# **Turning Vision 2020 into Reality:**

## Addendum – Corrigendum



Following the publication of the report, a number of inaccuracies have been brought to our attention. UNDP wishes to reiterate the fact that the National Human Development Report is an independent piece of research, which does not represent the official view of UNDP. Errors of commission and omissions are the sole responsibility of the authors.

UNDP wishes to take this opportunity to reiterate its commitment to supporting the implementation of Rwanda's development objectives outlined in Vision 2020 and to emphasize the fact that the figures presented in the report should be looked at in the context of Rwanda's post-genocide development. Hence, although Rwanda's development indicators remain below regional levels in many sectors, this is largely due to the enormous setback caused by the disruption and destruction of the war and genocide. In the last decade, Rwanda has made significant progress in almost every aspect of its development (from health, to poverty reduction and education), which have enabled it to regain or surpass pre-1994 levels in many key development indicators.

Below is a list of specific corrections and clarifications that should be taken into account when reading the report.

#### Executive Summary

<u>p.1</u>: "This partnership should bridge the two missing links of development assistance in Rwanda: the link from aid to national development strategies and the link from public spending to the Millennium Development Goals (MDG)."

This sentence misrepresents the content of the report and is not based on substantiated evidence. It should therefore be removed.

p.15: "Rwanda is close to covering its investment needs to achieve the MDGs"

This sentence contradicts the key finding of the report, which is that a scale-up of aid of the order of US\$10-25 per capita per year would be required to cover the investment needs to achieve the MDGs in Rwanda. The sentence should therefore be revised accordingly.

<u>p.16</u>: "Scaling up of aid will pose new challenges to aid management in Rwanda, in terms of inflation and exchange rate."

This sentence should be looked at in the context of the key argument formulated in section 3.1.2 of the report, namely "that it is possible to maintain macroeconomic stability while scaling up aid, provided that the scale-up is carefully sequenced and that adequate sterilization measures are taken to avoid hikes in exchange rate." (p.59)

#### Main Report: Chapter 1

<u>p.5 (introduction)</u>: "Rwanda's high growth rates are deceptive in that they hide large and growing inequalities between social classes, geographic regions, and gender."

The evidence regarding gender inequality is based on data from 2002 (see addendum on chapter 2 below). Hence, it does not take into account changes that have occurred after 2002.

The EICV2 highlights that the increases in inequality between EICV1 and EICV2 were concentrated in the Southern and Western Province.

<u>p.6 (section 1.1)</u>: Existing evidence suggests that only a small portion of Rwanda's population currently receives food aid. Hence, the last sentence of the introduction to section 1.1 should be revised to read "In order to achieve Vision 2020, Rwanda must invest in the 79.6% of its labour force who are currently employed in agriculture, to enable them to become engines of small and medium enterprise development, investment and economic growth."

p.7 (Box 1): "In Bugesera, 40% of households are food insecure."

The Comprehensive Food Security and Vulnerability Assessment, from which this figure is taken, was made during a drought period. Consequently, the figure overestimates food insecurity and does not reflect structural food shortages in the Bugesera region.

<u>p.7 (section 1.1.1)</u>: "In human development terms, Rwanda's progress remains fragile." This statement is based on the latest available HDI data from the 2006 Human Development Report, referring to 2004 data. Hence, it does not take into account improvements in life expectancy, literacy and poverty that have occurred since 2004.

<u>p.12 (Box 2)</u>: "Access to safe water sources has been stagnant for the past five years in Rwanda, decreasing by 6.5 percentage points in Kigali, despite heavy public investments in water and sanitation"

Even though the percentage of the population with access has remained stable over the past five years, the number of people having access to safe water sources has increased by 900.000 between the two EICVs. It is worth noting that the bulk of the public investment effort in this sector started after the EICV2 and will therefore not be reflected in these figures.

<u>p.15 (section 1.2.2)</u>: "Between 1990 and 2005, Rwanda lost 50.2% of its own forest and woodland habitat."

It must be noted that the overwhelming majority of this deforestation happened between 1990 and 1994 as a result of the civil war and genocide. Since 2000, several reforestation programmes have been put in place and the number of communities replanting trees has increased significantly."

 $\underline{p.17}$  (Box 3): "The average income of the top 20% of the population has almost doubled since 1996, while the income of the bottom 20% has remained stagnant in the past 10 years."

These estimates are based on the comparison of a number of different data sets, which use different methodologies and are therefore not directly comparable. The data from the immediate post-war period is particularly unreliable and should therefore not be used as a baseline without adequate qualification of the results. The only two data sets that are directly comparable are EICV1 and EICV2, which show an increase in the Ginicoefficient from 0.47 to 0.51.

<u>p.17 (Box 3)</u>: "Despite rapid economic growth, poverty increased in one province and deepened in two provinces since 2001,..."

These increases are not statistically significant. The statement may thus be revised to read "Despite rapid economic growth, progress in improving the average income of the poor has been disappointing in at least two provinces."

<u>p.17 (section 1.3.1)</u>: "If we look at the change in the depth of poverty in Rwanda since the last EICV, we get a more complex and worrying picture of the evolution of poverty. While the depth of poverty has decreased overall in Rwanda since EICV1, the change is negligible and we find that in two out of five provinces as well as in urban areas outside Kigali, the depth of poverty has actually increased since 2001..."

The above statement reflects a personal opinion of the author and should be looked at in the context of the following information:

- 1. The changes in the depth of poverty (both increases and decreases) between EICV1 and 2 were not statistically significant.
- 2. The EICV2 highlights that the increases in inequality between EICV1 and EICV2 were concentrated in the Southern and Western Province.
- 3. The EICV2 highlights the connection between land fragmentation, increasing food prices and rising inequality. Hence the problem of inequality highlighted in section 1.3 must be linked to the problem of decreasing agricultural productivity highlighted in section 1.1, as well as to the problem of population growth highlighted in section 1.2.
- 4. We emphasize the sentence on p.17, which reads: "inequality has been rising in Rwanda since the 1980s. In fact, the problem of rising inequality was much more pronounced in the decade preceding the war than it has been since the war..."

<u>p.18 (section 1.3.2)</u>: "Inequality in Rwanda is not only rising, it is changing in nature: it is becoming increasingly rural..."

Even though the strongest increases in inequality have been registered in rural areas, it is important to note that inequality levels remain higher in urban areas (see Table 9).

<u>p.19 (Figure 9)</u>: y-axis range should be from Rwf.5000 to Rwf45.000. The labels on the fields have been reversed. The bottom field (dark blue) refers to the actual income of the bottom quintile, while the top field (light green) refers to the income distribution of 1985.

p.19 (section 1.3.2., see also introduction on p.5): These trends have been estimated using a number of different data sets, which use different methodologies and are therefore only partially comparable. Hence, it is difficult to infer future trends in poverty reduction from past performance based on these estimates.

<u>p.20 (Figure 10)</u>: the top (dark green) line represents rural poverty trend. The bottom (blue) line represents urban poverty trends.

<u>p.21</u> (section 1.3.3): "lower inequality is necessary to strengthen investments in human capital by households and by the state"

Lower inequalities may strengthen the ability of households to invest in human capital. However, in the case of public investments, the causality is likely to be reversed, meaning that more public investments in human capital will lower inequality.

#### Chapter 2

<u>p.22 (introduction)</u>: "The exclusion of women from social and economic progress..."
There is no evidence to suggest that women are being excluded from social or economic progress. The sentence should thus be ignored.

<u>p.23.</u> (section 2.1): "3. Improving equity in access to, completion of and achievements in education to ensure broad participation in human capital formation."

The evidence presented in the report suggest that the most significant problem in education is not at the level of access, but at the level of retention (see Figure 11). The above statement should thus be changed to reflect this fact.

<u>p.28 (section 2.2)</u>: "Despite an impressive rebound after 1994, many of Rwanda's health indicators remain below pre-war levels...":

Most health indicators have returned to close to pre-war levels or have improved since the pre-war period.

In the case of indicators such as infant and child mortality, which have still not reached pre-war levels, the difference with pre-war level is not statistically significant. It is therefore not possible to affirm that these indicators are "below pre-war levels".

p.28 (Figure 13): 2005 projection should be ignored.

p.31 (section 2.2.2): "The fact that 96% of women knowingly expose themselves to the risk of transmission, shows deep-seated gender inequalities..."

This statement is factually incorrect since not all young women are sexually active or engaged in dangerous sexual practices. Consequently, the statement should be revised to read: "The fact that condom use remains low at 3% despite an awareness rate of 90% about HIV transmission suggests that more research is needed in order to understand why many people fail to use known prevention methods."

<u>p.33 (Box 6)</u>: "Rwanda ranks 119<sup>th</sup> out of 177 countries on the Gender Development Index" and related statement: "Rwanda has the world's highest rate of female representation in parliament. Similarly, Rwanda has already achieved gender parity in both primary and secondary school enrollment. Yet, these achievements have not translated into major differences for the majority of women."

The Gender Development Index looks at poverty and human development indicators by gender and not at gender differentials as such. Hence, Rwanda's low ranking on the

Gender Development Index is attributable mainly to the country's high overall poverty rates and cannot be directly linked to the issue of female representation.

<u>p.34 (Table 20)</u>: As noted in section 2.3.1, the latest available breakdown of poverty figures by gender available at the time of publication were from 2002. Hence, this section does not reflect the changes that may have taken place since 2002.

<u>p.36 (section 2.3.2):</u> "Nevertheless, the indicators put in place to measure the progress for this MDG give some reason to be cautious."

The data used to support this statement is taken from the 2003 MDG status report and does therefore not reflect developments that are subsequent to that date.

### Chapter 3

p.52 (Figure 18): y-axis should range from Rwf.10.000 p.c. to Rwf. 90.000 p.c.

<u>p.54 (Box 10)</u>: "At US\$55 per capita per year, Rwanda currently receives enough aid to double the income of all the poor people in Rwanda..."

This statement should not be looked at outside of the context of the general argument of this chapter, which is:

- 1. Rwanda does not currently receive sufficient aid to cover the investment needs required to achieve the MDGs. The report estimates that a further scale up of aid of the order of US\$10-24 per capita per year would be required to cover the estimated investment needs.
- 2. The main obstacle to the effective use of aid for poverty reduction in Rwanda is the poor alignment of donor resources on national priorities and on MDGs, as well as the poor coordination of donor interventions and the insufficient use of national systems.

<u>p.54 (Box 10):</u> "Almost 10% of ODA (US\$50 Million a year) goes to defense and public order, almost twice the amount going to agriculture.":

This figure was calculated on the basis of the erroneous assumption that aid channeled through General Budget Support would be spent in exact proportion with the general budget.

According to the Government of Rwanda, the agreements signed with development partners specify that funds provided through direct budget support never finance the defense budget. The figure should therefore be revised accordingly.

Furthermore, it is important to note that Rwanda's official military expenditures have decreased significantly over the last decade and are now in line with international averages, well below the regional average.