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Table of Contents

1	EXECUTIVE SUMMARY	1
2	RWANDA'S POLICY AGENDA	2
2.1	NATIONAL UNITY, RECONCILIATION AND GOOD GOVERNANCE	2
2.2	POVERTY REDUCTION	2
3	UPDATE OF THE POLITICAL, ECONOMIC AND SOCIAL SITUATION	3
3.1	POVERTY INDICATORS.....	3
3.2	POLITICAL UPDATE	4
3.2.1	<i>Political Transition</i>	4
3.2.2	<i>National Unity and Reconciliation</i>	4
3.2.3	<i>Regional politics, integration and conflict prevention</i>	5
3.3	ECONOMIC UPDATE.....	5
3.3.1	<i>Structural Reform Programmes</i>	5
3.3.2	<i>Domestic Economic Performance : Growth, Fiscal and Monetary</i>	5
3.3.3	<i>External Balance, Trade and Debt</i>	5
3.4	SOCIAL PROFILE	6
3.4.1	<i>Education</i>	6
3.4.2	<i>Health</i>	6
4	OVERVIEW OF PAST AND ONGOING CO-OPERATION	8
4.1	INSTRUMENTS OF EU/RWANDA PAST COOPERATION	8
4.2	EVALUATION OF THE EU/RWANDA 2002 COOPERATION	8
4.2.1	<i>Focal Sector: Urgent Rehabilitation</i>	8
4.2.2	<i>Focal Sector: Infrastructures</i>	11
4.2.3	<i>Focal Sector : Agriculture and Rural Development</i>	12
4.2.4	<i>Macroeconomic Support</i>	13
4.2.5	<i>Governance, Justice, Legally constituted Statet</i>	14
4.2.6	<i>Social, Education, Health</i>	16
4.3	EVALUATION OF IMPACT IN 2002	16
5.	PROGRAMMING PERSPECTIVE FOR THE FUTURE	17
5.1	EDF 9 NATIONAL INDICATIVE PROGRAMME.....	17
5.1.1	<i>Focal Sectors :</i>	17
5.1.2	<i>Non-focal programme : 12 M€</i>	18
5.2	CONSISTENCY WITH OTHER POLICIES AND INSTRUMENTS OF THE EC	18
5.2.1	<i>European Investment Bank</i>	18
5.2.2	<i>Regional Co-opération Planning</i>	18
5.2.3	<i>FLEX/STABEX</i>	18
5.2.4	<i>Community Budget Lines</i>	19
5.3	CONSISTENCY WITH OTHER DONORS	19
6.	OPERATIONAL REVIEW 2003	20
6.1	ACCELERATION OF USE OF PAST EDF BALANCES.....	20
6.2	DEFINITION OF INDICATORS	20
6.2.1	<i>Government PRSP Monitoring System</i>	21
6.2.2	<i>Long Term Impact Indicators</i>	21
6.2.3	<i>Rural Development Indicators</i>	21
6.2.4	<i>Macroeconomic support</i>	21

6.3	DIALOGUE WITH NON-STATE ACTORS	22
7.	CONCLUSIONS	23
7.1	ECONOMIC, SOCIAL, AND POLITICAL SITUATION	23
7.2	RESULTS OF EC COOPERATION IN 2002.....	23
7.3	PROSPECTS FOR THE FUTURE	24
	ANNEX 1 – RESUME DU PRS-PR.....	25
	ANNEX 2 – DETAILED FINANCIAL INFORMATION	28
	ANNEX 3 – UPDATED INTERVENTION FRAMEWORK	30
	ANNEX 4 - UPDATED SCHEDULE OF ACTIVITIES.....	35
	ANNEX 5 – INDICATIVE TIMETABLE FOR COMMITMENTS AND DISBURSEMENTS.....	36
	ANNEX 6 - 2001 ANNUAL REPORT.....	38

Acronyms

AEP	Alimentation en Eau Potable (réseau d')
AT	Assistance Technique (TA)
AfDB	African Development Bank (BAD)
AIDS	Acquired Immunodeficiency Syndrome (SIDA)
ANT	Assemblée Nationale de Transition
APER	Accord de Partenariat Economique Régional
BAD	Banque Africaine de Développement (AfDB)
BEI	Banque Europeene d'Investissement (EIB)
BNR	Banque Nationale du Rwanda
BSPR	Budget Support for Poverty Reduction
CBI	Cross Border Initiative
CDC	Comités de Développement Communautaire/Community Development Committees
CDF	Community Development Fund (FDC)
CDMT	Cadre des Dépenses Budgétaires à Moyen Terme (MTEF)
CE	Commission Européenne
CEEAC	Communauté Economique des Etats d'Afrique Centrale
CEGL	Communauté Economique des Grands Lacs
CHK	Central Hospital of Kigali
CNDH	Commission Nationale des Droits de l'Homme
CNUR	Commission Nationale pour l'Unité et la Réconciliation
COMESA	Common Market of Eastern and Southern Africa
CSP	Cooperation Strategy Paper
CUNR	Commission d'Unité Nationale et de Réconciliation (NURC)
CWIQ	Core Welfare Indicators Questionnaire
DAO	Dossier d'Appel d'Offres
DHS	Demographic and Health Survey
EIB	European Investment Bank (BEI)
ECHO	European Commission Humanitarian Office
EDF	European Development Fund (FED)
EICV	Enquête Integrale sur les Conditions de Vie de Menages (Integrated Household Survey)
EMIS	Education Management Information System
ESSP	Education Sector Strategy Paper
FARAP	Financial Accountability Review and Action Plan
FARG	Fonds d'Aide aux Rescapés du Génocide
FBCF	Formation Brute de Capital Fixe
FDC	Fonds de Développement Communautaire
FED	Fonds Européen de Développement (EDF)
FER	Fonds d'Entretien Routier
FMI	Fonds Monétaire International (IMF)
FPR	Fonds Patriotique Rwandais
FRPC	Facilité pour la Réduction de la Pauvreté et pour la Croissance (PRGF)
FRW	Franc Rwandais
Gacaca	Tribunal Populaire traditionnel (jugera les personnes accusées de génocide)
GDP	Gross Domestic Product (PIB)
HIMO	Haut Intensite de Main d'Oeuvre
HIPC	Highly Indebted Poor Country (PPTE)
HIS	Health Information System
HIV	Human Immunodeficiency Virus (VIH)
ICTR	International Criminal Tribunal for Rwanda (TPI)
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund (FMI)
INP	Indicative National Programme (PIN)
MDTF	Multilateral Debt Trust Fund
M€	Million d'Euros
MINECOFIN	Ministry of Finance and Economic Planning
MINEDUC	Ministry of Education
MINISANTE	Ministry of Health
MTEF	Medium Term Expenditure Framework (CDMT)
NAO	National Authorising Officer (ON)

NGO	Non-Governmental Organisation (ONG)
NHRC	National Human Rights Commission
NPRP	National Poverty Reduction Programme
NPV	Net Present Value
NURC	National Unity and Reconciliation Commission
OBK	Organisation pour l'Amélioration et le Développement du Bassin de la Kagera
OMC	Organisation Mondiale du Commerce (WTO)
ON	Ordonnateur National
ONG	Organisation Non-Gouvernemental (NGO)
ORPI	Office Rwandais de Promotion des Investissements (RIPA)
PDRR	Programme de Démobilisation, Réintégration, Réinstallation
PFM	Public Financial Management
PIB	Produit Intérieur Brut (GDP)
PIN	Programme Indicatif National (INP)
PMIP	Poverty Monitoring and Information Plan
PNB	Produit National Brut (GNP)
PPGE	Programme Prioritaire de Génération d'Emplois
PPTE	Pays Pauvre Très Endetté
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PRS-PR	Poverty Reduction Strategy Progress Report
RES	Rural Economy Strategy
RIFF	Régional Intégration Facilitation Forum
SAP	Structural Adjustment Programme (Appui budgétaire/Budget support)
SIBET	Systeme du budget de l'état
SPA	Strategic Partnership with Africa
SPPMD	Strategic Planning and Poverty Monitoring Department (MINECOFIN)
STABEX	Stabilisation of Export Earnings
SWAp	Sector Wide Approach
TA	Technical Assistance
TPI	Tribunal Pénal International (Arusha) (ICTR)
UNDAF	United Nations Development Assistance Framework
VAT	Value Added Tax
WTO	World Trade Organisation (OMC)

Average Exchange Rate - Euro / Ecu Vs Rwandan Francs Source: BNR

Year	1996	1997	1998	1999	2000	2001	2002
RWF/Euro	384.1	341.9	353.0	356.6	358.2	397.2	442.9

1 EXECUTIVE SUMMARY

Despite an impressive economic and social recovery since the 1994 genocide, Rwanda remains one of the poorest countries in the world, with a GDP per capita less than \$220 in 2002, and with 60.3 percent of the population living below the poverty line. The Government remains committed to poverty reduction and national unity, reconciliation and good governance. Impressive progress towards these two key objectives was made in 2002, including through excellent macro-economic performance, increased budgetary allocations to priority programmes, and the holding of local elections. However, 2002 was for the most part a preparation year: the Poverty Reduction Strategy Paper (PRSP) was finalised after two years of consultations, the draft constitution was prepared for a referendum in 2003 (marking the end of the transition period and to be followed by presidential and parliamentary elections), and training and awareness campaigns were conducted for the gacaca process. As a result, 2003 and 2004 will be exceptionally busy years for the Government as a new political (democratic) and policy (poverty reduction) regime is fully launched.

In terms of EC-Rwanda co-operation, 2002 was also a year of preparation. In terms of the 6th, 7th and 8th EDFs, preparations were made to use up the outstanding balances, largely through large-scale infrastructure projects. Calls for tenders for several of these (Kigali-Kayonza road, Gitarama-Butare-Akanyaru road, Kigali airport rehabilitation, Kigali urban roads, and Bugesera water supply) were issued in late 2002, and construction is expected to start in 2003. In total, these five projects are expected to result in the disbursement of around €75 million in 2003 and subsequent years. In addition, progress was made in preparing a programme for the use of the €20 million of funds available under STABEX, to be implemented between 2003 and 2005.

In terms of the 9th EDF, the Cooperation Strategy Paper (CSP) and National Indicative Programme (NIP) were prepared based on the PRSP and on extensive consultations. For both focal sectors (rural development and macroeconomic support), financing agreements and first disbursements are expected in 2003. In terms of rural development, the EC and Government started a policy-level dialogue on the definition of a broad but detailed strategy. For both focal sectors, there is a perception that the available resources are insufficient and that Rwanda has been perversely penalised for the genocide and consequent recovery efforts. There is also frustration at the perceived lack of access to Envelope B funds earmarked for Rwanda in the absence of a natural disaster.

Some progress in terms of implementation was also made in 2002. In total, around €45 million was disbursed. This includes €26 million of budget support (from the 8th EDF), although this was between 6-12 months later than expected. Construction of small-medium scale infrastructure continued, particularly in the education, health and social sectors. Implementation of 8th EDF support to justice, human rights and rule of law started and is expected to accelerate in 2003. Technical assistance was put in place in several key ministries. The results of this implementation were seen through the progress of national unity and reconciliation (particularly through Gacaca), and through signs of improvements in outcome indicators in education and health. Further, macroeconomic support contributed to Rwanda's excellent macroeconomic performance in 2003.

Capacity shortages remained a major constraint on both sides of EC-Rwanda co-operation. The Rwandese Government continues to be beset by acute capacity shortages at all levels, partly as a legacy of the genocide. The Delegation continued to be understaffed, with deconcentration and parallel expansion of staffing scheduled for end-2003.

2 RWANDA'S POLICY AGENDA

The policy agenda of the Government of Rwanda consists of two key interrelated elements : Firstly, at a political level, as a continued response to the genocide, there is a focus on national unity, reconciliation and the reconstruction of an effective state and good governance in general. Secondly, at a socio-economic level, there is a focus on the reduction of poverty, through the implementation of the Poverty Reduction Strategy Paper (PRSP). The PRSP also plays a crucial role in national unity, as poverty is a major obstacle to national reconciliation.

2.1 NATIONAL UNITY, RECONCILIATION AND GOOD GOVERNANCE

The first priority of the Government of Rwanda is the creation of a new national identity in order to foster national unity and reconciliation and to ensure that the genocide never recurs. To this end, in 2002, various activities were undertaken, including the preparations for Gacaca proceedings, the introduction of a new national anthem and flag. In addition, preparations were made for the end of the transition period in 2003, involving the referendum on the constitution and elections for the national assembly and the president. The decentralisation process also continued in 2002, as a critical process for redesigning governance in Rwanda.

2.2 POVERTY REDUCTION

Rwanda's poverty reduction agenda was defined in the PRSP, finalised in June 2002. This document will be the framework for action for all stakeholders in Rwanda, and provides a clear statement of policy direction and prioritisation. The PRSP was prepared through a participatory process between 2000 and 2002, and as a result there is strong ownership of the PRSP at all levels of society, particularly within Government. Strong leadership was provided by MINECOFIN through the National Poverty Reduction Programme (NPRP, now the Strategic Planning and Poverty Monitoring Department – SPPMD). The consultation process included grassroots involvement through the Participatory Poverty Assessment (PPA)

The PRSP identifies six broad priority areas (in order of importance):

- Rural Development and Agricultural Transformation
- Human Development – including education, health, science and technology
- Economic Infrastructure – including roads, communication and energy
- Governance – including security, reconciliation, human rights, justice, decentralisation.
- Private Sector Development – including investment promotion and privatisation.
- Institutional Capacity Building

It is intended that sector strategies will be prepared in order to translate the PRSP into more detailed strategies and to bring all stakeholders in a sector together in planning their activities.

Since the finalisation of the PRSP, implementation has begun, in particular through the MTEF/Budget process, through which Budget Priority Programmes have been defined and used to track poverty related expenditure. In addition, work has begun on developing sector strategies and on aligning donor support to the PRSP. In the EC's case, the development of the Cooperation Strategy Paper (CSP) and National Indicative Programme (NIP) for the 9th EDF was based on the PRSP process and reflects its prioritisation, with the rural economy as the main focal sector. In June 2003, Government produced a PRS Progress Review based on performance in 2002, which has informed the preparation of this annual report.

In future years, it is intended that the annual PRS Progress Review forms the basis of all reviews of performance and progress in poverty reduction, including the EC's Annual Report¹.

3 UPDATE OF THE POLITICAL, ECONOMIC AND SOCIAL SITUATION²

3.1 POVERTY INDICATORS

Table 1 below presents basic poverty and macro-economic indicators. As can be seen, there are a number of gaps where data is not available. For the three impact indicators, this is due to the periodicity of relevant surveys (the Household Living Conditions Survey – EICV – takes place every 5 years; and the Demographic and Health Survey – DHS – takes place every 4 years). For the outcome targets, the lack of some data is in part due to the absence of a single data source. With the advent of the annual PRS Review, this problem should be rectified.

Except for macro-economic indicators (where targets are set within the framework of the PRGF), reliable annual targets have not been set. Those in the table should be treated as indicative targets only. However, Rwanda remains committed to meeting the Millennium Development Goals. The quality of data is generally high, particularly from the larger surveys (EICV, DHS, CWIQ). The quality of management information systems in the health and education sectors (HIS and EMIS) are steadily improving with substantial technical assistance, and data is available on an annual basis. Macroeconomic data is generally reliable and is verified by the IMF.

Table 1 - Indicators of Poverty levels and other Macro Economics³

	Indicator	2000	2001	2002	2003	2004	2015	Source	
		Actual	Actual	Actual	Target	Target	Target		
Impact	Proportion of population below national poverty line	60.29%					30%	EICV – every 5 years	
	Prevalence of underweight children (under 5)	29%						DHS – every 4 years	
	Under-five mortality rate (per 1000)	198				145		DHS – every 4 years	
Outcome	Net enrolment ratio in primary education	72.2	73.3	75.5	78.3 ⁴	81.0	100	EMIS	
	Primary drop out rate ⁵	12.6	14.2	16.6	17.6	17.08		EMIS	
	Ratio of boys to girls in:	Primary education	1.02	1.00	0.99	0.98			EMIS
		Secondary education (public schools) ⁶	1.15	1.19	1.27				EMIS
		Tertiary education			2.85	2.57	2.33		EMIS
	Proportion of births attended by skilled health personnel		31%	35%	37%	39%	60%	HIS	
	Proportion of 1 year old children immunised against measles		77%	85%	90%	92%		HIS – from MINISANTE (2003)	
HIV Prevalence among 15-	13.7	11.2	13.5	10.5	9.5		Sentinel Site		

¹ This Annual Report where possible uses data and information from the Government's PRS Progress Review for 2002, produced in July 2003.

² This section is based on the PRSP (2002) and the Poverty Reduction Strategy Progress Report (PRS-PR)

³ All figures and targets are taken from the Government's PRSP, PRS-PR, sectoral strategy processes or PRGF documentation.

⁴ Estimate

⁵ Figures on primary completion rate are not available, and data on survival rate is currently unreliable, so primary drop out rate has been substituted as a measure of efficiency and quality. In future years, improved data on completion rate and survival rate will be available

⁶ Increasing inequality in public schools is more than offset by high girls' enrolment in private secondary schools.

	Indicator	2000	2001	2002	2003	2004	2015	Source
		Actual	Actual	Actual	Target	Target	Target	
	49 year old pregnant women							survey
	Proportion of population with sustainable access to an improved water source	20%						CWIQ
Macro-economic	GDP Growth Rate	6.0%	6.7%	9.4%	3.2%	6.2%	7-8%	IMF
	Inflation (annual average)	3.9%	3.4%	2.0%	4.5%	3.0%		CPI/IMF
	Current account of the balance of payments (as % GDP)	-5.0%	-5.9%	-7.3%	-10.4%	-11.0%		GoR
	Exchange rate (RWF per € annual average)	358.2	396.8	449.7				BNR
	Fiscal balance (as % GDP)		-2.7%	-4.2%	-4.4%	-1.1%		IMF
	NPV Debt:Export ratio	192		256			150	MINECOFIN
Public Expenditure	Total expenditure as % GDP	18.7%	20.9%	23.2%	24.6%	21.8%		IMF
	Domestic revenue as % GDP	9.7%	11.4%	12.3%	13.4%	13.6%		IMF
	Priority expenditure as % GDP	4.0%	5.3%	6.1%	6.3%	6.6%		GoR
	Military expenditure as % GDP	3.4%	3.3%	2.9%	2.6%	2.4%		GoR

3.2 POLITICAL UPDATE

3.2.1 Political Transition

In 2002, the Transitional Government of National Unity and the Transitional National Assembly continued to exercise executive and legislative power in Rwanda. However, 2002 also saw the acceleration of the transition process towards multiparty democracy, which is expected to end in 2003. In particular, the Constitutional Commission prepared a final draft constitution (to be subject to a referendum in 2003). The draft constitution enshrines the principles of multi-party democracy, national unity and reconciliation, human rights and the rule of law. It also foresees the democratic election of a President and National Assembly in 2003.

Decentralisation plays a central role in the democratic transition and in the implementation of the PRSP. The decentralisation process started with local level elections (at cell, sector and district level) between 1999 and 2002. The community development policy, including fiscal decentralisation at a district level, began in 2002, particularly through the Community Development Fund (CDF).

3.2.2 National Unity and Reconciliation

National unity and reconciliation remains at the top of the Government's agenda. Three national commissions were created in 1999 to oversee this process: the National Unity and Reconciliation Commission (NURC); the Demobilisation and Reintegration Commission (DRC); and the National Human Rights Commission (NHRC). The EC has provided support to all of these commissions, either directly or through budgetary support.

The Gacaca tribunal system also plays a crucial role in reconciliation. These traditional popular tribunals are responsible for judging the majority of the 120,000 prisoners currently detained. The instigators and organisers of the Genocide are subject to prosecution through the International Criminal Tribunal for Rwanda (ICTR). The Gacaca tribunals started work in 2002 (with the support of the EC through Budgetary Support) through the training of judges, building the awareness of the population and through preparing case files for the judgement proceedings, due to start in 2003. The EC also continued to support a number of NGOs supporting and monitoring the Gacaca process.

3.2.3 Regional politics, integration and conflict prevention.

In 2002, Rwanda withdrew its troops from the Democratic Republic of the Congo as part of the ongoing Congolese peace process. Rwanda has continued to be engaged in various discussions aimed at preventing further conflict in the region.

3.3 ECONOMIC UPDATE

3.3.1 Structural Reform Programmes

The Government of Rwanda and the IMF agreed a Poverty Reduction and Growth Facility (PRGF) in July 2002. Since then, the Government has remained largely on track with the PRGF Programme. In addition, in October 2002, the Government agreed an Institutional Reform Credit with the World Bank worth \$85 million, focussed on supporting privatisation, public financial management reform, and financial sector reform.

Rwanda continued to make good progress in establishing a modern public financial management system. The Medium Term Expenditure Framework (MTEF) approach was further strengthened and linked to the PRSP. The computerised budget execution system (SIBET) was extended to all line ministries and provinces. New guidelines were issued and implemented in order to reduce extra-budgetary and off-budget expenditure. The new Public Accounts Department in MINECOFIN was strengthened (with EC support), with the intention of producing Rwanda's first consolidated public accounts since 1979 in 2003. The Office of the Auditor General conducted audits of 34 public sector entities.

3.3.2 Domestic Economic Performance : Growth, Fiscal and Monetary

In 2002, economic growth was relatively high at 9.4 percent (Table 1). The two major growth engines in 2002 were agriculture (led by food production thanks to excellent weather conditions) and construction. Food supply to city-dwellers by local farmers boosted rural incomes, so that agricultural performance spilled over to other sectors of the economy, notably through demand addressed to local manufacturers. The performance of export crops, the focus of EC programmes in the agricultural sector, was also impressive (recording 5.3 percent growth in production).

In general fiscal performance was good: revenue performance continued to improve (increasing to 12.3 percent GDP in 2002) as a result of the introduction of VAT and improved administration and collection. Expenditure performance was generally good: regular domestic expenditure was within PRGF programmed levels, spending on PRS priority areas exceeded the programme, and military expenditure continued to decline in real terms. However, unanticipated expenditure on military withdrawals caused aggregate fiscal targets to be missed.

From a monetary perspective, 2002 was a mixed year. Expansion of net credit to government in the first 3 quarters of the year (due to late disbursements of EC and World Bank budget support and unanticipated expenditure) and excessive lending by a weak banking sector led to Government missing its broad money targets, a gradual picking up of inflation and (together with the deteriorating current account situation), a 13 percent depreciation of the exchange rate. In the last quarter, donor inflows brought net credit to government back into targeted range, and the BNR intervened to mop up excess liquidity, resulting in increased nominal interest rates.

3.3.3 External Balance, Trade and Debt

The balance of payments situation continued to deteriorate in 2002. Imports showed a slight increase, with increased capital and consumer goods imports offset by an 11 percent fall in food imports (a result of bumper harvests). Total export earnings fell 28%, as a result of the collapse of the market for coltan, declining tea production and a slump in world coffee prices.

This situation reinforces the urgent need for the agricultural strategies supported by the EC, aimed at improving the quality of coffee and tea production (and thereby increasing and stabilising prices), and increasing commercialisation of agriculture, including diversification into value-added activities such as agri-business. These strategies are beginning to reap dividends, for example through the export of limited quantities of high quality “fair trade” coffee to Europe.

Rwanda is a member of various regional trade and integration groupings, most notably COMESA and the Regional Integration Facilitation Forum (RIFF). Under COMESA and RIFF agreements and IMF and World Bank structural adjustment programmes, trade liberalisation has accelerated, with reductions in import duties for other COMESA members and the elimination of non-tariff barriers. Whilst this has opened up new opportunities in regional trade and increased competition, it has also required a restructuring of Rwandan industries in order to compete. Furthermore, due to the small domestic market and prohibitive transport costs, Rwandan enterprises are at a disadvantage in the regional market.

Rwanda’s stock of external debt amounted to US\$1.22 billion at the end of 2001. In December 2000, Rwanda reached HIPC Decision Point, replacing the MDTF mechanism with the enhanced HIPC mechanism of interim debt relief. Rwanda aims to reach HIPC Completion Point in September 2003. However, despite HIPC debt relief, it is unlikely that Rwanda will attain debt sustainability as the HIPC Decision Point document was prepared on the basis of higher than trend export earnings and interest rates. In order to achieve debt sustainability, it has been calculated that Rwanda requires around US\$137 million additional debt relief.

3.4 SOCIAL PROFILE

Poverty in Rwanda expanded from 48% before the genocide to 78% in 1994. It has since fallen to 60% (in 2001). Poverty remains largely a rural phenomenon, and the economy continues to rely on agriculture.

3.4.1 Education

Planning in the education sector made significant progress in 2002, with the preparation of the ESSP (Education Sector Strategic Plan) and the development of a Sector Wide Approach (SWAp). Resource allocations to the education sector have increased from 17 percent of the recurrent budget in 1998 to 25 percent in 2002. As Table 1 shows, trends in primary education show an improvement in access (net primary enrolment) and equity (ratio of boys to girls). However, these improvements have come at the cost of declining quality of tuition (as reflected in an increasing primary drop out rate). However, it is expected that quality outcome indicators will in future years show improvement, as resources are increasingly channeled towards primary education (partly as a result of EC Budgetary Support), and are showing results in terms of inputs and outputs. For example, the pupil:qualified teacher ratio decreased from 82 in 2001 to 72.6 in 2002.

3.4.2 Health

The health sector continues to receive relatively low proportions of recurrent public expenditure (4.3 percent in 2002), relying on donor projects, NGOs, churches, and significant contributions by the population themselves. Attempts to formulate a sectoral strategy and move towards a Sector Wide Approach in order to harmonise the actions of these various actors were still in their infancy in 2002. However, a basic health policy exists, focussed on increasing access to healthcare services, both through increased provision at a local level (primary health centres) and reducing the financial burden and risk on the poor.

In particular, there was some success in 2002 in developing the “mutuelles” (community based health insurance schemes) to reduce the burden of financial risk implied by relatively high health costs.

Strong progress was made in 2002 in HIV/AIDS awareness and voluntary counselling and testing (VCT). HIV/AIDS interventions are supported by a growing number of donors (such as UNAIDS, UNICEF, WHO, World Bank, USAID, Global Fund) and are coordinated by the National Commission for HIV/AIDS (CNLS). Some progress has been made by the CNLS and its partners in coordinating the activities of the various donors around a coherent strategic plan.

Table 1 shows some improvement in the proportion of births attended by qualified personnel and in the immunisation rate. Sector planning and performance monitoring in the health sector is at an earlier stage than in education, although limited progress was made in 2002 (for example through the introduction of a comprehensive database of all health projects). This situation will be improved in future years with the improvement of the health information management system with EC support.

3.4.3 Gender Equality

The genocide had a significant impact on gender balance in Rwanda, resulting in a sex ratio of only 91.3 males per 100 females in 2002. In addition, 31 percent of households are headed by females (including 22% households headed by widows), and 47 percent of the population is less than 15. Rwanda has continued to make progress in ensuring gender equality. The lead Ministry (MIGEPROFE) has prepared a National Gender Policy and strategic plan, and is actively encouraging the mainstreaming of gender issues across Government. The draft constitution confirms the principle of affirmative action for the selection of political leaders, establishing a minimum percentage (30 percent) of female members of parliament. In terms of access to education, Rwanda is performing well, with girls making up 51 percent of primary school pupils and 50 percent of secondary school pupils (although girls make up only 44 percent of public secondary school pupils, the private sector redresses this balance). However, in higher education, men continue to dominate, accounting for 74 percent of students.

4 OVERVIEW OF PAST AND ONGOING CO-OPERATION

4.1 INSTRUMENTS OF PAST COOPÉRATION EU / RWANDA

The programmes approved in the aftermath of the events of 1994 drew their financing from a restructuring of the remainders of the 6th EDF and a recasting of the 7th EDF. During this post conflict period, the majority of project co-operation was through two rehabilitation programmes with multiple components adding up to €114m. These programmes were designed to make the transition from emergency assistance towards sustainable development assistance, targeting mainly transport (roads, airport) and social (health, education, justice) infrastructure, and technical assistance for the restarting of public services.

Decentralised actions such as micro-projects and employment generation were also set up and have continued through 8th EDF funding. Three 8th EDF projects, respectively support for MINECOFIN (€7m), for the 3rd general census (€7m) and for human rights and national reconciliation (€7.2m) were started in 2001. Parallel to this project approach, two structural adjustment programmes in the form of budgetary support were introduced, the second of which (>€59m) is still being implemented.

4.2 EVALUATION OF THE 2002 EU / RWANDA COOPERATION

4.2.1 Focal sector: Urgent Rehabilitation works

The first rehabilitation programme was essential for rebuilding various public infrastructures devastated during the genocide. This programme was prepared in a situation of absolute urgency and as a result the allocation of the budget to each aspect was sometimes too approximate. Flexibility in reallocating the budget between the different aspects has therefore been essential in matching resources to evolving needs. The programme is almost entirely committed (see Table 2); only the "road works", "health and education infrastructure" and "implementation" components have funds that remain to be committed, and calls for tender for these remaining resources are currently in process.

The second programme (see Table 3), constitutes a turning point between the emergency rehabilitation phase and the development phase. This programme, financed through the 6th and 7th EDF, will be completed committed after the calls for tenders launched in November 2002 and the beginning of work envisaged in 2003 for two major projects: the Gitarama-Butare-Akanyaru road and the 2nd phase of rehabilitation of the airport, co-financed with the EIB.

Insofar as most of the interventions described relate to public infrastructure, with a focus on social sectors like education, health and justice (so essential in the Rwandan context), in both rural and urban environments, all layers of society are, to differing degrees, benefiting from these programmes. In addition, through contracting local firms to take part in the construction of this infrastructure, the programme has helped to re-launch the private sector.

Despite the provision of technical assistance to the principal ministry concerned (public works) by the rehabilitation programmes, institutional capacities remain very limited. Targeted support planned for this ministry under the 8th EDF will therefore be welcome.

First Immediate Rehabilitation Action Programme

The "Human Rights Observation", "Airport (1st phase)" and "PSI" components were almost finished before 2002, except certain small balances. In total there was €0.8m of expenditure in 2002, and at the end of 2002 €8.6m remains to be spent (see Table 2). The majority of expenditure in 2002 was on the "Health-Education Infrastructure", "Environment and parks" and "Programme Implementation" components.

The majority of the balances are for the “Health-Education Infrastructure”, and “Road works” components. Despite the low level of expenditure, preparations were made in 2002 to ensure that expenditure accelerates in 2003 and 2004.

In terms of health and education infrastructure, the supply of equipment and rebuilding of the radiology unit in Kigali Central Hospital were completed in 2002. In this same component, two studies and two calls for tenders were launched for the construction of an “Ingando” centre (“post-genocide” re-socialisation for released prisoners and refugees returning to the country) in Ruhengeri; and the construction of a hostel adapted for the improvement of the operation of the hospital and of the nursing school (rehabilitated in 2001) in Nyagatare. Work on both sites will start during the 1st half of 2003.

In terms of support to the environment and national parks, €0.25m was provided in the form of support to GTZ for the rehabilitation of surveillance and tourist tracks, the purchase of equipment, and the training of guards and managers. These activities will finish during the 1st half of 2003.

Concerning the road sector, the Kigali-Gatuna axis (towards Uganda, part of the northern corridor), rehabilitation work was completed despite numerous difficulties including the weakness of the study and of monitoring, and the bankruptcy of a local company. In this same component, preparations for the construction of 12 km of peri-urban roads in disadvantaged districts of Kigali were completed in 2002 and a call for tenders has been launched.

During 2002, several contracts were cancelled with associated payments of guarantees. This will be continued in 2003. In addition, 3 tenders pertaining to imports of petroleum products remain awaiting resolution of their respective disputes. An expert is expected to come on mission at the beginning of 2003 to accelerate the amicable settlement of these disputes. The potentially de-committed will be reallocated to the road component.

Table 2: « First Immediate Rehabilitation Action Programme ; C.F. 5460/RW » Financial Summary

Programme	Primary commitment ACP RW 057	Secondary Commitment	Payments in 2002	Balance (primary commitment – total payments)
Component 1 : Human Rights Observation	4,136,760	4,136,760	0	0
Component 2 : Airport (1st phase)	2,750,000	2,627,004	101,860	258,289
Component 3 : Road works	6,500,000	3,481,000	71,762	3,477,202
Component 4 : Health-Education-Infrastructures	11,782,474	9,548,309	251,752	2,309,435
Component 5 : Environment & parks	1,800,000	1,724,325	165,603	199,789
Component 6 : PSI	14,928,269	14,928,269	0	1,311,267
Component 7 : Programme implementation	4,902,497	4,349,086	282,715	1,024,950
Total (end 2002) :	46,800,000	40,794,753	873,692	8,580,935

Activities of the Second Rehabilitation Programme (C.F. 5713/RW)

The "agriculture/environment" component made it possible in 2002 to continue supporting the operation of the Rwandan Institute of Agronomic Sciences (ISAR), for continuing research into agricultural diversification. In addition, an study into the optimal methods of extraction of the methane in Lake Kivu was also undertaken, with very satisfactory results which make it possible to regard this energy resource as a realistic and ecological alternative to the use of fire wood.

Concerning the "education" infrastructure component, 5 secondary schools are being rehabilitated and extended. Work by local firms (€2.5m total) began in October 2002 and will finish at the second half of 2003. In the "health" component, two supply contracts (ambulances and other vehicles for MINISANTE and radiophone systems for rural health centres) were finalised in 2002. In terms of infrastructure, preparations were made for the rehabilitation and extension of rural health centres in Kibungo, Umutara and Gisenyi provinces (€1,5m total). Work will start in 2003.

Concerning large transport infrastructure projects, international tender documents for the Gitarama-Butare-Akanyaru road were published in November 2002. This project will be financed by the remaining share (€8.6m) of the road component of the 2nd rehabilitation programme and by the regional financing agreement (6342/REG; €9.2m). Work will start in 2003. The tender documents for airport project (€8.5m for the civil engineering) co-financed by the EIB (€11m for navigation, energy equipment) were published in November 2002 with work due to begin in 2003.

The activities under the social infrastructure component (reinforcement of decentralised structures, TA, micro-projects managed by local communities) are being finalised. Certain management problems however were identified and the necessary remedial measures have been taken.

In terms of the justice component, in addition to two important buildings that have already been completed (Supreme Court; €1.4m and Prosecutor General €0.8m), the programme was focussed on rural areas through the rehabilitation and/or rebuilding of 30 canton courts in the provinces of Gisenyi, Ruhengeri and Gitarama (€1.5m in total). Work started in October 2002 and is expected to be completed in mid-2003. A further activity of about €0.5m is expected to be added to this component for the installation of a large courtroom in the Supreme Court with a view to making it compatible for possible transfers organised by the ICTR which usually sits in Arusha.

The healthy competition resulting from local calls for tender have resulted in significant balances in the education, health and justice infrastructure components.. These funds will supplement the road component where additional costs could appear. In addition the acceleration in works in the education, justice and health components, and the start-up of major road and airport works will lead to significantly higher disbursements in 2003 and 2004.

Table 3 : « Second Rehabilitation Programme : C.F. 5713/RW » Financial Summary

Programme	Primary commitment 6 ACP RW 036 7ACP RW 066-067	Secondary Commitment	Payments in 2002	Balance (primary commitment – total payments)
Component 1 : Agriculture/ Environment	500,000	482,830	90,497	179,807
Component 2 : Education	3,200,000	2,580,000	188,676	3,011,324
Component 3 : Health	7,000,000	4,628,100	130,656	3,473,090
Component 4 : Roads	30,650,000	22,027,987	230,345	11,017,501
Component 5 : Airport	8,500,000	0	0	8,500,000
Component 6 : Social Infrastructures	4,000,000	4,045,356	904,106	778,110
Component 7 : Justice	4,900,000	3,437,335	104,169	2,576,496
Component 8 : Programme implementation	8,450,000	7,247,762	236,419	1,947,769
Total (end 2002) :	67,200,000	44,449,370	1.884.868	31,484,097

4.2.2 *Focal sector: Infrastructures*

2002 was a landmark year for the major infrastructure projects, and the effects of this will be felt as work begins in 2003. In the Rwandan context, important works like those envisaged (Gitarama-Akanyaru; €17m, airport €8.5m, Kigali-Kayonza €25m, Bugesera piped water scheme €15m) will have a very substantial impact on employment and local subcontracting firms.

Concerning the 6th and 7th EDF (+ 8th NIP), numerous infrastructure related activities have been mentioned above (section 4.2.1), which includes rehabilitation not directly linked to conflict damage

For the 8th EDF (NIP), 2002 was mainly dedicated to the preparation of the major projects with few disbursements. The transport sector support project (including the Kigali-Kayonza road) could not be submitted to the EDF Committee before the adoption by the Government of an acceptable policy in the field of road transport; which was completed in August 2002. Nevertheless, the technical study for the rehabilitation of the Kigali-Kayonza road was carried out through a separate project (€0.4m total). The international call for tenders for the Kigali-Kayonza road (64 km; €25m+ €1,5m surveillance) and other urban roads (11 km) was launched in November 2002 (simultaneously to the Gitarama-Akanyaru road and the airport) with a suspensive clause because the Financing Agreement was not available at the end of 2002 despite a positive opinion of the EDF Committee in October 2002.

In the field of the drinking-water supply, a project (treatment plant and distribution network in a rural environment; €15m) in the region of Bugesera (south-east) was prepared (including a technical study and the tender documents). As soon as the Financing Agreement is approved, an international call for tenders will be launched in 2003.

Under the “Technical and logistical support to the Ministry of Finance and Economic Planning” project, a budget of €3.12m is reserved for the rehabilitation of buildings and various supplies. Within this framework, the calls for necessary tenders were launched and “ex-MINIPLAN” buildings are in the process of rehabilitation and several supply contracts have been established. The work will be completed mid-2003. In addition, an architectural study for the extension of the main Ministry of Finance building, financed through the 1st rehabilitation programme and carried out by a local office, was not completely satisfactory. A regional architectural competition is proposed to compensate for the weaknesses in the initial study. A call for tenders will be launched during 2003 for this work, but initial estimates suggest that the cost will exceed resources remaining in the infrastructure component. This shortfall may be covered by transfers from other components which have been under-utilised (e.g. short term TA). Amendments to the Financing Agreement will therefore be necessary.

Table 4 - Technical and Logistical Support to MINECOFIN: Financial Summary

Programme	Primary commitment 8ACP RW 017	Secondary Commitment	Payments in 2002	Balance (primary commitment – total payments)
Component 1 : Rehabilitation works & supplies	3,120,000	1,262,300	455,736	2,637,804
Component 2 : Long-term TA	900,000	68,400	33,558	838,440
Component 3 : Short-term TA	1,400,000	0	0	1,400,000
Component 4 : Management Units	980,000	416,000	200,301	739,391
Component 5 : Audit & Evaluation	200,000	0	0	200,000
Component 6 : Contingencies	400,000	0	0	400,000
Total (end 2002) :	7,000,000	1,746,700	688,596	6,215,635

4.2.3 Focal sector : Agriculture and Rural Development

EC support to the sector in 2002 was on two levels. Firstly, the follow up of ongoing programmes and projects in the framework of decentralisation process, rural development, forestry and food security. Secondly, the setting up of constructive and solid technical and political dialogue with all stakeholders interested in rural development (GoR, donors and civil society) in order to build up a coherent Rural Economy Strategy (RES). The RES will be the implementing strategy for the PRSP sector of concentration, addressing multiple factors that affect the living conditions of rural populations. It will act as the basis for future interventions in the rural economy by Government and the EC (through the 9th EDF), and will be a coordination tool between EC initiatives and other donors, notably EU member states. A multimministerial Task Force in charge of RES formulation has been put in place by the Government.

Implementation of ongoing programmes and projects, in 2002, in the following areas:

Programmes and Projects in the Framework of Decentralisation: Microprojects and Employment Generation (PPGE)

The programmed activities are centred around the financing and execution of microprojects in rural areas, supporting mainly rural income generating activities, community service and social and commercial infrastructure. These are linked to education, agriculture and employment generation in urban areas for the poorest of the poor and for demobilised people.

The programmes had a strong beneficial influence on the ongoing decentralisation process, through which a significant part of the future 9th EDF rural development envelope will be implemented. They have been implemented efficiently, with around 70 percent of funds financing physical works and capacity building to local authorities and community groups.

Food security programmes: SISA and UGM

The EC's food security budget line (under the coordination of the Food Security Unit) has been used to support MINAGRI's sector information system (SISA) and to support the relaunch of economic activities at the grassroot level (through Unité Gestion des Modules – UGM) . By collecting and analysing agricultural data (prices, production, weather etc.), SISA is crucial for monitoring food security and rural development. It will also form the basis for a future multisector monitoring system as part of the overall PRS monitoring system. The UGM programme has been supporting the development of SMEs in rural and urban areas for the relaunch of economic activities at grassroot level through the private sector and the HIMO (labour intensive public works) approach.

Agro-forestry

In 2002, the EC continued its support to the National Institute for Agricultural Sciences and Forestry (ISAR), through the Second Rehabilitation Programme (see 4.2.1), providing technical assistance to the administration and to the community on agricultural and forest management and developing scientific research in the field of agro-forestry management at regional level.

At regional level the EC has also supported a Farming Tsetse Controlled Areas of Eastern Africa programme. The Rwanda component (managed by MINAGRI) strengthened the technical services within the Ministry in order to implement tsetse control measures. The programme has so far been successful, although it has in general proved difficult to coordinate regional programmes.

STABEX

In 2002, Rwanda began to use the €20 million set aside for STABEX activities. This was largely related to preparation activities (including the identification of TA), as the main programmes under STABEX are expected to start in 2003. These programmes will include infrastructure for coffee, tea and pyrethrum (washing stations, roads, electrification) and support to agricultural diversification.

Table 5 - Agriculture and Rural Development Financial Summary

Programme	Primary commitment €	Secondary Commitment €	Payments in 2002 €	Balance (primary commitment – total payments) €
UGM (Food Security Budget Line)	8,000,000	5,000,000	922,000	3,085,000
SISA (Food Security Budget Line)		1,000,000	67,000	862,000
Microprojects (7ACPRW025)	4,950,000	4,698,973	110,662	408,712
Extension of Microprojects (8ACPRW016)	2,950,000	2,924,800	1,369,361	156,435
PPGE – 7ACPRW073	1,990,000	1,985,576	238,840	25,342
STABEX (STABEX Budget Line))	20,147,791	N/a	1,717,428	18,430,363

4.2.4 *Macroeconomic Support*

Budget support continued to be implemented in 2002 through the second Structural Adjustment Programme (SAP II)⁷. This programme is focussed on the health, education and justice sectors, through policy conditionality and quasi-targeted support⁸. Results in these sectors are outlined in the respective sections below. In terms of macroeconomic support, SAP II enabled Rwanda to keep on track with the implementation of the Poverty Reduction and Growth Facility (PRGF) programme with the IMF (see section 3.3) and to maintain macroeconomic stability. Finally, public financial management continued to improve (see section 3.3.1), partly as a result of EC support.

Table 6 - Budgetary Support Financial Summary

Programme	Primary commitment (€)	Secondary Commitment (€)	Payments in 2002 (€)	Balance (primary commitment – total payments) (€)
SAP I	24,576,757	24,576,757	24,755	0
SAP II	59,620,000	59,439,295	26,072,007	10,048,116
Of which : Budget Support	58,420,000	58,420,000	25,900,000	9,150,000
TA etc.	1,200,000	1,019,295	172,007	898,116

Three main disbursements of budgetary support were made in 2002 (summarised in table 7): €3.17 million in July (CBI tranche linked to trade liberalisation), €8 million in August (Justice sector tranche linked to the Gacaca process), and €16.35 million in December (variable tranche linked to performance in macro-economics, public financial management, health and education). However, disbursement of the tranches was 6-12 months later than anticipated and in the latter case, the transfer of funds into Government's spending account did not occur until early January, 2003. As a result, Government's budget implementation was undermined by unpredictable cashflow and a number of its mid-year PRGF benchmarks (both fiscal and monetary) were missed. Further, Government accumulated arrears at the end of the year in anticipation of disbursement, thereby missing the benchmark on accumulation of new arrears.

⁷ SAP I was completed in 2002, with the last payment for the Justice Public Expenditure Review, which was completed in 2001.

⁸ SAP II resources must be spent only on eligible budget lines, mainly under health, education and justice. Thus, the increase in expenditures in these areas may be in part due to EC Budget Support.

These delays and their negative impact were the result of design flaws in SAP II, notably the lack of clarity and excessive number of conditions for disbursement⁹, and capacity shortages in Government and the Delegation. It is anticipated that these problems will be reduced in 2003 as a result of better design of the new programme of budgetary support, technical assistance to MINECOFIN (see below) and improvements in the staffing of the Delegation.

SAF II also involves significant technical assistance and capacity building components. In 2002, a medium term contract (totalling €961,000) was signed for technical assistance to the Ministry of Finance and Economic Planning (MINECOFIN). Implementation in 2002 consisted of two technical assistants (supporting the macroeconomics and budget departments of MINECOFIN) and capacity building measures (supporting MINECOFIN's capacity building plan). This support has resulted in improved internal macroeconomic analysis and more effective negotiations with key budget support donors (notably the IMF).

Limited progress was also made in 2002 in preparing the next programme of budgetary support under the 9th EDF. As a result of staffing problems at the Delegation, this programme is not expected to start until end-2003, rather than mid-2003 as originally intended. In order to ensure adequate support to the 2003 Budget and to improve Rwanda's debt sustainability, an additional tranche will be added to SAP II. By helping to reduce debt and encouraging the PRS Progress Review process (the completion of the first PRS-PR will be the condition for the tranche), the additional tranche will ensure that the conditions for budget support are further enhanced for the new programme. Furthermore, the new programme (Programme Pluri-annuel d'appui à la réduction de la pauvreté - PPARP) will be designed to improve predictability by streamlining conditionality, aligning support to the national PRS and budget cycles, enhancing coordination with other budgetary support donors and fixing tranche timing at the beginning of the year. The new programme will also have increased focus on variable tranches and the development of reliable indicators and targets. However, the size of the new programme has caused concern as the availability of resources (€50 million over 3 years) is significantly below the €25 million per year received in the recent past, at a time when Rwanda's poverty reduction expenditure needs have been clearly defined in the PRSP, and when transitional expenditure is peaking. It has therefore been suggested that ways are found to increase resources allocated to budget support by accessing funds in Envelope B of the NIP.

4.2.5 *Gouvernance, Justice, Legally Constituted State*

The "Support for the Rule of Law, National Reconciliation and Human Rights" project was launched in 2001, and the implementation of the first activities started in 2002. The project is divided into various components (see Table 7). As regards the management of the project, a Project Management Unit was created, and €202,374 was used for the operation of the PMU (including wages, TA and training) and support for MINIJUST and the National Human Rights Commission (CNDH) (including training and TA).

As regards to the National Human Rights Commission, a work programme was signed which covers the period from 15 September 2002 to 14 September 2003. The programme has as objectives the strengthening of the logistical capacity and the equipment of the provincial offices of the CNDH, the strengthening of the organisational capacity of the agents of the CNDH; and the communication of the results of the monitoring carried out by the CNDH. The support of the European Commission allowed the launching of the activities of the CNDH and their monitoring of "gacaca".

⁹ The Protocole D'Accord designed to streamline and clarify the conditions was delayed and to a large extent ineffective.

A work programme for the National Unity and Reconciliation Commission (NURC) was signed in 2002. Several problems were encountered in the implementation of the programme, in particular low capacity within the NURC. Nevertheless the support of the European Commission enabled the NURC to work for national reconciliation, thus opening the possibility of a transition towards democratic institutions, and allowed the preparation of the Gacaca jurisdictions aiming to consider the crimes perpetrated during the genocide.

Table 7 : « Support to the Legally Constituted State Project

Programme	Primary commitment 8 ACP RW 19	Secondary Commitment	Payments in 2002	Balance (primary commitment – total payments)
Long & short-term Technical Assistance	1,150,000	658,525	136,806.95	954,902
Supreme Court Office & IT equipment	300,000	0	0	300,000
CNDH activity programme	1,350,000	409,000	95,882	1,254,118
NURC activity programme	1,350,000	322,000	78,583	1,271,417
Strengthening contacts between justice levels	500,000	0	0	500,000
Programmes implemented by NGOs	1,750,000	0	0	1,750,000
Support to civil society cultural initiatives	400,000	0	0	400,000
Evaluation & Audit	200,000	0	0	200,000
Contingencies	200,000	20,415	19,519	180,481
Total	7.200.000	1,410,125	330,791	6,810,918

The "Support to the 3rd general census of population and habitat" project covers the period from mid-2001 to mid-2005. Preparatory activities consisting mainly of purchases of equipment (computer system and vehicles) and installation of the buildings of the National Census Service (SNR) were financed through bilateral funds from the UK and Netherlands. The financial contribution of the state in the process is estimated at €1m.

Table 8 – 3rd General Census of Population and Habitat

Programme	Primary commitment 8ACP RW 018	Secondary Commitment	Payments in 2002	Balance (primary commitment – total payments)
Technical Assistance	2.200.000	1.023.264	425.225	1.774.775
Operating costs, personnel location, supplies, training	4.210.000	4.067.655	3.076.207	808.435
Evaluation	120.000	0	0	120.000
Audit	90.000	0	0	90.000
Contingencies	380.000	0	0	380.000
Total (end 2002) :	7,000,000	5.090.929	3.501.433	3.173.210

In addition to public awareness campaigns, training of the enumerators (> 13.000 agents) proceeded as planned and the general census took place from 16 to 30 August 2002. Post census surveys were carried out at the end of September 2002 to verify the results of the census. Data entry and analysis started in November 2002 and will continue to October 2003. The resulting databases will be used to give demographic information and to carry out analyses on various topics of a socio-economic nature.

The geo-demographic data resulting from the census is a tool for good governance and for planning of development strategies. In addition to this major aspect, the census made it possible to create a large number of short term paid jobs across the country.

4.2.6 *Social, Education, Health*

In terms of infrastructure relating to the social sectors, the reader is referred to section 4.2. concerning the two rehabilitation programmes each containing components relating to health and education infrastructure. 8th EDF budgetary support (see 4.2.4) was also targeted at the health, education and justice sectors. In addition, a supporting institutional programme in MINISANTE and certain districts was prepared in 2002. The implementation of this programme will start in 2002 in coordination with Belgian cooperation.

As regards decentralised actions, various projects (Priority Job Creation; social infrastructure; microprojects) have been used to develop participatory approaches to addressing the needs of the most disadvantaged, both in rural and urban environments, through temporary employment, training and a framework enabling these people to be better prepared at the end of the project to fend for themselves (Also to refer to item 4.2.3). The merging of these various projects is planned for 2003 to give better consistency and more impact for the recipients.

4.3 **EVALUATION OF IMPACT IN 2002**

Co-operation between the Government and the EC is broad and exceeds a simple analysis of financial figures. The quality and high-level of bilateral relations has enabled certain advances in the fields of governance, rule of law, decentralisation, and the formulation of the PRSP. The preparation of the PRSP and of the programme to be supported under Cotonou went forward in parallel during 2002, and there is a solid complementarity between the two. Work was also initiated in the framework of the SPA in order to reduce as far as possible the transactional costs associated with budget support by aligning budget support programmes with national PRS and budget cycles.

As noted in section 4.1, cooperation has evolved from immediate post crisis support, through rehabilitation to support for the fight against poverty as a longer term strategic objective. In 2002 there was a continuation of rehabilitation schemes, and only a slow take off of 8th EDF development programmes in addition to preparations for 9th EDF programmes. The lag between programming and expenditure has not in general reduced the relevance of interventions, for infrastructural improvement and budget support, programmed earlier, remained relevant in 2002.

5. PROGRAMMING PERSPECTIVE FOR THE FUTURE

5.1 EDF 9 NATIONAL INDICATIVE PROGRAMME

The EU-Rwanda cooperation strategy and national indicative programme for 2003-7 was prepared in 2002, and signed in March 2003. The implementation of this strategy will be financed by a number of means, including:

9th EDF – Envelope A (€124m) will cover development activities foreseen in the strategic framework: €62m for rural development as the sector of concentration, €50m for macroeconomic support, and €12m for other programmes including good governance, support to the private sector and civil society, regional integration and demobilisation.

9th EDF – Envelope B (€62m) will be available for additional support in case of natural disasters, additional debt relief and loss of export earnings.

The Rwandan authorities have been disappointed by the levels of support offered under Cotonou, feeling that they have been penalised for the genocide of 1994 and the subsequent emphasis on expenditure of emergency rather than programme funds. Thus at the very time they have particular needs they find that the funds available for commitment are lower than they expected. This attitude puts a particular colour on discussion of Part B of the programme in that Rwanda does not qualify for Envelope B funding by existing EC criteria, despite its urgent need for increased resources, particularly through macroeconomic support or through other priority activity in the rural economy.

In view of the progress made in 2002 in terms of preparation for a solid PRSP to be implemented and the need for there to be corresponding support from the present programme, one result of the present annual operational review might be to make available for immediate programming a significant proportion of the sums currently frozen as Part B allocations.

Investment facility: This instrument is the principal source of long-term financing of the Cotonou Agreement. It is directed towards the promotion of the private sector and towards the development of economic infrastructure. The interventions of the EIB will be able to be done in the form of loans, in the form of acquisition of a holding or by the provision of guarantees.

Commission budget lines: These can be used for specific actions according to the procedures applicable to each budget line concerned and subject to availability of resources.

5.1.1 Concentration Sectors :

Rural development: 62 M€

The improvement of the economic, institutional and social environment as well as diversification and increases in monetary incomes in rural areas, constitute the specific objectives of the Government's programme. The idea is to pass gradually from a subsistence system to agriculture directed towards the internal and external market and to generate dynamics of diversification of economic activities in rural areas. To achieve these goals, it is necessary to contribute to the opening-up of rural, urban and peri-urban areas to trade without neglecting health and hygiene issues.

Interventions in the rural development sector (€62m) will give priority to Community development activities, actions connected with land reform, consolidation of the agricultural

information system, and opening-up of the rural road network and extension of drinking water schemes.

The focus will be on decentralised mechanisms of financing, particularly through the financing of Ubudehe as it is an instrument particularly adapted to the participation and planning from the bottom-up. Concerning the road network, it is also envisaged to finance the rehabilitation of the Gisenyi-Ruhengeri road as this has particular importance for the rural economy.

Within this framework the Delegation and the Government have agreed to draft a “Rural Economy Strategy” which will provide a framework for donor support. The operational mechanism for the preparation of this strategy is in the process of being established.

Macroeconomic support: 50 M€

This support will take the form of support to the Government’s economic reform programme, whose objective is the reduction of poverty and the promotion of national reconciliation. The specific objectives are: equitable access and improvements in the quality of basic social services; and the consolidation of progress in public financial management.

5.1.2 Non-focal programmes : 12 M€

An amount of 12 M€ is reserved for the following actions:

- Strengthening Government’s capacities;
- Support to regional integration efforts and integration of Rwanda into the world economy, including preparations for negotiations within COMESA and the WTO, and for the EPA;
- Support for civil society;

Contribution to demobilisation and reintegration of ex-combatants.

5.2 CONSISTENCY WITH OTHER EC POLICIES AND INSTRUMENTS

5.2.1 European Investment Bank

The EIB is ready to study options for new operations in Rwanda using the resources available under the Cotonou Investment Facility. Efforts will be taken to ensure that this is in line with the spirit of the indicative programme, and that the Government continues its economic and financial reforms. The EIB’s actions would largely be focussed on the promotion of the private sector, recognised as a priority in the PRSP and the 9th EDF NIP signed in March 2003. The EIB’s activities can also relate to the development of economic infrastructure, the local financial sector and community assistance. In terms of direct support to Small and Medium scale enterprises, the EIB will take measures to extend the activities undertaken through the last global loan made available to three Rwandan banks.

5.2.2 Regional Co-operation Planning

Rwanda has decided that it is under COMESA that EU regional cooperation with Rwanda should be coordinated. The programming process is well advanced with the signature of a regional programme in November 2002. Since Rwanda depends to a large extent on tax revenues on imports, the immediate impact of joining COMESA is negative for public revenue. It is hoped that the economic activity induced by access to regional markets will eventually more than offset this loss.

5.2.3 FLEX/STABEX

It is fortunately doubtful that new transfers will be necessary as export earnings have been stabilising. On the other hand, the use of STABEX allocations from 1990-1995 will allow increased support to rural economy activities,

in particular as regards export products such as coffee and tea. A reorientation towards increased quality instead of quantity will be ensured through a revision of the current mutual Framework of Obligations.

5.2.4 Community Budget Lines

The future indicative programme is harmonised with most used EC budget lines in Rwanda: food security, support of human rights, and cofinancing with NGOs. There is currently no risk of contradiction between approaches.

5.3 CONSISTENCY WITH OTHER DONORS

The European Commission has played an active role in the alignment of donor support for Rwanda. Within the European Union, there has been an increasing harmonisation of approach, from general issues such as forming a common view on the PRSP, to more specific issues such as seeking to align the salaries paid to project staff.

Amongst budget supporting donors, the Commission has led the Strategic Partnership for Africa engagement with Rwanda. Much work remains to be done for donors including Bretton Woods institutions to align their approach behind the national budget cycle and the PRSP. Nonetheless, there was significant progress in 2002, with a multi-donor SPA mission to examine these issues, and increasing cooperation between the Commission and other donors so that there be common adoption of indicators, and a common approach to public expenditure management concerns.

The government, following the last donor conference in 2002, identified a certain number of clusters matching the issues covered by the PRSP. The European Commission was invited to take a lead with respect to two of them, in both cases in collaboration with the World Bank. In the case of the rural economy, this commitment has taken us far. The Commission is supporting the development of a rural economy strategy to fill out the PRSP which is relatively light in this critical field. Activity in the field of infrastructure has accelerated, but there has been less progress in developing common strategy, though we may signal the adoption by the government, following EC support, of a roads maintenance strategy which is to be the basis of a broader transport strategy, still under discussion.

Budget support from the Commission has recognised the leading role played by DFID in support of the education sector, and by corollary there has been a willingness to let DFID take the lead, while in other sectors, such as that of justice, the Commission continues to take a more proactive role.

6. OPERATIONAL REVIEW 2003

6.1 ACCELERATION OF USE OF PAST EDF BALANCES

The Commission has attached particular importance to the clear out of non performing activities so that there is a truly dynamic programme where decisions are followed in quick order by secondary commitments and expenditure. In order to review the situation, meetings have been organised, and Rwanda took part in that for Central Africa in Libreville in February 2003.

The insufficiency of staff in the Commission delegation was identified as having been the greatest constraint in 2002, while the efficiency of NAO services has also been seen as a bottleneck. The time of response of AIDCO to certain requests for action had also a braking effect on the programme, particular in infrastructure where delays at one point provoked particular criticism.

Nonetheless, with respect to the reduction of nonperforming outstanding commitments, performance has been very solid. With the exception of some old and recalcitrant commitments which predate the genocide, all contracts and projects which should be closed have so been. Only 6% of outstanding credits (RAL) were found to be non-performing, and most of this amount should be cleared in 2003.

Naturally the rehabilitation programmes, by their very nature, provide for a longer period for implementation than is customary with projects. Here too, the exercise of mopping up of uncommitted funds and of funds made available for recommitment by recent closures, has advanced well.

The flexibility and speed of the rehabilitation programmes has contributed very positively to cooperation in Rwanda – the range of activities supported greatly exceeds that which would have been possible had ordinary project primary commitments been relied on.

It was not necessary in 2002 to look beyond the programmes for the effective use of funds within the programmes : in 2003, there will of course be the possibility to transfer remaining funds to 9th EDF programmes should that appear to be their most effective and rapid use. of funds.

Rehabilitation programmes have a particular and positive role to play in countries recovering from conflict. The Rwanda experience is a success story, for a project approach could not have offered the flexibility necessary to delegation and administration to respond to the wide variety of needs which have been met through the rehabilitation programmes.

6.2 DEFINITION OF INDICATORS

The measurement of results, based on impact and outcome indicators, is increasingly important in the EC's approach to development aid. At the same time, the Government of Rwanda is establishing a poverty monitoring system and is increasingly linking policy-making to results. As a result, the EC is increasingly involved in supporting the Government's monitoring system and is committed to working within that emerging system.

The CSP for the 9th EDF, signed in March 2003, includes a Intervention Framework with a provisional list of indicators and indicative targets for the focal sectors, largely derived from the PRSP.

However, it should be recognised that the choice and quality of indicators will continue to improve as capacity to select indicators and set rational targets is increased. The indicators outlined in this document are therefore likely to change in future years.

6.2.1 Government PRSP Monitoring System

Since the finalisation of the Rwandan PRSP, excellent progress has been made in establishing a coherent poverty monitoring system under the strong leadership of MINECOFIN. In particular, the concept of results-based policy making and budgeting is gradually becoming entrenched. Further, a programme of regular surveys and studies together with capacity building measures for the monitoring system (the Poverty Monitoring and Information Plan – PMIP) will be developed in 2003. This will include the creation of a modern and independent Bureau of Statistics.

However, progress on establishing the monitoring system is constrained by Government's general lack of capacity. In order to respond to this capacity constraint, the EC will set aside funds for capacity building for monitoring outcomes in key sectors (public financial management, health, education, agriculture and rural development, transport) through programmes to be designed in 2003 (particularly budgetary support and the rural economy strategy). Secondly, the EC will continue to work through Government monitoring systems rather than creating parallel systems. Thirdly, the EC recognises the dynamism of the process, and Government will continue to refine indicators, develop rational target setting, and improve data collection and analysis.

6.2.2 Long Term Impact Indicators

The Intervention Framework includes 6 long term impact indicators. These are all consistent with the PRSP and the Millennium Development Goals and will be updated through Government's monitoring system. However, they are only measurable every 5-10 years (with the exception of the economic growth rate), with the next data for most indicators (poverty headcount, maternal mortality, infant mortality) expected to be available after 2006.

6.2.3 Rural Development Indicators

The Intervention Framework contains a number of rural development indicators, covering issues of the recapitalisation of the rural economy, decentralisation, rural transport and water and sanitation. Updated data for some of these indicators is available for 2002 and is shown in Annex 3. However, rural development indicators are not well defined and limited in scope (focussed on production statistics rather than policy outcome indicators). It is intended over the course of 2003 to develop better indicators agreed to by all stakeholders in the context of the preparation of the Rural Economy Strategy (RES). This will also require support to the institutions that collect and analyse the data needed for the chosen indicators.

6.2.4 Macroeconomic support

The performance of macroeconomic support is to be monitored through indicators for public financial management (PFM), health and education. The monitoring of indicators in these sectors is generally further advanced than in other sectors. A refined list of performance indicators for health and education was agreed in 2003 through the PRS Review process. A sub-set of this list will be used in the design of the 9th EDF budget support programme¹⁰, which will include variable tranches linked to performance. However, rational target setting in both the education and health sectors is not yet well developed. Progress will be made in 2003, for example through the setting of education sector targets linked to the Education Sector Strategic Plan (ESSP) and resource availability.

¹⁰ Accordingly, the intervention framework has been updated to reflect these new indicators.

The education indicators contained in the Intervention Framework have been updated to reflect the agreement reached through the Joint Sector and PRS Review process. The main source of information will be the Education Management Information System (EMIS), which produces reliable administrative based data aggregated and analysed at national level. This information will be verified by household survey and other sources.

It has been agreed that during the course of 2003, the set of health performance indicators should be refined and indicative targets set. It is anticipated that most the health indicators contained within the Intervention Framework will remain but that the targets will change and be annualised. A technical assistant in the Planning Directorate of MINISANTE (funded by the EC) will be in place from late 2003 in order to strengthen monitoring systems in the health sector. Most data on health indicators comes from the Health Information System (HIS) and the Demographic and Health Survey (DHS). Since the DHS takes place every 4-5 years, performance indicators selected for the Intervention Framework and the budget support Financing Proposal will be those monitored through the HIS on an annual basis. These will then be verified by the DHS.

Public financial management indicators will be developed through the PFM action plan process (FARAP) and through future “compliance tests” funded by the EC through the new programme of budgetary support. The indicators in the intervention framework have been revised to ensure harmonisation with other donors and with the 9th EDF budget support programme.

6.3 DIALOGUE WITH NON-STATE ACTORS

The programming process for the 9th EDF took place with solid discussion with Rwandan civil society. There is naturally a tendency for them to see this in terms of access to resources outside the usual state structures, but there is also the orientation of programmes to respond more fully to the needs of civil society and the private sector. “Ubudehe”¹¹ is an example of such re-orientation from direct administrative use.

Indeed, in the 8th EDF, the government reserved funds for use by civil society in support of reconciliation and justice activities. These were well under way in 2002.

¹¹ « Ubudehe » is a community based approach to planning that arose from the PRSP process in Rwanda. The EC intends to support this approach by providing resources for the implementation of cellule-level projects determined by the community.

7. CONCLUSIONS

7.1 ECONOMIC, SOCIAL, AND POLITICAL SITUATION

Despite an impressive economic and social recovery since the 1994 genocide, Rwanda remains one of the poorest countries in the world, with a GDP per capita less than \$220 in 2002, and with 60.3 percent of the population living below the poverty line. The Government remains committed to poverty reduction and national unity, reconciliation and good governance. Impressive progress towards these two key objectives was made in 2002, including through excellent macro-economic performance, increased budgetary allocations to priority programmes, the holding of local elections, the release of prisoners and the establishment of reconciliation training camps.

Despite these robust achievements, 2002 was for the most part a preparation year for the Government of Rwanda: the Poverty Reduction Strategy Paper (PRSP) was finalised after two years of consultations and presents a clear strategy for development focussed pro-poor growth through the revival of the rural economy; the draft constitution was prepared for a referendum in 2003 which will mark the end of the transition period and will be followed by presidential and parliamentary elections; and the gacaca process accelerated the reconciliation agenda through training, awareness campaigns, and the provisional release of prisoners. As a result, 2003 and 2004 will be exceptionally busy years for the Government as a new political (democratic) and policy (poverty reduction) regime is fully launched.

However, Rwanda faces a number of constraints to the achievement of its objectives. Firstly, sustained economic growth and poverty reduction will require a transformation of agriculture through commercialisation and diversification, and the emergence of off-farm economic activities in rural areas. Growth in 2002 was driven by subsistence agriculture (as a result of good weather conditions) and the construction industry, which cannot generate sustainable growth. Secondly, human capacity in Rwanda remains massively constrained (especially in the public sector).

The political situation remains delicate. On the external side great progress was made by the total withdrawal of military forces from the DRC, thus weakening the case that Rwanda is profiting unduly from Congolese mineral resources. Rwanda remains committed to active cooperation with other countries, and in addition to membership of COMESA has looked to possible membership both of the East African Community and SADCC as well as to reactivation of the CEGL.

Internally, the economic and social burden of incarceration of large numbers of genocide suspects continues. The government does not accept the load passively, and is looking at ways to lighten the burden consistently with the rights of survivors and the dictates of both justice and reconciliation. This generates a challenging agenda which the EC has sought to accompany. Gacaca is a key component, but also reconciliation camps for the released, and community service for those who should serve their sentences in the Community.

7.2 RESULTS OF EC COOPERATION IN 2002

In terms of EC-Rwanda co-operation, 2002 was also a year of preparation. In terms of the 6th, 7th and 8th EDFs, preparations were made to use up the outstanding balances, largely through large-scale infrastructure projects. Calls for tenders for several of these (Kigali-Kayonza road, Gitarama-Butare-Akanyaru road, Kigali airport rehabilitation, Kigali urban roads, and Bugesera water supply) were issued in late 2002, and construction is expected to start in 2003.

In total, these five projects are expected to result in the disbursement of around €75 million in 2003 and subsequent years. In addition, progress was made in preparing a programme for the use of the €20 million of funds available under STABEX, to be implemented between 2003 and 2005. A new health programme was prepared to cover the period until such time as other donors can take the lead in the sector.

In terms of the 9th EDF, the Country Strategy Paper (CSP) and National Indicative Programme (NIP) were prepared based on the PRSP and on extensive consultations. For both focal sectors (rural development and macroeconomic support), financing agreements and first disbursements are expected in 2003. In terms of rural development, the EC and Government started a policy-level dialogue on the definition of a broad but detailed strategy. In addition, STABEX funds were successfully used to fund a test experience with Ubedehe. For both focal sectors, there is a perception that the available resources are insufficient and that Rwanda has been perversely penalised for the genocide and consequent recovery efforts. There is also frustration at the perceived lack of access to Envelope B funds earmarked for Rwanda in the absence of a natural disaster.

Some progress in terms of implementation was also made in 2002. In total, around €40 million was disbursed. This includes €26 million of budget support (from the 8th EDF), although this was between 6-12 months later than expected. 2002 also saw progress with decentralised programmes- microprojects, social infrastructure, and the PPGE were melded into a common programme. Construction of small-medium scale infrastructure continued, particularly in the education, health and social sectors. Implementation of 8th EDF support to justice, human rights and rule of law started and is expected to accelerate in 2003. Technical assistance was put in place in several key ministries. The results of this implementation were seen through the progress of national unity and reconciliation (particularly through Gacaca), and through signs of improvements in outcome indicators in education and health. Further, macroeconomic support contributed to Rwanda's excellent macroeconomic performance in 2003.

7.3 PROSPECTS FOR THE FUTURE

Thanks to the preparatory activities in 2002, including the whole programming exercise for support under the Cotonou Convention, things are in hand for an acceleration of support in 2003 and coming years. For a period there will be the parallel implementation of an extensive roads programme on the one hand, and the launching of 9th EDF funded activities on the other. This overlap will probably peak in 2004, as the decentralised expenditure envisaged under the rural economy support programme comes on stream. The latter will be added to by increasing disbursements of Stabex funds in support of coffee, tea, and other exports.

Efforts continued in 2002 to divert funds from less performing areas to those where disbursement can be rapid. In this regard the flexibility offered by the rehabilitation programmes was particularly welcome: they have proved to be flexible and appropriate instruments.

Capacity shortages will remain a major constraint on both sides of EC-Rwanda co-operation. The Rwandese Government continues to be beset by acute capacity shortages at all levels, partly as a legacy of the genocide. In order to alleviate this problem in future years, the EC has provided technical assistance in several key areas (including STABEX, macroeconomic management, infrastructure and justice). The Delegation also continues to be understaffed, although this problem should ease with deconcentration and parallel expansion of staffing scheduled for end-2003. Together, the TA to Government and additional staff in the Delegation should lead to significant improvements in disbursement rates in 2003 and 2004.

ANNEX 1 – POVERTY REDUCTION STRATEGY PROCESS SUMMARY

The Government of Rwanda has established poverty reduction as one of its two overarching objectives, alongside national unity, reconciliation and good governance. The two objectives are interrelated, as demonstrated by consultations undertaken in 1999 and 2000 by the National Unity and Reconciliation Commission (NURC), which identified poverty as a major barrier to reconciliation.

A. PRS Process

Rwanda's poverty reduction agenda was defined in the PRSP, finalised in June 2002, after a participatory process led by MINECOFIN between 2000 and 2002. The process was coordinated by the National Poverty Reduction Programme (NPRP – now SPPMD) in the Ministry of Finance and Economic Planning (MINECOFIN). It was based on Rwanda's long term development vision (Vision 2020), a number of diagnostic tools and on extensive consultations at all levels. The EC was involved in these consultations along with other development partners, including through a Government-organised conference in November 2001 in Kigali.

B. Overview of PRSP

The final document presents a detailed analysis of poverty in Rwanda, including information from both quantitative and qualitative surveys (including the Participatory Poverty Assessment – PPA and the Household Living Standards Survey – HLSS). This analysis, together with an appreciation of Rwanda's unique and tragic history, provides the basis for the strategy itself.

The PRSP recognises the fundamental importance of economic growth for poverty reduction. In the Rwandan context, pro-poor economic growth must be based in rural areas and involve the transformation of agriculture together with diversification into agro-processing, tourism, mining and other sectors. In addition, the PRSP identifies five other “building blocks” for poverty reduction: human development, macroeconomic stability, governance and partnership, and prioritising Government actions.

At the core of the PRSP is the identification of priority areas for public action, based on the “building blocks” analysis, the diagnostic tools and the extensive consultations during the PRS process. Six broad areas are identified (in order of priority): agricultural transformation and rural development, human resource development and improving the quality of life, economic infrastructure, good governance, building an enabling environment for private sector development, and social capital to support vulnerable groups.

Agricultural transformation and rural development is accorded the highest priority in the PRSP due to its importance to the generation of pro-poor growth. This includes the actions that most directly affect poor people's ability to raise their incomes. It includes agriculture and environment, land, supporting off-farm employment, credit, rural energy, small-scale rural infrastructure and labour-intensive rural public works.

Human development includes the actions which most directly influence the quality of life of the poor. It includes health, family planning, skills development, education, water and settlement. Priority public actions related to economic infrastructure include the development of roads, energy, and communications to support economic development both in urban and rural areas.

Priority governance actions comprise maintaining security, implementing constitutional reform, improving the justice system and implementing gacaca, accelerating decentralisation, translating the PRSP into realistic sectoral strategies, improving accountability and transparency, and civil service reform. In terms of Private Sector Development, the PRSP foresees a strong public role in the promotion of investment, the reduction of the costs and risks of doing business, and the promotion of exports.

The final priority area for public action is institutional capacity building, a cross-cutting issue which affects all sectors. It includes the design of institutional structures and incentives to encourage the development and retention of the relevant skills in public and private sectors.

In addition, there are a number of cross-cutting issues including support to vulnerable groups, technology, gender, environment, HIV/AIDS, employment, and inequality.

The PRS was designed to be realistic, and provides estimates of the cost of scaling up Government activities in the priority areas, given various resource availability scenarios. These are presented within an overall macroeconomic framework designed to maintain macroeconomic stability, and a framework for the improvement of public financial management, in order to improve the use of public resources. In addition, the strategy (and in particular, the policy matrices) is based on an appreciation of Government's severe capacity constraints.

Finally, the PRSP presents a framework for the monitoring of poverty, including the establishment of an institutional framework, the identification of indicators and the definition of a master plan for studies and surveys.

The PRSP also focussed on decentralisation as a key implementation mechanism. Increasingly, public resources will be channelled through local governments (particularly districts) and planning and budgeting decisions will increasingly be made at that level, with guidance from central ministries. In addition, the PRSP introduced innovative community development initiatives, such as ubedehe, through which resources will be transferred to the lowest administrative level (cellule) for development projects planned and implemented by the local community.

C. PRSP Implementation

Since the PRSP was completed, there have been a number of achievements. Firstly, the support of the donor community for the implementation of the PRSP has been secured. The final PRSP was endorsed by the Boards of the IMF and World Bank after a positive Joint Staff Assessment (JSA), and was adopted by other donors at the Development Partners' Conference in November, 2002. Efforts are ongoing (see Annex E) to ensure donor harmonisation and alignment behind the PRSP and related processes.

Secondly, work has begun on developing sector strategies (particularly in education, health and rural development), under the guidance of the Strategic Planning and Poverty Monitoring Department (SPPMD) of MINECOFIN. These sector strategies will translate the PRSP into more detailed plans that will form the basis for future budgets and donor projects. The development of sector strategies is based around "clusters", bringing Government departments and donors together in broad areas of interest (Agriculture and rural development, infrastructure and ICT, social sectors, human resources and capacity building, private sector and industry, governance, decentralisation and HIV/AIDS).

Thirdly, progress has been made in implementing the PRSP through the budget process. In particular, the PRSP was used to define Budget Priority Programmes which are used to track poverty related expenditure. In addition, the PRSP costings were used to influence budgetary allocations to different budgetary programmes, using the MTEF.

D. PRSP Monitoring and Review

The PRSP established the Poverty Observatoire within MINECOFIN as the coordinating body for PRSP monitoring (see Annex C). Since the PRSP was completed, the Poverty Observatoire has continued to refine the monitoring framework (for example by refining the core list of indicators and the programme of surveys and studies) and to produce analysis of the poverty situation (including the Poverty correlates study and the 2003 CWIQ survey).

In July 2003, Government produced a PRS Progress Review (PRS-PR) based on performance in 2002. The PRS-PR was based on consultations within Government and on discussions with donors and other stakeholders, including at a validation workshop. In future years, it is intended that the annual PRS Progress Review forms the basis of all reviews of performance for

all stakeholders. The process and content of the PRS Progress Review will be refined in the coming months, on the basis of experience of the 2003 review and of stakeholder requirements.

The 2003 report noted progress in various areas, including those described above under “PRSP Implementation”. In addition, there has been some improvement in certain health and education indicators (notably primary enrolment, pupils to qualified teacher ratio, rate of utilisation of health services and vaccination coverage), although new data for many indicators is not yet available, and it is too early for any improvements to be the result of PRSP implementation.

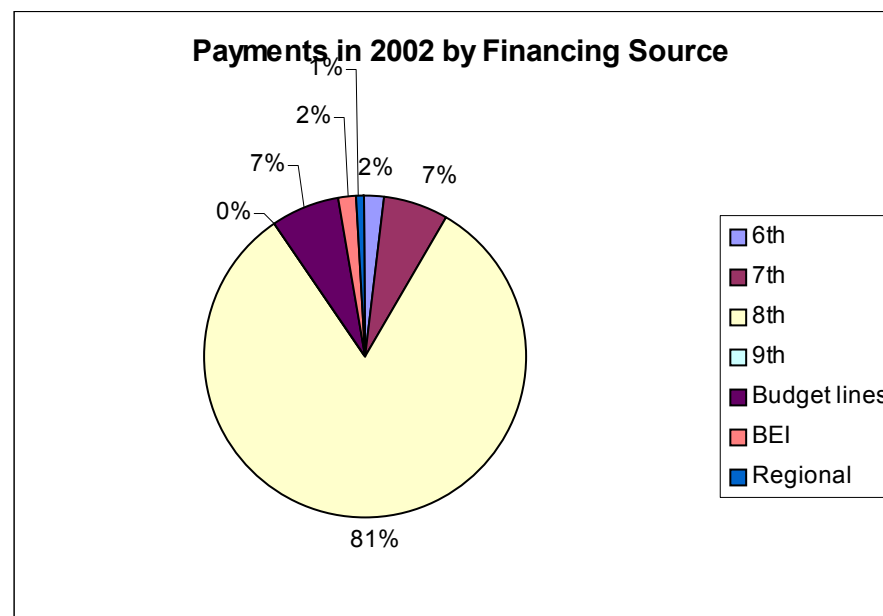
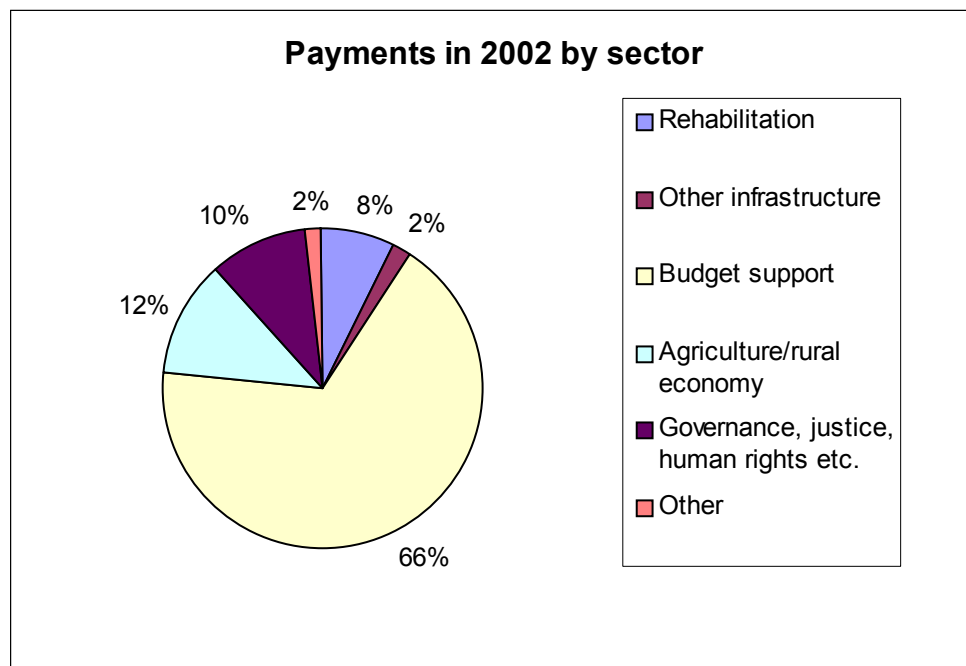
Where possible, the data in this Annual Report are taken from the PRS Progress Review.

ANNEX 2 – DETAILED FINANCIAL INFORMATION

Financial statement, at 31 December 2002, ongoing projects

			A	B		C		D		E	
EDF	Proj	Programme/Project/Component	Primary commitment	Secondary commitment	B/A	Payments 2002	C/B	Accrued payments	D/B	Balance (A-D)	E/A
6	12	Structural Adjustment Programme SAP1	10,000,000	10,000,000	100%	24,755	0%	10,000,000	100%	-	0%
6	36	Second Rehabilitation Programme	8,958,644	6,676,197	75%	765,178	11%	2,389,922	36%	6,568,722	73%
		Total active 6th EDF	18,958,644	16,676,197	88%	789,933	5%	12,389,922	74%	6,568,722	35%
7	25	First Programme of Micro-realizations	4,950,000	4,698,973	95%	110,662	2%	4,541,288	97%	408,712	8%
7	57	First Programme of urgent rehabilitation actions	46,800,000	40,794,753	87%	873,692	2%	38,219,068	94%	8,580,932	18%
7	66	Second Programme of Rehabilitation	2,621,498	2,586,747	99%	7,832	0%	2,502,867	97%	118,631	5%
7	67	Second Programme of Rehabilitation	55,619,859	35,190,580	63%	1,325,264	4%	29,230,671	83%	26,389,187	47%
7	73	Job creation priority programme	1,990,000	1,985,576	100%	238,840	12%	1,964,658	99%	25,342	1%
7	74	Technical study rehabilitation works Kigali-Kayonza road	400,000	387,258	97%	31,600	8%	375,085	97%	24,915	6%
7	Others	Non active/closed 7th EDF projects total	88,615,553	88,453,565	100%	-	0%	79,570,717	90%	9,044,836	10%
		Total 7th EDF	200,996,909	174,097,451	87%	2,587,891	1%	156,404,354	90%	44,592,555	22%
8	8	Structural Adjustment Programme SAP1	14,576,757	14,576,757	100%	-	0%	14,576,757	100%	-	0%
8	16	Micro-realizations programme	2,950,000	2,924,800	99%	1,369,362	96%	2,793,565	96%	156,435	5%
8	17	Support to Minecofin	7,000,000	1,746,700	25%	688,596	39%	729,984	42%	6,270,016	90%
8	18	3° General Census of Population & Habitat	7,000,000	5,090,929	73%	3,501,433	69%	3,826,790	75%	3,173,210	45%
8	19	Support to legally constituted State and civil initiatives	7,200,000	1,410,125	20%	330,791	23%	389,082	28%	6,810,918	95%
8	20-26	Budgetary support SAP 2 RW 7200/001	59,620,000	59,439,295	100%	26,072,007	44%	50,470,000	85%	9,150,000	15%
8	Others	Non active/closed 8th EDF projects total	25,990,895	25,990,895	100%	-	0%	25,990,895	100%	-	0%
		Total 8th EDF	124,337,652	111,179,501	89%	31,962,188	29%	98,777,072	89%	25,560,580	21%
EIB		Kigali Airport, EIB financing	11,000,000	1,931,600	18%	636,931	33%	636,931	33%	10,363,069	94%
		Total EDB co-financing	11,000,000	1,931,600	18%	636,931	33%	636,931	33%	10,363,069	94%
BL		COM STABEX 1996 - 1999	20,147,791	5,000,000		1,717,428		1,717,428		18,430,363	91%
BL		Food Security Programme (Modules & SISA)	8,000,000	6,000,000	75%	989,000	16%	4,053,000	68%	3,947,000	49%
		Total EC Budget Lines	28,147,791	11,000,000	39%	2,706,428	25%	5,770,428	52%	22,377,363	79%

			A	B		C		D		E	
EDF	Proj	Programme/Project/Component	Primary commitment	Secondary commitment	B/A	Payments 2002	C/B	Accrued payments	D/B	Balance (A-D)	E/A
Reg		Rehabilitation : road Gitarama Butare Akanyaru (+ 8.6€ from PAIR 2)	9,200,000	79,925	1%	34,653	43%	34,653	43%	9,165,347	100%
Reg		PACE - Pan-African Programme for epizoties control	361,518	361,518	100%	123,009	34%	123,009	34%	238,509	66%
Reg		African research Network for Central Africa agro-forestry	1,200,000	1,200,000	100%	147,630	12%	850,000	71%	350,000	29%
		Total Regional projects	10,761,518	1,641,443	15%	305,292	19%	1,007,662	61%	9,753,856	91%
		Total all projects	394,202,513	316,526,192	80%	38,988,663	12%	274,986,369	87%	119,216,145	30%



ANNEX 3 – UPDATED INTERVENTION FRAMEWORK

Objective	Performance Indicator	2001 – Actual	2002 – Actual	2003 – Target	2004 – Target	Source ¹²
<i>Indicators for Development and Poverty Reduction Objectives</i>						
Reduce incidence of poverty	% of population below the poverty line	60%				EICV – every 5 years
	Economic growth rate	6.7%	9.4%	3.2%	6.2%	MINECOFIN - annual
Control population growth	Population growth rate	3.2%				Census – every 10 years
Control fertility rate	Fertility rate	6%				DHS – every 5 years
Improve health status of the population	Maternal mortality rate (deaths per 100,000)	810				DHS – every 5 years
	Infant mortality (deaths per 1,000 live births)	107				DHS – every 5 years
Ensure monitoring of implementation and impact of PRSP	Establish sustainable PRSP monitoring and review system		PRSP finalised	Conduct 1 st annual PRS Progress Review; refine PRS indicators	Define regular programme of surveys and studies related to PRSP implementation	MINECOFIN
4.4 RURAL DEVELOPMENT						
Improve planning and coordination in rural development sector	Status of Public Expenditure Review in the agricultural sector		PER finalised		PER recommendations implemented through restructuring of MINAGRI budget in line with PRSP.	PER document, MINAGRI
	Status of privatisation and restructuring of parapublic entities in agriculture sector		PER proposed redefinition of public-private division; preparation for privatisation of tea and coffee related entities	Privatisation of 2 tea factories and estates.	Continued privatisation of entities	Privatisation Commission reports
	Status of Rural Economy Strategy (RES)* as broader implementing strategy for the PRSP sector of concentration.			Preliminary draft finalised	Approved by Cabinet and under implementation; reflected in 2005 Budget; Agricultural survey undertaken	

¹² The main source for all indicators will be the annual PRS Progress Review. Sources shown in this column are the primary sources, but for EC purposes, the PRS-PR will be the main reference document.

Objective	Performance Indicator	2001 – Actual	2002 – Actual	2003 – Target	2004 – Target	Source ¹²
Recapitalise rural areas - Improve equitable and sustainable access to inputs, credit and land in rural areas	Quantity of fertiliser imported (tonnes)	8,000	16,000	32,000	63,000	National import statistics
	% of producers with access to selected improved seeds	1%		5%	8%	
	% of credit to the agricultural sector	1%				
	<i>Membership of farmers' associations</i>	<i>1 or 2 indicators to be chosen on basis of data availability. Refined list of indicators and targets to be defined in context of Rural Economy Strategy.</i>				
	<i>Yields for key crops</i>					
	<i>Number of kilometres of terracing</i>					
	<i>Hectares of irrigated fields</i>					
	<i>Number of agro-processing factories</i>					
	Status of land policy and legal framework.		Land policy adopted by Cabinet	Information campaign for land policy conducted	Finalised Land Act presented to Parliament	
	Status of legal framework for micro finance		Revised legal framework finalised	Implementation and publicity of new framework underway		
Reinforce capacity and financial resources and accountability of decentralised entities	Status of legal framework for fiscal decentralisation		Finalised legal framework	Implementation underway		
	Development Budget transfers to districts (CDF) as % domestic revenue	0%	12.4%	13%	13%	Budget documents, IMF Docs
	Recurrent Budget transfers to districts (as % total domestic revenue)	0%	0.5%	1.5%	3%	Budget documents, Flash reports
	Status of human resource plans in districts		?	?	?	
	Status of strategy for the devolution to districts of services provided by various Ministries.		?	?	?	
	Status of legal framework for decentralised taxation.		Legal framework prepared	Legal framework approved and implementation initiated (some districts collecting local taxes)	Legal framework fully in place; All districts collecting tax locally	
	Status of audit and inspection system for local governments		System in place and under implementation, although with capacity shortages	Capacity for audit and inspection improved		
Improve planning and coordination related to rural infrastructure	Status of water sector policy and strategy*			Revision initiated	Revision finalised and new strategy under implementation.	

Objective	Performance Indicator	2001 – Actual	2002 – Actual	2003 – Target	2004 – Target	Source ¹²
	Status of transport sector policy*		Sector policy document issued by Cabinet		Road sector strategy finalised: Road fund increased/prioritised to ensure sustainability	
De-isolate rural areas; improve market access, reduce transport costs	Allocation to FER (road fund budget) RWF bn	2.8	3.4	4.0		
Improve access to safe water and sanitation	% population with access to clean water	52%				
	% population with access to basic sanitation					
4.5 MACROECONOMIC SUPPORT						
Improve harmonisation and alignment of macroeconomic support to PRSP	Status of budget support donor involvement in the elaboration of the state budget and negotiation of IMF programmes		Budget Framework Paper distributed to donors	Donors consulted during finalisation of BFP; budget support donors invited to observe IMF missions	Budget support donors consulted during in BFP preparation and participate in IMF missions.	
	Status of budget support harmonisation			GoR and budget support donors agree framework for budget support harmonisation	Implement framework, including Government-led joint annual review processes for macroeconomics, PFM and PRSP implementation.	
Ensure continued macroeconomic stability and growth	GDP growth	6.7%	9.4%	3.2%	6.0%	National Accounts
	Inflation (annual average)	3.4%	2.0%	4.7%	3.0%	Consumer Price Index
Improve public financial management	Internal resource mobilisation (tax and non-tax revenue) RWF bn	86.2	101.2	119	132	Budget documents, Flash reports
	Ministry of Health recurrent budget execution rate	98%	100%	100%	100%	Budget documents, Flash reports
	Ministry of Education recurrent budget execution rate	100%	100%	100%	100%	
	% recurrent budget allocated to health sector		2.9%	5%	4.4%	
	% recurrent budget allocated to education sector		21.9%	20.2%	20.6%	
	Military spending as % GDP	3.3%	2.9%	2.6%	2.4%	IMF Documents

Objective	Performance Indicator	2001 – Actual	2002 – Actual	2003 – Target	2004 – Target	Source ¹²
	Diagnostic reviews of PFM undertaken, including institutional analyses and expenditure		Public Expenditure Management Review (PEMR – led by WB); Financial Accountability Review (FARAP – led by WB); sectoral PERs (agriculture and transport).	Second phase of FARAP; Audit of SAF II (EC);	Public Expenditure Tracking Survey (PETS), Sectoral PERs (justice, health); annual PFM review	
	Regular monitoring by donors and Government of military expenditure and progress of demobilisation and reintegration .		Yes – IMF led monitoring of military spending; Audit of MINADEF; joint donor mission for monitoring D&R programme	Continued monitoring	Continued monitoring	
	Status of Public Financial Management action plan			Outline action plan finalised and implementation started	Detailed and costed action plan finalised and under implementation	
	Status of annual PFM review led by Government with multi-donor participation.			Content and timing of annual review agreed.	First annual review of PFM completed	
Improve quality and access to education	Primary net enrolment rate	73.3	75.5	78.3	81	EMIS
	Boys	72.9	74.0	77.7		
	Girls	74.9	74.9	78.9		
	Primary drop out rate	14.2	16.6	17.6	17.0	EMIS
	Primary Pupil to qualified teacher ratio	82	72.6	70.3	69.0	EMIS
	Status of Education Sector Strategic Plan (ESSP)*		First draft	ESSP finalised and reflected in 2004 budget	ESSP reviewed and updated through annual review process	
Improve quality and access to health	Utilisation of health services (new visits per capita)	0.25	0.28	0.3	0.32	HIS
	Vaccination coverage rate	77%	85%	90%	92%	HIS
	Births attended by qualified personnel	31	35	37	39	HIS
	Status of health sector strategy*			Discussions on Health sector strategy initiated	Health sector strategy finalised and reflected in 2005 budget.	
4.5.1 <i>Non-focal sectors</i>						
Complete transition to multi-party democracy	Status of new constitution		Drafting in final stages	New constitution finalised and guarantees basic civil and political rights; referendum held; implementation initiated	Relevant provisions of new constitution implemented	

Objective	Performance Indicator	2001 – Actual	2002 – Actual	2003 – Target	2004 – Target	Source ¹²
	Independence of National Electoral Commission			Independence guaranteed in adopted constitution; independence demonstrated during election processes		
	Status of national elections		Electoral processes outlined in draft constitution; commitment to holding presidential and parliamentary elections in 2003	Presidential and parliamentary elections held in free and fair manner, observed by EU observers, with liberty of expression and transparency of the electoral process		
Ensure justice for crimes of genocide and reform justice system	Status of the “gacaca” system taking into consideration fundamental civil rights and international civil rights		Pre-trial proceedings initiated, delays as a result of complexity of process; release of 10,000 prisoners.	Beginning of judgement proceedings	Acceleration of judgement proceedings	
Work towards regional economic integration	Reduction of import tariffs for goods coming from COMESA countries. Active participation in the COMESA processes.		Partially implemented on-time – tariff rates have been gradually reduced; participation in COMESA process limited	Finalise tariff reductions and other preparations for fully joining COMESA	Rwanda full COMESA member and actively participating in COMESA processes, including EPA negotiation	
Work towards regional peace and stability	Respect of United Nation’s Security Council’s resolutions, in particular those regarding cease-fire and presence of foreign armed forces in DRC, as well as illegal exploitation of natural resources and the human rights situation in this country.		Completed on-time – all Rwandan armed forces officially withdrawn from DRC in November 2002.	Set up commission of enquiry into alleged illegal exploitation of natural resources and violation of human rights in DRC		
	Increased participation of civil society organisations in economic, social and political life. Respect of their right to autonomy and independence also with regards to laws regarding NGO’s.		Ongoing	Ongoing	Ongoing	

* All sector strategies are expected to be developed in line with MINECOFIN guidelines, involving broad stakeholder participation, costing and prioritisation of strategies, and the setting of quantifiable targets for future monitoring. As these sector strategies are developed, the associated indicators and targets will be incorporated into the PRSP and into future EC Intervention Frameworks. This will mean that the Intervention Framework is increasingly quantitative and harmonised with the PRSP.

ANNEX 4 - UPDATED SCHEDULE OF ACTIVITIES

Schedule : 2002-2006 activities

	Amount (M euro)	Preliminary studies	Evaluation	Financing decision	Technical Studies	Implementation	Closing & évaluation
Sector 1 : Rural development	62						
- Community Développement Programme	32	2002 (*)	2003/1	2003/2	2004/1	2004/1-2006/2	2007/1
- Land Reform Awareness	1		2003/2	2004/1		2004/2-2005/2	2007/1(**)
- Agricultural Extension & Information Services	1		2004/1	2004/2		2005/1-2006/2	2007/1(**)
- Interventions on the road network	25		2003/2	2004/1	2003 (*)	2004/2-2006/2	2007/1
- Potable water in rural areas – phase 2	5	2003 (*)	2003/2	2004/1	2004/1	2004/2-2006/1	2006/2
Sector 2 : Macro-economic support	50						
- Budget Support for Poverty Reduction (BSPR)	50	2002/2	2002/2	2003/2		2003/2-2006/1	2006/1
Sector 3 : Non-focal Interventions	12						
- Institutional capacity building programme	6		2003/2	2004/1		2004/1-2006/2	2007/1
- Regional Integration support programme	1		2003/2	2004/1		2004/1-2005/1	2005/2
- Support to civil society	2		2004/1	2004/1		2004/2-2006/1	2006/2
- Re-integration of demobilised and vulnerable group within urban districts	3		2003/1	2003/2		2004/1-2006/2	2007/(**)

* 8th EDF

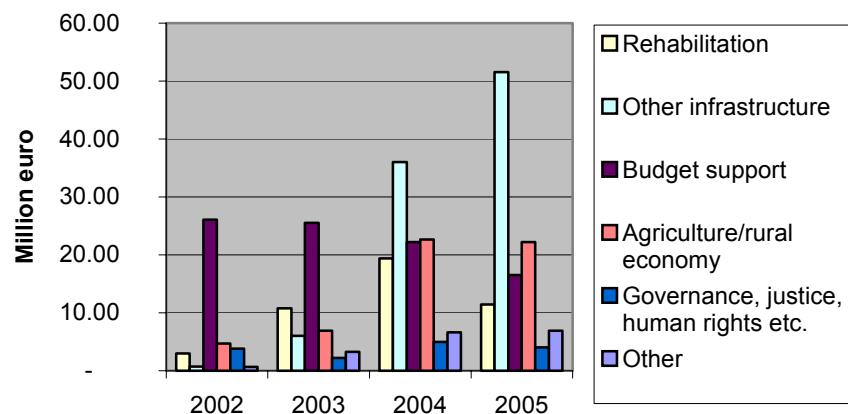
** Evaluation included within the community development programme

ANNEX 5 – INDICATIVE TIMETABLE FOR COMMITMENTS AND DISBURSEMENTS

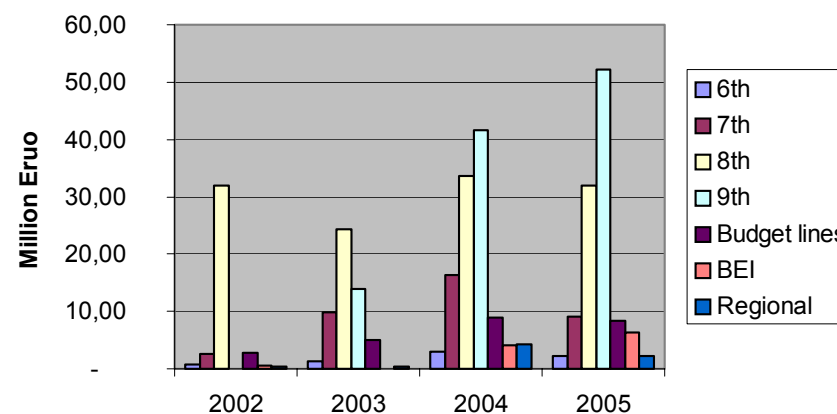
EDF	Proj	Programme/Project/Component	Primary commitment		Payments		
			2003	2004	2003	2004	2005
6	12	Structural Adjustment Programme SAP1					
6	36	Second Rehabilitation Programme			1,300,000	3,000,000	2,268,722
		Total active 6th EDF			1,300,000	3,000,000	2,268,722
7	25	First Programme of Micro-realizations			408,712	-	
7	57	First Programme of urgent rehabilitation actions			1,000,000	3,300,000	4,280,932
7	66	Second Programme of Rehabilitation			-	118,631	
7	67	Second Programme of Rehabilitation			8,500,000	13,000,000	4,889,187
7	73	Job creation priority programme			25,342	-	
7	74	Technical study rehabilitation works Kigali-Kayonza road					
7	Others	Non active/closed 7th EDF projects total					
		Total 7th EDF			9,934,054	16,418,631	9,170,119
8	8	Structural Adjustment Programme SAP1					
8	16	Micro-realizations programme			156,435		
8	17	Support to Minecofin			1,500,000	2,500,000	2,270,016
8	18	3° General Census of Population & Habitat			700,000	2,000,000	473,210
8	19	Support to legally constituted State and civil initiatives			1,500,000	2,500,000	2,810,918
8	20-26	Budgetary support SAP 2 RW 7200/001	5,100,000		13,050,000	1,200,000	
8		Alimentation Eau Potable régions Bugesera / Karengé	19,000,000			8,000,000	11,000,000
8		Microrealizations sociales, rurales et urbains	3,200,000		1,000,000	1,500,000	700,000
8		Appui à la Santé	2,000,000		350,000	1,000,000	650,000
8		Programme sectoriel des Transports (Kigali Kayonza et Minitraco)	35,000,000		6,000,000	15,000,000	14,000,000
8	Others	Non active/closed 8th EDF projects total					
		Total 8th EDF	64,300,000		24,256,435	33,700,000	31,904,145
9		Budgetary Support BSPR I	50,000,000		12,500,000	21,000,000	16,500,000
9		Support to the Rural Economic Strategy & Decentralisation	37,000,000		-	12,000,000	13,000,000
9		Rehabilitation Ruhengeri-Gisenyi Road		25,000,000		2,000,000	13,000,000
9		Support to the elections	1,800,000		1,400,000	400,000	-
9		Support to the civil society		2,000,000		500,000	750,000
9		Regional Integration Support		1,000,000		250,000	500,000
9		Institutional Capacity Building Support		6,000,000		1,000,000	2,000,000
9		Re-integration of demobilised	3,000,000			1,500,000	1,500,000
9		Parliament and Ministry of Justice building refurbishments	8,000,000			3,000,000	5,000,000
		Total 9th EDF	99,800,000	34,000,000	13,900,000	41,650,000	52,250,000
		Total EDFs			49,390,489	94,768,631	95,592,986

EDF	Proj	Programme/Project/Component	Primary commitment		Payments		
			2003	2004	2003	2004	2005
EIB		Kigali Airport, EIB financing			-	4,000,000	6,363,069
		Total EIB co-financing			-	4,000,000	6,363,069
BL		COM STABEX 1996 - 1999			3,000,000	7,000,000	8,430,363
BL		Food Security Programme (Modules & SISA)			2,000,000	1,947,000	
		Total EC Budget Lines			5,000,000	8,947,000	8,430,363
Reg		Rehabilitation Gitarama Butare Akanyaru Road (+ 8.6€ from PAIR 2)				4,000,000	2,200,000
Reg		PACE - Pan-African Programme for epizooties control			150,000	88,509	
Reg		African Research Network for Central Africa Agro-forestry			150,000	100,000	100,000
		Total Regional projects			300,000	4,188,509	2,300,000
		Total all projects	164,100,000	34,000,000	54,690,489	111,904,140	112,686,418

Projected payments by Sector



Projected payments by EDF



ANNEX 6 - 2001 ANNUAL REPORT

**REPUBLIQUE
RWANDAISE**



**Ministère des Finances
et de la
Planification Economique**

**COMMISSION
EUROPEENNE**



**Délégation de la
Commission Européenne
au Rwanda**

**PROJET DE
RAPPORT ANNUEL CONJOINT 2001
POUR LE RWANDA**

• **TABLE DES MATIERES**

1	RESUME.....	41
2	POLITIQUE DU GOUVERNEMENT	42
2.1	OBJECTIFS NATIONAUX.....	42
2.1.1	<i>Les priorités de la Stratégie de Réduction de la Pauvreté.....</i>	42
2.1.2	<i>Les priorités à court terme.....</i>	42
2.1.3	<i>Les priorités à moyen et long terme.....</i>	42
2.2	OBJECTIFS REGIONAUX.....	42
3	BILAN DE LA SITUATION POLITIQUE ET ECONOMIQUE.....	43
3.1	CADRAGE MACRO-ECONOMIQUE.....	43
3.1.1	<i>L'environnement international.....</i>	43
3.1.2	<i>Evolution de l'économie nationale.....</i>	44
3.2	CONTEXTE POLITIQUE.....	45
3.3	CONTEXTE SOCIAL.....	46
3.4	CONTEXTE ECONOMIQUE.....	47
4	LA COOPERATION RWANDA-UE, PASSEE ET PRESENTE :.....	47
4.1	LES INSTRUMENTS DE LA COOPERATION PASSEE UE / RWANDA.....	47
4.2	ACTIVITES ET RESULTATS POUR 2001	48
4.2.1	<i>Volets Infrastructures.....</i>	48
4.2.2	<i>Volets Sociaux.....</i>	49
4.2.3	<i>Volets Economie.....</i>	51
4.2.4	<i>Volets Gouvernance / Justice / Droits de l'homme</i>	51
4.3	EVALUATION DE L'IMPACT POUR 2001	52
4.3.1	<i>Le déséquilibre de l'appui de l'UE en 2001</i>	52
4.3.2	<i>Pertinence de la programmation.....</i>	53
5	PERSPECTIVES DE PROGRAMMATION POUR LES ANNEES SUIVANTES..	53
5.1	PROGRAMME INDICATIF NATIONAL 9° FED	53
5.1.1	<i>Les instruments financiers.....</i>	53
5.1.2	<i>Les secteurs de concentration :.....</i>	54
5.1.3	<i>Les programmes hors concentration : 12 M€.....</i>	54
5.1.4	<i>Les indicateurs de performance.....</i>	55
6	COORDINATION ET COMPLEMENTARITE AVEC LES AUTRES BAILLEURS.....	55

Table des abréviations

ANT	Assemblée Nationale de Transition
APER	Accord de Partenariat Economique Régional
BNR	Banque Nationale du Rwanda
CDC	Comités de Développement Communautaire
CDMT	Cadre des Dépenses Budgétaires à Moyen Terme (MTEF)
CE	Commission Européenne
CEEAC	Communauté Economique des Etats d'Afrique Centrale
CEGL	Communauté Economique des Grands Lacs
CNDH	Commission Nationale des Droits de l'Homme
COMESA	Marché Commun de l'Afrique de l'Est et du Sud
CUNR	Commission d'Unité Nationale et de Réconciliation
ECHO	European Commission Humanitarian Office
FARG	Fonds d'Aide aux Rescapés du Génocide
FBCF	Formation Brute de Capital Fixe
FDC	Fonds de Développement Communautaire
FED	Fonds Européen de Développement
FER	Fonds d'Entretien Routier
FPR	Fonds Patriotique Rwandais
FRPC	Facilité pour la Réduction de la Pauvreté et pour la Croissance (PRGF)
FRW	Franc Rwandais
Gacaca	Tribunal Populaire traditionnel (jugera les personnes accusées de génocide)
M€	Million d'Euros
OBK	Organisation pour l'Amélioration et le Développement du Bassin de la Kagera
OMC	Organisation Mondiale du Commerce
ORPI	Office Rwandais de Promotion des Investissements (RIPA)
PIB	Produit Intérieur Brut
PIN	Programme Indicatif National
PNB	Produit National Brut
PPGE	Programme Prioritaire de Génération d'Emplois
PRSP	Poverty Reduction Strategy Paper
RIFF	Régional Intégration Facilitation Forum
SAF	Structural Adjustment Fund (Appui budgétaire)
TPI	Tribunal Pénal International (Arusha)
UNDAF	United Nations Development Assistance Framework

Taux de change moyen de l'Euro /Ecu en Franc Rwandais Source: BNR

année	1994	1995	1996	1997	1998	1999	2000	2001
FRW/EUR	166.5	340.2	384.1	341.9	353.0	356.6	358.2	397.2

1 RESUME

Le présent rapport a pour objectifs: (i) d'évaluer les progrès réalisés, les résultats ainsi que les difficultés rencontrées dans la mise en œuvre des projets et programmes financées par le FED, au cours de l'année 2001; et (ii) de formuler sur la base de cette information des recommandations et propositions appropriées d'un plan de travail cohérent à l'intention de l'Ordonnateur National et de la Commission européenne.

La présentation du rapport correspond aux quatre domaines couverts par la « note » concernant le rapport annuel conjoint.

- Le chapitre 2 examine la politique du gouvernement, ainsi que les objectifs nationaux et régionaux de développement du pays.
- Le chapitre 3, après analyse du cadre macroéconomique, récapitule et fait le bilan de la situation socio-économique et politique.
- Le chapitre 4 examine brièvement la coopération passée et présente entre le Rwanda et l'Union Européenne.
- Le chapitre 5 souligne les éléments d'orientations du 9ème FED, et revient sur les perspectives de programmation pour les années qui viennent.

Depuis ses premières opérations au Rwanda jusqu'en 1994, l'Union Européenne avait engagé, principalement en aide programmable, environ 300 M€ en programmes de développement. A la fin de la guerre en juillet 1994, l'appui de l'UE était surtout caractérisé par une réponse immédiate et ponctuelle, via le financement de l'Office Humanitaire (ECHO) et de la ligne budgétaire "aide alimentaire", des ONG agissant sur le terrain. L'aide d'ECHO s'est élevée à environ 400 ME pour des bénéficiaires situés au Rwanda et dans les camps au Congo et en Tanzanie. L'aide alimentaire s'est chiffrée également à plus de 100 ME.

Le début de 1995 marquait le retour à la normalisation et le passage de la phase d'urgence à celle de la réhabilitation, et en février était signé le programme d'Action Immédiate de Réhabilitation des Structures, qui s'insérait dans le Programme de Réconciliation Nationale, de Réhabilitation et de Développement établi par le Gouvernement rwandais suite à la Table Ronde pour le Rwanda tenue à Genève en janvier 1995.

Fin 1997, un second Programme de Réhabilitation a été adopté. Les deux programmes totalisent un montant pour le 7ème FED de 103 M€.

En mars 2000, le Rwanda a signé un Programme Indicatif National pour un montant de 110 M€ pour le 8ème FED, qui marquait le passage de la phase de réhabilitation vers le développement à long terme.

A la fin de cette même année, le Gouvernement a fixé les orientations des domaines de coopération pour le 9ème FED dans le cadre de l'Accord de Cotonou, avec une enveloppe financière A de 124 M€. La signature du Programme Indicatif National et de la Stratégie de Coopération qui le sous-tend est prévue dans les prochains mois.

Avec des infrastructures économiques, sociales et des ressources humaines fortement détruites et amputées au cours de la crise de l'année 1994, le Rwanda ne se trouve pas dans une situation comparable aux autres pays ACP. Bien que l'état d'urgence ait été officiellement clos en 1999 pour entrer dans la phase du développement durable, il reste encore aujourd'hui à réhabiliter de nombreux équipements et à renforcer les capacités. Ces besoins sont identifiés principalement dans les domaines des infrastructures en zones rurales. Dans ces conditions il convient de

souligner l'urgence d'un appui dans ce domaine comme préalable au succès des programmes de lutte contre la pauvreté.

2 POLITIQUE DU GOUVERNEMENT

2.1 OBJECTIFS NATIONAUX

Parmi les objectifs principaux du Gouvernement on peut énumérer:

- Au niveau politique: Le renforcement de la cohésion sociale, la réconciliation, la création d'un environnement propice au développement, la recherche d'une nouvelle identité nationale, la reconstruction d'un Etat efficace. Une transition démocratique est prévue avec un référendum constitutionnel en 2003, suivi d'élections présidentielles et législatives au suffrage universel.
- Au niveau économique: La réduction de la pauvreté qui constitue la priorité dans la politique de développement du Gouvernement, qui a conçu un programme de stimulation de la croissance et de réduction de la pauvreté. Ce programme, formulé dans le Document de Stratégie de Réduction de la Pauvreté (PRSP), a été élaboré de manière participative après une large consultation de la population.

2.1.1 Les priorités de la Stratégie de Réduction de la Pauvreté

La Stratégie de Réduction de la Pauvreté comprend six secteurs prioritaires de développement: Le développement rural et la transformation de l'agriculture; Le développement des ressources humaines; Les infrastructures économiques; La gouvernance; Le développement du secteur privé; Le renforcement des capacités institutionnelles.

2.1.2 Les priorités à court terme

- Augmentation de la production agricole, des revenus, de l'emploi, de la productivité de la main d'œuvre et de la recapitalisation rurale.
- Amélioration des conditions de vie des pauvres et stabilisation de l'accroissement de la population dans les habitats regroupés.
- Mise en œuvre de solutions aux problèmes spécifiques des groupes les plus vulnérables.
- Création ou réhabilitation des infrastructures de base.
- Promotion d'activités génératrices de revenus et développement des opportunités de formation et d'emploi pour les jeunes non qualifiés.

2.1.3 Les priorités à moyen et long terme

Diversification de l'économie et augmentation du taux d'investissement productif. En effet il est nécessaire d'atteindre un taux de croissance annuel d'au moins 8% pendant les quinze prochaines années pour réduire la pauvreté de moitié d'ici 2015, ce qui nécessite une augmentation très importante des investissements sur cette période.

2.2 OBJECTIFS REGIONAUX

Le Rwanda est membre de la Communauté Economique des Grands Lacs (CEPGL), de l'Organisation pour l'Amélioration et le Développement du Bassin de la Kagera (OBK), de la Communauté Economique des Etats d'Afrique Centrale (CCEAC) ainsi que du Marché Commun de l'Afrique de l'Est et du Sud (COMESA).

Depuis 1992, le Rwanda fait partie de l'Initiative Transfrontalière (CHI) devenue "Régional Intégration Facilitation Forum" (RIFF) et s'est engagé décidément dans une politique d'intégration régionale.

A partir du 1997, la libéralisation du commerce extérieur a été accélérée dans le cadre du COMESA et du RIFF, avec la réduction des taxes à l'importation (60% en 2001, 80% en 2002 et 100% en 2003) ainsi que l'élimination des barrières non tarifaires. Ces réformes conduiront à l'intensification des échanges régionaux mais exigent une restructuration des industries rwandaises, traditionnellement très protégées, ainsi que l'amélioration de l'environnement du secteur privé.

Handicapées par un marché intérieur très étroit et des coûts de transports prohibitifs, les entreprises rwandaises ne devraient pas profiter dans un premier temps de cette ouverture du marché à leur concurrents régionaux. D'un autre côté cette libéralisation obligera le secteur privé à réaliser les efforts de restructuration et de modernisation de leurs technologies, dees circuits commerciaux et des méthodes de management. Enfin, il est attendu un impact négatif sur l'évolution des recettes budgétaires de l'Etat par la réduction des droits de douane.

Ces handicaps pourront s'estomper lorsque les produits rwandais atteindront le niveau de qualité exigé sur les marchés internationaux.

3 BILAN DE LA SITUATION POLITIQUE ET ECONOMIQUE

3.1 CADRAGE MACRO-ECONOMIQUE

3.1.1 L'environnement international

L'année 2001 s'est caractérisée par un ralentissement de la demande mondiale, provoqué par le freinage brutal de l'économie américaine. Le Japon pour sa part est confronté à un endettement public considérable et à des problèmes bancaires. En Europe, l'accélération de la demande intérieure compense cet impact dans la zone Euro qui continue de croître à un rythme de l'ordre de 2,5 % par an.

L'année 2001 a fait apparaître une nette détente de l'inflation dans certains pays fournisseurs du Rwanda, notamment les USA, l'Europe et les pays de la Sous-Région, qui ont un impact sur le niveau des prix des importations rwandaises.

Dans le domaine de l'énergie, les pays producteurs de pétrole avaient imposé en mars 1999 une réduction de la production pour raffermir le prix du baril qui a atteint 37 dollars en automne 2000. Cependant par les perspectives de réduction de l'activité américaine, le prix a chuté brutalement de 20% passant de 32,4 US\$/b en novembre 2000 à 25,6 US\$ en décembre. Les producteurs sont généralement favorables à une stabilisation des prix entre 22 et 28 US\$ le baril tandis que les grandes puissances souhaiteraient un prix du baril autour de 25 US\$, pour éviter un retour de l'inflation. En 2001 les prix se sont maintenus entre 25 et 28 US\$/b.

En ce qui concerne le café, l'offre continue d'être fortement excédentaire, notamment pour le café de la catégorie "autres arabicas doux" produite au Rwanda, et les prix sont très déprimés. L'Association des pays producteurs de café avait mis au point, l'an dernier, un plan pour réduire la production mondiale de 20%, mais cette initiative se heurte aux stocks accumulés qui atteignent 56 millions de sacs, soit 3,12 millions de tonnes de café. La seule solution pour se dégager d'un marché durablement déprimé serait de s'orienter vers une production de qualité.

Cette stratégie demande des gros investissements en stations de lavage, mais les perspectives sont très intéressantes, car le prix de ces cafés de haute qualité peut dépasser 4\$/kg.

3.1.2 Evolution de l'économie nationale

L'année 2001 s'est caractérisée par la poursuite des réformes économiques entamées depuis 1998, dans le cadre de la Facilité pour la Réduction de la Pauvreté et la Croissance (FRPC), soutenue également par le FMI et la BM.

Malgré un environnement international défavorable, le PNB a enregistré en 2001 un taux de croissance de 6,3% (6,0% en 2000); le taux d'inflation a baissé de 3,9% en 2000 à 3,4 % en 2001, ce qui est l'un des taux les plus faibles de l'Afrique sous-saharienne.

Les recettes totales de l'Etat se sont élevées à 136,8 milliards de FRW soit + / - 342 M€, en progression de 3 % par rapport à 2000. Les recettes propres sont passées de 68,1 milliards de FRW à 86,2 milliards de FRW (+25,5%), tandis que les recettes apportées par les bailleurs de fonds extérieurs ont diminué de 64,1 à 50,6 milliards de FRW. Le solde budgétaire est en déficit en 2001 de 7,4 milliards de FRW, contre 3,9 milliards en 2000.

La dette extérieure publique, fin décembre 2001, s'est élevée à 1.237,4 millions de US\$ (soit 72,2% du PIB), contre 1.153,1 millions US\$ en 2000 (soit 72,6% du PIB). (Source: rapport annuel BNR 2001). Le Rwanda a été déclaré éligible en décembre 2000 au mécanisme d'allègement de la dette PPTE, qui devrait au point de complétion réduire l'encours total de la dette de 71%. L'un des effets de l'allègement de la dette est que la politique de développement par de nouveaux emprunts (Banque Mondiale, BAD, FIDA, etc...) est beaucoup plus serrée, le Gouvernement voulant s'approcher du ratio de 150% pour la valeur actuelle nette de l'encours par rapport aux exportations.

Dans le secteur agricole, l'agriculture vivrière, qui avait été éprouvée par la sécheresse en 2000 provoquant une baisse de -27% de production de la banane (principal produit vivrier du pays), retrouve progressivement en 2001 sa production normale. En dehors de ce produit, deux autres produits vivriers participent au dynamisme de la croissance agricole: la pomme de terre et le riz, dont la production a augmenté de 15%. L'agriculture d'exportation (thé et café, mais aussi pyrèthre, plantes et fleurs coupées, et fruits tropicaux), doit connaître également une croissance de l'ordre de 14 % en FRW, malgré la chute du cours du café.

S'agissant du secteur secondaire, la valeur ajoutée à prix constants de l'industrie manufacturière a crû de 7,9% en 2001 après avoir diminué de 5,3% en 2000. La baisse enregistrée en 2000 était imputable aux industries alimentaires, qui représentent les quatre cinquièmes de l'ensemble, et parmi elles aux brasseries (-14,8%), tandis que les autres activités progressaient. En 2001 toutes les sous-branches progressent, à l'exception de la transformation non métallique. Par produit, les hausses de production en volume les plus spectaculaires concernent le sucre (quasi-quintuplement), le riz décortiqué, les produits laitiers (+50%), le thé (+55,7%), le savon (+20,3%), le ciment (+17,4) et le café (+16,8%). La valeur ajoutée des industries extractives progresse de 16,5%, du fait notamment d'une très forte demande pour le colombo-tantalite, et celle de la construction de 7,8%. En revanche, la production réelle d'électricité et d'eau reste en deçà du niveau des années 1990, sous l'effet conjugué de deux facteurs: le départ massif d'expatriés après la période d'urgence et la stagnation du niveau de vie de la majorité de la population.

Le secteur tertiaire est porté particulièrement par les télécommunications, les banques, les assurances et les revenus mobiliers avec un taux de croissance de 6% ; Par contre le commerce est handicapé par la grande pauvreté du pays; Une partie importante des transactions en milieu rural (91 % de la population) n'est pas monétarisée.

L'investissement brut, exprimé en termes de Formation Brute de Capital Fixe (FBCF) croît régulièrement, passant de 13.4% du PIB en 1995 à 18.4% en 2001. Toutefois ce taux est en deçà du niveau nécessaire (22%) pour générer une croissance suffisante pour réduire de manière significative la pauvreté. L'investissement privé est passé de 5,3% à 11,8 du PIB sur la même période; Les investissements privés recensés par l'Office Rwandais de Promotion des Investissements (ORPI) sont assez encourageants mais restent à être confirmés.

3.2 CONTEXTE POLITIQUE

Un Gouvernement de transition a été formé en 1994, sur l'initiative du Front Patriotique Rwandais (FPR) et avec la participation des partis non impliqués dans le génocide. A la même période, en vertu des Accords d'Arusha de 1993, une Assemblée Nationale de Transition (ANT) a été formée sur désignation du Forum des Partis politiques. L'ANT, composée de 70 membres, vote les lois, contrôle le Gouvernement et tient un rôle important dans la lutte contre la corruption; Son mandat expirait en juillet 1999 mais a été prolongé de 4 ans, afin de compléter en 2003 le processus de transition vers la démocratie. En 2001, en préparation de ce processus, ont eu lieu des élections au niveau des Districts, selon un système de vote secret mais sans représentation des partis politiques. Une Commission Constitutionnelle, mise en place en 1999, prépare le projet de Constitution qui sera soumis par référendum en 2003.

Concernant les Droits de l'Homme, on peut constater une certaine évolution positive, qui doit toutefois se consolider dans les actes politiques, administratifs et économiques. A cette fin, une Commission Nationale des Droits de l'Homme (CNDH) a été mise en place en 1999. Elle travaille sans interférence du Gouvernement. Le dialogue avec ce dernier concerne particulièrement la situation dans les prisons, le climat médiatique, l'exercice des libertés politiques et les activités de l'Armée hors des frontières du Pays.

Par ailleurs, le Gouvernement s'est engagé fermement dans une politique de Réconciliation Nationale dont la mise en œuvre constitue un des aspects transversaux dans l'identification et la réalisation des stratégies et des actions de développement. Dans ce domaine le Gouvernement est fortement soutenu par l'UE et par les autres bailleurs. Aussi en 1999 a été mise en place une Commission d'Unité Nationale et de Réconciliation (CUNR), qui exécute un travail remarquable de soutien aux initiatives de la Société civile, au-delà du clivage ethnique. Un important pas en avant dans ce domaine a été franchi par la mise en place d'une Commission de Démobilisation. Des initiatives de soutien aux soldats démobilisés, dont une partie est constituée d'enfants, ont été financées par la C.E. sous forme d'appui budgétaire.

Dans ce contexte psychologique de réconciliation une place importante est tenue par la Juridiction "Gacaca", tribunal populaire et traditionnel chargé des procédures judiciaires et du jugement d'une partie des 120.000 prisonniers actuellement encore détenus et notamment de ceux qui sont accusés de délits de la catégorie 2, 3 et 4, tandis que les responsables et instigateurs du génocide (catégorie 1) sont soumis à la juridiction normale et au TPI. Les tribunaux "Gacaca", dont la loi a été récemment approuvée, seront opérationnels en 2002, à l'issue de la formation des juges populaires. La mise en route de ces procès déclanchera la mobilisation de l'aide budgétaire SAF II de l'Union Européenne, dont les tranches 3 et 4 dépendent des progrès réalisés dans ce domaine.

3.3 CONTEXTE SOCIAL

Après le génocide, la partie de la population vivant en dessous du seuil de la pauvreté est estimée à 60%, avec un revenu par tête de 150 € par adulte et par an. Le taux de chômage est très élevé, surtout parmi les jeunes dont le niveau général de qualification est très bas, et parmi les couches de la population les plus vulnérables, issues du génocide. Certains indicateurs montrent en outre un déséquilibre entre le milieu rural et le milieu urbain et entre la capitale Kigali et le reste du pays.

Le processus d'élaboration de la stratégie de Croissance Economique et de Réduction de la Pauvreté, dans le cadre du PRSP est dans sa phase finale. L'analyse de la pauvreté, l'identification des contraintes, l'établissement des différents scénarios envisagés ainsi que le programme de dépenses ont été élaborés avec soin avec une forte participation de la société civile et des structures décentralisées et seront des instruments précieux de dialogue intergouvernemental et avec les donateurs.

Dans le cadre du programme du Gouvernement pour la transition vers la démocratie et dans la mise en œuvre de la Stratégie de Réduction de la Pauvreté, un rôle essentiel est tenu par le processus de décentralisation. Celui-ci a démarré avec des élections au niveau local (cellules, secteurs, districts) qui se sont succédés entre 1999 et 2002. La politique de développement communautaire, qui introduit les principes de décentralisation budgétaire et fiscale en faveur des districts, rendra opérationnelle, dès l'année 2002, la politique de décentralisation dont l'instrument essentiel est le Fonds de Développement Communautaire (FDC)

3.4 CONTEXTE ECONOMIQUE

Le Gouvernement a établi un programme de réformes structurelles important, dont les principales mesures sont: l'augmentation des recettes budgétaires, la rationalisation du système fiscal, l'amélioration de la gestion des dépenses publiques, la transparence dans la gestion de l'Administration, la réforme de l'Administration publique et des entreprises publiques, l'indépendance de la Banque Centrale, la libéralisation du régime de change, la réforme du secteur financier, l'établissement d'un environnement réglementaire favorable au secteur privé, la libéralisation du commerce, les réformes législatives pour la disparition de la discrimination hommes- femmes, la démobilisation et la diminution des dépenses militaires.

Après la chute impressionnante suite aux évènements de 1994, le PIB a atteint 754 milliards de FRW et a rattrapé le niveau d'avant 1994. Cependant, bien que la croissance économique en 2001 ait été de 6%, le revenu par tête reste encore de 10% inférieur à celui d'il y a 10 ans (la croissance démographique reste très élevée). Le déficit de la balance courante est important (16% du PIB) et les exportations ne couvrent que 20% des importations. Le budget public courant est encore financé à 40% par l'aide extérieure, qui couvre près de 90% du budget d'investissement. La masse salariale absorbe 54 % des recettes internes et les dépenses pour la défense représentent 24% du total des dépenses sectorielles. En 2001 le déficit budgétaire total (hors dons) est de 9,6% du PIB.

Les objectifs macro-économiques à moyen terme sont : augmentation d'au moins 6% par an du PIB; inflation maintenue à 5% ; réduction du déficit courant à 10,7% du PIB en 2004 ; niveau des réserves officielles brutes maintenu à 6 mois d'importation ; diminution de 0,5% par an du déficit budgétaire ; augmentation des dépenses sociales à 7% du PIB et des dépenses d'investissement public à 8% du PIB en 2004 et, enfin, augmentation des recettes budgétaires à 12,6 % en 2004.

Des mesures ont été déjà adoptées pour améliorer les performances fiscales: renforcement des capacités de l'administration douanière et fiscale, élargissement de l'assiette fiscale, réduction des exemptions, introduction de la TVA en 2001 pour accroître les recettes de l'Etat. Les dépenses publiques ont été conditionnées par les dépenses militaires et par les dépenses sociales extraordinaires dérivées du génocide, mais le Gouvernement s'est engagé à diminuer les dépenses militaires (de 3,8 à 2,3 % du PIB) et à procéder à leur redistribution vers les secteurs sociaux. Le CDMT, Cadre des Dépenses Budgétaires à Moyen Terme, introduit avec le budget 2001, est un instrument de programmation budgétaire essentiel. Il contribue à l'établissement des priorités, à la prise en compte des coûts récurrents des actions de développement, à l'amélioration de l'efficacité et à une plus grande transparence dans la gestion des dépenses publiques, par un lien étroit avec les indicateurs de performance. Toutefois des efforts supplémentaires doivent encore être faits afin de lier les allocations budgétaires aux besoins stratégiques de réduction de la pauvreté.

4 LA COOPERATION RWANDA-UE, PASSEE ET PRESENTE :

4.1 LES INSTRUMENTS DE LA COOPERATION PASSEE UE / RWANDA

Les programmes actifs au cours de l'année 2001 tirent leur financement du réaménagement après le génocide des reliquats de financement des 6° et principalement du 7° FED, ainsi que du démarrage des premières actions prévues dans le cadre du PIN 8° FED; Ils ont été conçus pour passer de la situation d'urgence vers le développement durable, ciblant principalement les infrastructures de communication et le développement social

La plus grande part des activités du Programme d'Action Immédiate de Réhabilitation (approuvé en 1994 et doté de 46.8 m€ d'engagements primaires) s'est déroulée sur la période 1995 à 1999. Pour l'année 2001 la priorité a été d'accélérer la préparation de la mise en œuvre des volets non encore exécutés. Ce programme était décaissé à 80 % à la fin de l'année 2001.

Le deuxième programme de réhabilitation, portant sur la période 1997 à 2003, est doté de 67.2 m€ ventilés en 8 volets notamment les infrastructures routières et aéroportuaires, l'agriculture et l'élevage, la justice et les secteurs sociaux. Ce programme est décaissé à hauteur de 50% à la fin 2001.

Le PIN 8° FED, doté de 110 m€, est exécuté à hauteur de 100% pour l'aide budgétaire et à seulement 7% en engagements secondaires pour l'aide projets. Cinq programmes n'ont pas démarré en 2001, notamment les routes, l'eau potable dans la région du Bugesera, et la réhabilitation des bâtiments de l'Assemblée Nationale et du Ministère de la Justice. Le détail de l'exécution de ces programmes détails est donné en annexe.

4.2 ACTIVITES ET RESULTATS POUR 2001

4.2.1 Volets Infrastructures

L'appui de l'Union Européenne a permis de réaliser les activités suivantes en 2001:

- Etude du Cadre Sectoriel des Transports
- Fin des travaux de réhabilitation de la route Kigali-Gatuna (vers Ouganda)
- Etude réhabilitation route Kigali-Kayonza (vers Tanzanie)
- Etude réhabilitation route Gitarama – Butare – Akanyaru (vers Burundi)
- Etude réhabilitation des bâtiments du Minecofin
- Réhabilitation de l'aéroport de Kigali

Après les destructions dues à la guerre et au génocide, les deux programmes de réhabilitation financés par l'UE ont ciblé principalement la réhabilitation des infrastructures. Ainsi en 2001 la réhabilitation de la route de Kigali à Gatuna, (frontière avec l'Ouganda) a été achevée et pour les autres projets l'année 2001 a été consacrée à la finalisation des études démarrées depuis 1998, à la préparation des dossiers d'appel d'offres, et au cadre sectoriel des transports. La préparation du cadre sectoriel des transports a repoussé les engagements sur les routes vers Kayonza (frontière avec la Tanzanie) et Akanyaru (frontière avec le Burundi), ce qui explique le faible taux de décaissements et a pénalisé le Rwanda dans l'allocation des enveloppes du 8° et 9° FED.

Pour répondre à la question récurrente de l'entretien routier, le Gouvernement envisage de confier progressivement les travaux d'entretien au secteur privé, sur la base de contrats pluriannuels d'entretien financés par le Fonds d'Entretien Routier.

L'objectif de l'intervention conjointe de l'UE et de la BEI sur l'aéroport de Kigali est de réhabiliter la piste et le parking des aéronefs et d'améliorer les équipements de sécurité de façon à relever le classement international de l'aéroport et à recevoir des avions de plus grande capacité. Les études ont commencé en novembre 2001. Le lancement du DAO pour les travaux est prévu pour novembre 2002.

En matière d'eau potable, un renforcement du réseau en eau potable à Kanombe (zone proche de l'aéroport) a été réalisé en 2001. L'étude pour l'AEP de la région de Bugesera est en voie d'achèvement.

4.2.2 Volets Sociaux

Outre la réhabilitation des infrastructures, les deux programmes de réhabilitation ont apporté une particulière attention aux secteurs sociaux suivants:

- Programme Prioritaire de Génération d'Emplois
- Infrastructures sociales
- Programme Microréalisations
- Sécurité Alimentaire (Modules de développement urbains et ruraux)
- Appui à la Santé

- Projets sociaux

Trois programmes sociaux ont enregistré un progrès significatif au cours de l'année 2001 : Le programme Infrastructures Sociales, Microréalisations, ainsi que le PPGE "Programme prioritaire de génération d'emplois".

Le Programme Prioritaire de Génération d'Emplois vise à réaliser des travaux d'intérêt général à Kigali afin d'améliorer les conditions de vie des couches les plus démunies. Il a démontré une grande capacité à répondre aux attentes des bénéficiaires, à savoir les actifs sans emplois réguliers, les femmes chefs de ménage, les démobilisés ou encore les enfants non accompagnés : 19 projets d'intérêt collectif ont été achevés et 6 projets doivent prendre fin au cours du premier trimestre 2002. La main d'œuvre représente 61% des dépenses, les autres dépenses étant constituées d'achats locaux de matériaux et d'équipements. Il est envisagé de prolonger ce programme jusque fin 2003 sur 8ème FED.

Le projet des Infrastructures Sociales s'exécute avec satisfaction de manière décentralisée dans quinze communes hors de Kigali. Il fournit un appui multiforme aux activités économiques des groupes les plus vulnérables, afin d'engager un processus de relance économique et de favoriser la réinstallation des populations dans le tissu économique et social national, privilégiant le processus de décentralisation. La première phase achevée en juin 2001 a bénéficié à 15 communes des provinces de Byumba, Gitarama et Ruhengeri. La seconde phase qui a commencé en juillet 2001 vise à développer trois filières de production locale générant des revenus et construire des petites infrastructures sociales. Ce projet a augmenté sensiblement la capacité des acteurs locaux (CDC) à planifier, coordonner et gérer les micro-projets, et a renforcé le processus de décentralisation.

L'objectif du Programme Microréalisations est de favoriser les initiatives de développement économique et social sur une base locale et collective. Ces actions ont contribué valablement au renforcement des capacités des collectivités à identifier, planifier, négocier et décider de ses actions de développement, à la consolidation des capacités de gestion des actions réalisées et à l'amélioration des conditions de vie de la population rwandaise. Les actions réalisées sont : Développement et support des initiatives de base; Appui à des activités génératrices de revenus; Appui à des dynamiques d'un développement décentralisé et /ou associatif; Construction ou réhabilitation des infrastructures sociales économiques. A cette date 129 micro-projets ont été approuvés dont 82 ont déjà été réceptionnés. Ce projet a recapitalisé les districts concernés de manière pérenne compte tenu des nouvelles activités créées. Le programme est en voie de prolongation jusqu'à la fin de l'année 2003.

Une réflexion est en cours pour refondre ces trois programmes, (qui ont un impact significatif sur l'amélioration des conditions de vie et la réduction de la pauvreté) en un seul, augmentant ainsi l'impact et la cohérence d'ensemble.

Le Programme de Sécurité Alimentaire a démarré en 2001 et a connu une phase d'accélération en fin d'année. Il comprend des modules de développement urbains et ruraux intégrant 3 aspects (mise en valeur d'une ressource inexploitée; travaux HIMO; formation technique et de gestion). Ce programme a un fort impact pour la création d'activités nouvelles pérennes.

Santé

L'appui de l'UE en matière de santé se consacre principalement dans la réhabilitation d'infrastructures de base, complétant les appuis des pays membres notamment la Belgique, l'Allemagne, les Pays Bas, la France et le Luxembourg.

Le contrat pour les études architecturales et techniques pour la réhabilitation / construction des infrastructures sanitaires dans les régions de Kibungo et Umutara et Gisenyi a été signé en août 2001. Les constructions sont prévues en 2003.

Travaux pour l'aménagement du bâtiment de radiologie du CHK : Après la livraison d'un équipement lourd de radiographie en 2001 au Centre Hospitalier de Kigali, il s'est avéré nécessaire de réaménager les locaux, et ces travaux sont achevés en 2002.

La réception définitive des travaux d'extension de l'hôpital de Nyagatare (nord-est du Rwanda) a été prononcée le 30 novembre 2001.

Le premier projet de réhabilitation des centres de santé dans les régions de l'Umutara et Kibungo visait à appuyer les districts de santé, à apporter un appui institutionnel à la Direction des Soins de Santé, à appuyer la CAMERWA (centrale d'achat des médicaments au Rwanda). Le projet a livré un lot d'équipements, de matériel et de consommables, des ambulances et des équipements de radiocommunications pour renforcer les activités des districts. Le volet assistance technique a pris fin en octobre 2001.

Le Gouvernement met en place des mesures et des structures adaptées pour endiguer le fléau du SIDA et les effets du paludisme, principales sources de mortalité dans le pays. Il semble qu'un progrès sensible en matière de santé de la population nécessite la mise en œuvre effective du programme de lutte contre la pauvreté et notamment la recapitalisation rurale. En effet le coût des soins et surtout des médicaments constitue un obstacle à l'accès aux services de santé des populations les plus pauvres.

Education

Comme pour la santé, l'appui de l'UE au secteur de l'éducation porte essentiellement sur les infrastructures, tandis que les pays membres: Allemagne, France, Belgique, et Grande Bretagne ciblent les aspects pédagogiques et d'appui (qualité de l'enseignement et manuels scolaires).

Les études techniques pour la réhabilitation de 5 écoles secondaires à Butare, Mbuga, Nyanza, Bymana et Kavumu sont terminées et les DAO ont été approuvés. La phase d'exécution des travaux devrait commencer fin septembre 2002 et se terminer mi-2003.

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4.2.3 Volets Economie

Les principales interventions de l'UE dans ce secteur découlent de la mobilisation des fonds du STABEX. Le Cadre des Obligations Mutuelles (COM) STABEX a été signé en novembre 2001, (réaménageant pour 20 millions d'euros les programmes remontant jusqu'en 1990) au profit essentiellement des secteurs café, thé, et diversifications des exportations agricoles.

Au titre du STABEX un projet relatif à l'acquisition d'insecticides et de pulvérisateurs pour lutter contre un parasite du caféier a été préparé pour être exécuté en 2002.

Le STABEX a également financé un appui à la filière pyrèthre. Le développement de cette filière a un impact significatif sur l'emploi agricole et sur le volume des exportations. Pour l'avenir, il pourrait être envisagé de réaliser une plus grande valeur ajoutée dans le pays.

L'Etude du financement des nouvelles exportations agricoles a été réalisée en 2001-2002. Cette étude devra déterminer la liste des nouveaux produits agricoles d'exportation pouvant bénéficier, dans des conditions économiques favorables, d'un système de financement spécifique restant à déterminer.

4.2.4 Volets Gouvernance / Justice / Droits de l'homme

Gouvernance

La convention de financement du projet de Soutien à l'Etat de Droit et aux initiatives de promotion des droits de la personne et de la réconciliation nationale a été signée en mars 2001, l'assistance technique au projet mis en place en août et le recrutement des agents de la Cellule de Gestion du Projet finalisé. Un devis programme a été engagé en novembre 2001, en préparation du lancement des activités de la Commission pour l'Unité et la Réconciliation ; celui de la Commission des Droits de l'Homme est en préparation. Ce volet vise également à soutenir les propositions de la société civile dans l'accompagnement du processus Gacaca.

La signature de la Convention de Financement entre l'U.E et le Gouvernement pour le Recensement Général de la Population et de l'Habitat a eu lieu en mars 2001. Les activités ont porté en 2001 sur l'organisation des opérations, le recrutement et la formation des 10.000 agents de terrain, la réalisation des travaux de cartographie censitaire, la conception et l'impression des questionnaires et manuels des agents de collecte, la réalisation du recensement pilote. Cette opération, gérée conjointement par la Commission Nationale du Recensement et par la Délégation, vient d'être appuyée par l'Assistance Technique FNUAP pour garantir la réussite de l'opération programmée en été 2002.

Le projet d'Appui Technique et Logistique au Minecofin comprend un volet de réhabilitation de bâtiments existants et la construction d'un nouveau bâtiment pour le Ministère des Finances et de la Planification Economique. Les appels d'offres pour la surveillance et les travaux de réhabilitation des bâtiments ex-Miniplan ont été lancés en 2001 et les marchés ont été attribués en 2002. En ce qui concerne l'équipement informatique et de bureau, l'attribution du marché pour un premier lot vient d'être effectuée en 2002. L'Assistance technique en appui à l'Ordonnateur National est en place depuis juin 2002.

L'accord de financement relatif à l'Appui Budgétaire SAF2 a été signée en mai 2001 pour un volume total d'aide de 58.4 m€. Les décaissements de l'année 2001 ont atteint 21.75 m€ au titre de la première tranche principale fixe et de la tranche flottante HIPC. Il semble que les

indicateurs définis dans le protocole d'accord pour la mobilisation des différentes tranches de l'appui budgétaire seront globalement atteints compte tenu de l'évolution positive des politiques et des programmes mis en œuvre par le Gouvernement. Néanmoins, il convient de remarquer:

- Que la définition des indicateurs n'était pas assez précise, ce qui oblige à fournir des annexes chiffrées explicatives,
- Qu'il y a un problème de fond dans la philosophie d'une telle aide conditionnée par des progrès en matière d'indicateurs sociaux: la progression de l'impact des services sociaux requiert la mobilisation de ressources suffisantes, alors que le décaissement dépend d'indicateurs sur le même objet;

Justice

Dans le secteur de la Justice, la coopération de l'UE cible principalement la réalisation des infrastructures, tandis que les pays membres (Belgique, France, Allemagne et Danemark) apportent essentiellement d'autres appuis.

Construction de 30 tribunaux de canton. Ce volet cible la réhabilitation des infrastructures de justice en milieu rural pour 2.7 M€. Les études techniques de réhabilitation ou reconstruction de 30 tribunaux de cantons sont terminées. Les appels d'offres ont été lancés en 2001 et l'exécution des travaux commence dans le courant du troisième trimestre 2002.

Le marché d'étude de la construction d'un campus pour la Commission pour l'Unité et la Réconciliation Nationale à Giti a été attribué en 2001. Les travaux vont démarrer en début 2003.

Réhabilitation de l'ANT et construction de bâtiments pour la Cour Suprême et le Ministère de la Justice: Les études ont été engagées en 2001, en vue de préparer le DAO et la proposition de financement en 2002.

4.3 EVALUATION DE L'IMPACT POUR 2001

La coopération entre l'Union Européenne et le Rwanda s'est caractérisée globalement en 2001 par un déséquilibre entre les activités d'études et d'assistance technique au détriment des réalisations effectives sur le terrain. Les décaissements de l'année 2001 ont été particulièrement faibles. Les causes sont multiples :

4.3.1 Le déséquilibre de l'appui de l'UE en 2001

Origines du déséquilibre

- Confusion dans les politiques et programmes à élaborer, suite à la remise en question de certains programmes.
- Faibles capacités institutionnelles dans les ministères techniques pour la préparation des projets, des TdR et des DAO. Cette remarque est aggravée par l'absence d'assistance technique à la Cellule d'Appui à l'Ordonnateur National du FED pendant l'année 2001, et à la Direction Macroéconomie pendant 12 mois sur 2001 et 2002.
- Longs délais pour l'obtention de certains avis de non-objection,
- Mauvaises évaluations financières des marchés à lancer par les bureaux d'études locaux,

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Conséquences

- Longs délais de préparation des DAO et des propositions de financement, plusieurs fois remis en chantier
- Faiblesse des décaissements effectifs
- Faible impact au niveau du terrain et des bénéficiaires ciblés
- Faible contribution de l'UE à la réduction de la pauvreté en 2001,
- Déterioration de certains ratios qui déterminent l'appui budgétaire.

Il convient de noter que la situation décrite ci-dessus n'est pas isolée. L'un des projets les plus importants de la Banque Mondiale: Rural Sector Support Project (48 m US\$ pour la première phase), a manifesté lors de son démarrage en 2001 une insuffisante capacité de pilotage de ce projet complexe avec un faible impact sur le terrain. Le Chef de projet a été changé. Un projet financé par la BAD dans le secteur rural a également rencontré des difficultés similaires.

4.3.2 *Pertinence de la programmation*

La réalisation concrète du premier volet (le moteur) du programme de réduction de la pauvreté nécessite un savant dosage de nombreux programmes et politiques souvent multisectoriels. Parmi ceux-ci figurent la réhabilitation des infrastructures de base, la mise en place d'un système efficace de commercialisation des produits, la recapitalisation rurale, la mobilisation des investissements privés et la restructuration des services financiers.

Dans cette optique, les programmes initiés par l'UE sont pertinents pour le choix de concentrer la grande masse des appuis vers les infrastructures, en reliant les régions enclavées aux marchés et pôles de développement. Pour l'avenir, le choix de l'économie rurale comme secteur de concentration confirme cette opinion. Par contre les délais de mise en œuvre limitent l'impact et l'efficacité de la coopération, notamment en matière d'infrastructures.

5 PERSPECTIVES DE PROGRAMMATION POUR LES ANNEES SUIVANTES

A la fin de cette même année 2001, le Gouvernement a fixé les orientations des domaines de coopération pour le 9ème FED dans le cadre de l'Accord de Cotonou, avec une enveloppe financière de 124 M€. La signature du Programme Indicatif National et de la Stratégie de Coopération qui le sous-tend est prévue dans les prochains mois.

5.1 PROGRAMME INDICATIF NATIONAL 9° FED

5.1.1 Les instruments financiers

La mise en œuvre de la stratégie de coopération 2001-2007 de la CE avec le Rwanda sera financée à partir de plusieurs instruments financiers, soit :

9ème FED, enveloppe A (124 M€) servira à couvrir les opérations de développement à long terme comme prévu dans le cadre de la stratégie : 62 M€ pour le Développement rural et le réseau routier; 50 M€ pour l'Appui macro-économique ; 12 M€ pour les interventions transversales : Bonne Gouvernance; Appui au secteur privé et à la société civile; Intégration régionale; Démobilisation.

9ème FED enveloppe B (62 M€), sera mobilisée pour des appuis supplémentaires tels que l'aide d'urgence, des initiatives d'allègement de la dette et le soutien pour pallier aux effets néfastes de l'instabilité des recettes d'exportations.

Facilité d'Investissement : Cet instrument est la principale source de financement à long terme de l'Accord de cotonou. Il est orienté vers la promotion du secteur privé et vers le développement des infrastructures économique. Les interventions de la BEI pourront se faire sous forme de prêts, de prise de participation ou par des émissions de garanties.

Lignes budgétaires de la Commission ; elles peuvent être utilisées pour des actions spécifiques selon les procédures applicables à chacun des instruments concernés et sous réserve de la disponibilité des ressources.

5.1.2 Les secteurs de concentration :

- Développement Rural : 62 M€

L'amélioration de l'environnement économique et technique, institutionnel et social ainsi que la diversification et l'augmentation des revenus monétaires en milieu rural, constituent l'objectif spécifique du programme du Gouvernement. L'idée est de passer graduellement d'un système de subsistance à une agriculture orientée vers le marché intérieur et extérieur et de générer une dynamique de diversification des activités économiques en milieu rural. Pour atteindre ces objectifs, il est apparu nécessaire de contribuer au désenclavement des zones rurales, urbaines et périurbaines sans négliger la prise en compte de la santé et hygiène.

Les interventions dans le secteur du développement rural (62 M€) pourront dans ce cadre privilégier les aspects de développement communautaire, les actions liées à la réforme foncière, la consolidation du système d'information agricole, ainsi que le désenclavement du réseau routier rural et de l'eau potable.

Dans ce cadre la Délégation a proposé au Gouvernement de rédiger un document de "Stratégie d'Economie Rurale" pouvant servir de base et de cadre à la coopération entre le Gouvernement et les bailleurs de fond. Le dispositif opérationnel pour la préparation de cette stratégie est en cours de mise en place.

- Appui macro-économique : 50 M€

Cet appui se concrétisera par un soutien au programme de réformes économiques du Gouvernement, dont l'objectif est la réduction de la pauvreté et la promotion de la réconciliation nationale. Les objectifs spécifiques sont : l'accès équitable aux services sociaux de base et leur amélioration ; la consolidation des progrès dans le secteur de la justice ; la mise en œuvre des programmes de démobilisation et de réinsertion ; le bon déroulement du processus de transition vers la démocratie.

5.1.3 Les programmes hors concentration : 12 M€

Un montant de 12 M€ est réservé aux actions suivantes :

- Renforcement des capacités de gestion de l'administration ;
- Appui aux efforts d'intégration régionale et d'insertion dans l'économie mondiale, y compris la préparation du Rwanda aux négociations des APER, à l'ensemble des négociations au sein de la COMESA et aux négociations dans le cadre de l'OMC ;

- Appui à la société civile;
- Contribution à la démobilisation et la réinsertion des ex-combattants.

5.1.4 Les indicateurs de performance

Le "Cadre des interventions" annexé au document de Stratégie de Coopération pour 2001-2007 propose, par objectif, des indicateurs de performance dont la plupart sont issus du Document de Stratégie de Réduction de la Pauvreté. Une récente réflexion menée sur ces indicateurs montre que leur usage dans le cadre de l'évaluation de la stratégie ne sera ni facile ni significatif, et que leur interprétation est délicate.

En effet, la Stratégie de Réduction de la Pauvreté est une politique à long terme visant l'horizon 2015, et l'on sait que la première étape, celle du moteur de la croissance en zone rurale, sera la plus difficile à réaliser, du moins tant que l'Etat disposera de recettes budgétaires limitées. Dans cette perspective, le développement social, humain et économique du Rwanda passera par des palliers successifs.

Aussi il n'est pas réaliste de faire progresser de manière régulière dans le temps (de 2001 à 2005, 2010 ou 2015 selon les cas) tous les indicateurs figurant dans le PRSP. Les indicateurs économiques en zone rurale devraient progresser en premier lieu, puis ce seront les indicateurs du développement humain qui pourront progresser.

Le choix du secteur de concentration "développement rural" est cohérent avec la première étape de la mise en œuvre du Programme de Réduction de la Pauvreté, et donne l'occasion d'une révision de la nature et du poids respectifs des indicateurs. Cet exercice pourrait déboucher, une fois la Stratégie d'Economie Rurale définie, sur l'adoption d'indicateurs complémentaires, représentatifs du développement de l'économie rurale.

6 COORDINATION ET COMPLEMENTARITE AVEC LES AUTRES BAILLEURS

Dans le cadre de la réforme institutionnelle visant à renforcer la coordination de l'aide extérieure, des nouveaux mécanismes de coordination avec les bailleurs ont été mis en place. En effet, depuis deux ans, des réunions régulières mensuelles au niveau des chefs de la Coopération des Etat membres de l'UE représentés au Rwanda, sont organisés, dans les locaux de la Délégation, sous la Présidence de l'Etat membre exerçant la présidence.

Parallèlement, dans le cadre de la Stratégie de Réduction de la Pauvreté (PRSP), la volonté des bailleurs de fonds de veiller à la complémentarité des actions est particulièrement accentuée afin de développer les synergies et d'éviter le chevauchement des initiatives.

Le Gouvernement a pris conscience de la nécessité de renforcer la Coopération au Développement par une meilleure prise en compte des priorités nationales dans les stratégies des bailleurs et une amélioration sensible du dialogue en matière de coopération. A cet égard il est envisagé de favoriser le dialogue entre partenaires, la cohérence des stratégies et la circulation de l'information en définissant pour chaque secteur un ministère et un bailleur chefs de file chargés de favoriser le dialogue et la co-circulation de l'information.

Dans cet esprit le PNUD a élaboré en 2001 en collaboration avec le Gouvernement le cadre général de programmation "UNDAF" des agences des Nations Unies pour la période 2002-2006.

De même les bailleurs de fonds : Banque Mondiale, BAD, UE, et Grande Bretagne sont informés / associés aux négociations avec le FMI pour la négociation du PRGF et pour les rencontres annuelles. Enfin les bailleurs de fonds sont encouragés à harmoniser leur stratégies de coopération en vue de la mise en œuvre du Programme de Réduction de la Pauvreté. Dans ce but le Gouvernement entreprend de définir entre autres une Stratégie Nationale d'Investissement et une Stratégie d'Economie Rurale.