



DEVELOPMENT PARTNERS RETREAT 2021



A Stronger Recovery:

The Path to Strategic Transformation

24th - 25th March 2021

Report of Rwanda GPEDC Action Dialogue

– Forging Effective Partnerships towards a Stronger Recovery

Background

The Rwanda Development Partners Retreat (DPR) is an annual two-day retreat bringing together senior-level stakeholders to review and discuss Rwanda's development trajectory and progress in implementing the National Strategy for Transformation (NST). It is the highest level of dialogue in the development coordination architecture between the government and development partners, including bilateral and multilateral donors, development finance institutions, philanthropic organizations, as well as private and civil society.

The retreat deliberations focused on these three questions:

- What are the key impacts of the pandemic on the economy, the environment, and Rwandan society, and what have been the key achievements and challenges to implementing the National COVID-19 Economic Recovery Plan?
- What are the key strategies and recommendations for reinvigorating and pivoting the economy to regain momentum toward the transformative agenda established by Vision 2050 and the National Strategy for Transformation (NST1);
- How can strong partnerships be consolidated and coherent implementation of key policies and strategies for effective development cooperation between GoR and its Development Partners be more accountable?

The DPR took place in the wake of far-ranging impacts from the COVID-19 pandemic on Rwandan society and the economy, and at a critical inflection point between Vision 2020 and Vision 2050 serving as Rwanda's guiding development vision and at a mid-term of the first period of the NST (2017-2024). Rwanda is also elaborating an Integrated National Financing Framework. The Government of Rwanda recognizes that in order for genuine transformation envisioned under these plans and strategies to succeed, the promise of inclusive partnerships with all stakeholders will need to be fulfilled.

Structure

The action dialogue focused on how development cooperation partnerships can provide a basis and a means to achieving goals. Previous sessions framed the key needs, opportunities, and strategies to creating a more sustainable trajectory to recover stronger from the pandemic and regain the pathway to strategic transformation. It included a panel discussion among experts from government, civil society/NGO, and Development Partners, and reflected on the main trends in

effective development cooperation post-COVID, as well as *How to Strengthen Accountability Mechanisms for Catalysing Stakeholder Engagement & CSO Partnership*.

The Action Dialogue was chaired by Hon. Min. Richard Tusabe, Minister of State in Charge of National Treasury, MINECOFIN, and moderated by Mr. Christian Yoka, Regional Director, Eastern Africa, Agence Française de Développement (AfD).

Speakers included: Mr Gerald MUGABE, Acting Director, External Finance Division/MINECOFIN, Ms. Yuko Suzuki, Global Policy Adviser, GPEDC Joint Secretariat, Dr. Marc de Santis, Head of Regional Cooperation, Embassy of Switzerland, Mr. Stephen Ruzibiza, Chief Executive Officer, PSF, and Mr. Sean Kerrigan, Chairperson, Network of International NGOs (NINGO).

Synopsis

The session started with a presentation by MINECOFIN on the existing cooperation architecture which is a means to create clearer mutual accountability. There are a different number of forums and engagement (platforms like the Public-Private Dialogue) quarterly Development Partner Coordination Group meetings and Development Partners (DPs) involvement in Sector Working Groups guided by Sector Strategic Plans (SSPs). Yuko Suzuki shared a global perspective on the effectiveness of development cooperation within the member countries of the Global Partnership for Effective Development Cooperation (GPEDC).

Hon. Min. Richard Tusabe noted that over time, the Government has actively diversified its sources of external development finance, and has been steadily growing the volume of external funding coming from philanthropies and private investment to complement its own domestic revenue mobilization efforts. The Minister remarked that continuous support was needed to strengthen existing platforms. In addition, it is evident from prior sessions that innovative financing continues to be an important topic, especially in the context of the recovery. While some good work has been achieved more needs to be done to improve resource mobilization through various methods. While Rwanda has succeeded in improving its development cooperation framework, it recognizes the need to improve the capability and feasibility over the medium-term horizon of support to align better to Medium Term Expenditure Framework and medium-term planning.

Gerald Mugabe outlined the key mechanisms for engagement and accountability, particularly between and amongst government, development partners, the private sector, and civil society. In this regard, of foremost importance is examining how to improve the architecture, coordination mechanisms, and the platforms for dialogue that shape Rwanda's development cooperation agenda. The pandemic has, in its own way, tested the metal of these, and pointed to new success factors and modalities of partnership. At the same time, the limits to the impact of purely public investment projects in the recovery provides an unparalleled opportunity to expand private and CSO sector participation in under new partnership models for achieving the NST1 goals & SDGs.

MINECOFIN noted that the COVID response has shown the importance and need for how to attract more foundations, and to mobilize new streams of support from various channels that can be aligned to Rwanda's development objectives. This includes climate finance, impact investors, and corporate funders both domestic and international. It is working to mobilize new streams of support through establishment of a dedicated Blended Finance Facility that will help to "package" and target projects to the needs of different players such as impact investors and DFIs able to provide investment and risk-mitigation support like Guarantees. Such a mechanism can help

leverage larger funding for smaller but high impact investment projects by connecting them to sustainable financing.

A preview of the latest iteration of the External Development Finance Report (EDFR) report for Fiscal Year 2019/20 was shared. For several years now, it has functioned as a key report on trends in external development finance flows to Rwanda that informs dialogue between Government and development partners on the magnitude, scope and direction of various resource flows, and ways to enhance development cooperation effectiveness. MINECOFIN gave preliminary thoughts on funding and partnerships received as part of the COVID-19 response, for which Government has agreed to separately track its funding and expenditure as part of the budget process.

In relation to Rwanda's new Development Cooperation Policy objectives, Mugabe noted there is a need to reassess how the Development Partners Performance Assessment Framework (DPAF) indicators could promote clearer mutual accountability. The pandemic demonstrated the importance of greater use of country systems and benefits of flexible funding support. This has allowed the government to respond to new risks and changing needs in an adaptive way. This is already a strong existing feature of DPAF. At the same time, it is important to reflect the greater diversity of support in these goals and increased role of the private sector.

The Rwanda Civil Society Platform stressed the need for stronger engagement of the private sector and Civil Society Organisations (CSOs) in partnership actions especially at the local level. They raised a concern that declining donor funds and lack of competitiveness to retain staff are challenges to growing the role of CSOs. Rwanda is behind in meeting the localisation targets under the Grand Bargain. Local Non-Governmental Organisations (NGOs) are not benefitting from overheads going to International NGOs. There is a need for capacity-building activities funded by DPs for local civil society to build on prior investments and fit within a broader agreed strategic framework and to better package the success stories. Also for partnerships between DPs and NGOs to build more emergency preparedness and resilience at the local level. NINGO emphasized that Rwanda's district/grassroots level mechanisms, such as Joint Action Development Forums (JADFs) were "world class" but that partnerships depend on trust and can be difficult. There is a need to continue focus on equity and inclusion given increased impact of COVID shocks on most vulnerable.

The panelists jointly reflected upon the presentation findings as well as *how development partnerships are evolving, how well development actors are working together in response to the pandemic recovery agenda, and what actions are needed to further advance the principles of development effectiveness*. Panelists focused on ways to build a more efficient multi-stakeholder platform, using the Development Partners Coordination Group as building blocks. Areas were identified where the private sector and CSOs could jointly work together to achieve more success, such as the area of skills development. While the Public Private Dialogue forum provides a platform for discussion on the regulatory framework for the private sector it can also play a stronger role as an intermediate body between the DPR and the Private Sector Development sector working group.