

Strategy for development cooperation with

Rwanda

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Cooperation strategy for development cooperation with Rwanda

SUMMARY

This strategy governs Sweden's development cooperation with Rwanda for the period 2010–2013. The point of departure is Rwanda's own strategic priorities and poverty reduction strategy, as well as Sweden's Policy for Global Development and the Government's three thematic priorities for development cooperation. Rwanda's role for peace and security in the region is also an important premise for development cooperation. The choice of direction is based on experiences of previous cooperation, Sweden's comparative advantages and other donors' commitments. Previous cooperation shows that the country has the capacity to absorb and make use of international development assistance effectively, and the results of Swedish support are generally positive.

The overarching objective for Swedish development cooperation with Rwanda is reduced poverty and improved conditions for sustainable peace and reconciliation, as well as greater respect for human rights. Development cooperation will focus on the sectors *democracy and human rights, the environment and natural resources, and market development*. In addition, support will be given to *strengthen domestic research capacity*. Support to the public sector will be supplemented with support to civil society.

Within the framework for development cooperation, an overarching dialogue will be held on the importance of democracy and respect for human rights, as well as reduced poverty and reducing the extreme income gaps as prerequisites for sustainable peace and reconciliation. Moreover, the importance of transparency and pluralism for increased democracy and their link to sustainable, peaceful development in the region will be stressed in particular. Gender equality issues will also be highlighted in the overarching dialogue.

For greater aid effectiveness, the proportion of Swedish development assistance that uses the country's systems will increase. Further, the reform of the UN through the *One UN* initiative will be given special

priority in order to establish effective and coordinated UN support to Rwanda.

Despite a relatively quick economic recovery since the genocide of 1994, Rwanda remains one of the world's poorest countries. Rwanda is facing the challenge of combining continued high economic growth with reduced poverty and reduced income gaps, as well as achieving extensive and environmentally sustainable rural development, which is especially important for stability. Moreover, continued reconciliation, peace and security, and increased respect for human rights and pluralism are prerequisites for sustainable democratic development.

The total volume of Swedish development cooperation will amount to approximately SEK 180 million per year. This does not include possible humanitarian support.

Part 1. Objectives and direction of cooperation

1. Objectives and priorities

Swedish development cooperation with Rwanda will help achieve the objective of Sweden's policy for global development (2003) – 'equitable and sustainable global development' – and its objective for development cooperation, 'to help create conditions that will enable poor people to improve their lives'. The objectives are based on a rights perspective and the perspectives of the poor. Together with the four underlying principles – participation, non-discrimination, accountability and transparency and insight – and Sweden's three thematic priorities – gender equality and women's role in development, democracy and human rights, and environment and climate change – the objectives will guide Sweden's development cooperation with Rwanda. In accordance with the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, the cooperation will be characterised by donor coordination, harmonisation and alignment with Rwanda's own systems and processes.

The overarching objective for Swedish development cooperation with Rwanda is reduced poverty and improved conditions for sustainable peace and reconciliation, strengthened democracy and greater respect for human rights.

The objective is linked to Rwanda's national *Economic Development and Poverty Reduction Strategy, 2008-2012* (EDPRS), the overarching objective of which is to raise the population's standard of living. The strategy is a framework for achieving, in the medium term, the *Vision 2020*, i.e. for Rwanda to have reached the status of a middle-income country by 2020. The Swedish thematic priorities are included in Rwanda's EDPRS, which sets out clear objectives for poverty reduction

and which highlights the importance of peace, security and reconciliation as key factors for development.

Rwanda's poverty reduction strategy highlights economic growth as a prerequisite for poverty reduction and employment. This direction is complemented by a multidimensional programme for poverty reduction in rural areas – *Vision 2020 Umurenge*. Rwanda's EDPRS is characterised by strong national ownership and the underlying poverty analysis is based on nationwide participatory studies at village level of the views and priorities of poor people.

The strategy's overarching process objective is that 75 per cent of Swedish support to public services use the national systems for implementation and monitoring, and that the UN provides support to the implementation of the EDPRS in an efficient and coordinated manner.

2. Direction and scope

In order to achieve the overarching objective, Swedish development cooperation with Rwanda will support the implementation of the country's EDPRS via the three sectors: democracy, human rights and gender equality; environment and natural resources; and market development. The focus will be on programmes that contribute to increasing livelihood opportunities for poor people and that reduce extreme poverty, strengthen the management of natural resources and contribute to a more equitable distribution of productive assets. In addition, support will be targeted towards cooperation partners that strengthen democracy and contribute to improve security and respect for human rights.

The sectors have been identified on the basis of the country analysis and experiences of previous cooperation, Rwanda's own priorities, other donors' commitments and Sweden's comparative advantages. Support to the public sector will be supplemented with contributions to strengthen civil society.

Because of women's and young girls' vulnerability concerning poverty and the HIV/AIDS situation in Rwanda, a gender equality perspective will be integrated and applied in the contributions. HIV/AIDS is a social problem that will be taken into consideration in the implementation of relevant parts of the contributions. The direction of cooperation will help tackle the development problems and underlying conflict risks that mark Rwanda today.

2.1 Cooperation areas

Democracy and human rights

Sector objectives:

- (i) increased transparency in public institutions and enhanced accountability;
- (ii) strengthened rule of law in society and increased respect for and adherence to human rights; and
- (iii) sustainable peace and improved security.

Sweden's objectives correspond largely with the objectives for Rwanda's EDPRS programme for 'governance'.

In order to achieve objective (i), Swedish support will be targeted towards capacity-building in public administration to improve key institutions that are vital to the strengthened democratisation of Rwandan society. This includes support to the Rwandan national audit office, the parliament and the national election commission, and contributions aimed at effective and transparent public financial management. Support will also be given to civil society to enhance their opportunities to demand accountability and insight vis-à-vis the state.

In order to achieve objective (ii) Sweden will provide support to capacity-building within the police service. This support will primarily target the building of institutional capacity and knowledge of human rights. Implementation of this support will occur through a continuation of the ongoing tripartite cooperation between the Rwandan, Swedish and South African police services, and will thus help to strengthen rule of law for citizens and capacity to better deal with gender equality issues and gender based violence, etc. Possibilities of providing support to other institutions, such as the ombudsman system, NGOs and the media, will be examined in order to help achieve the objective. Contributions to strengthen freedom of expression with the aim of improving access to independent information will be considered.

In order to achieve objective (iii), support will be provided for the disarmament, demobilisation and reintegration of former soldiers. Sweden's support will focus on the *Rwanda Demobilisation and Reintegration Programme III* (2009–2011), which is the third and final stage of Rwanda's national Disarmament, Demobilisation and Reintegration Programme that started in 1997. The possibility to channel support via the *Single Purpose Multi Donor Trust Fund*, administered by the World Bank and with annual payments and donor-coordinated performance monitoring and dialogue, will be considered.

Contributions within this sector are important for the continued democratisation, peace and reconciliation process. Within the objective areas, support will be given to NGOs, including women's organisations and networks that work with democracy, human rights, anti-corruption

and reconciliation, with an emphasis on capacity-building and strengthening of dialogue. Society's most vulnerable groups, such as women headed households, children and people with disabilities, will be given special consideration. Synergies will be sought between various contributions and objective areas. Sweden will work to promote pluralism and continued democratisation, greater respect for human rights and gender equality, and greater confidence between state and non-state actors.

Within this sector, a dialogue will be held on the importance of strengthened rule of law, respect for human rights and democracy, and demobilisation and reintegration of former soldiers for peaceful development in the region.

Environment and natural resources

Sector objectives:

- (i) improved efficiency and sustainable use of natural resources; and
- (ii) strengthened land rights for poor people.

The Swedish objectives are closely linked to Rwanda's EDPRS, which identifies natural resources and environment as key issues in mitigating the risk of conflict, increasing productivity and reducing poverty. This division of sectors is based on the sector definition that exists in Rwanda.

In order to achieve the objectives, Sweden will provide support to the strengthening of institutional capacity of the National Land Centre and other services. The contribution will also include support to the implementation of the land tenure regularization reform, which will strengthen poor people's user and ownership rights. This will improve poor people's opportunities to use the land in a productive and sustainable way. This support will also include more efficient and effective management of natural resources through strengthened institutional capacity, primarily in the areas of environmental protection and forestry. In the planning of new contributions and programmes, consideration will be given to the link between climate, environment and access to natural resources, as well as respect for human rights, not least gender equality and women's access to productive resources. This support has several links to the regional programme currently under way in the area around Lake Victoria and the Nile Basin, which is supported by Sweden. Swedish support to Rwandan research is also expected to complement and provide synergies in this area.

The dialogue in the sector will concentrate on the importance of strengthened land rights for the efficient use of natural resources, with a special focus on women's right to land.

Market development

Sector objective:

- (i) improved living conditions for poor people in rural areas.

In order to achieve the objective, the possibility of providing support to the *Vision 2020 Umurenge Programme* (VUP) – one of the three ‘flagships’ of the EDPRS – will be considered. Broad development in rural areas is considered to be a prerequisite for sustainable economic development and stability in Rwanda. The Vision 2020 Umurenge Programme is a multi-dimensional rural development programme targeting the poorest municipalities in Rwanda. The main aim is to promote productive employment and increased income for poor people, within and outside the agricultural sector, as well as to achieve increased growth and productivity. Support will also focus on the role of women in the country’s development. The programme also contains initiatives for stimulating domestic trade through improved access to local markets for the sale of small entrepreneurs’ products, as well as credits for export promotion. In the long term, the programme aims to eradicate extreme poverty in Rwanda. In addition to support for the programme, supplementary technical trade-related contributions may be provided to promote a transparent framework for trade and investments. Supplementary contributions for promoting regional trade within, for example, the East African Community, may also be considered.

The dialogue in this sector is to concentrate on reduced poverty and a reduction of extreme income gaps as a prerequisite for sustainable economic development and stability.

Research

Sector objectives:

- (i) greater research expertise in issues relevant to development through strengthened national research and innovation systems; and
- (ii) greater efficiency and quality in the research management of the National University of Rwanda (NUR).

The Swedish objectives for research cooperation are well in line with the ambition of *Vision 2020* to transform Rwanda into a knowledge-based society, and with the objectives of the national policy for science, technology and innovation. In order to achieve objective (i), Sweden will support the development of domestic capacity for independent research at the NUR. This support includes capacity development in the Swedish thematic priorities of democracy and human rights, and environment and climate. Special support for the promotion of women’s postgraduate education is also included. In order to achieve objective (ii), Sweden will support the NUR’s work towards functioning research management and the creation of domestic postgraduate education. Moreover, Sweden will examine the possibility of supporting improvements to research management at national level.

Research support will focus on the strategy's three priority sectors and also help to create broad research management and postgraduate education.

Phase-out

In order to follow the Paris Declaration's principles on aid effectiveness and complementarity between donors, etc., current support to the education sector and information and communications technology (ICT) within the infrastructure sector will be phased out during the strategy period. Those areas that do not fall within the framework of the strategy will be phased out no later than 31 December 2010. Several donors are active in the education sector, and the World Bank is expected to increase its commitment in the area of ICT. The principles of complementarity, sustainability and accountability will underlie Sweden's phase-out from the education and ICT sector. A special report on this will be presented in the mid-term review.

2.2 Aid modalities

The point of departure for aid modalities is the work towards programme-based funding. In all areas of cooperation, delegated partnership may be considered in special cases. During the previous strategy period budget support made up a large proportion of Sweden's support to Rwanda. However, in light of the uncertain regional conflict situation, the assessment is that, at present, conditions for budget support at general or sector level do not exist. The issue of general budget support and sector budget support will be discussed further in contacts between Sida and the Ministry for Foreign Affairs. In a positive scenario where the situation is stabilised and Rwanda, in the long term perspective, acts in a constructive manner and contributes to peace and security in the Great Lakes region, and fulfils the fundamental requirements for budget support, a resumption of budget support may be considered. Sida will take the initiative concerning any examination of the budget support issue. This examination – concerning both budget support and sector budget support – will be carried out by Sida in collaboration with the Government Offices (Ministry for Foreign Affairs). A special Government decision is required for general budget support.

Sweden takes a positive view of tripartite cooperation and is open to more arrangements of this kind within the selected areas of cooperation for development cooperation with Rwanda. One prerequisite for the establishment of additional tripartite cooperation is that this form of cooperation has been requested by Rwanda and is considered to be effective.

Sweden will also support the implementation of the EDPRS through the UN fund *One UN*, whose contribution is included in the United

Nations Development Assistance Framework (UNDAF) and focuses, among other things, on good governance, environment, sustainable growth and social protection. The UNDAF is based on Rwanda's EDPRS and enjoys strong support from the Rwandan Government. This support also provides the opportunity for more coordinated and effective cooperation with the UN.

2.3. Dialogue issues

A dialogue on Swedish development cooperation will be held with representatives of Rwanda's Government, other donors and actors, as well as with civil society, with the aim of achieving a greater impact for priority issues in Swedish support.

In the overarching dialogue, Sweden will stress the importance of democracy and respect for human rights, as well as reduced poverty and reducing the extreme income gaps as prerequisites for sustainable peace and reconciliation. Moreover, the importance of transparency, freedom of expression and pluralism for increased democracy and their link to sustainable, peaceful development in the region will be stressed in particular. Gender equality issues will also be highlighted in the overarching dialogue. Sweden will also hold a dialogue on the importance of fighting corruption at all levels.

The dialogue will be held bilaterally, multilaterally and in the EU. Sweden will seek opportunities for a joint donor dialogue. One platform for Sweden's dialogue will be the biannual donor coordination meetings together with the Rwandan Government, as well as monitoring the EDPRS. A continuous dialogue will also occur within the framework of the sector working groups. Through its support to the UN fund, *One UN*, Sweden can participate in the UN dialogue with Rwanda and make use of the UN's scope for dialogue, thus gaining greater support for important issues such as gender equality, the rights of the child and the rights of people with disabilities.

2.4 Scope (volume)

The disbursements to Rwanda are estimated to amount to approximately SEK 180 million per year during the strategy period, which – together with the research support – is the same as during the final phase of the previous strategy period in terms of volume. This does not include possible humanitarian assistance, which is strictly needs-based.

3. Implementation

Although the EDPRS is marked by strong national ownership, capacity restrictions within Rwanda's Government and administration may mean that certain contributions within the framework of the Swedish strategy cannot be implemented as planned. Despite vigorous measures on the part of Rwanda's Government in recent years, there remains a risk of corruption in the country, which may also affect implementation. All

contributions will be designed so as to combat corruption. Measures to prevent the emergence and spread of corruption will be an actively integrated component of cooperation.

The risk will be dealt with through a preparedness to implement capacity-enhancing contributions where needed, through continuous dialogue with the Government on key issues, and through regular assessments of cooperation concerning both the scope and direction, in light of developments in the country and the Great Lakes region. Political and economic development also affects the conditions for meeting the objectives of the strategy and achieving the anticipated results as stated in section 2.1. The conditions for the implementation of development cooperation may, therefore, change during the strategy period. Below are three possible future scenarios for development in the country, and the consequences these may have for Swedish development cooperation.

A. A positive scenario would see the situation in the Great Lakes region stabilising and Rwanda contributing in a constructive way to peace and security in the region. The presidential election in 2010 is free and fair and conducted peacefully. Respect for human rights, including freedom of expression and freedom of the media, is strengthened considerably. The Government continues to make progress in the implementation of the EDPRS.

As a consequence of the scenario described above, a resumption of budget support may be considered. However, this would require consultations between Sida and the Ministry for Foreign Affairs, and a new Government decision.

B. In a status quo scenario, Rwanda would be considered to be taking positive steps concerning improved peace and security in the Great Lakes region. Bilateral relations with the Democratic Republic of the Congo (DRC) improve. However, the regional conflict situation is still considered to be uncertain and progress precarious. The presidential election in 2010 is held under peaceful and fair circumstances. There are shortcomings concerning respect for human rights, including freedom of expression and freedom of the media, but there is also a gradual positive trend in this area. The Government is making progress in the implementation of the EDPRS.

In a status quo scenario, programme and project support is provided for the implementation of Rwanda's poverty reduction strategy, and through the state and civil society, with efforts to increase the proportion of programme-based funding. In light of the uncertain regional conflict situation, it is not considered that the conditions exist for providing budget support at general and sector level.

C. A negative scenario would see an increase in disturbances in the eastern parts of the DRC, with suspicions of Rwandan involvement. Underlying internal conflicts come to the fore in connection with the presidential election in 2010. National ownership of the implementation of the EDPRS is undermined. Respect for human rights, including freedom of expression and freedom of the media, is weakened.

In the event of a negative scenario, the total amount of support to Rwanda would decrease, interstate cooperation would be restricted and development cooperation would be conducted in the form of project support and support via civil society.

3.1 Cooperation with other donors, including multilateral actors

Peace and security in the Great Lakes region is a fundamental prerequisite for poverty reduction and sustainable development, and Sweden will therefore carry out continuous analyses of development in this area in close cooperation with other donors. Political dialogue and coordination of development assistance contributions occur within the framework of regular meetings of the EU group. Within the framework of the *One UN* fund, a close dialogue is being held with the UN system about its contribution to development in the country. Sweden will work towards cooperation with the World Bank and the African Development Bank in areas of common interest.

Support to *Vision 2020 Umurenge* will be coordinated with the UK Department for International Development (DFID), the World Bank and the European Commission. Within the area of democratic governance, contributions and dialogue will be coordinated with EU donors and the United States, Canada and the UN. Within Rwanda's sector strategy for land ownership, Sweden's support will primarily be coordinated with the United Kingdom and the World Bank, which are both active in this area. Within the same sector, Sweden's commitment in environment and forestry will be expanded together with the UNDP, the Netherlands and Belgium. Within research cooperation, Sweden's long-term contributions will be complemented primarily by the Netherlands and Belgium, although the support they provide in this sector is more or less short-term.

3.2 Alignment, harmonisation and coordination

In 2006 Rwanda formulated its view of how development assistance in the country should be carried out (Aid Policy, 2006). This policy, which is the Rwandan Government's interpretation of the Paris Declaration, has been signed by Sweden and most of the bilateral OECD donors and multilateral donors represented in Rwanda. As part of the implementation of the Aid Policy, Sweden and all other donors have begun a review of the development assistance architecture together with Rwanda's Government. The purpose is to strengthen the principles of mutual responsibility and accountability, and to better adhere to the

principles of the Paris Declaration. Sweden will also continue to participate in efforts to improve the local division of labour between the EU Member States and the European Commission, in accordance with the EU Code of Conduct.

4. Monitoring

The results matrix produced for cooperation is the point of departure for monitoring during the strategy period. Implementation of the EDPRS and the Paris Declaration is monitored through biannual coordination meetings between the Rwandan Government and its cooperation partners, and through regular meetings of the sector working groups.

Performance assessment is done primarily on the basis of a common framework for performance monitoring based on the EDPRS monitoring and evaluation matrix, and a matrix for the monitoring of donors' commitments in accordance with the Paris Declaration. The indicators are partly based on the *Joint Governance Assessment (JGA)*. The JGA will be used for accountability in domestic politics and for monitoring the development in the cooperation area of governance, including the legal sector. In order to gain an insight into the perspective of poor women and men in Rwanda, studies will be conducted whenever possible based on gender disaggregated data, on the results of Rwanda's special programme for poverty reduction. All in all, the combination of these various instruments shows that the conditions exist for Rwanda to monitor development towards both the objectives contained in the EDPRS and the Millennium Development Goals. Sweden will regularly monitor development in the country, as well as Rwanda's actions for peace and security in the region.

Respect for human rights and democratic governance, including the fight against corruption and continued efforts for peace and stability in the region, are the central parameters of Sweden's assessment of Rwanda's development and prerequisites for the implementation of the strategy. Risks in relation to these parameters concern, for example, the processes linked to the presidential election in 2010 and political and social changes in Rwanda's neighbouring countries.

A mid-term review will be conducted in 2011 and an analysis of the results in relation to the strategy's objectives will be carried out.

Part 2. Background

1. Summary country analysis

Rwanda has recovered relatively quickly from the genocide, especially economically, with average annual GDP growth of 6 per cent since 2000. A responsible economic policy promoting growth has enabled the country to enjoy extensive debt cancellation. The proportion of people living beneath the national poverty line (SEK 3 per day) dropped from

60 to 57 per cent between 2000 and 2005. However, due to population growth, the absolute number of poor people increased during the same period, from 4.8 to 5 million. Rwanda has climbed in the Human Development Index, but its ranking of 161 out of 177 (2007/2008) means that the country remains one of the poorest in the world. Economic growth is unevenly distributed and the Gini coefficient has risen from 0.47 to 0.51 over the past five-year period. Poverty is particularly widespread in rural areas.

With a fairly undeveloped financial sector, Rwanda has been more or less spared from financial turmoil as a result of the international financial crisis. However, the effects of reduced trade volumes and tourism, reduced international investment volumes and reduced development assistance are starting to show in a drastic slowdown in growth. Strong growth in agriculture in 2008 and 2009 is expected to alleviate the effects, but there is a risk that the crisis could lead to greater difficulties in reducing poverty and achieving several of the Millennium Development Goals. The Rwandan Diaspora in Europe and the United States is currently playing a partial role in the country's economic development.

Rwanda has one of Africa's youngest and fastest growing populations and is one of Africa's most densely populated countries. Approximately 80 per cent of the population still earn a living from agriculture. Systems for land management and regulation of land rights remain weak, and the majority of those in the population who are dependent on small-scale family farming currently lack formal land rights. Over-exploitation of forests and land, combined with increased climate change, has led to soil erosion, less fertile land, a lack of wood fuel and a decline in agriculture. Demographic developments and a lack of arable land have also led to considerable migration pressure in the region. Uncertain food supplies and chronic malnutrition are common, as is inadequate access to clean water.

A lack of qualified labour is one of the biggest challenges to both increased gender equality and increased growth. The aim, however, is to transform the country into a knowledge-based society with a knowledge-based economy. This has been consolidated in various steps, including contributions to strengthen primary education and to recruit university lecturers from abroad. Rwanda's Government has introduced free primary schooling, which has contributed to a significant rise in school enrolment, which is now made up of equal numbers of girls and boys. However, drop out rates are still high, with a higher share for girls than for boys.

Politics in Rwanda are dominated by the governing party, the Rwandan Patriotic Front (RPF), and there is a lack of any real opposition. Separation of powers and consensus decisions are the fundamental political principles. The Government is trying to combat renewed

dissentation between ethnic groups, and the country's constitution condemns all forms of discrimination and differentiation on grounds of ethnic origin, religious belief or nationality. However, scope for democracy and respect for human rights has been limited as a result of the Government's efforts to combat renewed ethnic tensions.

The capacity of the Rwandan media to scrutinise the state apparatus is inadequate, as freedom of expression is partly restricted, self-censorship is used and journalists lack education and professionalism. Although some improvements have been made regarding respect for freedom of the media, the new genocide ideology law from 2008 runs the risk of limiting freedom of opinion, freedom of expression, freedom of the press and freedom of association. Rwandan civil society is relatively large in terms of number of organisations, but few of these can be regarded as independent, and only a few concentrate on policy and advocacy work, and on human rights. Relations with the Government are sometimes strained, and the conditions for an open dialogue between civil society and the Government are limited due to self-censorship.

Rwanda is proactive in its efforts to strengthen the position of women. Women's participation in political life has increased significantly, and at least 30 per cent of all elected representatives and 56 per cent of members of parliament are women. Laws and institutions to strengthen women's rights have been put in place, including laws on equal inheritance rights, against gender-related violence and on monitoring of gender equality policy. However, protection against discrimination of women remains weak in practice, which can partly be explained by traditions, education levels and poverty. Gender-related violence is widespread, primarily within families. Women have poorer access to land and work opportunities, despite legislation. Sexual and reproductive rights are only respected to a limited extent, and the maternal mortality rate is one of the highest in the world. Moreover, due to the genocide and the previously high prevalence of HIV/AIDS (currently 3.6 per cent for women, compared to 2.3 per cent for men), many women are carrying the burden of being the sole breadwinner. There are an estimated 5 000–10 000 street children, and girls in particular risk falling into prostitution.

Cases of recruitment of child soldiers from Rwanda to various combat groups in the DRC have been reported, both from villages in the border regions and from refugee camps. National legislation and policies to protect the rights of children have been strengthened, but poverty and inadequate capacity to transform policy into practice limit the impact. People with disabilities, together with female headed households, orphans and the historically marginalised group, the *Twa*, are the poorest and most vulnerable groups in Rwandan society. In 2007, Rwanda adopted a law on special protection for people with disabilities, but in practice protection for this group is limited due to inadequate resources.

Rwanda continues to be marked by the genocide that occurred in 1994. The country is in an exposed regional position and Rwanda's actions play a key role in achieving stability and security in the Great Lakes region. The former genocide militia, Ex-FAR/Interahamwe – which now goes by the name FDLR and operates in the eastern parts of the DRC – pose a particular threat to the civilian population in these areas. It is essential that the issue be resolved, through such means as disarmament, demobilisation and reintegration. A fundamental prerequisite for a positive development in Rwanda is stability in eastern DRC and in the Great Lakes region as a whole. Rwanda has made international commitments aimed at contributing to a resolution of the conflict in eastern Congo, but it also has a responsibility and an important role to play in the general regional context.

Rwanda must therefore also look upon the country's development from a conflict-prevention perspective which has a bearing on the entire region. There are approximately 55 000 refugees in Rwanda, primarily from the DRC and Burundi, while there are an estimated 60 000 Rwandan refugees, primarily in the DRC and Uganda (April 2009). The management of former combatants and returning FDLR soldiers and their families is of great importance for increased stability. The actions of Rwanda play a key role in creating stability and security in the Great Lakes region.

In order for Rwanda and broader layers of its population to be able to move out of poverty, continued reconciliation efforts are required, in combination with initiatives to redistribute and legalise land ownership, expand infrastructure, modernise agricultural methods and increase access to financial services, social services and information. The creation of new employment opportunities is a key challenge in Rwanda, where underemployment levels are already high and a further half a million young people are expected to enter into the labour market over the next four years. If not remedied, growing income gaps and rising underemployment and unemployment risk creating a breeding ground for renewed social tensions and conflict, which in the long term may also have an impact on stability in the country and the region.

2. Summary results assessment

Sweden's cooperation with Rwanda was initiated following the genocide in 1994. The previous cooperation strategy with Rwanda covered the period 2004–2008 and was part of the regional strategy for the Great Lakes region. The strategy focused on two areas of cooperation: peaceful development and democratic governance, and socioeconomic development based on the sustainable use of natural resources. Within this context, support focused on democracy and pluralism, peace and reconciliation, information and communications technology (ICT), national research capacity and, to a certain extent, civil society. The

objective of Sweden's development cooperation with Rwanda was to create the conditions to enable poor people to improve their living conditions.

Two thirds of Swedish development assistance was disbursed during the strategy period in the form of budget support for poverty reduction. According to an independent evaluation of Rwanda's poverty reduction strategy, PRSP 1 2001–2005, the results can be deemed to include a slight reduction in the proportion of people living in poverty, as well as the introduction of free compulsory primary school for six years, which has resulted in a swift increase in enrolment figures, from 74 to 86 per cent between 2000 and 2005, with an equal proportion of girls and boys. Rwanda is currently on its way to achieving the Millennium Development Goals on primary school for all, gender equality and greater influence for women. Furthermore, levels of HIV/AIDS and malaria have dropped considerably. Access to electricity rose by 50 per cent between 2000 and 2005, but it is still only available to four per cent of the population. Major differences between urban and rural areas remain, and there is a risk that the Millennium Development Goals on poverty reduction and population growth, as well as maternal and child mortality, will not be achieved.

Support within the two areas of cooperation concerning democratic governance and socioeconomic development has primarily taken the form of institutional capacity-building. Support to the police service has led to an improvement in legal protection for the citizens of Rwanda, thanks to increased capacity within the police service to deal with gender-related violence and carry out better quality criminal investigations, among other things. Support to the Office of the Auditor General has meant that opportunities for citizens and the parliament to demand accountability have improved as a result of the greater scope and quality of audits, and improvements in the examination of Government activities. In reconciliation work, Sweden has supported the dialogue on genocide between various social groups, which has contributed to a debate on the underlying causes of the genocide and ways forward. Support for ICT has led to improved access to market information for poor farmers and entrepreneurs, among other things. Research support to the National University of Rwanda has resulted in improvements to the national system for capacity-building, an increase in national capacity to carry out analyses, and the generation and application of new knowledge of relevance to Rwanda's development. Among other things, support has helped the university to establish its first postgraduate degree programmes.

In summary, Rwanda has had the capacity to absorb and make use of international development assistance in an effective manner. Development assistance has contributed to a slight decline in the proportion of poor people. The results of Swedish support are generally

positive, particularly with regard to reform support within the areas of democratic governance and institutional capacity development.

3. Summary analysis of other donors' actions and role in the country, including multilateral actors and the European Commission

A total of approximately 22 donors are currently active in Rwanda, of which the largest are the EU (European Commission and EU Member States) and the World Bank. There are twelve bilateral donors, of which the largest are the United States and the United Kingdom. In December 2007, the European Commission and Rwanda signed a new country strategy for the period 2008–2013, with a budget allocation of EUR 294.4 million, making the European Commission and the EU Member States the largest donors to Rwanda. The strategy focuses on rural development, social development, infrastructure and regional integration. While sectors such as health and population, decentralisation and social protection, and education and knowledge attract many donors in Rwanda, other areas, such as natural resources (including land and environment), receive little support in relation to their financing and capacity needs. Therefore, the Government considers that there is a need to highlight in particular the areas that receive less attention from donor countries and organisations.

The UN system is undergoing drastic change within the *Delivering as One* reform, where Rwanda is a pilot country. Crucial to its success will be the ability of each of the UN bodies' local offices to take action, and the member countries' support in terms of, for example, strengthened coordination among themselves, both centrally and locally in Rwanda.

The African Development Bank (AfDB) has increased its presence in Rwanda, and in 2008 it was actively involved in budget support coordination and the dialogue, and was thus able to strengthen its role considerably. The World Bank is extremely influential in the country, both as a financier and a dialogue partner. The leadership of their local organisations has been reinforced in recent years, as has its expert knowledge. On the whole, the World Bank makes a positive contribution to donor coordination and good financial management and planning competence within Rwandan authorities.

4. Summary analysis of Sweden's role in the country

4.1 Conclusions from Swedish and EU political decisions and processes that are relevant to cooperation

The EU is an important partner for Rwanda and plays a key role in the area of trade, both nationally and regionally. The EU is considered to play an increasingly important role in this area along with Rwanda's development, since exports to the EU and other destinations can be expected to have a growing impact on Rwanda's growth. Sweden is actively following developments in the process concerning an Economic Partnership Agreement (EPA) between the EU and the countries in

Africa, the West Indies and the Pacific, as well as other trade issues of importance for Rwanda.

Cooperation within EU circles is an important complement to coordination within the wider donor community and will be sought in line with the EU Code of Conduct on Complementarity and Division of Labour in Development Policy. The EU's Special Representative for the Great Lakes Region also has an important role to play, both in dialogue issues and as an actor for the EU concerning regional issues linked to peace and security.

4.2 Coherence for development

Sweden's relations with Rwanda are dominated by development cooperation. Other relations include the areas of trade, environment and migration. Cooperation and contacts between the Swedish and Rwandan business sector are limited, but they are considered to be increasing as a result of more trade contacts in 2007 and 2008. Swedish tourism to Rwanda is expected to continue to increase, although slowly. Through regional funds, Rwanda is one of the countries to receive support to facilitate adaptation to the East African Community and the ongoing integration process.

4.3 Other Swedish relations

Swedish regional support to peace and reintegration initiatives is important for Rwanda's economic and political development. Sweden's support to the *International Criminal Tribunal for Rwanda*, which deals with genocide-related crimes, is helping to strengthen stability and reconciliation in the region. A smaller amount of Swedish cooperation with Rwanda is made up of partnerships between Sida's framework organisations, PMU Interlife (which works on health and education), the Swedish Cooperative Centre (SCC) and Vi Agroforestry, as well as the Swedish Organisations of Persons with Disabilities and their Rwandan cooperation partners. Sweden and Rwanda are also involved in exchanges of visits between parliamentarians.

4.4 Sweden's comparative advantages

Sweden has experience and a strong resource base in the sectors proposed in this strategy. This gives Sweden a sound platform for a constructive dialogue and the possibility of pursuing policy issues within the proposed sectors. Sweden's expertise in the area of environmental protection and land management is internationally renowned, as are Sweden's contributions for greater gender equality. Sweden's tradition of a democratic, transparent and efficient administration gives Sweden special advantages in the area of democratic governance and human rights, including anti-corruption work. Rwanda has expressed praise in particular for Sweden's social welfare system, and for accountability and transparency in public financial administration. For some years now, there has been long-term cooperation between Swedish universities and

researchers and their Rwandan counterparts. Sweden's experience of tripartite cooperation is an advantage, not least in stimulating regional cooperation and integration on the continent.

4.5 Conclusions about Sweden's role

Sweden's role in Rwanda is characterised, above all, by development cooperation, and Sweden has good opportunities to help improve living conditions for people living in poverty in Rwanda, as well as for promoting further progress towards greater peace and security in the region. As Sweden does not have a colonial past in Rwanda and has in no way been linked to the genocide, being instead one of the first donors to provide humanitarian support after the genocide, Sweden enjoys considerable good will in Rwanda. This, together with Sweden's long-term commitment to the reconciliation process, is a particular advantage in cooperation in the area of democratic governance and respect for human rights.

5. Considerations concerning objectives and direction of future cooperation

Although development in Rwanda is making progress, the country remains one of the poorest in the world. Rwanda has extricated itself from its previous conflict situation, but political stability remains fragile. Reduced poverty and development that benefits the entire population is crucial in promoting continued stable and peaceful development and in preventing a breeding ground for new conflicts. In summary, Rwanda is currently facing the challenge of combining continued high economic growth and reduced poverty with a reduction in extreme income gaps, and achieving extensive and environmentally sustainable rural development. Moreover, continued reconciliation, peace and security, and respect for human rights and pluralism, are prerequisites for sustainable democratic development. The experience of previous development cooperation with Rwanda has shown that the country has the capacity to absorb and make use of development assistance in an effective manner. The results of Swedish support are generally positive in particular with regard to reform support for democratic governance, institutional capacity development and budget support.

Following analysis of Rwanda's own priorities in relation to Sweden's comparative advantages and other donors' commitment, Swedish support will target democratic governance and economic development, with a focus on natural resources and poor people's opportunities to support themselves. This direction is strategic from a conflict-prevention perspective, as well as from a rights perspective.

Contributions are also expected to promote economic development and combat the negative impact of the global economic downturn, as well as to help strengthen poor people's ability to support themselves.

The close link between the genocide in Rwanda and extensive violations of human rights makes it necessary to reconcile efforts for sustainable peace, reconciliation and security with contributions for greater democracy, respect for human rights and pluralism. Sweden will therefore support contributions that promote this mutual relationship. Contributions will focus in particular on strengthened legal security, efficient and transparent public financial management and freedom of expression and association. In addition, Swedish support to civil society is an important complement in achieving the objectives of Swedish development cooperation concerning greater respect for human rights, gender equality, pluralism and reconciliation.

Clear and secure ownership and user rights for natural resources are one of the most effective ways of increasing productivity and achieving the sustainable use of resources in Rwanda. Moreover, secure access to and ownership of land provides people with greater opportunities to work towards a sustainable adaptation to climate change. Swedish support to natural resources management in combination with support to broader programmes to directly promote productive employment, higher incomes and social protection networks for poor people are thus of strategic importance.

The objectives of Rwanda's EDPRS are ambitious and require a swift increase in capacity to be achieved. Inadequate capacity in public administration represents a risk of not being able to effectively implement the EDPRS. Sweden will therefore continue its institutional support for capacity development. The need to raise the level of education and research expertise is great in Rwanda. Continued long-term support to the creation of research and analysis capacity in Rwanda will therefore be included in the cooperation programme.

The conditions for budget support at a general or sector level are not considered to exist at present. Efforts for programme-based support will, however, continue to characterise Swedish support. A resumption of budget support may be considered if Rwanda takes long-term constructive action and contributes to peace and security in the Great Lakes region and meets the fundamental requirements for such support. In this case, a special Government decision will be required.

Respect for human rights and democratic governance, including the fight against corruption and constructive contributions for peace and stability in the region, are the central parameters for the implementation of the strategy and for Sweden's assessment of Rwanda's development. Risks in relation to these parameters concern, for example, the processes linked to the presidential election in 2010 and political and social changes in Rwanda's neighbouring countries. Sweden will therefore work with direct contributions within the framework of the selected areas of

cooperation, and through dialogue to promote peace in the region, democratic governance and greater respect for human rights.



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