

Annex C: Field visit to Rwanda

As part of the peer review of Belgium, a team of examiners from Finland and Italy and the OECD secretariat visited Rwanda in late January 2015. The team met with Belgium's Head of Cooperation in the Embassy and BTC's resident representative and their teams; Rwandan officials at the Ministry of Economy and Finance and in line ministries; parliamentarians; other bilateral and multilateral partners; and representatives of Belgian and Rwandan civil society organisations.

Towards a comprehensive Belgian development effort

Rwanda is a key partner for Belgium

There has been impressive development progress in Rwanda since the 1994 genocide. While it remains a very poor country with high levels of multidimensional poverty,¹ between 1980 and 2013 Rwanda's Human Development Index increased from 0.291 to 0.506, an average annual increase of about 1.69%. Rwanda is now consolidating gains in social welfare and accelerating growth. Its objective is to achieve middle-income status by 2020, while ensuring that advances are broadly shared. The recent setback in economic growth – partially due to the suspension of budget support disbursements in 2012 (Box C.1) – highlights how much the country still relies on external support to finance strategic public investments.

Since gaining independence in 1962, Rwanda has been one of Belgium's most important partner countries² due to the historical ties between the two countries. Belgium is recognised as a key player by the development community in the region. Thanks to its deep knowledge of the country and of the Great Lakes region, its long-term commitment, its presence at the local and national level and its involvement in political dialogue, Belgium is in a position to make a difference in Rwanda. Nevertheless the shared history makes the relationship very complex.

Co-ordination among the Belgian embassies in the Great Lakes region is limited

Regional integration is also a core priority for the government of Rwanda, as the Democratic Republic of the Congo and Burundi account for 30% of Rwanda's total exports.

Belgium is making a considerable effort in headquarters to co-ordinate the government's diplomatic, development and defence policy in the Great Lakes region, and the Belgian embassy in Rwanda provides feedback to aid co-ordination by headquarters. For example, while the embassy interacts with the operations of the Trade Mark East Africa project in Rwanda – which is part financed by Belgium – funding decisions are taken by headquarters. Given the importance of these regional considerations and their impact on Rwanda, Belgium could address these issues more strategically within the country programme, for example. In addition, there is little co-ordination or experience sharing among the three Belgian embassies in Burundi, Democratic Republic of Congo and Rwanda.

Belgium is exploring innovative ways to engage with the private sector

Belgium's approach in Rwanda aims to go beyond aid by using ODA as a trigger to develop the local private sector and attract Belgian companies. In addition to the loans provided by BIO to local companies, the embassy helps organise economic and trade missions to connect investors from both countries. The embassy is also working on adapting Belgium's local private sector strategy to the Rwandan context. However, these efforts to use ODA as a catalyst could be weakened by the fact that the Indicative Cooperation Programme (ICP) focuses solely on government-to-government ODA. Current efforts to improve co-ordination between BIO, the embassy and headquarters, along with the move towards an integrated programme, could improve on this situation.

C.2 Belgium's policies, strategies and aid allocation

Belgium responds to Rwanda's development needs

Belgium's engagement in Rwanda is framed by an ICP that is renewed every five years. The latest one, from 2011 to 2014, reflects Belgium's more concentrated sector focus – down from four to three (health, energy and decentralisation; see below) – as well as Rwanda's preferences for the division of labour between development partners. Indeed, Rwanda selects the sectors in which each development provider can engage. Within the sectors selected by Rwanda, Belgium's interventions are identified through dialogue with the Ministry of Finance and Economy and line ministries, which helps ensure that it responds to needs. Belgium also tries to involve the Rwandan population in discussions about its development priorities in Rwanda in order to make the policies more sustainable.

However, more reflection is needed – in consultation with relevant stakeholders, including civil society – on how Belgium can best work to support inclusive and sustainable economic growth and human rights-based approaches in this framework. Moreover, mainstreaming gender equality and environmental sustainability into Belgium's development co-operation has proved difficult for the embassy and BTC. Mainstreaming cross-cutting issues does not appear to be a strategic priority and there is limited guidance on how to do this in a pragmatic and effective way.

About 40% of Rwanda's national budget is financed by ODA

Rwanda is relatively aid dependent, with ODA contributing to 14.7% of its gross national income in 2013. The share of the national budget financed by ODA has declined significantly from about 80% over a decade ago to about 40% in 2013. In terms of volume, Rwanda received over USD 1 billion in 2013, an increase after a sharp decline in 2012 when development partners stopped providing general budget support for political reasons (Table C.1). In 2013 general budget support represented 1.2% of Rwanda's GDP, or 3.5% of the national budget (AfDB, OECD, UNDP, 2014).

Table C.1 Net ODA to Rwanda, 2009-13, USD million

	2009	2010	2011	2012	2013
All donors	961	1 069	1 235	879	1 075
Bilateral donors	538	571	582	425	565

Source: DAC CRS

Box C.1 Rwanda: a good example of the Busan principles in action

Rwanda is a developing country which has delivered a strong performance in implementing aid effectiveness principles, especially thanks to its strong government leadership. Its clear national development vision is detailed in the Economic Development and Poverty Reduction Strategy.³ Its public financial management system is in good shape and it manages a well-structured platform for donor co-ordination and aid management.

There is also a solid framework for mutual accountability in Rwanda. Indeed, Rwanda's latest development strategy, approved in 2013, comes with a results and policy matrix, a common performance assessment framework and a development partner assessment framework that support the government's ability to assess performance and organise the division of labour among donors accordingly. The Development Partners Retreat, a senior-level two-day retreat aiming at bringing together stakeholders in Rwanda's development, is an important occasion to discuss progress in implementing the second Economic Development and Poverty Reduction Strategy and key sector policies.

The sector working groups, of which there are currently 15, provide an opportunity for co-ordination and discussion on technical and strategic matters between the government and the development partners. However, the latter regret the void left by the Budget Support Harmonisation Group in terms of both a joint political dialogue on economic and governance issues, and a common framework for performance evaluation. Now there is only a bilateral general policy dialogue, which reduces the scope for co-ordination.

Belgium could strengthen synergies among its partners around shared objectives

In 2012-13, Belgium was the sixth largest donor in Rwanda and third among bilateral partners, allocating USD 51 million, or 4.7% of total net ODA.⁴

Belgium's 2011-14 Indicative Cooperation Programme is mainly focused on the health and energy sectors – with a commitment of EUR 55 million over 4 years for each sector – and decentralisation, with a commitment of EUR 28 million to support Rwanda's Decentralisation Implementation Plan. It is also worth noting that five major existing projects are still being implemented, including in education and agriculture, increasing the number of sectors where Belgium is involved.

Belgium is equipped with a good mix of aid instruments to match the needs and capacity of its partner. In Rwanda, Belgium is one of the few donors still active in sector budget support in health, and in education through delegated co-operation. In addition, Belgium supports development in Rwanda through a range of channels and partners, including BIO, Belgian and local NGOs, universities, research institutions, regional banks etc. In light of this and the efforts made by the embassy to engage more with BIO and the local private sector, implementing an "integrated programme" approach could be useful to help co-ordinate the various partners and instruments around shared objectives.

Programming procedures hinder Belgium's capacity to adapt to rapidly changing needs

BTC and the partner government have been faced with delays of up to three years in identifying projects and in the signing of programmes and projects. In September 2014, barely 12% of the 2011-2014 ICP budget had been spent. These delays are caused by the specific context in Rwanda (a rapidly growing economy and evolving needs) and the management procedures for programme cycles. In terms of the latter, the main challenges faced by both the embassy and BTC include :

- the duration of formulation and the time lapse between formulation and implementation stages, as well as very detailed formulation and technical and financial files (Chapter 5)

- the rigid budgeting of the ICP involving individual projects/programmes rather than an overall envelope.

The fourth management contract for BTC partly addresses the first challenge by involving the agency more right from the identification phase and making it possible to hire the technical assistance and develop the baseline for each project earlier in the process. It is unclear how these changes will improve Belgium's ability to adapt to the evolving context though.

Belgium is committed to ownership and alignment

Belgium is delivering on its commitment to effective development co-operation, as defined in Busan. In addition to being actively engaged in harmonised approaches (e.g. disbursing EUR 9 million in budget support to the health sector in 2013-2014), it respects and encourages the strong leadership of the government and abides by its division of labour. For example, Belgium co-chairs two challenging sector working groups which are high priorities for the government and this co-management ensures that projects are embedded within line ministries. However, there still is a risk that the investments made to build capacity within the ministries will be lost when the project ends. The evolution towards greater national execution of projects a good way of reinforcing ownership and reducing transaction costs.

DGD headquarters encourages the embassy to take an active role in donor co-ordination by co-chairing sector working groups, for example. While the embassy is strongly committed to this involvement and is making a difference in the sectors it co-ordinates, these efforts are challenging to sustain. They resulted in an increased budget for multi-donor consultation in 2015. Moreover, embassy staff have limited sector expertise and policy dialogue relies heavily on BTC experts and technical assistants. While the study fund is a pragmatic tool to build up evidence and create shared analysis that can be used by Belgium and development partners to improve implementation, it is limited.

Belgium assesses strategic risks and seeks to mitigate them

Belgium dedicates time and resources to identifying, assessing and managing risks. In drawing up a new country programme, the embassy prepares a basic assessment of the country ("*note de base*") including chapters on risks, factors of fragility and risks of using national systems in projects and programmes. The embassy is also responsible for preparing a country note that describes the social, economic, and political institutions in the country, assesses the security situation and discusses possible trends. At project level, BTC identifies, assesses and manages risks with a clear action plan on how to mitigate them.

Consultation with Belgian NGOs could be more systematic

The embassy meets regularly with Belgian NGOs, which enables a good exchange of information. A more institutionalised and systematic approach to consulting with the NGOs could help to find synergies. CSOs questioned whether the planned joint country context analysis was the right tool for reinforcing complementarities and synergies among Belgian actors in Rwanda.

Organisation and management

Good co-ordination between the embassy and BTC ensures a strategic division of labour

Good collaboration and frequent communication between the embassy and BTC in Rwanda ensure a strategic division of labour, enhancing synergies and pragmatic ways of working. Together, the embassy and BTC give an image of Belgian co-operation built on the added value of the two actors. In addition to daily informal co-ordination, BTC is invited to the embassy's weekly co-ordination meeting and provides technical support and information from the field to feed the sector dialogue. Quarterly meetings are also organised to discuss the implementation of BTC's programmes.

Frequent co-ordination between BTC headquarters and the country representation is facilitated by "country teams" and modern communication technologies as well as BTC's operational plan that translates the agency business plan to the country level. Detailed guidance on the whole project cycle management gives BTC staff clear directions which facilitate their day-to-day work. Communication among the embassy, headquarters and other embassies in the region seems less developed, however.

Human resources are stretched in the embassy

Belgium has a dynamic team in Rwanda strongly committed to achieving the objectives of the programme and capitalising on local expertise. It faces a challenge in matching human resources to key priorities, however, which risks undermining capacity to deliver on objectives and to respond to field imperatives.

In the embassy, budgetary restrictions prevent staff training and limit the ability to find replacements in cases of long-term leave. In BTC, a training budget of EUR 250 per staff member means that all training has to be done locally. However, extra budget resources are available from headquarters. Despite a clear human resource policy for hiring local staff, the lack of clear vision for staff development might affect BTC's ability to retain them in the long term. Due to the importance of the Great Lake regions for Belgium, developing training sessions at the regional level could be both a strategic and efficient solution for staff development.

Partnerships, results and accountability

Belgium is a dynamic and much-valued partner

Belgium is recognised as a key player that can make a difference in Rwanda. Its comparative advantage stems from its deep knowledge of the country and the Great Lakes region, its long-term commitment and its presence at the local and national level.

Partners in the government and bilateral and multilateral organisations view Belgium – both the embassy and BTC – as an open, dynamic, pragmatic actor that finds constructive ways of engaging with them. Belgium engages with the government and development partners at political and technical levels in its focus sectors. They value its participatory and consultative approaches to identifying programmes and projects.

Belgium does not have a strategic vision for capacity development

Belgium is strongly involved in capacity building in Rwanda. Having a clear vision and strategic framework would help Belgium drive this work forward through the Capacity Building Coordination Forum which it co-chairs. Such a framework could also clarify the role of Belgian technical assistants in building sustainable capacity in a low capacity environment.

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Results management takes place at project level

Belgium has developed a strong results-based managerial approach to interventions. For each project implemented by BTC, the agency conducts a constructive dialogue with its partners on results, including on objectives, measurement and performance. There is a risk that a detailed monitoring framework assessing outputs rather than outcomes could overlook Belgium's contribution to development in Rwanda.

Recommendations made by external and internal reviews of interventions are taken on board. However, as the mechanism for conducting external reviews is extremely formalised, it does not promote Rwanda's engagement or its efforts in the area. By engaging the partner in project evaluations and mid-term reviews, Belgium could reinforce mutual accountability and build local capacities. Moreover, it is unclear how the more general and strategic studies conducted by headquarters are used as instruments for knowledge management.

Notes

1. In 2010 (the most recent survey data available for estimating multidimensional poverty index figures for Rwanda), 69% of the population lived in multidimensional poverty while an additional 19.4% were vulnerable to multiple deprivations (http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/RWA.pdf).
2. In 2013, Rwanda was the fourth largest recipient of Belgian ODA.
3. The second strategy, approved in 2013, focuses on developing the private sector, increasing exports, urbanisation and rural development, agriculture productivity, creating jobs especially for young people and improving efficiency in service delivery in both the public and private sectors.
4. According to OECD data:
https://public.table.com/views/AidAtAGlance_Recipients/Recipients?embed=n&:showTabs=y&:display_count=no?&:showVizHome=no#1.

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