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REPORT**

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Acronyms and Abbreviations

ABEDA	Arab Bank for Economic Development in Africa
AIDS	Acquired Immune Deficiency Syndrome
AfDB	African Development Bank
CDC	Communal Development Committee
DRC	Democratic Republic of Congo
DFID	Department for International Development (U.K.)
ESAF	Enhanced Structural Adjustment Facility (IMF)
FAO	Food and Agriculture Organization of the United Nations
Frw	Rwandan francs
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GEM	Gender Empowerment Measure
GTZ	Technical Cooperation Agency (Federal Republic of Germany)
Ha	Hectare
HDR	Human Development Report
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HIV	Human Immuno-deficiency Virus
HPI	Human Poverty Index
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IMR	Infant Mortality Rate
LIPRODHOR	Ligue Rwandaise pour la Promotion et la Defense des Droits de l'Homme
MIGEPROF	Ministry of Gender
MINAFASO	Ministry of Social Affairs
MIJESPOC	Ministry of Youth, Culture and Sports
MINAGRIC	Ministry of Agriculture, Livestock and Forestry
MININTER	Ministry of the Interior
MINECOFIN	Ministry of Finance and Economic Planning
MINISANTE	Ministry of Health
MTEF	Medium-Term Expenditure Framework
n/a	not available or not applicable
NGO	Non-governmental organization
ODA	Official Development Assistance
OPEC	Organization of Petroleum Exporting Countries
PPA	Participatory Poverty Assessment
STD	sexually transmitted disease
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
URC	Unity and Reconciliation Commission
U5MR	Under 5 Mortality Rate
WFP	World Food Programme
WHO	World Health Organization

Foreword

The United Nations Development Programme in Rwanda is pleased to present this first National Human Development Report to the Government of Rwanda and to the more general readership in Rwandan civil society.

This report should not be seen as either an “official” document of UNDP or of the Government. Instead, it has been written as a synthesis document to reflect the kinds of debate and discussion that are already occurring throughout Rwanda. Similarly, the report does not profess to have the answers for human development in Rwanda. Rather, the objective is to improve the nature and quality of that debate about Rwanda’s development directions as it continues over the coming months.

The concept of human development has been deliberated throughout the development community since UNDP’s first Human Development Report was published in 1990. Behind discussions among development practitioners about quantitative indicators, the fundamental concept of human development remains steadfast. Human development is ultimately about “expanding people’s choices.” All countries – developed or developing – face the task of helping to ensure that their citizens – of all ages and both sexes -- have the range of options and choices which allow them to improve their lives and to achieve economic, social and cultural fulfillment for them and their families. This challenge applies no less to developed countries.

In Rwanda, human development is occurring in a context of recovery from terrible civil conflict. The genocide of 1994 has left the country with deep social, psychological and economic scars; human development in this context consists partly of building a shared sense of national identity in a divided country. Rwanda also faces chronic economic constraints arising from the density of population in a landlocked country, which the genocide has compounded by destroying human, physical and social capital and by accelerating the AIDS epidemic. This report therefore focuses on the themes of reconciliation and poverty reduction, which are currently receiving particular attention from government and its partners in Rwanda.

National human development reports are now being regularly produced with UNDP assistance throughout the developing world and in the transition economies of Eastern Europe and Central Asia. In Sub-Saharan Africa alone, 36 other countries have now produced their own national reports.

This report was prepared with the cooperation of many agencies inside and outside government, including other members of the UN family. A draft was submitted for debate in a Steering Committee with representative from Government, development partners, civil society and Parliament. UNDP intends to encourage the preparation of other national human development reports in Rwanda over the coming years. Future reports will focus on specific sectors or implementation or policy areas where additional analysis would facilitate the debate on Rwanda’s human development and the means for its advancement.

Stephen Browne



United Nations Resident Coordinator

United Nations Development Programme Resident Representative

Kigali, October 1999

Overview and Agenda for Action

This first Rwanda National Human Development Report looks at what is probably the most fundamental question facing Rwandan decision-makers and civil society. That question is simple to state, but one that has wide-ranging implications and no easy solutions. The question is: how can sustained economic growth be achieved in a manner which benefits all Rwandans, against the backdrop and divisive scars of the events of 1994?

In the chapters which follow this short agenda for action, the report examines some of the trends and current indicators of Rwanda's human development and explores some of the ways in which the Government is forcefully meeting its human development challenge. In chapter five, the report further attempts to ascertain what current policy and implementation gaps exist and how they might be more effectively addressed. Therefore, in a strictly logical sense, the action items given below should no doubt follow chapter five. They are presented at the beginning of this report, however, not only to help focus the debate on human development, but also to underline the fact that human development is not just about attaining improvements in social indicators. As the action items suggest, human development encompasses a range of sectors and policy issues, but which are, in the final analysis, unique to each country.

Seen in this light, seven policy areas or "agenda items" are put forward to encourage debate and discussion on the elements for addressing Rwanda's human development challenge. The seven given here, however, are certainly not the only areas of concern that will undoubtedly be debated as part of Rwanda's development agenda.

1. Formulation of a National Poverty Strategy

The Government is strongly committed to poverty reduction as a fundamental tenant of its national development priorities. Despite a large number of poverty-focused projects, the formulation and implementation of a coherent and well focused poverty reduction strategy has not yet been completed. The object of such a poverty strategy should be to arrive at a small number of programmes, around which there is strong consensus, that can make a measurable impact on the lives of the poor over the medium term, i.e., 3-8 years. The poverty strategy should be complementary to other national priorities such as sustainable macro-economic growth, and human capital formation.

As this is being written, plans are being made to mount a multi-donor poverty strategy formulation mission in early 2000 in order to sit down with government officials and agree on the main elements of a national poverty action programme. Once agreed by all parties, the components of the poverty action programme would form the framework through which both government and donor spending for poverty reduction activities and projects would be channeled, thereby avoiding the policy incongruence and duplication which have characterized many "poverty projects" in the past. Ideally, the consultations and consensus building required for the national poverty strategy should be completed in time for the chosen programme elements to be included in negotiations for the 2001 national budget.

2. HIV/AIDS

If unchecked, the looming impact of HIV/AIDS represents the single most menacing threat to achieving meaningful improvements in human development in Rwanda. The incidence of HIV-positive cases has reached alarming levels – over 25 percent in urban areas, and around 11 percent in rural areas – a dramatic change from before the war when the incidence of HIV was just one percent in rural areas. While HIV/AIDS is, technically speaking, a medical disease, the disease has far ranging socio-economic implications that cut across boundaries of age, sex, economic status, habitat, or ethnic background.

The Government has recognized that the problem of HIV/AIDS should not be just the concern of the Ministry of Health. In many speeches within Rwanda and abroad, senior level officials have stressed the multi-sectoral nature of the AIDS crisis and its potential impact on the economy. Confronting the epidemic will thus require the formulation of much more encompassing national AIDS programme which will entail close collaboration among many ministries and unprecedented levels of co-ordination with donor partners and Rwandan civil society. The urgency of reformulating a national AIDS strategy, which takes into account its wider socio-economic causes and consequences, cannot be over stated.

3. Public Expenditure Management

In the wake of the IMF-supported ESAF programme, considerable attention has been given to public expenditure management as a key element for maintaining overall fiscal responsibility. The ESAF programme has highlighted the importance of social sectors spending, both in terms of improving the equity and efficiency of social sector spending, and in terms of increased allocations to these sectors. The ESAF programme allowed, in fact, for “off budget” spending increases in the social sectors in 1998.

From the standpoint of human development and poverty reduction, spending increases for the social sectors are to be lauded. But limiting these increases to only the social sectors is too narrow an approach for improving human development and reducing poverty. Expanding the quality and coverage of certain components of economic infrastructure could have equally significant benefits for poor households. These would include such things as feeder roads, financial markets that reach the poor and measures for increasing commercialization and specialization of smallholder agriculture.

There is considerable scope to explore options for expanding the scope of poverty focused spending beyond the social sectors within the scope of ESAF and without exceeding spending limits necessary to maintain fiscal discipline.

4. Debt Relief and Human Development

The ongoing international debate on debt relief for low-income developing countries is likely to result in positive benefits for reducing Rwanda’s debt burden. In the next year to 18 months, Rwanda could see current debt servicing requirements reduced substantially – if current proposals now being debated internationally come to fruition. Virtually all of the proposals being discussed internationally call for debt relief to be linked with poverty reduction and human resource development by the recipient country.

Given the Government’s strict adherence to meeting its international financial obligations, Rwanda is likely to be one of the early candidates for any new debt relief initiative. In these circumstances, the Government has the opportunity to begin planning now for how future savings should be used to meet human development and poverty reduction objectives. Part of this planning may involve the proposed formulation of the national poverty reduction strategy, and no doubt part of this planning will entail increasing budget allocations to the social sectors. The objective, however, is not simply to quantitatively increase allocations to these sectors, but to examine how also to make qualitative improvements in the level and calibre of services provided. The public expenditure reviews carried out in 1998 and early 1999 showed that there were significant inefficiencies in service provision, and that in many instances, the quality of services provided is more important than the amount of funding actually available. Current discussions about the establishment of a national poverty fund, with the proceeds coming from debt relief, represent the kinds of initiatives that may encourage significant improvements in the effectiveness and equity of service delivery.

The potential for significant debt relief in the coming years affords the Government with tremendous opportunities for improving the welfare of Rwanda’s population. Exactly how released funds can be used in the most productive and equitable manner should be given high priority in government planning circles.

5. Education, Training and Labour Market Trends

The Government has given considerable attention to human resource development as a lynchpin for Rwanda’s long-term development requirements. An educated workforce is a pre-condition for sustained economic growth, at the same time that the better educated are much more likely to be less poor and to have a higher quality of life in terms of health and other social indicators. Equally important in the Rwanda context is the need for non-formal education and vocational training for adults, school leavers, and those with only a primary school education. This group constitutes by far the largest component of the labour force.

Mounting training programmes for this large percentage of the population may be an even more formidable task than that associated with the formal education system. The challenge is not just that the infrastructure and staff must be found to implement such a national effort. In the first instance, this kind of training is usually not given the prominence that is directed towards the formal education system; hence, securing adequate funding will be problematic. The second issue is to ensure that the kinds of training offered correspond to actual labour market conditions. It is fundamental that there is an actual demand in the labour market for the kinds of training skills being offered, and that labour mobility will allow those trained to go where the jobs are found.

Rwanda has the chance to avoid the kinds of supply-driven vocational training and non-formal education schemes that have proved unsuccessful in so many other countries. To do so will require a more coherent policy for non-formal and vocational training, as well as sufficient data on labour market conditions in both urban and rural areas.

6. The Private Sector and Human Development

If human development is concerned with “expanding people’s choices,” then the lack of a growing and vibrant private sector in Rwanda will clearly limit the pace at which human development can be promoted. Despite considerable progress by the Government in improving the operating environment for the private sector, current policies and programmes have not been adequate to attract the level of foreign and local private investments that are needed to keep the economy on a sustained growth path.

The private sector must still confront confusing and often arbitrary regulatory rules and procedures, an often low quality of public utilities provided by state monopolies at elevated costs, and other high transaction costs that discourage private investment in potentially productive sectors. Lack of diversification, for exports and in domestic markets, is both a symptom and an outcome of the high transaction costs facing the private sector. If Rwanda is to sustain the previous levels of economic growth, then completing the “unfinished agenda” for private sector development is a necessary pre-condition for sustained economic growth and human development.

7. Data Collection and Analysis for Monitoring Human Development

The final agenda item discussed here concerns Rwanda’s statistical system for data collection and analysis of human development trends. Informed policy-making is dependent on the availability of sufficient data in order to understand the nature and characteristics of social and economic conditions and to track changes to these characteristics over time.

Rwanda’s statistical system is only just now recovering from the effects of the 1994 events. It still lacks, however, an adequate number of trained staff and is heavily dependent on donor funding for its work programme. It is also under heavy pressure from government sources and from the donor community to undertake different kinds of surveys and maintain different data sets, all of which -- if taken together -- are beyond the capacity of the statistical system on any sustainable basis.

Government should give attention to formulating a national policy on statistical requirements and capabilities. Such a policy statement is needed both to guide government ministries and the donor community on what should be the kinds of data needed and the periodicity for its collection and analysis, *given the available resource envelope for the entire statistical system*. Government cannot collect and analyze all the kinds of data that, ideally, would be useful for policy-makers. Financial and staff limitations preclude that.

There is a clear need for an overall assessment of what the “basket” of statistics should be and how it can be sustained over the longer term. Data collection and analysis for human development will no doubt be a component of that basket, but the exact kinds of data to be monitored and the survey instruments used should be determined as part of an overall national policy on statistical requirements.

Chapter I Introduction

The Pursuit of Human Development in a Post-Conflict Society

This document is the first Human Development Report prepared for Rwanda. The tragic events of the 1994 genocide and war, followed by the sustained period of massive humanitarian assistance, precluded Rwanda from undertaking such an effort earlier. Now, however, as national capacities have become stronger and as the Government of Rwanda is making the transition from humanitarian assistance towards broader economic and social development, the timing and relevance of a national debate on Rwanda's policy options for achieving human development seem opportune.

Broadly speaking, the Government of Rwanda has already formulated a long term policy framework for human development which emphasizes the importance of accelerated economic growth, with the benefits of growth to be shared by the entire population. Priority is being given to policy and institutional reforms necessary to sustain and deepen the process of economic recovery. The Government is seeking to diversify economic activity, but recognizes that accelerated development of agriculture and the rural areas is fundamental for reducing poverty and improving the welfare of the vast majority of Rwandans. Government strategy further supports the promotion of the indigenous private sector in urban and rural areas, human resource development, and enhancement of the role of women in society and the economy. Government strategy is premised on the importance of good governance and transparency as important elements for forcefully addressing the critical issue of restoration and reconciliation of the country's social fabric. This national objective is based on respect for the rule of law and individual human rights, encouragement of local institutions, and promotion of an all inclusive political system permitting peaceful co-existence for all Rwandans.

The pace for achieving these development goals is nonetheless constrained by the Government's commitment to meeting its international financial obligations and the uncertainty over available external financing to cover expected budgetary shortfalls. Recent projections suggest that, even in the best case scenario, consistent with expected implementation of various anti-poverty programmes, there exists a financing gap of some US\$ 580 million for the period 2000-2001 that will require additional budgetary support from bilateral, multilateral and private sources. While the international donor community has designated Rwanda a "special case" country and sought to secure the necessary additional resources in innovative ways, it is still not certain when or how this financing shortfall will be actually met.

Needless to say, the attention to expected budgetary shortfalls has accentuated the importance of reconciling the multiple demands and pressures on Government's limited human and financial resources, and assuring the most effective use of the resources that are available.

In particular, the Government must maintain a commitment to extend the gains made in achieving macro-economic stability, at the same time that it seeks to rapidly improve the lives of ordinary Rwandans, most of whom live in conditions of abject poverty and still suffer from the incomprehensible events of 1994.

It is against this background that this first Human Development Report is written. The analysis and policy prescriptions which follow seek to encourage debate on how the Government of Rwanda and civil society can, together, meet their long term objectives to achieve human development in the wake of the daunting hurdles facing the country. In view of Rwanda's recent past, the focus of this first Human Development Report is understandably on the underlying requirement for social and political reconciliation that must be juxtaposed against ongoing efforts to achieve human development. Not only must Rwanda make strides in reducing the levels of income and human poverty, it must do so at the same time that progress must be assured in healing the terrible scars of the past. Indeed, both of these formidable challenges are inexorably inter-linked.

This report is organized into five chapters, in addition to the Agenda for Action found at the beginning of this report. The remainder of this chapter provides a broad overview of Rwanda's development challenges, focusing in particular on the legacy of the extended period of humanitarian assistance which began in 1994 and the country's current macro-economic environment. The second chapter turns to a summary of some of the conceptual and analytical constructs developed by UNDP over the decade of the 1990s to define and measure human development and poverty. These include the human development index (HDI) and the human poverty index (HPI). The chapter presents specific calculations made for Rwanda in past *Human Development Reports* prepared by UNDP Headquarters, as well as an update of Rwanda's Human Development Index (HDI) and Human Poverty Index (HPI) prepared in Kigali, using data sources not earlier available to UNDP staff in New York.

The third chapter examines Rwanda's important efforts to achieve social and political reconciliation. The chapter surveys some of the legal, institutional and social structures or actions that the Government has put in place to address this overriding issue. Many of these structures are now attempting to reach out to communities and all social groups in order to build an environment of greater mutual trust and confidence, coupled with extended participation in political and economic decision-making.

The fourth chapter presents an overview of human development and poverty trends. The chapter presents "snapshot summaries" designed to allow the reader to quickly examine data from a number of different perspectives/sectors in order to give a rapid interpretation of current poverty and human development conditions. The sectors identified are by no means the only ways that poverty and human development can be assessed, but they nonetheless demonstrate the challenges confronting Rwandan society.

The fifth chapter turns to exploring what are current Government policies that encourage human development and national reconciliation, and where current or potential policy gaps exist. The chapter likewise examines some of the institutional constraints blocking more effective implementation of existing or anticipated human development policies. The chapter argues that the Government has already made important strides in spelling out a human development strategy, but that there are certain policy areas that require more specific thought and articulation, both on the side of the Government and the international donor community. This focus is on what can be changed over the medium term to ensure that human development policies are better implemented.

The annexes to the report provide additional data and tables as well as an explanation of the mathematical formulae used in calculating some of the indicators and measurements given in earlier chapters.

The Legacy of Humanitarian Assistance

With the crisis in Rwanda generally subsided, national efforts are now being turned towards the rebuilding of the country's permanent structures and longer term development efforts. Yet even though the levels of humanitarian assistance have been rapidly falling over the last two years, the impact of humanitarian activities continues to have ongoing implications. Most significantly, the phasing down of humanitarian assistance reflects a "crowding out" trend which reverses the large inflows of aid that characterized the periods immediately following the genocide and the massive return of refugees. There is mounting concern that a void could be created in the sectors where international agencies were heavily engaged in project funding and implementation during the humanitarian phase, notably in the social sectors and agriculture. Increasingly, local communities and the Government of Rwanda are expected to take over projects and activities begun by international donors, without the requisite resources and capacities to sustain them. This potential shortfall may occur just at the time that the Rwandan government has initiated a major effort towards decentralization of economic and political decision-making. All together, the salary and non-salary recurrent cost implications of earlier humanitarian aid flows are expected to have long-term financial ramifications for Rwanda.

The Uniqueness of Rwanda's Humanitarian Requirements

In retrospect, Rwanda's crisis and the subsequent international response (i.e., its intensity, speed and timing) suggest that the events of 1994-1997 were probably unique in the history of international humanitarian operations. The crisis was cataclysmic, involving the destruction of all aspects of the Rwandan social fabric. At the same time, the crisis was not limited to a specific time period. Since 1994, the Government, with the support of the international community, has settled about 3.5 million people. This number includes about 2 million refugees (those who returned in 1994 -- the "old case load refugees" -- and those who returned in 1996 and 1997 - the "new case load refugees") and 1.5 million internally displaced persons. Most of the old case load refugees (800,000) returned in 1994, whereas the massive return of new case load refugees from the Democratic Republic of Congo (DRC) and Tanzania started in late 1996 and continued through March of 1997. Almost all these returnees and displaced persons have been resettled with the help of the international community. However, another 600,000 persons were displaced internally in 1997-98, notably in the northwest parts of the country, due to incursions by paramilitary forces of the former regime. Thus, housing and resettlement problems still remain one of the major challenges facing the country today in both the rural and urban areas.

Coupled with the magnitude of the crisis, the organizational involvement of the international community was likewise massive. Up to 200 NGOs, not to mention multilateral and bilateral agencies, were involved at the peak of the crisis. While international support no doubt saved hundreds of thousands of lives and helped to resettle many more, the efficiency and effectiveness of many international actors were not always of the highest caliber. Some lacked the knowledge and experience of the situation in which they were trying to intervene. Others were perceived by the young government as acting independently of government priorities. Such situations led to antagonism and frustration for many Rwandan organisations.

Coordination and Funding Levels

Numerous mechanisms were established to mobilize resources and orchestrate aid flows to the country. Most of these were established under the auspices of the United Nations system, including the UNDP Round Table process. Within the framework of the Round Table, for example, approximately \$2.86 billion was pledged by the international community. Disbursements that eventually resulted from these commitments amounted to 65 percent of pledges. The largest component of these commitments (33 percent) went towards essential human services, which included health, education, water, sanitation, shelter and general relief assistance. The productive sector (i.e., agriculture, rural development and industries) obtained 14 percent; economic infrastructure 14 percent; and administration and finance 23 percent. When classified by type, the largest component of assistance was allocated to relief assistance. In comparison, 30 percent went to technical assistance and balance of payments support.

Table 1.1
Sources of External Assistance to Rwanda, 1994-1997
(in millions US\$)

Origin	Pledges	Commitments	Disbursements
Multilateral	1,670.2	818.1	718.0
<i>UN agencies</i>	417.6	338.8	324.5
<i>Financial Inst.</i>	1,252.6	479.3	393.5
Bilateral	1,118.6	621.3	390.7
Total ODA	2,788.8	1,439.4	1,108.7
NGOs	66.8	86.8	24.9
Undetermined		41.6	
Total Assistance	2,855.5	1,567.8	1,133.6

Source: Government of Rwanda, MINECOFIN

Official development assistance (ODA) accounted for 97.6 percent of external humanitarian aid flows to Rwanda, while funding directly obtained by NGOs amounted to 2.4 percent. Pledges from multilateral sources constituted 58 percent of all pledges made, whereas bilateral assistance was \$1.118 billion or 39 percent. It should not be forgotten that most multilateral funding originated from bilateral sources since the major bilateral donors were also lead contributors to the various multilateral institutions and trust funds that have been used in Rwanda.

During the immediate post-crisis period (1994/95), 54 percent of all funding was channeled through NGOs, 32 percent through UN agencies and 14 percent directly to the Government. With the re-establishment of government institutions, the channel of resources began to shift away from NGOs. The UN agencies have been the main conduit of funds, accounting for 76 percent of donor assistance to the public sector.

It is now agreed that the level of funding and support to different sectors was unevenly focused, which often reflected the organizational mandates of the donor agencies involved rather than an objective assessment of overall needs. Education, for instance, received much smaller attention, relative to other sectors and compared to its recognized importance for rebuilding Rwandan society and human capital.

Constraints Imposed by Limited Institutional Capacity

Per capita humanitarian assistance to Rwanda has been among the highest in Africa. Rwanda received \$61 per capita between 1994 to 1997, compared to \$18 for southern Sudan and \$8 for Angola. However, benefits accruing to Rwandan citizens were not on the scale as the level of donated resources. One problem has been that disbursements, in relation to funds committed, were low: barely 25 percent in 1995, 47 percent in 1996 and 57 percent in 1997. Donors argued that the committed funds would be disbursed as government capacity expanded and viable programmes were presented. Though commitments and disbursements are normally made without pre-conditions, the administrative process often proved to be much too complicated for local capacity. Procedures for disbursements were sometimes complex for government offices and often did not allow for speedy response. The lack of coordination among donors was another dimension of disbursements which made it difficult for the Government to take full advantage of the assistance, either committed or actually received.

A related aspect of humanitarian aid disbursement that compromised the benefits accruing to recipients was the cost of administering the assistance. Because of the lack of national institutional capacity after 1994, administrative costs charged to most programmes were in the range of 20 to 70 percent, with three out of every four agencies budgeting between 25 to 50 percent for overhead. Thus, the net amount of resources actually received by beneficiaries was as low as 25 cents to the dollar, or in the best case, no more than 50 cents.

In sum, the Rwanda crisis did not represent a linear continuum from relief to rehabilitation to development. Rehabilitation efforts in numerous areas of intervention began soon after the new Government assumed power in July 1994, while massive relief operations continued. It would thus be restrictive and inappropriate to view Rwanda's humanitarian assistance in the 'traditional' sense as primarily concerned with saving of human life. Humanitarian assistance became a process in which emergency relief was only part of a bigger agenda targeted at achieving a variety of objectives beyond the immediate relief of human suffering. From this perspective, most interventions directed to the country from 1994 to 1997 are considered humanitarian assistance except for loans and direct investments made into the productive sectors of the economy.

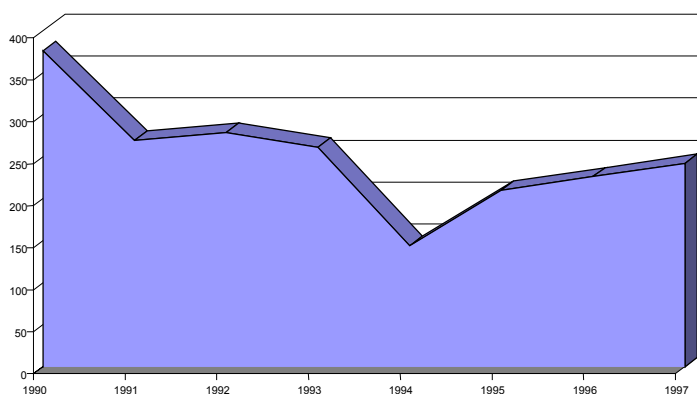
The Macro-Economic Environment

Rwanda's macro-economic environment, like the legacy of humanitarian assistance, has important implications for human development. However, the long term structural issues confronting the economy have their origins well before the events of 1994. This section briefly looks at some of the macro-economic issues affecting the country, although this important aspect of human development is further explored in Chapter 5.

Macro-economic Overview

Rwanda's economy experienced rapid GDP growth and economic stability in the 1960s and 1970s, with real GDP growth of 6.5 percent per annum during the period 1973-80. Yet, real GDP growth declined to an average of 2.9 percent in 1980-85, and further to -0.3 percent in 1986-90. In the wake of this economic stagnation, GNP per capita which had risen from US\$70 in 1973 to a peak of US\$390 in 1989, fell to US\$250 in 1993. The prolonged decline in domestic economic production and incomes resulted in increased poverty, stagnant government revenues, a steep decline in exports, increased dependency on external assistance and a high external debt burden.

Figure 1.1
GNP Per Capita (in US\$)



Source: Rwanda Development Indicators 1999, MINECOFIN.

As a result of the war and genocide of 1994, real GDP fell by a further 50 percent and the inflation rate (measured by the GDP deflator) rose sharply to 62 percent compared to 12.4 percent in 1993. Figure 1.1 graphically demonstrates the decline in GDP per capita which reflects both the drop in economic activity and the huge population movements. With the restoration of peace in most parts of the country, new policy measures were put in place to ensure stricter fiscal and financial control as well as better control the large inflows of external assistance. Consequently, GDP rebounded by nearly 35 percent in 1995, 15.8 percent in 1996, almost 13 percent in 1997, and 9.6 percent in 1998. The inflation rate had declined to 16 percent by 1997 and approximately 3 percent in 1998. In addition, the exchange rate was liberalized and has remained stable at slightly over Frw 300 for US\$1. However, GNP per capita in 1996 was only US\$225 and real GDP at the end of 1997 was only 80 percent of its pre-war level. Agricultural production has reached 86 percent of the country's normal production and industrial production is about 78 percent of the prewar level (1990 level).

Agriculture continues to be the major sector of the economy, contributing 37 percent of GDP in the past two years and employing 91 percent of the labour force. Coffee and tea remain the principal export crops, but most agricultural production is still subsistence agriculture, primarily for household or community consumption. Industry and manufacturing constitute 22 percent of GDP and employ about 2 percent of the population. Services, transport and communication account for the remaining 40 percent of GDP and employ 7 percent of the labour force.

Table
Rwanda's Basic Economic Indicators,

Indicator	1993	1994	1995	1996	1997	1998
GDP (in 1995 Frw)	500,460	250,939	337,200	390,639	440,714	483,003
GDP Growth Rates (%)	-8.5	-49.9	34.4	15.8	12.9	9.6
Agriculture Growth (%)	-14.7	-44.0	36.5	12.1	4.2	10.4
Industry Growth (%)	-13.7	-46.8	19.6	16.0	22.1	11.3
Consumer Price (1989=100)	142.9	151.1*	285.3	311.9	365.3	380.1
Exchange rate (Frw/US\$)	144	138	290	307	302	315

Source: *Rwanda Development Indicators 1999*, INECOFIN
* CPI for 1994: data exist only for January

Overall, the economy remains highly dependent on external aid. It lacks the resources to cope with the myriad of internal situations that place heavy demands on the national treasury. Such external inflows, coupled with measures taken to reactivate the productive sectors, have helped to stabilize the economy. But it has, however, not regained its pre-war levels. Structural problem-areas of the economy are the unsustainable debt burden, the prevalence and intensity of poverty, and high unemployment.

Rwanda's Debt Situation

No doubt the most pressing preoccupation of the Government is the country's debt burden, most of which has been inherited from pre-1994 commitments. Rwanda's external and domestic debt rose rapidly from just under US\$400 million in 1985 to about US\$ 1.0 billion in 1996 and US\$1.4 billion by the end of 1998, equivalent to 72 percent of GDP. In 1998, the Government spent US\$ 0.80 on health and US\$4.80 on education, while debt service on a per capita basis was US\$ 6.80. The debt increase in the 1980s was mainly due to the decline in commodity prices, especially for coffee on which Rwanda depended for external revenue, and the stagnation of the economy. Of the approximately US\$1.2 billion debt, approximately 81 percent is owed to multilateral creditors, which include US\$642 million to the World Bank/International Development Association, US\$220 million to the African Development Bank, and US\$56 million to the IMF. Other major multilateral creditors are the International Fund for Agricultural Development (IFAD), the Saudi Fund, the Arab Bank for Economic Development in Africa (ABEDA), and the Organization of Petroleum Exporting Countries (OPEC). In addition, Rwanda owes bilateral creditors US\$184 million (13 percent of the total). US\$80 million (6 percent) of this amount was owed to the Paris Club. Total arrears amounted to US\$98 million at the end of 1997, which is equivalent to 9.1 percent of total external debt including arrears. Rwanda's distribution of external debt is shown in table 1.3 below.

There is general agreement that Rwanda's debt burden is unsustainable, based on even the more 'conservative' criteria used as part of the HIPC Initiative (Heavily Indebted Poor Countries). Although most of Rwanda's debt is concessional at an average interest rate on official loans of about 1 percent, the net present value of external debt in 1997 was 557 percent of exports and the stock of external debt was 606 percent of government revenues. Also, external debt service owed was 32 percent of goods and non factor services and 23 percent of government revenues during the same period.

Table 1.3
Distribution of Rwanda's Total Debt
(in millions of US\$, 1998 est.)

Creditor	Debt Outstanding	Percent
Multilaterals	1,028.2	72%
World Bank/IDA	641.8	45%
AfDB	219.9	15%
IMF	56.3	4%
ABEDA	32.5	2%
EEC	29.6	<2%
IFAD	20.0	1%
Others	18.9	<1%
Bilaterals	184.3	13%
Paris Club	80.2	6%
France	44.2	3%
Others	59.9	4%
Domestic Debt	220.5	15%
Total	1,433.0	100%

N.B. Percentages may not add, due to rounding.

The ESAF Programme, HIPC and the Debt Burden

The Government has taken various steps to address the debt burden and improve macro-economic stability, including negotiating an ESAF (Enhanced Structural Adjustment Facility) programme with the IMF and establishing a Multilateral Debt Trust Fund under the auspices of the

World Bank. Since 1996, the Government, under an IMF "shadow programme," has made significant progress on the economic front as explained above. However, current economic achievements have been possible largely due to external resource inflows and less to the recovery of the productive capacity, especially exports. In order to reach economic and social sustainability and escape from the debt trap, the Government has committed itself to the ESAF programme based on the Policy Framework Paper for 1998/99-2000/01 which was agreed on with the IMF and World Bank. Negotiations on the ESAF programme started in February 1998 and concluded in June 1998. Overall, the Government is determined to take measures to stabilize public finances, accelerate structural measures to raise the competitive position of the economy, and implement an anti-poverty programme, in particular, revamping the rural economy and improving social indicators. More specifically, the Government's medium-term economic strategy is designed to: (i) strengthen mobilisation of public resources and management; (ii) maintain macro-economic stability conducive to private savings and investment (iii) establish an institutional, legal and infrastructure framework that is supportive of private sector activity and external competitiveness; (iv) prioritize expenditures toward human resource development and skills formation (science and technology); (v) actively promote the development of agriculture and reduction of poverty; and (vi) consolidate the progress made with respect to national reintegration, reconciliation, governance and transparency.

Box 1.1
The HIPC Debt Initiative

The HIPC (heavily indebted poor countries) Debt Initiative is a joint World Bank-IMF effort aimed at facilitating a comprehensive resolution of eligible poor countries' debt problem. The principal objective of the Initiative is bring down a poor country's debt burden to sustainable levels – subject to agreed policy performance – so that the participating country's economic reform efforts are not put at risk by continued high debt and debt service burdens.

To qualify for HIPC debt relief, a country must be IDA-eligible and face an unsustainable debt situation after seeking recourse through all currently available debt relief mechanisms, as well as having demonstrated at least three years of an acceptable track record of economic adjustment and reform.

The Initiative seeks to bring a country's debt sustainability into the range of 200-250 percent net present value (NPV) of the debt-to-exports ratio and 20-25 percent of the debt service-to-export ratio.

The Government sees the ESAF framework as key to economic development and tackling the debt problem. The successful implementation of the ESAF programme will be necessary for Rwanda to qualify for the HIPC Initiative. However, the debt problem will have to be dealt with along side the three year timeframe of the ESAF programme. In this respect, the Government established a Multilateral Debt Trust Fund, managed by the World Bank, to mobilize funds from donors to pay the debt service due to IDA, AfDB and IFAD during the period prior to HIPC eligibility (i.e., 1998/99-2000/01). At the same time, the capacity of the Government to carry out reforms in the implementation of ESAF is constrained by the serious shortage of qualified and competent personnel. Consequently, extra resources will continue to be needed for the medium term to strengthen ongoing institutional and capacity building efforts.

Chapter II Rwanda's Human Development Indicators

Human Development and Poverty Reduction: Conceptual Issues and Definitions

Since UNDP's first *Human Development Report* appeared in 1990, the notion of human development has evolved and been refined to become a widely accepted concept used by the international community in considering how governments and societies meet the basic needs and aspirations of their citizens. At the heart of the concept of human development is the "process of enlarging people's choices." Previous theories of development had often given exclusive attention to economic growth -- on the assumption that growth would ultimately benefit everyone. Human development offers a broader and deeper perspective. Clearly, economic growth is vital; no society is able to maintain the welfare of its people without continuous periods of economic growth. But growth on its own is not sufficient. It has to be translated into improvements in people's lives. Economic growth is not the *objective* of human development. Economic growth is but one *means*.

If human development is about enlarging people's choices, then the range of choices can vary enormously depending upon the individuals concerned and the country in question. Human development is not just a concept affecting developing countries, but applies equally to middle-income and industrial countries. But in all countries, there are three fundamental choices that should be open to people. They should be able: to lead a long and healthy life, to acquire knowledge, and to have access to the resources needed for an acceptable standard of living. If these essential choices are not available, many other opportunities remain inaccessible.

Additional choices sought by many people include political and social freedom and opportunities for being creative and productive that accompany personal self-respect and guaranteed human rights. Human development thus has two facets. One is the formation of human capabilities, such as improved health, knowledge and skills. The other is the use people make of their acquired capabilities both for productive, economic purposes, and for being active in cultural, social or political affairs.

There are two other elements that have come to be important in defining human development. These are equity and sustainability. Human development is impossible without gender equality. As long as women are excluded from the development process, development will remain ineffective and skewed. In addition, human development has come to emphasise the sustainability of the development process. Equal opportunities must be available to both present and future generations. Development must be carried out within the carrying capacity of the environment, giving high priority to environmental regeneration in order to protect the opportunities of future generations.

In sum, as the 1995 *Human Development Report* pointed out, there are four major elements in the concept of human development: productivity, equity, sustainability and empowerment (Box 2.1). Through expanded capabilities, the creativity and productivity of people must be increased for them to become effective agents of economic growth. In turn, economic growth must be combined with equitable distribution of its benefits. Equitable opportunities must be available both within and across generations. And all people, women and men, must be empowered to participate in the design and implementation of key decisions that influence their lives.

Box 2.1
The Four Essential Components of Human Development

Productivity. People must be enabled to increase their productivity and to participate fully in the process of income generation and remunerative employment. Economic growth is, therefore, a subset of human development.

Equity. People must have access to equal opportunities. All barriers to economic and political opportunities must be eliminated so that people can participate in, and benefit from, these opportunities.

Sustainability. Access to opportunities must be ensured not only for the present generations, but for future generations as well. All forms of capital -- physical, human, environmental -- should be replenished.

Empowerment. Development must be by people, not only for people. People must participate fully in the decisions and processes that shape their lives.

Source: 1995 Human Development Report

Human Development and Poverty Reduction

The 1997 *Human Development Report* sought to bring conceptual clarity to what had been an often confusing debate in international discussions of human development, namely, the relationship between human development and poverty reduction. As pointed out in the 1997 HDR, if human development is about expanding people's opportunities as well as raising their level of well-being, then poverty means that opportunities most basic to human development are denied. The poor lack the ability to lead a long, healthy life or to enjoy a decent standard of living, and they may lack self-respect and dignity. The contrast between human development and poverty reflects two different perspectives on societal change. The former focuses on advances made by all groups of people in a given community or society, while the latter is concerned with the conditions in which the poor and deprived, as a distinct group, find themselves in a community or society. Interest in the process of development concerns both perspectives, although -- as noted above -- this first national HDR is particularly concerned with poverty reduction as a critical first step in advancing human development in Rwanda.

In recent years, the international debate over poverty has highlighted that poverty is too complex a phenomenon to be captured by a single dimension or measurement. By and large, however, three different approaches are commonly used to define or measure poverty. The first is an income- or consumption-based definition of poverty. A person is poor when he or she falls below a certain pre-determined poverty line as measured by household income or expenditure. Another interpretation involves a "basic needs" approach; poverty is the lack of material requirements to meet minimally accepted needs, including food and basic social services. A third interpretation put forward in the 1997 *Human Development Report* is a "capabilities perspective." In this view, poverty lies not merely in the impoverished state in which a person lives, but also in the lack of real opportunity to lead valued and valuable lives --due to social constraints as well as personal circumstances. The capabilities approach has built on other earlier analyses of poverty which sought to understand local self-definitions of poverty and social exclusion. For developing countries such as Rwanda, issues of poverty involve hunger, illiteracy, lack of health services and safe water, poor housing, lack of productive employment opportunities, and perhaps most significantly, lack of physical security for all Rwandans.

Box 2.2
Three Perspectives on Defining Poverty

Income Perspective. A person is poor when his or her income or consumption level fall below a defined poverty line. In many countries, the cut-off line is defined in terms of having enough income for a specified amount of food.

Basic Needs Perspective. A person is poor when deprived of material requirements for a minimally acceptable fulfillment of human needs, including food, income, basic health and education, and other essential services.

Capabilities Perspective. A person is poor in the absence of some basic capabilities to function, where functioning is defined in physical terms (lack of adequate food, clothing, shelter, health and education) and social terms (lack of opportunities for social and cultural participation).

Source: 1997 *Human Development Report*

Measures of Human Development and Poverty

To ensure that development planning was directed towards people's needs, the 1990 *Human Development Report* introduced the human development index (HDI). The HDI was envisioned as a potential tool for helping policy-makers and planners determine how well they were doing in meeting the fundamental needs of their citizens. The HDI is a quantitative measure which combines indicators of national income, life expectancy and educational attainment. These indicators were chosen as a means of combining both economic and social indicators to give a composite gauge of human progress. The HDI does not measure absolute levels of human development. Rather, it ranks countries in relation to each other, according to how far they have come from the lowest levels of achievement and how far they will have to go toward the present highest level of achievement on each of the three indicators. It is important to recognize that the HDI examines the average condition of all people within a country; distributional inequalities for various groups or regions of a country are not captured by the HDI, but have to be calculated separately.

As greater attention began to be paid to the gender dimensions of human development, two other aggregate indicators have also been recently developed. These are the gender-related development index (GDI) and the gender empowerment index (GEM). The GDI measures gains made in the same basic categories as the HDI, but takes note of inequality in gains between men and women. The methodology imposes a 'penalty' for inequality, such that the GDI falls when the achievement levels of both women and men in a country go down or when the disparity between their achievement increases. The greater the gender disparity in basic capabilities, the lower a country's GDI compared with its HDI. The GEM examines whether women and men are able to actively participate in economic and political life and take part in decision-making. While the GDI focuses on expansion of capabilities, the GEM is concerned with the use of those capabilities to take advantage of life opportunities.

Box 2.3
UNDP's Measures of Human Development and Poverty

Human Development Index. The human development index (HDI) measures the average achievements in a country measured in three composite variables life expectancy, educational attainment (adult literacy and combined primary, secondary and tertiary enrollment) and real GDP per capita.

Gender-related Development Index. The gender-related development index (GDI) measures achievements in the same dimensions and variables as the HDI, but takes into account inequality in achievement between women and men. The greater the gender disparity in basic human development, the lower a country's GDI compared with its HDI.

Gender Empowerment Measure. The gender empowerment measure (GEM) indicates whether women are able to actively participate in economic and political life. It focuses on women's involvement in key areas of economic, social and political participation and decision-making.

Human Poverty Index. The human poverty index (HPI) measures deprivation in the same dimensions as the HDI. The variables used are the percentage of people expected to die before age 40, the percentage of illiterate adults, and a composite economic variable consisting of the percentage of people without access to health services and safe water, and the percentage of underweight children under age five.

Attention to human development and poverty also resulted in a fourth indicator being developed by UNDP in 1997, the human poverty index (HPI). The HPI attempts to bring together, in a composite index, different characteristics of deprivation in the quality of life in order to arrive at an aggregated determination of the extent of poverty in a country (or community). The HPI concentrates on the deprivation of three essential elements of human life already reflected in the original HDI -- longevity, education, and standard of living. In the HPI, the first deprivation concerns the vulnerability of death at a relatively young age, the percentage of people expected to die before age 40. The second deprivation is measured by the percentage of adults who are illiterate. And the third is a composite of three variables that attempt to capture economic access. The three sub-variables are the percentage of people with access to health services and safe water, and the percentage of malnourished children under five. Health and safe water were seen as representative of access to public economic 'provisioning' while the prevalence of under-five malnutrition was seen as representative of private economic provisioning. For planning purposes, the HPI was envisioned to be a useful complement to income measures of poverty and for identifying areas of concentrated poverty within a country.

Past Measures of Human Development and Poverty in Rwanda

How has Rwanda fared in calculations made by UNDP in past *Human Development Reports* of these various indicators? The table below is instructive both for the information it does provide as well as for the cells where data are not available or were not calculated. (The shaded cells with no entry indicate that no calculations were made for any country, i.e., the indicator had not yet been devised.)

Table 2.1
Rwanda's Ranking by Various Development Indicators

Human Development Report by Year	Human Development Index and Ranking	Gender-Related Development Index	Gender Empowerment Measure	Human Poverty Index (%) and Ranking
1991	0.213 133/160			
1992	0.186 134/160			
1995	0.332 156/174			
1996	0.332 152/174	n/a	0.253	
1997	0.187 174/175	n/a	N/a	37.9 48/78
1998	n/a	n/a	N/a	n/a
1999	0.379 164/174	n/a	n/a	n/a

The column with Rwanda's HDI is obviously most informative. To put the HDI in perspective, countries with an index above 0.800 would be considered to have high human development (e.g., Norway, France, Japan). Countries with an index between 0.500 and 0.799 would be classified as having median human development (e.g., Indonesia, China, Saudi Arabia). And countries below 0.500 would be classified as having low human development. It is not clear from the data why there were fairly significant inter-year changes in the HDI in 1992 and again in 1995 and 1996. The 1997 HDI picks up for the first time the precipitous decline in human development standards caused by the events of 1994. In 1997, only Sierra Leone had a lower HDI, another country caught in a devastating conflict situation. In this same year, the average HDI for all of Sub-Saharan Africa was 0.380, compared to 0.576 for all developing countries.¹ In 1998, UNDP Headquarters did not calculate an HDI for Rwanda or any of the other indicators, but by 1999, the HDI calculation showed an improvement to 0.379 and a change in the country ranking by 10, from 174 to 164.

It is interesting to note that the HPI calculated in 1997 for 78 countries placed Rwanda in the middle group of countries. This could be interpreted to poor quality of the data. Or hopefully, it meant that Rwanda actually had better statistics for the variables used to calculate the HPI than for the variables used to calculate the HDI. This would suggest that the depth of Rwanda's poverty might not be as great as some other countries, even though the incidence of poverty might be substantial using human development indicators. Finally, it should be pointed out that there were not sufficient data to calculate the gender-related measures except for the GEM in 1996, nor were there enough data to make any calculations in 1998.

¹ The 1997 *Human Development Report* made *ex post* calculations of Rwanda's HDI for 1960, 1970 and 1980. These were, respectively, 0.185, 0.215 and 0.244. The 1960 HDI -- compared to the HDI for 1997 of 0.187 -- shows the devastating effects of the terrible events of 1994 -- the 'lost' decade of development.

Given the calculation of Rwanda's HDI and HPI, how does Rwanda compare with other countries of the Great Lakes Region and East Africa. The table below shows comparisons with several neighbouring countries, as estimated in the 1997 *Human Development Report*, the only year for which there are estimations made for all the countries.

Table 2.2
HPI and HDI Comparisons with Neighbouring Countries, 1997

Country	HPI Value (%)	HPI Rank	HDI	HDI Rank
Rwanda	37.9	48	0.187	174
Uganda	41.3	53	0.328	159
Kenya	26.1	32	0.463	134
Tanzania	39.7	50	0.357	149
D.R. Congo	41.2	52	0.381	142
Burundi	49.0	69	0.247	169

As can be seen in the table above, Rwanda on the HPI measure is faring better than her neighbours with the exception of Kenya. Rwanda had a HPI value of 37.8 percent in 1997, implying that about 38 percent of the Rwandan population suffers human deprivation *as measured by the HPI*. Both Rwanda's HDI and HDI rank for 1997 continue to show the residual effects of the war and genocide when compared with neighbouring countries. The seeming disparity between Rwanda's HDI and HPI calculations can be explained both by the large inflows of humanitarian assistance which raised some poverty indicators, as well as by the relatively 'egalitarian' impact of poverty trends across most of Rwandan society. Most Rwandans were obviously worse off because of the genocide, war and displacement than their counterparts in neighbouring countries. At the same time, income and social inequality in neighbouring countries was greater across socio-economic groups than in Rwanda.

Local Measures of Human Development and Poverty in Rwanda

Past determinations of Rwanda's human development and poverty indices, given above, are based on calculations made by UNDP Headquarters in New York. The section now turns to local calculations of the HDI and HPI, using data that were not available for UNDP staff in New York. The ability to collect data on these kinds of variables – a point discussed later in this report -- has significant implications for Rwanda's ability both to formulate more responsive policies for sustainable human development, as well as to monitor them over time.

The Human Development Index

As just noted, the HDI is based on three indicators: life expectancy at birth; educational attainment, as measured by a combination of adult literacy and the combined first, secondary and tertiary level enrollment ratio; and standard of living, as measured by real GDP per capita in purchasing power parity in US\$ (PPP\$). The updated HDI for Rwanda is computed using UNDP's standard formula. (See Appendix 3 for a more detailed explanation of how the HDI is calculated.) The following values were used in the computation of the HDI.

Indicator	1996
Life expectancy (years)	49.2
Adult literacy (%)	52.7
Combined gross enrollment ratio ²	48.5
Real GDP per capita (PPP\$) ³	630

Using these values, the HDI is a simple average of life expectancy index, educational attainment index and adjusted real GDP per capita (PPP\$) index, with the results shown below.

Indicator	Indices
Life expectancy index	0.4033
Educational attainment index	0.513
Adjusted real GDP per capita (PPP\$) index	0.0853
Sum of indices	1.0016
Human Development Index (HDI)	0.3339

This HDI of 0.334 is quite close to that calculated in the 1990 *Human Development Report* (using 1987 data), and not significantly different from the calculation of 0.379 in the 1999 *Human Development Report*. It shows a 78.6 percent increase from the HDI of 0.187 estimated in the 1997 HDR using 1994 data. This is an indication of a great improvement in the basic economic and social conditions since 1994. The increase in national income, more spending in the social sectors, and expanded educational attainment have been the major contributing factors to such an improvement in human development. Investment in the social sector in Rwanda shows up in higher literacy rates and greater numbers of children enrolled in school. The higher educational attainment is mainly due to expanded school enrollment, especially at the primary school level, in 1996/97 when over a million Rwandan refugees returned home from the DRC and Tanzania.

It would also have been useful to estimate the HDI for all the prefectures of the country in order to get a clearer picture of the variation of human development levels in these regions, but the lack of reliable data precluded such a disaggregated analysis.

² For the combined gross enrollment ratio, only primary school and secondary school enrollment were taken into account. There are no data available for tertiary sector.

³ Data obtained from the World Bank Development Indicators.

In comparison to other sub-Saharan countries, Rwanda's updated HDI of 0.334 is equivalent to that of Malawi's estimate in the 1998 *Human Development Report*. With this HDI value, Malawi is ranked 161st out of 174 countries included in the 1998 *Human Development Report*. And this comparison is also very close to that found in the 1999 *Human Development Report* which ranked Rwanda 164 out of 174 countries.

The Human Poverty Index

As noted earlier in this chapter, the human poverty index defines human development using a deprivational perspective in which development is measured by the way the poor and the deprived fare in each community. The HPI differs from HDI in that the latter focuses on progress in a community as a whole, while the former focuses on the situation and progress of the most deprived people in the community. In general, the HDI measures the overall progress of a country in human development. However, it does not capture the unequal distribution of that progress or how widespread is poverty.

The HPI is composed of three variables designed to measure deprivation: life expectancy, knowledge, and a decent living standard. The first deprivation relates to survival or the vulnerability to death at an early age, which is represented by the percentage of people expected to die before age 40. Knowledge is measured by the percentage of adults who are illiterate. The third aspect, decent standard of living, is represented by a composite of three variables. These are: the percentage of people with access to health services, access to safe water and the percentage of malnourished children under five. The formulae for calculating the HPI are found in Appendix 4.

The updated calculation of Rwanda's HPI is shown in the table below, where the HPI value is calculated to be nearly 42 percent. This percentage is higher than that of 38 percent calculated in the 1997 *Human Development Report*, suggesting a somewhat higher level of deprivation than estimated originally.

Table 4.5
Updated Estimate of Rwanda's HPI

People not expected to survive to age 40 (%) 1990	Adult illiteracy rate (%) (1996)	People without access to safe water (%) 1996	People without access to health services (%) 1990-95	Underweight children under age 5 (%) 1990-96	Overall	HPI Value (%)
(P1) 42.1	(P2) 47.3	(P3.1) 56	(P3.2) 20	(P3.3) 29	(P3) 35	41.9

In closing, one should recognize the utility and limitations of the HDI and HPI and other indices noted above. As the local calculations of Rwanda's HDI and HPI would suggest, different data sources can give considerable differences in the estimated outcomes. But these indices -- however imperfect -- can guide policy makers in knowing the general thrust and direction of human development and poverty trends. And as data collection improves on basic social and economic indicators, then the reliability of these indices -- used in conjunction with other kinds of indicators -- can be of even more use in shaping public policy debates and decisions.

Chapt III Rwanda's Efforts to Achieve Social and Political Reconciliation

The promotion of human development obviously does not take place in a vacuum, divorced from the broader historical, economic and social panorama in which Rwanda finds itself. At the close of the millennium, it is the confluence of a number of social, political and economic trends within this panorama through which any efforts to promote human development must build. These determinants are certainly well known and often discussed within Rwandan society and the international community, forming the backdrop to an ongoing debate on how Rwanda's development should proceed.

By any measure, the single most important determinant affecting Rwanda's future is the tragic legacy of the social divisions which have plagued the country since ethnic distinctions were first exacerbated during the colonial era. Unlike virtually all other ethnic differences in Africa, Rwandan Tutsis and Hutus (and Twa) speak the same language, share the same religions, have lived side by side for centuries, and often inter-married; but thirty years of ethnocentric political rule and often extremist ideology precipitated what culminated in the incomprehensible events of 1994. As many as 800,000 to a million people were killed in the genocide, half the population was displaced, and virtually the entire country faced staggering resettlement and rehabilitation needs. Most of the trained manpower in the country was either killed or fled the country, leaving the new government with the herculean task of rebuilding public and private institutions almost from scratch. The challenge was made even more difficult by the massive return of over one million refugees from neighboring countries in 1996.

It is not the intent here to repeat or interpret the chronology of these sad events in Rwanda's history. What is significant for this report, however, is the unprecedented goal which the government of Rwanda has set for itself in the political and social transition of Rwandan society. As noted in a recent assessment of Rwanda, "[R]arely in human history has a society asked – indeed insisted – that all its people live together again, side by side, in the aftermath of genocide. That is, however, the task at hand in Rwanda. The people of Rwanda are attempting to do what few societies in recorded history have done. Post-genocide Rwanda ... is charting a dramatically different course. The country and its people are seeking to endure as one. A society torn apart by an attempt to obliterate an entire group is attempting to reestablish the trust needed to carry on."⁴

In many tangible ways, the social and political transformation is under full steam. A number of important deliberative bodies has been established with the aim of tangibly addressing the politically and socially sensitive tasks that must precede national reconciliation. These include the National Transition Assembly and a number of local elected bodies, the Human Rights Commission, the Unity and Reconciliation Commission, and the rebuilding of the judiciary system.

⁴ U.S. Committee for Refugees, *Suspicion and Reintegration in Post-Genocide Rwanda*, Washington, February 1998.

Many of the social and political initiatives now being implemented have their origins in the Arusha Accords of August 1993. The Accords laid out the guiding principles aimed at establishing a multi-party democratic government that promoted a unified Rwandan society not split along ethnic lines.

Box 3.1	
The Psychological Impact of Genocide on Rwandan Children	
<u>Exposure to Traumatic Events</u>	<u>Percentage of Children</u>
Witnessed violence	95.9%
Experienced death in the family	79.6%
Witnessed someone being killed or injured	69.5%
Were threatened with death	61.5%
Believed they would die	90.6%
Witnessed killings or injuries with machete	57.7%
Witnessed rape or sexual assault	31.4%
Saw dead bodies or parts of bodies	87.5%

Source: UNICEF, National Trauma Survey, 1995 (based on interviews of 3,030 children).

Some of these efforts by Government in promoting political and social reconciliation are further highlighted below.

Transitional National Assembly, Decentralization and Local Elections

The Transitional National Assembly

The Transitional National Assembly has evolved over the years to become a deliberative and independent voice, often calling to account government policies and actions. The considerable presidential powers that had existed at the time of the 1991 constitution have been curtailed, allowing the Assembly to play a more active role in debating national policies and priorities. The Assembly also reflects the efforts to encourage greater multi-party participation, although the Assembly has excluded two political parties that were heavily implicated in the events leading up to and during the genocide – the MRND and the CDR. Table 3.1 below shows the allocation of deputies by major national party by number of deputies. In the Transitional Assembly, the Rwandan Patriotic Army and the National Police are given a small but not insignificant representation, as part of the Government’s ongoing concerns about national security issues.

One of the interesting debates and areas of disagreement that has emerged in the debate over parliamentary and presidential powers has involved the appointment and dismissal of government ministers. The Assembly can put forward candidates for ministerial appointments, whom the President can accept or reject. At the same time, the President can dismiss ministers at his discretion, although the dismissal of a Prime Minister requires a two-thirds vote of approval by the Assembly. At the same time, the relationship between ministers and the Assembly has not always been smooth; the Assembly has encountered resistance from some ministers, and has recently voted to remove two ministers from office. The Assembly has had more success in removing some of its own members, some of whom have been ousted for misconduct or incompetence.

Table 3.1
Political Party Representation in the National Assembly

Party	Number of Deputies
Rwandan Patriotic Front (RPF)	13
Mouvement democratique republicain (MDR)	13
Parti social democrate (PSD)	13
Parti liberal (PL)	13
Parti chretien democrate (PCD)	6
Others	6
Armed forces/National police	6
TOTAL	70

Decentralization

The Government of Rwanda recognized early on in its tenure that the highly centralized nature of the former regime contributed substantially to the abuses that occurred in 1994. For this reason and to ensure greater public efficiency and effectiveness, the Government is committed to creating a decentralized governance structure that ensures transparency, open dialogue, participation of local citizens, and a genuine transfer of power and decision-making from the central to the local level. Given the complexity of the task, the decentralization process has just begun to get under way in 1999. Transfer of responsibility will entail a gradual decentralization of administrative and financial systems, where decisions concerning planning, community development and overall resource mobilisation and allocation are realized through broad-based local participatory methods. A policy directive and eventual law to this effect are in the process of elaboration. Successful implementation of the decentralization initiative will require, however, considerable capacity building to strengthen both central and, more importantly, local-level authorities, whose competencies must be built upon such areas as participatory leadership and in decentralized administrative and financial procedures. The newly formed Ministry of Local Government is the prime entity facilitating this decentralized government restructuring and implementation. One of its first tasks has been to organize local-level elections.

Local Elections

In late March 1999, the Ministry of Local Government organized and successfully carried out local elections at the cell and sector levels. These elections represented the first effort to fill elective positions for both sector and cell executive councils with responsibilities for a wide range of economic and social goals. The executive councils are comprised of 10 specific posts or functions: the council head and a secretary, as well as council members responsible for youth, gender, health and social welfare, security, information, finance, education, and culture. In addition, advisory councils at the cell level were established which include all persons 18 years or older. Sector councils include members of the executive sector councils, leaders of cells, and two representatives of women, youth, and respected private citizens from every cell. As a next step in the decentralization process, Communal Development Committees (CDCs) are being established among sectors of Communes in order to share, allocate and monitor the investment of development funds. These CDCs will include sector sub-

committees on socio-economic and development affairs, sector coordinators and the Burgomaster. The CDCs thus represent a new and more inclusive power-sharing arrangement with the historical burgomaster structure.

The Rwandan response to the local elections was overwhelmingly positive and supportive. Voter participation was estimated at approximately 95percent of eligible voters, representing an extremely high turnout of both men and women. The newly elected committees have created new expectations, specifically that new leaders will be responsive to local needs and demands, and that people will be able to exercise increased control over decisions concerning their own lives. This new form of leadership is being supported through a recently established training programme designed to inform the new leaders of principles and methods of participatory leadership and collective decision-making.

Human Rights Commission

Disregard for the fundamental rights of Rwandan citizens by the Habyarimana government reached its apotheosis with the 1994 genocide. However, even before 1994, the degree of human rights violations had attained so high a level that the parties to the Arusha peace process included the subject of human rights on the agenda of the negotiations that culminated in the August 1993 Peace Agreement and its various protocols. Among these was the Protocol of Agreement between the Government of the Republic of Rwanda and the Rwandan Patriotic Front on the Rule of Law, signed at Arusha on 18 September 1992.

Under this Protocol, the two parties recognized the universal character of human rights. They undertook to “express concern when these rights are violated anywhere and by anybody”. They also agreed upon the establishment of an independent National Commission on Human Rights to “investigate human rights violations committed by anybody on Rwandese territory, in particular, by organs of the State and individuals in their capacity as agents of the State or of various organisations”. The Commission was to use the findings of its investigations, which were to be unlimited in time, to sensitize and educate the population about human rights and to institute legal proceedings, where necessary.

The Commission was to be provided with the necessary means, especially legal means, to efficiently accomplish its mission.

Between August 1995 and November 1997, the Government several times tabled a bill for the establishment of a National Human Rights Commission before the Transitional National Assembly. Several times it withdrew the bill for reconsideration and redrafting in the light of amendments proposed during parliamentary debate by members of the Assembly. Eventually, on 11 November 1997, the President of the Republic issued an order establishing the National Human Rights Commission. The provisions of this presidential order were re-enacted, with some modifications, by the Transitional National Assembly on 19 January 1999 and promulgated by the President of the Republic as Law No. 04/99 of 12 March 1999.

Under the terms of the law of 12 March 1999, the duration of the National Human Rights Commission is unlimited, and its independence is affirmed. The Commission’s general mandate is to investigate and prosecute human rights violations committed by anyone on Rwandan territory, especially State organs and individuals under the cover of the State as well as any organization operating in Rwanda. The Commission is required to submit reports on all detected cases of violations of human rights to the Office of the President, to the Government, to the National Assembly and to the Supreme Court.

The seven current members of the Commission, including its President, were elected by the Assembly on 24 May 1999 from a list of ten candidates proposed by the Government. The bill appointing them was signed by the President of the Republic on 25 June 1999.

To safeguard the independence and integrity of the Commission as well as its members, a number of checks and balances were written into the Commission’s legislative mandate. For example, members of the Commission hold office for a renewable term of three years. However, apart from the

fact that they may vacate office by death or resignation, they are liable to dismissal on grounds of inefficiency in the performance of their duties, of behaviour contrary to the criteria on which they were selected or of their own personal involvement in the violation of human rights. A motion to dismiss one or more members of the Commission may be tabled before Assembly either by the President of the Republic or by the Government or by half of the members of Parliament. For it to pass, an absolute majority of members of Assembly present must vote in its favour. The President of the Republic must sign the decision to dismiss. While in office, members of the Commission are barred from engaging in any other gainful activities.

Under the founding legislation, the President of the Commission holds the rank and privileges of a government minister; while other commission members have the rank and privileges of a ministry-level Secretary-General. In criminal matters, members of the Commission can still be legally accountable for their actions; however, they -- like members of Government and other state dignitaries -- can be brought to trial only before the Supreme Court. In all circumstances, they are immune from arrest and may appear before the Supreme Court through a representative. They can neither be prosecuted nor investigated on grounds of opinions expressed in the performance of their duties.

Because of its recent creation, it will be some time before the National Human Rights Commission becomes fully established and operational. The Government, as well as certain bilateral and multilateral donors have already indicated their willingness to provide the financial, logistical and technical support needed to launch and sustain the activities of the Commission in the coming years.

Rebuilding of the Judiciary

As noted earlier, one major consequence of the war and genocide of 1994 was the nearly complete erosion of the country's manpower base. Judicial personnel of all categories were among the most targeted victims of the genocide. Others who either actively participated in the genocide, or who feared that they might falsely be accused of having done so, fled the country. Throughout the country, court buildings at all levels -- Supreme Court, courts of appeal, courts of first instance and cantonal courts -- and other judicial infrastructure, including prisons, were almost completely destroyed. So too were the basic equipment, materials, documents and supplies as well as the archives needed for the proper functioning of judicial services. The wave of massive arrests that followed the end of the genocide gave rise to a huge detainee population and overcrowding in the limited space available in the country's few prisons and local detention centres.

Historically, the judiciary had been firmly placed under the authority of the executive. The Higher Judicial Council (Conseil superieur de la magistrature), which was responsible for the recruitment, posting, remuneration, promotion, and dismissal of judges, had been presided over by the President of the Republic, assisted by the Minister of Justice. For the new Government in 1994-95, assuring the independence of the judiciary was given high priority. Appropriate steps also had to be taken to adapt the existing criminal laws and procedures to the need to punish the perpetrators of the genocide of 1994 and so end the culture of impunity that had developed since the first ethnically-motivated mass killings began in the late 1950s.

Since the holding of the first Round Table Conference in January 1995, the Government has made considerable progress in rebuilding of the judicial system, with the support of the international community. Reconstruction efforts in the justice sector gathered momentum following the second Round Table in June 1996 when specific resources were targeted at rebuilding the judiciary. Several bilateral and multilateral donors have provided assistance of varying kinds and amounts. These include the European Union, various United Nations agencies (notably UNDP, UNHCR, UNICEF and UNHCHR) and other international organisations (including International Committee of the Red Cross, International Organization for Migration, Avocats sans frontieres, Reseau des Citoyens, and Juristes sans frontieres). Bilateral support has come from the Netherlands, Belgium, Germany, Canada, Switzerland, and the United States.

Today, the administration of justice (civil, criminal and administrative) has resumed throughout the country and at all levels of the judicial system. The minimum number of personnel of various categories needed to operate the justice system has been recruited, trained and deployed. In

some instances, initial training has been supplemented by subsequent "on-the-job" or "refresher" training. Considerable efforts have also gone into restoring the judicial system's buildings and physical infrastructure – to include the Supreme Court in Kigali, the four regional courts of appeal, the twelve prefectural courts, and, more recently, some of the cantonal courts. Likewise, infrastructure repairs and construction have been made to the prosecutors' services (parquets) attached to each of these courts, along with the central office of the inspecteurs de police judiciaire (the criminal police department) in Kigali. Finally, sufficient quantities of basic office equipment, materials and supplies as well as judicial and legal documentation have also been provided to these same judicial organs, institutions and services.

To address the Government's commitment to an independent judiciary, a new law was adopted on which laid out the organization and jurisdictions of the various courts. Under this law, responsibility for the appointment, evaluation, promotion, termination and general management of the careers of judges is entrusted to a broad-based Conseil supérieur de la magistrature, which is headed by the President of the Supreme Court.

With regard to the events of 1994, the Government affirmed at a very early point its determination to prosecute the perpetrators of the genocide and related offences. To this end, laws were passed to legalize, retroactively, the pre-trial detention of persons accused of participation in the genocide. The application of this law was extended by another statute, which authorized the pre-trial detention of genocide suspects. To deal specifically with genocide cases, the Transitional National Assembly enacted Organic Law No. 8/96 of 30th August 1996 on the organization of prosecutions for offences constituting the crime of genocide or crimes against humanity committed since 1 October 1990. This law classifies perpetrators of the genocide and related offences into four categories, according to varying degrees of responsibility. Category 1 offenders are liable to a mandatory death penalty; those in category 2 are punishable with life imprisonment; those in category 3, defined as "persons whose criminal acts or whose acts of criminal participation make them guilty of (serious assaults against the person other than intentional homicide or assault causing death)", face the penalties imposed for the corresponding crimes by the penal code. Lastly, those in category 4 are liable only to civil damages.

The organic law introduced and regulates a "confession and guilty plea procedure" under which categories 2 and 3 offenders who confess and plead guilty under specified conditions may benefit from considerable reductions in punishment. Original jurisdiction to hear and determine genocide-related cases is given exclusively to newly-established specialized chambers of courts of first instance and of competent military courts.

To address the problems arising from the huge detainee and prison population that followed the massive arrests of persons suspected or accused of participation in the genocide, several prisons and local detention centres were constructed or rehabilitated throughout the country, and various categories of prison staff were trained and deployed in the prison services.

Table 3.2
Number of Trials and Sentences for Persons Accused of Genocide,
1997-98

Year	No. of Persons brought to Trail	Death Sentence		Life Sentence		Fixed Sentence (2-16 years)		Acquittal	
		Total	%	Total	%	Total	%	Total	%
1997	379	117	30.8	123	32.4	105	27.7	34	8.9
1998	895	115	12.8	286	31.9	292	32.6	195	21.7

Source: *Proces de Genocide au Rwanda*, LIPRODHOR, 1999

As part of the rebuilding of the judicial system, the Government, backed by the international community, has also supported the establishment of the Rwanda Bar Association. Through the new Bar Association and the international NGO, *Avocats sans frontières*, arrangements were made for the provision of legal counsel to defendants and civil claimants within the framework of the ongoing genocide prosecutions and trials. Other completed initiatives include the provision of technical and advisory support to the Ministry of Justice as well as to prosecutors and to *inspecteurs de police judiciaire*, the conduct of civic education and public awareness campaigns relating to justice issues. In addition, assistance has been given for training and operational support to the *gendarmérie* and the communal police who play a major role in law enforcement, crime prevention and criminal investigations.

While tremendous achievements thus appear to have been made in the rebuilding of the justice system since 1994, the system is at present unable to cope with the enormous genocide caseload. In any event, a disproportionate percentage of available human and material resources has been committed to genocide-related justice to the detriment of other areas of concern in the justice system. To ease the burden of genocide justice on the system as a whole, and for other relevant considerations, the Government recently proposed to introduce a modified system of the traditional system of communal justice known as the *gacaca*, and to hand to it responsibility for the disposal of genocide cases against offenders in categories 2, 3 and 4. The implementation of this proposal, if it is finally accepted, will limit the jurisdiction of the specialized chambers of the courts of first instance and the military courts to the trial of category 1 offenders.

Unity and Reconciliation Commission

The Government has clearly understood that the basis for lasting peace must be built on a national foundation free of the discrimination and sectarianism that have long characterized Rwandan politics and society. These divisions were a common thread of Rwandan politics for over two decades, but were actively fueled during the previous regime, which led to the nightmare of 1994. While numerous elements of public policy are currently aimed at tearing down the walls of discrimination and ethnic division, the creation of the National Unity and Reconciliation Commission (URC) represents a proactive effort to confront past discrimination and ethnic divisions by exposing and rooting out their underlying causes. The URC was formally established at end of 1998. The wide mandate given to the URC reflects the seismic shifts that are being asked – indeed demanded – of Rwandan society. The Commission is expressly charged to:

- Organize and oversee national public debates aimed at promoting national unity and reconciliation of the Rwandan people;
- Conceive and disseminate ideas and initiatives aimed at promoting peace among Rwandan people, and to encourage a culture of unity and reconciliation;
- Denounce any written or declared ideas and materials seeking to disunite the Rwandan people;
- Prepare and co-ordinate Rwanda's programs of promoting unity and reconciliation;
- Educate Rwandans on their rights, and assist in building a culture of tolerance and respect of other people's rights;
- Give views to institutions charged with drafting laws aimed at fostering unity and reconciliation;
- Monitor closely whether government organs respect and observe policies of national unity and reconciliation;
- Encourage Rwanda's political parties, leaders and the population to respect national unity and reconciliation practices.

The Commission itself consists of 12 members, appointed by the President for a term of three years. It is directed by a president, vice president, and an executive secretary. The executive secretary is responsible for managing the permanent secretariat which is tasked with carrying out the day-to-day activities of the Commission. The secretariat administers and manages the human and financial resources of the URC and is responsible for establishing the links with government institutions and various components of Rwandan civil society, such as the national leadership, political parties,

prefectures, religious leaders and Rwandan NGOs. The secretariat is also responsible for mobilizing financial support from the donor community and/or undertaking complementary reconciliation efforts as part of their own activities.

From a programme standpoint, the secretariat is organized into three departments: the civic education department, a conflict mediation department, and a community initiatives department.

The civil education department is responsible for conducting all formal and informal training aimed at educating and sensitizing all levels of Rwandan society about national unity, tolerance and reconciliation. This includes the development of a national syllabus on unity and reconciliation, as well as the holding of workshops, seminars and media events designed to encourage ongoing debate and awareness-raising.

The conflict mediation department has three primary responsibilities. In the first instance, the department is given the mandate to mediate any conflicts that may arise pertaining to the unity and reconciliation of Rwandan society, whether between or within institutions or groups of persons. A second responsibility entails monitoring and reviewing acts of injustice and discrimination and the acts of government agencies and bodies for their compliance with existing policies on national unity and reconciliation. A third responsibility is juridical in nature, which consists of reviewing existing laws for their impact on reconciliation and actually proposing new laws or reforms that promote unity and reconciliation.

Finally, the community initiatives department has responsibility for promoting initiatives that link unity and reconciliation efforts with community-level economic and social development. The mandate of this department recognizes that reconciliation is more easily achieved through processes that bring economic and social advancement on an equitable basis to all segments of Rwandan society. This department is expected to co-ordinate its ideas and initiatives with national and international institutions engaged in poverty reduction programmes.

Centre for Conflict Management, National University of Rwanda

The last institution to briefly highlight is the newly created Centre at the National University for research on conflict resolution and management. As one of the most respected institutions in Rwandan society, the National University understood that it had important social role to play in helping to contribute to deeper and more objective analysis of the social conflict that has so long divided Rwandans and to help in finding lasting solutions. The newly created Centre on Conflict Management is partially modeled after similar research institutes in Canada, the U.K. and the United States, but is specifically designed to meet current Rwandan needs. In the first instance, university professors have recognized two contradictory tendencies in Rwandan society in discussing the past: first, the need for the truth, and, at the same time, a resistance to knowing about that same truth. The Centre is therefore designed to assemble a body of reference and archival materials and to facilitate well documented and hence balanced research and analysis. The Centre is also being tasked to develop an active and wide-ranging media campaign for the dissemination of research findings. Media efforts will include conferences and seminars, briefings with journalists and policy-makers, as well as an active programme of publishing research findings in both local and international journals and periodicals. The Centre is also expected to work closely with the Unity and Reconciliation Commission, in light of their parallel mandates.

Chapter IV Human Development and Poverty Trends in Rwanda

Human Development and Poverty: An Overview

It is surprising to no one familiar with Rwanda that human development and poverty conditions deteriorated precipitously after the events of 1994. Recent poverty studies have empirically confirmed and roughly quantified what was already common knowledge: the numbers and depth of poverty have increased dramatically, and the events of 1994 have fundamentally changed the characteristics and composition of many if not most Rwandan households. While high levels of poverty have been a persistent and structural problem going back many decades, human development and poverty reduction efforts must now address a more complex and divergent set of circumstances than was the case prior to 1994. This chapter first presents an overview of poverty and human development trends and then examines some of these data in more detail.

The most recent poverty study, the World Bank's *Rwanda Poverty Update*, completed in 1998, revealed that the incidence of poverty as defined by income (poverty head count) has deteriorated and fluctuated considerably since before the war. In 1993, the percentage of the population living below the poverty line was estimated at 53 percent. The 1994 genocide and subsequent population movements had an immediate impact on poverty, with the poverty head count rising to 77 percent. This figure declined to 65 percent in 1995, but increased again in 1997 due to the influx of returnees from the DRC and Tanzania and to poor harvests. These percentages were derived from extrapolations using available, albeit limited, data sources, but it is interesting to note similar results obtained in the World Bank study from a participatory poverty assessment (PPA) carried out in 12 Rwandan communities.⁵ Based on "self-definitions" of poverty provided by interviewees in the 12 communities, the aggregate number of community members classified as poor was 54 percent before the war and some 74 percent in 1997.

Both the quantitative and qualitative World Bank analyses also revealed that the depth of poverty (poverty gap) has also worsened, i.e., that the average incomes of poor households is further below the poverty line than before the genocide. The poverty gap shows how far in percentage terms the average income of poor households falls below the poverty line, which in 1993 was approximately 14 percent. In 1994, this figure fell to some 27 percent below the poverty line, before settling at about 18 percent by 1997. The participatory poverty assessment of 12 communes gave similar results, showing that the criteria used locally to define a poor household had changed over the last four years, with poor households now being seen as having both fewer assets and less income than before the war.

Equally significant as the rise in the numbers and depth of poverty has been the changing demographics of poor households. Overall, the proportion of female-headed households increased from 21 percent in 1992 to 34 percent in 1996. While the World Bank's 1993 poverty assessment showed little difference in income levels of male- and female-headed households, the 1997 PPA suggested that female-headed households are now more likely to be poor. This is primarily the result of labour constraints -- with poor female-headed household being those without husband, adult children or other family members to assist with farming or other income-generating activities. Equally disturbing have been the effects of the decline in the number of resident adult males between the ages of 15 and 64 in the population (falling by 25 percent between 1991 and 1996). The PPA found that poor households were likely to have the same number of household members as non-poor households, but that the poor had fewer adult family members.

Income and demographic indicators correlate closely with available social indicators, which likewise present a disturbing picture of the worsening conditions of poverty. UNICEF's situation analysis, *Children and Women of Rwanda* (1997), points to the downturn in health and nutrition indicators for infants and children -- close proxies for poverty. For example, infant and child mortality rates have risen considerably since the genocide and war, wiping out years of progress in public health efforts. The under-five mortality rate was 150 per 1000 live births in 1992, rising to 185 by 1996. Infant mortality was 85 per 1000 live births in 1992 and 125 per 1000 in 1996. (Stated another way, of the approximately 394,000 children born in 1997, more than 49,000 of them will have died by the end of 1998.) In comparison to neighboring countries, Rwanda now has the highest infant mortality rate (IMR), just the reverse of its pre-war status when it had the lowest IMR and lowest under 5 mortality rate, despite having the lowest GNP per

⁵ The PPA was carried out by the Rwandan NGO, Réseau des Femmes.

capita. At the same time, the maternal mortality rates showed even more precipitous declines going from 210 per 100,000 live births in 1990 to 810 in 1996.

Nutritionally, a 1996 MINISANTE/UNICEF survey (which did not include the 675,000 Rwanda refugees who returned from former Zaire later in the year) found that some 9 percent of Rwanda children suffered from acute undernutrition (wasting); nearly 42 percent suffered from stunting (height-for-age) which is an indicator of the longer-term affects of poor nutrition. Estimates for food availability for the country as a whole showed that, beginning in the early 1990s, Rwandans were receiving only 75 percent of their recommended consumption of 2,100 Kilocalories/day, with that figure dropping to some 60 percent of total needs in 1995.

Lack of food security is closely tied to the environmental pressures placed on Rwanda's land areas caused by rapid demographic growth. With an average of over 400 persons per square kilometre, Rwanda has the highest population density in Africa. This has led to an over-exploitation of arable land. Up until the early 1980s, a combination of newly cultivated land and intensification techniques enabled food production to increase and compensate for the ever larger population. But by 1984, total agricultural output began to fall. After 1986, the surface area under cultivation increased, but yields stagnated or fell, caused by over exploitation as farmers shortened fallow periods and turned increasingly to cultivating land in unsuitable areas, such as on particularly steep lands.

Two other common social indicators correlated with poverty and human development are primary school enrolment rates and illiteracy. Without going into the disastrous effects of 1994 on the educational system as a whole, the primary school enrolment rate for 1991/92 was 71.1 percent. By 1996/97, this figure had climbed back to only 65.3 percent, compounded by the fact that the number of qualified teachers in primary schools was less than 50 percent, and teaching materials in most schools were still almost non-existent. The literacy rate in a 1991 UNESCO survey was estimated at 56.2 percent. In 1996, literacy had fallen to 51.4 percent, but this latter figure masks the fact that many who were found to be illiterate had in fact attended primary school.

Finally, it is perhaps useful to note some of the other characteristics of poverty in Rwanda as captured in the 1997 Save the children/UK survey in Kibungo prefecture and 1997 World Bank PPA.

- *Reduced access to non-farm employment.* In Kibungo, the poor were defined as households who cultivate between 0.25 and 0.5 hectares and their own harvest represents only 30-50 percent of their total food consumption. Households with two members available for off-farm work can find sufficient complementary income to buy additional food on the market. Those that have only one person available lack such additional income and therefore suffer from a food deficit of 30-40 percent of their needs. Thus, poor households are less likely to have revenue from non-agricultural employment.
- *Land holdings and availability of inputs.* Unlike most other countries, land size is not always a primary criterion for determining poverty, reflecting the relatively egalitarian distribution of land in Rwanda. Conversely, agricultural productivity and livestock ownership are closely identified with poverty: poorer households use few inputs (labour, seeds, fertilizer) and have lower crop yields.
- *Education and age of household head.* The probability of malnutrition among children diminishes significantly as the education level of the household head increases. In addition, families where the household head is over 60 years of age have a higher probability of containing malnourished children. This corresponds to the fact that many orphans of the genocide are living with grandparents, and that these households are generally found to be among the poorest households.
- *Habitat.* Inadequate or lack of housing was found in the 12 PPA communes to be an indicator of poverty, reflecting the destruction of many houses during the war and the subsequent need to shelter many returnees.
- *Distance to local markets.* The probability of malnutrition among children increases the further a given household is from markets. This possibly reflects the lesser likelihood of finding non-farm employment and higher consumer and input prices in more remote areas.
- *Effects of the genocide and war affected different groups and communes.* In most communities, those who stayed after 1994 were considered to be less likely to be poor, while the 1996 returnees

had a higher probability for being poor. Among returnees, however, their poverty was considered temporary, because they possessed ample land and labour for smallholder farming, but lacked inputs for planting in 1997. The status of genocide survivors was deemed to be better off because of the support they had received from donor agencies or the government. In others, they were considered worse off following the loss of their homes and property and the severe labour constraints they faced as a result of the death of family members.

We now turn our attention to a more in-depth review of human development and poverty trends in specific sectors and particular areas of concern. These quick sector reviews can be explored at the reader's discretion and in the order he or she chooses.

Demographic Trends

Population pressures have been one of the major and most intractable of Rwanda's development problems, going back several decades. And the events surrounding 1994 resulted in demographic shifts and population movements unprecedented in recent African history. Even before 1994, Rwanda had the highest population density in all of Sub-Saharan Africa, at 410 inhabitants per square kilometre. If one takes into account only arable land, the population density is 865 persons per square kilometre of arable land. Rwanda's urban/rural population distribution is also distinct, with the urban population constituting less than 10 percent of the population, having amounted to only 5 percent in 1991. Most other Sub-Saharan countries witnessed an accelerated rise in their urban populations beginning in the 1970s.

Table 4.1
Basic Demographic Trends

	1990	1991	1992	1993	1994	1995	1996	1997
Population (millions)	6879	7091	7331	7538	5224	5695	6167	7665
Annual % change		3.1	3.1	3.1	-30.7	9.0	8.3	24.3

Source: Rwanda Development Indicators 1998,

In 1952, an early demographic survey found Rwanda's population to have totaled a little more than 2 million. At the time of Rwanda's first census in 1978, the population was found to be 4.8 million representing an annual growth rate of 3.7 percent. As table 4.1 shows, by 1991 the population had reached nearly 7.2 million people, with an intercensal growth rate of 3.1 percent. Table 4.1 clearly captures the demographic impact of the 1994 events with the population dropping from 7.5 million in 1993 to 5.2 million in 1994. This drop in population of just over 30 percent was the result of both the genocide and the out-migration of a sizeable portion of the population (not including the internally displaced). Conversely, population growth from the end of 1994 to 1997 was equally dramatic, increasing by almost 1.5 million in less than three years, as a result of the large inflows of refugees and internal population growth. The percentage ratio of men to women in the population is also significant and disturbing. Estimates before 1994, showed males and females to account for 49 percent and 51 percent of the population, respectively. After 1994, the ratio changed to 46 and 54 percent respectively. In numerical terms, in 1993 there were 3.66 million males and 3.86 million females. By 1997, there were only 3.55 million males compared to 4.11 million females. Part of this decline is reflected in the precipitous rise in the numbers of female- and child-headed households discussed below. The most recent population estimate for 1998 (1999 *Rwanda Development Indicators*) places the population at 7.88 million.

Box 4.1
Estimated Population Changes 1994-1997

<i>April 1994</i>	<i>August 1994</i> <i>(genocide + exile)</i>	<i>November 1996</i> <i>(pre-repatriation)</i>	<i>June 1997</i>
7,700,000	5,100,000	6,147,479	7,651,792

Source: *Children and Women of Rwanda*, UNICEF, 1997

Perhaps even more challenging than past demographic shifts for Rwanda are projections for population growth over the next 25 years. Using mid-range population growth estimates (including falling fertility, increasing life expectancy and the impact of HIV/AIDS), the country's population has been estimated to increase to 9.24 million by 2002, 10.85 million by 2007, 12.57 million by 2012, 14.30 million by 2017, and just over 16 million by 2022. One World Bank projection calculated that the population would stabilize at 25 million in 2070. By anyone's calculation, such population growth rates will place considerable pressures on existing land and water resources, and increase the need to accelerate efforts to meet basic requirements in essential economic and social infrastructure.

Food Security

Closely related to Rwanda's population growth rate are the challenges associated with household food security. The fact that so many of Rwanda's rural households are engaged in subsistence agriculture means that food security is closely correlated with household food production. More specifically, rural households depend on three sources for their food supplies: family production, market purchases and food-for-work, this latter source an indication of the Rwanda's continued high dependence on food aid.

Up until the early 1980s, a combination of newly cultivated land and intensification techniques enabled food production to increase and compensate for the ever larger population. But by 1984, total agricultural output began to fall, while demographic growth continued at annual rates exceeding three percent. The fall in coffee prices further prevented many households from compensating for a food deficit with market purchases of food.

Continued population growth has also led to a sub-division of agricultural lands into smaller and smaller plots. Around 35 percent of rural households have access to only half a hectare of land. Generally, arable land is now being cultivated continuously, and not allowed to remain fallow between seasons. These factors, combined with the fact that more and more agricultural cultivation is being done on steep slopes, have resulted in declining yields. The 1994 events further reduced livestock to half their pre-war numbers, thereby removing an important source of protein for people and fertilizer for the land. By 1998, of Rwanda's total land area of 1.3 million hectares, 70 percent of all land was under cultivation. This is a sizeable percentage when taking into account the percentage of land that would normally not be suited for agriculture or pasture.

Household food economy surveys conducted by Save the Children (U.K) in 1997 and 1998 found that the poor are highly dependent on markets as a source of food. In some cases, the poor produce as little as 10 percent of their own consumption, and the highest levels did not exceed 65-70 percent. By contrast, better-off households who have higher levels of food self-sufficiency seldom purchase more than 20-25 percent of their food requirements.

Table 4.2
Characteristics of Food Secure and Insecure Households

Characteristic	All Rural Households	Vulnerable Households
% Female-headed	27.1	32.2
Ares/capita	26.34	11.1
Number of cows	0.67	0.24
Number of sheep	0.25	0.2
Number of goats	0.6	0.25
Number of poultry	0.46	n/a
Bananas under cultivation (ares)	17.7	4.36
Stock of legumes (kg.)	45	12.7
Stock of tubers (kg.)	298	119
Number of meals per day	1.95	1.84

Source: MINAGRIC/FAO/WFP, cited in *Children and Women of Rwanda*, UNICEF
N.B: 100 ares = 1 hectare

A 1998 beneficiary profile of persons who participated in WFP food-for work schemes provides insight into the degree of food insecurity experienced by the poorest of Rwandan households. The survey found that:

- The majority (73 percent) of food-for work participants consumed only one meal a day, which consisted of primarily beans and potatoes. Only 26 percent ate two meals a day and 1 percent ate three meals a day.
- Some 96 percent had not eaten meat or fish in the previous week.
- Only 61 percent lived in their own houses.
- Only 55 percent had access to land; of these 60 percent had cultivated all or nearly all of their land in the last cropping season, while 40 percent cultivated half or less of their land.
- In terms of labour availability, 64 percent of households did not have able-bodied workers to assist in support of the household.
- Food-for-work income comprised the most important source of income for 99 percent of all workers, and 97 percent of workers preferred to be paid in food as opposed to cash.

When viewed nationally, agricultural production and food imports have, even when taken together, been unable to meet minimum food needs for at least the past decade. According to a MINAGRI report, production and imports covered 97 percent of daily per capita energy requirements (using the common FAO/WFP criterion of 2,100 Kcalories per day) in 1986. In 1990, they covered only 77 percent, and plummeted to 46 percent in 1994. As late as 1997, production was only 81 percent of 1990 levels. By 1998, production had reached 98 percent of 1990 levels, but the total food deficit climbed to 158,000 tonnes.

Table 4.3 below summarizes these trends in food production among the major food staples between 1990 and 1998. As noted below, 1998 production had still not returned to the pre-crisis levels.

Table 4.3
Evolution of Agricultural Production 1990-1998
(in metric tonnes)

Crop	1990	1994	1995	1996	1997	1998 Season A	1998A as % 1990A
Bananas	2,777	1,489	2,002	2,105	2,170	1,351	97%
Pulses	248	51	134	189	150	109	71%
Cereals	252	132	141	182	189	77.37	66%
Roots & Tubers	1,448	1,207	881	1,114	1,187	655	98%
Total	4,725	2,879	3,158	3,620	3,696	2,194	94%

Sources: *Food Aid Strategy 1998*, WFP, Kigali, March 1998 and MINAGRIC/FAO/WFP, *Food Supply Assessment Mission to Rwanda*, February 1998

From a policy perspective, food insecurity is tied to number of characteristics, including the weakness of local markets and the small number of urban centres which lowers effective demand, high transport costs and poor secondary and feeder roads, problems of land tenure, and the continuing problems associated with physical security.

Infant and Child Nutrition, Morbidity and Mortality

As mentioned above in the brief overview, children's nutritional and health status are often used as indicators of human development and poverty trends. And, as was discussed in chapter two, children's malnutrition is one of the variables used in calculating UNDP's human poverty index. In general, children's health and nutritional status in Rwanda is still disturbingly low, but has begun to make important gains since the precipitous declines of 1994. The infant mortality rate (IMR), for example, was 85 per 1000 in 1992, but rose to 125 per 1000 in 1996. Stated another way, more than one newborn in ten will not reach his/her first birthday. The under-five mortality rate (U5MR) was 150 per 1000 live births in 1992 and 185 in 1996. In the same year of 1996, Rwanda had the highest IMR in comparison to neighbouring countries. This is just the opposite of its pre-war status, when it had the lowest IMR and U5MR, despite having the lowest GNP per capita.

As table 4.4 indicates, malaria remains by far the single most important cause of sickness and death. Morbidity and mortality were exacerbated by the events of 1994, when the first efforts at a malaria control programme were halted, and not resumed until November 1996. Acute respiratory infection is the second cause of morbidity and mortality among Rwandan children under one year of age. Diarrhoeal diseases constitute the third leading cause of mortality.

Table 4.4
Main Causes of Mortality and Morbidity among Rwandan Children

Top 10 Causes of Morbidity	% of Cases Reported	Top 10 Causes of Mortality	% of Cases Reported
Malaria	36.6	Malaria	50
Acute Respiratory Tract Infection	20.5	Acute Respiratory Tract Infection	31
Skin diseases	4.5	Diarrhoea	6
Diarrhoea	3.9	Bloody Diarrhoea	5
Trauma	2.9	Trauma	1
Eye Infections	1.5	Eye Infections	< 1.0
Sexually Transmitted Diseases (STDs)	1.4	Skin Diseases	< 1.0
Bloody Diarrhoea	1.0	Meningitis	< 1.0
Measles	0.09	Measles	< 1.0
Meningitis	0.01	STDs	< 1.0

Source: cited in *Master Plan of Operations*, UNICEF, Kigali, November 1998

There are also significant variations in infant and under five mortality rates based on urban or rural settings, the educational level of the mother, and the interval between births, as noted in table 4.5. Higher IMR and U5MR are particularly apparent with the mother's level of education and the interval between births.

Table 4.5
Factors Affecting Infant and Under-Five Mortality Rates

Characteristics	Infant Mortality Rate	Under-Five Mortality Rate
Area of Residence		
<i>Urban</i>	87.5	154.6
<i>Rural</i>	90.3	162.8
Mother's Education Level		
<i>None</i>	97.3	176.9
<i>Primary</i>	84.9	152.2
<i>Post-primary and above</i>	62.8	91.2
Interval between Births (yrs.)		
<i>Less than 2</i>	159	243
<i>2-3</i>	60	131
<i>4 or more</i>	57	99

Source: *Rwanda Development Indicators 1998* MINECOFIN

Nutritional factors play a major role in influencing children's mortality and morbidity, and -- as in other countries -- there is a strong correlation between the educational levels of Rwanda mothers and children's malnutrition levels. The 1996 Health and Demographic Survey found that the rate of chronic malnutrition among children of mothers without a primary education was 56 percent, whereas the level for children of mothers with at least a primary education was 29 percent. The high prevalence of childhood diseases (malaria, diarrhoeal diseases, and acute respiratory infections) combined with inadequate food intake (estimated at only 1552 Kcal/day/person and 21 g. of protein) have contributed to some of the disturbing nutritional characteristics of Rwandan children cited in box 4.2 below.

Box 4.2
Nutritional Characteristics of Rwandan Children

- 17 percent of children are born with low birth weights (<2500g.)
- 45 percent of children aged 6-72 months suffer from chronic malnutrition (height/age).
- 27 percent of children aged 6-72 months are underweight (weight/age).
- 7 percent of children aged 6-72 months are emaciated (weight/height).
- 30 percent of adolescents out-of-school are malnourished.
- 49 percent of school boys are malnourished, compared to 32 percent of school girls.
- 26 percent of children aged 5-19 years have goiter's disease.
- 37 percent of children aged 6-72 months are deficient in iron.
- 1.1 percent of children under six years are moderately deficient in vitamin A.

Source: cited in *Master Plan of Operations*, UNICEF, Kigali, November 1998

HIV/AIDS

The HIV/AIDS epidemic represents one of the most potentially disruptive threats to Rwanda's economic and social development. The first AIDS cases were detected in 1983, and since then Rwanda has become one of the most infected countries in the world. The prevalence rate is estimated at 25-30 percent of the sexually active population in urban areas, and a steadily increasing rate in rural areas. It is disturbing to note that surveys conducted before 1994 found that the prevalence rate was only 1.1 percent in rural areas, and some 27 percent in urban areas. After the war, another survey was conducted which found that the prevalence rates had gone up in rural areas to between 10 and 11 percent. In urban areas, among the 26-40 year age cohort, the infection rate reaches 30 percent, which represents almost 1 person out of 3. Estimates for Kigali Ville place the number of new of cases at 6,000-10,000 annually, which translates into one person in Kigali Ville becoming infected every hour.

Another group particularly at risk to HIV infection consists of children born to infected mothers. The mother-to-infant transmission rate is estimated to be 25 percent in Kigali Ville, which means that a newborn infected with HIV is delivered every 6 hours. Equally ominous, recent surveys by UNICEF indicate a prevalence rate among children aged 12-14 years of 4.2 percent.

Perhaps most disturbing is that prevalence rates in rural areas, as noted above, have reached nearly 11 percent. Taking into account that more than 90 percent of Rwanda's population lives in rural areas, the total number of HIV infected people is thus becoming an increasingly rural problem, where the level of health care is lower and it is more difficult to mount public information and AIDS awareness campaigns.

These prevalence rates suggest that Rwanda could face a staggering increase in mortality and a lowering of life expectancy in the coming years. The economic and social costs of caring for AIDS patients could place severe burdens on the health system and family welfare, and significantly impede Rwanda's efforts to accelerate human capital formation. Thus, the impact of AIDS on Rwanda's sustained economic growth and human development could be overwhelming.

Educational Attainment

The Government of Rwanda has attached high priority to human capital formation, both in terms of basic education and more advanced education directed toward raising the quality of the public and private sectors. In the last five years, impressive gains have been made in the education sector, given the terrible toll exacted by the 1994 events on both student enrolment and the loss of teachers. The net primary school enrolment rate, which measures the percentage of students of primary school age that are enrolled, stood at about two-thirds in 1998. The gross enrolment rate, which compares students of all ages that are enrolled to the population of students of primary school age, reached an impressive 89 percent. This compares to an average of 75 percent for Sub-Saharan Africa. These figures mask gender inequality in primary school attendance, with girls enrolled at 14 percentage points lower than boys, a difference that is somewhat wider than the average for Sub-Saharan Africa.

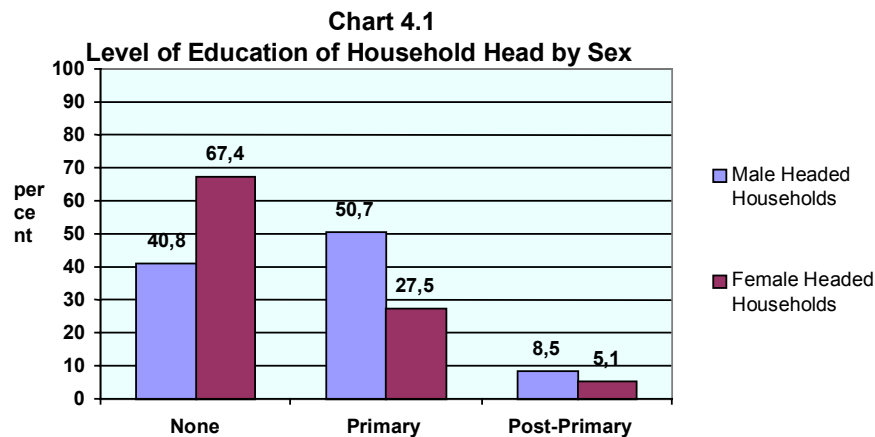
Table 4.6
Trends in Primary Education

	1991/92	1992/93	1993/94 pre-war	1993-94 post-war	1994-95	1995-96	1996-97
Pupils	1,099,186	1,156,262	1,174,488	820,238	935,365	1,053,012	1,192,146
Primary	1,710	1,747	1,882	1,283	1,845	1,882	1,909
Primary	19,183	20,074	19,892	16,825	17,705	18,385	20,335
Qualified	56.7%	58.2%	60.0%	45.5%	38.9%	44.9%	n/a
Non-qualified	43.3%	41.8%	40.0%	54.5%	61.1%	55.1%	n/a
Students/class	46	47	44	32	37	39	n/a
Students/teacher	57.3	57.6	59	48.8	53	57.3	58.6
Students/qualified	101.1	99	98	107	136	118	n/a

Source: cited in *Children and Women of Rwanda*, UNICEF

While the coverage of primary education is generally high, there is much evidence that quality has not kept pace. The primary school completion rate was estimated to be 24 percent in 1997-98, and there was a relatively low transition rate of 18 percent from primary to secondary education. The main reasons cited are that the student/teacher ratio is high (1:58 in 1997-98), that only a third of teachers are qualified, and that there are large regional disparities in the distribution of teachers. There is also a severe shortage of books and instructional materials. For example, the textbook coverage rate at the primary level is only 22 percent. Table 4.6 shows trends for primary education up through the 1996-97 school year.

While the above figures show the considerable strides made at the primary level, progress in secondary education and vocational training has not kept pace. The gross enrolment rate for secondary education is only 7 percent, compared for a Sub-Saharan average of somewhat more than 26 percent. There is also a pressing need for vocational and technical education, given the high proportion of school leavers and the paucity of trained manpower for both the public and private sectors. Government policy is also seeking to redress the gender imbalance in education, which reflects both the manpower shortages facing the country as well as poverty conditions. The chart below captures the considerable differences in educational levels by male- and female-headed households, particularly for households without any completing formal schooling or with only a primary education.



Source: Socio-Demographic Survey 1996, MINECOFIN, 1998

Characteristics of Rwandan Households

Educational levels of households is but one indicator of the challenges and constraints facing the Rwandan family. While the situation has no doubt changed since the 1996 socio-demographic survey, the broad trends captured in that survey no doubt remain valid in 1999. Average household size in Rwanda is 4.8 persons, ranging from 4.4 persons in Butare to 5.1 persons in Cyangugu and Umuytara. Some 34 percent of households are headed by women. Among male-headed families, 71.4 percent are in monogamous marriages, 5.8 percent in polygamous unions, and 11.6 percent are in "free unions." Widowers and unmarried male household heads account for only 4.8 percent and 6.1 percent, respectively. The situation of female-headed households is dramatically different. Nationwide, nearly 61 percent are widows; and this figure reaches 73.3 percent in Umutara and 66.5 percent in Butare and Byumba.

With regard to the physical structure of households, over 91 percent of all families live in single unit housing, which reflects the strong socio-cultural traditions of Rwandan rural society. In Kigali Ville prefecture, by contrast, only 48 percent of households live in single units; some 28 percent of Kigali households share living quarters among one or more other families, and another 18 percent live in apartment-like dwellings.

The Special Case of Child-headed Households

One of the most tragic legacies of the 1994 genocide and war is the emergence of child-headed households. In 1997, there were an estimated 85,000 households headed by children, averaging 4-5 children per household. The vast majority of these child-headed households lost their parents during the genocide or during the period of mass migrations within the country or to neighbouring countries. Some of these families have both of their parents in prison. A rising number of these households have been orphaned because of the death of their parents due to AIDS.

By any measure, they constitute some of the poorest households in Rwandan society. Rapid appraisal surveys sponsored by UNICEF and other donors have found that most live on the edge of subsistence without regular meals, adequate clothing or acceptable housing. Some have been chased from the homes of their dead parents by neighbours or members of the extended families. A Save the Children (US) survey conducted in 1995 of 57 child-headed households determined that:

- some 77 percent of children living in these households were sisters and brothers;
- most of the households had 4-6 members;
- around 70 percent were headed by a girl;
- 91 percent were orphans and 22 percent had no member of their family living;
- almost 80 percent wanted to stay in their households;
- only 15 percent had any regular income; and
- 48 percent treated themselves when ill; 7 percent did not attempt any treatment, and the rest got money for treatment from someone outside the household (such as sympathetic neighbours).

A similar survey conducted in 1997 by World Vision International for UNICEF found that fully 95 percent of the households interviewed felt that that were denied equal access to the same health and education benefits as other kinds of households. Perhaps the most disturbing trend picked up by the World Vision survey was the sense of insecurity, exploitation and lack of recognition that most child-headed households felt. Many felt that exploitation was a daily occurrence, even by relatives, and that few in their communities understood or else cared about their predicament. Few felt that they were seldom involved in plans or decisions that affected their lives. For girls heading these households, there are fears of sexual exploitation as well. Added to this, girl-headed households expressed their concern about the lack of automatic inheritance rights for women in Rwandan society, and that even if they work hard to improve their house and land, these could be taken away from them in the future.

Box 4.3 Elvaida and Yosame of Byumba Prefecture

In Bungwe Parish, a new house is being built, and just a few metres away, a tiny shelter is found made of plastic sheet, bits of wood, old food tins, mud and leaves. In the shelter live two children, Elviada, 15, and Yosame, 13, her younger brother. Their neighbour is a young man in his 20s. The unfinished house is his pride and joy, and he's building it on land belonging to Elvaida and Yosame, his half sister and half brother. But he won't talk to them, offers no help in their meagre existence, and certainly doesn't plan to give them room in his home. The young man, Elvaida and Yosame are from a polygamous family, with the same father but different mothers. In 1994, they fled to Zaire and during their stay in the terrible conditions of the refugee camp, the parents became separated from the children and presumably died.

"When se came back, we found strangers had grown maize on our land," said Elvaida. "Our house was destroyed. We had to wait for them to harvest before we could grow something to eat." The older half brother returned some days after the youngsters. He built his own home and erected the children's plastic hovel, and after that tried to have nothing to do with them. A local leader agreed he should use the "wasted" land belonging to the other children for his new house. "Our brother doesn't want to work with us or mix with us," said Yosame. "We are neighbours with nothing in common. We try to talk with him but he doesn't receive us well."

When Yosame fell sick recently, Elvaida worked on other people's land for days to raise money for medicine.

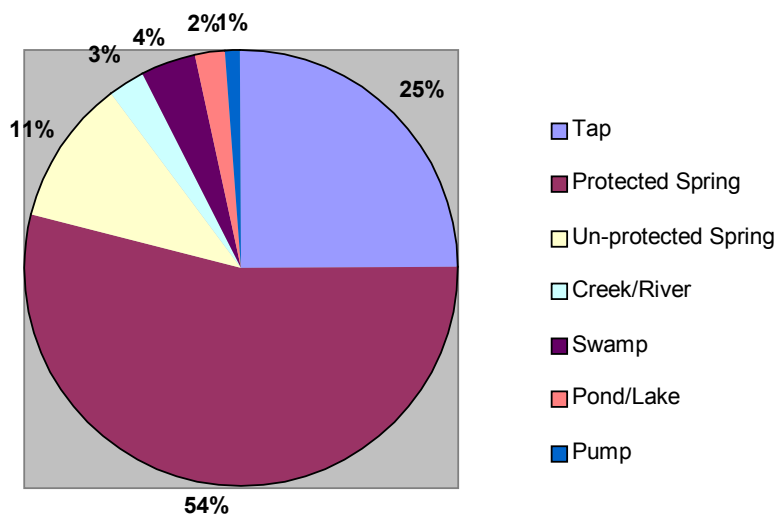
Source: *Qualitative Needs Assessment of Child-Headed-Households in Rwanda*, World Vision International, January 1998

Water and Sanitation

Water and sanitation conditions are another commonly used proxy for levels of human development and poverty conditions. In Rwanda, water in rural areas is gathered either from protected or un-protected sources. Protected sources include rural gravity flow, pumping systems (comprising public taps, and household connections), boreholes with handpumps, rainwater collection systems, and protected springs. Given the country's topography, protected springs are the most common source of water (53 percent), as shown in chart 3.2, followed by tap water (26 percent). Regardless of the source, water quality is generally low throughout the country. Almost 85 percent of all water sources contained coliforms (a bacterial indicator) above the recommended level, 17 percent tested positive for E. coli, and 77 percent contained more than the recommended tolerable maximum of fecal streptococci. These data help to explain why diarrhoeal diseases represent such an important cause of child mortality and morbidity.

Equally important as the source and quality of water is the time taken to fetch water. Only 23 percent of Rwanda households have to travel less than 15 minutes for water, whereas 27 percent must travel between 15 and 29 minutes, and 24.5 percent must travel between 30 and 59 minutes. Another quarter of the population must travel more than one hour for their water. Water quality and supply are also under threat from lack of maintenance and poor hygienic practices. In a survey by MINATRAPE, 32.1 percent of rural water source installations were found to be damaged in 1995 and a some 72 percent had no perimeter protection, leaving them prone to contamination from animals.

Chart 4.2
Sources of Rural Water Supply



Source: *Rwanda Development Indicators 1998*, MINECOFIN

Unemployment and Labour Market Conditions

The 1996 Socio-Demographic Survey determined that 47.4 percent of the population, or 2.94 million Rwandans, constitute the official work force (or "active" workforce described below). Over 91 percent of them are engaged in agriculture. Non-agricultural manual work is next in importance, employing 3.0 percent. The secondary sector consists of those engaged in manufacturing, construction, public works, transport, etc. This sector employs only 1.7 percent of the population. The tertiary sector, consisting of commerce and the public sector, employs 6.5 percent. Variations among prefectures are relatively small, the only exception being Kigali Ville with 18 percent in the primary sector, 15 percent in the secondary sector and around 65 percent in the tertiary sector. Women predominate in the primary sector with some 52.3 percent of the total, whereas men are in the majority in the smaller secondary and tertiary sectors.

The survey found that around 6.1 percent of the population considered themselves to be salaried or an employer, which correlates closely with those classified as belonging to the tertiary sector. In Kigali Ville, 51.2 percent of the population was salaried. Of this group, there were twice as many salaried men as there were salaried women. Among the estimated 244,000 persons in the country engaged in secondary and tertiary sector activities, the government is the single largest employer with a civil service of 34,000 including teachers. The international donor community (NGOs, bilateral and multilateral agencies) employed about 10,000 in 1996.

The Socio-Demographic Survey also classified the population -- to include children 10 years of age and older -- into economically "active" and "inactive" categories; 71.1 percent of the population was classified as active, with 28.9 percent being classified as inactive. Among the 10-14 year age group, 24 percent of that age cohort was found to be economically active. In the 15-64 age group, 88.4 percent declared themselves to be economically active. Only 0.3 percent considered themselves to be unemployed, a figure which clearly masks considerable underemployment. In the 65 years and older cohort, 58.5 percent considered themselves to be still economically active.

Among the economically inactive population, some 66 percent were students, who constitute 20 percent of the entire population 10 years and over. Those engaged in domestic household work (both male and female) represent the second largest group with 15.9 percent of the inactive population and 4.6 percent of the entire population. Among the 65 and over inactive cohort (41.5 percent of the total for this age grouping), roughly half are retired and half are invalids.

Chapter V : Achieving Human Development and National Reconciliation

Filling the Policy and Implementation Gaps

The previous chapter has offered descriptive analyses of trends and indicators of human development and poverty conditions in Rwanda. The chapter pointed out that, while considerable progress has been made since the tragic events of 1994, economic and social conditions have not returned to their pre-war levels and that underlying structural factors continue to impede economic and social development. Chronic poverty has increased and the types and characteristics of poor households have changed over the last five years. The third chapter highlighted the socio-political issues that the Government and Rwandan society at large are attempting to address so that national reconciliation can be achieved.

Despite the many development obstacles it faces, the Government of Rwanda had been widely commended by the international community for its efforts to forcefully address its development challenges, both in terms of policy definition and programme implementation. Government has attempted to do this at the same time that it must also rebuild the manpower and institutional base that was largely decimated in 1994. Weak institutional capacity has understandably been a serious constraint in policy articulation and programme management.

The purpose of this chapter is to look more closely at government policies and implementation issues which act to encourage human development and national reconciliation. At the same time, the chapter seeks to pinpoint gaps or lacunae in policies and implementation strategies which delay or discourage human development and reconciliation. As in any public policy situation, Rwanda's policy-makers and managers must confront issues which do not necessarily have right or wrong solutions, but involve trade-offs and compromises among a range of multiple and competing demands placed on finite resources. This would certainly be the case as the Government maps out and refines strategies for accelerated human development and reconciliation.

This chapter first looks at current government policy areas that encourage the linkages between human development and reconciliation, followed by a second section on policy gaps in linking human development with reconciliation and economic growth. The third section highlights certain implementation and management constraints which impede the more rapid achievement of policy goals.

Supportive Government Policies for Human Development and Reconciliation

Macro-Economic Policies and Debt Management

As outlined in the first chapter, Rwanda has made remarkable progress and shown considerable commitment to putting its "economic house in order" following the disastrous economic consequences of 1994. Since 1997 in particular, the Government has completed important steps in the structural reform of the economy. These include significant changes in fiscal policies, such as new personal and company income tax rates and reform of the excise tax. The exchange rate system has been liberalized, and budget and treasury management have been strengthened. A new tariff code was adopted with fewer rates and significantly lower average and maximum rates than in the pre-war era. And the surrender requirements on coffee and tea export receipts had been abolished by the end of 1997.

Regarding the financial sector, efforts were begun in 1996 to rehabilitate the banking sector with adequate re-capitalization and provisioning. The two largest commercial banks and the Rwanda Development Bank have been able to improve their financial positions since 1996, and new commercial banking reforms were put in place in 1998. In addition, a revised central bank statute was adopted in mid-1997 giving greater autonomy to the National Bank of Rwanda.

Based on its strong commitment to adhere the terms of the Enhanced Structural Adjustment Facility negotiated with the IMF, the Government has committed itself to the following basic macro-economic targets between April 1998 and March 2001: (i) achieve annual average real GDP growth of 8 percent; (ii) reduce inflation to 5 percent by the end of 1999 and maintain it at that level; (iii) lower the

external account deficit (excluding official transfers) to about 17 percent of GDP by 2000; and (iv) maintain the level of gross official international reserves at an average level of about 5.5 months of imports.

For 1998 and again in 1999, growth targets are expected to be mostly achieved through the full use of existing economic capacity. Beyond that, sustained growth will require a substantial increase in investment from its recent low levels of investment (approximately 11 percent of GDP in 1997) to about 17 percent of GDP in 2000. With government investment expected to stabilize at about 9 percent of GDP, private investment will need to recover strongly (from 2 percent of GDP in 1997) to over 7 percent of GDP.

Needless to say, this growth scenario envisions significant amounts of foreign savings, including official development assistance to reduce the external debt burden. Thus the envisioned investments and savings will require the restoration of confidence in the economy, buttressed by progress in social reintegration and accelerated structural reforms. As part of human development, these reforms must consist, among others, of further improving the efficiency and transparency of economic management and streamlining the regulatory environment for private sector activities, pursuing trade and investment reforms, promoting market-based agriculture, and improving rural credit. Some of these issues are discussed in more detail in the next section of this chapter.

Human Resource Development

This report has commented in several places on the Government's commitment not only to restoring the human resource base to their pre-war levels, but actually reversing the country's historically low human resource trends. In education, the quality of primary and secondary education is low because of the lack of trained teachers and school materials, coupled by the near absence of technical and vocational training that does not meet the needs of the labour market. Government priorities are to address the shortage of skilled manpower by improving the quality and relevance of education at all levels, expanded training in science and technology and management, as well as promoting stronger vocational training.

In health, even prior to 1994, basic health conditions had begun to deteriorate as a result of rising population, growing food insecurity and malnutrition, under-funding of public health programmes, and increased incidence of drug-resistant malaria and the spread of HIV/AIDS. The stated priorities for the health sector are to strengthen the delivery of primary health care -- vaccinations, nutrition, water supply and sanitation, and prevention of malaria, AIDS and other infectious diseases -- and to improve access to quality health care throughout the country. The health sector strategy consists of the following objectives: (i) a decentralized primary health care system; (ii) an increase in the number of trained medical staff, especially in rural areas; (iii) strengthening of the National AIDS Control Programme; (iv) establishment of an autonomous National Pharmacy Office; and (v) improved co-ordination of donor support, including NGO and private sector activities. The strategy also calls for increasing emphasis on community participation, information sharing and education, and a more efficient and equitable system of cost-sharing between government and beneficiaries.

The donor community has already strongly endorsed the Government's priority focus on human resource development. The ESAF programme actually encourages and rewards government effort to increase public expenditures for the social sectors, and, in fact, allows off-budget spending in these sectors, supported by the donor community. To improve efficiency and effectiveness in this regard, several donors including the World Bank, DFID and UNDP recently supported a public expenditure review of three vital social sectors: education, health and water supply and sanitation. The findings of the review were important, for the goal is not simply to increase public spending in the social sectors, for its own sake, but to ensure much higher quality and outcomes of any given level of investments.

The expenditure analysis recognized the difference in failing to meet policy objectives because of financial constraints as well as institutional and trained manpower capacity constraints. To meet government's social sector objectives, new external financing requirements for 1999 amount to an estimated US\$59 million for 1999, \$142 million in 2000 and \$157 million in 2001. In the health sector, the new financing would fund primarily the recurrent cost of district health centres and the development costs of central and regional support to the health system. In education, the financing would mainly fund the recurrent and development costs of expanded and improved primary education.

External funding support to the health sector demonstrates what amounts to the 'mixed blessing' of donor support since 1994. While external donors have provided generous support, it has occasionally arrived in ways that have complicated delivery of basic health care. The complications have arisen because much of donor aid has been targeted to specific geographical areas or to specific diseases; and many donors

have preferred vertical approaches with centralized investments -- such as national vaccination programmes. Moreover, some NGO and official assistance has been off-budget. Given the high level of external support, this has removed much financial flexibility that the Ministry of Health needs to reallocate funds to cover recurrent expenditures in health in the wake of departing NGOs and (to a lesser extent) departing bilateral and multilateral donors.

National Poverty Reduction Strategy

Closely related to the priority attention being given to macro-economic policies and human capital formation has been the Government's concern about formulating a national poverty reduction strategy. The 1999 Development Budget, for example, lists two priorities: "human resource development and poverty reduction programmes." And the IMF-funded ESAF stipulates that the key social objective is "to reduce the incidence of poverty which now affects 70% of all households in the country ... including by implementing poverty alleviation programmes." While there is broad consensus on the importance of having a poverty reduction strategy, arriving at the policy priorities, programmatic approaches and managerial structures for the national strategy has not proven so easy.

In mid-1999, the Government was still in the process of formulating a national poverty reduction strategy, in consultation with the donor community. Three of the policy and management obstacles which have made arriving at a national poverty strategy so difficult are highlighted below.

The first difficulty relates to the challenge of prioritizing efforts around a small number of policy issues and programme interventions which can tangibly improve the lives of the poor in the medium term -- while longer-term efforts towards sustainable and more equitable economic and social development bear fruit. Currently, there is already a tendency by both government ministries and donor agencies and NGOs to classify many, if not all, of their activities as poverty focused, which tends to dilute and disperse efforts across a wide spectrum of activities. (By one count, the government itself already has 17 anti-poverty programmes, many of which are supported by donors and NGOs.) This problem is apparent in such areas as:

- the proliferation of micro-credit projects with widely varying lending and repayment terms;
- no agreement among government and donors on basic indicators and statistical methodologies required to monitor poverty; and
- numerous communal-level funding schemes found in MININTER and MINAFASO, or directly implemented by local or international NGOs, resulting in the creation of different and sometimes competing local structures.

From a management perspective, this lack of coherence runs the clear risk of making government oversight problematic, including difficulties in determining programme impact and effectiveness. This is not to suggest simply drawing up a new list of short-term safety net options which do not address the underlying economic and social needs of the poor. Instead, experience has shown that tangible progress can be made in certain areas of social and economic development for the poor by a more focused and concerted attack, an approach that is nonetheless congruent with Rwanda's longer-term development objectives.

The second difficulty is that the poor are not homogenous in terms of family composition, location, or kinds and degree of deprivation. Rather, the poor are composed of many different socio-economic groups, spread throughout the country. The overview of poverty in chapter four noted the changing demographics of poverty and the rise in the numbers of "incomplete" family units. There are also considerable differences between the rural and urban poor not mentioned above. And even households classified together in the same socio-economic group may have considerable intra-group differences. For example, intra-group differences are affected by the agro-climatic zones in which they live, their remoteness from economic and social infrastructure (markets, schools, health centres, etc.), or -- specific to Rwanda -- the residual psychological affects of the genocide and war.

From a programmatic perspective, however, many of these differences are often lost as ministries and agencies must translate overall objectives into functional programmes and services. In many Sub-Saharan countries, centralized decision- and budget-making do not allow for the kinds of programme fine-tuning and budgetary discretion which are called for to capture these differences. At the same time, not all poverty-focused interventions necessarily require the disaggregation of services to account for different socio-economic groups. The provision of primary health care is a case in point of an important service

needed by the poor regardless of socio-economic grouping. The challenge for the government is therefore to arrive at some balance between those activities or services that favour the poor regardless of their socio-economic group, and those that require attention to the specific needs of particular socio-groups.

A third difficulty that must be addressed is the problem of programme and budget legacy. This refers to those existing services or activities already being undertaken by ministries, NGOs, and other development actors upon which the Government must build the components of a national poverty strategy. In Rwanda's case, this legacy consists of the remnants of services that survived the war from the previous administration as well as the numerous humanitarian and emergency actions mounted by the government and the international community over the last four years. In addition, ministries and donor agencies are now in the process of formulating and/or implementing the strategic planning documents that articulate their policy and programme objectives over the short-, medium-, and longer term.

A national poverty strategy would not be expected, however, to be the sum of each ministry's respective planning documents. Instead, it would give added weight or prominence to some elements of some ministries' planning documents, as well as to pinpoint certain cross-sectoral concerns that may not be picked up within the purview of any one ministry or agency. This selection process would in turn have management and budget implications as funds are shifted to meet the chosen priority areas and as the executing ministries or agencies gear up to meet these new or prioritized responsibilities. From a bureaucratic perspective, staff of the executing ministries or agencies may react to the additional responsibilities with support ranging from wholehearted enthusiasm to outright obstinacy depending upon the perceived benefits or risks to their current job status.

Box 5.1
Issues Checklist for Poverty Reduction Activities

- ✓ *Is the proposed activity targeted at clearly defined socio-economic or vulnerable groups?*
- ✓ *Has the proposed activity been identified by the poor themselves as one of their priorities?*
- ✓ *How is performance to be measured for assessing the effectiveness of the activity?*
- ✓ *What sort of time-frames will be used for the proposed activity? Is the time allowed for achieving the goals realistic in light of institutional and budgetary constraints?*
- ✓ *Can responsibility for achieving the goals be assigned to specific operational entities?*
- ✓ *Is the service to be provided by the government or "out-sourced" to an NGOs or other actors in civil society?*
- ✓ *If the activity is to be implemented by a non-government service provider, what sorts of oversight mechanisms will be used to monitor the quality of the service provided?*
- ✓ *How are local communities to be involved in service design and implementation?*
- ✓ *What are the recurrent cost implications of the proposed activity?*
- ✓ *Is the existing macro-economic and regulatory framework conducive, neutral or detrimental to the activity's expected functioning or outcomes?*
- ✓ *Are co-ordination mechanisms in place to avoid unnecessary duplication and wasting of scarce resources?*

Decentralization and Political Participation

The Government's strong commitment to decentralization and more local-level political participation represents another important element of any strategy to accelerate human development and national reconciliation. As noted in chapter three, the elections held in March 1999 demonstrated what can only be described as the strong "pent up demand" among Rwandan citizens who are eager to take much greater involvement in economic and political decision-making. While these first elections only involved the cell and sector levels of political and economic organization, they nonetheless represent an important strategic decision to start the process of decentralization since they begin to place decision-making at those junctures which can tangibly influence activities in the communities and on the collines.

Given the historical legacy of highly centralized political and economic decision-making in Rwanda, this fundamental shift is long over due, and has the potential to significantly improve public service efficiency and effectiveness, if carefully implemented. The challenge facing the Government, however, is to ensure that local expectations for local government are matched by the ability to show actual results and demonstrable performance. It must also be understood that decentralization -- particularly as the CDCs are fully put in place -- will entail considerable additional costs to the national budget, as resources are shifted away from the center and as new staff must be trained to carry out new functions. Some of the additional financial resources may be obtained through revenues generated at the local level, although the national budget will probably still be the major conduit of funding, at least through the medium term. If this financial scenario proves correct, then it will be imperative for the Government to carefully match promised programmes and services with the anticipated available resources.

Judicial and Security Considerations

The final element of Rwanda's current policy framework briefly mentioned here concerns ongoing efforts to build a society based on respect for law and on assurances of the individual and household's physical security. Chapter three outlined some of the achievements and objectives for virtually rebuilding the judiciary from scratch and ensuring its independence from political interference. The overriding focus of attention has obviously been on bringing justice to the large number of detainees implicated in the 1994 genocide. The urgency of dealing with this problem is well understood; not only is there a need to provide the detainees with judicial due process, but there is also the recognition that the legal system cannot effectively provide the full range of legal services and judicial recourse for all Rwandan citizens if it is being over stretched to address those accused with genocide and crimes against humanity. The decision to allow lesser offenders to be brought to trial using customary law is an effort to meet both concerns. As the backlog of genocide detainees is finally cleared, then the legal system can play a more positive role for human development by assuring Rwandans of an impartial and effective judicial system that can protect their rights and interests.

The question of physical security for all Rwandans may prove to be the most difficult of challenges, for it involves not just developments within Rwanda's borders but geopolitical events across the entire Great Lakes Region. The peace agreement signed at the end of August 1999 in Lusaka for the Democratic Republic of Congo is hopefully a precursor to a regional political dynamic that will allow for the peace process to take root and germinate. Nonetheless, certain political/paramilitary elements of the former regime who operate across national borders constitute the gravest threat to physical security. And the Government has explicitly stated its intention to minimize these groups so as to ensure the physical security of its citizens. By any measure, efforts to both achieve and maintain acceptable levels of human development and economic growth will always be constrained so long as physical security concerns remain in the background for the lives of ordinary Rwandans.

Policy and Implementation Gaps

Despite the considerable attention given by the Government to the policy and institutional framework for promoting human development and equitable economic growth, there are still policy and implementation gaps that could accelerate current efforts. Some of these issues are briefly examined below.

Microfinance

While the Government's current attention to overall financial sector reform is crucial for creating a suitable environment for sustained economic growth; microfinance is potentially the most important financial instrument for helping the vast majority of Rwandans. Spurred by success of poverty-focused programmes such as the Grameen Bank in Bangladesh, many countries have adopted microfinance as a core

element of their poverty reduction and rural development strategies. The general enthusiasm for poor people's financial services has arisen from the belief that a major dilemma confronting development finance in the 1970s and 1980s can now be resolved.

During the 1960s, 70s, and 80s, nearly every African government established development banks or other specialized banks, aimed primarily at agriculture and rural development, which commercial banks tended to avoid. But these development banks became increasingly dependent on inexpensive funds provided by governments and donors, and did little to mobilize savings or even recover their loans. Consequently they had high default rates and were unable to cover operational costs. In addition, political interference, inappropriate regulation and a culture of distributing credit without recovery distorted the banking behavior of many borrowers, as they viewed these loans as gifts from the state, and therefore a less binding obligation than loans from informal sources.

There are already various microfinance schemes being tried in Rwanda, and the Ministry of Commerce, Industry and Tourism is finalizing a plan to establish a small umbrella organization to oversee these different initiatives. Because of the unprecedented de-capitalization of the country caused by the genocide and war, microfinance thus represents an important element for human development in Rwanda. Yet great care must be taken early on to ensure a smooth transition to a truly effective system of microfinance. In the first instance, the period of humanitarian assistance and rehabilitation has left a legacy of many goods and services being outright gifts from the government or donor community. This has no doubt created a 'dependency' mentality among some of the recipients that will need to change over time. The second concern is that there is great variation in the quality and professionalism of the microfinance schemes currently being implemented. Much attention will therefore be needed to first agree on the policy framework for microfinance -- the economic and financial rules of the game -- and then assure broad standardization of efforts among the various players.

A successful microfinance system for Rwanda, consisting of perhaps many different financial service institutions, would thus be guided by the following principles:

- concentrate on providing credit and related financial services;
- charge remunerative interest rates on loans and enforce repayment;
- have low transaction costs to borrowers by bringing services to clients;
- pay sufficient attention to generating sufficient income to more than meet operating expenses and cover risk management; and
- operate within an institutional culture which stresses reaching large numbers of people at low cost.

High Transaction Costs for the Private Sector

Leaving aside the structural problems of Rwanda's economy related to the small size of its market and its land-locked status, the private sector faces considerable obstacles in its dealings with the state. These include confusing and numerous requirements and taxes for permits and authorizations to begin or stay in business, the slow pace at which administrative decisions are made, as well as the arbitrary nature and lack of legal recourse for administrative decisions. The high fees charged by some of the parastatal utilities further impede business confidence and investments. And the structural limitations of the financial sector limits medium- and long-term borrowings and investments. These factors likewise have a similar dampening effect on the non-formal, small enterprise sector which is supposed to be a rapidly growing source of employment opportunities for the poor. Finally, the lower producer (farmgate) prices set for export crops, such as coffee and tea, have depressed both production and expansion of employment opportunities.

The Government is aware of these issues, many of which are being addressed as part of the ESAF agenda. The question facing government officials is how to implement the needed changes for encouraging private sector investment in ways that are both transparent and equitable. In cases where markets are weak or poorly developed, simply abdicating all public oversight may allow for monopolistic practices or economic rent-seeking to occur. Such situations would serve neither the longer term interests of the state nor the private sector itself. Thus, Government must strike a delicate balance to ensure that the high transaction costs to the private sector are reduced, while at the same time protecting new or young markets through effective rules and regulations that encourage competition and fair market practices.

Labour Market Policies

The historical legacy of restricting labour market movement is one aspect of an important policy area which needs closer attention by government policy-makers. Labour market policies affect both the supply and demand for manpower involving both existing skilled and non-skilled jobs, as well as facilitating job creation. In the case of restricted labor market movement, for example, there are obvious security concerns which cannot be discounted, but these concerns must be weighed against the costs imposed on primarily the rural poor in their ability to seek out additional employment opportunities.

A second issue is the problem of Rwanda's low human resource skills base, which cannot be solved through the formal education system alone. According to the Ministry of Youth, there are approximately one million youths and young adults in the labour force without basic skills training, and the number of new entrants into this labour pool is growing at approximately 100,000 per year. Statistically, most of these will not have finished primary school, and only a very small fraction will have any secondary education. Some 15 training centres have been established to address this tremendous need, and discussions are under way with GTZ and other donors to increase the number to as many as 200. These centres would be tasked with providing training in such areas as carpentry, masonry, plumbing, metal work, auto mechanics, sewing, and many other professions which would encourage the expansion of small-scale enterprises.

Non-formal education clearly represents an important sector in a sustainable human development, but care must be taken in closely examining the policy environment for such training. One area often overlooked involves the labour market conditions for the kinds of training offered. The painful lesson learned in other countries is that such training cannot be supply driven, but must attempt to match prevailing labour market trends. Non-formal education projects have often floundered because there was no demand for certain types of training offered, or that the specific training glutted the market, depressing wage rates for those already working in that profession. Another important issue in the Rwanda context is the necessity to ensure labour market mobility for graduates of such training programmes. If graduates cannot go where employment opportunities exist, then the training will have been for naught.

Finally, there are major policy issues concerning the institutional structure and sustainability of such training centres. For example, cost recovery becomes a major consideration in assuring the financial viability of such centres. At the same time, the target groups for such training are often those least able to afford it. Another factor concerns the recruitment of qualified persons to teach the courses offered. It is highly unlikely that potential vocational teachers would be attracted by civil service salaries or that there will be much room to increase the size of the civil service to accommodate such teachers. This leaves open the door for exploring ways of contracting for these teachers, rather than bringing them on board as full time civil servants.

Monitoring the Human Development Impacts of Economic Reform

The Government has strongly committed itself to the process of macro-economic reform, with the assistance of the IMF, World Bank and other donors. As discussed above, a number of reforms are completed or under way. The process of reform and debt servicing must not, however, lose sight of the potential impacts of adjustment on poor or vulnerable groups. While the overall direction of the economy may now be moving in a favourable direction, longstanding distortions and market imperfections may have unintended consequences on the poor and vulnerable and change over time, requiring systematic monitoring as the reform process goes through different phases.

Currently, Government lacks the capacity to analyze the impact of macro-economic policy on human development and poverty. Discussions around the formulation of the national poverty strategy have raised this issue, but there is still no analytical ability by government to determine the implications of specific economic policies on the different socio-economic groups who constitute the poor and marginalized. Government has made considerable efforts to ensure that its macro aggregates meet the prescriptions of the international donor community, particularly the IMF. Yet little is known, for example, of how well (or inefficiently) factor and product markets are functioning in ways that help or hurt the poor. Such an analytical capacity will be one of the most critical elements in any overall effort to assure the sustainability of human development efforts, in order to make mid-course corrections and refinements to broad policy prescriptions.

Assuring Coherence in the Promotion of Community-Level Institutions

The Government and donor community are already actively encouraging the creation of economic and social institutions at the community level. Community-level institutions are seen as important agents for bringing change to the "collines." The problem which may be currently arising, however, is that the enthusiasm for creating local institutions by many different ministries and donors is outstripping the "carrying capacity" of local communities to effectively organize, manage, and benefit from the proposed service or activity. Depending on the concerned sector or agency, one hears discussions of creating cooperative agricultural marketing and transport institutions, women's small enterprise organisations, training centres or extension agents using local people outside of government, and other proposals to organize the rural population for improving their economic and social condition. Taken individually each of these community-based institutions is important and needed, but when seen collectively, the result may promote over programming, inefficiencies and duplication.

Current efforts towards decentralization and local government may help to filter and screen the creation of too many local institutions. The ultimate litmus test or arbitrator for this potential problem rests with the communities themselves. Unless there is effective demand for the particular institution, as opposed to one suggested or imposed from outside, then its creation should be questioned. Another litmus test would be to see if the proposed service could be offered through existing informal institutions already found in the community.

Overcoming Existing Constraints for More Effective Policy Formulation and Implementation

Having examined some of the policy and implementation gaps, this last section now turns to the question of *how* to accelerate the pace of human development and ensure its sustainability. Assuming that there is general consensus on the major policy directions for human development, the next critical step is to move from prescription to more forceful implementation and follow-up. In effect, the issue is what can be changed over the medium term to ensure that human development policies are more quickly and fully implemented in ways that encourage national reconciliation? Are there specific strategic management approaches or decisions which can be adopted which would allow for stronger allegiances and adherence to agreed policies?

The areas discussed below do not represent necessarily any new or novel approaches to challenges which most developing and transition economies face in implementing or redirecting national public policies. Nor should they be interpreted as being all inclusive. Instead, they are presented as ways to encourage debate within government and Rwanda's development partners on ways of assuring more effective use of available resources -- both human and financial -- to achieve agreed national objectives.

Government-Donor Coordination

In light of Rwanda's heavy dependence on external aid, government-donor coordination is both a sensitive and overriding concern for Rwandan decision-makers. The legacy of the post-genocide era -- with its well meaning but sometimes uncontrolled inflows of humanitarian assistance -- has left a strong sense of the need for the Government to reassert control over the development aid process. Assistance to Rwanda from its development partners comes in two main forms -- through budget support and assistance through projects. (The recent creation of the Multilateral Debt Trust Fund represents an important adjunct to direct budget support, as a specific means to help address Rwanda's serious debt burden.) Succinctly stated, the issue is not less aid, but more of the right kinds of aid, especially direct budgetary support as well as project assistance in areas that correspond to specific national priorities, whether the source is multilateral, bilateral or non-governmental.

As noted earlier in this report, an overriding concern is with the recurrent cost implications of donor assistance -- does the government budget have enough current or future resources to maintain the project activity over time, once the project has been started? Is the project sustainable once the donor agency walks away? The significance of the Government's concern about this issue is apparent when one takes into consideration that 92 percent of the 1999 Development Budget is derived from external financing, while for the key social sectors of education and health, the comparable share is 94 percent and 99 percent, respectively. In effect, it is important to consider what are the downstream implications of these capital expenditures.

In the first instance, therefore, external funding is the first locus of concern in improving government-donor coordination, and it, in turn, is linked to the quality and relevance of external support. Implicit in discussions of unwanted or irrelevant aid is the question of who exactly is in the "driver's seat" for aid coordination. Government has implied that during the early humanitarian phase there were times when it was not; allocation and deployment decisions were being made over which it had little control.

Improved aid coordination will begin to occur when the Government is institutionally able and politically willing to say "no" to certain kinds of aid that fall outside of national priorities. Such a governmental capability is premised on a stronger commitment to what has come to be called "policy dialogue" where Rwandan policy makers and donor agencies are able to reach well articulated consensus on national policies and strategies. This sort of government-donor common articulation is already emerging in terms of overall macro-economic policies, but is not so apparent in sector policies and strategies. It is much more common to find *de facto* project-driven sector strategies, rather than well articulated sector policies determining the nature of projects and sector investments.

Improved aid coordination must occur at two levels. The first is at the level of international conferences, such as the Round Table process and the ad hoc Stockholm meeting of 1998. The second level is the day-to-day in-country coordination, which is responsible for turning broad agreements into practical actions. Both UNDP and the World Bank, as organizers of the Round Table and Consultative Group mechanisms respectively, are aware of the shortcomings of their international conference instruments and have taken steps to encourage coordination between themselves and to give greater ownership of the process to the government in question. The Government of Rwanda has an obvious stake in seeing that it begins to have greater and greater responsibility in this regard.

Improving in-country coordination poses another set of challenges. The objective is to move beyond the current tendency of coordination to consist of simply holding periodic meetings that primarily "exchange information." In its place is the need for constructive fora where agreement can be reached on the actual redefinition or redeployment of available resources to match Rwandan priorities, or to ensure mid-course corrections, as needed. Both government ministries and individual donors expect this to occur at their own project or programme level. The same is not true when taking a more macro perspective on overall policy and programme coordination, where multiple donors and ministries are involved.

Public Expenditures and Budget Management

Whatever the level of external support, a parallel issue is the role of public expenditure policy and budget management. In the broadest sense, public expenditure policy is concerned first with the aggregate level of government spending to ensure that government outlays are in line with prevailing macro-economic conditions, and that government spending is maintained at sustainable levels. The second concern is with the composition of government spending, i.e., that the mix of goods and services helps to maximize agreed economic and social outcomes. *In theory*, governments should make these decisions by rationally examining what are the overall needs of the population and the economy, by formulating clear economic and social goals, and then by choosing the most cost-effective government programmes and activities required to meet those goals.

Needless to say, the reality of government expenditure decisions is invariably more complex and rarely so rational. Not only do governments face competing demands and conflicting goals on the use of public resources from different groups of society, but it is not always clear which programmes and activities are the most cost-effective in achieving public policy objectives. Likewise, not all expenditure decisions can be based on strict economic or financial criteria alone. Some expenditure allocations must be made on equity criteria and/or on the realization that the public sector may have to provide some services that have no financial incentives to the private commercial sector. Finally, it is not always clear whether the government or the private sector is in fact the best institution to fund or deliver a particular service or programme.

The Government is currently in the process of establishing a Medium Term Expenditure Framework (MTEF) approach to public expenditure analysis and budget management. A chief characteristic of the MTEF is that it is a 'rolling approach' in the sense that expenditures and revenues are estimated and projected over a period of more than one year. The MTEF timeframe for Rwanda has been set at three years. In this regard, the estimates for the first year are sufficiently detailed to determine specific expenditure allocations for budget implementation for that year. In addition, an outline of the cost of implementing sector policies (and the various additional elements of public expenditure) would be

provided for the following two years, along with an estimate of anticipated resource mobilisation requirements (domestic and external) over the same period.

A central component of the MTEF involves the timely estimation and projection of revenues, both domestic and external, expected to be available to the budget (the resource envelope) over the three-year period of the MTEF. Whereas the Government's previous approach has been to estimate revenues for the forthcoming budget year alone, the new approach will derive detailed estimates for the forthcoming budget year along with projected estimates for the subsequent two years. This component of the MTEF underpins the whole process, as accurate and timely information on resources is essential to ensure that rolling budget plans can be funded.

While the efforts to put in place the MTEF approach are to be lauded, it is important to keep in mind other element of expenditure analysis and budget management that should also be given increasing attention. Three ongoing management concerns of particular importance to improved public expenditure performance are:

Monitoring Expenditures against Programme Outcomes. Most government analysis of public expenditures is still based on examining the trends in spending, not on measuring programme performance or outcomes. In many countries, government officials are only concerned with such questions as, *"Is government spending for a particular ministry or programme going up or down? How much of a percentage increase can we expect in our budget for this year from the Ministry of Finance?"* Public expenditure analysis for economic growth and human development does not mean just budget analysis. The more important, but certainly more difficult, form of expenditure analysis attempts to measure expenditures against programme outcomes and performance. *"Have the goals set for a particular programme been achieved with existing resources? What is the relationship between expenditure allocations, programme inputs and costs, and observed outcomes?"* Many African governments -- including Rwanda -- do not yet have the institutional capacity to carry out this kind of analysis, although noticeable progress has been made in some countries.

Equity vs. Efficiency in Public Expenditures. Economists often refer to the trade-offs between equity and efficiency in analyzing public expenditures and other government decision-making. Not all public expenditure allocation decisions for human development can be based solely on efficiency arguments. Government efforts to achieve greater equality have often done so at heavy costs in efficiency. There is no right or wrong answer on where government should draw the line in the equity vs. efficiency debate. Public leaders may feel they have a political and moral obligation to support priority issues for equity reasons, even if there is a loss in efficiency. What is important for expenditure analysis is to know *explicitly* what are the actual costs of undertaking any public programme, and whether such a programme can be sustained as part of overall government spending.

Quality Improvements in Basic Social Services. Increased allocations to basic social services do not necessarily mean that the quality of services will be commensurately improved. One of the lessons emerging from the 20/20 Initiative is that a country which is spending, for example, only 15 percent of its budget on basic social services may actually be doing better than a country than spends 25 percent, if the quality of service delivery is higher and resources are more effectively used and targeted. A second lesson learned is that making budgetary reallocations is only the first step needed for better social service delivery. Probably more difficult are the managerial and organizational hurdles required to successfully re-deploy staff and resources to priority services and/or to under-served communes or prefectures.

Transparency and Accountability in Government Processes

Transparency and accountability are commonly mentioned in discussions of 'good governance.' In Rwanda's case, these two components of good governance take on additional importance, particularly with respect to the confidence-building requirements for national reconciliation. Transparency and accountability entail both a socio-political as well as a technical/managerial aspect.

From a socio-political perspective, the recent elections and newly formed decentralized economic and political structures afford an important opportunity to allow individual citizens, local NGOs and various associations to see and understand how priorities are being identified and resources spent. Economic and political processes that are understood by all citizens and that can be scrutinized by national and local actors can help to overcome the kinds of mistrust and suspicions that impede national reconciliation.

From a technical/managerial perspective, clear priorities for using public expenditures to achieve human development must be accompanied by better planning and budgeting systems. Such systems are essential at the national and local level to control expenditures so that budgetary needs of priority areas are met and to provide regular evaluations of programme and project effectiveness. Unfortunately such planning and budgetary systems have been generally weak, especially as one moves farther from Kigali. A second concern is that expenditure programmes may contain too many activities, often with questionable benefits to stated national priorities. Competition and rivalry among ministries for scarce budgetary resources persist when budgetary priorities are not well defined. Weaknesses in planning and budgeting in line ministries and insufficient prioritization both within and among lines ministries result in insufficient recurrent expenditures to match the needs of priority investments. This problem has often been exacerbated by donor projects which, themselves, fall outside national priorities but nonetheless place demands on the recurrent budget.

Statistics and Monitoring of Human Development

Lastly, another important element for improving the implementation of human development policies and programmes involves the statistics and data-gathering system which is put in place as part of the Government's overall statistical capability. Obviously, public officials need various kinds of data and information to make informed decisions and monitor progress of agreed priorities. But Rwanda's statistics capability is severely constrained by the consequences of 1994, the still inadequate number of trained staff, and the limited availability of financial and technical resources. The statistics services are also heavily dependent on donor funding to undertake virtually any kind of survey or monitoring activity. With these constraints and each donor having priorities in terms of the kinds of surveys that it is willing to fund, the Government now faces a major challenge of arriving at an overall statistical system, which reconciles information and data requirements with available resources. Government cannot afford to mount and eventually sustain every survey that it or, more likely, a donor is willing to individually fund. The statistical system should be derived from a common agreement among government ministries and donors about what these overall statistical requirements are and what is the likely and sustainable budget envelope for such a system. The statistical system should not be driven by the preferences of any one or two donors with their own pre-determined methodologies or interest in certain kinds of data.

With an agreed statistical information framework in place, the overall objective for statistics and monitoring is to ensure that public money is spent on the kinds of infrastructure and services that are known to be the most helpful to achieving human development, not on what is thought to be most helpful. This implies that Government will have to collect information on the needs of the different kinds of Rwandan households, notably those of the poor and marginalized, and to understand how public resources are actually meeting their needs. On the basis of this information, changes or modifications can be made in the allocation of expenditures so that resources make the fullest possible contribution to sustainable human development. To gather these data, Government will no doubt have to employ various kinds of household surveys, beneficiary assessments and rapid rural appraisals. Depending upon which methodologies are employed, these information collection methods are valuable not only for the data gathered, but also because some of these methodologies enable the survey households to participate in the spending decisions that affect their lives.

ANNEX I: Computation of the Human Development Index (HDI) for Rwanda

The Human development is based on three indicators: longevity as measured by life expectancy at birth; educational attainment, as measured by a combination of adult literacy (2/3 weight) and combined primary, secondary and tertiary enrolment ratios (1/3 weight); and standard of living, as measured by real GDP per capita (PPPS).

In order to construct the HDI, fixed minimum and maximum values have been established for each of these indicators.

- Life expectancy at birth : 25 years and 85 years
- Adult literacy : 0% and 100%
- Combined gross enrolment ratio : 0% and 100%
- Real GDP per capita (PPPS).

For any of the above indicators of the HDI, indicators of the HDI, individual indices can be computed according to the following general formula:

$$Index = \frac{Actual\ x_1\ value - Minimum\ x_1\ value}{Maximum\ x_1\ value - Minimum\ x_1\ value}$$

The construction of the income index is a little more complex. The average world income of PPP\$5,990 is taken as the threshold level (y^*), and any income above this level is discounted using the following formulation based on Atkinson's formula for the utility income :

$$\begin{aligned} W(y) &= y^* \text{ for } 0 < y < y^* \\ &= y^* + 2 \left[(y - y^*)^{1/2} \right] \text{ for } y^* \leq y \leq 2y^* \\ &= y^* + 2 \left(y^{*1/2} \right) + 3 \left[(y - 2y^*)^{1/3} \right] \text{ for } 2y^* \leq y \leq 3y^* \end{aligned}$$

With the above formulation, the discounted value of the maximum income of PPP\$40,000 is PPP\$ 6,311.

A combined education attainment index is computed by adding 2/3 of the adult literacy index to 1/3 of the enrolment index.

The HDI for a given country is then computed by taking an arithmetic mean of the life expectancy index, the income index, and the combined education attainment index.

The construction of the HDI, is illustrated with the Rwandan example as follows:

Country	Life expectancy (years)	Adult literacy (%)	Combined Enrolment ratio	Real GDP Per capita (PPP)
Rwanda (1996)	49.2	52.7	48.5	630

Life expectancy index (LEI)

$$LEI = \frac{49.2 - 25}{85 - 25} = 0.4033$$

Adult literacy index (ALI)

$$ALI = \frac{52.7 - 0}{100 - 0} = 0.527$$

Combined primary and secondary enrolment ratio index (CEI)

$$CEI = \frac{48.5 - 0}{100 - 0} = 0.485$$

Educational attainment index (EAI)

$$EAI = [2(0.527) + 1(0.485)] / 3$$

Adjusted real GDP per capita (PPPS) index (GDP Index)

Rwanda's real GDP per capita is \$ 630, which is less than the threshold of \$ 5990 (1995) world average.

The adjusted real GDP per capita (PPPS) index for Rwanda; therefore, would be:

$$GDP\ Index = \frac{630 - 100}{6311 - 100} = 0.0853$$

Country	Life expectancy index	Educational attainment index	Adjusted real GDP per capita (PPPS) index	Sum of indices	HDI
Rwanda	0.4033	0.513	0.0853	1.0016	0.3339

ANNEX II: Computing Human Poverty Index for Rwanda

The human poverty index (HPI) is concerned with three essential elements of human life: longevity, knowledge and a decent standard of living. Longevity relates to survival (vulnerability to death at a relatively early age, ie, <40); knowledge refers to being excluded from the world of reading and communication; and standard of living relates to the overall economic provisioning.

In constructing the HPI,

- the deprivation in longevity is represented by the percentage of people not expected to survive to age 40 (P1);
- deprivation in knowledge by the percentage of adults who are illiterate (P2); and
- deprivation in a decent living standard is represented by a composite of three variables (P3). These include the percentage of people without access to safe water (P31), the percentage of people without access to health services (P32) and the percentage of moderately and severely under-weight children under five (P33).

The composite variable, P3, is constructed as a simple average of the three variables, P31, P32 and P33.

$$P_3 = \frac{P_{31} + P_{32} + P_{33}}{3}$$

$$HPI = [1/3(P_1^3 + P_2^3 + P_3^3)]^{1/3}$$

Hence,

Therefore, HPI is estimated as follows :

$$P_3 = \frac{56 + 20 + 29}{3} = 35$$

$$HPI = [1/3(42.1^3 + 47.3^3 + 35^3)]^{1/3}$$

$$HPI = [1/3(74,618.461 + 105,823.817 + 42,875)]^{1/3}$$

$$HPI = [1/3(223,317.278)]^{1/3}$$

$$HPI = [74,439.0927]^{1/3}$$

$$HPI = 41.91$$

ANNEX III : Macro-economic and Social Statistics

Table 1

Données de Base

Basic Data

	Rwanda	Sub-Saharan Africa 1/
PIB par habitant en 1997 (en US\$)	240.0	490.0
Population en 1997 (million)	7.7	612.0
Rural (en %)	94.0	68.0
Urbaine (en %)	6.0	32.0
Taux de croissance de la population (1980-97, en %)	3.6	2.8
Densité de la population en 1997 (par Km ²)	303.0	25.0
Indice synthétique de fécondité en 1996	6.5	5.6
Taux d'utilisation de contraceptifs (1990-96) en % des femmes de 15 à 49 ans	21.0	NA
Population active (1996), en %		
Agriculture	91.1	70.0
Industrie	1.7	7.5
Services	7.2	22.5
Ratio de dépendance en aides extérieures (1997)		
Aides extérieures par tête (en US\$)	42.6	26.0
Aides extérieures en % PNB	17.6	5.0
Aides extérieures en % Investissement	55.5	27.7
Aides extérieures en % d'importations des biens et services	65.3	12.7
Alphabète en % de la pop âgée 15+ (1996)	52.0	43.0
Taux brut d'inscription (niveau primaire) en %, 1996/1997	80.1	75.0
Espérance de vie à la naissance (1996), ans	49.0	54.0
Taux de mortalité infantile (1996)	131.0	91.0
Mortalité moins de 5 ans (1996)	205.0	147.0
Indice de production alimentaire pour 1994-96, (1989-91=100)	72.0	113.0
Taux de satisfaction des besoins (%) en calories (1997)	64.0	96.0
Indice de développement humain (1996) 2/	0.295	0.390

Sources: "Rwanda Development Indicators" and "1996 Socio-Demographic Survey", Ministry of Finance and Economic Planning, Rwanda; and "World Development Indicators", World Bank.

1/ 1997 or most recent estimates for low income Sub-Saharan Africa. 2/ Rwanda ranks higher than Mozambique, Guinea, Eritrea, Ethiopia, Burundi, Mali, Burkina Faso, Niger, and Sierra Leone.

Table 2 Secteurs Sociaux en un Coup d'Œil Social Sector at a Glance

	1990	1993	1994	1995	1996	1997	1998 est	Sub-Saharan Africa 1/	Low-income Economies2/	
Pauvreté et indicateurs sociaux										
Population (en millions)	6,9	7,5	5,2	5,7	6,2	7,7	7,9	596	3.236	
PNB par habitant (en USD)	374	257	144	205	225	240	251	510	350	
PNB nominal (en milliard USD)	2,6	2,0	0,8	1,2	1,4	1,9	2,0	311	712	
Poverty: headcount index (% of population) 3/										
	1990	1993	1994	1995	1996	1997	1998			
	47,5						65,3			
Life expectancy at birth (years), 1996										
	Rwanda	Sub-Saharan	Low-income							
	49	54	64							
Infant mortality (per 1000 live births), 1996										
	Rwanda	Sub-Saharan	Low-income							
	131	91	68							
Urban population (% of total population)										
	28 (for 1989-95)	44 (1996)	52 (1996)	80,1 (1996/97)	32	28	38	76	34	
Prevalence of child malnutrition (% of children under 5)										
	28	44	52	80,1	45	38	76	34	107	
Access to safe water (% of population)										
	28	44	52	80,1	45	38	76	34	107	
Literacy (% of population aged 15+)										
	28	44	52	80,1	45	38	76	34	107	
Gross primary enrolment (% of school-age population)										
	28	44	52	80,1	45	38	76	34	107	
Source of water supply (% of population), 1996										
	Protected wells	Surface water	Standpipe	Purchased tap water	Utility company					
	43,7	22,4	15,4	5,2	2,2					
Common causes of death, 1996										
	Eye diseases	Traumatic	Dysentery	Measles	Others	Malaria	Diarrhea	Skin	Respiratory	Sexually transmitted
	2%	3%	1%	1%	27%	36%	4%	1%	1%	1%
Sources of energy, 1996										
	Electricity	Others	Wood							
	2%	1%	97%							

Sources: "Rwanda Development Indicators", Ministry of Finance and Economic Planning, Rwanda; and "World Development Indicators", World Bank.

1/ Sources: World Bank, 1997 or most recent estimates for low income Sub-Saharan Africa. 2/ Sources: World Bank, 1997 or most recent estimates and low income economies are those with a per capita GNP of \$785 or less in 1996.

3/ Source: For 1990-97, World Bank, poverty Head Count is the proportion of the population below the poverty line. The poverty line was fixed during the 1985 household budget survey at the average expenditure of the 40th percentile of household ranked by expenditure. Since all comparisons are made in constant 1985 Fw, this line may be held fixed for comparison. 1998 estimate is extrapolated on the basis of GDP and population growth rates.

Table 3 Secteurs Economiques en un Coup d'Oeil **Economic Performance at a Glance**

	1990	1991	1992	1993	1994	1995	1996	1997	1998 est
Principaux indicateurs économiques									
PIB à prix constant, par rapport au niveau de 1990	100.0	96.0	102.7	94.0	47.1	63.3	73.3	82.7	90.7
Taux de croissance du PIB, prix constant 1995 (en %)		-4.0	6.9	-8.5	-49.9	34.4	15.8	12.8	9.6
Investissement brut en % du PIB	14.6	14.1	17.0	18.2	11.7	15.0	15.5	14.9	15.7
Exportations en % du PIB	5.6	7.4	5.6	5.2	6.3	5.8	5.9	7.7	5.6
Epargne intérieure brute en % du PIB	6.2	3.3	4.2	2.8	-46.8	-8.2	-4.8	-2.8	-2.0
Epargne nationale brute en % du PIB	5.8	2.7	3.7	2.2	-47.3	-7.8	-5.8	-3.7	-2.4
Balance courante, excl. transferts officiels % PIB	-8.6	-10.3	-12.3	-14.9	-53.1	-21.4	-19.4	-17.3	-17.2
Balance courante, incl. tous transferts % PIB	-3.3	-1.8	-3.9	-6.5	-6.1	4.4	-0.7	-3.2	-6.3
Total dette en % du PIB	37.7	55.7	54.8	60.9	158.1	109.2	91.5	72.5	71.9
Total dette en % des exportations de B et S	651	740	933	1,134	2,189	1,422	1,451	880	1,182
Service de la dette en % des exportations de B et S	25.1	21.5	26.6	42.1	64.8	85.0	53.2	35.4	44.2
Structure de l' économie									
PIB nominal, (en million de Frw)	213533	237369	269015	281868	165792	337200	431140	562481	631680
Agriculture en % PIB	43.7	37.8	36.9	40.8	49.8	44.2	46.5	44.8	43.8
Industrie en % PIB	24.2	22.0	23.0	22.8	21.2	16.5	18.7	19.1	19.9
Consommation privée en % PIB	83.7	84.5	82.7	85.6	138.6	99.1	94.5	94.0	93.4
Consommation publique en % PIB	10.1	12.2	13.1	11.7	8.2	9.2	10.2	8.9	8.6
Importations en % PIB	14.1	18.2	18.4	20.7	64.8	29.1	26.2	25.5	23.3
Agriculture, variation réelle, en %		-11.5	4.6	-8.3	-43.1	29.1	20.1	3.5	10.9
Industrie, variation réelle, en %		-13.5	24.0	-6.6	-65.5	52.0	23.2	22.7	11.3
Consommation privée variation réelle en %		-6.0	4.4	-3.4	-22.0	-0.2	8.6	17.7	9.6
Consommation publique variation réelle en %		17.0	15.3	-15.9	-60.8	20.2	30.4	-3.4	4.9
Investissement brut variation réelle en %		-10.4	26.1	-4.3	-73.5	91.0	27.8	26.9	10.5
Importations variation réelle en %		3.8	-16.8	-10.9	-43.2	14.3	28.5	26.2	-12.4
Structure of the economy									
GDP nominal (in million of Frw)									
Agriculture as % of GDP									
Industry as % of GDP									
Private consumption as % of GDP									
Government consumption as % of GDP									
Imports (G&NFS) as % of GDP									
Annual growth of GDP (constant 1995 prices)									
Agriculture, growth rates (%)									
Industry, growth rates (%)									
Private consumption growth rates (%)									
Government consumption growth rates (%)									
Gross domestic investment growth rates (%)									
Imports growth rates (%)									

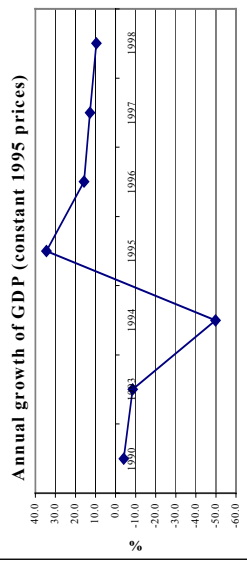
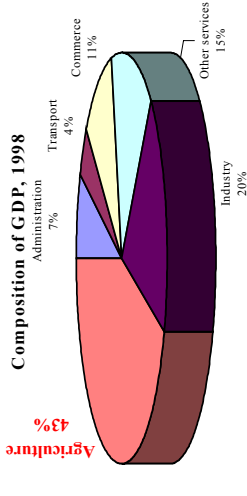
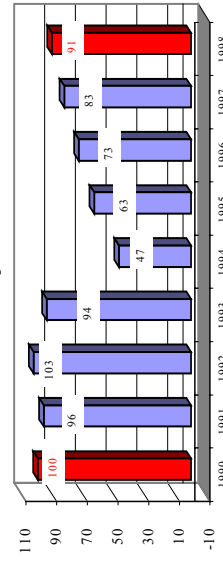


Table 4 Prix, Budget, et Aides en un Coup d'Oeil Prices, Budget, and Aid Flows at a Glance

	1990	1991	1992	1993	1994	1995	1996	1997	1998 est.
Prix et taux de change									
Indice des prix à la consommation (variation en %)		14.0	5.6	11.2	5.8	88.8	9.3	17.1	4.1
Déflateurs du PIB, variation en %	15.8	17.3	17.3	17.3	17.3	51.4	10.4	15.6	2.5
Taux de change (Frw/USD, moyen)	82.6	125.1	133.0	144.3	220.0	290.0	306.5	302.4	317.0
Budget consolidé									
Recettes totales et dons en % du PIB	12.9	15.2	16.5	15.6	4.6	18.2	16.4	17.0	15.0
Recettes propres	10.1	10.5	10.2	9.2	3.6	6.9	9.1	10.3	10.4
Dons	2.7	4.7	6.2	6.4	0.9	11.4	7.3	6.7	4.6
Dépenses totales en % du PIB	20.5	22.9	24.7	24.2	16.0	20.6	22.1	19.5	18.5
Déficit courant en % du PIB	-7.7	-7.7	-8.2	-8.6	-11.5	-2.3	-5.7	-2.5	-3.4
Déficit global en % du PIB	-7.7	-7.7	-8.2	-4.7	-2.0	1.6	-3.5	-2.2	-7.6
Dons en % des recettes totales et dons	21.4	30.7	37.8	41.2	20.1	62.4	44.4	39.4	30.9
Government finance									
Total revenue & grants as % of GDP									
Total domestic revenue									
Foreign grants									
Total expenditure as % of GDP									
Current budget balance as % of GDP									
Overall deficit as % of GDP									
Foreign grants as % of total revenue & grants									
Prices and exchange rates									
Consumer price index (% change)									
GDP price deflator growth rates (%)									
Foreign exchange annual average (Frw/US\$)									
Aides extérieures									
Aide publique totale (en million US\$)	225.3	248.8	257.5	251.7	441.2	387.7	350.7	349.7	302.9
Aide publique totale, en % du PIB	8.7	13.1	12.7	12.9	58.5	33.3	24.9	18.8	15.2
Aide développement en % de l'Invest. intérieur brut	33.3	58.5	47.9	11.0	26.3	56.5	53.3	55.5	40.6
Aide publique par tête (en US\$)	32.7	35.1	35.2	33.4	84.4	68.1	56.9	45.6	38.4
Aid flows									
Total official aid (Million of US\$)									
Total official aid as % share of GDP									
Total development aid as % share of GDI									
Total official assistance per capita (in US\$)									
Development and humanitarian aid flows									

Table 5 Secteur Extérieur en un Coup d'Oeil

External Sector at a Glance

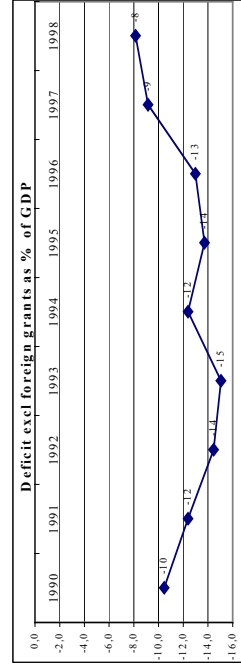
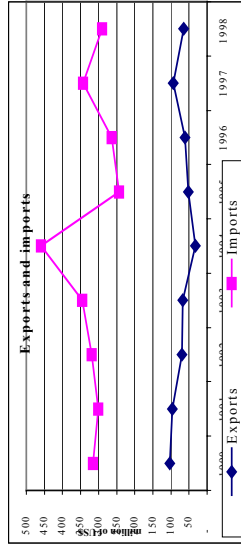
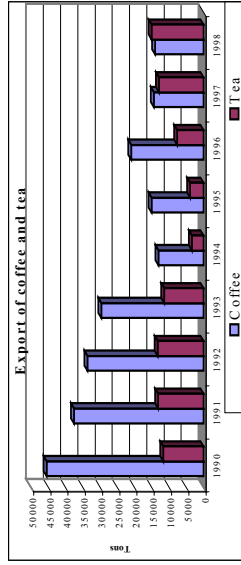
	1990	1991	1992	1993	1994	1995	1996	1997	1998 est
Commerce extérieur (en million US\$)									
Exportations totales	103,0	95,6	69,0	67,7	32,2	51,2	61,7	93,0	64,4
Café	65,7	35,1	37,6	37,6	17,4	38,2	43,0	45,3	25,9
Thé	21,0	22,4	20,8	18,6	5,8	3,8	9,3	20,6	22,9
Autres	15,3	38,1	10,4	11,5	9,0	9,2	9,4	27,1	15,6
Importations, caif	315,1	301,6	319,2	345,5	458,7	243,1	263,5	342,9	290,6
Alimentation	32,4	34,9	29,0	59,3	218,1	56,3	50,6	53,5	56,3
Produits énergétiques	44,7	39,2	37,0	35,1	23,6	21,8	26,7	32,0	34,2
Biens durables (capital)	58,4	53,8	69,1	72,0	36,0	49,8	54,1	61,7	60,0
Balance des paiements (en million US\$)									
Exportations biens et services nonfacteurs	145,5	139,6	113,7	102,0	47,5	67,4	83,2	144,0	111,3
Importations biens et services nonfacteurs	363,6	344,7	372,3	403,9	488,3	338,1	368,6	474,0	463,6
Balance commerciale et services nonfacteurs	-218,1	-205,1	-258,5	-301,9	-440,8	-270,7	-285,4	-330,0	-352,3
Facteurs services, net	-11,2	-11,0	-11,0	-11,6	-4,0	5,7	-14,5	-16,6	-8,3
Transferts privés, net	5,8	20,9	20,2	21,9	44,5	15,8	26,5	25,0	18,3
Transferts officiels, net	-223,4	-195,1	-249,4	-291,6	-400,3	-249,2	-273,4	-321,6	-342,2
Balance courante, incl. transferts officiels	-85,2	-33,4	-79,0	-127,0	-46,2	51,5	-9,8	-59,0	-126,4
Financement	56,0	-67,0	37,0	63,7	41,2	-60,2	-3,2	-11,7	15,5

Foreign trade (million of US\$)

Total exports	64,4
Coffee	25,9
Tea	22,9
Others	15,6
Total imports, cif	290,6
Food	56,3
Energy products	34,2
Capital goods	60,0

Balance of payments (million of US\$)

Exports of goods & non-factor services	144,0
Imports of goods & non-factor services	474,0
Resource balance	-330,0
Factor services	-16,6
Private unrequited transfers (net)	25,0
Current account balance, excl. official transfer	-321,6
Current account balance, incl. official transfer	-126,4
Financing	15,5



Encours de la dette publique (en million US\$)

Dette totale	974,3	1056,7	1109,0	1190,4	1191,4	1270,1	1287,1	1348,7	1433,0
Dette intérieure	299,0	323,0	330,9	366,8	254,9	247,1	242,3	254,5	220,5
Dette extérieure	37,5	718,7	767,6	835,9	920,5	1022,0	1065,1	1140,2	1216,6
Service de la dette (dt)	37,5	30,6	31,7	44,2	35,3	75,9	47,2	54,2	53,5

Public debt (million of US\$)

Total debt outstanding incl. Arrears	1433,0
Domestic debt	220,5
External debt	1216,6
Debt service due	53,5

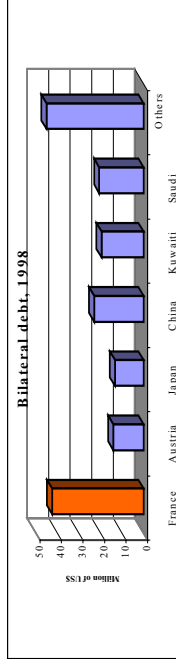
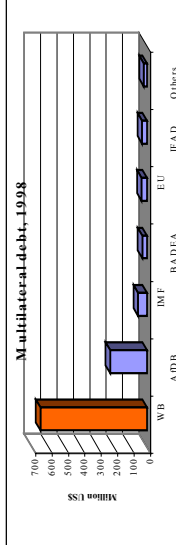
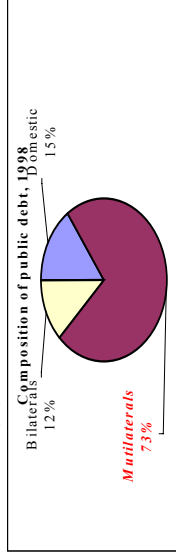


Table 6 Produit Intérieur Brut par Branche d'Activité (nominal)
(en millions de Frw courants)

Gross Domestic Product by Kind of Activity (nominal)
(million current Frw)

	1990	1991	1992	1993	1994	1995	1996	1997	1998(est.)
Agriculture	93,213	89,642	99,305	114,890	82,483	148,956	200,319	251,990	276,819
Culture vivrière	73,264	72,469	82,306	99,400	72,486	123,806	161,960	213,673	239,894
Culture d'exportation	8,778	7,194	6,301	3,911	549	8,456	6,895	5,392	5,531
Dont: Café	8,235	6,621	5,547	3,388	291	5,214	4,108	4,498	4,108
Elevage	9,330	7,735	8,295	8,921	5,668	11,040	23,235	25,799	23,017
Pêche	481	572	679	809	651	838	1,383	1,366	1,505
Sylviculture	1,361	1,673	1,724	1,849	3,129	4,815	6,846	5,762	6,873
Industrie	51,593	52,110	61,960	64,129	35,085	55,719	80,653	107,623	125,679
Mines et carrières	252	312	239	174	69	101	164	291	359
Manufactures	35,138	37,672	40,552	41,160	28,573	35,622	52,469	70,943	80,795
Dont: Alimentaires, boissons et tabac	27,763	30,737	32,505	32,126	24,184	28,774	42,556	56,939	64,037
Textiles	2,673	2,183	1,909	2,395	666	1,218	2,552	4,251	5,491
Bois et meubles	416	432	445	459	827	845	961	1,236	1,451
Papier, impression, édition	343	319	337	412	158	244	368	514	592
Chimie	1,316	1,140	1,107	772	598	443	671	901	1,038
Non métallique	1,671	1,861	2,668	3,361	1,729	3,088	4,235	5,594	6,447
Métallique	851	889	1,406	1,452	365	899	1,000	1,341	1,546
Autres	106	111	176	182	46	112	125	168	193
Electricité, gaz, et eau	1,787	1,971	1,959	1,561	1,040	1,739	2,269	2,772	3,004
Construction	14,417	12,155	19,210	21,235	5,403	18,257	25,751	33,617	41,522
Services	67,151	92,778	104,352	98,849	47,162	135,195	148,092	197,721	221,701
Commerce de gros et de détail, rest. et hôtels	21,607	28,872	34,447	28,254	26,183	46,513	42,892	58,134	67,228
Dont: Commerce de gros et de détail	19,991	28,164	33,205	26,853	24,297	44,693	40,530	55,145	63,829
Restaurants & hôtels	1,616	709	1,243	1,401	1,887	1,821	2,362	2,989	3,399
Transport, entreposage, & communication	9,071	15,511	15,772	16,039	1,505	13,979	16,354	22,634	26,143
Finances, assurances, affaires immobilières	3,954	4,692	5,297	4,457	1,320	7,346	8,065	12,538	15,136
Dont: Institutions bancaires	3,471	4,471	4,842	4,014	1,285	6,297	8,020	12,489	15,076
Administration publique	16,996	19,646	22,449	25,610	11,438	22,400	30,167	40,151	41,656
Institution sans but lucratif	1,522	1,649	1,808	2,246	3,936	6,343	6,934	7,470	7,601
Autres	14,001	22,408	24,577	22,243	2,779	38,614	43,678	56,794	63,937
Moins: production imputée des services bancaires	2,630	3,384	3,643	2,964	735	9,578	8,599	8,304	7,473
Plus: Taxes sur les importations	4,205	6,223	7,041	6,963	1,797	6,909	10,675	13,450	14,953
Produit intérieur brut	213,533	237,369	269,015	281,868	165,792	337,200	431,140	562,481	631,680

Source: Ministère des Finances et de la Planification économique, Direction de la Statistique

Table 7 Produit Intérieur Brut par Branche d'Activité (réel) Gross Domestic Product by Kind of Activity (real)
(en millions de frw constants, 1995) (million of 1995 constant Frw)

	1990	1991	1992	1993	1994	1995	1996	1997	1998(est.)
Agriculture	238,944	211,383	221,135	202,767	115,351	148,956	178,871	185,120	205,285
Culture vivrière	186,659	166,182	172,438	157,912	95,605	123,806	146,541	152,776	171,049
Culture d'exportation	23,487	16,914	20,075	15,168	1,347	8,456	6,266	6,176	6,104
Dont: Café	22,867	16,275	19,430	14,645	1,140	8,214	5,719	5,534	5,339
Élevage	23,266	22,717	22,853	23,547	13,283	11,040	18,183	19,095	20,432
Pêche	1,699	1,599	1,668	1,905	762	838	1,090	1,144	1,179
Sylviculture	3,833	3,971	4,101	4,235	4,355	4,815	6,792	5,929	6,521
Industrie	106,143	91,813	113,825	106,281	36,655	55,719	68,646	84,258	93,814
Mines et carrières	494	397	376	336	140	101	163	268	307
Manufactures	63,608	59,044	67,257	65,023	28,535	35,622	42,150	50,446	54,813
Dont: Alimentaires, boissons et tabac	44,910	43,892	49,930	48,176	22,358	28,774	33,336	39,205	42,213
Textiles	7,774	6,318	5,879	5,200	3,322	3,444	2,342	3,444	4,113
Bois et meubles	1,039	1,079	1,113	1,147	1,181	845	935	1,045	1,150
Papier, impression, édition	997	759	889	772	443	244	337	423	459
Chimie	2,127	1,621	1,481	850	627	443	533	641	694
Non métallique	4,625	3,784	5,304	6,021	2,252	3,088	3,630	4,297	4,653
Métallique	1,899	1,413	2,364	2,541	465	899	921	1,237	1,361
Autres	237	177	296	318	112	58	115	155	170
Électricité, gaz, et eau	2,311	2,629	2,499	1,720	1,040	1,739	1,498	1,625	1,744
Construction	39,730	29,743	43,694	39,202	6,940	18,257	24,835	31,919	36,950
Services	182,130	201,539	203,933	183,162	97,911	135,195	141,240	167,333	178,307
Commerce de gros et de détail, rest. et hôtels	65,278	67,007	67,803	52,874	61,116	46,513	37,575	46,328	51,073
Dont: Commerce de gros et de détail	60,864	65,294	64,917	50,117	58,614	44,693	35,348	44,011	48,572
Restaurants & hôtels	4,414	1,713	2,887	2,758	2,502	1,821	2,227	2,316	2,501
Transport, entreposage, & communication	21,990	27,408	25,159	24,328	18,677	13,979	16,703	20,411	22,448
Finances, assurances, affaires immobilières	3,706	14,273	15,302	11,273	1,892	7,346	7,800	10,355	12,013
Dont: Institutions bancaires	3,253	13,601	13,988	10,153	1,842	6,297	7,756	10,314	11,966
Administration publique	59,039	59,761	64,851	64,778	16,394	22,400	29,997	35,068	33,854
Institution sans but lucratif	4,050	3,966	4,012	4,344	5,189	6,343	6,727	6,189	5,924
Autres	28,067	29,123	26,805	25,565	11,452	38,614	42,438	48,983	52,995
Moins: production imputée des services bancaires	7,032	7,940	8,090	5,918	1,387	9,578	7,866	6,486	5,609
Plus: Taxes sur les importations	12,401	14,617	16,005	14,169	2,409	6,909	9,748	10,489	11,206
Produit intérieur brut	532,886	511,412	546,809	500,460	250,939	337,200	390,639	440,714	483,003

Source: Ministère des Finances et de la Planification économique, Direction de la Statistique

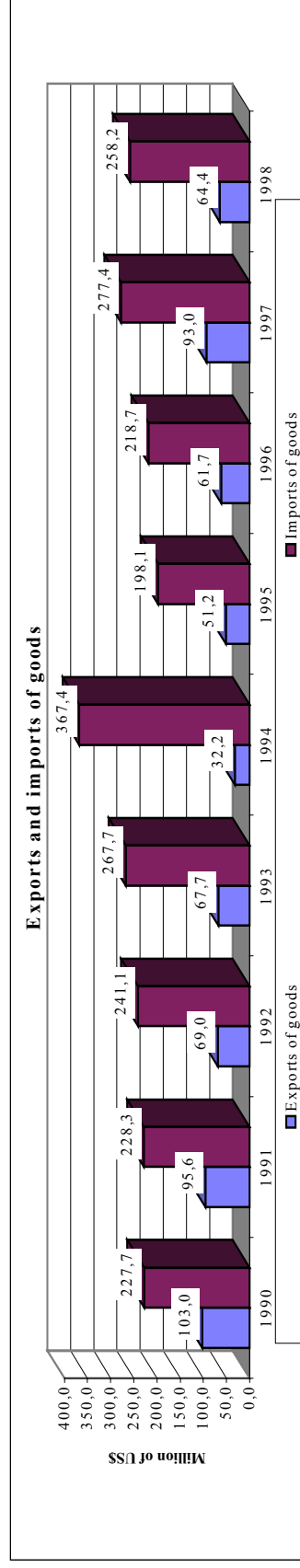
Table 8

Balance des Paiements
en millions de \$US

Balance of Payments
Million of US\$

	1990	1991	1992	1993	1994	1995	1996	1997	1998 (est.)
Financement	56,0	-67,0	37,0	63,7	41,2	-60,2	-3,2	-11,7	15,5
Variation des avoirs extérieurs nets (- augmentat	56,0	-67,0	37,0	42,6	-3,1	-59,9	-17,5	-29,2	5,2
Crédits nets FMI	0,0	0,0	0,0	0,0	0,0	13,6	-1,3	18,4	13,8
Déboursements/Achats	0,0	0,0	0,0	0,0	0,0	13,6	0,0	20,8	16,2
Remboursement/Réachats	0,0	0,0	0,0	0,0	0,0	0,0	-1,3	-2,4	-2,4
Variation des réserves officielles (- augmentat	57,9	-65,9	31,5	31,2	-3,1	-47,7	-7,7	-46,7	10,8
Variation des autre réserves diminution)	-1,9	-1,1	5,6	11,4	0,0	-25,8	-8,5	-0,9	-19,4
Variation des arriérés (- diminution)				21,1	44,3	-10,8	14,3	17,5	-21,3
Accumulation				0,0	0,0	16,1	14,3	17,5	6,1
Réduction						-26,9			-27,4
Financement exceptionnel					10,4				
Rééchelonnement bilatéraux									31,6
Annulation bilatéraux (remise de la dette)									4,4
Refinancement des multilatéraux									27,3
Autres financement exceptionnels									0,0
Gap de financement	0,0	0,0	-9,7	0,1	0,0	0,0	0,0	0,0	0,0

Sources: Banque Nationale du Rwanda and IMF staff estimates. 1/ Projected decrease in arrears in 1998 includes US\$9,6 million in accumulated late interest on arrears to Paris Club creditors.



	Budget Consolidé en millions de Frw										Consolidated Budget millions of Frw									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Recettes totales et dons	27 454	36 081	44 289	44 006	7 547	61 528	70 780	95 800	95 545	27 454	36 081	44 289	44 006	7 547	61 528	70 780	95 800	95 545	Total revenue & grants	
Recettes propres	21 583	24 993	27 563	25 866	6 032	23 128	39 380	58 069	66 045	21 583	24 993	27 563	25 866	6 032	23 128	39 380	58 069	66 045	T total domestic revenue	
Fiscales	18 768	21 782	24 160	23 884	5 995	21 729	36 199	54 942	62 641	18 768	21 782	24 160	23 884	5 995	21 729	36 199	54 942	62 641	Tax revenue	
Taxes directes	5 462	5 295	6 449	6 416	1 559	2 899	10 312	14 583	18 331	5 462	5 295	6 449	6 416	1 559	2 899	10 312	14 583	18 331	Direct taxes	
Revenus	4 889	4 848	5 869	5 911	1 455	2 762	10 033	14 205	17 811	4 889	4 848	5 869	5 911	1 455	2 762	10 033	14 205	17 811	Income & profit	
Propriété	574	447	579	505	104	137	279	378	520	574	447	579	505	104	137	279	378	520	Property	
Taxes indirectes	13 306	16 487	17 711	17 468	4 436	18 831	25 887	40 358	44 310	13 306	16 487	17 711	17 468	4 436	18 831	25 887	40 358	44 310	Indirect taxes	
Biens et services	7 362	8 766	9 174	10 277	2 275	9 922	14 358	21 874	28 512	7 362	8 766	9 174	10 277	2 275	9 922	14 358	21 874	28 512	Goods & services	
Commerce extérieur	5 944	7 721	8 537	7 191	2 161	8 909	11 529	18 484	15 798	5 944	7 721	8 537	7 191	2 161	8 909	11 529	18 484	15 798	External trade	
dont: importation	4 205	6 223	7 041	6 963	1 797	6 909	10 675	13 450	14 953	4 205	6 223	7 041	6 963	1 797	6 909	10 675	13 450	14 953	which: import duties	
Non fiscales	2 815	3 212	3 403	1 982	37	1 399	3 182	3 127	3 404	2 815	3 212	3 403	1 982	37	1 399	3 182	3 127	3 404	Non tax	
Dons de l'extérieur	5 871	11 088	16 726	18 140	1 515	38 400	31 400	37 731	29 500	5 871	11 088	16 726	18 140	1 515	38 400	31 400	37 731	29 500	Foreign grants	
Courant (appui budgétaire)	1 830	4 412	9 219	5 564	0	12 000	100	2 731	0	1 830	4 412	9 219	5 564	0	12 000	100	2 731	0	Budgetary support	
En capital (projets BD)	4 041	6 676	7 507	12 576	1 515	26 400	31 300	35 000	29 500	4 041	6 676	7 507	12 576	1 515	26 400	31 300	35 000	29 500	Capital	
Dépenses totales	43 875	54 410	66 481	68 252	26 590	69 393	95 291	109 608	117 431	43 875	54 410	66 481	68 252	26 590	69 393	95 291	109 608	117 431	Total expenditure and net lending	
Courantes	31 118	37 815	46 552	43 611	22 183	42 093	55 735	64 011	75 345	31 118	37 815	46 552	43 611	22 183	42 093	55 735	64 011	75 345	Current expenditure	
Consommation	21 647	28 868	35 159	32 897	13 636	30 942	44 113	49 899	54 453	21 647	28 868	35 159	32 897	13 636	30 942	44 113	49 899	54 453	Consumption	
Salaires	11 680	13 290	14 671	16 199	6 633	13 558	19 113	28 743	28 929	11 680	13 290	14 671	16 199	6 633	13 558	19 113	28 743	28 929	Wages & salaries	
Autres biens et services	9 967	15 578	20 488	16 698	7 003	17 384	25 000	21 156	25 524	9 967	15 578	20 488	16 698	7 003	17 384	25 000	21 156	25 524	Purchase of goods & services	
dont: civil	4 144	5 323	7 023	8 347	3 787	10 054	13 242	12 974	14 924	4 144	5 323	7 023	8 347	3 787	10 054	13 242	12 974	14 924	of which: civil	
Intérêts dus	2 226	4 328	5 223	6 174	7 361	7 826	6 900	6 838	6 172	2 226	4 328	5 223	6 174	7 361	7 826	6 900	6 838	6 172	Interest payments	
Intérieur	1 494	3 276	3 812	4 501	4 831	4 023	2 900	3 027	2 327	1 494	3 276	3 812	4 501	4 831	4 023	2 900	3 027	2 327	Domestic	
Extérieur (exclus FMI)	732	1 052	1 411	1 673	2 530	3 803	4 000	3 811	3 845	732	1 052	1 411	1 673	2 530	3 803	4 000	3 811	3 845	Foreign	
Subsides et transferts	7 245	4 619	5 676	3 347	987	3 325	3 024	6 232	9 332	7 245	4 619	5 676	3 347	987	3 325	3 024	6 232	9 332	Subsides & transfers	
Exceptionnelles	0	0	494	1 193	199	0	1 698	1 043	5 388	0	0	494	1 193	199	0	1 698	1 043	5 388	Exceptional expenditure	
En capital (investissement)	12 653	16 789	20 064	21 641	4 407	27 300	39 542	46 186	42 247	12 653	16 789	20 064	21 641	4 407	27 300	39 542	46 186	42 247	Capital expenditure	
Financement intérieur	2 210	2 787	1 905	1 331	296	0	142	86	2 500	2 210	2 787	1 905	1 331	296	0	142	86	2 500	Domestic financed	
Budget de développement	2 149	2 433	1 474	1 109	222	0	142	86	2 500	2 149	2 433	1 474	1 109	222	0	142	86	2 500	Development budget	
Fonds de contrepartie	61	354	431	222	74	0	0	0	0	61	354	431	222	74	0	0	0	0	0	Counterpart funds
Financement extérieur	10 443	14 002	18 159	20 310	4 111	27 300	39 400	46 100	39 747	10 443	14 002	18 159	20 310	4 111	27 300	39 400	46 100	39 747	Foreign financed	
Dons en capital	4 041	6 676	10 468	12 576	1 515	27 106	27 501	38 224	22 088	4 041	6 676	10 468	12 576	1 515	27 106	27 501	38 224	22 088	Project grants	
Prêts (tirages projets)	6 402	7 326	7 691	7 734	2 596	7 734	8 174	7 876	17 659	6 402	7 326	7 691	7 734	2 596	7 734	8 174	7 876	17 659	Project loans	
IDA (Banque Mondiale)	0	0	0	0	0	1 528	7 384	10 159	9 797	0	0	0	0	0	1 528	7 384	10 159	9 797	IDA (World Bank)	
Banque Africaine de Développement	0	0	0	0	0	0	0	1 860	7 892	0	0	0	0	0	0	0	1 860	7 892	African Development Bank	
Autres	6 402	7 326	7 691	7 734	2 596	0	790	-4 144	-30	6 402	7 326	7 691	7 734	2 596	0	790	-4 144	-30	Others	

Table 9

Budget Consolidé

en millions de Frw

Consolidated Budget

millions of Frw

	1990	1991	1992	1993	1994	1995	1996	1997	1998	
Prêts nets	104	-194	-135	3000	0	0	14	-589	-161	Net lending
Epargne: primaire (exclus intérêts dus)	-7 309	-8 494	-13 766	-11 571	-8 790	-11 139	-9 454	896	-3 128	Savings: exclude interest payment
Epargne: sans dons	-9 535	-12 822	-18 989	-17 745	-16 151	-18 965	-16 354	-5 942	-9 300	Savings: without grants
Epargne: avec dons	-3 664	-1 734	-2 263	395	-1 436	19 435	15 046	31 789	20 200	Savings: with grants
Déficit: sans dons	-22 292	-29 417	-38 918	-42 386	-20 558	-46 265	-55 911	-51 539	-51 386	Deficit: without grants
Déficit: avec dons	-16 421	-18 329	-22 192	-24 246	-19 043	-7 865	-24 511	-13 808	-21 886	Deficit: with grants
Variation des arriérés (+ augmentation)				11 000	15 799	13 250	9 400	1 600	-26 200	Changes in arrears (+ increase)
Intérieur				7 447	7 447	6 850	2 500	-4 200	-3 900	Domestic
Extérieur (intérêts seulement)				8 351	8 351	6 400	6 900	5 800	-22 300	Foreign (interest only)
Déficit global (caisse)	-16 421	-18 329	-22 192	-13 246	-2 245	-5 385	-15 111	-12 208	-48 086	Overall deficit (cash basis)
Financement	16 421	18 329	22 192	13 246	3 246	-5 385	15 111	12 208	48 086	Financing available
Extérieur, net	6 402	9 515	11 451	5 500	-7 400	900	4 700	12 100	3 000	Foreign, net
Prêts (tirages projets et appui courant)	6 402	9 515	11 451	8 600	-2 400	7 400	10 600	19 100	10 300	Loans (drawings)
Amortissement payé	0	0	0	-3 100	-5 000	-6 500	-5 900	-7 000	-7 300	Amortization
Intérieur	8 419	2 597	5 541	4 594	5 650	-12 804	-1 780	200	1 300	Domestic
Système bancaire (net)	7 076	-1 361	4 881	4 200	5 400	-12 804	-1 780	200	1 300	Banking system
Système non-bancaire et autres	1 343	3 958	660	394	250	0	0	0	0	Non-banking sector (e.g. CRS repayment)
Autres incl. rééchelonnement dette	1 599	6 217	5 200	3 152	4 996	6 519	12 191	-92	43 786	Others incl. debt rescheduling
Gap de financement	0	0	0	0	0	0	0	0	0	Financing gap
Mémoire:										Memo items:
Dons de l'extérieur en % du recettes totales et dons	21,4	30,7	37,8	41,2	20,1	62,4	44,4	39,4	30,9	Foreign grants as % of total revenue & grants
Dons de l'extérieur en % du PIB	2,7	4,7	6,2	6,4	0,9	11,4	7,3	6,7	4,7	Foreign grants as % of GDP
Recettes propres en % du PIB (pression fiscale)	10,1	10,5	10,2	9,2	3,6	6,9	9,1	10,3	10,5	Domestic revenue as % of GDP
Recettes propres en % des dépenses Courantes	69,4	66,1	59,2	59,3	27,2	54,9	70,7	90,7	87,7	Domestic revenue as % of current expenditure
Dépenses totales en % du PIB	20,5	22,9	24,7	24,2	16,0	20,6	22,1	19,5	18,6	Government expenditure and net lending as % of GDP
Recettes propres en % des dépenses totales	49,2	45,9	41,5	37,9	22,7	33,3	41,3	53,0	56,2	Domestic revenue as % of total expenditure
Epargne primaire en % du PIB	-3,4	-3,6	-5,1	-4,1	-5,3	-3,3	-2,2	0,2	-0,5	Savings: excluding interest payment as % of GDP
Déficit global (caisse) en % du PIB	-7,7	-7,7	-8,2	-4,7	-2,0	1,6	-3,5	-2,2	-7,6	Overall Deficit as % of GDP
Dépenses en capital en % des dépenses totales	28,8	30,9	30,2	31,7	16,6	39,3	41,5	42,1	36,0	Capital expenditure as % of total expenditure
Financement extérieur en capital en % des dépenses en capital	82,5	83,4	90,5	93,8	93,3	100,0	99,6	99,8	94,1	Foreign financed as % of total capital expenditure

Source: Ministère des Finances et de la Planification économique, Direction du Budget

Table 10

Dettes Publiques
(En million de US\$)

Public Debt
(million of US\$)

	1990	1991	1992	1993	1994	1995	1996	1997	1998(est.)	1998(est.)
Total public debt	974,3	1,056,7	1,109,0	1,190,4	1,191,4	1,270,1	1,287,1	1,348,7	1,433,0	Total debt outstanding including arrears
Dettes extérieures	299,0	323,0	330,9	366,8	254,9	247,1	242,3	254,5	220,5	Domestic debt
Banque Nationale du Rwanda	137,0	155,4	184,5	210,6	157,8	145,9	146,0	146,0	140,2	National Bank of Rwanda
Banques commerciales	44,1	42,8	39,1	29,6	22,2	20,5	18,6	20,0	18,9	Commercial banks
Secteur non bancaire	117,9	124,8	107,4	126,6	74,9	88,4	102,8	88,4	61,5	Non-banks
Caisse Sociale de Rwanda	102,7	106,4	87,1	87,1	57,9	66,5	88,0	71,9	43,1	Social Security Fund of Rwanda
Assurances	5,5	4,9	4,1	19,3	3,2	2,9	2,9	2,7	0,4	Insurances
Autres	9,7	13,6	16,1	20,2	13,8	11,3	11,8	13,8	18,0	Others
Dettes extérieures	657,4	718,7	767,6	835,9	936,5	1,022,9	1,044,8	1,094,2	1,212,5	External Debt, Stock outstanding
Multilatéraux	516,4	600,5	648,5	707,7	788,3	846,7	868,2	901,7	1,028,2	Multilateral loans (excluding arrears)
World Bank				445,6	477,4	513,4	534,6	557,7	641,8	World Bank
African Development Bank et Fund				153,1	201,1	202,6	203,1	201,0	219,9	African Development Bank and Fund
IMF				12,0	12,8	26,3	24,0	40,4	56,3	IMF
Arab Bank (BADEA)				25,4	25,5	29,5	30,5	31,5	32,5	Arab Bank (BADEA)
European Economic Community				30,0	29,6	31,7	30,8	27,7	29,6	European Economic Community
IFAD				20,4	24,1	24,1	26,2	25,3	29,0	IFAD
Others				21,2	17,9	19,1	19,0	18,1	18,9	Others
Bilatéraux et autres	141,0	118,2	122,1	128,2	148,1	176,2	176,5	192,5	184,3	Official bilateral loans and others
Paris Club excluding arrears				64,3	87,3	99,2	95,9	89,3	80,2	Paris Club (ODA) excluding arrears
CCCE (France)				30,9	38,7	45,3	43,3	39,3	44,2	CCCE (France)
Austria				5,5	14,1	14,7	14,9	15,0	11,0	Austria
FCEOM-Japan				11,8	12,9	13,9	12,6	11,4	13,0	FCEOM-Japan
Others				16,1	21,5	25,3	25,1	23,6	11,9	Others
Non-Paris Club excluding arrears				81,4	57,6	61,1	65,8	88,7	90,7	Non-Paris Club excluding arrears
China				23,5	23,0	24,1	26,3	31,2	31,9	China
Kuwaiti Fund				29,0	16,4	17,9	19,7	28,4	29,3	Kuwaiti Fund
Saudi Fund				26,0	18,1	19,0	19,8	29,0	29,6	Saudi Fund
Others				2,9	3,3	15,9	14,8	14,5	13,4	Others
Autres 1/	17,9	15,0	10,4	-12,3						Others (adjustment) 1/
Service de la dette totale dû	37,5	30,6	31,7	44,2	35,3	75,9	47,2	54,2	53,5	Total debt service due
Intérieure						45,5	15,5	19,3	22,5	Domestic
Interest						25,0	8,3	7,7	6,7	Interest
Principal						20,5	7,2	11,7	15,8	Principal
Extérieure	25,7	25,4	29,6	26,3	29,6	30,4	31,7	34,9	31,0	External
Interest				9,2	10,1	11,3	11,3	12,0	10,5	Interest
Principal				17,1	19,5	19,0	20,4	22,9	20,5	Principal

Table 10

Dette Publique
(En million de US\$)

Public Debt
(million of US\$)

	1990	1991	1992	1993	1994	1995	1996	1997	1998(est.)
Service de la dette totale payé						23,3	18,8	20,8	29,7
Intérieure						8,1	3,2	2,9	10,6
Interest						6,0	3,2	2,9	6,1
Principal						2,1	0,0	0,0	4,5
Extérieure						15,2	15,6	18,0	19,2
Interest						6,6	6,7	7,0	7,6
Principal						8,5	8,8	10,9	11,6
Total dette en % du PIB	11,6	17,0	16,4	18,8	33,8	21,3	17,2	13,7	11,0
Dette intérieure en % du PIB	25,4	37,9	38,0	42,8	124,3	88,0	74,3	58,8	60,5
dont: Multilatéraux	20,0	31,7	31,9	36,2	104,6	72,8	61,7	48,4	51,3
Total dette en % des Exportations de B et S	37,7	55,7	54,8	60,9	158,1	109,2	91,5	72,5	71,5
Total dette en % des Exportations de B et S	651,4	740,2	933,4	1.133,9	2.188,8	1.421,6	1.450,7	879,8	1.182,0
Service de la dette en % des exportations de biens et services	25,1	21,5	26,6	42,1	64,8	85,0	53,2	35,4	44,2
Total debt per capita, in US\$	141,6	149,0	151,7	157,9	228,2	222,8	208,6	175,8	181,8
Debt service due per capita, in US\$	5,5	4,3	4,3	5,9	6,8	13,3	7,6	7,1	6,8

Memo items:

Memo items:

Domestic debt as % of GDP	11,0
External debt as % of GDP	60,5
of which: Multilaterals	51,3
Total debt as % of GDP	71,5
Total debt as % of exports of G&S	1,182,0
Debt service due as % of exports of G&S	44,2
Total debt per capita, in US\$	181,8
Debt service due per capita, in US\$	6,8

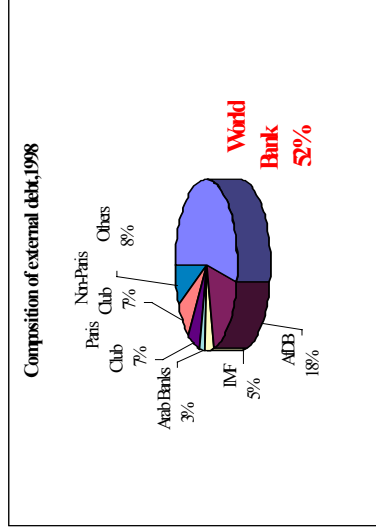
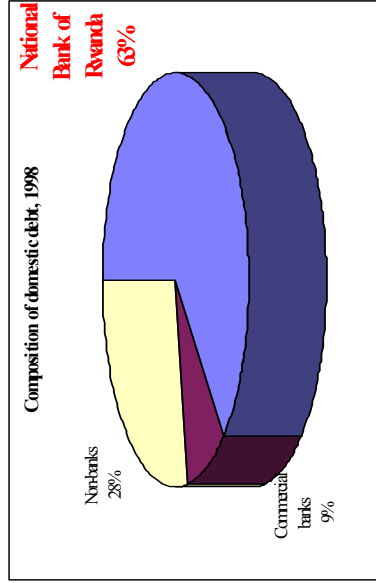
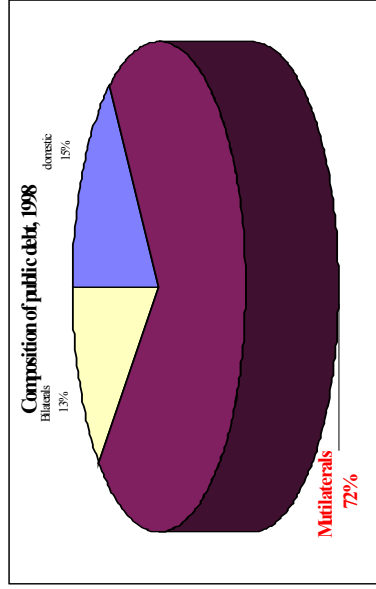


Table II

Aides Exterieures

Aid Flows

	1990	1991	1992	1993	1994	1995	1996	1997	1998(est.)	1998(est.)
Totaux appui officiel (en million US\$)	225,3	248,8	257,5	251,7	441,2	387,7	350,7	349,7	302,9	302,9
Development and humanitarian										
Aide publique au développement, tous donateurs	126,0	156,9	164,9	39,2	23,2	98,7	116,4	153,7	126,7	126,7
Dont: CAD	94,3	105,6	133,1		10,5	93,5	89,7	115,9	94,9	94,9
pays non CAD	10,0	3,0			1,0					
Multilatéraux	21,7	48,3	31,8	39,2	11,8	5,3	26,7	37,8	31,8	31,8
Humanitaires et aide d'urgence	99,3	91,9	92,5	212,5	417,9	289,0	234,3	196,0	176,2	176,2
Dons officiel et tirages sur prêts										
Dons officiels	163,2	159,8	180,9	203,3	421,2	333,8	295,7	282,8	203,2	203,2
Bilatéraux	141,5	111,5	149,1	171,5		249,4	90,8	138,9	155,2	155,2
Multilatéraux	21,7	48,3	31,8	31,8		84,3	204,9	144,0	162,1	162,1
Tirages sur prêts	62,1	89,0	76,6	48,4	20,0	54,0	54,9	66,8	99,7	99,7
Bilatéraux	40,4	40,7	44,7	9,1	-	-	0,1	-	0,3	0,3
Multilatéraux	21,7	48,3	31,8	39,2	20,0	54,0	54,8	66,8	99,4	99,4
Totaux Aide publique au Développement, en % du PIB	8,7	13,1	12,7	12,9	58,5	33,3	24,9	18,8	15,2	15,2
Dont: Aide publique au développement, tous donateurs	4,9	8,3	8,2	2,0	3,1	8,5	8,3	8,3	6,4	6,4
CAD	3,6	5,6	6,6	-	1,4	8,0	6,4	6,2	4,8	4,8
Multilatéraux	0,8	2,5	1,6	2,0	1,6	0,5	1,9	2,0	1,6	1,6
Humanitaires et aides d'urgence	3,8	4,8	4,6	10,9	55,5	24,9	16,7	10,5	8,8	8,8
Aide publique au dével. en % de l'invest. intérieur Brut	33,3	58,5	47,9	11,0	26,3	56,5	53,3	55,5	40,6	40,6
Dont: CAD	24,9	39,4	38,7	-	11,9	53,5	41,1	41,8	30,4	30,4
Multilatéraux	5,7	18,0	9,2	11,0	13,3	3,0	12,2	13,6	10,2	10,2
Aide publique par tête (en US\$)	32,7	35,1	35,2	33,4	84,4	68,1	56,9	45,6	38,4	38,4
Aide publique au développement par tête, tous donateurs	18,3	22,1	22,6	5,2	4,4	17,3	18,9	20,1	16,1	16,1

Source: Ministère des Finances et de la Planification économique

Table 12 Projection de la Population par Groupe d'ages et Sexe Population Projection by Age Group and Sex

Age	1991		1997		1998		1999		2000	
	Masculin	Féminin	Masculin	Féminin	Masculin	Féminin	Masculin	Féminin	Masculin	Féminin
0 -- 4	644	653	626	649	647	665	674	686	706	713
5 -- 9	583	600	596	618	597	620	598	597	597	620
10 -- 14	455	468	570	592	576	597	580	601	582	603
15 -- 19	349	362	461	502	492	526	517	545	536	561
20 -- 24	282	303	253	342	287	368	327	398	370	430
25 -- 29	262	268	182	268	184	274	190	283	201	294
30 -- 34	240	242	186	242	184	246	181	249	178	251
35 -- 39	176	182	164	207	169	213	173	219	176	225
40 -- 44	118	127	128	164	133	170	138	177	144	184
45 -- 49	78	98	99	131	103	136	107	141	111	146
50 -- 54	73	100	68	99	72	103	77	108	81	113
55 -- 59	61	73	54	80	54	81	55	83	56	85
60 -- 64	55	71	52	68	51	68	50	69	48	69
65 -- 69	39	45	44	55	44	55	43	56	43	56
70 -- 74	33	41	34	43	33	42	32	42	32	42
75 +	33	36	41	51	40	51	39	51	38	51
Total	3 482	3 667	3 555	4 111	3 666	4 217	3 781	4 327	3 901	4 442

Source: Ministère des Finances et de la Planification économique and FNUAP

1/ Includes Rwandese living abroad

Note: Data may not be add-up due to the roundings

Table 71

Population Active (1996)

Economically Active Population (1996)

Taux d'activité (en %) (10 ans et plus)	Total		Active rates (in %) (10 years and up)		Statut dans l'emploi		Total		By employment (in %)	
	Masculin	Féminin	Masculin	Féminin	Indépendant employeur	Salarié	Masculin	Féminin	Own-account workers	Employers
	71,1	70,5	71,5	71,5			25,1	36,2	0,0	0,0
Secteur d'activité (en %)							0,0	0,0	0,0	0,0
Secteur primaire	91,1	38,8	52,3	52,3	Apprenti	Aide-familial	4,2	1,8	0,0	0,0
Secteur secondaire	1,7	1,6	0,1	0,1	Associé	ND	14,5	16,6	0,0	0,0
Secteur tertiaire	6,3	3,8	2,5	2,5	Total		0,0	0,1	0,0	0,0
ND	0,9	0,5	0,4	0,4			0,7	0,6	0,6	0,6
Total	100	44,7	55,3	55,3			44,6	55,4	55,4	55,4
					Chefs des ménages (%)		100	34,1	56,9	34,1

Sources: Ministère des Finances et de la Planification économique and FNUAP. "Demography Survey 1996"

Table 13

Santé en Bref

Health Sector at a Glance

Espérance de vie à la naissance/Life expectancy at birth		Féminin/Female		38
1980	Masculin/Male	44		
1998	Masculin/Male	47	Féminin/Female	50
Ayant accès à des soins de santé/% population with access to health care				
1997		80%		
Ayant accès à une eau salubre/Population with access to safe water				
1996		44% 1/		
Ayant accès à des services d'assainissement/With access to sanitation				
	Latrines	Flush toilets	No latrines	
1996	94,4	0,6	5	
Ayant accès à la vaccination contre la rougeole pour les enfants de moins de 12 mois				
Access to child immunization against measles % of children under 12 months				
1980		48		
Ayant accès à la vaccination contre la DPT pour les enfants de moins de 12 mois				
Access to child immunization against DPT % of children under 12 months				
1980		32		
Accès à l'accouchements assistés par le staff médical				
Access to births attended by health staff (% total)				
1996		28		
SIDA/AIDS				
Adultes séropositifs pour 100 adultes /Adult HIV-1 seroprevalence (per 100 adults)				
1994	National	7,2	(Source: Programme nationale de lutte contre le SIDA)	
1997	National	11,3	(Source: Programme nationale de lutte contre le SIDA)	
1996	Kigali	32,7 %	HIV for pregnant women (Source: World Bank)	
1996	Kigali	54,5 %	HIV for STD PTS (Source: World Bank)	
1996	Nyagatare	10,2 %	HIV for pregnant women (Source: World Bank)	
1996	Ruli	13,2 %	HIV for STD PTS (Source: World Bank)	
1/ MINITRAP, Inventaire National Alimentation en Eau Portable, 1996.				
Taux de mortalité infantile (pour 1000 naissances vivantes)				
Infant mortality rate (per 1000 live births)				
	Average	Male	Female	
1980	128			
1996	125	134	116	
1997	131			
1998	129	140,7	118,8	
Taux de mortalité – (pour 1000 naissances vivantes)/Adult mortality rate (per 1000 live births)				
1995	Masculin/Male		Féminin/Female	461
1998	Masculin & féminin			810
Prévalence de la malnutrition (% enfants de moins de 5 ans)				
Prevalence of child malnutrition (% of under age 5)				
1989-95		28		
1995-98		42,8		
Taux d'utilisation de contraceptifs/ Contraceptive prevalence rate (%)				
1989-95		21		
Indice synthétique de fécondité/ Total fertility rate (%)				
1980		8,3		
1996		6,5		
Mortalité maternelle (pour 100 000 naissances vivantes)/Maternal mortality ratio (per 100,000 live births)				
1997		810		
Taux de couverture vaccinale durant les années/ Vaccination rates 2/				
Type d' antigène	1995	1996	1997	1998
BCG	99	93	79	44,3
DT cog 1/VAP 1	96	98	84	47,7
DT cog 3/VAP 3	74	98		
VAR	54	76	76	38,4
VAT 2+	39	43	43	
2/ Programme Elargi de Vaccination. Rapport annual d' Activités				

Table 14

Education en Bref

Education Sector at a Glance

Année/Year	Pourcentage du groupe d'âge pertinent inscrit dans l'enseignement School enrolment as a % of age group	Année/Year	Taux d'élève inscrit à l'école secondaire /secondary, % of relevant group
1980	Primary Garçons/Male 66 Fille/Female 60	1980	3
1993	Garçons/Male 78 Filles/Female 76	1993	10
1980	Secondary Garçons/Male 4 Filles/Female 3	1980	Taux d'âge normal/ Age efficiency ratio
1993	Garçons/Male 11 Filles/Female 9	1980	Taux d'élève inscrit à l'école primaire/Primary net enrolment as % of gross enrolment
1980	1980	1993	88
1993	1993	1993	93
1980	1980	1980	Primaire/ Primary education
1993	1993	1980	Female teachers as % of total teachers 38
1980	1980	1993	Female pupils as % of total pupils 48
1993	1993	1998	Female teachers as % of total teachers 55
1980	1980	1998	Female pupils as % of total pupils 50
1993	1993	1998	Secondaire/Secondary education
1980	1980	1998	Female pupils as % of total pupils 49
1993	1993	1998	Ecole public/Public schools (Number) 124
1980	1980	1998	Ecole privé/Private schools (Number) 128
1993	1993	1998	Ecole public/Public schools (Etudiants/Students) 48.926
1980	1980	1998	Ecole privé/Private schools (Etudiants/Students) 33.298
1993	1993	1998	
1980	1980	1996	Instruction complete (6 ans et plus), en %
1993	1993	1996	Education completed (6 year and older), in %
1998	1998	1996	Total
1980	1980	1996	Aucune 13,2
1993	1993	1996	Primaire 28,6
1998	1998	1996	Post-primaire 0,7
1980	1980	1996	Secondaire 2,0
1993	1993	1996	Supérieur 0,2
1998	1998	1996	ND 1,1
1980	1980	1996	Total 100,0
1993	1993	1996	Total 45,6
1998	1998	1996	Total 54,4
1980	1980	1996	No schooling 20,7
1993	1993	1996	Primary 29,6
1998	1998	1996	Post-primary 0,9
1980	1980	1996	Secondary 1,9
1993	1993	1996	Higher education -
1998	1998	1996	Not identify 1,1
1980	1980	1996	Total 54,4
1993	1993	1996	Total 45,6
1998	1998	1996	Total 54,4

Table 15 Environnement

Environnement

1998	Superficie (milliers de Km2)/Land area (thousand sq. km)	26	Productivité agricole(Valeur ajoutée par travailleur/Agricultural productivity (Agri. value added per worker 1995)	307	1994-97	201
1996	Terres arables en % de la superficie/Share arable (%) of total land area	34,5	Biodiversité et protection de l'environnement/Biodiversity and protected areas			
1996	Densité de la population rurale/Rural population density (people per sq. km)	746	Aires protégées à l'échelon nationale/Nationally protected areas (000 km2)	3,6	1996	14,6
1996	Utilisation des terres arables(en % de la superficie totale)/Arable land use % of total land area	34,5	Mammifères/Mammals	151	1996	9
1980	Prairies et pâturages permanents/Permanent cropland % of land area	12,2	Oiseaux/Birds	513	1996	6
1980	Autres/Other % of land area	53,4	Plantes à fleur/Flowering plants	2 028	1996	0
			Eau douce/Freshwater			
			Ressources en eau douce(m ³ par tête)/Freshwater resources (cubic meters per capita)	798	1997	
			Prélèvement annuel d'eau douce/Annual freshwater withdrawal	0,8	1997	
			Accès à l'eau potable(Rurale en % de la population)/Access to safe water (Rural % of population)	55	1995	79
			Accès à l'eau potable(Urbaine en % de la population)/Access to safe water (Urban % of population)	60	1995	44
			Energie à usage commerciale/Commercial energy use			
			Consommation de fertilisants(100 gr/hectare de terres arables)/Fertilizer consumption (hundreds of grams per hectare of arable land)	190	1995	209
			Machines agricoles(tracteurs par mille ouvriers agricoles)/Agricultural machinery (tractors per thousand agricultural workers)	37	1995	34
			Machines agricoles(tracteurs par hectare de terres arables)/Agricultural machinery (tractors per hectare of arable land)	9,3	1995	4,9
			Production agricole / Agricultural output			
			Indice de production agricole/Crop production index (1989=100)	84,8	1995	85,7
			Indice de production animale/Livestock production index (1989=100)	0,2	1997	0,5
			Rendement de la production céréalière(kilogrammes par hectare)	5	1997	6
			Céréalière yield (kilograms per hectare)			
			Source: Banque Mondiale/World Bank			

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