

# **RWANDA, THE WORLD BANK, PRSP AND HUMAN RIGHTS**

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## **Résumé**

La bonne gouvernance et, plus spécifiquement, la protection et la promotion des droits de l'homme, constitue une des politiques sectorielles prioritaires dans le Document Stratégique de Réduction de la Pauvreté (DSRP) du Rwanda qui, pour cette raison, est parfois présenté comme un modèle. En faisant référence aux liens conceptuels entre, d'un côté, la coopération au développement, et, de l'autre côté, les droits de l'homme, cet article analyse de plus près l'importance réelle donnée à la problématique des droits de l'homme dans la politique de coopération entre la Banque Mondiale (et le Fonds Monétaire International) et le Rwanda, notamment dans le cadre du DSRP. Pour ce faire, une analyse est faite des différents documents produits par le Rwanda et des Evaluations Conjointes des Services (Joint Staff Assessments) de la Banque et du FMI au courant du processus DSRP.

L'article constate que, malgré certaines apparences et malgré les attentes créées par le rôle apparemment accordé aux droits de l'homme, la mise en oeuvre et l'évaluation de ce volet du DSRP se limitent à des simples réformes législatives et institutionnelles, sans tenir compte de la réalité du terrain, caractérisée, entre autres, par l'élimination (politique, juridique et même physique) d'opposants politiques, de journalistes et d'autres membres de la société civile. Pour réellement avoir un effet positif, le processus DSRP doit nécessairement évoluer vers une inclusion moins rhétorique et plus solide de la promotion et la protection des droits de l'homme.

## **1. INTRODUCTION**

There has been a long-standing debate, both about the conceptual link between development and human rights and about the necessity and effectiveness of linkages between, on the one hand, development cooperation and, on the other, human rights, democratization and the rule of law. Since the early nineties, generally three types of linkages have been distinguished in literature, policy and practice (Section 2). The initial position of the World Bank in this debate – which was to stick to political neutrality and to limit its own role to technical support – seems to have cautiously evolved (Section 3). The old paradigm of Structural Adjustment Programmes has, since the start of the new millennium, gradually been replaced by Poverty Reduction Strategy Papers (PRSP) as the new primary policy device, not only of the Bretton Woods Institutions (the World Bank Group and the International Monetary Fund), but of international development actors more generally (Section 4). Interestingly, the promotion and protection of human rights features explicitly in Rwanda's PRSP. Sometimes presented as trend-setting and as a model, this article seeks to analyse in some further detail the position and weight of human rights considerations in Rwanda's PRSP process (Section 5).

## 2. DEVELOPMENT COOPERATION AND HUMAN RIGHTS

The very notion of development has changed importantly over the past fifty years. From a notion that was strongly focused on economic growth and reforms, it has broadened up to include several other dimensions of sustainable human development. The 1997 UN General Assembly's Agenda for Development lists as indispensable foundations for development: respect for all human rights and fundamental freedoms, democratic and effective institutions, combating corruption, transparent, representative and accountable governance, popular participation, an independent judiciary, the rule of law and civil peace.<sup>1</sup> There remains, however, an ongoing tension between human rights and development, both as normative concepts and as fields of international relations. This tension is well illustrated by the critical response of the international human rights community vis-à-vis the Millennium Development Goals, adopted as a result of the UN General Assembly's Millennium Declaration in September 2000.<sup>2</sup>

Adding a human rights component to the notion of development logically also has its impact on the policy and practice of international development cooperation actors. Without going into much detail, generally three<sup>3</sup> different types of – not mutually exclusive – linkages can be distinguished between, on one hand, development cooperation, and, on the other, human rights (sometimes extended to aspects of democratization, rule of law, good governance). First, through a policy of political conditionality, donor countries and aid agencies may reward or sanction a government's good or poor performance on human rights (or other political) benchmarks, by changing the volume, the type and the beneficiary of development cooperation in response to human rights related developments.<sup>4</sup> Secondly, donors may actively support human rights programmes and projects, with governmental or non-governmental partners in the developing country.<sup>5</sup> The

<sup>1</sup> See DE FEYTER, K., *World Development Law. Sharing Responsibility for Development*, Antwerp, Intersentia, 2001, p.15.

<sup>2</sup> UN GA Resolution 55/2 of 18 September 2000. For an overview of the MDG's, the specific development targets and an update of their implementation, see <http://www.un.org/millenniumgoals>. For a critical analysis of the MDG's from a human rights perspective, see, i.a., CENTER FOR HUMAN RIGHTS AND GLOBAL JUSTICE, *Human Rights Perspectives on the Millennium Development Goals. Conference Report*, New York, New York School of Law, November 2003.

<sup>3</sup> Uvin distinguishes a fourth type, the «purely rhetorical incorporation of the human rights terminology into the classical development discourse», with the linkage manifesting itself only at the level of terminology, without affecting the philosophy, approach or substance of development work (UVIN, P., *Human rights and development*, Bloomfield, Kumarian Press, 2004, p.50).

<sup>4</sup> See, i.a., CRAWFORD, G., *Promoting political reform through aid sanctions: instrumental and normative issues*, Centre for Democratization Studies, University of Leeds, 1997.

<sup>5</sup> See, i.a., OTTAWAY, M. and CAROTHERS, T., *Funding virtue. Civil society aid and democracy promotion*, Washington, Carnegie Endowment for International Peace, 2000. See

third and most far-reaching type of integration is the rights-based approach to development cooperation: all development activities are geared towards increased protection of rights, more participation, exclusion of discrimination, more accountability, etcetera.<sup>6</sup>

### 3. THE WORLD BANK AND HUMAN RIGHTS

How to analyse World Bank policies and practices against this background and evolution? It would obviously go beyond the scope of this article to try and provide a detailed analysis of the Bank's attention for human rights promotion in its own activities or its position vis-à-vis human rights violations committed by its own stakeholders. Other literature offers very interesting insights in these issues.<sup>7</sup>

Some remarks may be of particular use for the specific purpose of this article.

1. From a normative perspective, there seems to be general agreement, on the basis of the UN Charter as well as of customary international law, that the Bank is under the obligation to respect human rights. As a minimum, this means that it should not (directly or indirectly) contribute to human rights violations. From the same normative perspective, the question whether and to what extent the Bank is also under the obligation to actively contribute to the protection and promotion of human rights, clearly gives rise to a variety of opinions.<sup>8</sup>

2. Conditionality as applied by the World Bank predominantly refers to economic and financial reform conditions. Only when directly relevant for the Bank's economic and financial performance in a given country, other, political and good governance related issues were taken into account. For instance, corruption – the 'C'-word<sup>9</sup>, initially taboo in discussions between the Bank and its shareholders – only gradually gained importance on the Bank's

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also PIRON, L.H., "Donor Assistance to Justice Sector Reform in Africa: Living Up to the New Agenda?", *Justice Initiative*, February 2004, pp.4-11.

<sup>6</sup> See, i.a., JONSSON, U., *A human rights approach to development programming*, New York, Unicef / UN Publications Department, 2004.

<sup>7</sup> See, a.o., SKOGLY, S., *The Human Rights Obligations of the World Bank and the International Monetary Fund*, London, Cavendish, 2001; DE FEYTER, K., *The international financial institutions and human rights. Law and Practice*, Antwerp, IDPM Discussion paper, no. 7, 2002; VAN GENUGTEN, W., HUNT, P. and MATHEWS, S. (eds.), *World Bank, IMF and human rights*, Nijmegen, Wolff, 2003; DARROW, M., *Between light and shadow. The World Bank, the International Monetary Fund and international human rights law*, Oxford, Hart, 2003.

<sup>8</sup> See the above-mentioned literature.

<sup>9</sup> WOLFENSOHN, J., *Human rights and development: towards mutual reinforcement*, Remarks at a Dialogue on Human Rights and Development, New York, New York University Law School, March 2004, p.2.

agenda. Human rights concerns by themselves never determined the Bank's conditionality agenda.

3. A major review of World Bank conditionality over the past 20 years was launched in December 2004. This should result, by July 2005, in a set of *«future operational principles to move from conditionality to country-driven partnership»*<sup>10</sup>. The latter notion is in fact an essential characteristic of the concept of PRSP's: these purport to be country-driven, based on broad participation (including of civil society) and partnership-oriented. To bridge the gap between theory and practice, human rights considerations will necessarily be relevant for the PRSP-approach: in fact, how to ensure broad participation without meaningful freedom of opinion, freedom of expression, freedom of association? This means that, when put into operation seriously, the PRSP 'process' conditionality will necessarily – but possibly 'through the backdoor' – bring human rights issues on the agenda.<sup>11</sup>

4. As far as the third type of linkage is concerned (the rights-based approach to development), the World Bank clearly wants to avoid the *«inflammatory language»*<sup>12</sup> of human rights. Though noting that it has evolved from a primarily economic concept of development to a more holistic and comprehensive view of development that also includes social, cultural and political aspects, the World Bank in 2002 clearly stated not to adhere to a rights-based approach to development cooperation: *«Limitations by our Articles of Agreement prohibiting the Bank's interference in domestic political affairs of its members, of which political and civil rights have been deemed part and parcel, as well as sensitivities of some member-states to the risk of the Bank's encroachment on national sovereignty or national socio-cultural differences, have led the Bank to be cautious in its official remarks about human rights. (...) To the extent that certain claims grant people an entitlement that gives rise to legal obligations on others, it creates the difficulties which the bank has had with what constitutes an entitlement or a legal obligation»*<sup>13</sup>.

In 1997, the Bank's World Development Report was devoted to *“The State in a Changing World”*. This constituted one of the steps through which the Bank included a good governance-angle to its development discourse,

<sup>10</sup> WORLD BANK, OPERATIONS POLICY AND COUNTRY SERVICES, *Review of World Bank Conditionality. Issues Note*, Washington DC, 6 December 2004, p.32.

<sup>11</sup> The latter aspect was in fact confirmed by the IMF's Europe Assistant Director: *«While human rights advocates should be given every opportunity to participate in PRSP consultations, they should not expect the IMF to impose human rights conditions on its member countries»* (PEREIRA LEITE, S., “Human rights and the IMF”, *Finance and Development*, December 2001, Vol.38, no. 4, p.3).

<sup>12</sup> WOLFENSOHN, J., *op. cit.*, p.3.

<sup>13</sup> OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS, *A Rights-Based Approach to Development: What the Policy Documents of the UN, Development Cooperation and NGO Agencies say*, Background Paper to the Asia-Pacific Human Rights Roundtable N°1, September 2002.

breaking out of its traditional mandate of apolitical and purely technical assistance.<sup>14</sup>

#### 4. RELEVANCE OF THE PRSP FRAMEWORK

The PRSP-approach was launched as a new policy device by the World Bank and the IMF towards the end of the 1990's. A PRSP is a strategy document a country needs to submit to the Bretton Woods Institutions (BWI) explaining how donor funds (and, possibly, funds released through debt relief) will be used to enhance growth and reduce poverty. A PRSP is a condition for HIPC<sup>15</sup> II debt relief.

It should be stressed that the PRSP-approach has gained wider significance, beyond the operations of the BWI. Some other donors have linked their cooperation policies to the formulation of a PRSP. This also means that the importance given to human rights considerations in donor policies and practices is impacted upon by the use of this PRSP paradigm. Santiso's analysis of EU development cooperation policy is illustrative, where he finds that the European Commission *«remains ill equipped to conduct structured political dialogue with its development partners in the context of the newly proclaimed development partnerships. It tends to follow the leadership of the international financial institutions in the context of the Poverty Reduction Strategy Papers process. This tendency is particularly problematic as far as the political aspects of the cooperation are concerned and could undermine the identity of EC development cooperation»*<sup>16</sup>. If indeed the relations between a recipient country and a number of other donors are largely determined by the PRSP process, the importance of the latter is not to be underestimated. In fact, these other donors, such as the EU, may well have a development cooperation arrangement that puts human rights and democratisation quite central, but, in practice, the treatment of those political

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<sup>14</sup> Looking at policy and practice of the World Bank, Weaver is highly critical of the World Bank's governance agenda: *«(...) the realities of governance reform on the ground have proven incompatible with the Bank's myth of apolitical, technical assistance. Staff members working on governance projects have been compelled to directly address the political components and consequences of governance reform while at the same time portraying their actions in a neutral, non-partisan light. This has led many critics to decry the hypocrisy of the Bank's governance agenda, pointing to the blatant contradictions between what the Bank says about governance and what it actually does»* (WEAVER, C., *The hypocrisy of international organisations: the rhetoric, reality and reform of the World Bank*, Ph.D. Thesis, University of Wisconsin, 2003, p.178).

<sup>15</sup> Highly Indebted Poor Countries.

<sup>16</sup> SANTISO, C., *The Reform of EU Development Policy. Improving Strategies for Conflict Prevention, Democracy Promotion and Governance Conditionality*, CEPS Working Document N°182, March 2002, p.3.

factors will largely depend on how they are dealt with through the PRSP process, rather than through the specific arrangement.

Another example of the importance of the PRSP concept is given by the IMF's Poverty Reduction Growth Facility (PRGF). In November 1999, the IMF reformed its Enhanced Structural Adjustment Facility (ESAF) to become the PRGF. PRGF support is dependent on the preparation of a PRSP. In another part of this process, towards the end of the nineties, special attention was given by the World Bank and the IMF to streamline their conditionality policies. For the IMF, particular reference can be made to the Managing Director's Interim Guidance Note on Streamlining Structural Conditionality. More specifically, in the context of the PRGF, a framework for cooperation between the Bank and the Fund was established, under which *«the Fund would normally apply conditionality outside its core areas of responsibility and expertise only for policy measures critical to the fiscal and external objectives of the program»*<sup>17</sup>. IMF conditions are therefore in principle limited to fiscal, financial and exchange rate policies, though in addition to these three core areas, conditionality can be imposed in governance related issues; these are not linked to human rights and democratisation as such, but are closely related to improvements in the management of public resources and the development of a transparent and stable economic environment.

## 5. RWANDA'S POVERTY REDUCTION STRATEGY PAPER

### 5.1. Introduction

Rwanda's PRSP is sometimes presented as an innovative model, an example of how well human rights concerns can be integrated in a poverty reduction strategy. According to the IMF's Europe Office Assistant Director, Rwanda's November 2000 interim PRSP (see below) is an example of how human rights concerns can be integrated the development strategies of countries: *«Rwanda's November 2000 PRSP includes a framework for good governance that incorporates a human rights program, as well as capacity building for the country's Human Rights Commission»*<sup>18</sup>. According to Darrow, *«Rwanda's PRSP would appear to be one of the notable exceptions (...). The 'good governance' section of Rwanda's PRSP contains a section dedicated to human rights, declaring the government's commitment to integrating human rights into all its programmes and exploring the linkages between poverty reduction and human rights, and emphasizing the role to be*

<sup>17</sup> IMF POLICY DEVELOPMENT AND REVIEW DEPARTMENT, *Streamlining Structural Conditionality: Review of Initial Experience*, Washington, 2001, p.4.

<sup>18</sup> PEREIRA LEITE, S., *op. cit.*, p.3.

*played by the National Human Rights Commission (NHRC) in that regard»<sup>19</sup>. In footnote, it is added that «the treatment of human rights within this document does constitute the most striking example of human rights integration into PRSP's as at mid-2002».*

Before analyzing in somewhat more detail the approach adopted to incorporating human rights concerns in the Rwandan PRSP and the importance attached to it, it is worth referring to the overall evolution of the World Bank's assistance objectives and strategies with regard to Rwanda since 1990, summarized in the following table.

1990	1992	1998	1999	2002
Reintroducing sustained growth with equitable income distribution	Providing sustained export-led growth with equity	Building a broad-based inclusive economic system	Same as 1998	Improving public sector effectiveness
Creation of an enabling environment for private initiative and export-led growth	Reducing the role of the state	Development of the private sector, enhancing competitiveness and promoting investments and exports	Same as 1998	Promoting private sector development
Increasing per capita income by reducing population growth	Reducing poverty			Revitalising the rural economy and increasing job creation
Diversifying growth sources				
Protecting the environment	Same as 1990	Revitalising the rural economy by promoting sustainable increases in agricultural productivity, improving the functioning of rural markets and protection of natural resources	Same as 1998	

<sup>19</sup> DARROW, M., *op. cit.*, p.90.

	Addressing deteriorating social conditions	Investing in human resource development, including capacity building	Same as 1998	Strengthening human and social development
	Improving public resource management capacity			
		Provision of social and economic infrastructure	Same as 1998	
		Continuation of efforts to reintegrate refugees and to promote <b>national reconciliation</b>	Same as 1998	
		Improvement of donor coordination	Same as 1998	
			Improving <b>justice and governance</b>	Improving <b>governance</b>

Source: WORLD BANK – OPERATIONS EVALUATION DEPARTMENT, *Rwanda. Country Assistance Evaluation*, Washington, 2004, p.8 (emphasis added)

## 5.2. Prior to the PRSP process

The World Bank's objectives vis-à-vis Rwanda in the early nineties, before the 1994 genocide, were directly and exclusively linked to economic and financial policy issues, most notably the degree and nature of the public sector involvement in the economy, fiscal and monetary discipline and the government's attitude towards the private sector. After lengthy negotiations, a structural adjustment programme was agreed upon with the World Bank in 1991, amounting to US\$ 90 million. Adjustment lending was the strategic response to structural weaknesses, the objective was to move Rwanda from a «*centralized socialist system which together with the civil war weighed heavily on the economy and dampened its growth potential*»<sup>20</sup> to a market-led economy.<sup>21</sup> The Operations Evaluation Department (OED) rates the outcome of World Bank assistance overall as unsatisfactory for the pre-genocide

<sup>20</sup> WORLD BANK – OPERATIONS EVALUATION DEPARTMENT, *op. cit.*, v.

<sup>21</sup> Policy measures imposed were not notably different from those imposed on other African countries: a devaluation, controls on recruitment and salaries in the public sector, reduction of coffee subsidies, removal of trade restrictions, privatization, combined with a social safety net programme.



period. According to the OED, the main reasons to explain this failure are: the civil war, deficient project design and supervision and limited human and financial absorptive capacity. Uvin sees a more fundamental explanation: Rwanda's problems were «*enmeshed in crises that were beyond the program's ability to redress. The Structural Adjustment Program was to be implemented while the country was facing an economic crisis without precedent and simultaneously going through a civil war and a democratic transition*»<sup>22</sup>. As far as the World Bank's response is concerned, Uvin concludes to political blindness: «*The World Bank did not take into account the political crises facing Rwanda but acted, in traditional fashion, as if politics did not exist*»<sup>23</sup>. The state is considered as a technically competent (or incompetent) and committed (or less committed) implementing agent of rational economic and financial reform policies. Storey further illustrates this approach of 'state neutrality' on the basis of an analysis of the World Bank's 1994 report "Rwanda: Poverty Reduction and Sustainable Growth" and its 1995 report "Implementation Completion Report. Rwandese Republic: Structural Adjustment Credit". He concludes to «*the absence of any political analysis of the state's relationship with Rwandan economy and society more generally*» and, regarding the lack of analysis of the political elites by the Bank, he notes that «*those within the state itself were not accorded the status of active agents, a particularly glaring omission in the Rwandan context where the state was so crucial and so powerful*»<sup>24</sup>.

In the immediate post-genocide period, emergency lending dominated initially, though gradually more attention was paid to budget management and macroeconomic stabilization, including greater fiscal transparency, the removals of controls over labour markets and the adoption of a legal and regulatory framework conducive to private sector growth. According to the OED, this assistance warrants a moderately satisfactory rating.<sup>25</sup> The World Bank strategy was supported by the Rwandan government's long term goal of moving away from state-centered economic development to market-centered economic development.

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<sup>22</sup> UVIN, P., *Aiding violence. The development enterprise in Rwanda*, Bloomfield, Kumarian Press, 1998, p.59.

<sup>23</sup> *Ibid.*

<sup>24</sup> STOREY, A., "Structural Adjustment, State Power and Genocide: the World Bank and Rwanda", *Review of African Political Economy*, Vol.28, no. 89, September 2001, p.385. We will not deal with the issue whether (and if so, to what extent) the structural adjustment policies and conditionalities directly or indirectly contributed to the conflict and large scale violence; on this subject, see, inter alia, CHOSSUDOVSKY, M., *The Globalisation of Poverty: Impacts of IMF and World Bank Reforms*, London, Zed Books, 1997 and UVIN, P., *op. cit.*

<sup>25</sup> OED, *op. cit.*, p.26. The OED ratings scale provides for six rating categories, ranging from highly satisfactory to highly unsatisfactory. Moderately satisfactory means that the assistance programme achieved acceptable progress towards most of its major relevant objectives and no major shortcomings were identified (OED, *op. cit.*, p.45).

The table above shows that, in 1998, the country assistance strategy concentrated on sustained economic growth, the development of the private sector, the investment in human resource development and the continuation of efforts to reintegrate returnees and to promote national reconciliation. One year later, the country assistance strategy was updated and, from 1999 onwards, explicitly referred to improved justice and governance (which notably refers to human rights concerns and which is maintained in the 2002 country assistance strategy).

These latter, clearly new aspects of the Bank's strategy (reconciliation, justice and governance) also correspond to some of the issues that the OED identifies as obstacles or challenges for sustainability of the Bank's assistance and of Rwanda's growth and development: (i) the continued instability in the Great Lakes region, (ii) the ever-present political tensions among the two dominant ethnic groups, (iii) the need for a legal reform<sup>26</sup> on land tenure and property rights, (iv) a set of major socio-political and institutional issues, for which the Country Assistance Evaluation report refers to a survey conducted by the National Unity and Reconciliation Commission<sup>27</sup>: continued concern about ethnic divisions, about poor governance and (perception of) corruption including in the judicial sector, «*government officials who manifest dictatorial attitudes, limiting citizen participation in decisions which affect them*», bad management of public assets, the strict control of political dissent and suppression of a critical press.

In summary, the evolution of the country strategy adopted by the World Bank between 1990 and 2000 indicates an increasing awareness of the importance and the impact of socio-political, institutional and human rights related aspects on Rwanda's development and on the Bank's own performance. Below, we will try and analyse more in detail how these aspects are integrated and addressed, most notably in the PRSP approach.

### 5.3. The PRSP process

For a good understanding of the more recent policy and practice of the World Bank and the IMF on Rwanda, the following key moments and events need to be taken into account:

*1. November 2000: Rwanda presents an interim PRSP.* As a result, in December 2000, the IMF and the World Bank support debt relief (worth around US\$ 810 million) for Rwanda under the Enhanced HIPC Initiative. Also in December 2000, the IMF approves a new arrangement for Rwanda under the PRGF facility.

<sup>26</sup> New legislation on land tenure was adopted by the National Assembly in November 2004.

<sup>27</sup> COMMISSION NATIONALE DE L'UNITE ET DE RECONCILIATION, *Rapport sur le Sommet National d'Unité et de Réconciliation*, Kigali, 2000.

2. *June 2002: Rwanda presents a full PRSP.* In July 2002, a joint staff assessment<sup>28</sup> by IMF and World Bank staff recommends the PRSP as a sound basis for concessional assistance and debt relief. Immediately afterwards, in August 2002, the IMF approves a new three year PRGF arrangement for Rwanda.

3. *June 2003: Rwanda presents a PRSP Progress Report.* In May 2004, a joint staff assessment (JSA) considers that Rwanda's strategy continues to provide a credible framework for Bank and Fund concessional assistance.

The importance of these elements can hardly be overestimated: the PRSP directly provides the basis for cooperation between Rwanda, the Bank and the IMF, but, indirectly, also serves as an overall benchmark for an increasing number of other donors, including the European Union, in their cooperation with Rwanda<sup>29</sup>.

### 5.3.1. *The interim PRSP*

What does this framework for good governance and its human rights programme amount to and what importance does it have in the relations between Rwanda, the Bank and the IMF?

First, taking a closer look at the I-PRSP document, the framework for good governance, included under the heading "Building an enabling environment", is composed of several mechanisms (para.43):

- the organisation of elections, starting with the local level (initially in 1999 and planned for 2001), as a means to promote popular participation through decentralised democratic structures;
- the establishment (in 1999) and the strengthening of the Human Rights Commission;
- the activities of the National Unity and Reconciliation Commission (established in 1999);
- the establishment (in late 1999) of a Commission on Legal and Constitutional Affairs;
- capacity-building for the justice system and establishment of a national civilian police;
- the adoption of legislation (in 1999) to allow the use of traditional methods of justice (*gacaca*) to adjudicate tens of thousands of genocide suspects;
- the establishment (in 1999) of the Office of the Auditor General;
- the initiation of a programme of decentralisation of state management;
- the empowerment of civil society and the promotion of freedom of expression and of the press.

<sup>28</sup> A positive joint staff assessment (JSA) is a precondition to the discussion and possible decision by the Board of both the Bank and the Fund.

<sup>29</sup> See also the Rwanda Country Assistance Evaluation of the African Development Bank, which recommends «using the basic framework of the Poverty Reduction Strategy Papers» (quoted in OED, *op. cit.*, p.53).

Section 1 of the I-PRSP policy matrix deals with the overall framework of governance. Several relevant policy areas are identified: (i) national reconciliation, (ii) human rights, (iii) constitution, (iv) decentralisation, (v) security, (vi) gacaca. For each policy area, key issues and objectives are listed, as well as activities, the lead agency, the role of donors and civil society and, finally, targets and monitoring indicators:

(i) For national reconciliation, which is considered «*a prerequisite for sustainable poverty reduction*»<sup>30</sup>, the lead agency is the National Unity and Reconciliation Commission and its activities (i.e. civic education programmes, conflict mediation activities and community initiatives) are mentioned as an indicator to monitor performance in this policy area.

(ii) On human rights, the government's objective is to establish «*a culture in which human rights are respected and abuses reported and punished*». The approach to reach this objective is by strengthening the Human Rights Commission and its 4-year plan of action. The Commission itself is expected to develop more specific indicators by the end of 2001. The press and local authorities are seen as playing a crucial role in reporting and defending human rights.

(iii) As far as the constitution is concerned, the Legal and Constitutional Affairs Commission is expected to play a leading role in setting up a large public debate prior to the drafting and adoption of a new constitution.

(iv) Decentralisation is seen as a way to promote participation and democratisation. The establishment of democratic political institutions is conceived as a bottom-up process, starting with the organization of local elections at sector and cell level and continuing with district elections. The popular participation in local elections is retained as performance indicator.

(v) Both internal and external security need to benefit from the regional peace process (the Lusaka Framework for peace in the Great Lakes), which is strongly supported by Rwanda and which should allow for a reduction in military spending.

(vi) The participatory gacaca justice system needs to deal with the prison population of around 130,000 persons and to contribute to national reconciliation. Performance indicators are the number of gacaca tribunals established and functioning and the number of cases processed.

A second question then is whether and to what extent these elements of the framework for good governance are taken into account by the Bank and the IMF: what assessment is made of this framework, how is this incorporated as a condition and/or an objective in cooperation instruments, how is progress in this area monitored, what use is made of human rights reports by other observers, etcetera?

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<sup>30</sup> GOVERNMENT OF RWANDA, *An approach to the poverty reduction action plan for Rwanda. The interim PRSP*, November 2000, p.52.

A preliminary observation can be made on the basis of the policy matrix on governance summarized above. Both human rights and democratisation are conceived in highly 'mechanical' terms: national reconciliation will be assessed in light of the activities of the National Unity and Reconciliation Commission, human rights protection equals the proper functioning of the National Human Rights Commission (NHRC), objectives of justice and the fight against impunity will be measured by looking at the number of gacaca tribunals that are established and operational. The creation (and functioning) of institutions and mechanisms appears to be the ultimate benchmark to monitor the performance of Rwanda under this governance policy matrix. Needless to say that, although measurement of performance in human rights related matters is indeed very complex, this is a highly reductionist view. The creation of legal norms and institutional arrangements is a positive step but by no means a guarantee (nor a reliable indicator) for the true attainment of the policy objectives. There seems to be little or no concern to systematically check the laudable objectives against the reality on the ground. Also, where internationally agreed upon standards do exist, no reference is made to them. To take but one example: as far as the NHRC is concerned – to which an important and crucial role is awarded – the Paris Principles could have been referred to as an indicator of the independence of the Commission. In 1992, the UN Commission on Human Rights endorsed a set of internationally recognized principles concerning the status, powers and functioning of national human rights institutions; these were subsequently endorsed by the UN General Assembly in 1993. No reference whatsoever to the Paris Principles is made in any PRSP document of Rwanda.<sup>31</sup>

As far as the debt relief awarded to Rwanda by the Fund and the Bank in December 2000 is concerned<sup>32</sup>, full assistance under the enhanced HIPC initiative was linked to three conditions: (1) completion and successful implementation for one year of a participatory PRSP, as evidenced by a JSA of the IMF and the Bank; (2) implementation of an agreed set of social and public sector reforms and maintenance of macroeconomic stability; (3) confirmation of the participation of other creditors in the debt relief operation. No explicit reference is made to the governance section of the policy matrix.

Under the December 2000 PRGF arrangement of the IMF<sup>33</sup>, Rwanda was submitted to a set of conditions related to fiscal, financial and exchange

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<sup>31</sup> A practice oriented 'fact sheet' on National Institutions for the Promotion and Protection of Human Rights was prepared by the UN Office of the High Commissioner for Human Rights (see <http://www.unhchr.ch/html/menu6/2/fs19.htm>).

<sup>32</sup> IMF, Press Release No. 00/84 of 22 December 2000.

<sup>33</sup> Rwanda had received a post-conflict emergency assistance credit of around 20 mio US \$ (or 15 mio SDR's), under the IMF's Compensatory and Contingency Financing Facility (CCFF) in 1997 (see in more detail IMF and WORLD BANK, *Assistance to Post-Conflict Countries and the HIPC Framework*, Washington, 2001 and IMF, Press Release No. 00/83 of 22 December 2000).

rate policies. More than 60 percent of conditions are in the fiscal area (including the improvement of the budgetary position through stronger enforcement and collection of taxes). In addition to these three core areas, conditionality can be imposed by the IMF in governance related issues; these are not related to human rights and democratisation as such (see policy matrix section 1), but to improvements in the management of public resources and the development of a transparent and stable economic environment. In the case of Rwanda, these conditions relate to the strengthening of the position of the Auditor General (included in policy matrix section 2, “Macroeconomic management, fiscal and monetary policy and private sector development”) to improve the quality of the audited accounts and to the clamping down on fraud and corruption. Other, former elements of the IMF conditionality on Rwanda have been taken over by the Bank as a result of the streamlining policy and in order to avoid duplication; they related to civil service and public sector reform as well as to privatisation.

In summary, performance on human rights and democratisation as well as, more specifically for the Rwandan context, reconciliation remain very much contextual issues, they are neither conditions, nor objectives of the I-PRSP related support. The PRSP-approach to human rights aspects is highly mechanical and reductionist, detached from the reality behind the establishment of institutions and the adoption of norms. One of the conditions that, indirectly, may have an influence on democratisation is the fact that the preparation of a full PRSP needs to include a broad-based participatory process. The condition that the grassroots level needs to actively participate in the development of public policy constitutes – at least in theory – an incentive to democratic decision-making. We will return to this requirement below.

### **5.3.2. *The full PRSP***

In June 2002, a full PRSP was presented by the Rwandan government. As mentioned above, the PRSP approach is conceptually linked with a process conditionality (as opposed to ‘outcome conditionalities’), namely the fact that a PRSP needs to be based on consultation and participation of the population, in order to increase national ownership. In its PRSP document, the Rwandan government strongly and repeatedly emphasized that this condition was met. For instance, in the introduction, it is underscored how the document *«has been developed through a national consultative process»* and how it will also provide *«a framework within which communities, the private sector, civil society and external donors can form a partnership to reduce the acute poverty and deprivation of our people»*<sup>34</sup>. An important input in the development of the PRSP was the Participatory Poverty Assessment (PPA), involving (1) a National Poverty Assessment (NPA)

<sup>34</sup> GOVERNMENT OF RWANDA, *Poverty Reduction Strategy Paper*, June 2002, p.6.

conducted at district level through participatory rural appraisal techniques, (2) a pilot project of Community Action Planning at cellule level in Butare, and (3) a Policy Relevance Test. The participatory aspect of the process was further ensured by «*a national validation workshop to which representatives of all stakeholders were invited*» in October 2001. The Rwandan PRSP also stresses the link between human rights and poverty reduction: «*In particular, the 'right to decide' of local communities on development priorities is central to the PRSP*»<sup>35</sup>.

At first sight, the process leading to the adoption of the PRSP was remarkably inclusive and based on nationwide participation. This is all the more remarkable in light of the fact that, at the same time, Rwandan politics were characterized by increasing exclusion rather than inclusion, by growing repression of dissent rather than by accommodation of different political views, by continuous threats and persecution of civil society rather than by tolerance of organized activism and public advocacy. How solid then is the participatory and democratic basis of the Rwandan PRSP? Was there more than a merely formal fulfilment of the participation conditionality? It would lead us too far to try and make this analysis in this context. However, Renard and Molenaers convincingly demonstrate that in practice, despite Rwanda's formal embracing of the PRS approach, it was impossible to find «*convincing evidence of genuine civil society participation*»<sup>36</sup>. During the national poverty assessments referred to above, «*autonomous local organisations were kept at a distance and national civil society organizations were not involved in a significant way. And civil society did not have more than a token input in the final formulation of the PRSP document*»<sup>37</sup>. This obviously begs the more fundamental question how serious donors are about this participation conditionality and about setting and monitoring minimal standards to enforce it.

Turning to the substance of the PRSP document, we will focus our attention on two sections, one on social capital and reconciliation, the other on good governance. In doing so, we will limit ourselves to highlighting what differs the full PRSP from the I-PRSP, though it should be emphasized that, generally, the same criticisms apply here as well.

As part of the chapter on the characteristics of poverty in Rwanda, the PRSP reproduces a summary of the findings of a national consultation conducted by the National Unity and Reconciliation Commission on social capital and reconciliation. Assuming that the listed overview of «*Positive and Negative Factors of Reconciliation*» corresponds to the opinions and

<sup>35</sup> *Ibid.*, p.60.

<sup>36</sup> RENARD, R. and MOLENAERS, N., *Civil Society Participation in Rwanda's Poverty Reduction Strategy*, University of Antwerp, IDPM Discussion Paper, N°5, 2003, p.23.

<sup>37</sup> *Ibid.* See, on the same issue, also MARTENS, S., «Problématique de participation de la 'société civile' aux stratégies de réduction de la pauvreté au Rwanda», *L'Afrique des Grands Lacs. Annuaire 2002-2003*, Paris, L'Harmattan, 2003, pp.109-131.

criticisms expressed during these consultations, some interesting findings are reported, sometimes in a highly diplomatic and subtle, typically Rwandan, manner. Among the negative factors reported are: land disputes, corruption in administrative and judicial bodies, the sectarian character of IBUKA (the genocide survivors organisation), «*Hutus*<sup>38</sup> *who died in the war have not been buried with dignity*»<sup>39</sup>, rumours from external media<sup>40</sup> causing confusion, people denying the impact of the genocide, people going into exile<sup>41</sup> and attacking the government, continued insurgency, salary arrears and arbitrary appointment of teachers, ... Though interesting as contextual information – despite the fact that much is left untold –, little or no follow-up of these findings is planned. Does the Rwandan government consider these criticisms to be well founded? What policies are designed to counter them?

A sectoral policy on good governance is explicitly provided for in the poverty reduction strategy<sup>42</sup>. As far as national reconciliation is concerned, it is left up to the NURC to mainstream reconciliation in all government policies and to continue undertaking civic education, training sessions, grassroots consultations and other activities. The findings mentioned above are not explicitly addressed but considered «*useful for assessing progress with regard to citizens' perceptions on reconciliation*»: the main problem appears to be perception. As far as human rights are concerned, the action plan is again reduced to activities to be undertaken by the National Human Rights Commission. Either there has been no corrective effort on behalf of donors after the presentation of the I-PRSP, or such effort has been unsuccessful, but in any case, the same institutional, reductionist approach to human rights continues to be used. As far as justice is concerned, the start of gacaca trials is announced for 2003 and the process should be completed by 2007.<sup>43</sup> The sectoral objective of democratisation is reduced to the organisation of general elections in 2003.

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<sup>38</sup> This is a remarkable term in a key government document, sharply contrasting with the positive factor mentioned next to it: «*the omission of ethnicity from the identity card*». The two taken together implicitly indicate that although, in the government's declared policy, ethnicity and ethnic segmental cleavages no longer exist, the reality is notably different.

<sup>39</sup> What could be implicitly hinted at by participants in the consultation is the fact that not only many Hutu have not been buried with dignity, but even that the question of moral, political and criminal responsibility of those massacred by the RPF forces has been totally disregarded.

<sup>40</sup> Could this also be an implicit reference to the fact that domestic media simply do not have a chance of critically reporting about public policy?

<sup>41</sup> Here again, reference may at the same time be made to the fact that domestic political opposition is politically, legally and even physically eliminated.

<sup>42</sup> Five other priority areas are: rural development and agricultural transformation, human development, economic infrastructure, private sector development and institutional capacity building. For each of these areas, a matrix of policy actions is compiled.

<sup>43</sup> The first gacaca trials actually took place in March 2005 (FONDATION HIRONDELLE, *30 found guilty, one acquitted on first day of gacaca*, Lausanne, 14 March 2005).



How is the full PRSP and, more specifically, its human right aspects received by the donor community, in particular by the Bretton Woods Institutions? The PRSP was subject to a Joint Staff Assessment by the World Bank and the IMF. As far as the process and participation conditionality is concerned, the JSA notes that «*the participation in the PRSP process and sense of ownership are impressive*», that «*the country ownership of the PRSP process has been consistently strong*»<sup>44</sup> and that «*the PRSP has been written with the Rwandese population as the primary audience*»<sup>45</sup>. The JSA recognizes the importance of justice and reconciliation as policy objectives, confirms their impact on development and accepts the short term budgetary consequences of governance related transitional expenditures on the fiscal deficit: «*staffs agree that expenditures in areas such as demobilisation or gacaca (...) are necessary for the country's reconciliation and development and thus growth enhancing in the longer term*»<sup>46</sup>. More in substance, as far as Rwanda's active involvement and leading role in the war in Eastern DRC is concerned, an implicit and mildly formulated reference might possibly be read where the JSA notes that the PRSP «*would benefit from a better analysis of the effect of the country's conflicts (not only the genocide) and past policies of exclusion, and the impact of recent government policies on poverty*»<sup>47</sup>. The proposed approach to human rights, reconciliation, justice and democratisation is not subject to any kind of criticism. Quite illustratively, the JSA expresses concern about the «*huge logistical challenge*»<sup>48</sup> of the gacaca process, not about its human rights deficiencies<sup>49</sup>. As far as the NHRC is concerned, Human Rights Watch published the following assessment in a report published in 2001 (i.e. one year before the PRSP and the JSA): «*It is too early to tell whether the Commission will function independently enough to help improve the situation of human rights in Rwanda. Given the strong governmental links of the majority of its members, it may prefer to work through personal contacts behind the scenes rather than through public criticism of abuses. While this may help resolve individual cases, it will do little towards developing real respect for human rights in Rwanda*»<sup>50</sup>. Long term political stability is explicitly mentioned as key to a successful implementation of Rwanda's poverty reduction strategy. Two suggestions are made to supplement the governance policy matrix: (i) in the justice area, the

<sup>44</sup> IDA and IMF, *Rwanda. Poverty Reduction Strategy Paper – Joint Staff Assessment*, 18 July 2002, p.2.

<sup>45</sup> *Ibid.*, p.3.

<sup>46</sup> *Ibid.*, p.5.

<sup>47</sup> *Ibid.*, p.4.

<sup>48</sup> *Ibid.*, p.8.

<sup>49</sup> See, i. a., AMNESTY INTERNATIONAL, *Rwanda. Gacaca: A Question of Justice*, London, December 2002.

<sup>50</sup> HUMAN RIGHTS WATCH, *Protectors or pretenders? Government Human Rights Commissions in Africa*, New York, 2001.

focus should not solely be on gacaca, but also increasingly on the commercial, civil and criminal justice systems (and the access of the poor to them), (ii) plans to establish an Office of the Ombudsman to deal with corruption and injustice could have been further elaborated. In conclusion, the JSA considers the PRSP to provide a sound basis for Bank and Fund concessional assistance and debt relief. On the basis of the PRSP and the positive JSA, the IMF approved a three year PRGF arrangement for Rwanda, for an amount equivalent to around US\$ 5 million (SDR 4 million)<sup>51</sup>. A first tranche of SDR 574,000 was disbursed immediately, a second tranche of 571,000 in June 2003.

### 5.3.3. *The PRSP Progress Report*

In June 2003, the Rwandan government presented a PRSP progress report. A JSA was approved on 6 May 2004. On 20 May 2004, the Rwandan finance minister requested a third disbursement under the PRGF arrangement. On 10 June 2004, the IMF executive board announced that it had approved disbursement of a third tranche equivalent to SDR 1.14 million (or about US\$ 1.68 million). What was the weight attached to human rights and democracy related developments in this process?

Good governance is one out of five priority sectors covered in the progress report. Main achievements reported are: a) the government has restored peace and security, consolidated the rule of law and constitutionalism and respect of human rights, b) a new constitution was adopted in May 2003, c) decentralisation of decision-making and planning has been undertaken, d) prerequisites for long-term reconciliation have been laid, e) the government has laid an institutional frame for accountability and transparency. As key challenges were mentioned: a) genocide cases to be finished in an integrated approach involving reconciliation through gacaca, b) general elections to take place by end-2003.

Again, on the one hand, human rights and democracy related policy and performance feature quite prominently in the document. However, on the other hand, is any critical assessment of the reported progress made by the JSA? Some critical reading would certainly be justified. In fact, while the PRSP progress report notes that the national Human Rights Commission has now opened offices in all provinces and has published its annual report, some worrying developments were reported by international human rights observers at the very time of writing of that same report. By way of an example: in April 2003, Reporters Sans Frontières protested against the seizure of all copies of the first issue of a new independent journal *Indorerwamo* and the arrest and detention of its publisher<sup>52</sup>; early May 2003, Human Rights Watch accused the Rwandan Patriotic Front of (politically and physically) eliminating any

<sup>51</sup> IMF, Press Release No. 02/36 of 12 August 2002.

opposition in anticipation of the elections planned for later that same year<sup>53</sup>; about one week later, the Rwandan government dissolved the main political opposition party (MDR, Mouvement Démocratique Républicain). These are just some examples illustrating Rwanda's human rights performance for 2003. How does the JSA (finalized in May 2004) react to the progress report and to the above-mentioned developments? The JSA notes a substantial progress in governance, more particularly «*in establishing a political structure that can effectively strengthen social justice and stability. A new constitution and a new president and legislators have been democratically elected*»<sup>54</sup>. The JSA, stressing the importance of wide participation and reconciliation for the implementation of the PRSP, considers the withdrawal of Rwanda's armed forces from DRC, the adoption of a new constitution and further steps taken in the transition to a plural democracy to be highly encouraging. It is striking how the Bank and the Fund seem to limit their assessment of government policies to the mere establishment of institutions and commissions and to the fact that they run activities. Whether these institutions (such as the NURC and the NCHR) can act independently from the government, whether their activities are actually touching upon the difficult socio-political issues at stake, whether they are allowed to express any criticism, whether any follow-up is given to their findings and recommendations, etcetera, all seems to go unnoticed and without any serious evaluation. Some other human rights bodies and bilateral donors have expressed well documented concerns about, for instance, the functioning and independence of the NCHR<sup>55</sup> and the conduct of the elections.<sup>56</sup>

<sup>52</sup> Reporters Without Borders, Press Release 23 April 2003. The press release notes also that «*Rwandan President Paul Kagame is on the Reporters Without Borders worldwide list of predators of press freedom*».

<sup>53</sup> HUMAN RIGHTS WATCH, *Rwanda. Preparing for Elections: Tightening Control in the Name of Unity*, Background Paper, New York, 8 May 2003. Uvin notes that «*this year of so-called democratisation has seen an actual reduction in political space*» (UVIN, P., *Wake up! Some policy proposals for the international community in Rwanda*, June 2003, p.1).

<sup>54</sup> IMF and IDA, *Rwanda. PRSP Annual Progress Report. Joint Staff Assessment*, May 2004, p.2.

<sup>55</sup> The Rwanda Monitoring Project, a consortium of four Dutch development NGO's, refers to the replacement of the Chairman of the Commission by a well known RPF member and former minister, to the NCHR's accusations against Liprodhor and Human Rights Watch, and concludes that these are «*clear indications of the growing lack of independence of the Commission*» and recommends that «*donors should stop funding the Human Rights Commission until clear steps have been taken by the government of Rwanda to ensure independence of the Commission*» (RWANDA MONITORING PROJECT, «*Tell our government it is OK to be criticized. Report 2003*», The Hague, 2004, p.52). The Swedish Bilateral Cooperation Agency SIDA notes that «*The key institutions that have been put in place to protect and promote human rights (...) have produced mixed results. The NCHR is not considered independent enough (...)*» (SIDA, *Country Analysis 2004. Rwanda*, Stockholm, June 2004, p.18).

<sup>56</sup> The EU observer mission report notes that «*La compétition a été inégale et sans véritable opposition (...) Lors des journées électorales, de nombreuses irrégularités et fraudes ont eu*

Finding inspiration in the JSA, the Rwandan Finance Minister shortly afterwards requested a further disbursement under the PRGF arrangement, introducing his letter with the following statement: «*Ten years after genocide, Rwanda has established strong democratic institutions with the adoption of a new constitution approved by referendum and the conduct of presidential and legislative elections. Government therefore believes that with these firm democratic institutions in place, Rwanda has created a strong foundation for a new future for full implementation of its poverty reduction strategy*»<sup>57</sup>. In June 2004, disbursement of an additional tranche under the PRGF arrangement was approved, as well as additional interim assistance of some US\$ 6.6 million under the enhanced HIPC initiative. In commenting on the executive board's discussion, the IMF deputy managing director noted that, «*with the political transition completed*»<sup>58</sup>, more attention can now be paid to policy implementation (GDP growth, monetary policy, fiscal policy and critical social needs including primary schooling and health services).

## 6. CONCLUSION

Good governance, and, more specifically, human rights and democratisation, are included as key sectoral policies under the PRSP framework defining Rwanda's relations with the Bank and the Fund. Throughout the whole process – from the interim PRSP to specific decisions on disbursements as a result of the progress reported under the PRS strategy – issues related to human rights, justice, participation, political transition, reconciliation and democratisation are included and reaffirmed as key objectives and at the same time as key preconditions for poverty reduction in documents and reports, issued by the Rwandan government as well as by the IMF and IDA. This explicit interest for human rights protection and promotion is a fairly new element in the Bank's cooperation policy. And it certainly creates new opportunities for those partner countries and organisations that seek to promote a more concerted international effort towards better human rights protection. Rwanda in that sense definitely offers an interesting case-study.

While laudable in principle, the analysis above has shown that, to a large extent, the incorporation of human rights and democracy related

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*lieu et le manque de transparence du processus de consolidation des résultats a été manifeste» (Rwanda. Election Présidentielle et Elections Législatives, Rapport Final de la Mission d'Observation de l'UE, p.4). See also SAMSET, I. and DALBY, O. Rwanda. Presidential and Parliamentary Elections 2003, Nordem, Norwegian Centre for Human Rights, Oslo, December 2003, 59p.*

<sup>57</sup> Letter of Intent, Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding, Kigali, 20 May 2004. The opening sentence quoted strongly contrasts with other analyses, see, e.g., REYNTJENS, F., "Rwanda, ten years on: from genocide to dictatorship", *African Affairs*, 2004, No. 103, pp.177-210.

<sup>58</sup> IMF, Press Release No. 04/114 of 10 June 2004, p.2.

concerns is not much more than a rhetorical issue. Performance in terms of justice, human rights, democracy and reconciliation is nearly exclusively reduced to the establishment and functioning of institutions, the adoption of new legislation and the organisation of elections. However important these steps might be, they are erroneously presented as objectives in themselves, not as instruments that may indeed be very helpful in attaining the real objectives. Assessing progress in terms of democratic power-sharing and human rights protection is extremely difficult and has been the subject of a lot of research and literature; however, it is clear that such assessment should go far beyond the creation of legal norms and institutional mechanisms. From the above, it is clear that specific targets have been poorly – if at all – defined, that objectively verifiable indicators were not used and that as far as monitoring mechanisms is concerned, neither a new one was set up nor existing ones (at the level of the United Nations or at non-governmental level) were being used. The World Bank and IMF seem to deliberately – in fact, one can hardly imagine that ignorance might account for such blatant and systematic blindness – avoid taking into consideration the reality of Rwanda's very poor human rights performance. Though rhetorical incorporation of human rights concerns may be a necessary first step, it should necessarily and urgently be transformed into a more substantiated integration of human rights in an agency's cooperation policy; otherwise, it may do no more than offer cheap excuses and facilitate window-dressing.

Antwerp, March 2005