

**U.S. Position on the World Bank's Proposed "Quality of
Decentralized Service Delivery" Program in Rwanda
May 14, 2013**

The United States supports the goals of the Quality of Decentralized Service Delivery (QDSD) program to improve local-level service delivery. The program's themes of strengthening decentralization, promoting capacity development within local governments, and improving government transparency and accountability are all key to help ensure that Rwanda's impressive economic growth can be shared among a broad population. Moreover, the program's work to enhance fiduciary controls of local governments will help build confidence – in particular among the Rwandan people, but also with Rwanda's development partners – that resources are being used appropriately.

Important as the QDSD program's policy undertakings are, it is also important to Rwanda's development partners to have confidence that the country is utilizing the program's funding to achieve desired outcomes. Particularly in light of the ongoing tensions in the region, assurances with regard to the uses of this program's funding – as with Bank financing more broadly – are critical. Thus, the United States is pleased with the additional measures taken by the World Bank, working with Rwandan authorities, to help ensure that program financing is directed toward district-level expenditures that advance social development. Specifically, the United States notes the Rwandan government's undertaking in the Letter of Development Policy to allocate the QDSD financing to help fund earmarked transfers from the central government to districts, and that this funding will avoid the need for near-term cuts in spending on an envelope of district-level programs that include health and education, access to electricity, water and sanitation, and agricultural development. The Rwandan government has stated that it will execute the identified expenditures upon the availability of QDSD program financing. Furthermore, the United States is pleased that the Government's execution of this undertaking will be verifiable through publically accessible reporting mechanisms. The United States is satisfied that this undertaking by the Rwandan government, along with the mechanisms in place to verify its execution, will ensure that program funding is directed toward intended uses.

With regard to the peace and security issues in the region which are an essential context for this discussion, the United States wishes to make two points. First, the United States has welcomed Rwanda's signing of the Peace, Security and Cooperation Framework (PSC), its cooperation in transferring M23 leader Bosco Ntaganda to the International Criminal Court, the internment of Ntaganda-affiliated M23 combatants, its support for the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo's (MONUSCO) expanded mandate, and its apparent halt in support to the M23. The United States remains concerned, however, by the potential for renewed armed conflict and the M23's public threats against MONUSCO's new Intervention Brigade. The United States continues to urge Rwanda to fully implement the Kampala agreements, including to call on M23 to lay down its arms and withdraw 20 kilometers from Goma, and to press for a credible and transparent political agreement that ends impunity for M23 commanders and others who have committed human rights abuses. The United States continues to encourage all signatories to the PSC to contribute to the UN and regional efforts to find a long-term solution to enhance stability in eastern DRC. This long-term

solution should address the underlying regional security, economic, and governance issues while upholding the DRC's sovereignty and territorial integrity.

Second, the United States appreciates the effort that the Bank is making to work with the United Nations and other development partners on solutions to help reduce tensions in the region. The United States looks forward to this month's visit to the region by World Bank President Jim Kim, UN Secretary General Ban Ki-moon and UN Special Envoy Mary Robinson. The multilateral development banks should pursue a regional approach to the Great Lakes region and should focus on promoting regional integration and cooperation and the PSC Framework. The United States looks forward to the World Bank leveraging its extensive experience operating in fragile and post-conflict situations to design projects that foster positive, collaborative development across the region.

In summary, the United States is supportive of this operation because of its policy focus on developing the capacity of local government to deliver services, and given the specific measures that the Bank and Government are taking to assure the appropriate use of program financing. In light of the current security situation in the region, the United States will continue to carefully consider its support to Rwanda in the context of the country's actions in the region. The United States also urges the Bank to continue enhanced measures to ensure that Bank financing to Rwanda is appropriately utilized.