country or territory.