

Rwanda

The Development Challenge: The past year has been a democratic turning point for Rwanda as the Government (GOR) promulgated a new constitution, held multi-party presidential and legislative elections, and completed a nine-year post-genocide political transition. Throughout this transitional phase, the GOR showed commitment to increasing rule of law and transparency in governance. As the 2003 election process got underway, however, the government's tolerance for political opposition, press freedom and criticism diminished significantly. Donors, in turn, were hesitant to support elections that might not be declared free and fair. Lacking adequate donor funding, the GOR made up for the deficit by using its own budget to finance elections.

In close collaboration with the U.S. Embassy, USAID will work with other donors to foster an environment that allows the GOR to ensure civil liberties are guaranteed under the new constitution, strengthen civil society, grant greater independence to the media and create a more democratic and transparent society.

The Rwandan economy slowed to its lowest level in the last seven years in 2003, expanding by just 3.5% compared with nearly 10% in 2002. This was largely due to poor weather and weak global commodity prices. In addition to the decline in tea and coffee prices, and reduced food production, the GOR's expenditures on the elections had a detrimental impact on the budget. The situation is expected to continue in 2004. As a result, the completion point for Rwanda under the International Monetary Fund (IMF) enhanced Heavily Indebted Poor Country Initiative (HIPC), originally scheduled for December 2003, has been postponed.

Regional stability in the Great Lakes countries has improved somewhat in the past year. The peace process moved forward in the Democratic Republic of Congo (DRC) and in Burundi, and Rwanda's relations with Uganda continued to improve. The Rwanda military continued the demobilization program while Rwandan rebel leaders and fighters in neighboring countries have begun to lay down arms and return to Rwanda.

Rwanda is experiencing a large influx of resources to combat HIV/AIDS, including funds from the World Bank; the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria; and the United States Government under the President's Emergency Plan for AIDS Relief (PEPFAR). Expanding the health infrastructure and management capacity to ensure that these resources are used to provide services to all Rwandans is an immediate development challenge for the GOR and the donor agencies.

The U.S. national interests in Rwanda are increasing regional stability, promoting democracy and human rights, advancing economic prosperity, and enhancing global health.

The USAID Program: The attached Data Sheets cover the three new objectives from the Rwanda Integrated Strategic Plan for 2004-2009 that was approved by USAID/Washington in September 2003. USAID will continue to promote democracy and governance by working with the new parliament and increasing citizen participation in civil society organizations. With FY 2004 funds, the democracy and governance and health teams will launch a new decentralization activity to increase the capacity of district officials to plan, budget and implement new development projects, and improve social services, especially for health and HIV/AIDS. Increased funding for HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR) will enable USAID and its USG partners to fund a full range of HIV prevention and AIDS treatment services through the rapid expansion of existing programs. Rural economic growth activities not only will increase agricultural productivity through improved technology development and dissemination, but also will develop agro-businesses and strengthen rural financing, which in turn will create jobs and increase rural incomes. USAID intends to use FY 2005 funds to continue support for the new activities initiated in FY 2004 that reach more rural and underserved districts. These activities will increase citizen participation in political, social, and economic development programs that are designed to meet their specific needs.

Rwanda is a focus country under the President's Emergency Plan for AIDS Relief (PEPFAR). All proposed HIV/AIDS activities are being integrated into PEPFAR and are subject to the approval of the U.S. Global AIDS Coordinator. Additional funding from the Global HIV/AIDS Initiative account is anticipated for both FY 2004 and FY 2005.

Other Program Elements: In addition to the resources requested in the Program Data Sheets, USAID's Office of Food for Peace in the Democracy, Conflict, and Humanitarian Assistance Bureau, through its P.L. 480 Programs, supports USAID/Rwanda's efforts to improve agricultural productivity and increase food security. USAID's centrally-funded Famine Early Warning System provides timely information on the location and needs of vulnerable populations, which can change with the onset of droughts, floods, earthquakes and volcanic eruptions. The USAID/Rwanda health program is complemented by central funding from USAID's Global Health Bureau for Child Survival Grants to three private voluntary organizations (PVO). The Global Health Bureau also provides condoms to support HIV/AIDS prevention programs. Under the Congo Basin Forest Partnership of the Central African Regional Program for the Environment (CARPE II), international PVOs received support for conservation activities that reduce the rate of forest degradation and loss of biodiversity in two of Rwanda's unique national parks. Funds from the Africa Education Initiative finance the Ambassador's Girls Scholarship Program and a School Partnership Initiative between high schools in Kigali and Miami.

Other Donors: The United Kingdom (U.K.) and Belgium are Rwanda's first and second largest bilateral partners followed by the U.S. and Sweden. Many donors provide budgetary support. These include the U.K., Sweden, the European Union (EU), the World Bank, the African Development Bank and the IMF. Working with the Rwandan Ministry of Finance, these agencies recently drafted a "Partnership Framework for Harmonization and Alignment of Budget Support between the Government of Rwanda and its Development Partners," which provides guiding principals to reduce transaction costs and keep donors aligned under the Poverty Reduction Strategy Plan.

The Rwandan Government has asked donors to help develop and support sector-wide programs. Sector cluster groups were organized in 2003 to facilitate this process and USAID was named as the lead donor for the Private Sector and HIV/AIDS Cluster Groups. Working with GOR Ministries and other donor agencies, USAID will ensure that the new Strategic Objective programs are aligned with GOR sector program priorities and will establish collaborative implementation arrangements with other donors to reduce transaction costs and avoid duplication of effort.

USAID works closely with the Netherlands, Switzerland and U.K. on decentralization activities, and with Belgium, Germany, and the Netherlands on Judicial Reform and Conflict Management. Lead donors in health and HIV/AIDS include Belgium, the World Bank and the African Development Bank, in addition to the United States. For rural economic growth and agriculture, USAID coordinates closely with the EU, and the World Bank. The U.K. is the lead agency for education and macro-economic technical assistance, while Canada supports gender initiatives and Germany provides support for the environmental programs.

Data Sheet

USAID Mission:	Rwanda
Program Title:	Democracy and Good Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	696-005
Proposed FY 2004 Obligation:	\$1,500,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$1,707,000 DA
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2008

Summary: USAID's democracy and governance program in Rwanda promotes improved governance through increased citizen participation by focusing on three main areas that are essential to establishing a democratic government and maintaining peace and security: improved local government capacity to manage finances and deliver social services; increased citizen participation in the legislative process; and the advancement of justice and reconciliation. Achievement of results will be accomplished through the following: technical assistance and training for local government officials and community development committees to improve local administrative and service delivery capacity; technical assistance and training for parliamentary members and staff; and small grants, technical assistance and training for local non-governmental organizations (NGOs) to promote civic education, the democratic process and reconciliation.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve local governments' capacity to implement decentralization (\$500,000 DA). USAID will continue its support for Rwanda's decentralization program. Under the new democracy and governance program, USAID will support local governments to more effectively plan, budget and deliver social services, including HIV/AIDS. Technical assistance to the central Ministry of Local Government will strengthen national policy development and implementation. Training for districts in planning, administrative management, budgeting and monitoring will lead to improvements in designing and implementing development projects and delivering social services. This component will include anti-corruption activities by establishing community-based oversight groups. These groups of local citizens will monitor development projects funded with resources from the Government of Rwanda and donors. Principal contractors and grantees: to be determined.

Strengthen civil society to increase citizens' participation in the democratic process (\$750,000 DA). Although Rwandan authorities can readily mobilize citizens from the top down to participate in political and economic development activities, the practice of promoting grassroots or special interest groups that foster democratic citizen participation is not part of the culture. Activities that will be carried out to foster increased citizen participation will include providing technical assistance and training to local NGOs in local-level policy and decision-making processes, civic education, information and communication technology, and promotion of diversity, gender equality and reconciliation. Principal contractors and grantees: to be determined.

Increase consultative capacity of the bi-cameral parliament (\$250,000 DA). Building on previous support to the Transitional National Assembly, this component provides technical assistance and training to the new Rwanda Bicameral Legislature to strengthen the capacity of the senators and members of parliament to listen and respond to the people, initiate and debate legislation, and support or challenge executive actions as appropriate. Activities will promote improved quality and frequency of the consultative process inherent to democratic policy development by focusing on specific policy issues of national importance, such as community health care, HIV/AIDS in support of PEPFAR goals, land reform, access to rural

finance, and/or regulation of import/export trade taxation. Principal contractors and grantees: to be determined.

FY 2005 Program:

Improve local governments' capacity to implement decentralization (\$500,000 DA). Activities to strengthen district governments' planning, budgeting and delivery of social services, including HIV/AIDS, will be expanded to up to 50 districts. Anti-corruption citizen oversight committees will continue to be established. Principal contractors and grantees: to be determined.

Strengthen civil society to increase citizens' participation in the democratic process (\$500,000 DA). Technical assistance and training to local NGOs will continue to strengthen administration and management. Small grants will be provided to competent NGOs to support activities for advocacy and citizen participation. Principal contractors and grantees: to be determined.

Increase consultative capacity of the bi-cameral parliament (\$707,000 DA). USAID plans to expand this activity to include additional training and exchange programs for legislators and staff. Principal contractors and grantees: to be determined.

Performance and Results: At the conclusion of the Democracy and Governance Program in FY 2009, USAID expects that citizen confidence in Rwandan Government processes will be increased to the extent that there will be a 70% public approval rate of the government and 70% of all citizens will be involved in government processes.

Data Sheet

USAID Mission:	Rwanda
Program Title:	Health and HIV/AIDS
Pillar:	Global Health
Strategic Objective:	696-006
Proposed FY 2004 Obligation:	\$13,350,000 CSH
Prior Year Unobligated:	\$1,000,000 ESF
Proposed FY 2005 Obligation:	\$13,406,000 CSH
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2008

Summary: USAID's new strategic objective for health will concentrate on decentralized provision of health services to create efficient systems that are responsive to health priorities identified by communities. USAID, in close collaboration with other United States Government (USG) partners, will support programs that will build the institutional capacity of district and community level structures to improve child and maternal health practices, prevent and treat HIV/AIDS, improve and expand reproductive health services including family planning, and reduce mortality caused by infectious diseases. USAID will also provide technical assistance to the Ministry of Health (MOH) and other key ministries to improve program planning, budgeting, monitoring and quality assurance.

Inputs, Outputs, Activities:

FY 2004 Program:

Reduce child mortality (\$1,150,000 CSH). Working with health district staff, USAID will support activities that will improve quality and affordability of maternity services, integrated management of childhood illnesses, and child nutrition interventions. Curricula in local training institutions will be revised and improved to respond to the critical challenges of expanding quality health care in Rwanda. A Demographic and Health Survey Plus (DHS+-2004) will be developed and launched with the Plus being a baseline estimate of HIV prevalence for Rwanda. Principal contractors and grantees: John Snow International, MACRO International, and others to be determined.

Prevention and treatment of HIV/AIDS (\$8,500,000 CSH). As one of the 14 countries included in the President's Emergency Program for AIDS Relief (PEPFAR), Rwanda is set to rapidly expand a package of HIV/AIDS health activities. Under PEPFAR, USG partners will work with decentralized public and private implementers to ensure that HIV/AIDS services are integrated in all health delivery sites. Using the activities initiated under the President's Prevention of Mother to Child Transmission of HIV Initiative (PMTCT) in 25 sites as a foundation, USAID, along with other USG agencies, will rapidly expand coverage to ensure a comprehensive package of services which includes voluntary counseling and testing, prevention of mother to child transmission, prevention and treatment of opportunistic infections, and nutrition counseling for HIV positive pregnant mothers, weaned infants, and individuals in advanced stages of AIDS. Anti-retroviral treatment (ART) will be provided in 10 sites across the districts to a total of 2,500 HIV positive individuals. Early in FY 2004, USAID will expand activities at the community-level which will include support to associations of people living with AIDS for home-based care and micro-finance activities. Similarly, consistent with PEPFAR objectives, USAID will engage leadership from faith-based organizations to ensure that HIV/AIDS issues, particularly orphans and vulnerable children, are brought to the forefront of community dialogue. Principal contractors and grantees: to be determined.

At the central level, USAID will strengthen the management capacity and support systems. Technical assistance will be provided to fully develop the National Health Sector Program and Health Financing Strategy, and assist the National Medical Stores and the Ministry of Health (MOH) Pharmacy Directorate to implement an effective logistics system to channel commodities and information between central level and service delivery sites. Information technology equipment will be procured for the MOH, the Ministry of

Finance, and the Ministry of Local Government and Social Affairs. USAID support for on-going HIV/AIDS behavior change communication and monitoring and evaluation activities through the National AIDS Commission will continue. In collaboration with the U. S. Centers for Disease Control and Prevention (CDC), USAID will also support the MOH HIV/AIDS Division to improve program planning, monitoring and quality assurance. Principal contractors and grantees: Management Science for Health, MACRO International, the University of North Carolina, and others to be determined.

HIV/AIDS mitigation (\$1,000,000 prior year ESF). With ESF funds and consistent with PEPFAR, USAID/Rwanda will scale-up current USAID funded activities with associations of people living with HIV/AIDS (PLWHA) in the areas of home-based care (HBC), micro-credit opportunities and food supplements, thereby responding to the multiple needs of PLWHA and their families. These additional funds will actually be used to roll out the combined care and support package of activities that will build on the initial 10 associations currently involved in the HBC activity. Twenty additional associations will be included for a total of 30 associations of PLWHA receiving HBC. USAID/Rwanda also proposes to provide to these associations the food supplements for their HBC kits.

Improve reproductive health services (\$2,700,000 CSH). Reproductive health services including family planning, strategies against sexual violence, adolescent counseling, safe motherhood, and couple communication, will be included in decentralized plans of districts, hospitals and health centers by integrating them with comprehensive HIV/AIDS services. Contraceptive logistics management activities at central and district levels will continue, and contraceptive procurements will be adjusted to meet increasing demand. Principal contractors and grantees: John Snow International, and others to be identified.

Reduce mortality from infectious diseases (\$1,000,000 CSH). USAID will support expansion of malaria prevention and treatment activities through community initiatives identified in the 2003 Rwanda Roll-Back Malaria Strategy. To effectively reduce mortality rates due to malarial infection, USAID will support communities and health facilities to target high risk groups such as pregnant women, infants and young children, and to continue improving the quality of services. In response to growing demand and, in collaboration with Rwanda's Global Fund malaria project, USAID will procure insecticide-treated bed nets. Principal contractors and grantees: to be determined.

FY 2005 Program:

Rwanda is a focus country under the President's Emergency Plan for AIDS Relief. Additional funding from the Global HIV/AIDS Initiative account is anticipated for both FY 2004 and FY 2005.

Reduce child mortality (\$2,274,000 CSH). Increased funds to reduce child mortality will permit further emphasis on child nutrition and integrated management of childhood illnesses both in health facilities and in communities. Principal contractors and grantees: to be determined.

Prevent the spread of HIV/AIDS (\$8,500,000 CSH). USAID will continue rapid expansion of HIV comprehensive care with ART from 25 sites to at least 35, reaching up to 6,000 individuals. An additional 30 sites will provide prevention of mother to child transmission services to an estimated 4,500 HIV positive pregnant women. This will bring the total up to approximately 65 sites providing comprehensive HIV/AIDS care and support. Principal contractors and grantees: to be determined.

Improve Reproductive Health Services (\$1,882,000 CSH). USAID plans to expand the integration of reproductive health into the HIV/AIDS service package. Principal contractors and grantees: to be determined.

Reduce Mortality from Infectious Diseases (\$750,000 CSH). USAID will continue to promote community initiatives for prevention and treatment of malaria, including insecticide-treated nets and prophylaxis for pregnant women. Principal contractors and grantees: to be determined.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City policy.

Performance and Results: At the completion of this program in 2009, in over 50% of the country there will be strengthened capacity of central and local administrations to implement decentralized health care services with greater citizen participation, increased access to essential health commodities and community health services, increased opportunities for community financial participation in health care, and improved professional training programs for clinical and public health service providers. In addition, and consistent with PEPFAR planning guidance, 157,634 HIV infections will be averted, 250,000 HIV positive people will be receiving care, and 50,000 persons living with AIDS will receive ART.

Data Sheet

USAID Mission:	Rwanda
Program Title:	Rural Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	696-007
Proposed FY 2004 Obligation:	\$3,310,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$3,414,000 DA
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2008

Summary: USAID's new program to expand economic opportunities in rural areas builds on investments and lessons learned under the previous food security and economic growth program, while integrating development assistance and P.L. 480 resources. With a broader range of value-added opportunities to link on-farm gains to other parts of Rwanda's rural economy, the new program aims to expand and diversify economic opportunities in the rural sector by focusing on product transformation, increased incomes, market development, and improved livelihoods.

Inputs, Outputs, Activities:

FY 2004 Program:

Expand adoption of improved agriculture and business practices (\$3,310,000 DA). USAID partners will introduce improved technologies and practices for the production of market-oriented commodities, mainly through community-based grower associations and institutions, including the research and extension arm of the Ministry of Agriculture. Such efforts will include promoting the production and processing of nutritionally-fortified crops that will improve the well-being of vulnerable groups, including households affected by HIV/AIDS. In addition to crops, USAID will expand the geographic coverage of its dairy development project to improve nutrition and incomes at the household level. In order to address bottlenecks that inhibit the ability of farmers to produce and market targeted commodities and to improve the analytical capacity of Rwandan institutions such as the National University of Rwanda, USAID will support policy development activities to identify, assess, and alleviate agricultural production and marketing constraints.

In addition to working with agricultural producers and grower cooperatives, USAID will support the efforts of agricultural processors and traders in the agribusiness sector to add value to products. This will be accomplished by improving the quality, processing, and marketing of competitive, strategic products such as specialty coffee, passion fruit, chili pepper and pyrethrum. USAID partners will carry out feasibility assessments and develop business plans with a targeted group of agro-enterprises in order to stimulate and leverage bank financing. Implementing partners will forge public-private alliances with US-based partners such as specialty coffee importers and roasters, who are well-positioned to assist in marketing efforts, thereby complementing USAID inputs in production and quality control. To expand agribusiness opportunities and market linkages, USAID will link to regional programs managed by REDSO/Nairobi including the Regional Agricultural Trade Expansion Support (RATES) Project and the East and Central Africa Global Competitiveness Trade Hub. Principal contractors and grantees: the International Center for Tropical Agriculture, Texas A&M University, Michigan State University and Chemonics International.

Through USAID/Washington-funded P.L. 480 food-for-work, food monetization, and institutional feeding activities, USAID partners, along with other USG agencies' support, will use food distribution and sales proceeds to promote soil and water conservation, improve rural infrastructure, develop agribusiness, increase agricultural productivity, and improve food security for families affected by HIV/AIDS and other vulnerable groups. Principal contractors and grantees: World Vision International (WVI), Catholic Relief

Services (CRS), and Agriculture Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA).

FY 2005 Program:

Expand adoption of improved agricultural and business practices (\$2,203,000, DA). USAID plans to expand successful efforts in the production and processing of commodities that have a high potential for rural employment. It is anticipated that partners may identify and support other competitive enterprises and sub-sectors such as eco-tourism and handcrafts. Principal contractors and grantees: to be determined.

Increase access to rural finance (\$1,000,000, DA). USAID/Rwanda plans to scale-up “best practices” in rural finance that both diversify the portfolios and expand the client base, particularly in underserved sectors like agriculture, and among underserved borrowers, notably women. In partnership with the Development Credit Authority, USAID plans to establish new mechanisms to support the banking sector and its support for agriculture, including a loan guarantee facility. Principal contractors and grantees: to be determined.

Improve rural infrastructure (\$211,000, DA). USAID/Rwanda plans to improve rural infrastructure that promotes farm-to-market access, productivity, and conservation. Through prospective food-for-work activities, USAID plans to focus on the domain of rural public works that can optimize broad-based public benefits. Principal contractors and grantees: to be determined.

Under new and forthcoming food aid program designs and activities, USAID/Rwanda plans to further integrate P.L. 480 resources to expand economic opportunities in the rural sector.

Performance and Results: At the end of the five-year program, there will be increased off-farm productive enterprises, increased agricultural productivity, increased household level incomes and employment, and a greater diversity of income generating activities and corresponding rural financial services for targeted communities.

Rwanda PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Child Survival and Health Programs Fund	12,100	16,168	13,350	13,406
Development Assistance	6,402	6,555	4,810	5,121
Economic Support Fund	2,500	1,050	0	0
PL 480 Title II	14,498	16,089	3,432	12,131
Total Program Funds	35,500	39,862	21,592	30,658

STRATEGIC OBJECTIVE SUMMARY				
696-001 Democracy and Governance				
CSH	2,000	0	0	0
DA	1,953	1,588	0	0
ESF	2,500	1,050	0	0
696-002 Health				
CSH	10,100	16,168	0	0
696-003 Food Security and Economic Growth				
DA	4,449	4,967	0	0
696-005 Democracy and Good Governance				
DA	0	0	1,500	1,707
696-006 Health and HIV/AIDS				
CSH	0	0	13,350	13,406
696-007 Rural Economic Growth				
DA	0	0	3,310	3,414

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