



*Empowered lives.
Resilient nations.*



Government of Rwanda

Final Report

**Rwanda
2014 NATIONAL HUMAN DEVELOPMENT
REPORT**

***DECENTRALISATION AND HUMAN DEVELOPMENT: ACCELERATING SOCIO-ECONOMIC
TRANSFORMATION AND SUSTAINING ACCOUNTABLE GOVERNANCE***

March 2015

ACRONYMS AND ABBREVIATIONS.....	4
List of Tables.....	7
RWANDA AT GLANCE.....	8
FOREWORD.....	9
PREFACE.....	10
EXECUTIVE SUMMARY.....	11
CHAPTER 1: INTRODUCTION.....	17
1.1 Introduction.....	17
1.1.1 Overview.....	17
1.1.2 Background.....	17
1.2 Human Development: Concepts, Dimensions and Significance.....	18
1.3 Decentralisation: Origins and International Experiences.....	21
1.4 Human Development in Rwanda.....	23
1.4.1 Overview and Context.....	23
1.4.2 The Economy: Sustained Growth, Changing Parameters.....	24
1.4.2 Demography, Vulnerability and Social Transformation.....	26
1.4.3 Rwanda Human Development Index.....	26
1.5 Decentralisation and Human Development in Rwanda.....	34
1.6 Rwanda National Human Development Report 2014: Structure, Scope and Content.....	35
CHAPTER 2: RWANDA’S NATIONAL DEVELOPMENT FRAMEWORK.....	36
2.1 Introduction.....	36
2.2 Vision 2020: From Emergency to Long-range Planning.....	36
2.3 Strategic shift from Poverty Reduction to Economic Development.....	39
2.4 From Sectoral to Integrated Planning and Results-Based Management.....	43
2.5 Decentralised Planning: DDPs and <i>Imihigo</i>	45
2.6 Government Plan 2010-2017: Turning Political Commitments into Results.....	46
2.7 Global and Regional Premises for National Development.....	47
2.7.1 Overview.....	47
2.7.1 Millennium Development Goals.....	47
2.7.2 Expanding Options through Multiple Regional Integration Initiatives.....	48
2.8 Summary of Rwanda’s Development Experience: From Post-Genocide Recovery to Accelerated Development.....	49
CHAPTER 3: DECENTRALISATION IN RWANDA: POLICY, PROCESS AND ITS CONTRIBUTION TO HUMAN DEVELOPMENT.....	51
3.1 Overview of the Policy and Implementation Process.....	51
3.2 Evolution and Underlying Motivations for Decentralisation in Rwanda.....	52
3.3 Political Decentralisation: From Citizens Empowerment to Accountable Leadership.....	54
3.4 Administrative Decentralisation and Service Delivery.....	57
3.5 Fiscal Decentralisation and Public Financial Management.....	60
3.6 Current Policy Impetus.....	63
3.7 Implications of Decentralisation for Human Development in Rwanda.....	63
3.8 Summary: From Citizens’ Empowerment to Service Delivery.....	74
CHAPTER 4: INCOME AND LIVELIHOOD SECURITY.....	75
4.1 Overview.....	75
4.2 Food Security: From “PAM” to FARM.....	76
4.3 Commercialising Agriculture through Technology-Driven Intensification.....	83
4.4 Economic Diversification: From Agrarian to Services-Based Economy.....	86
4.5 Youth Employment: Harnessing Youth Potential.....	95
4.6 Land Tenure Reform: Securing Land Ownership and Enhancing its Productivity.....	97
4.7 Equitable Development: Addressing Growth and Income Inequalities.....	97
4.8 Expanding Financial Inclusion – Umurenge SACCO and the Role of Cooperatives.....	99

4.9 Diversification of Income Sources.....	102
4.10 Summary	104
CHAPTER 5: HEALTH CARE AND DECENTRALISATION.....	105
5.1 Introduction.....	105
5.2 Malaria Control	105
5.3 Maternal and Child health	111
5.4 Reproductive Health: Expanding Choices, Reducing Demographic Deficits	115
5.5 HIV/AIDS Prevention, Care and Control.....	118
5.6 Community and Environmental Health	122
5.7 Human Resources and Decentralized Healthcare Delivery	123
5.8 Financing Health Services in Rwanda.....	125
5.8.1 Public Expenditure and Investment priorities	125
5.8.2 Health insurance.....	125
5.9 Performance and Accountability: Aligning Health Systems with Decentralised Governance Structures.....	127
5.9.1 Extending Health Facilities, Increasing Geographical Access	127
5.9.2 Integrating Community Health Workers.....	128
5.9.3 Performance-based financing.....	129
5.10 Summary	129
6. EDUCATION: ENHANCING HUMAN PRODUCTIVITY AND EXPANDING CHOICES	131
6.1 Introduction.....	131
6.2 Education Sector Reforms and Decentralised Service Delivery	131
6.3 Basic Education: Foundation for a Competitive and Productive Human Resource.....	132
6.4 Secondary Education	141
6.5 Vocational Education: Building a Skilled Human Resource Base.....	142
6.6 Literacy and Non-Formal Education	145
6.7 Higher Education: Expanding the Knowledge Base for Socioeconomic Transformation	146
6.8 Equity, Inclusiveness and Stakeholder Participation.....	148
7. SOCIAL PROTECTION: LOCALISING RESILIENCE BUILDING	153
7.1 Introduction: Reducing Vulnerability and Expanding Choices	153
7.2 Addressing Social Vulnerability: From <i>Ubudehe</i> to VUP	154
7.3 Gender Equality and Protection of Family Assets	159
7.4 Eliminating Sexual and Gender-based violence.....	160
7.5 Decent Housing for All: <i>Umudugudu</i> Concept and Operation <i>Bye Bye Nyakatsi</i>	160
7.6 New Challenges and the Need to Widen the Scope of Social Protection	162
7.7 Summary.....	162
8. SYNTHESIS: RWANDA DECENTRALISATION—HUMAN DEVELOPMENT NEXUS.....	163
8.1 Summary of Key Developments in Human Development	163
8.1.1 Empowerment: From a Passive Population to Active Citizenry	164
8.1.2 Participation: Multiple Platforms and Tools for Citizens' Engagement and Stakeholder Coordination	164
8.1.3 Public Sector Efficiency: Local Innovation at the Heart of Service Delivery.....	164
8.1.4. Access to Justice: Delicate Balance between Reparation and Reconciliation.....	165
8.1.4 Peace and Security: Local Governments at the Centre of Partnership between Citizens and Security Agencies	166
8.1.5 Closing the Gender-gap: Decentralisation Facilitating Partnerships to Promote Equality and GBV Prevention.....	167
8.1.6 Beyond Reconciliation: Reconstructing Citizenship and Promoting Patriotism	168
8.2 Civil Society: From Humanitarian Relief to Development Partnership-Based Engagement	169

8.3 Challenges and Opportunities.....	170
9. CONCLUSION AND RECOMMENDATIONS.....	174
9.1 Conclusion.....	174
9.2 Policy Recommendations.....	177
REFERENCES	183
ANNEXES	188
ANNEX 1: BASIC NATIONAL INDICATORS.....	188
Annex 1B. Progress of Achieving the MDGs.....	188
Annex 2: Rwanda Gross Domestic Product at current price (in RwF Billions).....	191
Annex 3: National Dialogue Themes under Umushyikirano Platform	192
Annex 4: Student Enrolment in Vocational Training Centres	192
Annex 5: Student Enrolment in Secondary School	193
Annex 6. Rwanda’s Home Grown Initiatives and Solutions.....	194

ACRONYMS AND ABBREVIATIONS

ACT	Artemisinin Combination Therapy
ANC	Antenatal care
ART	Anti-Retroviral Therapy
APR	Annual progress reports
BNR	National Bank of Rwanda
CBHI	Community-Based Health insurance
CHW	Community Health Worker
CIP	Crop Intensification Programme
CFSVA	Comprehensive Food Security and Vulnerability Assessment
CFSVNA	Comprehensive Food Security Vulnerability and Nutritional Assessment
CSC	Community Score Card
CSO	Civil Society Organisation
DEOs	District Education Officers
DIP	Decentralisation Implementation Plan
DHMT	District Health Management Team
DHS	Demographic and Health Survey
DDP	District Development Plans
DRC	Democratic Republic of Congo
EAC	East African Community
ECD	Early Childhood Development
EDPRS	Economic Development and Poverty Reduction Strategy
EICV	Integrated Household Living Condition Survey
EMIS	Education management information system
ESSP	Education Sector Strategic Plan
FBO	Faith-Based Organizations
GDP	Growth Domestic Product
GII	Gender Inequality Index
GoR	Government of Rwanda
HDI	Human Development Index
HDR	Human Development Report
ICT	Information and communication technology
IPRCs	Integrated Polytechnic Regional Centres
ITNs	Insecticide treated mosquito nets
JADF	Joint Action Development Forum
LED	Local Economic Development
LGs	Local governments
LLINs	Long lasting insecticide treated mosquito nets
M&E	Monitoring and evaluation
MCH	Maternal and Child Health
MDGs	Millennium Development Goals
MFI	Microfinance Institution
MINAGRI	Ministry of Agriculture and Animal Resources
MINALOC	Ministry of Local Government

MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of Trade and Industry
MINIRENA	Ministry of Natural Resources
MoH	Ministry of Health
MMT	Mobile money transfer
MSMEs	Micro, small and medium enterprises
MTEF	Medium Term Expenditure Framework
NER	Net enrolment rate
NFE	Non-formal education
NGO	Non-governmental organization
NISR	National Institute of Statistics of Rwanda
OAG	Office of the Auditor General
OVC	Orphans and Vulnerable Children
PBF	Performance-based financing
PFM	Public financial management
PMTCT	Prevention of Mother to Child Transmission
PPA	Participatory Poverty Assessment
PRSP	Poverty Reduction Strategy Paper
PTA	Parents and Teachers' Association
PWDs	Persons With Disabilities
RBM	Results-based management
RCA	Rwanda Cooperative Agency
RDB	Rwanda Development Board
RGB	Rwanda Governance Board
RNP	Rwanda National Police
RRA	Rwanda Revenue Authority
RPHC4	Fourth Rwanda Population and Housing Census
RWF	Rwanda Francs
SACCOs	Savings and Credit Cooperatives
SGBV	Sexual and gender-based violence
SMEs	Small and Medium Enterprises
SMEs	School Management Committees
SNE	Special Needs Education
SWAP	Sector-wide approach
SWG	Sector Working Group
TBAAs	Traditional Birth Attendants
THE	Total health expenditure
TIG	Community Service as an alternative to imprisonment
TVET	Technical and Vocational Education and Training
TWG	Technical Working Group
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VCT	Voluntary Counselling and Testing
VSLAs	Village Savings and Loans Associations
VTCs	Vocational Training Centres
VUP	Vision 2020 Umurenge
WDA	Workforce Development Authority
WHO	World Health Organisation

List of figures

Figure 1.1: Hierarchical illustration of the Dimensions of Human Development	19
Figure 1.2: Rwanda GDP growth trend 2006/7 – 2013/14 (based on Annex 2A)	25
Figure 1.3: Changing structure of Rwanda's GDP.....	25
Figure 1.4: Rwanda - Human Development Index trends, 1980–2013.....	27
Figure 1.5: Comparison of Rwanda's in relation to Global and Sub-Sahara Africa Index scores	28
Figure 2.6: Map of MPI levels by sectors.....	33
Figure 2.1 Graphical illustration of the Roadmap towards Vision 2020.....	45
Figure 3.1: Sources of Funding for Local Governments (FY2010-2013).....	62
Figure 3.2: Level of citizens' participation in decentralized service delivery activities	67
Figure 4.1. Where are working Rwandans employed? (Data source: EICV3, 2010/11).....	75
Figure 4.3: Trends in food security in Rwanda (2006-2012).	78
Figure 4.4: Proportion of produce that is sold.....	82
Figure 4.5: Percentage of industrial employees by education level.....	89
Figure 4.6: Number of industrial firms by size	89
Figure 4.7: Comparison between firm categories of firms and employees.	90
Figure 4.8: Location of Tourism and Hospitality Establishments by Province	94
Figure 5.1: Percentage of children under 5 years sleeping under ITN.....	107
Figure 5.2: Percentage of pregnant women who slept under ITN	108
Figure 5.3: Trends in Maternal Mortality Rates 2001-2010	111
Figure 5.4: Causes of neonatal deaths in Rwanda (based on DHS 2010 estimates)	112
Figure 5.5: Percentage of children 12-23 months who have received all basic vaccinations.	114
Figure 5.6: Use of modern contraceptive methods among married women	115
Figure 5.7: Trends in use of modern contraceptive and total fertility rates 2000-2010.....	116
Figure 5.9: Trends in scale-up of Anti-Retroviral Treatment in Rwanda	119
Figure 5.10: Increasing Number of Patients Receiving ART services.....	119
Figure 5.11: Household access to improved drinking water	122
Figure 5.12: Sources of Funding for CBHI in Rwanda.	125
Figure 5.13: Trends in coverage of community-based health insurance	126
Figure 6.1: Trends in pre-primary enrolment.....	133
Figure 6.2: Trends in Net Primary School Enrolment rate in Rwanda for 2007-2013.	135
Figure 6.3: Trends in Selected Basic Education Access Indicators	136
Figure 6.4: Transition rates from primary to secondary school.....	136
Figure 6.5: Trends in performance at national primary leaving examinations.....	137
Figure 6.6: Trends in selected quality indicators of Primary Education in Rwanda	137
Figure 6.7: Trends in primary school performance.....	138
Figure 6.8: Trends in Secondary School Enrolment during 2007-2013.....	142
Figure 6.9: Trends in Students Enrolment in VCTs.....	143

List of Tables

Table 2.1: Human Development Index Trend for Rwanda and Neighbouring Countries	28
Table 1.3: Rwanda's education history since independence	30
Table 1.3: Update of Rwanda HDI after Rwanda Population and Housing Census 2012 and new calculations of MYS.....	31
Table 2.1: Key Priorities of and Progress Towards Vision 2020	37
Table 2.2: Poverty Reduction Trends by Province 2000- 2011	43
Table 3.1: Sub-national Government Structures before and After Decentralisation Reforms	57
Table 3.2: Approved Budgets for transfer to Districts 2007-2014 (RwF million)	60
Table 3.3: Actual Financial Transfers to Districts (RwF Million).	61
Table 4.2: Production of Major Food Staples.....	77
Table 4.3: Trends in selected Malnutrition Indicators among Children under Five Years	80
Table 4.4: Trends of Forms of Employment for Rwandans	87
Table 4.5 Number of Employees in Industrial Sector by Category	88
Table 4.6: Number of Firms by Size Category	88
Table 4.7: Number of Industrial firms by Sub-sector and Province	90
Table 4.9: Employment in the Tourism Sector by Sub-Sector and Gender.....	95
Table 4.10: Some Initiatives to Increase Incomes of Selected Income Groups	98
Table 5.1: Percentage of Households with At Least One Insect-Treated Mosquito Net (ITN) ...	106
Table 5.2: HIV/AIDS Prevalence by Region in Rwanda	118
Table 5.3: Mapping Health Facilities and Their Scope of Service Delivery	124
Table 5.4: Selected Key Health Indicators	129
Table 6.1: Trends in Total Primary School Enrolment Disaggregated by Sex 2007-2013	134
Table 6.2: Phased Development of School Infrastructure under the 12-Year Basic Education .	139
Table 7.1: Wealth Categories in Rwanda	154

RWANDA AT GLANCE

	PERIOD	VALUE		PERIOD	VALUE
ECONOMIC INDICATORS			Environment		
GDP at Current Market Prices (USD Millions)	2013	7,517.8	Population with Access to piped water (%)	2012	7.6
Growth of GDP at Constant prices (%)	2013	4.7	Population with Access to improved water source (%)	2012	73
GDP per capita (USD) constant	2013	682.2	Population with Access to Acceptable Sanitation (%)	2012	95.6
GDP per capita (USD) current	2013	701	Proportion of Population Relying on Traditional Fuels for Energy	2012	98.1
Unemployment rate (%)	2012	3.4	Geography		
Inflation rate (%)	2013	4.2	Total Geographic area of Rwanda (Km2)	2013	26,338
Informal sector share of employment (%)	2012	46.0	Land Area (Km2)	-	24,668
SOCIO-DEMOGRAPHIC INDICATORS			Water Mass (Km2)	-	1,670
Population Statistics			Arable Land (%)	2013	46.3
Population (projection in millions)	2013	10.7	Land under forest cover (%)	2013	10
Annual Population Growth Rate (%)	2012	2.6	Total Geographic area (Km2)	-	26,338
Age dependency Ratio (per 100)	2012	93.2	Infrastructure		
Fertility rate (%)	2012	4.0	Bitumen Road coverage (%)	2012	26.0
Health			Population w within 2km of all weather road (%)		
Life Expectancy at Birth (years)	2012	64.4	Installed Electricity (MW)	2013	413.1
Under 5 Child Mortality (per 1000)	2012	72	Share of household connected to grid electricity (%)	2012	16.8
Infant Mortality (per 1000)	2012	49	Population with Mobile subscription (per 100)	2012	54.0
Maternal mortality (per 100,000)	2012	68.2	Population accessing internet (per 100)	2012	7.0
Medical personnel (per 100,000)	2013	166			
Number of Health Institutions	2013	1,036			
Education					
Gross Enrollment Rate of Primary (%)	2013	138.5			
Gross Enrollment Rate of Secondary (%)	2013	41.5			
Ratio of Girls to Boys in Primary Education (%)	2013	103			
Adult Literacy Rate (%) Male to Female	2013	61			

FOREWORD

It is my pleasure to introduce the Rwanda Human Development Report 2014, with the theme **“Decentralisation and Human Development: Accelerating Socio-Economic Transformation and Sustaining Accountable Governance.”** Significant socio-economic transformation has taken place in the country where human development has been advanced as the ultimate objective of human activity and actually took precedence over economic growth. As the country makes these strides, there is a move to find new sources of growth and address key structural bottlenecks.

The report outlines the role of decentralization, human development and accountable governance in addition to providing various policy recommendations. Decentralization, accountable governance, community development, and social affairs feature broadly in the national agenda. To this effect, the Government of Rwanda, through the Ministry of Local Government (MINALOC), formulated a National Strategy for Community Development and Local Economic Development.

These programmes have been crucial ingredients in supporting both Rwanda’s Vision 2020 and EDPRS II. Local empowerment strategies also have strong foundations in the laws of the country and in the political and administrative reforms of the government. The universal provisions of social services like health, education, water, sanitation and public safety remain paramount.

There is a strong commitment from political, economic and administrative levels to manage people’s development processes, relationships and institutions through which citizens’ groups articulate their interests, exercise their rights and obligations and mediate their differences.

Vision 2020 Umurenge Programme (VUP), an Integrated Local Development Program to Accelerate Poverty Eradication, Rural Growth, and Social Protection is an example of the programmes aimed at local empowerment. This is an initiative by the Government of Rwanda (GoR) in collaboration with development partners and NGOs and is led by the Ministry of Local Government (MINALOC) and supported by the Ministry of Finance and Economic Planning (MINECOFIN).

Decentralization has been a key policy of the Government of Rwanda (GoR) since the National Decentralization Policy was adopted. The main thrust of the policy was, and is, to ensure equitable political, economic, and social development throughout the country, and to be a cornerstone of the fight against poverty by increasing people’s participation in the planning and management of the development process. The tremendous achievements the country has made in implementation of the policy are attributed to the Commitment of the people of Rwanda, strong political will and support from development partners.

The report provides a detailed account of the country’s position on these processes and is an important instrument for further socio-economic policy implementation. We acknowledge that this has great potential for bringing about many gains to human development. It will guide policy formulation and implementation that is conducive to people’s empowerment and will facilitate broad-based participation in the decision making process.

I would like to thank the United Nations Development Programme for their commitment and support of our socio-economic development agenda. We extend our appreciation to all the stakeholders who have in one way or the other supported this important endeavor.

Hon. Francis Kaboneka

Minister of Local Government

PREFACE

Human development is a concept that goes beyond economic development and income levels, and includes other foundational elements that contribute to a long, healthy and prosperous life. The Rwanda Human Development Report 2014 examines the social, economic and political aspects of the country's development, with an aim to expand social protection and to empower local people as a key pillar in sustainable economic growth.

Decentralization and accountable governance are very key instruments of economic transformation, as the government seeks to bring governance closer to the people. Local, accountable public management is at the heart of good governance, essential for human development. Local participation fosters political stability, develops the capacity of local decision-makers, and creates pressure for improved public service provision, identifying local priorities and increased efficiency and equity of resource use.

There is need to create strong links with decentralized levels, by establishing, institutionalizing, monitoring and evaluation systems and greater investment in public sector capacity building. When that level is achieved, there would be sustained momentum and lasting impact as far as the decentralization and human development are concerned.

The report presents an integrated structure that combines socio-economic issues with various dimensions of the human development process in Rwanda. It explores priorities for basic human needs: education, health care for all, empowerment of people to develop their capabilities, and protection of basic human rights. It also seeks to strengthen the national capacity for analyzing development dynamics and coming up with effective strategies to address identified challenges.

So far, there has been impressive progress in the social sectors of health and education through investing in areas that empower citizens to participate more productively in the economy. The United Nations and other partners will continue supporting Rwanda to leverage its experience of rapid development, including public sector efficiency, and using home-grown solutions for greater socio-economic transformation.

This cause of empowering local governments has gained vast political support, and the government and the people of Rwanda and development partners remain committed to human development. It is therefore hoped that this report will be used as effective tool for the implementation of national development policies and as an advocacy tool to remind the nation of its development priorities.

Rwanda Human Development Report 2014 is, therefore, the result of a collective and deliberate effort of an array of stakeholders who have made their contribution to the realization of the country's quest towards its development efforts. We are grateful for the numerous suggestions and analysis provided by our colleagues and partners at various stages of preparing this report.

Mr. Lamin M. Manneh

UNDP Resident Coordinator

EXECUTIVE SUMMARY

The underlying rationale for human development is that economic growth alone does not automatically translate into human progress. Development processes must be audited to assess whether, and to what extent, economic growth is resulting in, or impacting human development. The view that human beings are the ‘primary ends’ of the development process calls for a balanced focus on what people get from development (qualitative and quantitative change in their wellbeing) and what they put into it (their contribution to development). Governments can promote human development through the deliberate choices they make in the process of expanding their economies. Pro-poor policies and significant investments in people’s capabilities—through a focus on education, nutrition and health, and productive skills enhancement—can expand access to decent work and provide opportunities for sustained progress. On the other side, political, cultural, social and economic reforms that expand opportunities for people to productively use their capabilities must be in place. These two aspects- human capabilities and the opportunities to make capabilities function -constitute what human development is about.

As Rwanda emerged from post-genocide recovery, the main agenda was restoring human dignity and sustaining it through future generations. Social investments (health, education, housing, social protection) thus constituted the main priority of Rwanda’s first Poverty Reduction Strategic (PRSP 1) alongside investments in economic infrastructure. After the PRSP 1, however, the Government of Rwanda (GoR) realized that impressive progress had been made in the social sectors of health and education but income poverty had increased, inequality had widened and the national debt was rising to unsustainable levels. The country needed to invest more in areas that would increase the economy’s capacity to raise and sustain social development. Increasing citizens’ ability to create wealth was also considered vital. The GoR also realized that economic growth was not enough to increase household incomes, and deliberate policy measures were needed to make growth inclusive. As a result, there has been a progressive shift towards investing in areas that empower citizens to participate more productively in the economy. This includes expanding economic infrastructure (roads, electricity access, etc.), developing productive skills through training and apprenticeship, preferential treatment of poor but physically able citizens in employment on public works projects, and provision of affordable micro-finance services, among others.

Initially, Rwanda’s decentralisation process focused on political empowerment through awareness raising, electoral grassroots democracy and representation at various levels. Many men, women and youth had the opportunity to be elected to various positions in the local government structures. After achieving inclusive governance and citizen awareness, decentralisation was re-oriented to support service delivery. Since 2006, greater emphasis

has been put on consolidation and reform to facilitate faster poverty reduction and accountability as well as faster, inclusive and equitable economic growth. For this to happen, the decentralisation process has been subjected to regular but carefully executed reforms undertaken to align with the changing governance and socioeconomic circumstances. The most recent reforms have put more emphasis on improving service delivery and citizen participation, especially in areas that contribute to human capital, freedoms, livelihoods and choices. This underscores the important role decentralisation plays in promoting human development. Decentralisation is now more widely appreciated as an overarching national transformation process in Rwanda.

Rwanda's development model of inclusive growth, strategic focus on human wellbeing, and grounding in values-based home-grown solutions, make decentralisation an important instrument for service delivery. Decentralisation localizes and makes public policy formulation and implementation processes more participative, and redefines the bottom line of public investments to include quantitative and qualitative improvements in human wellbeing. Over the last decade of decentralisation, Rwanda has made a significant leap in all dimensions of human development. Four in five households are food secure, a sharp contrast to a decade ago when only one in five households were food secure. Household incomes have improved, and this is partly evidenced from the increased proportion of agricultural produce sold. Rwanda is on track to realize universal basic education with a net primary school enrolment of 97% and completion rate of 69% in 2013, and with the proportion of qualified teachers having increased to 96% from less than half in 2002. Gender disparities have been closed in both enrolment and transition rates, and tuition-free education has been increased from the initial 6 years in 2003 to 12 years in 2012, giving Rwandan children the opportunity to be in school until they become adults and more knowledgeable. These, together with increased investment in technical and vocational education, are contributing to increased quality of human capital in Rwanda. Child employment has progressively declined from 9.5% in 2001 to 5.3% in 2006 and 3.6% by 2011, largely as a result of expanded education opportunities, reduced social vulnerability of households and increased mobilisation by local authorities. Literacy levels have also improved significantly from one in two adult Rwandans to two in three by 2012. Nevertheless, one in three adult Rwandans being illiterate remains too high for a modernizing economy and could undermine efforts to further reduce social vulnerability.

Communication, a key facilitator in development, has improved significantly with 71% of the population living within less than five kilometres from a main road served by public transport, and three quarters of these roads (73%) are accessible year-round (NISR and WFP, 2012). More than half of all households possess a mobile phone, and this has transformed life in many respects by connecting families, business interests, citizens and their leaders, job seekers to jobs, and farmers to agro-markets. The increasing diffusion of

mobile phones has enabled many people to access affordable financial services. Decentralisation has also underpinned Rwanda's reconciliation and equitable growth programs, as it has provided a platform for citizen participation and served as an effective link between Rwandans and their government.

Decentralisation, home-grown solutions and human development

Decentralisation has facilitated the piloting and implementation of the home-grown solutions, which have underpinned Rwanda's reconciliation and socioeconomic transformation process. Rwanda's home-grown solutions are grounded in traditional values, and have been pivotal in addressing governance and service delivery challenges that required innovation. In the context of human development, the most outstanding home-grown solutions include *Umuganda* (Community work), *Ubudehe*, *Ubwisungane* (mutual insurance), *Girinka* (a cow for every poor household) and *Agaciro* (self-worth or dignity). All others are

Ubudehe ("community effort in the fight against poverty") creates opportunities for people, especially the village level, to interact with one another, share ideas, create institutions and make decisions for their collective development. When it was first piloted during the 1999-2000 Participatory Poverty Assessment (PPA), *Ubudehe* provided a detailed poverty diagnosis that helped to identify, map and describe citizens in different wealth categories and the specific poverty issues individuals and households in each category faced. This provided information and strategic guidance for understanding the face and manifestation of poverty in Rwanda, addressing poverty and following up on how poor people could get out of poverty. *Ubudehe* assisted Rwanda's development actors to test the power of community self-help and facilitated the reconciliation process. The *Ubudehe* model has since been used in the design and implementation of social investment programs, including the Vision 2020 *Umurenge* Program (VUP), a national flagship social protection program.

Girinka ("one cow for every poor family") is rooted in the *Ubudehe* assessment that possession of livestock as a key option to raise people out of poverty. Livestock provides organic manure that impacts which households can produce food in an environment of severely degraded soils. More importantly, cows help solve nutrition and income problems through the consumption and sale of milk and other products associated with livestock. In Rwanda's ancient traditions, cows were also socio-cultural assets used in conflict resolution and promoting social cohesion as well as a deposit of wealth. *Girinka* has become a poverty reduction tool that provides direct asset transfer to poor households. The potential of *Girinka* to reduce extreme poverty and income inequality is recognized by the GoR as it strives to implement economic development models that promote inclusive and equitable growth. By end of 2014, more than 204,000 households had received a cow, and the GoR

plans providing cows to at least 350,000 poor households by 2017. These households are subsequently expected to pass on the first female offspring of their cow to other poor households. As a result, *Girinka* is a Rwandan model of a revolving fund that addresses multi-dimensional poverty and social cohesion through direct physical asset transfer. Decentralisation has facilitated this process, as local authorities and community structures are responsible for identifying the beneficiaries, procuring and distributing the cows, and monitoring and follow-up to ensure that the program succeeds.

Umuganda (“community work”) uses the power of group effort to solve community problems that would not otherwise be possible through individual effort. From repairing bridges and de-silting drainages, to constructing classrooms and houses for widows, *Umuganda* has helped harness citizens’ efforts. From the perspective of reconciliation and social cohesion, *Umuganda* has helped Rwandans to reconcile and learn to work together again, without which advanced economic development programs like cooperatives and land consolidation-based production would have been difficult. Building on *Umuganda* and other initiatives, Rwandans launched a program called *Agaciro Development Fund* in 2012 to mobilise funds for development.

Ubwisungane (mutual insurance) is most widely known from the perspective of access to health (through community-based health insurance) but has also been instrumental in increasing access to services such as veterinary services under *Girinka*. Poor livestock farmers including those who received cows under *Girinka* have been able to access services that out of reach such as artificial insemination and livestock treatment.

Decentralisation has helped align the GoR and its development partners’ interventions with the specific needs of citizens, which has increased efficient use of public resources, and there are signs that the investments undertaken through decentralisation are more effective in targeting poor and vulnerable people.

As a result of investments in health systems, Rwanda has not only reduced deaths and illnesses (malaria, AIDS-related, etc.), but now has greater capacity to avoid preventable diseases and health hazards.

Agricultural production is still largely primary and faces systemic losses, although the government is investing in modernization of agricultural and natural resource-based value chains.

Social protection interventions have enabled many children in extreme poverty and harsh social conditions to benefit from free basic education and health care. For instance, historically marginalized people, genocide survivors, and households in extreme poverty

conditions identified under the *Ubudehe* wealth classification receive full health insurance coverage support from the state, in addition to housing, food assistance and land allocation.

Closing the gender gap in education also has multiple benefits across human development dimensions. Women with more education are more likely to access and use modern contraceptives, which has the effect of improving maternal health. They and their household members are also less likely to suffer malnutrition and hygiene related diseases.

Rwanda is, however, still challenged by low labour productivity, low industrial output and high production inefficiency, which reduces the competitiveness of Rwandan products even in the domestic market, and undermine the economy's ability to provide decent jobs. The slow transition to a knowledge-based economy implies that many people could remain stuck in low-wage agricultural jobs. A productive labour force is essential to developing a knowledge-based economy and increasing industrial performance. The GoR has, under the second economic development and poverty reduction strategy (EDPRS2), identified competence-based learning, skills development and attitude change as key areas reforms to address labour challenges.

Climate change effects are also increasingly threatening the livelihoods of poor people, especially those whose livelihoods are agriculture-based. Empowering households to diversify income sources and invest in adaptive measures to deal with the effects of extreme events like prolonged drought, floods and landslides, which are becoming increasingly frequent, will be critical for human development. Local authorities are best placed to address climate change vulnerabilities, and as such, institutional capacity-building support in climate change resilience should focus on local governments and community-based institutions like cooperatives. The establishment of a National Fund for the Environment and Climate Change is a major positive step towards strengthening Rwanda's resilience to climate change effects.

Moving forward, Rwanda must invest more in reproductive health with particular focus on increasing access to, and use of, family planning services. This will improve maternal and child health; reduce population pressure and the cost of health care; and assist with addressing the multiple challenges associated with large household sizes. Integrating food security with family planning, literacy and household incomes will effectively address the extreme poverty that presently affects at least one in four Rwandan households.

Reforms in the education sector hold the key to unlocking human potential. Having succeeded in enrolling all children in school, Rwanda must now focus on improving the quality of learning and education outcomes across the entire system – from basic education to technical and vocational education and training (TVET), and tertiary level. Rwanda must

also address vulnerability challenges that prevent the poor from fully utilizing the education opportunities provided through 12-Year Basic Education (12YBE). The government must ensure that the one in three children that do not transition into post-primary education and the low enrolment of girls in TVET institutions are effectively addressed in order to realize its 2017 and 2020 targets. Youth employment must be given specific attention, and increasing the connection between the labour supply (educational and training institutions) and demand (the marketplace) provides the most promising impact. The marketplace must become an extension of training not only for providing knowledge and skills, but also for instilling the attitudes and values needed for a productive workforce.

Increasing opportunities for apprenticeship, sensitizing young people to save and invest, and developing entrepreneurial skills will enhance employment creation and the employability of young Rwandans. Institutionalizing inclusive growth and human wellbeing will ensure that pro-poor development is guaranteed to extend beyond the current government's term. This is vital, considering that much of the country's participatory and inclusive development initiatives have been inspired by—and very often driven by—the current head of State, President Paul Kagame. The *Umushyikirano* (national dialogue), *Girinka* and *Agaciro* initiatives have ridden on his personal stewardship and may be difficult to sustain without his direct leadership unless these initiatives are fully institutionalized within government.

Rwanda must also strengthen community institutions that promote human wellbeing. The cooperatives, farmers' associations, community health workers, school management committees, *Ingobyi*¹ associations, sports and recreation clubs, water-user committees, traders' associations, and many community-based organisations (CBOs), among others, must be strengthened to enable them develop human competences in the process of human development.

¹ Traditional patient carriers used as ambulances. These structures are relevant even with increased availability of modern ambulances, considering the terrain that limits motorable transport to health facilities.

CHAPTER 1: INTRODUCTION

1.1 Introduction

1.1.1 Overview

The concepts of decentralisation and human development are rooted in the desire to put human wellbeing at the centre of development. The principal aim of this report is to provide information to guide policy dialogue, programming and decision-making around human development. This edition of the National Human Development Report specifically analyses the influence or contribution of decentralisation in the attainment of Rwanda's human development aspirations.

The recognition that human beings are the primary ends as well as the principal means of development (Anand & Sen, 2000) is what inspired the development and publication of the Human Development Reports (HDR) since 1990. HDRs are thus tasked with incorporating the views of human beings as ends in the accounting and assessment of development. HDRs extend development's bottom line beyond GDP growth to cover qualitative and quantitative changes in human wellbeing. The rationale is that if humanity is about freedom, then human development is about quantitative and qualitative change in that freedom. Economic empowerment and knowledge are important indicators of such freedoms. The change in freedom relates to the laxity with which human beings are enabled to pursue and achieve what they want (UNDP, 2003).

In this chapter, the concepts of decentralisation and human development are analysed first from global and national perspectives, and then in the context and experience of Rwanda, highlighting its unique challenges and response approaches, including the place of home-grown solutions and human development outcomes.

1.1.2 Background

In the aftermath of the 1994 genocide against the Tutsi, Rwandans identified their fundamental problems as poverty and bad governance characterized by exclusion. These would not be resolved by merely preaching reconciliation and rebuilding economic and social infrastructure. It would require giving power to the people and enabling them to be active participants in their own development process. Rwanda emerged from the recovery period with the determination to ensure that the problems of bad governance that had destroyed the country would never be experienced again. Decentralisation was considered as a panacea to bad and exclusive governance, and in May 2000, the National Decentralisation Policy was adopted amidst pessimism, perhaps genuinely, since the

country's political situation was still tense. A decade and a half later, Rwanda has established a participatory governance system and is implementing an inclusive economic growth model, with impressive social and economic development results. Since 2003, Rwanda has been a democratic state, holding regular national and local government elections. Inclusiveness and human dignity are the two key elements that define Rwanda's governance and economic development process. They are entrenched in the country's constitution, they are reflected in the national economic development framework, and they define what government is in Rwanda. These same ideals constitute what human development is about.

A decade and a half after adopting decentralisation, and eleven years into democratic governance, Rwanda stands as a politically stable and socioeconomically transforming nation, with a record of impressive performance in all human development dimensions. From primary school enrolment to maternal and child health improvement and a record reduction in extreme poverty, Rwanda has performed impressively. It has now extended free basic education from 6 to 12 years, and has rolled out a youth employment program. The government and citizens have leveraged their strengths by digging back into Rwanda's rich history, culture and traditional values to formulate home-grown solutions. These developments are enabled by the sustained high economic growth rates averaging 7 to 8 percent over the last decade, radical reforms that have put the country among the top business reformers, and an investment environment that does not tolerate corruption.

Rwanda is now in a unique position to leverage its experience of rapid development, including public sector efficiency, and using home-grown solutions to build social cohesion and extend essential services to citizens. Rwanda's performance on global targets such as the Millennium Development Goals (MDGs) has also attracted international attention. Indeed, Rwanda is one of the countries selected to pilot thematic areas of the post-2015 program. Rwanda now needs to consolidate its achievements in all dimensions of human development and sustain the momentum. Choices have to be made to invest more in quality improvement and scaling up access to health care and education. As decentralisation has underpinned most of the progress made in the last decade, deepening decentralisation should be a priority, particularly sectoral decentralisation with a focus on transferring more powers, resources and capacities to sub-national actors. It is perhaps the only effective way for local actors to be more responsible, more motivated, more innovative and more accountable for service delivery. There are risks in not investing to build sustainable local government capacities.

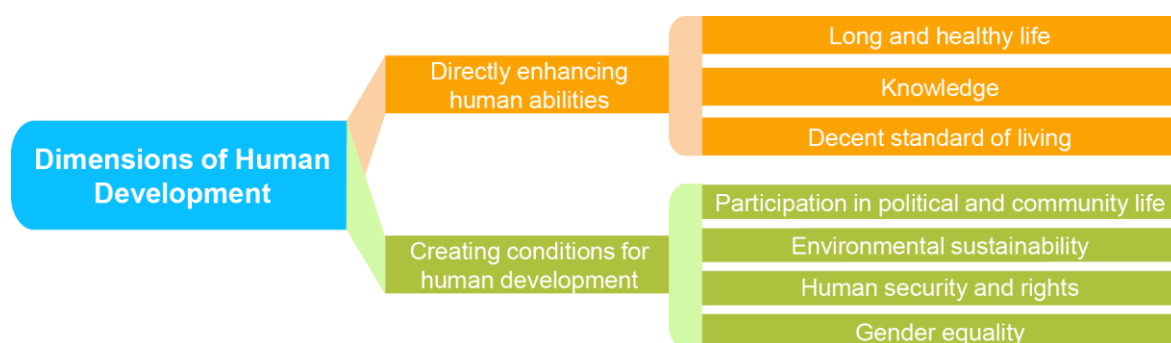
1.2 Human Development: Concepts, Dimensions and Significance

The concept of human development was developed to link economic growth with progress

in human wellbeing. The most common definition is the one developed by economist Mahbub ul Haq (UNDP, 1990), who defined human development as the process of enlarging people’s freedoms and opportunities and improving their wellbeing. Others define human development simply as a process of enlarging choices. Human development is about the real freedom ordinary people have to decide who to be, what to do, and how to live. Choices are enlarged when people live healthy lives, exercise freedom to apply knowledge, and when they have the capability to meet their needs.

Every day, human beings make a series of choices—some economic, some social, some political, some cultural—but poverty, low literacy and restricted movement limit people’s ability to make choices. People do not eat less food than they need, give birth to children they are not able to bring-up, or live in substandard housing out of choice. When people are the proper focus of development, then development programs are designed to enhance the range of choices for all human beings in all areas of development. Development is a process and an outcome. It is as much about the process through which progressive change happens (i.e. how people’s choices are enlarged) as the outcomes of enhanced choices. It is about both what people have become or have and how people are becoming what they are or are acquiring what they have. Thus, the concept of human development encompasses the basic elements that enhance people’s capabilities and the processes that create enabling conditions for these capabilities to evolve and increase, as well as the ability of people to make choices based on these capabilities (Figure 1.1).

Figure 1.1: Hierarchical illustration of the Dimensions of Human Development



(Source: <http://hdr.undp.org/en/humandev>)

In light of the above discussion, it is imperative to appreciate that economic growth alone does not automatically translate into human development progress. Growth can be jobless, rather than job-creating; ruthless, rather than poverty-reducing; voiceless, rather than participatory; rootless, rather than culturally enshrined; and futureless, rather than environment-friendly. This type of growth is not conducive for human development (UNDP 2003). Beyond expanding economies, governments can and should promote human

development through deliberate choices they make. Pro-poor policies and significant investments in people's capabilities—through a focus on education, nutrition and health, and employment skills—have proven to work in terms of expanding access to decent work and providing opportunities for sustained progress. The 2013 global HDR identifies four specific areas of focus for sustaining development momentum: enhancing equity, including the gender dimension; enabling greater voice and participation of citizens, including youth; confronting environmental pressures; and managing demographic change. Rwanda has confronted these challenges over the last decade through decentralisation among other strategies, and has made significant progress in human development. The 2014 global HDR noted that countries that advance in human development are those that pay more attention to social cohesion. In Rwanda, sustainable peace and reconciliation have remained on top of the country's commitments since 2003, although the approaches appear to be changing. Rwanda's commitment to gender equality, citizen participation, eliminating extreme poverty and ensuring environmental sustainability also constitute important steps towards human wellbeing.

Human capital development and deployment

Anand and Sen (2000) argue that the need to emphasize 'human capital' as opposed to 'physical capital' was strongly felt by many who saw the overwhelming concentration on the accumulation of physical capital to be very inadequate for a proper understanding of the process of economic growth as well as of social change. The importance of human efforts, skills and talents needs to be adequately acknowledged because ignoring them negates the role of people as the promoters of development and progress (Anand and Sen, 2000).

In the context of Rwanda, the concept of human capital is very important because of the traditional values that place human wellbeing at the centre of development, and the country's legacy of genocide that devalued human dignity. Human development is also a common denominator of the country's participatory governance and inclusive growth agenda, and the knowledge-based economic development model that the government has pursued since 2001. Human freedoms and capabilities are considered key ingredients (or inputs) and ultimate outcomes of the development process according to the government's Vision 2020.

Beyond the figures contained in the Human Development Index (HDI), it is important to explore the institutional environment in which human progress is pursued. The social institutions that nurture the value system, the policy measures and actions that improve human development, the systems and structures that help identify and prioritise the people who need to be supported, and the incentives and support systems that favour

human development need to be analysed. This is perhaps where Rwanda has made the most progress. Building on its traditional and cultural values, Rwanda is developing vibrant social institutions that will nurture new generations of Rwandans to live in harmony, take care of each other's needs and be fully involved in rebuilding their country.

The ultimate measure of human development should be for people to live long, productive and fulfilling lives, and this is what access to education, healthcare and income opportunities provide. It should aim to develop human capital that productively contributes to the economy to enable the country to care for its people in a sustainable way. Through innovative investments in health and education, Rwanda has the opportunity to integrate all aspects of human development and to ensure that the expansion of education access results in increased human productivity and production. On the other hand, the economy must create opportunities for educated people to contribute to the welfare of others through productive work.

There is a demonstrable connection between a country's economic growth and human development. However, economic indicators alone are not sufficient to measure people's capabilities. While the bottom line of economic growth is the increase in the size of a nation's wealth (measured by gross domestic product or gross national product), the bottom line of human development is the Human Development Index (HDI), a complex aggregation of indicators that measure how well off individuals, households and communities are. It combines income, health and education outcomes among other non-economic factors that are essential in the promotion of human development. These include protection of human rights, democratic governance based on broad citizen participation, and the separation of powers and responsibilities among different levels of government. As individuals enjoy greater freedom of choice, they are able to strive towards higher levels of wellbeing.

Ultimately, human development is simply about development of, for and by the people. Development of the people involves building human capabilities through the development of human resources. Development for the people implies that the benefits of growth must ultimately benefit the people, and development by the people emphasizes the people's participation in, and contribution to, development processes that affect or concern them.

1.3 Decentralisation: Origins and International Experiences

Since the late 1980s, the concept of decentralisation has become popular. In the context of governance, decentralisation refers simply to the transfer of authority and responsibility for public functions from the central government to subordinate—usually sub-national entity—or local government. Decentralisation is a complex, multifaceted concept and its structure

tends to vary with context. This report makes a distinction between four major forms of decentralisation, including what is called market decentralisation (Anderson, 2003: 5-6):

Political decentralisation is the process of bringing government closer to the people by transferring political power and authority for making socio-politico-economic decisions from the central government to locally elected representatives. From the perspective of democratic principles, political decentralisation means democratization, greater political participation through elections (vote and voice), and more influence in the formulation and implementation of policies. The concept implies that the selection of representatives from local electoral jurisdictions allows citizens to know their political representatives better and in turn allows elected officials to better assess, understand and work towards fulfilling the needs of their constituents.

Administrative decentralisation is the transfer of authority and responsibility for planning, managing and allocating resources from central government to lower levels of government. This type of decentralisation is by far the most common and accepted form of decentralisation. In terms of decentralisation as a process of change, and according to the level of transfer of responsibilities, it is useful to distinguish between deconcentration, delegation and devolution.

- *Deconcentration* is the least comprehensive of all forms of decentralisation. Under this mode, central government functions are performed at local levels but the performing entities remain part of and under the authority of the central government. Performing entities neither have autonomy nor independence.
- *Delegation*, in which the local authority has some decision-making flexibility (usually defined by law), but has to report regularly to a supervisory central government entity and seek permission for unusual decisions. This accurately describes where Rwanda's decentralisation efforts have reached today.
- *Devolution* is the most comprehensive approach, where local government entities are entirely autonomous and the central government has little or no control. One of the most obvious criteria for distinguishing devolution from its counterparts is in revenue collection (taxation) and spending (budgetary) decisions. A high degree of fiscal autonomy indicates a devolutionary context. It is this type of administrative decentralisation that underlies most political decentralisation.

Fiscal decentralisation refers to resource autonomy in the mobilisation and/or allocation and utilization of public funds. With fiscal decentralisation, local governments are given the power to raise and retain financial resources to fulfil their responsibilities. The general understanding is that fiscal decentralisation can improve allocation efficiency by linking public expenditure to local priorities, and circumventing bureaucratic procedures associated with central government authorities.

Economic or market decentralisation encompasses privatization and deregulation. Under this mode, responsibility for certain public functions is divested or delegated to other public (corporations) or private companies, usually for purposes of efficiency and effectiveness. Very often privatization, public-private partnership or other forms are used to provide essential services such as water, energy, telecommunication utilities, and other strategic functions to leverage the market mechanisms and expertise of non-governmental entities in service delivery.

1.4 Human Development in Rwanda

1.4.1 Overview and Context

In Rwanda, human development has been a central theme since pre-colonial period. Taking care of the wellbeing of all members of society (by ensuring that they have food and other basic necessities, security, and opportunities for progress to support others) was the main objective. Society was also structured and organized to fulfil these responsibilities.

Considering human development as a process, it is important to contextualize Rwanda's progress in socioeconomic transformation and human development since 2001. It is also important to underscore the fact that governance issues—notably exclusion, human rights, security, participation and voice—are important facets of human development. However, they tend to be ignored in the rather complex equation of computing the Human Development Index (HDI).

Rwanda's recent history seems to have shaped the government and people's appreciation of the value of human dignity. As a nation, they have experienced one of the most serious tragedies in human history—the 1994 genocide—the effects of which persist, despite the recovery that has been widely described as dramatic and inspiring. Virtually all Rwandans over the age of 20 (i.e. those born before 1994) have experienced some form of disruption, either as refugees or as internally displaced persons. The government is still trying to repatriate citizens that live as refugees abroad. Human development is therefore a subject of central importance to the government and people of Rwanda. This experience has, to a considerable measure, influenced the GoR's decision to place the security, wellbeing and dignity of its citizens at the top of its priorities. This is perhaps no better epitomized than in the words of President Paul Kagame:

“Ukubaho si ukubaho gusa, ni ukubaho neza.” (translated loosely as “to live is not just existing or surviving, but rather living a decent life).

—President Paul Kagame, addressing residents of Nyamagabe district.

Owing to its recent history, Rwanda has defined its approach to human development to focus on three broad areas: i) eliminating all forms of poverty because poverty undermines human values and takes away people's dignity; ii) eliminating all forms of exclusion because it contradicts the very foundation of humanity, and inclusion fosters cohesion; and iii) promoting self-reliance, as external dependency distorts identity and undermines human dignity, which underpins human freedoms.

Rwanda's determination to achieve inclusive economic growth and participatory governance appears to have shaped its choices of actions and approaches, particularly since 2001. First, decentralisation addressed exclusion by creating opportunities for more than 20,000 men, women and young people to be in leadership—from councillors in local governments, youth and women's councils at all levels, and to mayors and vice mayors at district levels. By the end of 2001, Rwanda had at least 107 people serving as elected mayors and more than 420 as vice mayors. Inclusion has also been promoted by shifting the responsibilities for priority-setting and public expenditure from central government to sub-national entities. Secondly, decentralisation has empowered citizens to directly participate in governance and development processes in addition to elected leadership. Decentralisation has provided a platform for leadership development, especially for youth and women who had been historically excluded. In the first phase of implementation, more than 10,000 men, women and youth were elected at various levels as councillors and cell, sector and district leaders. Others served at different levels in youth and women's councils.

1.4.2 The Economy: Sustained Growth, Changing Parameters

Human development is closely linked to national wealth creation. While positive human development cannot normally be associated with a shrinking economy, positive economic growth does not always translate into positive human development. This is the very anomaly that human development debates aim to resolve. Thus, the starting point in analysing progress in human development is economic growth, the most commonly used measure being growth domestic product (GDP), which is the monetary value of the nation's total output in terms of goods and services produced within a year. Rwanda's GDP has expanded greatly since emerging from the post-genocide recovery period. Since 2006, GDP at constant price has nearly doubled from RwF 2,851 billion in the fiscal year ending June 07 to RwF 4,524 in the fiscal year ending June 2014 (Figure 1.2; Annex 2A).

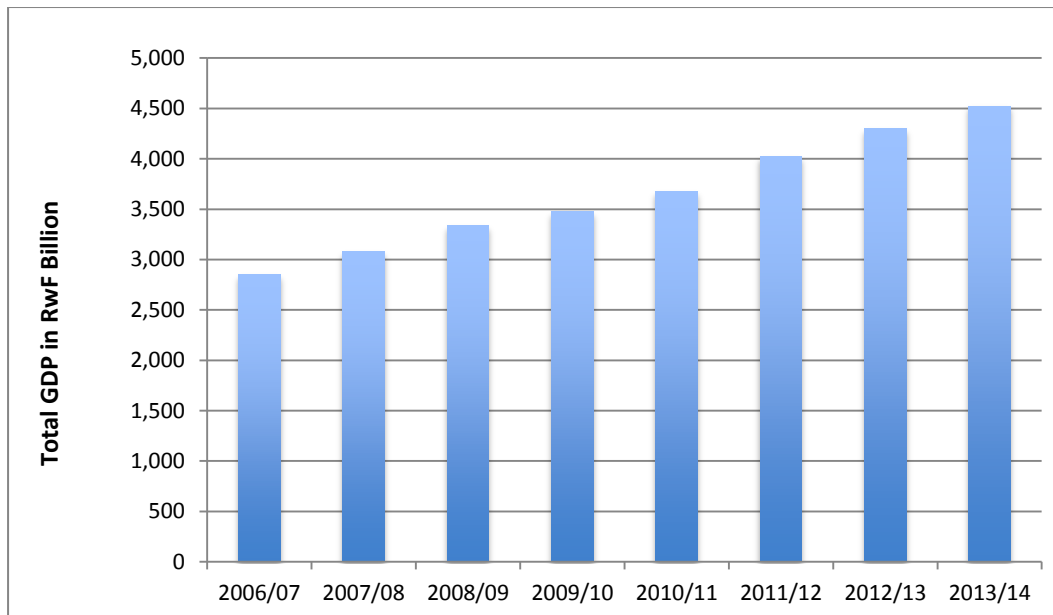


Figure 1.2: Rwanda GDP growth trend 2006/7 – 2013/14 (based on Annex 2A)

As the economy has expanded, the GDP composition has changed progressively, with the share of GDP from agriculture declining while the share of services and industry sectors increases (Figure 1.3). The proportion of GDP from the industry sector, which is one of the targeted areas of growth, has increased by only 1 percentage point over the last seven years.

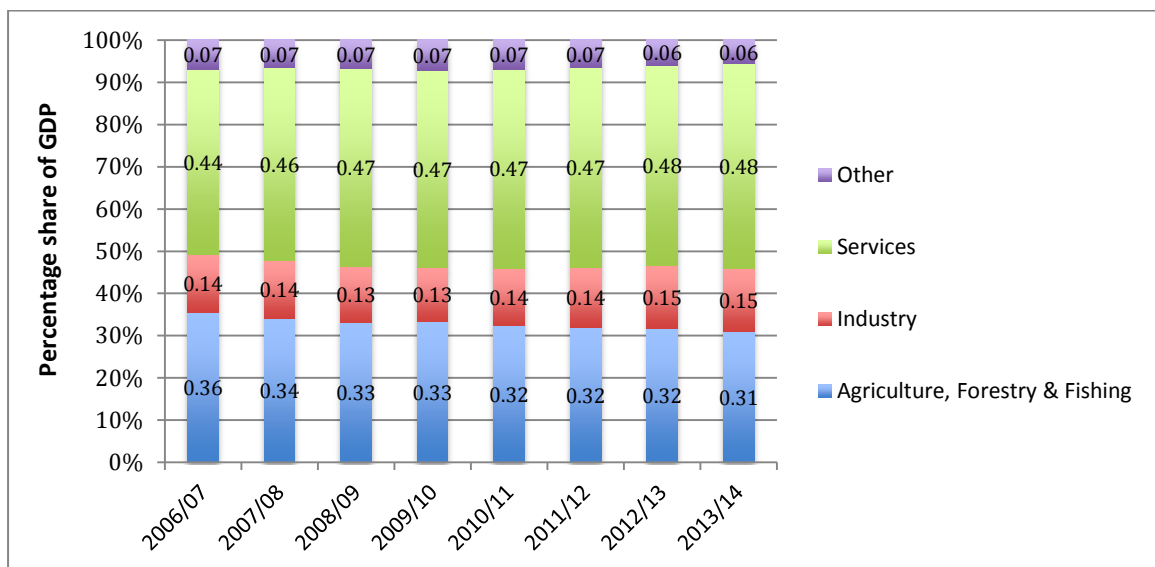


Figure 1.3: Changing structure of Rwanda's GDP

Figure 1.3 shows that the GDP contribution from agriculture has declined by five points, while that of the services sector has increased four points and industry by one point. These developments—although in the right direction—seem to be too slow to deliver the quality and types of jobs envisaged in the Vision 2020 targets. The share of agricultural jobs is still high despite its declining contribution to GDP. In the context of human development, the

changing structure of the economy needs to move at the same pace as citizens' livelihoods or income sources. This requires empowerment in terms abilities to switch jobs or livelihood sources and other forms of adaptation (from agriculture to services). Many people will be excluded if they are not enabled to adapt to the changing structure of the economy.

1.4.2 Demography, Vulnerability and Social Transformation

The fourth Rwanda Population and Housing Census in 2012 put Rwanda's population at 10,515,973 people, of which 52% are female and 48% male. Children (below 0-17 years) constitute almost half of the population, with 41% in the age bracket 0-14 years. Between 2002 and 2012, Rwanda's population increased by about 2.4 million. Population growth has slowed down (to 2.6% in 2012 from 3% in the 2002 census) but remains high, especially in light of Rwanda being one of most densely populated countries in Africa (at 415 people per km² in 2012). The fact that the population is still largely rural and agriculture-dependent also raises concerns, as this could undermine gains in human development. An insignificant number of foreigners (0.8% of total population) is good for a country already facing demographic pressure but could also imply slow social and economic integration, considering migration across borders tends to follow capital and labour inflows. A significant proportion of Rwandan households are female-headed (29%), one in three people (32%) are illiterate, and another one in three Rwandans are in the very delicate age group of 0-9 years. This may signify a high level of social vulnerability. Over the last decade of decentralisation, impressive progress has been made in human development: average life expectancy increased from 51 years in 2002 to 64.5 years in 2012 (RPHC4,2012), surpassing the Vision 2020 target of 55 years.

One of the underlying challenges in addressing poverty is that the concept is elusive with many dimensions and fuzzy boundaries. Consequently, the poverty line is also difficult to draw and measure. Rwanda has demystified the poverty phenomenon by creating and ranking wealth levels through traditional approaches (*Ubudehe*), and this seems to have assisted in better identification of target groups, appropriate design of social protection and development interventions, and more efficient allocation of resources to reduce poverty and improve wellbeing.

1.4.3 Rwanda Human Development Index

The Human Development Index (HDI) is a summary measure for assessing long-term progress in three basic dimensions of human development: a *long and healthy life*, *access to knowledge* and *a decent standard of living*. It takes into account a country's life

expectancy at birth, adult literacy levels and educational attainment, as well as real GDP per capita income. HDI is a measure of achievements by humans through advancement of knowledge, biological changes, habit formations and other criteria that display changes over time. The HDI shows how wide people’s choices are and their platform for making such choices. The underlying assumption is that when choices are widened people can develop their full potential in order to lead productive and creative lives in accordance with their needs and interests (UNDP, 2001).

As indicated above, for the 3 dimensions used to compute a country’s HDI, a *long and healthy life* is measured by life expectancy, and *standards of living* is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) rates. As for access to knowledge, it is measured by 2 sub-indicators: (i) *mean years of schooling* among the adult population, which is the average number of years of education received in a life-time by people aged 25 years and older; and (ii) *expected years of schooling* for children of school-entry age, which is the total number of years of schooling a child of “school-entry age” can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life.

since 1980, the UNDP Human Development Office has compared countries according to their respective HDI, and from the successive global HDRs published ever since, Rwanda’s HDI has risen steadily

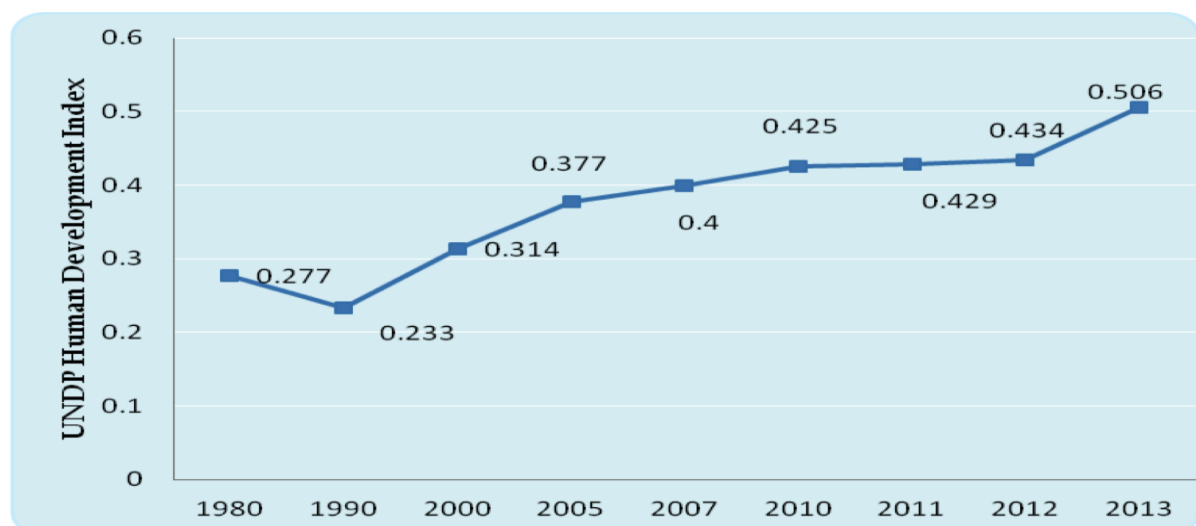


Figure 1.4: Rwanda - Human Development Index trends, 1980–2013

In the GHDR 2014 (which uses 2012 and 2013 data), Rwanda was ranked 151 out of 187 countries, a marked improvement from the 2013 report, in which it was ranked 167th out of 186 countries. Overall, the progress has been broad-based, with strong improvements in two important dimensions of human development such as *health* and *education*.

Table 1.1: Human Development Index Trend for Rwanda and Neighbouring Countries

Year	Rwanda	DRC	Burundi	Kenya	Tanzania	Uganda
1980	0.291	0.336	0.230	0.446	0.377	0.293
1990	0.238	0.319	0.291	0.471	0.354	0.310
2000	0.329	0.274	0.290	0.455	0.376	0.392
2005	0.391	0.292	0.319	0.479	0.419	0.429
2008	0.432	0.307	0.362	0.508	0.451	0.458
2010	0.453	0.319	0.381	0.522	0.464	0.472
2011	0.463	0.323	0.384	0.527	0.478	0.477
2012	0.502	0.333	0.386	0.531	0.484	0.480
2013	0.506	0.338	0.389	0.535	0.488	0.484

Source: UNDP Human Development Report, 2014.

Table 1.1 (above) shows that since 2012, Rwanda has a higher HDI score than all its neighbours, with the exception of Kenya, which is the largest economy in East Africa. The remarkable improvement in Rwanda's HDI can largely be attributed to dedicated investments in social and economic sectors that directly promote human development, notably education, health, agriculture, roads and social protection. These have been key priorities of the EDPRS1 and remain high on the government's priorities through EDPRS2. There have been tremendous improvements in food security, access to and quality of healthcare, and basic education. Income per capita has doubled within one decade. GDP has tripled since 2006, and the government has put in place measures to ensure that it is inclusive. According to NISR's fourth Rwanda Population and Housing Census (RPHC4, 2012), life expectancy in Rwanda has increased from 51 to 64 years over the past decade (NISR, 2012).

Rwanda's HDI is also impressive when compared to sub-Saharan Africa and the global average. (Figure 1.5, Table 1.2).

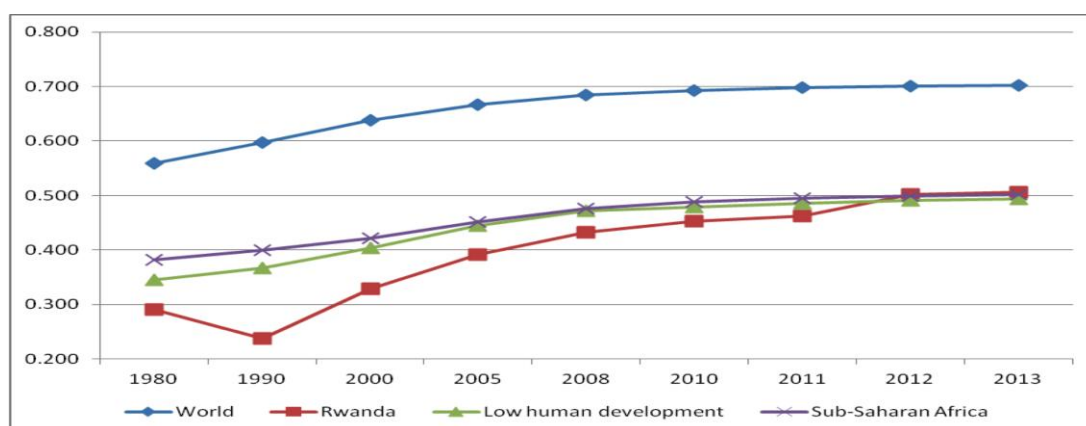


Figure 1.5: Comparison of Rwanda's in relation to Global and Sub-Sahara Africa Index scores

Table 1.2: Comparison of Rwandan, global and sub-Saharan Africa HDIs

	1980	1990	2000	2005	2008	2010	2011	2012	2013
World	0.559	0.597	0.639	0.667	0.685	0.693	0.698	0.700	0.702
Rwanda	0.291	0.238	0.329	0.391	0.432	0.453	0.463	0.502	0.506
Low human development	0.345	0.367	0.403	0.444	0.471	0.479	0.486	0.490	0.493
Sub-Saharan Africa	0.382	0.399	0.421	0.452	0.477	0.488	0.495	0.499	0.502

Source: UNDP Human Development Report, 2014

Figure 1.5 and Table 1.2 shows that Rwanda has surpassed both low HDI countries and sub-Saharan African countries in HDI, a remarkable improvement attributed to consistent investment in poverty reduction programmes.

Update of the calculation of Rwanda's HDI:

The Rwanda fourth Population and Housing Census (RPHC4), 2012 revealed that some of the statistics used by the Human Development Report Office may have been underestimated and did not portray all the progress made by the Country in the area of human development. From the results of the Census, the main indicators used in the HDI calculation have improved significantly, and between 1978 and 2012, *life expectancy at birth* in Rwanda increased from 46.4 years to 64.5 years, while *mean years of schooling*(MYS) was 11.3 years (RPHC4, 2012). Within this same timeframe, Rwanda's GNI per capita increased by about 40%. Improvements in health resulted from construction of more health facilities and expansion of existing ones, widespread distribution and increased use of insecticide treated mosquito nets, increased coverage of immunization against killer diseases, near universal access to medical insurance, increased coverage of clean drinking water and improved hygiene practices. For instance, access to health care increased from 31% in 2003 to 95% in 2010. According to the fourth Demographic and Health Survey (DHS 4), 2010, nearly all mothers (98%) received antenatal care (ANC) from trained personnel. The contraceptive prevalence rate was 45% in 2010, and over 90% of children have received vaccination services. 88% of the resident population had a medical insurance (RPHC4, 2012). Moreover, in the specific case of Rwanda, the modeled values of the MYS indicator have technical limitations. The computation of MYS is done in such a way that, for each age group, the proportion of students that attained a given level of education is multiplied by the official duration of that level. The sum of the resulting values yields the MYS for the population under investigation. For example, assume that 50% of a population completed primary education with a duration of 4 years, and 50% completed lower secondary education with a duration of 4 years, which means they spent 8 years in primary and lower secondary education combined. In this case, $MYS = 0.5 \times 4 + 0.5 \times 8 = 6$ years.

The computation of MYS covers the population of 25 years and above in 2013 (reference period of the National Human Development Report being prepared), which means that population who were born in 1988, and start schooling in 1994 and before

This computation is done under the assumptions that the duration of each level of education remains constant over time, and that all educational levels are compulsory (a person cannot attend primary school without having completed the preschool level, and someone who did not completed the post primary should not attend the secondary level). This, however, is completely out of scope for the relevant target population, due to the education reforms that took place between 1962 and 1994 (See UNSCO, Never again: Education Reconstruction in Rwanda, 2003), which are reflected in the following table (Table 1.3)

Table 1.3: Rwanda's education history since independence

Education Reform Year	Official entry in Primary education	Duration of Primary Education	Duration of Secondary education
1962/1963	7 years	6 years	5,6 or 7 years
1977/1978	7 years	8 years	5,6 or 7 years
1991/1992	7 years	6 years	3 or 6 years
Post 1994	7 years	6 years	3 or 6 years

Source: UNESCO, Never again: Education Reconstruction in Rwanda, 2003, pp 39

Thus, the current estimation of MYS did not reflect the variation in duration of education levels described above for Rwanda, and consequently, did not capture the country's reality.

It is then recommended that the indicator of expected years of schooling, defined as 'number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child's life' be used as a proxy of education index in the computation of HDI for Rwanda. It is also recommended that the expected years of schooling value (11.3 years), and life expectancy at birth value (64.5 years) that were computed by the National Institute of Statistics of Rwanda (NISR) using 2012 Population and Housing Census be used instead of the modeled value of 13.2 years and 64.1 years respectively by HDRO.

As results, the new HDI for Rwanda for 2013 will be 0.557 instead of 0.506.

Table 1.3: Update of Rwanda HDI after Rwanda Population and Housing Census 2012 and new calculations of MYS

Life expectancy at birth (years)	Mean years of schooling for ages 25 and above (years)	Expected years of schooling (years)	GNI per capita (PPP US\$)	Life expectancy index	Education index	GNI index	HDI value
64.5	-	11.3	1,430	0.685	0.628	0.402	0.557

Multidimensional Poverty Index (MPI)²

The 2010 HDR introduced the Multidimensional Poverty Index (MPI), which identifies multiple deprivations in the same households in education, health and standard of living. The education and health dimensions are based on two indicators each while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same household survey. The indicators are weighted, and the deprivation scores are computed for each household in the survey. A cut-off of 33.3%, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and non-poor. If the household deprivation score is 33.3% or greater, that household (and everyone in it) is considered multi-dimensionally poor. Households with a deprivation score greater than or equal to 20% but less than 33.3% are vulnerable to or at risk of becoming multi-dimensionally poor.

The fourth Rwanda Population and Housing Census (RPHC4) conducted in August 2012 counted a total population of 10,515,973. Four Censuses have been conducted in Rwanda to date: in 1978, 1991, 2002 and 2012.

Population and housing census data is a rich data source that has been used to produce a set of thematic reports. Census data can be used to measure and analyse poverty in the country. The general objective of this report is to produce a non-monetary poverty analysis based on internationally accepted practice, but also to produce an index adapted to the circumstances of the country that shows the different levels of deprivation across regions, thus identifying areas with relatively high poverty. The great advantage of measuring poverty using census data is the possibility of producing detailed estimates for very small geographical areas and population sub-groups.

Poverty is a complex phenomenon, which always involves a value judgement on what constitutes a minimum acceptable living condition and the spheres of life that should be taken into account. Its definition and measurement affects the way estimates should be interpreted and used. The three principal methods of measuring poverty are the monetary, subjective, and non-monetary poverty measurements. The first method uses information

² RPHC4 Thematic Report - Theme 10 – Non-monetary poverty 28_03_2014.doc.

on income or expenditure, the second uses individual perceptions of wellbeing, and the third method identifies a set of dimensions and indicators in which households are deprived and combines them. In Rwanda, the measure of poverty uses consumption expenditure (monetary poverty) to make poverty comparisons over time and between sub-populations. However, such information can only be collected through sample household surveys. In the census, neither monetary nor subjective data have been collected, and instead it is possible to construct a non-monetary poverty index.

Internationally, the most widely used and advanced approach in the measurement of non-monetary poverty is the Multidimensional Poverty Index (MPI), which combines three fundamental dimensions of people's life: education, health and living standards. Each of these dimensions receives the same weight (one-third), and each dimension can be represented by more than one deprivation indicator, which accordingly shares the dimension weight based on the number of indicators. Deprivation scores are added up to yield a deprivation score from 0 to 100 and, most often, in order to be considered poor, a household must be deprived in at least two dimensions. In fact, the deprivation score must be higher than or equal to 33%. A household is considered severely poor if it has a deprivation score of 50% or more. The MPI is used in this report, but the internationally used selection and definition of indicators are adapted both in relation to certain data constraints and the specific reality of the country.

The main advantages of the MPI compared to other non-monetary approaches are that it is calculated for every household and can be disaggregated by population sub-groups. The MPI methodology takes into account both the incidence of poverty and its intensity. Moreover, poverty can be decomposed to understand the contribution of each indicator and what drives poverty in the country and in different regions. However, the MPI also has some drawbacks: the dimensions considered are limited and the selection of indicators and the way they are empirically measured can generate some imbalances when comparing poverty levels between households with different demographic structures. Nevertheless, non-monetary poverty can be useful to complement and compare official poverty measures, and important insights can emerge from their comparison.

At the national level, 1,050,135 people are found to be severely poor and 2,818,321 moderately poor, so the total number of poor people is 3,868,456. Within the population with sufficient available data, this represents 37% of the population. As expected, rural areas have both a higher number of poor people (3,616,048) and also a higher relative incidence of poverty, at 42% compared to 15% in urban areas.

At the provincial level, the Western and Eastern provinces are poorer than other provinces, with both having 42% of individuals living in poverty, while Kigali City has the lowest

percentage of poor people with 15% of the population. This finding shows a slightly different pattern from official poverty measures, where the Southern Province is found to be the poorest province. The Eastern province has higher agricultural production than other provinces, which results in better consumption; however, it has lower coverage of infrastructure and services (electricity, clinics, schools, etc.), and has disproportionately higher malaria prevalence (a major contributor to child mortality). These features could well explain the differences in the ranking of poverty between monetary and non-monetary poverty.

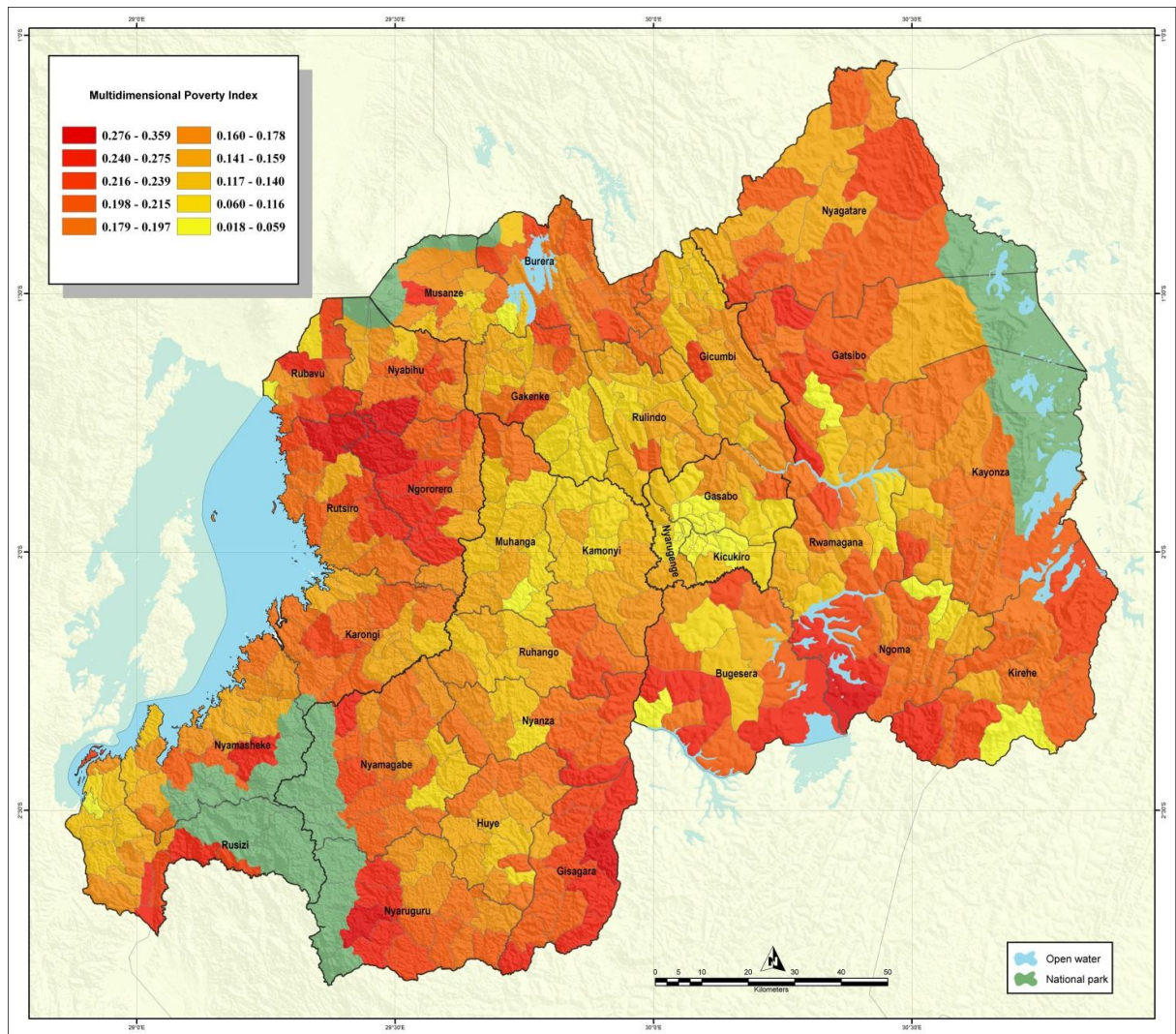
At the district level, the better-off districts are those in Kigali, but even in the provinces it is possible to find some stark differences: districts with relatively large cities, such as Muhanga, Huye, Gicumbi, Rwamagana and Musanze, as well as Rulindo and Gakenke, which have more rural settlements, show an overall poverty level around or below 35%, but Gisagara, Ngororero, Rutsiro, Nyaruguru, Kirehe and Burera have more than 45% of people living in poverty.

At the sector level, the poorest sectors are Muhanda (Ngororero), Muringa (Nyabihu), Nyabirasi (Rutsiro), Gishubi (Gisagara) and Nyabimata (Nyaruguru). The five least poor sectors are Kicukiro (Kicukiro), Niboye (Kicukiro), Muhima (Nyarugenge), Rwezamenyo (Nyarugenge) and Kimironko (Gasabo). The poorest sectors are in the districts that show a high level of poverty in the Western and Southern provinces, whereas the least poor sectors are all in Kigali City.

MPI at sector level

The MPI among the resident population by sector is presented in the following map. Overall, the MPI analysis at the sector level gives the same trends as the percentage of poor, but in some cases relative differences are sharper. Overall, some sectors of the Eastern, Western and Southern provinces emerge as the poorest.

Figure 1.6: Map of MPI levels by sectors



Source: Fourth Rwanda Population and Housing Census.

1.5 Decentralisation and Human Development in Rwanda

Rwanda's decentralisation policy is about citizen participation and empowerment, and has been designed to enable the government and development actors to place citizens at the centre of their programming. A common strand between human development and decentralisation is that both focus on people's empowerment. Decentralisation facilitates this by enabling citizens to participate and ensuring that their voices are heard, while human development enables it through audit of the development process to ensure that people's capabilities are enhanced and opportunities to use their capabilities increased. A review of Rwanda's development process over the last decade-and-a-half of implementing decentralisation demonstrates clearly how decentralisation facilitates human development. Rwanda in 2014 stands at the take-off stage of human development, and the cultural and socio-economic barriers that have undermined human development in Rwanda—as almost everywhere in sub-Saharan Africa—are being progressively addressed through various policies and programmes.

Decentralisation has enabled Rwanda to achieve better human development outcomes in more efficient ways, and yet opportunities still remain. Deepening sectoral decentralisation and strengthening the capacity of sub-national entities in planning, resource mobilization and monitoring would significantly increase public investments in the dimensions of health, education and household incomes. This requires expanding local economies. Knowledge and skills will increase the employability, productivity and incomes for Rwandan workers, and enable them live more fulfilled lives. Human capital accumulation will propel the knowledge economy and contribute to the country's investment promotion strategies.

1.6 Rwanda National Human Development Report 2014: Structure, Scope and Content

The Rwanda National Human Development Report (RNHDR) 2014 is designed to highlight the link between decentralisation and achievements in human development. Since 2006, Rwanda's development interventions are mostly delivered through decentralisation, a governance model adopted in 2000 to promote political stability and equitable development through inclusiveness, participation, empowerment and local development.

The report is organized into nine chapters. Chapter 1 introduces the concepts of human development and decentralisation, and summarises the connection between the global and national perspectives. Chapter 2 describes Rwanda's development framework, highlighting the planning processes, including tools and targets for the medium and long-term. In Chapter 3, Rwanda's decentralisation process and its implications for human development are discussed, while Chapter 4 addresses the income dimension of human development. The social dimensions of health and education are discussed in Chapters 5 and 6 respectively, while Chapter 7 highlights key social protection measures in Rwanda. In Chapter 8, a synthesis of the main issues in Rwanda's decentralisation process is presented. Finally, concluding messages and policy recommendations are proposed in Chapter 9.

CHAPTER 2: RWANDA'S NATIONAL DEVELOPMENT FRAMEWORK

2.1 Introduction

Structured, long-term planning in post-genocide Rwanda had developed as early as 1999, when the country was still in an emergency humanitarian period and pockets of insecurity and tension still existed. Perhaps the appreciation that the country faced complex challenges whose solutions transcended replacement of a repressive government created a desire for structured long-term planning. Planning began with an end—envisioning where the country wanted to be—and appears to have remained on course, despite the multiple challenges it has encountered. Thinking big, getting everybody to toe the same line, and ensuring that resources are utilized effectively, appear to be some of the main constants in Rwanda's development framework. The latter could have been undermined by the constant reforms where, for instance, institutions are established and re-established rather than being created, built and sustained. Some senior leaders have rationalized this as a “learning by doing” development model and the government is constantly looking for what works.

Broadly, Rwanda's development framework is comprised of: a) long-term desires and aspirations stated in the Vision 2020; b) medium-term strategies that articulate in relative detail how these desires could be attained and the inputs needed to realize them, at different temporal (time frame), thematic (sectoral and cross-sectoral) and geographical scopes (national, district and communities); and c) short-term priorities and resource requirements (annual action plans and budgets, structured on monthly and/or quarterly basis). The framework also includes the policy and legislative tools to facilitate the implementation. The discussion in the following sections of this chapter describes the key elements, inter-linkages, key human development outcomes, and their influence on the development process that Rwanda has undertaken since 2000 when the decentralisation process was adopted.

2.2 Vision 2020: From Emergency to Long-range Planning

Adopted in 2000, Rwanda's Vision 2020 aims to transform Rwanda into a middle-income country. It summarises the long road for Rwanda's development journey beginning from the country's emergence from the recovery period. The plan includes attaining per capita income of USD\$1,240 from USD\$220 in 2000, life expectancy of 55 years, a poverty level of 20% (from 60.4% in 2000) and no citizen considered extremely poor, and 35% of the population living in urban areas.

Considering that Vision 2020 was crafted during the transitional period following the 1994

genocide when there were virtually no solid institutions in the country, when “light was still very dim,” it could have been considered illogical to dream as big and as far as it did. Indeed, it is impressive that Rwanda has stuck to the Vision 2020 roadmap with most development programs aligned to the plan. Vision 2020 appears to be the most familiar government policy among Rwandans, and statements such as “*Ubu turi muri viziyo*” (now we are in the vision) are common among Rwandans, even in the remotest villages. This may be because the Vision 2020 aspirations resonate with citizens’ personal experiences, and there has been commitment to implement them despite many challenges. In addition, Vision 2020 received much publicity initially and has been a rallying point for citizen mobilization across different sectors, from decentralisation and justice, to education and technology, to agriculture and infrastructure development. With an average life expectancy of 64.5 years (RPHC4,2012), one of the composite targets has already been realized. Other measures of human wellbeing and national development that are intended to define the new Rwanda are summarized in Annex 1.

Vision 2020 is based on 9 pillars (3 of which are cross-cutting). These pillars were identified as fundamental areas of priority if Rwanda is to sustain its recovery and embark on a permanent and progressive road to faster, equitable and sustainable development. They have provided strategic guidance for national planning and public investment decision-making since 2001. Table 2.1 presents a summary of key pillars and progress towards the targets.

Table 2.1: Key Priorities of and Progress Towards Vision 2020

	Key Pillar/Strategic Priority	Underlying Justification	Progress Towards 2020 Targets
1	Good governance and a capable state	The state had collapsed and the social fabric destroyed as a result of misrule and citizen disenfranchisement. Only a strong, solid state can guarantee human rights—including socioeconomic rights like livelihood, health and education—and facilitate human development.	An effective state that ensures security, rule of law and welfare of citizens. Elections at local and national level are regular, and being supported through decentralisation and other policies.
2	Human resource development and a knowledge-based economy	Rwanda grappled with severe human resource capacity gaps not only as a result of the genocide, but also low previous efforts made in developing the human resource.	Institutions and enrolments have been expanded at all levels from primary to tertiary education. The spread of educational institutions ³ has enabled Rwandans on the periphery to acquire knowledge.
3	A private sector-led economy	Government was not efficient in doing business and needed to create an enabling environment.	Rwanda has implemented policy, legal and institutional reforms to improve the business environment and attract the private sector. These include easing

³ There is at least one degree-awarding institution in at least 10 out of the 30 districts.

			business registrations, restructuring the tax system, and establishing a Free Economic Zone. Rwanda has regularly ranked on or near the top of the Doing Business Ranking published by the World Bank.
4	Infrastructure development	Rwanda inherited huge infrastructure deficits for social infrastructure like water supply, schools and health facilities to economic infrastructure like roads and electricity.	Road networks have been expanded with every major town reached by asphalt roads; electricity generation dams have been rehabilitated and a program for increasing generation and extending transmission networks is going on.
5	Productive and market-oriented agriculture	Agriculture is the largest employer of Rwandans (75% currently, down from 90% in 2000) and is a key contributor to the economy, but provides poorly paying jobs.	Public investments in production, productivity and value addition have been/are being made, especially under EDPRS 1 & 2.
6	Regional and international economic integration.	As a small landlocked country, Rwanda must work with other countries to benefit from a larger market and leverage the advantages of other countries to boost the economy.	Since November 2007, Rwanda is a member of the East African Community and the Commonwealth, and is an influential member of the International Conference of the Great Lakes (ICGL).
7	Gender equality	Inclusive governance and equitable growth cannot be realized without tackling inequality and equity—especially gender-related—which is rooted in historical and cultural factors.	Tremendous achievement in policy and legislation. Rwanda is now a global model in promoting gender equality.
8	Protection of the environment and sustainable natural resource management	Rwandan ecosystems were severely degraded, yet most citizens continue to depend on them, especially for agriculture-based livelihoods. The economy also depends on the sustainable management of natural resources (e.g. roads, electricity production, agro-industries, tourism and mining).	Considerable efforts have been put into ecosystem rehabilitation, including terracing, wetland conservation and afforestation.
9	Science and technology, including ICT	Establishing a competitive human resource base in critical areas of science and technology is a prerequisite for developing a knowledge-based economy	GoR has invested heavily in ICT infrastructure by extending broadband to 30 districts. Universities and Colleges were set up or upgraded to develop capacity for training scientists, engineers, bankers and accountants.

Source: Vision 2020 and Analysis from various documents.

As Table 1 shows, Rwanda has made considerable progress towards the Vision 2020 goals, which underscores the importance of long-term planning, irrespective of the initial conditions. Crafting Vision 2020 while still in the recovery period and under a transitional government, Rwanda was determined to emerge from the emergency period progressing at a much higher pace than its institutions could support. It is indeed a bold statement by the country's leadership about dreaming big and living up to it. Vision 2020 is also well-known and embraced by Rwandans.

Rwanda's Vision 2020 is a roadmap for transforming Rwandan society from poverty to a healthy, productive and prosperous nation. This underscores the importance of human development in the country's long-term development agenda. Education, health, agriculture, infrastructure, industrialization and technology are important priorities of Vision 2020, and underline the premium that Rwanda's development agenda places on human development.

Vision 2020 is being implemented in a series of medium-term strategies; initially a three-year Poverty Reduction Strategy (PRS 2002-2005), followed by a five-year Economic Development and Poverty Reduction Strategy (EDPRS 1, 2007-2012) and the present EDPRS 2 (2013-2017). Since a democratically elected government was established in 2003, the Vision 2020 aspirations are being pursued through the government 7-Year Plan, which is a framework for implementing the political manifesto of the governing party/coalition. Thus far, the country has successfully implemented three medium-term strategies, each building on and providing important lessons for improving the management of successive strategies. The priorities, approaches and achievements of these plans are a subject of more detailed discussion in the following sections.

2.3 Strategic shift from Poverty Reduction to Economic Development

The second Economic Development and Poverty Reduction Strategy (EDPRS 2) is the medium-term program for development in Rwanda covering the period 2013-2018. This plan is the last phase before Vision 2020, and many efforts are being put towards the Vision 2020 targets. Under EDPRS 2, Rwanda aims to increase GDP to USD\$1,000, reduce the poverty level to less than 30% of the population, and reduce extreme poverty to less than 9% by 2018. In order to realize these goals, EDPRS 2 has 3 pillars: the thematic areas pillar; the foundational and crosscutting issues pillar, and the support services pillar.

The main pillar of the EDPRS 2 is the thematic areas pillar, which account for 48% of the estimated cost of delivering the EDPRS 2 outcomes, and focuses on four priority areas:

- 1) Economic transformation from agrarian to a knowledge-based, service-oriented economy. The target to achieve this is by attaining a sustained growth rate of 11.5%.
- 2) Rural development by investing in agricultural transformation, expanding rural infrastructure and social protection to reduce poverty levels to below 30%.
- 3) Increasing productivity and youth employment by generating 200,000 off-farm jobs annually and increasing labour productivity. This means investing more in skills, attitudes and incentive systems.
- 4) Accountable governance: the EDPRS 2 model of accountability focuses on outcomes such as raising the level of service delivery to at least 80% and ensuring increased and

active citizens' participation.

Most of the Vision 2020 human development indicators fall under the foundational and cross-cutting areas pillar. The pillar's key indicators are: food security and nutrition; maternal and infant mortality; quality of basic education and learning outcomes; and indirect indicators such as reduction in total fertility rates. Achieving the EDPRS 2 outcomes is expected to cost Rwandans an estimated RwF 9,929 billion (around USD \$14.2 billion), 48% of which will be invested in the economic transformation pillar, 33% on the foundational and cross-cutting pillar, and 19% on the support pillar that includes defence and public sector management.

Based on demographics that show a growing number of young people and escalating youth unemployment, the EDPRS 2 shows boldness in targeting youth, a group that has previously received little support in terms of priorities and funding. The economic growth plan also supports equitable growth and decentralisation by prioritizing the growth of secondary cities. These plans have the potential for spreading innovation and expanding opportunities for micro and small enterprises based on regional strengths. This may address the skewed urbanization where the capital of Kigali accounts for more than three-quarters of Rwanda's urban population.

A reflection on the medium-term strategies that Rwanda has implemented since 2001 indicate a shift in focus from poverty reduction to economic development. Public spending on key social sectors of education and health has, however, remained high.

The first strategy—the three-year Poverty Reduction Strategy (PRS) –was adopted in 2001, following successful implementation of the Interim PRS (1999-2001) while the post-genocide challenges of rebuilding state systems and a normal society through the provision of essential security, reconstructing key institutions, national unity and reconciliation, providing justice to victims of the genocide, and maintaining macroeconomic stability, were still in place. The PRSP 1 focused on six priority areas. The first two of these were human development-oriented: to improve the quality of life through food security and incomes, health care, education and social security. The other four priority areas were enablers to create a supportive environment for achieving the desired human development outcomes.

The first priority was rural development and agricultural transformation. The government considered it prudent to invest in agriculture because agriculture fed the nation, employed nine out of every ten Rwandans, and because many macro- and micro-economic factors like inflation, foreign exchange rates, balance of trade and balance of payments depend at least partially on local agricultural production. If the poorest Rwandans were to get out of poverty, considerable intervention in agriculture was (and is still) essential. Areas of strategic public investment included land productivity, small-scale rural infrastructure, credit and rural energy, among others. Labour-intensive public works programs were

implemented to provide off-farm employment opportunities, and targeted landless and unskilled but physically able rural citizens.

The second priority of PRSP was human development. The key areas of investment under human development were those considered central to human survival and freedom: health care, including access to family planning services; access to clean water and sanitation; education with a focus on access to basic education and skills; and social security.

The other four key priority areas of the PRSP, can be considered enablers, and these were:

- 1) *Economic infrastructure*, including roads, energy and communication systems to facilitate economic development in both rural and urban areas;
- 2) *Governance*, which was a key overarching area with a focus on security, constitutional reform, reforming and improving the justice system, facilitating *Gacaca* (traditional, local courts), decentralisation, and undertaking public sector reforms to create effective, efficient, transparent and accountable public sector;
- 3) *Private sector development*, with a focus on promoting Rwanda as a viable investment destination, reducing the costs of doing business, revamping and promoting exports; and
- 4) *Institutional capacity building* to reconstruct Rwanda's institutions and address gaps capacity across all sectors.

Considering that Rwanda had just emerged from an emergency period with hardly any policy direction or institutional accountability when the PRSP 1 was adopted, the PRSP helped build a foundation for more solid, coordinated and accountable development management, from at least four key perspectives:

- a) *Local ownership of the development agenda*. From the *Urugwiro*⁴ consultations to participatory poverty assessment (during which the *Ubudehe* approach was successfully piloted), efforts were made to empower Rwandans and identify their fundamental problems and how they would solve them. The PRSP then synthesized and condensed the many priorities into a policy and strategy statement. The drawback, however, is that there were too many priorities, which were overwhelming in terms of political sensitivity and demand for resources.
- b) *Learning and confidence building process*. There was need for transitioning the nation psychologically and in other respects to a more focused, streamlined development process. As public institutions—ministries, agencies and authorities—began to take responsibility, leaders and technocrats began to realize that they could do what was thought that there was no capacity to do. They also learned where they needed additional capacity through a clear framework for long-term capacity building across public and private sectors.

⁴ Urugwiro is the official seat of the President of Rwanda.

- c) *Better coordination, and increased transparency and accountability*, in the use of public resources. The PRSP clarified the government's policy direction and created a more transparent framework in which to engage with partners and a method for government and other development actors to be held accountable. Joint Sector Reviews (JSRs) were conducted for some key sectors—notably health and education—and reporting was done through Annual Progress Reports (APRs). A key challenge that was partly (if not largely) resolved was donor alignment. More budget support and increased consolidation and division of labour among donors emerged.
- d) *Framework for mobilizing more development resources through partnership building*. As the country emerged from its humanitarian crisis, the conditions for external financing changed, and both the government and its partners had to develop a clear framework for mobilizing development funds, with emphasis on priority setting, allocative efficiency and effective implementation. The PRSP provided the framework, tools and incentives to streamline partnerships and enhance local resource mobilization.
- e) *Increased government credibility*. The Rwandan government earned credibility for the pro-poor public investment strategy and the determination to implement crucial governance reforms such as decentralisation and public financial management reform during the PRSP1. Subsequent programs have since received good support from donors.

After PRSP 1 (2002-2005), emphasis shifted from poverty reduction to economic development. This meant realigning priorities from emphasizing social sectors (health, education, social protection) to investing more in economic sectors (agriculture, infrastructure, private sector development). The logic was to expand the economy by investing in economic drivers so that the government would have sufficient resources to finance social sectors. Another underlying explanation for the strategic shift towards economic growth, even though the social challenges were still overwhelmingly high and still top of the GoR agenda, was the need to reduce the public debt. At an estimated USD \$ 1.5 billion (compared to a national GDP of USD \$1.3 billion) in 2000 (Alison et al., 2006), public debt had risen to unsustainable levels and it was a priority to reduce it to a level where Rwanda could service it without undermining growth. About 75% of the total debt was owed to the World Bank and the International Monetary Fund (IMF).

Although important tools and approaches for development planning and public financial management (PFM)—notably Medium-Term Expenditure Framework (MTEF), sector working groups (SWGs) and Annual Progress Reports (APRs)—were introduced, policy coordination across key sectors and overall performance was undermined by a number of challenges, including weaknesses in cross-sector coordination, monitoring and evaluation (M&E), and lack of coherence between sectoral and decentralized planning, largely underpinned by inadequate institutional capacity. A number of these challenges have

persisted through the two EDPRS phases, but there are concerted efforts to address them during EDPRS 2. Indeed, the need to create strong links with decentralized levels (which also required enhancing sectoral decentralisation), institutional realignments to enhance cross-sectoral integration and performance management by establishing and institutionalizing M&E systems, and greater investment in public sector capacity building, were identified as critical and are being addressed in the current development plans.

Overall, public investments in human development have yielded significant results, as shown by the poverty reduction trends in all regions (Table 2.2).

Table 2.2: Poverty Reduction Trends by Province 2000- 2011

Province/Region	Poverty levels (%)		
	2000/01	2005/06	2010/11
Kigali City	22.7	20.8	16.8
Northern Province	64.2	60.5	42.8
Eastern Province	59.3	52.1	42.6
Western Province	62.3	60.4	48.4
Southern Province	65.5	66.7	56.5
Rwanda (national)	58.9	56.7	44.9

Source: NISR (2014): Statistical Year Book 2014

The progressive reduction in poverty (Table 2.2) and corresponding improvements in key human development indicators (Annex 1) are closely linked to the progressive increase in public expenditure, which has, over the last three medium-term plans, doubled from RwF 158.1 billion in 2001 to RwF 378.9 in 2006 and RwF 879.4 billion in 2010 (NISR, 2014).

The commitment of the Rwandan government to its development priorities has sustained the trust of external development partners and helped to raise the needed funding for the budget. Economic management reforms, including expansion of tax and non-tax revenue, have increased the GoR's leverage to increase the public budget over the years. Thus the government has maintained key social sectors—notably health and education—on the priority spending list, while rolling out large-scale investments in economic infrastructure like roads, electricity, irrigation, and planning a standard gauge railway.

2.4 From Sectoral to Integrated Planning and Results-Based Management

Development is a complex phenomenon that is only possible when there is sufficient and appropriate interconnection between various strands or components. Although Rwanda has a government that makes decisions effectively, institutional coordination remains inadequate, especially at technical level. Ministries and agencies tend to work in isolation,

with each focusing on its own plans and budget. The most effective coordination body is the government cabinet, which meets regularly to make decisions on a weekly basis. However, real coordination of government business needs to happen at the technical level, where political decisions are translated into action through priority setting, formulation of plans and budgets, as well as execution and evaluation. This is one of the main factors undermining the effectiveness of public investments. Policy makers in every sector need to explore ways to achieve these outcomes by working together. This is largely a function of policy analysis, and should generate incentives for cross-sectoral coordination rather than simply assigning staff to attend SWG meetings.

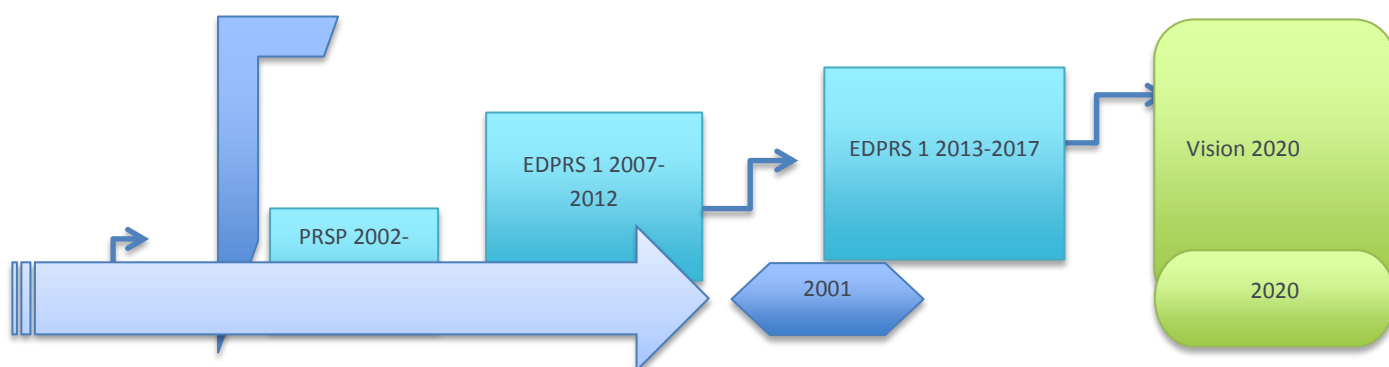
There is growing realization of the need to enhance public policy analysis, especially in the context of integrated development. Under the EDPRS 1, sector ministries were encouraged to work together to achieve results, especially those that cut across sectors, by using statistical data as the main basis for policy decisions and recognizing inter-sectoral linkages. This was the basis for the formation of sector and sub-sector clusters and Technical Working Groups (TWG) comprised of representatives of different ministries that have been put in place. The SWGs and TWGs hold meetings to discuss a range of issues, mostly to discuss or validate sector reports or plans. The institutional walls remain in some sectors where the sector plans and budgets are still managed as ministerial plans.

A common feature of most sectoral clusters is that they are managed more or less as ministerial business, but invite members from other line ministries and development partners to participate as “attendees.” It is worth noting, however, that sector-wide approaches (SWAPs) under which these initiatives were introduced are being challenged elsewhere. Rwanda needs to review how useful SWAPs have been (or could be) in their own development context and adapt or abandon them for more effective approaches.

Under the EDPRS 2, there is a renewed commitment towards a results-based management (RBM) approach, which is expected to pull development actors together around a common interest—development outcomes. This could work better than previous initiatives, especially considering that national leaders seem to be interested in results, and there are incentives to make coordinated management of public investments based on results.

In general, however, the development framework in Rwanda has been evolving and strategic planning is being improved, albeit slowly. The guiding tool is Vision 2020, without which the various reforms could have derailed or diverted Rwanda’s development process. Figure 1 summarises Rwanda’s development roadmap.

Figure 2.1 Graphical illustration of the Roadmap towards Vision 2020.



2.5 Decentralised Planning: DDPs and *Imihigo*

The District Development Plans (DDPs) are the main documents that guide medium-term local development. Initially formulated with a scope of three years, they are now formulated to cover five years in alignment with the national EDPRS 2 and sector strategies. Although DDPs were formulated from the very start of decentralisation in the early 2000s, they remained ineffectual with little reference to them or evaluation at the end of the planning period. Local government activities were guided by budget-induced short-term plans (annual action plans) that were, and are still, used as the basis for budgeting and financial transfers.

The local government planning process has improved tremendously, particularly during the process leading up to the present EDPRS 2. Compared to DDPs formulated during the PRSP 1, the current DDP documents are more comprehensive, have clear indicators, realistic timelines and sources of funding. The involvement of sector ministries and local development partners in DDP formulation has increased, and there is coherence between the sector strategies and DDPs. However, in terms of short-term activities, district annual action plans have diminished in value with the introduction of *Imihigo* since 2006.

Imihigo are high-level priorities that local governments set to achieve in a year. These commitments are performance contracts and bind leaders to work harder towards achieving them. They are game-changers in the local development process because of the high impact they are expected to create. The fact that they are a priority at the highest level of government, and are evaluated and ranked nationally as the basis for districts' performance, *Imihigo* tend to attract more attention and resources than other activities.

They are also perceived as a threat to the political survival of elected leaders, as they have been used to recall district mayors, yet the success of their implementation does not always depend entirely on district mayors. Improved linkages of *Imihigo* with the budgeting process and increased harmonization with strategic sectoral priorities should be considered. It is also important to improve the political and institutional environment for *Imihigo* design and execution to enable local actors to undertake their own internal assessments in order to learn and build sustainable capacities, instead of only looking to the external assessors' scores. While inter-district competition is healthy and may provide incentives for performance improvement and accountability, it is a politically sensitive process. Rwanda needs to find a way to do this better by improving the *Imihigo* process, although there have already been significant improvements in the quality of *Imihigo* design, execution and evaluation. Further discussion of *Imihigo* is in Chapter 3 and in Annex 3 on Rwanda's home-grown solutions.

2.6 Government Plan 2010-2017: Turning Political Commitments into Results

The Government Seven-Year Plan is a statement of how the government will implement the political manifesto of the governing party and the specific commitments of the president. The current program therefore refers to the presidential campaign manifesto of 2010 for President Paul Kagame and the ruling Rwanda Patriotic Front (RPF)-led coalition's promises and commitments for 2010-2017. The key pillars of this government program are: 1) good governance with a thematic focus on participation, social cohesion and governance for production; 2) justice, with a focus on efficiency and rule of law; 3) economy, prioritizing increased production, sustaining growth and reducing aid-dependency; and 4) social well-being of citizens. Pillar four of this program places emphasis on the human development dimensions of health, education, and decent jobs, including addressing minimum wage conditions.

The government plan is presented to parliament by the prime minister, who is the head of government, within 30 days after appointment and swearing-in by the Head of State. As a statement of political guidance, the government plan defines the government's priorities and how they will be implemented. This document is then translated into actual plans at national (EDPRS 2), sectoral/thematic (sectoral and ministerial plans) and decentralized (district development plans/DDPs) levels and in specific instances, to special programs and projects. Rwanda's 7-Year Government Plan provides a very clear direction and links the governing party's political platform (campaign manifesto) and action. For instance, unlike many political manifestos, which are political marketing tools, which may be tempted to make unreasonable promises not easily translated into action, the 7-Year Plan is more coherent, and recognizes and takes into consideration existing programs and priorities, as well as institutional limitations and budget challenges. The government plan makes political

commitments more structured and real, and is regularly evaluated and reviewed by parliament, through national dialogue, and through cabinet meetings and leaders' annual retreats. Given its positioning at the highest political level and heavy reliance on the implementation of national and local development plans (like ministerial projects and *Imihigo*), it is an important tool for fostering political supervision and monitoring and accountability of government programs. This contributes to making Rwanda effective in political leadership of public investments; a sharp contrast with some countries where political leaders often have limited understanding of government plans, and program outcomes tend to be disappointingly low.

2.7 Global and Regional Premises for National Development

2.7.1 Overview

Rwanda's development agenda is anchored in its national aspirations and informed by the country's recent history and post-recovery successes, yet it is aligned regionally and internationally. The government's commitment to regional and international initiatives and targets are reflected in the various international treaties and agreements it has ratified, the degree to which it has localized international laws and development targets, and the commitment to which it has worked to realize those targets or ideals, especially those that directly impact human development (i.e. human rights, food security, health (including HIV/AIDS, maternal and child health, access to clean water, safe and hygienic sanitation, housing and security). It has benchmarked its development programs on international success stories in line with the country's vision 2020 (such as South Korea, Hong Kong, Israel, Malaysia and United Arab Emirates) and even pursued bilateral relations in critical areas such as ICT, education and human resources management, agriculture, urban planning and infrastructure development, among others.

Rwanda has embraced and localized international and regional commitments such as The Dakar Framework for Action on education for all, the 1979 UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Rio Multilateral Environmental Agreements (MEAs), and others on maternal and child health, decent housing for all, and among others. Most of these have been pursued under the banner of the Millennium Development Goals (MDGs).

2.7.1 Millennium Development Goals

Rwanda is one of only two African countries chosen out of the 10 globally to pilot thematic areas of the UN's post-2015 sustainable development agenda. Rwanda had earlier served as a pilot in the Millennium Villages Program, with a site at Mayange in Bugesera district.

Rwanda's remarkable performance on the MDGs related to health, education and gender, and establishing effective and efficient institutional systems over a very short period of time, provide good lessons for others. However, beyond the statistics, the institution building and systems, it must be acknowledged that these achievements have been underpinned by a strong and committed leadership, which has mobilized citizens and created a sense of unique identity, as well as confidence and collective responsibility that has catalysed the implementation of home-grown solutions. This is where the learning must start—the commitment and responsibility of leadership and the value attached to African identity, dignity and self-worth.

At the start of 2015, the MDG scoreboard indicates that Rwanda has achieved a number of its MDG commitments and even surpassed some targets. Areas where Rwanda has not only performed well but has shown global leadership and inspiration include gender equality and women empowerment, eradication of extreme poverty and hunger, targets related to education (achieving universal primary education), health (fighting against HIV/AIDS, maternal, infant and child mortality), and ensuring environmental sustainability.

2.7.2 Expanding Options through Multiple Regional Integration Initiatives

Rwanda has recently expanded its regional integration agenda, opening embassies and establishing bilateral cooperation initiatives with countries and regions it considers strategic to its national development agenda. From Nigeria to South Sudan, and from Congo Brazzaville to Gabon, Rwanda's regional cooperation activities are set on exploring and taking advantage of economic (business and investment) opportunities.

Rwanda's entry into the East African Community (EAC) at the height of its relationship with western powers—especially France—was widely perceived as vendetta against French interests for its alleged role in the 1994 genocide. French relations worsened with the sudden adoption of English as the main official language and Rwanda's entry into the Commonwealth, a group mainly composed of former British colonies and protectorate countries. The government explained then—perhaps not so strongly—that its decisions were driven by economic and other strategic interests of benefit to Rwandans. Indeed, global trends show that English is the most commonly used language in international commerce. Less than a decade later, however, Rwanda's entry into the EAC has yielded significant economic dividends, including increased trade and greater collaboration in education, security and infrastructure development (the latest being the on-going construction of a standard gauge railway network from Mombasa to Bujumbura via Kigali). Rwanda is now an active and influential a member of the EAC, and is using the EAC platform

to influence its neighbours' policies⁵ that could affect its economy and security. Rwandan goods are now on the shelves of East African shops, and the main limitation of trade is the country's production gaps. The government has expanded its bilateral relations with Central and West African countries, a number of which are Francophone, with significant gains in regional trade and investments. These developments have watered down the thesis that Rwanda was shedding off the Francophone label and embracing Anglophone culture. It appears that Rwanda has and continues to pursue economic opportunities that the government considers effective in realising its long-term development agenda.

2.8 Summary of Rwanda's Development Experience: From Post-Genocide Recovery to Accelerated Development

Rwanda's development process is best appreciated by considering the following question: Why did Rwanda craft an ambitious development vision so early in its recovery process, and why has it been consistent in its implementation? The main underlying explanation of Vision 2020, its origin, intention, and even the rush to craft it lies in the first statement of its foreword by President Paul Kagame: "The Vision 2020 is a reflection of our aspiration and determination as Rwandans, to construct a united, democratic and inclusive Rwandan identity, after so many years of authoritarian and exclusivist dispensation."

The second explanation is learning: the EDPRS priorities and strategies are based on what Rwanda has learnt from its own development journey since PRSP 1. The GoR has improved planning and implementation processes and the targeting of resource allocation. For instance, during PRSP 1, the economy grew and poverty declined, but at much smaller pace (only 2.2. points), and it was largely because benefits were not spread evenly, as demonstrated by increased income inequality (Gini coefficient rose from 47% to 51%). This result was traced to sectoral programs. In the agricultural sector, for example, the fertilizer distribution program did not work well, but in the EDPRS 1 and 2, farmers' access to and use of external inputs increased substantially due to the extensive effort and support mechanisms put in place, including working with the decentralized structures. In the health sector, PRSP 1 invested more in tertiary areas while ignoring primary health care, but since EDPRS 1, considerable investments have been made in the health sector, including strengthening the capacity of local authorities and communities to manage primary health care. In the education sector, basic education is being expanded with more effort put into vocational education and entrepreneurship development, having achieved high enrolment levels.

⁵ The reforms at the Ports of Mombasa and Dar es Salaam by the Governments of Kenya and Tanzania respectively, and the joint investments to reduce on tariff barriers in the northern and central corridor routes have, to a large measure been influenced by the concerns of user countries including Rwanda.

Thirdly, the leadership's commitment to results and their consistent focus on accountability is creating a sense of urgency, which is increasing technocrats' attention and value placed on planning, implementation and performance management. During the PRSP 1, progress reports were a responsibility of the Ministry of Finance and Economic Planning (MINECOFIN), and reporting from districts was limited. However, this has changed as sectoral clusters and decentralized entities are supported to undertake self-assessments with expanded platforms and involving as many stakeholders as are interested. Leaders at all levels are more accountable for the performance of sectors or thematic areas, and citizens have multiple platforms to question issues of service delivery. Discipline in planning (including linking expenditures to plans, and strict adherence to procurement plans) was initially low and only started improving during EDPRS 1. Significant improvements in technical capacities, an evolving institutional culture of planning and evaluation, and a strong incentive system of accountability, including parliamentary oversight, are key contributing factors for improved planning and PFM practices. However, Rwanda needs to leverage the commitment of its top leadership to invest in stronger and more solid institutions to sustain a culture of excellence in service delivery.

Finally, Rwanda's centre of development planning and management appears to be shifting towards sub-national entities, mainly district and sectors that are already overloaded with responsibilities to deliver ambitious national targets in health, education, agricultural, rural infrastructure and household wealth creation. The challenge is that higher authorities may be focusing too much on results and paying little attention to addressing the present and future capacity needs of local entities in light of increasing responsibilities.

CHAPTER 3: DECENTRALISATION IN RWANDA: POLICY, PROCESS AND ITS CONTRIBUTION TO HUMAN DEVELOPMENT

3.1 Overview of the Policy and Implementation Process

On May 26, 2000, the transitional Government of National Unity adopted a National Decentralisation Policy. This bold move had been based on the outcomes of *Urugwiro* consultations of 1998-2000. Rwandans had identified exclusion of citizens from their governance and development processes, centralization of power and mismanagement as the underlying causes of the conflict that had culminated into the 1994 genocide.

The decentralisation policy had one main goal: transfer power to the people. A decade after its successful implementation, much had been achieved and the priorities and context had changed. To keep decentralisation relevant to the country's changing political and socioeconomic context, the decentralisation policy was revised in 2012. The revised decentralisation policy is being implemented to achieve seven objectives, all of which aim to consolidate and sustain Rwanda's good governance and socioeconomic transformation aspirations beyond 2020.

The first objective is to enhance and sustain citizens' participation in all aspects and processes of decision-making by transferring more power, authority and resources to sub-national entities, and building the capacity of lower entities to promote genuine participation. The government has created structures at all levels and has been engaging in mobilisation, awareness raising and confidence building for citizens to participate in decision-making processes through dialogue and other mechanisms.

The second objective is to promote accountability and transparency in governance and service delivery processes. To achieve this, the government is investing in strong national and local accountability systems, including the involvement of citizens and civil society in monitoring public policies.

The third objective is fast-tracking and sustaining local economic development to achieve poverty reduction and expand the revenue capacity of local government entities. This is considered the main mechanism through which citizens' income and livelihoods will be improved, and will also expand the local revenue base.

The fourth objective is to enhance effectiveness and efficiency in the service delivery processes through promoting joint development planning between central and local governments and ensuring that service delivery responsibilities and public expenditure are undertaken at the lowest levels possible. The present phase of decentralisation must pay

more attention to sectoral decentralisation if decentralized service delivery is to work more effectively.

Another objective is to consolidate national unity, enhance a sense of a single identity and ownership of development by fostering, enhancing and sustaining activities that promote reconciliation, voluntary work and consensus decision-making. This is consistent with the original motivation to implement decentralisation. Finally, decentralisation is expected to facilitate fast-tracking of regional integration and ensure that local people benefit from regional integration initiatives.

3.2 Evolution and Underlying Motivations for Decentralisation in Rwanda

The GoR intended decentralisation to address the historical governance challenges that the country faced. The main priorities were democratizing government, empowering citizens through electing their leaders and participating in development processes, ensuring inclusion so all citizens have a voice, and bringing government as close to citizens as possible. Peace building, reconciliation of citizens, re-construction of state systems, restoration of citizens' trust in government and resuscitation of productive processes were the main priorities.

It is important to recall that Rwanda had been a highly centralized state since the pre-colonial period. Successive regimes had disenfranchised and conditioned citizens to become highly fearful of, and dependent on, rulers at all levels. The few people in leadership positions believed, behaved and worked as rulers not leaders, working for the interests of higher levels of government, often at the expense of citizens. There were concerns from various stakeholders that Rwanda was still fragile and that it was not yet time to decentralise. Indeed, theoretical concepts and lessons from around the world suggest that decentralisation should be done only when there is a strong state in place because of the leadership and support that it demands. Decentralisation requires robust institutions to be in place and the support of citizens. However, Rwanda's greatest strength when the government decentralized was a focused leadership and political will.

The government exercised leadership and steadfastness and committed resources, which it did not have in sufficient amounts, to the implementation of the Decentralisation Policy. Development partners and local political actors who were initially hesitant ultimately supported the process. The GoR developed a long-term roadmap with clear outcomes expected from policy implementation, and a phased implementation approach was adopted. This was probably the best approach, as decentralisation is a sensitive governance issue that triggered wide-ranging governance and socioeconomic reforms. It also required substantial resources and technical capacities that Rwanda did not have in any considerable

measure. Nonetheless, Rwanda had focused and committed leadership, which was the most important resource to steer and sustain a sensitive governance reform process like decentralisation. Despite many competing priorities and interests to manage, the government has managed the process well.

Rwanda's decentralisation policy is primarily aimed at empowering citizens to address their own challenges, and not to replicate national level politics. Thus, the multi-party political model that Rwanda uses at national level is not practiced in local councils. This has enabled decentralized entities to deliver services without the distraction or internal conflicts that would put them in conflict with central government authorities. Considering the divisive nature of multi-party politics and the tense political situation that Rwanda experienced at the time, decentralisation could easily have further divided the country instead of uniting it as it has done. This is typically the case in countries where decentralisation has been implemented under multiparty governments and societies are still emerging from conflict.⁶ There must to be appropriate mechanisms in place to manage political conflicts.

Between 1999 and 2003, the decentralisation process reformed local government structures and systems into tools for citizen mobilisation and platforms for leadership development and service delivery. In March 2001, local government elections were held in 106 districts and the city of Kigali. This created 107 democratically elected local governments. The presidential elections in 2003 coincided with the evaluation of phase one. The appraisal reports outline a number of significant achievements that were made in a very short period, including political awareness, participation, citizens' mind-set change, leadership development, and promotion of unity and reconciliation, among others. It also recommended reforms to reorient policy implementation towards enhancing citizen participation, effective service delivery and accountability. The government has mobilized citizens to work with it to cause development; a sharp contrast to earlier periods when citizens believed that government had to solve every problem, even when it did not have capacity to provide essential services. Subsequent reforms have progressively brought government closer to citizens, bridging the gap between leaders and the led, and ensuring that public resources are invested to improve the wellbeing of citizens.

The first phase of decentralisation (2000-2005) focused on political decentralisation, where centrally appointed leaders were replaced by democratically elected leaders and councillors at all levels. It established the foundational structures for democratic and inclusive

⁶ In many countries with decentralized governance, inter-governmental relations often experience clashes between central and local Governments, more so where multi-party democracy is practiced. In Uganda, for example, the mayor of the city of Kampala was controversially impeached in circumstances that point to political differences. In Kenya, the recently established county governments are frequently in conflict with central government authorities often on matters of inter-governmental fiscal relations and devolved functions. Undertones related to party affiliations tend to influence inter-governmental tensions even where clear constitutional and legal provisions exist.

governance. Subsequent phases have put more emphasis on administrative structures and systems to deliver services to citizens more effectively, consolidate and sustain the gains in good governance and socioeconomic development.

After the PRSP evaluation, the government decided that decentralisation would be the main mechanism for implementation of the EDPRS 1. The decision to anchor the EDPRS on decentralisation raised the political profile of the decentralisation process, and hastened the reforms in fiscal and sectoral decentralisation. Subsequently, decentralisation reforms undertaken since 2006 have mostly focused on increasing performance in service delivery particularly in areas that directly improve livelihoods and incomes, as well as healthcare and education.

The approaches used in implementing decentralisation have worked, perhaps sooner than had been expected. All recent studies on the decentralisation process have indicated good progress towards achieving the objectives, even though there has been slow progress in sectoral decentralisation.

A decade after launching the decentralisation process, the context has changed and Rwanda is no longer in a post-conflict phase although it is still struggling with some post-genocide challenges, such as social vulnerability and human resource capacity gaps. Consequently, in 2012, the policy was reviewed and updated to make it more relevant to the changing governance and socioeconomic landscape. The main priorities in the new decentralisation plan are to facilitate economic growth and eliminate poverty and deepen and sustain the gains in good governance as the foundation for a robust, inclusive and sustainable economic development.

3.3 Political Decentralisation: From Citizens Empowerment to Accountable Leadership

Political decentralisation entails transferring political decision-making power to sub-national entities, with the ultimate aim being to empower citizens to participate in public decision-making. In a democratic decentralisation system, citizens elect their own leaders who exercise decision-making responsibilities regarding service delivery. Citizens are empowered in two ways: firstly, democratization gives citizens the power to choose who gets into leadership and to recall them if their performance is unsatisfactory; secondly, decentralisation enables citizens to exercise their vote power more effectively, as elected leaders are closer to citizens and decisions are made in close proximity to citizens. The underlying benefit of decentralisation is that citizens have increased opportunity to participate in the decision-making processes that are brought closer to them. While democratization gives citizens vote power, decentralisation translates the vote into an effective voice. This, however, is conditional: there should be enabling institutional, legal

and policy frameworks in place; and citizens should be aware of and have the ability to effectively use these opportunities.

Beyond citizens electing their leaders, they should have the power to hold their leaders and other authorities to account. Rwanda's decentralisation was based on the notion that the greater the participation of citizens in decision-making process, the more relevant and responsive the decisions are to their interests and society's concerns. Rwandans have proved that they can claim their rights, take their responsibilities, and can hold their leaders to account if they have opportunity. Decentralisation aims to make the vote power (democratic elections) work more effectively by amplifying the voice of the voters (decision-making processes undertaken where citizens are).

Political decentralisation has two aspects: the power of citizens to elect their own local leaders (vote power), and the right of citizens to participate in decision-making (voice). This is expressed either directly or indirectly through representation. Increasing the power of citizens to choose their leaders and ensuring that the governance system enables all citizens' voices to be heard was the hallmark of Rwanda's decentralisation.

Citizens now exercise their vote power by electing their own leaders in regular, free and fair democratic elections, and their leaders have progressively been empowered to exercise decision-making power where citizens are. Citizens also have multiple platforms in which they make their voices heard, from community meetings to determine development priorities, to the national dialogue where the nation discusses what achievements and new challenges to be addressed. The appropriateness of these platforms for citizens to freely express themselves has been continuously reviewed and new ones created in order to increase their effectiveness in enhancing participation. If citizen participation in all aspects of decision-making can serve as a litmus test for democratisation, reconciliation and social cohesion, then Rwanda has made remarkable progress.

How has vote power been increased?

Firstly, local government elections were introduced in 1999, and in March 2001, all district and Kigali city leaders were elected. Initially, district executives had control over the entire local government, with few, if any checks and balances. The district mayor headed both the Executive and Council. These roles were, however, separated in subsequent reforms. District councils elect their chairpersons and oversight committees. Recent reforms have given district councils greater powers to exercise oversight on local decision-making processes, including approving budgets and expenditure reports.

Rwandans are now used to electing leaders, and those that do not perform are impeached or otherwise forced to resign. Participation in local government elections attracts as much interest as the national elections. In the national elections of 2010, 93% of registered voters

turned up in local government elections compared to 97% turnout for the presidential elections, where the stakes and publicity were much higher. Nonetheless, in the view of National Election Commission (NEC) officials, Rwandans still need substantial civic education and voter mobilisation effort to turn up to vote. They suggest that continuous civic education be undertaken through integrating electoral democracy into on-going decentralisation activities.

Vote power is considered fully exercised if voters feel they have control over the agenda of the elected leaders, or the leaders act consistently in the voters' interests. The performance contracts (*Imihigo*) introduced in 2006 have enhanced vote power by making local governance more transparent and accountable in the way service delivery is planned and executed. Leaders identify their priorities and set their annual targets, and these are monitored regularly and evaluated at short intervals in an increasingly transparent, objective and participatory process. Performance is judged by what has been achieved against set targets for which mayors (and other local leaders) sign a commitment contract. Local people take part in both the formulation and evaluation of *Imihigo*. Since 2003, the government appears determined to ensure that every citizen's voice is heard irrespective of who they are, where they live, or what they believe in.

Vote power is also exercised through the local councils, and this is where there are still many challenges, as the performance of councils is still somewhat unsatisfactory. Many councillors are unable to hold local government leaders accountable for various reasons, including fear and conflict of interest. There are also motivation issues where many councillors work at full-time jobs elsewhere—sometimes away from the district—which makes it difficult for them to regularly attend council sessions, inspect projects or review budgets on behalf of citizens.

Enhancing voice through active participation

Citizen participation empowers local communities and enables them to utilize the powers that are transferred to them in problem analysis, priority setting, planning, and continually demanding accountability from their leaders and service providers. Local governments are now legally obliged to promote the participation of local communities in setting priorities, planning and making decisions. Citizen participation began with electing leaders, identifying local development needs and priorities (through participatory processes like *Ubudehe*), and participating in and often taking full responsibility for implementation. The next level of participation is where citizens are able to hold their leaders and service providers accountable for their performance. This ranges from community level leaders like School Management Committees (SMCs) and head teachers to mayors, all of who are entrusted with public service delivery at different levels. The state of civic participation as documented by the citizen report card 2010, shows the level of people's participation in different aspects of decision-making.

Table 3.1: Sub-national Government Structures before and After Decentralisation Reforms

	Administrative level	No. of Administrative Units		Status and Function
		Before 2006	Since 2006	
1	Province	12	5	De-concentrated level of central government coordination, supervision and monitoring.
2	District	106	30	Local government authority with devolved functions, including planning, budgeting and implementation of policies.
3	Sector	1545	415	Designated centre of service delivery. Most services are presently undertaken at sector level.
4	Cell	9165	2,148	Coordinates, oversees and undertakes basic services.
5	Village	0	14,837	Community-managed entity that mobilises and coordinates citizens' wellbeing.

Source: MINALOC Records.

Political accountability at the local level perhaps lies in the unique design of Rwanda's decentralisation system. In creating a sub-national government, Rwanda carefully avoided the potential power struggles that are often associated with multiple power centres, as examples elsewhere in the region⁷ demonstrate. The district mayor is the overall political head and coordinates all functions, from chairing security meetings to presenting and accounting for plans in the council. As the district council is increasingly empowered, and as separation of responsibilities become clear, tensions are emerging between council chairpersons and district mayors, especially on issues of accountability. These should be important areas for local government inspection and leadership development to continue providing guidance.

3.4 Administrative Decentralisation and Service Delivery

Administrative decentralisation entails transferring the human resources, technical and administrative structures and systems to local entities. Service delivery depends on the robustness of the administrative structures and the alignment with the devolved functions. For sub-national entities to function, there needs to be requisite human resources, and appropriate organizational structures that are interlinked with the central government, where policy is formulated. They also require political leadership and adequate funding.

⁷ Local governments in Uganda, which has implemented decentralisation since 1991, still experience intra-governmental tensions where the district Political head – the Local Council 5 Chairpersons very often clash with the Central Government representative – the Resident District Commissioner who also chairs the District Security Committee. Tensions also frequently occur between the district executive headed by the LC 5 chairperson and the Council headed by the district or municipal speaker. In Kenya, the County Governors started clashing with County Commissioners as soon as the former were sworn in in 2013. Tensions also frequently occur between the County Executive and the members of the county assembly (MCAs). In all country situations, the clashes mostly revolve around supremacy battles.

In the first phase of decentralisation, the sectoral functions were not completely devolved, and the districts depended mostly on operational funds for salaries and basic office operations. Districts are autonomous in hiring staff but have to work within the organizational structure approved by the Ministry of Public Service and are subject to budget limitations. As a result of limited funding, districts tend to limit their human resource recruitment to a few areas of absolute need. This is part of the comprehensive reforms undertaken during the second phase of the Decentralisation Implementation Plan (DIP) to enable local governments (LGs) to take on more responsibilities for service delivery with autonomy. Different line ministries transferred functions progressively, initially with infrastructure (local roads, bridges), then agriculture, and subsequently education, health and other functions. Perhaps one of the most essential services that has benefited from decentralisation is land registration. Land transactions are now provided at sector level and citizens collect their documents from the cell level.

An important function of the justice system that used to be far from the reach of most citizens is the public notary. Notary services in Rwanda are very important for ordinary citizens, as they are required in almost all transactions—from authenticating business documents to academic testimonials, from land sales to marriage certificates—all of which are services required irrespective of people’s wealth, education, or location. All 415 sectors now have a Resident Notary Public, and where officers are not in place, it is the result of a shortage of manpower, and a notary from a neighbouring sector provides the services.

Nonetheless, in some essential economic areas, like industrial development, trade and commerce, service delivery at the local level remains limited and mostly centralised. As a result, there are inadequate structures supporting industrial development and trade promotion at local levels. The officers responsible for promoting cooperatives and SMEs are not adequately empowered to effectively support business development and economic transformation activities. These activities include monitoring and reporting on the activities of cooperatives and Savings and Credit Cooperatives (SACCOs). The Rwanda Development Board (RDB) has established Business Development Centres (BDCs) in each district, but these units operate more or less independently and often in isolation from local government activities. The Rwanda Cooperative Agency (RCA) also has focal point-persons in each district to support the development of cooperatives. Trade and commerce constitute the largest component of the services sector, and accounted for 48% of Rwanda’s GDP in 2014.

Part of the GoR’s strategy to create 200,000 off-farm jobs per year during the EDPRS 2 is to expand and increase value from domestic and external trade. The activities of the business and investment support agencies are critical to local socioeconomic transformation,

including job creation and increasing household incomes. There are lessons to learn from the close collaboration between district authorities and other agencies like the Rwanda Agricultural Board (RAB), which maintains a heavy field presence and others like Rwanda Environment Management Authority (REMA), which has no field staff, but supports and works closely with local authorities.

The EDPRS2 thematic area on accountable governance will focus on citizen participation and quality of decentralized service delivery, which presents opportunity for deepening sectoral decentralisation. As more functions and funds are devolved to sub-national entities, however, there should be corresponding investment to increase the competences of local institutions in project design and monitoring, and public financial management (PFM) functions, notably budgeting, procurement, internal audit and financial reporting. The internal management systems of local governments also need to be improved as PFM and service delivery responsibilities of sub-national entities increase. Presently, heads of technical units/departments are not sufficiently equipped to plan, budget and manage resources for their respective departments or service delivery units. Technical personnel tend to be involved in very many activities outside their domains, and often perform activities that district leaders instruct them to perform. This often frustrates technical staff and respective line ministries who expect their plans to be implemented as scheduled. Overall performance responsibilities are shouldered by mayors, and to a lesser extent, their assistants. Without the appropriate mechanisms to coordinate the interests from central government ministries and other agencies, local governments could face more pressure that may consequently undermine decentralisation.

“If you gave district Infrastructure Units vehicles, you expect them to facilitate the District Engineers in supervising roads, but you find both the vehicle and the District Engineer deployed to activities that the Mayor deems a priority e.g. mobilizing citizens for bye bye Nyakatsi.”

—A senior MININFRA official about decentralisation

Administrative entities designated as local governments include the 30 districts and Kigali City, a higher local government that shares responsibilities with the three district local governments within the city. The Kigali City’s government deals with strategic level issues, including large-scale infrastructure and inter-district services, and provides oversight to the three districts to ensure compliance with the city’s development plans. Kigali City is implementing a comprehensive master plan that seeks to position it as a city of international repute with a focus on safety, cleanliness and investor-friendliness.

Rwanda’s decentralisation process has been progressively improved through a series of initiatives to strengthen local service delivery processes. First, appropriate structures were

put in place at all levels and staffed with educated personnel. At the start of decentralisation, university level personnel were mostly stationed at the provincial level, and few local leaders had a university degree. Currently, however, all mayors and the vice mayors are now university level graduates. The sector level has also expanded progressively and has been staffed with educated personnel in critical areas, including public administration, social, agronomy, engineering, and education. At the cell level, the government employs two paid staff with diploma-level education. This has brought services closer to citizens and higher levels of government are able to receive timely reports.

The government has also invested substantial resources in motivating local government personnel. District and sector leaders have been motivated through a vehicle grant/loan scheme. Public service salaries were also harmonized so local government services compete with central government and private sector for personnel. These institutional and human resource management systems are driving the performance of decentralized service delivery across all domains. The sectors of agriculture, social protection, health, education and rural infrastructure would not have made the progress already achieved without adequate institutional structures at local government level that have been put in place as a result of decentralisation. The main challenge, however, is the ability of LGs to retain experienced personnel, due to what many LGs perceive to be harsh working conditions.

3.5 Fiscal Decentralisation and Public Financial Management

The effective performance of LGs in carrying out decentralized functions requires adequate and predictable flows of income. LG incomes are normally comprised of locally raised revenues (tax and non-tax revenue) and central government transfers. Since local revenue performance is still low and incomes from local sources still too little, the focus of fiscal decentralisation is mostly based on managing central government transfers. There has, however, been commendable progress in fiscal decentralisation. For instance, the total funding allocated to districts has increased exponentially from approximately RwF 19 billion in 2006 to RwF 151 billion in 2010 and has since nearly doubled to 291 billion in 2013/14 (Table 3.2).

Table 3.2: Approved Budgets for transfer to Districts 2007-2014 (RwF million)

Type of Transfer	Budget in RwF. Millions by Financial Year						
	2007	2008	2009/10	2010/11	2011/12	2012/13	2013/14
Block Grant	2,392	11,300	16,742	20,798	25,008	28,259	32,079
Earmarked	16,381	72,529	45,459	91,919	132,752	132,075	197,724
Capital transfers	-	-	-	38,286	43,453	55,768	61,028
TOTAL	18,773	83,829	62,201	151,003	201,213	216,102	290,831

Source: Ministry of Finance and Economic Planning Budget Records, 2014.

Both Tables 3.2 above and 3.3 reveal clear a progressive trend of earmarked transfers to districts. The actual public expenditure channelled through districts has increased from RwF 47.9 billion in 2006 to RwF 179.2 billion in 2012/13. During the fiscal year 2012/13, about 33% of the domestic revenue was transferred directly to districts.

Table 3.3: Actual Financial Transfers to Districts (RwF Million).

Financial Year	CDF	Block Grants	Earmarked funds	Total	Domestic Resources	% of Domestic Revenue
2002	1,300	100	0	1,400	101,700	1.4
2003	4,000	1,500	0	5,500	117,900	4.7
2004	5,500	3,300	0	8,800	133,700	6.6
2005	3,500	3,300	0	6,800	169,600	4.0
2006	4,000	5,000	38,900	47,900	190,300	25.2
2007	6,000	8,400	57,100	71,500	242,000	29.5
2008	8,800	11,300	64,700	84,800	297,800	28.5
2009/10	48,000	16,500	78,200	142,700	385,100	37.1
2010/11	48,200	20,400	87,600	156,200	471,200	33.1
2011/12	11,400	25,000	142,800	179,200	538,400	33.3

Source: MINECOFIN Budget Records

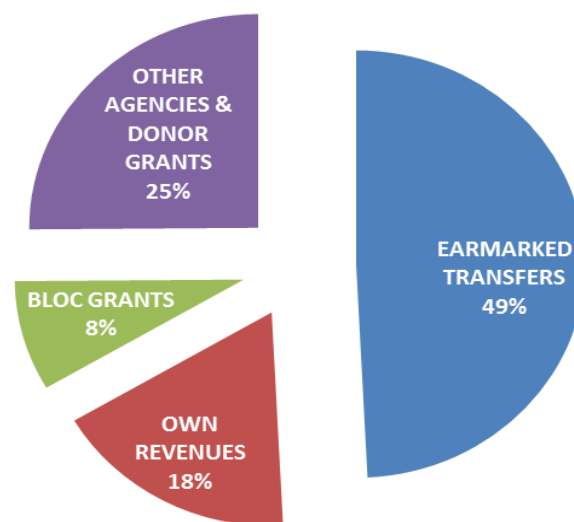
Capital investments for which LGs have discretion over expenditure have, however, been increased only minimally especially given the increasing responsibilities of LGs that require financial autonomy.

Since 2012, inter-entity transfers (i.e. ministries sending funds to districts) have been outlawed, and all funds for activities spent in districts are now budgeted as conditional or earmarked funds, and transferred directly to districts from the national treasury. This ensures prudent planning in local governments and enhances coordination between the central and local governments.

Tables 3.2 and 3.3 suggest that while fiscal transfers to LGs are increasing, it is mainly as a result of increased devolution of sectoral functions (and resources) from line ministries to districts. There are concerns that the LGs are not developing sufficient capacity to handle capital budgets, and this may create a backlash as line ministries put more pressure on districts. District Accounting Officers (District and Sector Executive Secretaries) have very limited skills in project design, supervision and monitoring, and there are not enough technically competent people at district level to conceptualise and design projects. Moreover, they tend to be too busy with operational work, and planning for local development may be compromised. The government must increase investment in building the capacity of local authorities for investment management, if absorption capacities are to increase.

Local revenue generation is, nonetheless, still very low. Districts generate only between 5-20% of their budgets locally. There have been efforts by MINECOFIN to undertake local revenue studies and determine long-term fiscal potential, however, local revenue comes from real economic development at the local level, and LGs must take expanding local economies a key priority. The central government must facilitate the process of local economic transformation by identifying and implementing stimulus for large-scale investments and equip and incentivize local authorities to focus on capital investment planning.

Figure 3.1: Sources of Funding for Local Governments (FY2010-2013)



The central government is the main source of funding for local governments (Figure 3.1), and will likely remain so for a long time. However, as nearly half (49%) of the fiscal transfers are conditional (earmarked funds) for sectoral functions devolved or delegated to decentralised entities, there remains a challenge of fiscal autonomy. About half of the LGs budgets are conditional grants. This affects priority setting and may discourage innovative planning and performance in terms of public investment effectiveness. Moreover, earmarked funds come with multiple guidelines from MINECOFIN and line ministries. Local governments increasingly have to endure endless uncoordinated monitoring missions and demands for reporting, which put pressure on already constrained human resources. As LGs have to direct their PFM efforts to managing central government funding, focus is diverted from mobilising their own resources.

Transfers from central government remain limited, yet LGs including urban districts, have not yet developed capacity to generate their own resources to any significant degree. Given the power of fiscal autonomy in terms of inter-governmental relations and local decision-making, Rwanda's decentralisation process will not be considered sustainable, mature or advanced unless its fiscal decentralisation framework evolves to a more balanced inter-governmental fiscal management system. This will entail LGs having sufficient sources and powers to collect local revenue, as well as greater decision-making leverage over the funds transferred from the central government - which still remains the largest source of funding. It appears, however, that insufficient effort has been put into building local fiscal capacity for prudent PFM practices, including efficient use of grants and mobilising own resources, as well as establishing capable procurement systems at the district and sector level.

Notwithstanding the limited financing, LGs are not investing enough effort in local revenue improvement, although this is an important aspect of fiscal decentralisation and PFM capacity development. Earlier attempts to empower local authorities to collect own revenues have been halted, as some of their responsibilities were delegated to Rwanda Revenue Authority (RRA). While RRA's capacity and focused mandate makes it an efficient tax collector, it is not clear how efficient its services can be in collecting typical local government taxes (e.g. patents, market dues, and local licences) in 30 districts. Strengthening local revenue management will not only contribute to enhancing the fiscal responsibilities of LGs, but will hasten exploitation of local economic development potential.

3.6 Current Policy Impetus

The revised National Decentralisation Policy of 2012 focuses on consolidating Rwanda's recent achievements and further positioning decentralisation as an instrument for poverty reduction and equitable economic development. Much more is expected from decentralized entities in service delivery than they have capacity for. The confidence in the ability and appropriateness of local governments to deliver services or execute the government agenda seems to be increasing. Therefore, it is important that the government and its partners put more resources into building local institutional systems and structures for service delivery. The central government also needs to honour its responsibilities outlined in the decentralisation policies (i.e. to provide clear policy guidance, mobilise adequate resources, and support LGs to deliver through regular inspections, planning and M&E support).

3.7 Implications of Decentralisation for Human Development in Rwanda

To appreciate the pivotal role of decentralisation in enhancing human development in Rwanda, it is important to understand what has already been achieved in the areas of governance and service delivery. It is also important to reflect on where Rwanda has come from. Post-genocide Rwanda was characterised by high levels of poverty and social vulnerability, widespread psychosocial trauma, a mixed sense of helplessness and hope among citizens, in addition to hatred, anger and divisionism. These were urgent issues for government to address before the country could embark on development. There were many priorities yet too little capacity and resources to deal with them. Although the government seemed steadfast, citizens' expectations were high and the central government could not sufficiently address all the issues with few resources. The Decentralisation Policy was rolled out in these circumstances, inevitably with fears, concerns, prejudices, and challenges.

From the perspective of human development, decentralisation undertook the following:

First, **awareness**: During the first phase (2000-2005), extensive mobilization and sensitisation work was undertaken across the country on participatory governance, the role of central and local governments and citizens, the rights and responsibilities of citizens, and expectations from government. Multimedia campaigns involving radio, TV and drama messages were targeted towards Rwandans of all socioeconomic classes and demographic groups. Local stakeholders—such as churches and NGOs—reviewed their programs and included decentralisation information. Rwandans are now aware that the government has to work with and not for them to solve their problems.

Second, **leadership development**: Decentralisation has nurtured, developed and is accumulating a pool of leaders at various levels. During the second phase, leaders and citizens were exposed to elected leadership but very little funding and other resources were available to them to fulfil their mandate. Many youth and women leaders at various levels of government over the last decade have been developed through the decentralisation process. During the second phase, more responsibilities, resources and institutional structures were transferred to subnational entities, exposing them to challenges of management and accountability. Local government performance and accountability systems were developed during this phase. During phase three, more responsibilities and resources from the centre are being devolved, and it is expected that required capacity will be developed to enable LGs to provide services more effectively and efficiently. Command systems that characterized the hierarchies of the local government system have progressively been transformed into support systems, where leaders at higher levels have the responsibility and capacity to support lower level leaders to achieve common goals. A key characteristic of leaders is that they do not always have to be told what to do but must be creative and independent. This is important in addressing human development challenges in key areas of healthcare, basic education and household incomes, which require local solutions.

Third, decentralisation has facilitated the **democratization of Rwanda and demystified the concept of government**. Democracy cannot work unless citizens have the means to hold elected leaders accountable. This can best be done at the local level, where citizens are physically and socially closer to the leaders they choose. It also requires a society where citizens are respectful rather than fearful of leaders, and leaders are conscious of their responsibilities to citizens and are accountable. After a series of regular local elections, Rwandans are accustomed to electing their own leaders on the basis of their own assessment of leadership potential, and of their right to recall them when they underperform. The concept of government has been demystified through demonstration and deliberate actions to bridge the gap between government and citizens. This has reshaped citizens' perceptions about the government, and inspired them to participate

more actively and begin demanding accountability. Decentralisation has facilitated the transfer of public services to levels where citizens can see, feel and be part of the service delivery process at the village, cell, sector, and district level. It has also ensured that responsible officers follow government functions. Rwanda has a field-based cabinet, mayors and leaders at all levels right down to *Umudugudu* (village) level. Mayors are rarely in their offices, as they are often in the field addressing citizens' development challenges. Local government institutions in Rwanda are not typical bureaucracies, but operational institutions that exist primarily to provide services. Armchair or *laissez-faire* leaders tend to suffer consequences when projects are not implemented. Ordinary citizens now question their leaders when their districts are ranked poorly. As a result, many Rwandans no longer feel that the government is far away from them. Nonetheless, such approaches and practices have their drawbacks. For instance, the tendency to focus on operational activities undermines strategic management and may hinder the evolution of effective service delivery systems at local level.

Fourth, **participation**: Decentralisation has created platforms for and facilitated participation of citizens in governance and service delivery activities. Local development challenges are identified through public consultations, priorities are formulated through participatory processes and development activities are implemented with major input from citizens. Even complex governance issues like corruption and poor service delivery are resolved with the involvement of citizens. There are multiple dialogue and physical participation platforms from the village level (where general meetings are held every last Saturday of the month), to *Ubudehe*, Joint Action Development Forums (JADF), *Inteko y'abatuye* (people's parliament), *Imihigo*, and *Umushyikirano* (national dialogue), among other platforms. Citizens are increasingly voicing their views more freely through these platforms. Barriers to communication like perceived fear of victimization have been overcome through providing multiple channels of communication. Some people are also encouraged to raise their own concerns when they see other problems being resolved.

JADFs are a platform where local authorities and development actors meet, identify and agree on priorities as well as pull resources together. These platforms provide opportunity for citizens to influence programming and service delivery activities of development partners, by bringing priority setting, planning and review of development activities to the local levels. JADF has also facilitated mutual accountability and efficiency through coordinated and collaborative approach to local development.

A culture of consistency and follow-through with such initiatives also appears to have helped facilitate continuous improvement, accountability and trust (see Annex 2 on the national dialogue). The twelfth and most recent national dialogue (*Umushyikirano*) has expanded the space for dialogue by using video conferencing and other technologies to facilitate direct and active dialogue with citizens. In addition to the 1,000 leaders at all levels from all over the country that filled the parliamentary chambers in Kigali, some 2,000 youth representatives (gathered in *Petit Stade*, Kigali) and citizens in two districts of Gakenke (Northern Province) and Rutsiro (Western Province) participated via video link. Others were gathered at the sector halls following live proceedings on TV. This is perhaps

Box 3.1: Bridging the gap between leaders and citizens through formal and informal dialogue platforms

As the country emerged from the post-genocide transition period and the GoR embarked on the decentralisation process, mistrust and animosity among citizens was one of the biggest barriers it faced, especially in promoting transparent and honest dialogue. Under these social and political circumstances, the task of searching for effective and sustainable solutions to political and development challenges that had bedevilled the country for so long must have seemed impossible. However, President Kagame made it his campaign manifesto in 2003 to talk directly to, and hear directly from citizens in order to transform the country's political landscape and the socioeconomic wellbeing of citizens. As a result, the first national dialogue (*Umushyikirano*) was launched in December 2003.

During each *Umushyikirano*, government leaders report on what has been done to implement the resolutions of previous dialogues. In all 11 previous dialogue sessions, more than 80% of the resolutions have been implemented, many of them being adopted as government policy, as was the case in the establishment of *Umurenge* Savings and Credit Cooperative (SACCO). This has motivated citizens to participate actively in the national dialogue. The existence of such a platform for free and open speech, where citizens' complaints are transparently addressed rather than subjected to lengthy bureaucratic processes, has also served as a restraint to local leaders who do not take time to address citizens' problems. The fear that they will be reprimanded or embarrassed at the national dialogue or other platforms compels them to address citizens' problems.

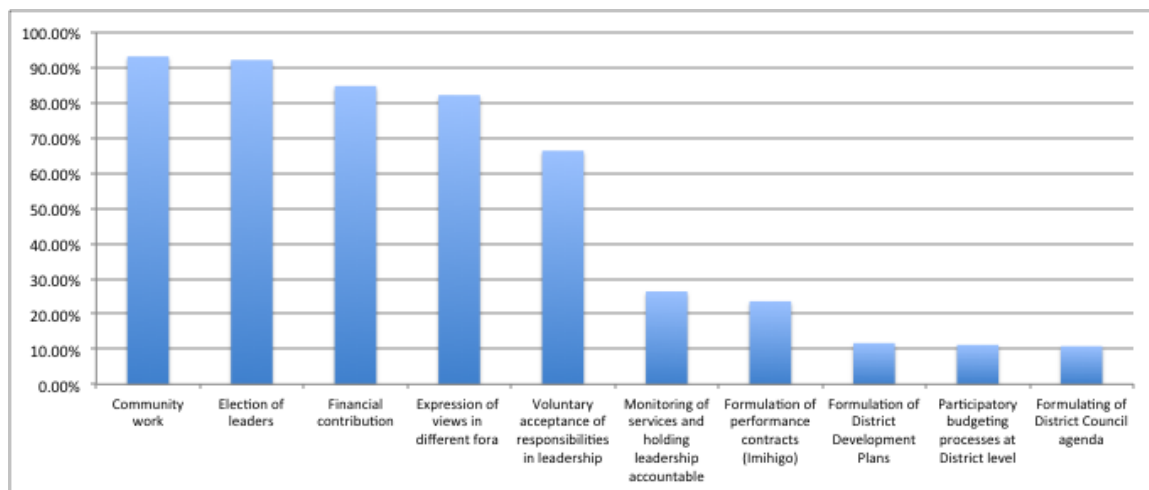
one of the clearest signals of Rwanda's resolve to expand investments in and use technology to promote good governance and equitable development. A comparative review of all annual dialogue sessions held since 2003 indicates a progressive increase in total participation, as well as active participation by citizens, including women, youth and children. Various other channels of communication have been explored, including phone calls, Short message System (SMS) and Skype, in order to enable Rwandans of all social classes in all locations (including diaspora locations) to express their views. The increasing enthusiasm for participation in the *Umushyikirano* is a good indicator that Rwandans value this dialogue platform. The commitment of the government leadership, including at local government levels, to act on the questions and recommendations of *Umushyikirano* has certainly contributed to building confidence among citizens through the dialogue process. A member of a Women's Cooperative HINGA KAWA in Gakenke thanked the government for

using technology that enabled her and her colleagues to directly participate in the National dialogue while in Gakenke. Another participant used the same technology platform to thank the government for extending electricity to rural areas. *“Mbere ya 1994, twari dufite insinga ariko nta muriro twari dufite. Amashanyarazi yabaga ku bigo by’amashuri, ibitaro n’umu centres z’ubucuruzi. Ariko ubu dufite amashanyarazi,”* (Before 1994 we only used to have electricity installations but without connection to power and we knew that electricity would only be available at schools and big business centres. But now, we have electricity) a 40-year old citizen from Gakenke district remarked.

The national dialogue sessions have also been used as a platform to interact with external development actors. For instance, at the 12th National Dialogue, Professor Carlos, Executive Secretary of the United Nations Economic Commission for Africa (UNECA), fielded development-related questions from Rwandan citizens, an opportunity that many citizens in Africa and other developing countries have not experienced.

Citizen participation has increased tremendously, enabling decentralized entities to deliver services more cost-effectively and fostering ownership of development programs by citizens. However, citizen participation tends to be high in areas that relate to community contribution but very low in areas of accountability and influencing decision-making (Figure 3.2).

Figure 3.2: Level of citizens’ participation in decentralized service delivery activities



Source: Rwanda Governance Board (2011): Citizen Report Card 2010; 2013.

Areas where citizens respond to a call of duty (e.g. community work, voting, financial contribution and giving ideas at meetings) score highest, but those that call for deeper engagement or questioning of authority score as low as 10%. This may indicate that local Rwandans still fear authority, do not yet appreciate their rights, or are not yet confident enough to challenge or complement their leaders. Empowering citizens to influence

decision processes and hold leaders accountable should be given greater attention in the decentralisation process.

Fifth, **peace building** is perhaps the most important area where decentralisation has been an effective promoter and facilitating mechanism. Decentralisation was adopted as Rwanda prepared to rollout *Gacaca* local courts to provide remedial justice. It would not even have been possible to identify *Inyangamugayo* (local judges) if the citizens had not learnt to trust government or viewed government as working for them. There could not have been meaningful dialogue without reconciliation. Peace building is not believed until it is lived, and decentralisation provided a practical mechanism for people to work together and appreciate what they achieve together or what they can become when there is peaceful coexistence.

The traditional values-based system of governance has created many avenues for people to engage each other through mutually beneficial activities. This enabled people who had previously hated each other and those who were working to perpetuate ethnic hatred through generations, to learn to live peacefully with each other. The participatory activities undertaken at the local level—from *Umuganda* (community service) to *Ubudehe* and *Girinka* (one cow for every poor household), to *Gacaca* and to community policing—it has inevitably brought people together. Hence, genuine reconciliation has not been built through political rallies and religious gatherings, but through day-to-day interaction and mutual support activities fostered by decentralisation.

Decentralisation has established **appropriate structures for coordination and integrated management of development activities**. Despite Rwanda being a small country, the centre is far away from the citizen, and centrally executed programs require physical presence in the field to be effectively implemented. In addition, the presence of many development actors working to improve the wellbeing of citizens tends to make programming complex. Sub-national governments are primarily responsible for the welfare of citizens, and LG structures have proved to be effective mechanisms for coordinating development activities, even though this potential is yet to be fully realized. Local development structures like the Joint Action Development Forum (JADF) provide avenues for donors, NGOs, faith-based organisations, private enterprises and various government ministries and agencies to jointly identify priorities and coordinate intervention activities with the facilitation of local authorities. The potential of LGs to be an effective coordination mechanism has, however, yet to be optimally utilized, in part due to capacity constraints and the slow pace at which sectoral decentralisation has been implemented.

Two features of the local government system make it an outstanding coordination structure. First, administrative structures are closely linked across jurisdictional boundaries,

from a collection of households at *Umudugudu* level right up to sector and district level. Second, the primary preoccupation of all leaders and local government personnel is the welfare of citizens, and their performance is measured by quantitative and qualitative change in the wellbeing of citizens. Thirdly, there are limited bureaucratic systems and sectoral delineations, making the local government system an integrated service delivery system. Thus, development activities tend to be more integrated and better coordinated at the local government level than anywhere in the service delivery system.

Accountable governance: Decentralisation has implemented systems for accountability in the delivery of public services at all levels. There is a relatively tight accountability system that runs all the way down to the village level, and it has been institutionalized through community structures like *inteko y'abaturage* (citizens' parliament), *Imihigo* and national dialogue. There are a number of examples where citizens themselves have held those in authority accountable. Under *Girinka* for example, in 2012, some local leaders attempted to allocate themselves cows intended for poor households, but local people complained and the cows were recovered and given to the rightful recipients. In addition, some district mayors have been prosecuted for various malpractices including embezzling funds from the community health insurance scheme and other programs. In the context of service delivery, accountability enables resources to be fairly allocated, thereby increasing opportunity for the most disadvantaged members of society to benefit from development programs. Accountability in Rwanda's decentralisation system is perhaps best demonstrated by the performance contracts (*Imihigo*) introduced in 2006.

Finally, decentralisation serves as a laboratory for **innovation and creativity**. Local authorities have achieved many targets with few resources through creativity, and decentralisation has provided the conditions, motivation and incentives for innovation and creativity to emerge in the process of resolving citizens' problems. From constructing schools under *Umuganda*, to managing security through community policing initiatives, and mobilizing resources through national and NGO projects, Rwandan LGs have demonstrated creativity. The competition promoted by the introduction of *Imihigo*, has compelled local government leaders to look for solutions internally and in creative ways. Indeed, all of the home-grown solutions that Rwanda is implementing have been developed and refined through decentralisation. The *Umudugudu* concept that was used in resettling refugee returnees after 1995 has been perfected and transformed into an important administrative unit, and in post-2020 Rwanda, could become a symbol of organized living in Rwanda. *Gacaca*, the community justice system that tried and concluded two million genocide cases in 10 years, was facilitated by the decentralized system.

Another aspect of innovation has been to deploy the country's unusually large incarcerated population to participate in the country's reconstruction process as they reconcile with

their communities. A program called *Community Service as an Alternative to Imprisonment* (popularly known by its French acronym, TIG) was put in place with a fully staffed national secretariat. Over the past 10 years, hundreds of kilometres of roads have been completed, and as many houses have been constructed for genocide survivors by genocide convicts. This program has achieved multiple benefits, including infrastructure development and increased acceptance and reconciliation by victims and community members. Local authorities and community-based institutions were instrumental in sensitizing and mobilizing citizens to participate in *Gacaca*, provision of logistical support and manpower for the courts to function including premises and security, among other things. Neither *Gacaca* nor TIG would have succeeded without the administrative structures and mobilization systems that decentralisation has established. *Gacaca* courts relied on community members to identify their own judges on the basis of trust, the most important qualification being *Inyangamugayo* (person of impeccable integrity). Further, without the local government logistical system, the courts would not have functioned. Beyond dispensing justice faster and more efficiently than the traditional courts would have, *Gacaca's* biggest contribution to human development in Rwanda has been reconciliatory justice that enabled people to live and work together again.

Box 3.2: Imihigo: An innovative tool to institutionalize a culture of planning, accountability and performance management

In 2006, the Ministry of Local Government (MINALOC) worked with sub-national entities to introduce a concept of performance contracts locally known as *Imihigo*. This derives from the traditional Rwandan concept of *Guhiga*, which was a promise of the actions that a leader intended to do that would create real impact. *Imihigo* were introduced to create a mechanism for focused service delivery and enhance accountability in the decentralized service delivery system.

The specific objectives of *Imihigo* were to:

- Speed up implementation of the local and national development agenda;
- Promote result-oriented performance;
- Promote accountability and transparency;
- Instill innovation and encourage competitiveness;
- Engage stakeholders (citizens, civil society, donors, private sector, etc.) in formulation and implementation of the national development agenda;
- Promote zeal and determination for achieving the objectives and targets;
- Instill the culture of regular performance evaluation.

The implementation of *Imihigo* starts with the approval and signing of the contract by the mayors and the President. The district allocates resources and undertakes day-to-day monitoring. Progress reports are prepared on a monthly basis to ensure that implementation is on course. Reports are copied to the provincial administration (and Kigali City for city districts) and MINALOC. The provincial administration and City of Kigali authorities undertake monitoring of the progress in the districts under its jurisdiction. At the national level, bi-annual monitoring and mid-term assessments are undertaken, usually in January and annually in July.

Performance assessment is based on a transparent and objective set of three broad criteria: economic, social and governance. Consistent with the national EPRS priorities, these criteria give more weight to economic and livelihood issues (60%), and then social development (30%) and governance (10%) issues. This is an indication that *Imihigo* are more about uplifting the plight of citizens and not politics, making them a critical facilitator of human development in Rwanda.

The connection with human development has increased with the extension of *Imihigo* to household level, and increased space for citizens to participate in their evaluation. This means that whatever targets are set, they must include the participation of all citizens, and whatever development is realized, includes and reflects the performance of households.

Local innovation has been at the centre of decentralized service delivery, with local authorities being expected to address citizens' problems even without adequate resources. The demonstrated successes have inspired the government to institutionalise what have come to be known as Rwanda's home-grown solutions (summarized in Annex 6).

What has decentralisation achieved that facilitated progress in human development?

The activities, innovations, approaches and solutions undertaken by actors in the decentralisation process have enabled Rwanda to overcome a number of post-genocide governance challenges. The key areas of strategic importance to human development include empowering citizens, a socially cohesive society, an efficient and effective service delivery system and a system and culture of equity.

Empowered citizenry: Rwandans have been empowered to think positively about themselves, to believe in themselves, to appreciate the potential they have, and do things for themselves. Citizens are now more accountable to themselves first. Decentralisation has enabled development beliefs and values to be tested, implemented, believed and sustained. Rwandans' perceptions about themselves, poverty, their government, their leaders and their neighbours, have changed remarkably as a series of studies (including RGB scorecards) have revealed. This empowerment underpins all recent achievements in citizens' participation, from construction of schools, to construction of community roads. The government considers empowered citizens to be important partners in the development process, as they will be active participants. It is on this basis that citizens themselves were able to provide justice through *Gacaca*, where witnesses and judges convicted their children, parents, relatives and friends who had committed the genocide, that genocide victims reconciled with those who killed their relatives and destroyed their homes, and that former genocide convicts are now freely coexisting with their victims. Citizens have also been able to construct roads, bridges, schools and health facilities with their own effort because they are more empowered, even though they have to be mobilised. As President Paul Kagame said, "We are the same people and this is the same country, yet everything is completely different, because our mind-set has changed."⁸

Social cohesion: Human development cannot be realized in situations of conflict and social disharmony, yet this is what the government was still struggling with when decentralisation was launched. The global Human Development Report 2014 (UNDP, 2014 *p101-103*) observed that cohesive societies tend to do better than less cohesive societies in most human development aspects. It further suggests that societies address deep divisions and historically rooted exclusion by a) improving the availability of basic social services, b)

⁸ President Paul Kagame, while opening the 12th National Dialogue in Kigali, December 18, 2014.

strengthening employment policies, and c) extending social protection. This thesis is clearly validated in Rwanda, where decades of systematic, ethnic-based division and historically institutionalised exclusion culminated in the 1994 genocide. All aspects of human development were severely affected, including the systems and structures that had a mandate to promote human development.

The government understood that the conflict that had broken the country into pieces was not merely a clash of interests between political elites, but was deeply rooted ideologically. A lot remains to be done in resolving conflicts, including external aggression. Nonetheless, Rwanda would not have made progress without the level of internal cohesion that has been established. It has taken a lot of hard work and political trade-offs, and it is being sustained through decentralisation. Local government structures have mobilized citizens and facilitated reconciliation and peace building from the grassroots level. Decentralised activities—from planning to implementation—have integrated reconciliation and peaceful coexistence, a situation that has enabled local people to work together and to trust each other again. This is the foundation on which Rwanda has been able to build a robust healthcare system, rebuild and expand basic education infrastructure, and lift more than a million of its citizens from poverty. Scaling up and sustainability will be much harder phases, although the roadmap is clear. Rwandans and their government appear to be confident in achieving the Vision 2020 aspirations.

Effectiveness: Decentralisation increased the effectiveness of public investments. Devolution of development responsibilities and resources has ensured better targeting of interventions. Intervention areas and beneficiaries of government and NGO projects are identified in collaboration with local government authorities. The involvement of citizens in identifying priorities has enhanced alignment of public expenditure with local needs, thereby increasing the efficacy of public investments. The PRSP 1 made very little difference in poverty reduction (Table 2.2), partly because it was centrally executed with little involvement of decentralized structures. Central government planning was completely delinked from local government planning. Sub-national entities also received very few financial resources, which were largely required for operational activities, and the disbursements were always late. This is in sharp contrast with the EDPRS 2, in which decentralisation provided an effective mechanism for implementation of service delivery which, among other things, resulted in the doubling of Rwanda's GDP and reducing poverty from nearly 3 in 5 to 2 in 5 Rwandans.

With improved and more focused planning, decentralisation has enabled better alignment of development priorities and resources. This has resulted in higher effectiveness of development programs. The Vision 2020 *Umurenge* Program (VUP), which was one of the three flagship programs of the EDPRS 1, directly targeted the poor and vulnerable by selecting the poorest households in the poorest sector in each district. This direct, focused

and contextually relevant intervention was principally and operationally grounded in decentralisation, and was the key to the poverty reduction achievements under EDPRS 1. Human development issues are more effectively addressed at the local level. They require detailed analysis (e.g. the specific conditions of vulnerability and underlying causes), local specific local solutions and close follow-up. For instance, the Ministry of Education (MINEDUC) was able to construct schools, but could not guarantee enrolment and regular attendance or completion of primary education. It is the local institutions that have effectively mobilized and ensured that children stay in school.

Efficient allocation and management of public resources: Decentralisation has increased the efficiency with which public resources are allocated and used. With too few resources and too many challenges to address, Rwanda has been compelled to be creative in its priority-setting and allocation of resources.

The *Imihigo* has conditioned mayors to be efficient managers, even though they may not be the most effective. In the district, human, financial and logistical resources (including vehicles) are managed as a pool, and are allocated on the basis of need. During the agricultural season, every available worker (even police officers) are deployed to mobilise farmers, engage cooperatives and distribute seed and fertilisers and other inputs to ensure that farmers plant on time, and undertake other activities as planned. The same effort is used during tree planting, *Gacaca* court sessions, Operation *bye bye Nyakatsi* (campaign to eliminate grass-thatched houses by building better houses for the poor) and other local development activities. Efficiency is also pursued using local resources and pulling efforts together, the most common approach being *Umuganda* (community work), considered one of Rwanda's most effective tools in community development. *Umuganda* has contributed immensely in building schools where up to 40% of the cost of constructing 12-Year Basic Education (12YBE) facilities has been from contribution by communities through *Umuganda*.

Equitable sharing of public resources: Decentralisation promotes diversity, and through local development planning, enables public resources to be shared on the basis of need. By transferring planning and priority setting and public expenditure allocation to centres closest to citizens, decentralisation has enabled Rwandan authorities to pay more attention to the unique development challenges of certain groups (e.g. island dwellers in Nkombo, high altitude farmers in Nyamagabe and Burera, livestock herders in water-scarce areas of Gatsibo, Nyagatare, Kayonza and Kirehe districts, the food security and nutritional needs of Southern Province districts of Nyaruguru and Gisagara, among others). Funds that are transferred to districts based on special conditions (earmarked for specific activities, special or equalization grants) are difficult to manage when expenditure decisions are made at the central level. More independence in financial decision-making would provide opportunity

to leverage the creativity (or lack thereof) of local government leaders. The recent expansion of health infrastructure in underserved areas, the VUP program that targeted the poorest sectors in each district, social protection programs to genocide survivors, orphans and other vulnerable children (OVCs), and the elderly, have been far more effective after the adoption of decentralisation. Rwanda now needs to deepen the process of leadership development at the grassroots level to achieve greater efficiency and sustainability of service delivery.

3.8 Summary: From Citizens' Empowerment to Service Delivery

Rwanda adopted the Decentralisation Policy with a focus on reconciliation and empowering citizens with the knowledge and confidence to participate in leadership, hold leaders and service providers accountable, and bridge the gap between the leaders and the led. This form of citizen education and confidence-building generated impressive results by the end of phase one in 2003. Citizens had learnt democratic values by electing their own leaders, however, they could not hold their leaders accountable as the culture of fearing leaders still prevailed. Moreover, local leaders were also not used to being accountable to citizens. The perception that all solutions must come from the central government was also still persistent. While the first phase achieved mostly political decentralisation, subsequent phases have realigned decentralisation to service delivery. Indeed, most of the achievements in service delivery since 2006 have been associated with more active involvement of local authorities.

CHAPTER 4: INCOME AND LIVELIHOOD SECURITY

4.1 Overview

Rwanda's economy has been growing steadily for most of the past decade, at rates ranging between 6-7% and often exceeding double digits (11.8% in 2008). In the third quarter of 2014, the economy grew at an impressive 7.8%. This rate makes Rwanda one of the fastest growing economies in the world. This growth is the result of steady and consistent investment in areas that drive the economy, such as infrastructure (mostly roads, electricity), agricultural production, tourism promotion, and more recently, mining. While Rwanda's economic growth is impressive, it is important to understand how the benefits of growth have improved individual and household incomes and livelihood, a key dimension of human development. This section focuses on household incomes and livelihoods, their sources and associated changes, as well as how decentralisation has facilitated and/ or could enhance human development from the income perspective.

Individual incomes depend on the abilities and opportunities accessible to and taken by individuals. These include access to productive assets, knowledge and skills, as well as networks and systems that facilitate exploration and acceptance of opportunities. Accessing and utilising income-boosting opportunities are largely a factor of who people are (their mind-sets and perceptions of themselves), where they live or work (proximity), and how they interact with the environment where they live or work (augmented by the knowledge, skills, experiences and interactions). Most Rwandans are engaged in agriculture as farmers (85%) and paid agricultural workers (35%) (Figure 4.1). Most of the agricultural workers also cultivate their own plots, but tend to have very little land (most cultivate less than 0.5 Ha). Non-farm paid employment absorbs a little more than a quarter of workers, and includes formal and non-formal workers.

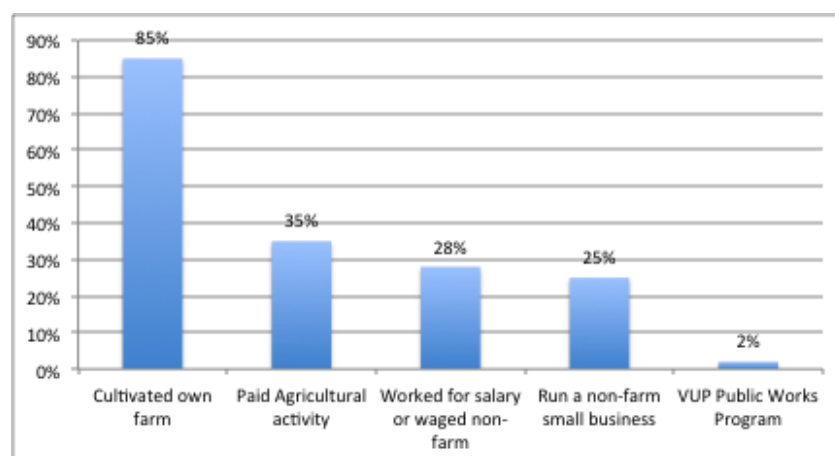


Figure 4.1. Where are working Rwandans employed? (Data source: EICV3, 2010/11).

The formal sector constitutes a very small proportion of non-agricultural labour, and is predominantly government workers.

An important observation is that 2% of adult Rwandans have been offered opportunity to work by the Vision 2020 Umurenge (VUP). While 2% is by any means a small figure, it is nevertheless significant because the people employed by VUP are a vulnerable group at the bottom of the poverty ladder.

4.2 Food Security: From “PAM” to FARM

Poverty is the single most limiting factor for human development. The World Bank’s World Development Report 2008 reported that agriculture remains one of the most promising instruments for poverty reduction (World Bank, 2008). It is certainly true in Rwanda, despite the current efforts to transform the economy from agrarian to industrial and services-based. This implies that prospects for human development, and much of the government’s present socioeconomic transformation agenda, remain partly in agricultural transformation. Rwanda has a favourable climate and naturally rich soils, and at least two main agricultural seasons (A and B), and in some areas a third short one (Season C). However, agricultural production is generally rain-fed, with only 2.1% farmers practicing irrigation (NISR, 2013). Thus, the variety and type of crop grown and when, depends largely on the rainfall pattern. The GoR has recently rolled out a comprehensive irrigation program to put at least 20,000 hectares of land under irrigated agriculture.

In 2000, food insecurity was high, as there was still very low production in the countryside. A large part of the country depended on humanitarian food aid, mainly coordinated by the World Food Program (popularly known in-country by its French acronym “PAM” i.e. *Program Alimentaire Mondial*). Indeed, food distribution constituted a major programming area for many international NGOs. The government’s radical move to discourage food aid led to the conversion of most food aid into food for work programs. It is through this approach that Rwandans returned to work. Food-for-work and other public works programs were used to undertake terracing of hillside land to control soil erosion, construction of rural roads and other community infrastructure such as classrooms. This was followed by intense mobilization of citizens to produce their own food and save the country millions in hard foreign currency for food imports. Local authorities were instrumental in the food security campaign, and the number of food insecure households declined radically 78% in 2006 to 21% in 2012. Rwanda has transformed from a food aid-dependent country to a food self-sufficient one, as the result not only of proactive policies but also of decentralisation. Rwanda currently exports food to its neighbours with increasing levels of value addition. Local authorities have been at the centre of agricultural extension, rural

infrastructure development and security that has facilitated food security and agricultural production policies. Considering the central role of sub-national governments in agricultural transformation from extension to overseeing input distribution, establishment and/or maintenance of infrastructure and markets, decentralisation has pivotal role to play. Under decentralisation, the contribution of agriculture to human development has mainly been in four key areas: i) food security, ii) nutrition, iii) household incomes (farmers) and employment (farm and non-farm agricultural labour), and iv) revenue generation for local governments.

i) Food security:

Over the last decade, Rwanda has transformed from a hungry nation to a food secure one. Four in five Rwandan households are now considered food secure, a stark contrast to 2006 when only one in five households was food secure. This is consistent with increased production, largely as a result of increased productivity (augmented by massive rollout of external agro-inputs) and as a result of the agricultural transformation activities during the EDPRS 2. If the efforts put in during EDPRS 1 are maintained or stepped up during the EDPRS 2, Rwanda will be in position to sustain its food security situation. The impressive improvement registered between 2006 and 2009, however, seems to have faded, as the status remained stagnant during the subsequent 3 years 2009-2012 (Figure 4.3).

The production levels for all major food staples in Rwanda have increased considerably since 2001 (Table 4.2). Decentralisation has played an important role in all aspects of food security, from mobilizing farmers under the land consolidation programme, to fertiliser distribution and monitoring of post-harvest handling and food storage. The Ministry of Agriculture and Animal Resources (MINAGRI) has partnered with local authorities to construct community silos at the sector level. While the food storage activities were not well thought out or well placed in the food security strategy, and while there have been concerns from farmers about government regulating the selling of produce, it was a bold step in the right direction.

Table 4.2: Production of Major Food Staples

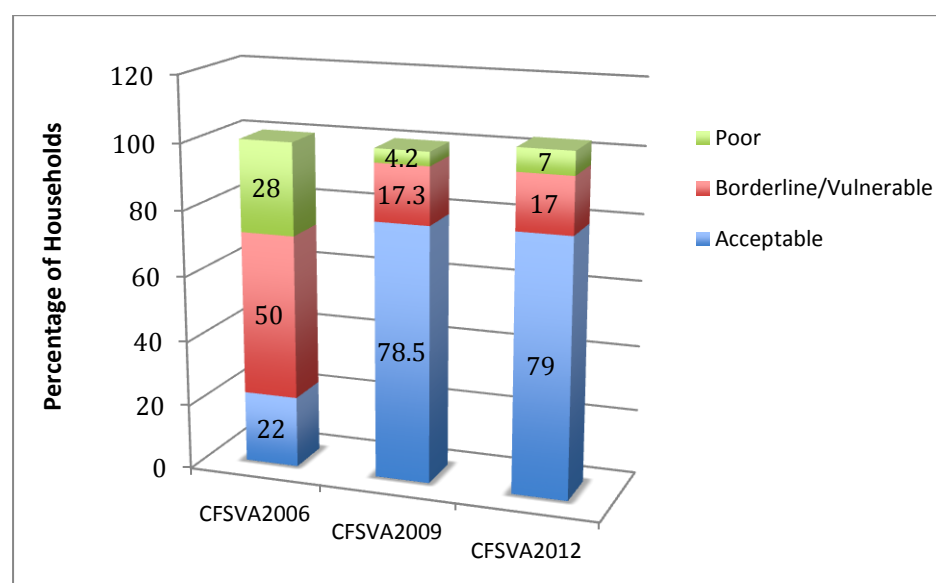
	Main staple	Percentage of Households growing main crop			Percentage sold
		2006	2009	2012	2012
1	Beans	83	88	90	12
2	Sweet Potatoes	54	61	45	11
3	Maize	23	38	42	22
4	Cooking Bananas	34	35	28	30
5	Irish potatoes	36	37	15	32
6	Cassava	36	46	40	23
7	Sorghum	38	34	13	54

Source: CFSVNA and Nutrition Survey 2012

Sorghum, Irish potatoes and bananas are the most commercialized food crops in Rwanda, followed by cassava and maize (Table 4.2). Interestingly, despite tilling the same small unit (varying between an average of 0.21 Ha per farmer in Season A to 0.61 Ha in season C), Rwandan farmers still practice fallowing. About a third of the agricultural land (33.6% in season A and 29.9% in season B) was under fallow, 50% of this being in the Eastern Province. The fallowing practice is, however, most likely to be attributed to environmental and climatic conditions than as a normal agronomic practice.

Adequate and balanced food intake is a foundational base for human development. Rwanda has invested extensively in food security and nutrition, and the efforts seem to have paid off. Since 2008, Rwanda is considered food secure, and even exports some of the food it produces (Figure 4.3).

Figure 4.3: Trends in food security in Rwanda (2006-2012).



Source: NISR & WFP, 2012; 2009; 2006.

However, there are still large pockets of food insecurity, although these tend to be associated with specific areas (such as the Kivu belt and Crete of the Nile covering large parts of the Western province) and specific socio-demographic groups (e.g. people in casual employment). More than half of households still have some difficulty accessing food, and one in five households experience seasonal food insecurity. This happens mostly between March and May and from September to November, just before the harvests for seasons A and B respectively. During this period, food is in short supply and food prices tend to be high, but casual employment opportunities are fewer. This makes it difficult for people in the low-income categories (such as casual labourers who work seasonally, and those with

extremely low wage jobs) to afford food. Adaptive measures include using savings, borrowing, reducing food in-take, and compromising on other essential needs. This means that any shocks in food production and marketing systems can trigger serious livelihood challenges for a large section of the population. Rwanda needs to invest more in resilience-building through livelihood diversification, as well as building local food reserves that can stabilize food supply in situations where low production triggers shortages or unexpected rises in food prices. These reserves should, however, be managed by farmers' institutions (i.e. cooperatives and associations) at sector level and rely less on state subsidies.

The fact that one in five Rwandan households are food insecure, and that 15% have almost year-round chronic difficulties in accessing food, is a serious concern that could undermine Rwanda's progress in human development unless authorities increase efforts to address them. The socio-economic and geographical disparities that have clearly and consistently differentiated who is and who is not food secure requires specific action from local authorities. Food insecure households tend to be poor, rural smallholder farmers or casual labourers (NISR and WFP, 2012). They rely on a small number of livelihood activities, often have no kitchen garden, and their household food stocks are not sufficient to last through the lean season until the next harvest. The further households are located from a main road or market, the more likely they are to be food insecure. Apart from small landholding, which is a common problem, the fact that food insecurity has been associated with households far away from infrastructure (road, market), low education of household heads, and elderly persons, further point to income as a key factor of food security. The food security situation of elderly people raises another issue of social support. In Rwanda, like in most sub-Saharan African countries, social security systems are underdeveloped and the pension system covers no more than 9% of workers, most of who work in the formal sector (both public and private).

ii) Nutrition

The high levels of malnutrition, particularly among mothers and children (as revealed in the second and third Demographic and Health Survey (DHS 3) reports), brought the reality about lack of balanced diets within Rwandan households to the fore of public debate. A national integrated policy on nutrition was formulated as a joint effort between MINAGRI and the Ministry of Health (MoH). Local governments have been at the centre of the policy implementation through education, formulating bylaws on balanced nutrition, and mobilizing households to set up backyard vegetable and fruit gardens (*akarima k'igikoni*), among other initiatives. Most of the districts have included these indicators among their development priorities in the DDPs and *Imihigo*, underscoring the magnitude of the malnutrition challenge and highlighting the role of LGs in addressing the problem. The results are being reflected in increased food intake, increased numbers of citizens reported

to have balanced diets, as well as the significant reduction in malnutrition incidences in recent surveys.

Malnutrition is being addressed at the household level, along with other dimensions of vulnerability through the *Girinka* (one cow per poor family) program championed by President Paul Kagame since 2006 (Box 4.1). Although coordinated at national level, the *Girinka* programme is fully decentralized, and cows are procured and distributed at the local level in a process that is generally considered as transparent and participatory. The impact of *Girinka* program on malnutrition and household vulnerability could already be emerging given that beneficiaries tend to get products (like milk) within 6-9 months, and others, like organic manure, immediately.

As a result of improvements in food production and interventions such as *Girinka*, incidences of acute malnutrition have declined to about 3.6% in 2012, and there is progress in all nutrition-related indicators (Table 4.3). However, prevalence of chronic malnutrition remains very high (with 43% stunting). Feeding practices of children between 12 and 23 months and the types of foods consumed by children are significant predictors of their stunting. Thus, access to food, hygiene and feeding practices are important for child survival.

Table 4.3: Trends in selected Malnutrition Indicators among Children under Five Years

Nutrition indicator	CFSVA 2006	CFSVA 2009	CFSVA 2012
Stunting	41	52	43.4
Wasting		4.6	12
Underweight		15.8	3.6

Source: Comprehensive Food Security & Vulnerability Analysis Reports; 2006, 2009, 2012.

The northern livelihood zones have the highest rates of stunting, exceeding 60% in rural areas, followed by rural areas bordering Lake Kivu (51% stunting), and along the Congo Nile Crest (50%). At provincial level, the northern and western provinces have the highest rates of stunting, with over half of all children between six months and five years of age stunted. Perhaps not surprising, stunting was reported to be lowest in Kigali (24%). A quarter of Kigali City children are stunted, which points to urban poverty and needs special attention.

Malnutrition also severely affects women. With 4% of women of reproductive age stunted, 17% overweight and 7% wasted, the results of the Comprehensive Food Security Vulnerability Assessment (CFSVA) and Nutrition Survey 2012 largely reflect those of the DHS 2010 in which 3% of women of reproductive age were stunted, 16% overweight and 7% wasted. The CFSVA and Nutrition Survey 2012 further found that 5% of pregnant women are wasted (NISR & WFP, 2012).

The government's response to malnutrition and multidimensional poverty challenges has been impressive, and is an important assurance of continued progress in human development. For instance, the CFSVA 2006 observed that children between 6-23 months who had consumed milk products were significantly less stunted than other children of the same age category. The government responded with *Girinka* program, and with 350,000 poor households expected to have a cow by 2017, malnutrition could be significantly reduced.

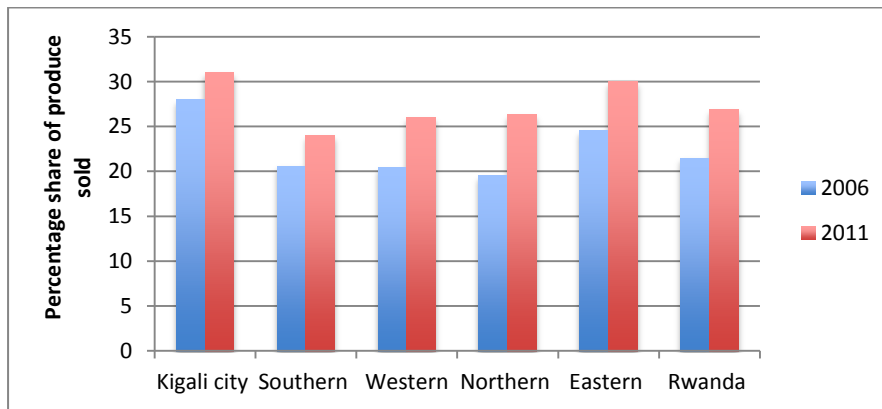
Secondly, the government launched a three-year multi-sectoral strategy (2010-2013) to eliminate all forms of malnutrition by 30% by 2013. The strategy involved training community development and health workers, mobilization and establishment of backyard gardens, providing information and cooking skills to women and mothers and food aid, among other activities. The interventions were focused on the most affected areas, with Gisagara district taking 11% of the program efforts. It is not known whether this program has been evaluated to understand whether progress has been made in addressing malnutrition, and what lessons can be learned.

iii) Household incomes:

Three in four adult Rwandans claim to derive their incomes from agriculture. Despite the smallholder and largely subsistence nature of agriculture in Rwanda, and notwithstanding its declining share of GDP, the agricultural sector remains the main source of income and livelihood for Rwandans. The increasing production of major staples and introduction of other food crops of high commercial value (like maize) is indicative of increasing household incomes. The main concern is whether incomes are spread among a few progressive farmers or to all farming households. Recent efforts in increasing food security through crop and livestock intensification programs have high potential for increasing the incomes of poor farming households through targeting of smallholder farmers.

The proportion of marketed agricultural products increased modestly from 22% to 27% (Figure 4.4), which is a marginal improvement considering the large investments in agricultural intensification during EDPRS 2, and the urgency to reduce rural poverty through agricultural commercialisation. It is, nonetheless, significant as it shows the progress in food self-sufficiency and that smallholder farmers are beginning to earn income.

Figure 4.4: Proportion of produce that is sold



All provinces registered increases in the proportion of marketed produce although Kigali City (31%) and Eastern Province (30%) sold the highest proportions (Figure 4.4). Agricultural commercialisation needs to increase for incomes of households that primarily depend on agriculture to increase.

The fact that urban dwellers have higher acceptable food consumption levels than rural Rwandans (93% in Kigali City, compared to districts like Nyamasheke with only 37% acceptable food consumption), makes the income factor more important for food security than producing food. The most food insecure farming households are cultivating less than 0.5 hectares, and yet this is what the majority of Rwandan households own. This supports the government policy of increasing employment outside agriculture. It means that addressing the food insecurity of rural households requires livelihood diversification. Indeed, households relying on more diversified activities, and especially urban households not involved in agriculture, are better off than others in terms of food security. Integration of livestock and crop systems has also been associated with improved food security and nutrition. The more crops a farming household cultivates, and the more livestock it owns, the more likely it is to be food secure.

Another area of agricultural strategy has focused on poverty reduction by providing livestock. This was done initially through programs like *Ubudehe*, and more recently through *Girinka*. Resource-poor and smallholder farmers have also been provided with agro-inputs (improved seed and fertilisers) at subsidized rates and through arranged credit schemes, as well as climate insurance to cushion farmers from climate-induced losses. Attempts to increase opportunities for people who depend on agricultural labour for their livelihood have yet to yield tangible results.

iv) Employment

Despite its shrinking agricultural share of GDP and slow growth, farming is still the main

occupation of most working Rwandans (62%). This is consistent with the government policy and Vision 2020 to reduce the proportion of people working on-farm as their main occupation.

v) Local government revenue

Rwanda's local economic development strategy under decentralisation aims, in part to increase the revenue base for LGs. Almost all districts outside Kigali City, rely heavily on agriculture, so better agricultural performance promises to be a major boost to local government revenue. For the local tax base to increase, agricultural enterprises (including cooperatives) have to be supported through improving the local business environment among other things. Increased local revenue from agriculture directly translates into increased fiscal capacity to address human development needs, if local government priorities are right. Presently, however, local revenue collection (discussed in Chapter 3) is a challenge, and there are few statistics on taxable agricultural production and the proportion of local government revenue accruing from agriculture. Agricultural markets in Rwanda are dominated by a few Kigali-based large-scale enterprises and are inadequately developed in districts. Markets are also somewhat distorted by the participation of government on both the demand and supply side. Government participation may, however, be informed and justified by its interests in the inputs supply chain as well as the need to protect farmers and their nascent institutions (cooperatives) from commodity brokers and other speculators.

More broadly, the high sensitivity of Rwanda's economic conditions (particularly inflation and unemployment) to food production also puts the success of food security strategies at the heart of macroeconomic stabilisation. Since 2004, the inflation rate has stabilized at levels below 8%, which is partly attributed to the country not only significantly reducing food imports, but has also starting to export food. Hence, the share of GDP attributed to agriculture remains relatively high (at 34% in the third quarter of 2014).

4.3 Commercialising Agriculture through Technology-Driven Intensification.

Rwanda's agricultural strategies since the EDPRS 1 have focused on modernization through mechanization, commercialization, irrigation and use of external productivity enhancing inputs as main areas of intervention. It has also focused on improving the value chains through agro-processing and marketing with a focus on selected traditional crops (tea, coffee) and new high-value horticultural products. These have already shown improvements in agricultural sector's contribution to GDP.

During the EDPRS 1, the GoR successfully rolled out fertilizer distribution programs with the aim of increasing production in smallholder farming units.

A key concern for improving household incomes through such activities such as crop intensification programs (CIP) based on consolidating landholdings, is the selection of products. The increased production of maize on smallholder farming units where intensive use of external inputs (improved seed and industrial fertilisers) is required may raise questions about the implications for poverty reduction. In light of the performance of agricultural value chains elsewhere, the commercial viability of maize production by smallholders, even with a seemingly successful land consolidation program and high market demand, needs to be subjected to more participatory policy discussion alongside other production options. Rwanda's food security has improved and this may have also improved household incomes especially where farmers sell a substantial proportion of their produce. However, whether this can significantly increase incomes and be sustained to transform livelihoods needs to be ascertained in light of available alternatives (for example compared to scenarios where households focus on horticultural production). Given the climatic, biophysical, socioeconomic and demographic diversities in Rwanda, selection of alternative products and farm enterprise development options need to happen at the local level, with farmers and farmers' associations/cooperatives and local authorities playing a significant role. Consistent with the national decentralisation policy, local governments and community institutions (farmers and agri-business associations and cooperatives) must assume the responsibility of identifying the best way to address food and income needs of local people, including resource-poor farming households and those that depend on farm and non-farm rural labour. Active farmers' forums need to be established and facilitated for farmers to inform the formulation of *Imihigo* and participate in their implementation and evaluation. The role of cooperatives and SACCOs is acknowledged, but there is need for cooperatives to re-position themselves to provide holistic and on-going advice to farmers and other agro-industrial actors. It is important that farmers' organisations and other rural-based institutions are equipped to address the challenges facing the rural economy, including emerging threats like climate change.

A combination of factors such as small land holding, traditional subsistence production, evolving agro-market systems, farmers' knowledge and climatic conditions tend to favour high-value, easy-to-market crops in Rwanda. For example, increased production of horticultural products has the potential to boost household incomes and support the export strategy, as their production in intensive systems is likely to be feasible, marketing relatively easy, and the returns per unit of land comparatively high compared to cereals like maize. By adopting a strategy that makes every agro-ecological zone a horticultural production zone, Rwanda's horticultural sub-sector could expand to meet the needs of the local and export market as well as increase household incomes. By and large, the GoR's renewed focus on agricultural development, where the poorest segments of society derive income, is an indication of pro-poor policy. However, there needs to be increased space for farmers and

decentralized entities to influence decision processes that directly impact household incomes.

Commercialisation of crop production, as measured by the share of harvest sold, is highest in the Eastern Province at 25%, and around 20% in other provinces outside Kigali City. As one would expect, commercialisation increases with the wealth category a farmer is in. The poorest farmers (lowest wealth quintile) sell only 15% of their harvest, as compared to 19% in the second, and 25% in the fourth quintile. Noteworthy changes in livestock ownership can be found between Integrated Household Living Condition Survey 2 and 3 (EICV2 and EICV3). In all provinces, higher proportions of households now own cattle, from 34% to 47% nationally and with particularly high increases in the Western (29% to 43%), Northern (38% to 58%) and Eastern (27% to 45%) provinces. In contrast, cattle ownership in the Southern Province has improved only a little.

The process of upgrading smallholder farmers from subsistence to commercial agriculture had been boosted by the entry of insurance firms to mitigate weather-related risks, which undermined farmers' ability to use modern inputs like improved seed, pesticides and fertilisers. This innovation, however, appears to be faced with challenges as MicroEnsure, a European-based firm that pioneered crop insurance in Rwanda, closed business after only two years of operation. Given the multiple stakeholders involved in Rwanda's agricultural production, extending insurance services to smallholder farmers needs to be carefully considered.

Main Challenges for Agricultural-Based Livelihoods

A number of challenges constrain the ability of Rwanda's agricultural sector to provide sufficient livelihoods, including adequate nutrition and incomes for waged labour and farmers.

Small landholding is a major concern for food security and rural income, particularly for farmers and agricultural labourers: In 2011, more than half of rural farmers cultivated less than 0.5 hectares. These households account for 70% of rural households with poor food consumption, 73% of households with access problems and 67% of rural households with unacceptable food consumption (NISR and WFP, 2012). Even in rural areas, households' own production accounts for one third (33%) of the food consumed, a situation that underscores the importance of household incomes to nutrition. It is, therefore, not surprising that 84% of rural households that have poor food consumption either farm no land or farm less than 0.5 hectares. These households can neither produce for the market to earn income nor meet their own food needs.

Secondly, the use of external productivity-enhancing inputs is extremely low yet is the only way production can be increased substantially. Underpinning this is the low levels of education of smallholder agricultural operators. One in three agricultural operators has no education, and only one in ten has more than primary education. More than nine in ten have no more than primary education.

Food price inflation is a major risk to the food security of market-dependent households. Access to food in Rwanda is increasingly dependent on household income as well as on food prices. On average, markets provide 65% of the food consumed by a household. Other sources of food including fishing, gathering, hunting, exchange, borrowing, gifts and food aid account for another 5% (NISR and WFP, 2012). This means that household incomes have to improve in order for food intake to increase, since most households already spend about half of their income on food. Food prices in Rwanda are fluctuating, and since 2006, they have almost doubled in nominal terms, partly as the result of global increases in food prices. Food price inflation is higher than that of non-food commodities, and incomes for smallholder farmers and agricultural workers have not increased correspondingly. Households that depend heavily on the market for their food needs, especially those that have very low wages, have been hit hardest by inflation.

Market access is difficult for many households despite seemingly good market integration, reliable roads and recent policy measures to stabilize prices. Only 6% of households are served by a market facility within their village, while the others have to walk on average 1 hour and 15 minutes to another village to reach a market place (NISR and WFP, 2012). The districts in which households need to walk the furthest to reach a market are Rulindo (2h and 24 min), Kayonza (2h), Nyamasheke (1h and 55 min), Ngororero (1h and 50 min), Kirehe (1h and 48 min) and Rutsiro (1h and 36 min).

Rural households have very few options to diversify income sources: Creating off-farm jobs in Rwanda's rural economy is a big challenge that will require considerable innovation, given the complex challenges that Rwanda's rural areas face. Avoiding market failures, which often characterize agricultural economies, will be crucial as will be investing in a stronger extension system, given the renewed focus on use of modern agricultural technologies, including biotechnology. There is need for districts to expand rural infrastructure to improve livelihoods.

4.4 Economic Diversification: From Agrarian to Services-Based Economy

Since 2000, Rwanda has worked to change its economic development models from agrarian to services. This was realistic considering the limitations that Rwanda's agriculture faced, chief of which is small and degraded landholdings. More than a decade later, there is

progress, albeit slow, in achieving the Vision 2020 target of reducing the working population involved in agriculture by half (Table 4.4).

Table 4.4: Trends of Forms of Employment for Rwandans

Job Type	Number of Jobs ('000)		
	2001	2006	2011
Waged farm	143	352	490
Waged non-farm	284	468	838
Independent farmer	3,278	3,065	3,063
Independent non-farm	184	347	479
Unpaid non-farm and others	24	68	89
All working 16+	3,862	4,299	4,960

Source: Household Living Conditions Survey, 2012.

The number of working people in non-farm jobs increased marginally between 2006 (EICV2, 2005/06) and 2011 (EICV3,2010/11), but most people remain in agriculture, and the number of agricultural workers is increasing (Table 4.4). This raises concerns about the efficacy of interventions to move people out of agriculture. It also underscores the need to address structural challenges that undermine rural workers' ability to diversify livelihoods or otherwise benefit from off-farm employment opportunities.

Cross-border trade across Rwandan borders

A key contributor to Rwanda's economic diversification process, with significant contribution to human development, is informal cross-border trade. Rwandans have long taken advantage of regional opportunities in search of livelihood opportunities, even before the GoR decided to pursue regional integration. Cross-border trade of almost everything tradable, including export of unskilled labour, has been going on across all of Rwanda's borders, and remains a source of employment and livelihood for many Rwandan women and men, especially the less educated and youth. However, it remains informal, and is often associated with illegalities that expose actors to risks such as financial losses and criminal prosecution. In 2006, the informal sector⁹ accounted for 91% of all waged farm jobs and 60% of the non-farm. The formal sector employs 40% of non-farm employees.

There are opportunities to streamline this under the regional program Trademark East Africa (TMEA), which has already influenced inclusion of informal cross-border trade in policy priorities of all five East African countries. The informal sector, however, needs to be given priority by local governments, so that potential opportunities can be tapped. It is

⁹ In this case, the informal sector is defined to include small family farms.

difficult to address informal sector challenges if the analysis and interventions remain at policy level and the local stakeholders remain in the periphery of the discussion.

4.4 Employment in the industrial sector

The industrial sector accounted for 15% of the national GDP in 2013, and has registered slow growth over the last decade. Rwanda's industrial sector is comprised of 97% manufacturing, 2% construction, and 1% mining and quarrying (MINICOM, 2012). In 2011, the industrial sector employed 33,218 workers, 78% of whom work in the manufacturing sub-sector, 16.5% in construction and 5.5% in mining and quarrying. The mining sector in Rwanda has recently received greater investments as a strategic export sub-sector, and it is expected that the share of jobs from mining will increase in the next few years. Most mining operations are, however, small scale or artisanal, with few value adding operations.

Table 4.5 Number of Employees in Industrial Sector by Category

	Types of Firm	Number of Employees	Percentage of total Industrial employees
1	Family (1-2 employees)	4,350	13%
2	Micro (3-10 employees)	5,131	15%
3	Small (11-30 employees)	3,038	10%
4	Medium (31-100 employees)	5,214	16%
5	Large (100+ employees)	15,485	46%
	Total	33,218	100%

Source: MINICOM (2012): Rwanda Industrial Survey 2011

Table 4.6: Number of Firms by Size Category

	Category of Firm	Number of Firms	Percentage of Total Number of Firms
1	Family (1-2 employees)	3,229	68%
2	Micro (3-10 employees)	1,198	25%
3	Small (11-30 employees)	183	4%
4	Medium (31-100 employees)	104	2%
5	Large (100+ employees)	38	1%

Source: MINICOM (2012): Rwanda Industrial Survey 2011

As Rwanda seeks to increase its exports through adding value to primary production and secondary industries, it is expected that industries will expand and modernize their operations to create knowledge and skills-based jobs. The massive skills development program that the GoR is undertaking through initiatives such as Technical and Vocational Education and Training (TVET) will translate into decent and well-paying jobs through expansion and modernization of the industrial sector. The clearest indicator of low paying

jobs in the industrial sector is the fact that nearly nine in ten workers have no more than primary education (Figure 4.5).

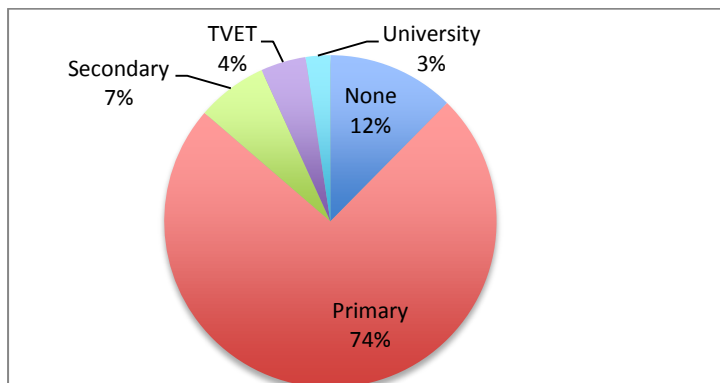


Figure 4.5: Percentage of industrial employees by education level

In addition to the low-value jobs dominating the sector employment, industrial employment in Rwanda seems to be skewed against women. In 2011, only 23% of industrial employees were women, including 13% of managers. This is a concern, since more girls than boys now complete primary school. Moreover, 86% of industrial employees have no more than primary education, a situation that rules out lack of higher education qualifications as the main barrier. Women in Rwanda are therefore mostly constrained to take up industrial jobs by factors other than education. The industrial sector is dominated by micro level firms, which are more often family-owned and employ no more than two workers (Figure 4.6).

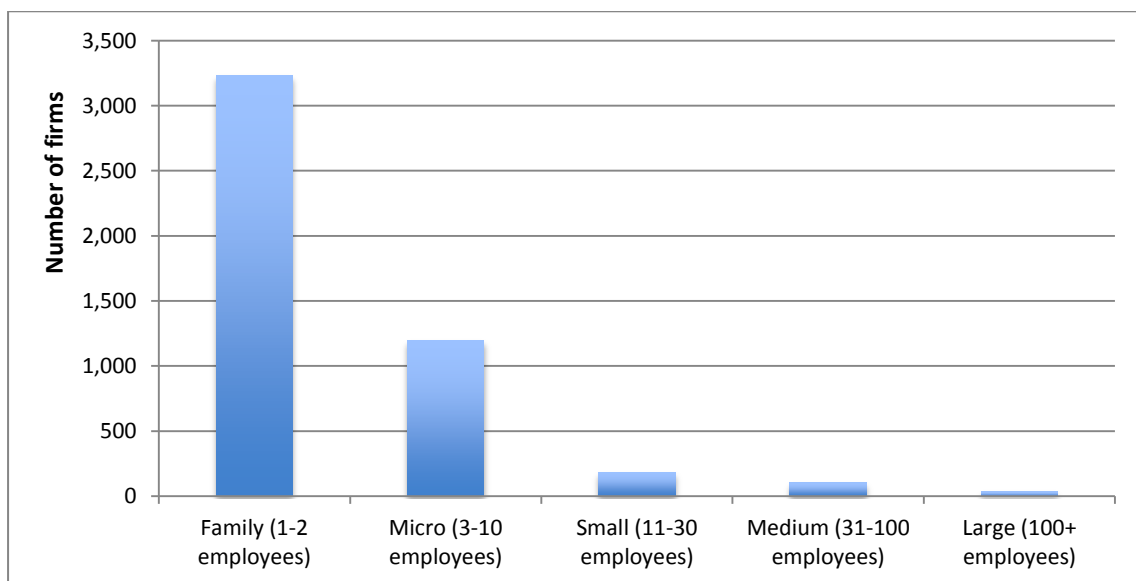


Figure 4.6: Number of industrial firms by size

The Figure 4.7 shows the paradox of low industrial contribution to job creation in Rwanda.

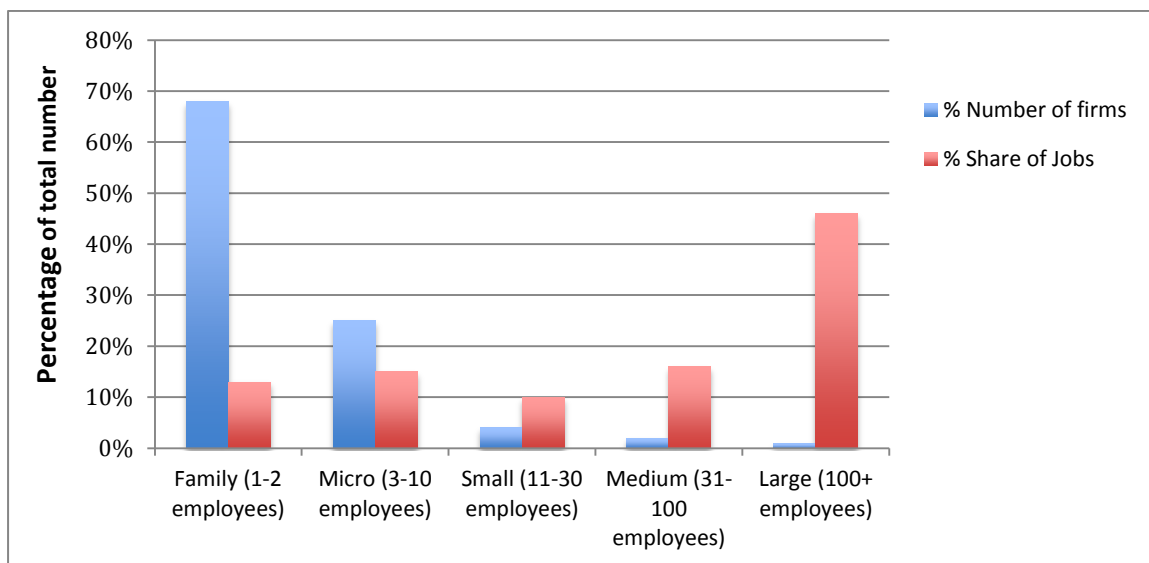


Figure 4.7: Comparison between firm categories of firms and employees.

Industrial firms contributed nearly half of the jobs in the sector, while 93% of the firms account for less one in three jobs in the same sector. The small and medium firms constitute 6%, providing only one out of every four industrial jobs. The clear message is that a) there is scope for every category of firms in Rwanda's industrial sector, and b) the main prospects lie in attracting more large-scale firms and upgrading the family and micro industries into the small and medium category. In terms of fostering equitable growth, more attention needs to be paid to upgrading the family and micro-firms, as they tend to be more spatially dispersed across Rwanda, virtually all are owned by Rwandans, they have higher prospects of creating more jobs for the poorest people, and capital investment is less intensive. Nearly all of the local firms are cottage industries: they sell locally, and are generally constrained in terms of structure, operations and strategic management. An important characteristic of Rwanda's industrial establishment for access to jobs is the even geographical distribution across provinces (Table 4.7).

Table 4.7: Number of Industrial firms by Sub-sector and Province

Province	Mining & Quarrying	Manufacturing	Construction	Total	Percentage of Total
Kigali City	10	842	84	936	19.7
Northern	10	873	5	888	18.7
Western	9	948	7	964	20.3
Southern	4	941	3	948	19.9
Eastern	7	1,007	2	1016	21.4
Total	40	4611	101	4752	100

Source: MINICOM (2012), Rwanda Industrial Survey 2011.

This constitutes an opportunity to facilitate the growth of micro industries to provide jobs in the different provinces. Rwanda's industrial sector will be able increase the number of jobs and pay higher wages when they increase value and export more of their products. This requires streamlining operations and expanding industrial output. Vast opportunities already exist from a growing domestic market, regional integration and global economic partnerships. For this to happen, however, the industrial sector must overcome a number of structural and external barriers. Only 15% of firms exported their products in 2010, and 85% produced for the domestic market only, which itself is still small. In a recent survey (MINICOM, 2012), industrial firms cited the main causes of failure to export as: failure to get financing (cited by 39% of firms); lack of information on potential destinations (29%); inability to find clients (22%); and insufficient production (20%). Other constraints cited were prohibitive transport costs, failure to meet quality standards, problems of having their products certified, and unfavourable exchange rates.

The first opportunity is to seek partnerships with other local or foreign investors. Start-ups are often a difficult and unattractive venture for foreign investors because of the high risks involved, especially if one is not familiar with the country context. Indeed, some of the opportunities for attracting investors tend to be in partnerships, mergers and acquisitions of local firms, but such opportunities are too few in Rwanda, given that 84% are sole ownerships and investors would be more confident partnering with existing operators rather than those who have not started to leverage their experience of industry and local business environment.

A second opportunity is to address inefficiency. The export challenges faced by Rwanda's industrial sector are mostly internal and are generally structural, the most important of which is the high level of inefficiency. For instance, 40% of manufacturing firms (mostly agro-processing), 25% of construction firms and 29% of mining and quarrying firms were operating at below 50% of installed capacity. Inefficiency undermines competitiveness. The factors for capacity underutilization were reported to include: low demand (reported by 47% of the firms), inadequate working capital (43%); unreliable supply of production inputs (37%); frequent breakdowns/lack of spares (26%); and limited energy supply/ power outages (11%) (MINICOM, 2012).

Rwanda's industrial growth will be driven by large firms, as they are more export-oriented and have greater capacity to add value in ways that are competitive, compared to small firms. More than half of large industrial firms are exporting, compared to only 12% of SMEs. This will require supporting the growth of existing micro and small enterprises into medium enterprises, and finding the most effective incentives to attract large-scale investors. Large capital flows come with innovation, technology and jobs. Large-scale firms number less than 1% of industrial firms, but generate 50% of the sales and provide 46% of the jobs in

the industrial sector. Secondly, firms must pay attention to quality and standards improvement. Only 11% of industrial firms were ISO certified yet export markets require certification. In the era of regional integration, competitiveness in the domestic market will also require improvements in standards, especially for food and other consumer products. Third, firms must borrow because without borrowing, they cannot adequately invest particularly given that they cannot raise equity. Although 40% of firms indicated financing as the main reason why they could not export, only 37% of firms reported having borrowed in the previous two years. Only 10% of borrowers received funding from micro finance institutions (MFIs) and just 6% from cooperatives. Beyond the cost of borrowing, structural limitations of firms need to be addressed for financial inclusion initiatives to translate into increased production and jobs. Rwandan industrial firms are young, with more than half having been established after 2006. The medium age of industrial firms was four years in 2011 (MINICOM, 2012). The firms have not benefited from accumulated investment and most can be considered start-ups, and should be investing.

Third, Rwanda should establish or attract large scale firms, since their employment and wage levels are higher, their labour productivity higher and tend to be more export-oriented. They are also three times more productive than SMEs and have four times as much capital stock per worker than SMEs (Kamarudeen and Soderbom, 2013). Transforming the existing SMEs into large firms and attracting foreign large-scale firms will increase industrial output, create more jobs, and inject more capital and innovation into the economy.

To unlock the potential job opportunities in industry, the national economic management institutions need to partner with local government authorities to support local industrial establishments in overcoming these challenges. The Local Economic Development (LED) strategy recently adopted in the context of decentralisation policy provides an appropriate strategic framework for the industrial development support partnership.

Interventions to create non-farm jobs

The GoR has, since PRSP 1, invested in reducing the proportion of Rwandans working in agriculture by increasing off-farm employment opportunities. Most unproductive jobs are in the agricultural sector. In 2001, the EICV1 survey showed that 85% of the working population was classified as subsistence farmers as their main job (EICV 1). This progressively declined to 71% in 2006 (EICV2) and 65% in 2011 (EICV3).¹⁰ This trend shows that there is progress in creating formal off-farm jobs. While economic growth over the last decade has created more productive jobs, most employed Rwandans remain in underemployment (i.e. employment that offers too little income to afford decent living).

¹⁰ Includes independent farm workers and unpaid family farm workers.

The government is scaling up investments in economic infrastructure with roads, markets and electricity transmission extending to rural areas. Through the development of cooperatives and financial extension services, many households now have access to affordable credit. Under the EDPRS 2, the government plans to strengthen the linkages between the rural and urban economies. However, it needs to pay more attention to socio-cultural barriers. Transforming the rural economy into a commercial cash economy requires more than investing in infrastructure and other economic fundamentals. To break the socio-cultural barriers that constrain economic development, the government and its development partners will have to invest more in increasing general and functional literacy, establishing a savings culture, and increasing the labour productivity of rural workers. Despite Rwanda's homogeneity, these issues tend to be localized, which underscores the need to strengthen decentralisation especially implementation of the LED strategy. Exposure will be very critical to changing mind-sets, so that people can develop the interest, will and confidence to doing what is needed to diversify livelihoods and income sources from agriculture. Small businesses provide one of the few opportunities for women to diversify away from agriculture (Strode *et. al.*, 2009). It is important to help them identify appropriate opportunities, empower them with entrepreneurial knowledge and business skills and extend affordable credit to enable them to start and manage micro-enterprises.

Opportunities for decentralisation to scale-up jobs in the service and industry sectors remain under-utilized. Sectoral decentralisation has tended to focus on agriculture and social sectors. Agricultural development, cooperative development, 12YBE, mutual health insurance, etc., are on the agenda of all districts because they have funds, personnel and partnerships with relevant ministries. This is not the case with many other productive sectors. Although opportunities to create much-needed off-farm jobs lie in the services and industrial sectors, local governments and other sub-national development actors do not have sufficient technical or other institutional capacity to harness local opportunities in trade, tourism and industrial development. Districts do not have qualified staff responsible for trade, industrial or tourism development, and neither do they have sufficient links with the responsible ministries or national agencies including MINICOM, Rwanda Development Board (RDB), Rwanda Standards Board (RSB) and Rwanda Private Sector Federation (RPSF). Industrial development hardly features in districts' *Imihigo* or other local development plans, and they receive too little funding for commercial development sectors. It is difficult to create more productive jobs in these sectors unless there are vibrant local enterprises harnessing the opportunities in these sectors, and this requires clear policy support. MINICOM and RDB must decentralize policy implementation in areas of trade, industrial development, tourism and other business opportunities.

There is, however, optimism that recent public sector reforms in the LG structures will increase capacity for economic analysis and commercial development. A new Commercial

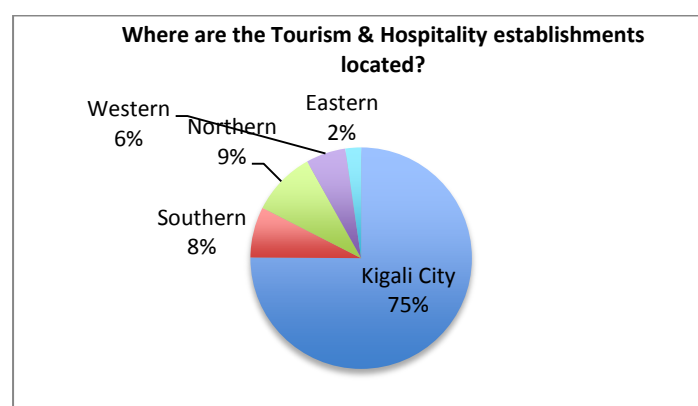
Unit will be established in each district, and it is expected that LGs will be facilitated to recruit competent experts in economic, industrial and commercial development domains. It is expected that if these recent reforms are operationalized, local leaders will be in position to effectively identify local opportunities and mobilise resources (from private capital and public-private partnerships) to turn them into economic output including more jobs. It is important to note, however, that considering Rwanda’s labour dynamics district authorities may need more technical support to recruit, train and equip local economic management experts, adequately mobilise local and external investors. A key task that awaits the district economic management unit personnel is to translate the national LED Strategy recently elaborated by MINALOC, linking it to the EDPRS 2 outcomes in areas such as job creation.

4.5 Tourism and Hospitality: Vast Underexploited Opportunities

The government of Rwanda has identified the tourism sector as one of the priority export sectors in achieving Vision 2020, and as a contributor to the eradication of poverty (MINECOFIN, 2007). Tourism is the fastest growing sector in Rwanda, and the government has invested in product development and global marketing. In 2009, a 10-year Sustainable Tourism Master Plan was developed with support from the United Nations World Tourism Organization (RDB, 2012), which projected to increase tourist arrivals from about 980,000 in 2008 to over 2 million in 2020, and to triple tourism earnings from about US\$ 200 million to over US \$600 million. The recent launch of a single tourist visa for visitors to the East African countries (Rwanda, Uganda, Kenya) and marketing East Africa as a single destination are expected to boost tourism development in Rwanda.

Tourism presents enormous opportunities to generate off-farm jobs for all socioeconomic categories of Rwandans. Each of Rwanda’s 30 districts has unique natural and cultural endowments that are potential tourist attractions. However, three out of every four tourism and hospitality business establishments are located in Kigali (Figure 4.8). For some regions notably the Eastern Province, the potential is virtually unexploited.

Figure 4.8: Location of Tourism and Hospitality Establishments by Province



Secondly, most jobs in the tourism sector are occupied by men, with women occupying only 36% (Table 4.9). Most women in the tourism and hospitality work as receptionists, waiters and cooks (RDB, 2012).

Table 4.9: Employment in the Tourism Sector by Sub-Sector and Gender

	Sub-sector	Total Number Existing	Women	Expatriates
1	Hotel & Accommodation	13818	4976	503
2	Restaurants	2,443	1059	73
3	Travel Agency	990	320	3
4	Tour Guides Services	1183	409	12
5	Creative, Arts & Entertainment Centres	400	115	0
6	Museum & Memorial Centres	104	35	3
7	Sports Facilities Services	491	115	6
8	National Parks	160	16	0
9	Events Management	70	22	0
10	Curio Shops	147	57	8
11	Passenger Air Transport	1054	322	157
	Total	20,860	7446	765

¹ RDB (2012) Rwanda Skills Survey 2012. Tourism and Hospitality sector Report

The gender imbalance in employment is an issue of concern and appears to be perpetuated through post-primary education and skills training. Since the socioeconomic and cultural challenges that undermine women's ability to take up such opportunities tend to be local, local governments should take up the responsibility to address these gender disparities.

4.5 Youth Employment: Harnessing Youth Potential

Rwanda's demographic structure presents opportunities and challenges in equal measure, on the road to Vision 2020. Youth unemployment may be a threat to national security and could undermine human development. On the other hand, an educated, skilled and innovative cohort of young people may be just what Rwanda needs to realise the desired socioeconomic transformation in Vision 2020. While the outcomes will depend on the options that the government takes, employment creation and employability are the main factors that must be addressed if sustainable youth livelihoods and income enhancement are to be realized.

Employment creation must be factored into the economic growth models, as there is real possibility of achieving jobless growth, which may perpetuate income inequality. For example, agriculture's contribution to GDP has progressively declined and the services sector expanded significantly, accounting for nearly half of the GDP, yet more than three in

four Rwandans are employed in agriculture. This implies that rate of growth of the services sector is not matched by the share of jobs generated. Secondly, trade, the biggest component of the services sector, is dominated by micro and small enterprises, the majority of which are informal. The structural limitations of the informal sector constrain its potential to create jobs. Employment creation in the services sector will depend not only on the value generated but also the type of services and how it is done. More attention also needs to be paid to higher value and more knowledge-intensive services like financial services, transport and logistics, as well as industrial development, especially addition of real value to agricultural produce, minerals and other natural resources.

Employability is another critical factor in the youth employment, livelihood and income equation. Without solid knowledge, requisite skills and a productive work culture, human resources cannot be categorized as employable, and employers will look elsewhere for productive and disciplined personnel. In such situations, economic growth will have little positive impact on human development. Availability of a critical mass of skilled and productive personnel also tends to be a key factor in investment decisions by entrepreneurs.

Under EDPRS 2, the GoR has taken the boldest steps yet to address the key factors of employability (i.e. skills and attitudes), employment creation (by supporting the growth of MSMEs) and labour productivity (attitude change, customer care training). It is yet to address the challenges of poor working conditions including low wages and occupational hazards.

Rwanda also needs to improve industrial relations in terms of protecting workers against exploitation that manifests in the form of poor pay and deplorable working conditions. The sectors of mining, construction and agricultural plantations (notably tea), have been reported as culprits for low and delayed pay, insecure jobs, poor working conditions and child labour, among others. The government needs to put in place standards, step up labour inspections, and strengthen institutions and policies for labour and employment relations. Local government authorities need support in this respect.

Implications of schooling on working children

The proportion of working children (16-18 years) has progressively declined from 70% in 2001 to 56% in 2006 and 44% in 2011 (EICV3, 2010/11). Similarly the percentage of working youth in the age group 19-24 has declined from 87% in 2001 to 82% in 2006 and 77% in 2011 (EICV3, 2010/11). This is attributed to increased opportunities for schooling, as many young people are attending school. The socioeconomic conditions that forced them to work may also have improved, enabling them to acquire more knowledge and skills that will afford them better jobs.

4.6 Land Tenure Reform: Securing Land Ownership and Enhancing its Productivity

Land was traditionally Rwanda's most important social asset and a major symbol of wealth, although legally citizens did not have secure rights of tenure. Land was mostly sub-optimally utilized for subsistence farming, despite its scarcity. Following the land reform triggered by the Land Policy 2004 and organic law on land management, land in Rwanda has since become an important instrument of economic growth. This is despite the fact that less than half (45%) of households own no or less than 0.5 hectares of land. Since 2006, more than 5 million land titles have been issued, resulting in a remarkable increase in the value of land. Landowners can now easily convert their land into cash as the result of the vibrant land market that has emerged. This market has facilitated rapid growth, especially in the real estate and construction sectors, and created jobs. Land transactions also contribute significantly to central and local government revenue, in addition to direct foreign capital inflow from real estate investors.

Decentralisation has played a pivotal role in the land tenure reform process and is the single largest facilitator of all transactions involving land transfers. The land registration process, although initially a central government affair, relied on the local government infrastructure and institutional systems right up to village level, without which land reform would have been impossible to complete in time and to the expected quality. All land transactions (acquisition, transfer, etc.) are initiated and completed within the district, with key aspects undertaken at the sector (*Umurenge*) level. Land titles are collected at the cell level, which is much closer to citizens. In Kicukiro district, for example, all 10 sectors presently have fully-fledged Lands Offices staffed with graduate-level personnel. Land transactions are also fully integrated and performed on-line, with transactions concluded within days. The fact that land services are fully decentralized while land titling remains a regulatory function of the central government mandated to the Registrar of Titles,¹¹ reveals an interesting division of responsibilities and inter-governmental relations under devolved government.

4.7 Equitable Development: Addressing Growth and Income Inequalities

Rwanda has achieved sustained economic growth in excess of 7% for most of the last decade of decentralisation, and the results are visible in all 30 districts. Despite these positive developments, income poverty persists and inequality is still high. Maintaining the same growth path could be disastrous if appropriate measures are not put in place to close,

¹¹ This position is presently held by the Director General of the Rwanda Natural Resources Authority, deputized by the Deputy Director General in-charge of Lands.

or at least reduce, the gaps in incomes between different socioeconomic categories of citizens. The government has attempted to close the income gaps and ensure that all categories of citizens benefit from economic growth outcomes. Some of such initiatives are analysed in the following sections.

Solving the puzzle of income inequality and extreme poverty

Overwhelmed by high levels of vulnerability, the GoR has invested in interventions that target the categories of people that are in, or prone to, extreme poverty conditions.

Table 4.10: Some Initiatives to Increase Incomes of Selected Income Groups

	Social category	Key Interventions to improve household incomes	Some key Achievements
1	Smallholder farmers & rural households	<i>Girinka</i> – poor households with ability to manage cows are provided with a cow each, while those not able are given appropriate livestock (goats, sheep, pigs, rabbits, poultry, etc.). Provision of subsidized agro-inputs (fertilisers & seed) on commercially friendly terms (e.g. vouchers). Support to farmers’ groups (cooperatives) to improve produce marketing and returns to farming households. Agricultural loan guarantees implemented through intermediaries like Banque Populaire, but performance has been less than impressive.	Proportion of smallholder farmers using improved inputs increased, along with corresponding increase in produce.
2	Unskilled labourers	Labour-intensive public works programs in areas where they live, including under such activities as tree planting, hillside terracing, garbage collection and road construction, among others. This is not entrenched in policy and systematic skills upgrading has not been done. Opportunities remain too few for the many unskilled labourers in Rwanda.	At least 2% of working Rwandans are now employed through public works under VUP. These are among the poorest but physically able citizens.
3	Out of school youth	Vocational and entrepreneurship training and provision of business start-up kits. Various programs target specific groups (e.g. Adolescent Girls Initiative).	Partnership with private sector has increased opportunities for internship and apprenticeship in the formal sector.
4	Demobilised ex-combatants	Training and start-up kits, re-training and employment in security-related activities like village night patrols and street parking (for urban-based ones). Direct cash and material transfers to the categories considered unable to work.	Many demobilised ex-combatants are operating MSMEs in a range of economic domains from tailoring and carpentry to agriculture and trade.
5	Extreme socially	Direct cash transfers and material provisions. These	Problems such as people

	vulnerable groups such as elderly and poor PWDs	are, however, made under different social protection programs that are not well coordinated. Local measures include exemptions from social obligations, such as payments for water services.	going hungry or sick people dying as a result of lack of health care have been severely reduced due to stronger and wider social safety nets.
--	---	--	---

As a result of recent gains in reducing social vulnerability through such home-grown initiatives and unconventional poverty reduction approaches like *Girinka*, the GoR's focus on the poverty reduction agenda is shifting to eliminating extreme poverty by 2020 and to reducing it to 9% by 2017. This is an important strategy to keep poverty reduction and social protection on the public expenditure priority list even as the government rolls out large-scale investments in economic infrastructure. This is perhaps where local governments and other decentralized entities will be useful in ensuring that the flow of benefits to poor people is not interrupted or diverted through dubious intermediaries like contractors, local implementing agencies or as a result of unnecessary bureaucratic procedures.

Local Governments and Public-Private Partnerships

Despite the expansion of the services sector, little is happening in upcountry cities. Sectors like mining and tourism that have surpassed traditional agricultural exports in foreign exchange earnings hold the potential for local economic transformation, but there is inadequate involvement by local authorities in the economic activities associated with these sectors in regions where primary resource exploitation takes place. In the districts of Musanze, Burera, Kayonza, Gatsibo, Nyamagabe and Rusizi, whose proximity to national parks should naturally give them an advantage, fewer people are actively involved in tourism. Most of the tour operators and guides come from elsewhere, mostly Kigali. Assisting local communities and entrepreneurs to position themselves and exploit such opportunities will assist them to realize much needed income and local economic diversification. It will, however, entail building the capacity of local governments to proactively and innovatively mobilise, capacitate and incentivize their citizens and local entrepreneurs. This would assist in addressing geographical disparities in income.

4.8 Expanding Financial Inclusion – Umurenge SACCO and the Role of Cooperatives

One of the key financial sector targets set by the GoR, under EDPRS 2 to facilitate business growth, is increasing domestic credit to the private sector from 13% of GDP to 27% by 2017 (MINECOFIN, 2013). From the perspective of micro businesses, however, the main challenge is financial exclusion that tends to be systemic. In 2011, less than half (45.5%) of households had access to bank accounts (EICV3, 2010/11). Increasing access to financial

services is considered an important strategy for promoting entrepreneurship development and poverty reduction. A number of initiatives, enabled by decentralisation have been implemented, key of which is to expand the coverage of the financial system. A more radical approach to increasing savings mobilization and increasing the capacity of the rural sector to provide affordable financial services was the formation of *Umurenge*¹² Savings and Credit Cooperatives (SACCOs) and improving the business environment for micro-finance institutions (MFIs). *Umurenge* SACCOs were formed in 2009 by a resolution of the sixth National Dialogue in December 2008, with the aim of boosting citizens' savings and increasing access to affordable financial services. By the end of 2009, each of the 416 sectors had an operational SACCO. *Umurenge* SACCOs were established on the basis of decentralisation and local development strategies with district and sector authorities involved in establishing them, mobilizing citizens to save and borrow, and monitoring how the financial portfolios are working.

Rwanda's micro-finance sub-sector plays a major role in the financial, business and poverty reduction processes, as the majority of Rwandans are underserved by the banking services. Over the last 10 years, the micro-finance sub-sector has grown tremendously, reaching 491 MFIs (including 478 SACCOs of which 416 are *Umurenge* SACCOs). *Umurenge* SACCOs constitute 85% of all MFIs. Hence, the idea that originated at the sixth *Umushyikirano* could be on the way to revolutionising rural finance in Rwanda. By the end of 2013, the total assets of MFIs amounted to Rwf 128.7 billion and deposits in *Umurenge* SACCOs amounted to Rwf 36.9 billion. The performance of *Umurenge* SACCOs in terms of loan recovery is comparatively good at 7.3% non-performing loans as of December 2013. This is especially important given the poor performance of many MFIs and the financial sector generally, in addition to the limited institutional capacity of SACCOs, especially in portfolio management and client relationships. Moreover, most *Umurenge* SACCO clients have low financial literacy and are involved in projects that are traditionally associated with high risks (agricultural production, petty trade, etc.), while others borrow to meet social obligations (marriage functions, school fees).

This underscores the need to step up efforts in recruiting members and mobilizing savings. This requires a multi-pronged approach that includes intensifying financial education and increasing the economic productivity of households. The increasing number of financial institutions at the local level could serve as a catalyst for promoting off-farm employment by establishing linkages with business development institutions such as cooperatives. Indeed, the increasing numbers of people accessing financial services, such as affordable

¹² *Umurenge* SACCO was conceived as a financial institution supported by Government but owned by all citizens within a sector (*Umurenge*). The aim is to mobilise savings from and provide affordable credit services to all citizens within a sector (*Umurenge*). While they are run as fully fledged business entities like other MFIs, the overriding motive of *Umurenge* SACCOs is to ensure financial inclusion of all citizens who should also have a say in how they are run and the services they provide.

loans, need to be analysed more critically. For example, if households, repeatedly borrow money to pay school fees and are not investing any substantial proportion in income generation, their ability to pay back will be compromised, however low the cost of borrowing might be. Social loans (such as borrowing to meet health or education obligations) also ought to be packaged differently from economic loans. Many people are losing assets in auctions for failure to settle loan obligations while others are struggling to pay, leaving others paranoid about borrowing. In this respect, the need to integrate financial literacy and build a culture of financial discipline cannot be overemphasized. This is a serious issue of human development, as the lack of financial instruments to improve wellbeing may result in loss of economic capability. Cooperatives and other local development institutions must develop capabilities the ability to support their members and the community to identify and invest in the right opportunities.

Over the last seven years, *Umurenge* SACCOs or related activities have featured significantly in the district *Imihigo*. Increased access to and uptake of financial services at individual, household, group (e.g. association of cooperative) and community level could indicate increased economic activity and/or a shift towards livelihood diversification, especially away from subsistence agriculture.

Village savings and loans (VSLs) and informal self-help groups

Different models and categories of savings mobilisation exist among Rwandan communities, many of which are informal. The informal tontines, investment associations (*Ibimina*, and *Caisse d'entraide* groups) are classified separately within a semi-formal and informal category. A semi-formal category of Village Savings and Loans Associations (VSLAs) is being promoted to support local groups in savings mobilisation and group-based lending. NGOs like Care International and Oxfam have actively implemented VSLAs. A number of pioneer SACCOs, such as ZIGAMA Cooperative Society, and URWEGO Banking and Umwalimu SACCO, are well-capitalized and in position to provide affordable financing through less bureaucratic processes. These financial institutions need to expand their capacities to provide advisory services to potential customers, so that borrowers can use credit services more productively.

Mobile money transfer

According to the 4th Rwanda Population and Housing Census (RPHC4, 2012) half of Rwandan households (54.1%) have at least one mobile phone. Cell phone based mobile money services have broken the barriers to financial access in a revolutionary way, especially given the high level of social dependency where a few young working people in urban areas support family members in peri-urban and rural areas. Mobile phone services, including mobile money transfer (MMT) services have facilitated the growth of micro, small and medium enterprises (MSMEs), particularly in bridging the gaps between rural and

urban areas. As the result of regional integration efforts, MMT services have recently been extended across international borders, an initiative that will increase the safety and convenience of business transactions involving cross-border trade. It will also reduce the cost of money transfer for workers in different countries.

The formal private sector employs a small proportion of workers but is expanding

The largest proportion of non-farm formal sector employees is in the public sector, albeit very small. Rwanda's public sector includes the mainstream public service, including local governments, parastatal authorities/agencies and state-owned firms. On-going reforms are likely to result in downsizing due in part to the cost of labour to the treasury. Only 17% of non-farm formal sector employees are in the private sector. For the economy to create decent jobs, the formal private sector will have to expand considerably, as the public sector is saturated. Indeed, job creation is a key priority of the EDPRS 2, as the government has rolled out programs to create 200,000 jobs per year in the private sector.

The formal sector employed a mere 6%¹³ of all working adults (combining waged work and enterprises) and 27% of all non-farm employment. This is certainly a very small proportion, compared to an estimated 4.1 million adults working in the informal sector (EICV3). While there is room to expand formal sector jobs through private sector growth, the whole business environment needs to be focused on entrepreneurship development. The first barrier is to transform the informal sector into formal businesses. Businesses cannot grow and provide jobs if they remain informal or small, individually managed businesses.

4.9 Diversification of Income Sources

Around two in three working Rwandans (68.2%) have more than one job (EICV3, 2010/11), and one in five (20.9%) have three or more jobs. The number of adults with more than one job increased between 2006 and 2011 (EICV 3, 2010/11). This is a coping strategy to supplement income from jobs that offer low wages, few working hours, and/or are seasonal. Urban workers tend to have more opportunities, interest and motivation to do more than one job. A number of formal sector workers that do more than one job are involved in farming or non-farm small businesses. This is because income has become increasingly important for food security and wellbeing, and with farmers meeting only one third of their own food requirements, even agriculturalists and agricultural workers need to supplement income to meet the most essential of their basic needs.

There is also a high degree of underemployment.¹⁴ Two in three Rwandan working adults

¹³ According to the EICV3, estimated 270,000 people over 15 years were working in the formal sector.

¹⁴ Defined in EICV 3 at 35 hours a week or less.

are underemployed. According to the EICV 3, farm workers are the most likely to be underemployed, as they work fewer than 35 hours a week. According to the EICV3, the median number of hours spent per job was 17 hours per week, which is less than half of the 40 hours that waged non-farm jobs work per week. Moreover, farm workers tend to earn less per hour than waged non-farm workers. In the situation where the sector that employs the largest proportion of working Rwandans also offers the shortest employment period and pays the least wages, there is need to think beyond the seemingly high employment rates. The GoR's main policy response of creating more non-agricultural jobs may offer a solution, but may not be effective unless the fundamental reasons why such people are stuck in jobs that offer fewer working hours and lower wages than the minimum needed for decent living. Agricultural workers tend to be uneducated and unskilled, and agricultural employers tend to be less productive and competitive with little meaningful economic activity. Even if Rwanda's agricultural value chains are upgraded, as is happening in some situations, most jobs will require a skill that farm workers do not possess.

Climate change is another emerging threat to human development, against which economic diversification is an important adaptive measure. Climate change will affect the entire economy, mostly agriculture which relies almost entirely on climatic conditions, tourism which is largely based on nature and biodiversity as well as the industrial and services sector activities that depend on or facilitate these sectors, notably energy, transport and communication.

Rwanda's recent experiences with extreme weather events i.e. prolonged droughts, flash floods and erratic rains, strong winds and landslides, have already created sufficient awareness of the potential effects of climate change on Rwanda's economy and social systems. These experiences have also clearly revealed the country's high level of vulnerability. The EICV3 reported that an additional 170,000 households would become food insecure if the Eastern Province was to face a major rainfall deficit, yet the province is now a major food-producing region for the country. Climate change predictions suggest that prolonged drought and erratic rains among other extreme weather events will become a certainty, and therefore Rwanda needs to step-up investments in reducing the economy and social systems' vulnerability to climate change effects.

The GoR together with development partners are implementing programs to enhance adaptation to climate change effects, especially within the context of the United Nations Framework Convention on Climate Change (UNFCCC). Most of these programs are, however, still at pilot level, tend to be small, thematic and/or localised in scope. In 2012, the GoR established a National Fund for Climate Change and Environment (FONERWA) as a national institution to mobilise resources and support investments to develop the country's

capacity to deal with climate change effects. While FONERWA represents the first real institutionalised initiative to address climate change issues, it has only recently commissioned some projects (18 projects at the end of 2014), the effectiveness of which will be assessed in the future.

Gender and labour allocation to economic and domestic work

There are gender imbalances in the allocation of labour between paid work and unpaid domestic work that have implications for human development. In Rwanda, women tend to spend more time on domestic work than men. Men spent 40 hours working per week and women 51 hours a week on domestic and working activities (EICV3). On average, men spent nine hours per week on domestic duties, while women spent 27 hours. Of all the duties, foraging for fodder was the most time consuming for both sexes, while cooking took 14 hours per week for women (EICV 3). The time spent collecting food reflects the increasing coverage of *Girinka* and other similar programs. Looking after zero-grazed cows is a labour-intensive exercise that is changing household labour dynamics in rural Rwanda. Those who do not have cows tend to collect fodder for sale to households who have with cows. While this is an important policy issue, there is inadequate scientific information about the implications of *Girinka* and related socioeconomic interventions on gender and labour dynamics at household and community level. It is hoped that future household economic surveys should undertake extensive analysis of gender and labour dynamics, as they relate innovative socioeconomic interventions such as *Girinka*.

4.10 Summary

In Rwanda, poverty, the clearest indicator of low human development, is declining, implying progress on human development. This is a result of more pro-poor public investments in the last 10 years. Poverty in Rwanda is geographic (rural people are more than twice as likely to be poor than urban dwellers, and certain areas in Western and Southern provinces have higher levels of poverty than other areas) and has a strong social dimension (the less educated and less skilled are likely to be poorer). Decentralisation has assisted in identifying poverty dimensions and focusing public investment resources in specific areas to reduce poverty and positively impact household health and wealth. One-size-fits-all policies do not work effectively in addressing poverty that manifests differently in different areas. Increasing the capacity of LGs to assume greater roles in planning and public investment allocation, in monitoring and results management, and in resource mobilization and accountability should be a priority to address poverty and human development.

CHAPTER 5: HEALTH CARE AND DECENTRALISATION

5.1 Introduction

The ability to live a long and healthy life, free from the burden of disease and hazards that take away or reduce life expectancy, is probably the most important indicator of human development. Over the last decade, the life expectancy of Rwandans has increased significantly from under 50 in 2000 to 64.5 by 2012. The reduction in HIV/AIDS prevalence from around 11% in 2000 to 3% by 2005, the reduction in maternal mortality (from 750 per 100,000 to 476 per 100,000), improved child health, and effective malaria control interventions with more than 70% reduction of malaria cases and deaths from 2005 to 2011 explain this improvement. Increased public expenditure supported by committed partners and decentralisation of key aspects of health care delivery, underpin Rwanda's achievements in human health.

Health care issues in Rwanda reflect or are explained by a number of factors: i) the demographics, i.e. Rwanda is a young and predominantly rural population; ii) socioeconomic conditions, mainly high poverty, illiteracy and social vulnerability levels underpinned by residual effects of the genocide; iii) economy that limits public investment in priority areas; iv) institutional capacity characterized by inadequately developed health systems; v) terrain that creates barriers to communication and physical access; and vi) climate conditions that facilitate disease (mostly tropical pathogens). Indeed, four in five cases of sickness are caused by water, hygiene and nutrition related factors.

These conditions make health care delivery extremely challenging. Rwanda's human development performance in terms of health must be analysed within this context. These conditions required that the main priorities for Rwanda's health care delivery in the last decade revolved around the following areas: a) maternal and child health improvement; b) malaria control; c) HIV/AIDS care and prevention; d) infrastructure and human resource development; e) financial and geographical access; f) financing; and g) performance management.

Much of the discussion in this chapter therefore revolves around these priority areas and how decentralized governance and service delivery has enhanced or facilitated progress towards the desired health related human development outcomes.

5.2 Malaria Control

Rwanda, like other tropical countries, has battled malaria as the main cause of morbidity and mortality, with children and pregnant women among the most at risk. In collaboration

with partners, the GoR has developed a comprehensive strategy to achieve the malaria pre elimination phase by 2017-18, with ambitious but clear targets of reaching near zero deaths due to malaria. Achieving this strategy would also impact health performance in other areas considering its effect on maternal and child health, as well HIV/AIDS control, among others.

Over the last decade, Rwanda has achieved significant reductions in malaria morbidity and mortality. Inpatient malaria cases decreased from an average of 32,892 during 2000-2005, to an average of 11,411 in 2010 i.e. by 65%. Correspondingly, malaria deaths decreased from an average of 1220 during 2000-2005 to 546 in 2010 (WHO, 2011). In 2000, the malaria-related mortality rate was 200 people per 100,000, and 1,049 for children under five years. By 2003, malaria accounted for 40% of all visits to health centres (UNDP, 2003), and was still the number one killer of children under age five and the leading cause of morbidity in adults by 2005. Children under the age of five years are considered the most vulnerable to severe complications of malaria infection because they lack the acquired immunity. By 2011, however, it had dropped to number 11, and is at the verge of being eliminated. With a prevalence rate of less than 1% among adult women, and 1.5% among children under five years (MoH & ICF International, 2014), most hospital beds and corridor floors that used to be crowded with malaria patients, especially during rainy seasons, are now occupied by patients with other ailments.

Rwanda has registered outstanding performance in all malaria indicators. Between 2005 and 2011, malaria incidences declined by 86%, outpatient malaria cases declined by 87%, and inpatient malaria deaths declined by 74% (MoH and ICF International, 2014). The rate of malaria positivity declined by 71% during the same period. By 2010, Rwanda had reduced malaria prevalence among children under five to 1.4% and 0.7% among pregnant women (MoH and ICF International, 2014).

The GoR and its development partners adopted and remained focused on a four-pronged strategy for prevention and control of malaria: distribution of long-lasting insecticide-treated mosquito nets (LLINs); artemisinin combination therapy (ACT); targeted indoor residual spraying (IRS); and institutional capacity building.

Table 5.1: Percentage of Households with At Least One Insect-Treated Mosquito Net (ITN)

Province	% Households		
	DHS2005	DHS2010	RMIS2013
Kigali City	32	87	84
South	16	83	86
West	14	79	80
North	8	70	85
East	13	90	80
Total	15	82	83

Source: DHS, 2005 & 2010; RMIS2013 (MoH & ICF International, 2014).

Since 2005, more than 15 million LLINs have been distributed, including 6.1 million since December 2009 (MoH & ICF International, 2014). The higher malaria susceptibility of certain social categories to malaria required distribution and use of LLIN to be focused. Children under five, pregnant women and people living with HIV/AIDS have been the first target group to receive LLINs because of their low levels of immunity and susceptibility to malaria morbidity. As a result of these interventions, three in four children under five (74%) slept under ITN in 2013 (MoH and ICF International, 2014), a major achievement considering that only one in ten pregnant women (13%) slept under ITN in 2005 (Figures 5.1 and 5.2). However, there are geographical disparities despite the national coverage of the malaria control program.

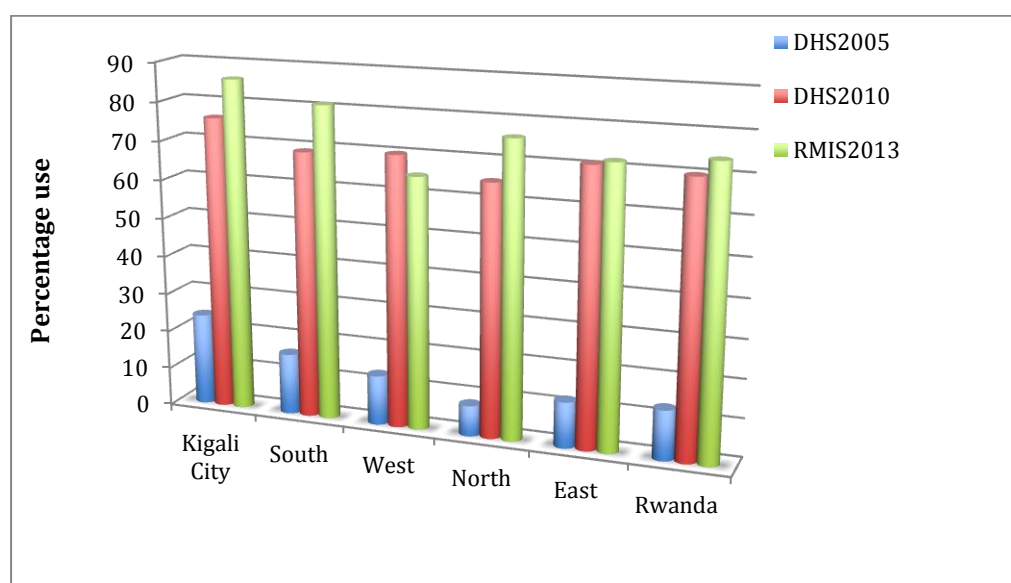


Figure 5.1: Percentage of children under 5 years sleeping under ITN

Western Province, with two out of three under-fives sleeping under ITN, has the lowest coverage while Kigali City with nearly nine out of 10 children, has the highest coverage. Western Province shows declining coverage and Eastern Province shows almost no improvement.

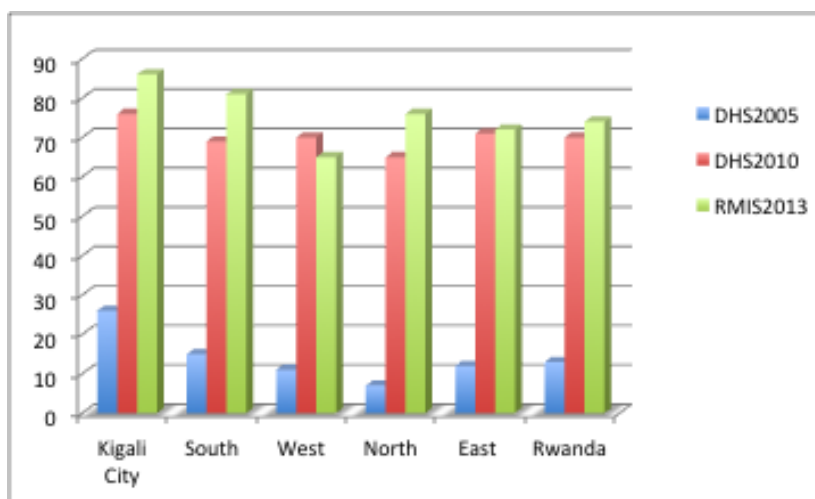


Figure 5.2: Percentage of pregnant women who slept under ITN

The other categories targeted were very poor households and students in boarding schools. The LLINs mosquito net distribution program was aggressive, often being integrated with other programs. For instance, 1.4 million LLINs were distributed to children under-five during integrated measles vaccination campaigns in September 2006, and another 1.6 million during the April 2010 and 1.7 million in January 2013 campaign. LLINs were also distributed through other programs including the Expanded Program on Immunization (EPI) for children under-five and antenatal care (ANC) clinics for pregnant women, through which some 2.4 million nets have been distributed since 2005. A massive household distribution campaign in 2010 distributed 2.2 million nets and ensured that all households that needed nets were reached. LLINs Mosquito net distribution has also targeted people living with HIV/AIDS, those categorized as poor, and boarding school students. Considering the unsatisfactory performance in previous programs, beneficiaries did not just receive nets but were educated and followed up with on their use.

Malaria case management

In 2006, based on evidence resulting of drug monitoring efficacies carried out in Rwanda, ACTs were introduced as the first line therapy in all health facilities in the country. ACTs were then introduced at the community level in 2007. In 2009, in response to an upsurge in malaria and recommendations from the WHO, Rwanda adopted a policy of universal parasitological diagnosis with microscopy in health facilities and rapid diagnostic tests (RDTs) at community level. In 2010, Rwanda had achieved one of the highest rates of parasitological diagnosis in Africa, with an estimated 94% of suspected malaria cases being parasitologically diagnosed through microscopy or RDTs in 2010 as compared to 56% in 2009. In 2014, 99% of all suspected malaria cases were tested before treatment.

Integrated community case management

In 2004, home-based management of fever (HBM) was introduced and piloted in six districts where community health workers (CHWs) were elected by communities and trained in management of fever in children under five and provided with ACTs. This approach was called integrated community case management (ICCM) owing to the fact that the malaria diagnosis and treatment are undertaken at community level by community members led by CHWs. About 30,000 CHWs are actively involved in the implementation of ICCM in all villages throughout Rwanda. The sheer number of CHWs involved, their motivation and proximity to households have greatly increased access and utilization anti-malaria healthcare services. As a result, 96% of children under-five years with malaria were tested and treated with ACTs within 24 hours of malaria detection during 2014 alone, a remarkable increase from the 2008 rate 62%. Due to the success registered in improving malaria management, the program was scaled up to all districts in 2008. Since 2009, RDT use has been scaled up nationwide and is now the major tool used by CHWs to diagnose malaria at community level and identify non-malaria fever cases for further examination of other illnesses, such as pneumonia and diarrhea.

Indoor Residual Spraying

Indoor residual spraying (IRS) was initiated in 2007 in the geographical areas of Rwanda considered to be high transmission areas. It initially covered the three districts of Kigali City but was expanded to other rural districts. The latest IRS campaign was conducted from September to October 2014 and resulted in the coverage of 97.6% of targeted structures.

Rwanda's Malaria Control Strategy – A success story grounded in decentralization

At the start of the first decade of this millennium, malaria was an epidemic with significant impact on the health systems and the socioeconomic fabric of Rwanda. Nonetheless, the malaria control strategies that the GoR and partners have implemented since 2000 can be considered successful. This remarkable story of success has been underpinned by innovation. Besides good collaboration with development partners, the key to Rwanda's malaria control success seem to be in the integrated program of prevention and treatment that has involved LG authorities and community members, from sensitisation and awareness raising, to distribution of treated mosquito nets and actual detection and treatment of malaria. This approach enabled early detection, efficient diagnosis and effective treatment. For instance, mosquito nets and other anti-malaria toolkits have been distributed through LG structures from village to cell and sector levels. Local authorities and community health workers (CHWs) have been involved in door-to-door mobilization and sensitization. CHWs have served as the first line of diagnosis and treatment, often administering basic malaria treatment, referring and encouraging patients to go to for further care in health facilities. Considerable effort has been put in building effective

decentralized systems for malaria management. From CHWs to health posts, dispensaries and health centres, there is adequate capacity to detect, diagnose and treat malaria. Local authorities have been effective in citizens' education, mobilisation and ensuring that healthcare providers are in place and serving citizens, and effective in serving citizens

Perhaps more importantly, malaria control in Rwanda has been integrated into maternal and child health strategies, because of the greater effects it has on pregnant women and children under five years. Pregnancy tends to suppress immunity, and pregnant women are at increased risk for severe malaria compared with other adults. In addition, malaria in pregnant women is frequently associated with the development of anaemia, which interferes with the maternal-foetus oxygen exchange, leading to low birth weight in infants (MoH and ICF International, 2014). Thus, since 2005, the GoR has vigorously encouraged and facilitated all pregnant women to sleep under an ITN, to prevent complications from malaria in pregnancy such as anaemia, low birth weight, and trans-placental parasitemia (DHS, 2005). The fact that one in four pregnant women does not sleep under ITN therefore, needs to be addressed. The geographical disparities also require the attention of local government authorities in the areas where these challenges occur particularly the Western and Eastern provinces where one in three pregnant women do not sleep under ITN (MoH and ICF International, 2014). Moreover, recent reports of the resurgence of malaria have mostly affected the eastern districts of Bugesera, Kayonza, Kirehe and Gatsibo. MoH considers the main reason to be substandard LLINs, yet these were reportedly procured from WHO approved LLINs manufacturers (Mugabo and Mukangarambe, 2015).

Malaria control requires enormous resources. Rwanda's malaria control program has received substantial financial and technical support from the Global Fund to Fight AIDS, Malaria and Tuberculosis, the United States President's Malaria Initiative and UNICEF, in addition to the dedicated budget of the GoR. Localising malaria control to involve community and local government institutions, created efficiency, enhanced effectiveness and transferred institutional capacity that will be useful in sustaining the efforts. There is need to fill the gap in malaria funding to ensure that the prevention and treatment interventions that have so far proved effective can be sustained. Moreover, there are concerns that the changing climatic conditions, notably rising temperatures, is contributing to changes in malaria ecology to the effect that hitherto non malaria endemic areas in the highlands, are beginning to experience malaria epidemics. This is a serious issue that requires dedicated attention considering that such areas may not have sufficient natural immunity to malaria. The Ministry of Health is currently working with local and international researchers to analyse potential causes of malaria including changing climatic conditions and insecticide resistance.

5.3 Maternal and Child health

Rwanda has significantly reduced the number of mothers dying from pregnancy and birth related causes over the last decade. The incidence has more than halved from 1,051 per 100,000 in 2000 to 476 per 100,000 in 2010 (Figure 5.3).

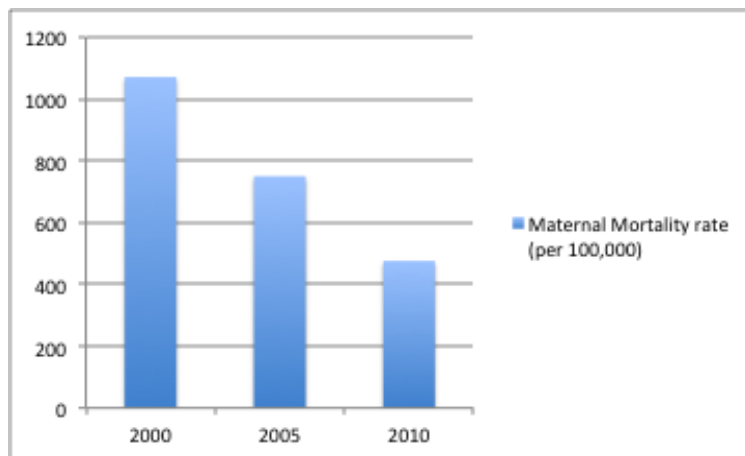


Figure 5.3: Trends in Maternal Mortality Rates 2001-2010

Despite this improvement, however, it is still high, and well below the MDG 2015 target of 268. A high proportion of births still take place without skilled personnel (one in three) largely due to inadequate facilities and personnel (especially in rural areas), and low utilization of basic obstetric care. Relatively low use of family planning also contributes to poor maternal health (45% of married women) although this has increased tremendously in the last 10 years.

Despite high numbers of pregnant women attending antenatal care (ANC), the number of mothers giving birth without assistance of professional health worker (midwife) remains considerably high. According to the DHS 2010, one in three women give birth without assistance from trained personnel, one in ten mothers received no assistance while one in five mothers was assisted by untrained personnel during delivery (DHS, 2010).

Challenges related to maternal health remain unacceptably high. About one in four Rwandan women die as a result of pregnancy or pregnancy-related causes (DHS 2010). In fact, at 24%, maternal deaths accounted for a higher proportion of overall deaths of women in the age bracket 15-49 years than they had in the past and the trend appears to be consistently upward (16% reported in DHS 2000 and 20% in DHS 2005).

The high incidence of anaemia in pregnant women is a threat not only to the unborn child, but also the mothers. Rwanda has made considerable efforts in addressing iron deficiency during ANC. According to the DHS 2010, 73% of pregnant women took iron tablet supplements, which is nearly three times the 28% that did in 2005. This is perhaps due to

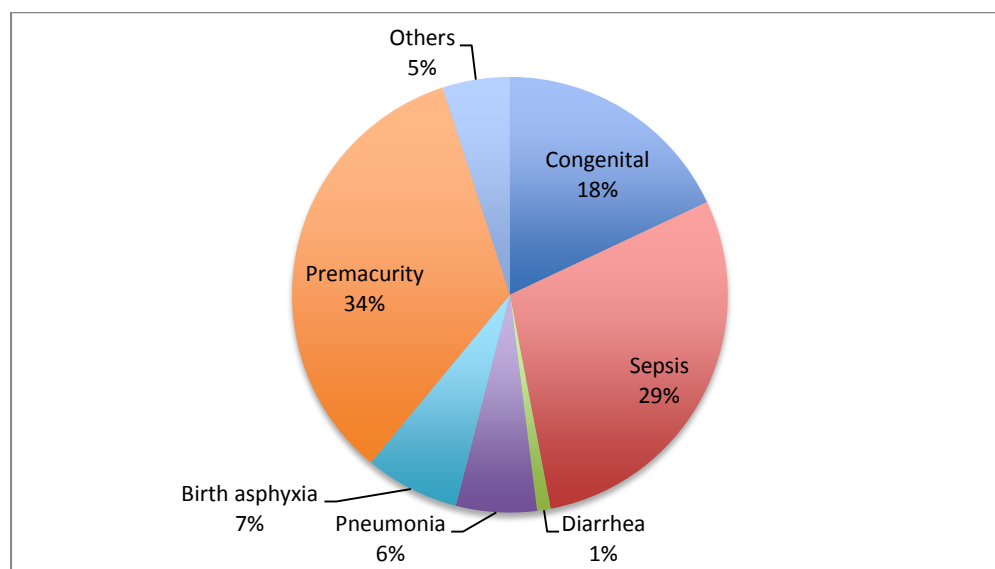
the aggressive implementation of the integrated malnutrition control strategy that the government has implemented since 2006.

Under-fives mortality rate

Between the DHS 2000 and DHS 2010, Rwanda substantially reduced infant deaths as a result of improved health care, including antenatal visits and professional assisted deliveries at health centres. The under-five mortality rate in the five years preceding the 2010 DHS was 76 deaths per 1,000 live births, a significant decline in just one decade, from 196 deaths per 1,000 live births in the five years preceding the DHS 2000. As a result, Rwanda has performed significantly better than average in sub-Saharan Africa¹⁵ and is on track to be one of the few sub-Saharan countries to achieve MDG 4.

Low birth weight, which is a key risk factor in child survival, is associated with a number of factors including infections such as malaria and HIV, short birth intervals (attributed to poor family planning), poor maternal nutrition, the mother's age (under age 18 or over age 34), and smoking and alcohol abuse. Many of the interventions to reduce incidences of low birth weight are the same as those that control the direct causes of neonatal death (Lawn et al, 2005). These include prevention or screening and effective treatment of infection or anaemia; early detection of problems and risk factors during the pregnancy; counselling of pregnant women on nutrition and self-care; and family planning to prevent unwanted pregnancies among adolescents and older women and to ensure optimal birth spacing.

Figure 5.4: Causes of neonatal deaths in Rwanda (based on DHS 2010 estimates)



Source: Winter et al., 2013.

¹⁵ Using DHS surveys and other evidence, the UN Inter-agency Group for Mortality Estimation calculated an average annual rate of reduction of 5.1% in under-five mortality in Rwanda from 2000 to 2011, compared with 2.4% in sub-Saharan Africa as a whole.

Maternal health services are essential for preventing, identifying, and responding appropriately to complications of pregnancy and childbirth. Rwanda has adopted the World Health Organization (WHO) approach to focused antenatal care, recommending four ANC visits during the pregnancy, starting in the first trimester. Antenatal services should include tetanus vaccination; provision of iron and folate; screening for syphilis, anaemia, HIV, and asymptomatic bacteriuria; assessment of danger signs and pregnancy risk factors; counselling on danger signs; safe delivery; nutrition; breastfeeding; prevention of HIV and other STIs; and postpartum family planning (MOH 2013).

Assisted delivery by a health professional is essential to preventing stillbirth and neonatal, death and disability especially as professional personnel (doctors and midwives) are able to detect signs of danger early and respond effectively. This care should include routine use of the partograph to determine the need for emergency intervention and timely referral for emergency services if necessary. Postnatal care also plays an important role in diagnosing sick new-borns and ensuring timely treatment. The availability of postnatal care in Rwanda is quite low despite being considered a high priority of the GoR. In 2007 only 16% of facilities offered postpartum care (Winter *et. al.*, 2012). It is a stated policy of the GoR that all health centres should be able to provide basic emergency obstetric care and all district hospitals should be able to provide comprehensive emergency obstetric care. The fact that actual delivery of these services is lower than expected (Ngabo *et al.*, 2012), points to the need to invest more and strengthen decentralized health care.

Another key indicator of progress towards improved child health is vaccination coverage. Nine in ten children between one and two years have received all essential vaccinations (Figure 5.5).¹⁶ This is associated with the high numbers of mothers attending ANC, increased access to vaccination services closer to where mothers live, and community sensitisation and mobilization, mostly by CHWs.

Vaccination of children against major diseases boosts their immunity and increases their survival, so the more children are vaccinated, the lower the mortality rate.

¹⁶ This includes BCG, measles, and 3 doses each of DPT-Hep B-Hib and polio.

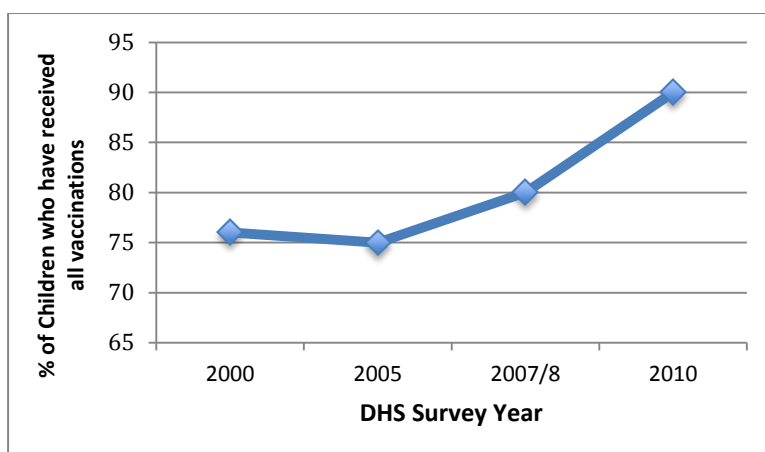


Figure 5.5: Percentage of children 12-23 months who have received all basic vaccinations.

Nutrition, a key factor in maternal and child health

Micronutrient malnutrition is a major threat to maternal and child health, particularly among children under the age of five, as well as pregnant women and breastfeeding mothers.

The primary cause of anaemia among young children is insufficient bioavailable dietary iron intake. Rwandan children and mothers receive far less iron from their diets than what is needed to support rapid growth and brain development. Anaemia among young children contributes to frequent illnesses, decreased physical and cognitive development, and poor school performance. High prevalence of anaemia is also associated with high infant mortality in Rwanda, especially when infants and mothers are exposed to malaria. Efforts to reduce infant and child mortality must start with, or at least prioritise, micronutrient rich diets for pregnant women, breastfeeding mothers, infants and children.

Recognising the anaemia problem as threat to maternal and child health, Rwanda launched a national multi-sectoral strategy to eliminate malnutrition in Rwanda by addressing micronutrient deficiencies. One of the strategies is in-home fortification, where multivitamin supplements are added to diets of young children. The main target group is 6-23 months as they are the most susceptible to iron deficiency anaemia. International best practices point to use of alternatives such as supplements to address iron-deficiency, especially when diets cannot provide sufficient bioavailable iron. While the diets of Rwandan mothers and children are being improved through *Girinka*, backyard vegetable gardens and integrated hygiene and nutrition initiatives at health centres and communities, the situation requires immediate intervention. Home-based fortification has been implemented to supplement the limited iron intake from diets, along with community-based nutrition activities. Home gardens have been promoted for every household to increase iron-rich vegetable and fruit intake. These efforts appear to be working as the trend of anaemia prevalence is declining.

5.4 Reproductive Health: Expanding Choices, Reducing Demographic Deficits

Reproductive health, including family planning and maternal health services, has received a great deal of attention in Rwanda during the past decade. Family planning can reduce neonatal mortality by preventing adolescent and other high-risk pregnancies and by enabling optimum birth spacing. The 2003 reproductive health policy set an objective of 15% coverage for modern methods of contraception for women of reproductive age (age 15-49) by 2010 and this target has been exceeded (Figure 5.6). By 2010, one in three women, and nearly half (45%) of married women reported currently using a modern method of contraception.

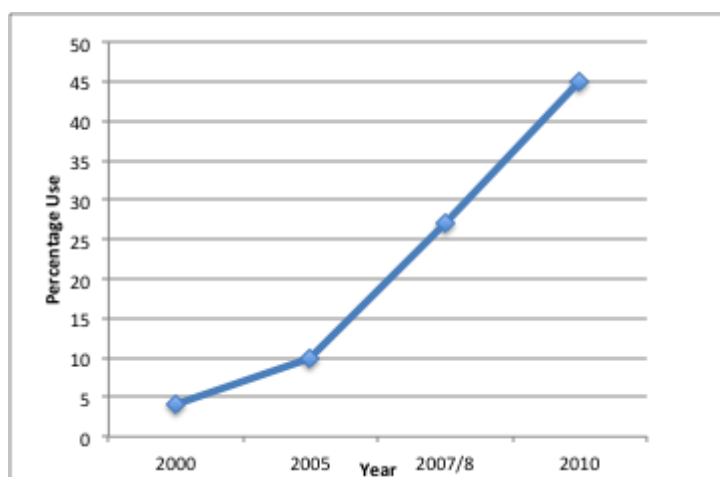


Figure 5.6: Use of modern contraceptive methods among married women

Increased access to and uptake of modern family planning services has also contributed to improvements in maternal health and lowering of fertility rates from 5.8 births in 2000 to 4.6 in 2010 and 4 in 2012 (DHS 2010, RPHC4). The positive trends in the use of modern contraceptives are also linked to reduced fertility (indicated by the reduced number of births per woman), which has helped reduce population growth and associated demographic pressure. Given the extremely small number of immigrants in the last 10 years, demographic change has largely been attributed to increases in births.

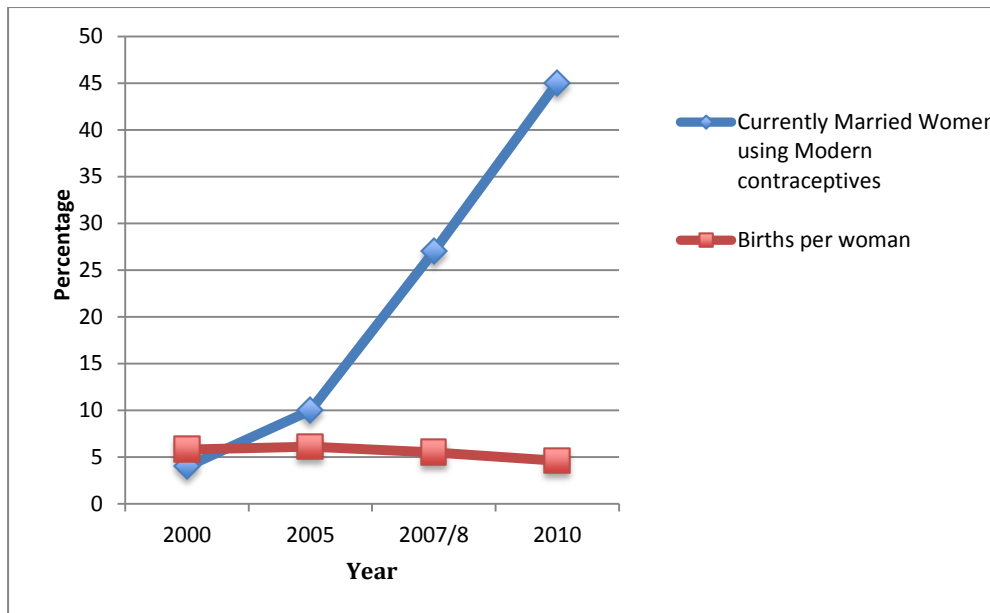
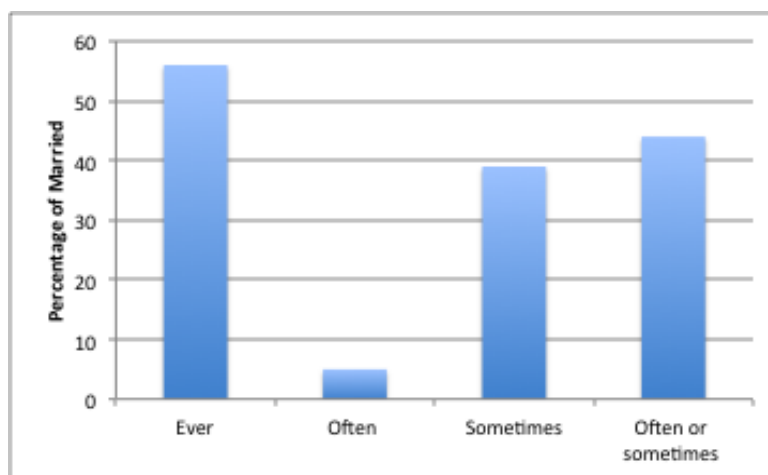


Figure 5.7: Trends in use of modern contraceptive and total fertility rates 2000-2010

The downward trend in fertility rates is closely associated with the reduction in overall population growth rates from 3% in 2000 to 2.6% in 2010. Thus, access to family planning services has not only helped improve women and girls’ health, it has contributed greatly to the reduction in population growth. This is significant and could set the country on track to achieve the Vision 2020 target population growth rate of 2.2%, if the efforts of GoR and partners are intensified and further decentralized undertaken. Considering that Rwanda has one of the highest population densities in Africa but is still a rural population, this trend needs to be maintained. Moreover, as observed in the global HDR 2014, higher HDIs tend to be associated with countries that have lower fertility rates and higher proportions of urban population (35% and above of the population living in urban areas).

It is also important to analyse reproductive health and the role of modern contraceptives from a gender and domestic violence perspective. While the decision to have or delay childbearing in a marriage environment should be made consensually by partners, the reality in many situations is different. About half of all women age 15-49 (48%) have experienced either physical or sexual violence (Figure 5.8), and in almost all circumstances the perpetrators are known to victims (DHS 2010). In 2013, a total of 10,233 female victims of physical and sexual violence were treated in hospital (MoH, 2014a). Of more serious concern, however, is that spousal or intimate partner violence is the most common form of violence for women age 15-49 (Figure 5.8).

Figure 5.8: Percentage of ever-married women age 15-49 who have experienced spousal violence (physical and/or sexual).



Data source: Rwanda Demographic and Health Survey (DHS)2010

In an environment of domestic violence, women’s reproductive rights cannot adequately be respected, and their reproductive health decision-making (such as on deciding when and how to have a child) is greatly compromised. Modern contraceptive use can help women in violent unions to manage their reproductive health through managed conception.

Rwanda has received considerable support in this area, especially from the United States Agency for International Development (USAID) and Belgium Technical Cooperation (BTC). Considering the controversies associated with modern contraceptives, population control and women’s health, and the seemingly low position that population issues occupy on the policy priority list, there is urgent for in-country policy dialogue on this subject.

A socially vulnerable group that needs particular attention is youth in the 15-24 year bracket. They face multiple pressures in transitioning from adolescence to early adulthood, and require support in sexual and reproductive health. While female youth tend to face more pressures and more attention tends to focus on girls and young women, male youth are also challenged, especially as they begin to be more occupied with work and career and deal with peer pressure at the same time. There are a number of youth centres around the country, but they are not well resourced and focused to provide sufficient advice, counselling, training and confidence-building services in matters of sexual and reproductive health. There is very little financial support for these programs, and many services are provided by different organisations under such programs as HIV/AIDS control. Moreover, many parents and families are not sufficiently equipped to deal with the challenges that youth face, and programs that support parents to address the specific needs of youth are too few and irregular¹⁷. Such programs tend to be organized by churches and NGOs, which makes them less accessible to most youth. Unless the departments responsible for social affairs in local governments include them among their priorities, it will be difficult to have

¹⁷ Observation and analysis from sectoral policies, strategies and organizational reports on youth programming in Rwanda over the last decade.

holistic and coordinated responses to youth social vulnerability.

5.5 HIV/AIDS Prevention, Care and Control

One of the most remarkable human development achievements Rwanda has made in the last decade has been control of HIV/AIDS. From a high prevalence rate of 11.1% in 1999 (UNDP, 2000), HIV/AIDS prevalence in Rwanda was reduced 3% in 2005 where it has since been maintained (DHS 2005; DHS 2010). It is even more impressive considering that the prevalence rates elsewhere in the region are more than double (Uganda 7%, Kenya 6.2%), and that Rwanda is still grappling with post-conflict challenges, such as large numbers of genocide widows, orphans and prisoners.

HIV/AIDS prevalence in Rwanda exhibits a high rural-urban divide, with 6.7% prevalence in Kigali city compared to about 2.4% in rural provinces (Table 5.2). Kigali City accounts for about 44% of the total urban population.

Table 5.2: HIV/AIDS Prevalence by Region in Rwanda

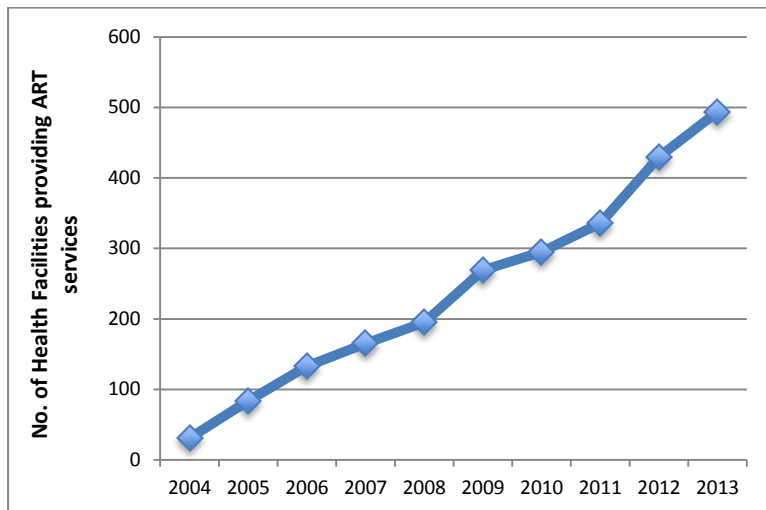
Province	HIV/AIDS Prevalence (%)	
	2005	2010
West	3.2	2.7
North	2.0	2.5
Kigali City	6.7	7.3
South	2.7	2.4
East	2.5	2.1

Source: Rwanda Demographic and Health Surveys 2005 & 2010.

Rwanda has addressed the HIV/AIDS pandemic in three ways. Firstly, socio-cultural barriers that affected the flow of behavioural change communication were broken. Talking about sexual issues was taboo in Rwanda, and was worsened by the perceptions and resistance of religious leadership. The change of attitudes among church and other religious leaders has facilitated open dialogue and consolidated behavioural change communication, making it more effective. Secondly, increased knowledge about HIV/AIDS was followed (and in many situations accompanied) by a massive rollout of HIV/AIDS services, especially through Voluntary Counselling and Testing (VCTs). Once more people knew their sero-status, it was easier to improve behavioural practices and access treatment.

Third, increased funding enabled the government and partners to scale up treatment through anti-retroviral therapy (ART). By the end of 2013, there were 494 health facilities providing ART services to 129,568 patients (MoH, 2014a). The progress Rwanda has made in the last decade in increasing access to ART services is summarised in figures 5.9 and 5.10.

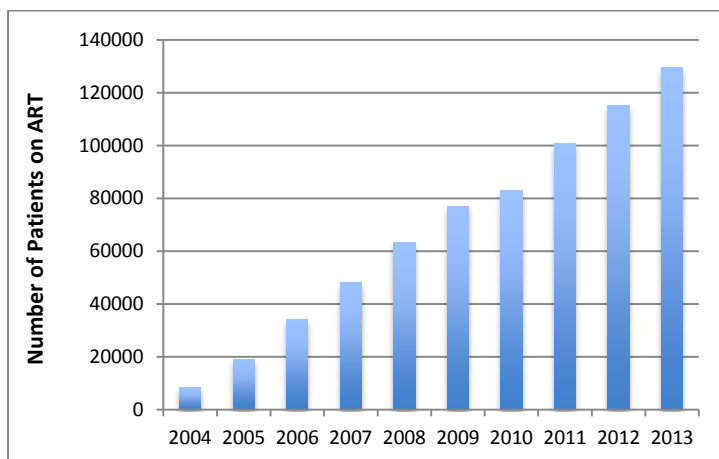
Figure 5.9: Trends in scale-up of Anti-Retroviral Treatment in Rwanda



Source: MoH, 2014a). Rwanda Annual Health Statistics Booklet 2013.

The investment in the scale-up of health facilities providing ART services include expanding physical infrastructure, upgrading equipment and systems at the health facilities, training and/or increasing the human resources at the health facilities. As a result of these efforts, access to ART services has increased from less than 9,000 in 2004 to nearly 130,000 in 2013, as the trend in figure 5.10 shows

Figure 5.10: Increasing Number of Patients Receiving ART services



Source: MoH, 2014a). Rwanda Annual Health Statistics Booklet 2013.

The National Reference Laboratory in Kigali has progressively been equipped to undertake sophisticated testing services, and all 42 district hospitals throughout 30 administrative districts are now relatively well-equipped to provide advanced HIV/AIDS management services like prevention of mother to child transmission (PMTCT). As a result, ART has significantly reduced HIV/AIDS-related illnesses and deaths in Rwanda. By reducing morbidity, ART has also helped reduce loss of human productivity and vulnerability through

avoided illness, a double gain for human development. The unprecedented improvements in HIV/AIDS treatment and control in Rwanda has significantly contributed to increased life expectancy. Also, a growing body of evidence also suggests that ART slows down the rate of HIV transmission, as the virus is suppressed or severely weakened. Underpinning increased awareness of HIV/AIDS and behavioural practices is increased funding for HIV/AIDS (notably through the Global Fund, the United States government, the World Bank and other partners), which enabled investment in social marketing, establishment and extension of HIV/AIDS prevention and control services. Improved coordination among actors may also have improved effectiveness of interventions.

Interventions to reduce mother to child transmission (MTCT) and promote the survival of children living with HIV

High prevalence of HIV/AIDS among infants and children was one of the greatest challenges to eliminating HIV/AIDS, as it would be impossible to create HIV-free generations. The death of children due to HIV/AIDS that they inherited from their mothers, most of them at birth, was and still is one of the most disturbing human development challenges. Therefore the fight against HIV/AIDS therefore, put considerable attention on preventing mother to child transmission (PMTCT). According to UNAIDS (2011), the elimination of MTCT involves multiple elements, ranging from primary prevention of HIV infection among women of reproductive age, to prevention of unwanted pregnancies among women living with HIV, and ART for women and their children.

The first PMTCT site in Rwanda was set up in 1999. While ART during pregnancy and childbirth with no breastfeeding is considered to be ideal, as it prevents nearly all cases of MTCT (Cooper et al., 2002), in African settings like Rwanda, increased risk of mortality has been associated with replacing breastfeeding with formula feeding (Thior 2006; Kagaayi et al., 2008), and with early and abrupt cessation of breastfeeding (Kuhn et al., 2008). Rwandan mothers cannot afford to substitute breastfeeding, therefore this option is not feasible. The current WHO recommendations require mothers to breastfeed and use ART throughout the entire period that the child is at risk of HIV infection through breast milk (WHO 2013).

The growing evidence that PMTCT is effective in reducing child HIV/AIDS prevalence is also good for controlling general HIV/AIDS prevalence. Because of the high level of follow-up and sensitivity of mothers about infecting children, compliance to ART among pregnant and breastfeeding mothers is higher than in other groups. Hence, PMTCT contributes to reducing AIDS-related maternal illnesses and deaths.

PMTCT works, but it requires resources, and there are increasing constraints around resource mobilization, as some development partners scale-down their support. UNAIDS

(2013) observed that treatment innovations and increased availability of resources have been associated with a rapid increase in coverage of PMTCT services, and a decrease in the number of HIV infections and HIV-related deaths in infants. Further progress in human development towards the 2020 targets will, to a considerable extent, depend on whether the country can put all adults and children than need treatment on ART.

Combatting HIV/AIDS through control of TB and other infectious diseases

Tuberculosis (TB) is one of the highly infectious diseases, an opportunistic disease closely associated with HIV/AIDS. TB is a highly infectious airborne disease that severely reduces immunity causing complications for treatment and exposing HIV/AIDS patients to high risk of deaths. It also has a tendency for drug resistance, and if not properly managed, it can easily kill its patients. HIV/AIDS prevalence among TB patients has also been high at 25% in 2013 (MoH, 2014a). TB patients are highly susceptible to HIV/AIDS-related deaths because of the degree to which TB weakens immunity of its victims.

The national strategy for HIV/AIDS control has integrated TB treatment, with 197 health facilities equipped to serve as diagnosis and treatment centres and 297 facilities as TB treatment centres. These facilities enable all PLHIV to be systematically screened for TB at enrollment and during follow-up visits, the ultimate objective being to reduce the burden of TB in PLHIV through early initiation of ART. From this active screening, all TB suspected patients are diagnosed using different para-clinical exams, including sputum microscopy, culture, chest X-ray and GeneXpert. The results have been impressive. In 2013 nearly all (99%) of registered TB patients were tested for HIV/AIDS, and 96% of HIV/AIDS patients diagnosed with TB were treated with cotrimoxazole (MoH, 2014a). While all but one TB patient previously tested positive for HIV, this has declined to one in four.

Rwanda's fight against HIV/AIDS

To understand Rwanda's performance with respect to HIV/AIDS control, it is important to reflect on where the country began. Rwanda was among the first African countries to document HIV/AIDS cases in 1983. The social vulnerability resulting from the 1994 genocide against Tutsis and the displacement and resettlement of millions of people between 1995 and 2000, increased HIV/AIDS prevalence to 11.1% in 1999 (UNDP, 2000). Social structures had been disrupted and health care systems broken down. And the government had a multitude of priorities, chief of which was to restore security and stop the insurgency. As the government re-established health care systems and various partners came on board, HIV/AIDS control became a major priority again and prevalence was brought down. A specific National AIDS Control Commission initially established under the Office of the President (known by its French acronym CLNS) signified the GoR commitment to combating HIV/AIDS.

Rwanda's effectiveness in HIV/AIDS control has benefited from the multi-sectoral and

multi-level approaches facilitated, to a large extent, by decentralisation. Sub-national structures that include local government offices at district, sector, cell and *Umudugudu* levels, have been linked to health facilities and acted as mobilization machinery for HIV/AIDS control programs. These include formation of HIV/AIDS control clubs, mobilizing people living with or affected by HIV/AIDS into associations, facilitating HIV/AIDS caregivers, mobilizing local people to participate in voluntary counselling and testing (VCT), and coordinating the efforts of HIV/AIDS actors.

There is, nonetheless, need to refocus the HIV/AIDS prevention and control strategy to pay special attention to the demographic groups with the highest prevalence rates. According to MoH (2014), these categories include middle-aged women in the age group 35-39 (where prevalent rate is highest at 7.9% among 35-39 age group), middle-aged men (with a prevalence rate 7.3% among 40-44 age group), and Kigali city residents (where prevalence rate is more than double the national average at 7.3%).

5.6 Community and Environmental Health

Illnesses related to the environment where people live (those linked to water, hygiene and nutrition) account for about 80% of the disease burden in Rwanda (MoH, Undated) and cost the country in loss of productivity due to illnesses and cost of treating diseases.

Environmental health conditions that affect health in Rwanda include: access to clean drinking water, and practice of hygienic sanitation to protect people from water and sanitation-borne (or related) diseases and diarrhoea, dysentery, cholera, bilharzia and intestinal worms, which are some of the most common ailments associated with low access to clean drinking water and poor hygiene practices in Rwanda.

Nearly four in five households have access to an improved water source (Figure 5.11). This includes nearly all (97%) urban households and three-quarters of rural households.

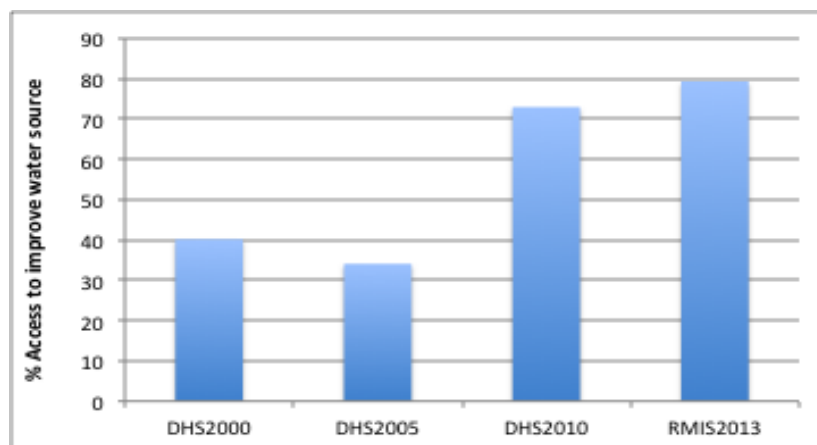


Figure 5.11: Household access to improved drinking water

More than half of all Rwandan households require no less than half an hour to collect water. Urban poor households, however, face a different barrier to access i.e. affordability of fees. Only 8% have water in their premises, and most water services are not free.

Households without proper sanitation facilities are at higher risk of exposure to diarrheic diseases than those with improved sanitation facilities. Improved sanitation facilities¹⁸ include: connection to a public sewer; connection to a septic system; pour-flush latrine; simple pit latrine with a slab; a ventilated, improved pit latrine; or a composting toilet.

5.7 Human Resources and Decentralized Healthcare Delivery

Over the last 10 years, the GoR has prioritized environmental and public health, the most notable initiatives being a revamped and well-staffed Department of Environmental Health, and increased training of public health professionals by the Kigali Health Institute (KHI). However, there remains little capacity at the local level where most environmental and other public health concerns are experienced. Some but few Districts do not have experienced public health inspectors yet these are critical in promoting primary health care at the local level.

A severe shortage of trained health personnel (doctors, dentists, paramedics and nurses) was one of the challenges that Rwanda faced at the beginning of the last decade. The situation was exacerbated by the lack of in-country training facilities, shortage of healthy manpower across the region, and the fact that training health workers takes time and is costly. The government invested heavily in health and medical training at all levels, recruited and provided incentives to attract medical personnel, and deployed the few staff in a rational way. The results have been impressive, despite the fact that availability of qualified and experienced personnel remains low.

According to the DHS 2010, Rwanda had one doctor for every 15,428 inhabitants and one nurse for every 1,200 inhabitants. There is also serious imbalance between rural and urban areas, with most health workers concentrated in urban areas, but the Government has progressively implemented innovative strategies to attract and retain professional health workers in rural and hard- to-reach areas. A key component of the capacity retention strategy is to provide incentives (including hardship allowances) to health workers in rural

¹⁸ According to the WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation of 2005 (WHO/UNICEF, 2005), a household is classified as having an improved toilet if the sanitation facility is used only by members of one household (i.e. it is not shared with other households) and if the facility used by the household separates the waste from human contact.

areas. This is indeed working. While in 2008, less than two-thirds (62.8%) of nurses were in rural areas, this number had increased to almost four in five nurses (78%). This indicates progress towards better health care delivery in rural Rwanda where more than four in five inhabitants live. The other aspect of this strategy is centralised hiring and distribution of doctors and other medical personnel to ensure that areas that are not attractive or hard to reach are supported to attract and/or retain qualified medical workers through administrative processes.

Rwanda has managed to increase the numbers of health professionals in a short time due to rapid and dedicated investment in capacity building within the last 15 or so years. Health professionals are trained at the University of Rwanda's College of Medicine, the Kigali Health Institute and at five nursing and midwifery schools across the country.

Linkages between healthcare structure and local government structures

The District Health Management Team (DHMT) is chaired by the vice-mayor in-charge of social affairs at the district level and includes the district director of health, the hospital director, the director of Community-Based Health Insurance (CBHI), the director of pharmacy, and a representative of the health centre managers. The DHMT is responsible for planning and management, supervision, coordination, financial and resource oversight and regulation. The DHMT oversees and ensures community participation in the delivery and management of services. District hospitals are accounting entities (or budget centres), and receive funding directly from the central government. The hospital's chief executive is responsible for all clinical and administrative responsibilities within the hospital. They also provide technical supervision of health centres within the health district. The main link between the district hospital and the local government is through the DHMT, where planning and decision-making is joint. The DHMT manages primary health care, which is a decentralised function. Under the DHMT, there is a district health unit (DHU) that manages the pharmacies, HIV/AIDS committees and community-based health insurance. There is a district pharmacy for each of the 30 administrative districts.

Rwanda has invested in the expansion of health facilities. The total number of health facilities increased from 579 in 2010 to 1,036 in 2013 (Table 5.3). This investment has increased physical access to health services, and enhanced efficiency and uptake of health services by citizens.

Table 5.3: Mapping Health Facilities and Their Scope of Service Delivery

	Type of Health Facility	Number of facilities by Year			
		2010	2011	2012	2013
1	Health Posts	45	60	60	252
2	Private Dispensaries	35	95	114	137
3	Private Clinics	-	-	60	84

4	Prison Dispensaries	18	13	15	15
5	Health Centres	436	442	451	465
6	District Hospitals	40	40	41	42
7	Police Hospitals	1	1	1	1
8	National Referral Hospitals	4	4	5	5

Source: MoH (2014a): Rwanda Annual Health Statistics Booklet 2013.

The most notable change in the expansion of health care facilities at community level is the four-fold increase in the number of health posts from only 60 (or just 2 per district) in 2012 to 252 (8 per district) in 2013. This is a strong indicator of the GoR commitment to increasing access to health services and to deepening decentralisation in the health sector.

5.8 Financing Health Services in Rwanda

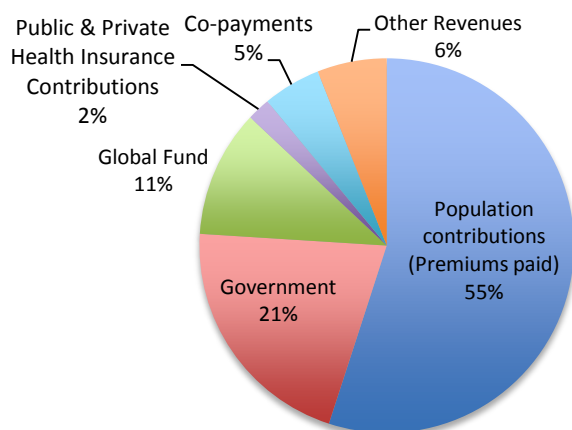
5.8.1 Public Expenditure and Investment priorities

Consistent with its commitment to social inclusion, the GoR has invested significant amount of resources in increasing access to quality health care for all Rwandans since 2001. In 2000, the health sector received about Rwf 3.5 billion, equivalent to a per capita allocation of USD\$ 1.25. However, total health expenditure increased significantly during the PRSP, more than doubling between from Rwf 78.4 billion (USD\$ 142.1 million) in 2003 to Rwf 170 billion (USD\$ 307.3 million) (MoH, 2008).

5.8.2 Health insurance

The main instrument for accessing healthcare is health insurance. Health insurance in Rwanda is made up of the compulsory contribution scheme *La Rwandaise d'Assurance Maladie* (RAMA), which is mainly for public sector workers, the Military Medication Insurance (MMI), which covers personnel in military personnel, and community-based health insurance (CBHI), commonly referred to as *mutuelles de santé*, which covers the rest of the population, and other private schemes. The main sources of funds for the CBHI are premium contributions (by the population), which accounts for 55% of all CBHI revenues, the Government (mainly to cover vulnerable groups and other special categories of citizens) accounting for 21% and donors (Global fund), which provide 11% of CBHI revenues (Figure 5.12).

Figure 5.12: Sources of Funding for CBHI in Rwanda.



Source: MoH (2012: *Community-Based Health Insurance, Annual Report 2012*).

CBHI is a home-grown and traditional values-based solution to accessing health care. It is not based on formal insurance models, but on Rwanda’s traditional value system of pulling together to care for one another. It was first piloted in 1966 by communities in eastern Rwanda as *Muvandimwe* (relative), in the then Kibungo province and *Umubano Mu Bantu* (solidarity among people) in Butare Province (MoH, 2012). The successes recorded in increasing community access to healthcare inspired its progressive scale-up and rollout through the country, and subsequent improvement through formalization and modification. To-date, CBHI is coordinated at district level and there is a mobilisation committee in every village or cell (MoH, 2010).

CBHI accounts for 98% of health insurance holders (NISR et al., 2012) and mainly covers ordinary people. The coverage of CBHI increased from only 9% to 27% of the population during the PRSP period (Alison et al, 2006), but increased dramatically during EDPRS 1 to 78% in 2010 (DHS2010). However, CBHI coverage declined to 73% in 2013 (MoH HMIS) having reached 90% coverage in 2011 (Figure 5.13).

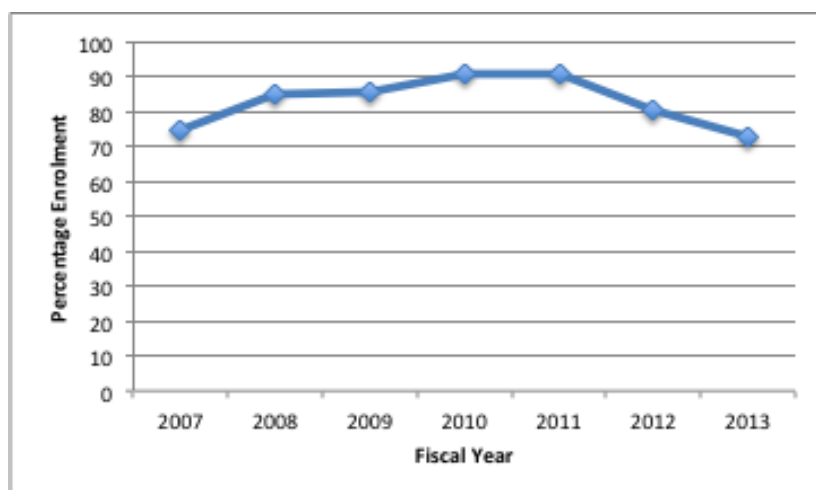


Figure 5.13: Trends in coverage of community-based health insurance

The reforms in the decentralisation process to focus on service delivery, and the corresponding response from the health sector, accounted for the overall improvement of the last decade. The policy reforms that gave CBHI holders the right to access health care anywhere in the country (what MoH calls patient roaming) also increased its attractiveness. CBHI holders were previously restricted to their district of registration or abode but now they can receive healthcare anywhere outside their district, although they are still required to register in their district. Health insurance coverage has also contributed to increased antenatal and postnatal visits, thereby contributing significantly to reduction in pregnancy and birth-related deaths among mothers and children.) Health insurance has been associated with women's birth-care-related health-seeking behaviours (Hong et al., 2011). Women with health insurance, compared with women without, were 29% less likely to deliver at home and 25% less likely to deliver with an unskilled birth attendant or to have no assistance at delivery, after adjusting for likely confounders (Hong et al., 2011). Most importantly for poor people, CBHI has also been associated with reduced out-of-pocket spending for health (from 28% to 12% of total health expenditure), and increased service use to 1.8 contacts per year over the last one decade where national CBHI coverage was around 90% (Makaka et al, 2012).

The trend in health insurance coverage, however, indicates some level of underperformance in relation to the target of 100% coverage. There are also concerns that mobilization and management of CBHI funds are not well handled at the local level. Indeed, some LG leaders have recently been questioned about inappropriate handling of CBHI funds, a situation that raises concerns about institutional capacity weaknesses and other management challenges. The GoR is undertaking reforms including the transfer of CBHI management transferred to the Rwanda Social Security Board (RSSB), the largest social security fund in Rwanda. It is expected that under the RSSB, CBHI will be more effectively managed to contribute to better healthcare for Rwandans.

5.9 Performance and Accountability: Aligning Health Systems with Decentralised Governance Structures

5.9.1 Extending Health Facilities, Increasing Geographical Access

The most remarkable improvements in health care delivery triggered by decentralisation, especially since 2006, include: i) expansion of geographical access by establishing functioning health posts in every cell; ii) increasing financial access through universal health insurance coverage; iii) increased innovation for effective healthcare delivery; and iv) strengthening performance and accountability in healthcare delivery through involvement of local authorities and communities.

The establishment of at least one health post in every cell has enabled the health sector to reduce distances to health centres; indeed, more than three-quarters of the population presently live within 5 km walking distance to a health facility (MoH, 2013). While this is a significant achievement, it may not be an appropriate access indicator given the steep terrain covering a larger area of Rwanda. More appropriate indicators perhaps would be average walking distance by a patient and waiting time to receive service at a health centre which are discussed in the next section.

5.9.2 Integrating Community Health Workers

The first point of contact with health services for most Rwandan citizens is the Community Health Workers (CHWs) who attend to villager's health problems and are supervised by the officer in charge of the sector health centres. There are 44,511 CHWs who are ordinary people elected by communities. Each village (100 to 200 households) elects three volunteers to act as CHWs for the general population: a man and a woman for general public health issues, and one woman to assist new mothers with antenatal care, delivery and neonatal childcare. These CHWs are trained by the Ministry of Health to manage basic health and illness issues, ranging from dispensing malaria drugs to giving contraceptive advice. CHWs monitor health issues at village level and refer sick patients to the nearest health facility whenever there is need. They receive compensation for their work through performance-based financing (PBF). At the sector level, health centre committees provide oversight of the work of the various units in the health centre, its outreach and supervision activities, and general financial control. The CHWs are independent, but the grassroots structures of LGs help in managing the daily functioning of the CHWs.

The role of CHWs in reducing maternal mortality has been acknowledged by the MoH, which pointed out increased numbers of pregnant women with risk factors being transferred for appropriate care of high-risk pregnancies by CHWs and health centres (MoH, 2014).

Two of the main factors contributing to the increased use of health centres for consultation in Rwanda are: 1) increased proximity to residential areas, as many people no longer have to walk long distances to health centres. According to the EICV3, the mean time needed to reach a health centre was reduced from about 95 minutes in EICV2 to 60 minutes in 2011 (the government has since constructed more health care facilities, so the distance may have further declined), and 2) improved quality of services provided at these facilities as perceived by users. The proportion of users expressing satisfaction with the services provided in health centres increased from 64% to 82% (EICV3).

5.9.3 Performance-based financing

In conjunction with health insurance coverage, performance-based financing (PBF) has been credited for much of the progress in increasing coverage of skilled delivery services in Rwanda. In 2001, the government in conjunction with partners piloted the PBF system. PBF in Rwanda was first piloted in a few health facilities, and after five years of successful implementation, PBF was rolled-out to cover the whole country in 2006. The aim of PBF is to increase the utilization of health services by offering financial incentives to providers to perform the intended services. It also encourages facility-level problem solving to improve performance, and increases the financial resources available to fund those services (WHO, 2013). To address concerns about potential biases in the data, the government of Rwanda instituted rigorous monitoring and evaluation, including audits of facility reports and modification of the indicators or payment levels when problems are identified (Management Sciences International 2005).

Under the pyramidal system of health decentralisation, Rwanda has five referral hospitals and 42 district hospitals. The total number of facilities increased from 541 in 2009 to 748 by 2012.

Table 5.4: Selected Key Health Indicators

Indicator	2000/1	2005/6	2010/11*	2012**
Average time to Reach a Health Centre (minutes)	--	95.1	59.9	--
Health Insurance Uptake (%)	--	43.3	68.8	--
Total Fertility Rate (TFR)	5.8	6	4.6	4
Contraceptive Usage Among Married Women (%)	4.0	10	45.1	--
Unmet need for family planning (%)	17.7	37.9	18.9	--
Vaccination of children (%)	76.0	75	95	--
Infant Mortality Rate (IMR)	107	86	50	49
Child Mortality Rate (CMR)	196	152	76	25
Maternal Mortality Rate (MMR)	1071	750	456	--
Assistance during delivery (%)	26	28	69	--
Ownership of mosquito nets (%)	--	18.2	82.7	--
HIV Prevalence Rate (%)	--	3	3	2
HIV Youth Prevalence Rate: 15-24 years (%)	--	1	1	1

Source: *National Institute of Statistics of Rwanda, 2012

** Rwanda Statistical Year book 2013

-- Data not available

5.10 Summary

Rwanda's health-related human development indicators have improved tremendously during the last decade and a half, especially since 2003. While Rwandans born in 2002 could only expect to live up to 49 years, they can now live to a relatively old age of 64.5 years. This surpasses the initial Vision 2020 target of 55 years, six years ahead of time. The main areas of health sector performance that have contributed to this increase include the

reduction of HIV/AIDs prevalence rates from over 11% in 2000 to 3% in 2005, and effective control of malaria, maternal and infant mortality rates.

Sustained high public investments in the health sector oriented towards expansion of access and service quality, especially in the areas of human resources, physical infrastructure and institutional systems for performance management, largely accounted for the impressive performance. But there have also been sustained donor support from multilateral partners (coalesced around the Global Fund) and bilateral partners (mainly USAID, Belgium Technical Cooperation). Sector alignment with the decentralized administrative structures has increased participation, citizens' responsiveness (notably in health insurance), stakeholder accountability (increased supervision from local leaders) and ownership.

In the health sector, key developments have resulted in improved performance. The empowerment of citizens to take care of their own health care issues, the public investments in knowledge and facilitation to equip community health workers and increase their numbers, has helped bridge the gap between health care providers and citizens. The recognition and integration of community medicine (notably Traditional Birth Attendants (TBAs), training them and involving them in the maternal and child health management processes), and in the collection of data on maternal and child health, has been a very useful innovation.

Equally, the transfer of health management responsibilities and resources to sub-national entities where district authorities have control has increased the level of ownership and accountability. LGs now include health care issues in their performance contracts and in DDPs. However, clarity of responsibility is still low notably in sanitation priority setting and enforcement, and performance remains less than satisfactory.

Expansion of human resources capacity building notably in training of medical, paramedical and nursing personnel, has helped close the human resource gaps in both numbers and quality. However, decentralisation has helped improve deployment, supervision and motivation of medical staff that constitute performance management measures. Until the reforms of 2005, provincial directors of health services tended to double as heads of provincial hospitals, while managing provincial administrative functions that included social affairs and gender. It was certainly difficult to be effective in these responsibilities.

Access to medical services continues to display a wide urban-rural divide, and unless an incentive mechanism is put in place to attract and retain health workers in rural areas, it will continue to widen, as four out of every five Rwandans still live in rural areas.

6. EDUCATION: ENHANCING HUMAN PRODUCTIVITY AND EXPANDING CHOICES

“Rwanda has three most important resources: one, human resources; two, human resources; three, human resources.”

—President Paul Kagame, during official opening of the Harvard University-organized conference on *Making Markets Work for Africa* in Kigali, March 2002.

6.1 Introduction

Education is a critical component of human development, as it is a springboard for free choice, human productivity and wellbeing. Rwanda emerged from the recovery period with a large human capacity deficit that the education system—itsself severely broken down then—could not meet. Low literacy levels, acute shortages of professionals in all fields, and completely run-down infrastructure, characterized post-genocide Rwanda well into the recovery phase, and challenges continue to be felt in some areas. The GoR has, however, implemented wide-ranging reforms, resulting in considerable improvements in the quality, access and relevance of education to the country’s development process. In 2013, net enrolment in primary schools stood at 96% with 2.4 million children in school; gender parity in primary school enrolment has been closed; and quality indicators are improving, with the pupil to teacher ratio at 47.

The GoR realized that it had to prioritise education if anything was to be achieved, and it had to undertake radical reforms, including building completely new higher learning institutions, in order to create a critical mass of knowledgeable and skilled personnel to drive the country towards its vision. Decentralisation has facilitated the education reform process, particularly in the area of primary education, informal education and literacy, and vocational education. It has, however, also benefited greatly from the radical reforms and unprecedented public investments. A large proportion of public expenditure during PRSP 1 was allocated to education and health, and since EDPRS 1, more public expenditure has been directed to basic education and vocational education.

6.2 Education Sector Reforms and Decentralised Service Delivery

As the policy focus of decentralisation shifted towards improvements in service delivery, and citizens consistently scored education services low, the education sector undertook further reforms by transferring more powers, responsibilities and human resources to sub-national entities. Regional education inspectorates have been set up in all five provinces, and nearly 500 graduate personnel are working as education officers in the service of local

governments (including 30 District Education Officers, 416 Sector Education Officers and school inspectors stationed in five provincial inspectorate offices). One of the critical roles the education professionals in local governments play is in data collection for the maintenance of the Education Management Information System (EMIS), determination of the capitation grant, recruitment and deployment of qualified teachers in secondary and primary schools, procuring textbooks and other scholastic materials and the follow up for the overall education performance in the district.

The quality of learning affects learners' motivation, ability to continue and complete school, and learning outcomes, which consequently affects their competitiveness in the labour market. This must be of serious concern to Rwandan policy makers and their partners. It is noteworthy that globalisation and regional integration have expanded opportunities for business, jobs, knowledge and innovative skills, but have also come with challenges of competition that could negatively affect those not well-equipped.

If Rwanda is to become competitive as a liberalised and globalising market economy, the role of government will need to shift from producing college graduates and providing jobs to ensuring that citizens are sufficiently equipped to compete favourably in the job market and create their own jobs. As a result, there is increasing concern for quality of learning and a strategic focus on competence-based learning and youth entrepreneurship, which are a step in the right direction. A competency- based curriculum for pre-primary, primary and secondary education is being finalised and is going to be implemented in schools in 2016. However, it must be acknowledged that this process will be challenging and requires the concerted efforts and support of all actors.

6.3 Basic Education: Foundation for a Competitive and Productive Human Resource

Basic education in Rwanda includes children from the ages of 3 to 15 years: and comprises three stages of education: pre-primary (2-3 years); primary (6 years); and lower secondary (3 years). In 2012, the program was extended from the original nine years to twelve years (12YBE) to cover upper secondary education. Since 2003, when universal free and compulsory primary education was introduced, Rwanda has dedicated a large proportion of public expenditure to basic education, scaling it up progressively in 2009, and more recently in 2012, to ensure that children stay in school longer, learn more and become more productive citizens.

There had been concerns before the extension of universal fee-free basic education, that primary school dropout rates were high, completion and transition rates low, although primary school enrolments had risen since the introduction of universal fee-free basic education in 2003. The GoR decided to address these multiple challenges of quality, retention and transition through a number of policy initiatives including 12YBE; teacher

development; infrastructure expansion; improving nutrition in schools; curriculum review and vocationalisation, among others.

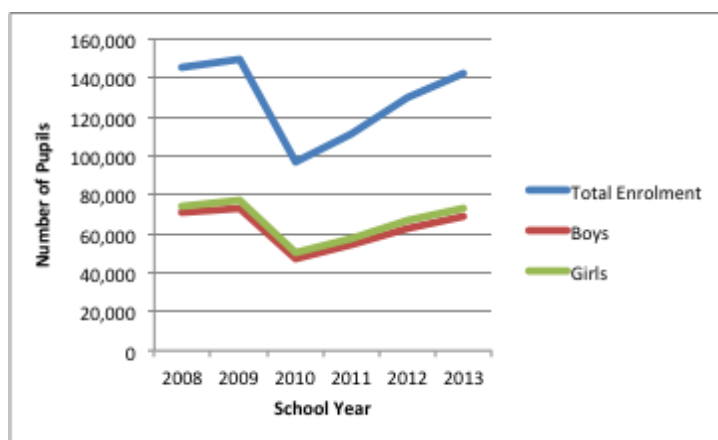
These policy initiatives are consistent with the GoR's vision 2020 and the 2003 education sector policy mission to equip learners with foundational knowledge and skills for life. The ultimate focus is on innovative problem solving, competitiveness and productivity in the job market.

This section discusses the three components of Rwanda's basic education, and how it has augmented human development.

Pre-primary education and early childhood development

Rwanda enacted a comprehensive strategic plan on early childhood development (ECD) in 2011. In this strategy, the GoR acknowledged the need to nurture human resources holistically grounded in a desired socio-cultural context. Rwanda's ECD strategy aims to ensure holistic development of all children's physical, mental, emotional, moral and social wellbeing by taking care of them from birth to 6 years, when they enter primary school. A key component of this strategy is pre-primary education, which seeks to ensure that all children between 3-6 years go through this process. This is a big challenge, considering the fact that during the period of early childhood development, children are under the care of parents, a large number of whom live in poverty. Enrolment in pre-primary education institutions have hovered around 140,000 with little change from 145,409 in 2009 to 142,471 pupils in 2013. As a result, only 15.7% of eligible children attended pre-primary education institutions.

Figure 6.1: Trends in pre-primary enrolment



Following massive mobilization, the pre-primary enrolment numbers increased sharply, but dropped when the government enforced stringent quality standards. In the framework of

the ECD policy, the GoR is promoting pre-primary education by constructing one classroom at every 12YBE school and providing instructional materials (ECD training kits, chalk to some pre-primary institutions). While it cannot be expected that poor parents will send their children to pre-primary education facilities that are not fee-free, the GoR is to be commended for supporting pre-primary education and raising its profile at the policy level, considering that it has historically been perceived as a luxury service.

The low enrolment in pre-primary education (Figure 6.1) reflects the divide between the poor and rich in Rwanda, as well as the availability of facilities, which are concentrated in urban areas. The GoR must, therefore, re-think the strategy for pre-primary education if it is to serve as an effective tool for early childhood development.

Primary education

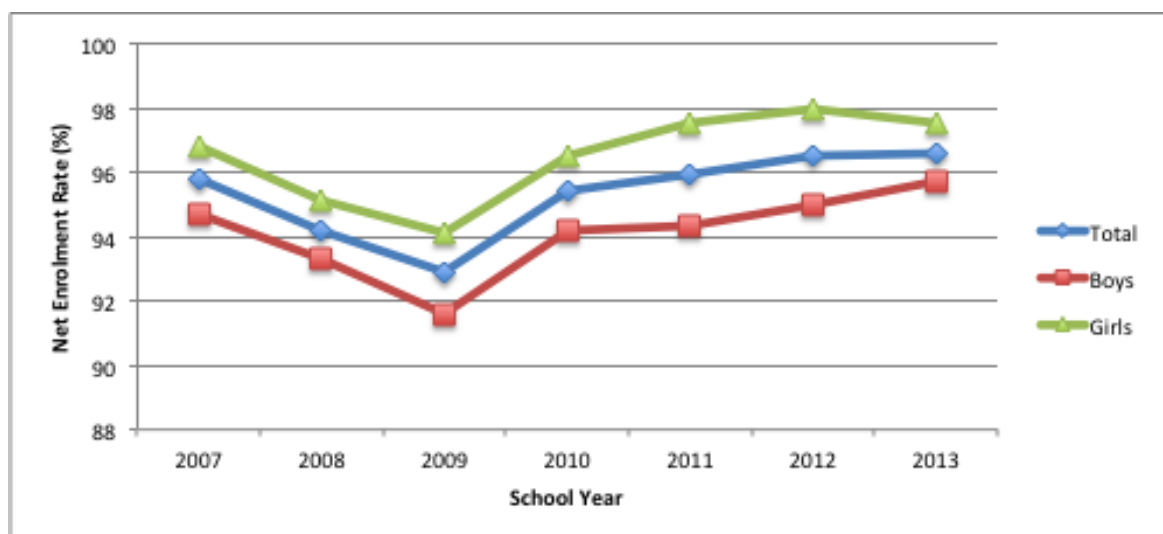
In 2003, the newly elected President Paul Kagame introduced universal fee-free primary education. The government was still struggling with infrastructure, human resources (mostly qualified teachers), and scholastic materials. The costs and other challenges had been exacerbated by the trilingual education system (instruction in a mixture of Kinyarwanda, French and English languages). A decade, later, however, tremendous achievements have been registered: by 2007, more than 2.1 million pupils were attending 2,370 primary schools and the numbers have since increased to 2.4 million in 2013 (table 6.1). The net enrolment ratio stands at 96.6% with less than 4% of eligible children not in school, and the gender parity (ratio of boys to girls) is 49.3:50.7, which is reflective of the country's demographics.

Table 6.1: Trends in Total Primary School Enrolment Disaggregated by Sex 2007-2013

	2007	2008	2009	2010	2011	2012	2013
Total	2,150,430	2,190,270	2,264,672	2,299,326	2,341,146	2,394,674	2,402,164
Boys	1,058,026	1,076,159	1,114,253	1,132,556	1,150,205	1,180,484	1,183,306
Girls	1,092,404	1,114,111	1,150,419	1,166,770	1,190,941	1,214,190	1,218,858

Source: Rwanda Education Statistics, Ministry of Education.

Figure 6.2: Trends in Net Primary School Enrolment rate in Rwanda for 2007-2013.

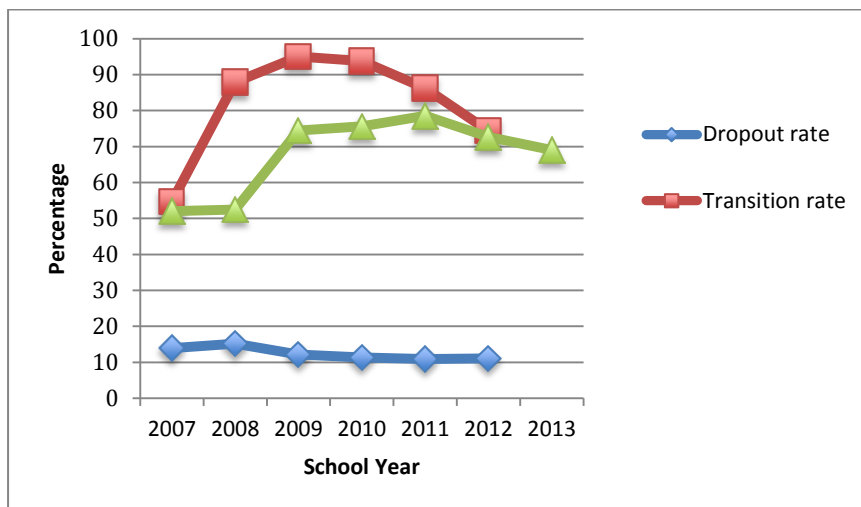


The high NER trends show that there is a high level of equity in terms of access to education, as nearly all school age children are attending school. This is a result of sustained mobilization efforts among stakeholders in which decentralized entities have played a pivotal role. However, only 26.1% of pupils who sat the primary leaving exams in 2005 passed, with only one in five girls and one in three boys.

The main areas of concern since free basic education was introduced have revolved around quality, as elsewhere in sub-Saharan Africa, where universal primary education was introduced without sufficient preparation in terms of infrastructure and facilities and human resources. With the support of several donors, coalescing around the Education Sector Strategic Plan (ESSP), the government prioritized improving the quality of learning and learning outcomes. Under the ESSP II, the sector priorities revolve around five key areas: 1) increasing completion and transition rates while reducing dropout rates; 2) improving quality indicators by investing in human resources and expanding infrastructure; 3) investing in post-basic education system to enable it prepare learners for the job environment; 4) expanding capacity for science and technology training; and 5) strengthening institutional capacity to effectively delivery on education services.

These investments appear to be working. Dropout rates declined from 16.6% in 2002 to 13.9% in 2007 and 11.1% in 2012. The rate of completion increased from 52% in 2007 to 73% in 2012, while transition rates increased from 37% in 2002 to 54.6% in 2007 and 74.4% in 2012 (Figure 6.3). Of concern, however, is that the completion and transition rate appear to be on a downward trend. For example between 2011 and 2013, the completion rates fell from 79% in 2011 to 69% in 2013. This is an issue of concern that education stakeholders especially at sub-national level should address.

Figure 6.3: Trends in Selected Basic Education Access Indicators



Remarkable progress has been closing the gender disparities in transition to secondary school (Figure 6.4).

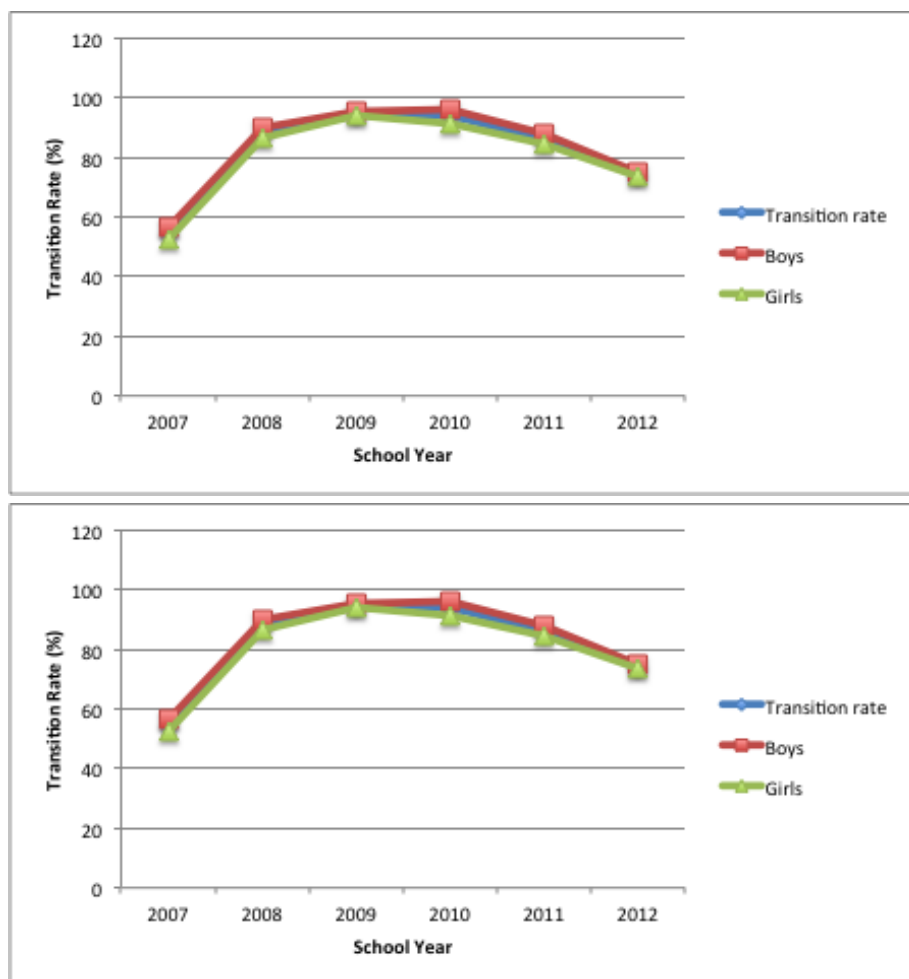


Figure 6.4: Transition rates from primary to secondary school.

While these achievements are impressive, the fact that one in three (31%) pupils do not complete primary school is a cause for concern.

Transition to secondary school is associated with increased performance in national primary leaving examinations (Figure 6.5). The sharp rise in performance between 2007 and 2008 is explained in part by the radical reforms in the education sector including change of pedagogical approaches and standards improvement, particularly textbooks, teachers and schools, as well as increased supervision after decentralisation reforms.

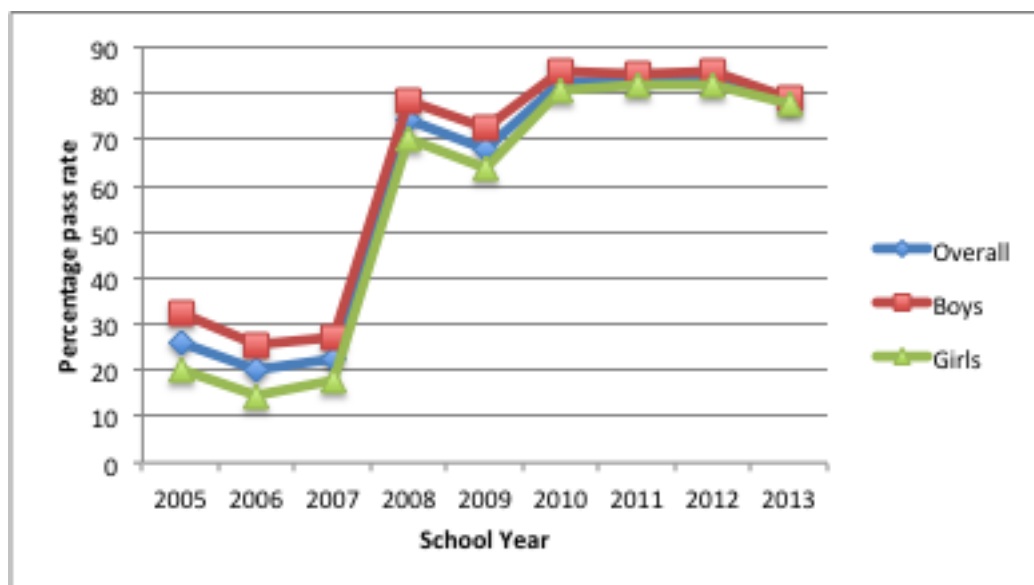


Figure 6.5: Trends in performance at national primary leaving examinations

With respect to quality indicators, investments in school construction and human resources (mainly teacher development) have helped improve overall performance. However, the pupil-teacher and pupil-classroom ratios are still high (Figure 6.6). The figure shows two of the most important quality indicators for primary education.

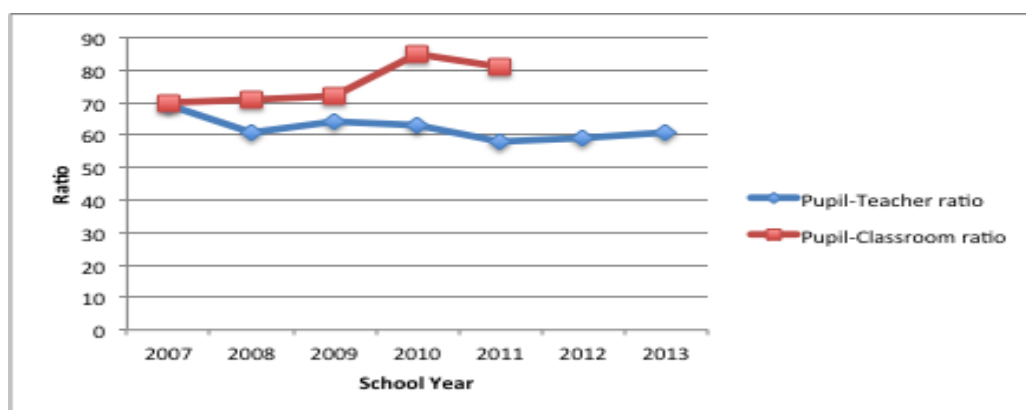


Figure 6.6: Trends in selected quality indicators of Primary Education in Rwanda

Investments in human resources and expansion of learning infrastructure are lower than the increase in school enrolments. This requires a review the sector investment priorities to focus more on expanding educational facilities and recruiting more teachers. Given the disparities among districts, LGs with higher than the desired ratios need to be supported to identify where more schools or classrooms and teachers are needed.

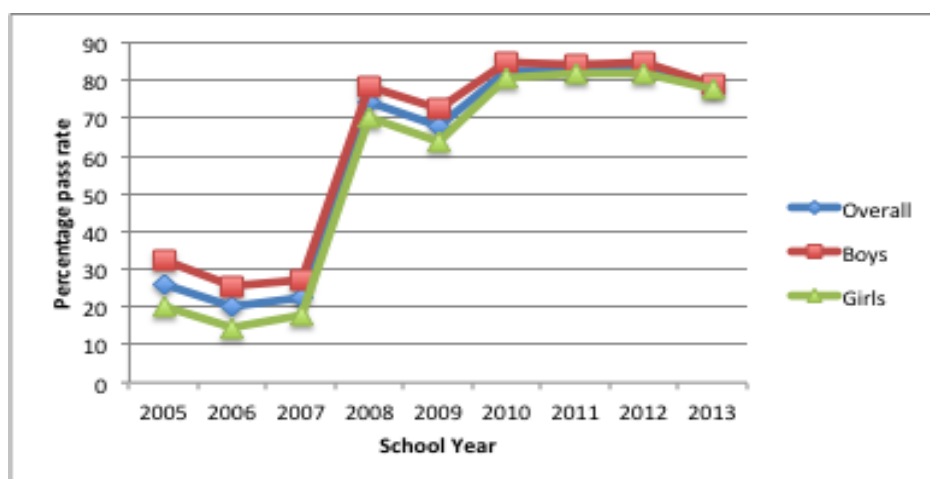


Figure 6.7: Trends in primary school performance

From the gender perspective, the disparities in performance between girls and boys have been closed since 2010, notwithstanding the overall slight decline in performance in 2013 (Figure 6.7).

A further reflection on basic education in Rwanda is the role of civil society organisations (CSOs), particularly churches and other faith-based organizations (FBOs). The partnership between government and these CSOs, particularly FBOs that own (or have controlling stakes in) most schools, has been instrumental in the delivery of basic education. Only a quarter of schools are categorized as public, 67% are categorized as government-aided and only 7% are private.

Twelve-Year Basic Education (12YBE): Extending basic education to build a competitive human resource

With around 96% net primary school enrolment rate, Rwanda has among the highest primary school enrolment rates in the world. In 2009, the government extended free basic education from six to nine years and made it compulsory. The main aim of the Nine Year Basic Education (9YBE) was to provide comprehensive formal education to children to equip them with more knowledge and skills for life. This was based on the realization that transition to post-primary education was very low and that the six years of primary schooling was only just enough to make Rwandan children literate. For a country that

considers a knowledgeable and skilled population as its most important resource, universal education alone was not considered enough. The program was launched against a backdrop of severe infrastructure and resource constraints. LG leaders all over the country mobilized citizens and schools were constructed. Under the 9YBE plan, children would ideally stay in school until the age of 15 years. This has important positive human development implications beyond imparting children with basic knowledge. They would develop positive mind-sets and attitudes in the critical stages of their lives if the learning environment is conducive. They would also learn to live harmoniously with others at a young age, and learn basic life skills like safe hygiene and communication skills. Children in school from negative social practices and lifestyles like drug and substance abuse; and will be protected from harsh social and economic environments that expose them to child labour, abuse and genocide ideology, among others. What this means is that Rwanda should invest as much as possible in the 9YBE program to get maximum human development returns.

Since 2012, the 9YBE program has been extended to cover the entire secondary schooling cycle, with extension to a 12YBE. In launching the 12YBE, the government expected that learners would have greater options for knowledge and skills acquisition and career development, and become more competent. Under the 12YBE, there are options for progressing on the academic path through the *Groupe Scolaire* (or general secondary education system), training as teachers (through teacher training college), or technical and vocational education (TVET) system. All pupils who reach the end of 9YBE are entitled to a further three years of education under 12YBE.

The government has allocated considerable resources to developing the infrastructure needed to implement the program, notably schools, classrooms, desks, latrines, teachers and houses (Table 6.2). About Rwf 15 billion is allocated annually for school construction activities. Construction of school infrastructure has been undertaken in six phases, and is currently in the final phase. Between 2009, when the program started and 2015, the government will have constructed 13,500 classrooms and 28,390 latrines in 1,089 schools in all 30 districts.

Table 6.2: Phased Development of School Infrastructure under the 12-Year Basic Education

Phase	Period (Fiscal Year)	Number of Classrooms Constructed	Number Latrine Stances	Number of Teachers' Houses
1	2009	3,072	9,175	-
2	2010	2,936	5,712	-
3	2011/12	2,679	5,424	3,328
4	2012/13	1,731	2,919	3,328
5	2013/14	2,000	3000	3,328
6	2014/15*	1,082	2,160	3,328
Total		13,500	28,390	13,312

Source: School Construction Unit, Rwanda Education Board, January 2015.

*The * indicates construction in phase 6, which is still on-going.*

In addition to construction, each classroom is furnished with pupil desks and a teacher's table and chair. Effective with phase three, when 9YBE was extended to 12YBE, one apartment block providing accommodation for eight single teachers has been constructed in each sector to attract and retain teachers for the secondary section of the 12YBE. Despite the huge investments in classroom construction, the government still has the challenge of replacing old buildings considered unfit for use. In fact, phase six has focused on building new classroom blocks to replace old ones in existing schools.

Role of communities and decentralized entities

Local authorities and communities have played a lead role in the implementation of 12YBE. They determine which schools should be upgraded to 12YBE and undertake construction of classroom facilities, within the budget limits set by the sector plans. In the construction of 12BYE classrooms alone, the quantified contribution of local communities was estimated at 40% with government spending an equivalent of 60%.¹⁹ However, MINEDUC and REB acknowledge that the total contribution of local authorities in the 12YBE exceeds 60% for most of the schools. This contribution is provided in many forms, including materials, labour and money, among others.

From the perspective of school infrastructure, decentralisation's biggest contribution has been in facilitating speedy implementation of construction work. A newly constructed school is ready for children to start learning within four months of commencing the construction process because community members and local authorities own the whole process, and put in every effort to get the project done. This is in sharp contrast to when the ministry used to contract private contractors with school construction, which took as long as three years to complete.

The initiatives in Rwanda's education sector have potential to transform the social wellbeing of Rwandans and the country's economy, especially if the structural challenges that cause children to drop out of school or perform poorly are addressed. It is also important to ensure that the knowledge and skills imparted are relevant to the dynamic market needs at local, national, regional and global levels. Decentralisation has also increased budget adherence as construction is undertaken in a shorter period. The fact that the projects implemented tend to originate from local authorities and communities, and are reflected in local plans or *Imihigo*, motivates local authorities to monitor and ensure

¹⁹ For every classroom, the government spent RwF.7.5 million while local contribution has been valued at RwF 5 million. For latrine stances, the government spends RwF 3.8 million for a block of 12 stances at each school, with the community providing the equivalent of RwF 4.2 million.

faster implementation.

There are, however, still challenges in replacing old and dysfunctional structures, equipping the schools with adequate facilities and scholastic materials, as well as recruiting adequate and competent human resources to deliver the program on a sustainable basis.

Major concerns around the 12YBE still exist especially relating to quality and access. First, the facilities are still too few and far apart, so that children have to walk very long distances, which is a constraint to learning and completion. Secondly, the quality of education provided under 12YBE, from scholastic materials to teachers, has been questioned, and some parents have negative perceptions about the program. Investing in quality improvement and public sensitization on the nature and importance of the program needs to be undertaken by MINEDUC and its affiliated institutions working with LG authorities and other important stakeholders like FBOs.

6.4 Secondary Education

When the GoR launched their education policy in 2003 with a commitment to implement education for all by 2010, it had to confront the challenge of very low transition rate from primary to secondary schools—at 37% overall and 20.6% for public schools (MINEDUC, 2003). The main reasons for the low transition rates were diagnosed as: 1) high rates of failure in the national primary leaving exams. This has, however, improved in the last five years; 2) the high cost of sending children to secondary schools; 3) the need, particularly in rural areas, for children to work and do household activities; 4) geographical access (i.e. long distances students have to walk to secondary school); and 5) absence of a secondary school in some districts.

Reforms in the education system have resulted in the positive trend in secondary school enrolment (Figure 6.8). As in primary education, the initial disparities between female and male enrolments have been closed with girls' enrolment actually surpassing boys, consistent with the country's demographic structure.

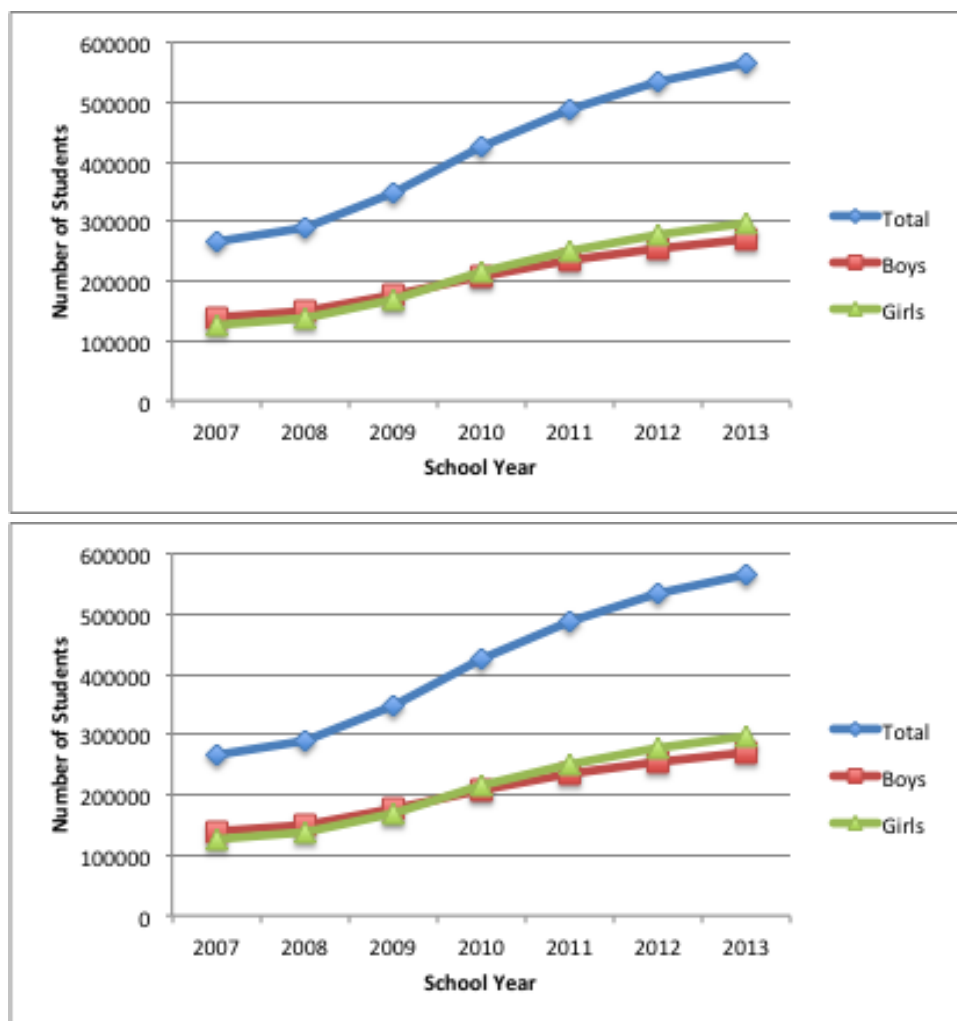


Figure 6.8: Trends in Secondary School Enrolment during 2007-2013

The most outstanding contribution that Rwanda's education reforms have (potentially) made to human development is expanding the opportunity for learning. Today, Rwandans of every socioeconomic status can attend school until they are 18 years old and leave school with employability skills if they remain in school. The focus is now on improving the quality of learning and investing in the sustainability of the universal basic education program.

6.5 Vocational Education: Building a Skilled Human Resource Base

Technical and Vocational Education and Training (TVET) in Rwanda is structured into 3 levels: 1) Vocational Training Centres (VTCs), 2) technical secondary schools, and 3) technical colleges. These three levels offer TVET education at different levels of education. VTCs are community-based and focus on developing skills and talents with flexibility in terms of minimum academic requirements for entry. Technical secondary schools are comprehensive secondary schools that offer technical and vocational subjects. Technical

colleges, on the other hand, provide tertiary level training in technical subjects. Students at this level graduate with Advanced Diplomas (A1), which are a level below a university degree. The main areas of focus for Rwanda’s TVET curriculum are construction, carpentry, electrical, plumbing, engineering, information and communication technology, mining and geology, all of which are in high demand and in which the country has huge skills gaps. The TVET system in Rwanda has a high level of flexibility to enable students with any level of education to acquire a skill and gain formal qualifications.

Developments in the TVET sector in the last five years demonstrate that Rwanda has increasingly prioritized vocational education. Between 2010 and 2014, more than 300 TVET schools have been constructed across the country, raising the numbers from a mere 60 in 2009 to 365 by 2014. The number of students enrolled in VCT schools has increased as a result of the efforts of GoR and partners, doubling from 7,314 in 2010 to 15,592 in 2014 (Figure 6.9).

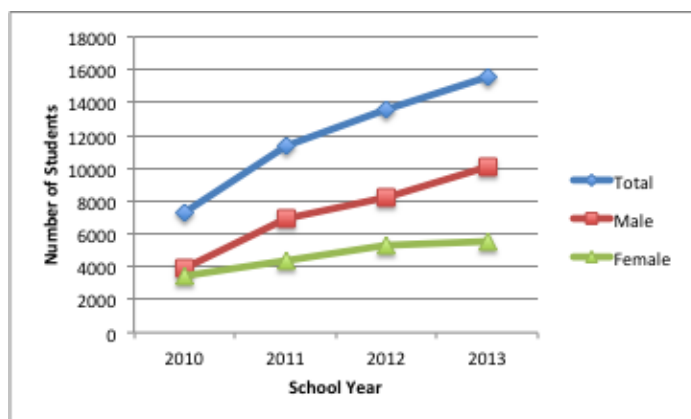


Figure 6.9: Trends in Students Enrolment in VCTs

At a higher level, student enrolment at the Integrated Polytechnic Regional Centre (IPRC) Kigali has increased nearly twentyfold from a mere 209 students in 2009 to 3,662 in 2013. These increasing numbers are already helping to address the acute shortage of trained technicians in Rwanda’s growing construction and housing industry.

In reforming the vocational education sub-sector, the GoR is trying to link TVET training with the market through a National Employment Program established under the ministry responsible for public service and labour (MIFOTRA). These initiatives are part of the strategic actions to meet the EDPRS 2 target of creating at least 200,000 off-farm jobs per year by 2018. The GoR’s focus on creating off-farm jobs is rooted in the evidence that poverty and low incomes in Rwanda are associated with occupations in farming and agricultural labour. To realize these targets, public expenditure on technical and vocational education has more than doubled during the last four years alone. In 2013/14, the

government allocated RwF 48 billion (or 18% of the education budget) to TVET schools, up from RwF 19 billion allocated in 2011/12. It is expected that public expenditure on TVET will increase during the EDPRS 2, as Rwanda constructs more TVET schools and VTCs in districts that are underserved. A considerable number of 12YBE schools are likely to be converted into TVET centres.

This system has facilitated the integration of vocational training into mainstream education, enabling TVET graduates to upgrade their qualifications to degree level. This move could increase the attractiveness of TVET as a career choice for students completing secondary school. The enrolment trend at IPRCs is consistent with the increasing public expenditure on vocational and technical training since 2011 (Figure 6.9). The GoR plans to have at least 60% of students graduating from 9YBE enrolled into TVET schools by 2017, up from 40% in 2014. This may be a good strategy given that the majority of the students attending 9YBE are poor, and the TVET option would enable them acquire employable skills sooner than would the long and expensive formal secondary school option.

This is perhaps the clearest demonstration of the government's commitment to invest in practical skills as a basis for realizing the targets on jobs and youth employment. The TVET sub-sector, which used to be in the periphery of the education sector, with ill-equipped Technical Schools and abandoned Youth Training Centres (*Centres des Formation des Jeunes/CFJs*), now accounts for close to one fifth of the entire education sector budget.

Vocational education fits well within the job creation strategy and knowledge-based economic vision. Not only will it increase the employability of graduates as the market demand for such skills is elastic, it will enhance entrepreneurship, thereby expanding employment creation, income improvement and other aspects of human development. The key strategy for this to happen is to build the entrepreneurial skills of TVET graduates and create a supportive economic environment for local entrepreneurs to grow, especially in sub-national entities across the country. A major issue of concern, however, is the declining proportion of female students enrolled in VTCs, from 47.2% in 2010 to 35.5%. Considering the increasing value of technical education in Rwanda's job market, increasing gender gaps will increase gender inequality in employment and incomes. The other challenge could come from inadequate distribution of economic opportunities, which could trigger migration of TVET graduates to wherever opportunities exist. Therefore, while the fairly even distribution of VTCs and IPRCs indicate regional balance in TVET skills development, local authorities must work hard to expand local economies to absorb them.

Integrating TVET education for standardization and quality accreditation

Part of the GoR's strategy to develop a critical mass of skilled artisans and other professionals is to integrate technical education into a national curriculum. It has done this

by creating Regional Polytechnic Regional Centres (IPRCs), one in each province.²⁰ IPRCs serve as centres of excellence to develop standards and ensure quality in delivering technical education through VTCs. Each of the five IPRCs acts as a central point for supervision, implementation and coordination of TVET activities in their respective locations, a function undertaken by the Workforce Development Authority (WDA). IPRCs provide technical education up to advanced diploma levels (locally categorized as A1). In addition, the GoR is innovatively creating linkages between capacity supply (the skills training centres) and demand (market needs for trained technicians).

In expanding its Vocational Education sub-sector, Rwanda must confront the fundamental challenge of high cost of equipment and the shortage of qualified and experienced TVET teachers. In a rush to meet the skills demand, quality may be compromised. The government should focus on equipping the already established TVET institutions and training sufficient manpower to develop the needed skills base. It is also important to mobilise potential trainees to join VTCs so that more Rwandan workers can acquire productive skills. Many of the VTCs operate on half-time basis and do not have enough students because of lack of boarding facilities.

6.6 Literacy and Non-Formal Education

Literacy is commonly defined as the ability to write and read with understanding. In a country that aspires to be a knowledge economy, everyone must strive to learn, unlearn and re-learn. As of 2012, two out of three Rwandans (68.3%) over the age of 15 were literate, a modest increase from 60% in 2002. While a third of adult Rwandans are illiterate, the main issue of concern is the large number of young people among the illiterate population. More than a quarter (27%) of 25-29 year olds, 20% of 20-24 year olds and 15% of 15-19 years are illiterate (NISR, 2012a: RPHC4). This has serious implications for realizing human development targets, as literacy is strongly correlated to income, health and other components of human wellbeing.

Available records indicate that there are 4,606 training centres for adult literacy in Rwanda, of which 3,168 (57%) are privately owned, 29% are public and another 4% are government-aided. With an average of two adult learning centres in every cell (assuming that they are evenly distributed), it can be said that adequate facilities exist for every Rwandan to become literate. The main challenge however, is that many illiterate people tend to be poor and most facilities are privately owned and require learners to pay fees. Secondly, many illiterate people need to be encouraged or incentivized to attend adult literacy centres.

²⁰ Integrated polytechnic Regional Centres (IPRCs) have been set up in Kigali (Kigali City), Musanze (Northern Province), Karongi (Western Province), Huye (Southern Province) and Ngoma (Eastern Province).

Adult literacy in Rwanda is largely undertaken by civil society and the private sector, with the government role not clearly defined, beyond collecting statistics. Adult literacy and functional literacy is scattered and uncoordinated. It is imperative that Rwanda invests in eradicating adult illiteracy as part of the strategy for poverty reduction and inclusive socioeconomic transformation. It is urgent that young people, especially those in the 15-29 year bracket, are supported to learn how to read and write.

In the area of Non-formal education (NFE),²¹ the GoR has established policies in the areas of financial literacy and education for sustainable development, and is implementing strategies in civic education. Civic education activities are undertaken by the national agency responsible for patriotism (Itorero Ry'Igihugu) in close collaboration with local authorities, focusing on imparting values of unity, patriotism and hard work. This training mainly targets students who have completed secondary school and are transiting to tertiary education. The training activities are not standardized and have time that ranges from as short as three days to three or more weeks. During the period 2007-2012, some 243,284 Rwandans attended civic education training. This training is expected to have helped in improving attitudes towards community service. Mechanisms to monitor and follow-up on the impact of such training need to be put in place, but also to link the training to other areas such self-development. Adult literacy should be perceived as an integral component of poverty reduction.

Beyond ensuring that all citizens know how to read and write, there is need to focus on functional literacy so that non-formal education can empower citizens to improve their incomes, health and power to control their lives. Functional literacy could be developed through different strategies of NFE. Adult education could be re-engineered to integrate reading and writing with a functional or application component. For example, language education and communication skills are important for an economy that is integrating regionally and internationally, and transforming at a fast rate from agrarian to services. Peace education, hygiene and environmental management, and leadership and conflict management are other key areas that should be given priority in NFE. The large number of illiterate men and women below 60 years old means that some school management committees, community health workers, chairpersons of cooperatives, and other community leaders could be illiterate or otherwise need to be functionally literate in some areas to be effective change agents.

6.7 Higher Education: Expanding the Knowledge Base for Socioeconomic Transformation

²¹ Non-formal education is simply the process of acquiring knowledge outside the formal education system.

Pouris and Inglesi-Lotz (2014) outline four major areas in which higher education contributes to social and economic development: human capital formation, building knowledge bases (principally through research and knowledge development), dissemination and use of knowledge (mainly through interaction with knowledge users) and maintenance of knowledge (inter-generational storage and transmission of knowledge). Human capital is central to economic growth and social transformation, and is also closely linked to better health and human wellbeing. While the focus of public expenditure around the world has been focusing on basic education, Rwanda has invested heavily in higher education more than basic education during PRSP 1, perhaps because of the enormous human resources shortages. These were exacerbated by decentralisation, which increased the demand. The outcomes have been impressive, although challenges now revolve around quality.

Rwanda's decentralisation process has been facilitated by the expansion of higher education, which has provided the needed skilled professionals, particularly in accounting and finance, public health, engineering and technology, agronomy and livestock production, education and social protection, and management and public administration. In a span of less than 15 years, Rwanda has moved from a centralized government where less than 3% of the civil service had post-secondary education, to a decentralized government where each of 416 sectors has at least two university degree graduates. This would certainly not have been possible without the public and private investments in higher education.

A key challenge however, is in linking the higher education system to local problems and development context, and in enabling young people to use the acquired knowledge to effectively serve rural citizens. While the high turnover of staff in local governments tends to be grounded in the inadequate incentives in the local government service, there are concerns that most graduates are not well-equipped and sufficiently oriented to work and address local people's problems. Orientation of local government personnel is rarely if ever done at all, and there are hardly any institutions teaching local government studies. In such work environments, it is difficult for graduates to develop solid careers and for local employers to benefit from such human resources.

Since 1995, the GoR has made considerable investments in tertiary education to address the acute human resource needs in areas like accounting and economics, science and technology, public administration and management, and agriculture and rural development. Thanks to public investments in expanding the School of Finance and Banking (SFB), the Kigali Institute of Science and Technology (KIST), the Higher Institute of Agriculture and Livestock (ISAE) and the National University of Rwanda (NUR), a critical pool of graduates has been trained to meet high human resource needs of central and local governments in accounting and public financial management, agronomy and livestock

extension, civil engineering and technology, among others.

Another way in which decentralisation has supported the expansion of higher education is through mobilization and direct support of higher education initiatives, especially in local communities. The local authorities in former Umutara and Byumba Provinces were, for example, involved in the establishment of Umutara Polytechnic and Byumba Polytechnic respectively. They have also provided further support in the operationalization of these institutions through mutually beneficial partnerships in service delivery. The advantage of regional universities and polytechnics in Rwanda is the increased access of local youth and working people to higher education and the ability of communities to develop and access a critical mass of trained professionals who understand the local context, and may be more motivated to work in rural communities than externally sourced personnel. Both of these factors have a multiplier effect in terms of job creation, value addition and livelihood improvement.

6.8 Equity, Inclusiveness and Stakeholder Participation

Rwanda has faced severe challenges of social inequity, and there was a possibility that education could perpetuate rather than close the inequality gap if little attention was paid to inclusiveness. Firstly, many men and women had missed school, and now found that whatever source of livelihood they considered required some form of education. So, literacy is important to bridge the socioeconomic gap. Literacy, numeracy and languages are, for example very important in managing affairs of a community groups (locally known as *ibimina* or clubs), yet many women and men are not literate. Adult education programs have sprung up to meet the needs of such groups, but remain inadequate and inadequately coordinated.

Secondly, the social conditions of many children (extreme poverty, homelessness and lack of parental care) made it difficult for them to benefit from the free primary education that government had introduced. Thus, enrolments systematically excluded a section of poor people by default, and where attempts were made to mobilise and take them to school—for example by local authorities—they would dropout for reasons such as lack of food, lack of scholastic materials or even going to work taking care of siblings. Efforts have been made through deliberate social protection programs to address extreme poverty conditions. There is evidence that such initiatives have increased enrolment and retention of children in extreme poverty conditions. The introduction of school feeding program, in which every child receives some sort of lunch at school, has encouraged parents to send children to school (including those who may not have valued education) and improved children's interest to stay in school.

Child labour, especially in urban and peri-urban areas, as well as around commercial plantations (tea, coffee, sugarcane), has also limited the schooling of children. The government has enacted supportive policies, such as the orphans and vulnerable children (OVCs) policy and the Child Labour Policy.

A number of equity issues remain

About 10% of pupils in primary school are orphans, and 1% has one or more disabilities. The most common disabilities are hearing (13%), visual impairment (about 17%), speaking/dumbness (6%), mental (18%) and other physical disabilities (40%). There are concerns that many eligible children with disabilities are not accessing school, and parents are not keen on taking them to school due to cultural attitudes and logistical challenges. While the GoR has extended support to OVCs by way of providing scholastic materials, access to education by children with disabilities remains a challenge. First, too few schools have facilities to handle learners with special needs, and despite recent efforts, the number of teachers specialized in special needs education (SNE) are about 500. Recent initiatives in training SNE teachers at the University of Rwanda's College of Education, however, demonstrates the GoR's commitment to addressing the challenges. Communities will, however, have to be educated, and greater efforts put into creating a supportive socio-cultural and infrastructural environment for children with disabilities to attend and complete basic education. The GoR needs to revisit its 2007 Special Needs Education Policy, as a number of strategies outlined therein are still valid.

Private sector involvement in basic education is very low

Despite the potential opportunities for private sector participation in Rwanda's primary education, its involvement remains limited. In 2013, only 8% of primary schools and 16% secondary schools were private schools. Out of the 2.4 million primary school pupils, the private sector had only 64,000, a mere 2.7% of the total number of primary school pupils. At the secondary school level, private schools only accounted for 17% of students. This is an issue of concern, given that Rwanda is liberalizing all development sectors, and the government's capacity to meet the education needs of the growing population is limited. The national institutions responsible for private investment promotion, notably the Rwanda Development Board (RDB) and the Rwanda Private Sector Federation (RPSF), should work with education stakeholders to attract private investments, considering the strategic position of education in Rwanda's Vision 2020.

6.9. Summary

The introduction universal free and compulsory primary education in 2003 widened access, with net enrolment rates now at 97%. With the extension of compulsory basic education

from six years of primary to include three years of post-primary education under the (9YBE), Rwanda is on the road to creating a productive human resource. Enforcement of this system has required decentralised structures and will require sustained effort from sub-national actors and stakeholders (notably parents, local government leaders and FBOs). The introduction of 12YBE and the optional but free vocational education component, means that Rwandan children, irrespective of their socioeconomic background can enter and complete school with competitive skills and qualifications for the job market. If successful, this program could make Rwanda's human resource one of the most productive in the region in a few decades, and sharply raise its HDI. For this to be successful, however, considerable investments must be put into continuous quality improvement to make it attractive to parents and children. The government has a duty to dispel the perception that the 12YBE system²² offers mediocre education and should be the last resort for any child, by ensuring that graduates are competent.

Education is considered pivotal to human development. However, the ability of the education system to effectively contribute to human development depends on: (i) its relevance and ability to respond to societal challenges and expectations; and (ii) its accessibility by all or as many children/citizens as possible. The first relates to the extent to which it liberates citizens and empowers them with life skills across sectors and is largely about quality, while the second relates to the numbers. After achieving impressive enrolment numbers, the policy focus is shifting to quality and relevance.

Increased citizen participation has enabled parents and community members to appreciate the value of education and facilitated enrolment and retention of more children in school. School challenges, whether administrative or technical, are now, first and foremost, the challenges of local communities through such organs as School General Assembly Committees and Parents and Teachers' Associations (PTAs). Whenever challenges arise, they are handled by the sector or district level, instead of taking them to MINEDUC in Kigali which is far away from the facility.

Decentralisation has enabled the expansion of school infrastructure and facilities. Expansion of learning facilities such as classrooms, teachers' houses and sanitation facilities in schools has been facilitated through mobilization by local authorities as well as the motivated participation of parents and community members who now appreciate that local development is their own responsibility. Community management structures like PTAs would not be effective if parents did not accept the schools as their own property.

²² It is important to note that 12BYE is an upgrade of and not a replacement of the more known 9YBE, the additional 3 years being optional unlike the first 9 years that are compulsory. Hence any policy discussion on Rwanda's basic education will continue to reflect the 9YBE alongside 12YBE, atleast for clarity.

The gaps in knowledge and skills of local education actors, however, are a constraint in decentralized education service delivery. As the GoR shifts focus from quantitative to qualitative indicators, it is important to train and facilitate local leaders, from district mayors down to cell and *Umudugudu* leaders, to undertake regular monitoring of school activities and to pay more attention to learning outcomes.

Decentralisation has improved education service delivery in many respects

Decentralisation has enabled education sector performance in mainly four ways:

- 1) *Improving statistics, thereby enabling effective and evidence-based planning:* Rwanda's education statistics have improved remarkably since 2007 because of the comprehensive public investment under the Education Sector Strategic Plan (ESSP). However, data collection would not have improved without decentralized structures. The entire education management information system (EMIS) relies on the decentralized education offices (DEOs at district level and SEOs at sector level) to collect, clean and validate education data on school enrolment, education facilities and infrastructure. This in turn facilitates effective planning and budgeting for capitation grants, infrastructure expansion and provision of scholastic materials, as well as teacher improvement and school performance. Improved reliability of education data has inspired evidence-based planning and decision-making for the sector, including better allocation of scarce financial resources and responding to local specific challenges like access and quality.
DEOs and SEOs have also lessened the administrative burden of dealing with social development issues, as local government officers responsible for social affairs officers no longer have to deal with education challenges that used to be part of their responsibility.
- 2) *Improving access to education:* The impressive school enrolments that Rwanda registered since universal free basic education was introduced are a direct result of the efforts of local authorities in mobilizing citizens and ensuring that all school age children are in school. Local authorities have proved to be effective mobilizers because they have integrated the education agenda into their own priorities, and because of the proximity of local government structures to citizens. They know where schools should be established and can determine which households have eligible children that are not in school. If the decentralized structures were not democratized, they may not have been effective.
- 3) *Improving the quality of education, particularly basic education:* Prior to 2006, the provincial education office was the closest authority with responsibility for school supervision and monitoring. It was overwhelmed by understaffing, lack of budget, having too many responsibilities and inadequate powers to address local education challenges. There was no ownership and performance was compromised. With decentralisation, access to quality education and learning outcomes constitute a major component of the social affairs

portfolio of local governments. There are now competent education officers in all 416 sectors, responsible for the day-to-day planning and management of education issues. As a result, education challenges are addressed more effectively and efficiently compared to when even simple issues like replacing a broken door were referred to MINEDUC in Kigali.

- 4) *Local stakeholder participation and ownership:* Prior to decentralisation, primary and secondary schools used to be perceived as property of the Ministry of Education. By June 2014, 94% of primary schools (including 12YBE schools) had functioning parent-teachers associations (PTAs). At least 416 teachers' apartment blocks (each accommodating eight teachers) have been constructed annually since 2011/12, enabling 12YBE schools to attract and retain teachers.

The communities have made significant contributions in the construction of school infrastructure. According to Rwanda Education Board (REB), at least 40% of the cost incurred in the construction of the new school infrastructure under the 12YBE program has been contributions from communities, while the total community contribution exceeds 60% in most cases. The value systems that increasingly cherish community service, increase appreciation for the value of education and the effective community mobilization systems of LGs and community institutions like FBOs, PTAs and SMCs, and account for increased participation and ownership of education infrastructure.

However, sectoral decentralisation in Rwanda is evolving, and decentralized education service delivery is still very recent. Many education functions that should be devolved or are earmarked for devolution are still under the central government. Sector performance and its contribution to human development, especially in the areas of equitable access, quality, and inclusiveness, would increase if LGs are given greater responsibilities, resources and capacities. In the area of inclusiveness, for example, LGs are better placed to address the access to education challenges related to persons with disabilities, special needs education and gender equality, as well as barriers associated with the long distances that pupils walk to school. LGs also need to be technically supported to address the challenge of ECD and pre-primary education, which at around 12%, is still very low.

7. SOCIAL PROTECTION: LOCALISING RESILIENCE BUILDING

7.1 Introduction: Reducing Vulnerability and Expanding Choices

Historically, social protection was engrained in Rwanda's cultural and social fabric. Traditional values and institutions from the family to the community and formal institutions at higher levels all advocated for and took care of society's most vulnerable people. These values included various social protection systems that ensured that every child belongs to a household, every widow is protected, every need (food, clothing, housing, material and emotional support) is met, and everyone is enabled to contribute to society. These values were rapidly eroded and virtually destroyed due to social disruptions emanating from internal displacements and forced migration during the decades of colonial and post-colonial misrule. The 1994 genocide did not just destroy governance institutions and escalate social vulnerability but also tore through the very foundation of Rwanda's identity. Thus, the biggest challenge in social protection that the post-genocide government had inherited was not to resettle displaced people or returning refugees, or even fight the insurgency but to recreate the Rwandan identity on which a values-based and sustainable social protection framework could be established. Thus, unlike in many countries, Rwanda's model of social protection is not based on the size of the economy or the state's institutional capacity to provide, although these are very important ingredients. It has been inspired and guided by the high premium the country placed on human dignity. President Paul Kagame's statement is inspired by these values.

"We may not have all we need, but we should never lack the will to serve Rwandans." —
President Paul Kagame speaking to national leaders on service delivery.

While partnership with development agencies (such as UNICEF and civil society) has helped expand social protection, it is the GoR's decision to retrace traditional values, reconstruct social systems as a priority, and make social protection a priority agenda of decentralized administrative system that have made the biggest difference.

Social vulnerability in Rwanda was -and still is - overwhelming, especially given that it is still resettling returning refugees more than 20 years after the genocide, nearly half of the population still live below the poverty line, and one in five households is still food insecure. Many genocide victims still suffer psychosocial trauma and have yet to know where their families are buried and some have yet to be compensated. Decentralisation has, nonetheless, assisted greatly in extending social protection to Rwanda's most vulnerable people. It is important to understand who and where are the vulnerable people.

7.2 Addressing Social Vulnerability: From *Ubudehe* to VUP

Addressing social vulnerability in Rwanda has to be based on a clear understanding about who is socially vulnerable and how they become vulnerable, or are affected by vulnerability. The most socially vulnerable people in Rwanda belong to four main categories (decreased from five categories identified in the initial *Ubudehe* mapping). These are described in table 7.1.

Table 7.1: Wealth Categories in Rwanda

	Category	Description/Characteristics	Social protection intervention
1	The Very poor	Do not have a house or unable to pay rent; have a poor diet; cannot get basic household tools and clothes	The state provides health insurance, cash transfers to meet basic necessities
2	The Poor	Have their own houses; can afford to rent a house; get enough food and earn a wage from working with others.	The state provides opportunities for them to be more productive, like Girinka, and employment under Public Works Program or subsidised loans under VUP.
3	Resourceful Poor	Have at least one person in the family working in the formal sector.	A family member is able to meet basic necessities. These benefit from programs like free basic education.
4	The rich	Earn relatively high incomes; own houses; can afford a luxurious lifestyle	These are considered wealthy, and the state does not provide any social security. They are required to meet their own health insurance and other social security obligations.

Source: Various MINALOC Records.

The Government is putting more emphasis on eliminating extreme poverty: Lack of economic assets and supportive social, family and community networks and mind-sets that condemn the extremely poor to a state of indignity and put them in a cycle of social vulnerability. The government has now refocused poverty reduction efforts towards people considered to be in extreme poverty conditions, reducing them to 9% of the total population.

Ubudehe (communal self-help) is a traditional Rwandan concept of pulling together social resources to address individual, household and community challenges. As Rwandans looked back into their rich cultural history to find solutions for the overwhelming challenges they faced, *Ubudehe* was invoked in 1998/1999 to identify and address poverty and social vulnerability problems. Social protection programs have been streamlined with more effective targeting of vulnerable people with detailed poverty mapping under *Ubudehe*. The most comprehensive follow-up to the *Ubudehe* program is the Vision 2020 Umurenge Programme (VUP) designed under EDPRS 2.

The Vision 2020 Umurenge (VUP) is the main social protection program of the government, targeting different social groups. It has three pillars, each targeting different levels of vulnerability. Firstly, those who are able to work are covered under the VUP public works program. They are given preference to work on public projects like construction of roads or hillside terracing. It is expected that they save part of their earnings. The second category is for the very poor households that have no capacity to work (e.g. elderly or disabled who receive direct cash transfers to meet their basic needs. This scheme is called VUP direct support. The third category includes the financial services that offer low interest micro-credit to enable poor people to start income-generating activities either as groups or individuals. Poverty data is used in the prioritization and identification of beneficiaries, following the poverty categorization developed under *Ubudehe*. Recent reports indicate that the types of financial assistance reported by most households are VUP public works (3%), *Ubudehe* credit scheme (2%) and VUP access to financial services (2%). While the VUP program has yet to create significant impact on poverty given the vulnerability levels of targeted beneficiaries, the underlying principle is social protection. The fact that it is implemented at the local level underscores the commitment of the government to protect Rwanda's most vulnerable people.

A growing number of elderly persons, but limited social security

The most recent population and housing census (RPHC4; NISR 2012) put Rwanda's elderly population (those aged 60 and over) at 511,738 representing 4.9% of the population. Although the elderly constitute a small proportion of the population, their growing numbers, and their high level of vulnerability are an issue of concern for human development.

Only a small proportion of the elderly are covered by old age pension (the pensionable working population being only about 7% of those who work in the formal sector). As a result, more than half (53%) of elderly people are still working to take care of their daily needs and/or support families (RPHC4, 2012). Nearly two in three (65%) elderly persons have no education (78% among elderly women) and only a third (31%) have at least primary education, implying that even those who work receive very little pay and most of them are in farming. Moreover, one in five elderly persons live with a disability and 13% have no health insurance coverage. Elderly women face a higher level of vulnerability as most of them (58%) are widowed (NISR, 2012).

Statistically, all Rwandans can now expect to live to old age (at least live up to 64.5 years). As life expectancy increases, the growing number of elderly persons may cause greater social security challenges in the near future, especially if the GoR does not invest more in formal and informal education, and ensure that workers' incomes improve to the extent

that they are able to save for retirement. Rwanda does not have a specific social support mechanism for the elderly, perhaps because of the multiple levels of vulnerability that the government has been addressing among which some elderly people belong (e.g. genocide widow survivors, historically marginalized groups, the extreme poor households, etc). Considering that Rwanda's traditional social support system (where vulnerable people were taken care of by family networks) was disrupted by the genocide and associated waves of displacement and forced migration, the state needs to put in place a specific mechanism to enable the elderly to live dignified lives. Old age pension could be extended to all elderly persons, initially targeting those not covered by any form of pension or insurance.

Genocide Survivors Support and Assistance Fund (FARG)

Genocide survivors receive support from the government by way of cash transfers, community-based health insurance coverage and bursaries for schooling children.

Child labour and income

Child labour is an indicator of vulnerability and a reflection of the harsh economic and social conditions that force children to be working when they should be learning. Technically, child employment is defined as the situation where persons younger than 15 years are working in an economic activity, either for reward or in a family farm or business. Rwanda has nearly halved child employment from 9.6% in 2001 to 5.3% in EICV2. Three quarters of all children below 15 years who work are in agriculture. Of the rest, some 19% work in the service sector, with girls slightly more likely to do so than boys, and boys slightly more likely to be in commerce. Fewer than half of children worked the whole year, with only 44% working all 12 months.

Demobilised ex-combatants

As a post-conflict country, Rwanda had to deal with ex-combatants who include demobilized soldiers and militants. The government, through its Demobilisation and Reintegration Commission (RDRC) provides support to disabled ex-combatants including housing, cash transfers and support in accessing education and health services.

Orphans and vulnerable children (OVCs): restoring the dignity of children

Given the social and ideological transformation process to create a new Rwanda, free from poverty and genocide ideology, children must be sufficiently targeted in all public investments. Social vulnerability among Rwandan children manifests in a number of ways and cover the following categories: i) homelessness, with a high but declining number of children living on the streets; ii) lack of parental care (i.e. family love and upbringing that affects mostly orphans and dysfunctional families); iii) lack of food and basic necessities like clothing; iv) drug and substance abuse; v) exposure to other forms of crime like theft; vi) lack of educational opportunities mostly as a result of poverty in households, but also

parental negligence; vii) child labour; viii) harassment involving physical, sexual and psychological torture; and ix) peer pressure. A significant proportion of Rwandan households are child-headed, and many are exposed to peer pressure and dangerous habits that undermine their dignity as children and their future as productive citizens.

The government in partnership with various organisations has implemented multi-sectoral programs to address the social vulnerability of children. Despite the specific policies on children, such as the national policy on OVCs of 2003 and the Child Labour policy, interventions to protect children appear to be inadequately coordinated.

Rwanda's social protection agenda, however, is not adequately leveraging decentralized entities. Local governments do not have budgets to specifically address the needs of vulnerable children, elderly and disabled, and other vulnerable members of society. This is largely reflective of the low level of financing through the national budget. However, in terms of indirect interventions, there is a crucial role local authorities and other decentralized entities can play, from identifying the most vulnerable citizens to mobilizing and lobbying for support from external partners, and following up with NGOs and other intervening organisations. Equally important is the fact that LGs have primary responsibility for the welfare of vulnerable citizens, and part of their performance contracts should be to reduce the social vulnerability of children in their communities. The government has embarked on a strategy to find and integrate OVCs into family units as these are deemed to be the most appropriate environment for raising them.

Social security: Mutual health insurance for vulnerable people

During the PRSP 1, the coverage of community-based health insurance (CBHI) increased from 9% in 2002 to 27% of the population in 2006 (Alison et al., 2006). Interventions during the EDPRS 2 and the *Imihigo* helped increase the coverage to 73% in 2014. Raising this target to 100% CBHI is a social protection measure that targets the poorest and most marginalized groups. However, identifying and ensuring that the needs of the poorest citizens are addressed by state and non-governmental social protection initiatives like *mutuelles des santé*, would not work effectively without a citizen-focused local government system.

Historically marginalized group

CBHI has been extended to include a mechanism to provide coverage free of charge to households and individuals categorized as socially vulnerable. This includes historically

marginalized people.²³

Social protection for returning refugees and internally displaced persons

Rwanda's turbulent history is manifested in the continuing inflow of refugee returnees. Hundreds of Rwandans living as refugees elsewhere are repatriated and resettled when they either choose or are compelled to return home. Refugee returnees, especially *genocidaires*, are among the most socially vulnerable people, as they own virtually nothing. The government gives each household food rations to last for three months, health insurance coverage, materials for domestic use and cash transfers to enable them settle and reintegrate into society.

Decentralisation has facilitated the repatriation, resettlement and reintegration of refugee returnees in various ways: First, local authorities prepare communities to accept and live in harmony with the returnees, and build the confidence of returning individuals and households and communities that they will be safe. This is particularly important considering the security circumstances under which many of fled the country (suspected genocide perpetrators or their families fearing reprisals). Second, local authorities are responsible for identifying areas and land for settling them, and for ensuring that their welfare, including personal security and health insurance, are covered.

A few pockets of temporary internal displacement have resulted from disasters associated with extreme weather events, notably floods, landslides and strong winds. Prolonged droughts have also been reported to cause temporary migration, especially in Bugesera districts and other parts of Eastern Province. It has mostly affected livestock herders and to a considerable extent, crop producers. The main threats to human development in this respect are access to clean water and decent sanitation, disruption of children's education and loss of economic assets. Decentralisation has enabled the government to put in place a strong disaster response system, even before a coordinating ministry of disaster management and refugees was set up.

Food assistance as a social protection strategy

At least 4% of Rwandan households receive food assistance with the numbers doubling if food support from friends and relatives is considered. Most of the food assistance consists of food for school children (from the World Food Program) in Huye, Kayonza, Nyamagabe and Kirehe. Other types of food assistance include therapeutic and supplementary feeding (1% of households in Eastern and Western provinces), one cup of milk per child (1% of households in the west) and free food distribution in Eastern (2% of households), Northern

²³ Historically marginalized people are a social group of Rwandans who claim to be a forest community. They were ethnically called Abatwa. As part of the Government efforts to de-ethnicise Rwanda, they are being integrated into society through affirmative action programs in social protection, education, land allocation and health among others.

and Southern Provinces (1%). More than 70% of the households receiving food aid are in the eastern and southern provinces, with Huye, Kayonza and Kirehe districts alone accounting for 40% of these households (NISR, 2012). This reflects the presence of the WFP's feeding activities in those areas. While this is still a major task on the food security front, the fact that food aid (and in particular school feeding) is now more geographically concentrated in areas of high food insecurity and poverty, compared to a decade earlier when it was more or less a national program, demonstrates the success that Rwanda has experienced over the last decade. The local authorities in the affected districts must assume leadership and prioritise sustainable food security. School feeding programs have been instrumental in maintaining or increasing school attendance and performance.

7.3 Gender Equality and Protection of Family Assets

The GoR has formulated policies and enacted progressive legislation on gender equality and protection of family properties. Land reforms have given women more power over domestic property. By default, any land transaction involving married people allocates equal shares between spouses. There are also legislative provisions on inheritance to give priority to the vulnerable members of the household, notably women and children. This is assisting to restore or maintain family stability among poor and relatively well-off people.

An important strategy in family promotion is the campaign to ensure that all marriages are legal under the country's laws. Hundreds of marriages are regularly registered at the sector level, and local governments in all districts have included this as a key priority. While the challenges of domestic relations are common across the region, Rwanda's approach seems to have worked more effectively compared to neighbouring countries like Uganda and Kenya (both of which have recently had challenges with new legislation on marriage and domestic relations). Interventions that promote human development target improvement of conditions at the household level rather than at community or national level, because families are the most effective institution in ensuring access to basic needs, health care and education. An important innovation with respect to developing the family is the recent extension of *Imihigo* to the household level. *Imihigo* now starts at the family level where the household identifies their priorities, which together constitute part of the village targets. Households now have cards where their targets and actions to achieve them are recorded. While this provides incentives for local leadership to reach each household, it is also expected to motivate households to prioritise their resources and participate more actively in community development. *Imihigo* at household level may well be the most important innovation in advancing human wellbeing, considering that all quantitative and qualitative changes in human development and are best monitored at household level. Moreover all indicators being monitored at household level relate to human development, from health insurance, to nutrition and hygiene, to basic education and skills, to savings and food

reserves. However, this is a recent innovation and it is not yet clear what impact it has created. It will be important to analyse the impact of domestic legislation and policy action on family stability, wealth and human development. This will provide lessons not only for Rwanda but other countries on how to deal these increasing challenges.

7.4 Eliminating Sexual and Gender-based violence

Gender-based discrimination and sexual violence, even in domestic environments, are serious threats to human rights and development in many countries. Across Africa, such practices as early and forced marriages, spouse (mostly wife) battering and rape, tend to be common and are culturally rooted. They undermine the ability of women and girls to achieve their full human potential. Rwanda was faced with sexual and gender-based violence (SGBV), including early forced marriages to overwhelming levels, but faced them with multi-pronged approaches, including sustained public education and enactment and stringent enforcement of SGBV-related laws. A partnership between local government structures, security agencies, the National Police, NGOs and faith-based organisations has enabled the fight against SGBV to yield impressive results. At the district and sector level, social affairs officers used to dedicate a major proportion of its time dealing with SGBV-related issues, but this has reportedly gone down.

7.5 Decent Housing for All: *Umudugudu* Concept and Operation *Bye Bye Nyakatsi*

Improving the lives of slum dwellers and providing decent housing are important attributes of human wellbeing. Rwanda has sought to use its experience of successfully resettling a large influx of refugee returnees since 1994. As Rwanda emerged from the recovery period, one of the positive initiatives it had successfully implemented was to resettle refugee returnees in grouped villages called *Imidugudu* (*singular Umudugudu*). Since 2006, the concept of *Umudugudu* has been adopted for the smallest administrative unit. The Human Settlement Policy adopted in 1996 (amended in 2004, 2006 and in 2009) aims to re-organise the way people live to facilitate service delivery and optimise use of scarce land resources. Vision 2020 envisages 100% of the rural population (or 65% of the total population) living in organized villages/*Imidugudu*, with the remaining 35% in urban areas.

The scattered settlement patterns that characterize rural Rwanda and many other African rural villages make it difficult and expensive to extend basic social services like health, water and sanitation, security and education. In Rwanda, it was also considered to be an unsustainable waste of valuable land that could otherwise be used for other activities. The increasing occurrence of climate-related disasters, which have been associated with deaths and injuries, loss of homes and property, among other outcomes, have increased, and the government has resolved to resettle people from areas considered risk-prone, mostly poor

people living in marginal areas like steep slopes and flood plains.

In 2010, the government set up a National Resettlement Taskforce that has worked with local governments and other sub-national structures to ensure all Rwandans live in decent houses. All grass-thatched houses have reportedly been destroyed and communities mobilized to build iron sheet and tile-roofed houses for poor households that could not afford to build for themselves. The government, through districts, provided roofing and other materials while communities make bricks and provide other materials. In the view of the government, the *Nyakatsi* eradication exercise was successfully implemented through a joint venture (MINALOC, RDF, RNP and LGs with the population) with as many as 124,671 families living in grass thatched houses moving into decent houses, including 77,009 households categorized as vulnerable.

Subsequently, the number of rural people living in organized settlements has increased from 25.2% in 2008 (NISR, 2008) to 53.1% in 2012 (NISR, 2013). This tremendous progress towards the Vision 2020 target of 65% of the population living in rural areas and 35% in urban areas is explained, to a large measure, by the GoR's renewed effort through the national inter-ministerial taskforce on settlement re-organisation. The urbanization rate, however, appears to have stagnated at around 17%. Up to 2008, only 22% of the population was living in *Imidugudu*. In December 2011, the Ministry of Local Government together with the Rwanda Defence Forces (RDF), the Rwanda National Police (RNP) and local governments carried out a survey of households living in grouped villages and found that 67.5% of total households were in grouped settlement sites/*Imidugudu*.

In order to reduce environment and climate-related vulnerability, the government resettled 2,680 families from high-risk zones. These included 1,300 families from Gishwati forest, 1,200 from Mt Rubavu and 180 families from Bweyeye in Lake Kivu (MINALOC, 2013). These households are all from the Western Province, which has experienced some of the worst disasters. More work need to be done in other high-risk areas, especially in Western and Northern Provinces.

The *Umudugudu* program is back on the government priority list and has had renewed political interest. Three-quarters (74.4%) of rural households now live in organized grouped settlements, and as many as four in five households in the eastern province (MINALOC, 2013). Realistically speaking, it will take time to get all Rwandans from the scattered countryside into organized villages, due to the high cost of resettling them, the social and cultural barriers that make the whole process politically sensitive and intricacies surrounding landownership. Promoting geographically spread urbanisation will fast-track the process of rural-urban migration, as even farmers can relocate to commercial centres without disrupting their farming activities. This will also provide opportunities for the rural

farmers and farm-based workers to diversify income sources.

7.6 New Challenges and the Need to Widen the Scope of Social Protection

Social protection needs to extend beyond the traditional issues of dealing with poor people. Children, especially in rural areas, who spend hours in the bush looking for firewood, having to travel long distances, walk through risky neighbourhoods or spend evenings on dark roadsides selling commodities, face hazards that need greater attention.

There are also emerging challenges of international human trafficking of which Rwanda is already a victim. Increasing urbanization is putting greater pressures on young people to aspire for better living in order to afford certain lifestyles. Sophisticated networks of human traffickers tend to target young women and men, some lured with promises of attractive jobs. Moreover, regional integration has made cross-border travel easy which the racket of human traffickers can easily take advantage of. For instance, anybody can travel from Kigali to Mombasa with just an identity card, and it is difficult to detect whether people moving freely may end up in inhumane conditions such as sex slavery. There is need to put in place effective protection measures, especially for female youth. In this situation, the most appropriate approach would be to equip young people with knowledge, skills and values to make good choices, as well as scale up the opportunities for decent jobs. Youth employment should be prioritized to enable young people fulfil their dreams and protect them from being lured into human trafficking rackets. Local government leaders should be at the forefront of such initiatives, as the wellbeing of citizens is best addressed in the communities where they live.

7.7 Summary

Rwanda's social protection policy is consistent with its national values—taking care of every citizen, and is community-based. The most comprehensive social protection program of government is the VUP. It is expected that this program will address multidimensional poverty if scaled up. Greater integration in decentralisation activities and empowering local authorities with greater decision-making powers, including institutionalizing social protection support at village level, could improve VUP performance. There also needs to be more coordination of national social protection programs and comprehensive responses to vulnerability, considering the complex nature of social vulnerability.

8. SYNTHESIS: RWANDA DECENTRALISATION—HUMAN DEVELOPMENT NEXUS

8.1 Summary of Key Developments in Human Development

The Rwandan leadership emerged from the recovery period with one long-term agenda: to transform Rwanda into a medium-income country in which human wellbeing is placed at the centre of economic growth. The GoR has invested in developing a productive human resource to drive the development agenda and has invested so that development benefits all citizens. While nearly two in three people were poor, now less than one in two are still considered poor. During 2006-2011, about one million people were lifted out of poverty. Investments in health care have led to improvements in life expectancy (from less than 50 in 2000 to 64.5 years in 2011), and only one in three Rwandans is still considered illiterate. Nearly all school age children are attending school (with a net primary school enrolment of 97%) and free education has been extended from 6 to 12 years. Only one in five households is still food insecure, down from four in five a decade ago. However, there remain serious concerns about income poverty, as the majority of working adults are still in agriculture, a sector that offers few working days, very low wages and unreliable opportunities. Nonetheless, there is optimism about livelihood improvement and incomes, as the economy is expanding and pro-poor socio-economic policies are now being implemented. It is expected that the comprehensive multi-sectoral interventions that the government has, rolled out under the EPRS 2 will increase job opportunities, improve household incomes and address multidimensional poverty issues including nutrition and social vulnerability. A key target group for better job or livelihood opportunities will be the smallholder farming households and agricultural labourers.

Rwanda implemented its decentralisation policy with an initial focus on addressing governance challenges, most of which are foundational to, or otherwise underpin human development. Unlocking the people's potential through wide participation platforms, and achieving social cohesion have been the hallmark of decentralisation's contribution to human development. Since 2006, the decentralisation process has been restructured to facilitate faster poverty reduction, equitable growth, accountable governance and effective service delivery. The government and partners' interventions in health, agricultural, education, and infrastructure development have made tremendous achievements as the result of alignment with and integration into decentralisation. Local governments at all levels, especially sector and district levels are now the centre of planning, priority setting, public expenditure allocation and evaluation of interventions in these sectors.

8.1.1 Empowerment: From a Passive Population to Active Citizenry

Decentralisation has facilitated the transformation of Rwandans from a passive population disconnected from governance, characterised by a high level of dependency on government, and powerlessness, to a more engaged and active citizenry. Not only do they elect their own leaders, they are also beginning to hold them accountable. This is because they are now more about the role of government and their own responsibility and potential. Local people participate in virtually all programs of government, and there are opportunities to influence public policy, except that these opportunities are yet to be effectively implemented. The citizen empowerment process now needs to shift towards policy engagement and accountability to enhance and ensure more meaningful participation.

Local development and social protection programs are designed and implemented with the strong involvement of citizens. They identify the most vulnerable among themselves that should be given priority in social protection, they mobilise and build schools and water facilities, and they contribute to healthcare through health insurance fees among other human development activities.

8.1.2 Participation: Multiple Platforms and Tools for Citizens' Engagement and Stakeholder Coordination

Citizen participation at all levels of public affairs has been a priority in the process of governance and delivery of services. Initially, mistrust that was grounded in fear, hatred and frustration among different groups, was a barrier to genuine dialogue. However, the government and partners put in place multiple platforms through which people express themselves at all levels. Another major motivator of dialogue and participation has been the determination to respond through follow-up and implementation of decisions. Many of the policies and action plans now being implemented (including *Umurenge* SACCOs, SGBV, malnutrition control, community policing, etc.) have been inspired by the resolutions of the national dialogue. Communities meet every month and the nation's leaders meet annually under *Umushyirano* (*national dialogue*). There are also other platforms for dialogue and participation that have enabled Rwandans to participate in and feel they are part of nation-building. It is hoped that these measures will be institutionalized and sustained beyond the present regime.

8.1.3 Public Sector Efficiency: Local Innovation at the Heart of Service Delivery

One of the notable achievements attributed to decentralisation is the efficiency with which

service delivery is undertaken. With relatively little funding, government has registered considerable achievements where LGs are effectively involved and citizens participate more actively. Many local development projects implemented before 2006 performed poorly and did not achieve much due to inadequate involvement of LGs, but as sectoral decentralisation has progressed, there has been significant change.²⁴

The decentralisation of public procurement has also increased efficiency in the delivery of services. Procurement has now been moved to sector (*Umurenge*) level, which has reduced the time frame for procurement turn-around, and improved overall efficiency through timely implementation of projects, reduction of potential avenues for corruption (multiple layers) and increased participation of local actors in and ownership of public investments.

The drawback, though, is the ability of public accountability institutions (the Office of the Auditor General (OAG), Office of the Ombudsman, parliament and district councils,) to effectively monitor public spending, as expenditure and accounting centres expand to reach 415 sectors. For this to happen, the institutional and human resources capacity of the national accountability institutions (OAG, the Office of the Ombudsman and other PFM institutions must increase to effectively cover these expenditure centres.

Decentralisation has enhanced the coordination of intervention efforts by pulling together resources through local structures like the Joint Action Development Forum (JADF), which is a forum for development actors at district and sector level to discuss plan, prioritise and implement development activities in a synergetic, coordinated, collaborative and/or complementary way. JADF platforms have assisted in enhancing programming to focus resources towards local priorities, reduction of waste through coordination of development actors, and enhancing mutual accountability.

8.1.4. Access to Justice: Delicate Balance between Reparation and Reconciliation

As Rwanda emerged from the emergency period and successfully put a democratically elected government in place, a new constitution that focused on building lasting peace, establishing a just society and a culture of participatory and accountable governance, was promulgated in June 2003. The biggest challenge was how to provide justice to genocide victims and reconcile a divided society, whose divisions and animosity were deeply rooted. However, there have remarkable achievements in community justice, and decentralisation

²⁴ In the agricultural sector, for example, the evaluation of PRSP 1 found that although millions of dollars were spent on importing and distributing fertilisers, little was achieved, even at output level. On the other hand, similar interventions in the subsequent EDPRS 1 have reportedly registered remarkable improvements in increasing farmers' access to fertilisers, which was ultimately reflected in high crop production, especially of beans and cereals (maize, rice). This is largely attributed to decentralisation, notwithstanding any policy adjustments that have been made in fertiliser distribution.

has facilitated this process. The government confronted the reality that, like other areas of government, there was neither adequate institutional and human capacity nor trust among the victims and accused that formal courts could deliver justice. By 1997, the Rwandan bar association of legal practitioners had only 37 qualified lawyers, and despite the developments over the last 17 years, they have only increased to around 1,221 in 2014 (Ndikumana, 2014). The government and other local justice stakeholders had no confidence in the international community and the Arusha-based International Criminal Tribunal for Rwanda, yet the longer it took for victims to get justice, the harder it grew for reconciliation and social cohesion to be achieved. Rwandans decided to look back into their rich history to an innovative form of justice, and *Inkiko Gacaca* (traditional community tribunals) was found. *Gacaca* courts were established in 2002, and by the time they wound up their business in 2012, a total of two million cases had been resolved. Local Rwandans were the judges, and citizens did not have to board buses to courtrooms. The only qualification to be a judge was having impeccable integrity (*Inyangamugayo*). The courts set the whole country to work to deliver justice through telling the truth. At least one afternoon (sometimes a whole day) every week was allocated to *Gacaca*, and virtually everyone participated. However, concerns remain regarding compensation of victims who lost property, and there are people who still espouse the genocide ideology. This undermines reconciliation efforts and poses security risks to genocide victims and former witnesses.

Peacebuilding in post-conflict situations of the nature that Rwanda experienced requires community-based management structures that provide restorative justice and conflict resolution while reconciling communities. Resolving conflicts (ranging from land ownership to domestic violence) was increasingly straining LG structures, and local authorities did not have adequate capacity to address them. Some of the conflicts were rooted in poverty and community relations. The government established *Abunzi* (community mediators) to enhance community-based conflict management and promote restorative and mediatory justice. *Abunzi* operations have been integrated into the formal justice system by enacting a specific organic law determining *Abunzi* operations. This law empowers *Abunzi* them to administer justice at community level. The legal recognition of the role of these community mediators and the motivation provided through social support incentives²⁵ has increased their motivation and authority within the community.

8.1.4 Peace and Security: Local Governments at the Centre of Partnership between Citizens and Security Agencies

Development cannot happen where there is no peace. Rwanda invested heavily in restoring peace, but also in building foundations for sustainable security. The most important tool

²⁵ Community Mediators (*Abunzi*) receive support under the Justice budget in form of mutual health insurance coverage equivalent to RwF 15,000 for Mediator and up to 4 of their family members.

used has been creating a strong partnership between citizens and security and law enforcement agencies. Peace-building and community security have also been promoted by integrating livelihood activities. The Rwanda Defence Forces (DRF) have, for example, been involved in agricultural production activities, massive tree planting projects, hillside soil erosion control, fabrication and distribution of energy-saving cooking stoves, among other livelihood activities. This partnership with communities on the income and livelihood concerns of the community has enhanced civil-security relationships and contributed to improving livelihoods.

Community security work and other activities have helped reintegrate ex-combatants and provided employment and livelihood opportunities for ex-armed forces (demobilized ex-combatants, ex-militia) and many young men who did not have sufficient education opportunities. Community-based policing initiatives include neighbourhood watch, community night patrols and home guards that are active in maintaining security. The majority of these are engaged through local authorities in partnership with the Rwanda National Police (RNP) and are paid by communities through such measures as monthly household contributions that range from RwF 200 to RwF 2,000, depending on the community and household social status.

8.1.5 Closing the Gender-gap: Decentralisation Facilitating Partnerships to Promote Equality and GBV Prevention

In Rwanda, like in other traditionally patrilineal African societies, socio-cultural beliefs tend to undermine efforts to curb sexual and gender-based violence (SGBV), even with the best of institutions, laws and political intentions. The Rwanda National Police works closely with local communities and local government structures to control gender-based crime, mainly offenses like rape, defilement and domestic violence. SGBV is difficult to fight formally because women and men tend to be reluctant to report. They tend to be community issues, but without effective local leadership, communities cannot effectively manage them. As it emerged out of the emergency period, the GoR made bold steps to fight gender-based violence and inequality. The constitution of June 2003 is filled with provisions on inclusion and equality, which have been further elaborated into specific legislation. Public institutions have been restructured to be gender-responsive. In practice, however, it would have been difficult to realize any achievements without effective local governments and communities that perceive such activities as their responsibility. Decentralisation has created democratic people-centred administrative structures, provided platforms for leadership development, and increased the positive perceptions and participation of communities in solving their problems. The RNP now relies on community policing to address SGBV issues, and incidences of domestic violence, which undermine human development, have declined significantly.

In general, decentralisation in Rwanda has promoted gender equality and the empowerment of women in various ways. In the first phase of decentralisation, specific seats were reserved for women and youth on the local government executive (vice mayors in charge of women and youth affairs), and under the Youth and Women Councils, youth and women coordinators at the sector level represented their respective councils in the local councils. These structures served as effective training and apprenticeship platforms for youth and women in leadership. Indeed, some national leaders have evolved through decentralised structures.

8.1.6 Beyond Reconciliation: Reconstructing Citizenship and Promoting Patriotism

Rwanda's post-genocide recovery and on-going processes to build lasting peace provide important lessons, especially for societies whose human development processes are undermined by ethnically rooted or politically inspired divisions. This is especially true since the successes it has registered in all dimensions of human development are already inspiring even to countries that have been politically stable for a long time. It is also instructive to note that they have succeeded largely through innovative home-grown solutions. Through programs such as *Ubudehe*²⁶ to *Girinka*, *Gacaca*, *Abunzi*, *Umuganda*, *Inteko y'abaturage* and *Ndi Umunyarwanda* (I'm a Rwandan), Rwandans have demonstrated that societies have the power to solve their own problems and that innovation can come from within.

In this respect, social cohesion is of high political and security significance to Rwanda, and has featured prominently in President Paul Kagame's manifesto since he was first elected in 2003. There has been demonstrable genuineness in eliminating politics of exclusion, in building "one Rwandan identity" by leveraging strengths and downplaying weaknesses, from culture to geography, demography, history and economy. While Rwandans continue to deal with their historical challenges, they are building institutions that will transform governance, economic and social systems. There seems to be little disagreement even among the fiercest critics of government about the development path that Rwanda is taking.

This process would never have been possible if the communities had continued to perceive themselves as spectators rather than part of the governance process. Decentralisation has provided this platform through local government structures. While President Kagame made his government one of dialogue and consultation and the government has formulated policies that are considered pro-poor, it is what happens at the local level that impacts

²⁶ These terms are explained in the Glossary of terms and Home grown solutions in Annex 6.

citizens the most. Decentralisation has helped post-genocide leaders to demonstrate that government can work for and not against citizens, and it can best do this by working with them. If it had not been democratized, it would possibly have been hard for citizens to trust it, and for its leaders to mobilise and effectively engage citizens in reconciliation, peace building and mutual coexistence.

Rwandans and their leaders across government, business, religion, civil society, academia and the larger community, are making renewed effort to consolidate and sustain the reconciliation benefits they have achieved and build lasting social cohesion. This is an extremely important aspect of advancing human development. A number of international NGOs whose programs initially focused on conflict and peacebuilding have reviewed their programming to focus on the income and livelihood dimension of peacebuilding. Rwanda understands that its pursuit of human development will not be sustainable if it does not build a cohesive nation. The GoR and local civil society groups are now actively promoting unity and patriotic citizenship under such programs like *Ndi Umunyarwanda* (I'm a Rwandan). These programs may suggest that the government is avoiding complacency in building sustainable cohesion, especially considering that genocidal militant forces still operate within the region and around the world. Local governments and community institutions are well positioned to implement patriotism programs at the local level by mainstreaming them into citizens' mobilization and community development activities. Patriotic citizenship should entail hard productive work, learning and living healthy.

8.2 Civil Society: From Humanitarian Relief to Development Partnership-Based Engagement

Historically, civil society emerged to bridge the gap between government and citizens, advocate on behalf of citizens, and complement government efforts in service delivery. A vibrant civil society is an embodiment of human development. The civil society in Rwanda nonetheless remains small and under-capacitated. Many local CSOs have challenges mobilizing funds and personnel to design and implement large programs. Many depend on external funding provided through loose partnerships with international NGOs. International NGOs have generally had to tread softly because of government scrutiny of their programs. With a strong government generally lauded as pro-poor and untainted with corruption, Rwandan civil society needs to develop a clearly distinct agenda that can partner with and hold local governments to account.

Rwandan civil society is transitioning, albeit slowly and cautiously, from humanitarian and rights activism, to proactive engagement, especially in critical areas of human development like agriculture, health and education. A number of international CSOs (such as Oxfam, Action Aid, and Norwegian People's Aid) have recently undertaken public policy and budget

advocacy studies and dialogue meetings. Some CSOs are working with local governments on public policy and budget advocacy, but these are still short-term project-based initiatives. An interesting initiative around capacity building for local policy advocacy and accountability is a program entitled Public Policy Information, Monitoring and Advocacy (PPIMA) implemented in five pilot districts since 2010 by Norwegian People's Aid and five local CSOs. PPIMA is funded by the Swedish and British Governments, and was inspired by the need to empower citizens to monitor the increasing inter-governmental fiscal transfers to districts, by building local capacity in policy advocacy and monitoring as well as effective participation in local platforms like the JADF.

Rwanda still has gaps in policy analysis in key areas of human development, and CSOs need to develop stronger partnerships with government through emerging platforms like the JADF. Such initiatives will help build local capacity for advocacy around key community priorities.

8.3 Challenges and Opportunities

Rwanda's development agenda is summarised in Vision 2020 and generally revolves around achieving the middle-income status with no Rwandan categorised as extremely poor. The development strategy preferred is one that will deliver faster and inclusive socioeconomic growth and sustain it beyond 2020. This includes exploiting its biological, hydrological and geological resources, human resources and socio-cultural opportunities. On the road to this vision, Rwanda faces multiple and complex human development challenges such as eliminating extreme poverty, providing healthcare and education for the children who constitute nearly half of the population, and providing jobs to a growing number of educated young adults, and lifting its workers from unreliable and low paying agricultural labour. Extreme demographic pressure has already caused severe environmental degradation and the government is struggling to restore and rehabilitate critical ecosystems. In addition, the skill levels and labour productivity of Rwanda's human resource are still low, and the energy and communication infrastructure needed to power and facilitate the growth of industrial and service sectors are still inadequate.

From the perspective of human development, the most important and immediate challenges to deal with include the following:

Increasing frequency of climate change related disasters threaten to undermine the strides made in all aspects of human development but local governments have limited capacity to respond. Rwanda's biophysical, climatic, socio-demographic, economic and geo-political characteristics make it highly vulnerable to climate change effects. There are emerging initiatives under the environment and natural resources sector (coordinated by MINIRENA, REMA and MIDMAR) but these tend to be project-based, focusing on a few

Box 8.1: Potential effects of climate change on human development

In December 2006, 14 people died and 2,000 others were displaced in northern Rwanda as a result of floods from heavier than normal rains. The flood-waters also destroyed at least 5,000 homes and 3,000 hectares of farmland, forcing farmers to seek refuge on higher ground (MIDIMAR, 2012). The most affected are the poorest people who live on steep slopes and in lowlands in and around wetlands, and with homes that are susceptible to destruction. Climate change-related disasters affect human development from a number of perspectives:

- i) *Income and livelihoods*: Agricultural production is already being affected by increasingly frequent and persistent drought, floods, landslides, excessive erosion, pests and diseases. Agricultural workers are already at the bottom of the poverty levels, and will be further affected.
- ii) *Public health*: Outbreaks of water, sanitation and hygiene (WASH)-related diseases —notably cholera, dysentery, bilharzia and malaria —tend increase as a result of extreme weather events. Epidemics tend to stretch public health systems, which compromises their ability to provide other services as resources are diverted to respond to disasters.

There are on-going initiatives to address climate change concerns, including within the framework of the green economy and low carbon growth strategy. A National Climate and Environment Support Fund (FONERWA) has recently been launched to provide climate change-related financing. There are opportunities, under FONERWA, for local governments to partner with other local development actors to implement strategic climate resilience building projects. These localized approaches, however, might not provide the large-scale response needed in a short time. A comprehensive national climate change response strategy should be undertaken, including nationwide climate change awareness targeting all social and economic sectors.

communities considered hotspots for climate change related disasters. None of the 30 districts has a budget, trained personnel or other mechanism to respond to emergencies or long-term climate change resilience building. It is important to understand how climate change-related disasters affect human development and what it means for Rwanda. Box 8.1 highlights key areas where climate change effects will affect (or are already affecting) human development.

Climate change effects could trigger resource and livelihood-related conflict especially as climate related disasters force people to migrate to other areas. Recently, farmers have moved herds of cattle from Bugesera and other areas to former Umutara province in search of land for pastures and crop production.

Growing incidences of substance abuse a serious threat to youth development, yet local governments are inadequately equipped to address them

There are concerns that a large and growing number of Rwandan youth are susceptible to drugs and substance use, especially alcohol. A recent study by the Kigali Institute of Health

(KHI) revealed that more than half of the youth in Rwanda aged 14-35 years have consumed one or more kinds of drugs. Although the government has made efforts in controlling the production of illicit brews (locally known as *Kanyanga*), production and use of such dangerous alcoholic substances still persist, while others find their way through the borders from neighbouring countries. Substance abuse is a major threat to the realization of human potential of young people. The main cause of abuse is often idleness and peer pressure. Despite the magnitude of the problem, and notwithstanding the fact that this was a subject of discussion at the twelfth National Dialogue, local governments appear to have little information, and are not adequately equipped to address them. None of the districts' *Imihigo* or action plans include fighting drug/substance abuse. Given the multiple pressures that young people face, there is need for a multi-sectoral approach to this challenge.

Decentralisation offers the most appropriate mobilization and multi-stakeholder coordination mechanism to fight drug and substance abuse, starting from the family unit. Local government structures from *Umudugudu* to cell and sector levels can effectively deal with drug and substance abuse governance at close range, but they need to have information and other resources to address it. District authorities can also engage in cross-border collaboration to enhance efforts, especially where some substances are accessed from neighbouring countries. Partnership between local authorities, the National Police and NGOs involved in youth counselling and rehabilitation should be considered.

Low media coverage underpinned by under-developed media infrastructure and human resources

Many decentralisation activities and results on the ground remain in relative blackout, as media coverage remains limited. From the human development perspective, this limits access to information and the opportunity to disseminate information to citizens, community groups and local leaders, an important ingredient for establishing transparent and accountable local governance systems. To a large extent, state broadcast media²⁷ remains the main source of information, especially for upcountry centres despite the increasing number of private media companies. The print media is even less developed.

While arguments that Rwandan media is controlled by the government still persist in some circles, the government has made tremendous efforts in liberalising and promoting self-regulation. The biggest challenge seems, by and large, to be capacity of private media actors to invest in infrastructure and professionalism to generate attractive and accurate content. Commercial interests also tend to take the most media space, leaving little if any for media content on human development topics. There is need to incentivize the private media in Rwanda to give more coverage to development programming, so that Rwandans

²⁷ Rwanda and Rwanda Television (RTV) is operated by the Rwanda Broadcasting Corporation under the Ministry of Youth and Information and Communications Technology (MYICT).

can learn as well as get information on where opportunities for investment, trade, employment and learning exist.

The GoR has effectively exploited new media (notably mobile phone-based SMS and social media platforms) to communicate its programs to citizens, perhaps more than any other government in the region. However, this remains largely limited to central government ministries and agencies. Extending this to local governments would go a long way in promoting transparent and accountable government, as well as effective service delivery in sectors such as education, healthcare, social protection and youth participation.

9. CONCLUSION AND RECOMMENDATIONS

9.1 Conclusion

Since 2003, when President Paul Kagame was first elected, he has put considerable effort on citizen empowerment and wellbeing mainly through dialogue and public investments in areas of economic and social transformation. Since 2006, the government focus has been on growing the economy to expand the national capacity for sustainable social development while reducing dependency on external support. Despite this shift in priorities, Rwanda's public investment policies have remained pro-poor. The government's initiative to keep all children in school free of cost until they are adults (through the 12YBE program), and the *Girinka* program that is addressing multiple vulnerabilities that Rwanda's poor people face, are probably the most important tools for human development. Without the solid sub-national government structures and motivated development actors that decentralisation has established, these innovative programs would not even have been conceived, and would certainly have been too costly for the government to implement.

Decentralisation has enabled Rwandans and their leadership to be creative, to identify the challenges they face, and craft and experiment on home-grown solutions. The successful implementation of home-grown initiatives has in turn developed confidence and further increased the motivation to scale up and innovate more. Confidence among citizens has increased as a result of having to do things by themselves and believing that solutions to local development challenges are within themselves as opposed to believing that solutions come from the government. Although some of the home-grown initiatives have been rolled out in a top-down fashion, it is communities and local leadership that have put them to work, and they would never have been popularized and successfully implemented, if it were not for the local government structures, dedicated local leadership and a believing population. For example, *Umuganda* has resulted in increased citizen participation in development activities and positive attitude performed better in sensitizing citizens and mobilising community efforts towards development activities. It is also an effective platform for citizens to meet regularly, hold dialogue around community development issues, socialize and bond.

The *Ubudehe* program has enabled communities to identify the poorest and most needy people among themselves, to be prioritized in social development interventions. It has provided the foundation on which one of the EDPRS flagship programs—the VUP—is based. This enabled better and more effective targeting of limited development resources towards poverty reduction. It was under *Ubudehe* that a uniquely Rwandan welfare ranking system (disaggregation and classification of poor and wealth categories) was developed. The success of *Ubudehe*, especially in identifying priorities and target groups for poverty reduction and human development, has constituted the solid foundation for other, more sophisticated poverty reduction and development approaches, notably the labour intensive

public works program, that provides short-term employment opportunities to poor, unskilled, and unemployed but able citizens, and *Girinka* (one cow for every poor household) that has enabled more than 204,000 poor households to own livestock, and the government is well on track to reach 350,000 people by 2017. A new national employment program (NEP) that primarily targets young people has recently been established, providing opportunity for improved wellbeing of more Rwandans, especially those who are outside the social strata targeted by most rural-based poverty reduction and income enhancement interventions.

Decentralisation has acted as a bridge connecting the citizens with their government. Local people are supporting and following Vision 2020 because they understand it, or at least feel that it is taking them in a positive direction. They are playing their role in the socioeconomic transformation process because they have been empowered with the confidence to believe in themselves and have been given the platform to govern themselves. They have been told not to expect development magic from elsewhere, but to appreciate and use the strengths they have. Indeed, this seems to be President Paul Kagame's message on every occasion that he interacts with citizens and local leaders. And, it appears to be working, especially as the people's trust in their leadership has reportedly increased over the last one-and-a half decades of decentralisation.

The greatest impact of decentralisation on human development in Rwanda is the empowerment of citizens to take responsibility for their own wellbeing – their livelihoods, health, children's education, neighbours' welfare and governance. Virtually nothing is done on the ground in Rwanda without the involvement of local people. Even the policies and legislation that the bureaucrats formulate in ministries are successfully implemented only to degree to which citizens have embraced them. In moving forward, the greatest challenge lies in developing the leadership and solid institutions at the local level to sustain the momentum for creating change in the quality of life for every citizen, as envisaged in Vision 2020.

Slow and partial progress in sectoral decentralisation

Rwanda's decentralisation process initially faced resistance from within and without, but steadfast leadership and impressive performance have incentivized many previous critics to embrace it. However, there remains a lot of space from the policy and legal perspective that belongs to decentralized entities, but is occupied by central government, making sectoral decentralisation incomplete, even as the country has made radical reforms in other, more sensitive areas like fiscal decentralisation and PFM.

The involvement of LGs in critical decision-making processes regarding policy formulation and programming remains peripheral, despite the tremendous transformation in productive sectors (notably agriculture and rural economy including cooperatives and rural infrastructure development) and social sectors (education, health, social support to

vulnerable people, etc.). The proven competencies and appropriate positioning of LGs, notwithstanding, some sector ministries have embraced decentralisation with caution, and tend to view and treat them as implementing “agents,” yet they are the primary stakeholders who should have interest and significant influence in all phases of the policy process. Very often district authorities are compelled to subordinate their own priorities to those of line ministries, a situation that undermines not only their potential but also accountability in public sector management. Decentralisation principles demand that local authorities should take the primary responsibility for local development issues. It is difficult to hold LG leaders accountable when their decisions in certain areas are restricted to “agency” positions.

There has recently been renewed effort by the Ministry of Local Government (MINALOC) and Rwanda Governance Board (RGB) to clarify sectoral decentralisation issues including institutional linkages and mandates of various agencies. While these are commendable, the relationship between sub-national institutions (community institutions, local authorities) and the central government entities (especially line ministries and their affiliate agencies) remain unclear, particularly around programing and results management. There is more space for LGs to actively participate in, contribute to and influence national policy processes including sectoral planning, design of development programs and pro-poor public expenditure decision-making. Strengthening the capacity of LGs to plan strategically and engage proactively with other local development actors such as line ministries, civil society, donors and the private sector will be important. It will increase the responsiveness, efficacy and ownership of rural economic transformation and social development programs and respective outcomes. This will also enable optimal use of local planning and dialogue platforms like Joint Action Development Forums (JADFs) and sector clusters and working groups. Rwanda’s private sector is increasingly important, but is still a less influential stakeholder group in decentralized service delivery.

It is important to emphasise that giving LGs greater decision-making power and responsibility over sectoral priorities will increase local innovation and program management, and free up the human and technical resources of respective line ministries to focus more on macro and policy level issues, notably policy analysis, performance and results management (including monitoring and evaluation), and capacity building. This, however, will call for different sets of capacity (e.g. forecasting and scenario planning, documentation and knowledge management, stakeholder coordination and resource mobilization, etc.) than most central government ministries have been developing in the recent past.

Unoccupied space for civil society remains huge and growing

There remains huge opportunity for civil society, particularly around public policy advocacy, budget monitoring, and capacity building to amplify local voices around transparent and accountable service delivery. As more resources are transferred to sub-national entities (essentially to district, sector and cell levels) and even through private contractors, the main concern will be to ensure that local priorities are effectively identified and efficiently addressed through public expenditure. Besides being inappropriate to monitor itself, the government is too constrained to be everywhere and it is the traditional mandate of civil society and the media, to serve as the ears, eyes and voices of citizens' interests. Yet it is unrealistic to expect organisations that currently have difficulties in operating a small field office in one district today, to be fully present at the sector or cell level tomorrow. Moreover, not many CSOs and their financing partners are investing in internal capacity building, even those with clear constituencies and who are perceived as comparatively vibrant and better managed.

9.2 Policy Recommendations

A number of key policy actions are recommended in the context of what Rwanda has achieved and learnt from its decade and-half of decentralisation. These policy actions also take cognisance of the fact that Rwanda continues to anchor its socioeconomic transformation vision on good governance, of which decentralisation has become a central pillar.

Intensify the agricultural commercialisation process with specific focus on the needs of resource-poor farmers and young people.

To ensure that agriculture provides productive jobs and sustainable livelihoods, it will be important to pursue a strategy of faster, inclusive agricultural commercialisation that addresses or circumvents the structural challenges of landlessness, high inputs demand, connectedness in the value chains, and unattractiveness to the new generation of young workers.

An important area of potential agricultural enterprise is to leverage opportunities in urban agriculture and natural resource-based value addition. There is an almost elastic demand for horticultural products (vegetables, fruits and spices), meat, eggs, dairy and other animal products. By promoting investment in greenhouse farming, young agricultural entrepreneurs could break the seasonal constraints of marketing and improve quality assurance. There is ample space for backyard practice of poultry, piggery, dairy and other production activities in many households in Kigali and other urban areas. While maximum returns require a lot of effort and care, there is little effort required by way of value addition, and professional extension services are accessible from the Ministry of Agriculture and Animal Resources (MINAGRI). Business opportunities in East Africa's livestock industry

also lie in its main challenge- inadequate supply of livestock feed because of the underdeveloped animal feeds industry, as well as lack of cold storage and transportation facilities. Many other opportunities in the agricultural value chains that have potential to generate profits for entrepreneurs and create jobs. Low cost project financing for agricultural projects is available under such schemes as Rural Investment Fund (RIF), Agricultural Guarantee Fund, and credit facilities available through the Rwanda Development Bank and other intermediaries, such as micro-finance institutions (MFIs). These initiatives have attempted to address constraints caused by the seemingly entrenched paranoia against agricultural lending in Rwanda.

Enterprise development and job creation opportunities also exist in production of other natural resource-based production, from non-wood forest products like honey and other bee products, to extractives such as essential oils or oil ingredients that are used in cosmetic, pharmaceutical and other industries. There are a wide range of raw materials and intermediary products for the expanding industrial sector in East Africa that Rwanda can produce, and be part of multiple value chains. A key area of small-scale manufacturing, even at the level of cottage industries is production of materials for packaging, labelling or branding. Therein lie opportunities for job creation and livelihoods improvement for the increasing number of knowledgeable and skilled people.

Build capacity of local entrepreneurs and ordinary citizens to take up opportunities in the tourism industry.

The GoR has invested a lot of technical and financial resources in developing the tourism industry and is beginning to earn good returns as evidenced by the growing numbers of tourist arrivals and foreign exchange receipts. However, there remain too many unexploited opportunities that could expand the business and create jobs. More effort is needed to expand the fast-growing tourism industry and empower Rwandans with the knowledge, skill and entrepreneurial acumen to create and take up jobs in tourism. Tourism value chains are wide enough to accommodate virtually all categories of job seekers in Rwanda. Moreover, the industry is now benefiting from regional integration with the recent move by East African governments to market the region as one destination.

Speed up the LGs capacity building initiatives in commercial development and support local governments to recruit district commercial development officers and economists to increase local capacity for generation of non-farm jobs.

Local governments (LGs) need to take up more functions regarding job creation by developing local capacity to harness opportunities in the services and industrial sectors. They need to establish business systems that will expand opportunities for growth of services and industrial sectors, working with and taking advantage of interventions by national institutions (e.g. RDB), and this requires competent staff and budgets. The ongoing efforts to recruit commercial and industrial development personnel at district level

should be speeded up and comprehensively undertaken to ensure that competent personnel are in place and facilitated to facilitate the process of harnessing local economic development and business opportunities. In particular, sub-national entities require competences and expertise in industrial development and value addition, regional trade development and tourism. LGs will be in better position to engage investors and investment institutions to enhance local business by providing budgets, leadership and policy support to districts.

Promote faster and more geographically balanced urbanisation to facilitate demographic transition, catalyse regional development and reduce the demographic pressure and associated resource constraints onto Kigali city.

The GoR's strategy for growth of secondary cities under the EDPRS2, Local Economic Development (LED) Strategy under Decentralisation, and the regional integration initiatives such as the Northern and Central corridor infrastructure programs constitute important take-off points.

As a small country with a young population and high population density, the expected population boom is unlikely to generate any demographic dividends if it remains predominantly rural. Deliberate interventions are needed to spur the growth of attractive urban centres that will address the employment and lifestyle needs of the population, especially young people completing school. From a governance perspective, the quality of local leadership will increase if competent leaders are encouraged to stay or move to smaller towns in the periphery.

For this to happen, a multi-sectoral strategy will be required, involving a mix of deliberate large-scale infrastructure development, an incentive framework for local private sector development, and a critical mass of visionary local leadership. Coordination between rural electrification and other economic infrastructure programs is needed.

Strengthen institutional capacity of local governments and community systems to build resilience to climate-related disasters.

While decentralisation has contributed greatly to the enhancement of human development, there are emerging and increasingly frequent challenges of climate change threats that have the potential to undermine, if not reverse, the gains the country has made in human development. Indeed, disasters linked to extreme weather events and their effects on lives, livelihoods and local economies in Rwanda have recently intensified in nearly all districts²⁸. The people in the lowest income category and those categorized as food insecure or

²⁸ These include floods, drought, hailstorms, strong winds and landslides, among other events, have tended to become an annual occurrence destroying crops, homes, infrastructure, and causing deaths of humans and livestock.

vulnerable are most affected by climate-related disasters, such as drought, floods and landslides. Recent initiatives in climate change adaptation have been short-term, project-based and local, yet the entire economy faces climate change risks. Disasters that affect transport or food production systems anywhere in Rwanda will be felt across the country due to interconnectedness.

While climate change mainstreaming efforts are being undertaken at the national level, especially in the framework of the green growth economy strategy, decentralized entities take direct responsibility when such disasters happen and are best positioned to address them, although they have limited institutional capacity to address them. There is urgent need to invest in strengthening the capacity of communities, local governments and other sub-national institutions to build resilience to climate change. Given the susceptibility of Rwanda's ecosystems, economy, population and social institutions to shocks related to extreme weather events, this would contribute significantly to enhancing human development.

Localise regional integration by bringing local governments and sub-national development actors on board.

Rwanda's membership to the East African Community (EAC) means that it has access to a market of more than 143 million people. The EAC's economy is worth USD \$110 billion and offers more job and income opportunities for Rwandans than if it were not in the community. Other regional initiatives including the Lake Kivu Basin Authority, and bilateral initiatives constitute considerable opportunities for Rwandans to improve their incomes and livelihoods. These opportunities will, however, require that local authorities be brought on board so that citizens can be mobilised, empowered and otherwise enabled to participate. A key area where local authorities have a big responsibility in exploring and exploiting opportunities is mobilising people to produce for regional markets, identifying and disseminating regional opportunities for employment, education and skills development, as well as cross-border trade opportunities. They will more effectively be done if LG leaders are well informed and are active participants in the negotiation and engagement process. There is need to sensitise local leaders and business communities at the grassroots levels about the opportunities in the regional integration processes and equip Mayors and other local leaders with the knowledge and skills to sensitise and inspire citizens their entrepreneurs and young people to take up those opportunities.

Mainstream decentralisation into strategic policy initiatives for sustainable human development.

The urbanization policy and strategies to create secondary cities, private sector development and even infrastructure expansion like rural electrification need to be reviewed to include local authorities and other sub-national actors. If people demand electricity, they are more likely to benefit from it, but if it is extended to villages simply

because they do not have it, they may not use it even if connections are free or highly subsidized. Similarly, even if a vocational school was set up in a rural sector of Gisagara district, its construction or electrical graduates are likely to migrate to Kigali or other towns to look for jobs simply because no buildings are being constructed in the area. Areas where opportunities are perceived to be are more likely to attract others with purchasing power, while areas with few opportunities will tend to grow thinner in opportunities. Decentralisation is supposed to deter this, and the business of private sector growth must extend beyond RDB to be the number one priorities of district mayors.

Invest more in basic education, with particular focus on improving quality and values-based knowledge.

Human development is about people, and interventions in human development cannot be effective unless they take consideration the demographics. Half of the Rwandan population is children (48% below 18 years). All of these are potential beneficiaries of extended free basic education (12YBE), and they are the primary targets of education. The greatest contribution to human development in Rwanda's socioeconomic transformation journey will be in education, as it impacts both health and income dimensions. The globally competitive and knowledge-based economy that Rwanda aspires to be will require a knowledgeable, skilled and innovative workforce that is grounded in a strong value system. Rwanda must invest more in providing quality basic education to be able to develop such a workforce. The constraints imposed by inadequate resources means that reprioritizing will be needed and quality improvement in basic education should be on top.

A key area of investment across the education system is to integrate ICT in all aspects of learning at all levels, in line with the national ICT policy.

Prioritise primary health care with greater focus on environmental health and scale-up of reproductive health opportunities.

Rwanda's impressive health outcomes are based on significant efforts in different components, but scale-up and sustainability will be constrained by resource requirements. The government should promote and lead the shift from curative to the primary aspects of health: vector control, improvements in nutrition and behavioural practices in hygiene, sexual and reproductive health, as well as lifestyle practices that promote consumption of more medical advice than medicine. This will significantly improve health performance, lower the cost of health care and make health care more sustainable in Rwanda. From the human productivity and development perspective, the focus of health care should more on keeping more people healthy rather than providing more sick people with treatment.

Develop and implement a comprehensive and integrated program to address youth social vulnerability targeting young people aged 15-24 years

The demographic group of youth aged 15-24 years old accounts for 25% of the population, and includes children entering secondary school to those graduating from tertiary institutions, depending on the number of years of schooling. The multiple social challenges they face require a comprehensive and integrated response, and how they are empowered to deal with them will impact their productivity and contribution to society. It is important to build their confidence and capacity as they enter their working life and society. Moreover, a large proportion of this group is out of school. Schools, families and communities where young people spend most of their time provide the environment that shapes their lives and perceptions, beliefs, values and actions, and must be made safe for them. Local authorities and other sub-national entities should be supported to pay more attention to the needs of this special demographic group just as they deal with other vulnerable groups.

Considering the multiple factors that perpetuate the extreme poverty conditions, it would be important to integrate measures such as family planning, savings, functional literacy and HIV/AIDS control in such income generating programs targeting those in extreme poverty conditions.

REFERENCES

- Anand Sudhir and Amartya Sen, 2000. The Income Component of Human Development. Volume 1, No.1, 2000.
- Alison Evans, Laure-Hélène Piron, Zaza Curran, Ruth Driscoll, Charles Twesigye-Bakwatsa and Iyadema Sezikeye J. Bosco (2006). Independent Evaluation of Rwanda's Poverty Reduction Strategy 2002-2005 (PRSP 1). Overseas Development Institute (ODI) and Institute of Development Studies (IDS), Sussex.
- Basinga P, P.J Gertler and A. Binagwaho (2011). Effect on maternal and child health services in Rwanda of payment to primary health-care providers for performance: an impact evaluation. *Lancet* 2011;377(9775):1421–28.
- Bucagu Maurice., Jean M. Kagubare, Paulin Basinga, Fidèle Ngabo, Barbara K Timmons and Angela C. Lee (2012). Impact of health systems strengthening on coverage of maternal health services in Rwanda, 2000-2010: A systematic review. Accessed on http://www.msh.org/sites/msh.org/files/1_bucagu_et_al_hss_and_mch_in_rwanda.pdf.
- Fishel, Joy D., Ruilin Ren, Bernard Barrère, and Trevor N. Croft. 2014. Child Survival by HIV Status of the Mother: Evidence from DHS and AIS Surveys. DHS Comparative Reports No.35. Rockville, Maryland, USA: ICF International.
- Ho Kathy and Judy McLean (2011). The Implementation of In-Home Fortification and Nutrition Education to Combat Anaemia and Micronutrient Deficiencies Among Children 6-23 Months in Rwanda. Phase 1 Final Report, December 2011.
- International Fund for Agricultural Development (IFAD), 2012. Country Evaluation Program, March 2012.
- Kamarudeen, Sophia and Mans Soderbom (2013). Constraints and Opportunities in Rwanda's industrial sector. Working Paper, February 2013. International Growth Centre. www.theigc.org/wp-content/uploads/2014/09/Soderbom-Et-Al-2013-Workingpapers.
- Makaka, Andrew, Sarah Breen, Agnes Binagwaho, 2012. Universal health coverage in Rwanda: A report of innovations to increase enrolment in community-based health Insurance. [http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736\(13\)60293-7.pdf](http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(13)60293-7.pdf). Online Publication October 21, 2012.
- Malaria and Other Parasitic Diseases Division (MAL & OPD Division-RBC) [Rwanda] and ICF International. 2014. *Rwanda Malaria Indicator Survey 2013*. Rockville, Maryland, USA: MAL & OPD Division-RBC and ICF International.
- Ministry of Disaster Management and Refugee Affairs (MIDMAR), 2012. The National Disaster Management Policy, June 2012.

- Ministry of Education (MINEDUC). 2013 Education Statistics Year Book. February 2014.
- Ministry of Education (MINEDUC). 2012 Education Statistics Year Book, February 2013.
- Ministry of Education (MINEDUC). 2011 Education Statistics Year Book, February 2012.
- Ministry of Finance and Economic Planning (MINECOFIN), 2007. *Economic Development and Poverty Reduction Strategy (2007- 2012)*. Kigali
- Ministry of Finance and Economic Planning (MINECOFIN), 2013. *Economic Development and Poverty Reduction Strategy II (EDPRS 2), 2013- 2018*. Kigali, May 2013.
- Ministry of Health (MoH), 2014. RWANDA: GLOBAL AIDS RESPONSE PROGRESS REPORT (GARPR) 2014. Rwanda Biomedical Centre, March 2014.
- Ministry of Health (MoH), 2014a. Rwanda Annual Health Statistics Booklet 2013.
- Ministry of Health (MoH), Undated. Improving Hygiene Behaviour of Communities throughout Rwanda. Community-Based Environmental Health Promotion Program. Environmental Health Desk, Ministry of Health, Republic of Rwanda. Accessed on http://www.wsp.org/sites/wsp.org/files/publications/Improving_Hygiene_Behaviour_Rwanda.pdf
- Ministry of Health (MoH), 2012. Rwanda Community Based Health Insurance. Annual Report. Kigali, October 2012.
- Ministry of Health (MoH) 2010. Rwanda Community Based Health Insurance Policy. Kigali, April 2010.
- Ministry of Health (MoH), 2008. Republic of Rwanda. National Health Accounts Rwanda 2006 with HIV/AIDS, Malaria, and Reproductive Health sub-Accounts. July 2008. Kigali, Rwanda.
- Ministry of Health (MoH) and ICF International, 2014. Malaria and Other Parasitic Diseases Division (MAL & OPD Division-RBC) [Rwanda] and ICF International. 2014. *Rwanda Malaria Indicator Survey 2013*. Rockville, Maryland, USA: MAL & OPD Division-RBC and ICF International.
- Ministry of Health (MoH), 2012. *Third Health Sector Strategic Plan, July 2012 – June 2018*. Kigali.
- Ministry of Local Government (MINALOC), 2013. Monthly Status Report of MINALOC/Rwanda Settlement Taskforce. Kigali February 2013.
- Ministry of Trade and Industry (MINICOM), 2012. Rwanda Industrial Survey 2011.
- Mugabo Jean and Margaret Mukangarambe, 2015. Malaria increase blamed on substandard bed nets. Article in The New Times, January 13, 2015, p3.

- Ngabo, F., J. Zoungrana, O. Faye, B. Rawlins, H. Rosen, R. Levine, R. Sethi, J. MacDowell, S. Arscott- Mills, and P. Basinga. 2012. Quality of Care for Prevention and Management of Common Maternal and Newborn Complications: Findings from a National Health Facility Survey in Rwanda. Accessed at http://www.mchip.net/sites/default/files/Rwanda_QoC.PDF
- National Institute of Statistics of Rwanda (NISR), 2010. Rwanda Demographic and Health Survey (RDHS) Facts Sheet.
- National Institute of Statistics of Rwanda (NISR) 2012a. Forth Rwanda Population and Housing Census. Main Results.
- National Institute of Statistics of Rwanda (NISR) and World Food Program, 2012. Comprehensive Food Security and Vulnerability Analysis and Nutrition Assessment. December 2012.
- National Institute of Statistics of Rwanda (NISR), 2013. Seasonal Agricultural Survey Report. Rwanda 2013.
- National Institute of Statistics (NISR), 2014. ANNUAL AND QUARTERLY ESTIMATES OF GDP REBASED ON 2011. An explanatory note with annual tables. June 2014. Accessed on http://www.unaids.org/sites/default/files/country/documents/RWA_narrative_report_2014.pdf
- National Institute of Statistics of Rwanda (NISR), 2012. Rwanda Fourth Population and Housing Census. Thematic Report: Mortality.
- Ndikumana Jean Nepo, 2014). *Attorney General, 130 other lawyers admitted to the bar.* Article in The New Times, December 24, 2014. www.newtimes.co.rw.
- Republic of Rwanda (2000). *Decentralization Policy*. Kigali.
- Republic of Rwanda (2000). *Vision 2020*. Ministry of Finance and Economic Planning (MINICOFIN). Kigali
- Republic of Rwanda (2003). *Constitution of the Republic of Rwanda*. Kigali
- Republic of Rwanda (2003). *Education Sector Policy 2003*. MINEDUC. Kigali.
- Republic of Rwanda (2010). *Education Sector Strategic Plan 2010-2015*. MINEDUC. Kigali.
- Republic of Rwanda (2010). *National Gender Policy*. Ministry of Gender and Family Promotion. Kigali
- Republic of Rwanda (2010). *Seven Year Government Program 2010-2017*. Kigali.
- Rwanda Development Board (RDB), 2012. Rwanda Skills Survey, 2012. Tourism and Hospitality Sector Report. Kigali, Rwanda.

- Strode, Mary, Emily Wylde and Yusuf Murangwa, 2009. *Labour Market and Economic Activity Trends in Rwanda*. Analysis of the EICV2 Survey, 2009. National Institute of Statistics of Rwanda, Kigali.
- Pouris, A and R. Inglesi-Lotz (2014). The Contribution of Higher Education Institutions to the South African Economy. *South African Journal of Science*, Volume 110, Number ¾. March/April 2014. Accessed from www.sajs.co.za/sites/default/files/publications.
- United Nations Development Programme, 2014. Human Development Report 2014. *Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience*. New York.
- United Nations Development Programme, 2003. Arab Human Development Report 2002. Chapter 1 (p16). <http://www.arab-hdr.org/publications/contents/2002/ch1-e.pdf>
- United Nations Development Programme, 2001. Human Development Report 2001.
- United Nations Development Programme, 2000. Common Country Assessment- Rwanda (1999-2000). CCA Paper 9. Accessed on http://www.unrwanda.org/undp/aids_final.pdf.
- United Nations Development Programme and Government of Rwanda, 2003. Millennium Development Goals Status Report 2003.
- United Nations Development Programme, 1990. Human Development Report 1990. *Concept and Measurement of Human Development*. Accessed at <http://hdr.undp.org/en/reports/global/hdr1990>.
- Winter, Rebecca, Thomas Pullum, Anne Langston, Ndicunguye V. Mivumbi, Pierre C. Rutayisire, Dieudonne N. Muhoza, and Solange Hakiba. *Trends in Neonatal Mortality in Rwanda, 2000-2010*. DHS Further Analysis Reports No. 88. Calverton, Maryland, USA: ICF International.
- World Health Organisation (WHO), 2011. World Malaria Report 2011. Pages 51-79. Available on http://www.who.int/malaria/world_malaria_report_2011/WMR2011_chapter7.pdf
- World Health Organisation (WHO), 2013. Community performance-based financing to improve maternal health outcomes: Experiences from Rwanda.
- http://www.minijust.gov.rw/uploads/media/GACACA_COURTS_IN_RWANDA.pdf
- http://www.minijust.gov.rw/uploads/media/CCM_Research_on_Gacaca.pdf
<http://statistics.gov.rw/publications/statistical-yearbook-2014>
<http://unesdoc.unesco.org/images/0012/001211/121147e.pdf>. The Dakar Framework for Action. Education for All: Meeting our Collective Commitments.
- http://data.unaids.org/Publications/fact-sheets01/rwanda_en.pdf. Rwanda: EPIDEMIOLOGICAL FACTSHEETS on HIV/AIDS and Sexually Transmitted Infections. UNAIDS, UNICEF and World Health Organisation. 2004 Update.

<http://www.unaids.org/en/regionscountries/countries/rwanda>.

<http://www.bnr.rw/index.php?id=213>.

ANNEXES

ANNEX 1: BASIC NATIONAL INDICATORS

	INDICATOR	Value and year	Value in 2000
	Population (projection in millions)	10.7 (2013)	10.7
	Annual Population Growth Rate (%)	2.6 (2012)	2.6
	Age dependency Ratio (per 100)	93.2 (2012)	93.2
	Fertility rate (%)	4.0 (2012)	4.0
	GDP at Current Market Prices (USD *Millions)	7,517.8 (2013)	
	Growth of GDP at Constant prices (%)	4.7	
	GDP per capita (USD) constant	682.2	
	GDP per capita (USD) current	701 (2013)	
	Unemployment rate (%)	3.4 (2012)	
	Inflation rate (%)	4.2 (2013)	
	Informal sector share of employment (%)	46.0 (2012)	
	Life Expectancy at Birth (years)	64.4 (2012)	64.4
	Under 5 Child Mortality (per 1000)	72 (2012)	72
	Infant Mortality (per 1000)	49 (2012)	49
	Maternal mortality (per 100,000)	68.2 (2012)	68.2
	Gross Enrolment Rate of Primary (%)	138.5 (2013)	138.5

Annex 1B. Progress of Achieving the MDGs

	Baseline 2000	2005/6	2010/11	2015 Target
Goal 1: Eradicate Extreme Poverty and Hunger				
<u>Target 1A: Halve between 2000 and 2015 the proportion of people in poverty</u>				
1.1a: Percentage of population below the National Poverty Line ²⁹	60,4%	56,7%	44,9%	30,2%
1.1b: Extreme Poverty ³⁰	40%	36%	24,1%	20%
1.2: Poverty Gap Ratio at \$1 a day (PPP), percentage	24.4%	22.3%	14.8%	12.2%
1.3: Share of poorest quintile in national consumption		4,6%	5,2%	No Target
<u>Target 1B: Achieve full and productive employment and decent work for all, including women and young people</u>				
1.5: Unemployment rate 16 years of age and older ³¹	1,4%	1,6%	0,9%	No Target
<u>Target 1C: Halve, between 2000 and 2015, the proportion of people who suffer from hunger</u>				
1.8a: Percentage of underweight children under five years.	24,3%	18%	11,4%	12,2%

²⁹ The use of national poverty line is allowed and replaces the official MDG indicator of the % of the population under \$1.00 per day. It is based on the cost of buying the minimum food consumption basket plus an allowance for essential non-food consumption.

³⁰Not an official MDG Indicators, but tracked by the Government of Rwanda

³¹The indicator used here is the % of unemployed over age 16 instead of the official indicator - Employment-to-population ratio

1.8b: Child malnutrition (% of under five children stunted) ³²	42,6%	51%	44,2%	24.5%
1.8c: Child malnutrition (% of under five children wasted) ³³	6,8%	5%	2,8%	2%
1.9: Proportion of population below minimum level of dietary intake.	40%	35,8%	24,1%	20%
Goal 2: Achieve Universal Primary Education				
Target 2A: Ensure that by 2015 children everywhere, boys and girls alike will be able to complete a full course of primary				
2.1: Net enrolment rate in primary school ³⁴	72,6%	86,6%	96,5 (2012)	100%
2.2: Proportion of pupils starting grade one who reach last grade of primary school	22%	51,7%	72,7% (2012)	100%
2.3a: Literacy rates of women and men aged 15 -24 years	57,4%	76,9%	83,7%	No target
2.3b: Literacy rates of women and men aged 15 years and above ³⁵	52,4%	65,3%	69,7%	No target
Goal 3: Promote Gender Equality and Empower Women				
Target 3: Ensure that gender disparity in primary and secondary education is eliminated, preferably by 2005, and in all levels for				
3.1a: Ratio of girls to boys in primary school ³⁶	1,00	1,03	1,03	1,00
3.1b: Ratio of girls to boys in secondary school ³⁷	0,51	0,81	0,93	1,00
3.2: Share of women in waged employment in the non-agricultural Sector	7,6%	13,7%	18,1%	50%
3.3: Percentage of seats held by women in national parliament	26%	48,8%	64%	50%
Goal 4: Reduce Child Mortality				
Target 4: Reduce by two-thirds between 2000 and 2015 the under-five mortality rate				
4.1: Under-five mortality rate per 1000 live births	196,2	152	76	50.1
4.2: Infant mortality rate per 1000 live births	107	86	50	28.2
4.3: Proportion of one-year-old children immunized against measles	87%	85,6%	95%	100%
Goal 5: Improve Maternal Health				
Target 5A: Reduce by three-quarters, between 2000 and 2015, the maternal mortality ratio				
5.1: Maternal mortality ratio - deaths per 100.000 live births	1071	750	476	268
5.2: Proportion of births attended by skilled health professionals	31%	39%	69%	No target
Target 5B: Achieve by 2015 universal access to reproductive health				
5.3a: Married Women 15–49 years using modern contraceptives	4,3%	10,3%	45,1%	No Target
5.3b: All Women 15–49 years using modern contraceptives		5,6%	25,2%	No Target
5.4: Adolescent birth rate (% total live births)	5,2%	4,2%	4,1%	No Target
5.5a: Antenatal care coverage at least one visit	92,5%	94,4%	98%	100
5.5b: Antenatal care coverage at least four visits	10,4%	13,3%	35,4%	100

³² Not an official MDG Indicator. The Government of Rwanda tracks progress on this indicator, which is related to UN MDG 1.8

³³ Not an official MDG Indicator. The Government of Rwanda tracks progress on this indicator, which is related to UN MDG 1.8

³⁴ Rwanda only has % data available for this indicator. The formulas derived from UNESCO's Education Indicators Technical Guidelines

³⁵ Not an official MDG Indicator, but tracked by the Government of Rwanda, Related to Indicator 2.3a

³⁶ Gender Parity Index (GPI), is the ratio between the Gross Enrolment Ratio (GER) of girls and that of boys

³⁷ Ibid

5.6: Unmet need for family planning for married women	36%	37,9%	18,9%	No Target
<u>Target 6A: Have halved by 2015 and begun to reverse the spread of HIV/AIDS</u>				
6.1: HIV prevalence rate amongst population aged 15–24 ³⁸		1,0%	1,0%	No Target
6.1a: HIV prevalence rate amongst women 15-49 & men 15-54 ³⁹		3%	3%	No Target
6.2: Use of condom last high risk sex				
Male	-	39.5%	66.2%	No Target
Female	-	26%	42%	No Target
6.3: Proportion of population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS				
Male		53,6%	47,4%	No Target
Female		50,9%	52,6%	No Target
6.4: Ratio of school attendance of orphans to non-orphans aged 10–14 years	0,8	0,92	0,91	No Target
<u>Target 6B: Achieved by 2010 universal access to treatment for HIV/AIDS for all those who need it</u>				
6.5: Proportion of population with advanced HIV infection using antiretroviral drugs				Target data was 2010
Adults			86,6%	100%
Children			53,9%	100%
<u>Target 6C: By 2015 have halted and begun to reverse the incidence of malaria and other major diseases.</u>				
6.6a: Malaria incidence rates per 100.000		26	13	Halt and reverse
6.6b: Malaria mortality rate over 5 years of age per 100.000	52	37,7		Halt and reverse
6.6c: Malaria mortality rate children 0–5 years per 100.000		41		
6.7: Proportion of children under five sleeping under an insecticide-treated bed nets	5%	59,7%	69,6%	No Target
6.9: Tuberculosis Mortality rate per 100.000	48	21	12	Halt and reverse
6.10: Percentage of tuberculosis cases detected and cured under DOTS	23%	43%	60%	Halt and reverse
Goal 7: Ensure Environmental Sustainability				
<u>Target 7A: Integrate the principles of sustainable development into the country's policies and programmes and reverse the loss</u>				
7.1: Proportion of land covered by forest.	12,4%	20%	24,5% (2013)	25
7.2 CO2 emission per capita – parts per million	0,082	0,055	0,055	No Target
7.3a Consumption of ozone depleting substances – CFCs – DOP Metric tons	30,1	12	0,0	0.0
7.3b Consumption of ozone depleting substances – HCFCs - DOP Metric tons	0,3	3,1	4,4	No Target
<u>Target 7C: Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation</u>				
7.8: Proportion of population using an improved drinking water source	64,1%	70,3%	74,2%	82%
7.9: Proportion of population using an improved sanitation facility	51,5%	58,5%	74,5%	74,5%
Goal 8: Develop a Global Partnership for Development				

³⁸This information stems from those who agreed to be tested during the DHS2 and DHS3 surveys

³⁹ Not an official MDG Indicator. This information from those who agreed to be tested during the DHS 2 and 3 surveys

Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international				
8.12: Debt service as percentage of exports goods and services	No Baseline	8%	10,13%	10%
Target 8.F: In cooperation with the private sector. Make available the benefits of new technologies - especially				
8.14 Telephones - percentage of households with either a land line or mobile phone	No Baseline		65%	No Target
8.15 Internet users	No Baseline		20%	No Target

Annex 2: Rwanda Gross Domestic Product at current price (in RwF Billions)

Sector	Amount (RwF billions) by Year.							
	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture	675	725	858	1,022	1,082	1,244	1,483	1,624
Industry	198	256	331	372	428	554	638	724
Services	742	960	1,265	1,435	1,604	1,790	2,123	2,327
Other	101	124	169	188	209	258	237	239
Total	1,716	2,065	2,623	3,017	3,323	3,846	4,480	4,915

Source: NISR (2014).

Annex 2A: Gross domestic product by kind of activity at constant 2011 prices (In billion Rwf)

Fiscal Year	Agriculture, Forestry & Fishing	Industry	Services	Taxes Less subsidies	Total GDP	Percentage change
2006/07	1,014	389	1,249	199	2,851	0
2007/08	1,050	423	1,403	204	3,080	8.03
2008/09	1,101	446	1,558	229	3,334	8.25
2009/10	1,158	445	1,623	250	3,477	4.29
2010/11	1,187	504	1,732	255	3,678	5.78
2011/12	1,286	571	1,907	263	4,027	9.49
2012/13	1,365	638	2,044	256	4,303	6.85
2013/14	1,402	678	2,189	255	4,524	5.14

Source: National Bank of Rwanda/ Economic Statistics (<http://www.bnr.rw/index.php?id=213>)

Annex 3: National Dialogue Themes under Umushyikirano Platform

No.	Date Held	Dialogue Theme	Participants and Notes about Resolutions
1	28/06/2003	Unity and reconciliation in the context of multiparty political system	
2	21-22/2004	Good governance, and how leaders could instil the culture of accountability and performance.	800 participants
3	13-14/12/2005	Promoting knowledge-based decision-making using clear social and economic indicators.	860 participants
4	18-19/12/2006	The role of leaders' accountability in regard to the <i>Gacaca</i> process	800 participants
5	27-28/12/2007	Enhance the national economy even further, as a springboard to address other problems facing the country	940 participants
6	18-19/12/2008	National Consultative Forum to fight corruption	940 participants at main venue, 90,000 others at different platforms.
7	10-11/12/2009	Let us do more valuable and sustainable work	900 participants. Key resolution was to streamline trade and promote customer service.
8	20-21/12/2010	Our responsibility is delivering quality service	950 participants at main venue. More than 100,000 reportedly followed online.
9	15-16/12/2011	Striving for dignity: Together we pitch for rapid development	1000 participants at the main venue
10	13-14/12/2012	<i>Agaciro</i> : Aiming for self sufficiency	1,000 participants at the main venue
11	06-07/12/2013	The Rwandan Spirit: Foundation for Sustainable development	1,100 people at the main venue
12	18-19/12/2014	Common Vision, New Momentum	1000 leaders at main venue (Parliament), 2000 youth representatives at

Annex 4: Student Enrolment in Vocational Training Centres

Year Enrolment	2010	2011	2012	2013
Total enrolment	7314	11315	13557	15592
Male	3862	6920	8224	10058
Female	3452	4395	5333	5534

Annex 5: Student Enrolment in Secondary School

Year	2007	2008	2009	2010	2011	2012	2013
Total	266518	288036	346518	425587	486437	534712	566370
Boys	139699	150221	176639	209926	235750	255503	268581
Girls	126819	137815	169879	215661	250687	279209	297789

Annex 6. Rwanda's Home Grown Initiatives and Solutions

Umuganda (Community Work): Modern day *Umuganda* can be described as community work. On the last Saturday of each month, communities come together to do a variety of public works. This often includes infrastructure development and environmental protection. Rwandans between 18 and 65 are obliged to participate in *Umuganda*. *Umuganda* is a tradition that has been revitalised as a tool for the socio economic development of the country, driven by the communities themselves. *Umuganda* is enabling local communities to build basic infrastructure such as roads maintenance, schools, health facilities and administrative offices. It is also a forum for conviviality and social cohesion, and enables communication between the population in their neighbourhood as well as with the leaders. By law, every village holds *Umuganda* every last Saturday of the month, and a village meeting after each community work session.

Imihigo (Performance Contracts): *Imihigo* is as old as pre-colonial Rwanda. *Imihigo* is a cultural practice in the ancient tradition of Rwanda where an individual would set himself/herself targets to be achieved within a specific period of time by following principles and having determination to overcome the possible challenges. In modern Rwanda, the *Imihigo* practice was adapted as a means of planning to accelerate progress towards economic development and poverty reduction. *Imihigo* has a strong focus on results, which makes it an invaluable tool in the planning, accountability and monitoring.

Ubudehe (Pro-Poor Community Help Scheme): *Ubudehe* is a traditional Rwandan practice of mutual help or mutual assistance among people in order to solve their problems. This approach was mainly used by farmers for cultivating the land in preparation for the agricultural season. On this occasion, a group of households joined together to dig their fields acting collectively to share the burden of the work and make sure that everyone is ready on time for the planting season. The practice of *Ubudehe* encouraged the population to get together around a common goal, and facilitated participatory problem-solving, social cohesion and evaluation processes. It is on this traditional practice that the Government of Rwanda (GoR) has built today's *Ubudehe* Program. The name *Ubudehe* was specifically chosen as a reminder that collective action and participatory development are rooted in the Rwandan society.

Abunzi (Mediation Committees): The word *Abunzi* can be translated as "those who reconcile." In traditional Rwanda, *Abunzi* were men known within their communities for personal integrity and were asked to intervene in the event of conflict. Each party would choose a person considered trustworthy, known as a problem-solver and who was unlikely to alienate either party. The purpose of this system was to settle disputes, reconcile the parties, and restore harmony within the affected community. *Abunzi* can be seen as a

hybrid form of justice, combining traditional with modern methods of conflict resolution. The reintroduction of the *Abunzi* system in 2004 was motivated by the desire to reduce the backlog of court cases, as well as to decentralise justice and make it more affordable and accessible for citizens seeking to resolve conflict. Today *Abunzi* is fully integrated into Rwanda's justice system.

Girinka (One Cow per Poor Family) Program is one of the innovations adopted in the implementation of the Vision 2020, the Economic Development and Poverty Reduction Strategy (EDPRS) and the Integrated Development Programme (IDP). The program is based on the premise that providing a dairy cow to poor households helps to improve their livelihood as a result of a more nutritious and balanced diet from milk, increased agricultural output through better soil fertility as well as greater incomes by commercialising dairy products. In the Rwandan history, cattle have always represented an economic reserve, an economic guarantee and a sign of social ease. Social status was often recognized through the possession of cattle. The concept of *Girinka* was first introduced by King Mibambwe Gisanura (1660 A.D.) who issued a decree that “no Rwandan child was ever to lack daily milk again while others had plenty.” Since then, Rwandans have given cattle to one another, or milk to those in need (IFAD, 2011: 104).

Gacaca: The *Gacaca* court is a system of grassroots courts inspired by traditional power. Originally, the *Gacaca* settled village or familial disputes. The courts were informal means of solving disputes around issues like theft, marital issues, land rights, and property damage. They were constituted as village assemblies and presided over by the elders, where each member of the community could request to speak. The trials were meant to promote reconciliation and justice of the perpetrator in front of family and neighbours. Well-respected elders, known as *Inyangamugayo*, were elected based on their honesty by the people of the community. They would assemble all parties to a crime and arbitrate a resolution involving reparations or some act of contrition. In relation to the Rwandan genocide, the *Gacaca* process provided a basis for settlement; the system emphasized the importance of accord, condemning the guilty and promoting collaboration between those judges and observers.

Umushyikirano is a traditional term for a meeting where participants meet to exchange ideas, share experiences and question each other. The National Dialogue platform (as it is now called) is chaired by the President of the Republic, and brings together representative leaders from the central and local government, private sector and civil society at all levels, as well as development stakeholders to discuss development issues. This forum is established within the framework of Article 168 of the Rwandan constitution of 2003. *Umushyikirano* is an annual event usually held at the end of the year to take stock of what the country has achieved, what is outstanding, the challenges faced and how

Rwandans can collectively address them. It is a platform that gives Rwandans from all walks of life the opportunity to ask questions and suggest solutions to the nation's development challenges. *Umushyikirano* also serves as a forum for Rwandans to hold their leaders and government to account.