

**The Government of Rwanda
Poverty Reduction Strategy Paper**

**National Poverty Reduction Programme
Ministry of Finance and Economic Planning**

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1 INTRODUCTION

1. The Government of Rwanda strongly believes in the right of all its people to live a life free from poverty, hardship, oppression and insecurity. Rwanda's Government is committed to securing for all its citizens a full range of social, economic and political rights and to working with its people to reduce poverty and exclusion. Since the war and genocide of 1994, we have achieved considerable progress in economic, political and social recovery by adopting radical reforms. We now need to develop a coherent strategy for sustainable development and poverty reduction, avoiding the economic stagnation which characterised the past.
2. This document presents Rwanda's strategy for poverty reduction and economic growth. It has been developed through a national consultative process, in which the priorities of the poor have been addressed and technical analysis has been used to develop a set of priority actions. It will form the basis of our national planning effort over the next decade, guiding Government's expenditures and other actions. It will also provide a framework within which communities, the private sector, civil society, and external donors can form a partnership to reduce the acute poverty and deprivation of our people. It is not a blueprint, but a living document, and will be updated every two years to take into account sector strategies, which are being developed.

1.1 Priority areas

3. Through extensive national consultations, six broad areas have been identified where action is to be taken on a priority basis. Ranked by importance, these are:

- **Rural development and agricultural transformation**
- **Human development**
- **Economic infrastructure**
- **Governance**
- **Private sector development**
- **Institutional capacity-building**

1.2 The special context of poverty in Rwanda

4. Rwanda's poverty is the outcome of both economic and historical factors. First, the economic structure reflects a chronic failure to achieve productivity increases in a context of a large and growing population. This failure became increasingly evident in the 1980s and early 1990s, leading to severe structural problems. Second, the war and genocide of 1994 left a horrific legacy, further impoverishing the country and leaving a number of specific problems and challenges

1.2.1 Structural features

5. While Rwanda's economy has experienced high population growth, economic transformation has lagged behind. Both external factors and national policies have contributed to this. Although agricultural production per capita and crop yields were declining steadily since the mid-1980s, economic policy did not do enough to encourage agricultural transformation. Moreover, the country suffered massive terms of trade shock when international coffee prices fell. As a result, per capita income fell sharply during the 1980s and early 1990s. The country now faces the following microeconomic structural problems:

- Low agricultural productivity, which was aggravated by the failure of past agricultural policies, in particular the failure to make the transition in the early 1980s from low-value agriculture to high-value farming. As a result, farmers do not have the resources to risk investing in technological and methodological change.
 - Low human resource development, especially in literacy and skills development.
 - Limited employment opportunities, with an oversupply of unskilled workers in comparison to their low demand.
 - High population density and growth.
 - High transport costs, on account of Rwanda's landlocked position, which have been aggravated by the imposition of axle weight limits in neighbouring countries. Internal transport costs also pose a major constraint, partly because of the decapitalisation of the rural sector.
 - Environmental degradation, with a chronic decline in soil fertility, poor water management, and deforestation.
6. The failure to address these microeconomic problems has contributed to an economy characterised by:
- A very weak export base of US\$ 16 per capita compared to an average of US\$ 100 in sub-Saharan Africa, with a heavy dependence on the export of agricultural products, particularly tea and coffee.
 - Vulnerability to external price shocks. Our earnings from coffee exports fell from \$45 million in 1997 to \$26 million in 1999 because the price dropped to less than half, even though volume increased.
 - A narrow revenue base, averaging 8.7% of GDP in the period 1995-1997, compared to an average of 17.7% of GDP in sub-Saharan Africa.
 - Low measured private investment at only 8% of GDP in 1999. Net smallholder investment in animals, crops and terraces, which may not fully be reflected in the national accounts, was probably negative between the early and late 1990s.

1.2.2 The legacy of genocide

7. Between April and July 1994, there was a systematic campaign of genocide aimed at completely eliminating a substantial section of the population, and killing many others who opposed the ideology. We continue to live with the consequences of the genocide, which profoundly affected the lives of all Rwandese.
8. Up to 1 million people were killed and 3 million fled into exile in neighbouring countries. Shelter and capital stock were reduced both in the household and small business sectors. Till today poor households have not been able to replenish their livestock holdings. Parts of the country are now facing a serious lack of infrastructure as a result of destruction during the war and the movement of people into areas that were previously sparsely populated. Networks of social links, in rural and urban areas, have been damaged, impeding internal commerce. About 107,000 people are in prison awaiting trial for genocide-related crimes, imposing a large economic burden both on the state and particularly on the women and children responsible for feeding them. The experience of violence, including the systematic use of rape, has traumatised a high proportion of the population whose physical and mental health continue to be severely affected. The prevalence of HIV has increased dramatically in part as a consequence of large-scale population movements and the use of rape as a weapon. The prevalence is 11.2% nationally and 10.8% in rural areas, compared to a rate of 1.3% in rural areas in 1986. As a result of these factors, human resources have been drastically reduced. In 1995, 79% of core civil servants had not completed secondary education; this proportion fell to 51% by 1998.

9. The war and genocide left 85,000 child-headed households. Some of the children have since grown up or been absorbed into other households, but most of them still face a higher burden of responsibility and work than their peers. A high proportion of households are headed by women (34% in 1996) and by female widows (21% in 1996). Men form the minority of the adult population. While prisoner and widow-headed households are often amongst the poorer households, the high proportion of female household heads has also presented a challenge to the traditional gender roles in Rwanda.

10. The continued external security threats, including the insurgencies of 1996/7 and 2001, remain a serious obstacle to recovery. There is an acute need for political development to aim at reconciliation and to forge a new sense of national identity and social cohesion. Open debate with collective responsibility for development needs to replace the culture of passive obedience, which left people open to political and sectarian manipulation.

1.2.3 Rwanda's assets in the fight against poverty

11. Rwandese society has a number of positive features, including institutions of traditional social organisation, which can be harnessed for the struggle against poverty. These include:

- *Umuganda*, the tradition of work on public projects.
- *Ubudehe*, the tradition of mutual assistance.
- *Gacaca*, the tradition of communal resolution of disputes. This has been adapted to deal with the legacy of genocide cases, and might subsequently be used to help with the resolution of disputes about land.
- *Umusanzu*, the tradition of support for the needy and contribution to the achievement of a common goal.
- Linguistic homogeneity; the overwhelming majority speak Kinyarwanda. Two international languages, French and English, are also increasingly widely spoken, although a large proportion of people speak only Kinyarwanda.
- High population density, which reduces some of the costs of service provision.

1.2.4 Progress since 1994

12. Since 1994, stability and security have been restored. Political and administrative structures have been established which decentralise power to the local level and encourage popular participation. Economic growth has been significant throughout the years of recovery, and a major programme of economic and political liberalisation has been achieved.

13. Despite the speed of our recovery, we still face challenges in shelter, demobilisation, the legal system, and the restructuring of political institutions. The history of conflict has left a very complex legacy of questions about the assignment of property rights. Equally, it is now necessary for the Government to provide infrastructure and other basic services to support sustained economic growth. Without energetic public action, growth would be likely to falter, making poverty reduction impossible. Energetic public action to accelerate economic growth is therefore central to the PRSP.

1.3 Rwanda's development strategy

1.3.1 Long term development: Vision 2020

14. The actions in the PRSP are set within the overall vision of Rwanda's development set out in Vision 2020. This document identifies the key objectives that need to be attained for Rwanda to become a middle-income country by 2020. (Box 1.1)

Box 1.1. Key Objectives in Rwanda's Vision 2020

- 1. Good political and economic governance:** Good governance is essential to successful development. Security is an absolute prerequisite, as Rwanda's experience has clearly shown. Respect for human rights and increased popular participation in Government, through the bottom-up approach to democratisation, are critical. Equally important is the establishment of sound economic management and macroeconomic stability.
- 2. Rural economic transformation:** In order to raise agricultural incomes and generate opportunities to earn incomes outside agriculture, the rural economy needs to be recapitalised and transformed. This can be achieved by building on the traditional strengths of the rural Rwandese economy and by introducing new technologies.
- 3. Development of services and manufacturing:** As incomes rise, we need to develop other engines of growth and to transform our economy. We therefore need to increase competitiveness in services and industry. Key sectors identified are the re-establishment of Rwanda as a regional trade and service centre, by strengthening our use of information and communication technology (ICT) and by encouraging the development of tourism. In the manufacturing sector there are opportunities to expand the production of mass consumer goods, in particular of garments.
- 4. Human resource development:** Rwanda currently imports human resources within the region and has scarce human capacity. An increase in educational attainment is needed at all levels. Better health care is needed to reverse the decline in health indicators and to confront the major killer diseases, HIV/AIDS and malaria.
- 5. Development and promotion of the private sector:** Private sector development calls for further liberalisation, privatisation and enhanced public-private partnership. In order to lower the risks of doing business in Rwanda, and to encourage the formalisation of existing informal enterprises, the whole legal framework for business needs to be reviewed.
- 6. Regional and international economic integration:** Rwanda has joined the Common Market for Eastern and Southern Africa (COMESA) with a three year phasing in period of the free trade area. We are committed to joining the East African Community, and to exploiting the opportunities offered by international trade agreements, including the World Trade Organisation and the recent Africa Growth and Opportunities Act (AGOA) in the USA.
- 7. Poverty reduction:** The reduction of poverty is not a separate objective, but the effect of the achievement of our other objectives. A concern with the reduction of inequality needs to be foundation for all public actions. This includes reducing inequalities arising from gender and age.

1.3.2 Short- term challenges within the PRSP

15. In addition to supporting the long-term aims of Vision 2020, the PRSP also considers a number of short-term challenges that need to be met immediately. These challenges include the impact of HIV/AIDS, the need to ensure shelter for those households that still lack it, the process of demobilisation and reintegration, and the use of labour-intensive approaches to public works. There is currently high underemployment in rural and urban areas. As a result, wages are low. This offers a window of opportunity for the effective management of labour-intensive public works, which will provide necessary infrastructure for rural and environmental development, and supplement the incomes of the poor.

1.3.3 The role of Government

16. While the National Poverty Reduction Programme (NPRP) located in the Ministry of Finance and Economic Planning (MINECOFIN) coordinates the PRSP, it is implemented through the various actions that Government and other parties undertake in each sector. The PRSP therefore rests upon six main pillars for government action:

- Institutional and legal changes, including the work of the three constitutionally mandated commissions (The National Unity and Reconciliation Commission, National Human Rights Commission and the Constitutional Commission), privatisation policy and land policy.
- The resolution of regional conflict.
- The prioritisation of public expenditure in a coherent programme, in accordance with the Medium-Term Expenditure Framework (MTEF).
- The development of sector strategies that will help define action plans within each sector.
- The development of decentralised and participatory structures and capacities at province, district and cellule level
- The establishment of principles, indicators and institutional mechanisms for development monitoring.

1.4 How the PRSP has been prepared

17. The PRSP has been prepared by the National Poverty Reduction Programme, which was set up in 2000 in the Ministry of Finance and Economic Planning. There have been numerous stages and inputs in the development of the PRSP.

1.4.1 The Interim Poverty Reduction Strategy Paper (I-PRSP)

18. The I-PRSP, which was finalised in November 2000, represents the Government of Rwanda's first assessment of the actions needed to reduce poverty and generate pro-poor economic growth. It was officially adopted by Cabinet and provided the starting point for discussion and consultation and the framework for developing further ideas.

1.4.2 The Participatory Poverty Assessment (PPA)¹

19. The PPA had three specific aims - generating an accurate profile and diagnosis of what poverty is in Rwanda, evaluating the policies proposed in the I-PRSP, and starting a longer-term process in which poor people would generate and implement their own solutions. There were three components to the PPA:

National Poverty Assessment (NPA)

20. The NPA was a national survey, using standard Participatory Rural Appraisal techniques and was conducted at the district level. The process was carried out with communities in one sector in every district (more than 100 sites) and yielded information on:

- Different categories and characteristics of poverty
- A ranking of the problems faced by the community
- An analysis of gender roles
- A discussion of the issues surrounding land ownership and tenure

¹ Reports of the NPA and PRT are available upon request from the National Poverty Reduction Programme. The Butare pilot data will also be available in the future.

Butare Pilot of ‘ubudehe mu kurwanya ubukene’ - Community Action Planning

21. The Butare pilot took the methodology a stage further. The exercise was conducted at the cellule level where, after ranking their problems, communities went on to develop action plans to solve the problems they identified. A detailed analysis of the coping strategies of one of the poorest households was also undertaken. This approach will be followed on a national level in 2002 as part of the decentralisation process. Examples and detail of the pilot are presented in Appendix 1.

Policy Relevance Test (PRT)

22. The PRT looked more specifically at existing policy and those proposed in the I-PRSP. After a round of discussion with line ministries the policies were evaluated primarily using stratified socio-economic focus group discussions. The policies were assessed for their relevance to individuals and to their communities on the basis of their effectiveness, inclusiveness, and level of participation. They also looked at providing solutions to problems identified.

1.4.3 Other surveys

23. In the last year, several important data sources have become available. These include:

- The Core Welfare Indicators Questionnaire (CWIQ) 2001, which gathers data on households' living conditions and use of public services
- The Demographic and Health Survey (DHS) 2000, which gathers data on women's fertility and health and the health of their children
- The Multiple Indicator Cluster Survey (MICS) 2001, which gathers data on further aspects of the education, water supply and nutrition of a subset of the households included in the DHS
- The Household Living Conditions Survey 2001 (EICV), which gathers a comprehensive set of information on a large sample of households, covering consumption, income, education, health and other dimensions
- The Food Security Survey 2000/01, which gathers detailed information on crop production from a sub-sample of households from the sample used for the EICV, and is related to surveys conducted earlier during the 1980s and 1990s.
- The Public Expenditure Tracking Survey (PETS) 2001, which examines the flow of funds to services in the health and education sectors.
- The national consultations conducted by the National Unity and Reconciliation Commission (NURC) in 2000.

1.4.4 Priority actions and costings

24. The NPA process has demonstrated the priorities of the communities. At the same time, a detailed exercise has been undertaken to cost the ministries' needs in each of their defined priority programmes. As a result of this work, as well as that of the participants in the National Validation Workshop, and other consultations within Government, the following has been achieved:

- a list of criteria for expenditures has been defined
- a revised list of priorities was produced, which will be used to protect expenditures in the budget process.
- a detailed expenditure programme was undertaken, which shows the existing projections for programmed recurrent and development expenditure. It also shows the proposed increase in expenditure which will be undertaken as resources become available.

1.4.5 Consultations within Government and with other parties

25. The PRSP aims to present an integrated programme, ensuring that different sectoral strategies are coherent and are well designed to reduce poverty. To this end, discussions have been held within Government, coordinated by the National Programme for Poverty Reduction. Most ministries and Government agencies have contributed directly to the document through written submissions, corrections and comments. The zero draft was also considered in October 2001 by a national validation workshop to which representatives of all stakeholders were invited. Particular attention was given to the criteria for, and content of, expenditure prioritisation, the planning structure, and partnership. Wide national and international circulation of the initial outline and drafts of the document for comment and feed back have also greatly enriched the final document. Ministries were also consulted regarding the policy matrix (see Annex 8), which details policy proposals for all sectors.

26. In addition to this, policies in several sectors were articulated more fully and fast progress was made on decentralisation. Moreover an improved macroeconomic framework was developed, which includes deeper analysis of the likely sources and rate of future economic growth.

2 CHARACTERISTICS AND ANALYSIS OF POVERTY IN RWANDA

2.1 Poverty in Rwanda: an overview²

2.1.1 Poverty indicators

Table 2.1 shows the current state of some important indicators in Rwanda.

Table 2.1 Indicators of Economic Development and Poverty in Rwanda (2000)

Indicator	Current level	Source	Year
Population ³	7.979.930	EICV	2000
Female	4.276.787	EICV	2000
Male	3.703.142	EICV	2000
Kigali urban	7 %	EICV	2000
Other urban	2.9 %	EICV	2000
Rural	90.1 %	EICV	2000
Proportion of population below the poverty line	60.29%	EICV	2000
Life Expectancy	49 years	DHS	2000
Maternal mortality per 100 000 births	810	DHS	2000
Infant mortality per 1,000 (proportion who die before first birthday)	107	DHS	2000
Child mortality per 1,000 (proportion who die before 5 th birthday)	198	DHS	2000
HIV prevalence (15-49 years)	13.7	DHS	2000
Total fertility rate (average number of children during childbearing years)	5.8	DHS	2000
Contraceptive prevalence rate	4%	DHS	2000
Proportion of children completely immunised <5yrs	72%	MINISANTE	2000
Fertiliser used per ha	2 Kg/an	MINAGRI	2000
Gross primary enrolment (ratio of primary school children of any age to the primary-school age group)	100.0	MINEDUC	2000/1
Net primary enrolment (proportion of children of school going age going to school)	73.3	MINEDUC	2000/1
Gross secondary enrolment	10.2	MINEDUC	2000
Net secondary enrolment	6.0	MINEDUC	2000
Adult literacy (> 15years)	52,36 %	EICV	2000
-Female	47.79 %	EICV	2000
-Male	58,06%	EICV	2000
Malnutrition		DHS	2000
Low height for age (stunting)	42,7%		
Low weight for age (underweight)	29%		

2.1.2 The definition of poverty

27. It is important to remember that the experience and effects of poverty are unique for each individual, household and community and that no two people experience it in the same way. However, for analytical and policy development purposes we need some standardised definitions of poverty at all these

² This section draws on the evidence of the various statistical surveys as well as the National Participatory Assessment. In general, the evidence is satisfactorily consistent.

³ Population growth rates are currently all projections from past data and will be confirmed in the 2003 Population Census. The most commonly used estimates are 2.5% and 2.9%.

levels. The National Participatory Assessment, combined with the statistical surveys, has provided these definitions. At an individual level a man or woman is considered poor if they:

- Are confronted by a complex of inter-linked problems and cannot resolve them
- Do not have enough land, income or other resources to satisfy their basic needs and as a result live in precarious conditions; basic needs include food, clothing, medical costs, children's schooling etc.
- Are unable to look after themselves
- Their household has a total level of expenditure of less than 64,000 Rwf per equivalent adult in 2000 prices, or if their food expenditures fall below 45,000 Rwf per equivalent adult per annum.⁴

At the household level, land owned, household size and characteristics of the head of households were important criteria for poverty. In particular, households headed by widows, children, the elderly and the handicapped are deemed likely to be poor. At the community level, the shortage of economic and social infrastructure and of natural resources are important criteria for poverty.

2.1.3 The evolution of poverty at the national level

Until now, poverty in Rwanda has been monitored by using movements in consumption to extrapolate from the household survey of 1985, making certain distributional assumptions. The poverty line was set at a level where 46% of the households in the 1985 survey fell below it. Poverty, in this statistical approach, is measured by the real value of households' expenditures; if a household's real expenditure, including own-produced food, falls below a certain level, it is considered poor. Using this approach, Table 2.2 shows the estimated proportion of the population below the poverty line.

28. As the data show, poverty was increasing in the late 1980s and early 1990s. The proportion of households, rather than individuals, below the poverty line reached 53% in 1993. In 1994 as a result of the genocide, poverty rose dramatically. Since 1994, poverty has fallen every year, but still remains much higher than before the genocide. The CWIQ survey conducted in 2001 confirms the improvement. The 2001 Household Living Conditions Survey (EICV) found that nationally, 60% of people fall below the poverty line. This finding is not comparable to the previous series, since the survey and poverty line differ. It will be used as a baseline for the measurement of changes in poverty in the future.

Table 2.2 Movements in Poverty since 1985			
Year	Percentage of households below the poverty line		
	Rural	Urban	Total
1985	48.4	16.1	45.7
1990	50.3	16.8	47.5
1994	82.4	27.5	77.8
1995	76.6	25.5	72.4
1996	75.3	25.1	71.1
1997	74.1	24.7	70.0
1998	70.7	23.6	66.8
1999	69.3	23.1	65.4
2000 est.	67.9	22.6	64.1

Source: 1985 Household Survey

2.1.4 The characteristics of poor households

29. As part of the Participatory Poverty Assessment (PPA), the '*ubudehe mu kurwanya ubukene*' pilot generated substantial amounts of grassroots information on people's poverty situation and the survival strategies they used. As part of this process, communities defined social categories for their households. The six most common categories defined are presented in Table 2.3.

⁴ This definition uses the poverty line derived from the household survey of 2001. Total expenditures were calculated for the sample of households, including the monetary value of home-produced food. These expenditures were deflated by a regional price index at the time of the survey, giving an index of real expenditure for the household. These expenditures were then divided by an index of the household size (equivalent adults), which takes into account the fact that children's nutritional requirements are smaller than those of adults. The level of expenditures necessary to meet nutritional standards for food intake and a corresponding amount of non-food consumption was then calculated, and used as the poverty line. This approach corresponds to international best practice.

30. The quantitative data also suggests that large household size is associated with poverty (even though the calculation of the poverty line takes into account the smaller nutritional needs of children). For instance, only 15% of households with only one member fall below the food poverty line whereas 48% of those with more than 7 members do. Female-headed households are also more likely to be poor than male-headed ones.

Table 2.3. The Characteristics of Households in Rwanda

Category of Household	Characteristics
<i>Umutindi nyakujya</i> (those in abject poverty)	Those who need to beg to survive. They have no land or livestock and lack shelter, adequate clothing and food. They fall sick often and have no access to medical care. Their children are malnourished and they cannot afford to send them to school.
<i>Umutindi</i> (the very poor)	The main difference between the <i>umutindi</i> and the <i>umutindi nyakujya</i> is that this group is physically capable of working on land owned by others, although they themselves have either no land or very small landholdings, and no livestock.
<i>Umukene</i> (the poor)	These households have some land and housing. They live on their own labour and produce, and though they have no savings, they can eat, even if the food is not very nutritious. However they do not have a surplus to sell in the market, their children do not always go to school and they often have no access to health care.
<i>Umukene wifashije</i> (the resourceful poor)	This group shares many of the characteristics of the <i>umukene</i> but, in addition, they have small ruminants and their children go to primary school.
<i>Umukungu</i> (the food rich)	This group has larger landholdings with fertile soil and enough to eat. They have livestock, often have paid jobs, and can access health care.
<i>Umukire</i> (the money rich)	This group has land and livestock, and often has salaried jobs. They have good housing, often own a vehicle, and have enough money to lend and to get credit from the bank. Many migrate to urban centres.

Source: PPA

2.1.5 Community Action Planning Pilot: ‘ubudehe mu kurwanya ubukene’

31. As part of the programme of decentralisation the Ministry of Local Government, in collaboration with the National Poverty Reduction Programme, is extending project planning and implementation down to the cellule level. The approach involves the direct funding of each cellule for the implementation of a project that they have identified and analysed themselves.

32. The objective of the approach is to put in place a durable system of intra-community cooperation through collective action which creates communal discussion forums for the implementation of long-run development activities. These forums will strengthen trust and confidence between members of the community and reinforce the ability of the cellule to undertake other development activities in the future. The chosen Kinyarwanda name for the action planning is *ubudehe mu kurwanya ubukene* – which makes use of the traditional Rwandese concept of communal action in the fields, although here the approach is for the entire community for any project they choose to fight poverty. This approach has been piloted in Butare and will be extended to all cellules in the rest of the country by the end of 2002. The secondary objective, which was carried out in the Butare Pilot, was to put in place a system of empowerment for

selected poor families identified by the community (one per cellule). This creates an analysis of poverty carried out by the poor themselves, which deals with realistic issues of their own situation within their own existing opportunities and skills.

33. Thus, the action planning process aims to strengthen the concepts of local governance, accountability, transparency and empowerment at the community level. It highlights people's capacity at the grass-roots level for problem analysis and strategy formulation and implementation. The strategies must be community defined with majority participation. This builds in accountability and encourages community dialogue and participation in local governance. **For further information on this approach, and examples of the community and household level processes, see appendix A.**

2.1.6 Poverty by region

Table 2.4. Distribution of households in each province by quintile of the national distribution of real expenditure per equivalent adult

	Quintile					Total
	1 (lowest)	2	3	4	5 (highest)	
Butare	26.4	23.1	23.6	14.8	12.1	100
Byumba	23.1	20.0	22.2	15.5	19.3	100
Cyangugu	26.1	18.6	19.4	20.2	15.8	100
Gikongoro	32.0	23.2	21.9	15.7	7.2	100
Gisenyi	11.2	21.5	20.8	25.2	21.3	100
Gitarama	14.2	19.2	20.0	27.3	19.3	100
Kibungo	11.2	17.6	21.8	27.4	22.0	100
Kibuye	20.7	24.9	26.4	18.1	9.9	100
Kigali-Ngali	29.0	22.7	18.9	17.9	11.5	100
Kigali-urban	0.7	3.4	7.9	13.3	74.8	100
Ruhengeri	25.1	25.7	19.4	18.4	11.4	100
Umutara	16.8	15.4	18.0	26.4	23.4	100

Source: EICV

34. The data shows an extremely wide gap between Kigali-urban and the other provinces. 75% of people in Kigali-urban are in the top expenditure quintile for the country. This is particularly striking given that the index has been deflated by regional prices. Additionally, food poverty is largely rural with 96% of the food-poor living in rural areas. The ranking of provinces confirms that Gikongoro, Kigali-Ngali, Butare and Ruhengeri are relatively poor.

35. All the provinces of Rwanda share certain features. All areas have probably seen reductions in household incomes. All rural areas, with the possible exception of parts of Umutara, have experienced loss of livestock and declining soil fertility. All areas are still affected by the consequences of the genocide, with the portion of widow-headed households varying from 13% in Gikongoro to 28% in Butare.

36. However, there are important differences between provinces. Some, like Ruhengeri and Gisenyi, are of high agricultural potential but have been badly affected by insecurity and have many people without housing. Some, like Kibungo and Umutara, have had very large inflows of population and therefore have a deficit of infrastructure, and are facing environmental pressure. Finally, other provinces, such as Kigali-Ngali, Butare and Gikongoro have chronically low incomes arising from dense population, relative aridity and soil acidity. This has been compounded by a high number of vulnerable households as

a result of the genocide, and has been aggravated by the recent drought. Within provinces, Gini coefficients range from 0.324 to 0.433, with inequality levels being highest within Cyangugu, Butare and Kigali-urban, and lowest in Kibuye and Gitarama. There are also important differences in the incidence of consumption poverty across provinces. The proportion of poor is highest in Gikongoro where 77.2% of the population are poor. In the provinces of Butare, Kibuye, Kigali-Ngali and Ruhengeri more than 70% of the residents have consumption levels below the poverty line, and they are disproportionately associated with women-headed households.

37. The large numbers of people reporting illness during the two weeks preceding the interview, who were sick on average for 8.34 days, highlights the significance of levels of ill health. The levels ranged from 15.2% in Gisenyi to 33.4% in Butare. The MINERENA defines ‘complete coverage’ when a household lives within 250m of a source of potable water. Only one province satisfies this definition: the city of Kigali (211.6m on average). The long distances to potable water sources represent a significant burden for time use, particularly for women and girls. This problem is particularly acute in Kibungo, Kigali Ngali, Umutara and Butare, where people live on average more than 800m from the water source. Significant numbers of people also live in houses without toilets in Umutara (8.4%), Gikongoro (7.8%), Butare (7.2%) and Gisenyi (5.6%). At a provincial level Cyangugu shows the highest number of land less households, while Butare, Gikongoro, Cyangugu, and Ruhengeri are the provinces with the highest percentage of households with farm sizes of less than 0.2 ha. There is little difference in primary enrolment rates across provinces, with Kigali urban, Gitarama and Kigali Ngali having rates of above 75%, and only Gisenyi and Kibungo falling below 70%. **For a detailed analysis of poverty by each province, see Appendix B.**

Table 2.5: Selected Indicators by Province

Province	Without land	< 0.2 hectares of land	Net primary enrolment	Distance from potable water source	Sick/injured in 2 weeks proceeding EICV	Days of sickness in 2 weeks proceeding EICV	Incidence of food poverty	Incidence of extreme poverty	Incidence of poverty	Gini coefficient
Butare	5.9%	61.7%	70.4%	805m	34.4%	8.1	75.5%	52.0%	73.6%	0.429
Byumba	2.4%	25.3%	71.1%	732m	21.5%	8.3	65.7%	44.6%	65.8%	0.417
Cyangugu	13.0%	37.3%	71.3%	522m	26.7%	8.7	72.0%	46.0%	64.3%	0.433
Gikongoro	3.2%	59.0%	71.6%	636m	30.9%	8.5	80.2%	56.8%	77.2%	0.365
Gisenyi	7.2%	26.0%	66.2%	529m	15.2%	9.5	68.5%	34.5%	53.5%	0.364
Gitarama	3.4%	25.2%	78.4%	544m	29.7%	7.7	61.8%	34.5%	53.7%	0.346
Kibungo	1.7%	11.5%	66.7%	1185m	31.6%	7.9	62.3%	31.9%	50.8%	0.356
Kibuye	2.7%	31.2%	74.6%	398m	24.1%	8.9	79.4%	48.3%	72.5%	0.324
Kigali Ngali	7.8%	17.1%	75.5%	1057m	28.2%	9.0	74.0%	52.8%	70.8%	0.411
Kigali urban	88.8%	6. 6%	79.7%	212m	16.2%	7.9	20.6%	4.5%	12.3%	0.427
Ruhengeri	5.3%	35.9%	74.0%	768m	22.7%	8.3	83.7%	52.3%	70.3%	0.397
Umutara	4.8%	8.5%	73.0%	871m	27.5%	7.4	62.2%	32.8%	50.5%	0.392
Average	11.5%	28.9%	72.6%	703m	25.5%	8.3	67.8%	41.6%	60.3%	0.451

Source: EICV

2.1.7 Poverty and inequality

Table 2.6. Average Expenditure per Year by Quintile, Rwf

Quintile	Average expenditure per adult equivalent
1 (most poor)	21,106
2	36,544
3	53,211
4	78,633
5 (richest)	200,462
Average	77,991

Source: EICV

38. Table 2.6 shows the distribution of expenditure by quintile. It can be seen that average consumption in the top quintile is almost ten times the average consumption in the bottom quintile, and almost six times the consumption in the second quintile. In the mid-1980s, by contrast, consumption in the top quintile was only four times that in the bottom quintile. This indicates that inequality has increased since the mid-1980s. Similarly, measures for the Gini-coefficient show an increase in this measure of inequality from 0.27 (one of the most equal distributions in Africa) to 0.455 (a rather high level of inequality, for example Ghana's is 0.37). The data on urban and rural expenditures indicate that much of this gap is likely to be attributable to the urban-rural gap. In order to reduce inequality, it will be necessary to focus on rural development.

2.2 Agricultural productivity and incomes

39. The NPA found that people experienced low agricultural productivity, a lack of small and large livestock and therefore a lack of manure. A decline in soil fertility is widely reported. Agricultural extension and veterinary services are felt to be absent. The commercialisation of agriculture and the development of non-farm employment are felt to be restrained by the absence of market centres, price fluctuations, a lack of credit, high bank interest rates, and a lack of small and medium-scale enterprises.

2.2.1 Agricultural productivity

40. One of the main reasons why incomes in Rwanda have fallen since the mid-1980s is the decline in agricultural productivity. Table 2.5 in Annex 2 presents an index value of trends in production and yields using 1984 as a benchmark. Whilst production of the main crops has largely been rising, the yields have often been falling. This implies that much of the production increases have been through expansion of cultivated area rather than through increased productivity.

41. In order to transform their productivity, farmers need to have access to inputs. A recent study in Ruhengeri and Gisenyi found that in four of the five zones covered, the availability of fertilisers was a constraint to agricultural productivity. The proportion of farmers using chemical fertilisers or lime fell from 7% to 5% between 1990 and 2000. Recent information suggests, however, that fertiliser use is on the rise. Table 2.9 and 2.10 in Annex 2 present data on fertiliser (NPK, DAP, Urea) imports for 2000 and 2001. These data are based on interviews with major fertiliser importers conducted by the Ministry of Agriculture (MINAGRI) over the past year. The most startling finding is a near three-fold increase in September fertiliser deliveries between 2000 and 2001. This is due to private sector activity; deliveries in the tea and coffee sectors have fallen pending changes in the structure of the industries. A major constraint to the use of fertiliser is

Table 2.7. Reasons for Non-Use of Fertiliser in Rwanda, 1995-1999*

Lack of Knowledge	53 %
High Price	30 %
Lack of Availability	13 %
Lack of Credit	3 %
Other	7 %

* Sums to more than 100 since multiple answers were permitted.

Source: Kelly et. al. 2001a

lack of knowledge: not that farmers do not know that fertiliser could be useful, but that they are not sure how to use it.

The productivity of agricultural labour and incomes is also likely to be affected by HIV/AIDS as it is the active adult population, with the highest levels of farming skills, that is the most affected.

2.2.2 Commercialisation

42. Recent data from the Household Living Conditions Survey (EICV) presents a picture of low levels of commercialisation in rural areas. Table 2.6 in Annex 2 presents data on the imputed value of home consumption as a percentage of total household food consumption. These data suggest that close to 2/3 of the monetary value of total food consumption in rural areas does not pass through markets.

43. In addition to these crops, coffee and tea are grown by a significant number of households. The 1999 Census of producers shows that coffee is produced by about 400,000 small farmers (only 60% of the number before 1994), mostly in small stands of trees of which 20-25% are over 30 years old. 24% of the producers are women, which marks a shift in traditional roles where only men were associated with cash crops. However, coffee is not always the highest return crop and its widespread planting reflects an imposed colonial policy.

44. In some cases, producers have received very low prices because of marketing problems. For instance potatoes, and more recently vegetables, in the northwest have exhibited serious price collapses. It is also likely that the poor state of the roads in some areas restricts competition and increases transporters' costs, reducing producer prices; the EICV collected data on producer prices and found substantial regional variation given the small size of the country. The closure of warehouses belonging to the public distribution company OPROVIA may be a factor for reducing the marketing potential of storable crops.

2.2.3 Activity and time use

45. Time use relates to poverty in two ways. First, the way in which people use their time affects their income and hence their consumption. Secondly, time use can itself be a dimension of poverty, either because people are heavily stressed, with too much work to do, or because they are unemployed and hence frustrated. Both forms of poverty are significant in Rwanda and also vary according to gender and age. Data collection to date has only been at a general level and does not yield the detailed daily/hourly time use and activity information needed to look at the different situations facing women, men, girls and boys.

46. The CWIQ survey found that 90% of the working population in Rwanda are mainly employed in agriculture, including 23% of those working in urban areas, and that 89% of the working population are classified as self-employed or unpaid (typically family members working on the family farm). However, there is little recent evidence on what secondary activities are undertaken. The informal sector survey planned for next year will yield more details. The relatively small proportion of people primarily engaged outside agriculture suggests that there is a significant amount of rural unemployment. Although the CWIQ survey found that open unemployment is rare, accounting for less than 1% of the population of working age (15 years and over) in rural areas and less than 4% in urban areas, about 10% of the population is underemployed. A small proportion (about 1%) are classified as inactive because of lack of work and about 2.5% of the population is inactive because they are infirm.

47. Participatory and anecdotal evidence shows that time use varies both by age and gender. Much underemployment is found among young men who have not yet married. Whether or not this group is poor in consumption terms, they suffer from the lack of employment opportunities. Hence the generation of employment opportunities needs to be an important objective of the poverty reduction strategy.

48. Many women are in a very different position, being very heavily burdened by domestic responsibility. This is particularly true for widows with young children and for prisoners' wives (see Poverty Note, World Bank/MINECOFIN 1998). In some cases, widows have plots of land which they cannot adequately farm. Unfortunately, they are generally too poor to employ wage labour to farm this land. In addition to time use, women are probably less able to exert choice over their activities than men, because men are expected to control many of the decisions within the household. This is an aspect of poverty which may be of considerable importance in influencing the well being of the two genders.

2.2.4 Investment and savings by the poor

49. Monetary savings are not currently a feature of poor households. In the National Participatory Assessment (NPA) it was found that only the *umukire*, or money-rich, have any contact with formal savings institutions. The most important asset for a poor rural household is land and the size and fertility of land holdings was one of the most important factors determining the categories of poverty into which households were classified in the NPA. Although land is bought and sold in Rwanda, there has been persistent doubt about its legal status, partly because legislation has sometimes imposed unrealistic minimum limits on land size. Most, but not all, of the population have access to land, but in very limited amounts; the CWIQ survey finds that 85% of rural households report that they own land, but the average holding is just 0.71 hectares and 95% of farmers farm 2 hectares or less. In this context, it is important to note that on all major crops, smaller farms have been found to yield more than larger farms in Rwanda as in other countries (Clay et al. 1996). The small size of farms is a problem for farmers' incomes, but not for productivity.

50. In addition to land, the NPA and all other data clearly outline the primary importance of housing and livestock as assets and determinants of poverty. As noted above, there are a significant number of households without adequate housing. Livestock levels also fell dramatically during the genocide (Table 2.7 in Annex 2). The distribution of cattle also changed, with some larger herds entering the country in the north. The food security studies conducted by Save the Children Fund found that most households in all the areas they surveyed had lost much of their livestock. This is extremely serious for the farming system, because the use of manure is essential for preserving the fertility of the soil, and for preparing the soil structure for the use of chemical fertiliser. The use of organic inputs in farming declined from 95% to 69% of farmers, and from 70% to 57% of area, between 1990 and 2000.

2.2.5 Environmental investments

51. In addition to the reduction in the use of modern and traditional inputs, environmental practices also declined during the 1990s. The proportion of farms in the crop survey using conservation investments fell from 93% in 1990 to 65% in 2000, and the area covered by such investments fell from 76% to 65%.

2.3 The quality of life and human resources

2.3.1 Health

52. The genocide produced a dramatic deterioration in Rwanda's human development indicators. Both adult and child health have severely deteriorated.

53. **Child Mortality** The data in Table 2.8 are based on answers by mothers to retrospective questions

about the survival of their children. The data show that child mortality fell from 233 per thousand in 1975-1980 to 140 per thousand in 1986-1990, and then rose very sharply to 219 per thousand during the period of the genocide (note that being based on

Table 2.8. Child Mortality (deaths per thousand)					
Period	Below 1 month	1-12 months	Total below 1 year	1-5 years	Average Total below 5 years
1996-2000	43.9	63.5	107.4	99.5	196.2
1991-1995	58.1	70.7	128.8	103.1	218.6
1986-1990	45.6	39.9	85.5	60.2	140.5
1980-1995	48.7	35.7	84.4	90.0	166.8
1975-1980	55.3	51.7	107.0	141.1	233.1
1987-1992*	38.6	46.1	84.8	71.6	150.3

*Estimates from 1992 DHS, the rest are estimates from 2000 DHS

answers from surviving mothers, these data omit most of the mortality directly attributable to the genocide itself). The rate has fallen since then to 196, but still remains very high, implying that almost 1 of every 5 children in Rwanda dies before they reach their fifth birthday. In comparison, there has been a dramatic fall in child mortality internationally during this period. Rwanda's rate of child mortality is worse than the average for sub-Saharan Africa.

54. Child malnutrition has recently been estimated at 6.7% for wasting and 42.7% for stunting (MICS data). In comparison with other African countries child mortality is higher than one would expect given these rates of malnutrition, which suggests that the management of childhood disease may be a problem.

55. **Adult Mortality** The causes of adult mortality are somewhat different from those for children, since a significant proportion of adult mortality is due to HIV/AIDS and the complications of pregnancy. Although data on adult health is scarcer, there is clear evidence that the prevalence of AIDS has risen dramatically. The prevalence of HIV increased dramatically during the mid-1990s, partly because of the war and genocide. It is now estimated at 11.2% nationally and 10.8% in rural areas, compared to a rate of 1.3% in rural areas in 1986.

56. **Morbidity** The CWIQ survey gives data on morbidity (illness), which show that fever or malaria accounts for the great majority of episodes of illness. Data on morbidity at the level of health facilities dramatically confirms the importance of malaria (Table 2.9). However, it may be noted that the MICS found that 27% of children had had diarrhoea in the two weeks preceding the interview although this is not reflected in this table; it is therefore likely that many households do not consider mild childhood diarrhoea to be an illness.

Table 2.9. Causes of Morbidity in Health Facilities, 2000

57. The causes of ill health are highly complex. They include low incomes, limited information about preventive methods, low levels of literacy and education, as well as poor access to clean water and health services. Poor health is both a cause and a consequence of other dimensions of poverty. The Participatory Poverty Assessment (PPA) found that people complained of the difficulty of access to health care given their limited incomes, the inadequate health facilities, high drug prices, malnutrition and the burden of large families. Poor health also

Condition	Number of cases
presumed malaria	480,569
confirmed malaria	371,499
intestinal parasitosis	207,591
upper respiratory illness	194,158
lower respiratory illness	170,299
skin diseases	85,322
physical trauma	66,610
diarrhoea without blood	62,268
dental problems	48,050
gyno-obstetric conditions	28,293

Source: CWIQ

contributes to poverty through the damaging effect of the deaths of adults on the welfare of the surviving household members and through the effects of morbidity on production.

58. **Reproductive health** Reproductive health appears to have worsened significantly, with the maternal mortality rate having risen from 500 per 100,000 in 1992 to an average of 1071 in 1995-2000. For example, if every woman has 6 children, a maternal mortality rate of 1300 would imply that 7.5% of childbearing women die from complications of pregnancy during their childbearing years. Reproductive health is therefore an important adult health problem and one which has serious repercussions on households, particularly on children who lose their mothers.

59. Fertility rates were falling before the genocide, partly because of public action to support family planning, and partly because the shortage of land delayed the age of marriage. The average rate of fecundity is 5.8 for women between 15 and 49; this has fallen slightly since the early 1990s, though it has not fallen for women between 20 and 24 years. The drop in fecundity may have been observed because so many women are without a partner, rather than because people are planning smaller families. The DHS found that the current use of modern contraceptives among women in relationships has fallen from 13% in 1992 to 4.3% in 2000, even though only 15% of this group said they wanted to have a child within the next two years (with 34% wanting no more children, and 45% wanting to wait another two years). Hence there is strong evidence that women are having more children than they would prefer. This may reflect limited access to and high cost of family planning services or limited control by women over the relevant decisions. The high fertility rates also worsen reproductive health and increase the incidence of complications during pregnancy.

60. **Utilisation of health services** The utilisation of health services in Rwanda is low, and has fallen in the last few years (Table 2.10).

Table 2.10. Utilisation of Health Services

Year	Total Receipts (Rwf)	Utilisation of curative services (New cases per inhabitant per year)	Average total revenue per new case (Rwf)	Average revenue from drug sales per new case (Rwf)	Percentage of bills not paid
1998	1,506,273,464	0.34	545	225	5
1999	1,359,654,447	0.27	616	242	9
2000	1,554,541,759	0.26	710	279	7

Source: Ministry of Health, Division Information, Research and Documentation

61. The CWIQ survey illustrates the reasons for low usage of health services (Table 2.16 in Annex 2). Health services, although available, are often perceived as too expensive for the poor to use them. The CWIQ survey confirms this perception; in the 4 weeks before the survey, 23% of people had consulted medical services, and 15% of people had been ill but had not consulted a health provider because of the cost. As with education, cost turns out to be a much more powerful deterrent than distance; it is also the cause of dissatisfaction in 80% of the cases where people are dissatisfied (followed by the failure of treatment and the long queues). Interestingly, rural residents are as likely to consult a service provider as urban residents, but this includes the traditional sector. When services are consulted, the public hospitals are the most frequently used provider (33.6%), followed by pharmacies (29.1%), health centres (12%), and traditional healers (11.4%), the last being mainly in rural areas.

62. Data from the EICV sheds more light on the incidence of health care by consumption group. Table 2.17 in Annex 2 breaks down the patients in different kinds of facilities by income group. These figures show that 95% of patients in private clinics and 65% of those in hospitals come from the richest 40% of households. Patients in health centres are more representative of the population, but even here the bottom 40% of households are underrepresented, accounting for only 32% of male patients and just 25% of female patients. Poverty, therefore, seems to be a constraint in accessing the health system, despite the existence of exemption schemes. Extra public spending on health centres is more likely to reach the poor than extra public spending on hospitals.

63. Preventive health services are of critical importance in improving health. Across the whole population, the MICS survey found that 62% of children had a fully completed vaccination card. A further 9% of mothers reported that their children had received a full set of vaccinations. Thus 71% of children had received total coverage for all vaccinations; in addition, many children had been vaccinated against some, but not all, diseases. This is one of the few indicators that is better in rural areas than in urban ones. Mosquito nets, by contrast, are widespread in urban areas but scarce in rural ones; more than a third of children in urban areas sleep under a mosquito net, 80% of which are treated with insecticide, whereas only 2% of rural children do.

2.3.2 Education and literacy

64. In the past, Rwanda has had higher rates of primary enrolment than many African countries, but much lower rates of secondary and tertiary enrolment. However, the data on literacy reveal substantial deficiencies even at the most basic levels of education. The EICV estimates the rate of literacy at 47.8% for women and 58.1% for men. Table 2.18 in Annex 2 shows considerable differences between income groups as regards the completion of primary school, but few differences by gender. The data show that 15% of people in the 1st quintile completed primary school whereas 53% of people in the 5th quintile did so. Adult literacy therefore needs to be integrated with socio-economic activities in rural areas. The CWIQ survey found a strong relation with age. The share of the population aged between 16 and 35 years old that has attained an educational level of at least Primary 6 is double compared with the population over 35 years of age.

65. Education at secondary and higher levels is extremely low. 33% of the population of 15 years and above have no education, and 60% have only primary education. 7.1% have post-primary or secondary education, and only 0.4% have some tertiary education. Current educational enrolment has been increasing. Most people in Rwanda now have some access to primary education for their children. However, access to secondary and tertiary education is much more limited. The number of children in primary and secondary schools are given in table 2.19 in Annex 2.

66. Aggregate population data are not known precisely since the census of 1991, so estimates of the overall rate of enrolment are inevitably approximate. However, the fast growth in the total number of students at all levels makes it clear that enrolment rates have been rising. The estimated gross and net primary enrolment rates are now 100% and 73% respectively. These estimates correspond closely with the estimates from the CWIQ survey, where the net rate of enrolment was found to be 77% in primary school and 7% in secondary school. The big difference between net and gross rates arises because many children over 12 are still in primary school. In secondary education, the official gross and net rates are just 10.2% and 6.0%, which remain very low.

67. Gender-disaggregated data from the CWIQ show that the rate of enrolment for girls is as high as that for boys in primary education, and higher in secondary education. However, the administrative data reveal that there are more boys than girls in public secondary schools, and more girls than boys in private secondary schools. Possible reasons for this difference include the practice of boarding in public secondary schools, differential performance in examinations, and sexual harassment. It has been revealed that sexual harassment by staff was a problem experienced by girls in secondary schools in various parts of the country.

68. The EICV data allow us to estimate the incidence of primary and secondary education by income group in Table 2.20 in Annex 2. It can be seen that primary school children are much more representative of the population than secondary school children. 21% of children in public primary schools are in the bottom expenditure quintile, compared to 4% of those in public secondary schools. 74% of students in public secondary schools come from the richest 40% of households.

69. Dropout rates in primary schools are high, estimated at 12%, with repetition at 37%. The CWIQ data gives some evidence on the reasons for ceasing to attend school. The expense, exam failure and work are the main reasons for dropping out. Girls are more likely than boys to be away from school because of work. Distance from schools does not appear to be an important deterrent, even for secondary schools. This is despite the fact that almost half of households are at least 30 minutes from a primary school and that two thirds of households are more than an hour from a secondary school.

70. The primary educational system is almost entirely public or grant-maintained, and fees are low, at Rwf 300 per pupil per year. In secondary education, 56% of students are in public schools or government-assisted schools and fees are much higher, at Rwf 21,000 per pupil per year. Both private and public sectors have been expanding fast, and the rate of transition from the final year of primary school to secondary school has risen to 42% in 2000.

71. The expansion of student numbers has been accompanied by an expansion of facilities and teaching staff. The number of primary schools has risen over the last seven years from 1,882 before the genocide and 1,283 after the genocide in 1993/4 to 2,142 in 2000/1. The number of secondary schools has increased from 280 before the genocide to 378 in 2000/1. The number of primary school teachers has risen

Table 2.11: Reasons for not attending School, among those who have attended school in the past.

	Boys	Girls	7-13	14-19
Per cent not attending	25.6	27.9	4.3	48.8
Reason for not attending:				
Too old/young	4.2	2.7	0.0	3.7
Distance	0.2	0.4	0.0	0.3
Expense	36.9	34.3	40.7	35.1
Work	13.0	19.3	10.6	16.8
Useless	10.2	8.0	13.0	8.7
Illness/pregnancy	8.0	9.7	18.1	8.5
Failed exam	28.9	27.6	16.0	29.3
Got married	0.1	1.2	0.0	0.7
Other	4.4	3.6	6.2	3.8

Note: children who have never attended school are not included in this table. Source: CWIQ

from 16,285 in 1993/4 to 28,698 in 2000/1, and the number of secondary school teachers has risen from 3,886 in 1996/7 to 6,499 in 2000/1.

72. Two concerns that arise are the quality of teaching achieved during this rapid expansion and the incidence of the benefits of education (i.e. which income groups have access to education). Quality is likely to be challenged by the introduction of courses in English and French throughout primary education, and it will therefore be important to monitor quality. The CWIQ surveys provide some evidence on the aspects of quality that are of most concern to households. These indicate that the main concern is the shortage of furniture and materials. In primary schools, 49.6% are dissatisfied, and in over 90% of cases the reason is to do with books or other supplies, not the poor quality or absence of a teacher; the results are similar in secondary education. These findings correspond with international evidence, which shows that textbooks are a critical input in determining educational outcomes.

2.3.3 Water and sanitation

73. Water supply raises two main concerns for poverty reduction: the time spent fetching water, and the quality of water collected and used in the home. Table 2.22 in Annex 2 shows estimates from the CWIQ survey of the time taken to fetch water. Water supply is often a long way from the household, imposing a significant burden, particularly on the time of women and girls. For instance, more than one in five households in Umutara are more than an hour away from their water source. This has implications for the quality of women's and girls' lives, their economic productivity, and their access to education.

74. **Rural water supply** Rural water supply in Rwanda is provided through three main systems: (a) simple piped water systems (788)⁵, with standpipes (7421), or individual connections (2483), (b) protected spring catchments (18241), and (c) complex piped systems that span across two or more Districts (50), and across more than one province (10).

75. Tables 2.23 and 2.24 in Annex 2 present survey evidence on the kind of water source used. These data apparently conflict, perhaps because of definitional differences or because of sampling (the proportion in rural areas using pipes is very different in the CWIQ and MICS surveys). The limited information, however, suggests that despite significant investments in the past, sustained access to safe water sources has probably declined in rural areas⁶. The 1996 Sector Policy for Water and Sanitation suggests that based on the water distribution points established over the years, coverage in rural areas should have been close to 70 percent. However, by 2000, using norms related to number of users served, the coverage may have declined to 44 percent, taking into account the actual condition of facilities⁷. Rehabilitation of systems along with effective community based management systems are the key to increasing access to safe water supply.

76. This poor and declining condition of access to water supply is observed despite the relatively good level of water resources in Rwanda, with adequate rainfall, a large number of springs in the lower slopes,

⁵ The figures in parenthesis are the numbers of systems or connections, based on information from the Inventory of Rural Water Supply Systems, 2001 maintained by MINERENA.

⁶ For example, proportion of households using taps, standpipes or protected springs, as a source of water seems to have gone down from 79 percent in 1995 (based on UNICEF information) to 67 percent in 2001 (as per the MICS information). This is also reflected in the high rehabilitation requirements ranging from about 35 to 45 percent for most hardware in rural water supply systems, based on an assessment done for the Social Sector Expenditure Review in 1996 and reported in the report by Groom S. (1999) Water Supply and Sanitation Sector in Rwanda, mimeo.

⁷ Based on World Bank (2000), *Project Appraisal Document for Rural Water Supply and sanitation Project*, p. 3. A different estimate by Groom S. (1997) suggests somewhat better coverage at 50 percent (p.3).

many lakes, rivers and high ground water tables. However, with a large number of hills, and the tendency of the population to settle in high-lying areas, distances to water sources in low-lying springs are often long and result in drudgery and extra time spent by women collecting water. While some of the complex piped water systems have been in response to this factor, their complex management has resulted in poor maintenance, high costs and low operational efficiency. Electrogaz is operating most of these at highly subsidised costs. Unfortunately, despite favourable rainfall, little use is made of rainwater catchments, except by a few health centres and churches. This is being addressed by a water-harvesting component in the settlement programme.

77. **Urban water supply** Electrogaz, a Government owned company for water, electricity and gas, provides drinking water in urban areas (Kigali plus the ten other town centres). While information on actual coverage in urban areas is not readily available, it is not likely to exceed 60 percent of the population, of which about half receives the water through standpipes⁸. It is most likely that the private connections are largely confined to middle and upper income areas and households, and the poorer groups in unauthorised settlements and in peri-urban areas have no access to the limited services provided by this company. The situation has probably worsened due to the large influx of people to urban areas since the events of 1994. The poor at present are probably dependent on either unsafe sources or have to purchase water at high prices. A detailed assessment for the poor in urban areas is essential, especially in the context of the private sector participation that is envisaged.

78. **Sanitation and hygiene promotion** The limited information available on sanitation in terms of population with latrines suggests very high coverage at around 85 percent in rural areas. However, only 0.8 percent of these are 'hygienic', and safe hygiene practices are not prevalent.⁹ For example, even in the Water and Environmental Sanitation (WES) project, the evaluation study found that the hygiene and environmental sanitation component was not effectively implemented. This adversely affects the potential benefits of improved household sanitary facilities. In the project areas, diarrhoea and other water and hygiene related disease conditions rank among the major causes of morbidity and mortality, and children below the age of five years were particularly adversely affected.¹⁰ Poor sanitation facilities also contribute to problems of drinking water quality with settlements often situated on higher grounds and water sources at lower levels, resulting in contaminants being washed into water collection zones.

79. While separate information on urban areas is not available, the situation is likely to be even worse with the higher residential densities in these areas and limited or no sewerage facilities in most urban centres. Limited available information for Kigali suggests that a fourth of all households had access to latrines with septic tanks and another half had dry pit latrines. The municipal authority managed only about 15 percent of liquid wastes; all other wastes and latrines lead to pollution in some form. The situation of sanitation in institutional settings is also poor. Only 20 % of primary schools in both rural and urban areas have latrines. The situation in secondary schools, prisons, health centres and markets is also poor and requires the urgent provision of communal latrines.

2.3.4 Housing

80. Since 1995 Rwanda has experienced massive refugee and returnee movements with far reaching consequences. This has been coupled with internal displacement of people resulting in increased

⁸ Based on the World Bank, Draft Appraisal Report for the Third Water Supply Project as reported on Groom S. op.cit.

⁹ Based on information reported in World Bank (2000), *Project Appraisal Document for Rural Water Supply and sanitation Project*, p.3. And UNICEF and Government of Rwanda (2001), Report of the Evaluation of the Water and Environmental Sanitation Programme, mimeo.

¹⁰ UNICEF and Government of Rwanda (2001), op. cit.

vulnerability of segments of the population. The number of people that have resettled is close to 3.5 million. There has been a widespread development of slums in urban areas due to increased levels of rural-urban migration.

81. A survey in March 1999 (JRPU September Workshop Working Document, UNHCR, 1999) produced an estimate of the number of households requiring rehousing. An estimated 250,000 households were living under plastic sheeting, which has fallen to 192,000 in the 2001 survey.

82. The EICV gives a more recent picture of housing standards, which can be seen in Table 2.25 in Annex 2. The difference between these surveys partially reflects the fact that some households have managed to build their own houses since 1999.

2.3.5 Cooking and lighting

83. For cooking, 98 percent of households rely on wood or charcoal. Electricity is used by 1 percent of urban households, and 0 percent of rural households. The percentage of households using gas or oil is equally low. For lighting, electricity is used by 39 percent of urban households and 1 percent of rural ones

(DHS 2000); most rural households use open paraffin lamps, while many urban households use covered paraffin lamps. Fuel wood is almost exclusively fetched by women, imposing a serious burden on them in terms of physical effort and time.

Quintile	Main cooking fuel in per cent							
	Wood	Charcoal	Gas	Electricity	Petrol	Crops	Other	Total
1	97.14	0.18			0.18	1.42	1.08	100
2	98.10	0.84			0.12	0.75	0.20	100
3	96.81	2.22	0.08			0.62	0.26	100
4	93.59	5.12	0.23	0.09		0.17	0.80	100
5	65.19	33.61	0.12	0.56	0.04	0.07	0.41	100
Average Total	90.16	8.40	0.09	0.13	0.07	0.61	0.55	100

Source: DHS 2000

2.4 Economic infrastructure

84. The availability of infrastructure is an important constraint on poor people's lives. There are two main reasons for deficiencies. First, much infrastructure has been damaged or poorly maintained. Secondly, the population movement of the 1990s and the constructions of *imidugudu* in some new areas have left deficiencies in infrastructure.

85. **Roads** The average national distance from a road is not known; however, an *imidugudu* survey found that the average distance from a trunk road was 4.1km, but that this ranged between 0 and 20 km. In some areas of Byumba and Cyangugu, families have to walk between 20 and 25 km to get water. Roads in Rwanda are classified into 1101 km of international importance, 2086 km of national importance, and 2163km of local importance; there are also 110 km of other urban roads and 6650 km of rural roads and tracks. Of this network, 1069 km are bituminised, of which 400 km. are considered to be in bad repair. Many bridges are also in bad repair. The country's has three routes to international ports: by road to Mombassa, by road to Kampala followed by rail to Mombassa, and by road to Issaka followed by rail or road to Dar-es-Salaam. Improving these links is critical for increasing the country's integration into international markets.

86. ***Electricity and power*** As noted above, the domestic use of electricity is very limited. For poverty reduction, a more important question is the availability of electricity to support agro-processing and other manufacturing in rural areas. Rwanda has 107 sites suitable for installing micro power stations. 21 were in use in 1994, and they need rehabilitation. The provision of electricity is best focused at the community level rather than the household level so as to support economic activity rather than consumption alone.

87. There also appears to be some shortage of **market infrastructure**, for example around half (49.6%) of households live more than one hour from a food market.

2.5 Social capital and reconciliation

88. The reconstitution of damaged social capital is a fundamental aspect of Rwanda's recovery. This involves reintegrating groups who have become isolated, for instance the returning refugees or in some cases women and orphans. Villages that are populated mainly by the most disadvantaged groups, for instance, may not be sustainable. Equally, the social links between urban and rural areas are important for social cohesion and for the functioning of agricultural trade; they were damaged during the 1990s and are gradually recovering. Other social mechanisms such as the seasonal migration of labour also depend on the reconstitution of social capital.

The NPA found that people saw intra-household disagreements, polygamy and non-legal marriage as posing problems particularly for women. Various causes of insecurity were noted including theft, the consequences of war and genocide, and the physical dangers caused by insurgency. The large number of prisoners was seen as a serious problem. Behavioural problems including idleness, fatalistic attitudes, bad land management, prostitution and drunkenness were discussed as determinates of poverty.

Table 2.13. The Positive and Negative Factors of Reconciliation

Positive Factors	Negative Factors
<ul style="list-style-type: none"> • Equality of opportunity in education • The omission of ethnicity from the identity card • The inclusion of the former regime's soldiers in the national army • The repatriation of refugees • The creation of the various governance commissions and processes • The <i>gacaca</i> process • Transparent elections at local levels • Competition in recruitment • Equal opportunities for entry into the army and police • Gender equality • Solidarity in response to security threats • The return of illegally confiscated property to the owners • The reintegration of orphans into volunteer host families with the support of the Survivors of Genocide Fund and MINALOC 	<ul style="list-style-type: none"> • Land disputes • Corruption in administrative bodies • IBUKA (a group representing genocide survivors) is perceived as sectarian • Hutus who died in the war have not been buried with dignity • The trial of those accused of genocide and the compensation of victims have been long delayed • Some people deny the impact of the genocide • Some people go into exile and attack the Government • Rumours from external media cause confusion • Continued insurgency • Segregation of orphans and widows • Salary arrears and arbitrary appointment of teachers • Corruption in judicial bodies • Conflicts between pastoralists and cultivators, when the animals eat the other's crops

89. Between April and August 2001, the National Unity and Reconciliation Commission (NURC) held a series of national consultations involving over 19,000 people in 3000 groups covering cellule and sector administration, teachers, religious groups, vulnerable groups, youth inside and outside education, women's associations, and elders. The successful management of the process and the frankness (and diversity) of some of the criticisms are themselves indicators of progress in reconciliation. These consultations complement the consultations already held in 1999 and the National Summit of 2000, and give a rich picture of the positive and negative factors in national reconciliation.

3 THE POVERTY REDUCTION STRATEGY: BASIC PRINCIPLES AND PRIORITIES

90. This section discusses the link between economic growth and poverty reduction in Rwanda. It also discusses the principal sources of growth in the economy, and the basic institutional foundations needed to make rapid and sustained economic growth and poverty reduction possible in the country. The key building blocks discussed include human development, macroeconomic stability, partnership, good governance and prioritisation of public actions. The prioritisation of public actions, drawing on the results of the National Poverty Assessment described in section 2, lists the priority areas for public action in the medium term.

3.1 Economic growth and poverty reduction

3.1.1 Why economic growth is essential for poverty reduction

91. Rwanda has a large and growing population. If the population grows at 2.5% per year¹¹, it will have grown by 67%, to over 13 million by 2020. Moreover, with the existing technology and given the limited cultivable land area, current levels of agricultural exploitation are already degrading the environment and raising concerns about environmental sustainability. We therefore urgently need economic transformation and growth just to keep pace with the rate of population growth. If we are to achieve rapid poverty reduction, we need high positive per capita growth. A real per capita growth of 4-5% per year implies 7-8% real growth per year. Poverty can also be reduced rapidly within a growing economy by ensuring that the incomes of the poor grow faster than those of other groups. In Rwanda, this can best be achieved by investing in rural and specifically in agricultural growth, and by ensuring that the most disadvantaged groups are able to participate.

3.1.2 What rate of economic growth is feasible in Rwanda?

92. To start to address this question it is worth summarising international experience on economic growth over the last two decades (more details in Table 3.1 in Annex 3):

- Average growth for low-income countries was 4.7% in 1980-90 and 3.2% in 1990-2000, translating into modest growth of per capita consumption of 1.4% and 1.6%.
- Some countries in Africa have achieved growth rates above 4%, though very few have gone above 6%, during this period. However, Asian countries have done much better, particularly in East Asia.

The message is that rapid growth is not impossible, but that Rwanda would have to do better than any country in Africa has done over the last twenty years to achieve an 8% growth rate. We have to learn from the East Asian countries to identify the best ways of achieving fast economic growth. International experience shows that better infrastructure, higher human capital, greater financial depth, economic openness and clearer property rights enhance economic growth, while overvalued exchange rates reduce growth. Evidence from neighbouring countries suggests that improved economic policies in Rwanda might make a difference of 2-3 additional percentage points to the growth rate, compared to the results in the 1980s.

¹¹ Population growth rates are currently all projections from past data and will be confirmed in the 2003 Population Census. The most commonly used estimates are 2.5% and 2.9%.

3.1.3 Agriculture and livestock as the primary engine of growth

93. In Rwanda, the tradable sector that is immediately ready to expand is agriculture. However, this requires energetic public action. Rwanda's agricultural growth was 0.5% in the 1980s and 3.9% in the 1990s. While the 1990s figure is affected by the genocide, these figures make it clear that slow agricultural growth was at the heart of the inadequate economic performance of the 1980s. This slow economic growth reflected a tight resource base, declining soil fertility and exceptionally low use of modern inputs. In order to reverse the decline, it is necessary to encourage changes in production techniques, including more use of inputs. Studies on fertiliser use in Rwanda show that because so little fertiliser is used, it has very high marginal returns and, if correctly used, would be highly profitable for farmers. This evidence is used to estimate possible growth rates in output, and is based on an assumption that the use of fertiliser increases from the current 8,000 tons by an extra 5,000 tons per year. The increased and better use of fertiliser is expected to contribute 4 percentage points of growth to the agricultural sector, resulting in an overall growth of 5.3 percent for the sector.

Table 3.1. Target Agricultural Growth Rate, by source

94. These aggregate growth rates depend on assumptions about the growth of various crops (Table 3.3 in Annex 3), with increases in the production of bananas, fruit and vegetables, livestock and potatoes contributing most substantially.

Regionally, the increased use of inputs would be concentrated in Ruhengeri, Gisenyi and Kigali-Ngali and in the tea and coffee growing areas. The projected agricultural growth also depends on vigorous public actions presented in detail in Section 4.

95. Agricultural growth will create a demand for non-agricultural goods and services. These goods and services will form an increasingly large share of expenditures as people's incomes rise. Hence they should grow faster than the agricultural sector. It is estimated that a 5.3% rate of growth in agriculture would generate non-farm rural growth of 6.7%. In addition it would generate urban growth in the formal and informal sectors of 7% and 9.2% respectively, with overall GDP growth of 6.4%. This is an important paradox; fast, agriculture-led growth will lead to a reduction of agriculture's share in GDP.

3.1.4 Increasing and diversifying exports and finding new engines of growth

96. Over time, we urgently need to diversify our exports away from primary commodities and find new engines of growth. Six areas are particularly promising:

- **Agro-processing:** it is essential to add value to agricultural products before exporting them .For instance, Rwanda already has some enterprises producing fruit juice.
- **Garment exports:** Rwanda already imports cotton from neighbouring countries and processes it. This should shift towards export markets, particularly with the new opportunities in the American market offered by the Africa Growth and Opportunities Act (AGOA).
- **Commercial and ICT services:** we can build on the use of both French and English in the country and on our regional position. In the past, Rwanda was an important centre for re-exports in the region and we need to regain this position.
- **Tourism:** there is considerable potential, both in the parks and elsewhere in Rwanda.

Source of Growth	Percent Points of Growth	Percent of Agricultural Growth
Fertiliser	4	75
Improved wetland management	0.5	9
Crop intensification	0.8	16
Total/Weighted Average	5.3	100

Source: Table from Mellor (2001)

- **Mining:** this is often a small-scale activity with a direct impact on poverty. While last year's price boom in tantalite is now over, the development of this sector will be encouraged, as even with the current low price, it is still a very viable high value export.
- **Export of skills within the region:** Currently Rwanda imports skilled labour from neighbouring countries, even for such basic activities as mechanics. We need to invest in the resource of our population so that we can compete more effectively within the regional labour market.

3.1.5 The impact of growth on poverty

97. The effects of growth on poverty depend on its sectoral pattern. Growth can be accompanied by increased or reduced inequality. However, economies which have followed an agriculture-led strategy have seen much more pro-poor growth than those where growth has been concentrated in the other parts of the economy. Because Rwanda's growth strategy is based on agriculture, it is specifically designed to be pro-poor. Table 3.2 shows the effect of an equal 7% real growth rate in consumption and 2.5% population growth, on the number and proportion of poor people in Rwanda. Under this scenario the

Table 3.2. Projected poverty given 7% growth in consumption and 2.5% growth in population				
Year	2001	2005	2010	2015
Total population	7,979,930	9,028,558	10,214,984	11,557,317
Number below poverty line	4,810,780	4,347,408	3,732,207	2,889,966
Proportion below poverty line	60.3 %	48.5 %	36.5 %	25.0 %

proportion of people below the poverty line falls to less than half, to 25% by 2015, and the number of people below the poverty line also falls substantially.

3.2 Human development

98. Poverty is not only about low incomes, but incorporates other aspects of life. The Government of Rwanda's objective is that every Rwandese citizen should be healthy, educated and housed. Because of our history, our educators have a special responsibility to develop an independence of mind and an unprejudiced and non-sectarian set of attitudes among our children, in addition to developing their skills.

99. The PRSP places considerable importance on actions outside the formal education system including vocational education and functional adult literacy. The high rate of population growth imposes a serious constraint on our development. Evidence discussed above indicates that this rate could be substantially reduced if women had access to family planning services. The objective is also linked to popular education and functional adult literacy (FAL). Well-designed programmes of FAL for women can help to reduce fertility, and the existing programme of adult literacy places emphasis on family planning. These objectives have to be achieved with very limited fiscal resources. We will therefore seek imaginative ways to promote human development, including encouraging the private sector to provide these services.

3.3 Macroeconomic stability

100. The term 'macroeconomic stability' refers to an economic environment that is predictable enough for agents to make sound plans; this requires low and predictable inflation. High inflation is associated with unpredictability and is often a symptom of a lack of budgetary discipline; it also discourages savings, especially for the poor, by reducing the returns to cash and low-interest savings accounts, and tends to discourage exports by reducing competitiveness. High inflation particularly hurts the poor as they have limited means to preserve the value of their assets, including their labour, in a high inflationary environment. The government is committed to macroeconomic stability.

101. Macroeconomic stability also requires that levels of expenditure, and particularly of consumption, should grow in a stable and predictable way. This requires a sustainable programme of public expenditure. The objectives of low and predictable inflation and predictable expenditures can conflict; especially where financial markets are weakly developed. Our strategy for macroeconomic stability therefore depends on avoiding inflationary financing and gradually developing a range of financial instruments to allow us to smooth out expenditure during short-term revenue fluctuations. The macroeconomic framework that ensures stability and long-term sustainability is discussed in greater detail in Section 5.

102. However, the analysis earlier in the paper showed that there is a need to invest in the short run in order to recapitalise the rural economy through for example community action plans and labour-intensive public works, providing employment while non-agricultural opportunities are scarce, and take advantage of the opportunities for public works offered by the current, comparative low level of wages. Hence, if funds can be found, there is a strong case for a short-run increase in this form of expenditure above its long-run level. This will ultimately add to the credibility of our macroeconomic reform programme, because it will increase the productive and export capacity of the economy as well as protecting the environment and saving future costs of rehabilitation.

3.4 The framework of governance and partnership

103. Poverty reduction cannot occur in circumstances of anarchy and severe insecurity, where social cohesion is breaking down and basic socio-economic institutions such as markets are collapsing or there is severe macroeconomic instability. Some basic degree of good governance is therefore a prerequisite for poverty reduction. In addition, good governance contributes directly to people's well-being, beyond its importance for economic prosperity, by providing institutions and mechanisms through which people's voices can be heard. This allows them to influence and participate in public decision-making and enhancing their well-being and sense of empowerment and ownership which in turn makes development sustainable. Good governance is therefore a prerequisite for poverty reduction. The Government is committed to mainstreaming good governance. Democratisation, decentralisation, the observance of human rights, the regular Participatory Poverty Assessment (PPA) and particularly the national implementation of *ubudehe mu kurwanya ubukene*, which was piloted in Butare, are key processes through which this will be achieved.

104. In Rwanda, good governance, conflict and economic prosperity are deeply interlinked. The threat of insecurity remains very real. Rwanda has been afflicted by ongoing insurgency, which has caused considerable suffering and has deterred investment. Hence adequate security expenditure and regional cooperation in conflict resolution, in addition to good governance, are essential to preventing insecurity. Broad consultation is particularly necessary in a country emerging from conflict, and cooperation on local questions can help direct attention away from the divisive national politics of the past. Our history poses some specific challenges in achieving good governance, including judicial expenditures, demobilisation, reconciliation, and the assignment of land tenure and property rights. The National Conference on Good Governance for Poverty Reduction in Rwanda, held in November 2001, addressed these challenges in detail and the resulting national governance strategy paper has been incorporated into the PRSP.

3.4.1 The role of Government

105. The Government of Rwanda is committed to ensuring an environment in which people can be free, content and prosperous, and can participate in the decisions that affect their lives. This requires political

stability and security in the country, a respect for human rights, and democratic institutions of governance which allow effective popular participation without jeopardising stability. Moreover for democracy to function properly, the Government must be transparent and accountable. Also crucial is strengthening the separation of powers and ensuring that Parliament and the judiciary play their respective roles effectively. Domestic revenue per capita is smaller in Rwanda than in almost any other economy in the world, and the public sector faces exceptional challenges. Intervention is required in areas such as housing, which can usually be left to the private sector. For this reason, the Government has to be selective in the roles it takes on and imaginative in identifying cost-effective ways of carrying out its functions.

106. This does not mean that the role of the state in Rwanda is minimal. The state will focus on interventions in areas where there are strong reasons to intervene for the public good: where markets fail and where outcomes would be highly unequal if left to the market. It will not intervene in areas where equitable and efficient outcomes can be expected from private sector activity, in the absence of intervention.

3.4.2 Development partners

107. The shortage of resources, combined with the magnitude of need, makes it inevitable that donor resources will fund a considerable proportion of public action for some time to come. The assistance of development partners is very much appreciated. It is, however, essential to ensure that Government remains in charge of the agenda of public action. If individual donors develop donor projects in isolation, they are likely to be ineffective, inequitable and wasteful. Moreover, there is a serious risk that projects designed by donors may be based on international practices and pricing structures that are inappropriate for Rwanda. The development of strong sector strategies within the overall framework provided by the PRSP, is intended to provide the coordinating framework for Government and donor actions within each sector and ensuring geographical coverage

108. A joint Government and donor document ‘Guidelines for Productive Aid Coordination in Rwanda’ has been prepared which proposes concrete long-term and short-term steps for effective coordination to support the implementation of the PRSP. The starting point for this document will be the PRSP itself and the key means of implementation will be the MTEF, which will work through the sector strategy processes (discussed in more detail in Section 5.6). This document sets out proposals for the longer-term institutional and operational framework for delivering the PRSP, and the aid coordination requirements associated with this. The document also proposes the more immediate measures that will be required to start this process and the actions required to ensure that the current use of donor resources is optimal within the PRSP framework.

3.4.3 The private sector

109. The role of the private sector in poverty reduction is central; this includes the formal private sector as well as the informal sector, including small-scale agriculture. Our strategy therefore includes a major emphasis on private sector development as well as identifying possible roles for the private sector within activities where the state has a leading role. It is increasingly understood that this approach will work best if the private sector is fully involved in the formulation of policy.

3.4.4 Non-Governmental, civil society and community based organisations

110. Civil society, non-Governmental and community based organisations (CSOs, NGOs and CBOs), both local and international, and other non-state actors such as religious organisations, trade unions and the media all have an important role in the Poverty Reduction Strategy. First, the state sometimes contracts such organisations to deliver publicly funded services. For instance, religious hospitals are fully integrated within the public health system. It may be possible to extend this approach to other areas. Secondly, NGOs may often work effectively in areas where the state has limited capacity, for instance in addressing the specific problems of street children. Thirdly, CSOs and CBOs have a vital role as interlocutors between people and the state, participating in sensitisation campaigns, assisting with determined priorities, particularly in the context of decentralisation, and in contributing to public debate by advocacy and research on particular issues. CSOs and CBOs are expected to play a key role in the fight against HIV/AIDS. Finally, these organisations can help to monitor the outcomes of Government programmes. A free and responsible media and press will strengthen the process of transparency and accountability. The liberalisation of radio airwaves and the promotion of an independent press are initiatives which will enhance the capacity and participation of civil society.

111. The Government is fully committed to providing the ‘enabling environment’ for civil society. This includes efforts to ensure appropriate legal frameworks and finding the right balance between the coordination of civil society and the need to ensure their independence.

3.4.5 The involvement of communities

112. People in Rwanda have historically had little role in the policy formulation and implementation process. We are committed to changing this relationship between the people and the state. The National Poverty Assessment (NPA) has been a first key step in introducing the priorities of communities into the planning and expenditure processes at central and local levels of administration. It also lays the foundation for assisting communities themselves to mobilise their own resources to overcome the problems they face and to support the delivery of public goods which are valued by the community. In the past, communities were required to deliver labour free of charge to construct public goods such as roads and bridges and environmental goods. We intend to build on this tradition with communities managing their own labour and focussing on the community’s own priorities. One important issue which arises in this context is how far we should expect voluntary labour, and to what extent the labour should be paid. One approach being pursued is to allow communities themselves to decide whether to use communal funds to pay for labour or just to pay for materials and contribute labour free of charge. The development of participatory local government structures focusing on the Community Development Committee and action planning capacity at the cellule level through the *ubudehe mu kurwanya ubukene* mechanism will support this process.

3.5 Prioritising Public Actions

3.5.1 The six broad priority areas of the poverty reduction strategy

113. To make rapid progress in poverty reduction, effective public action is essential. The demands on the public sector are numerous and to be effective, prioritisation will underpin action. The Government has established priorities and needs to act on them. One of the roles of the consultative process of the PRSP, such as the NPA, is to help establish priorities for public action. Building on the consultations as discussed in Section 2, six broad priority areas for poverty reduction have been identified and listed in

Box 3.1 below. Tables showing the priorities of communities from the NPA are found in Annex 3, tables 3.5 and 3.6.

Box 3.1. Priority Areas for Public Actions

- ***Rural development and agricultural transformation.***

This includes the actions that most directly affect poor people's ability to raise their incomes. It includes agriculture and environment, land, supporting off-farm employment, credit, rural energy, small-scale rural infrastructure and labour-intensive rural public works.

- ***Human development***

This includes the actions which most directly influence the quality of life of the poor. It includes health, family planning, skills development, education, water and settlement. Settlement is included partly because it is operationally so closely linked to water supply.

- ***Economic infrastructure***

This includes the development of roads, energy, and communications to support economic development both in urban and rural areas.

- ***Governance***

This includes security, constitutional reform, the justice system and *gacaca*, decentralisation, sectoral strategies, accountability and transparency, and civil service reform.

- ***Private Sector Development***

This includes the promotion of investment, the reduction of the costs and risks of doing business, and the promotion of exports.

- ***Institutional capacity-building***

This is a cross-cutting issue which affects all sectors. It includes the design of institutional structures and incentives to encourage the development and retention of the relevant skills in public and private sectors.

3.5.2 Developing sector strategies

114. Within these broad priorities, specific priorities will be identified and action plans and programs will be developed to meet priority needs. The sector strategy process and the MTEF for the budget will be the main instruments identifying specific priorities, preparing action plans and programs and integrating them into the MTEF. The role of sector ministries as implementing agencies will diminish as decentralisation proceeds. Their principal function will be the development of sector strategies, policies and action planning and the implementation of the policies and regulations. The development of the sector strategies will be open and participatory, consistent with the framework of the PRSP.

4 THE POVERTY REDUCTION STRATEGY: SECTORAL ACTIONS

115. This section sets out public actions on the priorities listed in Box 3.1. It also summarises the actions on a number of cross-cutting issues including technology, gender, environment, *imidugudu*, HIV/AIDS, employment, capacity-building and inequality. The actions in this section form the basis of the costed and sequenced expenditure programme presented in Section 5.3 and annex 7. The detailed policy measures are presented in the policy matrix (Annex 8). Within the sectors, the following *core programmes* have been identified as particularly high priority:

- **Intensifying small-scale agriculture and livestock**, including extension, credit, and support to marketing
- **Labour-intensive public works**, including environmental infrastructure (agro-forestry, marshes, terracing and water management) and rural roads
- **Malaria and HIV/AIDS prevention**, and support to **health mutuelles and animateurs**
- **Primary school textbooks**
- **Economic infrastructure**, including rural road maintenance and rehabilitation and rural electrification (*microcentrales*/grid extension/solar energy)
- **Skills development** for youth, women and small-business start-up schemes
- **Adult literacy**
- **Gacaca**
- **Demobilisation and reintegration** into socio-economic activities
- **Shelter provision for the homeless**, development of low-cost housing and *imidugudu* infrastructure
- **Development of sector strategies**

4.1 Agricultural transformation, and rural development

116. The transformation of agriculture and related environmental actions is central to our strategy, as is the expansion of non-agricultural employment. Hence this section focuses on these two central objectives. Most of the actions considered here can be considered aspects of the recapitalisation of the rural economy. The reduction of poverty also requires that poor people participate in economic growth, both as owners of productive assets and as employees. The design of the land policy to encourage security of tenure is therefore central.

4.1.1 Support to agriculture and livestock and supportive environmental actions

117. As argued above, increased agricultural incomes must be achieved by transforming Rwanda's traditional agriculture through the use of new inputs to raise productivity. This transformation can be achieved by households operating small areas of land, but only if they are supported by energetic public action. This analysis is supported by the overwhelming priority people give to agricultural productivity, and by the finding that at current levels of technology, the smallest farmers are the most productive.

118. The decline in soil fertility, observed throughout the country in both participative and statistical studies, is compounded by soil erosion and the reduction of the water table in some areas, particularly where marshes have been brought into cultivation without proper management. The use of fertiliser and pesticides on soils in poor condition can cause run-offs, which can pollute the water table. Hence agricultural intensification must be accompanied by environmental actions to manage water flows, control soil erosion and improve the soil structure.

119. The design of public actions to support agriculture has to start by identifying a limited set of crops which will be supported by research and extension. These crops need to be actually or potentially competitive, so that their production will maximise household incomes. MINAGRI has identified five major crops which will be targeted for expansion: rice, maize, potatoes, soya and beans, in addition to the traditional cash crops, tea and coffee. Currently, small stands of coffee are grown in some areas where it is not competitive, and it will be necessary to focus efforts on those parts of the country to which it is most suited. Similarly, Rwandese rice is not competitive, because of the poor quality of the seed stock and the limited use of modern inputs. Agricultural strategy will therefore have to judge how feasible it is to make rice competitive in the medium term, and will encourage the replanting of coffee in those areas where it can be competitive.

120. In Rwanda's case, increased output will have to come from increased use of traditional and modern inputs. Manure or compost is needed to prepare the soil for the use of chemical fertiliser, but half of households do not have livestock and a third of farmers do not use manure. For farmers within the subsistence sector, increased use of traditional inputs is therefore the most attractive immediate strategy, as a preparation for the use of chemical inputs and commercialisation. In the case of farmers who have entered the market, technical studies have shown that with good practice, modern fertiliser can make good commercial returns for farmers on certain crops in Rwanda. The strategy will therefore be to promote the use of modern inputs on those crops where it is known to be profitable. It will also be important to encourage farmers to expand the areas of the most profitable crops.

121. Projections have been developed by MINAGRI, by OCIR-Café, and by independent analysts, of the likely expansion of production in the medium term. An analysis carried out by MINAGRI is based on estimates of the commercial returns to fertiliser and shows considerable growth potential in the potato sector in Gisenyi and Ruhengeri, as well as in livestock. Because potato farmers are already commercialised, it is anticipated that they will be more willing than other farmers to use fertiliser. Over time, the use of fertiliser should spread across the economy.

122. Once the most promising technologies have been identified, there are nine critical activities which need to be undertaken: research, extension, input development, finance, infrastructure, marketing, livestock development, cash crop development and sector planning. Each of these actions is essential to the achievement of agricultural growth and they are therefore of the very highest priority for the poverty reduction strategy.

Research and Extension:

123. *Research* is undertaken by the Institute for Agricultural Research (ISAR) and other research institutions. Human capacity was devastated by the genocide, but is recovering. It will be essential to prioritise a few crops and use adaptive research which draws evidence from abroad and applies it to the problems faced by Rwandese households (reflecting the fact that most of these crops are grown as part of an integrated production system). Adaptive research on farms will therefore be important. Research also needs to examine market prospects for export crops. There is a potential synergy between existing research efforts and the programme of science and technology being developed by the Ministry of Education, which is discussed below.

124. *Extension* is needed particularly during the process of technical transformation. One of the main disincentives to using fertiliser is a lack of knowledge about it. Efficient and effective systems to deliver agricultural technologies to farmers are a prerequisite for improving farmers' knowledge on the

management and maintenance of crops and modern inputs. Extension will focus on adaptive research, decentralisation of delivery systems, and the greater involvement of beneficiaries. Extension services at the district level are severely limited and many lower-level extension staff have been retrenched. It will therefore be important to ensure the system works effectively, particularly in view of decentralisation, and that the officers are fully equipped to perform their functions. Currently, farmer demonstration plots are being emphasised, and it will be necessary to keep the programme under review to see if the information is reaching farmers, and whether the introduction of farmer field schools is worthwhile. Funding for this activity will come mainly from the district budgets. Some extension will be private sector; the tea factories, for instance, should have good commercial reason to ensure that the smallholders who supply them produce good quality tea.

125. While extension will focus on agricultural transformation, it will also be necessary to provide some advice for farmers who are not yet ready to absorb the risk of trying to use modern inputs or who wish to grow drought-resistant crops. The extension service will liaise with the national information generated by the *ubudehe mu kurwanya ubukene* programme at District level.

Input development

126. *Input development* is a public sector activity at the foundation level. The Government will support the seed sector so that the population can acquire seeds at an affordable price. Some countries, such as Malaysia, have successfully increased production by subsidising the distribution of seedlings to farmers, and this approach is being adopted by OCIR Café as a short-term measure, which is also financing the provision of pesticides out of a levy on producers. *Chemical fertilisers* are currently being used by only 5% of Rwandese farmers and even if farmers do use fertilisers the results may be disappointing if they use it incorrectly, or use the wrong kind. The Government will encourage more fertiliser traders to enter the market and fertiliser demonstrations will be conducted for farmers.

Livestock

127. In the case of *livestock*, the Government has encouraged the importation of improved breeds. The use of village bulls and artificial insemination have the potential to improve the quality of the livestock population. Disease and pest eradication is an important public sector role in both livestock and agriculture. In particular, brucellosis, tuberculosis and trypanosomiasis need to be controlled in livestock, and water hyacinth, which impedes fishing, can be eradicated by the use of an appropriate predator. *Finance* for agriculture is discussed, together with other financing needs, in the section on finance below.

Infrastructure

128. *Infrastructure* includes both general economic infrastructure, which is discussed elsewhere in this section, and specific agricultural and environmental infrastructure. Sustainable agricultural development will depend on the restoration of terracing or bunding, better management of the marshes, water catchments and reforestation on some hillsides where erosion is becoming a problem. The rehabilitation of marshlands and hill-sides has particular potential for the development of Rwanda's agricultural sector. However, their development must be accompanied by measures to diffuse suitable technologies and practices among farmers to ensure their efficient management. Most of these actions will be undertaken at the community level, but communities will need technical guidance. The costs are substantial and justify channelling a significant amount of money to lower levels in order to finance this form of labour-intensive public works.

Marketing

129. *Marketing* will be undertaken mainly by the private sector. However, there are several important public sector roles here. First, MINAGRI will undertake studies of regional markets to ensure that the crops which are expanding fast can find a market. Secondly, continued public support to a system of market information is needed. Thirdly, there have been a number of price collapses in the last few years, particularly for potatoes and vegetables in surplus areas. These may have been intensified by a lack of storage facilities at farm and community level, and because private sector trade is only gradually recovering to its former levels. Price changes will be closely monitored. MINAGRI will monitor fertiliser markets to ensure that the strategy of increased input use is proceeding. Fertiliser will not be subsidised directly, in order to encourage the growth of private trade. However, the coffee office plans to supply it as credit on kind. Finally, communities will be encouraged to form farmers' groups to cooperate with marketing. It is anticipated that this will be much easier to organise in the *imidugudu*.

Coffee and tea

130. OCIR-The and OCIR-Café will be re-organised as industry based organisations with representatives from the public sector, the private sector, the processors and marketers and the farmers. The laws enabling this reform have been adopted by the National Assembly. OCIR-Café will support users in selected Districts with the acquisition of improved seedlings, pesticides, fertilisers, pruning shears and drying tables. These inputs will be provided on a credit system with some subsidy element in some cases. The dilapidated pulping machines will be rehabilitated, with a view to long-run ownership and management by farmers' groups. Private investment in washing stations has started, and will be encouraged; a number of washing stations are being privatised, in some cases by being sold to producers' associations. A significant expansion in quantity and quality is expected in response to these measures, it is envisaged that production can rise from 17,800 tones in 1999 to 29,400 tonnes in 2005.

131. The tea industry is being privatised. A tea board will replace OCIR-Thé, with responsibility for overseeing the development of the tea sector, coordinating discussions between factory owners and tea growers. A concern is that tea growers should not be exploited by the factories, who will in many cases be effectively monopoly buyers; to avoid this, a voluntary framework of cooperation is envisaged for the industry. It is envisaged that the factories will grow tea on the core plantation while also buying it from outgrowers. The enterprises will also provide credit in kind and extension to the growers. These actions should lead to a large increase in processing capacity while retaining the high quality of Rwanda's tea.

Institutional Development

132. *Sector planning* will be crucial to achieving this strategy and increasing exports. As will the strengthening of MINAGRI and other related agencies.

Actions

Planning:

- A Public Expenditure Review in Agriculture will be conducted in early 2002.
- A sectoral strategy covering agriculture and related aspects of environment will be developed by 2004
- Costs for expanded labour-intensive public works are being prepared by MINAGRI as a matter of urgency. The costs of the coffee strategy also need to be integrated into the expenditure programme.

Institutional structure:

- The marketing and extension department at the central MINAGRI level needs strengthening.

- The delivery of the extension service has been decentralised, and will require support.
- The formation of an Agricultural Development Corporation is under consideration, to guide marketing and extension.

Research:

- Research will be supported on the major crops of rice, maize, potatoes, soya and beans. Adaptive research, including on-farm trials, will be a priority.

Seed development:

- Seed and planting material multiplication at a local level is being developed.
- In some cases, seed will be subsidised; for instance, seedlings for improved varieties of coffee.

Livestock:

- The introduction of improved livestock will emphasise breeds suited to mixed farming in Rwanda. Strategic placing of improved stock for breeding (village bull schemes) will be developed.
- Support will be given to milk marketing including collection centres and cold chain development.
- The provision of credit to help poorer farmers buy animals is discussed in the section on credit.

Extension:

- The vacant posts for agronomes at the district level will be filled as quickly as possible.
- Funding must be provided to ensure that the extension officers are able to function effectively.
- On farm demonstration plots and a system of farmer-to-farmer extension is being developed, and links with and between farmers' groups, will be encouraged.
- Over the next two years, informational backup to extension officers in the field will be strengthened.
- Extension officers will be facilitated to advise on marketing and transformation as well as production.
- Extension services need to be gender-sensitive, finding ways to liaise with women as well as men.

Marketing:

- Urgent attention is needed to ensuring that the market information system, PASAR/MIS, is continued and basic data on output flows are included in this system.
- The increases in fertiliser will be supported by appropriate seasonal credit (discussed below). A fertiliser subsidy is not thought to be necessary but the question will be kept under review.
- Market studies for potatoes and maize in the region are being conducted. Government will use these to improve their advice to farmers.
- Farmers will be encouraged to form farmers' groups. The *ubudehe mu kurwanya ubukene* programme could provide some seed funding for the operation of these groups.
- Working with farmers' groups, NGOs will be encouraged to develop community silos.

Environmental infrastructure:

- Over the next six months, the programmes of reforestation, terracing and marsh management will be scaled up as part of the labour-intensive public works programme. These programmes will be managed with the active participation of communities.
- Collective or individual property rights over the infrastructure created will be established with community participation.

Coffee and tea:

- OCIR-Café will support farmers' investments in improved varieties, fertilisers, pesticides and pruning and processing equipment in the Districts where coffee is potentially profitable.
- Government will proceed with the tea privatisation, as discussed below, and establish an industry structure encouraging cooperation between growers and factories.

4.1.2 Land and settlement

133. Land is the most important productive asset owned by most Rwandese households. It has also historically been a source of dispute and conflict. Rwanda has a legacy of disputed land rights, arising partly from the lack of legal status for land title and partly from the return of people whose land has been occupied by others. Hence the provision of security and the resolution of land disputes are important objectives of the Government. The Land Policy and Land Law are now in draft. They include the following proposals:

134. According to the Land Policy:

- All Rwandese enjoy the same rights of access to land, implying no discrimination against women
- All land should be registered for security. The title will be tradable, but not in a way that fragments plots below 1 hectare.
- Land use should be optimal
- Households will be encouraged to consolidate plots to ensure that each holding is not less than 1 hectare; there will also be a ceiling of 50ha. This will be achieved by the family cultivating in common rather than fragmenting the plot through inheritance.
- Land administration will be based on a reformed cadastral system
- The system of land administration is under consideration
- The rights of occupants of urban land will be recognised, on condition that they conform to established rules
- Urban master plans will be developed
- Marshlands are in the state's private domain, and will be allocated to individuals on a concession by the MINITERE on condition of good management.

135. The draft Land Law specifies that:

- People with customary holdings under 2 hectares, and those with customary holdings between 2 and 30 hectares where the owner has a project and a development plan, will be recognised as owners.
- Transfer of title deeds requires prior consent of all family members.
- A land tax will be imposed.
- Undeveloped land reverts to the state's private domain after three years.
- Holders of *ubukonde* land (originally distributed by the clan head), known as *abagererwa*, will have the same rights as other customary owners.

136. The objective of the law and the policy is to ensure better land management while conferring security on the existing occupants of the land. It will be important to devise cost-effective methods of resolving disputes at a community level, and to ensure that the 1 hectare minimum is not misunderstood to imply the expropriation of any current occupants. Traditionally, local dispute-resolution about land was conducted by the local *gacaca*. Many households hold several plots at different altitudes both as an insurance mechanism and to spread their labour over the year. As non-agricultural incomes rise, it should be possible for households to diversify their income sources and therefore reduce their need for this kind of insurance. It will be important to recognise that such practices indicate, not that farmers are ignorant or irrational, but that their behaviour is a response to the constraints they face.

137. The process of allocating title will involve the communities. It may be both cheaper, and more transparent, to conduct a survey which settles titles in each community on a particular occasion, rather than to allow individuals to apply opportunistically to register particular pieces of land. One important gender issue is that many marriages are informal. The rights of women and children in informal

relationships need protection. This can perhaps best be provided at community level, with guidance from the centre.

Actions

- Cabinet and Parliament will review the draft land policy and land law by the end of 2002.
- Once the law and policy are adopted, information will be disseminated about the policy, encouraging people to feel secure and making family members aware of their rights.
- A cost-effective, participatory and locally accessible system of allocating formal ownership rights will be developed. The option of systematic titling will be considered.
- Cost-effective mechanisms for resolving disputes will be established at the local level.

4.1.3 Credit and savings institutions

138. The strategy for raising incomes depends on investments made by poor households. These investments can be facilitated by reducing the price of the investment, ensuring that people have access to savings institutions, and ensuring access to credit. There are a number of distinct needs for credit. Microfinance institutions, including rotating credit in kind for livestock, have often successfully handled financing of livestock and of small trade. Seasonal credit raises very different problems, because the demand for funds is simultaneous so that rotating credit or group lending does not work. This need can be met in a number of ways: by credit in kind, which is likely to be offered by the privatised tea factories. The credit system for lending to coffee traders is also under consideration.

139. There have been several recent studies of microfinance, which have documented the varying practices of different agencies and repayment rates achieved. However, there is no comprehensive national estimate of the number of people currently reached by microfinance, nor of the costs of different schemes. This information is needed badly in order to assess the merits of public support to the sector. All of these schemes may need some public support. International evidence on microfinance and on credit unions indicates that many successful institutions rely on subsidy for a very sustained period, and that this use of public funds can have high returns. Hence the Government will aim to support all these forms of credit where it proves necessary.

Actions

Planning

- The NBR has developed a legal framework and regulatory structure for microfinance, which will be implemented in 2002.
- Studies will be commissioned on the cost-effectiveness of different forms of intervention to support microfinance beginning in 2002.
- Better coordination mechanisms are needed to ensure the coherence of the diverse interventions in this sector. The NBR is commissioning a study to establish such mechanisms.
- In particular, new and existing schemes need careful appraisal to ensure that administration does not absorb too large a proportion of the total funds.

Specific interventions

- The Banques Populaires are being recapitalised and encouraged to develop mechanisms to finance farmers' groups with seasonal and marketing credit
- The NBR will continue to avail credit to importers for farmers' groups and agro-processing.
- As a transitional measure OCIR Café will continue to import fertiliser and other inputs to be provided to farmers as credit in kind.

- The poverty-reduction project in poor Districts in Butare and Kibuye, which includes some lending for livestock, partially targeted at poorer female-headed households, will be accelerated.
- The establishment of an Agricultural Credit Guarantee Fund will be explored.

4.1.4 Employment promotion and labour-intensive public works

140. It is central to the poverty strategy that non-agricultural employment in rural areas should increase. In the long term, this will occur as agricultural incomes rise and demand is generated for non-agricultural goods and services. In the short run, however, there is a strong case for an increase in employment generated by rural public works, to reduce the level of unemployment and take advantage of the fact that real wages are currently low. Government is therefore developing a programme of environmentally sustainable labour-intensive public works for the development of soil and water management and forestry management. The programme will include terracing and bunding, wetland and watershed management, soil conservation, lime crushing and economic infrastructure such as feeder roads. These projects in addition to creating employment in the rural economy also support agricultural production.

141. The modalities for this programme are under development, but community participation in the identification of actions will be essential. The wage paid will be high enough to attract the rural unemployed but not to divert people from highly productive activities. Some such schemes in other countries (such as the Maharashtra Employment Guarantee Scheme) have guaranteed employment to anyone who reports for work; the feasibility of this will be investigated. It is also aimed that this programme will be specifically targeted at women, so as to encourage them to participate as much as possible. To increase the capacity of the rural economy to produce non-agricultural goods and services and hence boost rural employment, two important actions discussed below are support to rural electrification and vocational education.

Action

- Government will prepare modalities for the implementation of a substantial programme of labour-intensive rural public works. Implementation will start during 2002 and will be based at a local level.

4.2 Human resource development and improving the quality of life

142. The studies surveyed in Section 2 showed that human development indicators at all levels are poor, and that access to the relevant social services is limited. It is important to manage the delivery of social services now to achieve three major objectives: the prevention of disease, an increase in the accessibility of social services and an improvement in the quality of social services. Where these objectives can be achieved through private finance, this will be preferred. Better targeting of social sector expenditures toward the poor is a major issue. In addition, Rwanda faces a particular problem inherited from the war and genocide, in the large number of homeless people. Public action to resolve this problem is urgently needed.

4.2.1 Health

143. The main objectives of the health sector are:

- The prevention of disease, particularly malaria and HIV/AIDS.
- To provide increased access to basic health care, particularly through the reduction of costs to the poor and the provision of health information at the community level.
- To ensure improvements in the quality of health services.

144. Both adult and child health have deteriorated in Rwanda, and we are now experiencing worse outcomes than the African average. The community prioritisation gave a very high priority to health care as ill health severely reduces the productivity and incomes of poor households. Moreover malaria and HIV/AIDS are seriously debilitating conditions which not only result in mortality, but also increase a family's expenses on health care. Although health is known to respond to education and increased income, there is certainly a need to improve the availability of preventive and basic health services for the people of Rwanda. The National Policy for 2000 lists priorities in the health sector and a recent workshop refined these priorities to focus on: malaria, HIV/AIDS, tuberculosis, nutrition, reproductive health, infant diseases, public hygiene, and improved access to primary care (including through *mutuelles*, *animateurs*, and improvement in quality).

145. Cost is the main deterrent to the use of the medical system, though quality may also be important. The access to health facilities is being improved by the introduction of *mutuelle* schemes, in which households prepay for health insurance for a year. So far nine pilot programmes have been operated. Take up rates vary from below 10% to above 50% in the most successful cases. The most successful scheme, Ruhondo in Ruhengeri, has been characterised by a very strong partnership between the *mutuelle* and the local health centre. The schemes require careful sensitisation, so that members of the *mutuelle* understand which services they are entitled to and at what price.

146. Information on preventative health and some very basic curative techniques would deal with most of the major diseases affecting the people of Rwanda, which include malaria, HIV/AIDS, and child diarrhoea. Emphasis is therefore placed on those working at a community level: the cellule level health *animateurs*, community health workers, traditional birth attendants and traditional health practitioners. The *animateurs* are already being used to disseminate preventive measures. Consideration is being given to providing them and other community level health practitioners with some basic curative training and a stock of drugs. If feasible, this could transform the access of the population to basic modern health services. The community action planning approach *ubudehe mu kurwanya ubukene* programme, (discussed below) will support these *animateurs*. There has been some progress in increasing the use of bed-nets in urban areas but as yet little in rural areas. We will explore the use of subsidy to achieve greater coverage, particularly in the rural areas. As information is a critical determinant of health outcomes, MINISANTE is working with a popular radio show to disseminate health messages, among other strategies.

Actions
Planning <ul style="list-style-type: none">• The decentralisation of primary health care will require support to the health region and health district level (roughly equivalent to provinces and districts) and below.• The multi-sector HIV/AIDS programme has been designed. The task of mainstreaming this into all the sectors will be carried out in 2002.
Quality <ul style="list-style-type: none">• The programme of training health workers will continue.• The strengthening of incentives and management in the health system is a priority.
Access <ul style="list-style-type: none">• The state may selectively increase the level of subsidy for some drugs, though they will not generally be provided free of charge, except to exempt patients.

- *Mutuelles* will be introduced more widely in 2002, building on the lessons of the most successful schemes. Sensitisation, start-up support, and management training will be needed. The role of HIV/AIDS sufferers also needs to be carefully assessed.
- *Animateurs* will provide guidance to families on when and how to access medical services. The provision of medical services by the *animateurs* is under consideration.
- Facilitation for the *animateurs*, who are volunteers but sometimes receive benefits such as bicycles, will be emphasised at the district level.
- Information packages will be developed to community level action planning needs for information and mechanisms to support the *animateurs* in a demand-led way in 2002.

Prevention

- The vaccination programme will continue to be supported, with the objective of achieving universal coverage.
- A programme is envisaged for 2002 to subsidise the provision of mosquito nets in rural areas at rates that the rural poor can afford.
- Public information will be promoted for all preventable diseases, using the most cost-effective methods, including radio advertisements and the introduction of health issues into popular dramatic programmes
- As part of the HIV/AIDS strategy, groups at particularly high risk of HIV infection will be targeted for sensitisation, for instance young men and women, truck drivers, soldiers and other public servants who travel frequently, and women who depend on prostitution for their livelihoods.
- Condoms will be made available throughout the country over the next few years.
- Communities will be encouraged to take local environmental actions to discourage mosquitoes.

4.2.2 Family planning

147. Population growth in Rwanda poses a serious challenge. It is estimated that the population will reach over 13 million by 2020, which will undermine the natural resource base and economic development. The Demographic and Health Survey indicates that the use of contraception is low, even though the majority of women do not want to have a child within the next two years. Various interventions have been identified which are likely to bring down the birth rate without interfering with people's free choice. The most obvious is access to reproductive health services including family planning. Public information is also important. These two approaches can be merged by training midwives to give mothers advice about birth control, an approach that has worked successfully in some countries (with a cadre of young, specially trained midwives). Finally, the promotion of female adult literacy has had a major impact on fertility in some highly populated countries.

Actions

- Fertility concerns will be mainstreamed into health information and adult literacy courses in 2002.
- Midwives will be encouraged to provide advice on family planning.
- The Government will ensure the availability of reproductive health services at the district level.

4.2.3 Education and Training

148. Quality Basic Education for All (EFA) is the first priority for the education sector. In addition, technical and vocational skills in specialised disciplines at the secondary and tertiary levels, the education and training of girls and the provision of education in ICT will receive special focus.

Actions

- A Sector Strategic Issues Paper will be developed in 2002.
- A Sector Wide Approach (SWAp) is being developed for the efficient use of the resources available for the sector.
- A fully costed EFA plan will be ready by September 2002.
- Monitoring and evaluation mechanisms will be strengthened.

4.2.4 Early Childhood Care and Development (ECCD)

149. Early Childhood Care and Development (ECCD) provides intellectual and social development, which are a strong foundation for effective primary education. The large number of widow-headed and child-headed households restricts women from working and children from going to school, as they remain at home to look after the younger members of the family. The provision of pre-school facilities for these households would enable more women to work and more children to attend schools.

Actions

- A policy on ECCD will be developed during 2003, covering teacher training and the provision of learning materials based on an appropriate curriculum.
- The private sector, churches and civil society will be encouraged to continue to participate in ECCD.

1.1.3 Primary Education

150. Primary education is the most critical part of basic education as it caters for a large number of children. Evidence within the region shows that completing primary education may increase incomes by about 40%. In addition, primary education has major impacts on health outcomes, particularly girls' education on fertility rates and child mortality and morbidity. Basic literacy and numeracy are also linked to increases in agricultural productivity and small enterprise development. Improved educational outcomes can support better governance. Finally, primary education is an essential input into higher levels of education. The quality of education delivered at the primary level is the most significant determinant of sustained enrolment. It is therefore important to ensure high quality in primary education if high-quality secondary and tertiary education are to be delivered.

151. Primary education in Rwanda presently (2001) has a gross enrolment rate of 99.9% and a net enrolment rate of 73.3%. However the system is suffering from high drop out and repetition rates of 12.8% and 37.6% respectively at the national level, indicating significant quality and efficiency problems.

152. The priority now is to address the issue of quality and relevance so as to increase learning achievements. This will have to be done first, by critically evaluating and reviewing the curricula. The curricula should also provide the necessary foundation for mastery of the three languages – Kinyarwanda, English and French. This policy will be very expensive and challenging because many teachers do not speak more than two of these languages. However, considering the long-term impact of this programme on development, the cost is justified. Given the importance of Science and Technology in this century, the curriculum should also provide a foundation for this. To support the delivery of this curriculum, there is a need to increase the non-wage expenditures in education. Both the CWIQ survey and other empirical evidence show that school textbooks are a critical input. Several efforts have been made to increase teacher motivation, such as the establishment of centres for both in-service and pre-service primary school teacher training.

153. In addition to quality and relevance, another important issue to consider is the question of equity. There is no disparity between the enrolment of boys and girls but there have been substantial disparities in achievement.

154. There may also be a need to target more funds to schools. Currently, some schools receive supplies in kind from district offices, as well as varying levels of funds from NGOs, school fees and other income-generating activities, however schools receive no funds from the central level, except salaries. In poor communities, a significant proportion of children may not be able to pay fees. As a result the purchase of basic supplies and the maintenance of buildings becomes very difficult, contributing to the poor state of repair of many schools, and the reduction of teacher and pupil motivation. Channelling some modest funds directly to poor schools would reduce these problems.

Actions

- The Government will continue to support teacher training.
- The curriculum will be evaluated and reviewed in an effort to reduce the drop-out and repetition rates, so that we can achieve UPE (Universal Primary Education) by 2010, leading to EFA by 2015.
- The quality of primary education will be improved by increasing the supply of textbooks and by providing funds for schools to buy non-wage inputs. The plan is to provide books in six subjects for one in three pupils every year, leading to one book per pupil, if the books last three years.
- The educational attainment of school children will be monitored from 2002.
- Enrolment in primary education will be increased by addressing the specific constraints in particular communities.
- Special attention will be paid to developing abilities in science and technology.

4.2.5 Secondary Education

155. Secondary education provides a mixture of direct and indirect poverty benefits. Some children in secondary education come from poor backgrounds, although in Rwanda the poorest have very little access. Secondary education includes training for primary school teachers and the provision of the necessary skills required in the labour market. It includes courses in technical education, teacher training and vocational training. Potential access to secondary education is a central motivation for parents' decision to invest in primary schooling for their children. In countries where the chance of access to secondary schools has not kept pace with primary enrolment, enrolment in primary education has fallen.

156. The private and public sectors play a complementary role in secondary education. However, there is a need for quality control especially in private secondary schools. Pupils who perform well in the national end-of-primary examinations, generally go to public secondary schools; whilst those who do not perform well are the ones who join private secondary schools. The evidence surveyed in Section 2 (Table 2.18) shows that less than 5% of secondary school children come from the bottom expenditure quintile, in both private and public sectors, indicating that the fees charged in secondary schools deter most of the poorest households. The under-representation of girls in public sector secondary education (45.6% for 2000/01) is also a concern, although they are over-represented in private secondary schools (56.3% for 2000/01). This is due to the fact that girls do not perform very well in national examinations.

157. Immediate efforts should be made to provide the opportunity for more access to secondary schools as the system moves towards UPE and then EFA. The long-term objective is to have nine years of basic education to include the first cycle of secondary education, instead of six years of primary education as it is now. The private sector, religious bodies and civil society will play a bigger role in this sub-sector. The

lack of qualified teachers and the poor state of science teaching and near absence of ICT in secondary schools will be the two main priorities. Participation of girls in these fields will have to be raised.

Actions

- Teacher training will be conducted through distance learning.
- The curriculum will be revised starting in 2002.
- The Government will increase expenditure on books and laboratory equipment, as well as on the construction and equipment of classrooms.
- Children from the poorest backgrounds will be given greater access to public secondary schools.
- The education of girls in science and technology will be emphasised.

4.2.6 Tertiary Education

158. Higher learning institutions provide teaching and perform other functions that are relevant to poverty reduction, such as applied research and consultancy in critical areas including food security, epidemics and conflict. The poverty benefits from expenditure on higher education come, not from the direct income benefits to them, but from the contribution graduates can make to society, including employment, revenue generation and providing public services. In particular, graduates from tertiary institutions can provide basic services like health and education. Most of the beneficiaries of tertiary education are not poor, and tertiary education in Rwanda is available only to a very small minority people. Rwanda is lagging behind the sub-Saharan average for tertiary enrolment. This situation is a hindrance to development especially when knowledge is going to be highly marketable commodity for Rwanda.

159. The current approach to public tertiary education is being reviewed to make it more efficient. The Government has started to introduce cost sharing through a student loan scheme. A significant element in expenditure is support to students on foreign bursaries. While this is important for national development, it is only reasonable that beneficiaries should pay back some of the costs out of the incomes they generate. It may also be possible to locate some scholarships in foreign universities for the most gifted students, at no fiscal cost to the Government.

160. The private sector in tertiary education is expanding. The public institutions such as Kigali Institute for Science and Technology (KIST) are starting to admit private students and demand is said to exceed the number of places available. It is hoped that the private sector will be able to fund an increasing proportion of tertiary education over time, in some subjects commercial sponsorship may be an option. Higher Learning Institutes will need to increase efficiency, and expand their income generating activities as well as strengthening their partnership with the private sector. It will be important to subsidise access for the ablest students from poorer backgrounds.

Actions

- Tertiary education will continue to be expanded, using private financing wherever possible, but also with Government support.
- A review of tertiary finance is being conducted and a cost-sharing mechanism, mainly through a repayable student-loan scheme, was introduced in 2002.
- Research, consultancy and services relevant to poverty reduction will be strengthened in institutions of higher learning.

4.2.7 Science and Technology

161. Science and Technology teaching and research are important public goods but have for a long time have not been emphasised enough due to poor teaching and under-funded research. Science teaching at all levels of education will form the heart of the education system. The Government is introducing a programme in Science and Technology, including projects on medical applications of local biodiversity, agricultural processing and energy. It will be important for these programmes to liaise with existing programmes such as agricultural research and the private sector, in order to avoid duplication and ensure commercial exploitation.

162. Another important area concerns new technologies such as Information and Communication Technology (ICT) and Geographical Information System (GIS). ICT contributes to the enhancing of the learning process by the facilitation of distance learning and the improvement of education delivery. GIS provides detailed information on school mapping and geographical school-level data and provides a tool for the planning and management of Rwanda's education system. The teaching of Science and Technology, Research, ICT and GIS are crucial for economic transformation and globalisation.

Actions

- The teaching of Science and Technology will be given special attention.
- Scientific and technological research programmes with a direct impact on poverty reduction, such as biogas and fertilisers, will be identified and supported.
- ICT and GIS, as key new technologies for national development, will be supported.

4.2.8 Technical Education and Vocational Training

163. Technical education is offered in technical schools in the second cycle of secondary education. Vocational training is offered at two levels. The first type (*Formation Professionnel*) is offered after primary education and produces artisans. The second type (*Enseignement Professionnel*) includes courses such as Nursing and Agro-Veterinary, which are offered at the second cycle of secondary school.

164. There is an urgent need for Rwandese people to invest in skills. At present many technicians, such as mechanics, are imported from neighbouring countries. Therefore there is a chance for Rwandese people to increase their incomes by learning these trades. In the long run, Rwanda should become a net exporter of skills within the region rather than a net importer. Vocational training has been mentioned as a need in participatory studies. The Ministry of Youth, Sport and Culture (MIJESPOC) supports vocational training centres. These training centres provide a year's training to disadvantaged young people, selected on the basis of a local survey. Training takes place for half a day on weekdays. The centres are currently inadequately funded and need rehabilitation. There are also courses offered by voluntary organisations, including religious organisations.

165. One important policy issue is the role of the private sector. There is a serious risk with state-led schemes that the skills produced are either not marketable or quickly experience excess supply. Therefore, there is a need to introduce appropriate technologies relevant to local needs and materials. Currently, the state-run system has no mechanism to monitor the employment of those it trains. Efforts to involve private sector employers in the identification of the skills to be provided should be strengthened. It may be more efficient for the private sector to operate training schemes, funded by a training fund. There is therefore a need to carry out further study of the best way to finance and deliver this training.

Actions

- Training centres at the district level will be rehabilitated and equipped and support will be provided to the staff.
- A mechanism will be developed to link the system more closely with the needs expressed by employers.
- The Government, in consultation with the private sector, will consider the creation of incentives for the private sector to provide training, including apprenticeship schemes.
- A technical school (ETO) will be established in the provinces that are currently without one.

4.2.9 Mass Education and Functional Adult Literacy

166. Mass education is considered a poverty reducing priority due to its grassroots involvement in communities and the likely benefits of improved levels of adult education, including positive effects on people's participation in input and output markets, population growth and community development. In densely populated countries, programmes of female adult literacy associated with family planning have had very dramatic impacts on the fertility rate.

167. This programme combines the aims of raising literacy rates (to 80% of the population by 2010) with the mass education of the population on topical issues such as family planning, agriculture, etc. This is done through training teachers and providing pedagogical materials to education centres in all Sectors and Districts, which are the key priorities in the programme. The absence or poor condition of the educational centres is less of a concern in the immediate future for two reasons. First because almost all Districts and Sectors already have a centre of some sort, and second because those Sectors that require new centres should make use of existing primary school facilities.

168. At the central level, the Government will seek to improve its collaboration with the local and international NGOs and religious organisations that run education programmes. Currently there is not enough coordination of activities with these other groups. A workshop will be held by the end of 2002 to improve these relationships and to guide partner programmes.

Actions

- Better coordination with NGOs and other partners responsible for literacy and education.
- Increased funding will be provided mainly for pedagogical materials to support the national programme of popular education.
- Primary school teachers will be trained for adult education, starting in 2003.

4.2.10 Girls' Education

169. The education of girls yields high economic and social returns in the areas of fertility, and maternal and child health. Yet, despite substantial progress, the participation of girls in school still lags behind boys. Many of the impediments to the enrolment and continued attendance of girls in school (such as sexual harassment by peers and teachers, the social expectations from girls, and the lack of boarding facilities) are specific to their gender, and require a special emphasis on girls' education in order to overcome them. In addition to the direct costs of schooling, the education of girls has indirect costs for the family, particularly through the loss of their domestic work.

Actions

- All teachers will be trained in gender sensitivity.
- Promote gender sensitive campaigns and community-based discussions to highlight the benefits of educating girls.
- Increase the number of trained female teachers to act as role models.
- Improve the learning environment by providing necessary structures like dormitories, toilets, etc.
- Introduce a scholarship programme for girls from very poor families.
- Studies will be undertaken to establish qualitative and quantitative data on the education of girls.

4.2.11 HIV/AIDS Programme in Schools

170. The education sector has mainstreamed teaching about the HIV/AIDS epidemic. It has two main objectives, first it must help to prevent the spread of HIV/AIDS among learners and educators; second, it must provide social support and care for learners and educators infected and affected by the disease. In order to develop capacity within the ministry to deal with the challenges of HIV/AIDS in the education sector, an HIV/AIDS coordinating unit was created in the ministry with focal people at the provincial level.

Actions

- The school curriculum and teacher training will incorporate HIV/AIDS education and counselling starting in 2002.
- National media campaigns against HIV/AIDS targeting the youth will be supported.
- Anti-AIDS clubs in secondary schools and colleges will be strengthened.
- To aid its planning, the Ministry will undertake a study on the impact of HIV on education, in 2002.

4.2.12 Water and sanitation

171. The main objectives in this sector are:

- To improve the water supply and extend its network.
- To encourage community management of water supply.
- To increase access to sanitation services.
- To develop a sector strategy.
- To build capacity at the central and district levels.

172. Sustainable improvement in water and sanitation conditions is essential. It has benefits in (i) positive impacts on maternal and child health, (ii) improvements in educational enrolment particularly for girls, (iii) reduced drudgery and time spent on collection of water for women, (iv) reduced cost of health services for both households and the Government, especially for water-related diseases such as diarrhoea, and (v) increased productivity due to improved health. While international evidence shows that investment in water supply is not always the cheapest way of improving health outcomes, its combined benefits in terms of reduced time-burden and health outcomes can make the total returns to the expenditure very high.

Table 4.1 Water infrastructure

	Rural	Urban
Systems	796	15
Standpipes	7305	286
Private connections	2461	22806
Managed springs and hand pumps	18299	0

173. Much of the rural water supply network requires rehabilitation. In addition, new water infrastructure is needed in some new settlement sites, and the planned approach is based on water harvesting. This will require coordination between

the Ministry of Energy, Water and Natural Resources (MINERENA) and the Ministry of Land, Resettlement and Environment (MINITERE), as it affects the construction of houses. MINERENA aims to achieve 72% coverage by 2015 from the current level of 52%.

174. The responsibility for planning and strategy development for the sector is with the Department of Water and Sanitation (DEA) in MINERENA. However, under the emerging decentralisation framework, responsibility for ensuring the provision of these services now rests with the districts and provinces. This will require a shift in the role of the DEA to being a facilitator and supporting the districts and provinces in their functions. However, for sanitation, greater coordination at the central level is required with the Ministry of Health (MINISANTE), the Ministry of Education (MINEDUC) and the Ministry of Local Government (MINALOC).

175. For rural water supply, the 1996 Sector Policy envisages that expenditure for operation and maintenance will be borne entirely by user groups, along with some share in capital costs. Thus, public resources will be needed to meet these capital subsidies as well as to support capacity development for sector institutions such as MINERENA and water user associations. In addition, district and provincial administrations will need to be supported for planning and supporting water user associations. The framework for inter-Governmental fiscal transfers is being developed in accordance with the concept of decentralisation, in order to ensure that the assignment of revenues matches the expenditure assignments. This along with the Common Development Fund (CDF), will have implications for the financing of water and sanitation services.

176. Sector funding, especially for new investments, has largely been through external funds. Past approaches have been characterised by discrete externally funded projects, without a clear sector-wide approach for the entire country. This results in a piecemeal and uncoordinated approach. As a result it has held back the implementation of the 1996 sector policy, as well as the subsequent strategy developed in 1999, and has also reduced donor interest in the sector. It is, therefore, imperative to adopt a programmatic sector-wide approach. This will not only enable MINERENA to develop a sector strategy and investment plan in coordination with the group of development partners, with a view to achieving overall and sustainable improvements in sector performance, but will also increase the flow of resources to the sector.

177. **Rural water supply.** Under the strategy developed in 1999, a demand-led approach is envisaged for the supply of rural water and sanitation. Key elements of this approach are being incorporated into the ongoing Rural Water Supply and Sanitation Project. This project, along with some other smaller projects, is likely to increase the coverage from an estimated 44 percent to 50 percent. To further enhance coverage in a sustainable manner, the emphasis will be on learning from a pilot project, from which approaches for a countrywide scaling-up will be developed. The further development of the strategy will involve:

- Redefining the sub-project cycle using a demand responsive approach
- Restructuring and capacity building at MINERENA at central and province levels
- Capacity building of districts to develop sub-projects for accessing funds
- Promoting private sector and NGO role in planning and maintenance of the rural water supply
- Developing uniform cost recovery policies, including guidelines for the complex systems;
- Developing guidelines for accessing funds from the CDF and other mechanisms
- Water harvesting is being promoted under the settlement programme (see below). This technology needs to be integrated into the water sector

178. ***Urban water supply*** is run by Electrogaz. This will be a commercial operation. However, during the period of the management contract there will be some investment expenditures, whose financing needs to be considered (private-public partnerships are one option). Electrogaz no longer has a legal monopoly, and private provision will be encouraged. A specific strategy focusing on the urban poor will be developed to ensure that access for the poor is enhanced through these measures. MINERENA will first develop an assessment of the water and sanitation condition of the urban poor to identify the key issues. Moreover, municipal capacity for the management of solid waste, with the collaboration of the private sector, needs to be developed for environmental sanitation.

179. ***Sanitation***. Sanitation will be promoted. It is estimated that only 10% of the population has access to adequate sanitation. The objective is to achieve 50% coverage by 2015 through sensitising the rural population and promoting improved latrines (ECOSAN).

Actions

- We will implement a programme for rehabilitating the rural water supply within the next 3 years.
- A strategy for extending coverage will be developed, examining the most cost-effective options, including water harvesting.
- We will improve the legal and institutional framework for water management.
- Some urban infrastructure will be rehabilitated during 2003-05.
- Community management of water supply will be strengthened.
- We will research policies where the polluter pays and the user pays.

4.2.13 Housing and resettlement

180. The main objectives in this sector are:

- To rehouse the families who live in extremely poor conditions, often under plastic sheeting.
- To develop a sustainable settlement policy, in which (i) the planning of *imidugudus* (designated rural settlement areas) is participatory, and (ii) urban housing plans ensure security of tenure and strict zoning.

181. There are two connected, major issues in housing and resettlement: the long-run question of the pattern of settlement, and the short-run need for rehousing. The Government is committed to supporting agglomerated sites for new rural housing. The development of grouped settlements, *imidugudu*, is intended to foster social cohesion, promote security, facilitate service delivery, and encourage the development of off-farm activities and the commercialisation of agriculture. The initial implementation of this policy faced some difficulties, including poor planning and site selection, as well as the lack of participation from beneficiaries. This resulted in a shortage of infrastructure as well as the creation of some unsustainable communities, which consisted entirely of vulnerable people.

182. As a result, the sites now being designed are much smaller so that people have access to their fields. The relocation of people to *imidugudu* will be voluntary, and the planning of these *imidugudu* will be participatory, although the construction of isolated settlements will not be allowed. The urgent task is to mainstream *imidugudu* into infrastructure provision, so that each sector addresses the specific needs of the *imidugudu* within their overall strategy. To this end, focal points for settlement are being established in each sectoral ministry. The *imidugudu* will be developed into sustainable communities, avoiding the segregation of particular groups of vulnerable people.

183. To address the need for rehousing, a community-based approach is needed. Community participation is expected both in identifying the needs and in building the houses. The Government has completed a survey of housing needs, which has estimated that 192,000 families need rehousing. In some areas settlement of demobilised soldiers is a problem.

184. Urban housing is often poorer in quality than rural housing, despite much higher incomes. This may be because materials are more expensive, or it may reflect insecurity of tenure; thus people do not invest heavily in their housing. The master plans for urban areas are under development and will aim to ensure security for existing occupants while applying strict zoning criteria for new constructions. Subsidised credit for low-income urban housing has been suggested. This needs to be carefully reviewed for its impact, particularly in terms of increasing the urban-rural gap.

Actions

- A donor Round Table Conference will be carried out in 2002 to organise funding for roofing and water harvesting kits, this programme is treated as high priority.
- The distribution of roofing and water harvesting kits, as well as the construction of houses, will be undertaken in 2002 or 2003, at the latest. Communities will implement this programme, with guidance from the Government and assistance from other organisations, where necessary.
- The focal points in sectoral ministries will ensure that settlement-related questions are integrated into sector strategies. The aim is to ensure adequate infrastructure by targeted and cost-effective interventions designed to support local needs.

4.3 Economic infrastructure

185. The main objectives in the infrastructure sector are the following:

Transport

- To maintain and rehabilitate the rural road network so as to promote trade.
- To encourage greater competition in air transport.
- To investigate the feasibility of an international rail link.

Energy

- To reduce the cost of electricity by increasing domestic production.
- To begin rural electrification in order to promote economic activities.

Communications

- To encourage competition in this private sector activity.

186. Rwanda has high transport, energy and communications costs and most of its population has limited access to infrastructure. In order to promote economic development, it is imperative to reduce these costs, and increase access to infrastructure. It is particularly important to increase the access to energy in rural areas in order to increase off-farm employment opportunities, which can have a direct impact on the reduction of poverty. The provision of infrastructure needs to be supported by appropriate fiscal measures. The importation of energy should be replaced by local production if this reduces costs. The Government will explore opportunities for private participation wherever possible, using subsidy as appropriate to promote better access for the poor. The impact of petroleum taxation on the costs of moving goods is discussed in Section 5.

4.3.1 Road transport

187. Rwanda faces two major problems with transport infrastructure: its weak international links, which impose high transport costs on traded goods, and the poor state of the rural transport network, which contributes to the high margins on internal trade. Access to commerce and markets was a significant priority in the NPA.

188. The need to commercialise agriculture implies that returns to roads are likely to become higher and more widely appreciated over time. For instance, the construction of the road from Gitarama to Kibuye has cut travel time from 6 hours to 1.45 hours, and increased the producer price of a kilo of coffee from Rwf 180-200 to Rwf 240.

189. Road maintenance and selected rehabilitation are priorities. Because of the very high costs of infrastructure, there is a need to prioritise carefully and examine opportunities for private provision in this sector. We will also explore the technical feasibility of using labour-intensive methods, which have been found to be cheaper than capital-intensive techniques in neighbouring countries. The shortage of public transport is also mentioned as a constraint on the movement of goods and people and access to social services. A public-private partnership involving ONATRACOM, the public bus company, is envisaged.

Actions

- Road and bridge maintenance will be treated as a high priority, with an emphasis on labour-intensive methods linked to the programme of labour-intensive public works, identified in Section 4.1.
- We will implement a programme to maintain the 400 km of roads in bad repair, and upgrade selected roads, starting from 2002. This programme needs to be implemented as fast as possible because further delay will increase costs in the future. The existing programme will be refined by quantitative estimates of rates of return to different projects.
- Urban roads will be treated as a lower priority given their smaller direct poverty impact, except in cases where they impose a demonstrable and urgent constraint.
- A public/private partnership will be adopted to reinforce the public transport network.

4.3.2 Railway and air travel

190. International links will be strengthened by the further development of Kanombe airport in Kigali. Greater competition in air transport and more frequent flights are needed. Rwanda's horticulture industry faces a more serious transport constraint than other such industries in the region. If Kanombe airport can become a regional hub, the prospects for high-value-added agricultural exports and tourism will be enhanced. There may be a role here for public-private partnership. Another priority is the development of better facilities at Issaka for Rwandese transporters using the railway line between Dar-es-Salaam and Issaka. This is likely to be a private sector project, and Government is negotiating the details of the concession. A study on the feasibility of extending the railway from Issaka to Kigali is being prepared.

Actions

- Rehabilitation of Kanombe airport will proceed starting in 2002.
- The Issaka facilities will be developed with private participation in 2002.
- Greater competition will be encouraged in air transport.

4.3.3 Transport and communications at the grass-roots level

191. Below the level of the road network, there are local tracks that link households to the market. Often, people live on the hills and market their crops in the valleys, which imposes a heavy burden. Rwanda has

some traditional forms of transport such as non-motorised carts, which are used to bring agricultural products to the roadside. MINITRACO is therefore planning a study of the rural transport sector. Likely possibilities include the introduction of donkeys and cheap non-motorised or motorised transport, including bicycles and the wooden scooters traditionally used around the country.

Actions

- The CDF and *ubudehe mu kurwanya ubukene* programme, being launched nationally in 2002, will provide funds that could be used for the improvement of local tracks.
- Technical studies will be undertaken on traditional forms of transport as part of the science and technology programme.

4.3.4 Energy for the formal sector

192. The price of energy in Rwanda is very high by regional standards, although payment by the consumers has in the past been very poorly enforced. A significant proportion of Rwanda's electricity is imported from Uganda, and the Congo (Ruzizi I, owned by the Congo and Ruzizi II, whose ownership is shared between Congo, Burundi and Rwanda); Rwanda's own capacity is just 26.75 MW whereas average consumption is about 35 MW, which can rise at peak times above 40 MW. Although electricity is currently only 1% of the country's energy balance, it is essential for the development of the formal sector.

193. Investment in and improved management of Electrogaz, and can bring down the cost of energy by exploiting natural gas reserves in Lake Kivu and the country's peat reserves. Provided that it can be produced more cheaply in Rwanda than we can import it, it makes sense to invest in generating capacity and to export the electricity produced. Investments are planned in the Nyabarongo power plant, which will produce 27.5 MW, and in a gas-powered station exploiting the production of methane gas. It is anticipated that the investment in methane will be undertaken by the private sector. The rehabilitation of the 21 micro power stations (*microcentrales*) and the exploitation of some of the 86 other available sites are also envisaged.

194. An important policy question is the financing of this investment, given that Electrogaz will remain in the public sector for the next five years; discussions are under way. Private sector participation is being sought for the exploitation of the gas reserves in Lake Kivu, and is also likely to be appropriate for the exploitation of peat reserves.

Actions

- More generation capacity will be created in 2002 so as to reduce the costs of energy.
- Financing options for rehabilitation, network extension and new power stations will be explored in 2002.
- Private sector participation in the sector will be welcomed, particularly for peat and gas exploitation.
- Public investment will be undertaken for those projects that are economically justified but not attractive to private investors at this stage.
- Electrogaz will be placed under private management by 2006.

4.3.5 Energy for poor households and rural enterprises

195. Rural electrification is likely to have high returns in Rwanda, because of the high population density and the need to expand the non-agricultural sector. Rural electrification is carried out by MINERENA, and consists both of extension to the network and local power generation. The main poverty impact will not be through domestic use but through the encouragement of agro-processing

and other small-scale manufacturing enterprises. It will also be important to spread awareness about energy conservation methods and the dangers of electricity.

196. There is a very strong case for subsidy to support rural electrification, as the infrastructure is in effect a public good and the beneficiaries are relatively poor. Further work is needed to assess whether the state should provide this service or should create incentives for the private sector to do so. Grid extension is much cheaper than power generation, and there is a strong case for extending the grid to rural areas in anticipation of the development of non-farm agricultural activities and agricultural processing.

197. The provision of solar cells is a small investment at the level of the individual enterprise and is therefore best achieved by the private sector or the community. However, the state may have a role in research and dissemination.

198. Most energy consumed for domestic purposes is currently in the form of wood or charcoal. The Government will consider the best methods of promoting the use of improved stoves and solar dryers and water heaters, as well as the use of kerosene for cooking. The programme of reforestation will help households meet their energy needs sustainably; it may be necessary to introduce improved stoves simultaneously. Since wood is to some extent a community resource, the use of an improved stove may merit subsidy.

Actions

- A programme of rural electrification will be mounted, after careful consideration of the best private-public balance in supply, over 2002-05. The emphasis will be on making electricity available for economic activities, not for household consumption at this stage.
- Grid extension and the connection of villages already close to power lines will be high priorities.
- We will disseminate information about improved stoves and other forms of low-cost energy, and possibly subsidise them after careful study.
- Solar cells, dryers and water heaters are projects that may be undertaken at the community, household or enterprise level. Government will provide relevant information and support research, and possibly mount demonstrations.

4.3.6 Communications

199. With the privatisation of Rwandatel, investment in communications will mainly be a private sector activity. The availability of mobile and fixed wireless phones makes it possible to increase the ease of communication between urban and rural areas, with considerable benefits in terms of commercialisation and the bargaining power of farmers. For instance, while a mobile or fixed wireless phone is a very large investment for a poor household, it may be possible for a farmers' group to buy a mobile phone and arrange suitable times for traders to collect produce.

Actions

- The Government will encourage increased competition in the telecommunications sector.

4.4 Good Governance

200. The objectives of the Governance sector are as follows:

Security and demobilisation

- To continue to participate in regional conflict-resolution.
- To reduce the size of the army through the sustainable demobilisation of soldiers

National reconciliation

- To mainstream the work of the National Unity and Reconciliation Commission throughout all sectors, particularly at the grassroots level.

Human rights

- To promote the work of the National Human Rights Commission throughout the country, particularly in the connection of decentralization and *gacaca*

Criminal justice

- To implement the traditional *gacaca* court in 2002, for trying genocide crimes.
- To improve the running of prisons

Constitutional reform

- To consult the population in the development of the new constitution.

Decentralisation

- To provide funds to the districts through the CDF, and to build capacity and provide sufficient guidance for their management.
- To extend decentralisation down to the cellule level through the *ubudehe mu kurwanya ubukene* process.

Civil service reform

- To provide suitable training and incentives for ministry staff.

Good governance

- To ensure accountability and transparency at all levels.

201. Rwanda has in the past suffered the most devastating effects of bad governance. Good governance involves the respect for human rights, the provision of physical security so that citizens can live without fear, and the continuance of political stability by allowing the people to participate in a meaningful way in the decisions that affect their lives. It is our objective to implement the highest international standards of human rights through institutional structures that reflect our specific history. Good governance also includes a free and fair legal system and the provision of accountability and transparency in order to allow the full functioning of democracy. The National Conference on Good Governance for Poverty Reduction held in Rwanda in November, 2001, addressed the challenges in detail and advanced the elaboration of the national strategy on governance.

4.4.1 Security and demobilisation

202. Promoting internal and regional security is essential to the achievement of poverty reduction in Rwanda. The Government will continue to participate actively in efforts to resolve the conflicts in neighbouring countries and to ensure the security of its borders. For defensive reasons Rwanda has been involved in the conflict in DRC since 1997; we seek a peaceful solution which removes the threat of insurgency and allows all the people of Rwanda to live without fear and allow the development of full trading relationships.

203. As security improves, there is a ‘peace dividend’; it will be possible to shift expenditures away from defence. However, the need to support demobilisation poses a specific challenge. Demobilised soldiers are a valuable human resource, often possessing organisational skills. It is critical that this group has economic opportunities, and some temporary support will be provided to help them reintegrate into civilian life.

204. The Rwanda Demobilisation and Reintegration Commission is responsible for the programme, in cooperation with the Unity and Reconciliation Commission. Over the period 1997-2001, 16,125 Rwandan Patriotic Army (RPA) troops were demobilised and reintegrated and about 15,000 ex-FAR (Forces Armées Rwandaises) were reabsorbed into the RPA in accordance with the Arusha Agreement. About 20,000 ex-FAR have returned to their communities and may need support for reintegration. The objective is to demobilise a further 20,000 troops, reducing the size of the army to 20-25,000 in the long run. Finally, there are still genocidaire troops in the rebel forces in Congo. Some of these have recently been captured and are now in camps in Rwanda. Shelter for demobilised soldiers has been identified as a problem in the consultations held by the NURC. There are therefore two tasks outstanding:

- Support to the demobilisation of the RPA.
- Support to the ex-FAR and other rebel forces that have returned.

205. Two major forms of support have been given. First, there has been a ‘safety net’ cash payment for demobilised RPA soldiers. The allowance needed to support a veteran for ten months is estimated at Rwf 90,000 for shelter and Rwf 270,000 for living costs. An allowance of this kind will be paid to demobilised RPA soldiers. Secondly, since 1999 support was provided in the form of formal and vocational education (provided by the Veterans Vocational Centre in Butare), microfinance and toolkits. There is also a need to allocate land for those veterans who wish to return to rural areas (as the majority do) and have no land already. All returnees need this form of support. Additionally health support needs to be provided including voluntary HIV testing and counselling, and information for behavioural change.

206. Policy issues arising are:

- The level of the safety net allowance needs to be set at an affordable level, given the numbers of people who will qualify for it.
- The kind of training provided needs to be linked to the private sector’s demand for skills and integrated into the general policy on training and employment generation.
- The strategy for community-based labour-intensive public works, discussed below, will offer opportunities for ex-soldiers to exercise their practical and organisational skills.

Once demobilisation has been successfully undertaken, there are fiscal savings in the order of Rwf 120,000 per soldier in wages and more in non-wage costs. The MTEF shows reduction of defence spending by RWF 4.5 billion annually over the three years 2001-4.

Actions

- Rwanda will continue to participate in regional conflict-resolution.
- The Government, in consultation with donors, is preparing a project for the resettlement and reintegration of demobilised troops and other returnees.
- Provided that conflict resolution and demobilisation proceed well, we will reduce the size of the army to a long-term equilibrium and reallocate defence expenditures towards poverty-reduction priorities.

4.4.2 National reconciliation

207. The National Unity and Reconciliation Commission (NURC), created in March 1999, has the task of leading national efforts to promote unity and reconciliation, essential for sustainable human development and lasting peace.

208. Since its creation, it has conducted a series of local and national consultations and civic education at provincial and district levels, as well as at the national level. The first round of consultations found that poverty, bad governance and leadership, and lack of justice were the main causes of disunity in Rwanda

The first national summit on unity and reconciliation, held in October 2000, discussed and endorsed these findings .The findings of the most recent wave of consultations are summarised in Section 2.5. These findings are useful for assessing future progress with regard to citizens' perceptions on reconciliation.

209. The NURC also organises training sessions or *ingando* aimed at promoting unity and reconciliation. These have been targeted at specific groups including youth, opinion leaders and, recently, ex-rebels and other returnees from the DRC. The decentralisation process also presents an opportunity for the NURC to strengthen reconciliation efforts at the grass-roots level.

210. The NURC has developed a three-year draft Action Plan and implementation strategy, which has been presented to donors and NGOs for comment and feedback, with the additional aim of identifying financial commitments. The Action Plan outlines an ambitious strategy over the coming years, including programmes related to the decentralisation process and the monitoring of *gacaca*, to ensure that reconciliation efforts are maximised through both of these processes.

Actions

- The NURC will continue to undertake civic education and national grassroots consultations in addition to a regular national summit.
- The NURC will continue to hold training sessions (*ingando*), including sessions for the reintegration of ex-rebels from the DRC.
- The NURC will work with other ministries to mainstream reconciliation into all Government policies.
- Civic education on reconciliation will be integrated into the national curriculum during 2002.

4.4.3 Human Rights

211. In the post-conflict context, the promotion and protection of human rights remains crucial. The Government is committed to supporting the integration of human rights issues into all its programmes. The link between human rights and poverty reduction needs to be stressed. In particular, the 'right to decide' of local communities on development priorities is central to the PRSP. The National Human Rights Commission (NHRC), an independent institution established in March 1999, has the important mandate of examining and prosecuting human rights violations committed in Rwanda, sensitising the population on human rights, and instituting legal proceedings in case of human rights violations. The NHRC also works closely with local and international NGOs as the sharing of experiences and knowledge between all human rights actors is vital. The decentralisation process will also offer opportunities for human rights issues to be better integrated into the work of the Community Development Committees (CDCs) at the grassroots level. The fact that the NHRC has recently established 10 regional offices (with 2 staff posted in each) will permit the Commission to work more closely with human rights organisations and the population in the provinces.

Actions

- The NHRC (National Human Rights Commission) will continue its work to promote and protect human rights in Rwanda, in close collaboration with human rights NGOs.
- The NHRC will be involved in the monitoring of decentralisation and *gacaca* as well as other Government policies with respect to human rights.

4.4.4 Criminal justice system and Gacaca

212. The justice system remains seriously over-stretched, with about 107, 000 people in prison mostly on suspicion of genocide-related crimes. Recognising that ordinary legal procedures could not cope with this

backlog, the Government is implementing a community-based process where traditional institutions of dispute-resolution, the *gacaca* courts, are constituted to deal with the genocide cases, except those suspects accused of masterminding the genocide or committing very serious crimes. The population has been sensitised to this process and elections for the membership of the courts have been held successfully, with very high turnout. *Gacaca* trials will start next year and the intention is to complete the process within the next five years. Once *gacaca* is completed, the long-run prison population will become clearer. However, in the short term, it is important to reduce the costs of energy in prisons and research will be carried out into the most efficient ways to do this.

213. The police force is being reformed with a community-policing approach. In 2000, 3500 policemen were put in place. The appropriate size of the police force needs to be considered. Because Rwanda's resources are exceptionally fiscally scarce, it will be necessary to consider working with a lower ratio of police to population than in other African countries, especially as crime rates are reported to be not particularly high. The Local Defence Forces may be appropriate institutions to maintain local law and order; evidence on the popular perception of these institutions is highlighted in the NPA.

214. In the medium term, there will also be a need to design judicial institutions that offer adequate access to the poor, particularly for land disputes (discussed in section 4.1.2). However, the priority currently is to manage the *gacaca* process. This will in turn strengthen the rest of the judicial system as genocide cases are cleared. (Commercial justice is discussed below in the section on private sector development.)

Actions

- The *gacaca* process will begin in 2002.
- The target size for the police force and the role of Local Defence Forces will be reviewed in 2002.
- Mechanisms for police to be accountable to the local communities will be strengthened.
- Laws that discriminate against women or other groups will be replaced, starting in 2002.
- A sector strategy for Public Order and Safety will be developed, starting in 2002.
- Investments in expanding prison space will be considered once the long-run size of the prison population is established.
- Investments in biogas facilities will be undertaken in prisons, subject to confirmation of the highly positive economic return.

4.4.5 Constitutional reform and democratisation

215. The Constitutional Commission is currently coordinating a national consultation process for the development of the new constitution. This will determine the type of electoral system to be used for national elections in 2003, the nature of the executive, legislative and judicial bodies and decision-making procedures, the legal framework, the charter of human rights and so on. The Commission is currently sensitising the population on the process. Civil society organisations (CSOs) will also be involved in contributing to the development of the constitution. The political system under development will be democratic and will encourage political debate. It will, however, include safeguards against the re-emergence of sectarian politics.

216. The democratisation process is already well underway in Rwanda. Elections at local levels have been successfully held (in 1999 at the cellule level and in March 2001 at the district level) and the country is committed to moving towards national elections in 2003.

Actions

- An all-party group is drawing up a code of conduct for parties and politicians.
- The new constitution will be developed through a national consultation process during 2002.
- National elections are to be held in 2003.

4.4.6 Decentralisation

217. Decentralisation is central to the creation of democratic structures of governance in Rwanda. Encouraging people to work together at a local level is central to overcoming the divisions that have been so destructive in the past. We are creating a sense of local ownership of public programmes, which has been lacking. Decentralisation also allows local Governments to respond to local needs, and can increase the accountability of Government to the people.

218. The decentralisation policy and law have been published in 2001. The main unit of local Government will be at the level of the district (formerly called the Commune), with another administrative layer at the level of the province (formerly the Prefecture). There are 106 districts and 11 provinces and the City of Kigali. Elections have been held at the District level, replacing the former system where officials at the District level were centrally appointed. .

219. The Common Development Fund (CDF) has been set up which will eventually commit 10% of government revenue to fund development programmes identified by the districts. The draft law on the operational modalities is being finalised and under this law a portion of government revenue (2.5% in 2002 rising to 5% percent in 2003) will be dedicated to the CDF. To avoid disruption to the functioning of the central Government, the pace of implementation will depend on the availability of fiscal resources and the time required establishing the administrative mechanisms for CDF management. In 2001, provinces and districts have developed budgets in the MTEF format including proposals for the Common Development Fund. It is envisaged that in the future this will be extended to allocating resources to cellule level through the community action planning methodology being developed in the *ubudehe mu kurwanya ubukene* approach outlined below.

220. Decentralisation will change, but not reduce, the responsibility of sectoral ministries. Most sectoral ministries will shift from being implementers to providing policy guidance to the provinces and the districts.

Actions

- Fiscal transfers to districts amounting to approximately 2.5% of domestic revenue began in the 2002 budget. For 2002, 2 billion Rwf has been allocated to the CDF.
- We will keep under review the relation between resources and responsibilities at the district level, to ensure that districts have enough resources to carry out the functions assigned to them.
- Simple systems will be put in place to facilitate the flow of funds and management information between the centre and the districts, allowing the development of proper systems of monitoring, transparency and accountability. Relevant training will be provided.
- Sectoral ministries will provide policy guidance and support for capacity building to districts.

4.4.7 Decentralisation at the cellule level: *ubudehe mu kurwanya ubukene*

221. Decentralisation is also being pursued below the District level, under the community action planning or *ubudehe mu kurwanya ubukene* approach, which is currently being developed. *Ubudehe* is the

traditional Rwandese practice and cultural value of working together to solve problems, and refers primarily to collective action at the harvest.

222. The objective of the *ubudehe mu kurwanya ubukene* approach is to revive and foster collective action at community level. This is achieved by developing bottom-up budgeting and planning systems that articulate communities' needs, and by building upon local Government structures of Community Development Committees. This cellule level action planning exercise is seen as becoming the direct basis for decentralised planning and budgeting through the district level Medium Term Expenditure Frameworks. This linkage has already been established with joint budget and poverty assessment training at the District level in 2001.

223. Each cellule will go through a process of collectively defining and analysing the nature of poverty in their community. This will be done using a number of standard analysis tools including social mapping, seasonality, preference scoring and process techniques, all of which have been tested in Butare province. The first step is to look at local categories of poverty, the characteristics of each category, mobility between categories, the causes and impacts of poverty, the role of security, risk and vulnerability, social cohesion, crime and conflict and social exclusion. The cellule will then go on to identify and analyse the characteristics of the problems that they face. This list of analysed problems is then ranked in terms of priority, and the one that the community wants to spend the most of its own time, effort and resources to resolve selected. From there, they develop action plans to address the problems they have prioritised. This will promote the development of community-led problem solving and rural recapitalisation. A central information centre, in cooperation with sectoral ministries, will develop packages of information for specific problems that the cellules encounter; cellules will be encouraged to contact the information centre. For instance, a cellule facing a problem of soil erosion or fertility decline will be able to access technical information about the best methods to tackle this problem.

224. Cellules are to be allocated around US \$1000 each year, for which external funds will be allocated for at least the next two years. The details of the mechanisms by which cellules will access funds are currently under discussion. Cellule representatives to supervise the programme will be trained, using a cascade system. The methodology and examples of the action planning are detailed in Appendix 1.

Actions

- The *ubudehe mu kurwanya ubukene* programme will be phased into all cellules, in all provinces during 2002.(See also Appendix A for details and examples of *ubudehe*)

4.4.8 Civil service reform

225. Since 1998, the missions of ministries have been revised, new ministerial structures (the *cadres organiques*) have been developed, and a legal framework for the Public Service has been developed which aims at:

- Satisfaction of popular needs
- Management of the productivity of public servants
- Development of human capacities in the public service
- A new salary structure reflecting a new job classification
- The creation of the Public Service Commission which will guarantee neutrality in recruitment, performance evaluation, promotion and disciplinary measures.

226. The Rwanda Institute of Management and Administration and the Rwanda Health Insurance Society have been established to improve capacity and incentives for public servants.

227. It is important to recognise that most public servants are better off than the majority of Rwandese. The essential poverty impact of measures in the public service therefore comes from its effects on the quality of services delivered. It is therefore important that incentives are targeted towards those areas of Government that are suffering difficulty in recruiting, retaining or motivating staff of adequate quality. Ministerial structures need to reflect the tasks that are assigned to them within a sector strategy. Hence the restructuring of ministries needs to be closely linked to the development of sector strategies.

Actions

- The local population will participate in the management of public services through decentralisation.
- Human capacity will be developed through training courses and on-the-job training starting in 2002.
- The computerisation of human resource management, including the payroll will be carried out and the efficient use of new technology will be promoted during 2002.
- Private sector and civil society participation will be encouraged by a new work code and employment policy, together with the programme for reinsertion discussed above.
- The reclassification of public servants and the regularisation of arrears will be implemented in 2003.
- A programme of communication and sensitisation will be carried out on the implementation of public service reform.

4.4.9 Accountability and transparency

228. The Government is committed to strengthening accountability and transparency. In Rwanda, this is more than just a technical matter; basic freedoms and human rights depend on making Government accountable and transparent. The achievement of reconciliation and the development of trust require a culture of openness.

229. Since 1998, the National Tender Board and the Office of the Auditor General of State Finances have been established. This has been a considerable achievement, as comparable organisations have not existed in Rwanda before. The Auditor General's reports on some ministries, Government agencies and projects have been submitted to the President, and copied to Parliament and the Supreme Court. Action has been taken against some officials as a result, and a study has also been mounted to examine off-budget transactions and integrate them into the budget. Just as importantly, the work of the Auditor General has highlighted the relatively poor capacity in ministries to exercise proper financial management. As a result, greater emphasis on training has been given, and the establishment and strengthening of internal audit units undertaken. Several further audit reports are to be delivered before the end of the year.

230. As decentralisation proceeds, there needs to be better public information about fiscal flows. For instance, if funds are sent to schools, this fact needs to be publicised so that parents can hold the headmaster accountable for the use of the funds.

231. Formal accounting mechanisms at the level of the district need to be established, in a manner that is realistic given the available human resources. The decentralisation policy allows for internal auditors at the district level and periodic audits by the Auditor General.

Actions

- Action is being taken to rectify the problems identified in public audits.
- More public information is needed about fiscal flows at all levels.
- Districts will need support to develop the relevant skills in auditing starting in 2002.
- Parliamentary scrutiny is an important part of the system of accountability and will be strengthened.

4.5 Building an enabling environment for private sector development

232. The main objectives for private sector development are:

- To energetically encourage investment from the private sector.
- To reform the financial sector with the aim of restoring financial soundness.
- To review all legislation in the commercial justice area.
- To promote the privatisation of several enterprises and implement a regulatory structure.
- To privatise and regulate the manufacturing sector.
- To ensure the better management and regulation of mining.
- To promote tourism.
- To establish a legal framework and a support network for the artisan sector.
- To implement an ICT strategy in the services sector.

233. This section is concerned with actions to provide major economic infrastructure and develop the formal private sector, which will become increasingly important as the economy develops. Actions targeted specifically to the sectors of the economy in which the poor are mainly employed are considered in Section 5.3. The poverty benefits of actions to promote the formal private sector come partly through the commercialisation of the economy, especially the creation of demand for agricultural products, and partly through the employment generated and the tax revenue raised from successful private enterprises. These benefits will increase over time as more poor people enter employment in the formal private sector, and are likely to be greatest in labour-intensive activities directed at the export market. The Government will seek to create an enabling environment for the formal private sector, without distorting incentives or discriminating against the informal or small-scale agricultural sector.

4.5.1 Investment promotion and private sector representation

234. The Rwanda Investment Promotion Authority (RIPA), which liaises with the Private Sector Federation (PSF), supports investment promotion in Rwanda. RIPA is establishing a one-stop window for investors, enabling them to deal with bureaucratic requirements more easily. More information is needed on the constraints experienced by investors, and RIPA is funding studies on this. The PSF will be mounting a project to identify clusters of potential competitive advantage, and will also operate a matching fund for technical assistance to the private sector. The Agribusiness Centre in Kigali also provides funds for research in this area.

235. Three areas of action require particular attention. First, Rwanda needs to market itself aggressively as a location for investment. Secondly, we need to know more about the constraints that currently confront investors. High energy prices are one such constraint, as are water, telecommunications and transport. Thirdly, we need to involve the private sector more closely in the design of public policy. Sectoral policy discussions should include representation from the relevant private enterprises. It should be noted that the private sector in agriculture consists mainly of small producers, who should be represented in policy discussions.

Actions

- The ‘one-stop shop’ for investors will continue to be strengthened.
- Representation from relevant private sector businesses will be sought in policy discussions.
- RIPA will fund studies to identify the constraints on investment in 2002.
- The PSF will mount a study on areas of potential competitive advantage in 2002.
- Legal reform will be undertaken to improve incentives beginning in 2002.

4.5.2 Financial sector reform

236. One of the consequences of the war and genocide was to damage the quality of the banks' portfolio, as many enterprises were physically damaged and some borrowers left the country. One constraint to restoring the financial soundness of the banks has been the lack of legal mechanisms for foreclosure. This has a significant effect on the poor because the operations affected include food-processing facilities. The achievement of bank solvency is also the best way to bring down interest rates in the long run, because high interest rates reflect either an uncompetitive market or a risky environment for lending. A very small proportion of commercial banks' lending is directly to agriculture. This is less surprising than it seems, since the smallholders who farm most land in Rwanda are not likely to be able to deal with formal commercial banks. The credit needs of this sector, and the role of the *Banques Populaires* in meeting these needs, are discussed in Section 2.2.4 and 4.1.3. Commercial banks do have a role, however, in funding agro-processing, trade, and larger agricultural enterprises where these have spin-off benefits for the poor. An Agricultural Credit Guarantee Fund would also provide support to this sector.

Actions

- Bank supervision within the National Bank of Rwanda (NBR) is being strengthened.
- A review of banks' lending procedures is being done.
- The arbitration centre has been established, and will be given legal authority.
- Foreclosure on non-performing loans is being improved by the reform of the *voie parée* system.
- A diagnostic audit of the Banques Populaires has been conducted and a plan for their restructuring is being agreed.
- The Caisse Hypothecaire is being restructured as a housing bank, and a business plan has been adopted.
- The Caisse Social is affected by unresolved arrears from Government, which are under negotiation.
- An external audit of the NBR will be conducted by March 2002.
- Full audits of three banks will be conducted in 2002, and on-site inspection of all banks every year will be instituted by 2004.

4.5.3 Commercial justice reform

237. The Commission on Constitutional and Legal Affairs is reviewing the status of all legislation in Rwanda. There is a particular need to identify any legal obstacles that pose an impediment to private sector development.

Actions

- A Commercial Court is being set up.
- A Tax Court and a Small Claims Court are being considered.
- Over 2002, the Government will consult the private sector about any needs for legal reform.

4.5.4 Privatisation

238. Privatisation is important for poverty-reduction in Rwanda, as most of the enterprises to be privatised require extensive investment, and the state does not have the resources to undertake this. Some of these enterprises, such as Electrogaz provide basic infrastructure that will influence the prospects for investment in the whole of the formal sector. Others, including food processing plants and possibly hotels, can provide markets for the products produced by the small-scale agricultural and livestock sector. Other enterprises will provide significant amounts of employment. As well as the financial constraint, the

relative efficiency of the private sector in delivering productive output is an important reason for privatisation.

239. There are some concerns about privatisation. One is that a country with a badly damaged image will be forced to sell its assets off cheaply (or that no-one will bid at all). In this case, it may be better to assign a management contract and wait to sell the asset when the country's image has improved. However, in most of the cases in Rwanda, the costs of delay are likely to outweigh the benefits. Another concern is that the enterprise may behave as a monopolist or a monopsonist (a monopoly buyer). In this case, consumers and producers may suffer because prices for outputs (such as electricity) are too high and prices for inputs (such as green tea) are too low. For this reason a sound regulatory structure is essential; in some cases, the Government may also choose to participate as a shareholder. Finally, some of the enterprises offer an opportunity to confer some assets directly on relatively poor producers. The most important example is the tea plantations.

240. The Government is also concerned to ensure that the privatisation process helps the development of an entrepreneurial class in Rwanda. Providing funds for Rwandese people to participate will have indirect benefits for economic growth that may stem from the development of the entrepreneurial class. Some shares in enterprises have been reserved for Rwandese investors (for instance, 43% of the shares of Rwandatel). The Government attaches great importance to ensuring that the privatisation process is wholly transparent, for both national and foreign participants. Since 1998 we have privatised a considerable number of enterprises and have established a timetable for the remaining ones.

Actions

- Firms will be privatised as rapidly as possible and in accordance with the timetable.
- The new regulatory structure will be implemented over 2002-03.

4.5.5 Manufacturing

241. The operation of manufacturing enterprises is a private sector role and the Government is withdrawing from this sector through the privatisation programme. The establishment of the Office Rwandais de Normalisation will help to regulate product quality. The implications of trade policy for potential manufacturing exports are discussed in Section 5.1.1.

Actions

The Office Rwandais de Normalisation has been established and will monitor standards.

4.5.6 Mining

242. Before 1985, the mining sector represented between 10% and 38% of export receipts. Public sector activities in prospecting have not yet located any deposits suitable for large-scale commercial exploitation, but small-scale, low capital investment mining is significant. Price fluctuations have led to the closure of some mines, but there has recently been an important boom in the market for tantalite that has generated exports and re-exports from Rwanda. The sector lacks an overall plan, and results of past research are scattered and difficult to locate. The most promising investment opportunities are in construction materials. Metallic substances require more investigation. A Mining Code is needed to encourage private investment.

Actions

- A mining code is being developed that also takes into account the small-scale mining sector.
- The Government will improve the management of the quarries.

- The Government will sponsor exploratory studies of Rwanda's mineral potential starting in 2002.

4.5.7 *Tourism*

243. Tourism was a major export before 1994. The parks, scenery and climate are major assets. However, relatively high prices and weak infrastructure are a constraint. The Government has a promotional role and responsibility for some public goods in this sector. Increased competition in air travel (discussed in section 4.3.2) is important.

Actions

- A strategy for the tourist sector is to be prepared during 2002 which will cover protection and management of the national parks, the development of a legal framework and promotion of the country's image for visitors and investors.

4.5.8 *Artisanal activities*

244. The Government has established a centre for the support of small-scale enterprises (CAPMER), which provides support services. Establishment of a legal framework and a national support network are envisaged.

Actions

- The establishment of a legal framework and a national support network will be begun in 2002.

4.5.9 *Services*

The Government has developed a long-term ICT strategy for the future development of Rwanda's competitive advantage in this sector.

Actions

- The cross-cutting, 20 year, ICT strategy will provide an environment favourable for the development of skills in this sector.

4.6 Social capital to support vulnerable groups

245. MINALOC is currently developing a social protection policy, which will also assess the roles, management and effectiveness of existing special funds that have been created to support vulnerable groups. Including the Fund for the Survivors of Genocide and Massacres (VGF), a fund for the protection of children in difficult circumstances, and a proposed fund for the handicapped and for the needy at the district level. The NURC consultations found that some people were concerned about the management of the Survivors' Fund.

246. Many of the key actions to support vulnerable groups have to be undertaken by communities with local leadership. The development of social capital, by community-managed activities, is important in order to generate the sense of solidarity. Some groups, particularly the Batwa, may be unable to participate fully in community activities, and there is a risk that their needs will be overlooked. Also, some communities consist largely of vulnerable groups, and these communities need special support.

247. In accordance with these principles, MINALOC has changed its approach to the management of the special funds under its control. MINALOC no longer deals with projects for vulnerable groups directly. It is responsible for disbursing funds to the Provinces and consequently to the Districts which are then responsible for allocating funds amongst associations. Individual projects must be under the umbrella of

an association so as to ensure better management of the project and its funds. At the local level, associations have to coordinate with the NGOs that are carrying out vulnerable group projects in their area to limit duplication and resource wastage. MINALOC is now able to focus on policy formulation and the setting up of funds for various vulnerable groups. A new proposal under consideration by Government is to develop the existing mechanisms into a social solidarity fund to which Government and the private sector would both contribute.

Actions

- We will provide support through the Genocide Survivors Fund and other special funds.
- In 2002 guidance will be given to local leadership on their responsibilities towards vulnerable groups.
- Some vulnerable groups are particularly at risk from HIV/AIDS, such as widows who have lost assets and child-headed households, and measures will be targeted at them.
- The future modalities for running the special funds for disadvantaged groups, including the possibility of private sector participation, will be kept under review.

4.7 Cross cutting Issues: technology, gender, environment, *imidugudu*, HIV/AIDS, employment, capacity-building and inequality

248. There are a number of cross-cutting issues which have implications in all sectors. Actions in these areas are taken within all sectors (outlined in section 5.3); these issues must therefore be mainstreamed into sector strategies rather than just treated as separate policies.

249. Every sector strategy must take into consideration each of these cross-cutting issues in all policy and programme formulation. The areas considered are technology, gender, environment, *imidugudu*, HIV/AIDS, employment, capacity-building and inequality.

Technology

250. In most of the cases discussed above, Rwanda's economic growth will depend on technological transformation. We need to use available and emerging technologies in an imaginative way to suit our circumstances. This is particularly true in agriculture, where our strategy is based on the use of improved modern inputs, and in information and communications technology, where we aim to establish a comparative advantage.

251. The Government of Rwanda recognises the role that Information Communication Technology (ICT) can play in accelerating the socio-economic development of Rwanda towards an information and knowledge based economy. The emerging information revolution offers Rwanda a window of opportunity to leap-frog the stage of industrialisation and transform her subsistence economy into a service-sector driven, high value-added information and knowledge based economy that can compete on the global market.

252. The Government has therefore established the Rwanda Information Technology Agency (RITA) and developed a twenty-year strategy ICT-led socio-economic development framework and an integrated plan for 2001-5. This contains the following broad strategies:

- To promote and encourage the development and utilisation of ICT within the economy and society
- To transform Rwanda into an IT literate nation
- To improve the efficiency of the civil and public service
- To improve the information and communications infrastructure of Rwanda

- To transform the educational system using ICT
- To improve the human resource development capacity of Rwanda
- To develop a legal, institutional and regulatory framework to support ICT
- To promote social and cultural interaction within the society.

Gender

253. We have acted to increase female political representation, setting up women's councils at all political levels and promoting affirmative action in local administration. The new marital and inheritance code has strengthened the opportunities for co-ownership of assets by married couples, and the new land policy will support women's land rights. Women's funds have been established at the District level. The Government has ratified the Convention on the Elimination of all forms of Discrimination against Women (CEDAW). All public services need to ensure that access, utilisation and impact are equitable between women and men. The evidence surveyed so far indicates that there is little gender gap in primary or secondary education in aggregate, but that the profiles of private and public sectors differ quite significantly.

254. The Ministry of Gender and the Promotion of Women (MIGEPROFE) will assist sectoral ministries in ensuring that the objectives of the National Gender Policy are mainstreamed and monitored in each sectoral strategy. It will be mandatory for all ministries to follow this policy. The Gender Action Plan was adopted in August 2000. The main areas of action are as follows:

- *Poverty*: analysis and adaptation of macroeconomic policies, actions to encourage female entrepreneurship, and review of credit delivery and banking practices.
- *Policy development*: conduct a review of all existing data and statistics to produce a more fully gender disaggregated analysis. This will be used to undertake a full review of all existing government policies and provide the basis of improved advocacy and monitoring. Guidelines and modalities for gender mainstreaming will also be drawn up and gender sensitisation of key staff in all line ministries and other institutions undertaken.
- *Education*: integration of gender in the curriculum, sensitisation about the importance of female education, functional literacy; better female access to ICT.
- *Legal framework*: full implementation of CEDAW, the implementation of the Gender Legal Action Plan that was prepared in partnership with civil society, reduction of violence against women through the introduction of appropriate legislation and the training of paralegal staff; and encouraging couples to legalise their marriage status.
- *Decision-making*: encourage gender balance in appointed and elected positions; increase women's capacity to participate in decision-making and leadership
- *HIV/AIDS and reproductive health*: prioritise the reduction of maternal morbidity and mortality; make health services gender-sensitive; increase resources for women's health; promote multi-sectoral approach to fight HIV/AIDS.

Environment

255. The three major environmental problems in Rwanda relate to water, soil and biomass. These problems are intimately linked with actions in the water, energy and agricultural sectors. Hence environment is a cross-cutting issue and an environmental perspective needs to be taken in each case. The primary objective of environmental policy in Rwanda will be to ensure that economic development is sustainable and does not destroy the natural resources on which it depends through full marshland

drainage or inappropriate use of agro-chemicals. The organisational structure of environmental regulation and policymaking is under review.

256. It is important to appreciate that apart from regulation, most of the positive interventions to support environmental protection are taken within other sectors. In particular, infrastructure such as terracing, reforestation and water management within marshes will be undertaken as part of the agricultural strategy. The clarification of property rights to be achieved by land policy will also be essential to ensure that people have an incentive to invest in their land. For both these reasons, it is envisaged that the Ministry of Land, Resettlement and Environment (MINITERE) should play an important role in the formulation of agricultural policy. The process of reforestation will also be supported by actions in the energy sector, encouraging more efficient use of fuelwood and substitution into other fuels. The management of water supply will be supported by MINERENA as well as actions to encourage water harvesting in the settlement and housing sector.

Imidugudu

257. The Government is committed to encouraging people to live in *imidugudu*, i.e. grouped settlements. The success of this policy will depend on the provision of adequate social and productive infrastructure. For this reason, the location of *imidugudu* will have implications for all the sectoral ministries. As sectoral strategies develop, it will be essential to mainstream this consideration within them. For this reason, focal points have been established in each ministry to address issues of human settlement.

258. It is recognised that some of the early implementation of the *imidugudu* policy was hasty and problematic in some places, partly reflecting the level and speed of the influx of returning refugees and the very difficult security situation in which it was undertaken. For this reason the selection of sites for *imidugudu* will become a much more participatory exercise. New construction in rural areas outside the designated sites will be prohibited, but the community will be thoroughly involved in identifying where the sites are to be. Implications for agriculture and for infrastructure provision will be taken into account, implying that the average sites will be smaller than was originally envisaged, so that the distance to plots is kept down, reducing the danger of crop theft and encouraging investment in technology and inputs.

HIV/AIDS

259. HIV/AIDS, like malaria, has a devastating impact on the whole society, because of its effect on the adult population, creating new dependants and undermining human development and economic growth. . It is estimated that 400 000 adults are currently infected with HIV and that 5-10% develop AIDS every year. The Government has developed a proposal for a national strategy for multi-sectoral interventions against HIV/AIDS. The programme has been costed at US\$68 million over five years. The areas of intervention are:

- Prevention of HIV transmission by reinforcing information, education and communication
- Provision of voluntary testing and counselling
- Promotion of the use of protection
- Reinforcement of the treatment of sexually transmitted diseases
- Safety of the blood supply
- Prevention of mother-child transmission
- Medical and psycho-social care of people with AIDS
- Support to affected individuals and families

- Development of research
- Coordination of activities
- Regional collaboration in the campaign against HIV/AIDS
- Human resource development

260. These interventions will mainly be implemented through sectoral strategy processes, and the costs will therefore need to be reviewed as these sectoral ministries refine their estimates of the costs of their whole programme. The process of mainstreaming these interventions into sectoral strategies is under way. Underlying factors such as gender relations, poverty, inequality and lack of access to information need to remain a key focus. It is important to emphasise that Rwanda is well endowed with social, political and religious structures which can be harnessed to transmit awareness of the causes and prevention of HIV/AIDS; by using these structures, it should be possible to reduce the costs of spreading awareness.

Inequality

261. Poverty responds both to the average level of income and the extent of inequality. As discussed above, the level of inequality in Rwanda has risen since the mid-1980s, the Gini-coefficient increasing from 0.27 to 0.455, mainly because of a widening urban-rural gap. It is important for poverty reduction to seek to reverse or at least halt this increase.

262. The effects of policies on income distribution need to be mainstreamed in all sectors. Examples include the distributional effects of taxation, the incidence of the benefits of public services, and the balance of public goods across sector. The PRSP attempts to mainstream distributional considerations throughout. In particular, the agriculture-led nature of the strategy will tend to increase incomes in rural areas, and the development of sectoral strategies will aim to increase the accessibility of all public services to the poor and to prioritise the public services that have direct poverty benefits.

263. Perceptions of inequality and social exclusion in the broadest sense have been a major feature of Rwanda's history and were the basis for the manipulation of the Rwandese people and *ethnicisation* of all aspects of life which laid the foundation for the genocide of 1994. Reducing poverty, inequality and building an inclusive society must be the basis of unity and reconciliation and the mainstreaming of the work of National Unity and Reconciliation Commission (NURC) into every sector of policy and life in Rwanda.

Capacity-building

264. The genocide left an acute shortage of skilled personnel in public and private sectors. Capacity-building is therefore a fundamental aspect of public policy. However, it cannot be treated as a separate activity but needs to be an integral part of sector strategies. Investment in particular skills is successful only when people have the opportunity and incentive to use their skills productively. Many countries have developed skills in the public sector, only to find that their technicians then leave for better-paid jobs outside the country. We need therefore to develop an enabling management culture in which those who upgrade their skills are rewarded by being given the opportunity to exercise them and sometimes through financial incentives. Thus for the more effective management of institutions, management information systems and skills is vital.

Employment

265. Underemployment can cause suffering and frustration even when it is not associated with income poverty. This is particularly important to a post-conflict society, where young people's energies need to be put to good use. This implies that every sector of Government needs to seek opportunities for labour-intensive methods of carrying out their objectives. In particular, the development of infrastructure in rural and urban areas is well suited to a labour-intensive approach.

266. A major expansion of labour-intensive public works is being put in place as part of rural development. MINAGRI, MINITERE, MINITRACO and MINALOC will need to liaise in this process. MIFOTRA will play a coordinating role in this sector, as it is responsible for the National Employment Policy. To this end, MIFOTRA is currently considering the introduction of a National Programme for Reintegration. It will be necessary to consider the links between this programme and other public initiatives.

5 THE MACROECONOMIC FRAMEWORK, EXPENDITURE MANAGEMENT AND SECTORAL STRATEGY PROCESS FOR POVERTY REDUCTION

5.1 The objectives of macroeconomic policy: macroeconomic stability and incentives for growth

267. Our macroeconomic policy has two fundamental objectives: to ensure macroeconomic stability, and to create incentives for growth. Macroeconomic stability ensures that agents can trust the economic environment in which they operate. In addition, growth in a liberalised economy requires that the incentives exist to encourage investment in the most dynamic sectors. The proposed macroeconomic and microeconomic policies are outlined in the policy matrix (Annex 8).

268. In the last few years, the economy has been liberalised through the reduction of tariffs in line with the objectives of the Cross Border Initiatives of COMESA. The coffee export tax has been removed, tea prices have increased to reflect world prices more closely, and foreign exchange has been liberalised including the introduction of foreign-currency deposits and a weekly auction. Rwanda is a member of COMESA, and will progressively remove the taxes on trade within the COMESA region by the end of 2004.

269. Opening up the economy also requires the removal of taxes on the imported inputs that go into export products. Such taxes undermine the re-export sector and make some processing activities unprofitable. There are three possible ways of doing this: (a) by creating a free trade or export processing zone; (b) by removing all taxes on trade so that imports would be liable to VAT and excises, but not to import duty; (c) creating a functioning duty-drawback scheme, so that exporters can claim back the taxes they pay on imported inputs. The disadvantages of an export-processing zone, however, are the substantial investments needed to establish them and the weak linkages between enterprises inside the zone and those outside it. However, such linkages are central to the development strategy of Rwanda. A properly functioning duty drawback scheme would, therefore, have the same advantages as an export-processing zone, but without its disadvantages. In the case of re-exports, a bonded warehouse approach can be undertaken, where goods imported for re-export are kept in bonded warehouses while inside the country. The private sector has raised the question of incentives for re-exports during discussions for the PRSP, and this will be addressed further.

270. High inflows of aid and public expenditure on local goods and services can reduce the incentive to export. However, if the extra spending supports the country's export capacity by increasing agricultural productivity and reducing transport costs, the benefits should outweigh the disincentives to exporters. The evolution of incentives will be monitored by closely following the movements of the real exchange rate. In accordance with best practice, the central bank will intervene in the market to smooth out short-term fluctuations while allowing the exchange rate to adjust to fluctuations such as export price movements.

Actions

- The current system of exchange rate determination will be reviewed so as to ensure that deviations from the market rate are kept at a minimum.

5.1.1 *The impact of international trade agreements*

271. The Uruguay round of the WTO has set a timetable for the liberalisation of markets in developed countries. After a transitional period, quotas on the most important commodities will be eliminated, preferences will be phased out, and tariffs will be reduced. While these changes help developing countries in general, the impact on African countries is uncertain as the agreement also involves removing

preferences that were of benefit to them. During the transitional period, the USA and the EU have taken some specific actions to support African exports. The most significant of these is the Africa Growth and Opportunities Act (AGOA). This opens US markets to African commodities, particularly garments, on preferential tariff terms. The preferences will last until 2008 for countries that use their own raw materials, but only until 2004 for those that import it. Entry to COMESA will expose Rwandese businesses to competition from other African countries, in addition to offering them new opportunities for export within the region. It is therefore all the more important to make Rwandese enterprises internationally competitive, especially by reducing the cost of energy.

Actions

- Rwandese enterprises will be encouraged to take advantage of the new opportunities under AGOA.

5.2 The macroeconomic framework

Annex 5 presents a macroeconomic framework agreed with the Bretton Woods institutions and consistent with the baseline expenditure scenario presented in Annex 7. A Poverty and Social Impact Assessment is being conducted to examine the macroeconomic and poverty impact of possible increased expenditures (presented as ‘constrained’ and ‘unconstrained’ scenarios in Annex 7, and discussed below); the findings of this study will be taken into account in the review of the PRGF.

5.2.1 *Growth*

272. Even before the events of September 11, 2001 in the United States there were signs that the slump in financial markets, as well as diminishing demand and economic activity in industrial countries, had started to affect the economic performance of developing countries. Although the magnitude of the impact will depend on consumer and business confidence in the industrial countries, it is clear that developing countries will have reduced access to international financial markets and that lower demand will cause commodity prices to fall. This will have a direct impact on Rwanda through falling tea and coffee prices and will delay investment in exports and tourism. Moreover, security concerns are also translating into higher costs for airline transport, reduced tourism and higher transportation costs for imports. The impact on oil prices is uncertain as both demand and supply are expected to fall.

273. These considerations have been taken into account in the macroeconomic projections, particularly for 2002, and a cautious view of growth prospects has been adopted. The growth rates projected are 7.3% in 2002, 6.1% for 2003, and 6.2% for 2004. Predicted growth in the primary sector is based on the medium-term analysis discussed in Section 3.2. Primary sector growth is predicted to start at 5.2% and accelerate over the period, as the effect of increased input use reinvigorates the soil. Manufacturing is predicted to accelerate sharply at 11.5% in 2002, and then slow down to a more sustainable rate of growth of around 7%. These projections are based on the expansion of specific manufacturing capacity, including tobacco and brewing. The service sector is projected to grow more slowly, reflecting the depressing impact on the transport sector of the recent events. Mining is expected to contract after the recent temporary boom.

5.2.2 *Fiscal policy*

274. The Government is committed to ensuring that its expenditure programme does not lead to unsustainable imbalances. The measures monitored include the overall deficit. The overall deficit can be calculated either by including or excluding external grants. Short-term macroeconomic management also

depends on the methods of financing the deficit. Specifically, domestic financing from the banking sector is rigorously controlled, as it is likely to encourage monetary expansion and lead to higher inflation.

275. Sustainability in Rwanda, while requiring deficit reduction in the long run, also necessitates temporary increases in expenditure. The expenditures proposed in the enhanced scenarios presented in Annex 7 have been carefully designed to reduce rather than increase permanent recurrent commitments. For example the promotion of the use of bed-nets, maintenance of roads, expenditure on environmental infrastructure, spending on HIV/AIDS, labour-intensive public works to absorb temporary unemployment, demobilisation and *gacaca* are all likely to reduce, rather than increase, the future obligations of the Government. Correspondingly, the construction of new facilities and the recruitment of new staff have been restricted. This temporary increase is thus designed to enhance, rather than reduce, long-term sustainability. For this reason, a temporary increase in the primary and overall deficits is not only consistent with, but also actually supportive of, long-run sustainability.

276. Details of the expenditure programme and the associated improvements in expenditure management are presented in Section 5.5, 4.4.9/10 and Annex 7. The expenditures in Scenarios 2 and 3 of Annex 3 will be considered subject to the findings of the Poverty and Social Impact Assessment (PSIA), the review of the macroeconomic programme taking these findings into account, and the availability of resources. The PSIA (which is being conducted by independent researchers) will be concerned to reconcile the needs for poverty-reducing expenditures with the need for a prudent and stable macroeconomic programme, and will be discussed extensively with all stakeholders.

277. The Government is undertaking comprehensive reforms of the taxation system with a view to increasing the efficiency and equity of the tax system as well as increasing the revenue ratio, (discussed further in Section 5.5.1 and Annex 5, Table 5.2). The commercialisation of small-scale agriculture and livestock will also increase the revenue ratio over time, as rural producers start to buy goods and pay indirect taxes. However, fiscal prudence dictates caution in the projection of the revenue ratio. This is not to be confused with a weak commitment to the objective of raising the tax ratio, which the Government views as extremely important. The revenue ratio to GDP is projected to rise over the three years.

Actions

- Corporate income tax rate will be reduced from 40 percent to 35 percent.
- The VAT rate will be increased from 15 percent to 17 percent.
- Import tariff rates will be aligned with the preliminary proposal for the COMESA common external tariff, with rates set of 0, 5, 15 and 30 percent.
- The revenue base will be further strengthened during 2003-04 by the introduction of a tax on in-kind benefits under the professional income tax, and the introduction of an excise tax on new and used cars
- Rwanda Revenue Authority will continue to be strengthened and complemented by a comprehensive study of exemptions and incentives granted under the law and through investment agreements.

5.2.3 External balances

278. Exports are expected to increase between 2002 and 2004, because of an increase in coffee exports due to the implementation of the Action Plan, and an increase in tea exports in 2003 and 2004 because of the impact of privatisation. The international prices of coffee and tea are projected to fall in 2002 (taking into account recent events) and rebound thereafter. There should also be some increase in the export of commodities such as potatoes, traded within the region, although accurate measurement of cross-border trade for these commodities is difficult. Imports are projected to rise.

5.2.4 Monetary policy

279. The money supply is expected to increase over 2002-04, reflecting increased economic activity. The increases in money supply can be accounted for mainly by increases in net foreign assets and in credit to the private sector, rather than credit to the public sector. For 2002, the target for broad money growth has been set in line with nominal GDP growth of 9.4 percent.

5.2.5 Prices and exchange rate

280. Inflation is projected to rise from 2% to 3% over Scenario 1. The exchange rate is expected to depreciate slightly in real terms.

5.2.6 Domestic debt, expenditure management external debt burden

281. Existing domestic debt is being addressed. In 2002, the Auditor General completed an investigation of Rwf 27 billion in claims (arrears). A plan for repayment of domestic arrears, including some conversion into treasury bills, has been developed. Better debt management will require the development of better measures for commitment control. A cash budgeting system has been put in place and stricter commitment procedures are being followed since January 2001, when a Cash Planning Division was created within the Budget Department. The impact of the enhanced scenarios on external debt will depend on their method of financing. We will seek to obtain the additional resources in the form of grants rather than loans; the induced increases in exports and revenue will improve the measures of debt sustainability.

Actions

- Government expenditure will be controlled by the use of a commitment and control system and by the restructuring of existing domestic debt.

5.3 Expenditure for poverty reduction

5.3.1 Criteria for prioritisation

282. Given the need to prioritise actions within the framework of the priority programmes, the following criteria have been used, and will be used in future, to prioritise expenditure. The criteria were discussed by two working groups at the validation workshop for the PRSP and have been revised in light of the working groups' recommendations.

- Expenditures must contribute, whether directly or indirectly, to the reduction of poverty. Expenditures will be targeted at those activities which the private sector cannot realistically be expected to undertake.
- Expenditures will target those activities which can be shown to have high socio-economic impact, as measured by rates of return or other quantitative criteria.
- Expenditures will target the activities that communities have identified as important to them.
- Expenditures will be directed to well planned activities for which realistic and modest unit costs have been identified and where there is a well-developed expenditure proposal.
- In cases where the previous two criteria are not met but the activity meets the other criteria, priority will be given to supporting policy development and planning in the sector.
- Expenditures that reduce future recurrent costs will be prioritised, for instance bed-nets, non-wage funds (books, materials and teacher training) to schools, road maintenance, and water supply.
- Expenditures will be targeted at those activities which can affordably be extended to the whole relevant target population, rather than those which could only be delivered to a few.

- Activities that are labour intensive and create necessary infrastructure for development will be prioritised.
- Activities that favour disadvantaged groups, including activities which address gender or age-based inequities and protect the rights of children, and activities that reduce economic inequality will be prioritised.

These criteria have been applied to the various expenditure proposals in the priority programmes detailed in Annex 5. In addition to the PPA and the priorities identified by working groups at the validation workshop for the PRSP, information has been used from the CWIQ, the costing exercise performed as part of the preparation of the PRSP, documents prepared for the Public Investment Programme, and other sources. The actions included in each sector and outlined in Section 4 are derived from this analysis.

5.3.2 Institutional structures for prioritisation

283. The Ministry of Finance and Economic Planning is responsible for advising the Cabinet on expenditure prioritisation, through the budgetary process. Within MINECOFIN, frequent liaison between the Budget Department, CEPEX, the NPRP and the Strategic Planning Department will be essential to ensure that a consistent approach to prioritisation is applied throughout the recurrent and development budgets. The 2002 budget preparation and prioritisation has already benefited from this collaboration. This coordination will be strengthened over the course of the next year and MINECOFIN will also liaise with sectoral groups (ministries, local authorities, and other stakeholders) to ensure that a wide range of views is taken into account. The aim is that increasingly the sector strategy process will take on the role of developing clear prioritisation within each sector.

5.3.3 Priority programmes

284. Within the recurrent budget, a subset of programmes has been identified as high-priority for poverty-reduction. This subset plays three roles:

- The share of expenditure on high-priority programmes is to rise and is monitored. When the programme definition is changed, figures are calculated both for old and new programmes to ensure that changes in the share are not due to redefinition.
- The programmes are earmarked for a higher rate of expenditure growth in the recurrent budget
- The programmes are protected from within-year budget cuts.

The overwhelming majority of expenditures on the development budget correspond to priority programmes in the recurrent budget. The list of priority programmes has been revised during this budget round, using the criteria discussed above. The revised list is presented in Annex 6.

5.3.4 Costing priority programmes

285. To refine the prioritisation further, all sectoral ministries with priority programmes provided costed estimates of their needs as part of the preparation for the PRSP. These costings were financially unconstrained, being restricted only by concerns of policy and practicality. Ministries were asked to provide unit costs and quantities for each input. This exercise will provide an important basis for sectoral planning. The costings were scrutinised for technical accuracy and policy coherence, in the light of the criteria.

5.3.5 The proposed expenditure programme

286. As anticipated, the need for expenditure is considerably greater than existing resources. In addition to the baseline, Annex 7 presents two scenarios for a proposed comprehensive expenditure programme. The first scenario represents the total, unconstrained expenditure required to fully meet the needs of poverty reduction. It presents a broad range of expenditures, based on the submissions of ministry costings, but reviewed using the criteria presented above. The second scenario is constrained to an additional expenditure of just Rwf 50 billion, which better highlights the programmes' financial priorities. Expenditure already programmed is presented in the first three columns, and the proposed increase is presented in the second three columns. The total programme is presented in the last three columns. In each case, the proposed increased expenditures are based on costed proposals, although the detail of the costing varies by sector. The tables also show the recurrent and development expenditures alongside each other and whether additional expenditures are specifically proposed at the central or local level. Important features include the following:

- An increase in labour-intensive public works on reforestation, terracing and wetland and water shed management, agricultural extension and credit. These are designed to support agricultural transformation while providing better environmental sustainability and increasing employment.
- An increase in preventive spending in health and some support to reducing selected drugs prices and supporting the development of *mutuelles*, aimed to improve access to the health system
- An increase in road maintenance and rehabilitation
- An increase in the provision of textbooks for primary education
- A short-term increase in shelter provision to resolve the problem of lack of shelter.

5.3.6 Financing and delivering the extra resources

287. The extra expenditure covers both the recurrent and capital budgets, and most of it will be at the local level. Hence the allocation of expenditure will be indicative rather than exact. The funds may flow through the recurrent transfers to districts, through the Common Development Fund (CDF), through the *ubudehe mu kurwanya ubukene* programme, or by direct transfers to facilities. It is important that enough resources are also made available to meet the recurrent needs of services such as agricultural extension, road maintenance, health and education. The Government will consult donors on the form in which they can contribute to these priorities. We anticipate that donors will need a variety of funding mechanisms, including budget and project support.

5.4 Public expenditure management

5.4.1 The budgetary system

288. The budget is based on submissions from the ministries, coordinated by the Budget Department and assisted by CEPEX for the development budget. The development budget is prepared by CEPEX and presented in the form of the Public Investment Programme (the PIP), which translates actions within each programme into projects. The programme classification on the two budgets is being harmonised with a full merger planned during 2002.

289. Both the recurrent and capital budgets use a 3-year forward planning approach, although their planning approaches have not been integrated in the past. The 2002-4 PIP is now in draft and an integrated forward projection can be presented for both recurrent and development budgets. In the spirit of the MTEF approach, the objective is to integrate these two processes as closely as possible, so that the time-frame and programme definitions are the same, and that decisions on the magnitudes would be taken

at the same time and by the same people. The PIP presentation remains essential to show how individual projects relate to the overall programme, as well as to show the aggregate implications of projects that have already been negotiated or are in the course of negotiation. Sectoral strategies will be reflected in the presentation of projects in the PIP.

290. The end product is the Finance Law. This presents a one-year recurrent budget and a three-year summary of the PIP. In the event that extra resources are forthcoming in 2002, as assumed in Scenarios 2 and 3 of the macroeconomic framework, a budget revision will be presented to Parliament to authorise the corresponding expenditures.

5.5 Resource mobilisation and tax policy

5.5.1 Taxation

291. Tax policy aims to increase revenue mobilisation while raising revenue in an equitable way, in order to cause as little economic distortion as possible. In the last few years, the Rwanda Revenue Authority (RRA) has been established, excise taxes have been shifted to a value-added basis, the income tax has been reformed, and trade taxes have been greatly reduced. This year a VAT has been introduced smoothly. Most of these changes will have progressive benefits and will bring about an improvement in efficiency. The structure of taxation is shown in Tables 5.2 and 5.3 in Annex 5.

292. Rwanda's revenue remains a small proportion of GDP. The main reason for this is the low share of output brought to market. The share will rise as the economy commercialises, but the macroeconomic projections deliberately take a cautious view of the likely evolution of the tax share, in order not to make unrealistically high expenditure projections that would later need to be reduced. Revenue measures under consideration include reforms to remove enterprises' exemptions on VAT, and to introduce excise on some luxury items. PTA tariffs will be replaced by COMESA ones, eliminating import duties on goods imported from COMESA countries. Table 5.4 in Annex 5 shows the main reforms being implemented and those being considered.

293. Three issues of importance for poverty are transport costs, local taxation and the operation of the duty drawback. Imported petroleum is currently taxed at a rate of 96% (including excise tax and VAT). Taxation of travel for leisure purposes is almost certainly progressive. However, the impact of taxation on fuel used to move goods is harder to assess, since some of this tax falls on small-scale producers. If transporters and other related businesses are in the income tax net, they will be able to write the costs off against income, reducing the potential disincentive effect. We are hoping to extend information about the income tax, with a simplified tax return, so that small entrepreneurs will be within this net. The petroleum tax might, however, still pose a disincentive for farmers' groups, unless they can register as corporate entities. Another concern is the environmental implication of the tax on kerosene. However, it can be seen that the petroleum tax produced 12% of revenue in 2000, and therefore it would be necessary to find compensating revenue measures before considering a reform. As the tax base expands and the tax reforms are consolidated, reform may become more desirable. For these reasons the effect of petroleum taxation on the commercialisation of the rural economy and on the incentive to use environmentally friendly cooking fuels will be kept under review.

294. The new decentralisation policy introduces a reform of local taxation. A property tax will be introduced to support local Governments' revenue base. The regressive head tax and livestock tax are to be abolished. Currently, local Governments are acutely short of resources and there are reports that some

authorities are levying income taxes, although the legal framework allows only for a highly regressive flat, head and livestock tax. A clear framework for realistic and progressive local taxation is therefore needed; better-off households should be expected to pay more than the poor. Fiscal transfers from the centre will remain a major part of districts' and provinces' incomes.

Actions

- Further reforms of VAT will be undertaken to make it consistent. The tax base will be broadened.
- Local taxes will be reformed in line with the decentralisation policy, and a property tax will be introduced.

5.5.2 Donor resources

295. As noted above, the Government prefers to receive resources on the most flexible terms. However, many donors prefer to provide project support rather than budget support. The Government will discuss with donors the best way to integrate projects into the overall strategy. Three principles are central:

- Projects should be conceived within a sector strategy and consistent with the priorities of the sector.
- Projects should have cost structures appropriate to the Rwandese economy. For instance, tendering procedures should not exclude local contractors by imposing unrealistic requirements.
- Development partners should consult the Government's Proposal Guideline document for donor implementation of the PRSP, soon to be finalised, and the joint donor and Government document, 'Guidelines for Productive Aid Coordination in Rwanda'.

A fast exit strategy for donor assistance would imply severe contractions of public services. The focus in the medium term must be on ensuring that the Government manages resource flows in an integrated way.

5.6 The Sector Strategy Process

5.6.1 The role of sector strategies

296. Through the implementation of a more integrated MTEF process, ministries will be able to further develop sector strategies to reinforce planning and budgeting processes. A sector strategy is a comprehensive vision and strategy for an entire sector, which informs all support to that sector (the public sector, all development partners including NGOs, and the private sector), and is implemented through a common framework and a public expenditure programme. In Rwanda, improving the sector strategy process is vital for the effective planning and budgeting of Rwanda's scarce resources. At present, all ministries draft separate ministerial policies that sometimes overlap (such as agriculture and environment) and at times duplication may occur due to insufficient coordination of programmes and resources. Some ministries have already begun to improve their coordination with other agencies and their efforts must be supported and encouraged by MINECOFIN and donors. The strategies will be drafted by Government and will build on existing policies and plans, Public Expenditure Reviews, Thematic Consultations, the 2001 PRSP costings, and strategy documents and research prepared by other stakeholders. The development of sector strategies can be expected to have the following benefits:

- Improvement of the planning and budgeting processes as ministries and donors work more closely together to implement one strategy in each sector.
- Increased coordination within programme areas will create clarification of responsibilities, reduce the burden on overstretched government resources and increase ministries' capacity to absorb financing. As ministries increasingly plan and budget together, their resources, particularly capacities, skills and knowledge can be pooled.

- Better sectoral coordination will also save scarce funds as less programme duplication occurs within policies.
- Donor coordination will be greatly improved as donors follow a common strategy for policies within a sector. This will enable ministries to have greater control over the allocation of donor resources which should be consistent with comprehensive sector strategy.
- The sector strategy process will serve to formalise working relationships between MINECOFIN, line ministries and donors. They will clarify who should work with whom, and who is responsible for what. This will create a formal sector structure through which better coordination can be achieved.

297. The first step toward sector strategies is ensuring that ministries in the same sector, work closer together in preparing their programmes and align their budgets. In order to do this, the sector and ministry responsibilities must be clearly delineated. Below is a proposed list of sectors (table 5.1), which were reviewed in consultation with stakeholders; each row in the table corresponds to a ‘ ’ and suggests the principal and supporting ministries and organisations that should be members of each group. Government budgets will continue to be detailed by programme under the heading of each Ministry, though eventually budget programmes will be classified solely under their respective sector. The sector strategy approach implies coordinated planning between those ministries who work in the same area, such as MINEDUC and MIJESPOC, or MINAGRI and MINITERE.

298. As ministries and all development partners work together in a more coordinated manner within their respective sector groups, separate ministerial policies can be unified into one comprehensive, sectoral framework for more effective and efficient resource allocation. A model to further develop this sector strategy process could include the following:

- Identification of the principal government agencies in each sector with responsibility for the coordination of the sectoral group and development of the sector strategy.
- Identification of the key donors in each sector and coordination with them, with the assistance of UNDP who have been nominated as a facilitating agent for this process. This is developed further in the joint Government and donor document, ‘Guidelines for Productive Aid Coordination in Rwanda’.
- The NPRP will participate in order to ensure that each sector strategy is consistent with the national planning framework of the PRSP.
- MINECOFIN, MINALOC, MINICOM, MINITERE, MIGEPROFE, NURC and CNLS must make some input into all sector strategies to ensure that economic strategy, decentralisation, trade issues, and environmental and gender sensitivity are incorporated.
- The private sector will have substantial representation in each group.
- Parliament would be informed of progress at regular intervals.

Table 5.1: Proposed list of sectors

Sector	Principal agencies	Other Government institutions	Other groups
General Public Services	MINECOFIN, MIFOTRA, MINAFFET Key development partners	All line ministries, decentralised administration, AN, President's and Prime Minister's Offices, all Commissions, MIGEPROFE	Other development partners
Defence	MINADEF Key development partners	MININTER, MINIJUST, decentralised administration, MIGEPROFE	CBOs and other partners
Justice and Safety	MININTER, MINIJUST Key development partners	(Gacaca Commission), decentralised administration, MIGEPROFE	CSO, NGOs, other development partners
Energy and Fuel	MINERENA Key development partners	MINAGRI, MINITERE, Privatisation Secretariat, KIST, decentralised administration, MIGEPROFE	Energy producers, NGOs, private sector, CBOs, other development partners
Industry and Commerce	MINICOM Key development partners	MINECOFIN, MINAGRI, decentralised administration, MIGEPROFE	Trade Unions, CBOs, Private Federation, other development partners
Agriculture	MINAGRI Key development partners	MINITERE, MINERENA, MINALOC, MINICOM, Privatisation Secretariat, ISAR, OCIR Café and Thé, decentralised administration, MIGEPROFE	Farmer groups and other community based organisations (CBOs), Land-Net, financial institutions, NGOs, research institutes, other partners
Environmental Protection	MINITERE Key development partners	MINAGRI, MINERENA, MINITRACO, decentralised administrations, MIGEPROFE	CBOs, NGOs, Land-Net, other development partners, research institutes
Land, Housing and Community Amenities	MINITERE Key development partners	MINAGRI, MINISANTE, MINALOC, MINEDUC MINITRACO, decentralised administrations, MIGEPROFE	CBOs, NGOs, Land-Net, other development partners
Transport and Communication	MINITRACO Key development partners	MINICOM, MINAGRI, MINITERE, MINALOC, Decentralised administration, MIGEPROFE	Transporters' representatives, farmers' groups, CBOs, tourist industry, other development partners
Water and Sanitation	MINERENA Key development partners	MINISANTE, decentralised administration, MIGEPROFE	Contractors, NGOs, CBOs, other development partners
Youth, Culture and Sport	MIJESPOC Key development partners	MINEDUC, National Museum, MIGEPROFE	CBOs, NGOs, all cultural and sporting associations and development partners
Health	MINISANTE Key development partners	MINEDUC, MINALOC, public health services providers, all MINISANTE related agencies, decentralised administration, MIGEPROFE	CBOs, private health service providers, NGOs, other development partners
Education	MINEDUC, MINALOC, MIJESPOC Key development partners	MINISANTE, MINAGRI, perhaps others, decentralised administration, MIGEPROFE	Human Resources Agency, public and private schools and universities, NGOs, CBOs, private sector, other partners
Social Protection	MINALOC Key development partners	MINISANTE, MINEDUC, vulnerable people's funds, i.e. FARG, AVEGA, MIGEPROFE	CBOs, NGOs, other development partners

299. Once constituted, the sector group would draw together existing strategies and policies to develop the sector strategy. It would supervise submissions to the MTEF and the PIP and would eventually prepare a sector budget framework paper. As a starting point for this process the PRSP will be broken down into separate, sectoral documents that contain the analysis, principles and priorities, policies and actions, and the indicators for each sector. It is envisaged that the revision of the PRSP, in two years time, will be largely based on the sector strategies themselves.

300. A full sector strategy would vary according to the sector, but would be expected to include a clear vision of the overall development of the sector, with a comprehensive set of policies which articulates and justifies the roles to be played by the public sector at central and local levels, the private sector and communities. It would present a fully detailed MTEF for each ministry, supported by input prices and quantities, for all recurrent and development expenditures. The strategy would also include a consolidated monitoring review for the year of outputs and performance against MTEF outputs and PRSP actions for the sector. It would also detail the roles, functions, programmes and expenditures of other players and stakeholders. A final important factor would be a clear focus on the benefits of the strategy for the poor, including an analysis of the incidence of expenditures using EICV data where available and user surveys such as citizen's report cards and data gathered within the PPA.

301. In order to achieve this agenda, it will be essential to strengthen the planning functions of the lead ministries in each sector. The appropriate balance of line ministry staff and local and international consultants would be decided within each sector. Some extra resources will need to be made available to ministries for this purpose; the saving of future waste and duplication within each sector will amply justify the spending of these funds. No formal costing has yet been attempted for this exercise and the costs will depend on the sectors.

5.6.2 Ensuring that projects are consistent with the PRSP and sector strategies

302. The coordinating role of the PRSP's planning framework, and the importance of the sector strategies within it, implies a need to ensure that new initiatives are consistent with the PRSP. While the expenditure programme presented here is not irrevocable, departures from this programme do need to be scrutinised in order to ensure that they are consistent with the priorities of the poverty reduction strategy. Sectoral ministries and donors therefore need to keep MINECOFIN informed of any new initiatives or changes in their priorities, and will be expected to justify such changes with reference to the criteria established above. Technical departments within MINECOFIN, including CEPEX, the Budget Department and NPRP, will examine submissions to the Development Committee to ensure that they meet these conditions.

6 MONITORING AND EVALUATION OF POVERTY

303. Rwanda's strategy for poverty reduction contains two principal objectives (i) to reduce by half the proportion of the population living below the poverty line by 2015, and (ii) to reduce by three quarters the infant and maternal mortality rates for the same period.

304. The frequency of larger surveys for monitoring and validating the indicators of poverty is every five years. However the monitoring of the performance indicators for the priority poverty reduction programmes will be done on an annual basis. The production of a management report of the performance indicators will be compiled from a variety of quantitative and qualitative data at the national, sectoral and provincial level. The monitoring of the strategy will be done at two levels:

- Firstly, the chosen indicators will measure and analyse the type of changes occurring in the population's living conditions.
- The second level of monitoring will cover the contribution of sector strategies in the realisation of national development objectives and the fight against poverty. Thus, the monitoring parameters will cover the resources allocated to the different poverty-reducing programmes and the results of these programmes in terms of outputs, quality of service delivery and outcomes.

305. The selection of indicators monitoring poverty was based on extensive consultation. Firstly, the Poverty Observatoire, in collaboration with the Ministries and other partners involved in the production and use of indicators, drew up a list of poverty monitoring indicators. This list has been reworked to take into account information from the PPA, the priority programmes and the availability of information. The Observatoire will also work towards the development of Millennium Development Goals (MDGs)

6.1 The institutional framework for monitoring poverty

306. The poverty monitoring system will be built mainly on the existing structures of data collection and analysis, and objective and output monitoring. However, additional aspects will be introduced to define quantifiable and realistic objectives for the evaluation of the impact of Government programmes on household living conditions.

6.1.1 The Poverty Observatoire

307. The Observatoire acts as the overall coordinator of the monitoring system, ensuring that the selection of indicators reflects the direction of the strategy, and developing an agenda of research to examine the causes of poverty. The Observatoire's status as a unit within the NRP encourages a very close link between the activities of monitoring policy formulation and expenditure allocation, with the same personnel working on both sets of issues. The Observatoire is also responsible for disseminating the results of monitoring. This includes both formal publications, informal exchanges with sectoral ministries and dissemination of information to the public. The monitoring structure is summarised in the following table:

Table 6.1: The structure of the monitoring system

Indicator level	Institution responsible
Input indicators	Budget Department/CEPEX
Output indicators	Budget Department/line Ministries/Local administration/CEPEX
Process and impact indicators	National Poverty Reduction Programme/Statistics Department/CEPEX/Line Ministries/Local administration

6.1.2 *The role of the statistics department*

308. The Government has begun the elaboration of a development plan for the statistical system, which contributes to the reinforcement of the poverty monitoring system. Collaboration between the Observatoire and the Statistics Department is on two levels:

- Definition of information needs and indicators to be produced
- Analysis of outputs.

While the general coordination of surveys, as well as the data collection and analysis, is the responsibility of the Department of Statistics, a strong partnership between the department and the Poverty Observatoire has been built. This is particularly the case in the preparation and analysis of the socio-economic data from Butare and Gikongoro, in the analysis of the EICV and in the development of the poverty profile report.

6.1.3 *The role of the line ministries*

309. The line ministries produce information that serves as a basis for other work in poverty monitoring. This information is however limited by a narrow base, as the line ministries only cover particular groups in the population (e.g. those who go to health centres) making it difficult to undertake a comparative analysis. Nevertheless, the ministries concerned can better produce certain kinds of information, such as the availability of services.

6.1.4 *The role of the MTEF*

310. The regular monitoring of inputs for the priority poverty reduction programmes is primarily with the Budget Department and CEPEX. Outputs are presented for all recurrent expenditures as part of the budget submission, and ministries report annually on their success in delivering the previous year's output. The proportion of expenditure on priority poverty programmes, as noted above, is monitored annually.

6.2 Indicators for poverty monitoring

311. Table 6.2 presents the poverty monitoring indicators. Table 6.3 presents Rwanda's national targets, which are closely linked with the International Development Goals. Table 6.4 presents an initial list of performance indicators, with targets for 2005, 2010 and 2015.

Table 6.2 Poverty Monitoring Indicators

1. Outcome Indicators (Gender-Disaggregated wherever possible)	Source
Health/Nutrition	
Life Expectancy	Census
Infant Mortality Rate	DHS
Under 5 Mortality Rate	DHS
Maternal Mortality Ratio	DHS
Malnutrition	DHS
Vaccine cover	DHS, CWIQ
Births attended by qualified personnel	DHS, CWIQ
Rate of contraceptive use	DHS, CWIQ
HIV/AIDS Incidence	DHS, CWIQ
Rate of use of health services	DHS, CWIQ
Rate of satisfaction	CWIQ

	Education Adult Illiteracy Rate Level of education Enrolment rate Drop-out rate Repetition rate Rate of satisfaction	Census DHS, CWIQ CWIQ
	Income/Consumption Poverty Poverty Incidence/Depth/Severity for Select Groups Unemployment rate Time Use Agricultural productivity Fertiliser use Access to extension services Marketed agricultural production Imported fertiliser volume Cattle ownership Differences in the cost of living	EICV EICV, CWIQ EICV, CWIQ Agricultural Survey Agricultural Survey Agricultural Survey Agricultural Survey NBR Agricultural Survey EICV, PASAR
	Time Poverty Time use data (especially gender disaggregated)	EICV
	2. Access Indicators (Gender-Disaggregated wherever possible)	
	Health/Nutrition Number per doctor/population Proportion of population per hospital bed Number of meals per day Satisfaction of calorific needs	MINISANTE MINISANTE CWIQ MINAGRI
	Education Teacher/pupil ratio Book/pupil ratio Number of pupils per class Rate of retention from primary to secondary	MINEDUC MINEDUC MINEDUC MINEDUC
	Housing and settlements Population with Access to Safe Water Population with Access to hygienic facilities Lighting source Energy source Possession of a radio Possession of a mattress	CWIQ
	3. Process Indicators (Gender-Disaggregated wherever possible)	
	Growth and Distribution GDP Growth Agricultural Production Growth Rate Changes in size distribution of landholding (or summary inequality index, Gini)	Stats Dept. Ag Survey (MSU) Ag Survey (MSU)
	Employment/Wages Change in Real Wage Rate of Casual Labour (On -Farm) Active population	PASAR CWIQ
	Public Expenditure Data (Health and Education) As % of Total Government Expenditure Primary Health and Education as % of all levels	Budget
	4. Proxy Indicators (Gender-Disaggregated wherever possible)	
	Correlates of Poverty (Sensitive to Change) Characteristics of the Poor (Sensitive to Change)	EICV NPA

Table 6.3 Monitoring indicators for development and poverty-reduction objectives

Problem	Indicator and target	Source and frequency
Increase incomes and consumption	Prevalence of poverty: Reduce the population below poverty line from 60% to under 30% in 2015	Consumption budget survey, every 5 years
Control population growth	Reduce the population growth rate from 3.2% to 2.5 % in 2010	Demographic and health survey, every five years
Control fertility rate	Reduce the total fertility rate from 6% to 4% by 2010	Demographic and health survey, every five years
Reduce maternal mortality	Reduce the maternal mortality rate from 810/100.000 to 202/100.000 by 2015 Make reproductive health services available to all	Demographic and health survey, every five years
Reduce infant and child mortality	Reduce infant mortality rate from 107 to 35/1000 by 2015. Reduce child mortality	Demographic and health survey, every five years
Increase literacy	Increase net primary enrolment from 72% to 100% by 2015	Consumption budget survey, every 5 years
Economic growth	Achieve real annual GDP growth of 7-8% until 2020	National accounts, annual

6.2.1 Performance indicators

312. The choice of performance indicators is based on four main criteria:

- The suitability of the index for measuring the relevance of proposed actions
- Finding a consensus with the technical services of line ministries.
- Taking into account the available financial resources.
- The cost of the monitoring the indicator.

The monitoring of performance indicators will be based on the information management systems developed by the different ministries, studies and research as well as a small, annual survey similar to the CWIQ. Most of these indicators are closely related to the output measures used in the MTEF, on which ministries report to MINECOFIN annually. The performance indicators will provide information on the impact of the sectoral policies and strategies on the reduction of poverty, and will facilitate the process of resource allocation. Table 6.4 presents these indicators. The information will be updated whenever possible.

Table 6.4 Monitoring Indicators for the performance of poverty reduction programmes

Major Problems	Monitoring Indicators	Current Situation	Target		
			2005	2010	2015
Agriculture					
Low use of fertiliser	Quantity of imported fertiliser	8000	63,000	-	-
Use of selected seeds	Population with access to selected seeds	1%	8%	30%	-
Safe Water and Sanitation					
The rate of distribution below the required norm	Access to safe water	52%	57%	62%	72%
Sensitisation of the population on hygiene and rational water use	Access to sanitation	15%	20%	30%	56%
Education					
Access	Net enrolment rate	73%	80%	90%	100%
Quality	Dropout rate	12%	10%	-	-
	Repetition rate	37%	25%	20%	10%
	Transition rate primary-secondary	42%	60%	-	-
HEALTH					
Qualified personnel	Number of qualified personnel	-	4 doctors per district hospital 10 nurses per health centre	-	-
Cost of services	Membership of <i>mutuelles</i>	10% of target population in 3 provinces	30% of target population nationally	-	-
Utilisation of services	Utilisation of curative services	0.25 consultations per year per capita 70% access to primary health care	1 consultation per year per capita	-	-
	Vaccination	72% coverage	-	90% coverage	-
	Births attended by qualified personnel	35%	-	60%	-

6.3 Master plan of studies and surveys

313. The development of a master plan of studies and surveys is to be carried out within the framework of the poverty reduction strategy with the aims of: monitoring and analysing the impact of poverty, providing feedback to better allocate resources and improving the usage of research undertaken. Better programming and coordination will avoid duplication and increase coherence and quality of the information generated.

6.3.1 Surveys to be conducted

314. The programming of surveys is based on past experience and aims principally to provide information on the degree of use and satisfaction of public services and the impact of these services on household living conditions. The Department of Statistics in MINECOFIN will undertake the coordination of statistical surveys.

315. The main surveys planned for regular implementation are shown in Table 6.5:

Table 6.5: Surveys to be conducted regularly

Survey	Purpose	Proposed frequency
Crop production survey	Crop production and household behaviour, linked in 2001 with EICV	Annual
Core Welfare Indicators Questionnaire (CWIQ)	Indicators of household living standards and use of services	Annual
Report on socio-economic conditions (light survey)	Specific aspects of welfare; conducted in Butare, Kibuye and Gikongoro in 2001	Annual
Citizens' report cards	Users' experience of the quality of public services	Annual or as commissioned
National Poverty Assessment (NPA)	Perceptions of the population about poverty, service delivery, social exclusion	2 years
Public Expenditure Tracking Surveys (PETS)	Flow of funds and management issues to support sectoral strategies	3 years.
Household living standards measurement survey (EICV)	Comprehensive data on household living standards	5 years
Demographic and Health Survey	Maternal and child health, family planning	5 years
Population Census	Population estimates, some indicators	10 years

316. Other one-off studies that will also be carried out in the next few years include an agricultural census and a survey of the informal sector. In addition, there are a number of administrative reporting systems which shed light on the impact of policy effectiveness and the impact of public expenditures, as follows:

317. Ministerial administration reports

Each year, all Ministries must submit an annual report to the Prime Minister's Office. These reports are important tools for showing the trend in the performance of poverty-reduction programmes. A management report on the main performance indicators should be annexed in each report.

318. Provincial administrative reports

In the context of decentralisation, these reports are very important since they allow a better understanding of the outputs and challenges in terms of poverty reduction. The provincial reports also provide an understanding of the distribution of national resources.

319. Feedback from the population

Participatory poverty research and assessments allow us to define the priority problems and the mechanisms used by communities to resolve these problems. This *ubudehe mu kurwanya ubukene* exercise will be important for the definition of national priorities and policy options and generating greater participation in community development. The Citizen's Report Cards will also provide vital feedback.

320. Evaluation of the impact of policies and programmes on the reduction of poverty

Based on the information produced through the different instruments mentioned above, the impact assessment will be carried out to generate information that will advance the national development strategy. The main programmes that will be monitored regularly are selected using the national poverty reduction priorities and are mainly those relative to developing the rural economy, developing human resources and the protection of vulnerable groups. A key instrument in this process will be the development of a capacity outside of Government, in an independent research institution, to carry out Citizens' Report Cards.

6.3.2 Information dissemination, feedback and access

321. The main objective of the poverty monitoring system is to provide relevant information and promote constructive public debate on the challenges, solutions and progress in poverty reduction in Rwanda. The information gained through the monitoring system must be continuous, recent, reliable and, above all, available to all stakeholders involved in the poverty reduction process. This involves providing information in a manner that is accessible to communities.

322. Measures that make available the relevant information to those concerned help to improve the national statistical system and reinforce the poverty monitoring system capacities so as to ensure the regular and reliable production of information on the poverty situation and trends. Reinforcement of the capacities of the Statistics Department in MINECOFIN and the statistical services within the line ministries and the decentralised structures will contribute to making statistical data more widely available.

323. The central role of the Poverty Observatoire in the preparation of the PRSP has enabled the development of a system of poverty monitoring and analysis. Impact and performance indicators have been defined and their frequency of production was determined. Each year, a report on the poverty situation will be prepared based on the research carried out in the country. The new poverty profile will be prepared each time a Household Living Conditions Survey (EICV) is carried out. The information produced will be available in documentation centres, decentralised administration offices and in other appropriate structures.

Appendix A: Community Action Planning: ‘ubudehe mu kurwanya ubukene’

324. As part of the process of decentralisation, the Ministry of Local Government is carrying out a participatory process of project planning and implementation down to cellule level. The process has so far been piloted in every cellule in Butare province and during the course of 2002 it will be extended to every province and cellule in the country. The approach is based on the traditional concept of communal action and is named ‘ubudehe mu kurwanya ubukene’ in Kinyarwanda. It involves the direct funding of a project in every cellule and also in some individual poor households. Within with the entire community, every household is first categorised by social category, then the community’s most important problem is selected and a costed strategy devised to tackle it. In the household stage the community select one poor family for further assistance. This family also identify their main problem and cost a strategy to transform their situation.

325. The community process starts with the cellule members collectively drawing a *social map* (see map below), this maps out their community and details every household’s location, their social category, type of shelter, all social and economic infrastructure and landmarks in the cellule, such as water points, schools, shops, roads etc. The map is first drawn on the ground using local materials and later copied onto a piece of cloth for the community to keep as a tool for future planning. This exercise ensures that every family is acknowledged and represented in the process, that none are excluded and everyone’s needs can be better identified.

326. So as to identify the *social category* of each household in the cellule, the community then share their understanding of poverty, its causes and consequences. The community itself defines how many categories of poverty/wealth they recognise and how they categorise the people in their community. They then categorise every household into each of the categories, the maximum number of which found in a cellule was six, though some cellules identify just four or five of them depending on the status of the families found in their community. The most common categories are detailed in section 2.1.4.

327. Next, the community explain the various development problems they face and prioritise them using ‘*preference scoring*’. This involves listing all of the problems facing the community and then comparing these problems in pairs by identifying the characteristics of each. These characteristics are then scored out of 10 according to their importance. This stage involved everybody in the community. From this detailed analysis, the community is able to choose one of their most significant problems to address; one that would have the greatest impact on the community and which was feasible to tackle.

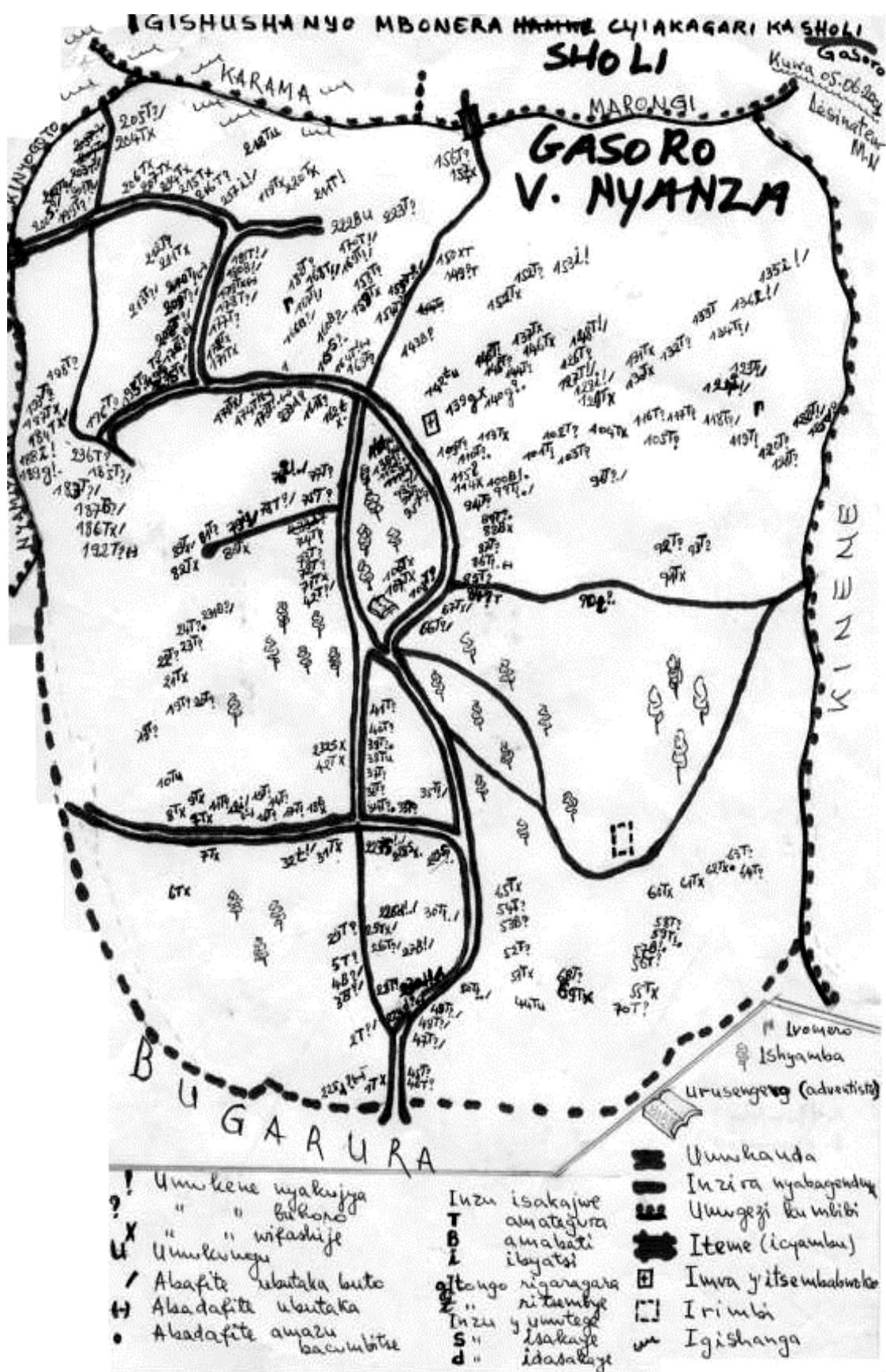
328. Once everyone agrees on a problem, the community members proceed to developing a list of activities to be carried out to achieve their development transformation, and they estimate the cost of each activity and outline its time frame. Next, community members select two groups of people, one to implement the process and one to monitor and provide any necessary corrective action.

329. Relevance testing is then undertaken with every beneficiary, particularly those who were not involved in the process, to make sure that all the community members came to a consensus on the strategy. This will also be done with technicians who can give technical and practical information and with local government who give funding information and any other stakeholders who can assist. This ensures that the strategy chosen is feasible and sustainable. The strategy is then signed by all members of the community to endorse it. Once these stages are completed, the cellule can receive the financing for the strategy. The funding mechanism that could be used is the depositing of funds in district branches of the Banques Populaires and the cellule residents withdrawing their funds from them.

330. An example from Sholi Cellule in Nyanza District, Butare Province illustrates the results of this process. Sholi is located near Nyanza town and has a total population of 229 households. Their social map is on the following page and numbers each individual household, a symbol for each social category and their housing type. The map also details the infrastructure of the cellule according to symbols. The key to the symbols at the bottom of the map is as follows:

!	umukene/umutindi nyakujya		house being built, already with roof
?	umukene		house being built not yet with roof
X	umukene wifashije		a water point
u	umukungu		a tree
/	household with a small landholding		a church (Adventist in this case)
(.)	household with no land		a road
.	household with no shelter		a path
T	house with tiles		a river
B	house with iron sheeting		a bridge
i	house with thatch		a genocide memorial site
g	destroyed house (still visible)		a cemetery
t	destroyed house (no longer visible)		wetland

Social Map for Sholi Cellule



331. The cellule's households were categorised as follows:

Category of poor	Total	Characteristics
Umutindi/Urukene Nyakujya	43	They have to beg and have nothing; no clothes, no food, no shelter. Their children cannot go to school, they cannot afford medical care and have no farmland.
Umutindi/Urukene	114	They do not have sufficient food but can work for others to survive, they dress poorly, have insufficient farmland and can hardly get medical care. They have shelter but no livestock and are always suffering.
Umutindi/Urukene wifashije	60	They have small and poor shelter, and a minimal harvest, their children can go to primary school, they can clothe themselves but with difficulty, they can hardly access medical care, but manage to have sufficient to eat and they have small ruminants
Umukungu	13	They have excess harvest to sell and livestock, they can afford medical care, and have a little money. Their children can go to secondary school. They eat well, are neat, have a good house and a bicycle, and can engage others as labour.

332. During the PPA process this cellule listed their main poverty concerns as insufficient harvests, ignorance, extreme variations in weather conditions, laziness and sickness. To prioritise the most urgent problem the community members identified the features or characteristics of them. These were then compared in pairs so that common features and similarities could be identified and used to shorten the list to the following generic characteristics: hunger, negative thoughts, lack of clothes, lack of energy and malnutrition. They then carried out the preference scoring, which was done by marking the problems out of 10 against each the characteristics, see table below. At the end of the debate, the community confirmed that insufficient harvests were their best option as a problem that could transform their situation of poverty. Consequently they formulated a strategy which was to raise goats so as to provide some manure for cultivation.

Problems Characteristics	Insufficient harvest	Lack of knowledge	Vagaries in the weather	Laziness	Illness
Hunger	8	9	9	3	5
Negative thoughts	2	8	9	7	2
Lack of clothes	4	5	8	2	3
Lack of energy	4	2	7	2	3
Malnutrition	4	3	9	2	3
Problem ranking	3 rd	1 st	2 nd	4 th	5 th
Selected problem	***				

333. Once the communal project was decided upon, they identified the activities required to carry it out; these included purchasing tools, such as hoes, clearing the land, planting grass for the goats, building shelter for the goats, buying the goats and transporting them to the field, raising the goats and fertilising the land to be cultivated and planting anti-erosive reed plants. The community also calculated a time-frame for each activity, its unit costs and the total cost and detailed additional information for each activity. They agreed eleven team rules to guide their operations, and constituted the two teams for project implementation and monitoring corrective action.

334. The next step is to provide the technical assistance and guidance to the cellule through further discussion, to ensure that their project is feasible and that the funds' benefits are maximised. In this case, the community have identified their main problem as poor soil fertility causing low harvests, and have used their existing knowledge to conclude that goats can solve the problem. Further rounds of discussion and analysis are needed to consider the likely effects of purchasing goats and whether the manure would be sufficient. In particular, increased use of green manure needs to be encouraged as an effective alternative.

335. Following this process, in the Butare pilot exercise, the community went on to chose one family who could be visited and assisted further.¹² The community identified a family who was capable of working and whose living conditions could be improved if helped. The search started off in the most poor category (*umutindi nyakujya*), however the household selected was frequently not in the lowest category since the poorest households are often unable to work as they comprise of the elderly, young orphans and the handicapped etc. These people need special attention from Government and NGOs. The family selected was often in the second from bottom category (*umutindi*).

336. The selected family is visited and their living conditions are evaluated using a *seasonality method*, this involves questioning the household members and recording the levels of the following factors they experience in each month of the year: rainfall, food stocks, agricultural work done on his/her own plot of land, amount of own labour sold, when illness was prevalent in the household, credit availability and when food prices are high

337. After the seasonality process, the survival strategies were defined by examining the food stocks. The strategies illustrated what people do in the months to survive when there are no food stocks, when there are low levels of food and when there is sufficient food. Once the strategies are defined, the next step is to compare them in pairs to identify their characteristics and score them according to their effectiveness. Then the strategy to be developed was identified, and the activities to carry out that strategy were listed and costed.

338. Madame MUKAGASANA Liberata illustrates the details of this process. Madame MUKAGASANA Liberata is a 35-year-old widow with two sons; she lives in Gatare cellule, Nyanza Town District, Butare. Her household was categorised in the ‘ ’ category. Their situation was analysed using the seasonality method and is shown below. Each line marked under a month of the year indicates an average estimate of the level of that factor in that month. For example, illness is particularly pronounced in April and December, and high prices coincide with high access to labour.

339. It can be seen that it is only during April, May, November and December that they have a small stock of food. During the rest of the year, the household survives only by selling labour or obtaining some food credit. These worst food months usually coincide with higher food prices. The table also shows when they consider that it rains in a year, when they work on their field, when illness is prevalent and when they can access credit.

¹² This household level approach will not be implemented in all cellules in the country for logistical reasons, hopefully one household per district will be assisted in this way.

340. Seasonality Table

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Factors												
Rainfall												
Food stock												
Working in the field												
Illness												
Selling labour												
Price variations												
Access to credit												

341. The household then considered the strategies they use to cope throughout the year. This households survival strategies included: cultivating sweet potatoes, selling labour, eating little and eating nothing. They carried out *preference scoring*, as at the community level, to mark the characteristics of each strategy out of ten. The strategies were compared with a view to developing one that the household would invest their energy in so as to transform their situation of poverty. The results are illustrated in the table below.

Characteristics \ Strategies	Cultivating sweet potatoes	Selling labour	Adults eat little	Adults eat nothing
Develops quickly	10	7	0	0
Helps the family	10	8	3	0
Aids a good night's sleep	10	9	8	0
Resists stealing	10	8	4	0
Gives energy	10	6	4	0
Easily managed	5	0	8	0
Passes the day	8	7	7	0
Avoids children's tears	10	8	8	8

342. The strategy that was consequently selected to be developed was growing sweet potatoes since it had the greatest positive effect on the family's well being. It fed the family reliably and adequately whereas selling labour was difficult to rely upon and was tiring, and eating insufficiently only benefited the children of the house since they could eat more.

343. Key Conclusions

- For the community action planning, the strategies must be community defined and managed so as to build in accountability and majority participation, and also to encourage communities to engage in dialogue, to plan for their development and to strengthen decentralisation and good governance.
- Communities must engage sufficient discussion and information to ensure that they have devised appropriate solutions for their problems; in particular poor soil fertility causing low harvests may not be sufficiently resolved by the purchase of livestock for manure.
- The strategies should create labour sale opportunities during periods of hunger, i.e. when neither food nor agricultural work is available; employment must not be provided during periods which conflict with existing labour opportunities. Consequently, employment opportunities should help to curb prices during high periods.
- The process should create space for the community to choose locally appropriate technology and skills. The process enhances the opportunities for their development.
- The Butare pilot highlights people's capacity at the grass roots level for problem analysis and strategy formulation and implementation if the appropriate environment is created through support and incentives.
- The pilot also shows that misunderstandings and errors are inevitable but that making errors is a vital part to a process of learning from experience, which enhances ownership and commitment.

Appendix B: Regional Profile of Poverty

344. *Butare* had low household incomes before the genocide, and the genocide has left it with the highest proportion of widow-headed households in the country (28%). The province has the highest child mortality in the country, at over 300 per thousand (1996 socio-demographic survey). The province has benefited from funds for the assistance of widows, but concerns were raised at the province-level consultation about the management of these funds. This province has a lower agricultural potential and the high population density has reinforced declining soil fertility and interest in wetland reclamation. Deforestation is also a particular problem, and industry (which is centred in the main town) has been damaged. The conflict in Burundi also reduces the level of commerce that passes through Butare.

345. *Byumba* was a relatively well-off area before the war, with incomes raised by work on the tea plantations and by migration to other areas. The province is one of the most densely populated in Rwanda and now has the highest number of vulnerable groups. It experienced substantial population movement and most returnees have been able to return to their former properties. However shelter remains a serious problem with about 30,000 households under plastic sheeting and 23,000 households with severely damaged houses. Some of the new settlements are a long way from water supply. Child mortality, at 227 per thousand is high. The wheat factory is not functioning, impeding agricultural development. In this province, need for health care has been reported as the first priority.

346. *Cyangugu* is somewhat geographically isolated from the rest of the country. It has limited infrastructure and has been severely affected by the insecurity in the region. Lakes and forests cover a third of the province, making cultivable land scarce. However, important areas of marshland offer potential for improving food production. Access to potable water is very low and fuel shortages are resulting in deforestation. Access to health care is one of the major problems.

347. *Gikongoro* is densely populated and depended heavily in the past on migration outwards. The household food economy study in 1997 showed that the loss of this option was having a

severe effect on the income of poor households. The province is characterised by soil acidity and erosion, which contribute to it being one of the poorest provinces with a problem of chronic food insecurity for many households. Child mortality is high, at 220 per thousand. While there is some tea production in the area, it is less profitable than in other regions.

348. *Gisenyi* is an area of very high agricultural potential, with a strong tradition of cash cropping and the highest use of fertiliser, particularly on potatoes. However, insecurity has had a severe impact and there is a substantial need for provision of shelter (around 100,000 households). Damaged infrastructure and the decay of the trading network means that crops are sometimes left rotting in the fields because people cannot market them. The province-level consultation showed that insecurity remains a serious concern for people, and that the reduction in cross-border trade has been problematic. Some returnees are acutely poor, particularly in the eastern part of the province. Insecurity has produced particularly severe destocking which has reinforced the decline in soil fertility.

349. *Gitarama* formerly depended heavily on migration outwards. Access of returnees to land is a problem and high population density has resulted in loss of agricultural productivity because of plot fragmentation and over-exploitation of land. Parts of the province are currently severely affected by drought and there are reports of people migrating outwards, from some districts where cultivated marshlands have dried up, in response to the distress.

350. *Kibungo* was relatively well off prior to the war. With its low population and high returns to labour, it attracted workers from other regions. However with a major population influx after the genocide, it is now relatively poor. There is a lack of infrastructure. The proportion of widows is very high (26%) and about 76,000 households live under plastic sheeting. Educational enrolment is relatively low, with some children living at a distance of 20 kilometres from the nearest school. The province often suffers from drought, resulting in a relatively limited water supply. This imposes a further burden on the large number of households who are already short of labour. Child mortality, at 254 per thousand, is the second highest in the country. There has been a vigorous programme of promoting settlement in *imidugudu* (areas specially designated for resettlement) and there are areas of severe deforestation. The fishing industry has under-exploited potential.

351. *Kibuye*, despite its acid soils and high levels of erosion, has very high potential for agriculture, particularly coffee. It was very isolated in the past, particularly due to the poor road infrastructure, and still suffers from a general deficit of infrastructure in some areas. Parts of it are thus very poor but the availability of lakes and wetlands presents an opportunity to increase agricultural production. However, the new road has greatly reduced its earlier inaccessibility and isolation, and market integration seems to be increasing accordingly.

352. *Kigali-Ngali* includes some of the poorest areas in the country, despite its location close to the capital city. It is densely populated, soil fertility is declining, coffee trees are old, access to water is poor, and the region has been affected by a period of poor rains. Child mortality is high, at 220 per thousand. Bugesera is particularly poor, with severe depletion of livestock and extensive distress sales; the livestock price halved during the recent drought. Wetland management and irrigation are being explored as solutions. People have begun to migrate out to different areas in response to the distress. The close access to Kigali should make it possible to develop activities that serve the capital city. Access to health care has been identified as a major problem.

353. *Kigali-urban* has experienced a sharp increase in population since 1994. Like other capital cities in the region, it has lower child mortality than the rest of the country, but higher HIV prevalence. Unemployment is widespread and the province-level consultation revealed concerns about begging and drug abuse. The large population influx has put a strain on urban

infrastructure, especially for water and sanitation. While there are pockets of severe poverty in Kigali, as a whole the urban-rural gap is very marked.

354. *Ruhengeri* is a high-potential area that has been severely affected by insecurity. There is severe destocking, and a very large need for rehousing (around 100,000 households). The exploitation of its agricultural potential is impeded by various factors: factories are out of operation, storage facilities are inadequate, there is limited information on prices, transport costs are high partly due to the poor state of the roads, there is lack of competition in trade and a shortage of producers' organisations. Some areas on the border with Gisenyi are particularly very poor.

355. *Umutara* is a new province with a major population influx. This is putting pressure on existing infrastructure leaving Umutara with a shortage of water and transport. In addition, the environment is being degraded with overgrazing and deforestation in places. Fuel wood is being sold at 700 Rwf a bundle in some areas. There is a major need for investment in infrastructure and for the establishment of sustainable systems of production on land which has not carried such a large population before. A large project for community-based infrastructure has recently been launched.

356. The decentralisation policy will allow each province to develop an approach to its development which is appropriate, within the overall principles of poverty-reduction outlined in the PRSP. As regards transport infrastructure and agricultural research, there may be a trade-off between investing in the most productive areas (particularly in the north-west) and targeting the chronically poor areas (particularly in the central and southern region).

357. The CWIQ survey has defined a poverty profile by province, and a poverty profile based on the EICV data is currently being finalised. However, the provinces that appear to be the poorest are quite different from those that report the most difficulty in satisfying food needs. One possible explanation for this is that the price of food may be very low in some provinces such as Gisenyi; this would lead to low nominal food expenditure, even if real food expenditure was above average. These findings are therefore very provisional and will be revisited when the household survey data are available.

7 ANNEXES

7.1 Annex 1: Applying the criteria for public expenditure

Criteria for public expenditures for poverty reduction (criteria 1-4)				
Ministry	Poverty-reduction	Private sector role	Rates of return	Community prioritisation
MINAGRI	Strong direct impact of all programmes, if the poor have access	Extension, research, infrastructure all have public goods elements. Credit may require public intervention. Storage and input delivery can be private in most cases.	Varies by project; extension has very high returns if successful in transforming production	Very high
MINISANTE	Strong direct impact if the poor have access; currently impact is reduced by high costs	The formal private sector operates mainly in urban areas; the rural poor need a public health system.	Difficult to quantify economically, but can be high for basic treatments. Treatment of adult illnesses increases productivity.	Very high
MINEDUC Primary	Direct impact on the poor	Primary education is almost entirely public	Each year may add about 5% to incomes; returns will rise as the economy transforms	Medium. Community prioritisation does not distinguish levels of education.
Secondary	Incidence of secondary education is not known and requires study. The level of fees may deter the poorest households	Private sector large, incidence of private and public needs study. Poorer households may need financing, as the fees are significant.	Not known; depends on employment opportunities	Medium. Community prioritisation does not distinguish levels of education.
Tertiary	Direct impact very small, because the poor are very unlikely to have access. Indirect impact comes through governance, employment generation and economic transformation.	Private sector is significant.	Depends on employment opportunities. For poverty reduction, the indirect benefits are what matters (the direct beneficiaries are not usually poor).	Medium. Community prioritisation does not distinguish levels of education.
Science and technology	Potentially significant impact if the right areas are targeted	Depends on commercial return	Varies by project	Not explicitly mentioned, but knowledge is discussed.
MINITRACO Roads	Significant if better infrastructure improves output prices	Private financing unlikely	Varies; very high for maintenance, and can be very high for rehabilitation and upgrading depending on the project	Low, but market access is also mentioned.

Criteria for public expenditures for poverty reduction (criteria 1-4)				
Ministry	Poverty-reduction	Private sector role	Rates of return	Community prioritisation
Airport, railways, communication and postal services	Airports and railways affect market access; communications	Private participation possible; railways may need public support	Varies according to project	Low, but the links to output prices may not be known.
Urban space	Urban sanitation does not target the poorest but is necessary. Ministry buildings have only indirect poverty impact.	Private participation may be possible as Electrogaz is privatised.	Not known.	Low
MINERENA Electricity	Poverty impact comes mainly through employment generation, especially in rural areas.	Urban electricity to be privatised after an interim period. Funding for Electrogaz in the interim needs consideration. Rural electricity may need public support, especially grid extension to rural areas	Not known, but could be very high especially for grid extension where the infrastructure already exists	Not much discussed
Gas and methane	Mainly through employment generation	Private sector involvement is being sought	Not known, but should be high	Not much discussed
New and renewable energy	Potentially high poverty impact through employment generation	Peat should be private sector. Some public support to improved stoves and solar energy may be needed.	Not known, but should be high	Not much discussed
Water supply	Rural water supply impacts on health and labour supply	Urban water ultimately to be privatised; rural water infrastructure needs public support.		Medium
MINITERE Habitat	Basic need for some of the poorest households	Public support needed for the poorest.	Difficult to quantify	Low in PPA
Environment	Sustaining the resource base is essential for agricultural and livestock incomes	Public or community action essential, but many of the actions should be integrated within the agricultural strategy.	Some very high return actions	High (included in agriculture)
Land	Major asset for the poor; security and equity are important	Public role in dispute-resolution and assigning property rights	Difficult to quantify	Low in PPA, but high priority in the URC consultations
MININTER Police	Security is important for the poor	Public sector role, though communities can contribute	Difficult to quantify; hard to estimate the impact of police numbers on crime rate	Security – medium

Criteria for public expenditures for poverty reduction (criteria 1-4)				
Ministry	Poverty-reduction	Private sector role	Rates of return	Community prioritisation
Prisons	Prisoners are a subgroup of the poor as are many of their families	Public sector role	Difficult to quantify	Not much mentioned
MINALOC Functional adult literacy	Potentially very high impacts on the incomes, health, and family planning of poor households, especially women	Needs public support.	Not known	Medium-high
Funds for specific target groups	Potentially high benefits to the poorest, depending on the design of the fund.	Needs some public support, although informal and community support is critical.	Hard to quantify	Not much discussed
MINICOM Industry	Industrial development important for marketing of agricultural products and employment	Mainly private sector.	Depends on actions.	Not much discussed
Tourism	Depends on kind of tourism; can provide employment and markets for local output	Mainly private sector, but some public action may be needed in infrastructure and marketing	Depends on actions	Not much discussed
Commerce	Essential to develop output markets	Public actions needed to create the environment for private trade	Depends on actions	Medium-high
MIFOTRA Civil service reform	Poverty impact will be through improved governance and service delivery	Public sector function	Hard to quantify	Not mentioned
MIJESPOC Vocational education	Benefits for incomes of the poor, provided that the skills are marketable	Can be supplied by the private sector, but public funding may be needed to ensure access for the poor	Not known	Medium-high
MIGEPROFE Support to targeted microfinance	Potentially high poverty benefits, including social capital	May need public support	Not known, but international evidence shows that cheap schemes can have high returns	Community projects are high-priority in the PPA
Priorities not included above				
Demobilisation	Important for security; demobilised soldiers can also be highly vulnerable	Needs public support	Hard to calculate	Mentioned in URC consultations

Criteria for public expenditures for poverty reduction (criteria 1-4)				
Ministry	Poverty-reduction	Private sector role	Rates of return	Community prioritisation
Gacaca	High impact on prisoners and their families	Public role, with community support	Very high if released prisoners are productive	Mentioned in URC consultations
AIDS	High	Public sector has leading role but private sector can help	Very high if spending cuts mortality significantly	High
Pay reform	Indirect, through quality of public services	Public sector issue	Hard to estimate, but can be high if well-targeted	Not mentioned
Credit	High if well-targeted and well-designed	Private credit markets are imperfect	Depends on project: can be very high	Medium

Criteria for public expenditure for poverty reduction (criteria 5-9)					
Ministry	Unit costs	Developed expenditure proposal	Effect on future recurrent costs	Affordability	Labour-intensity
MINAGRI	Varies by programme; extension is cheap, marsh development can be very expensive	Recurrent expenditure has been costed, but extension at district level may need more funds. Costings of labour-intensive public works must be developed	Infrastructure such as terracing requires good maintenance	Most actions are fairly cheap; irrigation might not be affordable everywhere	High
MINISANTE	Cheap for basic treatments	Well developed at central level; modalities to be developed for increase in regional funding	Preventive actions for AIDS and malaria will significantly reduce future costs	Only basic treatments can be delivered to the whole target population. ARVs may not be affordable.	Low, except for health animateurs
MINEDUC Primary	Mostly low, but textbooks are priced at \$10 and can be produced more cheaply	Well developed	Money direct to schools could reduce costs by improving maintenance. New schools incur significant recurrent costs	Expensive but affordable on a universal basis in the medium term.	Medium. School construction can promote rural employment
Secondary	Costs per student higher than primary	Well developed	New schools incur recurrent costs	Only affordable for a minority at this stage; policy should aim to ensure that the ablest children have access.	Low

Criteria for public expenditure for poverty reduction (criteria 5-9)					
Ministry	Unit costs	Developed expenditure proposal	Effect on future recurrent costs	Affordability	Labour-intensity
Tertiary	Very high unit costs per student, especially for bursaries	Well developed	Recruitment of staff will incur recurrent costs unless institutions become self-financing	Only affordable for a tiny minority; policy should aim to ensure that the very ablest students have access	Low
Science and technology	Depends on study	Well developed	Depends on institutional structure; small if one-off contracts are awarded	Affordable.	Low
MINITRACO Roads	High for rehabilitation and upgrading; options to be explored.	Well developed proposal, but no estimates of returns	Maintenance reduces future costs; upgrading will incur a recurrent cost	Maintenance is relatively cheap; the upgrading programme is a very substantial expense and needs to be phased in.	High, depending on techniques used
Airport, railways, post, communication	Varies by project	Proposals to be developed			Varies
Urban space	Varies by project	Well developed proposals	Some maintenance cost for sewage	Sewage could be supported commercially by charging for urban water	High for construction
MINERENA Electricity	Grid extension is cheap, power generation more expensive	Well developed proposal, but role of private financing unclear	Some maintenance cost for rural electrification	Rural electrification is affordable, but will need to be phased in	Medium
Gas and methane	One-off project	Clear proposal, requiring private funding	No public cost if the scheme is all private sector	One-off project	Medium
New and renewable energy	Stoves are costed at \$2.50, solar energy at about \$1000 per unit	Well-costed proposal; public/private split under review	Little recurrent cost	Solar energy for each household in selected villages is unaffordable on a national basis so the proposal needs review	Varies
Water supply	Rehabilitation of infrastructure is relatively cheap. Water harvesting is about \$100 per household.	Well developed proposal, but management structures need development	Recurrent costs mainly to be borne by communities; support needed to ensure that this happens.	Affordable	Medium

MINITERE Habitat	Costs are being greatly reduced by providing only roofing kits (now estimated at \$300 per household)	Proposal now being developed on the basis of rapid evaluation of needs	To be borne by households	Affordable after revision of costs	High, but labour will mainly be provided free by the household
Environment	Watershed management can be done more cheaply if communities are involved.	Mainly included in agricultural strategy	Terracing needs to be maintained; community-level costs.	Some actions need to be phased	High
Land	Low-cost methods of dispute resolution need to be explored.	System of dispute-resolution not yet developed.	Recurrent costs of land policy need to be estimated.		Low
MININTER Police	Costs such as ammunition are significant	Well-developed proposal, but long-term police force size under review	Significant recurrent costs of new recruitment.	Costing is for a comprehensive national programme; the target ratio of police to population requires discussion.	Medium
Prisons	Very low cost per prisoner	Well-developed proposal, but future prison population unknown	Energy investment will reduce recurrent costs.	Long-run prison population not yet known.	Low
MINALOC Vocational education	Under development; should be quite cheap	Proposal exists, needs development to incorporate other participants including NGOs	Costs of a national programme should not need to be repeated if the programme works well and primary enrolment rises.		Medium
MINICOM Industry	Proposal to be unit-costed	-	Not known	Affordable by private sector.	Varies
Tourism	Proposal to be unit-costed	-	Not known	Not yet known.	Varies
Commerce	Proposal to be unit-costed	-	Not known	Small proposal	Low
MIFOTRA Civil service reform	Improve programme with some T/A	Must identify the future costs of pay reform	Recurrent costs will be important	Pay reform will have to be targeted carefully in order to be affordable.	Low

Criteria for public expenditure for poverty reduction (criteria 5-9)					
Ministry	Unit costs	Developed expenditure proposal	Effect on future recurrent costs	Affordability	Labour-intensity
MIJESPOC Vocational education	Previous actions have been cheap; upgrading quality would need increased resources	Approximate costing done	Recurrent costs could be significant	Depends on the design of the strategy and on the target group.	Medium
MIGEPROFE Targeted microfinance	Relation between administrative costs and portfolio size requires review throughout the microfinance sector	Scheme already operational	-	Programme is national, but covers only a small proportion of the population in each district.	Medium
Priorities not included above					
Demobilisation	Costs of resettlement package are significant	Yes	Reduces future costs	Depends on target group and size of resettlement package	Will increase need for labour-intensive programmes; some support may help generate employment
<i>Gacaca</i>	Programme has been designed to minimise costs	Yes	Reduces future costs	Affordable because of low-cost design	Will increase need for labour-intensive programmes, as prisoners are released.
AIDS	Potentially very costly	Yes, but will require integration with sector strategies	Reduces future costs	Treatments are not likely to be affordable for all HIV-positive patients, unless drug prices fall further	Mostly low
Pay reform	Depends on design of programme	Proposal developed for reform process	Depends on design of programme	Depends on design of reform	Little impact
Credit	Unit costs vary between programmes and require study	Needs development	Neutral	Depends on target group and administrative costs	Should increase employment opportunities

7.2 Annex 2: Tables for Section 2

Table 2.5 Trends in Agricultural Productivity and Yields							
	1984 Prod (tons)	1989 Prod (tons)	1990 Prod (tons)	2000 Prod (tons)	1984 Yields (kg/ha)	1989 Yields (kg/ha)	1990 Yields (kg/ha)
Bananas	1.00	1.13	1.06	0.82	1.00	0.89	0.81
Beans	1.00	0.82	0.80	0.84	1.00	0.92	0.82
Peas	1.00	0.93	0.65	0.82	1.00	0.77	0.57
Peanuts	1.00	0.67	0.57	1.04	1.00	0.47	0.47
Soja	1.00	2.07	4.62	1.58	1.00	0.69	1.14
Sorghum	1.00	0.74	0.83	0.91	1.00	0.84	1.07
Maize	1.00	0.84	0.86	0.56	1.00	1.02	0.94
Cassava	1.00	0.96	1.23	2.51	1.00	0.82	0.64
Potato	1.00	0.95	1.13	3.80	1.00	0.89	0.84
Sweet Potato	1.00	1.06	1.12	1.40	1.00	0.82	0.79
Coffee	1.00	0.76	1.15	0.45	1.00	0.62	0.88
							n/a

Source: Calculated from MINAGRI data 1992 and 2000

Table 2.6 Home Consumption as a Percentage of Total Household Food Expenditures

	National	Rural
Grains	0.41	0.59
Roots/Tubers	0.68	0.78
Pulses	0.56	0.65
Fruits	0.69	0.86
Vegetables	0.55	0.77
Meat	0.04	0.10
Products	0.51	0.81
Drinks	0.32	0.49
Cooking Oil	0.00	0.00
TOTAL	0.46	0.64

Source: EICV 2000

Table 2.7 Trends in Livestock Holding

	Cattle	Sheep	Goats	Pigs
1990	813417	733000	1891612	244980
2000	670846	341126	1215610	227732

Source: MINAGRI 1990, Table 4.7, MINAGRI 2000, Table 21

Table 2.8 Livestock owned by quintile of the household expenditure distribution

	Quintiles					
	1 (lowest)	2	3	4	5	Total
Cattle	38100	78093	127766	219104	383593	846656
Goats	146168	209442	280789	330851	341166	1308416
Sheep	40510	76817	84061	92565	77493	371446
Pigs	43852	54959	63885	69812	63806	296314
Rabbits	65117	107418	108644	136010	77790	494978

Source: EICV

Table 2.9 Comparison of estimates of 2001 fertiliser imports into Rwanda with those for 2000 (in tonnes)

Year	Tea/coffee	Other	Total
2000	5400	3100	8500
2001 (estimates)	4814.6	12104	16919
Change	-585	9004	8419
% change	-11%	290%	99%

Source: DPSA, MINAGRI

Tables 2.10 Monthly imports (non-tea/coffee) 2001 (in tonnes)

Jan	150
Feb	731
Mar	174
Apr	408
May	152
Jun	114
Jul (estimated)	0
Aug (estimated)	45
Sep (estimated)	4870
Oct (estimated)	500
Nov (estimated)	4960
Dec (estimated)	0
TOTAL	12104

Source: DPSA, MINAGRI

Table 2.12 Sources of finance for micro-enterprises

Main source of finance	Proportion of enterprises
Own savings	49.5
Sale of property or other assets	19.1
Gifts or transfers	11.4
Loans (employer, NGO, financial institutions)	2.6
Loans (friends, parents, acquaintances)	12.3
Other	3.9

Table 2.16 : Percentage of persons who did not consult a health provider in the 4 weeks preceding the survey, and the reasons for not consulting

	Percent not consulting	Reasons for not consulting			
		No need	Cost	Distance	Other
Total	77.4	80.2	19.3	0.6	0.3
Place of residence					
Rural	77.4	79.1	20.4	0.7	0.3
Rural poor	79.2	78.6	21.0	0.5	0.3
Urban	76.4	94.1	5.5	0.2	0.2
Urban poor	79.5	89.8	9.1	0.7	0.4

Table 2.17 Breakdown of patients in each kind of facility by quintile of household expenditure distribution

Place of consultation		Quintiles					Total
		1 (lowest)	2	3	4	5 (highest)	
Consultant's home	male	20.4	18.1	16.6	27.2	17.6	100
	female	18.6	20.6	22.5	22.5	15.8	100
	total	19.4	19.5	19.9	26.6	16.6	100
Patient's home	male	30.7	8.1	17.7	24.2	19.2	100
	female	36.0	12.8	20.1	9.5	21.7	100
	total	33.6	10.7	19.0	16.1	20.6	100
Hospital	male	7.6	14.0	15.9	26.6	35.8	100
	female	9.5	10.8	12.5	19.7	47.5	100
	total	8.8	12.0	13.8	22.2	43.2	100
Pharmacy	male	21.9	15.9	11.5	29.4	21.3	100
	female	13.8	13.0	19.5	27.7	26.0	100
	total	17.7	14.4	15.7	28.5	23.7	100
Clinic (private)	male	0	0	1.5	11.0	87.5	100
	female	0	0	9.3	3.0	87.7	100
	total	0	0	5.0	7.4	87.6	100
Dispensary	male	14.6	17.8	20.4	18.5	28.4	100
	female	11.2	10.6	15.5	28.6	34.1	100
	total	12.8	13.9	17.8	24.1	31.4	100
Maternity	male						
	female	13.9	16.4	16.8	17.8	35.1	100
	total	13.9	16.4	16.8	17.8	35.1	100
Health centre	male	16.2	16.2	25.4	22.2	20.2	100
	female	12.2	15.3	18.8	30.5	23.2	100
	total	14.0	15.7	21.9	26.6	21.8	100
Other	male	17.1	29.2	25.4	11.1	17.2	100
	female	19.4	13.8	24.6	23.0	19.1	100
	total	18.5	19.8	24.9	18.3	18.4	100

Table 2.18 Primary education attainment by quintile and sex

Quintile		Primary education by %			Total
		Not completed	Completed	Total	
1	Male	85.01	14.99	100	
	Female	84.46	15.54	100	
	Total	84.71	15.29	100	
2	Male	79.25	20.75	100	
	Female	78.96	21.04	100	
	Total	79.10	20.90	100	
3	Male	73.34	26.66	100	
	Female	73.34	26.66	100	
	Total	73.34	26.66	100	
4	Male	63.64	36.36	100	
	Female	62.68	37.32	100	
	Total	63.15	36.85	100	
5	Male	47.52	52.48	100	
	Female	46.61	53.39	100	
	Total	47.07	52.93	100	
Total	Male	68.38	31.62	100	
	Female	68.37	31.63	100	

**Table 2.19: Number of students in education:
(Rate of increase in parentheses)**

	Primary	Secondary	Higher
93/4	1,174,448 (pre-genocide) 820,232 (post-genocide)	54,815 (pre-genocide) 3,077 (post-genocide)	4,597
94/5	941,012 (14.7%)		2,821
95/6	1,039,657 (10.5%)	50,000	4,196 (48.7%)
96/7	1,154,768 (11.1 %)	82,224 (64.4%)	4,440 (5.8%)
97/8	1,270,733 (10.0%)	90,840 (10.5%)	4,548 (2.4%)
98/9	1,288,663 (1.4 %)	105,292 (15.9%)	5,943 (30.7%)
99/0	1,431,692 (11.1 %)	125,124 (18.8%)	7,224 (21.6%)
00/01	1,476,272 (3.1 %)	141,163 (12.8 %)	

Table 2.20: Incidence of primary and secondary education by quintile of the national household expenditure distribution

Type of school		Quintile					Total
		1	2	3	4	5	
Public primary	Boys	20.4	23.4	19.1	18.8	18.3	100
	Girls	22.2	21.6	20.9	19.5	15.8	100
	Total	21.3	22.5	20.0	19.1	17.0	100
Private primary	Boys	1.0	4.1	17.5	15.3	62.1	100
	Girls	4.1	12.7	10.3	27.0	45.9	100
	Total	2.5	8.3	14.0	21.0	54.3	100
Grant-maintained	Boys	27.1	23.8	22.7	17.0	9.3	100
	Girls	27.0	21.9	22.5	19.3	9.2	100
	Total	27.1	21.9	22.3	19.3	9.2	100
Public secondary	Boys	3.7	15.0	13.9	27.8	39.6	100
	Girls	4.8	9.3	11.8	32.2	42.0	100
	Total	4.3	12.0	12.8	30.1	40.8	100
Private secondary	Boys	2.7	8.7	4.7	28.8	55.1	100
	Girls	0	5.1	9.0	30.6	55.3	100
	Total	1.1	6.5	7.3	29.9	55.2	100
Grant-maintained secondary	Boys	5.6	1.6	5.0	38.2	49.5	100
	Girls	1.0	9.2	7.8	29.0	53.0	100
	Total	3.1	5.7	6.5	33.3	51.4	100

Table 2.22: Proportion of households by distance from water source, in minutes

	Less than 15	15 to 29	30 to 59	60+
Total	46.0	25.3	20.8	8.0
Rural	44.0	26.0	21.6	8.4
Urban	77.7	12.9	7.8	1.5
Butare	45.8	30.8	19.7	3.7
Byumba	39.4	27.9	25.5	7.3
Cyangugu	55.9	22.5	18.1	3.4
Gikongoro	53.1	29.4	15.6	1.8
Gisenyi	48.5	32.0	15.4	4.1
Gitarama	53.3	24.8	16.9	5.0
Kibungo	24.0	19.3	43.8	12.9
Kibuye	56.5	22.7	18.0	2.9
Kigali	37.7	27.0	20.6	14.7
Ruhengeri	40.4	22.2	21.6	15.8
Umutara	31.7	19.4	27.2	21.8
Kigali	74.4	16.1	8.3	1.1
Other urban	82.1	8.6	7.1	2.1

Source: CWIQ

Table 2.23: Proportion of households by water source

	Public fountain	Purchased	Other
Butare	55.3	3.1	0.1
Byumba	59.4	3.0	0
Cyangugu	16.8	1.5	0.4
Gikongoro	61.1	0.6	1.3
Gisenyi	38.6	18.6	0.3
Gitarama	46.5	2.0	0
Kibungo	30.0	12.0	0.3
Kibuye	33.9	0.2	0
Kigali-Ngali	42.4	3.3	0.3
Ruhengeri	26.0	1.7	0
Umutara	38.6	1.6	0
Kigali ville	5.9	51.5	1.9
Total	38.0	8.1	0.4

Source: EICV

Table 2.24: Proportion of households by water source used

	Tap in home	Public standpipe	Protected wells and springs	Unprotected wells and springs	Marsh, river, lake	Other	Percentage safe
Urban	29.6	52.5	9.5	2.2	4.8	1.5	91.5
Rural	0.3	41.9	24.8	9.4	23.2	0.3	67.0
Total	2.0	42.5	23.9	9.0	22.1	0.3	68.5

Source: MICS

Table 2.25: Breakdown of housing materials by province

Province	Roofing materials				Total	
	Straw	Corrugated iron	Poles	Tiles		
Butare	14,32	22,50		62,21	0,97	100
Byumba	15,31	56,57		22,47	5,65	100
Cyangugu	17,03	72,37		5,32	5,28	100
Gikongoro	11,13	10,86		77,10	0,91	100
Gisenyi	6,62	20,80	0,65	64,31	7,63	100
Gitarama	2,09	18,31	0,19	79,05	0,36	100
Kibungo	11,06	72,94		1,01	14,99	100
Kibuye	7,77	18,72		70,19	3,32	100
Kigali-Ngali	14,13	69,70	0,07	14,65	1,45	100
Kigali ville	1,71	96,87	0,70	0,65	0,08	100
Ruhengeri	13,53	28,67	0,20	47,83	9,77	100
Umutara	22,80	60,95	0,14	1,17	14,95	100
Total	11,04	44,71	0,17	38,95	5,13	100

Source: EICV

7.3 Annex 3: Tables for Section 3

Table 3.1: economic growth

	GDP		Household consumption per capita	
	1980-90	1990-2000	1980-1990	1990-2000
World	3.4	2.5	1.7	1.2
Low income countries	4.7	3.2	1.4	1.6
Low/middle-income sub-Saharan Africa	1.7	2.2	-1.3	-0.2
Rwanda	2.2	-1.5	-1.6	-0.4
Botswana	10.3	4.3	2.4	2.8
Uganda	2.9	7.2	0.0	3.3
Ghana	3.0	4.3	-0.6	1.3
Ethiopia	1.1	4.6	-2.8	1.1
India	5.8	6.0	2.5	3.0
China	10.1	10.7	7.2	7.7
Vietnam	4.6	8.1	N/A	7.2
Cambodia	N/A.	4.8	N/A	N/A
Laos	3.7	6.6	N/A	N/A

Table 3.3: Target agricultural growth rate, by commodity (Rwanda)

Crop	% Value (estimated total agricultural production)	% Target Growth Rate	% Total Agricultural Growth
Banana	34.7	3	20
Vegetables/ Fruits	13.0	8	20
Livestock	13.0	8	20
Potato	3.8	20	14
Tea/Coffee	2.6	15	7
Sweet Potato	4.9	4	4
Cereals	3.6	5	3
Beans	3.3	5	3
Other Roots/Tubers	6.9	1	1
Other	14.2	3	8
Total/ Weighted Average	100	5.3	100

Source: Mellor (2001)

Table 3.5: Priority problems identified by communities in the NPA

Problem	Number of sectors (out of 96) identifying this as a priority
Small or insufficient plots of land	57
Lack of work/employment	52
Lack of knowledge and information	48
Lack of potable water	40
Impassable roads and missing bridges	33
Chronic illness	27
Lack of livestock	27
Lack of electricity and other energy sources	25
Malaria and AIDS epidemics	24
Lack of agricultural inputs	23
Non-remunerative output prices	23
Lack of health infrastructure	21
Idleness	21
Lack of water	20
Lack of veterinary dispensaries	20
Climatic extremes	20
Infertile land	20
Lack of classrooms	16
Shortage of primary schools	16
Inappropriate housing	16
War and consequences of genocide	14
Lack of communication infrastructure	13
Theft	12
Lack of support from projects/donors	12
Lack of credit	11
Shortage of secondary schools	11
Isolation and landlockedness	10

Table 3.6 Sectoral analysis of problems identified in the NPA (top 15 sectors)

Sector	Frequency of identification of problem
Agriculture	212
Health	124
Bad habits and behaviour	79
Land	77
Lack of knowledge and information	73
Commerce	72
Education	72
Employment/Income	64
Water for domestic use	62
Conditions of Life	60
Security	58
Roads and bridges	50
Community development	33
Housing and settlements	32
Energy	25

Table 3.7: Priority strategies identified by communities

Strategy	Number of cellules identifying this as a priority
Organisation in associations and cooperatives	54
Access to projects and donor funds	48
Managed springs and water sources	38
Avoidance of rumours and anything that may endanger security	36
Construction and rehabilitation of schools	34
Training	29
Anti-erosion measures	29
Regular attendance of adult literacy centres and permanent training	28
Access to credit	28
Preventive and curative measures against disease/balanced nutrition	28
Community work (umuganda)	26
Livestock	26
Soil protection and rational agriculture	26
Use of inputs	26
Avoidance of negative behaviour	24
Expansion and construction of health centres	23
Health mutuelles	22
Health care	22
Election of representatives with integrity	21
Management and maintenance of roads and tracks	19
Access to means of communication	19
Market for produce, reduction of taxes	19
Sensitisation of parents and children about education	19
Solidarity and good mutual understanding	16
Communal work on water supply and personal contribution to water supply	15
Selected seed	15
Participation in meetings	15
Respect for laws in force	14
Protection and struggle against HIV/AIDS	14
Access to drinking water	13
Solidarity funds for vulnerable groups	12
Reduction in price of drugs and bed-nets	12
Construction of houses and villages	11
Professional training	11
Technical training	10
Artisanal training	10
Starting development projects	10

7.4 Annex 4: Tables for Section 5

Table 5.2 Rwanda Tax Revenue 1996-2001 (Q1 & 2) Rwf million						
	1996	1997	1998	1999	2000	Q1&2 2001
Type of Tax						
Direct taxes	8,420.3	14,583.5	18,549.3	17,431.8	18,547.9	11,718.9
Tax on income and profit			18,058.3	16,820.0	17,943.0	11,189.3
Companies	6,096.9	9,808.9	12,912.5	10,055.7	9,982.9	6,384.6
Large companies			12,149.8	7,629.0	3,602.8	4,452.8
Small enterprises			475.6	1,234.1	990.3	540.2
Arrears			287.2	1,192.6	5,389.8	1,391.6
License fee			302.4	369.8	373.2	346.8
Individuals	2,044.6	4,396.1	4,774.5	6,330.9	7,528.0	4,429.3
Others			68.8	63.6	58.9	28.7
Property taxes	278.8	378.5	490.9	611.8	604.9	529.6
Taxes on goods and services	19,276.7	21,199.0	28,255.8	33,593.9	35,157.2	19,121.7
Excise taxes	6,935.5	11,637.1	13,804.8	17,932.3	18,848.6	6,837.4
Beer	5,759.7	8,109.2	7,696.6	7,709.6	7,145.7	2,786.2
Wines & Liquors	0.0	550.0	282.2	363.0	299.4	159.5
Petrol	0.0	539.5	3,093.1	6,741.7	7,856.6	2,572.4
Cigarettes	173.6	883.1	1,190.4	997.6	1,412.1	586.1
Lemonade	1,002.1	1,555.3	1,542.4	2,120.5	2,134.8	733.2
Turnover tax	10,792.1	7,485.0	11,979.4	12,918.9	13,777.4	10,913.9
Of which: on imports	4,871.9	6,008.3	8,901.1	9,009.2	9,424.7	7,063.6
Road Fund	1,549.2	2,076.9	2,471.7	2,742.7	2,531.2	1,370.3
Taxes on international trade	11,528.6	18,484.4	15,828.9	11,273.5	11,619.5	6,692.3
Export tax	331.6	4,262.0	1,481.7	0.1	0.0	0.0
Of which coffee	331.6	4,262.0	1,481.7	0.1	0.0	0.0
Import tax	9,716.8	12,446.8	12,061.3	8,682.4	9,259.6	5,363.1
Other (incl. Magerwa)	1,480.2	1,775.5	2,285.9	2,591.0	2,360.0	1,329.2
Total tax revenue	39,225.5	54,266.9	62,634.0	62,299.3	65,324.7	37,533.0
GDP	426206	563428	628410	634252	684055	

Table 5.3 Rwanda Tax Revenue 1996-2001 (First 6 months) Percent of Total

	1996	1997	1998	1999	2000	Q1&2 2001
Type of Tax						
Direct taxes	21.5	26.9	29.6	28.0	28.4	31.2
Tax on income and profit			28.8	27.0	27.5	29.8
Companies	15.5	18.1	20.6	16.1	15.3	17.0
Large companies			19.4	12.2	5.5	11.9
Small enterprises			0.8	2.0	1.5	1.4
Arrears			0.5	1.9	8.3	3.7
License fee			0.5	0.6	0.6	0.9
Individuals	5.2	8.1	7.6	10.2	11.5	11.8
Others			0.1	0.1	0.1	0.1
Property taxes	0.7	0.7	0.8	1.0	0.9	1.4
Taxes on goods and services	49.1	39.1	45.1	53.9	53.8	50.9
Excise taxes	17.7	21.4	22.0	28.8	28.9	18.2
Beer	14.7	14.9	12.3	12.4	10.9	7.4
Wines & Liquors	0.0	1.0	0.5	0.6	0.5	0.4
Petrol	0.0	1.0	4.9	10.8	12.0	6.9
Cigarettes	0.4	1.6	1.9	1.6	2.2	1.6
Lemonade	2.6	2.9	2.5	3.4	3.3	2.0
Turnover tax	27.5	13.8	19.1	20.7	21.1	29.1
Of which: on imports	12.4	11.1	14.2	14.5	14.4	18.8
Road Fund	3.9	3.8	3.9	4.4	3.9	3.7
Taxes on international trade	29.4	34.1	25.3	18.1	17.8	17.8
Export tax	0.8	7.9	2.4	0.0	0.0	0.0
Of which coffee	0.8	7.9	2.4	0.0	0.0	0.0
Import tax	24.8	22.9	19.3	13.9	14.2	14.3
Other (including Magerwa)	3.8	3.3	3.6	4.2	3.6	3.5
Total tax revenue	100.0	100.0	100.0	100.0	100.0	100.0
Tax revenue as percent of GDP	9.2	9.6	9.7	9.8	9.5	

Table 5.4: tax reforms being taken and under consideration

Tax	Actions to be taken	Actions under consideration
VAT	15% rate to be maintained at least in short term, raised to 17% in 2003	Standard rate for agricultural products under consideration
	Zero-rating is already limited to exports ad diplomatic agreements	
	Exemption for education, health care and social services to be maintained	
	Specific fees for financial services are taxed	
	NGO exemptions are to be limited to strictly charitable activities	
	Statutory provisions to be drafted for denial of input tax credits on cars, entertainment and mobile phone time	
	VAT refund period to be lengthened to 3 months	
	Number of voluntary registrations under review	
Taxes on imports		Excises on cars and mobile phones: beer excise under review
	Reduction of excise on non-carbonated mineral water	
		Petroleum excise under review, including the possibility of specific taxation
		Tariff inconsistencies under review
	PTA tariffs to be replaced by COMESA tariffs	
	Exemptions to be reviewed by a designated Special Unit in Customs	
	ASCYUDA to be upgraded by end-year to monitor all operations	
Income taxation		Integration of MAGERWA tax into tariffs to be considered
		Corporate tax rate under review; reduction to 30-35 under consideration
	NGOs to be taxed on commercial activities from 1 Jan 2002	
	Tax situation of international transport companies to be reviewed by end-November	
	Large agricultural enterprises to be brought into tax net by end-December	
		Depreciation to be simplified
		Legal revaluation of assets balance sheets (inflation accounting) under review in order to reduce number of disputes
		Withholding tax implementation under review
	Individual taxation to be simplified and brought into line with corporate tax	
		Taxation of fringe benefits under review
		Introduction of unified global income tax under consideration
Cross-border issues		Taxation of interest for residents and non-residents under review
		Taxation of rental income under review
	Threshold for income tax and VAT to be harmonised at 15%, rising to 17% in 2003	

Table 5.4: tax reforms being taken and under consideration

Tax	Actions to be taken	Actions under consideration
	COMESA tariffs to be phased in: immediate reduction of 60% in tariffs on imports from COMESA countries, reduction of 80% in 2002, and removal in 2003	
Tax incentives		Tax incentives to be kept under review; the expenditure equivalent of tax incentives will be calculated and discussed.
Administration issues		Interest tax on late VAT payments to be reviewed Performance of duty drawback system requires urgent review
Local taxation	Abolition of head tax and livestock presented to Parliament.	Local Government policy envisages more progressive forms of local taxation such as land tax.

7.5 Annex 5: Key Economic and Financial Indicators

	Scenario I		
	2002	2003	2004
Domestic prices (annual % change)			
Real GDP Growth	7.3	6.1	6.2
Consumer prices	2.0	3.0	3.0
GDP deflator	1.9	3.5	3.7
National Income accounts (% of GDP)			
Gross domestic fixed investment	18.8	19.3	19.8
of which: private(inc public enterprise)	12.0	12.2	12.4
Memorandum item			
Gross domestic product (Rwf billion at current price)	825.2	906.4	998.8
Balance of Payments (US\$ millions)			
Exports (fob)	77.5	87.0	98.9
Coffee	22.6	28.9	37.6
Tea	23.6	24.8	26.2
Imports (fob)	261.1	269.3	276.0
Resource balance	-183.5	-182.3	-177.1
Net transfers	136.4	136.0	128.2
Current account balance (including official transfers)	-193.5	-194.6	-181.4
Current account balance (excluding official transfers)	-306.8	-306.2	-283.7
Direct investment	4.8	5.0	5.7
Official Long-term Loans	37.4	40.2	34.9
HIPC Savings	22.9	27.6	34.9
Government Finance (in Rwf bn)			
Total revenue	173.5	194.9	209.3
Total expenditure and net lending	182.6	200.3	207.9
Current expenditure	125.2	134.4	132.4
Capital expenditure	56.4	64.9	74.5
Primary fiscal balance	-1.2	5.9	11.7

7.6 Annex 6: Revised list of Priority Programmes for 2002

This excludes exceptional expenditures in MINALOC, MINEDUC and provincial programmes

MINISTRY Programme	Activities
MINEDUC	
1. Primary and Pre-Primary Education	<ul style="list-style-type: none"> - Payment of teacher's salaries - Training of teachers - Sensitisation of parents to increase enrolment - Reintegration of children into schools - Equipment and books for primary schools
2. Secondary Education	<ul style="list-style-type: none"> - Payment of teacher's salaries - Training of teachers - Equipment and books for secondary schools
3. Higher Education	<ul style="list-style-type: none"> - Coordination and evaluation of institutes of further education
4. Scientific and technological research	<ul style="list-style-type: none"> - Support to research programmes in areas including traditional pharmaceuticals, energy
5. Institutional Support to Education	<ul style="list-style-type: none"> - National Examinations - Evaluation of the composition of exams
MINISANTE	
1. Delivery of basic health services	<ul style="list-style-type: none"> - Childhood illnesses - Health information - Population control - Pharmaceuticals
2. Specialised intervention in major health problems	<ul style="list-style-type: none"> - Running of CHK - Running of Ndera Hospital - AIDS - Malaria - Leprosy
3. Development of health structures (accessibility)	<ul style="list-style-type: none"> - Pharmaceuticals - Community participation and <i>mutuelles</i>
4. Improvement of management of services	<ul style="list-style-type: none"> - Planning - Accounting
MINAGRI	
1. Agricultural Production	<ul style="list-style-type: none"> - Training of horticulturists - Development of fruit production - Seed multiplication and distribution - ISAR
2. Animal Production	<ul style="list-style-type: none"> - Improved animal husbandry and breeds - Prevention of diseases and vaccinations - Promotion of aqua-culture

MINISTRY Programme	Activities
3. Rural Engineering and Soil Conservation	<ul style="list-style-type: none"> - Development of marsh lands for agriculture - Prevention of soil erosion
4. Extension and marketing	<ul style="list-style-type: none"> - Repairs to storage facilities, investment in milk collection - Support to agricultural extension programmes
5. Forests	<ul style="list-style-type: none"> - Management of natural forests - Increase and diversify forestry products - Reforestation programmes
MINITERE	
1. Planning and Management of Lands	<ul style="list-style-type: none"> - Implementation of national lands policy - Drawing up of Land Reform Bill - Drawing up of urban and rural cadastre
2. Planning and Supervision of Human Settlements	<ul style="list-style-type: none"> - Sensitisation of population to national regroupment policy (<i>imidugudu</i>) - Organisation and coordination of <i>imidugudu</i> - Regional and international cooperation in resettlement
3. Conservation and Protection of the Environment	<ul style="list-style-type: none"> - Elaboration of national environment policy - Training of environmentalists - Sensitisation programs
MINERENA	
1. Energy	<ul style="list-style-type: none"> - Elaboration and implementation of master plan of electrification - Installation of power lines - Promotion of bio-gas in rural areas
2. Water and Sanitation	<ul style="list-style-type: none"> - Water treatment plants - Collection and analysis of hydrological data - Rural water supplies
3. Mines and geology	<ul style="list-style-type: none"> - Management of quarries - Development of policy and promotion of added value
4. Gas	<ul style="list-style-type: none"> - Study on environmental impact of exploitation of gas in Lake Kivu - Promotion of commercialisation of gas from Lake Kivu
MINALOC	
1. Decentralisation	<ul style="list-style-type: none"> - Training of members in decentralised administrations - Support to decentralised structure - Elaboration of laws regarding resource management
2 Community Development	<ul style="list-style-type: none"> - Support to community development
3. Rehabilitation of the Family	<ul style="list-style-type: none"> - Elaboration of laws, programmes and policies for protection of children
4. Mass education	<ul style="list-style-type: none"> - Elaboration of policy on mass education - Coordination and implementation of education programmes

MINISTRY Programme	Activities
5. Social Reintegration	<ul style="list-style-type: none"> - Elaboration, implementation of policies for vulnerable groups/genocide survivors - Centres for unaccompanied children
MIGEPROFE	
1. Support to Self-Promotion of Women	<ul style="list-style-type: none"> - Financial Support to Communal Funds - Fonds de Garantie - Training of members of communal funds - Construction of Houses for Women - Support to Women Elected Councils
2. Promotion of gender approach in development	<ul style="list-style-type: none"> - Mainstreaming gender in sector strategies
3. Promotion of socio-juridical equity	<ul style="list-style-type: none"> - Support to legal reform
MIJESPOC	
1. Vocational Training	<ul style="list-style-type: none"> - Vocational training of youth - Running of Youth Training Centres (YTC) - Sale of products of YTCs
2. Mobilisation of the Youth	<ul style="list-style-type: none"> - Encourage participation in revenue generating activities - Elections of National Youth Council - Running of National Youth Council - Organisation of National Youth Festival
3. Cultural Promotion	<ul style="list-style-type: none"> - Genocide Memorial Commission - National Commemoration Day of the Genocide
4. Research and conservation of national heritage	<ul style="list-style-type: none"> - National Museum
MININTER	
1. Police Services	<ul style="list-style-type: none"> - Prevention and detection of crimes - Road security - Air and border police - Recruitment of new police cadets - Training of police force
2. Prisons	<ul style="list-style-type: none"> - Maintenance and repair of 19 prisons - All 107,000 prisoners fed and clothed - Re-education of prisoners
MIFOTRA	
1. Civil Service Reform	<ul style="list-style-type: none"> - Support to the reform of the Civil Service
2. Promotion of labour and social security	
MINITRACO	
1. Development and modernisation of communication infrastructure	<ul style="list-style-type: none"> - Promotion of communications
2. Improvement of transport services	<ul style="list-style-type: none"> - Meteorology - Lake infrastructure - Airport safety - Road safety

MINISTRY Programme	Activities
3. Management of urban space	<ul style="list-style-type: none"> - Urban sanitation - Urban masterplans - Public buildings
4. Development of Transport Infrastructure (including Road Fund)	<ul style="list-style-type: none"> - Planning and repairs to bridges - Tarmacng of major roads - Development and improvements to rural road networks
MINICOM	
1. Industrial and Artisanal Development	<ul style="list-style-type: none"> - Support for SMEs - Study on development of industrial zones - Investor's Guide to Rwanda - RIPA - Standards Bureau
2. Promotion of Commerce	<ul style="list-style-type: none"> - Development of local markets - Promotion of foreign trade - COMESA
3. Export promotion	
PROVINCES	
1. All programmes except administration and coordination of programmes	

7.7 Annex 7: The proposed expenditure programme

7.7.1 Scenario 2: Constrained PRSP Scenario (projections are based on Minecofin estimates (for discussion with Ministries/Provinces) and do not imply ceilings)

	Original	Currently programmed (MTEF)				Proposed increase for PRSP		Total proposed		Purpose of increase	
		Revised (draft)									
		2002	2002	2003	2004	2002	2003	2004	2002	2003.0	2004.0
MINAGRI (AGRICULTURE)		13.6	9.6	10.4	11.1	3.6	7.5	9.3	13.2	17.9	20.3
Recurrent		2.7	2.6	2.9	3.3	0.5	0.5	0.5	3.1	3.4	3.8
Development		10.9	7.0	7.4	7.8	3.1	7.0	8.8	10.1	14.4	16.6
Cabinet service		0.1	0.1	0.1	0.1				0.1	0.1	0.1
recurrent		0.1	0.1	0.1	0.1				0.1	0.1	0.1
Agricultural production		7.4	5.5	5.7	6.7				8.3	12.4	15.2
recurrent		1.1	1.1	1.2	1.4				1.1	1.2	1.4
recurrent (central)		1.0	1.0	1.1	1.3				1.0	1.1	1.3
recurrent (province)		0.1	0.1	0.1	0.1				0.1	0.1	0.1
development		6.3	4.4	4.5	5.3	2.9	6.7	8.5	7.2	11.2	13.8 seasonal credit, seeds, development, HIMO 4 regions
Development of breeding		3.2	1.7	1.9	1.8				1.7	1.9	1.8
recurrent		0.5	0.5	0.6	0.7				0.5	0.6	0.7
recurrent (central)		0.5	0.5	0.5	0.6				0.5	0.5	0.6
recurrent (province)		0.1	0.1	0.1	0.1				0.1	0.1	0.1
development		2.7	1.2	1.3	1.1				1.2	1.3	1.1
Forestry resources		1.7	1.0	1.5	1.6				1.0	1.5	1.6
recurrent		0.2	0.2	0.2	0.3				0.2	0.2	0.3
recurrent (central)		0.1	0.1	0.2	0.2				0.1	0.2	0.2
recurrent (province)		0.0	0.0	0.1	0.1				0.0	0.1	0.1
development		1.5	0.9	1.3	1.4				0.9	1.3	1.4
Managing the conservation of water and soils		0.1	0.1	0.1	0.1				0.4	0.5	0.4
recurrent		0.1	0.1	0.1	0.1				0.1	0.1	0.1
recurrent (central)		0.1	0.1	0.1	0.1				0.1	0.1	0.1
recurrent (province)		0.0	0.0	0.0	0.0				0.0	0.0	0.0
development		0.0				0.3	0.4	0.3	0.3	0.4	0.3
Extension and commercialisation		0.7	0.7	0.5	0.2				1.2	1.0	0.7
recurrent		0.2	0.1	0.2	0.2				0.6	0.7	0.7
recurrent (central)		0.2	0.1	0.2	0.2				0.1	0.2	0.2
recurrent (province)						0.5	0.5	0.5	0.5	0.5	0.5 strengthen extension service
development		0.5	0.5	0.3					0.5	0.3	0.0
Agricultural statistics and planning		0.1	0.1	0.1	0.1				0.1	0.1	0.1
recurrent		0.1	0.1	0.1	0.1				0.1	0.1	0.1
recurrent (central)		0.1	0.1	0.0	0.0				0.1	0.0	0.0
recurrent (province)		0.0	0.0	0.0	0.0				0.0	0.0	0.0

Management and support services	0.4	0.4	0.4	0.4			0.4	0.4	0.4	
recurrent	0.4	0.4	0.4	0.4			0.4	0.4	0.4	
recurrent (central)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
recurrent (province)	0.3	0.3	0.3	0.4			0.3	0.3	0.4	
MINISANTE (HEALTH)	15.2	9.8	11.0	10.6	3.1	5.0	4.0	12.9	16.0	14.6
Recurrent	5.4	5.4	6.1	6.9	3.0	3.0	3.0	8.4	9.1	9.9
Development	9.8	4.4	4.8	3.7	0.1	2.0	1.0	4.5	6.8	4.7
Basic healthcare benefits	6.2	4.0	2.7	1.6			7.1	7.7	5.6	
recurrent	0.9	0.9	1.0	1.1			3.9	4.0	4.1	
recurrent (central)	0.8	0.8	0.9	1.0			0.8	0.9	1.0 drugs (including AIDS support), bednets, animateurs, mutuelles;	
recurrent (province)	0.1	0.1	0.1	0.2	3.0	3.0	3.0	3.1	3.1 3.2 support to preventive health at local level	
development	5.3	3.1	1.7	0.5	0.1	2.0	1.0	3.2	3.7 1.5 rehabilitation and equipment for CS and district hospitals	
Specialist intervention in major health problems	5.4	2.4	5.1	5.5			2.4	5.1	5.5	
recurrent	1.8	1.8	2.0	2.3			1.8	2.0	2.3	
recurrent (central)	1.7	1.7	1.9	2.1			1.7	1.9	2.1	
recurrent (province)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
development	3.6	0.6	3.1	3.2			0.6	3.1	3.2	
Development of healthcare structures	0.2	0.2	0.2	0.3			0.2	0.2	0.3	
recurrent	0.2	0.2	0.2	0.3			0.2	0.2	0.3	
recurrent (central)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
recurrent (province)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
Improvement of service management	3.4	3.3	3.0	3.3			3.3	3.0	3.3	
recurrent	2.6	2.6	2.9	3.3			2.6	2.9	3.3	
recurrent (central)	1.2	1.2	1.3	1.5			1.2	1.3	1.5	
recurrent (province)	1.5	1.5	1.6	1.7			1.5	1.6	1.7	
development	0.8	0.6	0.0				0.6	0.0	0.0	
MINEDUC (EDUCATION)	46.9	40.6	43.3	44.8	3.2	3.4	3.4	43.8	46.7	48.2
Recurrent	31.0	30.9	33.8	37.0	3.0	3.0	3.0	33.9	36.8	40.0
Development	15.9	9.7	9.5	7.7	0.2	0.4	0.4	9.9	9.9	8.1
Primary and pre-primary education	23.8	20.5	23.2	23.2			23.7	26.6	26.6	
recurrent	15.9	15.9	17.2	18.6			18.9	20.2	21.6	
recurrent (central)	1.9	1.9	2.2	2.5	3.0	3.0	3.0	4.9	5.2	5.5 textbooks, assuming unit cost of \$4
recurrent (province)(wages)	14.0	13.9	14.9	16.0			13.9	14.9	16.0	
recurrent (province)(non-wage)	0.1	0.1	0.1	0.2			0.1	0.1	0.2	
development	8.0	4.6	5.9	4.5	0.2	0.4	0.4	4.8	6.3	4.9 rehabilitation and equipment in schools
Secondary education	7.0	5.1	3.7	3.6			5.1	3.7	3.6	
recurrent	1.6	1.6	2.0	2.3			1.6	2.0	2.3	
recurrent (central)	0.6	0.6	0.7	0.8			0.6	0.7	0.8	
recurrent (province)(wages)	1.0	1.0	1.3	1.5			1.0	1.3	1.5	
development	5.3	3.4	1.7	1.3			3.4	1.7	1.3	
Higher education	14.5	13.6	14.9	16.2			13.6	14.9	16.2	
recurrent	11.9	11.9	13.0	14.3			11.9	13.0	14.3	
recurrent (central)	11.9	11.9	13.0	14.3			11.9	13.0	14.3	
recurrent (province)	0.0	0.0	0.0	0.0			0.0	0.0	0.0	

development	2.6	1.7	1.8	1.9		1.7	1.8	1.9		
Scientific and technological research	0.5	0.5	0.5	0.6		0.5	0.5	0.6		
recurrent	0.5	0.5	0.5	0.6		0.5	0.5	0.6		
Institutional support	1.1	1.0	1.1	1.2		1.0	1.1	1.2		
recurrent	1.1	1.0	1.1	1.2		1.0	1.1	1.2		
MINICOM (COMMERCE & TRADE)	1.8	1.8	1.4	1.5	0.0	0.0	1.8	1.4	1.5	
Recurrent	1.2	1.2	1.3	1.4	0.0	0.0	1.2	1.3	1.4	
Development	0.5	0.5	0.1	0.1	0.0	0.0	0.5	0.1	0.1	
Direction and coordination of ministerial programmes	0.1	0.1	0.1	0.1		0.1	0.1	0.1		
recurrent	0.1	0.1	0.1	0.1		0.1	0.1	0.1		
recurrent (central)	0.1	0.1	0.1	0.1		0.1	0.1	0.1		
Strengthening institutional capacity	0.0	0.0	0.0	0.0		0.0	0.0	0.0		
recurrent	0.0	0.0	0.0	0.0		0.0	0.0	0.0		
recurrent (central)	0.0	0.0	0.0	0.0		0.0	0.0	0.0		
Trade development	0.1	0.1	0.1	0.1		0.1	0.1	0.1		
recurrent	0.1	0.1	0.1	0.1		0.1	0.1	0.1		
recurrent (central)	0.1	0.1	0.0	0.0		0.1	0.0	0.0		
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0		
Export promotion	0.2	0.2	0.3	0.3		0.2	0.3	0.3		
recurrent	0.2	0.2	0.3	0.3		0.2	0.3	0.3		
Development of tourism	0.2	0.2	0.2	0.3		0.2	0.2	0.3		
recurrent	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent (central)	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0		
development	0.0	0.0	0.0	0.1		0.0	0.0	0.1		
Industrial development and promotion of craft industry	1.1	1.1	0.7	0.7		1.1	0.7	0.7		
recurrent	0.6	0.6	0.6	0.7		0.6	0.6	0.7		
recurrent (central)	0.5	0.5	0.5	0.6		0.5	0.5	0.6		
recurrent (province)	0.1	0.1	0.1	0.1		0.1	0.1	0.1		
development	0.5	0.5	0.1			0.5	0.1	0.0		
MINITRACO (TRANSPORT, COMMUNICATION & PUBLIC WORKS)	15.6	8.6	12.2	9.9	8.9	13.9	18.7	17.6	26.1	28.6
Recurrent	2.8	2.8	3.2	3.7	7.5	7.5	7.5	10.3	10.7	11.2
Development	12.8	5.8	9.0	6.2	1.4	6.4	11.2	7.3	15.4	17.4
Development and modernisation of transport infrastructures	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent (central)	0.2	0.1	0.2	0.2		0.1	0.2	0.2		
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0		
Improvement of transport services	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent (central)	0.2	0.2	0.2	0.2		0.2	0.2	0.2		
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0		

Rational development and management of the urban environment	0.8	0.7	0.1	0.1		0.7	0.1	0.1
recurrent	0.1	0.1	0.1	0.1		0.1	0.1	0.1
recurrent (central)	0.1	0.0	0.1	0.1		0.0	0.1	0.1
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
development	0.8	0.6				0.6	0.0	0.0
Development of transport infrastructures	14.1	7.3	11.4	9.0		16.2	25.3	27.7
recurrent	2.1	2.1	2.4	2.8		9.6	9.9	10.3
recurrent (central)	2.1	2.1	2.4	2.8	7.5	7.5	7.5	9.6
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
development	12.0	5.2	9.0	6.2	1.4	6.4	11.2	6.7
Roads	8.2	3.8	5.9	5.2	1.4	6.3	9.0	
Airports	3.8	1.4	2.5					
Railways						0.2	2.2	
Administrative buildings								feasibility study; work (Gisenyi, Kibuye, Cyangugu)
Support						0.5	1.0	
						0.1		
Gestion et coordination des services	0.4	0.4	0.4	0.3		0.4	0.4	0.3
recurrent	0.4	0.4	0.4	0.3		0.4	0.4	0.3
recurrent (central)	0.2	0.2	0.2	0.2		0.2	0.2	0.2
recurrent (province)	0.2	0.2	0.2	0.2		0.2	0.2	0.2
MINERENA (WATER, ENERGY & NATURAL RESOURCES)	7.4	4.7	5.9	2.4	4.3	14.1	12.5	9.0
Recurrent	0.5	0.5	0.5	0.6	1.5	6.5	5.0	2.0
Development	6.9	4.2	5.4	1.8	2.8	7.6	7.5	7.0
Strategic planning	0.1	0.0	0.0	0.0		0.0	0.0	0.0
recurrent	0.1	0.0	0.0	0.0		0.0	0.0	0.0
Administration, finance and management of human resources	0.1	0.1	0.1	0.1		0.1	0.1	0.1
recurrent	0.1	0.1	0.1	0.1		0.1	0.1	0.1
Energy	0.9	0.7	0.5	0.1		1.6	9.9	9.7
recurrent	0.1	0.1	0.1	0.1		0.1	5.1	5.1
recurrent (central)	0.0	0.0	0.0	0.1	5.0	5.0	0.0	5.0
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
development	0.8	0.6	0.4	0.0	0.9	4.4	4.7	1.5
Electricity	0.8	0.6	0.4	0.0	0.7	3.9	4.1	1.3
New and renewable energy						0.2	0.5	0.6
						0.2	0.5	0.6
Water and purification	6.2	3.7	5.1	2.0		5.7	8.3	4.8
recurrent	0.2	0.1	0.2	0.2		0.1	0.2	0.2
recurrent (central)	0.1	0.1	0.2	0.2		0.1	0.2	0.2
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
development	6.1	3.5	5.0	1.8	2.0	3.2	2.9	5.5
urbain				2.1	1.8	0.3	1.5	2.4
rural				2.9		1.7	1.7	0.5
						1.7	4.6	0.5
Mining and geology	0.1	0.1	0.1	0.1		1.6	1.6	0.1
recurrent	0.1	0.1	0.1	0.1		1.6	1.6	0.1
recurrent (central)	0.1	0.1	0.1	0.1	1.5	1.5	1.6	0.1
recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
Methane gas	0.1	0.1	0.1	0.1		0.1	0.1	0.1

recurrent	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
MIJESPOC (VOCATIONAL TRAINING, YOUTH & SPORT)	2.0	1.9	1.7	1.5	0.2	0.6	0.6	2.1	2.3	2.0
Recurrent	1.0	1.0	1.1	1.2	0.2	0.2	0.3	1.2	1.3	1.5
Development	1.0	0.9	0.6	0.3	0.0	0.4	0.3	0.9	1.0	0.6
Central support services	0.2	0.2	0.1	0.1			0.2	0.1	0.1	
recurrent	0.2	0.2	0.1	0.1			0.2	0.1	0.1	
Mobilisation of the youth	1.0	1.0	0.7	0.4			1.0	0.7	0.4	
recurrent	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
recurrent (central)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
recurrent (province)	0.1	0.0	0.1	0.1			0.0	0.1	0.1	
development	0.9	0.9	0.6	0.3			0.9	0.6	0.3	
Promotion of sports and leisure	0.2	0.2	0.2	0.1			0.2	0.2	0.1	
recurrent	0.2	0.2	0.2	0.1			0.2	0.2	0.1	
recurrent (central)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
recurrent (province)	0.0	0.0	0.0	0.0			0.0	0.0	0.0	
development	0.1	0.1					0.1	0.0	0.0	
Cultural promotion	0.2	0.2	0.2	0.3			0.2	0.2	0.3	
recurrent	0.2	0.2	0.2	0.3			0.2	0.2	0.3	
recurrent (central)	0.2	0.2	0.2	0.2			0.2	0.2	0.2	
recurrent (province)	0.0	0.0	0.0	0.0			0.0	0.0	0.0	
Professional apprenticeships	0.2	0.2	0.2	0.3			0.4	0.9	0.8	
recurrent	0.2	0.2	0.2	0.3			0.4	0.4	0.6	
recurrent (central)	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.5	
recurrent (province)	0.0	0.0	0.0	0.0			0.0	0.0	0.0	
development	0.0	0.0	0.0	0.0	0.4	0.3	0.0	0.4	0.3 rehabilitation of centres	
Research, acquisition, conservation and enhancement of national heritage	0.2	0.2	0.2	0.2			0.2	0.2	0.2	
recurrent	0.2	0.2	0.2	0.2			0.2	0.2	0.2	
MIGEPROFE (GENDER)	3.3	2.9	1.9	2.1	0.0	0.0	0.0	2.9	1.9	2.1
Recurrent	0.5	0.5	0.5	0.6	0.0	0.0	0.0	0.5	0.5	0.6
Development	2.8	2.4	1.4	1.6	0.0	0.0	0.0	2.4	1.4	1.6
Institutional support	0.4	0.4	0.1	0.1			0.4	0.1	0.1	
recurrent	0.2	0.2	0.1	0.1			0.2	0.1	0.1	
recurrent (central)	0.2	0.2	0.1	0.1			0.2	0.1	0.1	
recurrent (province)	0.0	0.0	0.0	0.0			0.0	0.0	0.0	
development	0.3	0.3					0.3	0.0	0.0	
Support for the automatic recruitment of women	2.3	1.9	1.7	1.9			1.9	1.7	1.9	
recurrent	0.3	0.3	0.3	0.3			0.3	0.3	0.3	
recurrent (central)	0.2	0.2	0.2	0.3			0.2	0.2	0.3	
recurrent (province)	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
development	2.1	1.7	1.4	1.6			1.7	1.4	1.6	
Support for a gender based approach to development	0.4	0.3	0.1	0.1			0.3	0.1	0.1	
recurrent	0.1	0.1	0.1	0.1			0.1	0.1	0.1	
recurrent (central)	0.1	0.0	0.1	0.1			0.0	0.1	0.1	

	recurrent (province)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
development		0.3	0.3			0.3	0.0	0.0		
Promotion of sociojudicial equality		0.2	0.2	0.0	0.0	0.2	0.0	0.0		
recurrent		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
recurrent (central)		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
recurrent (province)		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
development		0.2	0.2			0.2	0.0	0.0		
MINADEF (DEFENCE & DEMOBILISATION)		37.0	29.9	35.1	29.1	0.0	0.0	0.0	29.9	35.1
Recurrent		36.3	29.5	34.3	28.4	0.0	0.0	0.0	29.5	34.3
Development		0.6	0.5	0.8	0.7	0.0	0.0	0.0	0.5	0.8
Demobilisation		12.7	5.9	11.2	5.2	5.9	11.2	5.2		
recurrent		12.7	5.9	11.2	5.2	5.9	11.2	5.2	moved from development to recurrent	
recurrent (central)		12.7	5.9	11.2	5.2	5.9	11.2	5.2		
recurrent (province)						0.0	0.0	0.0		
Other		24.3	24.0	23.9	24.0	24.0	23.9	24.0		
recurrent		23.6	23.6	23.1	23.3	23.6	23.1	23.3		
recurrent (central)		23.6	23.5	23.1	23.2	23.5	23.1	23.2		
recurrent (province)		0.1	0.0	0.1	0.1	0.0	0.1	0.1		
development		0.6	0.5	0.8	0.7	0.5	0.8	0.7		
MINITERE (LAND, HABITAT & ENVIRONMENT)		2.9	2.6	1.5	1.5	18.5	5.5	0.0	21.1	7.0
Recurrent		0.9	0.8	0.8	0.9	0.5	0.0	0.0	1.3	0.8
Development		2.1	1.7	0.7	0.6	18.0	5.5	0.0	19.7	6.2
Land planning and management		1.1	0.8	0.8	0.8	0.8	0.8	0.8		
recurrent		0.3	0.3	0.4	0.5	0.3	0.4	0.5		
recurrent (central)		0.3	0.3	0.4	0.4	0.3	0.4	0.4		
recurrent (province)		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
development		0.8	0.5	0.5	0.4	0.5	0.5	0.4		
Planning and conservation of habitats		1.0	1.0	0.1	0.1	19.5	5.6	0.1		
recurrent		0.2	0.2	0.1	0.1	0.7	0.1	0.1		
recurrent (central)		0.2	0.2	0.1	0.1	0.7	0.1	0.1	supervise the major development programme	
recurrent (province)		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
development		0.8	0.8			18.0	5.5	18.8	5.5	0.0 emergency roofing kits and water harvesting kits for homeless
Conservation and protection of the environment		0.5	0.5	0.3	0.4	0.5	0.3	0.4		
recurrent		0.1	0.1	0.1	0.2	0.1	0.1	0.2		
recurrent (central)		0.1	0.1	0.1	0.1	0.1	0.1	0.1		
recurrent (province)		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
development		0.4	0.4	0.2	0.2	0.4	0.2	0.2		
Management and support services		0.2	0.2	0.2	0.2	0.2	0.2	0.2		
recurrent		0.2	0.2	0.2	0.2	0.2	0.2	0.2		
MININTER (POLICE & PRISONS)		7.5	7.6	8.9	9.4	0.0	0.0	0.0	7.6	8.9
Recurrent		6.2	6.6	8.5	9.0	0.0	0.0	0.0	6.6	8.5
Development		1.2	1.0	0.3	0.4	0.0	0.0	0.0	1.0	0.3
Police service		3.7	3.5	4.0	4.5	3.5	4.0	4.5		

recurrent		3.4	3.4	3.8	4.2		3.4	3.8	4.2	
	recurrent (central)	3.4	3.4	3.8	4.2		3.4	3.8	4.2	
	recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0	
development		0.3	0.1	0.2	0.3		0.1	0.2	0.3	
Prisons		3.1	3.1	2.4	2.3		3.1	2.4	2.3	
recurrent		2.2	2.2	2.3	2.2		2.2	2.3	2.2	
	recurrent (central)	2.2	2.2	2.3	2.2		2.2	2.3	2.2	
	recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0	
development		1.0	0.9	0.1	0.1		0.9	0.1	0.1	
Management and support services		0.6	0.9	2.4	2.6		0.9	2.4	2.6	
recurrent		0.6	0.9	2.4	2.6		0.9	2.4	2.6	
	recurrent (central)	0.1	0.1	0.1	0.1		0.1	0.1	0.1	
	recurrent (province)	0.5	0.8	2.3	2.5		0.8	2.3	2.5	
Follow-up and evaluation of MININTER policies		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
recurrent		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
MIFOTRA (PUBLIC SERVICE)		1.1	1.0	1.0	0.7	0.0	0.0	1.0	1.0	0.7
Recurrent		0.7	0.7	0.6	0.7	0.0	0.0	0.7	0.6	0.7
Development		0.4	0.4	0.3	0.0	0.0	0.0	0.4	0.3	0.0
Strengthening of management and support capacity		0.2	0.1	0.1	0.1		0.1	0.1	0.1	
recurrent		0.2	0.1	0.1	0.1		0.1	0.1	0.1	
Reform of public services		0.8	0.8	0.7	0.5		0.8	0.7	0.5	
recurrent		0.4	0.4	0.4	0.5		0.4	0.4	0.5	
	recurrent (central)	0.4	0.4	0.4	0.5		0.4	0.4	0.5	
	recurrent (province)						0.0	0.0	0.0	
development		0.4	0.4	0.3	0.0		0.4	0.3	0.0	
Promotion of work and social security		0.1	0.1	0.0	0.1		0.1	0.0	0.1	
recurrent		0.1	0.1	0.0	0.1		0.1	0.0	0.1	
Planning, development and strengthening of resources capacity		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
recurrent		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
MINIJUST (JUSTICE)		6.1	4.3	3.3	2.1	0.0	0.0	4.3	3.3	2.1
Recurrent		1.8	1.9	1.9	1.9	0.0	0.0	1.9	1.9	1.9
Development		4.3	2.5	1.4	0.2	0.0	0.0	2.5	1.4	0.2
Planning and administrative planning		1.2	0.7	0.5	0.1		0.7	0.5	0.1	
recurrent		0.2	0.2	0.2	0.1		0.2	0.2	0.1	
	recurrent (central)	0.2	0.2	0.2	0.1		0.2	0.2	0.1	
	recurrent (province)						0.0	0.0	0.0	
development		1.0	0.5	0.3	0.0		0.5	0.3	0.0	
Legislation and community services		1.9	1.1	0.0	0.0		1.1	0.0	0.0	
recurrent		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
	recurrent (central)	0.0	0.0	0.0	0.0		0.0	0.0	0.0	
	recurrent (province)						0.0	0.0	0.0	
development		1.8	1.0				1.0			

Institutional relations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
recurrent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Regulation of litigation and state affairs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
recurrent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Ensuring the efficient functioning of the judicial system	2.7	2.2	2.4	1.6	2.2	2.4	1.6			
recurrent	1.3	1.3	1.3	1.4	1.3	1.3	1.4			
recurrent (central)	1.2	1.2	1.3	1.4	1.2	1.3	1.4			
recurrent (province)	0.0	0.0	0.1	0.1	0.0	0.1	0.1			
development	1.4	1.0	1.1	0.2	1.0	1.1	0.2			
Respect and application of the law	0.2	0.2	0.2	0.1	0.2	0.2	0.1			
recurrent	0.2	0.2	0.2	0.1	0.2	0.2	0.1			
Legislative reform	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
recurrent	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
Training and retraining of judicial personnel	0.1	0.1	0.0	0.0	0.1	0.0	0.0			
recurrent	0.1	0.1	0.0	0.0	0.1	0.0	0.0			
COURS SUPREME (SUPREME COURT)	3.0	3.0	2.8	1.7	0.0	0.0	0.0	3.0	2.8	1.7
Recurrent	2.6	2.6	2.6	1.6	0.0	0.0	0.0	2.6	2.6	1.6
Development	0.4	0.4	0.2	0.1	0.0	0.0	0.0	0.4	0.2	0.1
Control, verification and adjustment of state accounts	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
recurrent	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
Study, research and management of magistrates careers	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
recurrent	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Court and tribunals administration	0.5	0.5	0.3	0.2	0.5	0.3	0.2			
recurrent	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
recurrent (central)	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
recurrent (province)	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
development	0.4	0.4	0.2	0.1	0.4	0.2	0.1			
Interpretation and application of the law	0.2	0.2	0.2	0.2	0.2	0.2	0.2			
recurrent	0.2	0.2	0.2	0.2	0.2	0.2	0.2			
Gacaca jurisdictions	2.0	2.0	2.0	1.1	2.0	2.0	1.1			
recurrent	2.0	2.0	2.0	1.1	2.0	2.0	1.1			
recurrent (central)	2.0	2.0	2.0	1.1	2.0	2.0	1.1			
recurrent (province)	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Strategic planning	0.2	0.2	0.2	0.1	0.2	0.2	0.1			
recurrent	0.2	0.2	0.2	0.1	0.2	0.2	0.1			
MINALOC (LOCAL GOVERNMENT)	16.6	14.0	15.0	16.6	0.5	0.5	0.5	14.5	15.5	17.1
Recurrent	9.0	9.2	10.0	11.1	0.5	0.5	0.5	9.7	10.5	11.6
Development	7.6	4.8	5.0	5.5	0.0	0.0	0.0	4.8	5.0	5.5

Decentralisation		2.7	2.5	2.2	2.1		2.5	2.2	2.1	
recurrent		1.7	1.7	1.8	2.1		1.7	1.8	2.1	
recurrent (central)		1.6	1.6	1.7	2.0		1.6	1.7	2.0 includes transfer to Districts (running costs)	
recurrent (province)		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
development		1.1	0.8	0.4			0.8	0.4	0.0	
Community development		6.6	4.0	4.7	5.7		4.0	4.7	5.7	
recurrent		0.1	0.1	0.2	0.2		0.1	0.2	0.2	
recurrent (central)		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
recurrent (province)		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
development		6.5	3.9	4.5	5.5		3.9	4.5	5.5	
CDF		4.2	2.0	4.0	5.5		2.0	4.0	5.5	
Other		2.3	1.9	0.5			1.9	0.5		
Social reintegration		5.6	5.8	6.6	7.4		5.8	6.6	7.4	
recurrent		5.6	5.8	6.6	7.4		5.8	6.6	7.4	
recurrent (central)		5.0	5.2	5.8	6.5		5.2	5.8	6.5	
recurrent (province)		0.6	0.6	0.8	0.9		0.6	0.8	0.9	
Family rehabilitation		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
recurrent		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
recurrent (central)		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
recurrent (province)		0.1	0.1	0.1	0.1		0.1	0.1	0.1	
Mass education		0.3	0.2	0.2	0.3		0.7	0.7	0.8	
recurrent		0.3	0.2	0.2	0.3		0.7	0.7	0.8	
recurrent (central)		0.2	0.2	0.2	0.2		0.2	0.2	0.2	
recurrent (province)		0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5 adult literacy	
National information system		1.2	1.1	1.0	0.9		1.1	1.0	0.9	
recurrent		1.1	1.0	0.9	0.9		1.0	0.9	0.9	
recurrent (central)		1.1	1.0	0.9	0.9		1.0	0.9	0.9	
development		0.1	0.1	0.0			0.1	0.0	0.0	
Promotion of the rights of the child		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
recurrent		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
Institutional support		0.2	0.2	0.2	0.1		0.2	0.2	0.1	
recurrent		0.2	0.2	0.2	0.1		0.2	0.2	0.1	
MINECOFIN (ECONOMIC MANAGEMENT)		64.6	50.8	52.8	46.9	0.0	0.0	50.8	52.8	46.9
Recurrent	(** includes debt, interest & arrears)	47.0	41.9	36.1	35.3	0.0	0.0	41.9	36.1	35.3
Development		17.6	8.9	16.7	11.6	0.0	0.0	8.9	16.7	11.6
Development and strengthening of economic and financial capacity		5.4	4.4	3.1	3.0		4.4	3.1	3.0	
recurrent		3.4	3.2	1.8	1.7		3.2	1.8	1.7	
recurrent (central)		1.6	1.1	0.9	0.8		1.1	0.9	0.8	
recurrent (province)		1.8	2.1	0.8	0.9		2.1	0.8	0.9	
development		1.9	1.2	1.3	1.3		1.2	1.3	1.3	
Management of public spending and common resources		18.3	14.9	8.3	8.0		14.9	8.3	8.0	
recurrent		5.8	9.4	8.3	8.0		9.4	8.3	8.0	

	recurrent (central)	5.8	9.4	8.3	8.0		9.4	8.3	8.0
	recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
development		12.5	5.5			5.5			
National and sectoral planning and macroeconomic management		3.1	2.7	15.2	10.1		2.7	15.2	10.1
recurrent		0.6	0.6	0.5	0.5		0.6	0.5	0.5
development	recurrent (central)	0.5	0.5	0.5	0.4		0.5	0.5	0.4
	recurrent (province)	0.1	0.1	0.1	0.1		0.1	0.1	0.1
development	Planification et macro-économie	2.5	2.1	14.6	9.6		2.1	14.6	9.6
	Umutara project			0.8	0.5			0.8	0.5
	Développ.économique multi-sectoriel			2.6	2.4			2.6	2.4
				11.2	6.7			11.2	6.7
** Mobilisation of internal and external resources		36.9	27.9	25.4	25.0		27.9	25.4	25.0
recurrent		36.2	27.8	24.6	24.3		27.8	24.6	24.3
development	recurrent (central)	36.2	27.8	24.5	24.3		27.8	24.5	24.3
	recurrent (province)	0.0	0.0	0.0	0.0		0.0	0.0	0.0
	development	0.7	0.2	0.8	0.7		0.2	0.8	0.7
Inspection, control, audit and transparency organs		0.9	0.9	0.8	0.8		0.9	0.8	0.8
recurrent		0.9	0.9	0.8	0.8		0.9	0.8	0.8
AN, PRESIREP, PRIMATURE, MINAFFET (COORDINATION)		14.0	13.4	12.3	10.0	0.0	0.0	0.0	13.4
Recurrent		12.6	12.3	11.1	10.0	0.0	0.0	0.0	12.3
Development		1.4	1.1	1.2	0.0	0.0	0.0	0.0	1.1
						1.1	1.2	0.0	
National Assembly		2.3	2.1	2.4	1.2		2.1	2.4	1.2
recurrent		1.3	1.3	1.3	1.2		1.3	1.3	1.2
development		1.0	0.8	1.2			0.8	1.2	
Presirep		7.3	7.2	6.3	5.5		7.2	6.3	5.5
recurrent		7.2	7.1	6.3	5.5		7.1	6.3	5.5
development		0.1	0.1				0.1		
Primature		1.0	1.0	0.9	0.8		1.0	0.9	0.8
recurrent		1.0	1.0	0.9	0.8		1.0	0.9	0.8
Minaffet		3.4	3.2	2.7	2.5		3.2	2.7	2.5
recurrent		3.0	2.9	2.7	2.5		2.9	2.7	2.5
development		0.4	0.3				0.3		
TOTAL RECURRENT		162.2	150.2	155.4	153.4	16.7	21.2	19.8	166.9
TOTAL DEVELOPMENT		96.1	56.4	64.9	48.3	25.7	29.3	29.1	82.1
GRAND TOTAL		258.3	206.6	220.3	201.8	42.4	50.5	48.9	249.0
Notes:									270.8
(1) Development figures for 2003 in MTEF are taken from draft PIP, but apply 81% implementation rate to be consistent with macro framework target of 64.9									250.7

7.7.2 Scenario 3: The Unconstrained PRSP Scenario (projections are based on Minecofin estimates (for discussion with Ministries/Provinces) and do not imply ceilings)

	Original 2002	Currently programmed (MTEF) Revised (draft)				Proposed increase for PRSP			Total proposed			Purpose of increase
		2002	2002	2003	2004	2002	2003	2004	2002	2003	2004	
MINAGRI (AGRICULTURE)	13.62	9.60	10.36	11.07	8.10	18.25	23.52	17.70	28.61	34.59		
Recurrent	2.68	2.63	2.92	3.26	1.50	1.50	1.50	4.13	4.42	4.76		
Development	10.94	6.97	7.44	7.81	6.60	16.75	22.02	13.57	24.19	29.83		
Cabinet service		0.13	0.12	0.11	0.10				0.12	0.11	0.10	
recurrent		0.13	0.12	0.11	0.10				0.12	0.11	0.10	
Agricultural production	7.36	5.47	5.74	6.67				11.77	20.99	26.19		
recurrent	1.09	1.09	1.22	1.37				1.09	1.22	1.37		
recurrent (central)	1.01	1.01	1.13	1.26				1.01	1.13	1.26		
recurrent (province)	0.07	0.07	0.09	0.11				0.07	0.09	0.11		
development	6.27	4.39	4.52	5.30	6.30	15.25	19.52	10.69	19.77	24.82	seasonal credit, seeds, development, HIMO 4 regions	
Development of breeding	3.20	1.72	1.90	1.83				1.72	1.90	1.83		
recurrent	0.54	0.54	0.62	0.71				0.54	0.62	0.71		
recurrent (central)	0.45	0.45	0.51	0.58				0.45	0.51	0.58		
recurrent (province)	0.09	0.09	0.11	0.13				0.09	0.11	0.13		
development	2.67	1.18	1.28	1.13				1.18	1.28	1.13		
Forestry resources	1.65	1.04	1.51	1.64				1.04	1.51	1.64		
recurrent	0.19	0.19	0.22	0.26				0.19	0.22	0.26		
recurrent (central)	0.14	0.14	0.16	0.19				0.14	0.16	0.19		
recurrent (province)	0.04	0.04	0.05	0.06				0.04	0.05	0.06		
development	1.46	0.86	1.29	1.39				0.86	1.29	1.39		
Managing the conservation of water and soils	0.10	0.10	0.12	0.14				0.40	1.62	2.64		
recurrent	0.10	0.10	0.12	0.14				0.10	0.12	0.14		
recurrent (central)	0.07	0.07	0.08	0.10				0.07	0.08	0.10		
recurrent (province)	0.03	0.03	0.04	0.05				0.03	0.04	0.05		
development	0.00	0.00	0.00	0.00	0.30	1.50	2.50	0.30	1.50	2.50	soil conservation	
Extension and commercialisation	0.69	0.69	0.51	0.19				2.19	2.01	1.69		
recurrent	0.15	0.15	0.17	0.19				1.65	1.67	1.69		
recurrent (central)	0.15	0.15	0.17	0.19	1.00	1.00	1.00	1.15	1.17	1.19		
recurrent (province)					0.50	0.50	0.50	0.50	0.50	0.50	strengthen extension service	
development	0.54	0.54	0.34					0.54	0.34	0.00		

Agricultural statistics and planning		0.08	0.06	0.05	0.05			0.06	0.05	0.05	
	recurrent	0.08	0.06	0.05	0.05			0.06	0.05	0.05	
	recurrent (central)	0.08	0.05	0.05	0.04			0.05	0.05	0.04	
	recurrent (province)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
Management and support services		0.40	0.40	0.42	0.44			0.40	0.42	0.44	
	recurrent	0.40	0.40	0.42	0.44			0.40	0.42	0.44	
	recurrent (central)	0.08	0.07	0.07	0.07			0.07	0.07	0.07	
	recurrent (province)	0.32	0.32	0.35	0.37			0.32	0.35	0.37	
MINISANTE (HEALTH)		15.20	9.84	10.96	10.56	14.90	21.60	18.90	24.74	32.56	29.46
	Recurrent	5.44	5.44	6.12	6.88	6.90	6.60	5.90	12.34	12.72	12.78
	Development	9.76	4.40	4.84	3.68	8.00	15.00	13.00	12.40	19.84	16.68
Basic healthcare benefits		6.20	4.00	2.69	1.59			17.20	22.89	19.09	
	recurrent	0.86	0.86	0.98	1.12			6.06	6.18	5.62	
	recurrent (central)	0.75	0.75	0.85	0.97	1.20	1.20	1.20	1.95	2.05	2.17
	recurrent (province)	0.11	0.11	0.13	0.16	4.00	4.00	3.30	4.11	4.13	3.46
	development	5.33	3.14	1.71	0.47	8.00	15.00	13.00	11.14	16.71	13.47
Specialist intervention in major health problems		5.39	2.36	5.08	5.45			4.06	6.48	6.85	
	recurrent	1.75	1.75	1.98	2.25			3.45	3.38	3.65	
	recurrent (central)	1.68	1.68	1.90	2.15	1.70	1.40	1.40	3.38	3.30	3.55
	recurrent (province)	0.07	0.07	0.08	0.10			0.07	0.08	0.10	
	development	3.64	0.61	3.09	3.20			0.61	3.09	3.20	
Development of healthcare structures		0.19	0.19	0.22	0.26			0.19	0.22	0.26	
	recurrent	0.19	0.19	0.22	0.26			0.19	0.22	0.26	
	recurrent (central)	0.10	0.10	0.12	0.14			0.10	0.12	0.14	
	recurrent (province)	0.08	0.08	0.10	0.12			0.08	0.10	0.12	
Improvement of service management		3.43	3.28	2.97	3.25			3.28	2.97	3.25	
	recurrent	2.64	2.64	2.93	3.25			2.64	2.93	3.25	
	recurrent (central)	1.15	1.15	1.34	1.55			1.15	1.34	1.55	
	recurrent (province)	1.49	1.49	1.59	1.70			1.49	1.59	1.70	
	development	0.79	0.64	0.04				0.64	0.04	0.00	
MINEDUC (EDUCATION)		46.90	40.60	43.30	44.77	21.10	24.20	25.50	61.70	67.50	70.27
	Recurrent	31.01	30.90	33.80	37.05	17.10	16.70	16.50	48.00	50.50	53.55
	Development	15.89	9.70	9.50	7.72	4.00	7.50	9.00	13.70	17.00	16.72

Primary and pre-primary education										
recurrent	23.83	20.49	23.17	23.19				32.99	38.17	39.69
recurrent (central)	15.91	15.91	17.22	18.65				25.91	27.22	28.65
recurrent (province)(wages)	1.86	1.86	2.17	2.53	7.00	7.00	7.00	8.86	9.17	9.53 textbooks, assuming unit cost of \$4
recurrent (province)(non-wage)	13.95	13.95	14.92	15.97	1.50	1.50	1.50	15.45	16.42	17.47 some recruitment
development	0.10	0.10	0.13	0.15	1.50	1.50	1.50	1.60	1.63	1.65 funds to support non-wage costs of schools
	8.02	4.58	5.95	4.54	2.50	5.00	6.50	7.08	10.95	11.04 rehabilitation and equipment in schools
Secondary education										
recurrent	6.95	5.07	3.68	3.63				8.77	7.98	7.93
recurrent (central)	1.64	1.64	1.95	2.32				3.84	3.75	4.12
recurrent (province)(wages)	0.60	0.60	0.70	0.81	0.60	0.40	0.30	1.20	1.10	1.11
recurrent (province)(non-wage)	1.04	1.04	1.26	1.51	1.60	1.40	1.50	2.64	2.66	3.01 some recruitment
development	5.31	3.43	1.73	1.31	1.50	2.50	2.50	4.93	4.23	3.81 rehabilitation and equipment in schools
Higher education										
recurrent	14.47	13.60	14.85	16.17				17.60	18.85	20.17
recurrent (central)	11.91	11.91	13.03	14.29				15.91	17.03	18.29
recurrent (province)	11.91	11.91	13.02	14.29	4.00	4.00	4.00	15.91	17.02	18.29 assumes other expansion can be funded privately
development	0.00	0.00	0.00	0.00				0.00	0.00	0.00
	2.56	1.69	1.83	1.87				1.69	1.83	1.87
Scientific and technological research										
recurrent	0.46	0.46	0.52	0.58				1.36	1.42	1.28
recurrent (central)	0.46	0.46	0.52	0.58				1.36	1.42	1.28
	0.46	0.46	0.52	0.58	0.90	0.90	0.70	1.36	1.42	1.28 various research programmes
Institutional support										
recurrent	1.09	0.98	1.08	1.21				0.98	1.08	1.21
	1.09	0.98	1.08	1.21				0.98	1.08	1.21
MINICOM (COMMERCE & TRADE)	1.75	1.75	1.40	1.48	0.80	0.80	0.80	2.55	2.20	2.28
Recurrent	1.21	1.21	1.28	1.41	0.80	0.80	0.80	2.01	2.08	2.21
Development	0.54	0.54	0.12	0.08	0.00	0.00	0.00	0.54	0.12	0.08
Direction and coordination of ministerial programmes										
recurrent	0.07	0.07	0.06	0.06				0.07	0.06	0.06
	0.07	0.07	0.06	0.06				0.07	0.06	0.06
Strengthening institutional capacity										
recurrent	0.03	0.03	0.03	0.03				0.03	0.03	0.03
	0.03	0.03	0.03	0.03				0.03	0.03	0.03
Trade development										
recurrent	0.10	0.10	0.08	0.09				0.10	0.08	0.09
	0.10	0.10	0.08	0.09				0.10	0.08	0.09

	recurrent (central)	0.07	0.07	0.04	0.04			0.07	0.04	0.04	
	recurrent (province)	0.03	0.03	0.04	0.05			0.03	0.04	0.05	
Export promotion		0.24	0.24	0.28	0.33			0.44	0.48	0.53	
recurrent		0.24	0.24	0.28	0.33			0.44	0.48	0.53	
	recurrent (central)	0.24	0.24	0.28	0.33	0.20	0.20	0.20	0.44	0.48	0.53
Development of tourism		0.24	0.24	0.24	0.26			0.24	0.24	0.26	
recurrent		0.21	0.21	0.20	0.19			0.21	0.20	0.19	
	recurrent (central)	0.21	0.21	0.19	0.18			0.21	0.19	0.18	
	recurrent (province)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
development		0.03	0.03	0.04	0.08			0.03	0.04	0.08	
Industrial development and promotion of craft industry		1.07	1.07	0.71	0.72			1.67	1.31	1.32	
recurrent		0.56	0.56	0.63	0.72			1.16	1.23	1.32	
	recurrent (central)	0.47	0.47	0.52	0.59	0.60	0.60	0.60	1.07	1.12	1.19 ORN
	recurrent (province)	0.09	0.09	0.11	0.13			0.09	0.11	0.13	
development		0.52	0.52	0.08				0.52	0.08	0.00	
MINITRACO (TRANSPORT, COMMUNICATION & PUBLIC WORKS)		15.56	8.65	12.18	9.87	16.71	40.05	37.45	25.36	52.23	47.32
Recurrent		2.81	2.81	3.21	3.68	7.50	7.50	7.50	10.31	10.71	11.18
Development		12.75	5.84	8.97	6.19	9.21	32.55	29.95	15.05	41.52	36.14
Development and modernisation of transport infrastructures		0.15	0.15	0.18	0.21			0.15	0.18	0.21	
recurrent		0.15	0.15	0.18	0.21			0.15	0.18	0.21	
	recurrent (central)	0.15	0.15	0.17	0.20			0.15	0.17	0.20	
	recurrent (province)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
Improvement of transport services		0.16	0.16	0.19	0.22			0.16	0.19	0.22	
recurrent		0.16	0.16	0.19	0.22			0.16	0.19	0.22	
	recurrent (central)	0.16	0.16	0.19	0.22			0.16	0.19	0.22	
	recurrent (province)	0.00	0.00	0.00	0.00			0.00	0.00	0.00	
Rational development and management of the urban environment		0.82	0.65	0.06	0.07			0.65	0.06	0.07	
recurrent		0.05	0.05	0.06	0.07			0.05	0.06	0.07	
	recurrent (central)	0.05	0.05	0.05	0.06			0.05	0.05	0.06	
	recurrent (province)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
development		0.77	0.60					0.60	0.00	0.00	

Development of transport infrastructures										
recurrent		14.06	7.32	11.40	9.03			24.03	51.45	46.48
recurrent (central)		2.08	2.08	2.43	2.84			9.58	9.93	10.34
recurrent (province)		2.07	2.07	2.42	2.82	7.50	7.50	9.57	9.92	10.32 road maintenance (might be decentralised)
development		0.01	0.01	0.01	0.02			0.01	0.01	0.02
Roads		11.98	5.24	8.97	6.19	9.21	32.55	29.95	14.45	41.52
Airports		8.16	3.82	5.90	5.19	9.06	29.95	27.55	12.88	35.85
Railways		3.82	1.42	2.48				1.42	2.49	
Administrative buildings						0.53	1.00	0.40	0.40	0.40 feasibility study; link Isaka-Kigali
Water							0.15	2.20	2.00	0.53
Support						0.05			0.05	1.00 feasibility study; ports Gisenyi, Kibuye, Cyangugu
Gestion et coordination des services										
recurrent		0.36	0.36	0.35	0.35			0.36	0.35	0.35
recurrent (central)		0.36	0.36	0.35	0.35			0.36	0.35	0.35
recurrent (province)		0.19	0.19	0.17	0.15			0.19	0.17	0.15
		0.17	0.17	0.18	0.20			0.17	0.18	0.20
MINERENA (WATER, ENERGY & NATURAL RESOURCES)		7.38	4.69	5.92	2.39	5.40	13.33	28.50	10.08	19.25
Recurrent		0.50	0.49	0.53	0.58	1.50	1.50	1.50	1.99	2.03
Development		6.88	4.19	5.39	1.80	3.90	11.83	27.00	8.09	17.21
										28.80
Strategic planning										
recurrent		0.05	0.04	0.04	0.03			0.04	0.04	0.03
Administration, finance and management of human resources										
recurrent		0.09	0.09	0.08	0.08			0.09	0.08	0.08
Energy										
recurrent		0.88	0.70	0.48	0.07			1.56	5.59	18.63
recurrent (central)		0.06	0.05	0.06	0.07			0.05	0.06	0.07
recurrent (province)		0.04	0.04	0.05	0.06			0.04	0.05	0.06
development		0.01	0.01	0.01	0.01			0.01	0.01	0.01
Electricity		0.83	0.65	0.42	0.00	0.87	5.12	18.57	1.51	5.53
New and renewable energy		0.83	0.65	0.42	0.00	0.66	4.51	16.91	1.30	4.92
						0.21	0.61	1.66	0.21	0.61
										16.97 update the Electrification Plan and start-up
Water and purification										
recurrent		6.20	3.69	5.14	2.00			6.72	11.85	10.43
recurrent (central)		0.15	0.15	0.17	0.19			0.15	0.17	0.19
recurrent (province)		0.13	0.13	0.15	0.17			0.13	0.15	0.17
		0.01	0.01	0.02	0.02			0.01	0.02	0.02

	development		6.05	3.54	4.97	1.80	3.03	6.71	8.43	6.57	11.68	10.23
		urban			2.10	1.80	1.81	5.20	6.70	1.81	7.30	8.50
		rural			2.87		1.23	1.51	1.73	1.23	4.38	1.73
												Kigali, Nyagatare, 5 hospitals, 3 schools
												3285 sources, 35 additions
Mining and geology			0.07	0.07	0.09	0.10				1.57	1.59	1.60
	recurrent		0.07	0.07	0.09	0.10				1.57	1.59	1.60
		recurrent (central)	0.07	0.07	0.08	0.09	1.50	1.50	1.50	1.57	1.58	1.59
		recurrent (province)	0.00	0.00	0.01	0.01				0.00	0.01	0.01
Methane gas			0.09	0.09	0.10	0.11				0.09	0.10	0.11
	recurrent		0.09	0.09	0.10	0.11				0.09	0.10	0.11
MIJESPOC (VOCATIONAL TRAINING, YOUTH & SPORT)			1.95	1.93	1.66	1.45	1.20	1.40	1.20	3.13	3.06	2.65
	Recurrent		0.99	0.99	1.06	1.15	0.20	0.20	0.20	1.19	1.26	1.35
	Development		0.96	0.94	0.60	0.30	1.00	1.20	1.00	1.94	1.80	1.30
Central support services			0.16	0.16	0.14	0.12				0.16	0.14	0.12
	recurrent		0.16	0.16	0.14	0.12				0.16	0.14	0.12
Mobilisation of the youth			0.99	0.99	0.72	0.44				0.99	0.72	0.44
	recurrent		0.10	0.10	0.12	0.14				0.10	0.12	0.14
		recurrent (central)	0.05	0.05	0.06	0.07				0.05	0.06	0.07
		recurrent (province)	0.05	0.05	0.06	0.07				0.05	0.06	0.07
	development		0.89	0.89	0.60	0.30				0.89	0.60	0.30
Promotion of sports and leisure			0.24	0.21	0.15	0.14				0.21	0.15	0.14
	recurrent		0.16	0.16	0.15	0.14				0.16	0.15	0.14
		recurrent (central)	0.13	0.13	0.12	0.10				0.13	0.12	0.10
		recurrent (province)	0.03	0.03	0.04	0.04				0.03	0.04	0.04
	development		0.07	0.05						0.05	0.00	0.00
Cultural promotion			0.20	0.20	0.24	0.27				0.20	0.24	0.27
	recurrent		0.20	0.20	0.24	0.27				0.20	0.24	0.27
		recurrent (central)	0.17	0.17	0.19	0.22				0.17	0.19	0.22
		recurrent (province)	0.03	0.03	0.04	0.05				0.03	0.04	0.05
Professional apprenticeships			0.21	0.21	0.24	0.28				1.41	1.64	1.48
	recurrent		0.21	0.21	0.24	0.28				0.41	0.44	0.48
		recurrent (central)	0.18	0.18	0.20	0.23	0.20	0.20	0.20	0.38	0.40	0.43
		recurrent (province)	0.03	0.03	0.04	0.05				0.03	0.04	0.05

	development	0.00	0.00	0.00	0.00	1.00	1.20	1.00	1.00	1.20	1.00	rehabilitation and equipment in vocational training centres
Research, acquisition, conservation and enhancement of national heritage		0.16	0.16	0.18	0.20				0.16	0.18	0.20	
	recurrent	0.16	0.16	0.18	0.20				0.16	0.18	0.20	
MIGEPROFE (GENDER)		3.31	2.89	1.90	2.15	0.00	0.00	0.00	2.89	1.90	2.15	
	Recurrent	0.48	0.48	0.51	0.56	0.00	0.00	0.00	0.48	0.51	0.56	
	Development	2.83	2.41	1.39	1.59	0.00	0.00	0.00	2.41	1.39	1.59	
Institutional support		0.42	0.42	0.14	0.12				0.42	0.14	0.12	
	recurrent	0.15	0.15	0.14	0.12				0.15	0.14	0.12	
		recurrent (central)	0.15	0.15	0.14	0.12			0.15	0.14	0.12	
		recurrent (province)										
	development	0.26	0.26						0.26			
Support for the automatic recruitment of women		2.34	1.92	1.68	1.93				1.92	1.68	1.93	
	recurrent	0.25	0.25	0.29	0.34				0.25	0.29	0.34	
		recurrent (central)	0.19	0.19	0.22	0.25			0.19	0.22	0.25	
		recurrent (province)	0.06	0.06	0.07	0.09			0.06	0.07	0.09	
	development	2.09	1.67	1.39	1.59				1.67	1.39	1.59	
Support for a gender based approach to development		0.35	0.35	0.06	0.07				0.35	0.06	0.07	
	recurrent	0.06	0.06	0.06	0.07				0.06	0.06	0.07	
		recurrent (central)	0.05	0.05	0.05	0.06			0.05	0.05	0.06	
		recurrent (province)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
	development	0.29	0.29						0.29			
Promotion of sociojudicial equality		0.20	0.20	0.02	0.02				0.20	0.02	0.02	
	recurrent	0.02	0.02	0.02	0.02				0.02	0.02	0.02	
		recurrent (central)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
		recurrent (province)	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
	development	0.19	0.19						0.19			
MINADEF (DEFENCE & DEMOBILISATION)		36.95	29.92	35.09	29.14	0.00	0.00	0.00	29.92	35.09	29.14	
	Recurrent	36.32	29.46	34.33	28.44	0.00	0.00	0.00	29.46	34.33	28.44	
	Development	0.63	0.47	0.76	0.70	0.00	0.00	0.00	0.47	0.76	0.70	
Demobilisation		12.70	5.90	11.21	5.16				5.90	11.21	5.16	
	recurrent	12.70	5.90	11.21	5.16				5.90	11.21	5.16	moved from development to recurrent
		recurrent (central)	12.70	5.90	11.21	5.16			5.90	11.21	5.16	

Other		24.25	24.02	23.88	23.98			24.02	23.88	23.98	
	recurrent	23.62	23.56	23.12	23.28			23.56	23.12	23.28	
		recurrent (central)	23.58	23.51	23.07	23.21		23.51	23.07	23.21	
		recurrent (province)	0.05	0.05	0.06	0.07		0.05	0.06	0.07	
	development	0.63	0.47	0.76	0.70			0.47	0.76	0.70	
MINITERE (LAND, HABITAT & ENVIRONMENT)		2.91	2.57	1.46	1.49	24.90	0.80	0.70	27.47	2.26	2.19
Recurrent		0.86	0.83	0.80	0.89	1.40	0.80	0.70	2.23	1.60	1.59
Development		2.05	1.75	0.66	0.60	23.50	0.00	0.00	25.25	0.66	0.60
Land planning and management		1.13	0.83	0.85	0.84			1.33	1.25	1.24	
recurrent		0.34	0.34	0.40	0.46			0.84	0.80	0.86	
recurrent (central)		0.33	0.33	0.38	0.44	0.50	0.40	0.40	0.83	0.78	0.84
recurrent (province)		0.01	0.01	0.02	0.02			0.01	0.02	0.02	Includes titling
development		0.79	0.49	0.45	0.38			0.49	0.45	0.38	
Planning and conservation of habitats		1.02	1.02	0.10	0.12			25.02	0.10	0.12	
recurrent		0.19	0.19	0.10	0.12			0.69	0.10	0.12	
recurrent (central)		0.18	0.18	0.10	0.11	0.50		0.68	0.10	0.11	supervise the major development programme
recurrent (province)		0.01	0.01	0.01	0.01			0.01	0.01	0.01	
development		0.83	0.83			23.50		24.33			emergency roofing kits and water harvesting kits for homeless
Conservation and protection of the environment		0.54	0.54	0.34	0.38			0.94	0.74	0.68	
recurrent		0.12	0.12	0.14	0.16			0.52	0.54	0.46	
recurrent (central)		0.10	0.10	0.11	0.13	0.40	0.40	0.30	0.50	0.51	0.43
recurrent (province)		0.02	0.02	0.02	0.03			0.02	0.02	0.03	strengthen environmental planning
development		0.42	0.42	0.21	0.22			0.42	0.21	0.22	
Management and support services		0.21	0.18	0.17	0.15			0.18	0.17	0.15	
recurrent		0.21	0.18	0.17	0.15			0.18	0.17	0.15	
MININTER (POLICE & PRISONS)		7.47	7.61	8.87	9.37	0.00	0.00	0.00	7.61	8.87	9.37
Recurrent		6.22	6.57	8.52	8.95	0.00	0.00	0.00	6.57	8.52	8.95
Development		1.24	1.04	0.34	0.42	0.00	0.00	0.00	1.04	0.34	0.42
Police service		3.72	3.54	4.02	4.48			3.54	4.02	4.48	
recurrent		3.42	3.42	3.78	4.19			3.42	3.79	4.19	
recurrent (central)		3.42	3.42	3.78	4.19			3.42	3.78	4.19	
recurrent (province)		0.00	0.00	0.00	0.00			0.00	0.00	0.00	
development		0.29	0.12	0.24	0.29			0.12	0.24	0.29	

Prisons		3.13	3.08	2.38	2.28		3.09	2.39	2.28
	recurrent	2.17	2.17	2.28	2.15		2.17	2.28	2.15
		recurrent (central)	2.17	2.17	2.28	2.15		2.17	2.28
		recurrent (province)	0.00	0.00	0.00	0.00		0.00	0.00
	development	0.95	0.92	0.11	0.13		0.92	0.11	0.13
Management and support services		0.58	0.94	2.42	2.58		0.94	2.42	2.58
	recurrent	0.58	0.94	2.42	2.58		0.94	2.42	2.58
		recurrent (central)	0.11	0.10	0.10	0.10		0.10	0.10
		recurrent (province)	0.47	0.84	2.32	2.48		0.84	2.32
Follow-up and evaluation of MININTER policies		0.04	0.03	0.03	0.03		0.03	0.03	0.03
	recurrent	0.04	0.03	0.03	0.03		0.03	0.03	0.03
MIFOTRA (PUBLIC SERVICE)		1.08	1.04	0.96	0.67	0.00	0.00	0.00	1.04
	Recurrent	0.69	0.65	0.64	0.67	0.00	0.00	0.00	0.65
	Development	0.39	0.39	0.32	0.00	0.00	0.00	0.00	0.39
Strengthening of management and support capacity		0.16	0.13	0.11	0.10		0.13	0.11	0.10
	recurrent	0.16	0.13	0.11	0.10		0.13	0.11	0.10
Reform of public services		0.77	0.77	0.74	0.46		0.77	0.74	0.46
	recurrent	0.38	0.38	0.42	0.46		0.38	0.42	0.46
	development	0.39	0.39	0.32	0.00		0.39	0.32	0.00
Promotion of work and social security		0.07	0.07	0.05	0.05		0.07	0.05	0.05
	recurrent	0.07	0.07	0.05	0.05		0.07	0.05	0.05
Planning, development and strengthening of resources capacity		0.08	0.07	0.06	0.05		0.07	0.06	0.05
	recurrent	0.08	0.07	0.06	0.05		0.07	0.06	0.05
MINIJUST (JUSTICE)		6.06	4.33	3.33	2.11	0.00	0.00	0.00	4.33
	Recurrent	1.82	1.86	1.88	1.91	0.00	0.00	0.00	1.86
	Development	4.25	2.47	1.45	0.21	0.00	0.00	0.00	2.47
Planning and administrative planning		1.19	0.67	0.52	0.15		0.67	0.52	0.15
	recurrent	0.16	0.20	0.17	0.15		0.20	0.17	0.15
		recurrent (central)	0.16	0.20	0.17	0.15		0.20	0.17
		recurrent (province)	1.03	0.47	0.35	0.00		0.47	0.35
Legislation and community services		1.85	1.07	0.02	0.02		1.07	0.02	0.02
	recurrent	0.02	0.02	0.02	0.02		0.02	0.02	0.02

	recurrent (central)	0.02	0.02	0.02	0.02			0.02	0.02	0.02	
development	recurrent (province)	1.83	1.05					1.05			
Institutional relations		0.004	0.004	0.004	0.004			0.004	0.004	0.004	
recurrent		0.004	0.004	0.004	0.004			0.004	0.004	0.004	
Regulation of litigation and state affairs		0.04	0.04	0.04	0.04			0.04	0.04	0.04	
recurrent		0.04	0.04	0.04	0.04			0.04	0.04	0.04	
Ensuring the efficient functioning of the judicial system		2.65	2.21	2.44	1.65			2.21	2.44	1.65	
recurrent		1.25	1.25	1.34	1.44			1.25	1.34	1.44	
	recurrent (central)	1.21	1.21	1.28	1.38			1.21	1.29	1.38	
	recurrent (province)	0.04	0.04	0.05	0.06			0.04	0.05	0.06	
development		1.39	0.95	1.10	0.21			0.95	1.10	0.21	
Respect and application of the law		0.20	0.20	0.17	0.14			0.20	0.17	0.14	
recurrent		0.20	0.20	0.17	0.14			0.20	0.17	0.14	
Legislative reform		0.09	0.09	0.08	0.07			0.09	0.08	0.07	
recurrent		0.09	0.09	0.08	0.07			0.09	0.08	0.07	
Training and retraining of judicial personnel		0.05	0.05	0.05	0.04			0.05	0.05	0.04	
recurrent		0.05	0.05	0.05	0.04			0.05	0.05	0.04	
COURS SUPREME (SUPREME COURT)		3.00	2.97	2.81	1.74	0.00	0.00	0.00	2.97	2.81	1.74
Recurrent		2.62	2.59	2.57	1.64	0.00	0.00	0.00	2.59	2.57	1.64
Development		0.38	0.38	0.25	0.09	0.00	0.00	0.00	0.38	0.25	0.09
Control, verification and adjustment of state accounts		0.07	0.07	0.07	0.07			0.07	0.07	0.07	
recurrent		0.07	0.07	0.07	0.07			0.07	0.07	0.07	
Study, research and management of magistrates careers		0.03	0.02	0.02	0.02			0.02	0.02	0.02	
recurrent		0.03	0.02	0.02	0.02			0.02	0.02	0.02	
Court and tribunals administration		0.49	0.48	0.34	0.18			0.48	0.34	0.18	
recurrent		0.11	0.10	0.09	0.09			0.10	0.09	0.09	
development		0.38	0.38	0.25	0.09			0.38	0.25	0.09	
Interpretation and application of the law		0.21	0.20	0.20	0.20			0.20	0.20	0.20	
recurrent		0.21	0.20	0.20	0.20			0.20	0.20	0.20	
Gacaca jurisdictions		2.03	2.03	2.03	1.14			2.03	2.03	1.14	
recurrent		2.03	2.03	2.03	1.14			2.03	2.03	1.14	
	recurrent (central)	1.99	1.99	1.99	1.10			1.99	1.99	1.10	
	recurrent (province)	0.03	0.03	0.04	0.05			0.03	0.04	0.05	
Strategic planning		0.18	0.17	0.15	0.13			0.17	0.15	0.13	
recurrent		0.18	0.17	0.15	0.13			0.17	0.15	0.13	
MINALOC (LOCAL GOVERNMENT)		16.59	13.99	15.02	16.60	0.50	0.50	0.50	14.49	15.52	17.10
Recurrent		8.97	9.16	10.04	11.10	0.50	0.50	0.50	9.66	10.54	11.60
Development		7.62	4.82	4.97	5.50	0.00	0.00	0.00	4.82	4.97	5.50

Decentralisation		2.71	2.48	2.23	2.08		2.48	2.23	2.08	
	recurrent	1.65	1.65	1.83	2.08		1.65	1.83	2.08	
		recurrent (central)	1.59	1.59	1.75	1.98		1.59	1.75	1.98
		recurrent (province)	0.07	0.07	0.08	0.10		0.07	0.08	0.10
	development	1.06	0.83	0.40			0.83	0.40		includes transfer to Districts (running costs)
Community development		6.60	4.04	4.70	5.70		4.04	4.70	5.70	
	recurrent	0.14	0.14	0.17	0.20		0.14	0.17	0.20	
		recurrent (central)	0.08	0.08	0.09	0.10		0.08	0.09	0.10
		recurrent (province)	0.06	0.06	0.08	0.09		0.06	0.08	0.09
	development	6.45	3.89	4.53	5.50		3.89	4.53	5.50	
		CDF	4.20	2.00	4.00	5.50		2.00	4.00	5.50
		Other	2.25	1.89	0.53			1.89	0.53	
Social reintegration		5.58	5.83	6.59	7.40		5.83	6.59	7.40	
	recurrent	5.58	5.83	6.59	7.40		5.83	6.59	7.40	
		recurrent (central)	4.96	5.21	5.84	6.50		5.21	5.84	6.50
		recurrent (province)	0.62	0.62	0.75	0.90		0.62	0.75	0.90
Family rehabilitation		0.10	0.10	0.12	0.14		0.10	0.12	0.14	
	recurrent	0.10	0.10	0.12	0.14		0.10	0.12	0.14	
		recurrent (central)	0.02	0.02	0.02	0.02		0.02	0.02	0.02
		recurrent (province)	0.08	0.08	0.10	0.12		0.08	0.10	0.12
Mass education		0.25	0.25	0.25	0.25		0.75	0.75	0.75	
	recurrent	0.25	0.25	0.25	0.25		0.75	0.75	0.75	
		recurrent (central)	0.22	0.22	0.21	0.21		0.22	0.21	0.21
		recurrent (province)	0.03	0.03	0.04	0.05	0.50	0.50	0.50	adult literacy
National information system		1.16	1.10	0.96	0.87		1.10	0.96	0.87	
	recurrent	1.06	1.00	0.92	0.87		1.00	0.92	0.87	
		recurrent (central)	1.06	1.00	0.92	0.87		1.00	0.92	0.87
	development	0.10	0.10	0.04			0.10	0.04		
Promotion of the rights of the child		0.02	0.02	0.02	0.02		0.02	0.02	0.02	
	recurrent	0.02	0.02	0.02	0.02		0.02	0.02	0.02	
Institutional support		0.18	0.17	0.16	0.14		0.17	0.16	0.14	
	recurrent	0.18	0.17	0.16	0.14		0.17	0.16	0.14	
MINECOFIN (ECONOMIC MANAGEMENT)		64.62	50.83	52.78	46.94	0.00	0.00	0.00	50.83	52.78
	Recurrent (** includes debt, interest & arrears)	47.00	41.89	36.05	35.31	0.00	0.00	0.00	41.89	36.05
	Development	17.63	8.94	16.73	11.63	0.00	0.00	0.00	8.94	16.73
									11.63	
Development and strengthening of economic and financial capacity		5.35	4.42	3.06	2.99		4.42	3.06	2.99	
	recurrent	3.43	3.24	1.78	1.68		3.24	1.78	1.68	
		recurrent (central)	1.64	1.13	0.95	0.79		1.13	0.95	0.79
		recurrent (province)	1.79	2.11	0.83	0.89		2.11	0.83	0.89
	development	1.91	1.18	1.28	1.30		1.18	1.28	1.30	
Management of public spending and common resources		18.29	14.87	8.33	8.02		14.87	8.33	8.02	
	recurrent	5.84	9.39	8.33	8.02		9.39	8.33	8.02	
		recurrent (central)	5.81	9.36	8.29	7.97		9.36	8.29	7.97
		recurrent (province)	0.03	0.03	0.03	0.04		0.03	0.03	0.04

development	12.45	5.48					5.48			
National and sectoral planning and macroeconomic management										
recurrent	3.12	2.70	15.19	10.10			2.70	15.19	10.10	
recurrent (central)	0.58	0.59	0.54	0.51			0.59	0.54	0.51	
recurrent (province)	0.51	0.52	0.46	0.42			0.52	0.46	0.42	
development	0.07	0.07	0.08	0.10			0.07	0.08	0.10	
<i>Planification et macroéconomie</i>	2.54	2.12	14.65	9.58			2.12	14.65	9.58	
<i>Umutara project</i>			0.82	0.52			0.82	0.52		
<i>Développ.économique multi-sectoriel</i>			2.55	2.37			2.59	2.37		
			11.24	6.69			11.24	6.69		
** Mobilisation of internal and external resources										
recurrent	36.94	27.93	25.36	25.05			27.93	25.36	25.05	
recurrent (central)	36.23	27.76	24.56	24.30			27.76	24.56	24.30	
recurrent (province)	36.22	27.76	24.55	24.29			27.76	24.55	24.29	
development	0.01	0.01	0.01	0.01			0.01	0.01	0.01	
	0.72	0.17	0.80	0.75			0.17	0.80	0.75	
Inspection, control, audit and transparency organs										
recurrent	0.92	0.91	0.85	0.80			0.91	0.85	0.80	
	0.92	0.91	0.85	0.80			0.91	0.85	0.80	
AN, PRESIREP, PRIMATURE, MINAFFET (COORDINATION)										
Recurrent	13.95	13.43	12.29	9.96	0.00	0.00	0.00	13.43	12.29	9.96
Development	12.56	12.29	11.12	9.96	0.00	0.00	0.00	12.29	11.12	9.96
	1.39	1.14	1.17	0.00	0.00	0.00	0.00	1.14	1.17	0.00
National Assembly										
recurrent	2.26	2.06	2.42	1.20				2.06	2.42	1.20
development	1.31	1.31	1.25	1.20				1.31	1.25	1.20
Presirep										
recurrent	0.95	0.75	1.17					0.75	1.17	
development	7.31	7.18	6.31	5.48				7.18	6.31	5.48
	7.24	7.11	6.31	5.48				7.11	6.31	5.48
Primature										
development	0.07	0.07						0.07		
Primature										
recurrent	1.00	0.98	0.87	0.76				0.98	0.87	0.76
Minaffet										
recurrent	1.00	0.98	0.87	0.76				0.98	0.87	0.76
development	3.38	3.21	2.70	2.52				3.21	2.70	2.52
	3.01	2.88	2.70	2.52				2.88	2.70	2.52
TOTAL RECURRENT	162.17	150.24	155.40	153.44	37.40	36.10	35.10	187.64	191.50	188.54
TOTAL DEVELOPMENT	96.13	56.40	64.90	48.33	56.21	84.83	101.97	112.61	149.73	150.30
GRAND TOTAL	258.30	206.64	220.30	201.77	93.61	120.93	137.07	300.25	341.23	338.83

Notes:

(1) Development figures for 2003 in MTEF are taken from draft PIP, but apply 81% implementation rate to be consistent with macro framework target of 64.9

7.8 Annex 8: The Policy Matrix

Policy matrix section 1: Rural development, agricultural transformation and employment generation					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/Dates/targets/monitoring indicators
Agricultural transformation					
Planning and institutional structure	Insufficient human resources Existing interventions are not integrated into a sector strategy Costings of needs on the development budget have not been fully articulated.	Put in place a unit for Planning, Monitoring and Evaluation and Statistics Public Expenditure Review for Agriculture Agriculture sector to develop a Sector Strategy Costings have been estimated for extension; more work on costing labour-intensive public works must be undertaken by MINAGRI. Seasonal agricultural surveys on production and land use will be conducted. Put in place an early warning system for food security	MINAGRI MINAGRI	Equipment	By Dec 2003 2002 2002-3 By the end of 2001 End of each season Operational end of 2003
Research	Greater research capacity is required to promote exports and intensification	Research will prioritise rice, maize, potatoes, soya and beans. Adaptive research within the context of existing farming systems will be encouraged.	MINAGRI		Ongoing
Seed improvement	Need to increase quantity and quality of improved seeds Insufficient research capacity	Seed multiplication at local level, and seed subsidies Formulation of a National Seed Policy, development of legislative and regulatory structures Privatise seed production company	National Seed Service/MINAGRI	Needs financing	Ongoing 2003 2003-07
Livestock	Most households have less livestock than in the 1990s; there is need to restock and upgrade, partly because of the importance of manure in mixed farming systems and to raise food security.	Support to restocking of livestock, including improved breeds, is provided by credit schemes (see below). Support to extension and marketing see below, particularly milk. Improve animal health and genealogy, through disease eradication and artificial insemination Increase fish and honey production	MINAGRI		Ongoing
Extension	Lack of knowledge has been found to be a major constraint to new technologies especially fertiliser. Many agronomes posts are vacant. Low capacity of farmer associations Low level of coordination of interventions	6 agronomes to be employed in each district and facilitated to carry out demonstration plots and farmer training to encourage farmer-farmer extension. Use media for information distribution. Link with information centre to be developed under ubudehe programme. Increase capacity-building. Put in place farmer committees Strengthen national extension system	MINAGRI	Funds for recruitment are budgeted, depending on district budgeting decisions. Extra resources are needed to support non-wage costs.	Inputs: all vacant posts to be filled by end-2002. Outputs: number of farmers trained. Outcomes: new technologies adopted. Committees put in place by 2004

Policy matrix section 1: Rural development, agricultural transformation and employment generation					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/Dates/targets/monitoring indicators
Marketing	<p>Urgent strategic need to increase the use of new inputs</p> <p>Shortage of processing facilities</p> <p>Shortage of input availability in some markets</p> <p>Output price collapses have been observed in recent years, discouraging farmers from entering the market.</p> <p>Market information system exists but is threatened with discontinuation.</p>	<p>MINAGRI to monitor inputs continually and identify constraints.</p> <p>Mostly private sector, including privatised and liquidated enterprises. Some public support to milk collection. Rural electrification will help.</p> <p>Promotion of inputs and credit to traders</p> <p>Farmers will be encouraged to form farmers' groups.</p> <p>Ensure that market information system continues</p>	MINAGRI	<p>Milk collection will require funds</p> <p>New proposal, with resource implications to be costed.</p> <p>Some support needed.</p>	Outcomes: fertiliser imports and usage to be monitored; aim of 5,000 tonnes increase each year.
Environmental infrastructure	There has been a serious decline in decline in environmental protection by farmers since 1990	Programmes in swamp management and agro-forestry have been agreed. Expansion in terracing, swamp management, agro-forestry, water catchment management envisaged as part of the labour-intensive public works programme, to be managed at a local level. Implementation will ensure that common or individual property rights are clearly assigned to ensure that e.g. terraces are properly maintained.	MINAGRI/MINITERE	Extra resources needed, as an urgent core programme. HIMO programme costing being prepared by MINAGRI, MINITERE and MINITRACO.	Programme to be implemented during 2002
Coffee	Coffee production has declined since 1990 and quality is low. Washing stations owned by the parastatal OCIR-Café are in poor repair hence the quality of the coffee is low.	The coffee market has been liberalised and all export taxes removed. A strategy to revive coffee production has been adopted. Coffee washing stations and processing plants are being privatised. Some washing stations may be transferred to farmers groups. OCIR-Café is to be transformed into an industry-based organisation.	OCIR-café, MINICOM	Extra resources needed to support the supply of inputs on credit and some subsidy in the case of coffee seedlings. Stabex funds appropriate.	Increase coffee production to 22,900 tonnes by 2003 and to 26,700 tonnes by 2005
Tea	<p>Tea sector requires new private investment.</p> <p>The terms of privatisation will be designed to protect producers' interests</p>	<p>Privatisation programme to be implemented</p> <p>Producers will receive shares in the privatised factories and plantations. A Tea Board will have a supervisory role in the industry.</p>	OCIR-The, Privatisation Secretariat		Negotiations in process.
Forestry	High level of deforestation due to high use of wood for fuel	<p>Reforest empty areas</p> <p>Ensure good forest management through a forest inventory and updating the Forest Law</p> <p>Use and value forest products efficiently through training technicians and sensitising the population</p>	MINAGRI		<p>Each Sector has 50,000 trees planted between 2003-08</p> <p>End 2003</p> <p>Ongoing</p>
Water and Soil Management	Poor use of marshlands	<p>Develop marshlands</p> <p>Provide advice and training to farmers on soil and water conservation</p>	MINAGRI		20,000 ha by 2007
Land					

Policy matrix section 1: Rural development, agricultural transformation and employment generation					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/Dates/targets/monitoring indicators
Planning	The legal basis of property rights in Rwanda is unclear and needs to be clarified.	Land policy and draft land act are being considered at the political level. Security of tenure, encouragement of a market in land, and elimination of discrimination are crucial objectives.	MINITERRE	Speed of implementation will depend on resource availability	Policy decision during 2002. Ongoing, will intensify as the policy is developed.
	Land use will require public planning given the shortage of the resource.	Government will conduct a cadastral survey and develop a national land use plan as soon as resources permit.			By end-2004, depending on resources.
Implementation of policy and dispute resolution	Land disputes have been found to be an important source of conflict in the URC consultations.	MINITERRE will sensitise the population about the objectives of the land policy and people's land rights .		MINITERE costing includes estimates for sensitisation.	Ongoing, will intensify once land act is in place.
	There will be a need for cost-effective mechanisms of dispute resolution and title allocation that are accessible to communities.	Mechanisms to be developed as part of the strategy for implementing the land act, expected before end-2004.			After passing of land act, but policy options need to be considered at an early stage because of fiscal constraints.
Legal framework	Microfinance needs a legal framework	Legal framework being prepared by NBR	NBR		2001-2
Sector coordination;	There are many diverse initiatives by Government, banks and NGOs, which do not add up to a coherent programme.	Study on coordination for the sector to be undertaken.	NBR		2001-2
	The fiscal costs of different approaches to supporting microfinance are not known.	A study of the costs of different programmes is needed, to establish best practice.			

Policy matrix section 1: Rural development, agricultural transformation and employment generation					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/Dates/targets/monitoring indicators
Meeting different needs for credit (note that most of the schemes mentioned here serve more than one need)	Seasonal credit for agricultural inputs and marketing	Credit line for traders in agricultural inputs has been established at NBR. Some marketing credit is provided to coffee farmers through the Banques Populaires OCIR-Café provides some inputs as credit in kind.	NBR BP OCIR-Café	Needs extra resources	Ongoing Ongoing Ongoing
	Credit for small projects e.g. livestock.	Various NGO schemes operate; also the Funds for women under MIGEPROFE and the poverty-reduction project in Butare, Gikongoro and Kibuye will fund livestock.	Various		Ongoing
	Credit for small enterprises	Recapitalisation of Banques Populaires	BP		Ongoing
	Credit for medium-scale enterprises providing spin-off benefits for the poor	An Agricultural Credit Guarantee Fund is to be explored.	MINECOFIN	Needs extra resources	2002
Off farm Employment	Increasing agricultural incomes will increase demand for non-agricultural goods and services. High rural unemployment needs interim measures. This coincides with a need for rural infrastructure to promote agricultural transformation and to protect the environment.	Government plans a major expansion of public works programmes in the short run, including rural infrastructure and rural roads.	MINAGRI/MINITERE/ MINITRACO/ MINALOC	Costings are being prepared by MINAGRI for the agricultural components. Some programmes (marsh management, agro-forestry) are already in operation but there is a need for more funding to scale them up.	Urgent core programme to begin in 2002

Policy matrix section 2: Human resource development and improving the quality of life					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Health					
Planning	Health sector strategy under development	Fully costed sector strategy to be developed. Support required to health regions and districts. HIV/AIDS programme must be mainstreamed across all sector strategies.	MINISANTE	Support to health regions and districts	2002
Quality	There was a shortage of skilled staff after the genocide	Training programme will be continued.	MINISANTE		Ongoing
Access	Access to health services by the poor is too low.	Mutuelles being encouraged. Pilot schemes are being studied to identify best practice. Some more subsidy may be needed for the schemes to attract a larger proportion of patients. Possible increase in subsidy to some drugs in order to increase access for the poor. Health animateurs to be promoted. Consideration is being given to allowing them to administer some basic curative services.	MINISANTE	Urgent core programme High-priority programme, may need extra resources Some extra funding for facilitation maybe needed.	Ongoing, to be extended in 2002 2002/2003 Ongoing
Prevention	Most illness in Rwanda is preventable, often by cheap public actions.	Multi-sectoral HIV programme to be implemented Bed-nets to be promoted perhaps with more generous subsidy Health information to be energetically promoted including use of radio drama shows Animateurs to raise awareness of preventive health, particularly condoms and malaria information.	MINISANTE	Urgent core programme Urgent core programme, needs extra funding Urgent, but may be undertaken within existing funding Some extra funding for facilitation may be needed.	2002 2002/3 Ongoing Ongoing
Reproductive health and family planning	Many women would like to have fewer children, and this is important for national development	Adult literacy programme Link with health information	MINALOC/ONAPO MINISANTE/ONAPO	See below See above	
Education					
Planning	Sector strategy needed to achieve Basic Education for All (EFA) by 2015	Sector strategy to be developed EFA Plan to be developed	MINEDUC	Some extra funding may be needed	2002 onwards 2002
Early Childhood Care and Development	Provides the foundation for primary education	Policy to be developed with private sector and CSOs	MINEDUC		2002
Primary education	Quality is challenged by the ambitious curriculum	Teacher training programme to continue, including in-service training. Access to textbooks to be expanded, providing one book for three students in every course in each of the next three years if resources permit Non-wage funds to be provided to schools for flexible spending on basic maintenance and pedagogical inputs Review primary curriculum Monitor pupil attainment	MINEDUC	Funded within the secondary programme Ongoing, but pace of implementation depends on resources New proposal requiring extra funding.	Ongoing To be stepped up in 2002/3 2002/3 2002 Beginning in 2002

Policy matrix section 2: Human resource development and improving the quality of life					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Secondary education	Secondary enrolment is low. Very little access for the poor: less than 5% of secondary schoolchildren are from the poorest 20% of households.	Unit costs to be kept under review to see if there are ways of educating more children for the same resources. Need to consider targeting expenditures in the light of the findings on the incidence of secondary education. Bursaries for gifted students exist; these could be means-tested and extended. Public funding may be targeted on secondary schools in poorer rural areas Review curriculum Use distance learning for teacher training	MINEDUC	No major need for expanded expenditures has been identified, but some extra funding for bursaries could help improve incidence.	Incidence of access to e monitored. Transition rate for primary to secondary has reached 42%.
	Some difference between boys and girls in access to public sector secondary education, and big gap in the tertiary sector.	Government will explore incentives (e.g. making fees lower for girls) to encourage more women to attend upper secondary and tertiary institutions.	MINEDUC/MIGEPROF E		Eliminating gender disparity in public sector secondary education by 2005.
Tertiary education	Tertiary enrolment is very low and highly educated people are in short supply. Access to tertiary education for people from poorer backgrounds is particularly limited.	Student loans system to be expanded. Public expenditure on non-pedagogical costs to be reduced Research for poverty reduction	MINEDUC	The sector could absorb a large increase in funding; private sector participation will be explored.	Ongoing 2002
	Skills shortages in public sector	Civil service reform .	MINECOFIN/Public Service		See below
Science and technology	Has been an under-prioritised activity in the past	Research programme to focus on technologies relevant to the lives of the poor including traditional medicines, fertiliser and transport	MINEDUC	Some extra funding needed.	On going
Vocational education	Vocational training centres for young people exist, but funding is low and many centres need rehabilitation There is need of a link with private employers in order to ensure that the skills provided are marketable	Rehabilitate centres and finance non-wage recurrent costs. Create mechanisms ensuring that the skills are marketable, and tracking employment of graduates from their programmes	MINEDUC/MIJESPOC	High-priority programme Extra funding needed.	2002-3 2002-3
Popular education and functional adult literacy	About half the adult population are illiterate	Develop the programmes of functional adult literacy and adult education into a national programme Coordinate better with NGOs in the sector Train primary teachers in adult education	MINALOC	Some extra resources needed	2002-3, depending on resources. Literacy rates.
Girls' Education	Girls' participation in schools lags behind boys'. Girls' education has very high social and economic returns	Gender sensitisation for teachers and communities Increase number of female teachers Improve school environment for girls, i.e. separate dormitories, toilets etc.	MINEDUC/MIGEPROF E		Ongoing
HIV/AIDS Education	Education has a big role to play in reducing the spread of HIV and providing care and support	Promote HIV/AIDS education Study HIV/AIDS impact on education sector	MINEDUC		Ongoing

Policy matrix section 2: Human resource development and improving the quality of life

Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Water and Sanitation	One third of the rural water infrastructure is in need of rehabilitation. There are some serious shortages of services in new settlements, including cases where people have to walk 20 to 25 km. to find water.	Elaborate Investment proposals based on sector strategy for improved access to water supply and sanitation in rural and urban areas. These will include rehabilitation of existing infrastructure and may include some new investment for areas where existing infrastructure is very distant, possibly including water harvesting.	MINERENA	Communities to be involved in designing and managing projects under a demand-led approach. Most costs of investment to be borne by the public sector, but communities will manage and maintain facilities.	Output: access to safe water. Outcome: water source used: volume of water used: time spent collecting water.
Planning	Interventions have not been coordinated	Develop sector strategy	MINERENA		2002-3
Rural water supply		Strengthen community participation for management and maintenance of rural water systems.	MINERENA/MINALOC /MJJESPLOC		Ongoing
Urban water supply	No system of solid waste disposal in urban areas.	Build institutional capacity of urban administrations to manage sanitation services.	MINALOC/MINERENA		Ongoing
	Urban water supply meets only 50% of the demand.	Expedite the restructuring of Electrogaz Some urban infrastructure will be rehabilitated.	MINERENA/Privatisation Unit	Electrogaz is being placed under private management. Private sector role in financing to be determined.	Ongoing
Resettlement and housing					
Rehousing	Previous approaches to rehousing were not affordable for the whole of the target population.	Roofing kits to be provided to those who need rehousing; also support for water-harvesting. Houses will be built by beneficiary households or communities.		Donor Round Table Conference to be organised	Output: number of houses built. Outcome: housing conditions.

Policy matrix section 3: Economic infrastructure

Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Road transport					
Infrastructure	High costs of internal and external transport are an obstacle to commercialisation.	Develop a transport sector investment strategy and an action plan for medium-and long-term development.	MINITRACO		
	About 400 km. of main roads need rehabilitation	High priority for spending on maintenance and rehabilitation of roads and bridges; strengthen local management of maintenance. Emphasis on Labour-Intensive works (HIMO)	MINITRACO, Road Fund	Urgent core programme, requiring more funding.	2002 Monitoring indicators to be developed for state of roads.
	An extension of the bituminised road network is needed. Public transport needs development	Implement programme of road upgrading, depending on resources Create public/private partnership	MINITRACO	Very substantial funding needs, to be phased according to resource availability.	
Railways and air travel		Kanombe airport is being rehabilitated. A new road-rail link is to be opened up through Issaka and the extension of the railway to Kigali will be considered	MINITRACO	Private participation envisaged, greater competition in air transport	Ongoing

Policy matrix section 3: Economic infrastructure

Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Grass-roots transport	Rural tracks Intermediate forms of transport are required to carry produce between households and the market.	The ubudehe programme will provide funds that could be used to support local transport needs. KIST is working on improved forms of local transport. Donkeys may be promoted.	MINITRACO		2002 Ongoing
Energy for the formal sector	High energy costs are a serious constraint on formal sector expansion	Investment in new power generation and better management of Electrogaz are needed to bring energy costs down. Gas and methane to be exploited.	MINERENA	Some public support to investment in Electrogaz is needed. Gas and methane to be developed by private sector.	Ongoing 2002-3
Energy for poor households and rural enterprises	Very low access to electricity for economic activity in rural areas. Low-cost stoves can reduce costs of fuel to households and protect the environment	Rural electrification to be promoted by grid extension and/or building of microcentrales Promotion of improved stoves	MINERENA MINERENA	Urgent core programme, requiring extra resources Some extra resources needed.	2002-3
Develop communications infrastructure		Promotion of private investment in all telecommunication market segments through open competitive licensing regime, and build institutional capacity for policy development and sector regulation. Rwandatel to be offered for sale. Ensuring financial self-sufficiency of Office National des Postes (ONP) for sustained delivery of affordable services.	MINITRACO		Law was passed in May 2001; regulatory reform ongoing. March 2002.

Policy Matrix section 4: Governance

Policy Area	Key Issues/Objectives	Actions	Lead Agency	Funding needs and priorities	Dates/targets/monitoring indicators
Security	Internal and external security has greatly improved since 1997. To ensure this progress is maintained, regional conflicts need to be resolved.	Rwanda strongly supports the Lusaka Framework for peace in the Great Lakes region. Peace in the region will permit a reduction in military expenditures.	GOR	Reduction in expenditure shares envisaged in next few years.	Implementation of Lusaka agreement.
Demobilisation	Returning troops need support	RPA veterans will receive a transitional cash package. All returning soldiers will receive support to their reintegration, organised through the community receiving them.	Commission for Demobilisation and Reintegration	Extra resources needed.	2002-3
National reconciliation	National reconciliation is a requirement for sustainable poverty reduction.	The Unity and Reconciliation Commission (URC) was established in March 1999 and has undertaken major national consultations. A national summit is held regularly and the URC undertakes civic education, conflict mediation and community initiatives.	Unity and Reconciliation Commission		Activities are ongoing
Human rights	The Government is committed to establishing a culture in which human rights are respected and abuses are reported and punished	The Human Rights Commission's 4-year plan of action includes materials and skills development, civic education and sensitisation, and monitoring and reporting of human rights including investigating allegations of abuses since May 1999.	HRC		Successful completion of the Constitution. HRC to develop other indicators by end-2001
Criminal justice system and	107,000 people are in prison awaiting trial for genocide-related crimes	Elections to the <i>gacaca</i> courts have been held and trials are due to begin in 2002.	MINIJUST/Supreme Court		2002-4

Policy Matrix section 4: Governance						
Policy Area	Key Issues/Objectives	Actions	Lead Agency	Funding needs and priorities	Dates/targets/monitoring indicators	
<i>gacaca</i>		Sector Strategy to be developed. Prison investment to be carried out			Starting in 2002 To be decided once prisoner numbers are known	
National police	The police force has to be rationalised and restructured. The civilian police (LDF) needs to be adequately financed, as the ratio of police personnel to civilians is still very low.	A community policing approach is being adopted and mechanisms are being developed to ensure that the police forces are accountable to local people and to monitor the quality of service delivery.	MININTER with MINIJUST	Communities to cooperate closely with the local police.	Crime rates (based both on crime reported to the police and on households' reports of their experiences)	
Constitutional reform and democratisation	Rwanda is currently using the Arusha agreement as a guide to constitutional procedures.	The Legal and Constitutional Affairs Commission was formed in late 1999 to draft a new constitution. Comprehensive review of existing legislation National elections to be held	Commission on Constitutional and Legal Affairs Electoral Commission		Public sensitisation on the constitution is ongoing Ongoing Budgetary provision being made 2003	
Decentralisation	Rwanda is decentralising service delivery of major public services to the district level	Districts have prepared budgets and proposals for the CDF; further capacity-building to be carried out.	MINALOC, all sectoral ministries.		Improved capacity at district levels, 2002 onwards	
	Fiscal and capacity constraints in the decentralised structures.	Fiscal transfers have been introduced to match the increase in district responsibilities. Modalities for the Community Development Fund are being finalised.	MINALOC, with MINECOFIN, MIFOTRA, and sectoral ministries	CDF will need extra resources.	2002 2002 onwards	
<i>Ubudehe mu kurwanya ubukene programme</i>	Decentralisation will be extended down to the cellule level	Implement the <i>ubudehe</i> programme in all cellules throughout the country	MINALOC, NPRP	Funding must be assured over the long-term	Implemented throughout entire country over 2002	
Civil Service Reform	Public Sector reform is required to increase motivation and capacity	Increase capacity through training Computerise human resource management Encourage private sector and civil society participation Reclassify public servants and regulate arrears	MIFOTRA, MINECOFIN, sector ministries		2002-03	
Accountability and transparency	Accountability and transparency are vital to ensuring human rights and effective governance	Carry out actions outlined in the public audits Disseminate public information Build auditing skills at district levels	MINECOFIN, MINALOC, sector ministries		2002 onwards	

Policy matrix section 5: Private sector development					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Investment promotion	Low level of private investment	RIPA has established a one-stop shop for investors, and will fund studies to identify constraints. Restructure CPMER (Centre de Promotion des Petites et Moyennes Entreprises) to provide services to support SMEs.	RIPA		Ongoing
Private sector representation	Strengthen dialogue between the public and private sector.	The operational capacity of the newly established Private Sector Federation is being strengthened. PSF will also carry out studies on potential competitive advantages. Increased private sector representation to be achieved in the sector strategy process in each sector.	MINICOM/MINECOFIN		Ongoing 2002-3
Financial sector reform					
	Following events of the early 1990s, the financial soundness of the financial system was severely damaged.	Restructuring of commercial banks is on going and will continue. Full audits of three banks ON-site inspection of all banks every year. Carry out a review of bank lending procedures NBR will strengthen supervision and the bank regulatory framework. External audit of NBR	NBR	Commercial banks cooperating with NBR.	2002 2004 March 2002
	Commercial legal reform is needed to ensure that contracts are enforceable	An Arbitration Centre has been established and commercial tribunals are being developed and will be given legal authority	MINIJUST /MINICOM		2002
	Other financial institutions need reform	Caisse Hypothecaire to develop business plan as a housing bank Debts owed to Caisse Social by Government are under negotiation	CHR CSR, MINECOFIN		December 2001 Ongoing
Commercial justice reform	Legal obstacles exist for private investments	Government to consult private sector on their needs A Commercial Court will be set up	MINICOM, MINECOFIN		2002-3 2002
Privatisation	Explore options to accelerate privatisation and increase the participation of Rwandese in the process.	Acceleration of privatisation process in accordance with the timetable A privatisation trust fund is being considered to widen Rwandese ownership in privatised companies.	Privatisation Secretariat		Number of enterprises privatised.
	Improved service delivery by utilities	Electrogaz (water, electricity) to be put under private management. Offer 51 percent of Rwandatel (telecommunications) to a strategic investor. Multi-regulatory agency to be established .	MINECOFIN, Privatisation Unit, MINERENA, MINITRACO		December 2001 March 2002 Ongoing
Specific sectors					
Manufacturing	The Government needs to ensure that standards are harmonised	Office Rwandaise de Normalisation has been established and will monitor standards.	MINICOM, ORN		Ongoing

Policy matrix section 5: Private sector development					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Mining	Artisanal mining requires some regulation for environmental and safety aspects	Better management of the quarries	MINERENA	Some extra funding needed	Ongoing
	Mineral potential requires exploration	Government will support exploratory studies			2002-3, depending on resources
	Legal structure requires clarification	Mining Code to be developed, which must take into account small-scale mining			
Tourism	Sector strategy needed	Sector strategy to be developed to ensure that national parks are protected, a legal framework is developed and Rwanda's image is promoted and enhanced.	MINICOM	Private sector participation is encouraged.	2002
Artisanal activities	Legal framework needed	Legal framework and a support network to be developed	MINICOM		2002-3, depending on resources
Services	Rwanda seeks to develop competitive advantage in this sector.	ICT strategy to be implemented as a cross-cutting strategy.	RITA	To be included in sector strategies.	2002-6 plan has been developed.

Policy matrix section 6: Social capital for vulnerable groups					
Policy area	Key issues/Objectives	Actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Disadvantaged and vulnerable groups					
Genocide survivors	Genocide survivors have needs for educational, medical, housing and legal costs. Trauma and social isolation are important dimensions.	The Victims of Genocide Fund receives 5% of Government revenue and provides assistance to survivors in all these areas. A survey of genocide survivors has recently been conducted. The management of the fund has been decentralised.	VGF/MINALOC		Ongoing
Other disadvantaged groups	Funds for disadvantaged groups are operated by MINALOC	Funds have been decentralised and will deal with associations	MINALOC/districts		
Social solidarity fund	A fund for social solidarity has been proposed to streamline existing initiatives and encourage private participation.	To be explored.	Not yet decided.	The fund would aim to attract funds from private sector as well as public support	To be discussed 2001-2

Policy matrix section 7: Macroeconomic Management, fiscal and monetary policy and public expenditure management					
Policy Area	Key Issues/Objectives	Actions	Lead Agency	Funding needs and priorities	Dates/targets/monitoring indicators
Macroeconomic stability and incentives for growth					
	High and sustainable growth needs to be achieved and inflation kept low	Maintain low inflation Increase economic growth	MINECOFIN		Inflation target of 3.5-6.5% depending on macroeconomic scenario. Real GDP growth of at least 6% over the medium term
	Incentives for growth require economic openness	Rwanda has entered COMESA and is reducing tariffs accordingly Rwanda will explore opportunities under AGOA Removal of anti-export bias to be pursued through fiscal reforms (see below) Real exchange rate to be monitored	MINICOM/ MINECOFIN NBR		Ongoing
Resource mobilisation					
	Government needs to increase the revenue share of GDP while improving efficiency and equity of tax regime	See Table 5.3.	RRA		
	Rwanda's external debt is unsustainable	Maintain debt at sustainable levels. The preparation of the PRSP is an important part of the process of achieving debt relief.	MINECOFIN/NBR		NPV of debt-to-exports ratio of 150%
	There are substantial domestic arrears.	An inventory of domestic arrears is being compiled and a plan for paying off these arrears and addressing their causes has been developed. Government will seek assistance for reducing the domestic debt burden including arrears.	MINECOFIN/NBR, in co-operation with all ministries.		Verified domestic arrears to be eliminated by end-2002.
Pro-poor public expenditures					
	Expenditure programme for poverty reduction is needed.	An unconstrained expenditure programme for poverty reduction has been developed based on costings estimated prepared by ministries during 2001. It is presented as Annex 7 of the PRSP. Using the MTEF approach, this programme will be implemented, as resources permit, through the budget, and will be reflected in revisions of the forward recurrent and capital projections including the PIP for 2002-4.	MINECOFIN, and related sector ministries.	Participatory approach has been used in the determination of the priority areas.	Increase anti-poverty spending to 4.9% of GDP in 2001 Monitor quarterly expenditure targets January 1, 2001
	Protecting budget allocations to pro-poor and priority programmes.	Priority programmes have been redefined for the 2002 Budget: see Annex 6. The share of expenditures going to these programmes will continue to increase.			
Public expenditure management					

Policy matrix section 7: Macroeconomic Management, fiscal and monetary policy and public expenditure management					
Policy Area	Key Issues/Objectives	Actions	Lead Agency	Funding needs and priorities	Dates/targets/monitoring indicators
	Although sectoral policies exist, sector strategies require development in most sectors	All sectors to develop strategies over the next two years within the general framework provided by the PRSP. These plans will refine the existing costings and expenditure programme, and will produce an integrated plan for recurrent and development expenditures in each sector.	MINECOFIN	Urgent core programme, will require some support	2002-3

Policy matrix section 8: Coordination and monitoring of the PRSP					
Policy area	Key issues	Recommended actions	Lead agency	Funding needs and priorities	Dates/targets/monitoring indicators
Implementation of the PRSP	The PRSP will be implemented through sector strategies and the MTEF	Development of sector strategies and detailed costings to feed into the annual budget in all sectors	GOR, coordinated by the National Programme for Poverty Reduction	See sections 4 and 5	Analysis of sector strategies
Monitoring the implementation of the PRSP and the evolution of poverty	Both the implementation of the proposed actions and the evolution of poverty indicators need to be monitored	A system of poverty monitoring indicators has been developed and will be further refined. Regular surveys will be undertaken, including the household living conditions (EICV), the Population Census, the Core Welfare Indicators Questionnaire (CWIQ), and the Demographic and Health Survey (DHS) The Observatoire will liaise with sectoral ministries in disseminating results and ensuring feedback into policy.	National Programme for Poverty Reduction, and the Poverty Observatoire Observatoire/Statistics Department		See section 6