

Strategy for Swedish support to the African Great Lakes Region

Including country strategies for Rwanda,
the Democratic Republic of the Congo and Burundi

November 2004 – December 2008



REGERINGSKANSLIET

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**Strategy for Sweden's
development cooperation with the African
Great Lakes Region, including country strategies
for Rwanda, the Democratic Republic of the
Congo and Burundi.
November 2004-December 2008**

Key facts concerning developments in the Great Lakes Region

Indicators	Burundi	DRC	Rwanda
Area	28 000 km ²	2 345 000 km ²	26 000 km ²
No of inhabitants (mili)	7.1	60	8.2
Annual population growth	3.1%	2.8%	2.9%
Population under 15	47.5%	46.8%	45.3%
Life expectancy	Men: 41 Women: 43	Men: 45 Women: 47	Men: 40 Women: 41
Urban population	9.3%	31%	6.3%
World ranking HDI 2003 out of 175	171	167	158
World ranking GDI 2003 out of 175	141	136	129
Poverty measured by income	70% (national poverty line)	80% (less than 0.20 USD/day)	60% (national poverty line)
Population with income under 1 USD per day 1990-2001	58%	36%
Infant mortality per 1000 live births	114	129	96
Infant mortality under 5 years per 1000 live births	190	205	183
Maternal mortality, per 100000 live births	1 900	940	1 400
HIV/AIDS +15 years	9-13% (varying statistics)	4.9% (figure does not cover the whole country)	9-13.5% (varying statistics)
Literacy over 15 years	Men: 56% (2000) Women: 40%	Men: 74% Women: 52%	Men: 74,5% Women: 62%
GDP, billion USD (2002)	0.7	5.2	1.7
GDP per capita (USD)	110 (2002)	107	220
GDP per capita annual growth average 1990-2001	-4.3%	-7.7%	-1.3%
Inflation (annual average 90-2002)	13%	728%	12%
Development assistance per capita, USD		15.6	43.6
Public spending on educ, (1992-2001)	15%	0	26%
Public spending on healthcare (1992-2001)	2%	0	5%
Proportion of women in parliament 2003	18.8%	---	45%
Corruption index, 2003	2.2

Sources: Human Development Report 2003, World Bank Country Profiles 2003, UNICEF 2003, UNAIDS 2003.

Abbreviations

AU	African Union
CEPGL	Economic Community of the Countries of the Great Lakes
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of the Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
ESA	East South African Group
EU	European Union
FAO	Food and Agricultural Organisation
FEWER	Forum on Early Warning and Early Response
EKN	Swedish Export Credits Guarantee Board
HIPC	Highly Indebted Poor Countries
ICC	International Criminal Court
ICTR	International Criminal Tribunal for Rwanda
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
MDRP	Multi-country Demobilisation and Reintegration Programme
MTEF	Medium Term Expenditure Framework
NBI	Nile Basin Initiative
NELSAP	Nile Equatorial Lakes Supplementary Action Programme
OCHA	Office for the Co-ordination of Humanitarian Affairs
OHCHR	Office of the High Commissioner on Human Rights
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
RNP	Rwanda National Police Board
RPF	Rwanda Patriotic Front
SADC	Southern African Development Community
UN	United Nations
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Programme
WTO	World Trade Organisation

CONTENTS

1. Introduction
2. Regional strategy for the Great Lakes Region
 - 2.1 Summary of the regional conflict analysis
 - 2.2 Regional integration
 - 2.3 Swedish support to the region to date
 - 2.4 Sweden's regional development cooperation in the Great Lakes Region
 - 2.4.1 General considerations
 - 2.4.2 Objective
 - 2.4.3 Volume
 - 2.4.4 Design
 - 2.4.5 Dialogue
 - 2.4.6 Implementation and follow-up
3. Country strategy for Rwanda
 - 3.1 Summary of the country analysis
 - 3.1.1 The social situation and dimensions of poverty
 - 3.1.2 Democracy, human rights and reconciliation
 - 3.1.3 The conflict situation
 - 3.1.4 Economy
 - 3.2 Rwanda's development strategy
 - 3.3 International development cooperation
 - 3.4 Sweden's development cooperation with Rwanda to date
 - 3.5 Sweden's development cooperation with Rwanda
 - 3.5.1 General considerations
 - 3.5.2 Objective
 - 3.5.3 Volume and future cooperation
 - 3.5.4 Design
 - 3.5.5 Dialogue issues
 - 3.5.6 Implementation and follow-up
4. Country strategy for the Democratic Republic of the Congo
 - 4.1 Summary of the country analysis
 - 4.1.1 The conflict situation
 - 4.1.2 The social situation
 - 4.1.3 Democracy and human rights
 - 4.1.4 Economic situation
 - 4.2 DRC's strategy for poverty reduction
 - 4.3 International development cooperation

4.4	Experience of Swedish development cooperation
4.5	Sweden's development cooperation with DRC
4.5.1	General considerations
4.5.2	Objective
4.5.3	Volume
4.5.4	Design
4.5.5	Dialogue issues
4.5.6	Implementation and follow-up
5	Country strategy for Burundi
5.1	Summary of country analysis
5.1.1	The conflict situation
5.1.2	The social situation
5.1.3	Democracy and human rights
5.1.4	Economy
5.2	Burundi's poverty strategy
5.3	International development cooperation
5.4	Experience of Swedish development cooperation
5.5	Sweden's development cooperation with Burundi
5.5.1	General considerations
5.5.2	Objective
5.5.3	Volume
5.5.4	Design
5.5.5	Dialogue issues
5.5.6	Implementation and follow-up

1. INTRODUCTION

There are traditionally strong ties between the ethnic groups in the east of the Democratic Republic of the Congo (DRC), Rwanda and Burundi. Informal trade exchanges have been extensive and continue to be so. In the last decade the countries have been drawn into conflicts with clear regional overtones. Sweden's development cooperation in the Great Lakes Region must take these regional aspects into consideration. This strategy is to be the guiding instrument for cohesive development policies in the Great Lakes Region. It is made up of four parts and covers a strategy for regional cooperation in the Great Lakes Region as well as three country strategies for Rwanda, DRC and Burundi.¹

The strategy will apply from the date on which a government decision is taken to 31 December 2008. The focus and formulation of Sweden's development cooperation is governed by the situation in the region and the cooperating countries. The current situation in the Great Lakes Region must be characterised as unstable and future developments are difficult to predict. Flexibility must therefore be the watchword for Sweden's development cooperation in the region and with the cooperating countries.

This strategy has been drawn up by Sida at the request of the Government. The process has involved consultations with the governments, civil society and the private sector in the countries concerned. Meetings with the interested parties were held in Stockholm. As a basis for work on the strategy, a regional conflict analysis and country analyses were carried out for Rwanda, DRC and Burundi. An analysis of results was compiled concerning Sweden's development cooperation to date in the region and in the individual countries.

¹ In this strategy the Great Lakes Region is limited to Rwanda, the Democratic Republic of the Congo and Burundi.

2. REGIONAL STRATEGY FOR THE GREAT LAKES REGION

2.1 Summary of the regional conflict analysis

The conflict situation

The dynamics of the conflicts in the Great Lakes Region is complex. The conflict in DRC contains both national and regional components. The regional component is connected with the 1994 genocide in Rwanda. A domestic conflict is ongoing in Burundi with ramifications in DRC.

Progress can be noted in the peace processes in the region. A peace agreement between national actors has been reached in DRC. There is a national peace agreement in Burundi too. In Rwanda, reconciliation efforts continue and the first national elections after the 1994 genocide have been carried out. Peace agreements between DRC and Rwanda and Uganda respectively have been signed and the latter countries have withdrawn their troops from DRC. Foreign militia, primarily Rwandan genocide militia, still operate in DRC. These groups must be disarmed, demobilised and returned to their countries of origin if permanent regional stability is to be achieved.

The regional normalisation process and national peace processes are extremely fragile. The causes of the conflicts remain unsolved. The peace and normalisation processes are held together by strong pressure from the international community.

The underlying causes of the conflicts and their consequences

The many conflict factors interact in complex structures in which cause and effect cannot always be differentiated. Extreme poverty is a cause of conflict. At the same time the conflicts result in worse poverty.

After many years' misrule, weak democratic institutions and the absence of a democratic culture have manifested themselves in exclusion, discrimination, oppression and corruption. Elite groups have manipulated the population in the region on the basis of ethnicity. The illegal exploitation of natural resources, particularly in eastern DRC, has financed the conflicts. Rapid population growth and high population density have intensified the fight for resources, not least arable land. The streams of refugees have further increased demands on the limited resources. The spread of HIV/AIDS has intensified as a result of the extensive movement of people.

The protracted conflicts have meant a radical militarisation of the entire region. The spread of small arms is extensive. Violence has traumatised the population. Torture and rape are carried out as part of warfare. The situation is particularly serious for women and children.

Peace support actors

The United Nations (UN) is actively involved in efforts to resolve the conflicts in the Great Lakes Region. The UN Secretary-General has appointed a special representative for the region. The task is to organise an international conference on peace, security, democracy and development for the Great Lakes Region in consultation with the African

Union (AU) and the participating countries. UN forces with a peace enforcement mandate are present in both DRC and Burundi. The UN missions have broad mandates so as to be able to adopt a holistic approach to the peace processes.

The AU and individual African countries, particularly South Africa, play an important role in the peace processes in the region.

The European Union's (EU) support for peace, security and development in the Great Lakes Region is extensive. A special representative is engaged in the EU's political commitment on a continuous basis. The EU also carries on broad development cooperation and contributes humanitarian assistance to the countries in the region. The EU carried out its first peace support crisis management operation outside of Europe in the Ituri district in north-eastern DRC in the summer of 2003.

Sweden pursues active policies in the EU and UN in support of a peaceful development in the Great Lakes Region. In DRC, we have contributed troops both to the EU crisis management operation and to the UN force. Sweden continues to contribute military observers and civil police to the UN force. In Burundi, Sweden has made financial contributions to the AU's peace-keeping force which is now part of the UN force.

2.2 Regional integration

Informal regional cooperation, for example in the trade area, has traditionally been extensive in the Great Lakes Region. The wars have had a negative impact on this. Increased regional cooperation presupposes a peaceful environment but at the same time is a means to prevent conflicts and build peace. The preconditions exist for increased trade and other forms of regional cooperation, for example regarding research, trauma management, HIV/AIDS, refugee issues, human rights, democracy, sustainable development, gender equality, the energy and banking sectors as well as the management of cross-border natural resources.

The picture of the regional integration processes is complex. DRC is a member of the *Southern African Development Community* (SADC) and tends to turn its sights on the south. Cooperation with South Africa in particular is being strengthened. Rwanda and Burundi are negotiating membership of the *East African Community* (EAC). Cooperation within EAC has a clear potential for conflict prevention. Membership for Rwanda and Burundi would be positive for regional stability. Rwanda already has a cooperation agreement with EAC. Sweden supports EAC within the framework of the *Strategy for Swedish support for poverty reduction and sustainable development in the Lake Victoria Basin and surrounding region 2004-2006*.

At the same time, Burundi, DRC and Rwanda are members of the *Economic Community of Central African States* (ECCAS) and the *Common Market for Eastern and Southern Africa* (COMESA), and the *East South African Group* (ESA) which is negotiating an economic partnership agreement with the EU within the framework of the Cotonou agreement. The aim of the negotiations is both to regulate trade with the EU and to simplify intra-regional and continental trade in Africa. An economic partnership

agreement between the EU and ESA will probably increase trade exchanges between Burundi, DRC and Rwanda.

In addition, activities are under way to re-establish the regional cooperation organ *Economic Community of the Great Lakes States* (CEPGL) of which DRC, Burundi and Rwanda are members. A regenerated CEPGL would have a positive impact on efforts to achieve peace in the region. Likewise, successful implementation of the planned International Conference on Peace, Security, Democracy and Development for the Great Lakes Region could have peace-support effects. The three countries are also members of the *Nile Basin Initiative* (NBI) and its subordinate body the *Nile Equatorial Lakes Supplementary Action Programme* (NELSAP).

2.3 Swedish support to the region to date

Sweden has made contributions to the preparations for the upcoming *International Conference on Peace, Security and Development for the Great Lakes Region*. This support (SEK 2 million in 2004) has been channelled through UNDP in Kenya.

The *Multi-Country Demobilisation and Reintegration Programme* (MDRP) led by the World Bank has received Swedish support (SEK 20 million in 2002). MDRP adopts a holistic approach to demobilisation and reintegration in the whole region and donor countries' resources are assembled and coordinated. This work is difficult due to a complex environment and the recipient countries' weak institutional capacity. In spite of delays, demobilisation has begun in Angola and Rwanda. If the preconditions in Burundi and DRC improve, demobilisation efforts will begin there too.

Swedish support has also been channelled through the *Office for the Coordination of Humanitarian Affairs* (OCHA; SEK 2 million in 2004) for coordination of humanitarian support in the region. OCHA has an office in Nairobi. This office has an important role through its work on humanitarian principles and by drawing attention and contributing to a good response to humanitarian crises in the region. The support has resulted in improved humanitarian coordination. Within the framework for Sweden's annual, non-earmarked basic contribution to the *United Nations High Commissioner for Refugees* (UNHCR), this UN organ finances *inter alia* support to refugees in the Great Lakes Region (SEK 47 million in 2004).

2.4 Sweden's regional development cooperation in the Great Lakes Region

2.4.1 General considerations

International pressure and financial support are essential for the national peace processes and regional normalisation process to succeed. Long-standing commitment through, for example, missionary churches and the fact that we were not a colonial power means that Sweden is perceived as a neutral actor by the countries in the region.

The strategy for Swedish support to regional and sub-regional development cooperation in sub-Saharan Africa 2002-2006 will be the basis for Sweden's regional development cooperation in the Great Lakes Region. The added value of carrying out efforts at regional rather than local or national level must be clear.

2.4.2 Objective

The objective for Sweden's development cooperation with the Great Lakes Region will be to create the preconditions for poor people to improve their living conditions.

2.4.3 Volume

During the strategy period, Sweden's regional development cooperation in the Great Lakes Region will amount to SEK 30-45 million a year. In addition, there will be regional humanitarian assistance of approximately SEK 2 million a year.

2.4.4 Design

The point of departure for Sweden's development cooperation in the Great Lakes Region is that the attainment of peace and security is crucial if people are to be able to improve their living conditions. Furthermore, there is a connection between reduced poverty and a democratic polity characterised by transparency and respect for human rights. The mainstays in shaping Sweden's development cooperation are therefore on the one hand to contribute to regional stability and cooperation and, on the other, to support the evolution of a democratic culture in which human rights are respected.

A regional and national conflict perspective must permeate cooperation in the Great Lakes Region. Choice of project, cooperation partner, geographic area and target group should be made taking into consideration their consequences for mitigating armed conflicts and creating the preconditions for peace. Furthermore, when deciding on projects, a *rights perspective* must be adopted, focusing in particular on children and women. HIV/AIDS must also be given special attention when planning projects. Special efforts may be required to counter the spread of HIV/AIDS.

When deciding on projects, attention must be given to the outcome of the *International Conference in the Great Lakes Region*. It is hoped that the conference will produce concrete results in the areas of peace and security, democracy and good governance, economic development and regional integration as well as social and humanitarian development. Provided that the results of the conference so permit, the framework of Sweden's regional development cooperation will take the form of support to the follow-up to the conference. Sida should inform the Ministry for Foreign Affairs of planned projects throughout.

In the first instance, Sweden's efforts in the region will aim for improved security, support for confidence-building measures and conflict solution mechanisms. Contributions in support of *improved security* comprise, for example, support for demobilisation and the reintegration of former combatants. Support within the framework of the Multi-country Demobilisation and Reintegration Programme (MDRP) will continue, providing that there continues to be a need for such support. Consultation with the Ministry for Foreign Affairs will be sought. In this category, there may also be a need for measures to prevent the spread of small arms. Support for *confidence-building measures* may, for example, take the form of cultural and university-based exchanges for the purpose of encouraging contacts between ethnic groups and/or élite groups thereby stimulating dialogue and understanding. Support for *conflict resolution mechanisms* may, for example, concern working with regional parliaments, joint commissions and

international NGOs or civil society. Support to the media can be both a goal in itself and a means.

Secondly, support for the development of a democratic culture and increased respect for human rights and regional integration may be an immediate need. In the area of *democracy and respect for human rights*, it may be a question of support for reconciliation processes, handling of issues relating to impunity, exposure of perpetrators of outrages, and sub-regional initiatives promoting democracy and human rights. In the category *regional integration* it may be a question of support for the administration of common natural resources and economic cooperation by promoting trade and tourism. Trade promotion measures may mean support for improved production capacity and support for the build-up of capacity in order to facilitate active participation in trade negotiations, for example, within the framework of the World Trade Organisation (WTO) or EPA.

Humanitarian regional support will continue as long as the need remains. Coordination of regional efforts will receive continued support if required. Likewise, Sweden's annual, non-earmarked basic contribution to UNHCR will continue. Refugees in the Great Lakes Region also receive a share of this contribution.

2.4.5 Dialogue

Regional matters will be included in the bilateral dialogue with the respective countries in the Great Lakes Region.

2.4.6 Implementation and follow-up

Sida will make efforts to ensure an effective coordination with other donors. The starting-point is that efforts be implemented through multilateral channels. Partnership with multilateral and bilateral donors will be actively sought.

The responsibility for coordination of the management of regional projects rests with Sida/Stockholm who will divide the operative planning responsibility between the embassies in Nairobi, Kinshasa, Kampala and the development assistance office in Kigali.

There will be systematic control and follow-up of support. Inspection of cooperation will be carried out in connection with the drawing up of annual country plans. The annual revision will be in relation to the objective for cooperation and within this framework include an assessment of how successfully cooperation has been permeated by a national and regional conflict perspective, a rights perspective focusing on children and women as well as HIV/AIDS. The review will also include human resources. In addition, an annual report will be submitted to the Ministry for Foreign Affairs for approval.

3. COUNTRY STRATEGY FOR RWANDA

3.1 Summary of the country analysis

3.1.1 The social situation and dimensions of poverty

The 1994 genocide in Rwanda markedly intensified poverty. Although the situation has since improved for the majority of the population, poverty is still widespread.

Distribution of the limited assets is distorted both at the individual level and between town and country. The majority of the poor are to be found in rural areas among the landless and smallholders. Households led by women and children are in particular difficulties, as also the elderly and disabled and the *Twa* ethnic minority. In a national analysis of poverty, job opportunities, membership of associations and access to micro credit have been identified as the most important factors for reducing poverty.

The education system has been rebuilt in terms of quantity after the genocide. Efforts to improve the qualitative aspects are in progress. The health system is slowly beginning to recover. However, access to health service for poor groups is limited. HIV/AIDS is a major problem, particularly in urban areas. Rwanda has drawn up a strategic plan to deal with the epidemic but implementation at the local level has progressed slowly.

Underemployment is considerable, particularly among young people. The majority of people support themselves by small-scale farming on small allotments with no right of possession. Population growth increases competition for arable land. Environmental problems such as deforestation and soil erosion result in reduced productivity and increased poverty.

3.1.2 Democracy, human rights and reconciliation

Democracy

Democratic culture is weak in Rwanda. There is no organised political opposition. Self-censorship occurs and the scope of the media is limited although some private radio stations have obtained broadcasting licences. Civil society is very weak with the exception of religious communities. There are a few organisations engaged in human rights. Relations between these and the government are tense. The absence of an open dialogue in society is a serious obstacle to development and stability.

Rwanda was governed for nine years after the genocide by a national united government under the leadership of the *Rwanda Patriotic Front* (RPF). A new constitution was adopted in a referendum in May 2003. The constitution expresses democratic values. At the same time, it allows restrictions on freedom of speech, freedom of assembly and freedom of association. The first national elections after Rwanda's independence were held in 2003. President Kagame and his RPF party easily won both the presidential and parliamentary elections. The election process was carried out without incidents of violence, but threats, pressure and electoral fraud did occur. The elections constitute an important step in the process towards political normalisation and increased democratisation.

The government is aiming to establish accountable and open public institutions. However, the independence of the institutions may be questioned. A shortage of resources and capacity is a problem across the board. Corruption does occur but is relatively limited. A decentralisation reform was initiated in 2000 to modernise the state's administration and increase citizens' influence. The decentralisation process has contributed to some extent to increased opportunities for poor people to influence their elected representatives.

Human rights

Rwanda has ratified five of the six key conventions on human rights and acceded to the additional protocols of the Convention of the Rights of the Child, i.e. on trafficking in children, child prostitution and child pornography as well as on children in armed conflicts. Rwanda has not ratified the UN Convention Against Torture. The obligation to report has not been fulfilled. The *National Human Rights Commission* and an ombudsman function have been established to promote human rights.

Respect for social and economic rights has improved. There are serious infringements of political and civil rights, particularly freedom of speech and association. The Act on divisionism prohibits all forms of ethnic propaganda but is used as an instrument to silence opinions that deviate from the government's line of policy. Disappearances occur as also harassment and arbitrary arrests of journalists, the political opposition and civil society. Death sentences are still meted out but no execution has taken place since 1998.

Rwanda is making active efforts to counteract discrimination on grounds of sex. 45% of members of its parliament are women. The principle of gender neutral wage rates has been introduced into labour market legislation. Women are still under-represented in the business sector. On average literacy rates are lower for women than for men.

Almost one fifth of children up to the age of 14 are orphans as a result of the genocide and spread of HIV/AIDS. The number of street children and households led by children is considerable. Child prostitution, sexual exploitation of children and child labour are relatively common.

The judicial system and reconciliation policy

Traditionally, the judicial system has been politically controlled, corrupt and incompetent. The new constitution provides independence vis-à-vis the executive power in theory but in practice this has not yet been achieved. A reform of the judicial system has begun. An extensive reform was initiated in 2000 to democratise the police system. The general public has a positive view of the police today.

The balance between reconciliation and the administration of justice is difficult. The national Unity and Reconciliation Commission carries on and coordinates the reconciliation process. A traditional discharge of justice at village level – *gacaca* – has been initiated to deal with the large number of cases connected with the genocide. This process may result in identification of hundreds of thousands of new suspects. Following the genocide, the UN Security Council established the *International Criminal Tribunal for Rwanda* (ICTR) with the task of bringing individuals who carried out the genocide in

Rwanda to justice. Relations between ICTR and Rwanda have long been strained but have improved.

3.1.3 The conflict situation

Rwanda finds itself in a post-conflict situation. Stability has been achieved and open ethnic conflicts restrained. However, new violent conflicts cannot be ruled out. The shortage of arable land is more clearly visible in the light of population growth, environmental degradation and the return of refugees and genocide militia. The fight for limited resources is a breeding-ground for political manipulation based on ethnic dividing lines.

From a long-term perspective, the regional conflict situation has improved. But Rwandan genocide militia are still operating on DRC's territory. Rwanda's military interventions in DRC in 1996 and 1998 have resulted in increased discrimination of Congolese Tutsis in DRC. Relations between Rwanda and DRC continue to be strained. Relations with Uganda have gradually improved.

3.1.4 Economy

The Rwandan economy fell to pieces in connection with the 1994 genocide. Great progress has been made since regarding macroeconomic indicators. Between 1995 and 2001 growth was on average 6 per cent. In 2002 the economy grew by 9.4 per cent. At the same time, inflation was held back throughout, for example in 2002 inflation was only 2 per cent. In 2003 economic growth decreased to 0.9 per cent. And inflation rose to 7.7 per cent. Lesser amounts of rain had a negative effect on the harvest which forced up food prices. At the same time prices for Rwanda's most important export products fell and imports became more expensive as a result of a weak currency. Inflation was exacerbated by expansive fiscal policies. All in all, developments in 2003 show that serious structural problems in the economy remain to be solved.

The economy is heavily dependent on aid. The tax base is narrow but has been broadened. There are at present limited chances of further increasing tax revenue. Rwanda's extensive foreign debt and consequent debt service is a heavy expenditure item in spite of the fact that the country receives debt relief within the framework of the *Heavily Indebted Poor Countries* (HIPC) debt initiative. Budget deficits are legion. Military expenses continue to be high but their proportion has decreased from 4.5 per cent of GDP in 1998 to 2.6 per cent in 2003.

The export trend and balance of trade are negative and the prerequisites for increased export limited. Three quarters of exports are coffee, tea and coltan and world market prices for these products have fallen dramatically. Diversification of products for export and a higher degree of processing are important. If long-term regional stability is achieved there are chances of increased trade within ECCAS, COMESA and CEPGL. Rwandan membership of EAC would probably also stimulate trade in the region. An economic partnership agreement with the EU is estimated to enhance further continental trade exchanges and facilitate exports to EU countries. An agreement on a partnership treaty is foreseen not later than 1 January 2008.

Extensive economic reform work is in progress. The present regime sees the private sector as the engine driving economic growth. As the economy has been liberalised, the preconditions for the private sector have improved. However, the development of the business sector is negatively affected by a weak financial sector, high lending rates, shortage of credit and a poor infrastructure. The privatisation of state-owned banks was initiated in 2004. Foreign direct investments are limited.

Rwanda's poverty strategy gives priority to a modernisation of the agricultural sector, which is the backbone of the economy, and rural development in order to improve growth prospects in the medium term. In the long term, the Rwandan government wants to make the country a regional trade and service centre based on communications, IT and export of services and also develop tourism.

The systems for financial management and control are relatively weak but are continually improving through cooperation between the Rwandan government and the World Bank and IMF. Much work remains to be done before budget allocation can de facto be said to be effectively governed by the poverty strategy and *Medium Term Expenditure Framework* (MTEF).

3.2 Rwanda's development strategy

Rwanda's Poverty Reduction Strategy Paper (PRSP) was discussed by the boards of the World Bank and the International Monetary Fund (IMF) in July 2002. The areas given priority are (1) development of rural areas, (2) human development, (3) economic infrastructure, (4) good governance, (5) development of the private sector and (6) development of institutions and capacity. A strategy for the education sector has been drawn up. Strategies for other sectors are being developed.

The quality of the strategy is high. The analysis of poverty is good and priorities clear and linked to MTEF. One weakness is that there is limited scope for issues relating to democracy and human rights and that measures to stop environmental degradation are vague. The goals set are very high. There is a risk that it will not be possible to reach them. National or regional conflicts as well as a shortage of resources and capacity may obstruct implementation of the strategy.

The first review of Rwanda's PRSP was carried out in 2003. After just one year's implementation it was difficult to draw any far-reaching conclusions. However, some improvements could be established in the education and health sectors.

3.3 International development cooperation

The United Kingdom has a long-term partnership with Rwanda that is extensive in terms of volume and content. The UK leads coordination of assistance in the education sector and partly regarding gender equality. The Netherlands also carries on long-term cooperation with Rwanda. A transition from project support to programme, sector and possibly also budget support is gradually taking place. The Netherlands leads donor coordination with regard to decentralisation and development of the public sector. Belgium donates extensive project support and has announced increased volumes in several areas. The United States leads donor coordination in private sector development

and concerning HIV/AIDS. France has reduced its assistance compared with the period prior to the genocide. Present support is given in the form of project support focusing on culture and the promotion of francophonía.

The World Bank carries on an extensive programme with efforts within, for example, agriculture, rural development and capacity development. *Poverty Reduction Support Credit* (PRSC), that is to say budget support, is planned. Rwanda's economic reform programme is being implemented in cooperation with IMF. The European Commission provides extensive support, including budget support and leads coordination of assistance in the area of rural development. A large number of UN organs are represented in Rwanda. The *United Nations Development Programme* (UNDP) leads coordination of good governance and general donor coordination.

External financing of the different sectors has been uneven, with the major focus on the judicial and education sectors while, for example, energy, environment and infrastructure have been under-financed.

The efforts of the donor countries are coordinated and harmonised more and more around Rwanda's poverty strategy under strong Rwandan ownership and leadership. This is particularly clear as far as budget support is concerned. In addition, the government has introduced so-called *cluster groups* that correspond to the main areas in the poverty strategy.

3.4 Sweden's development cooperation with Rwanda to date

Table 1. Swedish development cooperation with Rwanda 1999-2003, MSEK

Sector	1999	2000	2001	2002	2003
HR and democracy	5.9	13.4	7.8	22.2	24.7
Humanitarian support	67	38.8	4.5	2	2.3
Social sectors	3.4	3.1	18.2	47.5	4.3
Research	0	0	0	3	17.4
Economic reforms	20	60	40	50	50
NGOs	13.1	14.4	13.4	16.5	2.2
Total	109.4	130	84	138	101

Source: Sida's Yearbook

A development portfolio has been built up and progress has been made in Sweden's dialogue with the Rwandan government. In accordance with the country strategy for Rwanda, priority has been given to (1) peace, stability and reconciliation, (2) democracy and human rights, (3) economic reforms and macroeconomic stability and (4) institutional support and development of capacity. Capacity development, HIV/AIDS and gender equality were inter-thematic issues. A Memorandum of Understanding was signed in 2002.

Sweden's support for peace, stability and reconciliation mainly falls under the category of human rights and democracy in the above table. Support has primarily gone to the national Reconciliation Commission. It has been effected in collaboration with the UK. The capacity of the Reconciliation Commission to plan, supervise and follow up

operations has improved as a result of the support. In addition, Sweden has contributed towards financing a genocide memorial centre and a study of Rwandans' attitude to the peace and reconciliation process as well as developments in the country.

Democracy and human rights have been promoted by means of support to the formulation of the new constitution, the 2003 election process and the building up of the capacity of authorities, often in cooperation with Swedish public institutions. The National Association of Local Government Authorities has contributed to the establishment of a Rwandan counterpart. Support for the development of the capacity of civil society and improved prison environments has been channelled through international organisations. This latter support has contributed to an improvement in the situation in some of the prisons.

In the area of economic reforms and macroeconomic stability, cooperation has focused on the formulation of Rwanda's poverty strategy as well as budget support. It is as yet too soon to draw any definite conclusions concerning effects. Sweden's budget support has facilitated implementation of the poverty strategy.

Capacity-building support falls mainly under the category of human rights and democracy in the above table. This support has contributed to strengthening public institutions. The Swedish National Audit Office has contributed to a reinforcement of its Rwandan counterpart. The Swedish National Police Board initiated cooperation with the Rwanda National Police (RNP) in 2003 in order to strengthen RNP's institutional capacity on the basis of democratic values and respect for human rights. Cooperation commenced recently. It is not yet possible to draw any conclusions concerning this support.

Sweden has supported the education sector since 2002 through sector budget support. Cooperation was established with Britain's DFID. This sector is the most progressive in terms of the development of sector programmes, policy development and harmonisation and coordination. The support falls under the category of social sectors in the above table. Research cooperation was initiated in 2003 between the National University of Rwanda and three Swedish universities. It is too early to draw any conclusions about this support.

In the health sector, Sweden has supported two projects that have progressed from humanitarian efforts to development projects. The results have been good but they have had no impact on the health sector as a whole. This support falls under the category of social sectors in the above table.

Sweden's support to Swedish NGOs' development efforts in Rwanda have been channelled through PMU Interlife, Shia and the Swedish Mission Council which carry on activities in the areas of health, education, agriculture, human rights and the business sector. Efforts focus on strengthening local cooperation organisations, primarily through a build-up of knowledge and skills development.

All in all, it may be said that since a major share of Swedish development efforts started only recently, it is too early to draw any definite conclusions. Strong Rwandan ownership

has been noted while the capacity to implement many projects has been limited. In some cases the planning processes have taken a long time because the Swedish counterpart was not able to deliver rapidly enough and as a result Rwanda applied to other cooperating partners. Cooperation and interaction with both the government and other donors is intensive and of high quality.

3.5 Sweden's development cooperation with Rwanda

3.5.1 General considerations

Rwanda has begun to implement the poverty strategy, financial control systems are beginning to be in place and there is relatively little corruption. Thanks to a progressive economic policy focusing on poverty, great progress has been made in development policy since the genocide. International development cooperation is essential for Rwanda's continued efforts to build up the country. Progress has been made in donor coordination. A common framework, for example, has been developed for harmonisation of budget support. Sweden's reputation in Rwanda is good.

Sweden's development cooperation with Rwanda will be guided by Rwanda's poverty strategy and in addition have a stronger emphasis on democratic principles and human rights.

Development cooperation with Rwanda is complicated firstly by the fact that the situation regarding democracy and human rights is not satisfactory. Democratisation and respect for human rights is a prerequisite for peace and long-term development. Secondly, it is of central importance that Rwanda constructively promotes peace and cooperation in the region as a whole. Peace and reconciliation at both regional and national levels are decisive for Rwanda's future.

Sweden's ongoing development cooperation provides an opportunity for continued dialogue with Rwanda about democracy and human rights and about regional development. Thus, development cooperation will be an important instrument for attempting to persuade Rwanda's government to strengthen democracy in Rwanda and act constructively in the region.

3.5.2 Objective

The objective for Sweden's development cooperation with Rwanda will be to create opportunities for poor people to improve their living conditions.

3.5.3 Volume and future cooperation

Sweden's development cooperation with Rwanda will amount to SEK 120-140 million a year, including budget support and research support. In addition, there will be support to Swedish NGOs operating in the country.

Provided that Rwanda's democratisation process is intensified, respect for human rights increases and that Rwanda constructively contributes to a resolution of the regional conflict situation, extended cooperation with Rwanda may be discussed during the

strategy period. Any decision to expand development cooperation with Rwanda will be preceded by consultations with the Ministry for Foreign Affairs.

If development cooperation with Rwanda is extended during the strategy period, efforts in the area of rural development may be given priority. Underdevelopment of rural areas generates conflict. Rural development is given highest priority in Rwanda's poverty strategy and the country is at present drawing up a multi-sectorial strategy for the sector.

A method of channelling that is effective in terms of resources will be sought in connection with rural development efforts. Opportunities to work through other donors will be examined.

3.5.4 Design

Aspects of the regional conflict and national conflicts related to the genocide must be dealt with if it is to be possible to concentrate Rwanda's resources on the fight against poverty. Democratic reforms and respect for human rights correlate positively with an improved standard of living, and a progressive development policy. The formulation of Sweden's development cooperation with Rwanda is guided by these connections.

A regional and national conflict perspective must permeate cooperation with Rwanda. Choice of project, cooperating partner, geographic area and target group will be made, paying attention to the consequences for preventing and resolving conflicts in a way that creates opportunities for sustainable peace. *A rights perspective* that includes accountability, participation and non-discrimination will be adopted when efforts are planned. Where possible, special attention will be given to the rights of children and women.

HIV/AIDS is widespread in Rwanda and is a cause of poverty. Sweden will as far as possible adopt an integrated HIV/AIDS approach when planning efforts.

In the light of the genocide the need for a *build-up of capacity* in all areas is manifest. The capacity of public institutions and civil society must be built up for an effective development policy. Swedish support will give priority to capacity building when efforts are planned.

Sweden's development cooperation with Rwanda will aim to contribute to a peaceful development and improve the chances of a democratic social system. In addition, development cooperation will aim to contribute to economic growth and socio-economic development based on a sustainable use of the natural resource base.

Peaceful development and democratic governance

Support will continue to be given to Rwanda's peace and reconciliation work. This may mean support to the national Reconciliation Commission or to the traditional *gacaca* judicial system.

Support for democratic governance will be the second largest area of cooperation in terms of volume. Sweden will promote the development of a democratic culture and pluralism in

Rwandan society. From this perspective, support for civil society, including the media, is important and may be considered. Support for the promotion of the rights of the child may likewise be considered.

Cooperation with Swedish authorities in developing public institutions in Rwanda, for example the police, will continue. Decentralisation of the public administration is a key component in the democratisation process and is one of the areas given priority by the Rwandan government. Sweden currently supports the decentralisation process in Rwanda in cooperation with the National Association of Local Government Authorities, SALA-IDA. A review of this support will be carried out in 2004. The review may lead to a change in the focus of decentralisation support.

Economic growth and socioeconomic development based on sustainable use of the natural resource base

Poverty-oriented economic and social development will continue to be the largest area of cooperation in terms of volume. However, health support will be discontinued due to its lack of impact on the health sector as a whole.

Intensive economic reform work is in progress in Rwanda. In order to facilitate implementation of economic reforms and Rwanda's poverty strategy Sweden intends to contribute continued budget support during the strategy period. Budget support covering several years may be considered in 2005 and 2006 provided that the conditions in the applicable guidelines are fulfilled. An increase of support to financial management as a complement to budget support may be considered.

Education is an area strongly prioritised by the government. A sector strategy is in place. The education sector should therefore continue to be given priority in development cooperation with Rwanda. General budget support may be followed up with regard to indicators in the education sector. Coordination with the UK will be the aim.

Sweden already provides support for the development of research capacity at Rwanda's universities. This support contributes to creating capacity in areas of strategic importance for the country's development and is expected to continue. The Rwandan government has identified IT as an important sector for socioeconomic development and diversification of the economy. Sida has provided support to Rwanda's IT authority which is responsible for coordinating the implementation of the country's IT policy. Different forms of support to the IT sector will continue.

In order to promote investments and business activity, Sweden is open to support through the Start Syd programme. This programme offers financing on easy terms for transfer of technical know-how and competence from a Swedish company to its cooperating partner in Rwanda and can contribute towards small Swedish companies daring to take the step of starting up new business relations with companies in the country.

When Rwanda reaches the end of the HIPC initiative and the Swedish Export Credits Guarantee Board (EKN) judges Rwanda to be creditworthy, credits on easy terms may be

discussed for additional investments within Sida's areas of cooperation, particularly those that have a regional dimension. There are also possibilities of supporting private investment projects with independent guarantees.

Given that Rwanda is already participating in EAC's programme for Lake Victoria and can be expected to become a full member of EAC during the strategy period, support within the framework of the *Strategy for Swedish support for poverty reduction and sustainable development in the Lake Victoria Basin and surrounding region 2004-2006* is a possibility.

3.5.5 Dialogue issues

A detailed dialogue strategy will be included in the annual country plans. The Ministry for Foreign Affairs will be consulted concerning the formulation of the dialogue strategy. Sweden will carry on a dialogue, bilaterally and within the EU, focusing on the implementation and follow-up of the poverty strategy, HIV/AIDS, peace and reconciliation, democracy, human rights as well as issues of a regional nature, particularly the conflict situation.

3.5.6 Implementation and follow-up

Rwandan ownership will characterise development cooperation throughout. Sweden will give priority to donor coordination and harmonisation linked to the poverty strategy. The aim will be for increased cooperation with other donors. A concentration of efforts will continue. Sweden's comparative advantages will be taken into consideration. Careful attention will be given to corruption aspects in connection with planning and implementation.

There will be a follow-up of development cooperation through six-monthly reports and annual discussions with the Rwandan government. Reviews of cooperation will be carried out when annual country plans are drawn up. The annual reviews will be in relation to the goal of cooperation and within this framework include an assessment of the extent to which cooperation has been permeated by a national and regional conflict perspective, a rights perspective focusing on children and women, HIV/AIDS as well as development of capacity. The review will also include human resources. In addition, the annual review will be submitted to the Ministry for Foreign Affairs for approval.

4. COUNTRY STRATEGY FOR THE DEMOCRATIC REPUBLIC OF THE CONGO

4.1 Summary of the country analysis

4.1.1 The conflict situation

DRC's lack of democratic institutions and a democratic culture found expression in exclusion, discrimination, oppression and extensive violations of human rights during many years of misrule. Poverty has gradually intensified which has contributed to national antagonisms. The conflicts have further exacerbated poverty. The consequences of the 1994 genocide in Rwanda have added a regional dimension to the conflict pattern. The genocide militia still operate on the territory of DRC. Economic factors in the form of illegal exploitation of DRC's natural resources have also contributed to the regionalisation of the conflict.

The conflict, ongoing since 1998, has involved seven foreign armies and several militia groups. Congolese and foreign élite groups have profited by the instability, *inter alia* through the plunder of natural resources. Formally, peace reigns in both the region and in DRC. Peace treaties between DRC and Rwanda and Uganda have been negotiated. At the national level, a peace agreement was signed in December 2002. In June 2003, a transitional government took office. Developments are largely positive but the process is fragile. Fighting still occurs between different rebel fractions and the embryo of a national army in eastern DRC. The fundamental causes of conflict remain to be resolved.

The transitional government faces major challenges. The issue of citizenship for groups who are of Rwandan origin in eastern DRC must be dealt with. A security sector reform, establishing a united army and police force, must be implemented. The transitional government must extend its authority to include the whole territory. National elections will take place in 2005. In parallel with the security sector reform, the process to disarm, demobilise and reintegrate both Congolese and foreign combatants must be speeded up. Refugees and internally displaced people are also waiting to be reintegrated into society. Conflicts concerning arable land are already a problem and may be further exacerbated.

The international community's support for the peace process is extensive. The UN has a force with a peace enforcement mandate deployed in the country. An international committee with the task of supporting the peace process has been appointed locally in Kinshasa.

4.1.2 The social situation

In spite of DRC's enormous natural resources, the population of DRC is one of the poorest in the world. Opportunities to make a living are limited by the conflicts. A shortage of arable land leads to great environmental stress in the form of soil erosion and deforestation.

The public infrastructure has been destroyed. The road and railway networks are of low standard. The education and health systems have collapsed. Two thirds of children do not attend school at all. The majority of the population has no access to health care and

medication. Infant and maternal mortality ratios are alarmingly high. The spread of HIV/AIDS is accelerating.

It is estimated that war and troubles have directly or indirectly caused the death of three and a half million people. Some three million people are internal refugees and about 500 000 Congolese are refugees in neighbouring countries. A considerable number of people are disabled and traumatised. Almost a third of the country's approximately 60 million inhabitants is estimated to be in need of emergency assistance. The situation is worst in the conflict-torn areas.

4.1.3 Democracy and human rights

The DRC lacks democratic traditions. Opportunities for women to exercise influence are particularly limited. The churches fulfil an important societal function. Civil society is otherwise fragmented and often lacks resources and capacity, which limits opportunities for influence.

The transitional institutions include representatives of the former government, the former rebel groups, the unarmed opposition and civil society. Under the transitional constitution, five citizen commissions focusing on the upcoming election, the media, corruption and ethics, truth and reconciliation, as well as human rights are to be established. Public institutions are inefficient and permeated by corruption.

DRC has signed the most important human rights conventions but they are not observed. In the conflict-torn areas in the east of DRC, serious violations occur in the form of summary executions, arbitrary deprivation of liberty, rapes, torture, arson and plunder. Children and women are in a particularly difficult situation. Child labour, child soldiers and sexual exploitation are common. Sexual violence against girls and women is part of warfare. Civil sexual attacks have also increased. Discrimination of women is backed by legislation and custom. Conditions in the country's gaols and prisons are very bad.

The police and judicial systems have collapsed and are characterised by corruption and political influence. Impunity is common. The truth and reconciliation commission which is to investigate outrages that took place after 1960 has been criticised by several human rights organisations since the commission's membership is reported to include individuals who are suspected of being involved in serious violations of human rights. The International Criminal court (ICC) has initiated an investigation in DRC. ICC has jurisdiction to investigate genocide, crimes against humanity and war crimes that took place after 1 July 2002 when the court was formally established.

4.1.4 Economic situation

Due to corruption, conflicts and mismanagement over a long period, the country's economy is disintegrating. Revenue from extraction of DRC's natural resources is embezzled and is not shared by the masses. The backbone of the economy is small-scale farming and barter. Development of the agricultural sector has been impeded by the lack of infrastructure and access to markets and credits.

With the support of the World Bank and IMF, the government has initiated an economic reform programme. The reforms have been relatively successful and as a result the economy is growing again (2 per cent in 2002; 5.6 per cent in 2003). Continued reform is needed to reduce corruption. Another challenge is managing the country's enormous foreign debt. DRC receives debt relief within the framework of HIPC.

4.2 DRC's strategy for poverty reduction

An Interim Poverty Reduction Strategy Paper (IPRSP) was completed in March 2002. The IPRSP covers three areas: (1) peace and good governance, (2) macroeconomic stability, rehabilitation and growth focusing on poverty reduction, and (3) reinforcement and further development of civil society.

The implementation of IPRSP is divided into three phases. The first has passed and aimed for the establishment of macroeconomic stability. The second is in progress and aims to rehabilitate economic and social infrastructure. Before the third phase commences, a complete PRSP will be drawn up. Phase three (2005-2010) will comprise measures that generate sustainable growth.

Sweden's contributions cannot be totally based on the IPRSP because its quality is imperfect. The poverty analysis is weak. The strategy lacks priorities, indicators, financing and plans for implementation. A full PRSP needs to be urgently drawn up in consultation with civil society and with technical and financial support from donors.

Pending a full PRSP, the transitional government is formulating a framework for its priorities in the next three to four years. The framework is intended to serve as a basis for the donor countries' interventions and it is hoped will facilitate donor coordination.

4.3 International development cooperation

As a result of the progress made in the peace process, many donors have increased their commitment to DRC. Most donors are continuing their humanitarian efforts in parallel with support to the security sector, demobilisation, the fight against poverty and to the transitional institutions. The health sector, agriculture and infrastructure are areas prioritised by donors. The education sector is underfinanced.

Of EU member states, Belgium is the largest donor. Belgium has long experience of bilateral development cooperation with DRC. Support is provided for social sectors, particularly the health sector, civil society, build-up of capacity and democratic governance, including the judicial sector. The UK recently adopted a strategy for DRC and is increasing its commitment considerably. The support focuses on the transition process and poverty reduction. The Netherlands provides mainly humanitarian assistance and contributes extensive support to the World Bank's regional demobilisation programme. There are good opportunities for Sweden to cooperate with several EU countries.

The European Commission is carrying on a country strategy for the period 2002-2007. The focus is on health, institutional support for the transition to democracy and macroeconomic support.

Other major bilateral donors include the United States, Canada, Japan and China. Of multilateral organs, the international financing institutions and UN organs are noticeable. The World Bank has established a fund for reconstruction that includes support to infrastructure, agriculture, social service, the development of sector strategies as well as development of the capacity of institutional and human resources. The fund is a framework for donor coordination of reconstruction efforts. The World Bank has also established a multilateral debt redemption fund. The African Development Bank is focusing on the public sector, agriculture, rural development, build-up of capacity and the private sector. Several UN organs are active in DRC but many appear to be relatively weak and have difficulty in prioritising in a large country with enormous needs. The situation is exacerbated by the underfinancing of the UN's humanitarian appeals for DRC.

Coordination among donors is inefficient, particularly regarding efforts of a development nature. Humanitarian coordination improved after the restructuring and decentralisation of OCHA.

4.4 Experience of Swedish development cooperation

Table 3. Swedish support to DRC 1999-2003. MSEK

<u>Sectors</u>	1999	2000	2001	2002	2003
Humanitarian support	30.5	44.2	56	49.3	75.8
NGOs	25	23.6	19.7	22.8	13
Total	55.5	67.8	75.7	72.1	88.8

Source: Sida's Yearbook

Sweden's support to DRC has focused on peace support activities and humanitarian assistance, primarily to the conflict-ridden eastern part of the country. Support has been channelled through the UN and Swedish and international NGOs.

Sweden's annual contribution to UNHCR is also channelled to the Great Lakes Region and goes partly to DRC, as do also non-earmarked contributions to the World Food Programme (WFP). Sweden's support to the UN's consolidated appeal has been divided among the United Nations Children's Fund (UNICEF), the Food and Agricultural Organisation (FAO), UNDP, the Office of the High Commissioner on Human Rights (OHCHR) and OCHA. The funds have been allocated to support income-generating activities, protection of children at risk, education, donor coordination and security for humanitarian personnel. Where possible, this support has comprised long-term development components.

Support to international NGOs has been allocated, *inter alia*, to the Norwegian Refugee Council which runs basic education and protection projects for internally displaced people in eastern Congo. A large number of refugee children have been taught and internal refugees have been educated about their rights and given counselling in connection with their return. Experience of this cooperation is very good. The support is

estimated to be cost-effective. Sida has also donated support to Save the Children UK for peace support efforts and demobilisation of child soldiers. Experience is positive. Save the Children work with available local structures which promotes long-term effects.

Support for Swedish NGOs in DRC has been channelled through PMU Interlife, the Swedish Mission Council, the Baptist Union of Sweden, Diakonia and the Swedish Trade Union Confederation/Confederation of Professional Employees which carry on activities in the areas of education, health, agriculture, environment, democracy and human rights. This support has generally been successful, among other things because through their networks the churches reach large sections of the population. Many people have been able to avail themselves of social services such as education and health care.

Sweden contributed financial support to the Inter-Congolese Dialogue which led to the final peace treaty in December 2002. Support has been given for peace and reconciliation efforts through the organisations Life and Peace, the Forum on Early Warning and Early Response (FEWER) and Search for Common Ground.

In 2002 Sweden signed a bilateral agreement on debt relief with DRC. The agreement means that two thirds of the bilateral debt has been written off which is equivalent to about one and a half billion SEK.

All in all, Sweden's support has contributed to mitigating the effects of violence, normalising existence for sections of the population, protecting vulnerable groups and promoting dialogue between the different actors. For sections of the population, humanitarian assistance has been a prerequisite for survival. Thanks to good knowledge of local conditions and well developed security routines, organisations that received Swedish support have largely succeeded in carrying out their activities even in unstable areas.

4.5 Sweden's development cooperation with DRC

4.5.1 General considerations

DRC is one of the very poorest countries in the world. Because of the size of the country and its geopolitical situation, developments in DRC have a great impact on developments in the whole of Africa. International commitment and pressure as well as financial support is essential to consolidate peace and rebuild the country. Sweden is actively involved in peace efforts in the Great Lakes Region, has a long-standing commitment through Swedish Free Church missions in DRC and carries on extensive development cooperation with many other countries in Africa affected by developments in DRC. This justifies Swedish support during the reconstruction period.

Developments in the peace process are uncertain. If the peace process fails the situation in the country may become very unsettled. Swedish development cooperation must be flexible to be capable of dealing with different scenarios. The development of the national peace process, the will of the transitional government to actively contribute to regional stability and reforms in the direction of democracy and increased respect for human rights are decisive factors for Sweden's involvement.

4.5.2 Objective

The objective of Sweden's development cooperation with DRC will be to create the preconditions for poor people to improve their living conditions.

4.5.3 Volume

Provided that progress in the peace process continues and DRC contributes constructively to a regional stabilisation and makes progress in the matter of democracy and human rights, the volume of Sweden's development cooperation with DRC will increase and amount to SEK 40-50 million a year. A further increase may be considered during the strategy period after consultation with the Ministry for Foreign Affairs.

In addition, support will go to Swedish NGOs and humanitarian support depending on need. It is estimated that humanitarian assistance will amount to about SEK 80 million a year. If the peace process fails, support will mainly focus on humanitarian assistance and conflict management efforts.

4.5.4 Design

DRC continues to be characterised by a conflict situation, particularly in the country's eastern parts. Immediate humanitarian needs must be met in some parts of the country. Enhanced stability and security are needed first and foremost to improve the standard of living in a long-term perspective. Reforms in the direction of democracy, increased respect for human rights and economic reform with a clear focus on poverty are other decisive factors for a reduction of poverty in DRC. The planning of Sweden's development cooperation with DRC will pay attention to these aspects.

A regional and national conflict perspective will permeate cooperation. When choice of project, cooperating partner, geographic area and target group is made, heed will be paid to the consequences for mitigating conflict and creating the preconditions for peace. Furthermore, a *rights perspective* will be adopted with a special focus on children and women.

As far as possible Swedish support will contribute to checking the spread of HIV/AIDS. Particular attention will be paid to HIV/AIDS in connection with planning support for the return of refugees and reintegration of soldiers. In the dialogue with DRC, Sweden will make efforts to ensure that HIV/AIDS is regarded as a serious obstacle to poverty reduction and development and that the fight against HIV/AIDS should be one of the foundation-stones of DRC's poverty strategy.

Sweden's development cooperation with DRC will include humanitarian efforts and contribute to a peaceful development, enhanced security and reconciliation, democratic governance as well as economic growth and socio-economic development based on a sustainable development and preservation of the natural resource base.

Humanitarian operations

Irrespective of developments in the peace process, in the next few years DRC will be dependent on humanitarian assistance. Continued Swedish humanitarian assistance is foreseen under most of the strategy period. Considering probable developments with

regard to needs, Sweden's humanitarian assistance will most likely be directed to eastern DRC. At the same time, coordination with other donors is important to avoid a geographical imbalance. Sweden will aim to actively participate in efforts for good humanitarian donorship in the UN where DRC is a pilot country for more effective donor coordination, as long as this initiative is in progress.

Humanitarian assistance will focus on the immediate needs of protection and material assistance. Where possible, and during a transitional period, humanitarian assistance may also contribute to the reconstruction of a fundamental base structure for social services, *inter alia* by utilising and supporting local capacity and labour and promoting employment and income-generating activities. In this way, the support will have long-term effects. Reconstruction efforts, however, will primarily be financed as part of development cooperation with DRC.

Sweden's humanitarian assistance will facilitate the return and integration of refugees and internally displaced people, pay particular attention to the situation of women and children, counteract gender-related violence and promote human rights. In connection with humanitarian efforts, support to local media may be considered. The media are of major importance for providing the general public with information in a post-conflict situation.

Support will continue to be channelled through the UN, the Red Cross movement and Swedish and international NGOs.

Peaceful development, security and reconciliation

Peace and reconciliation work will need to continue. Sweden's efforts in support of a peaceful development, security and reconciliation will promote dialogue and conflict management. This may, for example, be effected through support to the media sector and through international and national organisations.

Sweden supports the process to disarm, demobilise and reintegrate soldiers within the framework of regional support, through MDRP. MDRP covers demobilisation and reintegration but not the costs of disarmament. Given that the preconditions for assistance financing are fulfilled, support for the disarmament process may be considered. All support to disarmament, demobilisation and reintegration in DRC is contingent on its being coordinated with and supplementary to World Bank efforts. This being the case, Sweden-financed efforts will primarily focus on child soldiers.

Democratic governance

Democracy and respect for human rights are preconditions for peace and long-term development. Good governance can contribute to the ability of DRC in the future to utilise the country's natural resources and finance its own development. If the peace process continues to move in the right direction, there are chances of support in the area of democratic governance. Support may be considered for (1) development of the capacity of the transitional institutions and for NGOs to strengthen civil society and promote the interplay between the transitional institutions, (2) for preparations for and implementation of elections, (3) for public institutions and civil organisations monitoring

and defending democracy and human rights. To counter impunity and contribute to enhanced security, support to the judicial system and police sector will be given special priority provided that the transitional government demonstrates a strong political will to reform these sectors. Support will be coordinated with the efforts of the EU and UN force, MONUC.

Since some parts of civil society are politicised and have a major lack of capacity, any support to local organisations will be preceded by a careful analysis.

Economic growth and socio-economic development based on a sustainable development and preservation of the natural resource base

The reconstruction and rehabilitation of the social and economic infrastructure is necessary to give the population increased access to social services and to promote economic growth. Sweden is already financing such efforts to a certain extent within the framework of its humanitarian assistance. Provided that the peace process continues in the right direction, there will be a changeover to more long-term development contributions. Priority will be given to the education sector. In addition, there will be preparedness for a strategically important project to fight the spread of HIV/AIDS, for example preventive measures focusing on groups at risk such as military personnel, refugees and internally displaced people.

Education is an area that is under-financed and given high priority by the transitional government. Through Sweden's support to date within the framework of humanitarian assistance, the education sector is an area where Sweden has comparative advantages. There are opportunities for coordinated donor support in the education sector. Partnership with other donors will be sought. Support to the education sector may, for example, be channelled through the reconstruction programme drawn up by the World Bank in cooperation with the transitional government.

When DRC has reached the debt write-off completion point within HIPC and the Swedish Export Credits Guarantee Board judge DRC to be creditworthy, favourable credits may be offered provided that an investment promotes a sector development that is already positive. There are also chances of supporting private investment projects with independent guarantees.

In order to promote investment and business activities, Sida will consider support through StartSyd. This programme means favourable financing for transfer of technical know-how and competence from a Swedish company to its cooperating partner in DRC and can encourage small-sized Swedish companies to dare to take the step of starting new business relations with companies in DRC.

4.5.5 Dialogue issues

Bilaterally and within the EU, Sweden will aim for a dialogue focusing on the peace and reconciliation process and the formulation and implementation of a poverty strategy. Within the framework of these dialogue areas, it is particularly essential to raise the matter of safeguarding democracy and human rights, particularly the rights of women and children, integration of returning refugees and demobilised soldiers, the fight against

HIV/AIDS and the need for an efficient judicial system. The dialogue will also include regional issues. A dialogue strategy will be included in the annual country plans.

4.5.6 Implementation and follow-up

Sweden has limited experience of development cooperation with DRC. A concentration of efforts and cooperation partners is necessary. Sweden will extend cooperation with other bilateral and multilateral donors in order to coordinate support and enhance its effectiveness. Sweden will take into consideration the cooperating country's priorities when deciding on efforts. Particular attention will be paid to Sweden's comparative advantages. In connection with planning and implementation of projects, the corruption aspect will be given careful attention.

Control and follow-up of support will be systematically carried out. Reviews of cooperation will be made when the annual country plans are drawn up. The annual reviews will be in relation to the goal of cooperation and within this framework include an assessment of the extent to which cooperation has been permeated by a national and regional conflict perspective, a rights perspective focusing on children and women as well as HIV/AIDS. The review will also include human resources. In addition, an annual report will be submitted to the Ministry for Foreign Affairs for approval.

5. COUNTRY STRATEGY FOR BURUNDI

5.1 Summary of the country analysis

5.1.1 The conflict situation

Since its independence in 1962 Burundi has been afflicted by recurring conflicts caused by poverty, exclusive policies and a fight for the country's scarce resources. The power struggle between élite groups stirred up antagonisms between the Hutu and Tutsi ethnic groups.

The present conflict commenced in 1993 when a civil war broke out. The conflict has ramifications in eastern DRC, which is used as a base by Burundian rebels. In 2000 a peace agreement which divided power between Hutu and Tutsi was signed in Arusha. A transitional government with a three-year mandate took office in 2001. In spite of this, the war continued since certain Hutu groups chose not to accede to the peace agreement. The largest of these acceded to the transitional government in 2003 but there is still a rebel group (Hutu) outside the peace and transition process. General elections are to be held at the end of 2004 but this presupposes a stable security situation.

The peace process is driven forward by the international community. The UN has a peace enforcement force on the spot. African commitment to a peaceful solution is extensive. In particular the efforts of South Africa, Tanzania, Uganda and AU are noticeable.

If a final peace is reached there is massive reconstruction work to be undertaken in the country. 800 000 refugees, 300 000 internal refugees and 55 000 former combatants must be reintegrated into society. The formulation of the reintegration programme is of key importance for preventing new conflicts.

5.1.2 The social situation

The causes of poverty are chiefly to be found in the armed conflict but also in weak political leadership, scarce natural resources, a lack of arable land and the spread of HIV/AIDS.

Today, Burundi is one of the world's poorest countries. Its demographic structure has changed. It is a militarised society. The streams of refugees are extensive. The humanitarian situation is difficult. Average life expectancy has fallen drastically. The education system has collapsed and in the absence of public resources is dependent on the churches. 13 per cent of the adult population has HIV/AIDS.

The majority of the poor live in rural areas where a lack of land makes it more difficult to supply food. Population growth and environmental problems such as deforestation and soil erosion are further increasing competition for scarce land. Internal refugees, women and children are particularly vulnerable.

5.1.3 Democracy and human rights

Burundi has limited experience of a democratic polity. The country has traditionally been governed by a Tutsi élite. Democratic culture is weakly rooted. Civil society is weak with

the exception of the churches which provide the population with social services. Women's opportunities for political influence are very limited.

Burundi has ratified the most important human rights conventions but they are not observed. Violations of political and civil rights are extensive. Beatings to death, torture, rapes, plunder and executions have been carried out by all the parties to the conflict. The civilian population, particularly women and children, have been badly affected by the atrocities. Impunity is far-reaching. The country's judicial system is corrupt and politically controlled. Confidence in the police and courts is extremely low. The media have some scope to carry on activities but there are restrictions and self-censorship is common.

Maintenance of economic and social rights was undermined during the years of the conflict. The rights of the child have not been respected. Child labour and child soldiers are used extensively.

5.1.4 Economy

The economy has collapsed due to the protracted civil war. The debt situation is serious and debt service is a great burden on Burundi's national budget. As a result of falling coffee prices, the value of exports has decreased. Foreign investments are limited. Balances of trade, current account and payments are negative.

As a proportion of GDP, the service and agricultural sectors are most important. The manufacturing industry is underdeveloped and characterised by state ownership. A decision has been taken to introduce a privatisation programme but it has not yet been implemented to any great extent.

There are signs that the economy is recovering as the security situation improves. The economy grew in both 2001 and 2002. Inflation has fallen. The budget deficit has been reduced as a result of increased tax revenues and a stabilisation of expenses. This progress has enabled a closer relationship with the Bretton Woods institutions and an economic reform programme has been initiated in cooperation with the IMF. However, recovery is hampered by extensive corruption.

In order to achieve continued progress in the development of the economy the government wants to diversify exports. An economic partnership agreement with the EU, a future membership of EAC and a revitalisation of CEPGL would improve opportunities for regional and continental trade.

5.2 Burundi's poverty strategy

The government is in the process of drawing up a poverty reduction strategy paper (PRSP). An interim strategy (IPRSP) was presented to the donors in November 2002 and was revised in November 2003.

The IPRSP presents six overall themes. (1) To promote peace and good leadership, (2) to promote sound economic growth and reduce poverty, (3) to improve access to fundamental social services, (4) to integrate those affected by the conflict and other

vulnerable groups into the economy, (5) to fight HIV/AIDS and (6) to promote the role of women in development.

The IPRSP is in many respects an inadequate basis. It lacks an in-depth analysis of poverty. The strategy also lacks a monitoring and follow-up plan and needs to be supplemented regarding priorities, time frameworks, cost estimates and financing. Its deficiencies mean the IPRSP cannot be a full basis for Swedish support.

The formulation of a full PRSP and its implementation is hampered by the conflict and an inefficient and underdeveloped administration. The implementation of the IPRSP and the drawing up of a full PRSP presupposes considerable support from the international community.

5.3 International development cooperation

The number of donors in Burundi is limited. The greater part of support is humanitarian and is channelled primarily through the UN and other international organisations. Underfinancing of the UN humanitarian appeal for Burundi has limited the capacity of UN organs. The World Bank, IMF and European Commission are the most important financiers of long-term development efforts. Belgium, the United States, Germany, the UK and France are the largest bilateral donors. Donor coordination is weak.

The World Bank focuses on economic recovery, HIV/AIDS, social protection, reconstruction of infrastructure and development of the private sector. Ideas have been presented about extending the bank's commitment to include *inter alia* budget support, economic management, reconstruction of the infrastructure, agriculture and education. The World Bank also administers a multilateral debt relief fund.

The European Commission's development cooperation focuses on rural development, infrastructure, build-up of institutions and macroeconomic support. In addition, humanitarian assistance is provided. Belgium carries on humanitarian efforts and donates support to macroeconomic reforms, and to the health, education and justice sectors. Belgium also contributes to reforming the security sector. The United States provides mainly humanitarian assistance focusing on agriculture, refugees, education, civil society and the rights of women and children. Germany focuses on water, health and the reintegration of refugees. The UK has drawn up a strategy focusing on humanitarian assistance, peace building and conflict prevention as well as support for the development of a poverty strategy and the build-up of the capacity of the transitional institutions. France provides support to the justice sector, food supply, health, HIV/AIDS and basic infrastructure. Budget support is planned.

5.4 Experience of Swedish development cooperation

Table 2. Sweden's support to Burundi 1999-2003, MSEK

Sector	1999	2000	2001	2002	2003
HR and democracy	4.8	5.2	3.5	1.9	6.9
Humanitarian assistance	17.6	23.1	22.2	28.2	35.3
NGOs	7.3	9.3	0	4.5	0
Total	29.7	37.6	25.6	34.6	42.2

Source: Sida's Yearbook

Most of the humanitarian assistance has covered long-term development components and been allocated to agriculture, education, protection of children and women, protection and integration of refugees and internally displaced people as well as rehabilitation of schools, health centres and water/sanitation plants. In most of these projects, cooperation between local authorities and the target group has been decisive for implementation. Sweden has also earmarked contributions for coordination of humanitarian assistance.

Support for peace, democracy and human rights has focused on efforts to increase capacity in the judicial system, support for parliament and its institutions and peace and reconciliation endeavours. Legal aid for prisoners, education of parliamentarians, contributions to promote dialogue between different ethnic groups and efforts to establish contacts between rebels and the government are examples of operations.

Sweden's support has been channelled through Swedish and international organisations as well as through NGOs. Among UN organisations, UNDP, OHCHR, UNICEF, FAO and OCHA in particular have received most of the Swedish funds during the period. One of the few Swedish organisations active in the country is PMU Interlife which through its cooperating churches has more than 75 years' experience of the country and carries on *inter alia* education and health work. Of the international organisations it is chiefly British Save the Children, Action Aid, the Norwegian Refugee Council, International Alert, RCN Justice & Democracy, the International Committee of the Red Cross and Search for Common Ground that have received Swedish support during the period.

The results of Sweden's support should be seen in the light of the fact that it only comprises one or two per cent of total development assistance to Burundi.

In spite of the difficult security situation in the country, projects have largely been feasible and contributed to mitigating the effects of the conflict, protecting people's lives and promoting dialogue between different groups in society. For parts of the population humanitarian assistance has meant survival and the attainment of a minimal standard of living. Support has also lessened the isolation of certain conflict areas and contributed to a normalisation of existence for many people. A considerable number of internal refugee children have been given special education and it has then been possible to transfer them to the ordinary school system. By involving local communities and local organisations, opportunities for continuous operation and maintenance of, for example, rehabilitated schools, health centres and water/sanitation plants increased.

Support for the judicial system has meant that prisoners received legal aid and a survey of living conditions for close on ten thousand prisoners was carried out. However, the build-up of capacity in the courts system was impeded on the one hand by the conflict and, on the other, on account of widespread corruption in the judicial system. Seminars to promote dialogue between ethnic groups were organised.

5.5 Sweden's development cooperation with Burundi

5.5.1 General considerations

Burundi is one of the very poorest countries in the world. Swedish missions have maintained a long-term presence in Burundi. Sweden is actively involved in the peace processes in the Great Lakes Region. Burundi's social and humanitarian situation, Sweden's long-term commitment to Burundi and the regional perspective justify continued Swedish support.

Sweden's support to Burundi will focus on humanitarian assistance and efforts to promote peace and reconciliation. In addition, Sweden's support to democracy and human rights will continue.

5.5.2 Objective

The objective of Sweden's development cooperation with Burundi will be to create the preconditions for poor people to improve their living conditions.

5.5.3 Volume

Sweden's development cooperation with Burundi will amount to SEK 15 million a year. Sweden's limited presence in the country will be taken into consideration when choosing projects and channels for their implementation. In addition, humanitarian assistance of approximately SEK 30 million a year will be provided as well as support to Swedish NGOs operating in the country.

If the peace process continues to move in the right direction and Burundi's government shows a clear political will to carry out democratic reforms and respect for democracy and human rights, increased support to democratic governance may be provided during the strategy period following consultations with the Ministry for Foreign Affairs. If the peace process fails support will chiefly focus on humanitarian assistance and conflict resolution efforts.

5.5.4 Design

Despite the peace process, Burundi is characterised by a national armed conflict with regional ramifications. The immediate humanitarian needs must be met. In order to fight poverty the security situation must be stabilised. Reform in the direction of democracy and increased respect for human rights is also necessary in order to achieve a higher standard of living. These aspects will be taken into consideration when Sweden's development cooperation is planned.

A regional and national conflict perspective will permeate cooperation. When choice of project, cooperating partner, geographic area and target group is made, heed will be paid

to the consequences for mitigating conflict and creating the preconditions for peace. Furthermore, a *rights perspective* will be adopted, focusing in particular on children and women.

Sweden's support will contribute as far as possible to checking the spread of HIV/AIDS. Special attention will be given to HIV/AIDS in connection with planning support for the return of refugees and reintegration of soldiers. In its dialogue with Burundi, Sweden will make efforts to ensure that HIV/AIDS is regarded as a serious obstacle to poverty reduction and development and that HIV/AIDS should be one of the foundation stones of Burundi's poverty strategy.

Sweden's development cooperation with Burundi will include humanitarian efforts and contribute to enhancing security, peace and reconciliation and aim for democratisation and increased respect for human rights.

Humanitarian operations

Burundi will be dependent on continuing humanitarian assistance from the international community in the years ahead. Humanitarian assistance will continue to be largest in terms of volume. Sweden will aim for active participation in efforts to achieve good humanitarian donorship. Burundi is a pilot country for a UN initiative to improve the coordination of humanitarian support.

Sweden's humanitarian assistance will focus on the immediate needs in terms of protection and material aid. Where possible, and during a transitional period, humanitarian assistance may also contribute to a reconstruction of a base structure for social services and promote activities that generate income and employment. In this way support will have a long-term effect. Reconstruction efforts will, however, be financed primarily as part of development cooperation with Burundi.

Sweden's humanitarian assistance must facilitate the return and reintegration of refugees and internally displaced people, give particular attention to the exposed situation of women and children, counteract gender-related violence and promote respect for the rights of the child, particularly the right to education.

Promote a peaceful development, security and reconciliation

The need for peace and reconciliation efforts remains. Sweden's contributions in support of a peaceful development, security and reconciliation will promote dialogue and conflict management. This may, for example, be effected through support to the media sector and through international and national organisations.

Sweden supports the process to disarm, demobilise and reintegrate soldiers within the framework of regional support, through MDRP. Support for demobilisation in Burundi will only be given if it is coordinated by and complements World Bank activities. Given this, Swedish-financed efforts will, if possible, focus primarily on child soldiers.

Democratic governance

Democratisation and increased respect for human rights are preconditions for achieving a resolution of the conflict. Sweden's support to democracy and human rights will continue. This support may be increased during the strategy period.

Irrespective of whether or not support is increased, efforts within four categories may be considered. (1) Institutions and organisations that monitor and defend human rights, particularly the rights of children and women, (2) democratic institutions and processes (for example, national assembly, senate, elections), (3) promotion of a democratic culture through support to the media (for example, education, legislation, distribution of broadcasting frequencies) and (4) development of the judicial sector.

In addition, support may be given to strategically important efforts to counter the spread of HIV/AIDS, for example preventive measures focusing on groups at risk such as military personnel, refugees and internally displaced people.

Given that Burundi is affected by EAC's programme for Lake Victoria and may be expected to be a full member of EAC during the strategy period, Burundi may be considered for support within the framework of the *Strategy for Swedish support for poverty reduction and sustainable development in the Lake Victoria basin and surrounding region, 2004-2006*.

5.5.5 Dialogue issues

A democratically elected government would open new opportunities for dialogue between Burundi and the international community. A brief dialogue strategy will be included in the annual country plans. The dialogue strategy will take into account the fact that Sweden does not have a permanent presence in Burundi.

Bilaterally and within the EU, Sweden will aim for a dialogue focusing on the peace and reconciliation process, democracy and human rights as well as regional issues.

5.5.6 Implementation and follow-up

Sweden's support will be channelled through multilateral actors, national and international organisations or through other donors. A concentration of projects and cooperating partners will be the aim. The corruption aspect will be given careful attention when projects are planned and implemented.

Control and follow-up of support will be systematically carried out. There will be an annual review of cooperation. The annual reviews will be in relation to the goal of cooperation and within this framework include an assessment of the extent to which cooperation has been permeated by a national and regional conflict perspective, a rights perspective focusing on children and women as well as HIV/AIDS. The review will also include human resources. In addition, an annual report will be submitted to the Ministry for Foreign Affairs for approval.



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