

## Rwanda

The ruling Rwandan Patriotic Front (RPF), under the leadership of President Paul Kagame, retained political power. In September, it handily won parliamentary elections that the EU observer mission characterised as having fundamental shortcomings by international standards. The neo-traditional local ‘gacaca’ courts continued to hear evidence in over 80,000 cases across 10,000 jurisdictions. Domestic political violence was virtually non-existent. Relations with some members of the international donor community cooled towards the end of the year following the release of a UN report that identified Rwanda as a major player in the conflict in eastern DR Congo. Some donors cancelled their budget aid while others took a wait-and-see attitude following Rwanda’s vigorous denial of wrongdoing. Relations with France, which had thawed somewhat in early 2008, were again frosty following the arrest of a senior RPF member in November. Economic growth remained strong, despite higher-than-forecast inflation and donor concerns that Rwanda’s presumed presence in eastern Congo could damage its economic prospects. Urban poverty decreased, while in rural areas it remained widespread and chronic.

### Domestic Politics

The RPF-dominated alliance won 42 of the 53 elected seats (of a total of 80) in **parliamentary elections** held on 15-18 September. The ‘Parti Social Démocrate’ (PSD) took seven seats while the ‘Parti Liberal’ (PL) won four. One independent candidate ran and received less than 1% of the vote. A total of nine political parties contested the election, with six joining in an alliance with the RPF. The ruling alliance obtained 78.8% of the votes (a gain of 5% over 2003), PSD 13.1% and PL 7.5% (a loss of 3.6%). Both the PSD and PL voted consistently with the RPF and were not to be regarded as **opposition parties**. The dominance of the RPF in parliament became apparent when special interest representation was taken into account. Of the 27 remaining seats, 24 went specifically to women, two to youth and one to disabled representatives. These seats were not voted on by the registered electorate: instead representatives belonging to the National Women’s Council, National Youth Council and the National Disabled Council elected representatives from among their peers. Each of these councils showed strong affinity with the RPF, having voted with the government throughout the last parliament (2003-08). It is likely that women, youth and disabled representatives will again closely align themselves with the government during the life of the new parliament, meaning there will be **no opposition** given this strong majority. No elections were due for the second chamber, the senate.

The elections resulted in the **highest proportion of women in parliament** anywhere in the world. Kagame commended Rwandans for their sage decision to elect women. In total, 44 women were elected. Kagame praised the election results, saying that a female majority in parliament “emphasizes the fact that the country’s future is being shaped by women.” The polls were monitored by representatives from Rwandan civil society, the AU and the EU. The EU observer mission testified to the improvement in the conduct of the poll, but also pointed out fundamental shortcomings in the election process when judged by international standards. International human rights organisations and foreign journalists were more openly critical, noting that no candidates actually ran against the government and that those who tried to do so were intimidated, harassed and in some cases jailed without being charged. There were also charges of outright election fraud.

The elections also highlighted the concentration of power in the **executive**. Rwanda’s

parliament had limited influence. Political power remained heavily concentrated in the hands of Kagame and his close advisors. Parliamentarians – be they male or female – actually had little power to legislate on behalf of their constituents. They had little room to develop policy or even to debate openly and **space for free and open political expression** remains limited.

The government maintained a tight rein on the media. Journalists who spoke out against the policies of the RPF were accused of **ethnic divisionism** or of **preaching genocide ideology** under the new **genocide ideology law** that was adopted in June. The punishments contained in the new law were draconian at best as it covered, according to Human Rights Watch, “a very wide range of speech that is unquestionably protected by international conventions.” The new law was most aptly characterised as a ‘tool of social intimidation.’ For example, children as young as 12 years old could be criminally liable while individuals who held leadership positions could receive up to 25 years in prison along with fines up to Rwandan francs 5 m. The 2008 genocide ideology law “does not require that the perpetrator intends to assist or facilitate genocide, or be aware of any planned or actual acts of genocide” but only that the speaker has uttered statements that the government believes constitute ‘genocide ideology.’

The genocide ideology law meant that only those **media** outlets that expressed views in line with the government were able to speak out: as a result, many practised self-censorship. Instances of journalism that criticised or challenged government policy were in turn followed by crackdowns on the media. For example, during celebrations in honour of World Press Freedom day on 2 May, the government ejected three Rwandan newspaper editors for their ‘revisionist writings’ and banned them from all future government activities. These editors, all of them with Kinyarwanda-language weekly newspapers, subsequently received death threats, as did some of their staff. The government also threatened the editor of a fourth Kinyarwanda-language paper after it reported on the alleged cronyism of Finance Minister James Musoni. International media were not spared. In August, Information Minister Louise Mushikiwabo told both Voice of America and BBC to “desist from non-factual reporting” or risk being banned. The minister was referring to interviews on both stations with members of the anti-government militia ‘Forces Démocratiques de Libération du Rwanda’ (FDLR) from their base in eastern DR Congo. The government cautioned both stations not to allow “genocide fugitives” to “spread their ideology of divisionism and hatred.” A new **media law**, passed on 7 May, put in place stringent penalties for journalists found guilty of spreading ‘divisionism,’ highlighting the extent to which the government seeks to define the limits of acceptable discourse about ethnic identity.

The government also maintained tight control over **civil society organisations** and other forms of associational life. Civil society did not represent an open space where individuals or groups could openly and publicly influence or challenge government policy. Instead, civil society organisations played an important role in filling the social void in the lives of many Rwandans in the aftermath of the genocide. Membership in civil society organisations remained open to Tutsi survivors and many Hutu ‘survivors’ marginally benefited from their membership in organisations that supported survivors, although specific privileges such as access to subsidised health care and the waiver of children’s school fees were available only to Tutsi women in their recognised status as ‘real survivors’ of the 1994 genocide. The government affirmed its position that Tutsi were the only ‘real survivors’ when it passed a **constitutional amendment** in May decreeing that the genocide be publicly referred to as the ‘genocide against Tutsi.’ While it was true that Tutsi were targeted by genocidal killers on the basis of their ethnicity, the decree effectively silenced any debate about the Hutu who were killed during the genocide (April to July 1994) and afterwards in acts of revenge by RPF-led forces in 1995 and 1996.

Perhaps in implicit acknowledgment of the silent resentment that many ethnic Hutu had for government policy since the genocide, the government arrested several Rwanda Defence Force (RDF) officers for crimes against humanity they allegedly committed during the 1994 genocide. The arrest of four officers, a general, a major and two captains, marked the first time the government had acted against high-ranking military officials. The government had previously acknowledged that some war crimes were committed by undisciplined and rogue soldiers bent on revenge and that they have been tried and convicted in the military courts. Before these arrests in June, only 14 known trials of low-ranking RPF soldiers had taken place, resulting in light sentences of less than six years *in camera* before the military high court. In October, the court sentenced the two captains to eight years imprisonment for the murder of the archbishop of Kigali and two senior members of the Catholic church while the other two officers were acquitted. The government held up the trial of the officers as an example of its willingness to allow senior RDF members to be held accountable for their actions during the 1994 genocide. The **International Criminal Tribunal for Rwanda (ICTR)** released a statement calling the case a victory for the rule of law in Rwanda. Domestic human rights organisations called the verdicts a mockery of justice and contrasted the sentences and acquittals with those being meted out at ‘gacaca’ trials. For example, in February an elderly Hutu woman received a sentence of 25 years in prison for giving food to the *Interahamwe* militia during the genocide. The trials were also questioned by Human Rights Watch, which released a report in July pointing out the **lack of judicial independence** from the executive. The government rebuffed this criticism and held up the trials as proof that there was no impunity for members of the RDF.

‘**Gacaca**’ trials continued throughout 2008. The government had expected the trials to wrap up no later than December 2008. It now appeared that the trials will conclude in June 2009. The ‘gacaca’ courts were a central part of the government’s post-genocide national unity and reconciliation tool-kit and emphasised legal retribution over social reconciliation. Instituted in 2002, the courts were an open-air local-level retributive mechanism that the government instituted to prosecute individuals for crimes of genocide. For the government, ‘gacaca’ was a truth and reconciliation strategy to accomplish the following: 1) establish a truthful record of what really happened during the 1994 genocide; and, 2) accelerate the release of more than 120,000 individuals accused of acts of genocide so that they could return home and help rebuild Rwanda rather than just sit in jail. Participation was mandatory. Human rights organisations continued to criticise the ‘gacaca’ process for its **lack of legal protections**, notably the right to a fair trial. The main difficulty remained the government’s unwillingness to allow participants at ‘gacaca’ to speak about RPF war crimes committed before, during and after the genocide. Only Tutsi survivors were allowed to speak about crimes they witnessed while Hutu perpetrators were obliged to tell the truth about what they did. The government did not deny that RPF soldiers committed crimes during the genocide, but only that they were not on the same scale as the carefully planned genocide of Tutsi by Hutu. The 2007 Gacaca Law was further revised in March. The new law allowed category 1 suspects of genocide to be tried before the courts. Category 1 suspects were the so-called ‘big fish,’ meaning the organisers and implementers of the 1994 genocide, and included most of the individuals awaiting trial at the ICTR in Arusha, Tanzania. The law was criticised by human rights groups who claimed that it was politically motivated to allow Rwanda to try the ‘big fish’ in its national courts. The main concern was the lack of fair trial guarantees for category 1 suspects.

The mandate of the **ICTR** was set to expire in December 2008 but was extended by the UN Security Council until the end of 2009. Management of the caseload was complicated by the decision not to transfer cases to Rwanda for trial. In March, it was anticipated that ICTR would

transfer its outstanding balance of cases to the Rwandan domestic courts. International human rights organisations, led by Amnesty International and Human Rights Watch, were against any such transfer because of the presumption of government interference in the trials. By June, ICTR informed the government that it would not be transferring the remaining cases to Rwanda. In December, it handed down its most significant ruling since its inception by sentencing a permanent secretary in the ministry of defence, Colonel Théoneste Bagosora, and two other military officers to life imprisonment. Bagosora was widely believed to have been the **chief architect of the 1994 genocide**. The government praised the conviction while reiterating its wish to try the remaining suspects on Rwandan soil.

Shaping the concerns of international human rights organisations was Rwanda's continued poor record of protecting **basic human rights**. The 'gacaca' courts remained a site of insecurity as government officials openly interfered in numerous cases in efforts to determine the outcome. Unknown assailants killed at least 16 Tutsi survivors before their scheduled testimony. Living conditions in prisons and 'cachots' (local detention centres) for the estimated 59,000 mostly ethnic Hutu prisoners (of whom 34,141 were genocide prisoners and another 2,846 were genocide suspects) in 14 prisons did not drastically improve during 2008. Access to healthcare and adequate nutrition remained a problem for most of the prison population. Internal security was assured by the Rwanda National Police (RNP). Throughout 2008 there were numerous cases of arbitrary arrest, beatings, corruption and indiscipline within the national force. The government expressed concern about the levels of corruption among security personnel and instituted a toll-free number to encourage citizens to report cases of police excess and abuse. During the year, 305 officers received community training, which included seminars on the proper use of force and respect for human rights. Local security forces, known as Local Defence Forces (LDF) killed at least six Rwandans: none of the officers was charged. The LDF was made up of 'volunteers' who were chosen from the communities they served. They were answerable to local officials, not to the RNP. Men above the age of 18 were required by law to 'volunteer' and some who tried to avoid LDF service were detained and beaten by members of the RNP on the instruction of local government officials.

The government continued its tough stance on **good governance** and the fight against **corruption**. The RPF had instituted significant reforms designed to reduce public-sector corruption, and donors considered Rwanda to be the least corrupt country in Africa. However, enforcement of anti-corruption laws tended to occur in cycles. In 2008, several senior government officials, as well as more than 100 police officers and 27 district mayors, resigned or were removed from office for being corrupt. None of these individuals faced charges in court. TI, in its widely cited Corruption Perception Index, ranked Rwanda 102 out of 180 countries under review. It gave Rwanda a score of 3.0 out of 10, which indicated high levels of public corruption. Comparatively, Rwanda ranked on par with Tanzania and better than regional neighbours Burundi, DR Congo, Kenya and Uganda.

In October, the ministry of justice released the report of the **commission of inquiry into France's role in the 1994 genocide**. The 500-page report was the result of two years of inquiry led by senior Rwandan government officials. It accused former French President François Mitterrand and more than 30 senior French officials of facilitating the genocidal plan of then President Habyarimana. Rwanda launched the commission in response to a 2006 inquiry led by French judge Louis Bruguière, who accused Kagame and other senior members of the RPF of ordering the assassination of Habyarimana. The French government reacted strongly to the report, condemning it as politically motivated and based on unsubstantiated evidence. It also affirmed its

commitment to the findings of the 1998 **Quilès Commission**, in which France investigated its role in the 1994 genocide. In further reaction to the indictment, the government amended the constitution in May to grant perpetual immunity from prosecution to former presidents. The amendment stipulated that former heads of state could not be prosecuted on charges for which they had not officially been put on trial during their period of office. The government also announced in October that French would no longer be one of Rwanda's official languages, leaving English and Kinyarwanda as the only official languages. The social implications of this new policy remain to be seen. As written, it favours children of anglophone households and virtually excludes those of francophone families. It could potentially lead to the dismissal of many educators at both universities and secondary schools and may represent a move to weed out non-anglophone teachers surreptitiously.

## **Foreign Affairs**

In late 2007, Rwanda had signed an agreement, the **Nairobi Accord**, with the DR Congo concerning the presence of illegal armed groups in the DR Congo's eastern Kivu provinces. The plan targeted the FDLR, a Hutu and anti-RPF militia based in both north and south Kivu. The RPF believed that FDLR was responsible for the 1994 genocide of Tutsi and were using the Kivu region as a base from which to attack Rwanda to finish the genocide. FDLR claimed it did not participate in the 1994 genocide and that its interest was to return to Rwanda to represent ordinary Hutu who were currently oppressed by the Tutsi-led RPF government. The accord contained four distinct phases, implementation of which continued throughout 2008. The first phase of 'sensitising' FDLR rebels was voluntarily disarmament, followed by cantonment, voluntary repatriation and then disarmament by force. The 45-day sensitisation period ended in March with limited success. The DR Congo's foreign minister attempted to negotiate with the FDLR leadership, whose Germany-based leader Ignace Murwanashayaka refused to engage. Murwanashayaka cited the list of 7,000 FDLR fighters that the Rwandan government had prepared, saying that they were genocide suspects and would likely be arrested on their return to Rwanda. Murwanashayaka sought to meet with Rwanda's Great Lakes envoy, Richard Sezibera, to secure an amnesty for his FDLR fighters, but the government refused. By May, only 300 FDLR fighters had been cantoned.

Relations between the DR Congo and the FDLR, and between FDLR and Rwanda, soured considerably in March when the **UN Security Council adopted resolution 1804** demanding that the FDLR stop fighting and its fighters present themselves for cantonment. In reaction, the FDLR re-engaged the rebel forces of Laurent Nkunda, whose 'Congrès National pour la Défense du Peuple' (CNDP) was backed by the Rwandan government. Nkunda's CNDP also engaged the Congolese army. The CNDP sought to gain control of eastern Congo, a resource-rich area. Both engagements resulted in massive population displacement and a resurgence of rape of Congolese women and girls. Rwanda intermittently closed its northwestern border throughout 2008 to prevent the flow of refugees and to reduce the possibility of overnight raids by the FDLR into Rwanda.

In October, the DR Congo's ambassador to the UN presented to the Security Council what he called firm proof that the **Rwandan military (RDF)** was present in northern Kivu, both to aid Nkunda's CNDP and to eliminate the FDLR. The Rwandan government denied its military involvement, claiming that the DR Congo was only trying to cover up its inability to deal with the conflict. The UN, along with European foreign ministers, called for an urgent bilateral agreement between Rwanda and the DR Congo. It was unlikely that the RDF was present in DR Congo, but

very likely that it was providing logistical support to the CNDP. Nkunda's CNDP insurgency against the FDLR lessened the pressure on the RPF to enter into a settlement with the Hutu militia, whose demand to return to Rwanda in a **power-sharing agreement** had been repeatedly refused.

In December, the Rwandan government was formally linked to the CNDP in a report issued by a **UN panel of experts** charged with investigating violations of the international sanctions regime against illegal armed groups in the DR Congo. The report provided considerable evidence of linkages between senior members of the RPF/RDF and the CNDP leadership. Rwanda vigorously denied the claim and denounced the report as the handiwork of genocide deniers and others in the international community "who cling to dangerous inaccuracies and outright lies." In perhaps implicit acknowledgement of the significant financial, military and logistical linkages between Rwanda and the CNDP, President Kagame promised to bring Nkunda to justice for "his excesses in eastern Congo." Complicating the situation were reports of a split within the CNDP leadership. Specifically, Nkunda's second-in-command, Jean-Bosco Ntaganda, sought to oust Nkunda. Whether or not this happened was unclear. Rwanda remained silent although there were reports that Kagame was deeply unhappy about Nkunda's style of combat, notably his use of civilians as military targets. DR Congo issued an international warrant for Nkunda's arrest in November, but he remained at large at the end of the year. Rwanda reiterated its commitment to disarming illegal armed groups in DR Congo in December in a statement issued by the **Tripartite Plus Joint Commission (TPJC)**. It also called on the TPJC to endorse travel and financial sanctions against the FDLR.

The **joint verification mechanism (JVM)** remained dormant. It was intended to be reactivated to monitor the conflict in the Kivu regions of eastern DR Congo following the 2007 agreement between the foreign ministers of Rwanda and DR Congo. In 2008, both the UN and the European parliament called on DR Congo and Rwanda to revive the JVM. Rwanda and DR Congo were in negotiations at the end of the year to resume **diplomatic relations** a decade after they were broken off, suggesting that the JVM may be revived in 2009. A factor in these delicate negotiations was the replacement of Richard Sezibera as Rwanda's envoy to the Great Lakes region in October. Sezibera was known to be an intimidating figure who answered only to Kagame. The incoming envoy, Joseph Mutaboba, was a seasoned diplomat well versed in the complex and subtle relationships between the various actors in the region. Mutaboba's appointment may have been a sign of Rwandese willingness to find a solution to the endless crisis in eastern Congo.

Rwanda dispatched a senior envoy to **Angola** in mid-February to explore the possible restoration of diplomatic relations, which had been broken off in 1998 when Angola sent troops to support Congolese President Laurent Kabila against Rwandan forces. Relations had not, however, been restored by the end of year. Relations with regional neighbours **Uganda** and **Burundi** improved with the encouragement of the UK, while relations with **France** remained strained throughout the year, and deteriorated further in November when Kagame's chief of protocol Rose Kabuye was arrested in Germany on an international arrest warrant that had been issued by France in 2006. Predictably, the Rwandan government reacted angrily, including stage-managed public demonstrations in Kigali, although there was evidence that it had orchestrated the arrest to gain access to the testament related to the indictments against Kagame and other senior RPF members. Speaking at an **AU summit** in June, Kagame hinted that indictments against foreign nationals alleged to have played a role in the 1994 genocide could soon be issued by Rwanda. Kagame sponsored a summit resolution that called for a meeting between the AU and EU to ensure that arrest warrants against Rwandan nationals issued by France (2006) and Spain be withdrawn since they infringed African national sovereignty. Kagame was reacting in part to the February 2008

indictment by a Spanish judge of 40 RPF members for killing hundreds of thousands of civilians, including nine Spanish nationals, in the post-genocide emergency (1995-99).

In December, following the release of the UN report, the Netherlands and Sweden suspended their bilateral **budget support aid**. Some critics also called on the UK, Rwanda's biggest donor, to do the same. The UK declined and instead praised Rwanda for its efforts to improve bilateral relations with the DR Congo. Donor relations remained generally positive throughout 2008 with the majority of international donors, including the US, offering continued praise for Rwanda's commitment to good governance and market-oriented economic reforms. This was also the prevailing mood during the 8th annual donor meeting in late November in Kigali. In particular, the US government announced in May that it would give Rwanda \$ 20 m to train its troops in Darfur as part of the \$ 100 m package for the **AU/UN peacekeeping mission** there. Rwanda committed to provide 2,600 troops to the AU peacekeeping mission in Somalia in May, but no deployment occurred during the year.

Former British Prime Minister **Tony Blair** visited in January and announced his volunteer position as a governance advisor to Kagame. US President **George W. Bush** visited in February as part of his five-country African tour and expressed support for the international sanctions against the FDLR. Other prominent international visitors were German President Horst Köhler and UN Secretary General Ban Ki-moon. **Business and religious leaders** from the US visited throughout the year, including Howard Schulz of Starbucks and evangelist Rick Warren.

Rwanda also sponsored **several regional conferences** as part of its continuing efforts to become a regional hub for services, trade and financial transactions. For example, in June, as part of its **EAC** membership, Rwanda hosted the first East African investment conference, which attracted investors from across eastern and southern Africa. Discussions included the investment proposal to build a rail link from Tanzania to Kigali. Kagame opened the Kigali **stock exchange** in January. Trading was limited to corporate and treasury bonds but will in future be open to foreign companies. The stock market was intended to bring foreign investment to Rwanda.

## **Socioeconomic Developments**

Government continued to promote social reconciliation among Rwandans through its policy of national unity and reconciliation. The policy made any discussion of ethnicity illegal. Rwandans were no longer Tutsi, Hutu or Twa but were now Rwandans. The policy was the basis of national peace and security and adherence by all government bodies was paramount and was monitored by the **National Unity and Reconciliation Commission**. The main organisation representing Tutsi survivors of the 1994 genocide, IBUKA, continued to criticise the policy, noting that it silenced the truth of how Hutu killed Tutsi during the genocide. The government, whose senior leadership was largely comprised of anglophone Tutsi who had returned to Rwanda after the genocide, tolerated IBUKA's criticism as it understood the political sensitivity of appearing to publicly marginalise one of its key constituents. In practice, however, survivors of the genocide, many of whom were either widows or child-headed households, remained among Rwanda's **most vulnerable citizens**.

The government also continued to implement its development and poverty reduction policy, **Vision 2020**, following the successful renegotiation of its **economic development and poverty reduction strategy** with the IMF and other donors. Implementation of Vision 2020 was mixed, with urban areas benefiting significantly through the creation of new roads, market centres and other infrastructure. Rural areas, particularly in the southwestern regions, have remained

poorer since the genocide. Rural poverty was shaped by drought and other climatic shocks, rising oil costs and other costs related to trade arising from Rwanda's landlocked position. More significant in shaping rural poverty was the government's commitment to producing crops, notably tea and coffee, for foreign markets. Peasant Rwandans, accounting for 87% of the population and relying on subsistence agriculture, were forced to grow 'productive crops' such as coffee or tea rather than the crops they need to meet their basic nutritional needs. Peasants who resisted government directives could be fined or imprisoned. The **FAO** identified Rwanda as being particularly vulnerable to rising food prices and nutritional shortfalls for most of its population. The government continued to invest in coffee and tea production, including breaking ground on a new coffee-roasting and packing facility in Kigali in September. At the end of the year, the government was in negotiations with UAE-based Dubai World to buy two of the largest tea estates in the northwest of the country. In December, the government announced that it had accepted an offer to privatise the Gisovu tea factory in western Rwanda.

Rwanda remained on track to meet select **MDGs**, notably in education, health and gender equity. For example, net enrolment at the primary school level for boys and girls was already 95%. There was also gender parity in both primary and secondary schooling. Of the total population, 60% lived within 5 km of a health centre. Spending on **HIV/AIDS** accounted for almost 25% of the health budget and the prevalence rate had fallen from 14% in 2000 to just 3% in 2007. Women had a 50% higher prevalence rate than men. However, it remained unlikely that the government would meet other targets. Almost 40% of the population lived on an income insufficient to meet basic food needs. Poverty levels had increased since the genocide: the UN found that at least 57% of the rural population lived in extreme poverty and that Rwanda's **Gini co-efficient** had increased from 0.47 in 2000 to 0.51 in 2007.

The government continued with its policy of home-grown solutions to Rwandan problems. The implementation of the administrative **decentralisation policy** continued with support from European donors. Appointed local-level officials remained responsible for overseeing the decentralisation process through local sensitisation efforts and the continued enforcement of the 'imihigo' (performance) contracts, instituted in late 2007 and signed between local government officials and the local population. Household heads were to "make vows of the achievements they will have attained in a period of one year before their local leaders and the entire population." Households that failed to meet their performance targets were fined and could be imprisoned for non-payment at local detention centres known as 'cachots'. An evaluation of these contracts started in December. The ministries of local government and internal security maintained tight control over the decentralisation process and evaluated the 'imihigo' process.

In December, parliament approved a **mini-budget** covering the first six months of 2009 with the purpose of aligning Rwanda with the fiscal year of the **EAC** countries. Rwanda remained highly dependent on donor support: 43% of the mini-budget was to be financed by external grants, 5% from external loans and the balance from domestic revenue (which had been equivalent to 12% of GDP in 2008, exceeding the target by 20.4%). The country drew from its reserves to make up the \$ 20 m shortfall resulting from the withdrawal of aid by Sweden and the Netherlands. The IMF completed the 5th review of the current PRGF and praised the budget as one that "will assist in achieving poverty-reducing growth if properly implemented." It did express concern about Rwanda's role in eastern DR Congo and cautioned government to consider the possibility of future aid cuts in subsequent budgets. The government committed to improve tax collection as the basis for economic growth, a move which could additionally burden the rural poor.

Despite a weakening global economy, **GDP growth** remained robust at probably 8.5% or

even more, meeting IMF expectations. Economic growth was grounded in healthy outputs in the agricultural, manufacturing and service (banking and telecommunications) sectors. **Inflation** peaked at 22.4% by the end of the year as a result of the rising cost of imports, while the average for 2008 was 15.4%. In September, the government released its **budget framework paper** for 2009-12. It forecast average annual GDP growth of 7.8% over the period. It also anticipated a significant rise in domestic tax revenue, with domestic funds covering 59% of budget expenditures by 2011-12.

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