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Friday

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12:15 pm Page:

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To: Kevin C. Aiston  
From: Prudence Bushnell  
Subject: Dutch & Belge on Rwanda

4246

Date Received: 04/28/95

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*2710*  
*Gene*  
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(12)

Folks -- The Dutch Director of International Cooperation advised me this morning that the Dutch had suspended only part of their bi-lateral assistance, which they are planning to reinstate after a parliamentary debate next week. The paperwork for putting \$11m into the UN Trust Fund landed on Pronk's desk the day after Kabejo. Since he could not (politically) go forward as if Kabejo had not happened, Pronk signed off on \$5.5m with the intention of putting the remaining \$5.5 into the kitty later. They also intend to move forward on the money they are giving to the judicial system (\$5m, I think, but don't quote me). As to their recommendation to the EC, they are saying that suspending assistance to Rwanda will not help to achieve the objective of reconciliation, which is what the assistance is aimed at.

I also called the Belge DCM who said that they were suspending their bi-lateral aid EXCEPT for that which directly benefits the population and that which is going into the judicial and legal systems. He thinks this means about 50% is temporarily withheld, though he did not have the details. Reinstatement will depend on how the GOR behaves in the short term and the outcome of the commission of inquiry. The Belge did not provide the EC with any specific recommendation except that the decisions of EU members should be coordinated.

The political directors of the EC met yesterday afternoon; he will call me when he determines the outcome.

Now, as to the World Bank and Rwanda.....and the impass before which they find themselves, in the discussion with the Dutch this morning, Kim Jaycox said that the team now in Kigali (who do not appear to be the most energetic of folks) will try to get the GOR to agree to the French firm as the procurement agent (and as they had initially agreed). If that does not work, they will try Option 2: agreement to a merger (for this purpose) of the French and the next contender, a British firm; Option 3: agreement to do business with a subsidiary of the French firm, located in Luxembourg; Option 4: find a way to use the UN Trust Fund to finance an agent -- this means getting the GOR to agree to ask.

Steve: I suggest that when Towney & David see the GOR again next week, they press for a SWIFT resolution of this affair. We should also stay in touch with the WB here so that the issue does not fall into the cracks again.

Cheers.

Distribution: Arlene/Steve/Reed/Kevin/Anne /Leslie (forward it yourselves to whomever else needs to know)

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