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Ownership for the taking? Strategies for taking ownership in Rwanda.

'We appreciate support from the outside, but it should be support for what we intend to achieve ourselves. No one should pretend that they care about our nations more than we do; or assume that they know what is good for us better than we do ourselves. They should, in fact, respect us for wanting to decide our own fate'. President Kagame, 2009

Introduction

Rwanda is one of the countries in the world which receives the highest percentage of GDP as aid (AfDB & OECD, 2008, p. 523), and external aid financed 45% of the budget in 2009 (AfDB & OECD, 2010, p. 197). It is a small, landlocked, densely populated country, which has limited natural resources and is aid-dependent[1]. In short: there does not seem to be much negotiating capital for the GoR when dealing with its donors. And yet, as the Kagame quote shows, the President is insisting that Rwanda should be supported in own priorities.

Rwanda is considered to have strong ownership by both the Government and the donors. Bilateral and multilateral Development Partners as well as officials from the Government of Rwanda (GoR) considers the GoR to be 'in the driving seat' and to have strong ownership (Interviews conducted in Kigali in January and February 2011). Formal reports from both bilateral and multilateral donors confirm: '*Government ownership of the policy and reform processes is strong*' (DfID, 2006a, p.S8) and '*As Rwanda recovered and rebuilt its public institutions at the turn of century, national ownership of Rwanda's development vision has never been stronger*' (World Bank, 2009, Link 1). This corresponds very well with the current development doctrine where recipient governments are encouraged to take ownership over their policies.

The call for country ownership dates back to the 1990's but became more insistent in the 2000's and is now a keyword in the global aid policy discourse. The concept gained in importance because of the wide critique of the mounting conditionalities (notably SAPs) attached to aid from the 1980's onwards. In 2005 ownership was reaffirmed as a keyword in development in the Paris declaration and became a part of the aid effectiveness agenda.

While there is a general consensus that ownership is essential in order for development to be effective, there is not a consensus on a definition of the concept. The definitions from the Paris Declaration (PD) or

[1] Following Brautigam and Knack's definition of aid-dependency: *'A situation in which a government is unable to perform many of the core functions of government, such as the maintenance of existing infrastructure or the delivery of basic public services, without foreign aid funding and expertise (provided in the form of technical assistance or projects)*' (Bräutigam & Knack, 2004, p.257).

the Accra Agenda for Action (AAA) are at best vague and at worst just rhetoric exercises initiated by the donor community. The term is so disputed that a wide range of definitions have been offered:

- the country has designed and drafted the program
- the authorities of the country are informed of the program after it has been drawn up by other parties
- the country implements the program
- the authorities of the country are kept informed of how and when the program has been implemented (Buiter in Koeberle *et al,* 2005, pp.27-28).

Like Buiter, Whitfield draws attention to the lack of clarity. Whitfield argues that there are essentially two different understandings of ownership: OECD DAC donors argue that ownership is when recipient governments truly commit to implementing policies 'suggested' by donors (ownership as commitment) but recipient governments define ownership as formulating their own policies (ownership as control) (Whitfield, 2009, p.3). Since the 1980's with the publication of the Berg-report, developing countries' control over the formulation of policies has steadily declined.

The question then is what the current focus on ownership has meant for recipient countries. Has it changed the negotiation strategies and power of recipient countries to such a degree that it has 'reinstated' their control over development policies? Or is it simply a rhetoric exercise to mask that donors have more leverage than ever before? The paper considers these questions in relation to Rwanda.

In order to answer the above, the paper is structured as follows: the following section draws on Graham Harrison and Alastair Fraser to discuss the relationship between recipients and donors, and how ownership might affect that relationship. Both argue that something in the relationship has changed, but also argue that it has not necessarily meant that recipients gain more control over their development policies. Because Rwanda is considered to have strong ownership by both its government and its donors, the paper then considers the relationship between the GoR and its donors. This is done with a focus on the strategies the GoR is implementing in order to manage both aid and donors and thereby secure ownership. Finally, the paper considers two central issues of contention between the GoR and its donors to gain an understanding of the level of control the GoR has, when donor priorities are different from those of the government. The paper concludes that the focus on ownership has in some ways given donors in Rwanda more leverage, but at the same time the GoR is actively using the focus on ownership to increase the control it has over policies.

The paper builds on fieldwork carried out in Rwanda in January-February 2011. 21 Interviews were conducted with both multilateral and bilateral donor officials as well as GoR officials from the Ministry of

Foreign Affairs and Cooperation (Minaffet) and the Ministry of Finance and Economic Planning (Minecofin). The interviews focused on issues of ownership in Rwanda. Interviewees were generally senior officials, both from ministries and donor organisations and embassies.

Donor/recipient relations in the Age of Ownership

Often a conflict is assumed regarding the priorities of donors and recipients, as in e.g. UNCTAD's definition of ownership: 'available resources may be used to fund African countries' own priorities rather than those of the donors' (UNCTAD, 2007, p.1[2]). This begs the question whether ownership is only a meaningful term as long as a conflict is present. This is perhaps one of the biggest challenges in defining ownership, because it is linked to the argument that the demarcation between external and internal pressure for reform in developing countries is false (Abrahamsen, 1997). Graham Harrison (2004) goes so far as to argue that it is more useful to conceive of donors as a part of the state itself, rather than as a separate entity.

Harrison argues that some developing countries have achieved the status of being a 'good reformer'. For these countries conditionality has shifted and taken on a new character. For the good reformer aid is an incentive to carry out reforms. It is a question of aid as a carrot rather than as a stick (Harrison, 2004, p.74). In other words: if a recipient country does well in the eyes of donors, it will be rewarded with funding and less conditions attached to that funding. He calls these states 'post-conditionality states'.

The reforms advocated by donors in post-conditionality states are more routinised than fundamental because neo-liberalism has made it into the everyday language of policy making. This is partly because the neo-liberal logic that is close to the heart of many donors is also essential for many recipient government officials. Harrison makes a point at arguing that this does not mean that '*post-conditionality politics is a happy affair of dialogue and partnership even if this is how the Bank represents it'*. Instead it means that the contradictions that emerge are not adequately explained by notes of donor intervention and coercion. Coercion has not left the stage completely but intervention should also be understood as a closer involvement by donors in the state (Harrison, 2004, pp.74-77). It is in this context that Harrison argues that donors have essentially become a part of the state itself because they '*work in a routinised fashion at the centre of policy making*' (Harrison, 2004, p.90).

This has consequences for the way we think about sovereignty. Harrison looks to geography and argues that instead of talking about sovereignty in the language of borders, it is much more useful to think of something he calls 'the sovereign frontier'. Sovereign frontiers are a space in which '*different actors can work to define sovereignty in different ways.... (and)... a sovereign frontier is formed by the interaction of*

[2] NOTE: UNCTAD does not necessarily present this as a definition of ownership. Is the OECD Think Piece something I can refer to?

forces therein' (Harrison, 2004, p.25-26). Thinking of sovereignty in this way instead of sovereignty as a 'line' allows us a closer look at the interplay between donors and the Government of Rwanda. Ownership has played a large part in the interaction of the 'forces' in the sovereign frontier.

One way this is happening according to Harrison is through capacity building. Its purpose is to create a certain type of recipient agency, namely one which pursues reforms. Fraser picks up the thread and argues that in the point of view of donors, a major problem for recipients to take ownership is lack of capacity. By building the capacity of – select – groups of the recipient country both the possibility for leadership by the recipient is increased as well as donor trust in recipients (Fraser, 2006, p.38). Capacity building usually involves training of local staff as well as technical support. Technical Assistance is often given in the form of Technical Assistants, which are seconded donor staff and staff funded by donors – often in positions identified by donors. These Technical assistants will often be working in ministries or in agencies which implement aid (Fraser, 2006, p.38).

According to Fraser this has embedded some donors so deep in the state machinery that they are empowered to enforce their priorities on recipients through joint planning processes, and the outcomes are presented as being owned by the recipient, as if it would have been the same outcome whether aid depended on it or not. He argues that the involvement of donors in the sovereign sphere of recipients means that there is little room for recipient countries to negotiate aid. Fraser reaches the somewhat bleak conclusion that the aim to build recipient ownership might actually lead to a situation where recipients are '*asked to come to terms with their lack of political agency, rather than to try and overcome barriers to its expression'* (Fraser, 2006, p.46).

Harrison and Fraser both find that the focus on ownership essentially becomes a way for donors to engage even more in the policy making of developing countries and via this involvement shape policies. It then follows that recipient countries are left with very few options for negotiating aid despite – or perhaps because of – ownership.

Harrison and Fraser both acknowledge that something has changed in the relationship between donors and recipients. But for them it has not meant an increase in policy autonomy for recipient countries, but rather a deepening of the already existing relationship between donors and recipients.

Rwanda: The quest for ownership

Rwanda is referred to as a 'donor darling' by Grimm et al (2011), who has recently made a comprehensive mapping of the donors in Rwanda. Not taking bilateral donors who only operate in Rwanda through UN agencies or NGO's into account, Grimm et al finds that Belgium, Canada, Germany, the Netherlands, Sweden, the USA, the UK, Switzerland, Luxembourg, Austria, France, Italy, Japan and Korea, engage in

Rwanda. They base this on a revision of several databases on aid. The countries mentioned above are all OECD DAC members. They are however not the only bilaterals present in Rwanda. Notably are China, India, and Egypt who all transfer funds to Rwanda but also Cuba and Nigeria who send medical staff. Several multilateral donors are present in Rwanda. Amongst those are the World Bank, the African Development Bank (AfDB), the EU, some Arab funds and a number of UN agencies (Grimm et al, 2011, pp.38-39). The largest bilateral donors in Rwanda are the US and the UK and the largest multilaterals are the World Bank and the EU (Grimm et al, 2011, p.43). Rwanda has recently become a Policy Support Instrument[3] (PSI) country and relations with the IMF are good[4].

An important question regarding country ownership in Rwanda is ownership by whom? The Ministry of Economics and Finance (Minecofin) together with the Ministry of Foreign Affairs (Minaffet) and the President's Office are at the core of decision making. Minecofin is especially empowered as the External Financing Unit (EFU) is placed in this ministry. EFU was established in 2005 and is a 'single entry unit' for all donors. Line ministries as well as local government have not really become a part of the quest for ownership yet.

The government operates with a very clear vision of the future and development in Rwanda. It is called the Vision 2020 and is the long-term strategy for making Rwanda a middle-income country. The current second-generation Poverty Reduction Strategy Paper (the Economic Development and Poverty Reduction Strategy (EDPRS)) is a middle-term plan for reaching the Vision. Donor informants confirmed that the GoR has a very strong vision for the country.

The Aid Policy: Managing Aid

In 2006 Minecofin published the 'Aid Policy'. The Aid Policy clarifies the GoR's preferences in types of aid and which processes should be used in managing aid in order to reach Vision 2020 and the EDPRS. The policy seeks to enhance national ownership of development by improved aid management. By making the GoR's priorities for and expectations to aid clear the Aid Policy is a tool to increase ownership in development activities. The document is published by the Ministry of Economics and Finance (Minecofin) but was designed in consultation with donors (Minecofin, 2006).

In the Aid Policy, the reader is repeatedly reminded that both Rwanda and its donors are signatories to the Paris Declaration and as such has committed to aid effectiveness. Several issues are identified as important

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[3] '*The Policy Support Instrument (PSI) supports low-income countries that do not want—or need—Fund financial assistance but seek to consolidate their economic performance with IMF monitoring and support'* (http://www.imf.org/external/np/exr/facts/psi.htm).

[4] Although relations are good there are some issues where the IMF and the GoR does not agree. One is regarding growth of GDP where there are large discrepancies between IMF and GoR numbers regarding 2009 and 2010.

in achieving effectiveness, including the alignment of donors to national strategies, untying of aid, predictability of aid, the use of country systems and aid being delivered on-budget. These issues are brought forward in a way that places expectations on donors to deliver aid aligned with GoR priorities and plans, delivered through national systems, and coordinated with the GoR (Minecofin, 2006).

The Aid Policy is a way for the GoR to clearly let its donors know what the priorities regarding aid is. Ownership is continually referred to and is an underlying principle in the policy. It is also used as a rationale for donors to live up to the expectations outlined in the policy so the GoR can better manage aid.

One of the main issues in the Aid Policy is aid modalities. Preferred is General Budget Support (GBS), in second place is Sector Budget Support (SBS) and third is Project Support. GBS is un-earmarked funds transferred to the national treasury. Similarly, SBS is transferred to the national treasury but is provided in support of a specific sector rather than a national development plan. Project support is for a specific purpose, like the building of a hospital or a school.

Some of the largest donors to Rwanda: the UK, the EU, Germany, and the World Bank provide Budget Support, along with the Netherlands, Belgium and The African Development Bank. There is a 'club' for the budget support donors in Rwanda, which was established in 2003. It is called the Budget Support Harmonisation Group (BSHG) and meets twice a year. During the meetings the club reviews the entire performance of the government (Interview 28.January.2011). Budget support is expected to reach US$ 461 million in 2011/2012 (Minecofin, 2011) not quite reaching the target declared in 2010, but still a significant rise from the expected US$ 314.7 million in 2010/2011. Budget support is expected to reach US$ 522.8 million in 2012/13 (Minecofin, 2010b).

The above numbers represent increases from already established budget support donors to Rwanda, but there is a potential newcomer in the club. The US embassy is currently very engaged with its own government to start SBS in Rwanda as a pilot project. The US laws regarding aid are very specific and GBS is not allowed according to its foreign assistance laws. For the US, SBS is not legally possible in all sectors but it would be possible in the agricultural sector (interview 2.February.2011). DfID's most recent Operational Plan for Rwanda expresses the view that '*DFID's entry to the agriculture sector is expected to leverage USAID's first use of budget support*' (DfID, 2011, p.5). No decision has been made yet on the issue, but in May 2010 USAID became an observer in the budget reviews normally reserved for budget support donors (Minecofin 2009a, 2010b, 2011).

It has, however, not been smooth sailing to increase budget support for Rwanda. For various reasons, since 2008 the Netherlands, Sweden, Germany and the UK have all cancelled or delayed disbursement of funds. Sweden is no longer providing budget support to Rwanda.

Apart from being very clear on preferred aid modalities, the Aid Policy also underlines that the GoR will turn down aid that it considers having excessive conditionality or not sufficiently aligned to national priorities (Minecofin, 2006). This last point is frequently referred to by both donors and government officials in Kigali. There seems to be a consensus that the GoR will turn down aid that is too conditioned or not in line with its Vision, but no interviewees were able to remember specific examples of this having happened. One senior GoR official argued that it would be a very difficult decision to make because Rwanda needs the money. If it were to happen the argument would be based on technical issues. However, another senior GoR official stressed that the GoR would rather say no to aid than compromise on Vision 2020 (interviews, 28.January 2011 & 25.February 2011).

The Donor Performance Assessment Framework: Living up to commitments

For the GoR a major strategy for taking ownership is managing the donors. This is widely accepted by the donors and one claimed that '*Donors need discipline, and they are not very good at imposing it on themselves*' (interview, 8.February 2011). Managing the donors is attempted in various ways. One is through monitoring the donors.

The GoR has developed a way of monitoring the donors much along the same lines that the donors monitor the GoR. It is called the Donor Performance Assessment Framework (DPAF). The DPAF was established because donors were not progressing on their commitments in the Paris Declaration. The DPAF reviews the performance of both multilateral and bilateral donors based on indicators on the quality and volume of development assistance to Rwanda. The indicators are based on both PD indicators as well as indicators drawn from the Aid Policy. 6 indicators refer only to budget support donors out of a total of 28 (Minecofin, 2009b).

Common indicators include various ways of measuring donors' use of national systems, the predictability of aid, harmonisation of donors, streamlining donors at sector-level, and volume and percentage of Official Development Assistance recorded on budget. For budget support donors, additional indicators concentrate on budget support being delivered in a way that enhances country ownership, predictability of aid, and reduces transaction costs (Minecofin, 2009b).

The Framework is considered by the GoR as a tool to increase ownership. The various indicators are measured and each marked with a score. Depending on how well the donor has met a specific target a green or red marking is assigned. The DPAF has a very obvious function, namely peer pressure. Officials from both Minecofin and Minaffet (Ministry of Foreign Affairs) mentioned the DPAF as a very important tool in peer pressure (Interviews, 28.January & 25.February 2011). Every year the GoR hosts a retreat where senior officials from donor agencies in Rwanda are present along with key officials from the Ministries. At the retreat the current DPAF is revealed. This is done by gathering all participants and showing the DPAF on a big screen on a country-by-country basis. If a donor scores badly, a representative is required to stand up in front of all participants and explain why the score was bad (Interview, 14.January 2011).

Several donor officials confirmed that the DPAF is still not living up to its full potential but that it does work rather well for budget support donors. But accepting the DPAF suggest that the donor is accountable to the GoR and not all donors are interested in that. There are big variations between the donors in Rwanda and while some are concerned with their scores in the DPAF others are less willing to play along. The US was mentioned as not particularly interested in the DPAF because there is no desire to be accountable to anyone but the US government.

The Division of Labour: Managing the donors

A very recent initiative from the GoR to manage its donors is the Division of Labour (DofL) from 2010 (Minecofin, 2010a). The DofL was created by Minecofin because of a need to rationalise the efforts of the donors. If a donor is active in many different sectors it is not likely to be very effective as the efforts are spread too thin. Another rationale for the DofL was that an unequal distribution of donors across sectors undermines 'national leadership'. By having too many donors in one sector, it becomes difficult for the GoR to take ownership of sector strategies. In order to address this issue the DofL was created and placed each donor in a maximum of 3[5] sectors (Minecofin, 2010a). The pooling of the donors decreased the number of donors active in each sector. Each donor was placed in sectors based on their expertise, experience, and funding (Interview, 28.January 2011). If a donor wishes to engage in more sectors it has to do so through 'silent partnerships'. Another rationalisation for the DofL was to take care of so-called orphan-sectors where no, or only a very limited amount of, donors were active (MInecofin, 2010a).

The DofL is still in its implementation phase but already certain challenges are showing. Even if you allocate a donor only three sectors, the donor is not necessarily going to stick to those. While the informants expressed a commitment to respect the DofL – one informant mentioning that 'the ambassador is almost religious about it' – there were also signs that it might prove difficult for the GoR to ensure that donors limit themselves to the three assigned sectors (Interview 22.January 2011, 2.January 2011). It is not necessarily ill will of the donor, but some projects are not easily restricted to one specific sector. For example, a project to enhance the skills of unemployed labour in order for them to secure jobs could be

[5] The only donor that is officially in more than 3 sectors as an active partner is UNICEF which has been placed in 4 sectors. Several informants mentioned that the DofL has been a difficult exercise for the UN agencies as it does not correspond with the structure of the UN. For specialised agencies such as UNICEF it was particularly difficult because most sectors relates to children. Furthermore, Rwanda is a pilot country for One UN, which is an effort to overcome the fragmentation of the UN agencies and making them work together on joint programmes and projects. In that respect the DofL runs almost counter to One UN (Interviews, Kigali)

approached from both the education and the employment sector. It is an issue that the GoR is trying to address through the Development Partners Assessment Framework, but it will require comprehensive monitoring and measuring (MInecofin, 2009b)

The Capacity Building Fund

The Capacity Building Fund (CBF) was established in 2009 and revised in June 2010. It is still an infant and the budget for the current financial year has not been disclosed (All Africa, 2011), making it difficult to assess the current importance of the CBF. However, the CBF is an initiative which aims to secure control over Technical Assistants to the GoR. The Fund is overseen by the Public Sector Capacity Building Secretariat (PSCBS) which is remarkable in that no donor representatives are placed in the steering committee (PSCBS, 2011, p.10) but consists of ministry officials and representatives from leading research institutions in Rwanda. Several informants mentioned this new initiative and argued that it is an attempt to secure control over the TA's. Rather than having TA's hired and fired by donors and assigned to areas where the donors judge that they are needed, the GoR wants to own this process (interviews, 8.February, 11.February, 3.March 2011). It is still early days for the CBF and that combined with ambiguity regarding its budget makes it very difficult to get an idea of the relevance of the initiative.

Summary

The GoR has a clear vision for the development of Rwanda and as the above shows the GoR is intent on managing both aid and its donors. The rationale for the GoR is that better aid management and management of donors will increase ownership which will in turn lead to aid effectiveness. In the Aid Policy and in the DPAF, the GoR tries to put pressure on the donors by reminding them of their commitments. Ownership is repeatedly referred to in the various documents and whenever the GoR is trying to get the donors to do something, like deliver aid as budget support, limit themselves to three sectors or let the GoR control TA's, increased country ownership is used as an argument.

Issues of contention between donors and the GoR

While donors and the GoR agree that increased ownership is essential for aid effectiveness, and donors engage with the GoR on issues of managing aid and managing donors, it does not necessarily follow that the GoR's priorities are respected. One thing is strategies for managing donors and taking control of capacity building, another is taking ownership of policy design. Several donor informants stated that 'there are no big issues' and there is a general consensus in the donor community that Rwanda is doing very well

(Interviews, 20.January, 22.January, 15.February 2011) suggesting that there are no real conflicts between donors and the GoR. Several informants from ministries in Rwanda said that relations with donors were difficult at first – especially in relation country ownership – but now things are much better. However, there are two important issues of contention between the donors and the GoR.

Free press and opposition

The government of Rwanda is heavily critiqued by Reporters Without Borders (RSF) for jailing journalists and opposition politicians, and for closing down newspapers and other media outlets. In 2010 Rwanda was ranked 169th out of 178 countries on the Press Freedom Index, developed by Reporters Without Borders (RSF, Press Index, 2010). Human Rights Watch is equally concerned with the developments in the country, especially concerning jailing of opposition politicians (HRW, 2011). A concern of free press and opposition were mentioned by several donor informants as issues. Most continued that due to the history of Rwanda there is a need for donors to be careful meddling with things they do not fully understand. As a result donor strategies for solving these issues have been one of a 'constant, diplomatic dialogue' where the issue is raised but not really pushed. There is an ongoing debate about a media law reform and depending on the result some donors expressed an interest in supporting (Interview, 8.February 2011). This, however, is an example of donors choosing to support a GoR initiative rather than trying to force a certain reform. Donor perceptions of the dialogue with the GoR on these issues varies from doubting that any progress is made to a confidence that the dialogue does move things along. Several informants claimed that the GoR is very well aware that reforms has to be made at some point and that it is a matter of both time and timing. All agreed that the GoR is well aware of donor positions on these issues.

Private Investment and State Intervention

A 2009 study found that donors are concerned that the GoR present them with ready-made-plans that the donors are asked to sign up for without further questions, along with a concern that the GoR is too interventionist in the economy especially regarding private businesses and ruling party participation. Intervention is not restricted to the government as both the armed forces as well as the ruling party (RPF) own holding companies that play a significant part in the formal economy. Donors are concerned that this distorts the economy by giving advantages to businesses backed by the state. It is an intervention which is similar to that of some East African developmental states, notably Singapore, which President Kagame has clearly stated that he is trying to imitate (LSE, 2009, p.22).

Arguably, a larger role for the state has been accepted since the financial crisis – at least by the IMF – but donors in Rwanda are still concerned with the intervention of the state in the private sector. This is perhaps best illustrated with reference to the Presidents plans of improving the infrastructure by building a new and bigger airport in Kigali and establishing a railroad from Kigali to Dar es Salaam. Interviews showed that there is donor resistance (8.February, 15.February, 2011). Some donors have come out strong against the airport and the railway, while others have remained unsupportive but not willing to come out strong against the plans. One donor informant stated that it is not the plans *per se* that donors oppose to, but a concern that the GoR will borrow money to finance the plans (Interview, 15.February 2011). In line with post-HIPC conditionality, restrictions on taking up new loans are heavy for Rwanda. For Rwandan state officials this is considered a problem and there is a general wish for the restrictions to be evaluated and reconsidered on a country-by-country case (LSE, 2009, p.8).

Balancing Ownership in Rwanda

This paper started out by arguing that ownership is a very difficult concept to define. Donors and developing countries have different definitions of the concept further complicating a definition. Donors have become involved in decision making to such an extent that they shape policies and are increasingly involved in the sovereign sphere of developing countries.

As agued by both Harrison and Fraser capacity building is a way for donors to engage themselves more in the state machinery and thereby influence policy making. Technical Assistants are a concern for the GoR especially when it is not the GoR identifying the needs for TA's. There has been TA's arriving having written their own ToRs and without the GoR being involved in their recruitment (LSE, 2009, p.34). The Capacity Building Fund could potentially be a way for the GoR to take control of the TA's. However, it is premature to come to any conclusions regarding the CBF, but it is an attempt by the GoR to control the capacity building and steer it in a direction that the GoR prefers.

The rationale for providing budget support is that it will enhance country ownership. This is supposed to happen because budget support will increase the share of aid funds that are included in the national budget process. This will make donors less prone to micromanagement, allow the country government more flexibility in executing the budget, and is expected to increase the governments capacity to design national plans (Koeberle *et al*, 2006, p.9-14).

The GoR shares this view on budget support, but there are differing views. A concern that can be raised regarding budget support is that it does not in fact enhance ownership, but rather undermines it. By increasing the access donors have to the national policy environment when providing budget support they are in a position where they can better influence policies. This is achieved partly through conditions attached to budget support and partly through increased dialogue (Hayman, 2006, p.xvi).

Budget Support donors have full access to all the books of the Rwandan economy. It is a policy of full disclosure and some donor officials expressed that they were very well informed or even that 'they knew it all' when it came to the budget. It was also mentioned that the interaction and negotiations with the GoR are far more strategic for budget support donors than for donors only providing project support. It was also expressed by several informants that budget support donors get more involved than project support donors and that they are not restricted in what they get involved in. A budget support donor has leverage in all sectors and also has leverage over non-budget-support donors. Furthermore, The GoR has signed a Memorandum of Understanding (MoU) with its budget support donors with underlying principles such as commitment to good governance, human rights, democracy, and to pursue 'sound macro-economic policies' and regional stability (MoU, 2008). It seems that budget support donors do not pursue these underlying principles to the same degree, to the frustration of some, leading an informant to say '*they signed the same MoU as we did, and we continually remind them of that*'. So while prescribing to the MoU has committed the GoR to certain actions, the donors do not always manage to work together to make sure that the commitments are held.

By providing budget support, donors become more involved in decision making and increase their leverage. This is due to the conditions attached to budget support as well as through increased dialogue between budget support donors and the government. As one informant said *'providing budget support is like buying a ticket to the kitchen; then you can add a carrot here and an onion there'*.

It is however the preferred aid modality of the GoR and were it up to the government a much larger portion of aid would be delivered in this manner. To some extent the GoR is successful as the increase in expected budget support from 2010 to 2012 shows. Belgian and US considerations to either increase or begin SBS to Rwanda further underlines that budget support is taking up an increasingly central role.

This brings the somewhat confusing situation where the GoR is pulling donors closer into the policy making process by calling for budget support with one hand, and with the other hand trying to control the access that donors have to policy making by controlling capacity building and TA's.

The desire to manage the donors is not only about efficiency but very much about ownership. The Division of Labour is a clear example of a government trying to manage its donors. By decreasing the number of donors in a given sector it becomes more manageable for the GoR. It should thereby be easier for the GoR to increase its policy autonomy in designing sector working plans.

The DofL is still a young initiative and it is to be expected that a major restructuring like that is going to take time and also some getting used to for donors. The issue of certain areas being targeted from different sectors or donors claiming that they 'make it fit' will be very interesting to follow over the next years. It would hardly be responsible to simply drop a programme because the donor is no longer supposed to be working with that specific sector; it is going to take time to finish in a proper and responsible way.

Nevertheless, the DofL are completely restructuring the organisation of donors in Rwanda and it is a government initiative. That all donors (apart from UNICEF) are allowed in a maximum of three sectors has caused a bit of commotion in the donor community – after all, why is the World Bank not allowed more sectors than a small donor like Luxembourg. Still, no OECD-DAC donor has refused to participate, suggesting a willingness to let the GoR set the agenda for aid and to take ownership.

But one thing is strategies for managing donors another is how the GoR's priorities are followed and how that translates into ownership. The strong vision of the government is repeatedly referred to by donors, along with a consensus that the GoR does not respond well to criticism at all. The reluctance to accept criticism stems from the continually repeated belief that nobody knows better than Rwandans how to develop their country. This is echoed in the Kagame quote at the beginning of the paper.

While donors have supported the GoR despite concerns over heavy state involvement in the economy reminiscent of Asian-style developing states (LSE, 2009) it does not mean that the GoR has complete control of investments. Most notably regarding the new airport - which is still spoken about in Rwanda as a definite project - there is no money for the project yet. Borrowing the money would be gambling with very high stakes for the GoR as the donors are expressing severe concerns for the government taking out loans for financing. Some donors were suggesting that breaching the post-HIPC conditionalities might have consequences for the trust in the macro-economic responsibility of the GoR.

Another very important point to bring forward it that despite concerns over state involvement in the private sector, the GoR is considered by the IMF to have 'sound macro-economic policies' and in the most recent IMF review of Rwanda there were no waivers.

Concluding thoughts

First of all it is clear that the concept of ownership plays a large role in the interaction with the donors in Rwanda. It underlines government strategies and is repeatedly referred to in official documents. The Aid Policy and the DofL are both designed from a rationale of pursuing greater ownership. The DPAF is made to measure donors' progress towards the Aid Effectiveness Agenda in which ownership plays a key role. From this it becomes clear that the GoR is actively trying to use the focus on ownership to increase its ownership. Since donors seem to all agree that ownership is something that is essential for development it becomes tricky to not comply – or at least appear to comply – to ownership-increasing measures. Because ownership is used by the GoR to increase its control it is a vital component of the negotiations in the sovereign frontier, and not just a way for donors to embed themselves in the state.

Each GoR initiative increases the possibilities of managing the donors and the Capacity Building Fund certainly has great potential in 'pushing the donors out' from ministries in the shape of TA's. Bearing both

Harrison and Fraser in mind, TA's embed donors so deep in the state machinery that they are empowered to enforce their priorities on recipients through joint planning processes.

But designing strategies for managing donors and taking ownership is not like waving a magic wand. While donors need discipline they might not take well to being disciplined. Deciding on aid modalities are essentially a political decision in the donor country and no amount of Aid Policies will persuade an unwilling project donor to change its ways. Furthermore, as we have seen, being a budget donor in Rwanda increases the donors leverage and the budget support MoU commits the GoR to 'sound macro-economic policies', good governance and to live up to 'international standards'.

While there are no major disagreements between the GoR and its donors there are certainly donor concern over democracy issues and state involvement in the private sector. In spite of this donors have been overall supportive.

The question is how far the ownership goes. The GoR is aware of the rules of the game and knows what will be accepted by donors and what will not be accepted – after all, Rwanda has quite a bit of experience in dealing with donors. Furthermore, the underlying principles in the MoU of budget support commit the GoR to certain policies that are not defined but have to live up to 'international standards'.

The GoR has certainly taken ownership and incorporated it into the foundation of development in Rwanda, The government use ownership as a reason for following its own strategies in reaching its visions. But taking ownership is not achieved overnight. It is a process and likely a process that will be ongoing for as long as there are donors in Rwanda. Ownership will have to be established for each policy that is designed and where donor money is involved.

However, while Fraser reaches the bleak conclusion that the focus on ownership might lead to a situation where recipients are '*asked to come to terms with their lack of political agency, rather than to try and overcome barriers to its expression'* there is little to suggest that Rwanda is coming to terms with anything of the like.

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