



REPUBLIC OF RWANDA

**RWANDA
VISION 2020
REVISED 2012**





FOREWORD

The Vision 2020 is a reflection of our aspiration and determination as Rwandans, to construct a united, democratic and inclusive Rwandan identity, after so many years of authoritarian and exclusivist dispensation. We aim, through this Vision, to transform our country into middle - income nation in which Rwandans are healthier, educated and generally more prosperous. The Rwanda we seek is one that is united and competitive both regionally and globally.

To achieve this, the Vision 2020 identifies six interwoven pillars, including good governance and an efficient State, skilled human capital, vibrant private sector, world class physical infrastructure and modern agriculture and livestock, all geared towards prospering in national, regional and global markets.

This Vision is a result of a national consultative process both at inception, between 1997 and 2000 and in 2012 when the Vision was revised. The discussions and debates involved Rwandans from all walks of life, including leadership from all levels in the business community, government, academia and civil society.

More than a decade since implementation of the vision began, the results speak for themselves. Out of the 47 indicators in the original Vision 2020; 26% (12) have already been achieved. The successes come as a result of a collaborative effort between Rwanda and our partners. It is a demonstration of what can be achieved when we give value to ourselves and the work we do, when we strive to find solutions from the strengths of our culture. The efforts and determination of the Rwandan people have necessitated revision of our targets upwards to match our growing ambition and to demonstrate our unwavering resolve to make a better livelihood for all Rwandans.

Vision 2020 is a shared purpose for all Rwandans. We need to constantly remind ourselves how our work – in our individual capacities, communities, business and public institutions – contributes towards realizing this Vision. Like all achieving societies whose success is generally inspired by a shared purpose, our Vision 2020 constitutes a bond that holds Rwandans as a people determined to build a better future.



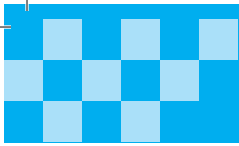
I am certain that Vision 2020 will continue to inspire us to achieve our goals, and that our Vision is clearly and powerfully stated – thus setting in motion the vital energy and the sense of urgency needed for its realization. I thank all Rwandans and Friends of Rwanda who will play their part to making our Vision realizable.

Paul KAGAME

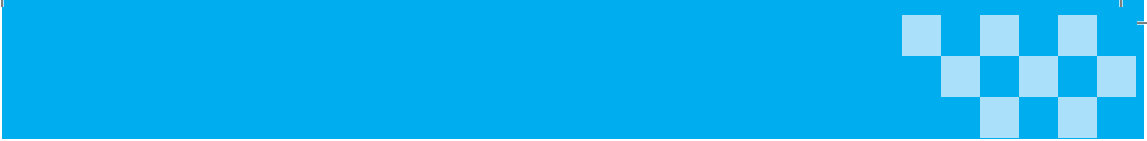
President of the Republic of Rwanda

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1. INTRODUCTION

How do Rwandans envisage their future? What kind of society do they want to become? How do they construct a united and inclusive Rwandan identity? What are the transformations needed to emerge from an unsatisfactory social and economic situation? These are the main questions Rwanda Vision 2020 addresses.

Vision 2020 was a result of a national consultative process that took place in Village Urugwiro between 1998-1999. There was a broad consensus on the necessity for Rwandans to clearly define the future of the country. This process provided the basis upon which this Vision was developed.

Since then Rwanda has made much progress towards attaining these objectives and even surpassed some of the targets. In 2011, with less than 10 years towards the realization of the Vision, it was necessary to assess the relevance of the indicators and targets and ensure that they continue to reflect the ambition and the progress of the country towards attaining its long term development goals. This culminated in a revision of the original Vision 2020 targets through a consultative process where the revised targets were adopted at the 9th Leadership retreat in February 2012. The original Vision 2020 contained 47 indicators and targets, which have been revised to a total of 48.

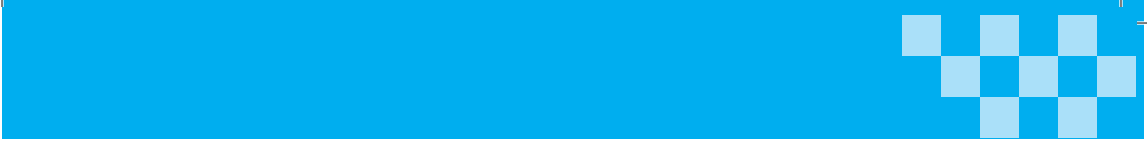
The guiding rationale for the revision was based on the following:

- 1. Aligning targets to level of low middle income countries:** an analytical comparison has been made of Rwanda and middle income countries and adjustments made where necessary. The most notable change is the adjustment of Gross Domestic Product (GDP) per capita to meet the changing thresholds of middle income countries. The existing Vision 2020 target for GDP per capita has been revised from USD 900 to USD 1240. The current threshold for lower middle income countries is USD 1,006 to USD 3,975, upper middle income; USD 3,976 to USD 12,275; and high income; \$12,276 or more. Meeting this target will ensure Rwanda moves into the lower middle income category by 2020.
- 2. Harmonizing with the more ambitious seven year government program (7YGP) targets:** Some 7YGP targets were found to be more ambitious than those contained in the Vision 2020. These include



among others; the target for percentage of population below poverty line which is 20% in 7YGP while it was 30% in Vision 2020; the target for access to electricity in 7YGP which is at 70% while it was 35% in the Vision 2020.

- 3. Inclusion of indicators and targets for climate change, governance, ICT and regional integration:** The Vision 2020 already considered these as important areas in the six pillars; this is now reinforced with high level indicators such as; biodiversity, citizen satisfaction with service delivery and rule of law, and the degree of openness reflected by the proportion of trade to GDP.
- 4. Some targets already achieved requiring more ambition:** out of the original 47 indicators in the Vision 2020, 12 (26%) are already achieved and 16 (34%) are well on-track to be achieved among which average GDP growth rate, agricultural production (kcal/day/person), infant mortality rate, secondary school transitional rate, malaria-related mortality, admission rate to tertiary education among others. More ambitious targets have been set for the set of indicators already achieved.



2. CURRENT SITUATION AND THE CHALLENGES

2.1. Historical perspective

Although Rwanda has made significant progress from the devastation that marked the nation in the immediate aftermath of the 1994 genocide against the Tutsis, it still remains with significant challenges amongst which are 44.9 % of the population still living under the poverty line. In order to fully understand the present situation, it is important to appreciate Rwanda in a historical perspective.

Since the 11th century, Rwanda existed as a nation founded on a common history of its people, shared values, a single language and culture, extending well beyond the current borders of the country. The unity of the Rwandan nation was also based on the clan groups and common rites with no discrimination based on ethnicity.

The colonial power, based on an ideology of racial superiority and in collaboration with some religious organizations, exploited the subtle social differences and institutionalized discrimination. These actions distorted the harmonious social structure, creating a false ethnic division with disastrous consequences.

The history of Rwanda can be summarized by the following key events:

- The 1884 Berlin Conference placed the Kingdom of Rwanda under German rule as part of Deutsch Ostafrika (German East Africa);
- During the subsequent partition of Africa in 1910, a big part of Rwanda was annexed to neighboring countries. This caused the loss of 1/3 of the Rwandan internal market and a large part of its natural resources;
- Following the 1st World War and the defeat of Germany, Rwanda was given to Belgium as a trustee territory under the authority of the League of Nations;
- After the 2nd World War, the League of Nations became the United Nations and Rwanda became a UN Mandate trust territory, under Belgian administration, until 1962;
- During the colonial period, the Belgian administration applied contemporary Darwinian theories, thereby deeply dividing the people of Rwanda. This unfortunate development can be seen as laying the foundations for periodic mass killings even after independence was gained in 1962, culminating in the 1994 genocide.

- The RPF put an end to the 1994 genocide and thereafter formed the Government of National Unity (GNU) and the Transitional National Assembly (TNA) in coalition with other political parties to define a new future for Rwanda through democratic institutions.

This historical legacy goes some way to explain the challenges that Rwanda faced back in 2000 when the initial Vision 2020 was elaborated some of which remain while others have been overcome.

2.2. Major challenges facing Rwanda today

The economy of Rwanda is currently characterized by internal (budget deficit) and external (Balance of Payments) macroeconomic disequilibria, alongside low savings and investment rates and high unemployment and underemployment (table 1). In addition, Rwanda's exports, composed mainly of tea, coffee and minerals – whose prices are subject to fluctuations on the international market – have not been able to cover imports needs.

Table 1: Rwanda's Macro-economic indicators from 1995 to 2011

Indicators		1995	2000	2005	2009	2010	2011
Price Levels (%)	CPI (eop)	101.1	14.1	5.6	5.7	0.2	8.3
	GDP Deflator	--	2.8	9.1	9.0	2.5	7.4
Real GDP growth		32.3	8.4	9.4	6.2	7.2	8.2
Internal absorption (%GDP)		--	118.6	113.8	119.4	120.5	117.4
Overall budget deficit (% GDP)	Without grants	-10.2	-12.7	-11.2	-12.9	-14.1	-12.3
	With grants	1.6	-1.3	0.2	-1.3	-2.0	-0.7
Current balance (% of GDP)	Excl.official transfers	--	-6.5	-2.5	-7.2	-7.4	-7.2
	Incl.Official transfers	--	-19.4	-14.9	-17.2	-17.5	-19.0
Nominal GDP per capita (USD)		168.0	225.1	288.7	519.2	540.1	592.7
Debt service (% Exports)		--	52.4	37.7	6.5	5.9	5.0



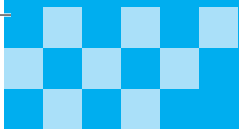
This overall situation can be best explained by reviewing a number of constraints at the level of the economy;

Low agricultural productivity and narrow economic base: Agriculture accounts for more than 71.6% (2010) of the labour force, yet remains on a relatively high subsistence level with low productivity. The agricultural productivity and production has increased significantly since 2000 though there is room for tapping potentials in modernization and value addition. However, Rwandans cannot afford total dependency on farming; strategies will be devised to move the economy into the secondary and tertiary sectors. It is clear that increases in the productivity and exports of Coffee and Tea alone, will not be sufficient to build the Rwandan economy. Therefore efforts need to be made to expand and diversify the economic base especially exports.

Natural barriers to trade: Rwanda is landlocked, with long distances from ocean ports; a factor that raises transportation costs for both exports and imports. The country lacks a link to regional railway networks, which means most trade is conducted by road. Poor quality of road infrastructure linking Rwanda to other countries creates high transportation costs leading to inflated prices of domestically manufactured products, and raising the price of raw materials imported for manufacturing.

Low level of human resource development: Since the elaboration of the Vision 2020, Rwanda has taken important strides in tackling the prevalence of Malaria and halting and reversing the spread of HIV/AIDS. The key population and health issues to be addressed remain malnutrition and the emergence of non-communicable diseases. Significant progress has been made in tackling illiteracy and ensuring universal access to basic education. The major challenges faced in human resource development are in developing technical and vocational skills that match labour market needs and continuing to develop a strong base of science, technology and innovation graduates to spearhead the move into global and regional markets.

Low infrastructure development: Rwanda has made strong governance reforms of doing business, however, the major challenge remains in reducing the infrastructure-related cost of doing business especially the high cost of electricity and low level of energy production. With electricity generation at almost 100MW, a significant step up in energy investment with increased private sector participation will be required to meet the targets for increased manufacturing and industrialization.



3. MAJOR OBJECTIVES OF VISION 2020

The Vision seeks to fundamentally transform Rwanda into middle - income country by the year 2020. This will require achieving per capita income of US\$1240 from US\$595 in 2011; a poverty rate of 20% from 44.9% in 2011; and an average life expectance of 66 years from 49 years in 2000.

Taking into account the scarcity of resources, prioritization, sequencing and enhanced coordination will be crucial. This section shows prioritization and acknowledges the interdependencies and complementarities between different policies and developments. For example, industry and service sector development cannot be realized without a competitive stock of skills, infrastructure and financial services.

3.1. Macroeconomic stability and wealth creation to reduce aid dependency

Rwanda will continue on its path to put in place macroeconomic stabilization policies that are conducive for private sector development. This, together with a fiscal consolidation strategy aiming at expanding the domestic resource base while rationalizing spending, and increasing exports, is the only way to lessen aid dependence.

The imbalances highlighted in Table 1 have been a source of macroeconomic instability and dependency on foreign aid. To reduce this dependency it will be crucial to develop effective strategies to expand the tax base and attract foreign investors. Also, there is need to continue aggressive diversification and the development of non-traditional exports.

Government will focus on private sector development, desisting from providing services that the private sector can deliver more efficiently and competitively. With the policies in place, the economy will be able to take up the challenge of transforming into a knowledge-based society.

3.2. Structural economic transformation

Even if Rwanda's agriculture is transformed into a high value/high productivity sector, it will not, on its own, become a sole engine of growth. In the last decade, the share of industry and services to GDP has increased from 14% and 44% in 2000 to 16% and 46% in 2011 respectively.

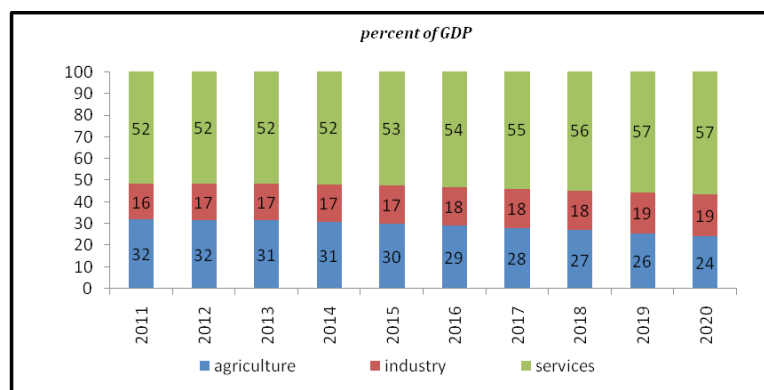
Transforming Rwanda's economy will require increasing investments in industries and services. In addition to this reliance on unproductive and

subsistence agriculture would give place to highly productive agriculture leading to agro-processing, industry development and exports. The issue, however, is not simply one of a strategy based on agriculture, industry or services, but rather, identifying Rwanda's comparative advantage and concentrating strategies towards it. A rich supply of labour, a large multilingual population, and strategically located as the gateway between East and Central Africa makes it advantageous for intra-regional infrastructure. The industries established will need to address basic needs, for which there is a readily available market, as these products can satisfy local demand and even move towards export.

As for services, this sector will become the most important engine of Rwanda's economy. Since Rwanda is landlocked and has limited natural resources, the Government will continue supporting policies geared towards encouraging investment in services, to acquire and maintain a competitive edge in the region.

It should be noted that the elaboration of such policies will not be sufficient to achieve a knowledge-based economy. Continuous investment in infrastructure will be required mainly in energy and transport to reduce the cost of doing business. Improvements in quality of education and health will be crucial for providing an efficient and productive workforce.

Figure 1: Transformation of economic activity 2011 - 2020





3.3. Creating a productive middle class and fostering entrepreneurship

The development process and capital formation cannot – in the long run – be achieved by the state or by donor funds alone. While both of these must contribute, the backbone of the process should be a middle class of Rwandan entrepreneurs. Productive entrepreneurship must be fostered to perform its traditional role of creating wealth, employment and vital innovations through opportunities for profit.

Stimulating the private sector, particularly with regard to the promotion of exports and competitiveness is not achievable without broadening and deepening the financial sector such as banking, insurance, capital market and the application of information technology. Provision of high quality educational services will be necessary for consolidating development gains made in the last 10 years. Rwanda aims to find a niche market in the region by becoming a logistics, telecommunication and financial hub.

It is envisaged that with these reforms, Rwanda will transform from a subsistence agricultural economy to a knowledge-based society, with a vibrant class of entrepreneurs. The following section outlines the major pillars of this vision and its key components.

4. THE PILLARS OF VISION 2020

This section focuses on the key aspects of Vision 2020 that have been discussed so far and addresses them individually. This section will also examine six “Pillars” through which the aspirations of Vision 2020 will be realized.

Table 2: Pillars of Vision 2020 and its cross-cutting areas

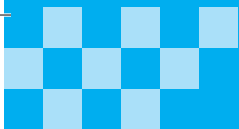
Pillars of Vision 2020	Cross-cutting areas of Vision 2020
1. Good governance and a capable state	1. Gender equality 2. Protection of environment and sustainable natural resource management 3. Science and technology, including ICT
2. Human resource development and a knowledge-based economy	
3. A private sector-led economy	
4. Infrastructure development	
5. Productive and market-oriented agriculture	
6. Regional and international economic integration	

4.1. Good governance and a capable state

Rwanda will become a modern, united and prosperous nation founded on the positive values of its culture. The nation will be open to the world, including its own Diaspora. Rwandans will be a people, sharing the same vision for the future and ready to contribute to social cohesion, equity and equality of opportunity.

The country is committed to being a capable state, characterized by the rule of law that supports and protects all its citizens without discrimination. The state is dedicated to the rights, unity and well-being of its people and will ensure the consolidation of the nation and its security.

Social and economic transformation is as much about states as



markets. In effect, the role of the state is indispensable for wealth-creation and development. Capacity building has been one of the biggest Government priorities to ensure the development and deployment of public sector skilled human resources, who grasp the needs of other sectors – in particular the private sector – and can translate them into sound policies and strategies. However more efforts are needed in that area to increase citizens’ satisfaction with service-delivery. We need an effective, dynamic public sector that can lay the foundations for Rwanda to be competitive in the modern international economy.

The State will ensure good governance, this includes; accountability, transparency and efficiency in deploying scarce resources. But it also means a State respectful of democratic structures and processes, committed to the rule of law and the protection of human rights in particular.

Participation at grassroots level will continue to be promoted through the decentralization process, whereby local communities are empowered through their involvement in the decision making process, enabling them to address the issues that considerably affect them.

The reconstruction of the nation of Rwanda and its social capital, anchored on good governance and an effective and capable state, is considered a basic condition to stimulate a harmonious development of other pillars¹

4.2. Human resource development and a knowledge-based economy

Apart from improving the general welfare of the population, improvements in education and health services can be used to build a productive and efficient workforce. This will be essential for Rwanda to become a sophisticated knowledge-based economy.

Education

Rwanda has made tremendous steps towards ensuring “Universal Education for All”, one of the most important Millennium Development Goals, through the nine year basic education program now moving to twelve years. Rwanda will continue to focus on challenges in quality of education, matching of skills to labour market needs and entrepreneurial mindset shift.

¹ It cannot be stressed enough however that the 6 pillars and 3 cross cutting areas have to be developed in tandem – indeed this was the main message of section 3.



Major emphasis will continue to be placed on vocational and technical training in the fields of technology, engineering and management. This will be targeted at secondary and tertiary levels, as well as various sections of society (with particular emphasis on youth and women). To encourage skills development, micro-credit schemes will continue to be promoted specifically to extend finance to young, self-employed technicians. Special emphasis will be given to innovative, small-scale entrepreneurs. To promote efficiency and continuous upgrading of skills, large scale employment creation programs will be launched in the national institutions aimed at on-job-training, in-service training and distance learning.

Rwanda lags behind in professional training, with shortages in the fields of applied and natural sciences and ICT. Although the country will continue to rely on imported technology from advanced countries, well-trained specialized nationals will be essential to the running and maintenance of technological systems, ranging from medicine and agriculture to industry and telecommunications.

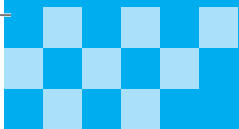
One crucial element to the achievement of Vision 2020 will be to ensure a proper link between education policies and sector development and labour policies. It is crucial to understand that the investment needed for the development of the secondary and tertiary sectors will not be effective without a suitably skilled labour force.

Health and population

The Rwandan population was estimated at about 8 million people in 2000 with one of the highest population densities in Africa and a high population growth rate close to 3% per annum. With a population estimated at 10.8 million in 2011, Rwanda remains with one of the highest population densities in Africa.

Rwanda considers its population as its fundamental resource and banks on it for its future development. With the success of current and future population policies, Rwanda projects to reduce the fertility rate within the remaining 9 years from 4.6 (2010) to 3 children in 2020 and the population growth from about 3% (in 2000) to 2.2% (in 2020).

Although tremendous progress has been made with regard to the state of health of the Rwandan population, with an impressive drop in HIV prevalence (from 13% in 2000 to 3 % in 2011) and reduction in incidence of



endemic diseases (malaria and TB); challenges remain with malnutrition and the increase of non-communicable diseases; campaigns to eradicate malnutrition amongst children will be emphasized and to raise awareness of prevention and treatment of non-communicable diseases. Addressing the shortage of specialized health personnel and improving the quality of health care will be the focus of health policy while continuing the successes of home grown solutions like the community health workers model.

In addition, health policies will continue to be targeted at the poorest members of the population to improve quality, and both geographical and financial accessibility to healthcare. Family planning remains crucial for controlling population growth. Envisaged and current population policies will go hand in hand with strategies to overcome problems in the health sector.

4.3. Private sector-led development

For Rwanda's development, the emergence of a viable private sector that can take over as the principle growth engine of the economy is absolutely key. Not only will such a development be conducive for economic growth, but it will also ensure the emergence of a vibrant middle class of entrepreneurs, which will help develop and embed the principles of democracy. Although foreign direct investment will be encouraged, a local-based business class remains a crucial component of development.

The Government of Rwanda will foster private sector development as a catalyst; ensuring that infrastructure (specifically IT, transport and energy), human resources and legal frameworks are geared towards to stimulating economic activity and growth of private investments.

The continued development of the financial sector remains crucial with an increasing number of people accessing financial services. The financial sector must be able to provide the necessary capital for private sector development. The government aims to promote local business through the introduction of industrial parks and export processing zones in which foreign operators could partner with local businesses.

Particular attention will be paid to the labour market. More than 10 years into the implementation of Vision 2020, the Rwandan economy has been able to generate 1.2 million non-farm jobs. With population expected to reach around 13.5 million by 2020 and at least half the population depending on off-farm activities, it will therefore be necessary to create



1.6 million off-farm jobs. This will require a substantial number of jobs created in the private sector.

4.4. Infrastructure development

The development of infrastructure is a crucial aspect in lowering the costs of doing business in Rwanda, which is essential to attracting domestic and foreign investments.

Land use management

Land use management is a fundamental tool in development. As Rwanda is characterized by acute land shortage, a land use plan has been developed to ensure its optimal utilization in urban and rural development. Currently, Rwanda's scarce land resources still face a challenge of ineffective translation of the developed land use master plan into sector strategic plans and district development plans. In the coming years, Rwanda will ensure that every development plan is guided by the land use master plan. The recent land tenure regularization will increase security on ownership and improve productive land usage.

Rwanda will continue to pursue a harmonious policy of organized grouped settlements (umudugudization). Rural settlements organized into active development centres will be further equipped with basic infrastructure and services. While this system of settlement will continue to serve as an entry point into the development of non-agricultural income generating activities, land consolidation will be emphasized so as to create adequate space for modern and viable farming.

Urban development

By 2020, each town will have updated urban master plans with coordinated implementation of the plans. The country will develop basic infrastructure in urban centres and in other development poles, enabling the decongestion of agricultural zones. The proportion of those living in towns and cities will increase from 14.8% in 2010 to 35% in 2020 (and 10% in 2000). The income differential between towns and rural areas should remain within reasonable proportions, due to the decentralization of economic activities throughout the country.



Transport

Rwanda is landlocked with high transport costs to the ocean ports of Kenya and Tanzania. Therefore, it is imperative to develop alternative lower costs of transport to the sea, notably through a regional rail extension to Isaka, Tanzania and an extension to the Ugandan Railway system. Furthermore, a second airport capable of serving, as a regional hub for the great lakes region will be developed. For the internal market, Rwanda has a reliable and safe transport network of feeder roads; however, these will continue to be maintained, extended and improved.

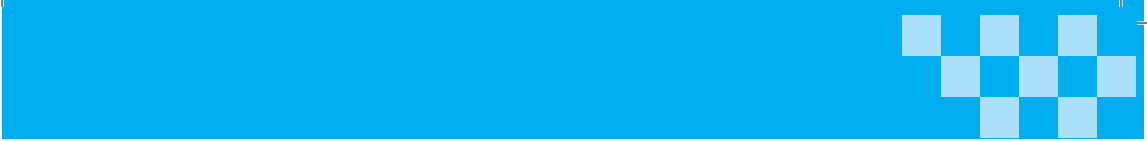
Communication & ICT

Rwanda has made a rapid improvement in ICT with fibre optic network coverage all through the country, mobile telephone network coverage at almost 100%, with 45% mobile subscriptions in 2011. By 2020, Rwanda projects to have internet access at all administrative levels, for all secondary schools and for a large number of primary schools. Telephone services will be widespread in rural areas and efficiency of public services will have increased through the application of e-government principles. It is expected that mobile subscription will reach 60% and the number of internet users will reach at least 50 % (from 4.3% in 2010).

Energy

Inadequate and expensive electricity supply constitutes a limiting factor to development. Wood is the main source of energy for 86.3% (2010) of the population down from 99% in 2000 which is a significant drop. This leads to massive deforestation and soil destruction. Imported petroleum products consume more than 17% of foreign exchange. Rwanda will therefore increase energy production and diversify into alternative energy sources.

To achieve this, Rwanda has considerable hydroelectric potential, in addition to large deposits of renewable methane gas in Lake Kivu, estimated at 60 billion cubic meters. In rural areas direct solar energy or photovoltaic energy can be used, whilst up to 1/3 of 155 million tons of peat deposit is currently exploitable. Rwanda projects that by 2020, at least 75% of the population will be connected to electricity (up from 2% in 2000 and 11% in 2010) and the consumption of wood will decrease from the current 86.3% to 50% of national energy consumption.



Water

In 2010, 74.2% of Rwandans have access to clean water. The country is endowed with reserves that could provide enough water for both consumption and agricultural purposes. These include substantial rainfall (between 900 & 1500 mm per year) and the abundance of lakes, streams and watercourses. Furthermore, there is an abundant supply of high altitude water in the western part of the country, which may be used in providing water by gravity to the southern and south-eastern regions of the country that face water shortages. Rwanda will continue to invest in protection and efficient management of water resources, as well as water infrastructure development to ensure that by 2020 all Rwandans have access to clean water.

Waste management

The transmission of various water- borne diseases can be attributed to the consumption of dirty and contaminated water. The unplanned and disorganized construction of towns without a suitable drainage system exacerbates sanitary problems. Sewerage and rainwater can destroy public roads or stagnate, creating ideal breeding grounds for both human and animal diseases. Since most houses are situated on the summit and on the slopes of hills, water sources are in constant danger of pollution by domestic sewerage and other human activities carried by the stream of water. The environmental impact and waste management has recently been taken into account by human settlements and industrial installations, but challenges remain.

By 2020, the rural and urban areas are to have sufficient sewerage and disposal systems. Each town is to be endowed with an adequate unit for treating solid wastes. Households will have mastered and be practicing measures of hygiene and waste disposal.

4.5. Productive high value and market oriented agriculture

Since independence, Rwanda's economic policies have targeted agriculture as the main engine of economic growth. Though agriculture productivity has been increasing in the recent years, there is still room for improvement. It will be necessary to continue with the implementation of aggressive transformational policies that move towards a modern and more productive agriculture.

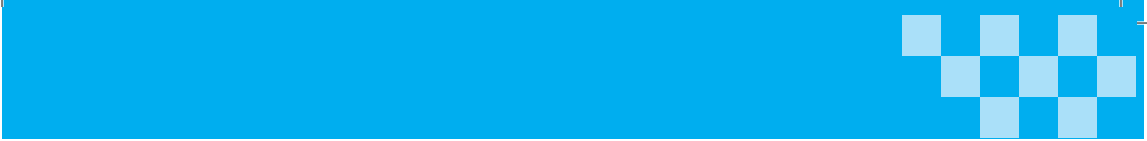


Agricultural policy orientation will continue to focus on promoting intensification so as to increase productivity, promoting value addition, modernization and improved quality of livestock to achieve an average annual growth rate of 8.5%. The vision aims to replace subsistence farming by a fully, commercialized agricultural sector by 2020.

4.6. Regional and international integration

Rwanda considers regional economic integration as one of the crucial elements of achieving Vision 2020. To this end, Rwanda will continue pursuing an open, liberal trade regime, minimizing barriers to trade as well as implementing policies to encourage foreign direct investment. Furthermore, policies to promote competitive enterprises, exports and entrepreneurship will be emphasized. Economic zones for ICT based production will be crucial for enhancing competitiveness of Rwandan firms.

The vision of accessing larger regional markets will be accompanied through a program of investing in infrastructure to promote Rwanda as a logistics, telecommunication and financial hub. Furthermore, taking advantage of Rwanda's comparative strategic position should be exploited in terms of warehouse functions in trade and commerce. Export processing zones, coupled with the industrial reforms noted above, will enable the country to consolidate its niche in services, communication and financial sectors and take advantage of growing regional co- operation in the Great Lakes/ Eastern African Region.



5. CROSS-CUTTING ISSUES OF VISION 2020

Alongside the 6 pillars, there are three cross-cutting areas of gender, environment and climate change; and science and technology.

5.1. Gender equality

Women make up 53% of the population and participate in subsistence agriculture more than men. They usually feed and provide care for their children and ensure their fundamental education. There has been tremendous progress in gender equality specifically in education (as the number of girls in primary and secondary education has surpassed boys with girls to boys ratio at 1.03) and in decision making positions (as of 2012 women represent about 56% of parliamentarians).

In order to strengthen gender equality and equity, Rwanda will further update and adapt its laws on gender. It will continue to support education for all, fight against poverty and practice a positive discrimination policy in favour of women with a focus in TVET, tertiary level and in employment opportunities. Gender will continue to be integrated as a cross-cutting issue in all development policies and strategies at both central and local government levels.

5.2. Natural resources, environment and climate change

To date, climate change is widely recognized as the major environmental problem facing the globe that is becoming inextricably linked to development. Rwanda is increasingly facing global climate change consequences including; flooding, resulting in disasters such as landslides that cost lives and resources, and droughts that adversely affect agricultural output. Other threats to the environment take the form of depletion of bio-diversity, degradation of ecosystems such as swamps and wetlands and pollution of waterways. Rwanda will continue to put in place strategies to mitigate the impact of climate change by focusing on developing eco-friendly policies and strategies in all sectors of the economy and by promoting green growth.

5.3. Science, technology and ICT

Rwanda will continue to invest in developing adequate, highly skilled scientists and technicians to satisfy the needs of the transition to knowledge-based economy. A knowledge based-economy will require innovative products that can be competitive in regional and global



markets. Having laid the foundations for ICT to take-off in the country through the laying of the fibre optic cable network, Rwandans have a whole new world of opportunities to take advantage of. More importantly the government of Rwanda will encourage the use of ICT as a tool for self employment, innovation and job creation. Policies to encourage development of smart applications that meet economic needs and develop economic potential will be promoted amongst the youth. ICT as a tool for improving service delivery in both the private and public sector will be emphasized.



6. THE ROAD MAP

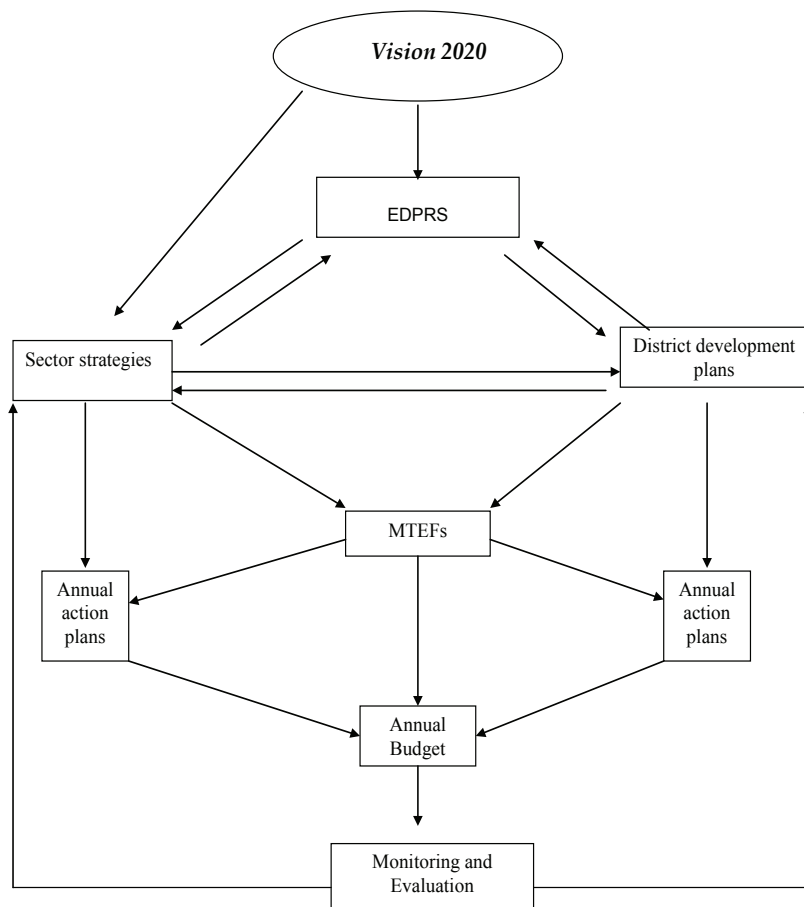
This roadmap lays out how Rwanda's Vision 2020 will be realized through the country's planning process. It also establishes a set of yardsticks against which we can measure our progress towards achieving the targets. Macroeconomic projections and the underlying assumptions clearly showing the requirements to realize the Vision are also made.

6.1. Rwanda's planning process and the realization of Vision 2020

To ensure smooth implementation of Vision 2020 and achievement of the aspirations described above, it will have to be reflected in the whole planning process and, particularly, medium-term operational instruments. Therefore, the long-term aspirations of the Vision will translate into medium-term Economic Development and Poverty Reduction Strategies (EDPRS) at the national level.

The EDPRS is operationalized through sector strategies and district development plans. The sector strategies and the district development plans are implemented through the Medium-Term Expenditure Framework (MTEF); three-year fully integrated budgets that mainstream the Public Investment Programs (PIP) of the agencies and translate into concrete action plans, costed through annual budgets. The poverty reduction achieved through the MTEF will be monitored and will feed back into the elaboration of sector and district plans.

Figure 2: Converting vision 2020 into a reality



6.2. Achieving Vision 2020: Macroeconomic assumptions and projections

The implementation of Vision 2020 strongly holds onto the necessity to achieve the aspirations of the Rwandan people, by markedly transforming the economy, turning the country into a middle-income country and parting away with extreme poverty.



Inspired by recent robust economic performance and remarkable progress in reducing poverty, assumptions for the macroeconomic perspectives over the period until 2020 were made, aiming at more robust growth and more ambitious objectives.

Notwithstanding the existing macroeconomic challenges stemming from both internal and external imbalances with still sizeable aid dependence and a large trade balance deficit, the Vision's macroeconomic assumptions aim for an annual average real GDP growth of 11.5 percent, GDP per capita of USD 1,240, gradual but sustained improvement in the external trade balance, higher investments and savings, and a stronger financial sector.

With real GDP expected to grow on average by 11.5 percent per year (real output growth between 2000 and 2011 was on average 8.3 percent a year), agriculture would need to grow by at least 8.5 percent and reach about 25 percent of total output (agriculture grew on average by 5.6 percent a year between 2000 and 2011 and amounted to 32 percent of total output in 2011). The industry is expected to grow by 14 percent on average and reach about 20 percent of total output (industry grew on average by 9.5 percent a year between 2000 and 2011 and amounted to 16 percent of total output in 2011) while services would be expected to continue taking the lead, growing by 13.5 percent on average and expected to reach about 55 percent of total output (services grew on average by 10.2 percent between 2000 and 2011 and amounted to 46 percent of total output).

Increased investments will be needed to achieve the growth objectives from both the public sector as well as the private sector. Domestic investments are expected to expand, but this will need a stronger financial sector to mobilize the necessary savings to finance those investments. Total investments are expected to reach 30 percent of GDP by 2020 (from about 21 percent of GDP in 2011) with the private sector gradually taking a larger proportion, and savings are expected to reach 20 percent of GDP by 2020 (from about 14 percent of GDP in 2011).

The scaled up investments in bottleneck-releasing infrastructure projects that are expected to bolster competitiveness and further reduce external trade imbalances, will require equally substantive financing that the domestic savings mobilization efforts alone will not be able to cater for. While a gradual reduction in the reliance on foreign aid remains a key objective over the medium-term, domestic revenues – that nevertheless are expected to significantly increase – will alone not cover all the required public investments. A combination of highly concessional financing



(in the form of grant financing and concessional borrowing) and non-concessional borrowing that does not adversely affect Rwanda's external debt sustainability will be considered, while avenues leading to a greater participation of the private sector will also be emphasized through public private partnership ventures.

In order to realize the targets set out, we will have to streamline planning processes so that the Vision is translated into implementable plans, with strong linkages between set priorities and the allocation of resources. It also requires a mobilization of a substantial financial resource from the state, the donor community and the private sector. If these resources can be efficiently allocated through the planning process, the goals set in this Vision will become attainable.

6.3 Institutional framework for the implementation of Rwanda's vision

The implementation of the Vision 2020 is within the ambition of all players: the state, the private sector, civil society, NGOs, decentralized authorities, grassroots communities, faith-based organizations and development partners. The top most policy making bodies of Vision 2020 implementation is the Cabinet and the National Steering Committee (Ministers and Governors). The Permanent Secretaries (PS) forum and Development Partners Coordination Group (DPCG) oversee and guide the implementation of the Vision and ensure that consensus building around Vision 2020 implementation is realized.

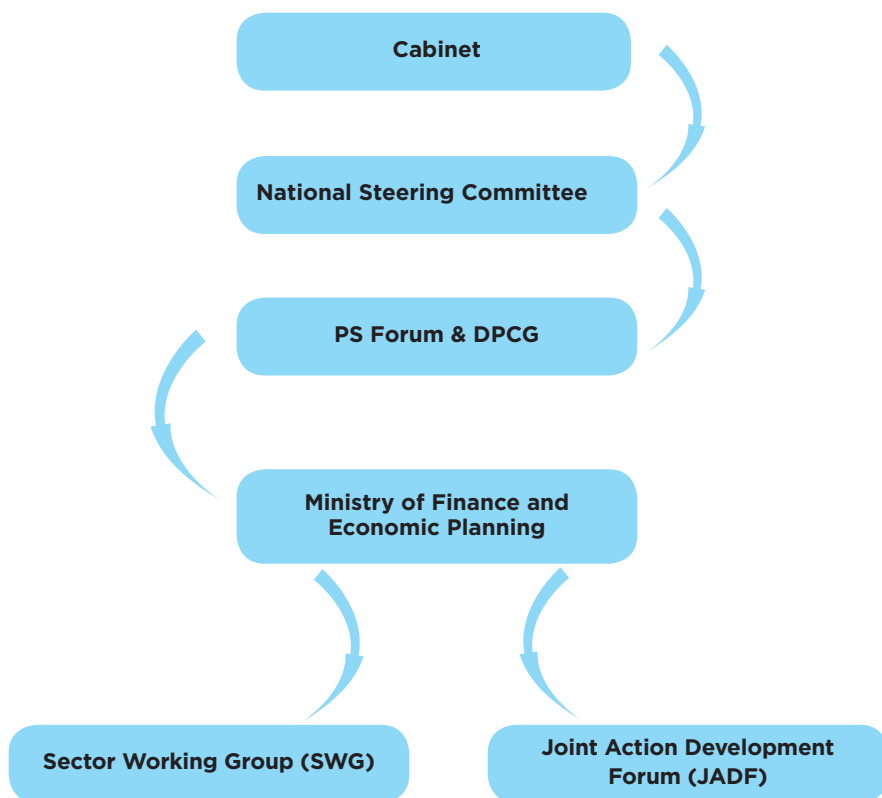
The Ministry in charge of Finance and Economic Planning coordinates the implementation and monitoring and evaluation of the Vision. It also ensures that Vision 2020 targets are considered in Sector Strategies as well as District Development Plans.

The Ministry will specifically:

- Coordinate all the activities related to the implementation of the Vision 2020
- Mobilize and allocate resources to Vision 2020 priority areas
- Support the planning organs and other institutions in charge of implementation of the Vision
- Ensure that Vision 2020 based sector strategic plans and district developments plans are prepared and linked to the Medium-Term Expenditure Framework and annual budgets

- Ensure the establishment of a monitoring and evaluation framework for the Vision
- Regularly report to Cabinet the status of achievement of Vision 2020 objectives and targets

The institutional framework for implementation of Vision 2020 is shown in the organization chart below.





CONCLUSION

Vision 2020 represents an ambitious plan to raise the people of Rwanda out of poverty and transform the country into a middle-income economy. Some will say that this is too ambitious and that we are not being realistic when we set this goal, others say that it is a dream. But, what choice does Rwanda have? To remain in the current situation is simply unacceptable for the Rwandan people. Therefore, there is a need to devise and implement policies as well as mobilize resources to bring about the necessary transformation to achieve the Vision. This is realistic based on the fact that countries with similar unfavourable initial conditions have succeeded. The development experience of the East Asian 'Tigers' proves that this dream could be a reality.

Annex

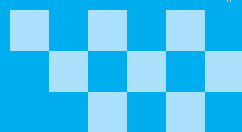
Annex 1: Key indicators of the Rwandan Vision 2020

TABLE GUIDE

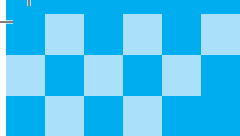
	No change made
	Revised indicators/targets
	New indicators

Indicator	Status in 2000	Current status	Original target	7YGP target	Average LMIC	Proposed new Target
Economic						
1. Average GDP growth rate (%)	6.2	8.3(average from 2000-2010)	8	None	5.9(average from 2000-2010)	11.5
2. Growth rate of the agricultural sector (%)	9	5.8 (average from 2000-2010)	6	None	3 (average 2000-2010)	8.5
3. Growth rate of the industry sector (%)	7	8.8 (average from 2000-2010)	12	12	5.7(average 2000-2010)	14
4. Growth rate of the service sector (%)	7	10.5 (average from 2000-2010)	11	None	7.1(average 2000-2010)	13.5
5. Domestic credit to private sector (% of GDP)	None	12.8	None	27	34	30
6. Gross national savings (% of GDP)	1	10.5	6	None	25	20

Indicator	Status in 2000	Current status	Original target	7YGP target	Average LMIC	Proposed new Target
7. Gross national investment (% of GDP)	18	21	30	None	28.5	30
8. External Balance on goods and services(% of GDP)	None	-14.6 (average 2000-2010)	None	None	-3	-3
9. GDP per capita, in US \$	220	540	900	None	1,750	1240
10. Percentage of adult population accessing financial services	None	47	None	None	None	90
11. Percentage of payment transaction done electronically	None	<10	None	None	None	75
12. External Trade (% of GDP)	None	41.5	None	None	58.4	60
13. Export Growth	None	19.2(average 2000-2010)	None	None	10	28(average 2012-2020)
14. Agricultural population (%)	90	71.6	50	None	49	50
15. Agricultural production kcal/day/ person	1612	2,385	2,200	None	None	2,600
16. Food Consumption Score (CFSVA)	None	Poor FCS: 4% (2009)	None	None	None	Poor FCS: 0%
	None	Borderline:17% (2009)	None	None	None	Borderline: 5%

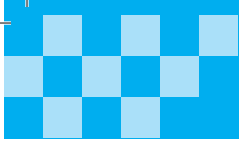


Indicator	Status in 2000	Current status	Original target	7YGP target	Average LMIC	Proposed new Target
17. Percentage of agricultural operations mechanized	None	7	None	None	None	40%
18. Percentage of land area protected to maintain biodiversity (%)	None	10.13	None	None	None	10.3%
19. Forest cover (% of land area)	None	22.4	None	30	28	30
20. Percentage of roads in good condition	None	59	None	85	None	85
21. Access to electricity (% of population)	2	10.8	35	70	67	75
22. Percentage of households using Wood energy as source of energy	94	86.3	50	55	None	50
23. Internet users per 100 people	None	4.3	None	None	12	50
24. Mobile subscriptions per 100 people	None	45	None	None	73	
25. Percentage of population under poverty line	60.4	44.9	30	20	32.2	20
26. Gini-Coefficient	0.454	0.49	0.350	None	None	0.350



Indicator	Status in 2000	Current status	Original target	7YGP target	Average LMIC	Proposed new Target
27. Number of off-farm jobs	200,000	1,406,000	1,400,000	200,000 (new every year)	None	3,200,000 (cumulative from 2000)
Social						
28. Access to improved sanitation facilities (% of population.)	20	74.5	60	100	45.4	100
29. Access to clean water (% of population.)	52	74.2	100	100	84.5	100
30. Life expectancy (years)	49	54.5	55	58	65.7	66
31. Population Growth rate (%)	2.9	2.9	2.2	None	1.6	2.2
32. Women fertility rate	5.8	4.6	4.5	None	3.4	3
33. Urban population (%)	10	14.8	30	30	40	35
34. Infant mortality rate per 1,000	107	50	50	30	50	27
35. Maternal mortality rate per 100,000	1071	476	200	200	266	200
36. Child Malnutrition						
i) Acute malnutrition (wasted) %	None	3	None	None	7	0.5
ii) Underweight (%)	None	11	None	None	14	8

Indicator	Status in 2000	Current status	Original target	7YGP target	Average LMIC	Proposed new Target
iii) Chronic malnutrition (%)	None	44	None	None	31	15
37. Rate of mortality for malaria cases (%)	51	13	25	5		5
38. Doctors per 100,000 inhabitants	1.5	6	10	10	80	10
39. Nurses per 100,000 inhabitants	16	77	20	100	180	100
40. Literacy rate (%)	48	83.7	100	90	70.6	100
41. Gross primary school enrolment (%)	None	127.3	100	None	107	100
42. Gross Secondary school enrolment including TVET (%)	7	35.5	60	None	58	98
43. Pupils – qualified teacher ratio						
i) In Primary	None	58-1	None	None	29-1	40-1
ii) In Secondary	None	37-1	None	None	17-1	30-1
44. The rate of enrolment in first year of Higher learning institutions (%)	1	38	6	None		65



Indicator	Status in 2000	Current status	Original target	7YGP target	Average LMIC	Proposed new Target
Governance						
45. Women representation in decision making organs (%)	None	30	40	None	40	40
46. Citizens' satisfaction with service-delivery (%)	None	66	None	80	None	80
47. Rank in world corruption	None	49 th	None	<10 th	None	10th
48. Index on Rule of law (%)	None	67.7	None	None	None	80







REPUBLIC OF RWANDA