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Embassy of the Kingdom
of the Netherlands Kigali

Embassy team



EKN KIGALI MULTI-ANNUAL STRATEGIC PLAN

**EMBASSY OF THE KINGDOM OF THE NETHERLANDS
KIGALI, RWANDA
MULTI-ANNUAL STRATEGIC PLAN 2012-2015**

Mission statement

The Embassy of the Kingdom of the Netherlands is committed to support the Government of Rwanda in its ambition to alleviate poverty through sustainable and inclusive economic growth, stability and the rule of law, by supporting the development of Rwanda's Judiciary as well as its socio-economic potential, while actively promoting Dutch-Rwandan private-sector links.

Disclaimer

The Multi-Annual Strategic Plan 2012-2015 is a rolling document. The plan was approved by the Netherlands Ministry of Foreign Affairs in December 2011, as well as by the Rwandan Ministry of Finance and Economic Planning, based on the then current situation. In some cases plans presented here will have to be further elaborated and considered, before they can be implemented as part of the strategic plan. Changes in the Dutch or Rwandan socio-economic and political context may warrant adaptation of the plan during its implementation; such adaptations will be based on dialogue with the Government of Rwanda.

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Abbreviations

CPAF	Common Performance Assessment Framework
DAD	Development Assistance Database
DoL	Division of Labour
DP	Development Partner
DPAF	Development Partners Assessment Framework
DRC	Democratic Republic of Congo
EKN	Embassy of the Kingdom of the Netherlands
EDPRS	Economic Development and Poverty Reduction Strategy
FDI	Foreign Direct Investment
GoR	Government of Rwanda
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HIMO	Haute Intensité Main d'Œuvre (labour intensive investments)
HQ	Headquarters
ICTR	International Criminal Tribunal for Rwanda
ILPD	Institute of Legal Practice and Development
IWRM	Integrated Water Resources Management
JADF	Joint Action Development Forum
JGA	Joint Governance Assessment
JRLO	Justice, Reconciliation, Law and Order
JRLOS	Justice, Reconciliation, Law and Order Sector
MASP	Multi-Annual Strategic Plan
MDG	Millennium Development Goals
MFS	Medefinanciering stelsel (co-financing of civil society programmes)
NGO	Non-Governmental Organisation
PUM	Netherlands Senior Experts
RCN	Réseau de Citoyens/Citizen's Network
RISD	Rwanda Initiative for Sustainable Development
RNRA	Rwanda National Resources Authority
SBS	Sector Budget Support
SMEs	Small and Medium Enterprises
SNG	Service National des Juridictions a Gacaca
SRHR	Sexual and Reproductive Health and Rights
TVET	Technical and Vocational Education Training

1 Summary

Rwanda features among the fifteen countries with which the Netherlands will maintain a long-term bilateral aid relationship. The foreign policy of the Netherlands is based on three priorities: welfare, security and freedom. Implementation of this policy in the fifteen partner countries requires development programmes and their objectives to be in line with the policy priorities of the host country and in tune with programmes of other donors, notably EU member states.

In line with the Dutch development priorities and Rwanda's Vision 2020, as well as the Government of Rwanda's Division of Labour, which coordinates donor programmes, the Embassy of the Kingdom of the Netherlands (EKN) in Kigali has selected three priority areas: Security and Legal Order, Water Resources Management and Food Security in its Multi-Annual Strategic Plan (MASP) for the period 2012-2015. The Dutch support will contribute to achieving the following country outcomes:

- A just and fair society
- More food-secure persons
- Sustainable use of water resources

These outcomes are ambitious, but so is Rwanda's Vision 2020. Rwanda, supported by its development partners, is largely on track in realizing this vision. The broad outcomes are linked to specific country outputs and Embassy outputs, specifying the Dutch contributions in detail. These contributions will entail more than the transfer of money: they demand full engagement of the Rwandan Government and, indeed, the Rwandan society, particularly the private sector. The selected priority areas provide ample opportunity to engage Dutch experience and value added, which will also create a conducive environment for business-to-business relations. Rwanda supports this approach as it believes it will enhance Rwanda's chances to become more self-reliant and less aid dependent in the near future.

As fiduciary risks are moderate in Rwanda, it is effective to work with Government, which already has an impressive track record with regard to socio-economic development. The Embassy therefore prefers aligned aid modalities, but will also support civil society and the private sector. Through the various assessment frameworks, Government and donors are committed to be fully accountable and transparent on results. The Embassy will regularly report on results, based on monitoring and evaluation exercises as well as value-for-money checks. A mid-term evaluation for the MASP is foreseen in 2013. The Embassy will give high priority to efficient management.

The MASP, including proposed activities, has been discussed in the preparatory phase with such stakeholders as the Government of Rwanda, the EU partners, the Agriprofocus network, Dutch International Non-Governmental Organisations (INGOs) and, of course, the Ministry of Foreign Affairs in The Hague as well as other relevant Ministries in the Netherlands.

The Embassy in Kigali has also been entrusted with a facility which caters for cross-boundary programmes in the region, aimed at regional stability through economic development.

2 Review of the Multi-Annual Strategic Plan 2008-2011

▪ On focus

The condition in 2008 to limit interventions to two sectors only, whilst following the sector approach, appeared difficult to reconcile. The two selected sectors, 'Justice and Good Governance' and 'Private Sector Development' actually were thematic areas comprising seven sectors, two of which would be phased out before 2011. The objective to limit the number of activities was realized, contributing to streamlining the development programme. Failing to fully apply the sector approach to thematic areas had, with hindsight, the advantage that EKN Kigali could easily comply with the demands of division of labour by the Rwandan government. Justice, Decentralisation and Energy were the areas where Rwanda wanted the Netherlands to be active. While the Multi-Annual Strategic Plan (MASP) did not feature decentralisation and energy as sectors, both areas were well embedded in the private sector development programme. The new Dutch development policy, which is thematic rather than sectoral, thus presents few transitional problems for the 2012-2015 MASP.

▪ On modalities

At the time of writing the previous MASP, budget support was the preferred modality. According to that MASP, by 2011 more than 50 per cent of the budget should have been disbursed as budget support. However, in 2009 the Netherlands aborted General Budget Support (GBS) to Rwanda due to concerns about Rwanda's role in the east of the Democratic Republic of the Congo (DRC). A constructive dialogue with the Government of Rwanda (GoR) has been maintained over the following years and Rwanda has taken measures to address these concerns. As the level of Sector Budget Support (SBS) was maintained above 10 million US\$, the Netherlands remained an active participant in the Budget Support Harmonisation Group. Contributions through implementing organisations will be reviewed as they do not always represent the typical Dutch expertise that needs to be factored into the new programme.

▪ On analysis

Some binding constraints mentioned in the previous MASP are still valid. High costs for transport and electricity as well as a poorly skilled work force are still an issue, albeit important progress has been made through vocational training, energy projects and improved infrastructure. The cost of doing business and the intertwining of government and private sector interests are still relevant today, even though Rwanda has risen on the 'Doing Business List' and started a privatisation programme. The recent growth in agricultural production has proved the pessimistic predictions in the previous MASP wrong. The household survey of 2012 will have to show whether the poverty rates are indeed falling. Concerns about Human Rights that were formulated under the previous MASP, such as a limited democratic space, remain valid. However, the outlook today is more positive than in 2008.

▪ On Paris/Accra

During the 2008-2011 period, donor alignment and harmonization greatly improved: Common Performance Assessment Framework (CPAF), Development Partners Assessment Framework (DPAF) and Development Assistance Database (DAD) have become well-used tools. However, alignment of non-delegated programmes remains a challenge, for those managed by Headquarters (HQ) and much more so for programmes managed by other organisations. The Embassy will continue to organize round tables to meet with Dutch INGOs to enhance alignment.

▪ On results and monitoring

On instigation of HQ the Embassy has heavily invested in the development of result chains during the 2008-2011 period. They prove to be good analytical tools, particularly in the annual planning cycle, but less so for results reporting and for regular monitoring of on-going activities. The latter needs strengthening, also in order to improve the effectiveness of field-monitoring visits.

3 Country context analysis

3.1 INTRODUCTION

“Rwanda beyond the sterile debate between believers and non-believers” was the aptly chosen title of an analysis on Rwanda published by IKV Pax Christi in 2009. In the case of Rwanda there hardly seems to exist a middle ground. On the one hand there are those who firmly believe that the country is on the right track with its visionary and effective government, delivering tangible results both in development and in economic growth. They point to the impressive progress of a country that was completely devastated in 1994. On the other hand there are those who believe just as firmly that the country may be heading for a new period of conflict and instability. They argue that politics are not inclusive, as shown by exclusion of certain political parties, limited freedom of speech and a rural-urban divide which leaves many people in the hills ever more marginalised, a process that may eventually develop into renewed ethnic violence.

Difficult as it may be, a context analysis should be based as much as possible on verifiable facts and the conclusions that can be drawn from these. To this end the Embassy not only has made ample use of the abundant literature and studies on Rwanda, but has also built on the professional and personal experience that staff members have gained. For those living and working in Rwanda it would be difficult to deny that, in spite of the deep traumas of the recent past and the mistrust resulting from these, there is a broad shared feeling among Rwandans that stability and progress are real and affect the lives of many, if not the majority. There seems to be little appetite to put these achievements at risk.

In its context analysis the Embassy has identified the binding constraints that challenge Rwanda’s development, as well as the opportunities for the Netherlands to help Rwanda address these constraints. The first part gives a summary of the country context and the binding constraints for economic growth, self-reliance and poverty reduction. The second part deepens the analysis for the four themes that the Netherlands has chosen as core of its worldwide development cooperation. On basis of the results of the overall context and the thematic analyses the Embassy has made its strategic choices on the range and content of Dutch foreign policy instruments that will be applied in the cooperation with Rwanda in the period 2012-2015.

3.2. BINDING CONSTRAINTS IN KEY POLICY AREAS

3.2.1. Security, stability and good governance

Rwanda continues to feel threatened by armed groups in the region and diaspora movements in Africa and Europe that advocate the overthrow of the current government. There remain a significant number of genocide suspects living outside of Rwanda, effectively enjoying impunity. This issue will continue to require special attention and sound legal relations in the relationship between Rwanda and the Netherlands.

Rwanda is determined not to fall back into a state of anarchy and ethnic rivalry. Its first challenge after genocide in this respect was to rebuild its Judiciary from scratch, whilst at the same time dealing with over a million genocide suspects. Impunity was not an option if it wanted to give the reconciliation process a fair chance. Looking back, Rwanda’s record has been strong: although not flawless, the traditional Gacaca courts have enabled Rwanda to try and reintegrate into society more than 1.2 million genocide suspects, while at the same time the formal Judiciary was being built up through training, construction of courts and establishing a broad range of thirteen institutions which together are guarding the Rule of Law in the country.

Access to justice is being boosted through the establishment of an institution in every district where people can ask for free legal advice. However, the legacy of 1994 and its onset still rings through in Rwanda’s Judiciary, in that it has chosen to reduce the risk of instability through strict legislation which limits freedom of press and speech. This gives rise, also in the Netherlands, to criticism and thus forms a substantial political risk. On the other hand, Rwanda’s Judiciary is maturing and several European countries, as well as the International Criminal Tribunal for Rwanda (ICTR), have decided that Rwanda can be trusted to provide a fair trial for those who allegedly committed genocide on Rwandan soil. Also, Rwanda’s government is taking steps to somewhat relax Rwanda’s strict legislation and to open up political space. The coming years will show what the practical results will be of this process.

Overall, Rwanda scores satisfactory on effectiveness of governance and the Government of Rwanda (GoR) gets high marks for its vision and its result-driven approach. Accountability and respect for the principles of Rule of Law are well adhered to. The weakest feature is in the area of legitimate governance, especially on issues of freedom of speech and political organisation. The quality of Public Finance Management (PFM) in Rwanda has improved considerably. There is a strong political will in Rwanda to fight corruption with support from the highest levels. In the corruption-sensitive area of procurement there are now transparent and high quality rules and regulations, while the same holds for the control of the pay roll. The main weakness in PFM is in reporting and accounting, however this is not due to lack of political will, but mainly to lack of skills.

Binding constraints:

- *Rwanda's stability and security are strongly linked to stability in the region, which remains challenged by persistent poverty, rebel groups and weak governance in the Democratic Republic of the Congo (DRC);*
- *Rwanda continues to feel threatened by armed groups in the region and diaspora movements in Africa and Europe advocating the overthrow of the government;*
- *Concerns remain about the Rwandan state of affairs regarding democracy and human rights. 'Voice and accountability', referring to issues around freedom of speech and political space, is the weak spot within an overall effective government.*

3.2.2. Macro-economics, private sector and pro-poor policies

Any country wishing to reach the take-off stage of economic growth has to adopt sound macro-economic policies. Rwanda has received much praise from the Bretton Woods institutions in that it has a firm track record with regard to such key indicators as exchange rate, debt burden, fiscal deficit and debt-servicing levels. Rwanda's government budget still depends for fifty percent on donor contributions, which not only has an upward pressure on the value of the Rwandan Franc, but also is the cause for some budget volatility as donors are not always predictable in paying their contributions in a timely fashion. An expensive Franc is not yet a big problem at this stage, given Rwanda's extremely narrow export base and substantial import surplus. The unpredictability of donor contributions is worse as Rwanda does not want to raise its debt levels to cover for sudden shortfalls; late payment often leads to immediate cuts in expenditure levels.

The negative trade balance needs redressing, as does the high share of donor contributions in the government budget. For that purpose Rwanda wants to attract Foreign Direct Investment (FDI) and to boost domestic investment. Its jump on the 'Doing Business' list of World Bank is witness to Rwanda's efforts in this respect. Yet there are several obstacles that keep FDI at disappointing levels, such as a poorly educated work force, high energy and communication costs, a poor rural infrastructure, a small market and, in some sectors, lack of a level playing field. Key in this process is to tackle the various obstacles, not only for FDI but also for domestic investors who complain about tax levels and access to credit. Doing away with these obstacles is needed if Rwanda wants to reach its ambitious 2020 objectives, namely: creating off-farm job opportunities to absorb the quickly growing, largely uneducated labour force, to embark on an export-led growth path and to reduce food insecurity. Lack of food security now causes stunting in young children, limits the effective labour days of adults and will be one of the causes for Rwanda to probably default on the Millennium Development Goal (MDG) for maternal health.

Growth patterns in the past decade have increased inequality and the urban-rural gap. Alarmed by the disappointing result of the household survey in 2006, showing only a marginal decrease in poverty in five years from 60% to 57%, the government shifted its attention under the current Economic Development and Poverty Reduction Strategy (EDPRS) and decided to invest more in agriculture and to accelerate decentralisation. As a result there has been a substantial growth in agricultural production. Large health and education programmes are accompanied by extending the rural roads network through labour-intensive methods, as well as the national electricity grid, and a rigorous devolution of government decision-making with regard to rural investment through the establishment of district-level multi-disciplinary Joint Action Development Forums. In its Vision 2020, Rwanda envisages to jump from an agriculture-based economy to a services economy. This policy fits a landlocked country, but at the same time the expanding rural work force requires urgent job creation through manufacturing, such as agro-processing. The GoR now clearly sees this need for creating off-farm employment. Likewise, it believes that the productivity in agriculture has to increase further to ensure food security and to raise farm incomes; in the long run there is no future for subsistence farming in overpopulated Rwanda. Government wants to focus on high-value crops and on mining. Vocational training, a number one priority, is to prevent that Rwanda will lose out in an East-African free market and to facilitate investors looking for

skilled labour. These plans and investments, however, are not a panacea for growth; also government eventually shall have to suppress its inclination for strict controls.

Binding constraints:

- *Rwanda's balance of trade is highly negative, due to limited export base and high import bill, resulting in high aid dependency;*
- *Growth in jobs in manufacturing (including agro-processing) and services is not quick enough to absorb the desired outflow of labour from agriculture;*
- *In some sectors competition from enterprises (partly) owned by the party or the army creates an uneven playing field for other private sector actors;*
- *Past growth patterns have contributed to a widening urban-rural gap;*
- *Lack of food security causes high rates of stunting in young children, which has a severe impact during their adult lives.*

3.2.3. Natural resources and their management

Given the fact that agricultural production in Rwanda is mainly rain fed means that its rural investment, its nascent agro-processing and agri-business, its food security and thus its agricultural growth is largely dependent on the amount and the distribution of rainfall. The comfortable rhythm of dry and wet seasons, however, is unfortunately a feature of the past. Erratic rains and dry spells have, for the first time, made government keenly aware that water resources can no longer be taken for granted and need to be managed properly. This need of careful management of natural resources in order to sustain growth does not only apply to water. Small, mountainous and overpopulated Rwanda will to a high degree depend on making optimal use of all its natural resources, including land, forests, geothermal energy and the methane gas from Lake Kivu. Inevitably, Rwanda has to compromise between protection and wise use of its resources, between maintaining its resource base and increasing productivity. With a shortage of arable land, some marshlands need to be reclaimed and some steep slopes need to be cultivated in order to feed its population and to increase productivity.

The extreme scarcity of land adds to the vulnerability of a large part of the rural population and issues on access to land have therefore to be managed with great care. Land is already the primary source of conflict and given the population increase access to land will remain to be one of the most sensitive issues in Rwandan society. Regularisation of land tenure is one of the on-going efforts to counter conflict and create the conditions for increased investment in land. The GoR plans to have ten million land titles issued by 2015. Having a title will contribute to access to finance and to more investments in land with positive effects on growth and poverty reduction. The inheritance law gives women the same rights as men, but an important issue remains in that the law does not yet protect rights of the large number of women who live in unregistered marriages or in arrangements that are not legally recognized. Moreover, men find it difficult to accept the new rights of women and as a consequence gender based violence has increased.

With natural resources already under stress from an increasing population, Rwanda suffers as well from periodic floods and droughts. Future climate change is likely to worsen the impact of such events and increase their costs. With its economy highly dependent on rainfall, climate change may affect food security (through agricultural productivity), energy security (through hydropower) and water security (too much or too little) in the country. The Rwandan government has realized this vulnerability and has adopted a low-carbon growth scenario to mitigate the emissions of greenhouse gases, for example by large-scale tree planting and by aiming to increase its electricity generation capacity by renewable technology. In addition, the government envisages adaptation actions in relevant economic sectors.

Rwanda is fully aware of the need for management of its natural resources. It has already good policies in place to manage land and water resources in a sustainable way, to protect the environment and to sustainably use its forests. In 2011 a new authority has been assigned the task of implementing these policies: the Rwanda Natural Resource Authority. The laws, the institutional framework and the regulatory bodies are all there. However, the implementation of these policies lags far behind, due to lack of capacity, lack of planning and insufficient funds. This shows for example in Energy where the vision is very green, but where in the harsh reality the GoR had to buy additional diesel generators in order to ease supply shortages.

Rwandan involvement in the illegal exploitation of natural resources in de Eastern DRC appears to have diminished over the past years. The Netherlands will support programmes in the region to develop certification and traceability of natural resources.

Binding constraints:

- *Extreme scarcity of land adds to the vulnerability of a large part of the rural population, especially women;*
- *There is a lack of capacity and funding to plan and implement natural resource policies for the sustainable management of land, water and forest resources, both in sectoral programmes and as a cross-cutting theme;*
- *So far, Rwanda has had few problems in water management, but climate change, high usage levels and increased competition for water require urgent attention.*

3.2.4. Cross-cutting issues

The issues governance and environment have been dealt with in the previous paragraphs.

In gender, Rwanda is making progress in addressing issues of gender inequality, starting with the enshrinement of gender equality in the Constitution. Despite this progress, gender inequality remains a serious issue. Traditional patriarchal stereotypes regarding the role and responsibilities of women and men persist in the family and in the wider community, leading to violence against women and lack of educational and employment opportunities. Fertility has dropped over the past five years from 6.1 children per woman in 2005 to 4.6 in 2010. This is still substantial and will result in high population growth for many years to come. The number of children is much higher than what women would like if the decision was fully theirs. This is an indication for an unmet demand for and access to contraceptives, but also shows the need for further empowerment of women, an issue that cannot be addressed without involving men.

A final cross-cutting issue is capacity. High level officials in Rwanda are competent and in general well educated. But at the lower levels there is a huge shortage of skills. A mapping of capacity strengthening activities, conducted in 2008, concluded that although significant resources were allocated to human resources development, much of the support was about short-term trainings, seminars and workshops. These do not lead to sustainable results. To tackle the problems of capacity building in a more efficient and coordinated manner the GoR has put in place a Public Sector Capacity Building Secretariat. It will coordinate and screen all initiatives in capacity strengthening in order to ensure that they are in line with the priorities as defined in the assessment needs of the key public institutions. The shortage in skills is just as severe in the private sector and civil society and it is considered a main constraint for growth and investment. The coordination of capacity building in private sector is the responsibility of the Rwanda Development Board.

Binding constraints:

- *More attention to reproductive rights is needed to reduce maternal mortality, reduce gender based violence and tackle the high rate of population growth;*
- *Weak capacities in public and private sector, especially at the lower levels.*

3.2.5. National aid policy and dialogue

The GoR has a clear Aid Policy in which it has indicated a preference for (general) budget support. In 2010 the GoR and its Development Partners (DPs) agreed on a Division of Labour. The sectors proposed to EKN were Justice, Energy and Decentralisation. Rwanda is very result oriented. This is reflected in two comprehensive performance assessment frameworks, one for the GoR (the CPAF) and one for donors (DPAF). The GoR has consistently scored an overwhelming number of green scores, both on the targets and on the policy actions. DPAF scores are much less convincing. In general the dialogue in Rwanda is open and constructive, especially on issues of joint interest. The GoR is quite willing to listen to advice from its partners and to benefit from their knowledge and experience. There is, however, a very strong sense of Rwandan uniqueness. In developing a just and prosperous society the GoR prefers to build on its own norms and values and cultural traditions. Home-grown solutions are in high esteem.

Binding constraint:

- *While Rwanda meets performance indicators, donors lag behind, especially on predictability, of their aid volumes.*

3.3. THEMATIC ANALYSES

In addition to the general context analysis, EKN has assessed the binding constraints in the four priority thematic areas of the Dutch development cooperation and the added value that the Netherlands may have to offer in these areas. These areas are: Security and Legal Order; Food Security, Water resource management and Sexual and Reproductive Health and Rights. The findings can be summarised as follows:

3.3.1. Security and (international) Legal Order

- *The GoR prefers to contain genocide ideology, ethnic politics and the threat of instability through legislation limiting political space. Partly in response to international criticism on this issue, Rwanda is now in the process of relaxing such legislation;*
- *Rwanda's Judiciary has come a long way since 1994, but the effect will be felt of a large group of relatively inexperienced, newly trained judges, lawyers and prosecutors;*
- *Full reconciliation between victims and perpetrators of the events in 1994 remains an important issue.*
- *The presence of genocide suspects in Europe, living in impunity, requires special attention in the relationship with Rwanda.*

The Dutch added value in the Justice, Reconciliation, Law and Order (JRLO) sector is recognized by all stakeholders. On the GoR side there is satisfaction with the long-lasting support which has moved from successful projects in the past to Sector Budget Support. Intensified contacts between the judiciary in both countries aimed at further building specialised skills during the past years offer good scope for future engagement.

3.3.2. Food and Nutrition Security

- *For some time to come Private Sector Development and economic growth will be hampered by a lack of skilled labour and infrastructure, high energy prices and transport costs and limited access to finance;*
- *Food security will be challenged by a growing number of landless Rwandans that cannot be fully absorbed by growth in the private sector;*
- *Land tenure systems need improvement to boost investments in land productivity;*
- *Markets are not very efficient; not all produce reaches the consumer;*
- *Persistent malnutrition, particularly amongst very young children, affects socio-economic development.*

There are many elements in Rwanda's agro-economic development that could benefit from Dutch expertise, such as: value-chain development, logistics and infrastructure, horticulture, potato development, seed industry, water and land-rights programmes, as well as post-harvest technology (e.g. agro-logistics, processing techniques, packaging, (cold) storage). Already at present, there is a marked increase in commercial interest for Rwanda from the Netherlands.

3.3.3. Water Resources Management

- *Rwanda lacks reliable data on water quantity and quality, required for long- and medium-term planning, investments, water governance, monitoring, regulation and oversight;*
- *Rwanda's largest economic sectors, agriculture and energy, are predominantly dependent on rainfall; tackling problems such as agricultural production, and energy supplies, requires an Integrated Water Resource Management (IWRM) approach, now absent.*

There is a clear Dutch interest and added value in the elaboration and implementation of projects that have been identified. The Netherlands has expertise in all IWRM aspects with relevance for Rwanda, notably in agriculture, energy and drinking water, to assist in capacity building, monitoring, policy development and planning. Moreover, Dutch water institutions and companies are already engaged in Rwanda or have expressed an interest to become involved; there are ample opportunities for private sector to become involved.

3.3.4. Sexual and Reproductive Health and Rights

- *Illegal and unsafe abortions are a leading cause of maternal mortality;*
- *The number of children per woman is still much higher than what women would like if the decision was theirs. This is an indication for an unmet demand for and access to contraceptives, but also shows the need for further empowerment of women.*

The Netherlands has a lot of valuable experience to offer in Sexual and Reproductive Health and Rights (SRHR). A number of Dutch research institutions and NGOs are active in Rwanda on the

issue. The choice not to develop a full-fledged SRHR programme is a result of the Dutch track record in Rwanda and the agreed Division of Labour. Some key challenges in SRHR, however, will be taken on board within the other spearheads.

3.4. STRATEGIC CHOICES

It can be concluded that Rwanda probably has a very conducive environment for the effective use of development funds. First and foremost it has an effective government, which is committed to sound macro-economic policies and private-sector development. It has adopted a zero-tolerance policy towards corruption and it has given priority to the development of its Judiciary. Few countries in the world have taken up the Paris Agenda on improving efficiency and effectiveness of aid as determined as Rwanda. Rwanda also has distinct pro-poor policies and the percentage of its government budget devoted to rural development and agriculture is among the highest in Africa.

Having grown quickly from the very small base that was left after 1994, it is inevitable that Rwanda is hitting constraints. Given Rwanda's effective government and pro-poor policies, easing these constraints will have a high pay-off in terms of economic development. However, this high pay-off will only materialise if Rwanda succeeds in maintaining its social stability for which inclusive policies and a gradual opening up of political space are required. Regional stability is another condition. The regional context will be addressed more in detail in the MASP for the Regional Programme for the Great Lakes Region.

Based on the analysis and the binding constraints, it is clear that all four spearhead themes that have been preselected by the Dutch government are highly relevant in the Rwandan context. The Embassy has chosen to engage in three of the selected themes: **Security & (international) Legal Order, Food and Nutrition Security and Water Resources Management**. They all capture the various binding constraints that currently limit Rwanda's development. Developing a programme on sexual and reproductive healthcare and rights (SRHR) as well would constitute a whole new area of cooperation for EKN. Moreover, this would require EKN to become active in the Health sector, which is not in line with the Division of Labour. Therefore, where feasible SRHR aspects will be mainstreamed in the programmes for the three selected themes.

The programme includes **Sector Budget Support (SBS)**. After general budget support this is the most preferred modality by the GoR. All but one of the specific conditions the Dutch government set for SBS are met in Rwanda. Concerns regarding Human Rights remain a point of attention. However, this is a key feature of dialogue between Development Partners and the GoR. The Netherlands, as a reliable partner and provider of SBS in the sector of security and legal order, is an active participant in this dialogue and is in a position to express a critical voice that the GoR is willing to take into account. In the planned SBS contribution a detailed analysis of specific fiduciary risks and mitigating measures will be part of the preparation and appraisal.

The programmes envisaged in the three selected themes will be the core of the cooperation between Rwanda and the Netherlands. Given the fact that these themes have been chosen in view of the Dutch value added in these areas, it is also possible to effectively engage Dutch private sector and knowledge institutions in Rwanda's development. The programmes in the spearheads will be closely linked to political and diplomatic initiatives and to economic diplomacy. The objective of these is to broaden the Dutch engagement with Rwanda and to grow towards a relation that is more strongly based on mutual interests. That is also what Rwanda has in mind in its Vision 2020, with a focus on reducing its aid dependency and increasing its self-reliance.

3.5. GUIDING PRINCIPLES

Across the themes and programmes a number of guiding principles apply, determining the way EKN will work in its cooperation with Rwanda. These principles are highlighted in the following paragraphs. Detailed objectives and results for each of the spearheads and for the other instruments of foreign policy will be presented in chapters 4 and 5.

3.5.1. Aid to GoR in line with the Rwanda Aid Policy

The Paris/Accra agenda may have lost its glamour in many countries it is still very much alive in Rwanda. The GoR and its partners have adopted a framework with 2 indicators and targets on effective aid. This DPAF will also be used to assess the Dutch performance.

A key feature of the DPAF is alignment. The **general principle** of Dutch development cooperation is to **align with partner country policies and systems** whenever possible and justified, guided by an assessment of fiduciary, corruption and political risks.

- The **fiduciary risks** in Rwanda are assessed as being moderate with a positive overall trend in the quality of Public Finance Management. Main weakness is the low accounting capacity at all levels in the public sector.
- The **corruption risks** are also assessed as moderate with slight improvements. There is a strong anti-corruption drive in Rwanda from the highest level, backed by such institutions as the Ombudsman.
- The **political risks** are assessed as substantial. On the one hand high credits are given worldwide to the stability and progress that Rwanda has achieved. On the other hand there are concerns about democratic governance, political space, freedom of speech and the treatment of dissidents in Rwanda. The Netherlands addresses these issues in its dialogue with the GoR. Although there has generally been improvement in these fields, a deterioration of the situation would have consequences for the relationship between the Netherlands and Rwanda.

Given the moderate fiduciary and corruption risks, aligned aid can be the core of the Dutch aid to the GoR, in combination with policy dialogue at all levels to mitigate the political risks.

Alignment is not only possible, it is also **justified**. The GoR is result driven and effective, within an appropriate policy framework for achieving growth and poverty reduction. Channelling money through the GoR delivers high value for money. Capacities are still weak, especially at lower levels of the administration. But the risks of aligned aid are outweighed by the benefits. Making use of the country systems results in higher sustainability and it contributes to further strengthening of these systems, while bypassing them erodes domestic accountability.

Another important element of the Rwandan aid policy and the DPAF is adherence to the agreed **Division of Labour** (DoL). Development partners have agreed to limit their support to the public sector to three sectors. In the case of the Netherlands these are Justice, Energy and Decentralisation. The aid to the GoR will be limited to these three sectors. Access to affordable energy and investments in the rural infrastructure are two key elements of the strategy to improve food security. Therefore Energy and Decentralisation will be integral part of the Food Security spearhead.

Supporting investments at **district level** is a key strategic choice. These investments help increase the income of the rural population and will thus contribute not only to more food security but also to a reduced urban-rural gap.

Management of **natural resources**, including water and land, is considered a cross-cutting issue and therefore the proposed programmes in integrated water resources management and land tenure regularization do not conflict with the DoL. This applies as well to support for the GoR strategies to improve post-harvest handling.

3.5.2. Public and private sector support in balance

The aid to the GoR will be mixed in all three spearheads with well-targeted cooperation with private sector and support to NGOs. The public sector plays a prominent role in creating the conditions for increasing welfare, stability and freedom. But these goals can only be achieved when other stakeholders also play their role. In Rwanda private sector and civil society are still weak. Within each of the three spearheads EKN will contribute to the strengthening of their role and influence, keeping in mind that they should remain rooted in genuine interests of Rwandan stakeholders and that donor support should not erode their sustainability and independence.

Aid to the GoR will constitute around eighty per cent of the total delegated support to Rwanda, while around twenty per cent will be spent through implementing agencies, private sector and NGOs. Within the portfolio of aid to the GoR around eighty per cent will be spent through Program Based Approaches (Post-harvest facility, Electricity roll-out, Land reform) and SBS (in the Justice Sector). There will be a very limited number of projects with GoR institutions. The overall budget of the delegated programme amounts to 228 million EUR for the four year period, resulting in twelve EKN outputs.

3.5.3. Intensified Monitoring and Evaluation

For monitoring results at the country level EKN will use existing GoR documents such as EDPRS and CPAF in which indicators and targets have been detailed. However the current EDPRS will end in 2012 and a new one has yet to be released. This entails the difficulty to already indicate targets

and sometimes baselines at the level of country results. As soon as the new EDPRS becomes public the result frameworks will be updated. A related issue is that a reliable update of the 2006 poverty figures will only be available in 2012 when the results of the household survey will be published. Some sub themes are new for the EKN programme, such as water resources management, agri-business support and nutrition. The baselines for Embassy outputs in these areas will be part of the appraisal of the connected activities, most of which are planned for the second half of the MASP.

The Embassy proposes to improve current monitoring practices by using existing planning frameworks for monitoring and include the same indicators also in reporting requirements of organisations or programmes receiving Dutch funding. The other intentions are to intensify field visits, to internally share lessons and to keep playing an active role in the various sector working groups and other relevant fora. This all implies a good balance of internal and external activities and a portfolio of activities limited to a maximum of 25. The results of monitoring will be an input in the dialogue. The quality of the monitoring information will be enhanced by choosing four districts and four value chains: potatoes, beans, maize, horticulture for which both formal and informal information will be collected on a regular basis. Two districts will be selected in 2012 on basis of on-going or planned activities paid for by EKN, for instance in feeder roads and forestry; two more will be chosen in 2013 based on poverty and nutrition indicators.

The Mid-Term evaluation of this MASP is proposed for November 2013 which offers scope for aligning new programming with the new EDPRS and to engage in joint programming with the EC and EU member states present in Rwanda (UK, Germany, Belgium, Sweden, France).

3.5.4. Cross-cutting issues mainstreamed

Cross-cutting issues will be addressed within each of the three selected spearheads. Dialogue at all levels is an important component of the strategy. EKN will take part in relevant sector working groups and will encourage synergy and linkages, for example between private sector, natural resources management, energy and agriculture. EKN intends to remain co-chair (lead donor) in Justice and Private Sector Development.

- Capacity strengthening is a dire need in all sectors, as well as data collection. EKN will focus on strengthening of relevant public agencies and regulatory bodies as well as on engaging in capacity building for private sector actors, especially at a sub-national level.
- In gender EKN will address issues related to SRHR in the spearheads Security and Legal Order (gender based violence) and Food Security (nutrition of pregnant women and young children).
- In environment and climate change EKN will make sure that its interventions will be environmentally sustainable and climate proof. EKN will consider close engagement with the new government fund FONERWA (National Fund for the Environment in Rwanda), which aims to integrate environmental and climate issues in all development activities.
- Wider governance issues and PFM will be addressed in all spearheads. In-depth analysis will be made of fiduciary risks in the Justice sector as part of the appraisal of SBS operations. There are some critical issues related to democratic governance and political space that will be addressed as part of the spearhead Security and Legal Order: strengthening of key institutions on domestic accountability (parliamentary Public Accounts Commission and the Office of the Auditor General); enhancing orderly and transparent elections; engaging in the media reform. On these issues small sized but strategic activities will be supported as part of the spearhead programme.

4 Objectives and results

4.1. SPEARHEAD 'SECURITY AND THE (INTERNATIONAL) LEGAL ORDER'

4.1.1. Country Outcomes and Netherlands' support approach

The strategy (2009 – 2012) on Justice, Reconciliation, Law and Order (JRLO) is a key component of the government's EDPRS I governance flagship programme. Its overall main country outcome is strengthened rule of law to promote good governance and a culture of peace. The mandate is to be implemented by a broad but highly interrelated group of players that make up the JRLO sector, including two ministries, the judiciary, the prosecution, but also the police, the prison services, the Human Rights Commission and the Ombudsman. The JRLO policy is aimed at implementing a coherent approach that combines security underpinned by the rule of law, enforcement of accountability at particularly the high levels of government and increasing access to quality legal advice for all whose rights have not been taken into account with a focus on the poor. The sector is currently engaged in a self-assessment phase related to EDPRS I. Furthermore an external evaluation is on-going to prepare for a new sector policy for 2012 (July) – 2015, which will feed into the national preparatory process of the EDPRS II.

The Embassy currently supports the sector in implementing its policy through the provision of SBS and plans to continue this support at the same level under the new MASP. In its capacity as lead donor, EKN addresses the need for Rule of Law in this post-genocide society.

EKN furthermore supports a number of specialized local NGOs that contribute to the dialogue on policy issues but that also manage to provide government with some of the required baseline information that is needed to monitor the implementation of policies. It is this NGO connection to the Rwandan reality that gives their inputs the added value that is required.

At the same time EKN contributes to the judicial cooperation between the Netherlands and Rwanda, as a follow-up of the 2010 Letter of Intent signed by then Minister Hirsch Ballin and his Rwandan counterpart. This effort entails entertaining broad contacts with the ICTR in Arusha, with the Dutch Ministry of Security and Justice and with the broad justice network in the Netherlands. Where and if necessary, EKN facilitates judicial missions that come to do research on those suspected of committing genocide who have taken refuge in the Netherlands.

4.1.2. Embassy Outputs

Output 1: Improved access to quality justice

- Through providing SBS the Embassy is able to engage proactively in all sector review structures on this output. A key requirement to improve access to justice on the ground was the installation of legal advice offices in all districts, which has now been done. The formulation of a national legal aid policy is urgently warranted. It would clearly describe the roles and responsibilities of all stakeholders, including government. The preparatory study is currently on-going as a result of substantial pressure from EKN, other DPs and NGOs;
- Continued support to the Legal Aid Forum (LAF), in building the capacity of its 33 member organisations that provide legal advice and assistance throughout the country;
- Provide more access to legal advice and services in the specific area of land rights for women and vulnerable groups, in relation to the national land tenure regularization process. Women are caught between traditional practices and new land law content, which in practice is not adequately enforced. The push to finalise the main thrust of the land regularisation by 2012 requires careful monitoring of this particular target group to ensure adequate and timely legal attention. EKN considers a partnership with the Rwanda Initiative for Sustainable Development (RISD) and the Réseau de Citoyens/Citizen's Network (RCN);
- Selection of Dutch knowledge and training institutions closely aligned to the justice sector in the Netherlands. These could play a substantial role in further improving the role and composition of the educational package of the Institute of Legal Practice and Development (ILPD), the institute that coordinates all educational needs of the sector (through or in addition to non-delegated funds aiming at these type of activities);
- Increased contacts and exchange programmes between the Rwandan JRLO sector and Dutch judiciary and prosecution staff in order to further strengthen confidence in the Rwandan judiciary (in preparation of future extradition). This will include provision of an applied educational package related to international humanitarian law and exposure;
- Envisioned support through the Trust Fund of the ICTR: to enable the safeguarding of some of the judicial expertise that is currently in Arusha, for use and deployment in Rwanda, after the end of the ICTR Completion Strategy period in June 2012; to strengthen the genocide fugitive

tracking units in Rwanda and Arusha; and to allow for the deployment of UN monitors of future trials of extradited individuals in Rwanda, whether by ICTR or national legislations.

Output 2: Strengthened mechanisms for conflict mediation and reconciliation

- As the lead donor and SBS provider of the sector, EKN is closely following the revision of the contentious genocide ideology law. The revision is now well advanced and should, when ratified, ensure that the application of this law will not be indiscriminate and that penalties are proportional.
- Ensure a thorough wrapping up of the Gacaca process, which is currently being evaluated, draw lessons learnt on this transitional justice mechanism and support the finalization of the revision case load;
- Support the Réseau Justice et Démocratie (RCN) in the training of local level mediators ('abunzi') to educate the Rwandan population, especially women, on their rights regarding the new land laws. The abunzi are the first entry point into the justice system. If adequately instructed they could prevent a large influx of cases into the formal judiciary by mediation instead of judgment;
- Continuation of support to radio La Benevolencija aimed at providing knowledge on how to resist manipulation to violence and to hate speech and how to improve the potential for healing of severe trauma (part of regional programme).

Output 3: Improved security, rule of law and accountability

- There is a structural engagement and dialogue with all sector institutions as part of the SBS operations and country outputs will be monitored through CPAF and dialogue;
- EKN could take a pro-active role in establishing contacts between the Rwandan Ombudsman and his Dutch Counterpart, as well as with the UN Conference against Corruption preparations related to the pilot review of Rwanda. A continuation of the twinning arrangement is envisaged which has already resulted in a streamlined complaint handling and mediation capacity of the National Ombudsman.
- EKN will strengthen the area of 'voice and accountability' through support to the media reform, the national election commission and the Office of the Auditor General.

Output 4: Improved Human Rights situation for vulnerable groups

- Long term engagement of EKN in the justice sector has resulted in a good working relationship with Rwandan authorities. This allows EKN to address the GoR critically about issues of concern. Regarding the trial of Victoire Ingabire it has also enabled EKN to be in direct communication with Rwandan authorities and to monitor the trial closely.
- EKN has been organising and hosting the bi-monthly Human Rights Defenders focal point and will continue to do so. It provides a useful and appreciated platform to exchange information, analyse developments and coordinate activities. Human Rights organisations will be supported through launching a call for proposals.
- A new engagement will be sought in fighting Gender Based Violence in Rwanda in close cooperation with UNWomen, Unicef and bilateral DPs active in the theme (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Belgium), focusing on sensitization and training of the Rwandan police.

4.1.3. Programmatic risks

SBS will continue to be the key modality for Dutch engagement in the sector. It has provided the space and mutual confidence to engage in and intensify the activities mentioned above. However, SBS is not unconditional and the Netherlands will continue to critically monitor the relevant criteria and address issues of concern in the policy dialogue with the Rwandan government.

A second risk lies in the weakness of data gathering and data analysis. The JRLOS Monitoring and Evaluation Framework which was agreed upon in 2010 between the thirteen sector institutions has been a major step forward, but challenges remain. Some key studies, i.e. the Legal Aid Study and Policy and the User Perception Survey, have met with long delays because of procurement intricacies. FY 2011/12 will now provide the much required baselines needed for proper monitoring.

4.1.4. Cross-cutting issues

Governance is not considered as a cross-cutting issue in this sector as it is part and parcel of the full JRLO sector. Judicial aspects of corporate governance, one of the components of good governance and very relevant for the private sector, will be taken on board in the regular policy dialogue with the sector, for instance on the performance of the new commercial courts. In the design of the SBS operation due consideration will be given to all issues on public finance management in the sector and mitigating measures for risks will be included.

Regarding gender it can be noted that women are very well presented in the sector, also at the highest levels. Women's rights to land will be addressed specifically in the programme. Due attention will be given to sexual and reproductive health and rights as well as gender based violence and the way police and legal aid institutions can become more efficient and sensitized on this subject.

4.2 SPEARHEAD 'FOOD AND NUTRITION SECURITY'

4.2.1 Country Outcomes and Netherlands' support approach

To reach the country outcome 'more food and nutrition security in Rwanda', several intermediary outcomes are relevant. First of all, post-harvest losses should be reduced, so that more food and food of better quality reaches the consumer ("more efficient markets"). Also, people that grow little or no food need income to buy it and vulnerable groups at the household level need enough nutrition ("better access to healthy food").

EKN wants to contribute to these country outcomes through **(i) an improved enabling environment for (post-harvest) agri-business** and through **(ii) better access to healthy food for very young children**. It is expected that an improved enabling environment will lead to more and better organized agri-business, especially agro-processing, (commercial) storage and food-related trade. This will increase the likelihood that harvest reaches the consumer. Also, rural people with little or no access to land and unable to grow their own food will have more chance to find a job, gain an income and become food secure. Cooperatives of small farmers are part of our definition of agri-business.

In order to improve the enabling environment for agri-business, binding constraints such as lack of skilled labour, limited access to finance, inaccessible roads, high electricity prices and uncertainty about land need to be tackled. Of these general binding constraints, EKN will focus on infrastructure (roads, electricity, land). Rural infrastructure is already very much part of EKN's programme and EKN has gained experience in this field over the years, especially in energy, feeder roads, and working in districts and with district authorities.

Skilled labour is indeed a major constraint, but other donors have made Technical and Vocational Training (TVET) a focus in their programme. EKN will therefore limit itself to improved service delivery to the private sector. Access to finance is a complicated multi-faceted problem that can only be tackled through a comprehensive strategy. The British Department for International Development (DFID) has made it a focus within its development programme and is, as the co-chair of the financial sector working group, better placed to work on this binding constraint than EKN. Therefore EKN will not focus on access to finance, but will take it into account if it becomes a necessity within one of the programmes. EKN wants to contribute to an environment where lacking skills or knowledge can be bought from other organisations

Tackling the general binding constraints and becoming more competitive through economies of scale is important to move from a focus on the small Rwandan market to a more regional view. Indeed, in the regional context (East African Community, DRC) a good potential for trade in agricultural products exists. The regional programme on food security will complement national programmes in promoting food related trade.

Individual companies and cooperatives have their specific problems, depending on the value chain they are active in. However, the Rwandan private sector is currently weak and not very well organized, which makes it difficult to address these bottlenecks in a structured and sustainable way. EKN wants to contribute to a stronger and better organized private sector so that it can take up bottlenecks with the GoR itself.

In the meantime, EKN will structure its programme so that specific issues in the field can be taken up with the GoR and other stakeholders in a more structured way and feed into broader discussions.

- Firstly, EKN has selected **four value chains** to work with and to follow in detail: horticulture, potatoes, maize and beans. These value chains are economically viable and important for food and nutrition security. Especially for potatoes and horticulture, the Netherlands have an added value and have been requested by the GoR to play a role there.

- Secondly, through its role in **decentralisation**, EKN has gained extensive knowledge of and working experience with the district level. District authorities are key in the fight against hunger, because they are closest to the rural Rwandans that are most food insecure and they implement strategies developed at the national level. EKN will deepen its work with districts by selecting a few districts to work with in more detail (selection based upon future programmes and district relevance for chosen value chains).
- Finally, it should be noted that EKN has a special relationship with **Dutch companies** and through them with Foreign Direct Investment. With disappointing trends in FDI, EKN will give extra attention to binding constraints for foreign companies. One complaint, as described in the Private Sector Federation (PSF) disinvestment report, can be summarized as 'an uneven playing field'. Rather than address this issue with the GoR in an abstract way, EKN will take it up through specific issues that it encounters in the selected value chains or in conversations with companies.

4.2.2 Embassy outputs

Output 1: Improved infrastructure to produce, process, distribute and prepare food

- Access to reliable and affordable energy will be increased through projects that address renewable electricity generation (hydropower), support to the GoR Energy Access Roll-out Program (new connections to the electricity grid) and to the production of cooking wood (tree planting, fuelwood and charcoal). Rural communities, households and agri-business will greatly benefit from access to a reliable energy supply.
- Feeder roads will be built in a labour-intensive way, so that the poorest Rwandans gain an income while helping to improve the economic development of their country. The roads will be financed through NGO Helpage, that will further build the capacity at district level to handle these large labour-intensive works. During the course of our MASP, responsibilities are gradually transferred to districts.
- Districts will have the opportunity to take local economic development into their own hands, according to their needs. The GoR's third phase of decentralisation (2011-2015) focuses on local economic development by giving districts the opportunity to identify and maximize their economic opportunities. To attract and maintain investment at the local level, districts will need proper infrastructure. To this aim, EKN will contribute to the district development programme in support of districts. The Netherlands' contribution will result in concrete outputs like transport infrastructure (roads and bridges), energy (electrification and solar energy) and revenue generation projects (markets, bus stations, etc.). Capacity of districts will be built throughout the programme.
- To improve land registration, EKN will participate in a basket fund for mainly technical assistance, governed by a steering committee in which the GoR and donors like EKN are represented. The programme will result in demarcation of parcels, distribution of land titles and strengthened capacity of the Land and Mapping Department under the Rwanda Natural Resources Authority.

Output 2: Increased influence of agri-business

- To increase the influence of agri-business, EKN will strengthen agri-business representatives and the fora in which they can raise their concerns. EKN sees the agricultural chamber of the PSF as a logical entity to raise agri-business related issues. To do so, it will need to reinforce the link with its members. Also, the voice of cooperatives needs to be strengthened, amongst others to make sure that small farmers get their part of the income to be gained in the value chain. EKN will continue to support the Joint Action Development Forum (JADF), which is recognized by the GoR as the key platform for business integration at the local level. EKN will also continue to play a leading role in the Private Sector Development sector working group at national level and will lobby for more agribusiness involvement in this group.

Output 3: Improved business facilitation by EKN, GoR and service providers

- EKN will assist Dutch companies that have an interest in Rwanda, both in a reactive way (respond to their questions) and in a pro-active way (diffuse market research and other information to selected companies). EKN will also work through a 'Dutch front office' to address questions and needs from Rwandan companies and cooperatives. The 'front office', will focus on agri-business and food security. It should serve as an intermediary between Rwandan companies and delegated and non-delegated Dutch programmes. The idea of the Embassy is that it will be led and managed by the Dutch Ministry of Economic Affairs, Agriculture and Innovation. The 'front office' will be an entry point to tap into Dutch knowledge on horticulture and potatoes, to find a Dutch counterpart, to find a Dutch organisation that can help with

specific problems (match-making). For the office to be a serious counterpart for organisations in Rwanda, it will need its own funds to complement non-delegated programmes.

- Where agri-business indicates that (semi) government institutions need to be strengthened, EKN will assist in capacity building, preferably in close cooperation with programmes managed at HQ in order to increase efficiency and decrease transaction costs. Delegated funds will be matched with non-delegated funds in a tailor-made and demand driven programme.
- EKN will fund parts of GoR strategies that aim to increase private sector investment in agri-business. The GoR has just developed a post-harvest strategy, in which the private sector plays an important role. The GoR is also developing a Private Sector Development strategy of which elements will enable agri-business investment. EKN is in discussion with the GoR to fund part of these strategies.
- Service provision at the district level will be strengthened. Service providers can provide companies and cooperatives with knowledge and services that they do not have themselves. Especially in Rwanda, where most companies are very small, this is important. EKN is in discussion with several partners, including central government, districts, the Private Sector Federation and SNV, about an appropriate and well-coordinated programme.

Output 4: Increased access to healthy food for very young children

- Professionals in nutrition, GoR and DPs are concerned about the fact that roughly 50% of Rwandan children are stunted, which means that they suffered from chronic malnutrition especially between conception and 2 years old and will never fully develop into strong and healthy adults. So far, little concrete action has been undertaken to tackle the problem. GoR's National Nutrition Policy and National Multi-sectoral Strategy to Eliminate Malnutrition in Rwanda put forward children's malnutrition as a major problem, but knowledge in Rwanda on chronic malnutrition is limited and it is often confused with acute malnutrition. Also, the Strategy refers to multi-sector district plans to tackle the problem, but nutrition achievements are not mentioned in the district performance contracts review with GoR (ex. edition 2010), which makes it unlikely that overburdened districts will give priority to the issue. This may change in future as momentum seems to build to address the problem. EKN is in contact with several partners to develop a programme to address stunting, also in view of the Dutch interest in reproductive health.

4.2.3 Programmatic risks

The overall risk of the proposed food and nutrition security programme is that negative impacts on food security (for instance rapid population growth in Africa's most densely populated country) outweigh the positive impacts of the programme. However, this only stresses the importance of the issue. Another programmatic risk is that the capacity of districts is relatively weak, while the GoR transfers more and more responsibility to the districts. Also donors, including EKN, increasingly turn to districts as counterparts. The mitigating measure is to invest in capacity building of districts as component in all programmes at decentralised level.

4.2.4 Cross-cutting issues

Governance will be tackled both through investing in public finance management capacities and by strengthening platforms for dialogue between GoR and private sector, both at central and at district level. Gender is addressed where possible. In labour-intensive works, at least 50% of workers are women, while the nutrition programme will have a specific focus on (pregnant) women, as through them very young children get the nutrition they need. Environment and climate change are taken into account in the energy part of the programme with its focus on renewable energy. Another example is that when building feeder roads, also terraces are made to prevent soil erosion.

4.3. SPEARHEAD 'WATER RESOURCES MANAGEMENT'

4.3.1. Country Outcomes and Netherlands' support approach

The country outcome for the implementation of Integrated Water Resources Management (IWRM) is that **"Water resources are sustainably and rationally managed and meet the country's needs for socio-economic development"**. In consultation with the GoR and other partners in Rwanda, the Rwanda Water Scan identifies several ideas for support by the Netherlands. These will be further developed during the first half of 2012, and translated into activities and envisaged results. Aiming to address IWRM issues with the highest priority, this new Dutch support will assist the GoR in improving and implementing its water resources management policy and strategy. The Water Scan shows that application of IWRM principles will benefit overall sustainable development in Rwanda.

For the period of 2012-2015 a differentiation is foreseen between the first two years (2012-2013) and the second period of two years (2014-2015). The main focus in the first two years will be on supporting policy- and institutional development with specific objectives as follows:

- Institution development through policy advice, capacity development, learning for improved performance and sustainability, preparation of a IWRM Master Plan;
- Government capable in preparing investment plans for the water sector, including studies and proposals for (Dutch) investments in the water sector, in particular related to food security and energy.

The main focus in the period of 2014-2015 will be on support to implementation and investments in projects related to watershed and irrigation management in the IWRM context. Specific objectives are:

- Marshland developed in a responsible and sustainable way through Dutch assistance to project preparation and implementation;
- Investments in water management for irrigation and hydropower supported.

By definition, IWRM is largely the mandate of government. At the same time, implementation of IWRM principles implies the involvement of all relevant stakeholders, be it from government (all relevant sectors at central and district level), civil society and private sector. The preferred modality for support to the water sector is through government, which is aware of the fact that Dutch companies and institutions are well placed to implement some of these activities.

4.3.2. Embassy Outputs

For the whole MASP period, objectives and possible interventions need to be formulated in close cooperation with the GoR and other donors (e.g. USAID). Outputs of EKN supported activities are expected to be:

Output 1: Effective, operational support to the Water Resources Department of RNRA

- Technical assistance and training will be provided through placement of a (Dutch) policy and training adviser in the Rwanda National Resources Authority (RNRA, under the Ministry of Natural Resources, MINIRENA) for a period of 4 years; the policy adviser will manage a fund to facilitate studies, trainings and project formulation.

Output 2: Operational water resources assessment and monitoring (WRAM) system in place

- This WRAM system is planned, developed and operational in 15 districts. It will guide management of river basins and catchments (in national and regional contexts) to guarantee reliable and climate-proof supplies of water for irrigation, hydropower and drinking water.

Output 3: Rehabilitation and development of watersheds and irrigation

- Restore the Lake Kivu 12.000 ha watershed functions through investments in water infrastructure, terracing, tree planting etc. Based on the Water Resources Management Strategic Plan and sectoral strategic plans for energy and food security, project plans will be elaborated for an integrated approach to watershed management, marshland development, irrigation and development of hydropower resources, for example assessing the feasibility of the Nyabarongo II multipurpose dam;
- Investments in new irrigation systems with due regard for technical, social and environmental impact. This will result in 1000 ha for sustainable irrigation.

Output 4: Increased capacity of the Water Resources Department

- Based on an institutional assessment (including a training needs assessment), curricula and training courses will be developed for specific target groups at central and district levels to enhance capacity and knowledge on IWRM issues; target groups could come from sectoral ministries, other government organisations and civil society organisations as long as their mandate is relevant to aspects of water resources management.

4.3.3. Programmatic risks

With the Water Resources Department as a new entity in the new institutional setting of the RNRA, risks are that the GoR does not succeed in making available the financial and human resources, needed to build these institutions. These risks are considered acceptable since the GoR has already committed itself: presently this new setup is already operational albeit with few human resources, low capacity and limited funding. Other risk-mitigating factors are that technical assistance to institution building is foreseen right from the start and that the bulk of Dutch support is foreseen in 2014 and 2015, by which time the required GoR resources should have been made available.

4.3.4. Cross-cutting issues

Water governance, stakeholder consultation, gender and environment will be addressed as cross-cutting issues in the preparation of abovementioned programmes and projects. Strategic environmental and social impact studies will be promoted as standard tools in the IWRM approach. EKN will develop plans for an active engagement of Dutch private sector in Rwanda and for a possible twinning of Rwandan and Dutch institutions for capacity building. In addition to these activities EKN will also assist the GoR in its cooperation with other nations on transboundary water management issues (see chapter on regional programme).

4.4. PHASING OUT

Objective: A smooth transfer from the 2008-2011 MASP to the 2012-2015 MASP.

The conversion of the sectors of the current MASP to the Spearhead themes in the new MASP will be smooth, since they greatly overlap. Many activities will phase out anyhow in 2011-2012, which provides EKN Kigali with a chance to change modalities and priorities where needed.

- Silent partnerships and delegation to implementing organisations will be phased out if they do not represent typical Dutch value added, such as our contribution to vocational training (TVET). The phase out of Dutch funding for TVET through GIZ will be compensated by GIZ. The silent SBS through DFID for education will be phased out. This will largely be offset by an increase in the DFID contribution; DFID has the lead in the education sector.
- In the Justice sector projects with the GoR will be phased out in line with the proposed conversion from project support to Sector Budget Support. The support to the Ligue des droits de la personne dans la région des Grands Lacs (LDGL) will end.
- In the energy sector, national and regional (Copenhagen) projects for cooking wood will end in 2012, but will be followed up by a Biomass project in Rwanda.
- In the Private Sector portfolio, the present support to the International Finance Corporation (IFC) will end in 2012, to be followed by a new phase that will be financed by EU and possibly others. Our project with the Rwandese Association of Local Government Authorities (RALGA) will end in 2014, but no follow-up is foreseen as the donors EKN KIG, the Canadian International Development Agency (CIDA), and the Swedish International Development Cooperation Agency (SIDA) with technical assistance from the Dutch International Cooperation Agency of the Association of Netherlands Municipalities (VNG International) are preparing RALGA to be financially self-sufficient by that time.

5 Other instruments of foreign policy

5.1. Political and diplomatic initiatives

Objective: maintaining constructive bilateral relations in which problems, calamities and risks can be timely discussed so as to prevent them from escalating, as well as creating an environment in which Human Rights issues can be effectively discussed.

Given the strong Dutch-Rwandan bilateral development relationship, many political initiatives derive from development issues. EKN is leading in the Justice sector, which renders it particularly active in the field of Human Rights. The revision of the genocide ideology law is a particular case in point. EKN also organises regular meetings of a Human Rights Defenders focal point. Dialogue with the GoR has improved in frequency and quality in recent years, which provides a good platform to discuss a great variety of issues. This positive trend is expected to continue under the MASP 2012-2015:

- The Joint Governance Assessment (JGA) has yielded an intensive dialogue with the GoR, in which the issues raised in the Universal Periodic Review of the Human Rights Group have come to serve as a general agenda. The JGA Monitoring and Evaluation Framework has certain weaknesses, which complicate reporting, but the twice annual JGA dialogue sessions largely compensate for this;
- The semi-annual budget support reviews are major meetings in which GoR and donor policies and results are meticulously scrutinized on the basis of agreed assessment frameworks;
- The Article 8 Dialogue between the GoR and the EU Heads of Mission in Kigali has been intensified over the past years. Confidence of the GoR has grown to discuss sensitive issues.

5.2. Economic diplomacy

Objective: To facilitate where possible Dutch interests (business, but knowledge and training institutes as well). This includes a dialogue with the GoR on market imperfections in Rwanda and support to private sector development.

There was a meeting of minds when State Secretary Ben Knapen explained the Netherlands development policy to President Kagame in February 2011: less charity and more business, which is fully in line with the approach preferred by Rwanda. This means in no way a return to tied aid, but rather facilitating Dutch traders and investors to come to Rwanda, whilst vigorously working on private sector development in Rwanda. A special support facility will be created by the Embassy to fund promising business missions, aimed at investment in Rwanda, Public Private Partnerships or cooperation with local companies. Rwanda is a small, faraway market which requires careful management of expectations. Through EKN involvement in Food Security and Water Management, Dutch commercial opportunities in Rwanda will increase. This was already clear on 23 September 2011 during the Rwanda Investment Seminar in Wassenaar, "Doing Business in Rwanda", which some fifty companies attended.

The Embassy has no separate economic department, but the development programme has a strong focus on private sector development, especially in agri-business. The presence of an Agricultural Attaché will further enhance the integrated manner in which EKN is dealing with economic diplomacy.

5.3. Peace-Keeping Operations (PKO)

Objective: To contribute to national and regional stability through training, supply of equipment and support to the Rwanda Defence Force (RDF) and the Rwandan Police Force (RPF) for peace keeping operations.

The RDF is presently active as a peace-keeping force in Darfur (the African Union/UN Hybrid operation in Darfur (UNAMID)). Their performance is widely acclaimed, particularly by the US, which, together with the Netherlands, supports the RDF peace-keeping operations through a multi-annual Africa Contingency Operations Training & Assistance (ACOTA) programme. Rwanda holds the command of UNAMID. The Rwandan Police Forces (RPF) play a support role in Darfur as well as in Haiti, and are also contemplating a contribution to peace keeping in South Sudan. These operations have an important spin-off within Rwanda. As these thousands of military (three battalions in Darfur) and hundreds of policemen in Darfur and Haiti need regular replacement and substantial training programmes are required. This results in army and police being well trained and disciplined, which contributes to stability in Rwanda and beyond. A clear example was 'Umoja Wetu', an RDF operation in North Kivu on invitation of the DRC, to pursue the Democratic Forces for the Liberation of Rwanda (FDLR).

In 2009 and 2010, the Netherlands provided training on the Law on Armed Conflict (LOAC) as well as on ethics and Legal Advisers. Military lawyers study in the Netherlands. These much valued training courses in Rwanda were not limited to the RDF: staff officers from all members of the East-African Community (EAC) participated. For 2012 it is foreseen to continue the course with a view to gradually transfer the curriculum and the training skills to Rwandan trainers over a period of four to five years. The large-scale PKO trainings have a strong institutional impact: the Military and Police Academies are being reinforced and a Peace Academy is being constructed. The Netherlands has been requested to support these developments.

5.4. Consular services

Objective: Client-friendly and efficient services for the Dutch community in Rwanda as well as for VIP's and business people wishing to visit the Netherlands.

As of 2011, the bulk of Schengen visa handling will be transferred to the Belgian Embassy, whilst Passports remain the responsibility of EKN KIG. The issue of visa limited to the Netherlands only in emergency cases and long-term multiple-entry visa will remain an instrument for the Embassy for promotion of good relations with trusted persons and to facilitate commercial activities. The embassy maintains good contact with the Dutch community in Rwanda, which is of particular importance in the case of calamities, such as conflict, earthquake and localized bomb attacks. Evacuation plans remain updated in close coordination with the Belgian Embassy as they will take the lead in the event of an evacuation.

5.5. Programmes implemented in Rwanda from non-delegated funds

Objective: Encourage and facilitate synergy and alignment between delegated and non-delegated funds and between bilateral and multilateral interventions.

The delegated programme implemented by EKN is not the only Dutch intervention in Rwanda. Many other Dutch organisations and programmes are active in Rwanda. In many cases these activities are directly or indirectly paid for by the Ministry of Foreign Affairs in The Hague. Moreover, international organisations of which the Netherlands is member or contributor, such as the UN, the World Bank, the Asian Development Bank (ADB), the International Monetary Fund (IMF) and the EU, have large programmes in Rwanda. Coherence and synergy between all these different levels of engagement with Rwanda are required in order to increase effectiveness and efficiency of the overall Dutch cooperation with Rwanda. EKN will play an active role in creating partnerships with all these actors and in informing and advising HQ on their performance.

6. Financial implications

Financial ODA implications 2012-2015 in € (Policy area, budget-code, description)

2.5 Security, good governance and rule of law	33.847.000
4.1 Food security	86.421.000
4.2 Effectiveness policy on poverty reduction	800.000
4.3 Private sector development	31.300.000
6.1 Sustainable use of environment	45.815.000
6.2 Integrated water management, water and sanitation	30.000.000
Total budget 2012-2015	228.183.000