

Country Assistance Policy for the Republic of Rwanda

April, 2012

1. Relevance of Assistance

The Government of Rwanda has set forth Vision 2020, a medium and long term national development vision, with an aspiration to transform Rwanda into a middle income country, by achieving its per capita income from 220 USD in 2000 to 900 USD by 2020. Although the government has been actively promoting economic development, Rwanda's economic structure is still weak. 60% of the population is obliged to live under the absolute poverty line and around 50% of its revenue relies on foreign aids. For securing steady economic growth in the landlocked country of Rwanda, it is essential to stimulate not only the domestic economy but also the regional economy within the EAC¹.

Under the government's strong ownership and leadership, Rwanda has recovered from the genocide in 1994, by keeping its annual economic growth rates at around 7%. In fact, though Rwanda is regarded as one of the model countries of post-conflict recovery and economic growth, it is still important to support Rwanda from the perspectives of the stabilization of the Great Lakes region and "Consolidation of Peace". Also, assistance to Rwanda, which aims to realize poverty reduction through economic growth, is consistent with Japan's ODA Charter and assistance policies expressed in the TICAD² process.

2. Basic Policy of Assistance : Promotion of sustainable growth (Transformation to a middle income country)

Achieving poverty reduction and MDGs, and taking into account Vision 2020 and the Division of Labor (DoL) among development partners, Japan contributes to sustainable growth in Rwanda through supporting "Economic Infrastructure

¹ East African Community: The EAC is a regional inter-governmental organization and its member countries are Kenya, Tanzania, Uganda, Burundi and Rwanda.

² Tokyo International Conference on African Development: TICAD was launched in 1993 under the initiative of Japan. Among others, the U.N., UNDP and the World Bank are the co-organizers of TICAD. TICAD aims to promote high-level policy dialogues between African leaders and development partners, and the summit is held every five years. TICAD IV was held in Yokohama in May 2008. The African Union Commission will also be one of the co-organizers of TICAD V, which will be held in 2013.

Development”, “Agricultural Development (Promotion of Market Oriented and Value Added Agriculture)”, “Social Service Improvement (Safe Water Supply)”, “Human Resources Development for Sustaining Country Growth (Science and Technology Education and Training)”.

3. Priority Areas

(1) Economic Infrastructure Development

In order to contribute to sustainable economic growth in the landlocked country of Rwanda, Japan supports economic infrastructure development from the viewpoints of regional integration within the EAC and the development of international corridors. Specifically, Japan supports the extension and rehabilitation of electricity facilities as well as the rehabilitation and construction of main roads, bridges and a One Stop Border Post (OSBP) facility (a customs house). In addition, Japan effectively provides technical assistance in strengthening the management capacities of public transportations and customs, and EAC’s standardizations for regional integration.

(2) Agricultural Development

(Promotion of Market Oriented and Value Added Agriculture)

While the agriculture sector occupies approximately 42% of the GDP, the sector suffers from disadvantages deriving from the small-scale operations due to the limitation of cultivable lands. Making the agriculture sector a basis for economic growth, Japan provides assistance in improving profitability through the development of better agricultural production infrastructures and other market-oriented assistance, which focuses on the development of comprehensive value-chain comprising production, postharvest treatment, distribution and sales components, both in technical and policy terms. In this process, making use of its uniqueness, Japan also promotes One Village One Product (OVOP) activities.

(3) Social Service Improvement (Safe Water Supply)

Under Vision 2020, the Government of Rwanda aims at providing all people with

safe water. Japan provides comprehensive assistance in the water and sanitation sector including the development of operation and maintenance systems, and particularly targeting Eastern Province where the coverage of water supply is the lowest in the country.

(4) Human Resources Development for Sustaining Country Growth
(Science and Technology Education and Training)

Human resources are important bases for sustainable growth. “Human Resources Development and Knowledge-based Economy” is one of the pillars of Vision 2020, which places a strong emphasis on strengthening science and technology education. In parallel with the development of educational infrastructures, Japan supports Rwanda’s science and technology education and training in the forms of improvements in the quality of education, and the establishment and dissemination of academic-industrial alliance models.

4. Points to be considered

(1) Aid coordination has been advanced and the Division of Labor (DoL) has been employed in Rwanda. Moreover, development partners are expected to respect the country system of Rwanda. Under the DoL, the education, the agriculture, and the water and sanitation sectors have been allocated to Japan.

(2) Following the policy of region-wide infrastructure support, expressed in TICAD IV, Japan supports the energy and the transportation/ICT sectors, in addition to the 3 sectors mentioned above.

(3) President Paul Kagame is one of the co-chairs of the MDG Advocacy Group and the Government of Rwanda has actively strived to achieve MDGs.

Annex: Rolling Plan

Annex of the Country Assistance Policy

Rolling Plan for the Republic of Rwanda

As of April, 2012

Basic Policy of Assistance	Promotion of sustainable growth (Transformation to middle income country)
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Priority Area 1	1. Economic Infrastructure Development (Regional Infrastructure within the EAC)												
Development Issue 1-1	[Background and current situation] In order to become a middle-income country by 2020, which is the objective stated in Vision 2020, Rwanda needs to achieve at least 7 percent annual economic growth and in order to facilitate such economic growth, improvements in economic infrastructures are set as a priority area in the EDPRS. However, economic infrastructures, like transportation and power supply have not yet been developed enough. These have caused a high transportation cost and a high electricity tariff respectively, and become an obstacle to industrial development as a whole. Therefore, the said infrastructures development is being identified as urgent needs.					[Strategy] In order to promote infrastructure development with a focus on the transport and the energy sectors, through the extension and rehabilitation of electricity facilities as well as the rehabilitation and construction of main roads, bridges and a One Stop Border Post (OSBP) facility (a customs house), Japan supports the establishment of foundations for sustainable economic growth associated with private sector development by assisting Rwanda's efforts for regional integration such as the development of international corridors within the EAC.							
	Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 Million Yen)	Note	
	Program for Improvement of Economic Infrastructure	In the transport sector, the program mainly supports the development of main roads, bridges and a OSBP facility which connects international corridors, including soft components such as the facilitation of OSBP and the capacity development of customs administration. In the energy sector, in addition to the development of power generation and distribution networks, the program supports the sector comprehensively such as the development policy recommendations and the capacity of operation and maintenance by combining different schemes.	Construction of Rusumo International Bridge and One Stop Border Post (OSBP) Facilities (Construction)	GA							18.6		
			Construction of Rusumo International Bridge and One Stop Border Post (OSBP) Facilities (Detailed Design)	GA									
			Rehabilitation of Kayonza-Rusumo Road	PS									
			Capacity Building for the Customs Administrations in Eastern African Region (Phase II)	TCP									Regional Project for 5 EAC Countries
			Improvement of Substations and Distribution Network	GA							24.54		
			EWSA's Capacity Building for Efficient Power System Development	TCP									
			Senior Adviser to the Energy Sector	EXP									
			Training for Energy Policy	CTR									
Training in the field of Economic Infrastructure (6 persons)	TR												

Legend: [JFY] = Japanese Fiscal Year (April to March), [PS] = Preparatory Survey, [DD] = Detailed Design by TARTOL, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning (and Development Study), [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [SV] = Senior Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [STC] = Science and Technology Cooperation on Global Issues, [JPP] = JICA Partnership Program, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [GA] = Grant Aid (other than specific grant aid schemes listed below), [NPGA] = Non-Project Grant Aid, [GHGA] = Grassroots Human Security Grant Aid, [JNGA] = Grant Aid for Japanese NGO's Projects, [CGA] = Cultural Grant Aid, [GCGA] = Grassroots Cultural Grant Aid, [LA] = Loan Aid (ODA Loan), [ML] = Multilateral Cooperation, [TARTOL] = Technical Assistance Related To ODA Loan, Solid Line [-----] = Schedule, Dash Line [- - - -] = Tentative Schedule

Priority Area 2	2. Agricultural Development (Promotion of Market Oriented and Value Added Agriculture)											
Development Issue 2-1	[Background and current situation] Rwandan's industrial development is still in the early stage, even light industry, such as food processing and textile, is under developed. Meanwhile the agriculture sector, where most of population (more than 80%) is engaged, has achieved self-sufficiency and now targets income generation from agricultural production. However, there are a lot of challenges to achieve the target through improving each stage of value chain.					[Strategy] In order to make the agriculture sector a basis for the economic growth, which, despite occupying approximately 42% of the GDP, suffers from the disadvantages deriving from the small-scale operations due to the limitation of cultivable lands, Japan provides assistance in improving profitability through the development of better agricultural production infrastructures, and other market-oriented assistance focusing on the development of comprehensive value chain comprising production, postharvest treatment, distribution and sales components, both in technical and policy terms. In this process, making use of its uniqueness, Japan also promotes One Village One Product (OVOP) activities.						
	Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 Million Yen)	Note
	Program for Promotion of Value Added Agriculture and Business	Following to the GoR strategy to transform Rwandan Agriculture from self-sufficient one to commercialized one, the program supports the whole value chain from agricultural inputs (e.g. fertilizer) to marketing. Target commodities are "rice" and "horticulture crops" since Japan has a comparative advantage to support these commodities, but support for post-harvest & marketing does not necessarily focus only on them. As part of the program, OVOP activites have been implemented for supporting the establishment of concrete systems on local SMEs' income generation and community development through promoting local products.	GA for Underprivileged Farmers (2KR)	GA							1.9	
			Advisor for Irrigation	EXP								
			Advisor for Mechanization	EXP								
			Project for increasing crop production with quality extension service in the Eastern Province (PICROPP)	TCP							4.5	
			Advisor for Biofertilizer Utilization	EXP								
			Advisor for OVOP (One Village One Product) Program	EXP								
			Survey on BoP business on microbial materials for agriculture & Public health	PS								collaboration for BoP business promotion
			Japan Overseas Cooperation Volunteers (22 persons)	JOCV								
Training in the field of Rural Development, etc.,(12 persons)	TR											

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Priority Area 3	3. Social Service Improvement (Safe Water Supply)											
Development Issue 3-1	[Background and current situation] Vision 2020 aims at expanding safe water supply coverage as well as improving sanitation services as one of major challenges in the social infrastructure development of the country. The "National Policy and Strategy for Water Supply and Sanitation Services (2010)" defines approaches to achieving the set overall sector goals. Especially rural water supply faces serious challenges, while the GoR aims to reach 100 % water supply coverage by 2015. Also, rapid population growth has been affecting sanitation services such as solid waste management in urban areas.					[Strategy] Considering the relevance to the achievement of MDGs and Vision 2020, which aims at 100% water supply coverage as one of its goals, Japan provides comprehensive assistance in the water and sanitation sector including the development of operation and maintenance systems. Eastern Province is particularly focused because the coverage of water supply is the lowest in the country.						
	Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 Million Yen)	Note
	Program on Improvement of Water and Sanitation	In order to improve safe water access in rural areas, Japan, particularly targeting Eastern Province, assists the GoR to develop a long term infrastructure development plan, and construct and rehabilitate water facilities based on the plan. Japan also strengthens the institutional operation and maintenance capacities of the facilities. It combines assistance both at the policy and the grassroots levels.	Rural Water Supply (Phase II)	GA							14.35	
			Strengthening Operation and Maintenance of Rural Water Supply Facilities	TCP								
			Improvement of Water Supply and Sanitation in the Eastern Province	TCP								
			Japan Overseas Cooperation Volunteers (5 people)	JOCV								
			Training in the field of Water and Sanitation(4 people)	TR								

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Priority Area 4	4. Human Resources Development for Sustaining Country Growth (Science and Technology Education and Training)											
Development Issue 4-1	[Background and current situation] Rwanda puts a special emphasis on human resources development in science and technology to realize a knowledge-based economy, which is one of the pillars of Vision 2020 . However the shortage of qualified human resources to achieve such an economy is very crucial. Therefore it is important to establish human resources development systems through strengthening science and mathematics education, and technical/vocational education and training (TVET) as well as the expansion of access to education and training.				[Strategy] Japan supports education and training institutes as well as academic-industrial alliance. It is in line with a GoR's initiative to strengthen science and technology education, which is essential to realize a knowledge-based economy.							
	Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 Million Yen)	Note
	Program for Strengthening Education and Training in Science and Technology	In the field of science and mathematics education, the program supports the establishment of a teacher training system for strengthening the quality of science and mathematics education. In the field of TVET, the program supports and strengthens the systems of producing qualified human resources for industry development. In other words, the models of academic-industrial alliance are established and disseminated by strengthening one of the core colleges of technology as well as the actual produce of qualified technicians. In addition, the program aims to strengthen skills development training for the socially vulnerable people at skills training centers.	Strengthening Mathematics and Science in Secondary Education (SMASSE Rwanda)	TCP	—							
			Strengthening Mathematics and Science in Secondary Education (phase II)	TCP			—	—	—			
			Project for Strengthening the Capacity of Tumba College of Technology	TCP	—	—					5.8	
			Education Planning and Monitoring Advisor	EXP			—	—	—	—		
			Support for NICI-2015 implementation	EXP	—	—						
			TVET Industrial Attachment Specialist	EXP	—							
			Long term training course on "Enhancing the Quality of Primary and Secondary Education"	CTR		—	—	—				
			Long term training course on "Improvement of Mathematics and Science Teacher Education"	CTR	—	—	—					
			The Skills Training and Job Obtainment Support for Social Participation of Ex-Combatants and Other People with Disabilities (ECOPD Project)	TCP	—			—				
			Japan Overseas Cooperation Volunteers (25 persons)	JOCV	—			—				
			Training in the field of education and training in science and technology, etc. (10 persons)	TR	—	—						

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Priority Area 5	5. Others											
Development Issue 5-1	Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 Million Yen)	Note
					JFY 2011	JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016		
			Supporting Integrated and Comprehensive Approaches to Climate Change Adaptation in Africa (Japan-UNDP Joint Framework for Building Partnership to Address Climate Change in Africa)	ML	●						3 million USD	
			Capacity Reinforcement of Clean Development Mechanism Projects in Rwanda under Kyoto Protocol	ML	●							Japan-UNDP Partnership Fund
			Improvement of TV Programs of Rwanda Television	GA	—							Cultural Grant Aid
			The Project for forests in developing countries		—	—	—	—	—			
			Support to the Establishment of the Rwanda Peace Academy	ML	●						3 million USD	via UNDP
			Mainstreaming STI and HIV/AIDS among refugee population in Rwanda	ML	●							The International Planned Parenthood Federation (IPPF) Japan Trust Fund for HIV/AIDS
			Enhancement of Skills Training to Facilitate Socio-Economic Reintegration of Rwandan Returned Refugees from the Democratic Republic of Congo (DRC)	ML	●						2 million USD	via IOM
			Sustaining and extending positive changes related to HIV/AIDS/STIs and GBV among in Kageyo, Ndego, Bukora and Kivanzi returnee resettlement sites	ML	●							The IPPF Japan Trust Fund for HIV/Reproductive Health

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