

*2015 Development Policy Financing Retrospective  
Consultation Meeting (face-to-face)*

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**FEEDBACK SUMMARY**

**Date:** June 2, 2015

**Location:** Kigali, Rwanda

**Total Participants:** 15 (face-to-face)

**Overview and General Reactions:**

- The client representatives, from the Ministry of Finance and Economic Planning, expressed strong appreciation for the instrument and informed the meeting that the reforms supported by the DPF have largely been sustained given the fact that they were part of the government’s program supported through the national budget. They also stressed that without the DPF those reforms would not have been realized.
- The client specifically acknowledged the important role DPF has played in supporting many innovative reforms in the social sector, whose impact on poverty reduction was reported to have been significant. It was noted that the high level of community preparedness and strong community ownership and commitment were behind the success.
- It was noted that since 2012 there has been a shift from the multi-sectoral approach in DPFs (PSRCs) in Rwanda to more sector-based budget support. This has, however, changed the coordinating role played by the Ministry of Finance and Economic Planning (MINECOFIN) as the central ministry for strategic policy dialogue across all sectors, with sector ministries now leading more sector-specific policy dialogue. MINECOFIN expressed preference for the former approach where it felt that a more strategic policy dialogue took place, which also allowed for more effective planning and achievement of results. Compared to sector DPOs, general DPOs allowed the authorities to conduct broader discussion on development.
- MINECOFIN also raised concern on predictability of budget support by stating that “no budget support is better than unpredictable budget support.” Citing the new approach by the AfDB to enhance predictability, MINECOFIN urged the Bank to look into how the predictability of budget support could be enhanced in view of its implication on the effectiveness of budget management.
- There were also calls from CSOs to ensure that issues of gender and women empowerment are better addressed in DPOs and also highlighted the importance of ex-ante and ex-post assessment of unintended environmental effects/risks.

## Main Issues Raised

### ***Results focus of DPF***

The client acknowledged the important role the DPF instrument has played in supporting the country's development agenda. This was most evident in the support that advanced key innovative social protection reforms. More specifically, other comments on these issues included:

- The Social Sector DPOs were efficient in supporting innovative reforms in the social sector by increasing coverage. The innovations supported through the DPOs to advance social protection reforms had significant positive impacts on the communities as evidenced by the Government administered surveys of beneficiaries, which have provided evidence to a positive impact on poverty reduction.
- The client also noted there were positive externalities associated with budget support as most of the reforms supported through the national budget were intrinsically sustained beyond the life of the DPOs. An example of such were the social sector reforms.
- The authorities, however, raised concerns over the unpredictable nature of direct budget support, especially the case in programmatic series (multi-year operations), where task teams are required to present all subsequent operations to the Board for approval on an annual basis. The client informed the Bank that AfDB had recently introduced changes to their Policy Based Operations (PBOs) where task teams only go once to their Board to present a multi-year budget support operation with the subsequent operations disbursed against agreed triggers in a form of annual tranches upon management approval. Thus, the call for the Bank to do the same. The concern on absence of predictability of funding beyond one year was also raised by the CSOs.
- One of the stakeholders also raised the question on whether when a budget support operation is prepared rapidly there is a risk of compromising the achievement of results.
- One of the civil society representatives highlighted the need to consider addressing more deliberately gender and empowerment issues in the DPOs, especially in situations characterized by either political or economic instability as these have tended to affect women and children as well as the poor.

### ***Environmental and social aspects***

- The client informed the meeting that none of the reforms supported by the PRSCs and DPOs had any adverse social or environmental effects. They also noted that if IPF operation was going to trigger safeguards, they usually try to go to a different funder rather than the Bank.
- Participants also stressed the fact that the country had strict environmental rules and regulations for all investment projects, which were in place to mitigate any adverse environmental effects.
- On social sector reforms, the client informed the meeting that the impact has been positive and also advised the Bank to ensure that country specific context is taken into account when assessing the unintended social impacts, as some may not apply to the Rwanda context.

- The client made it clear that the country does not consider it necessary or even desirable to impose additional requirements (such as the application of World Bank investment financing safeguards) for DPF other than what was already in place.
- One of the civil society representatives raised a question on what would happen if unintended negative effects materialize after the approval of the operation and if follow-up dialogue with the authorities takes place.

### ***Effectiveness of DPF***

- The client was of the view that the effectiveness of DPOs could be enhanced if the instrument is depoliticized and made to be more predictable. These concerns have led to a gradual shift from DPOs Program for Results in Rwanda.
- The client called for coherence/streamlining of Bank's fiduciary assessment requirements in its different programs/operations as they tend to be replicative in nature, imposing a huge transaction cost on the Government Ministries and Agencies concerned.
- Based on the client's past experiences, they requested the Bank to be assigning experienced Task Team Leaders to lead preparations of DPF operations in Rwanda.

## Annex 1: Participant's List



### 2015 Development Policy Financing Retrospective Consultation Meeting

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**Location:** Kigali, Rwanda

**Total Participants:** 15

No.	Participant Name	Organization	Organization Type	Country	Email Address
1.	Kampeta Sayinzoga	Ministry of Finance and Economic Planning	Public	Rwanda	<a href="mailto:Kampeta.sayinzoga@mineconfir.gov.rw">Kampeta.sayinzoga@mineconfir.gov.rw</a>
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3.	Sam Kalinda	Ministry of Finance and Economic Planning	Public	Rwanda	<a href="mailto:Sam.kalinda@mineconfir.gov.rw">Sam.kalinda@mineconfir.gov.rw</a>

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15.	Carolyn Turk	World Bank			
16.	Yoichiro Ishihara	World Bank			
17.	Rogers Kayihura	World Bank			
18.	Sylvie Ingabire	World Bank			
19.	Appolenia Mbowe	World Bank			