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THE LIMITS AND SCOPE FOR THE USE OF DEVELOPMENT
ASSISTANCE INCENTIVES AND DISINCENTIVES FOR
INFLUENCING CONFLICT SITUATIONS

CASE STUDY: RWANDA

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Acronyms

ADFL	Alliance of Democratic Forces for the Liberation of Congo
DRC	Democratic Republic of Congo
FAR	Forces Armées Rwandaises
FAZ	Forces Armées Zairoises
GoR	Government of Rwanda
HRFOR	Human Rights Field Office in Rwanda
ICTR	International Criminal Tribunal for Rwanda
IDPs	Internally Displaced Persons
IMF	International Monetary Fund
JEAAR	Joint Evaluation of Emergency Assistance to Rwanda
NGO	Non Governmental Organisation
OAU	Organisation for African Unity
ODA	Official Development Assistance
RPF	Rwandan Patriotic Front
UNAMIR	United Nations Assistance Mission in Rwanda
UNDP	United Nations Development Programme

1. SUMMARY OF MAIN POLICY FINDINGS AND ORIENTATIONS FOR DONORS

1. There is no shared understanding of the dynamics of the Rwandan conflict amongst OECD members. This divergence inevitably limits the potential to use ODA as part of jointly agreed and systematically applied system of incentives and disincentives. In the current situation, only generic agreement on the direction in which to exert political pressure through ODA may be achieved within the donor community.

2. The findings and conclusions of this study should be seen in the context of the main conclusion of the JEEAR (1996) and supporting studies (Scherrer 1997, Uvin 1998): in the period leading up to the genocide the priorities of aid were largely unrelated to the challenges on increasing polarisation, inequity, hatred and violence that Rwanda was facing. In the post-genocide period, the scope for the use of incentives and disincentives (with or without specific conditions) in Rwanda is determined by a number of context specific factors. First, the genocide has had a profound impact on the social and political fabric of the country; this impact is hard to grasp for outsiders, who have never encountered such situation before. Second, the legitimacy of the donor community to exert influence is seriously hampered by its inaction before and during the genocide, as well as by some of its actions after the genocide. Third, security is such an overriding concern for the GoR, that, in the absence of a credible scenario to improve security through an international effort, the use of negative ODA conditionality is unlikely to be effective. Fourth, with remnants of the former government persisting in their genocidal attitudes and policies, the options and scenario's available are limited and there is little scope for a negotiated settlement to the conflict. Fifth, the polarisation and trauma in Rwandan society are such that any incentive strategy – even one that is not conditional or confrontational – is bound to require much time in order to have any visible impact.

3. Still too often, it is assumed that donors are somehow external to a conflict. However, whether through historical -, trade -or military relations, or even simply through the granting of ODA, all donors become part of a conflict. This study begins from the assumption that *all ODA produce incentives and disincentives* whether these are deliberate or recognised or not. This is probably *a fortiori* the case in the polarised circumstances of acute conflict. The issue is then not whether to create (dis)incentives or not, but rather how to be aware of the (dis)incentives impact of ODA interventions, and how to manage them in such a way as to promote conditions and dynamics that are propitious to peaceful conflict resolution.

Summary of recommendations

- **Act early.** The longer one waits to use incentives and disincentives, the costlier their use will become, and the longer it will take to see results. Once the situation has come as far as Rwanda's, with an almost total destruction of the material and social fabric of society, it becomes extremely hard to change the dynamics of polarisation and violence. What this truly amounts to is that concerns of peace, justice, human rights, racism or inequality should not be on the agenda only after major violence has taken place, but always. This implies a rather fundamental reorientation of concepts and attitudes in the development community, for which the time is now ripe. The incentives/disincentives framework may be a useful tool for helping to operationalise these insights.
- **A policy of critical longer-term engagement is likely to be more effective than negative political conditionality.** The use of political disincentives in Rwanda should not a priori be ruled out. But under the current circumstances their effectiveness is doubtful, squandering scarce leverage tools and political capital in the process. Positive incentives and dialogue may be more useful.

- **Promote ‘transparency in diversity’.** Rather than trying to develop unanimously agreed-upon – and thus often watered-down – positions and attempt to get all donors to behave the same way on each specific occasion. It is more important – and realistic – to agree on shared goals than on shared strategies, for the simple reason that there exists more than one path to the same goal. There are different manners in which donors can seek to produce incentives and disincentives. Countries adopt these tools in function of their assessment of the government, which itself is the result of a host of other factors. Donors may find it useful to think of simply being more candid and transparent about their assessments, concerns, and goals. The resulting clarity will benefit mutual understanding between the donors. It will also send clear signals to the recipient. These signals may not be co-ordinated, but they will be less ambiguous and watered-down.
- Donors may wish to **consider the important role that informal leadership** plays in conflict situations. Some countries may be more willing and able than others to take certain risks, to innovate, or to engage parties to the conflict in dialogue.
- **Explicitly consider trade-offs and incentives and disincentives as part of a longer-term strategic framework** for involvement. Such trade-offs can only be considered within a longer-term framework, preferably based on a GoR-donor dialogue.
- **Resist a tendency to compartmentalise conflicts** to fit bureaucracies and funding mechanisms.
- Be willing to support activities on the interface between development aid and security to more **systematically address the need to establish viable national security frameworks in post-conflict situations**, including professionalisation of the military and police.
- **International intervention needs to be directed to all sides in conflicts** in a manner that is consistent with the objectives sought. In acute conflict situation, the scope for the use of ODA is often limited and primarily useful to create incentives or disincentives to governments only.
- **Strengthen and institutionalise mechanisms for reflection and self-criticism within donor agencies.** Existing review and evaluation mechanisms have their part to play, but in conflict related situations, more flexible and rapid-feedback mechanism are required that can impact in earlier stages in the planning process.
- **Promote institutional memory.** Important documents, often funded by and available in the same agency, are not known or used. This is a problem for all development aid, but its consequences can be especially dramatic under conditions of conflict. Such institutional memory can also provide an infrastructure for reflection and self-criticism.
- Many donors have created conflict units since the Rwandan genocide (and to no small degree as a result of it); however, **there is a need to mainstream conflict impact analysis and integrate it in human resource development and objective-oriented planning and management tools.**
- **Develop multilateral rapid response financing mechanisms** that allow for fast action to intervene in conflict. In Rwanda, a first step would be to initiate *a joint review and evaluation* of the UNDP Trust Fund mechanism. An evaluation would have a two-pronged focus: (i) technical and managerial performance; (ii) lesson learned (strength, weaknesses and opportunities) on the conceptual aspects of the trust fund mechanism in the context of rapid response in (post) conflict situation.
- Realise the **inevitability of initial donor-driven support** in key sectors such as justice and security framework reform. If donors are convinced that certain actions are important and the government does not prioritise these actions, but does also not oppose donor investment in them, donors must be willing to pay for them.

2. INTRODUCTION

4. This study examines the way donors, after a severe violent conflict, use their assistance to create incentives and disincentives to reduce violent conflict and build a durable peace. Donors may well use different terminology than incentives and disincentives – or even not examine their aid in these terms. The task of this analysis is to promote fresh understanding and discussion of these matters.

5. The impetus for this study came from the Joint Evaluation of Emergency Assistance to Rwanda (JEEAR). Published in 1996, it examined the international response to the Rwandan genocide and its immediate aftermath. It concluded that while human rights conditionality was “preached” it was not “practised.” (p. 32) This point is supported by other studies (Scherrer 1997; Uvin 1998) that the priorities of aid in the early 1990s were largely unrelated to the challenges of increasing polarisation, inequality, hatred, and violence Rwanda was facing at the time. Thus important opportunities to use aid to induce a response away from increasingly violent conflict through the strategic use of incentives and disincentives were missed.

6. Many study team discussions began by clarifying what was meant by the terms incentives and disincentives. The study team found that the term ‘conditionality’ was more readily understood and used by practitioners and policy makers alike. Conditionality, especially in its usually discussed form of negative conditionality, consists of the threat of withholding aid (and, if necessary, the execution of this threat) in order to force recipients to modify their behaviour. As such, conditionality is only one possible tool among many others within an incentives/disincentives framework. Incentives are inducement processes involving the offer of a reward by a sender in order to promote a particular action or response by a recipient; disincentives seek the same goal by increasing the costs of non-desired behaviors. (Cortright 1997). Both incentives and disincentives then may be conceived in a conditional or in an unconditional manner (i.e. with or without reciprocity requirements).

7. We also found that in speaking about ‘influencing conflict’ in our interviews, a range of underlying assumption needed to be made explicit: was the goal to ‘resolve’ conflict, ‘manage conflict’ or ‘transform conflict’ (Lederach, 1995). The terminology reflects quite different ideas on issues such as the role of outsiders, the desired outcomes, or the degree to which one is prepared to reflect on the unintended and unforeseen negative effect of one’s actions. In some cases, we will refer to these unintended signals and outcomes as disincentives. Generally, the role of outsiders in transforming or resolving the conflict in Rwanda is limited; only Rwandans themselves can create the desired outcomes.

8. At some points in this study, we will briefly return to the period before the genocide, for donors have played important roles in Rwanda for thirty years already. Yet, the focus of the study is on the period from July 1994 to the present. It has been argued – among others by some members of this study team – that this time limitation undercuts the relevance of this study, for it excludes analysis of the way the aid system has been an important part of, if not complicit to, the processes that eventually led to genocide. Rwanda’s crisis also had an impact beyond its borders and has taken on a major regional dimension. As a result, this study encompasses donor responses that affect Rwandan populations inside and outside the country in the period July 1994 to December 1998.

9. The conflict in Rwanda remains uniquely violent, intense, and destructive. Many argue that civil war and genocide are still ongoing (although they have abated somewhat in recent months). Human rights violations continue to be widespread, bringing daily suffering to hundreds of thousands. The racist and extremist rhetoric that caused the genocide is still alive; the challenges of justice are still enormous; and reconciliation has hardly begun. Levels of poverty are still significantly higher than they were even in

1994, when they had already increased sharply. This dismal situation has to be compared to the truly gigantic nature of the challenge faced by aid agencies – and, foremost, by the people and the government of Rwanda. It can be argued that, given this context, the progress achieved *is* substantial.

10. The paper is organised the following way. Section 3 presents a brief overview of the major events during the period under study. Section 4 examines how bilateral donors have sought to employ incentives and disincentives so as to have different impacts on the conflict. It begins with a general overview of aid and then focuses on the more specific sector and project levels. Sections 5 and 6 discuss the two cross-cutting issues of donor co-ordination and donor coherence. Section 7, finally, synthesises the insights of the study and proposes some general lessons.

3. DEVELOPMENTS AND MAJOR EVENTS DURING THE PERIOD UNDER STUDY

11. On 1 October 1990 the Rwandan Patriotic Front (RPF) attacked north-eastern Rwanda from Uganda. The RPF was composed primarily of Tutsi refugees (and their descendants) who had fled pogroms in Rwanda in 1959-63. Many of the RPF soldiers had fought for President Yoweri Museveni until 1986. Habyarimana's government and the RPF began negotiations in Arusha on the 10 August 1992. An agreement was reached a year later on a variety of points including a combined military and was to be operational by the 10 September pending the arrival of the UN blue helmets. On the 6th April 1994, while returning from discussions in Tanzania, President Habyarimana and President Ntaryamira of Burundi were killed in a plane crash over Kigali. His death sparked organised massacres that in three months killed around 800,000 people. Most commentators now agree that the speed and efficiency with which the ensuing genocide unfolded point to a high degree of premeditated planning and organisation, as well as widespread adherence to a deeply racist ideology. The RPF reacted by launching an offensive on the 8 April and quickly taking Kigali by the 18 July. The advance panicked tens of thousands of Hutu – around 1.8 million crossed into Zaire, Tanzania and Burundi where they were hastily housed in refugee camps. A new government was established in Rwanda headed by Pasteur Bizimungu as President and Faustin Twagiramungu as Prime Minister, both Hutus. Real powers, however, lay with Paul Kagame, the deputy president and defence minister who was Tutsi.

Immediate post-genocide (August 1994 to October 1996)

12. The country the RPF inherited as it ended the genocide was essentially a shell. The economy was in ruins, all government institutions had been destroyed, most of the skilled and professional work force had been killed or had fled, and the social structures of the society had collapsed. There was no money or funds to begin rehabilitating even the most fundamental services. In addition, the existence of the refugee camps quickly became the major obstacle towards further peace. As they housed the former Rwandan armed forces (FAR) and *interahamwe* militias – the instigators and perpetrators of the genocide – they represented for the Rwandan government not only a moral affront but also a major security threat. Consequently, the fact that the international community supported, fed and housed genocidaires became the greatest obstacle to good relations between the GoR and the UN as well as the humanitarian community.

13. A growing number of Hutu insurgent attacks launched from the camps heightened insecurity and tension in Rwanda. The international community, despite growing concern about the future of the camps, lacked sufficient will to close them, move them away from borders, separate the leaders and killers from the others, or provide sufficient security for refugees to move back to Rwanda freely.

14. In October 1996, the Banyamulenge, long-standing Zairean inhabitants of Tutsi ethnic status spearheaded a force known as the Alliance of Democratic Forces for the Liberation of Congo (ADFL) in South Kivu. The spark that ignited the conflict was the announcement by South Kivu's deputy governor in September that the Banyamulenge had one month to return to Rwanda although they had lived in Zaire for several generations. Backed by the Rwandan government, the ADFL rapidly overran the Zairean military forces and Hutu militias in refugee camps.

Refugee return (November 1996 to August 1998)

15. The ADFL attack prompted the return of at least 600,000 people by foot from the Zairean camps in November 1996 into Rwanda. On 6 December Tanzania declared its own ultimatum for the clearance of Rwandan refugees from its soil, prompting a further 500,000 refugees to return. The ADFL advance continued west easily defeating corrupt and demoralised Zairean military. Rwanda continued to be its principal backer, but the ADFL was also supported by Uganda; from December 1997, Angola provided military equipment and some soldiers. Although the great majority of refugees returned to Rwanda, several thousand fled westward accompanied (or forced) by FAR soldiers. Tens of thousands were allegedly killed by pursuing ADFL and Rwandan soldiers or died of malnutrition during their flight. These claims soured the victory in the eyes of many observers and calls for a human rights investigation were made. Nevertheless, in May 1997, the ADFL leader, Laurent Kabila entered Kinshasa overthrowing President Mobutu Sese Seko's 32-year dictatorial rule.

16. As Kabila came to power, both Kigali and Uganda expected a greater attention to secure their borders from Hutu insurgents. Co-operation at first was good – Rwandan soldiers, for example were placed in charge of remoulding Congo's armed forces. Kabila's attitude towards his backers, however, deteriorated sharply and he appeared increasingly ambivalent towards Rwanda's security problems. Security in Rwanda's north-west provinces of Gisenyi and Ruhengari worsened. Rwanda retaliated with massive counter-insurgency measures – worsening an already poor human rights situation.

Invasion of Congo (August 1998)

17. In August 1998 relations between Kabila and the Rwandans soured further resulting in the departure of the official Rwandan presence in Kinshasa. As a consequence, a new mutiny started in the Congo, forming a rebel group known as the RCD. Some former FAZ soldiers turned against Kabila and to Rwanda for support. In an audacious move, rebels – with Rwandan support – flew across to the west of the country and joined with other mutinying forces to stage a new attack on Kinshasa. With the capital under threat, Zimbabwe, Angola and Namibia joined the war to support Kabila against the rebels. Since then Chad and Sudan have also backed Kabila while Uganda has sent troops into Congo in support of Rwanda. Together, they managed to impose some major defeats to the rebels, who later have been rumoured to have split into two groups. However, the war is continuing.

18. This second Congo war is the most expansive in Africa in modern times. It looks unlikely to end soon. It has been further aggravated by Kabila's enlistment of ex-FAR and *interahamwe* soldiers into the Congolese forces, an act that will impede Rwandan acceptance of a negotiated settlement while Kabila is in power. Zimbabwean troops are being funded from Congolese sources. The presence of Angolan troops has decreased as a result of UNITA military actions in Angola. The Rwandan's meanwhile believe they have the advantage of time over their more cash-strapped foes. They also believe they are fighting for their very survival – as do the genocidaires. Recently, the security situation inside Rwanda has improved markedly as the frontline has moved westward and Hutu insurgents are flushed out by Rwandan and Ugandan offensives.

4. OVERVIEW OF DONOR RESPONSES SINCE THE GENOCIDE

Overall trends in bilateral ODA

19. The analyses will mainly focus on the top eight donor countries in the post genocide period (as listed in Table 5, in the Annex). However, it is highly relevant to briefly study pre-genocide trends in ODA, for they constitute the backdrop against which current trends can be judged. In addition, the genocide prompted many countries to increase their assistance through either bilateral or multilateral channels, and we will include experiences from smaller donors such as Sweden and Denmark.

Background: Bilateral ODA 1988 -1993

20. Between 1988 and 1991, the total bilateral and multilateral ODA from OECD member countries increased by 50% from \$244 million to \$353 million. This level was maintained throughout 1992 and 1993, while the civil war and the Arusha peace negotiations were ongoing.

21. In absolute terms, this rise came mainly from increases in bilateral aid from a few donor countries with long-standing relationships with Rwanda, including Belgium, France, Germany, Switzerland, and Canada, but also the USA and other smaller donors such as Sweden, Norway, and Spain increased their financial support.¹ All told, all but one of the donor countries increased their bilateral assistance during that period (see Table 4 in the Annex). Note that these were the years during which the genocide was being prepared – years characterised by massive human rights violations, increasing polarisation of society, the widespread use of racist rhetoric, the creation of militia, etc.

22. This rise in aid was closely related to structural adjustment. Late in 1990, Rwanda had signed its first adjustment agreement with the IMF and the World Bank, leading both to greatly increased flows of program funding from the Bretton Woods institutions themselves (Table 1 in the Annex), but also to the above mentioned increases in bilateral support. Most of this additional aid came in the form of balance of payment support for adjustment programs; some of it amounted to additional adjustment operations. (Uvin 1998) By 1993, also humanitarian assistance rose dramatically, to deal with both the Rwandan IDPs (who became the first recruiting ground for the interahamwe and other militia) and the refugees fleeing Burundi after the failed coup d'Etat and the ensuing violence there. As a result of these two trends, relatively more assistance was provided through multilateral channels.

23. It is also possible that the 1991-93 increase of bilateral ODA indicates donors' feeling that, with the Arusha negotiations occurring, it was timely and justified to become more engaged in Rwanda. Especially the fact that between 1992 and 1993 a number of protocols were signed would strengthen the perception that the 'peace process was on track'. The logic of this assessment could justify the position that the continuation of high donor support would provide an incentive for the government to stay committed to a negotiated settlement².

24. This observation is relevant in the light of the current attempt by some donors, including the UK and the Netherlands, to use benchmarks as a tool for evaluating their aid portfolio in Rwanda. Although in hindsight there is some reluctance to admit this, the Arusha negotiations were indeed seen as a credible

¹ Tables 1, 2 and 4 in the Annex.

² The same argument was used against conditionality during that period. Notwithstanding great increases in government-instigated human rights violations and racist rhetoric, negative conditionality was used only very sparsely during that period, and positive conditionality hardly at all.

process. Looking back it is easy to underestimate the persuasiveness of interpreting developments in the conflict using benchmarks related mainly to the political process (continued negotiations, specific protocols being agreed and signed). Since then the flaws of this narrow benchmarking have been clearly demonstrated. Indeed, the recent history in Rwanda illustrates that one of the key challenges for donor countries lies in defining and tracking comprehensive indicators of reduced or increased social tension in addition to the more commonly used political benchmarks.

Bilateral ODA 1994-1997

25. Immediately after the genocide, ODA from OECD members doubled in 1994 to 713,6 million US\$ (the rise is even more dramatic if one remembers that most of this money was spent in the latter half of the year only). Almost all of that aid is humanitarian assistance – not long-term development assistance. In 1994, also, 2 out of 3 dollars were disbursed through bilateral channels; a large proportion of it through NGOs. The US was by far the major bilateral donor in this initial crisis response: with \$195 million (an increase by 700% of its aid from the year before), it accounted for almost 40% of all bilateral aid that year. From its 1994 peak, total ODA decreased slowly to \$591 million by 1997, the last year for which good data are available. Still, even at that level, total ODA is vastly higher than either 1991-93 or before.

26. The main observable trend during this period 1995-97 is a significant decline in bilateral ODA (see Tables 1 and 4 in the Annex). Overall, the proportion of aid channelled through multilateral organisations increased every year since the genocide, with the exception of the year 1994 itself (see Table 3 in the Annex). By 1997, the ratio of multilateral over bilateral aid was 2.3, compared to a 0.7 ratio prevailing before the genocide. This seems to suggest both the continued importance of humanitarian assistance, which, after 1994, was channelled largely through UN agencies, as well as an apparent strategic choice of donors to use multilateral channels to deliver most of their assistance. It seems, then, that the post-genocide GoR has received significantly fewer direct resources than the Habyarimana regime.

27. Initially, the dramatic rise in multilateral and bilateral ODA was directed almost exclusively towards humanitarian assistance to refugees, with major variation in donors' behaviour. Japan reduced its bilateral ODA to Rwanda between 1991 and 1997. Instead, it became consistently one of the top 3 donors of humanitarian assistance through the United Nations. Denmark similarly limited its bilateral assistance to Rwanda, but has been among the leading donors of humanitarian assistance to the Great Lakes Region through the UN. Norway's humanitarian assistance has been considerable, but channelled largely outside the UN Appeals; instead, it was channelled through international NGOs. Canada early on made the strategic choice not to support the refugee camps.

28. Overall, the composition of key donors in the two years immediately after the genocide changed too (see Figures 1 and 2 in the Annex). Immediately after the genocide, bilateral ODA from France and Belgium dropped dramatically below the levels of 1991-93. After this initial response, both countries again increased their bilateral ODA, but their 1996-97 average was still far below the 1991 level: 47% and 26% for Belgium and France, respectively.

29. ODA from Germany and Switzerland – who like France and Belgium had long-standing and considerable ODA programmes in Rwanda – in 1994-95 saw increases of 23% and 18%, respectively, up from 1991 levels. While slightly reducing bilateral ODA in 1994-95, by 1996, the level of Canada's bilateral ODA again increased and returned to the level of 1991.

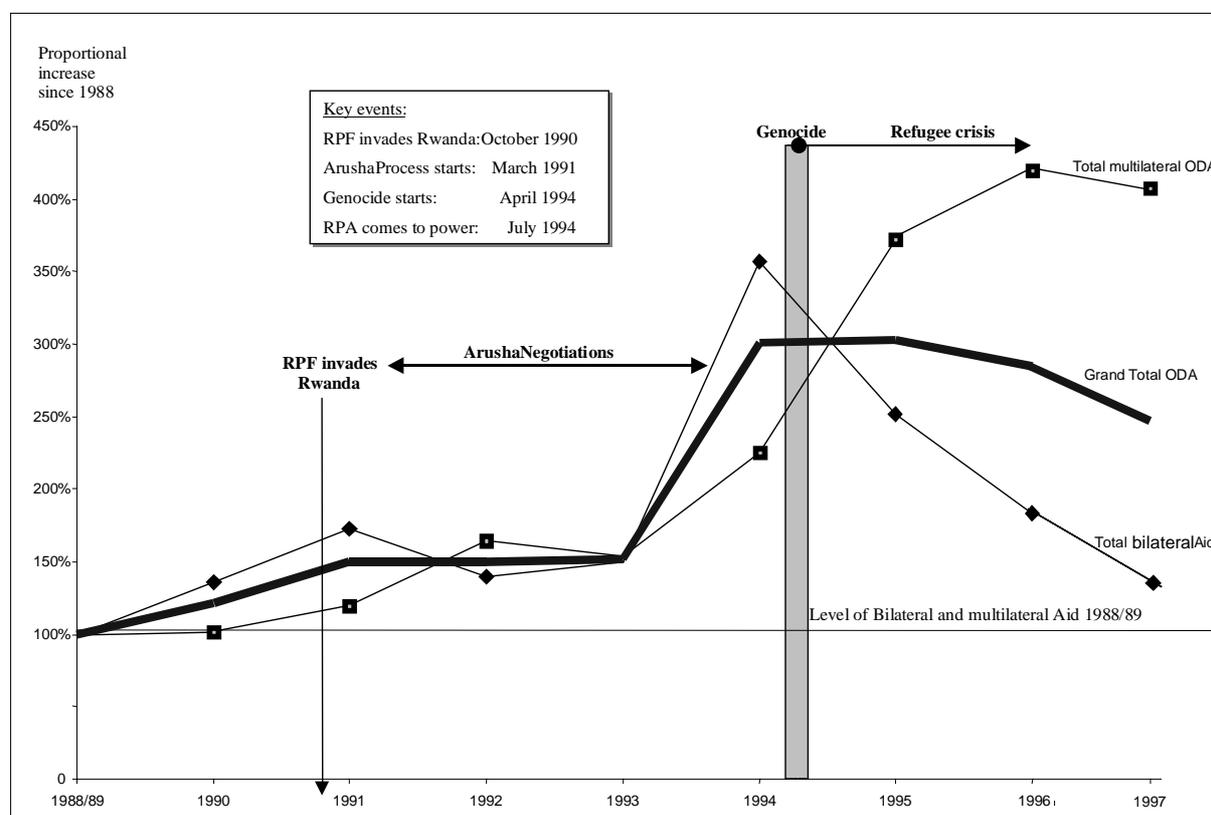
30. In absolute terms, two countries – the Netherlands and the UK – established themselves as new major bilateral donors. Less visibly, but representing a very large percentage increase, Norway became the

seventh largest donor in the period 1995-97. Also Ireland, Sweden, Spain and Italy significantly increased their ODA.

31. As dramatically as US assistance increased in 1994, it fell afterwards. The available OECD figures show a drop from 194 million US\$ in 1994 to around 10 million in 1996 and 1997 – slightly lower than its average aid before 1994.

32. In conclusion, the genocide and its social political aftermath redefined the roles of key OECD member countries in Rwanda. As regards bilateral ODA, DAC members appear to have had four types of reactions: (i) significantly reducing levels of funding (France, Belgium); (ii) maintaining or slightly increasing their already high funding levels (Germany, Switzerland, Canada), (iii) significantly increasing their disbursements (United States, United Kingdom, Holland, Norway), or (iv) concentrating on the provision of humanitarian assistance to the region through multilateral channels (Japan, Denmark).

Figure 1-1: Trends in official ODA and phases of the conflict



Source: calculated from OECD Online Database, March 1999.

Figure 1 shows the trends in ODA provided to Rwanda by OECD member countries in relation to key events in the Rwandan conflict since 1988. The average of the ODA provided in 1988 and 1989 is taken as a base to illustrate overall level of ODA and the share of ODA through bilateral and multilateral channels.

Overall assessment of the situation by donors

33. There are few situations where donors, while motivated by a similar desire to end the Rwandan tragedy, have adopted such radically different stances to government. On a continuum, the US and UK occupy one end that is most sympathetic to the Rwandan government, followed by the Dutch, Swedes and Canadians. The Swiss, Belgian, French, Danish, and Germans appear most critical of the GoR, although that does not necessarily mean that they are much more willing to employ conditionalities. What accounts for these differences?

34. The variance in approaches reflects foremost differences in donors' understanding of the dynamics of the Rwandan conflict. Most importantly was the relationship donors had with the former government. For those most supportive of the pre-1994 regime, the genocide has profoundly affected their relations with the current government – they have tended to give less and be more cautious of the government. They may have also been slightly more inclined to use create disincentives by employing conditionalities or outside pressure, but, given their decreased importance (and their less than optimal relations with the GoR), they have less capacity to do so successfully. The different perceptions have also influenced the operationalisation of donor support (i.e., transition-, project- or long-term programme support, channelling funds and implementation responsibility through government, UN agencies or NGOs etc.). In addition, there have been changes that reflect the shifting priorities for development assistance within donor administrations that not necessarily are related to the conflict in Rwanda.

35. The key division between donors is their assessment of the nature of the current government, and their willingness to invoke the genocide to explain the government's (and the army's) behaviour. Two quotes, both from senior people within donor aid agencies dealing with the region, illustrate the point. One, discussing the imminent demise of the Human Rights Field Office in Rwanda (HRFOR), writes that *"a strong sense of confidence and pride seemed to have led the GoR to adopt what appears to be a very arrogant attitude with the donor society... it seems the GoR is using the genocide as political capital in order to avoid a dialogue, let alone criticism, of its policies."*

36. Contrast this with "if you are going to understand what is happening in Rwanda today, what will happen tomorrow, next month, or for years to come, you have to understand genocide and the enduring consequences of genocide. It permeates, affects and influences human behaviour so totally that it is remarkable that the survivors and the government have been able to exercise the degree of restraint they have been exhibiting." Clearly, underlying this are very different assessments of the government's behaviour, as well as the importance of the genocide in explaining it.

37. Those who doubt the intent of the GoR are troubled by its continued dominance by RPF leaders such as Paul Kagame; the exclusion of the MRND from the government; the weakness of systemic checks and balances on the government, the increasing "Tutsification" of important government positions, and the allegations of major human rights violations by the FPR both before and after its victory. The contrary point of view is that the government is multi-ethnic, has respected the spirit of the Arusha agreements, is trying to improve the quality of its governance (including, recently, local elections) and more generally, given the reality of the genocide and continued civil war, has been remarkably willing to try to live up to high standards. An intermediate position is that, while the government's composition and social support is indeed not ideal, it is very difficult if not impossible at this time for the international community to condemn, let alone try to change, these matters.

38. Many observers agree that the time is not ripe for democracy and elections as a tool for legitimising a new government: this would be a recipe for violence and division. Hence, most donors have abstained from putting pressure on the GoR to change its composition – which has not stopped private

doubts on the matter. Some donors have sought to develop innovative projects that in the long run may contribute to increasing the accountability of the government.

39. This variation of interpretation and understanding also pertains to Rwanda's security threats. It is detectable both between donors and between individuals within donor missions. Some donors condemned Rwanda's most recent incursion into the Congo, for example, as unjustified. A few went as far as imposing limits on their aid in order to send a strong disincentive signal. Others were more willing – unofficially at least – to understand Rwanda's actions in relation to its security concerns, and, while still denouncing them as unhelpful, they continued their support to the government.

40. Development agencies and foreign policy makers do more than assess the nature of the government: they must also assess the nature of the likely alternative. Indeed, it is perfectly possible to believe that the current GoR is not representative or ideal by any criterion, and yet that it should be supported because the available alternatives are worse. It has been argued that, if too much pressure is put on the current government, this may lead to a coup by people significantly more radical than Kagame. Moreover, it is not clear where to find credible, moderate and representative opposition politicians. The genocide killed most moderate Hutu.

41. The 'there-is-no-real-alternative' assessment is important in understanding why donors pledged significant amounts of money to Rwanda less than one month after the HRFOR was pressured by the GoR to leave. As Jan Pronk reported to the Dutch parliament about a meeting (May 1998) of the EU ministers with Kagame: "*Questions were asked, but the donor community found the answers satisfactory, and did not see any other way but to continue the support.*"

42. A variation in view also exists between ministries *within* donor countries. Many officials noted a difference in perspective between their "aid" arm of government and the more political "foreign" departments. Even at the individual level, reactions towards Rwanda differ widely, a feature also mentioned by many people interviewed in this study. Perspectives varied depending on people's own analysis of the situation, their friendships or personal experiences, or whether they began working in Rwanda before the genocide, immediately after the genocide or post-1996 when the government had instigated hard-line counter-insurgency measures.

43. From the other side of the relation, the GoR also has also harboured serious distrust about, if not outright hostility to, the donor community. Its main gripe was of course that the international community – whether bilateral donors, UN agencies, or NGOs -- had failed to prevent or stop the genocide, closing its eyes to the racist human rights violations of the Habyarimana regime, dismantling UNAMIR when it was most needed and refusing to recognise the reality of the genocide, allowing the genocidal interim government to sit on the Security Council until July 16, etc. From the perspective of the GoR, these omissions profoundly undermine the legitimacy of the international community, especially when the latter seeks to judge the GoR, or pressure it to behave in certain manners. The debacle of the refugee camps, which we will discuss later, only added to this distrust.

A tendency towards indirect assistance to Rwanda

44. From as early as 1995, the GoR expressed its irritation with the way donors continued to monopolise the flow of funds. It repeatedly called for assistance to be channelled directly to itself, and at times refused aid on the grounds that it did not involve strengthening its own capacities. Twice in 1995, the GoR suspended or terminated the operations of NGOs: in Dec., in the biggest move, the operations of 18 agencies were suspended and 38 were told to leave within a week. One-third of those asked to leave was French. Despite protests by ECHO and a threat to stop aid, the organisations departed Rwanda leaving

their vehicles and equipment behind. There appeared to be no sanctions against the Rwandan authorities by the international community to these enforced departures.

45. Donors differed on whether aid should go directly to government. Some, such as the US, agreed with the GoR, noted in 1996 that “*a greater proportion of pledged assistance should be channelled directly to government ministries to strengthen the national institutional capacities.*” Other donors, until today, remain wary of any direct support to the government: at present, Denmark, Canada, Germany but also more positive Sweden have no funds allocated directly to the government. Even the UNDP, the agency working with governments par excellence, argues in 1998 that it will need to “*make limited, specific use, as appropriate of the direct execution modality*” although it immediately added it would “*also focus on building local capacity.*”

46. On balance, the donors have not granted the wishes of the GoR for an increase in assistance to government. As documented above, the proportion of all aid sent through multilateral channels has continued to increase rather than decrease until 1997 (however, as discussed in section 4.3, some of that aid does directly strengthen the GoR’s capacity). Exact figures are difficult to establish³, but it seems that, of all bilateral aid, only a small part goes to the government. The reasons for this include: (a) a sense of urgency in producing operational results (which would supposedly be slowed down by going through the government, given the latter’s low executing capacity and its need for capacity building, and (b) a more broad, usually unacknowledged, distrust of the GoR. Part of this distrust reflects the above described divergence in political assessment; part can also be traced to the absence of clear government policies that donors can debate and support; early support to such policy development can be important in this respect⁴.

47. The ‘lack-of-capacity’ argument has been used as a technical argument – and excuse some would claim – to justify bypassing GoR structures. During the initial emergency phase bypassing the initially virtually non-existing government structures was indeed the only option. However, five years later this strategy has persisted in the face of the need to improve the government’s ability to provide services to the population. At the centre of the difference is a policy decision to engage with the GoR, or, to remain more focused on a tight control of one’s own projects. One donor noted that “*in a post-conflict situation projects must be self-contained, i.e., independent from other donors or the government.*” In contrast, a report to two donors (1996) observed:

*“On the one hand, [Rwandan] authorities are faced with low levels of organisational capacity, high levels of programme under-delivery and limited financial resources under their direct control. On the other hand, carrying out their co-ordination responsibilities demand substantial knowledge about the vast range of projects that are **independently** financed, **independently** managed, **independently** implemented and **independently** monitored by NGO, UN system and donor agencies and organisations!. As one official candidly expressed “in order to get its work done, the Government is forced to coax, cajole and sweet-talk nearly 200 separate governments!”*

Donor programmatic priorities since the genocide

48. The initial reaction of the donors was to massively extend humanitarian assistance, foremost outside of Rwanda but also inside the country. The choices made at that time had important repercussions on the dynamics of the conflict in Rwanda, and forced donors into making difficult new choices. Humanitarian assistance by far dominated financially, but donors also invested in reconstruction and –

³ For example, the categories used in the GoR data available from the UNDP 1997 report on Rwanda give the erroneous impression that the bulk of German aid is to directly to the GoR.

⁴ Thematic consultations along these lines are currently underway in Rwanda under the aegis of the UNDP.

even more cautiously – long-term development. Donors supported and initiated new projects prioritising areas that were perceived as pivotal for conflict resolution: the promotion of justice, respect for human rights, and reconciliation. These were new areas for most donors and constituted parts of an incentives strategy addressed to both the government and the people of Rwanda; donor commitment to these areas is unprecedented. Donors also invested in more traditional areas of promoting long-term economic growth, with debt relief being a key priority; here, too, donors have developed their policy on debt relief within a (dis)incentives framework.

49. These following areas are discussed below.
- Humanitarian assistance and the return of the refugees;
 - Justice;
 - Human rights;
 - Peace and reconciliation;
 - Debt relief and budget support.

Humanitarian Assistance

50. In mid 1994, the focus of the international community was almost exclusively on the massive number of refugees, estimated at more than two million, that had fled from Rwanda to then Zaire, Tanzania and Burundi. At the same time, within Rwanda itself, there were some hundreds of thousands of internally displaced persons (IDPs) living in camps in the area of the former Operation Turquoise. In contrast to the genocide and the fate of the *rescapés* (those who survived the genocide) the plight of the refugees was well documented in the Western media and led to a massive international response. As a senior official observed: “*CNN was there ...at home people saw these terrible pictures of the camps, they saw those people as victims.*” The inevitable bias towards the plight of the refugees created by television cameras played a key role in shaping public opinion and thereby the agenda of major donor countries.

51. During 1994, 1995, and 1996, humanitarian assistance to the refugees and the IDPs consumed by far the largest proportion of donor budgets and international attention. Most observers agree that in terms of providing nutrition, shelter, hygiene, and health care – these operations were remarkably successful under the extremely difficult political, social and environmental conditions. Yet, this success was in contrast to the implications of these camps for security and peace in Rwanda – and for that matter in the whole Great Lakes region.

52. Several donor representatives mentioned that the conceptual approach to refugee return could be summarised as a strategy of ‘pull and push’. Implied in this thinking are incentives and disincentives targeting the category of ‘refugees’.

Refugee camps: a failure to conceive of ‘push factors’

53. As a result of the suddenness and massiveness of the human exodus, the international community made some understandable choices – or, at least, accepted the de facto situations on the ground in Zaire – that had calamitous consequences. The camps were located close to Rwanda’s border and close to Goma’s airstrip. They were organised along and through the lines of Rwanda’s administrative divisions. Refugee disarmament was badly organised. The camp populations contained many *genocidaires*, both leaders and ordinary executors, and the remnants of the genocidal regime had essentially established control over the camps. These leaders saw the camps as a means for maintaining control over the population and their refusal to return to Rwanda was a key part of their strategy. The camps also served these remnants of the former regime in reorganising and rearming their military capacity. It was well-known from late 1994 on

that arms were imported to militias in and around the camps and that retraining of a new armed force was also occurring, with well-documented outside support (coming from and/or passing through a number of OECD member-states).⁵

54. Thus the humanitarian imperative was manipulated by the genocidal forces in de facto control of the camps located in Zaire. As a result, the camps unintentionally created an enormous potential as a source of future conflict and an incentive to continued violence in the region. This was recognised early on: already in Nov. 1994, the UN Secretary-General published a report on the refugee camps indicating that there had been armed incursions into Rwanda by Hutu refugees in Zaire, and that there were prospects for a full invasion⁶.

55. The refugees had a combination of reasons to delay their return: they feared persecution within Rwanda, and the dire economic conditions in their home communities. But by 1995 it was also recognised that they were manipulated by their camp authorities, that refugees were intimidated and harassed, if not killed, if they showed any inclination to return. Insecurity in the camps increased dramatically.

56. Nevertheless, multilateral and bilateral international assistance continued, consuming more than two thirds of all aid to Rwanda between 1994 and 1996 – according to estimates costing almost one million dollars a day throughout this period. International assistance to the refugee camps was channelled primarily through UNHCR and on to a large number of operational NGOs, and also to UNICEF and WFP.

57. It was acknowledged that the return of the refugees – and breaking the hold that the remnants of the genocidal regime had over them – was crucial to defusing the threat of a recurrence of large scale violent conflict. The de facto guarantee of continued massive aid was a major disincentive for refugees to break the bonds with the perpetrators of the genocide and return home. Yet, no credible and widely accepted strategy emerged to counteract the factors that encouraged people to remain in the camps. Unwillingly, but not unknowingly, this allowed extremist control and propaganda to continue unabated, militia to be reformed and rearmed, and infiltration and killings to destabilise the border region of Rwanda.

Prioritising justice, reconstruction and reconciliation: working on the pull factors

58. Meanwhile, the Rwandan government claimed that it had achieved a government of national unity, sufficiently stable for the return of refugees. It argued that only those guilty of genocide had anything to fear and promised refugees the return of their lands on their arrival back into Rwanda. Any human rights violations that had occurred, the government argued, were no more than incidents resulting from individual misbehaviour. Maximum priority should be given to the return of the refugees, who constituted a major security risk for Rwanda. As months passed, the international community increasingly came round to the same position.

59. Several attempts to influence the refugees through incentives and disincentives were made. At an overall level, the emphasis on establishing a credible process of justice (see below) and focusing on human rights and peacekeeping in Rwanda (through HRFOR and UNAMIR respectively.) are parts of a strategy of encouraging refugees to return home.

60. Donor reaction to the ‘Kibeho incident’ (April 1995, see Box 1) was at least partly motivated by their fear that this incident would be perceived in the camps as one more proof of the danger of returning home.

⁵ Human Rights Watch Arms project, United Nations on Arms in the Great Lakes Region.

⁶ See Klinghoffer 1998 for much of the factual information.

Box 1: The Kibeho incident

The Kibeho camp was one of several that housed more than 200,000 IDPs in the south-west part of Rwanda that was once the French-occupied Zone Turquoise. These IDPs were being assisted by a number of humanitarian agencies and UNAMIR, the UN peacekeeping mission. The GoR grew increasingly frustrated at the slow speed at which these people were returned to their homes and claimed the camp housed people guilty of genocide. In April 1995 the RPF moved into Kibeho camp. Violence broke out, the RPF fired into the crowd, while others died in a subsequent stampede. Around 2,000 people were reported killed. Access by international organisations including UNAMIR was blocked by RPF. Figures were disputed with NGOs such as MSF France and Amnesty and initially the UN claiming over 3,000 deaths and the official government figure of 338. The UN – in what many perceive as a diplomatic move more than a truthful account – downgraded their estimate to 2,000.

The government bowed to the holding of an international commission of inquiry over the incident. In a report published in May two weeks after the incident, the chief finding was that the army had behaved badly, but that no government directive had been issued to carry out the massacres. The government reacted quickly to its findings to launch its own investigation and find the individuals responsible. A number of army officers were subsequently suspended. The report also recommended that the international community continue to assist justice, national reconciliation and reconstruction and the UN's chain of command be reviewed. The Kibeho incident contributed to the GoR's distrust and dislike of UNAMIR and strengthened its resolve to make UNAMIR leave. UNAMIR had long been a source of resentment amongst Rwandans who felt it had done nothing to stop the genocide and its continued presence constituted an infringement of Rwandan sovereignty.

61. The Kibeho incident is also significant because it was one event in which donor countries imposed sanctions on the GoR over killings committed by its troops. Indeed, the incident galvanised a number of donors to freeze aid. The US put on hold its non-humanitarian assistance to Rwanda; Belgium suspended part of its bilateral aid; the Netherlands and the EU froze their assistance. Jan Pronk, the then Dutch minister for development co-operation found the situation serious enough to personally go to Rwanda. With the publication of the Rwandan report, the Dutch resumed funding. The EU later unfroze its assistance of \$124.8m shortly after, as did the Belgians. The British took no punitive action and were said to have consolidated their position with the Kigali government while others adopted bans. It is noteworthy that in this case, the signals sent by the EU and major EU member states, were if not directly conflicting, at least inconsistent.

62. The Kibeho incident seems to have prompted the Kigali government to take steps to moderate the behaviour of its armed forces. The incident, and the international reaction to it, coincided with a fragile time for the government before its tax base and income had begun to revive. In September 1995 the RPA was criticised for the massacre of 100 civilians near Kaman. The government, acting quickly to stem the negative image it received after Kibeho, arrested eleven soldiers. Donor response was muted.

63. Through several initiatives, donors sought to induce the return of the refugees by “*working on the pull factors*”. These initiatives included: facilitating “reconnaissance trips” for a few refugees to their home areas; radio programmes to counter propaganda; and the promise of an assistance package after demobilisation specifically targeting ex-FAR . There were even ideas to establish mobile telephone communications between the camps and Rwanda “*so people could hear for themselves*”. As said, support of reconstruction and reconciliation in Rwanda were part of the same strategy although in monetary terms these efforts fell far behind the amounts spent on the camps. Notwithstanding the sincerity of many of these attempts, from the outset it was evident that, at best, they could only be effective in the longer run, and never on a scale that would equal the scale of the security threat.

64. The handling of camps dilemma by the donors contributed to a continuation of the profound distrust of the GoR and affected the international community's access to and credibility with the GoR. This, in turn, did not facilitate collaboration on an effective “pull strategy”.

65. The persistence of the camps was worrying. In one particular case in 1995, MSF pulled out of the camps, arguing that donors used humanitarian aid as a substitute for political action. MSF made an attempt to pressure donors in to action by appealing to domestic public opinion in their respective countries. Interviews with donor staff involved at the technical and policy level at the time reveal that,

privately, many of them were acutely aware of the dilemma facing them. Nevertheless, the predominant official opinion in the development and humanitarian aid branches of key donors was that the priority obligation of the humanitarian community was to provide for the refugees. However, there is also evidence of a divergence of attitude within donors at the humanitarian level. While USAID, for example, pushed for the closure of the refugee camps that it considered a security threat to the region, the Office of Refugee, Population and Migration within the State Department backed the UNHCR and was more tolerant of continued support for refugees inside the camps.

66. Still, over time there was an increasing drive to induce refugees to return. In the 1996 Roundtable, the US introduced a strategy that more explicitly sought to link disincentives (the push) with incentives (the pull). The intent was to induce refugees to return to Rwanda by decreasing the services they received in the camps and increasing services in their home communes inside Rwanda. Camps would be repositioned further away from the borders (their location in fact violated UNHCR protocols). And, third, armed people and genocidal leaders from the camps would be separated and excluded (also in accordance with international refugee law). The US publicly announced it would seriously reduce its spending on the camps.

67. During all these months, whatever initiatives were taken did not manage to increase the trickle flow of voluntary returns, or stop the use of the camps by the former genocidal regime. Yet few states were willing to make resources available to make such a plan possible. For example, 59 out of 60 states asked (including permanent members of the Security Council) refused to participate in the creation of a military force capable of addressing the armed presence in the refugee camps⁷. Attempts to use the FAZ or even private security firms failed.

68. Resolution eventually came through the intervention of the Rwandan-backed ADFL forces that attacked the camps and forced hundreds of thousands of refugees to return in a short period. Yet, the Rwanda/ADFL attack was condoned, if not unofficially welcomed, by large parts of the international community. Donors agreed with the GoR that the refugee problem had become a major threat to peace and security in the region. The camps were also extremely expensive. And, most importantly, the international community had not found a legally and politically acceptable remedy for them. The camp saga provided an insight into the international community's inability to address the political aspects behind a humanitarian problem. It also shows how aid can unintentionally create major incentives for the continuation of violence. Note that hundreds of thousands of refugees from Burundi and Tanzania were also forced to return during 1996 (see box 2).

Post Exodus

69. From 1997 onwards, the numbers of internally displaced people in Rwanda grew again rapidly. These people were fleeing violence in the north-west, committed both by armed incursions of interahamwe and by military counter-insurgency measures. By the end of 1998, the IDPs totalled more than half a million. They are grouped in small camps of around 50,000 persons or so, typically located around army bases, to control insecurity. Donors such as the WFP and the EU are assisting these people with food aid, but donors are also aware that although aid is justified, it may help promote the government's contested villagisation policy. In the words of one official, donors "*seek to make sure that their aid does not imply supporting the villagisation policy.*" Donors are attempting to ensure that their humanitarian assistance will *not* be used as an incentive by the government for its own policies (as happened in the Zairean camps for the ex-FAR); they do so not by withholding that aid, but by accompanying it by clear political statements.

⁷ Lautze, Jones and Duffield 1997.

Box 2: How refugees returned

In August 1995 Zairean soldiers forced 11,000 refugees home from camps. Although criticised internationally, particularly from UNHCR and Secretary General Boutros Boutros Ghali, the Zaireans insisted it was time the international community took action and claimed they would halt their actions on condition the UN implemented a programme for voluntary repatriation. Shortly later in November the EU announced its decision to contribute \$93m to efforts to repatriate refugees, to no avail. In July and August 1996 Rwandan and Burundian authorities co-operated to force around 70,000 Rwandan refugees back to Rwanda from camps in Burundi. UNHCR and other members of the international community criticised the move, though many privately welcomed the action. The last mass of refugees, however, only returned in late 1996, when the camps were attacked by the ADFL forces with support from the RPA. On 8 September 1997, UNHCR suspended its operations in eastern Congo and left the area with other UN agencies in October, with a handful of NGOs remaining. In November, up to 600,000 persons returned to Rwanda as the camps were forcibly closed. At the same time, between 50,000 and 150,000 are feared to be killed, while tens of thousands more fled further into Zaire/Congo, where many later died from hunger and in massacres led by the ADFL. A few weeks later, in January 1997, Tanzania forcibly returned 500,000 refugees to Rwanda (including people who had lived there for decades). The refugee crisis was finally over.

Matters of Justice

70. It was widely recognised after the genocide, by both the GoR and the international community, that the swift establishment of justice was crucial and urgent. The need existed to judge the perpetrators of the genocide both to end long-standing impunity and to lift the veil of guilt resting on all Hutu. In the short term, the administration of justice in the short-term was to be a key incentive for the refugees to return. In the longer run, justice – and end to impunity – should contribute (together with other actions) to create incentives for reconciliation.

71. Yet, points of disagreement between the donor community and the GoR created friction. On the one hand, the Rwandan government and the National Assembly have expressed strong demands for clear and absolute justice. Donors, on the other, have tended to argue pragmatically that reconciliation, or at least non-violent co-existence, should be the first priority. For donors, for example, it seemed possible to limit judgements to only a small group of genocide leaders, freeing many of the ordinary people to empty the prisons and accelerate reconciliation. For the GoR and many others in Rwanda, this was heresy; there could be no reconciliation without justice. The long debates about the genocide law in the National Assembly frustrated many of the donors.

72. There were differences over procedures too. Once trials were chosen as a strategy, the international community has insisted on scrupulous respect for procedures along the model prevailing in Western countries. The same held for the international human rights movement, with the added concern of its opposition to the death penalty on principled grounds. The GoR has been critical of this ‘principled approach’. Many in the GoR deeply feel that donors had ‘inverted priorities’: “*Why are [the donors] holding us to these standards while they are feeding and arming the killers in the camps?*”

73. Nevertheless, the international community has persisted in its commitment to justice. There have been few countries in history where external actors have spent so much money and energy on matters of justice – a major change from the situation prevailing before the genocide (see box 3). The quest for justice took place along two axes: reconstruction of the justice system in Rwanda in order to allow for judgement of the perpetrators of the genocide, and the establishment of the International Criminal Tribunal for Rwanda in order to demonstrate the international community’s revulsion at these crimes.

The reconstruction of justice in Rwanda

74. The donor community invested heavily in the promotion and reconstruction of justice in post-genocide Rwanda. The UNDP played a central role in this, co-ordinating the management and funding of many of the justice-projects through its Justice Trust Fund. In total, more than 100 justice-related projects

have been funded by almost all donors, with the Netherlands, Denmark, and Belgium being major supporters⁸.

75. Major progress was made in many of these areas. By late 1996, hundreds of new judges, prosecutors, and criminal investigators had been trained. There were problems with their official appointment, and their level was still lower than before the genocide, but further training was continuously made available. Similarly, many buildings had been upgraded and equipped. Prisons were enlarged or constructed, and the donors have shouldered much of the cost of maintaining the detainees. Tens of experts provided advice and training on a long-term or short-term basis, in many different areas of law and justice.

76. Yet, five years after the genocide, the speed of justice has been very slow. It took until late 1996 for the first trial to begin. By the end of 1997, only 304 judgements were pronounced in 94 trials; 28 judgements on appeal were made; a total of 8 death sentences was passed. In 1998, 864 judgements were passed. Although the justice system was gathering speed; fewer than one percent of the detainees have been judged after five years. More than 130,000 people remain imprisoned.

77. Another major area of interest for some donors became improving the conditions of detention of the prisoners suspected of genocide. Indeed, arrests of those charged quickly reached 80,000 by mid-1996, and then jumped to 120,000 by the end of 1997 and 140,000 one year later. These people – of which the chief prosecutor earlier estimated 20% were falsely accused – were detained in appalling prison conditions (especially in the cachots) awaiting trial. The international community did assist in feeding these people (mainly through the ICRC) and in upgrading the conditions of the prisons.

78. Donors have attempted to influence the government to: improve procedures and practices of incarceration (many of the arrests are made extra-legally, by soldiers or by local administrators who have no authority to detain); release people against whom no dossiers exist (10,000 prisoners without files are said to have been released in early 1999); better treat women and children; and improve the respect for human rights in the prisons. Without donor pressure, the situation could well have been worse for those who stand accused of genocide.

79. In most cases, incentives and disincentives were applied bilaterally, at the project level. Their effectiveness is debatable. They appear not to have been to effective in winning over the GoR to the dominant views in the donor community. In some cases where donors have wanted changes, they have been pushed by the GoR to fund them: improved prisons, for example, or health and food in prisons. These improvements are, in other words, fully donor driven and heavily dependent on a high level of donor commitment and funding.

⁸ UNDP Rapport 1997; as well as documents from individual donors.

Box 3: Donor support to the justice sector

The challenges for justice in Rwanda seemed crying. The human resources required for justice needed to be re-developed: the number of judges had fallen from 600 before the genocide to 237 by the end of 1994 (other figures are 1,100 and 100 respectively); prosecutors from 75 to 14; criminal investigators and legal staff from 576 to 193. The physical infrastructure (court buildings, documentation centres, etc.) needed to be reconstructed. As the Table below shows, a great variety of projects were implemented to achieve these objectives: donors funded programmes for the training of lawyers, training of the police, salaries to the justice department, reform of administrative and court procedures, construction of buildings and awarding of vehicles, etc.

Donor	Project
Germany	Rehabilitation of new premises for the Ministry of Justice.
Belgium, Germany, Switzerland	Construction of new judges' training centre.
US, Netherlands, Japan	Reconstruction of Courts of First Instance (through International Rescue Committee) and Supreme Court.
UNDP, Spain, Finland, Ireland, United Kingdom, Switzerland	24 pick-up trucks and 120 motorcycles for criminal investigators.
Belgium, Denmark, Switzerland, Netherlands	Training of judicial police inspectors and judges (through Citizens' Network).
UNCHR, HRFOR, UK, Belgium, Switzerland	Provision of basic supplies and legal texts to Ministry of Justice.
Belgium, Denmark, Switzerland	Support to legal representation (partly through Avocats sans Frontières).
EU, UNDP, UNCHR, Canada, Belgium, Germany, France, Netherlands, UK, Switzerland	Technical assistance to the Ministry of Justice.
EU, Belgium, Germany, Canada, Netherlands	Support for salaries of the Ministry of Justice.
UNCHR, HRFOR	Workshops on arrest and detention procedures.
Denmark, Finland, Ireland, Japan, Netherlands, UNDP, Sweden, US	Support to communal police force.
Netherlands, Denmark, US, Belgium	Prison construction.
Belgium, Canada, Denmark, Netherlands	Improvement of detention conditions.

80. When achievements are measured against initial hopes, a sense of relative failure of the justice sector is evident amongst donors. The problem does not seem to be lack of donor funding. There have been reports of duplication of projects, a rapid turnover of key staff, and weak co-ordination by the UNDP. Yet it could also be argued that, given the newness of the work and the difficult circumstances the Trust Fund had to work in, it has been relatively successful.

81. But the real obstacles are more fundamental. First, the donors and the government often did not see eye to eye. From the perspective of some in the donor community, the GoR was often uncooperative, moving too slowly on key issues, such as the adoption of a clear genocide law; or at other times being unhelpful, as when it refused the import of foreign judges. Depending on the nature of relations with the GoR, some observers saw in this a deliberate evasion by the GoR of its responsibilities – possibly a strategy of maintaining popular oppression through indiscriminate use of imprisonment. Others had a more understanding attitude, stressing the uniqueness and severity of the challenges involved.

82. Second, the international community, some observers mentioned, was too insistent on a purely western-legalistic model of justice and neglected more locally rooted possibilities. In the context of post-genocide Rwanda, however, it is not immediately clear what these alternatives would be, although attempts have been made to build on community-based traditional modalities of justice such as the *gacaca*, or on Church-based mechanisms of confession.

83. Third, the destruction of the Rwandan justice system was almost total, rendering the reconstruction task truly Herculean. In addition, the enormity of the crime being judged, as well as the massive popular participation in it, created giant legal and social challenges that some observers say no country in the world has ever had to deal with. Rwandans and Western observers argue that many outsiders profoundly underestimated and misunderstood the traumatising nature and consequences of genocide⁹.

84. Fourth, terminology notwithstanding, what was being attempted was not the re-construction, but rather the first-time construction of a fair, efficient, and human rights-based justice system that combats impunity (USAID 1996: 14). Before the genocide, for example, there was no Bar Association; judges and lawyers were politically appointed and very often incompetent and corrupt. What is being created now, then, is fundamentally different from the past, and a very difficult task.

85. Fifth, the resurgence in the war has delayed the administration of justice in many ways. The government's attention is elsewhere, parts of the country are inaccessible for normal criminal investigation, people's lives are in danger: already by mid-1996, seven criminal investigators and one judge had been murdered, and this has continued.

The International Criminal Tribunal for Rwanda

86. Following a report from three person Commission of Experts in June 1994, the International Criminal Tribunal for Rwanda (ICTR) was established on 8 November under Security Council Resolution 955—to prosecute those responsible for the genocide who had fled the country. The ICTR is based in Arusha, Tanzania. The absence of a death penalty and the placement of the ICTR outside of Rwanda were among the main sources of contention for the Rwandan authorities.

87. The ICTR has been a disappointment. Five years after the genocide, it has only made three judgements.¹⁰ The court is deeply plagued by mismanagement and political infighting. In February 1997 it was slammed by the UN's inspector general Karl Paschke for gross mismanagement in nearly every field of its operation. His report concluded that unless the prosecution strategy and leadership problems were improved, "*Rwandans will be right to suspect that justice delayed is justice denied*". At the same time, lack of co-ordination between its key figures and major – as well as most public – political infighting within the Court and between it and the UN has profoundly undermined its credibility.

88. The causes of this situation are multiple. Initially, donor funding was very slow in forthcoming (as was with the HRFOR), thus delaying start-up. By late 1995, however, there was wide funding, from a variety of sources, and foremost the Dutch (not all this funding came from aid budgets). Note, however, that as the problems with the ICTR became well documented, donor funding has declined again, with some donors (Belgium and Germany for example) ending it altogether. The overall cost of the ICTR is estimated at \$ 200 million, its 1998 budget \$56.7 million. More than once donor official made bitter off-record comments on the costs related to the results, making statements like "*at the end of this all, each conviction will have cost between 10 and 15 million dollars*".

⁹ See the work of Jeff Drumtra for the US Committee on Refugees.

¹⁰ On May 1, 1998, it found former Prime Minister Jean Kambanda guilty on six counts of genocide; he received life in prison. In October 1998, Jean-Paul Akayesu, former major of Taba, also received life in prison, and in February 1999, Omar Serushago, former militia leader in Gisenyi, was convicted to 15 years in prison. Two trials are currently on-going; one person has been released in an attempt to get him extradited to Belgium; and 31 more persons are awaiting trial but many have not been indicted yet.

89. Lack of donor interest in funding the ICTR is not the only cause of its dismal record. One problem has been the unwillingness of certain states, including OECD members and a number of African countries, to hand over the principal suspects of the genocide who now reside on their territory. Many of the prime suspects of involvement in the genocide are still free, these problems have not led the international community to push for rapid improvement in the ICTR 's performance, but rather a gradual loss of interest and support to it. The fate of the ICTR stands risks being a major opportunity missed failure of the ICTR to deliver what was touted has contributed to the opposite of what was the intention. The perception in Rwanda is that justice is not being done; the appearance is that there is impunity for crimes of genocide.

90. In conclusion, the flow of donor funds to the justice sector in support of a stated key GoR priority may have been an incentive for a continued dialogue on the priorities and modalities of this support. Yet, progress has been slow. As a result, impunity has not been combated, and suspicion remains widespread. The prisons remain festering sores in Rwanda's society. This demonstrates that, even if it is prioritised, a sector can face major difficulties. Divergences in style and priorities between donors and the government are important, especially as justice is so sensitive and important to a traumatised society. In addition, , the task was truly monumental, and it is possible that expectations for a more speedy justice were simply unrealistic.

91. The judgement on justice is still open, though. In recent months, the ICTR has finally begun moving forward on trials, and has greatly increased the number of people in its custody. At the same time, in Rwanda, the speed and quality of the trials has increased too, and some observers believe the Rwandan justice system is becoming more confident and free from political interference. Much depends on the immediate future: if, through judgements, confessions, and releases, the number of prisoners in Rwanda can be seriously reduced while those responsible for the genocide are punished, then an important pages will have been turned in Rwanda's history, and the international community will have contributed to it¹¹.

Human rights

92. Another widely shared notion, both inside and outside of Rwanda, was that, in order to combat violence and hatred, the international community should ensure respect of human rights. Undoubtedly partly because it had miserably failed to do so before and during the genocide, promoting, monitoring, and enforcing respect for human rights became a key priority to the international community from mid-1994 onwards. It took place mainly through two mechanisms: the establishment of a Human Rights Field Office in Rwanda (HRFOR), and the insertion of human rights considerations in donors' overall policy towards Rwanda. Here we will treat the former; the latter is part of sections 5 and 6 below.

The Human Rights Field Office in Rwanda

93. HRFOR was established on July 1, 1994, immediately after the genocide. Donors hoped it would send a signal about the importance of human rights to the international community and guard against RPF excesses and allay fears of Tutsi vengeance. In short, human rights work should at the same time create a disincentive against human rights abuses and provide an incentive for the return of refugees from neighbouring countries. HRFOR's mandate was to: carry out investigations into the genocide and human rights violations; monitor the current human rights situation; co-operate with other international

¹¹ It has been observed that the rate of non-guilty verdicts has consistently risen –including a high-profile case in March 1999 – suggesting that the independence and experience of the judiciary (including the defence) is improving.

organisations in establishing confidence and thus aid the return of refugees and displaced people and the rebuilding of civic society; and finally, implement programs of technical co-operation in human rights.

94. Initial funding for the HRFOR was extremely insufficient: until the end of the year, the few observers that had been hired lacked even the most minimal equipment. Between 1995 and 1997, donors ended up contributing for a total of more than \$10 million: according to UNDP data, in increasing order of amount, the following donors contributed: Canada, Norway, Spain, Australia, Japan, Belgium, Switzerland, the Netherlands, the USA, the United Kingdom, and the European Union. In 1995, more observers were hired – an agreement had been made with the government to have 147 observers, one per commune – but their quality was subject to severe criticism. Many, it seemed, had been hired without being required to possess prior knowledge about either human rights or Rwanda.

95. From early 1995 on, the HRFOR's mandate was made to focus exclusively on monitoring the ongoing human rights situation, and not on investigating the genocide (which was left to the ICTR). Human rights abuses began to increase in the latter part of 1994, and the UN's special envoy for human rights Rene Degni-Segui confirmed in November 1995 that massacres of civilians were taking place. A number of RPA soldiers were held in detention for crimes against civilians. Despite these trends, the HRFOR was continually criticised by the Rwandan government for being overly adversarial, which some donors, particularly the US, appeared sympathised. At the end of 1995, HRFOR faced a new funding shortfall, with only Belgium, Denmark and South Africa indicating they would make voluntary contributions.

96. Most human rights issues were concentrated in the north-west areas of Rwanda in Gisenyi and Ruhengeri near the border with the DRC. The increased number of Hutu insurgent attacks on unarmed civilians caused thousands to flee their homes. In response, the RPA mounted brutal counterinsurgency operations. Human rights deteriorated most markedly during the 1996-98 period. UNHFOR, for example, recorded 5,925 killings in 1997. Of these, 3,170 were by state agents, 1,462 by armed groups and 94 private cases. In a further 1,199 the killers were unknown. This compares to 1,575 killings recorded during 1996. Figures did not include the number of disappearances that had also risen dramatically but were difficult to record because of increasing problems gaining access to areas. In February 1997, five members of HRFOR were killed, and the decision was made to withdraw from the most dangerous areas – also the areas where most human rights abuses took place.

97. In May 1998 the government prevented the human rights monitors from moving about the country to investigate human rights abuses. As a result, the UN Human Rights Commission (UNHRC) closed the HRFOR by July 15. The GoR did proceed with the establishment of a National Human Rights Commission, and suggested it would welcome future HRFOR technical assistance and capacity-building support. Some donors did criticise this move, at the Stockholm donor conference in June 1998, for example, but the response was not loud; no aid was formally suspended. (see also section 4.2).

98. The HRFOR was one more failed tool of peace and reconciliation in Rwanda. Its failure was partly due to the rapid turnover of HRFOR leadership (five heads of mission in two years and six months without head) and to its practice of hiring unqualified and untrained people. The extremely slow disbursement of funds by the donors, and the weak personal and institutional relations created with the GoR, also contributed to the problem.

99. Despite general agreement amongst donors that human rights issues were fundamental, there was little or no unified donor response to the human rights abuses outlined by the HRFOR, or indeed to the attacks on HRFOR itself. This relates to the fact that donors assessed the nature of these abuses very differently – they were seen either as unfortunate consequences of a brutal civil war instigated by the *interahamwe*, or as signs of the oppressive nature of a minority regime. It is also a testimony to the

weakness of the HRFOR that its eventual demise provoked so little reaction. Many in the donor community had already given up on the HRFOR – as was attested by its declining funding – both because of its bad reputation and because, to some extent, these countries felt politically or ethically limited in their capacity to consistently and coherently condemn the GoR for its human rights abuses.

Peace and Reconciliation

100. A further initiative designed to bolster the prospects for future peace and reconciliation in Rwanda was the continuation of UNAMIR. Another was the slew of new projects and programs specifically designed to lay the groundwork for reconciliation. Their success was undermined by the ‘insurgency’ war in the north-west (commonly referred to as a low-intensity civil war). (section 6).

101. Immediately after the genocide, UNAMIR’s numbers were bolstered and its mandate extended. Again, to the international community, this was part of a strategy of promoting peace by guaranteeing security to returnees and all Rwandans in general. However, the GoR was reluctant to have the peace-keepers there at all. It remained bitter over UNAMIR’s withdrawal during the height of the genocide when its presence was most needed. After the Kibeho incident, it stepped up its campaign against UNAMIR. Although UNAMIR’s mandate was extended from December 1995 to March 1996, its size was cut from 1200 to 200. In March 1996, the UNAMIR force departed.

102. During these years, no official donor declaration on Rwanda is complete without reference to the need for reconciliation and the desire of the donor for it. Reconciliation, however, is a complex social process, involving issues such as the recognition of their crimes by the perpetrators; the application of justice to the leaders and organisers of the crimes; compensation of the victims; and a beginning of forgiveness from the victims. Yet, the social climate in Rwanda remains profoundly hostile to reconciliation. There has been little expression of recognition or remorse of the crimes either in camps, prisons, or refugee circles, from political leaders, intellectuals, or religious authorities. Denial or counter-accusation is more common. The RPF also denies its own involvement in human rights violations after 1994. Fundamentally, the international community cannot do anything about this, and it probably has under-estimated the poisoning social atmosphere this has caused in Rwanda.

103. Compensation for the victims – and *rescapés* – of the genocide has progressed remarkably slowly too. Although the government had for some time a policy to deduct 5% of salaries in order to compensate the genocide victims, it took until January 1998 for it to adopt a law to organise a Compensation Fund. US President Clinton promised \$2 million for this fund during his 1998 visit to Rwanda; the Belgians have expressed a willingness to contribute \$1 million; UNDP will provide technical assistance if required. Still, associations of genocide survivors are very bitter that, in their words, vastly more has been spent to feed and house the perpetrators of the genocide in prison than on restitution

104. Nevertheless, the international development community has attempted to develop and fund some new projects explicitly designed to promote peace and reconciliation in a variety of ways. This includes such areas as peace education, support for more accountable mechanisms of public decision-making, improvements in the quality of the media, support to the Parliament. These projects are diverse, but also young and small.

Table 1. Examples of reconciliation projects

Donors	Projects
UNESCO, Belgium, Switzerland, Norway	Promotion of independent media and dentology training for journalists.
UNDP, UNESCO, Germany, Japan	Civic education and social communication project (not yet started?)
Austria, Belgium	Reconciliation programs (incl. Radio).
Belgium, US	Studies and workshops of reconciliation in South Africa.
Netherlands	Support to Carter Centre.
Belgium, UNICEF	Peace education.
World Bank, UNDP, US, Netherlands	Development of Local Councils.
Netherlands, IK, US, Canada, Germany, International Alert	Support to Transitional Parliament.
Sweden	International Alert Great Lakes region program.

Source: UNDP 1997 Report and donor documents

105. These projects have only a small impact – and there are yet no evaluations to judge their impact. They have encountered four main problems, according to those interviewed. First the traumatising nature of the genocide, and its deep social roots. It took decades for a society to come to the point of committing this violence, and is likely to take decades for that society to move beyond it. Actions must be seen in the long-term. Second, the GoR has been quite hesitant to support calls for reconciliation. It argues that justice is the first priority and argues against the donor community’s insistence. Third, the government is deeply committed to an ideology that denies ethnicity, treating it as an artificial colonial creation. Positively, this has meant that the infamous IDs with ethnic mention have finally been abandoned (the US and the Netherlands have financially supported the distribution of new IDs). On the other hand, this has meant that any discussion of ethnicity and how to overcome it has become taboo in Rwanda. Finally, the resurgence of the war has slowed any possible dynamic of reconciliation; rather, like before, the dynamics of violence promote polarisation and further violence.

106. More broadly, donors write about the need for projects to be participatory and community-based that can give people a stake in decisions that affect them and enhance community solidarity. For that reason some donors have supported the establishment of local development funds, as well as the newly created Local Councils (elected late March 1999). The World Bank, too, has begun implementing a Community Reintegration and Development Project with the formal aim of “building community sprit and solidarity and reducing rural poverty.” However, promoting participation was never easy even under the best of circumstances; it is harder now still.

107. On a totally different level, donors had been sympathetic to Rwanda’s security needs in the face of increasing outside and internal threat. In August 1995, the Security Council unanimously voted to suspend the arms embargo Rwanda was subjected to since May 1994, while keeping the embargo intact for bordering countries – a decision motivated by the desire to allow Rwanda to defend itself against the military treat from the camps in Zaire. In April 1996 the UN mandated a commission to investigate the flow of arms to Hutu rebels in Zaire; some donors provided funding for that study. In March 1996 Rwandan officials travelled to China for arms purchases without criticism. China gave \$5 million in aid thought to be in the form of weaponry. US military personnel have been present in Kigali since 1996, training the Rwandan military in mine clearance and human rights. And donors have been quite tolerant of Rwanda’s high military spending – up to 40% of the government’s budget and 4% of GNP – treating it as unavoidable and justified given its circumstances.

108. Donors have also been active in encouraging demobilisation. The World Bank and the UNDP have provided major assistance. Official demobilisation began in late 1997; according to the first reports one year later, 5,000 RPA soldiers, 12,000 ex-FAR soldiers, and 2,500 child-soldiers were assisted towards demobilisation. The GoR invested considerably in this project itself, and received support from UNDP,

UNFPA, the Netherlands, Austria, Sweden, the UK, and Switzerland. Clearly, Rwanda's precarious security situation constitutes a limitation to the success of these efforts. Even in the absence of war, demobilisation is inherently risky and may even negatively impact on security. In the current context, it is therefore not surprising that support for demobilisation is dwindling. Still, since 1996 many ex-FAR were reintegrated into the national army. Not demobilising them or demobilising them without some sort of social safety net is believed to be a serious risk.

Balance of payments support, adjustment programs, and debt relief

109. From 1995 on, reconstruction and development activities slowly re-started in Rwanda. They involved the usual fields: health, education, infrastructure, economic services, agriculture, urban development, etc. To some extent, all of them are linked to peace. Aid agency documents repeatedly note that without improvements to the state of poverty most Rwandans currently live in, there will never be a sustainable peace. Measuring these incentives in terms of their contribution to peace, however, is almost impossible.

110. The issue of debt relief is most important because it is one area where the donors possess a greater capacity to use incentives to intervene and affect the dynamics of conflict and governance in Rwanda. To the new government, the debt overhang, especially to multilateral creditors posed a major problem from the very beginning. The World Bank and the IMF statutorily cannot enter into agreements with countries, which are deficient in payments, as was Rwanda. Yet the country had no money to pay back its arrears. By late 1994, some donors took it upon themselves to clear these arrears (see Table below), paving the way for resumption of working relations with the Bretton Woods institutions as well as the African Development Bank.

Table 2. Donor contributions to clear Rwanda's 1994 debt arrears

Arrears Cleared	Donor	Amount (in million \$)
World Bank/IDA	Belgium	1.86
	Canada	1.51
	Netherlands	6.20
	Switzerland	1.50
	United States	2.50
IMF	Netherlands	1.00
	Sweden	0.50
	United States	0.50
ADB	Canada	1.73
	Netherlands	5.00

111. This initiative, in turn, led to a large number of projects, most of which were in the form of import support (see Table 7 in the Annex for a list of 1995-98 IFI projects). For the Bank, the main innovation was the development of an Economic Recovery Program, granted in 1995, and executed through four UN agencies. This was followed by a series of restructurings of older loans, as well as the new Emergency Reintegration and Recovery Program and an Economic Recovery Credit. The latter two mechanisms meant both major inflows of funds to finance commercial sector imports and provide the government with counterpart funds, and all of them conditioned on liberal economic policy reform.

112. The IMF provided substantial balance of payment support, in 1995 under its Compensatory and Contingency Financing Facility, in 1997 under a post-conflict assistance programme and in 1998 under its Expanded Structural Adjustment Facility (ESAF). The IMF also early on placed personnel as advisors in

the Ministry of Planning and in the Central Bank. The African Development Bank added a variety of projects of its own, the biggest one of which was balance of payment support. All told, large amounts of program funding have been made available by the international financial institutions to the GoR. More than \$100 million has been made available by the World Bank until now, and with \$60 million more in the pipeline; more than \$15 million by the IMF and \$20 million just begun under its ESAF; and up to \$40 million by the ADB.

113. These projects – and especially the major balance of payment support credits – are conditioned on liberal-type policy changes, with clear benchmarks and strong monitoring plus conditionality. The GoR has acquired a reputation as being highly committed to such policy reform, and indeed the Bank and the IMF have been satisfied with its performance.

114. Successful adjustment notwithstanding, Rwanda still continued to suffer under a very high debt burden. Annual debt reimbursement in 1997 and 1998 swallows between 10 and 15% of the government's total budget, and does not include Rwanda's constantly accruing arrears. In other words, Rwanda cannot pay what it owes, but even that constitutes 10-15% of its budget. In 1996, the annual debt service, not including arrears, amounted to 41% of all Rwanda's exports.

115. A surprisingly high 84% of that burden is to multilateral creditors, with the World Bank single-handedly coming in at 55% of the total. Although this is a continuation of trends begun long before the genocide, it has not improved in the past five years. It will still take years for Rwanda to qualify for the HIPC debt reduction initiative, which requires up to six years of demonstrated adjustment before significant debt relief kicks in. In the summer of 1998, four years after the genocide, Rwanda launched together with the World Bank, a drive for a Multilateral Debt Trust Fund, designed to lighten Rwanda's immediate debt burden and free resources for development. In the resulting Stockholm conference designed to fund the initiative, \$34 million was committed to it.

116. Some countries have been very hesitant to engage in debt relief or even program support. Belgium, for example, has stayed out of all these initiatives except a \$3 million grant for agricultural imports. The reason for this hesitance on the part of these countries can be found in a number of factors. First, these initiatives clearly amount to underwriting the GoR's budget, including its military effort (just as they did in the early 1990s with the previous government). Second, they decrease donors' control over the use of their funds, and, third, send messages of political support the country does not wish to send. This parallels earlier observations that some donors prefer to work through either multilateral channels, NGOs, or direct execution rather than to the government.

Debt, aid and incentives: two strategies

117. Debt relief, then, is a two-edged sword. It has *a priori* a great potential for exercising influence over the government, because it frees large amounts of unallocated, uncommitted funds governments can spend according to their own priorities. However, at the same time, and by the same mechanism, debt relief decreases donors' capacity to directly control the government's spending patterns and policies. Debt relief and balance of payment support by and large underwrites the recipient government's own priorities. In the case of adjustment loans, this inherent limitation is to a large extent offset by the fact that clear macro-economic performance targets are set in advance. Subsequent program aid tranches are not disbursed unless these targets are achieved. However, no such targets or conditions are usually set in the realm of politics, or human rights or the kind of government behaviours that can affect conflict and peace.

118. There seem to be two possible strategies to the debt question in the context of incentives and disincentives. One is based on trust (and the flip side, a willingness to take risks): it seeks to strengthen the

government's own capacities to finance and manage its own priorities. This strategy is largely based on the use of non-conditional incentives. Donor influence here comes from the increased capacity for dialogue that follows from this strategy. The other strategy is based on control (and in consequence a reduced ability to engage in dialogue). It seeks to maximally and directly control the use of funds, either by keeping the funds and their use in the hands of the donor or by delegating them to third parties (NGOs, UN agencies). This strategy often coincides with a greater use of disincentives – and indeed, the bypassing of government can be seen as a disincentive in and by itself. Clearly, the OECD donors have chosen different paths in this respect; not surprisingly, these choices by and large mirror their overall assessments of the situation as described in part 4.2.

119. The choice between these two models is not that stark as suggested, for ways are being developed in which a trust strategy can be complemented by control mechanisms. This is especially the case if mutually agreed benchmarks are introduced. The UK's policy, for example, is to make a longer-term commitment of 10 years under a mutually agreed protocol with this type of benchmarks. At the same time, budget support is accompanied by requirements of budgetary transparency and monitoring, allowing among others for a better tracking of military expenditures. UK budgetary assistance has also been provided against an agreement that the IMF would be prepared to expand the fiscal envelope for social sector spending, subject to undertakings which relate to poverty elimination and governance.

Project Responses

120. Until now, we have discussed how donors have made important strategic choices in terms of the sectors to work in and the kind of projects to fund after the genocide. Donors have spent significant resources on humanitarian assistance and later on support for reconstruction. There has also been significant donor involvement in new sectors, such as justice, reconciliation, or human rights – a more proactive donor response, seeking to influence the further development of the conflict. In this section, we will descend one level and analyse to what extent, and how, donors modified their project design – regardless of sector – in order to adapt to or influence the conflict dynamics of Rwanda. The underlying idea here is that, regardless of the specific sector, donors can seek to design their projects and programmes in such a way as to maximise the (dis)incentives for peace and minimise the ones for violence¹².

121. There is some evidence of project redesign having taken place. When donors continued with projects designed and started before the genocide, they have often retro-fitted them to meet the needs of the changed situation. This could involve refocusing their mandate on more critical, emergency tasks; increasing the budget for (re)-construction; or increasing the degree of direct execution. One donor worked through many of its pre-genocide projects. This was not always easy to do. Twelve out of 13 projects from another donor in 1996 had been designed before the genocide. An internal memo suggests their dismal performance is due to a lack of adaptation to the new situation. Currently, this donor possesses a growing portfolio of projects designed after the genocide. As a result, its portfolio performance, i.e. achievement of set goals, has risen dramatically.

122. There is also evidence of a more proactive position, whereby donors re-designed new projects in such a way as to change their impact on the dynamics of conflict and violence. We regularly heard of food aid or farming support projects, for example, which were originally designed for one specific group – old caseload returnees, or new caseload returnees, or *rescapés* – being redesigned to provide their services to *all* people in the region, so as to avoid looking partial and creating inequality and envy.

¹² Although this is a very important matter for analysis, our study team has found relatively little concrete documentation on these matters; hence, this section is shorter than its importance warrants. The Sri Lanka case study provides much more empirical material on this aspect.

123. Donors also reported that they are making deliberate attempts to balance the composition of their project staff or of the project's beneficiaries to reflect the overall composition of the population. This is not always easy to do and has often been neglected. In one donor country, for example, there was a minor uproar when a social scientist specialised in the region declared that the 110 law students trained with an ODA grant were all Tutsi (they had all been selected by the GoR). Similarly, one of the reasons sometimes invoked in discussions with donors for their opposition to 'villagisation' is the fear that this process will increase the potential for conflict in the future, especially as increasing evidence of the new villages becoming mono-ethnic. There have been specific attempts to introduce conflict analysis or conflict impact assessments into project design or evaluation, however systematic efforts have been few. Donors noted that attempts have been hampered because the GoR is actively opposed to it, arguing that ethnicity is a thing of the past. Donors have not insisted on the opposite.

124. Finally, there exists a growing consensus that one of the profound causes of the genocide was the fact that whatever development took place in Rwanda had been unequal, exclusive, and of very little benefit to the large majority of the poor. It has also been argued that development aid mostly reinforced these dynamics¹³. There is very little evidence that anything fundamental has changed in project design and implementation in this respect – a problem that exists beyond the case of Rwanda. In other words, although donors have sought to reorient projects to deal with the dynamics of violent conflict, they seem not to have been able to do the same for the profound, structural, long-term causes of the conflict. Doing so will require significant further reflection and capacity for innovation.

125. In short, project design seems to have been occasionally used as a tool for creating incentives or disincentives on the dynamics of violent conflict. Project designers are trying to be more aware of the conflict potential certain project designs can pose and avoiding it by redesigning these projects, or by abandoning them altogether. However, there is an absence of a clear methodology for addressing government insistence on the removal of ethnic targeting. Unfortunately, applying conflict impact assessment of projects is still extremely weak – even if several initiatives in this direction have been taken by donors. Systematically integrating conflict analysis and developing project level conflict related indicators may be one of the areas where immediate improvement is feasible.

5. DONOR CO-ORDINATION

Main co-ordination mechanisms

126. The official stance of OECD members reflects a broad, but rather non-specific, agreement on the need for co-ordination of ODA. However, many officials involved in Rwanda at country and headquarters privately admit that effective co-ordination remains elusive: it is preached rather than practised. There is a tendency to interpret every meeting of donors as 'co-ordination'. Members of donor bureaucracies who participate in many of these meetings concede that more often than not they are accurately 'information sharing' and 'information gathering'. Co-ordination is recognised as an important function but has not led to the development of a common agenda.

127. The World Bank Enhanced Structural Adjustment Facility (ESAF) and the UNDP-led Round Table process at intra-government levels are the two principal mechanisms for donor co-ordination and dialogue with GoR. Both take place in the context of resource mobilisation and thus provide important opportunities for developing incentives and disincentives. Since the genocide, two Round Tables have been

¹³ Oxfam 1995; Uvin 1998; see too the World Bank's Country Assistance Strategy 1998: 17.

held in Geneva, in January 1995 and June 1996. During the 1995 -1997 period, US\$ 2.8 billion was pledged by donors and 1.5 billion disbursed (about 65%). Of the pledged \$2.8b, about \$1.7 b was multilateral assistance by the UN and the World Bank, and the remaining 1.1 billion through bilateral assistance.¹⁴ At the World Bank sponsored meeting in June 1998, donors pledged about \$250 million.

128. Most of the actual co-ordinating work – which includes trying to sound out where other countries stand so that one can take that into account in one’s own position – takes place in pre-meetings, or other types of communication. The agenda for the Stockholm meeting in June 1998 that was supposed to focus on economic issues was set on the 19 May 1998 during an EU ministerial meeting on Rwanda in Brussels. It was attended by vice-president Kagame who was given a message from EU ministers of their ‘grave concern’ about the security and human rights situation in north-western Rwanda and the discontinuation of the HRFOR mission.

129. The official interpretation of the pledges during the ensuing Stockholm meeting was that donors were satisfied with the GoR’s answers and saw continued support as the only viable option. The off-record assessments of donor representatives interviewed ranged from “*it was a message to the GoR that donors are not satisfied with its record*”, to “*the pledges clearly are a positive response to GoRs economic performance*”.

130. Donor concern over the presence of Rwandan troops in the DRC revealed that a common donor stance was difficult to attain. One donor, in a decision taken at nominally technical level, reacted by placing additional political conditions on its release of the promised funds. This technical disposition was interpreted as highly political in Kigali – however, the donor’s internal political process appears not to have been involved to any great extent. However, two donors have disbursed the amount they had pledged. The two other donors, in accordance with an agreed process, issued a positive recommendation. Another donor delayed its disbursement in some attempt to influence GoR, while yet another donor suspended its disbursement. Unavoidably the impression is that at these formal meetings, donors have, in general, followed their own priorities. Co-ordination between donors, according to a number of those we interviewed, lacked coherency and there was no possibility of agreement on a ‘disincentive’.

131. The lack of co-ordination is the result of more than merely a failure to prioritise co-ordination or to agree on strategies; it reflects profound differences in donor assessments of the nature of the GoR and the political dynamics in the region. These divergences in interpretation are legitimate: in the absence of a mechanism to harmonise states’ interpretations of the events in Rwanda, donors are bound to see things differently and have different responses. Donors were also aware that for the GoR, security matters are non-negotiable. Whether they fully share the strategy adopted by the RPF to solve the security problem through a military solution or not, their pressure is unlikely to change the GoR’s behaviour.

132. At the purely operational level, there have been more instances of co-ordination. Given the extreme complexities and the large number of organisations involved, operational co-ordination of the massive humanitarian assistance both in the camps and inside Rwanda was reasonably well achieved, though there have been a number of criticisms (see JEEAR report). Within Rwanda, EU members hold a monthly co-ordination meeting and regular meetings are held by UNDP, though these meetings have most commonly used to discuss administrative matters; rarely has it been used to co-ordinate a single and common objective that might censure the Rwandan government. In addition there were a number of technical meetings that deal with various sectors.

133. The repatriation and initial reintegration efforts of the international community were co-ordinated by the UNHCR. Similarly, quite some on-the-ground co-ordination occurred in certain non-humanitarian

¹⁴ UNDP Kigali, February 1999.

sectors, such as the justice sector work and later the governance work done by the UNDP. Admittedly, some donors were rather unhappy with the quality of the UNDP's work – but significant instances of information exchange, procedural harmonisation, policy dialogue, and co-funding occurred.

134. Members of in-country representations pointed out the importance of the 'informal network'. Indeed, it was put that it was in the informal contacts that the most substantive results have been achieved. This, it appeared, extended to the informal contacts with key GoR representatives: more than one ambassador level donor representative recounted how major breakthroughs in relations – for example the public admission by the GoR of its August 1998 offensive in the DRC – came about this way. In their opinion this is the key strength of the policy of engagement.

135. Beyond the most operational level, however, and into the arena of policy-setting and strategy definition, the level of co-ordination between donors breaks down. This was very much the case in the camps, as discussed in great detail in the excellent study by Lautze, Jones and Duffield (1998). There was, for example, never any co-ordination on the role human rights should play in assistance programs. When the new Commissioner for Human Rights Mary Robinson, visited Kigali in late November 1997, she stated publicly that the international community, for political reasons, was overlooking the true nature of GoR's human rights record. This comment incensed the Rwandan government and also believed to have irritated US Secretary of State Madeleine Albright when she visited a week later. During her visit Albright announced \$4 million in fresh aid to Rwanda including \$1.7 for demobilised soldiers. The World Bank a week later announced the approval of a \$45 million loan for road construction.

136. As there is no commonality of purpose and assessment between donors, the signals sent to the GoR – and other parties in the conflict – are with a few exceptions, uncoordinated. There has rarely been a sufficient coherence among donors to formulate a common strategy for applying incentives or conditionalities.

Rwandan government response to conditionality

137. The team sought the views of the Rwandan Government to gauge their views on the effectiveness of conditionality. In speaking to a wide range of government officials, the response to the issue of conditionality was similar. To the question of "what impact the donors can have on Rwandan policies" was met by the response that it depended on the issue. "*Security*", remarked one senior official, "*was not negotiable*". All those interviewed echoed this response. As a result, even if donor policies had been coherent and co-ordinated it is doubtful if they would have had impact on government actions. Defence and security issues, included the Rwandan offensive against the refugees camps, its support of the ADFL and its 1998 invasion into the Congo were considered as security policies. A repeated message of government was that they felt donors did not fully understand their situation, specifically the fragility of their security situation. Obviously tempered by the genocide, a relaxation of their guard, they felt would inevitably lead to their annihilation.

138. Officials in the Ministry of Finance felt aggrieved that donors, notably the EU, had (in their minds) withheld debt relief assistance over Rwanda's activities in the Congo. They felt that Rwanda had met all the economic requirements that had been set and had passed the scrutiny of the IMF. In their eyes, blocking assistance over a separate issue was unjustified, as they had met their obligations. It meant they would be forced to make cuts in their spending. The repeated message from all government officials was that the reduction of aid in this way would inevitably mean cutting spending in the social sector, notably education and health. These priorities, they felt, directly addressed the underlying causes of the conflict, essential for the reconciliation process and the reintegration of refugees. Indeed, many donors have voiced the same message in their own projects.

139. They cited bad communication as a reason for donor-government misunderstandings. They were also clearly aggrieved at what they perceived as donor inconsistencies. In particular they noted the late payment of pledges (donors still owed funds in a number of areas where money had been promised); and the payment of "\$1 million a day" to refugee camps. When the refugees returned to Rwanda, this amount was not transferred into reintegration programmes.

140. In sum, political conditionalities formulated as part of a disincentive strategy are unlikely to have the desired effect. Rwanda's track record on economic stabilisation indicates that economic conditionalities and incentives and disincentives related to these have a good chance of being effective, for the main reason that the GoR shares with the Bretton Woods institutions a strong technocratic and liberal economic policy outlook. In the field of political conditionality – especially where security is concerned – this is not the case.

6. POLICY COHERENCE

141. Donor approaches to aid to Rwanda are part of a broader spectrum of donor interactions with the region; trade, foreign policy, military relations, international organisations are also involved.

142. Many policies that were undertaken before or during the genocide – i.e., prior to the time this study examines – have profound implications for peace now. These included the dismantling of UNAMIR and the subsequent stalling of any UN action in Rwanda; Operation Turquoise; the massive refugee flow which began shortly after the genocide started; or the hospitality given by third countries to many of the key leaders of the genocide.

143. Humanitarian policies followed by the donors in the camps, while based in international law, led to counter-productive outcomes that continue to be obstacles for some of the root causes of continued conflict in Rwanda. The humanitarian response was as massive as it was reactive and was, inevitably, dominated by short-term considerations. The initial donor response was coherent in the sense that it addressed the immediacy of the refugee crisis. The scale and suddenness of the refugee crisis, it is argued, made use of strategic use of incentives and disincentives impossible. After that time, however, there may have been further options, particularly in late 1995 and early 1996. These actions would have required a coherent donor response, involving foreign policy and possibly military tools. They did not materialise. One donor, for example, made a policy decision not to support the refugee camps but concentrate assistance in Rwanda.

144. Once the trade-off between continued humanitarianism and regional security became clear, however, coherent actions could have been taken to change the situation. A degree of commonality occurred in October 1996 when the ADFL threatened the refugee camps in eastern Zaire. Led by the Canadian Prime Minister, Chretien, donors supported – conceptually at least – a plan for a humanitarian intervention that would establish corridors along which refugees would return to Rwanda. It never materialised, though, both because of the time it took to negotiate these commitments, and the feasibility expressed by some contributing nations, particularly the US and UK, about how this was to be achieved in reality.

145. Although prior to the ADFL advance donor states recognised that the camps were an obstacle to peace in Rwanda, there was no attempt at finding a combined solution. This partly explains why condemnation of Rwanda's role to support the ADFL was so mute from western donors. Privately officials admitted that the use of force by the GoR in the interests of 'defending itself' was justified. The US took a

lead role in this support. When Kabila finally captured Kinshasa, his rebellion was quickly recognised as the new government.

146. The involvement of the GoR in the second Congo war was more divided. Most donors still understood Rwanda's need to defend itself against continued violent and destabilising attacks by militia from within Zaire but voiced their concern to varying degrees. But even more supportive donors such as the UK and US were irritated by Rwanda's denial of its involvement, when it was clearly involved. Other donors objected more forcefully. Yet, most donors interviewed told us that aid was not used in this context, except by the two donors who, at the time of writing the report, had delayed and possibly suspended specific contribution (debt relief and demobilisation, respectively).

147. Although there have been bilateral responses, and an attempt by the EU, there was no concerted attempt at imposing disincentives. Part of this reason was that donors believed disincentives would have a low chance of success. Rwanda had rarely responded on issues that it considered central to its security. It was argued from a coherence perspective, that sanctions could not be initiated against Rwanda alone but should also have repercussions with countries like Uganda also. However, many of the same donors had invested heavily politically and with development assistance in Uganda and did not want these initiatives threatened. Elsewhere in the region, donors had been attempting to use incentives and promote peace by supporting former Tanzanian President, Julius Nyerere's mediation efforts in the Burundi conflict. It had supported the east African nations that had imposed sanctions on Burundi, for example.

148. While sympathetic to Rwanda's defence goals, some donors at the same time, are distrustful of the GoR and do not want to be seen to underwrite its overall budgets, which include its military expenditures. While all donors evidently favour a negotiated and political settlement, many have not (strongly) condemned the military solution the GoR has been seeking thereby at least tacitly supporting it, while at the same time insisting on a reduction of military expenditure through demobilisation. At the same time, donors fear that as a result of the fungibility of support, programme aid will indirectly end up supporting a country's military expenditures¹⁵. No matter how much one sympathise with these goals, aid donors are wary of it, especially in the case of Rwanda, where many of them are still distrustful of the government.

7. FINDINGS AND CONCLUSIONS

149. The findings and conclusions of this study should be seen in the context of the main conclusion of the JEEAR (1996) and supporting studies (Scherrer 1997, Uvin 1998): in the period leading up to the genocide the priorities of aid were largely unrelated to the challenges on increasing polarisation, inequity, hatred and violence that Rwanda was facing. The insights gained of the present study suggest that an analytical frame work that starts from the observation that aid never has neutral outcomes and that, consequently, places aid in a context of intended and unintended incentives and disincentives can, when systematically applied, significantly strengthen current donor planning, monitoring and evaluation practices.

¹⁵ Note that this has not always been the case. Much development aid to strategically important countries has always been motivated by this goal. In the US, for example, the Economic Support Fund is designed to do exactly that: provide overall budgetary development support to befriended governments so that they can free up the resources required by their military needs.

150. The use of incentives and disincentives in a situation such as Rwanda's that is characterised by deep trauma, destruction, and division is extremely difficult. Since the end of the genocide, donors have spent more than ever on promoting justice and reconciliation, for example, but with small results. A key reason for that lies in the depth and sensitivity these issues have acquired as a result of the genocide. Donors neglected these same issues before the genocide, when more results could have been obtained with less money

151. Conditionality assumes that donors know what's best for Rwanda and that donors can consequently condition their assistance against modifications in the government's behaviour. Of course, though donors may push the government in a certain direction to curb what they see as unacceptable behaviour, they are unaccountable if their policies are wrong, or if they create greater instability. Moreover, donor policies have also been affected by the continued ex-FAR and *interahamwe* insurgency operations that have continued to destabilise Rwanda. This insecurity has influenced the degree to which donors have taken a hard-line stance against the government.

152. The Rwandan government believes its security interests outweigh all other considerations, including the possibility of international criticism or censure in whatever form. The genocide left a permanent mark on the government and particularly the Tutsi minority group; military offensives against the ex-FAR and *interahamwe* militias – even if this means invading Congo – are from this perspective both necessary and legitimate for survival. Rwandan officials are adamant that their security was non-negotiable – no amount of donor pressure would dissuade them from addressing their security needs by whatever means they saw fit.

153. Donors, to varying degrees, have been sympathetic to Rwanda's need to deal with its continuing security threat. While they may have disagreed with particular government actions, they have rarely taken a concerted hard-line stance in condemning them. In effect, then, this behaviour constituted an incentive for the GoR to continue these policies.

154. There are evident divisions between donors. On a broad spectrum, the US and UK have chosen to engage most with the government, believing that through their moral and financial support and close personal relationships they will have the best chance of influencing government policies. They, together with the Dutch, Swedish and Canadians have shown more tolerance to government security policies. On the other hand, Germany, Belgium, Switzerland and France have been more critical of the GoR and more ready to use disincentives to affect a shift in government policies. This variation, to a large degree, reflects the history of support to Rwanda and each donor's analysis of the conflict. The US and UK both had a small presence in Rwanda prior to the genocide in comparison to the other European states. (Although the US aid budget was high, its political profile was lower). This has now increased markedly, particularly the British involvement. Rwanda's strongest backers prior to 1994 have all held inquiries into their role during the 1994 genocide. They are sensitive to criticism of their support for the former regime that prepared the genocide and this has undoubtedly affected their sensitivity and degree of support to the current government.

155. In addition, individuals within donor communities also have a wide range of understandings of the Rwandan situation. Views differ significantly depending on whether a donor representative was present in Rwanda prior to 1994, immediately after the genocide or after 1996 when government counter-insurgency was most prevalent.

156. Concerted donor conditionality, therefore, has been rare. Some more generic agreement has been reached on issues and the direction in which to exert political pressure through ODA. But when put to the test in concrete situations, this consensus evaporates into an array of donor positions that reflect their domestic political agenda and priorities.

Use of (dis)incentives

157. Donors have made attempts to influence the conflict in Rwanda through aid. This was mostly done by a sectoral reorientation of assistance and support to projects that donors hoped would promote peace and reconciliation. Large amounts have been spent on spending on human rights, justice and reconciliation. Most progress has been made in the field of justice, while human rights and reconciliation have fared significantly less well. Of course, given the enormity of the problem, this is to be expected and some assess that the progress made is really quite substantial.

158. There is also some evidence of some project redesign taking place, again with the specific aim of creating incentives for peace or with the more humble ambition to avoid creating unintended incentives for violence – the ‘do no harm’ principles.

159. Until their violent break-up, donors have continued to provide large-scale amounts of assistance to refugee camps that were the principal source of violence and instability in the region. While withholding aid may not have been possible, donors were not prepared to take the necessary political action to change this situation; they thus ended up creating incentives for violence.

160. During the period 1994-1996, some of the assistance mentioned in paragraph 157 was also justified by its contribution to the creation of a set of positive incentives aimed at inducing refugees to return to Rwanda. If some donors were systematically considering the refugee crisis and the provision of development aid to Rwanda in terms of inducing a response from refugees to return home, these attempts have only achieved little coherence at intra-donor level (between foreign policy, military and aid branches of government). At the inter-donor level, results have been even less promising. One of the reasons is that the actual impact of donor assistance in terms of (intended and unintended) (dis)incentives has not received adequate or systematic attention. In this respect, donors are at risk of not acting on issues identified and lesson learned.

161. For the most part, political conditionality has been threatened – and in rare cases imposed – in response to particular government actions. These have included its response to the Kibeho killings, the government’s hard-line counter-insurgency measures, its involvement in the Congo and specific events such as its closure of the UN human rights mission. However, with the exception of Kibeho, there has been no unified donor action that involved the withdrawal of assistance. Donors have frequently taken a similar verbal line against the Rwandan government – they expressed disapproval of the Rwandan Government’s behaviour towards the visit of Secretary General Kofi Annan, for example. Beyond that, however, action has rarely exceeded the voicing of displeasure.

162. Following the Kibeho massacre in 1995, donors did temporarily halt support. This appeared to galvanise the government into ordering an investigation into the affair and later incidents. However, this was at a time when the government’s financial situation was more heavily dependent on aid flows. This is no longer the case. The Rwandan government is more robust and experienced in dealing with the international community. There is little evidence to suggest that the use of disincentives has had any impact since 1995.

163. Since that point, however, the use of disincentives have been scattered, more a response to a donor’s particular case than an attempt to change a general shift. One donor, for example, threatened to stop aid unless an investigation was carried out on the killing of one of its citizens. Other donors have reacted similarly. This situation seems to reflect donor feeling that they needed to take some action – often demanded by the constituency at home – than a considered pro-active policy. In other words, it was important to "do" something or take some punitive action.

164. Most donors have engaged heavily in programmes designed to rebuild Rwanda's economy and infrastructure. These initiatives can be viewed as positive incentives – actions designed to forward peace by improving economic well-being. It is widely believed that without the restoration of services the underlying reasons the chances for reconciliation would be hampered and promote further instability. Moreover, most assistance to these programmes has been directed through non-governmental channels. Conditionality that could cut funding to those programmes, therefore, is believed to be counter-productive to the process of Rwanda's reconciliation. On the other hand, these are no more than common-sense assumptions, not based on any systematic assessment or prioritisation of their influence on the dynamics of conflict.

165. Most conditions imposed on Rwanda have been connected to its achievement of economic criteria. Rwanda has by and large done very well in achieve the economic goals negotiated with the World Bank and the IMF; in nearly all cases, it has met its economic benchmarks. Given its poor starting base, this has impressed donors.

166. Some donors have viewed the balance of payment (ESAF) programme as a more effective means to implement a policy of dialogue and monitoring. Rwanda is anxious to reduce its level of debt. This area is one where donors believe they have leverage that would not necessarily damage ongoing projects. (One donor, for example, refused to contribute to the ESAF until the Rwandans show greater willingness to negotiate an end to the war in Congo). Another, on the other hand, has proposed to make its contributions dependent on attaining political benchmarks on the basis of an agreed protocol. This protocol was negotiated with the government in advance and includes an improvement in the human rights sector, good governance, progress in the justice sector. In short, this donor seeks to use the ESAF as a positive incentive rather than a disincentive.

8. RECOMMENDATIONS

On the scope for incentives and disincentives in Rwanda

167. The scope for the use of incentives and disincentives (with or without specific conditions) in Rwanda is determined by a number of context specific factors. First, the genocide has left a profound impact on the social and mental fabric of the country. Second, security is such an overriding concern for the GoR, that, especially in the absence of a credible scenario to improve security through an international effort, the use of negative conditionalities to pull out of the war in DRC are unlikely to be effective. Third, with remnants of the former government persisting in their genocidal attitudes and policies, the options and scenario's available are limited and there is little scope for negotiated settlement of the conflict. Fourth, donors themselves have not worked through the profound pre-genocide failure they were part off. For various reasons, a shared understanding of the dynamics of "the conflict" or the nature of the players does not exist among donors. This divergence inevitably limits the potential to use ODA as part of a systematically applied system of incentives and disincentives.

Recommendations

1. **A policy of critical longer-term engagement is likely to be more effective than negative political conditionality.** The use of political disincentives in Rwanda should not a priori be ruled out. But under the circumstances their effectiveness is doubtful, squandering scarce leverage tools and political capital in the process. Positive incentives, respectful dialogue, or opportunities for co-operation may be more useful.
2. **Explicitly consider trade-offs and incentives and disincentives as part of a longer-term strategic framework for involvement.** Under situations of intense conflict and violence, compromises may have to be made between important principles. Clearly, the eventual end to the refugee crisis was a case where humanitarianism was sacrificed for security – a reversal of the situation prevailing until then. Similarly, there may be some trade-off between reconciliation and justice. Economic efficiency may need to be traded against distributive justice. Such trade-offs occur constantly, but are often not considered or even admitted.
3. **Resist a tendency to compartmentalise conflicts** to fit existing bureaucracies and funding mechanisms. In Rwanda the regional dimension of the conflict did not disappear with the breaking up of the refugee camps and return of the refugees; if anything it became even more intractable. Policy coherence needs to encompass diplomatic and possibly military and peace-keeping efforts; matters such as arms trade, peace negotiations, OAU peacekeeping capabilities, but also trade preferences all come into play here.
4. Be willing to **build relations between development aid and security.** Donors are already using development funds to demobilise ex-combatants in a direct attempt to reduce the size of armies. More concerted efforts may be required and need to be sustained for a long time after violent stages of conflict have ended. Donors may consider to reduce expectations of an immediate budgetary peace dividend. Instead, support should more systematically address the need to establish viable national security frameworks, including professionalisation of the military in the context of specific and agreed non-budgetary benchmarks (army discipline, reduction in human rights abuses military and police, perceived security).
5. International **intervention needs to be directed to all sides in conflicts** in a manner that is consistent with the objectives sought. In acute conflict situation, the scope for the use of ODA is limited and primarily useful to create incentives or disincentives to the governments of the countries donors work in, but typically cannot do the same with rebel movements, or neighbouring governments.

Co-ordination, Leadership, and Transparency

168. In the current situation, only generic agreement on the direction in which to exert political pressure through ODA can be achieved within the donor community. In this context, a call for ‘more and better co-ordination’, not necessarily lead to the desired improvements. The two recommendations below propose alternatives to the usual discussion of co-ordination. This does not imply that co-ordination is useless; rather, it means that it is part of a wider range of options.

Recommendations

6. **Promote ‘transparency in diversity’.** Rather than trying to develop unanimously agreed-upon – and thus often watered-down – positions and attempt to get all donors to behave the same way on each specific occasion. It is more important – and realistic – to agree on shared goals than on shared strategies, for the simple reason that there exists more than one path to the same goal. There are different manners in which donors can seek to produce incentives and disincentives. Countries adopt these tools in function of their assessment of the government, which itself is the result of a host of other factors. Donors may find it useful to think of simply being more candid and transparent about their assessments, concerns, and goals. The resulting clarity will benefit mutual understanding between the donors. It will also send clear signals to the recipient. These signals may not be co-ordinated, but they will be less ambiguous and watered-down.
7. **Donors may wish to consider the important role that informal leadership plays in conflict situations.** Some countries may be more willing and able than others to take certain risks, to innovate, or to engage parties to the conflict in dialogue. Smaller countries, for example, which do not have big political stakes and historical ties in the area, may be able to provide such leadership. There is scope for like-minded countries, already having a policy of engagement, to move to longer-term commitments and to develop benchmarks and indicators as part of a joint GoR - Donor effort. For example by signing longer-term agreements to support GoR sector policies and priorities (protocols, country agreements etc.) that are specific enough (targets, conditions, indicators and consequences) to allow reallocation of funds from more sensitive support (like demobilisation) to other sectors without reducing the overall support. This type of approach needs to be facilitated by co-ordinated joint monitoring of good governance related issues.

Conflict analysis, institutional memory and rapid response

169. Situations like Rwanda’s are extremely complex. Dis-information and manipulation are always present; situations change fast and unpredictably; unintended outcomes are the norm. Under these conditions, donors find it very hard to foresee the impact of their actions on the dynamics of peace and war and they may often end up unwillingly and unknowingly supporting (or being perceived to support) policies they did not agree with. Often they end up reacting to new facts and new crises, rather than being able to develop a proactive stance. At worst, their actions reinforce the dynamics of violence and polarisation. Still too often, it is assumed that donors are somehow not part of a conflict. Instead, the realisation that they are once ODA comes into play, should be a starting point for involvement. Under all conditions, and a fortiori the polarised ones of acute conflict, interventions (humanitarian assistance, development projects and programmes) produce incentives and disincentives, whether intended or not. As to the latter, failure to render justice (as in the case of the ICTR) does not bring us back to the situation that prevailed before, but actively creates and reinforces injustice; human rights conditionality that is preached but not practised may well create an incentive for further human rights violations. Similarly, the failure of HRFOR does not return us to the situation *ex ante quo*, but promotes the further violation of human rights.

Recommendations

8. **Act early.** The longer one waits to systematically and strategically use incentives and disincentives, the costlier their use will become, and the longer it will take to see results. Once the situation has come as far as Rwanda's, with an almost total destruction of the material and social fabric of society, it becomes extremely hard to change the dynamics of polarisation and violence. What this truly amounts to is that concerns of peace, justice, human rights, racism or inequality should not be on the agenda only after major violence took place, but always – that is what development is all about. This implies a rather fundamental reorientation of concepts and attitudes in the development community, for which the time is now ripe. The incentives/disincentives framework may be a useful tool for helping to operationalise these insights.
9. **Strengthen and institutionalise mechanisms for reflection and self-criticism.** There is an unmet need for an ongoing critical reflection on the assumptions underlying dispositions made within aid agencies when planning assistance in the context of violent conflicts. Existing mechanisms, such as reviews and evaluation, have their part to play, but especially in conflict related complex emergencies, a more flexible mechanism would be required that can impact in earlier stages in the planning process. Regular meetings between people from development and humanitarian desks and foreign policy milieu with outside expert facilitation will be helpful. To find ways to think out of the box brainstorming, regular discussion with outsiders, and the adoption of critical frameworks will strengthen the reflective capacity of donor agencies. The use of **advisory boards**, composed of people with experience in the region and scholars of the region is a possibility deserving consideration. While this tool is sometimes used, many donor administrations lack an explicit mechanism that assigns the authority and mandate to set-up this type of boards, especially when confronted with unforeseen violent conflicts.
10. Many donors have created conflict units since the Rwandan genocide (and to no small degree as a result of it); however, there is a need to mainstream conflict impact analysis. Under conditions of great potential for conflict, **conflict impact analysis should be as common as cost-benefit analysis.** Conflict analysis may help understand what unintended harm can be done, and to whom, and how donors can try to minimise that. This may not only improve coherence – a benefit in and by itself – but may also provide intra-donor branches of government with different insights and angles to look at contemplated actions.
11. **Develop human resource capacity.** Develop a strategy to mainstream conflict analysis and integrate it in objective oriented planning and management tools. This process may benefit from utilising available resources in the field of conflict transformation and mediation. A first priority would be that policy makers, military analysts, humanitarian aid and development departments develop a common frame of reference on the process of conflict transformation. The second step would be to strengthen this common framework by a critical incentives/disincentives framework applied to ODA in the context of other interactions in conflict situations.
12. **Promote an institutional memory.** Some people working on Rwanda today, had never heard of JEEAR. Similarly, other important documents, often funded by and available in the same agency, are not known or used. This is a problem for all development aid, but its consequences can be especially dramatic under conditions of conflict.

13. **Develop multilateral rapid response financing mechanisms** (funds, procedures, and competent people, and, possibly specialised private sector services), that allow for fast action to intervene in conflict. One example is the UNDP Trust Fund that was initiated as an ad-hoc mechanism allowing many donors to disburse funds fast. A first step would be to initiate a joint review and evaluation of this mechanism. An evaluation would have a two-pronged focus: (i) technical and managerial performance; (ii) lesson learned (strength, weaknesses and opportunities) on the conceptual aspects of the trust fund mechanism in the context of rapid response in (post) conflict situation. One issue to specifically look at is how to increase flexibility of the Trust Fund-mechanism – in the Rwanda case most funding was earmarked to specific projects.
14. **Realise the inevitability of initial donor-driven support in key sectors** such as justice and security framework reform. If donors are convinced that certain actions are important – such as improving the lives of the prisoners, for example – and the government does not prioritise these actions, but does also not oppose donor investment in them, donors must be willing to pay for them.

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Annex

DETAILS ON ODA DISBURSEMENTS BY OECD MEMBERS 1998 -1999

Table 1 Net Official Development Assistance 1998 - 1997 (millions US\$)

<i>Country</i> [1]	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	<i>Grand Total</i>	
United States	17.0	9.0	13.0	27.0	7.0	26.0	194.0	101.0	10.0	9.0	413.0	
Germany	25.0	27.1	31.8	40.0	43.6	38.6	46.6	52.1	45.6	26.0	376.4	
Belgium	29.1	26.7	43.4	55.8	45.5	36.7	28.9	13.9	31.3	20.9	332.2	
France	22.1	17.8	33.9	39.9	26.7	30.3	24.3	5.1	10.3	10.7	221.2	
Netherlands	7.2	5.6	10.7	3.9	6.9	7.2	32.2	46.7	41.1	29.2	190.6	
Canada	7.6	12.7	13.8	21.1	13.6	11.2	18.2	16.8	20.4	21.4	156.7	
Switzerland	12.8	9.1	10.2	17.1	13.8	20.2	22.6	17.8	17.5	12.1	153.1	
United Kingdom	0.5	0.5	0.8	0.6	0.3	1.2	44.6	34.5	19.3	10.0	112.4	
Japan	10.0	16.5	13.8	8.8	16.4	14.9	16.5	1.5	0.6	8.1	107.1	
Norway	0.1	0.0	0.0	0.4	0.3	1.3	8.8	16.3	24.5	11.1	62.7	
Austria	2.7	2.4	7.2	11.3	8.5	4.3	2.3	3.5	2.8	1.4	46.5	
Italy	0.9	1.5	1.3	1.9	1.9	3.0	12.4	3.9	4.2	4.1	35.0	
Sweden	0.4	0.0	0.1	1.8	0.3	3.4	12.1	5.8	5.4	1.9	31.2	
Spain	0.0	0.1	0.1	0.0	0.0	0.8	6.5	8.1	4.5	0.5	20.7	
Ireland	0.2	0.1	0.1	0.1	0.1	0.0	4.0	6.3	5.5	4.0	20.3	
Australia	0.0	0.0	0.0	0.0	0.0	0.0	7.7	0.5	5.4	3.2	16.8	
Finland	1.1	1.7	0.2	0.2	0.5	0.3	2.3	2.8	1.0	0.8	10.9	
Denmark	0.6	0.9	1.8	1.7	1.5	0.8	0.3	0.9	0.4	1.8	10.8	
Luxembourg	0.0	0.0	0.8	1.3	0.6	1.3	1.6	1.1	1.8	2.1	10.7	
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.8	0.2	0.2	2.5	
Portugal	0	0	0	0	0	0	0	0	0	0	0	
subtotal	bilateral	137.2	131.7	183.2	232.4	187.5	201.4	487.4	339.2	252.0	178.7	2331.1
WFP	1.6	1.0	2.0	3.2	7.3	53.9	47.7	150.7	183.8	145.0	596.2	
EC	39.1	32.5	36.0	21.4	82.5	36.0	45.6	17.9	55.4	46.0	412.4	
UNHCR	3.9	1.5	1.5	1.2	1.6	6.0	75.1	100.2	87.1	112.8	391.0	
IDA	24.0	26.0	21.0	47.0	29.9	36.6	11.1	29.0	38.1	47.5	310.2	
AfDF	20.7	16.4	18.5	10.9	22.3	7.2	3.5	16.6	8.3	8.2	132.6	
UNDP	10.2	9.0	12.3	12.8	10.2	6.7	3.6	15.2	22.8	29.1	131.8	
UNICEF	2.0	2.3	2.8	3.8	4.5	0.0	32.3	32.7	22.4	18.3	121.2	
Other UN	4.2	4.3	3.2	2.4	2.5	2.1	4.8	7.4	1.3	0.0	32.3	
IFAD	2.6	1.0	3.4	2.3	2.6	2.9	0.2	-0.2	1.5	3.6	19.9	
UNTA	1.1	1.4	0.9	1.2	1.2	2.2	1.7	3.1	1.1	2.8	16.7	
UNFPA	0.7	0.8	0.7	1.6	0.6	0.7	0.6	0.7	0.7	1.5	8.6	
SAF+ESAF(IMF)	-2.8	-2.7	-0.8	11.9	0.0	0.0	0.0	0.0	-1.3	-2.5	1.8	
subtotal		107.2	93.6	101.6	119.7	165.2	154.5	226.2	373.2	421.2	412.4	2174.6
Grand Total		244.4	225.2	284.7	352.6	352.7	355.8	713.6	712.4	673.2	591.0	4505.7

Source: OECD Online Database February 1999

Notes: [1] Countries and organisations ranked by total volume of assistance 1988 – 1997

Table 2 Trends in official ODA 1988 to 1997 (relative to 1988/89 levels)

	1988/89	1990	1991	1992	1993	1994	1995	1996	1997
United States	1	1.0	2.1	0.5	2.0	14.9	7.8	0.8	0.7
Germany	1	1.2	1.5	1.7	1.5	1.8	2.0	1.8	1.0
Belgium	1	1.6	2.0	1.6	1.3	1.0	0.5	1.1	0.8
France	1	1.7	2.0	1.3	1.5	1.2	0.3	0.5	0.5
Netherlands	1	1.7	0.6	1.1	1.1	5.0	7.3	6.4	4.6
Canada	1	1.4	2.1	1.3	1.1	1.8	1.7	2.0	2.1
Switzerland	1	0.9	1.6	1.3	1.9	2.1	1.6	1.6	1.1
United	1	1.6	1.1	0.7	2.3	85.8	66.3	37.1	19.3
Japan	1	1.0	0.7	1.2	1.1	1.2	0.1	0.0	0.6
Norway	1	0.6	11.1	9.7	36.0	250.9	466.6	699.7	316.3
Austria	1	2.8	4.4	3.4	1.7	0.9	1.4	1.1	0.6
Italy	1	1.1	1.6	1.6	2.5	10.5	3.2	3.5	3.4
Sweden	1	0.6	8.5	1.4	16.0	57.7	27.7	25.9	9.0
Spain	1	2.7	0.4	0.0	18.2	145.1	180.2	99.8	10.4
Ireland	1	0.5	0.3	0.4	0.1	25.3	39.4	34.1	25.0
Australia									
Finland	1	0.1	0.1	0.3	0.2	1.6	2.0	0.7	0.6
Denmark	1	2.3	2.2	2.0	1.0	0.4	1.1	0.5	2.2
Luxembourg									
New Zealand									
Portugal									
Bilateral	1	1.4	1.7	1.4	1.5	3.6	2.5	1.9	1.3
WFP	1	1.5	2.5	5.7	42.0	37.2	117.3	143.1	112.8
EC	1	1.0	0.6	2.3	1.0	1.3	0.5	1.5	1.3
UNHCR	1	0.6	0.4	0.6	2.3	28.0	37.4	32.5	42.1
IDA	1	0.8	1.9	1.2	1.5	0.4	1.2	1.5	1.9
AfDF	1	1.0	0.6	1.2	0.4	0.2	0.9	0.4	0.4
UNDP	1	1.3	1.3	1.1	0.7	0.4	1.6	2.4	3.0
UNICEF	1	1.3	1.7	2.1	0.0	14.8	15.0	10.2	8.4
Other UN	1	0.8	0.6	0.6	0.5	1.1	1.7	0.3	0.0
IFAD	1	1.9	1.3	1.4	1.6	0.1	-0.1	0.8	2.0
UNTA	1	0.8	1.0	1.0	1.8	1.3	2.5	0.9	2.2
UNFPA	1	1.0	2.3	0.8	1.0	0.8	0.9	1.0	2.1
SAF+ESAF	1	0.3	-4.3	0.0	0.0	0.0	0.0	0.5	0.9
Multilateral	1	1.0	1.2	1.6	1.5	2.3	3.7	4.2	4.1
ODA									
Total ODA	1	1.2	1.5	1.5	1.5	3.0	3.0	2.9	2.5

Figure 1 Trends in official ODA 1988 to 1997 (relative to 1988/89 levels)

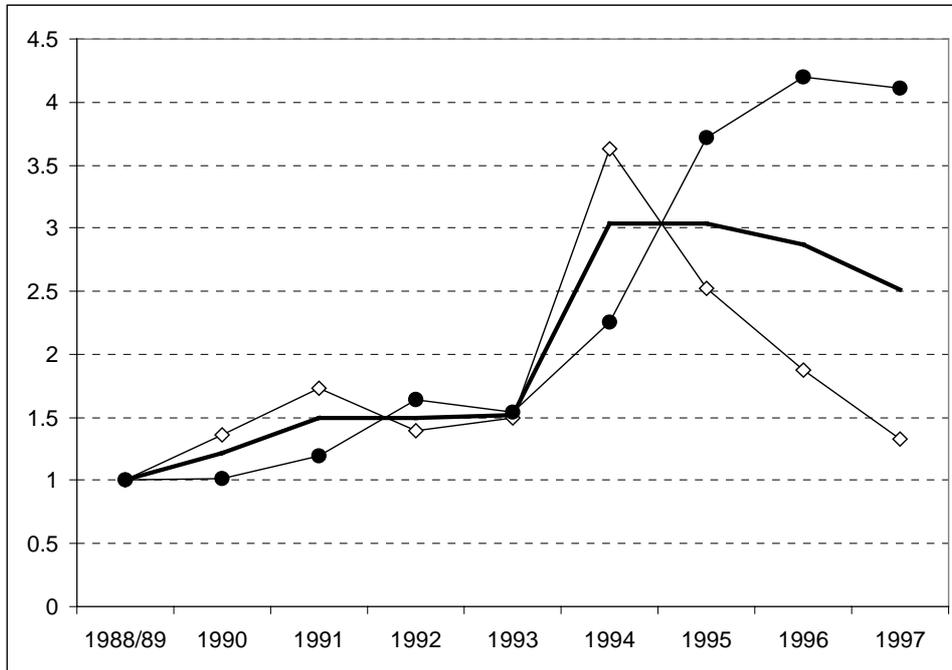


Figure 2 Trends in official ODA relative to 1988/89 levels: Key donors

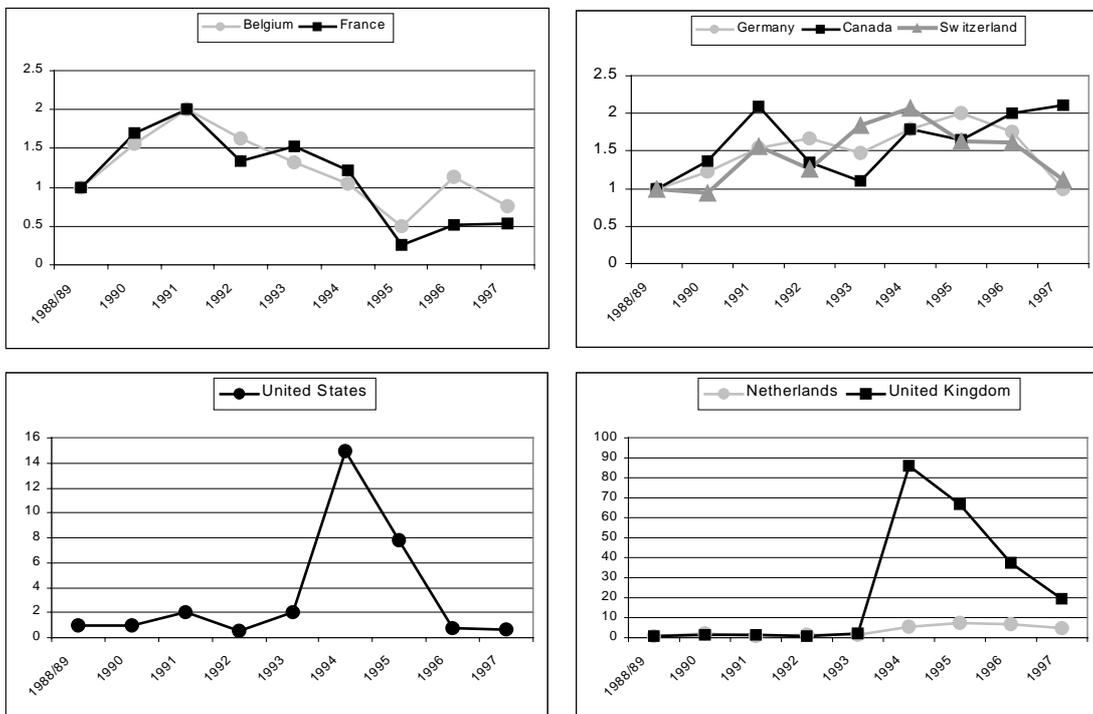


Table 3 Bilateral and multilateral ODA by OECD members 1998 -1997

Year	Bilateral ODA (A)	Multilateral ODA (B)	Total ODA	ratio A:B
1988	137.23	107.2	244.43	1 :0.8
1989	131.69	93.55	225.24	1 :0.7
1990	183.15	101.55	284.7	1 :0.6
1991	232.88	119.68	352.56	1 :0.5
1992	187.48	165.17	352.65	1 0.9
1993	201.35	154.47	355.82	1 0.8
1994	487.38	226.21	713.59	1 0.5
1995	339.23	373.2	712.43	1 1.1
1996	252.02	421.22	673.24	1 1.7
1997	178.67	412.37	591.04	1 2.3
Totals	2331.08	2174.62		1 0.9
Percentage	52%	48%		
Grand total			4505.7	

Source: calculated from OECD Online Database Table 2a February 1999

Figure 3 Bilateral and multilateral ODA by OECD members 1998 –1997

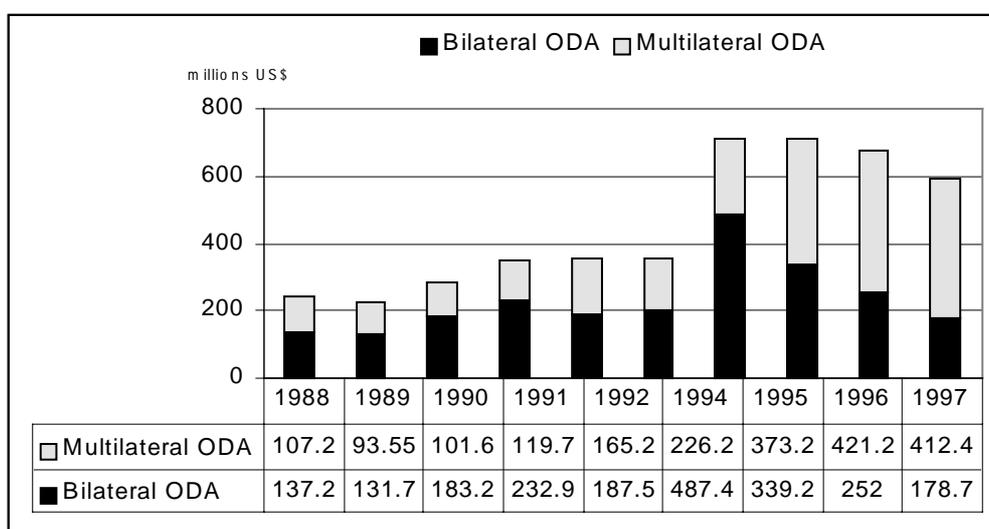


Table 4 Trends in ODA and phases of the conflict

	<i>average 88-90</i>	<i>average 91-93</i>	<i>average 94-97</i>	A	B	C
United States	13	20	79	1	1.5	6.0
Germany	28	41	43	1	1.5	1.5
Belgium	33	46	24	1	1.4	0.7
France	25	32	13	1	1.3	0.5
Netherlands	8	6	37	1	0.8	4.8
Canada	11	15	19	1	1.4	1.7
Switzerland	11	17	18	1	1.6	1.6
United Kingdom	1	1	27	1	1.1	43.0
Japan	13	13	7	1	1.0	0.5
Norway	0	1	15	1	22.1	505.6
Austria	4	8	3	1	2.0	0.6
Italy	1	2	6	1	1.8	5.0
Sweden	0	2	6	1	9.9	34.4
Spain	0	0	5	1	4.0	70.0
Ireland	0	0	5	1	0.3	37.1
Finland	1	0	2	1	0.3	1.7
Denmark	1	1	1	1	1.2	0.8
Luxembourg	0	1	2	1	3.8	6.0

Source: Calculated from OECD Online Database Table 2a February 1999

Table 5: Ranking of bilateral ODA donors before and after the genocide (millions US\$)

Pre-genocide			Post-genocide		
Rank	Donor	1991-1993	Rank	Donor	1995-1997
1	Belgium	138	1	Germany	124
2	Germany	122	2	United States	120
3	France	97	3	Netherlands	117
4	United States	60	4	Belgium	66
5	Switzerland	51	5	United Kingdom	64
6	Canada	46	6	Canada	59
7	Japan	40	7	Norway	52
8	Austria	24	8	Switzerland	47
9	Netherlands	18	9	France	26
10	Italy	7	10	Ireland	16
11	Sweden	5	11	Sweden	13
12	Denmark	4	12	Spain	13
13	Luxembourg	3	13	Italy	12
14	United Kingdom	2	14	Japan	10
15	Norway	2	15	Australia	9
16	Finland	1	16	Austria	8
17	Spain	1	17	Luxembourg	5
18	Ireland	0	18	Finland	5
19	Australia	0	19	Denmark	3
20	New Zealand	0	20	New Zealand	1
21	Portugal	0	21	Portugal	0

Source: calculated from OECD Online Database Table 2a

Table 6: Overview of humanitarian aid to the Great Lakes Region 1994-1998 (millions US\$)

	UN Consolidated Appeal	Aid Outside Appeal	Total Humanitarian	% through
1995	696,999,775	289,543,343	986,543,118	71%
1996	486,780,979	142,050,170	628,831,149	77%
1997	279,625,072	248,250,831	527,875,903	53%
1998	238,358,609	187,070,622	425,429,231	56%

Source: DHA Online Database, March 1999

Table 7. Activity of the IFIs in Rwanda since 1994.

Agency	Project Name	1995-1997 funding
World Bank	Public Enterprise Reform	1.09
	Agricultural Sector Project	1.90
	Transport Sector Project	24.45
	Communications Project	6.52
	Second AEP Project	1.80
	Rehabilitation Energy Sector	6.00
	First Education project	13.46
	Population Project	5.64
	Food Security and Social Action	14.44
	Study Fund	2.98
	Technical Assistance	1.32
	Economic Management (through IMF and UNDP)	1.36
	Economic Reconstruction	44.69
	Economic Recovery Program, Imports	43.62
	Emergency Reintegration and Recovery (begun in 1997)	19.36
	Transport Sector (1998)	45.00
	Economic Recovery Credit (1999)	60.00
Rural Water (1999)	15.00	
Agriculture and Rural Infrastructure (1999)	5.00	
IMF	Economic Management	1.20
	Compensatory Financing Facility	13.83
	Post Conflict Assistance program	20.64
	ESAF	
ADB	Mutare Amenagement	1.13
	Integrated Rural Development Byumba	2.34
	Tea Factory Feasability Study	1.30
	Electrification	0.74
	Emergency Aid	1.68
	Assistance to Orphans	0.52
	Housing Construction	0.35
	King Faycal Hospital Equipment	0.29
	Mutare Water	0.52
	Imports	37.00

Source: UNDP 1997, various World Bank Documents