



# Rwanda

## Conclusion

Enoch Randy Aikins and Alize le Roux

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## Conclusion

Chart 37: Recommendations

### **Recommendations:**

- Invest in education and health to leverage youth bulge and enhance workforce skills.
- Foster innovation and technology uptake with initiatives like Kigali Innovation City.
- Formalize the informal sector and adopt policies to boost savings and reduce debt.
- Increase adoption of modern farming technology and irrigation to reduce climate vulnerability.
- Expand road network and electricity access, and improve urban planning in Kigali.
- Strengthen democratic processes and anti-corruption measures.
- Invest in renewable energy technologies and reduce use of traditional stoves.
- Increase R&D and investment in manufacturing to boost GDP contribution.
- Leverage trade organization memberships and implement AfCFTA to boost exports.
- Develop policies for environmental sustainability and support climate-smart projects.
- Expand and improve the Vision 2020 Umurenge Programme to reduce poverty.

Rwanda has made substantive development strides over the last three decades, driven by strong and visionary leadership and the implementation of strategic development plans. This progress has been marked by dynamic economic growth, improved governance and significant investments in key sectors such as education, health and infrastructure. Rwanda's Vision 2050 sets ambitious goals for achieving upper-middle-income status by 2035 and high-income status by 2050, aiming to provide a high quality of life for all citizens.

Despite these achievements, Rwanda still faces considerable challenges. Structural economic issues include a balance of payments deficit, rising foreign debt, a small industrial sector and a large informal sector. The Current Path analysis indicates that Rwanda may not fully achieve its Vision 2050 targets of high-income status, the elimination of extreme poverty and high quality of life by 2050 without further policy interventions.

However, the Combined scenario shows that with the right set of targeted intersectoral policies, Rwanda can substantially advance in human and economic development. By integrating improvements across governance, health, education, infrastructure, agriculture, manufacturing, trade and financial flows, Rwanda's GDP will reach US\$267.1 billion by 2050, with GDP per capita rising to US\$16 262. This would position Rwanda as a high-income country, far exceeding the Current Path.

In this scenario, Rwanda can significantly reduce extreme poverty, potentially lowering the rate to just 0.04% of the

population (about 9 000 people) by 2050. The country's efforts in enhancing governance, boosting trade, investing in renewable energy and promoting inclusive growth are crucial to achieving these targets. Moreover, transitioning fully to renewable energy sources could make these advancements more sustainable and cost-effective.

In conclusion, while Rwanda has achieved remarkable progress, continued and enhanced policy efforts are essential to overcome ongoing challenges and realise the Vision 2050 goals. By implementing comprehensive and targeted interventions across all sectors, Rwanda can ensure sustainable development, economic resilience and improved living standards for all its citizens by 2050.

Specifically, policymakers in Rwanda should:

- Invest in education and health to leverage the youth bulge and increase the working-age population. Enhance vocational training, science and engineering education to improve workforce skills and address the low secondary completion rates and inadequate facilities.
- Foster innovation and technology adoption by supporting initiatives like the Kigali Innovation City project which aims to create a vibrant ecosystem for innovation and entrepreneurship, attracting tech startups, research institutions and investors to Rwanda.
- Formalise the informal sector, which employs over 75% of the workforce, to increase economic resilience and improve government revenue. Implement policies to achieve macroeconomic stability including increasing domestic savings and prudent debt management.
- Increase adoption of modern farming technology and irrigation to reduce reliance on rain-fed agriculture and vulnerability to climate change. Promote advanced seed and fertiliser technology, better land management and reduced waste to meet growing food demand.
- Expand the road network and increase electricity access for the population, with a focus on rural areas. Improve urban planning and service delivery in Kigali to manage rapid urbanisation challenges.
- Strengthen democratic processes and anti-corruption measures to improve governance in the country. Invest in renewable energy technologies to increase electricity access and improve government efficiency. Increase R&D and investment in the manufacturing sector to boost its GDP contribution. Address challenges such as high transport costs, economic and financial constraints and skills shortages.
- Leverage Rwanda's membership in regional and international trade organisations to boost exports and reduce the trade deficit. Implement AfCFTA to enhance competitiveness and support the manufacturing sector's growth.
- Develop policies to manage the environmental impact of economic growth. Support climate-smart agriculture and renewable energy projects, for example through the Rwanda Green Fund.
- Expand and improve the Vision 2020 Umurenge Programme (VUP), focusing on both urban and rural areas. This investment is crucial for reducing extreme poverty substantially to only 0.04% of the population by 2050.

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## About the authors

**Mr Enoch Randy Aikins** joined the AFI in May 2021 as a Researcher. Before that, Enoch was a research and programmes officer at the Institute for Democratic Governance in Accra in charge of local governance reforms, poverty and inequality and public sector reforms. He also worked as a research assistant (economic division) with the Institute for Statistical Social and Economic Research at the University of Ghana. Enoch's interests include African politics and governance, economic development, public sector reform, poverty and inequality. Enoch is a Young African Fellow at the School of Transnational Governance, European University Institute in Florence and has an MPhil in economics from the University of Ghana, Legon.

**Ms Alize le Roux** joined the AFI in May 2021 as a senior researcher. Before joining the ISS, she worked as a principal geo-informatics researcher at the CSIR, supporting various local and national policy- and decision-makers with long-term planning support. Alize has 14 years of experience in spatial data analysis, disaster risk reduction and urban and regional modelling. She has a master's degree in geographical sciences from the University of Utrecht, specialising in multi-hazard risk assessments and spatial decision support systems.

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