

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF RWANDA (REVISED 2012)

Section 1: Purpose

1.1 This Memorandum of Understanding (MoU) reaffirms the long term development partnership between the Government of the United Kingdom of Great Britain and Northern Ireland (UK) acting through the Department for International Development (DFID) and other relevant parts of the UK Government, and the Government of the Republic of Rwanda (GoR), as first set out in the Understanding between the two countries of 12 April 1999, which this now supersedes. This MoU sets out the shared and individual commitments made by the two Governments and provides a transparent framework for accountability between the two Governments and between each Government and its Parliament and people.

Section 2: Shared Commitments

2.1 We jointly commit our Governments to:

- The reduction of poverty and the achievement of the Millennium Development Goals;
- The principles of good governance, and respect for human rights and international obligations;
- The promotion of peace and stability in the Great Lakes region, and across other regions in Africa;
- Working together to strengthen financial management and accountability, in order to maximise value for money;
- Transparency and fighting corruption;
- Demonstrating development outcomes, with policies based on evidence;
- Advancing the aid effectiveness agenda (as reflected in the Paris Declaration and High-Level Forum commitments in Accra and Busan) in support of Rwanda's Economic Development and Poverty Reduction Strategy (EDPRS), in line with Rwanda's Division of Labour;
- Cooperating to enhance Rwanda's trading links and participation in the East African Community, and global economy;
- Regular discussion on the specific commitments set out in sections 3 and 4 of this MoU, including annual high-level partnership talks, and ensuring that dialogue takes place before any major decisions affecting the partnership are taken.

Section 3: Government of Rwanda Commitments

3.1 The Government of Rwanda makes the following commitments¹:

Poverty Reduction and the Millennium Development Goals

- To place poverty reduction, pro poor growth and sustainable development at the heart of Rwanda's national policy and resource allocation in line with Vision 2020 and EDPRS and, over time, increasing the contribution of domestic resources to funding poverty reduction;
- To strengthen policies and improve institutional effectiveness in order to promote efficient and effective service delivery for poverty reduction;
- To provide leadership in advancing donor coordination and harmonisation with a view to improving the quality and effectiveness of external assistance to Rwanda.

Respecting Human Rights and other International Obligations

- In line with Vision 2020, to promote national unity and reconciliation, gender equality and environmental protection;
- To respect and progressively fulfil economic, social, cultural, political, and civil rights, as enshrined in African and international human rights instruments.

Improving Public Financial Management, Promoting Good Governance and Transparency and Fighting Corruption

- To strengthen public financial management in order to ensure macroeconomic stability and that public funds (both domestic and external) are used for their intended purposes, are properly accounted for, and provide value for money;
- To increase public access to budget information and opportunities to engage in the budget process;
- To take rigorous measures to prevent, detect and respond appropriately to corruption and misuse of funds.

Strengthening Domestic Accountability

- To provide opportunities for citizens, civil society and Parliament to engage with the Executive (at local and national levels) regarding the development of policy and the way in which public resources are used (including planning, implementation and monitoring);
- To promote accountability and transparency within and across government (including parliament, the Judiciary and other bodies with accountability functions).

Conflict Prevention

- To promote peace and stability in the Great Lakes region, complying with relevant international obligations and playing a full part in regional and international initiatives;

¹These are based on the four partnership principles in DFID's strengthened approach to budget support: Poverty reduction and the MDGs; respecting human rights and other international obligations, improving public financial management, promoting good governance and transparency and fighting corruption; and, strengthening domestic accountability.

- To support conflict prevention and resolution initiatives, including through the AU, in other regions of Africa.

3.2 With respect to each of the areas above, GoR will continue to strengthen systems for clear and effective monitoring and reporting, with a focus on outcomes.

3.3 If serious concerns emerge which might undermine the effectiveness of this MoU, GoR undertakes to initiate early discussion with the UK Government and to facilitate high level dialogue.

Section 4: UK Commitments

4.1 The UK makes the following commitments to the Government of Rwanda:

- To support delivery of Rwanda's EDPRS and the realisation of Vision 2020 and to use Rwanda's own systems and procedures as far as possible to deliver development assistance;
- To provide development assistance in a predictable, transparent and accountable way, and to provide timely information on planned allocations;
- To increase transparency and accountability on its decisions on development assistance and the evidence on which these are based, including the Government of Rwanda's adherence to the commitments set out in this MoU and its ability to use aid effectively;
- To work with other development partners, including international financial institutions, to improve alignment and harmonisation of development assistance and to limit the burden of conditionality;
- To help Rwanda's efforts to reduce poverty by continuing to support more effective international assistance, in line with commitments made, and trade policies and private sector initiatives that support development.
- To spend approximately 5% of the total amount UK budget support to Rwanda on measures to strengthen domestic accountability.²
- To work for greater peace and stability in the Great Lakes region.

Levels of UK Development Assistance: 2005-15

4.2 The UK is committed to providing sustained support in the form of grant aid for the Government of Rwanda's poverty reduction plans through to 2015, subject to adherence to the commitments set out in this MoU, and to the availability of resources to DFID. This will include provision of bilateral assistance to Rwanda of £111 million in General Budget Support, and £49 million in Sector Budget Support (split between Health, Education, and Agriculture sector) between 2012 and 2015. Provided that there is no breach of our partnership principles, and that there is continuing evidence that

²This is in accordance with UK commitments as part of a strengthened approach to budget support: <http://www.dfid.gov.uk/Documents/Strengthened-approach-budget-support-Technical-Note.pdf>

development assistance is contributing to the achievement of the MDGs, the UK expects to maintain support through to 2015.

4.3 Within the sums provided through the bilateral development programme, the UK expects that approximately two thirds will be provided through budget support (general and sector specific).

4.4 The remaining development assistance will be committed mainly to the provision of high-quality capacity building, especially in the areas of pro-poor social and economic policy and planning, including better statistics and a stronger evidence base; in pro-poor macroeconomic and public financial management; in governance; in the social sectors; in agriculture and rural development; in trade and regional integration; and in strengthening alignment, coordination and harmonisation among Rwanda's development partners.

4.5 The overall level of bilateral development assistance, the proportion of budget support, and the focus of the remaining components of the programme, will be reviewed regularly with the Government of Rwanda. DFID support provided to Rwanda through Non-Governmental Organisations (NGOs) or Civil Society Organisations (CSOs) will be consistent with EDPRS, and Government of Rwanda will be informed about commitments and how such resources have been used.

Section 5: Monitoring and Review

5.1 The commitments set out at sections 3 and 4 above will form the basis for high-level partnership talks to be conducted annually, and for dialogue whenever appropriate or necessary.

Annual Reviews

5.2 The two governments will annually assess these commitments and review the performance of each side. The primary focus for the UK will be to assess commitment to the UK Partnership Principles:

- **Poverty reduction and the Millennium Development Goals;**
- **Respecting human rights and other international obligations.** Within this the following sub-areas will be considered: Social, economic and cultural rights; Civil and Political rights; International obligations;
- **Improving public financial management, promoting good governance and transparency and fighting corruption;**
- **Strengthening Domestic Accountability.** Within this, the following sub areas will be considered: formal accountability institutions; political competition / elections; decentralisation and citizen engagement; civil society; and media.

5.3 Examples of the kinds of indicators that will be used to inform these assessments are included in Annex A. The findings of these assessments will be discussed at annual partnership talks.

5.4 As far as possible reviews and indicators will draw on Rwanda's existing systems for monitoring and reporting, (including EDPRS Monitoring, Common Performance Assessment Framework, Development Partner Assessment Framework and the Joint Governance Assessment). The UK may, in consultation with

Government of Rwanda, commission an external review of commitment to the Partnership Principles. The rationale and findings of any such assessments will be discussed in detail with the Government of Rwanda.

Section 6 : Circumstances under which development assistance would be interrupted or reduced

6.1 A failure to fulfil any of the commitments referred to in section 3 may lead to DFID's aid being interrupted, reduced, suspended, delivered in a different way, or terminated. The UK will take a long term perspective and is more likely to respond to a systematic pattern of events overtime. However, a single event might trigger a response if sufficiently serious in nature.

6.2 If serious concerns emerge which might lead to reduction, interruption, change in the modalities of, or termination of development assistance, the UK will talk immediately with the Government of Rwanda at the most senior levels to explain its concerns, investigate the issues, explain the potential implications of failure to honour specific commitments, and seek solutions including any remedial action required. The UK will, reciprocally, ensure swift access to senior UK officials and Ministers. Except in extreme circumstances, the process will allow for a period of assessment and discussion and planned disbursements will continue during this period.

6.3 If it is found that the Government of Rwanda has significantly violated the partnership principles, as set out in section 3 above, the UK will consider the following actions:

- Signalling a possible future response ;
- Delaying all or part (for example the variable component of General Budget Support) of a specific aid disbursement to government;
- Changing the way the UK delivers aid to government;
- Switching some or all of the UK's aid away from government to other channels;
- Or — in extreme circumstances — reducing or terminating its programme of assistance to Rwanda.

6.4 The appropriate response will depend on:

- The seriousness of the specific situation, and the circumstances that led to a breach of the partnership principles. In particular the UK will consider the scale, severity and trend of the change;
- The impact that any decision will have on poor people and longer term poverty reduction effort.

6.5 Only in exceptional circumstances will the UK interrupt planned disbursements of aid to government within Rwanda's financial year.

Section 7: Duration


7.1 This MoU will come into effect upon the signature of the two Governments and will remain valid until February 2016.

7.2 The MoU can be terminated by three months' written notice by either Government. It is agreed nonetheless that any decision of either Government regarding amendment, suspension, termination, or resumption of the MoU will first be subject to discussion.

The undersigned, on behalf of their respective Governments, have signed this Memorandum of Understanding in two originals:

For the Government of the United Kingdom:

Signed:



Name and Title:

*Mike Hammond,
DFID Rwanda Head of Office*

Date: 05/09/2012

For the Government of the Republic of Rwanda:

Signed:



05 SEP 2012

Name and Title:

*John Rwangombwa
Minister of Finance and
Economic Planning*

Date:

Annex A: Indicative Sources for Informing Partnership Principle Reviews

Partnership principle	Dimensions	Indicativesources
1 Poverty, MDGs	Poverty (MDG1)	EICV
	Inequality	EICV
	Primary education (MDG2)	EICV EMIS
	Gender parity (MDG 3)	EICV
	Under 5 mortality (MDG 4)	DHS
	Maternal mortality (MDG 5)	DHS
	HIV, TB (MDG 6)	DHS
	NB: When no primary survey / statistical data is available for the period being reviewed, relevant CPAF indicators will be used as a proxy for commitment to poverty reduction and MDGs. Data from the UN Statistics Division, the World Development Indicators and the Human Development Index may also be used.	
2. PFM, transparency, anti-corruption	Public Financial Management	PEFA assessments DFID Fiduciary Risk Assessments OAG reports Joint Governance Assessment CPIA data on quality of budgetary and financial management
	Budget transparency	Open Budget Index survey Open Governance Partnership Joint Governance Assessment CPIA data on transparency, accountability and corruption in the public sector
	Anti-corruption	Transparency Rwanda East Africa Bribery Index Transparency International Ombudsman's reports DFID Fiduciary Risk Assessment World Bank World Governance Indicators on Control of Corruption Joint Governance Assessment
	When no survey / statistical data is available for the period being reviewed, relevant CPAF indicators will be used as a proxy for commitment to PFM, transparency and anti-corruption.	
3 Human rights, international obligations	Economic and social rights	See sources for partnership principle 1. Joint Governance Assessment
	Non-discrimination	World Values Survey Local / Rwandan surveys and analysis Joint Governance Assessment Fund for Peace data

Partnership principle	Dimensions	Indicativesources
	Rights of women	UN General Assembly, Universal Periodic Review Cingranelli and Richards Human Rights dataset CEDAW reporting Joint Governance Assessment
	Civil and political rights	Cingranelli and Richards Human Rights dataset UN General Assembly, Universal Periodic Review US State Department Human Rights Report Bertelsmann Transformation Index (2.3 Freedom of Expression, and 3.4 Civil Liberties) National Human Rights Commission Reports Joint Governance Assessment
4 Domestic accountability	Formal accountability institutions	AFROSAl performance review for Auditor General Bertelsmann Transformation Index (Q 3.2 Independent Judiciary) PEFA reports OAG reports Ombudsman's reports Public Accounts Committee reports and hearings DFID Annual Reviews for support to Auditor General, and support to Parliament Joint Governance Assessment
	Political competition/ elections	World Governance Indicators (Voice and Accountability and Political Stability) EIU Democracy Index Bertelsmann Transformation Index (Q2 Political Participation) Election observation reports Joint Governance Assessment
	Decentralisation and citizen engagement	Rwanda Reconciliation Barometer Local data
	Civil society	CIVICUS Civil Society Index World Governance Indicators Joint Governance Assessment
	Media	IREX Media Sustainability Index Progress with Media Development reforms. Rwanda Media Development Index