

Republic of Rwanda

Multi annual indicative programme MIP 2021-2027

1. The overall lines of the EU international cooperation in the partner country/region

Rwanda is an important strategic partner for the EU. The country is outward looking, acting as a strong proponent of multilateralism. At the continental level, Rwanda holds significant influence and can act as a potential catalyst in promoting multilateralism and a global agenda among African countries across a range of political and economic areas. Rwanda remains a leading proponent of regional integration, with strong ambitions for advanced integration in the EAC, as well as ECCAS and COMESA. The country has been at the forefront of the creation of the ACFTA, and continues to advocate for the adoption of the EU-EAC EPA.

The MIP seeks to ensure the mutual interests of the EU and Rwanda are firmly advanced. From the EU's economic perspective, despite Rwanda's small size, the country has the potential to become a regional hub for EU companies, portraying itself as an attractive business destination, which offers a zero-tolerance policy on corruption, high levels of security and relatively good infrastructure. Trade and investment opportunities for the European private sector should be enhanced through proposed initiatives to improve the business environment and economic governance, including through support on investment promotion in the pharmaceutical sector, as well as through building Rwanda's human capital via significant support to the education sector, reflecting EU's ambition to maintain a leading role on education financing. Furthermore, the intended actions under the 'Green Deal' umbrella should ensure Rwanda's development continues along a sustainable trajectory, underpinning the country's commitment to the climate and environmental agendas, aligned with the EU's. At the same time, support to the sector of political governance will seek to consolidate rule of law, and ensure Rwanda's continued role as a peaceful and stable partner in the Great Lakes region.

1.1. Basis for programming

Rwanda has a well-articulated policy framework to guide its developmental aspirations. Rwanda's Vision 2050 identifies the country's overarching objectives to transform its economy and modernize the lives of Rwandans, with the aim to reach upper-middle income status by 2035 and high-income status by 2050. Vision 2050 is anchored on five pillars: i) Human Development, ii) Competitiveness and Integration, iii) Agriculture for wealth creation, iv) Urbanization and Agglomeration and v) Accountable and Capable State Institutions. The first years of Vision 2050, up to 2024, are operationalised through Rwanda's 7-year plan: The National Strategy for Transformation (NST1), which articulates policy priorities under three key areas: social transformation, economic transformation and transformational governance.

In response to the COVID-19 crisis, in April 2020 the government adopted an Economic Recovery Plan (ERP). The ERP has two pillars. The first is an economic pillar aimed at ensuring the survival of affected businesses and safeguarding jobs. The second pillar relates to expanding social protection to vulnerable groups, which has been the focus of EU support to the COVID response by Government and Civil Society Organisations (CSOs). The ERP shows the government's determination to ensure that the objectives of the Vision 2050 and the NST1 are back on track as soon as possible. However, the response to the COVID-19 crisis has also resulted in an increase in spending and a rise in Government debt, which has in turn deepened the gap between Rwanda's ambitions and available resources.

The EU shares an interest with Rwanda in promoting the country's social and economic development and is ready to accompany and support its transformation. This partnership can build on the strong alignment between Rwanda's developmental vision and the EU's priorities.

Both Vision 2050 and the NST1 have a strong focus on human capital development and private sector-led growth for employment creation. According to Vision 2050 and NST1, Rwanda's development should build on a number of knowledge-based sectors including innovative and digitally based services, sustainable tourism, high value and labour intensive industries, financial services, and modern, market-oriented and climate-resilient agriculture. Attracting private investment and expertise in these sectors is a high Government priority.

Rwanda has a firm commitment to the environment and climate action. Rwanda's Nationally Determined Contribution (NDC 2020) plan sets the goal to reduce greenhouse gas emissions by 38% compared to business as usual by 2030. Rwanda also has an ambitious Green Growth and Climate resilience strategy (2021), which includes a large number of interventions in water, agriculture, land and forestry, along with biodiversity and ecosystems services. Rwanda is also a front-runner steering Africa's transition towards Circular Economy, through its active role of co-founder of the African Circular Economy Alliance and its membership in the Global alliance on Circular Economy and resource Efficiency (GACERE) established in February 2021.

Rwanda's Vision 2050 and NST1 also recognise the enabling role of accountable and capable governance institutions, based on rule of law and accountability to citizens. In addition, the promotion of digital technology solutions is mainstreamed throughout the NST1 and reflected in the SMART Rwanda Master Plan, which defines the major ICT priorities and provides a sound basis to underpin EU support to digitalisation across the identified priority areas.

Finally, Rwanda is also a positive partner for the EU and EU Member States in strengthening the multilateral agenda. Rwanda remains one of the largest contributors to the United Nations Peacekeeping missions and hosts about 145.000 refugees. Rwanda also hosts the Emergency Transit Mechanism for Sub-Saharan Africans arrived/stranded in Libya, which should continue to be supported in the future through the EU Sub-Saharan Africa RIP.

1.2. Status of joint programming

The EU Member States and the EU Delegation in Rwanda have developed very close and well-functioning cooperation. The response to the COVID-19 crisis generated a catalytic dynamic to further strengthen EU and EU Member States' collaboration and to enhance joint communication through the #TeamEurope branding. Furthermore, at local level the EU Missions recognize the potential of joint engagement, which has reinforced the standing of the EU as the leading political and economic partner in the country. The EU and EU MS collectively are also the second largest development partner of Rwanda, after the World Bank.

Against this background, the EU and EU MS have embraced the development of Team Europe initiatives as a means to identify concrete opportunities for joint implementation but also as an opportunity to open spaces for joint policy engagement with the authorities and to communicate as one. This said, in the Rwandan context, Development Effectiveness issues like Division of Labour and the areas of intervention of every Development Partner are already highly structured under the guidance of the Government. In addition, the programming cycles of a number of EU MS were not conducive to develop a Joint EU Programme coinciding with the beginning of this EU Multiannual Indicative Programme. The Government cycle, with the completion of NST1 in 2024, and the mid-term review of the MIP at that point, may provide a good opportunity to move towards a Joint EU Programme.

1.3. Justification and context

The EU's interventions under this Multiannual Indicative Programme will focus on three priority areas, namely i) Education, Skills and Decent Jobs for the Youth, ii) A Green Deal for Inclusive Development; and iii) Political and Economic Governance.

Interventions under these three pillars will stimulate pro-poor, sustainable and inclusive growth, through a focus on youth-centered and gender sensitive interventions. What's more, the

proposed MIP covers a number of key priorities that are at the core of the Government's political and economic agenda: skills development as a pre-requisite to attract investment and spur growth, increasing rural incomes and private sector development to achieve middle-income status, and developing the pharmaceutical sector as an emerging high political priority. Therefore, through the proposed MIP the EU will further strengthen its position as a leading development and political partner of Rwanda.

The three identified priority areas have been selected taking into account the following factors:

- The EU's Global Priorities as set out by the President of the European Commission, including the European Green Deal and the Africa-Europe Alliance for sustainable investment and jobs, as well as the "New European Consensus on Development".
- A joint EU and EU Member State analysis of the country's priorities and challenges.
- Alignment with the priorities of the Vision 2050 and NST1 and the agreement on the division of labour between Development Partners and the Government, whilst also considering the EU's comparative advantage vis-à-vis other donors.
- Past experience with EU – Rwanda cooperation, including relevant evaluations.

The three priority areas also build on the results achieved through the 11th EDF in the 2014-2020 period in the areas of Agriculture and Governance in particular. Most importantly, progress in the proposed sectors would address critical obstacles in Rwanda's development path, whilst unlocking the potential of Rwanda's identified main Drivers of Growth¹. Interventions in the chosen sectors will also benefit from the existence of coherent policies, strategies and institutional frameworks. The choice of priority areas is also geared to help Rwanda achieve the Sustainable Development Goals (SDGs). Rwanda has domesticated and integrated the SDGs into the national planning framework, as well as into the relevant sector and district plans. The three SDG dimensions, namely Economic, Social and Environmental are integrated in the NST1 pillars, while other key issues are addressed in a cross cutting manner. However, the 2020 SDG Index and Dashboards report shows that Rwanda is lagging behind in achieving a number of SDGs. Eight SDG indicators have been stagnating over 2020. Most of the SDGs are still far from the 2030 objectives and only two are on track towards achieving or maintaining SDG achievement. Rwanda's SDG score stands at 56.6, 132th out of 193 countries. The identified priority areas in this MIP will make a significant contribution to selected SDGs, including: No Poverty (SDG 1), Zero Hunger (SDG 2), Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), Climate Action (13), and Peace, Justice and Strong Institutions (SDG 16).

The EU has made the commitment that at least 85% of all actions funded under the Neighbourhood Development and Cooperation Instrument (NDICI) have gender equality and women and girls' empowerment as a principal or a significant objective. In addition, at least one project per country should have gender equality as its main objective. Against this background, both men and women shall benefit equally and equitably from project and programme activities in the above-mentioned three priority areas.

The EU made climate change and the protection and sustainable management of natural resources a key global priority for its development cooperation. In this regard, all EU interventions in the aforementioned sectors will be assessed against their environmental impact and sustainability, in particular for all interventions on agriculture and urbanisation.

Policy coherence will be pursued to ensure that actions under the different pillars of the integrated EU response – political dialogue, trade policy, investment support and cooperation – are mutually reinforcing. The EU-Rwanda partnership is founded on an open and regular political and policy dialogue, including on sensitive issues, to ensure overall coherence. Synergy

¹ *Future Drivers of Growth in Rwanda*, joint World Bank and Government of Rwanda Report, 2019.

and complementarity between the EPA and the MIP will strengthen a strategic trade and development partnership consistent with the objective of sustainable development to meet both the EU and Rwanda's interests.

The proposed priority areas will consolidate the EU as the development partner of reference in the sectors of agricultural transformation and governance, whilst also positioning the EU as a major donor in new areas of work like skills and education, urbanization and private sector development. The proposed sectors also duly take into account an adequate division of labour with other donors. Most traditional bilateral partners, like the US and UK, retain a larger focus on the social sectors: health, social protection and education. The African Development Bank has a strong focus on infrastructure development. Same for the World Bank, albeit it covers also sectors like agriculture and education, given that it has a broader portfolio that makes it the largest donor in the country. Conversely, emerging donors remain relatively less prominent than in other countries of the region.

Interventions in all sectors will fully take into account lessons learnt from evaluations of past co-operation, including the need to achieve a well-balanced mix of implementation modalities. Implementation will build on a broad number of partnerships, including with the Government of Rwanda, the European Investment Bank, the EU Member States' agencies and development banks, as well as CSOs. In the spirit of supporting effective multilateralism, the EU will also seek partnerships with UN Agencies in terms of policy engagement as well as implementation of interventions in those sectors where specialised UN agencies can bring a comparative advantage.

1.4. Priority areas of the EU's cooperation with the partner country/region

Education, Skills and Decent Jobs for the Youth in the digital age

Rwanda's low levels of human capital are one of the most critical obstacles to the country realising its developmental aspirations. The Government economic development strategy is largely aimed at diversifying the economy towards high productivity knowledge-based sectors, which requires a well-educated and highly skilled labour force.

Over the last quarter century, Rwanda has made great strides in building a well-functioning system for basic **education**, with clear gains in particular in expanding access to primary education. However, big challenges remain. According to the World Bank's Human Capital Index (HCI) Rwanda scores particularly low on education-related indicators. A child who starts school at age 4 can expect to complete 6.9 years of school by his/her 18th birthday. Factoring in what children actually learn, expected years of school drops to 3.9 years². Less than two thirds of Rwandan children complete primary education. In grade one about a quarter of all students repeat. This reflects that a large majority of children are badly prepared for schooling because they enter primary education without having had access to adequate early childhood development opportunities. In recent years, net attendance rates in secondary school have stagnated below one in four children. Moreover, completion rates are low, respectively 37% for lower secondary and only 18% for upper-secondary. The quality of education remains a critical issue at all levels, with low numeracy and literacy levels reported. Tertiary education also has a very low enrolment rate- only 6% in 2019- and is not well aligned to job market needs. Last, disabilities are still a major factor affecting children's access to school in Rwanda. In 2016 out of 185,666 children enrolled in pre-primary education, just 1,545 children were identified as having a disability. In primary and secondary education, children with disabilities represented respectively 0.75% and 1% of the total number of children enrolled, falling far short of the expected numbers represented within the population.

Conversely, in **Technical Educational and Vocational Training (TVET)** the enrolment rate is very high (15%, 4th highest in continental Africa). However, TVET structures remain ill equipped and unable to deliver training of adequate quality. The sustained involvement of private sector

² Rwanda Human Capital Index 2020, World Bank

in curricula development, aligning them with market needs, and traineeships of graduates and students would strengthen employability outcomes. Enhanced capacities of schools at all levels (including infrastructure and equipment) and improved governance of the TVET sector, as well as better operationalisation of dual learning (work place learning), would be a prerequisite to foster the professional development of the youth. In addition, there is a lot of room to enhance digital inclusion and address the digital skills gap in schools- for instance through smart classrooms and ICT courses- and, more generally, to further build on the potential of integrating digitalisation in various areas of TVET and education.

Rwanda performs well in terms of gender equality as far as access to primary and secondary education is concerned. For instance, girls accounted for 53% of secondary education students in 2018. Girls are however consistently underrepresented in science, technology, engineering and mechanical (STEM) subjects at upper secondary and tertiary levels. They are also more likely to drop out across all 12 years of primary and secondary education. When it comes to TVET studies, the situation is slightly less satisfactory: women represented 41% of all enrolled students in 2019³. Furthermore, gender stereotypes still prevail: women usually enrol in traditional soft trades like arts and crafts, beauty and aesthetics, hospitality and tourism. As in general education, men dominate STEM occupations.

The TVET policy (2015) and Education policy (2003) of Rwanda will be substantially reviewed in 2021, to respond to evolving labour markets and technologies. This makes EU involvement in both sectors very relevant and timely, building on the Government of Rwanda's strong emphasis on addressing critical gaps in human capital development in the country. It also provides relevant entry points to engage in policy dialogue around critical issues such as improving learning outcomes, increasing equality in education, and providing skills that respond to market needs.

Furthermore, the emphasis on education, skills development and vocational training should also be coupled with a more conducive ecosystem for young graduates, including TVET students, to pursue self-employment and entrepreneurship, and a stronger Research & Innovation ecosystem. In recent years, Kigali has seen a proliferation of accelerator and incubation hubs and now has one of the most heavily supported entrepreneurship communities on the continent. Nevertheless, there are still significant gaps after the incubator and accelerator phase. In addition, secondary cities and rural areas, as well as minority and vulnerable groups such as persons with disabilities, are underserved. TVET graduates from more "traditional trades" have limited access to coaching, mentoring and entrepreneurship support to help them start their own business. Access to finance, especially while lacking collateral, remains a major constraint particularly for female entrepreneurs. Partnerships between hubs and investors remain the exception, and the vast majority of SMEs and entrepreneurs who successfully exit mentorship and coaching programmes experience unaffordable access to credit, which hinders their growth strategy and challenges their expansion plans.

A Green Deal for Inclusive Development

Two potential key drivers of poverty reduction and inclusive growth in Rwanda lie in the transformation of the country's agricultural sector and in sustainable, inclusive urbanisation.

Rwanda's agriculture sector is still largely characterized by subsistence farming with low productivity, small landholdings, dependence on rainfall, land degradation and soil erosion issues. Despite solid progress since 2000, poverty in Rwanda remains significant, with 56.5% of the population below the \$1.90 a day threshold⁴. The strong growth of the Rwandan economy has contributed to improvements in access to services and human development indicators. However, in the last decade this has not translated into commensurate reductions of poverty levels in rural areas, where 90% of the country's poor live⁵. Achieving poverty reduction would therefore require addressing in parallel the challenges of i) transforming agriculture from a public

³ Education Statistical Yearbook 2019

⁴ Poverty headcount ratio at \$1.90. World Bank, 2018.

⁵ Rwanda Poverty Assessment 2015.

sector-led growth model into a more private and market-driven sector, with better linkages to urban market areas; and ii) harnessing the opportunities of urbanisation, particularly in secondary cities. A sustainable and climate-resilient approach, underpinned by research and innovation, will be required to reinforce progress in both agricultural transformation and urbanisation.

Agriculture continues to play a pivotal role in Rwanda's economy. The sector employs more than 70% of the population and represents almost a quarter of the country's GDP (24% in 2019)⁶. Rwanda's Strategic Plan for Agriculture Transformation (PSTA 4), outlines the policy framework to transform agriculture from a mostly subsistence activity to a knowledge-based value creating sector. The Government strategy recognises that agricultural growth must be private sector driven, with the Government becoming a market enabler as opposed to a market actor.

Increasing rural incomes will indeed need a shift towards a market-driven but also an inclusive approach to agriculture, which will require Government to provide quality extension services for all farmers. More farming households should switch to higher value agricultural commodities such as horticulture, vegetables, poultry, pork and fisheries, for which there are market opportunities in urban areas, in Rwanda as well as in the broader region. A focus on "feeding the cities" would also require improved safety and sustainability of the overall food systems. The theory of change leading to significant and sustainable poverty reduction in rural areas relies not only on increased incomes of smallholder farmers, but also on the indirect impact through their demand for a wide range of off-farm services, resulting in the broader economic transformation of rural areas and secondary cities.

Beyond wealth contribution, the agricultural sector is also pivotal to improve climate resilience and food security. Nineteen percent of Rwandan families are still food insecure. This proportion has not significantly changed over the past years⁷. Chronic malnutrition of children under five remains another challenge, with a prevalence rate of 34.9%. Malnutrition, together with low education quality, largely explain Rwanda's weak performance on the Human Capital Index (HCI)⁸. Addressing climate vulnerabilities could go a long way to enhance food security, for instance through improved and climate smarter land management, better soil and integrated watershed management practices, but also increased emphasis on agroforestry and conservation agriculture.

Furthermore, there is a large gender gap in employment in the agriculture sector. Women represent 82% of the farming workforce⁹ but they tend to occupy mostly informal jobs. They have less access to improved agricultural inputs, finance and extension services. Women farmers own smaller plots of land, limiting their access to selected seeds and fertilizers.

Well-managed **urbanisation** will be another essential driver for Rwanda to achieve its twin aspirations of growth and improved quality of life. Urbanisation generates enormous economic benefits as the concentration of economic activity and decent job opportunities provides the potential to attract surplus agricultural labour and promote migration from rural areas.

Poorly managed urbanisation could however threaten the state of the environment, leading to increased vulnerability to flood risks, land degradation and biodiversity loss. Scarce access to land in and around Kigali has resulted in unplanned settlements, many of which are exposed to climate hazards, particularly flooding. The city's extensive network of wetlands has shrunk from 100 sq. km in 2013 to the current level of 72 sq. km due to encroachment by activities such as industry and urban agriculture¹⁰.

⁶ STATISTA, October 2020.

⁷ Comprehensive Food Security and vulnerability assessment 2018

⁸ The 2020 HCI estimates that a child born today in Rwanda will be just 38% as productive as an adult compared to what s/he could have achieved with good education and health.

⁹ "Women's Opportunities and Challenges in Sub-Saharan African Job Markets" IMF, 2016

¹⁰ SMEC International 2019. the National Policy on Water Resources

Some other fundamental problems associated with urban development and management in the country include insufficient urban pull factors including a weak urban economy and inadequate urban services; weak urban governance and institutional coordination; uncontrolled urban sprawls and informal settlements; weak rural-urban linkages; and inadequate urban investment and financing.¹¹

Rwanda therefore seems at a critical junction: while overall urbanisation in Rwanda is still low (17.3% according to the 2014 census), the annual urban growth rate stood at 3.2% in 2019, and some secondary cities are experiencing growth rates two or three times higher than the national average. It is therefore important to act now: most urban areas and infrastructure are yet to be built. Better planning and more coordinated urban expansion, achieved through enhanced citizen participation, will be central to prevent cities being locked into unsustainable spatial patterns.

“Urbanization and agglomeration” has been identified as one of the five pillars of Rwanda’s overarching long-term strategic document (Vision 2050). The Government of Rwanda has set an urbanisation target of 34% by the end of 2024 (compared to a level of around 18% in 2018) and has put in place the policy framework for sustainable urbanisation. This has been reflected in the National Urban Policy (2015) and its National Roadmap for Secondary Cities development, the National Housing Policy (2015), the National Settlement Upgrading Policy (2018), and a National Land Use and Development Master Plan 2020-2050 that has just been updated. In terms of planning documents, the master plan for Kigali was revised at the end of 2020 and so will, in 2021, the master plans of the six secondary cities identified as future poles of growth.

This provides a solid basis for the EU to intervene in a number of cities, contributing to advance decent job creation, growth, and the environmental and inclusion agendas.

Urbanisation is also creating new markets; for instance for locally produced construction materials. Equally important, urbanisation is creating a fast-growing market for nutritious fresh food products that provides opportunities for the above-mentioned value chains on horticulture, vegetable or fishery products.

Rwanda is firmly committed to **the environmental and climate change** agenda, as reflected in its ambitious Nationally Determined Contribution (NDC 2020) plan and its Environment and Natural Resources Sector Strategic Plan (ENR SSP 2018-2024). Rwanda’s policy framework seeks to mainstream climate change into all sectors of the economy, not least urbanisation, whereas the new Green Growth and Climate Resilience Strategy (2021) places a strong emphasis on agriculture, as well as on land management, forestry and biodiversity. Climate compensation measures could generate additional revenue streams and create new businesses, e.g. in water management, urban development and densification.

Rwanda ranks high both on vulnerability to climate change and readiness to improve resilience¹². Rwanda is a low emission country therefore the Government’s emphasis is rightly put on climate adaptation measures. Rwanda’s adaptation needs are large- particularly as regards the agriculture and agro-forestry sectors- and there is urgency to act. Climate change impact models indicate that the net economic cost of climate change in Rwanda could be equivalent to 1% of GDP each year by 2030, excluding the effects of extreme weather events. Women bear the brunt of climate shocks and the depletion of natural resources.

In order to fully implement the prioritised environmental and adaptation measures though, Rwanda will require additional finance, capacity building and improved human capital, green and climate smart research and innovation, coupled with modernized extension services. In addition to the Ministry of Environment and the Rwanda Environment Management Authority (REMA), which holds the overall management role for national environmental policy, the Water

¹¹ Rwanda National Urban Policy, 2015

¹² Rwanda ranks 116 out of 181 countries in the ND-GAIN Country Index, which captures a country's Vulnerability to climate change and other global challenges, and its Readiness to improve resilience.

Board, the Forestry authority and the Rwanda Green Fund (FONERWA) play an important role. Local authorities are also key on the ground in order to include environmental and climate dimensions in District Development Strategies. Finally, Rwanda is also well placed to become a frontrunner in Africa in the area of circular economy (CE), with potentially strong linkages across the specific objectives on urbanisation, agriculture and the environment¹³.

Political and Economic Governance

The overarching goal for the NST1 Transformational Governance Pillar is to consolidate **Good Governance and Justice** as building blocks for equitable and sustainable national development. Good governance and capable institutions are recognised by the Government of Rwanda as a prerequisite for socioeconomic transformation.

Rwanda's effective governance has played a great role in fostering efficiency and a focus on implementation and results. Nevertheless, the government has acknowledged that more emphasis should be put on public accountability and citizen participation in decision-making processes¹⁴. Addressing gaps in these areas could accelerate gains in terms of poverty reduction and economic development.

Out of the six dimensions of governance assessed by the World Bank Worldwide Governance Indicators, Rwanda scores better than low-income countries and its Sub-Saharan African peers, except in the category of Voice and Accountability. Challenges include the weak capacity of CSOs and the media, low levels of meaningful citizen participation, notably in local planning and budgeting, and weak involvement of women, youth and marginalised groups. On the supply side, accountability institutions suffer from capacity gaps both at national and local level. 'Enabling factors' such as the institutional and policy framework concerning freedom of association and expression, including enhanced access to information, should be strengthened. Governance reforms in all of these areas should be supported with a view to promoting more decentralised and participative governance, thereby enhancing inclusion, accountability and transparency.

In terms of **rule of law**, the priorities of the Justice, Reconciliation, Law and Order Sector (JRLOS) Strategic Plan 2018-2024 include strengthening justice, law and order; protection of human rights and strengthening the capacity, service delivery and accountability of public institutions. Some important challenges in this cluster revolve around access to justice, especially the lack of early legal representation for the most vulnerable groups, including the rural poor, victims of Sexual and Gender Based Violence and people with disabilities. Access to proximity justice is impaired by insufficient decentralization as "Maisons d'Accès à la Justice" (MAJ) are present only in a fraction of the country's territory. The functioning of the justice system could be improved, by reducing the significant case backlog or alleviating capacity gaps of the different actors. There is high potential to leverage ICT tools and digital solutions in the Justice and Accountability sector, for instance through the modernisation of case management systems.

Finally, while Rwanda has invested in improving its prison and detention centre infrastructure, the capacity of actors in law enforcement and detention services needs strengthening in terms of respecting rule of law and human rights of prisoners and detainees. In addition, the need to support the rehabilitation, reconciliation and reintegration of thousands of prisoners who have completed sentences for genocide crimes is putting additional strain on Rwanda's Correctional Services and the Justice sector at large.

In terms of **economic governance**, NST1 makes a commitment to developing the private sector as the main engine of economic growth. As Rwanda's economy matures, and given the debt increase triggered by the COVID crisis, the country needs to accelerate the shift from the current

¹³ According to the "Country report for Rwanda – Circular Economy (CE) in Africa-EU Cooperation", Nov 2020, DG Environment EU: "The top sectors with the greatest CE potential are Waste Management – including wastewater, solid waste, plastic and e-waste; Agriculture; Manufacturing; Construction and Transport."

¹⁴ e.g. NST1 and the Governance and Decentralization Sector Strategic Plan 2018-2024.

public investment-led growth model to a stronger role for private sector as the main driver of green investment and employment creation.

Rwanda has already made substantial reforms to improve the business environment, as evidenced by the country ranking (38th globally, second in Africa) in the World Bank Doing Business survey. Foreign Direct Investment (FDI) has strongly picked up since 2005 (8-fold increase), despite the fact that Rwanda is a relatively small market with limited purchasing power. FDI now represents 4% of GDP, with the majority originating from the EU. Rwanda has made great strides in facilitating new investments through one stop-shop services at the Rwanda Development Board (RDB). Still, the lack of predictability has been regularly identified by investors as a major impediment; investor protection and after care need to be improved, coupled with a clearer legislative framework for public-private partnerships.

In addition, the private sector faces a number of structural constraints including lack of skills, difficult access to finance, low labour productivity, and relatively high transport and energy costs. Regulatory issues hamper foreign investment in certain sectors. Attracting investment in the pharmaceutical sector, as the Government aspires to, would require an improved regulatory framework, including a strengthened Rwanda Food and Drug Authority with the adequate level of international certification. Contract enforcement, market dominance and dispute resolution remain additional constraints for investment across sectors.

In line with Rwanda's aspirations to expand trade as a driver of growth, Rwanda pursues further integration and connectivity within the East African Community (EAC). Moreover, the new African Continental Free Trade Agreement (ACFTA) is another opportunity for businesses based in Rwanda to cater for both continental and regional markets, including the growing urban centres of the neighbouring regions. To realise such potential, the country would need to work with its EAC partners to revive and accelerate regional integration, with respect to trade facilitation, reducing non-tariff barriers, harmonising standards and making use of international standards whenever possible, liberalising investment and services and increasing freedom of movement for professionals. In parallel, it will be key to invest in developing a skilled labour force, to match requirements for trade and services-based higher-productivity jobs. There is a need to address also the regional dimension of digitalization, for instance in terms of the cross-border data flows framework or e-commerce.

The Rwandan Private Sector Federation and other representative institutions have been unable so far to steer an effective public-private dialogue. Consultation of the private sector is often limited prior to implementation of new rules, like for instance the onerous requirements for registration of new food products and drugs recently adopted. Competition issues and barriers to entry to some economic sectors need to be addressed.

Since 2020, the EU acts as co-chair of the private sector development and youth employment sector-working group, creating an opportunity to instil a new dynamic in public-private dialogue. The creation of the European Business Chamber of Rwanda (EBCR) in 2020 has already opened avenues for further engagement between Government and the European private sector. Their activities should be supported where needed.

1.5 Duration of the MIP and option for synchronisation

The duration of this MIP is of 7 years, for the period 2021 to 2027. The mid-term review will be synchronised with Rwanda's planning cycle so that it takes place in 2024, coinciding with the end of the National Strategy for Transformation (NST1). In this regard, 2024 should provide an opportunity to synchronise the bilateral strategies of EU Member States and develop a Joint EU Programme for Rwanda.

2. EU support per priority area and proposals of Team Europe Initiatives

2.1. Priority area 1 – Education, Skills and Decent Jobs for the Youth in the digital age

2.1.1. Specific objectives related to the priority area

Priority area 1 will pursue the following three specific objectives:

- a) Support access to and quality of Technical and Vocational Education and Training (TVET) – DAC Code 11330 - Vocational training – SDG 4, 5, 8 and 10
- b) Support access to and quality of pre-primary and secondary education – DAC Codes 11240 - Early childhood education and 113 – Secondary Education - SDG 4, 5 and 10
- c) Inclusive entrepreneurship and Research & Innovation support. DAC Code 25030 - Business development services – SDG 8 and 9.

Specific Objective a) on support to the TVET sector. EU support to the TVET sector will seek to address the main weaknesses of the sector: issues around access, namely-affordability and proximity-; the need to improve the quality of education (school management, curricula); and the alignment of learning outcomes with the needs of private sector.

The main institutions and governance arrangements of the TVET sector underwent a major reorganisation in 2020, which makes EU support not only relevant, but also very timely. The EU will follow an integrated approach encompassing support to the governance and coordination of the sector, support to increase access to TVET trades for students, support to curricula development (including digitalisation of the curricula where needed and impactful), support to teachers' training and school management, and, where needed, provision of infrastructure and equipment. The creation of more effective linkages with companies and industries will also be prioritised with a view to increasing the involvement of private sector in both policy-making and actual training, including through workplace learning schemes within public or private sector (see also specific objective on *Inclusive entrepreneurship*). Revamping the overall inclusiveness of the TVET system (including for students with disabilities), as well as women's enrolment in Science, Technology, Engineering and Mathematics (STEM), will be an overarching priority. Emphasis could be put on priority economic sectors aligned with other focal areas of this MIP. This could cover issues like agriculture - introducing greener practices-, construction - to align with green building codes and promoting techniques around locally available materials - and health, providing complementary support around local manufacturing of medicines or vaccines.

Finally, linkages to the regional programmes will also be made, including for interventions focusing on capacity building for higher education and VET institutions through intra-Africa mobility, promoting distance learning, fostering educational reforms and gender parity and exchange programmes.

Specific Objective b) on support to pre-primary and secondary education. EU support to Education will focus on early childhood development (ECD) and secondary education, recognising that primary education is receiving significant support from other partners in the sector.

EU support to early childhood education will help Rwanda to deliver on its ambitious objective to increase access to ECD services from the current 13% to 45% in 2024. EU interventions could support integrated approaches combining health, nutrition, care, childhood development and early learning (including parenting support programmes), community-based childcare, centre-based programme provision and formal pre-primary education. As regards the latter, emphasis has been put on pre-primary education throughout 2020, and pre-primary classrooms have been added to primary schools in a nation-wide effort.

EU support to secondary education will address issues of high costs and low quality of education services, along with long distances to school. Specific focus will be given to enhancing the quality of curricula (in particular STEM related ones), enhancing teachers' capacities through continuous professional development opportunities, as well as providing the necessary infrastructure when necessary (school buildings, equipment) to provide a more favourable learning environment. Improved schools' leadership will also be an area of investment, supporting the promotion of more women to such positions.

For all levels (TVET, pre-primary and secondary), support will also be granted to the education system management in areas such as information systems, reporting and data collection.

Complementary measures to strengthen digital literacy for teachers and school leaders will be developed.

Specific objectives a) and b) will include a significant dimension of support to gender equality and women's empowerment, as well as measures to foster inclusive education systems: equal access to education opportunities for children/students with disabilities and refugees.

In terms of linkages with regional initiatives, increased cooperation between higher education institutions in Rwanda and the EU, through partnerships, mobility and exchanges of students, researchers and academic staff under Erasmus+ and the Africa Academic Mobility Scheme, would be highly complementary to the proposed interventions. The enhanced participation of Rwandans in Erasmus+ programmes could provide a valuable contribution to strengthen the skills and employability of Rwandan graduates.

Opportunities of involvement in youth programmes, foreseen under the regional envelope, will also be considered, mainly those fostering youth exchanges and involvement in regional and continental initiatives, such as EU-AU youth initiatives, as well as activities supporting youth organizations, and especially initiatives contributing to the development and implementation of the youth action plan.

Lastly, TAIEX and Twinning could be used as a tool to support educational reforms.

Specific Objective c) Inclusive entrepreneurship support. In line with the Smart Rwanda Master Plan 2015-2020, the ICT Hub Strategy 2019-2024 and the National Digital Talent Policy 2016-2020, EU support will aim at improving the success rates for start-up entrepreneurs, with an emphasis on inclusiveness and access to finance. Gaps in entrepreneurship support in terms of geographical coverage, quality of business development services, traditional trades and inclusiveness will be addressed. Support to the financial and microfinance sector will be instrumental in providing access to finance for the most vulnerable groups willing to start or expand an economic activity. Specific attention could be given to the 'missing middle' in terms of access to finance (financial support between €50,000 and €500,000). Schemes to connect promising start-ups and early stage investors and venture capital could open additional financing opportunities beyond traditional bank lending.

As an important enabler for sustainable development, Research & Innovation (R&I) will be supported. This includes capacity building based on R&I policy dialogue, building capacity to increase the success rate of Rwanda in *Horizon Europe*, and the uptake of research results as part of inclusive entrepreneurship support. Synergies should be also sought with the Africa Europe Innovation Partnership and its successor ENRICH in Africa to increase networking between hubs and investors.

In line with the Entrepreneurship Development Policy (EDP) and with a view to promoting an inclusive ecosystem, EU support will focus on creating more opportunities for the underserved youth, female entrepreneurs and members of vulnerable groups to start and grow their own businesses. This could be achieved for instance through scholarships to cover the membership cost of co-working facilities. Digital solutions will be foreseen in line with on-going initiatives like *i4policy*, *DSSD*, *Make-IT*, *SI Jobs* or the upcoming *Digital Africa*, aimed at equipping Africa's tech entrepreneurs with the capabilities to design and scale-up innovations.

Rwanda hosts a significant Congolese and Burundian refugee population that will also be targeted¹⁵ by the TVET and entrepreneurship support.

Interventions under this priority area will seek to strengthen the involvement of Civil Society in the policymaking process and accountability of the TVET, education and employment sectors. Partnerships with CSOs active in service delivery, particularly on ECD, can also be considered.

¹⁵ Regional programmes focusing on supporting the sustainable inclusion and self-reliance of forcibly displaced populations in host communities (in line with the Global Compact for Refugees) will complement national activities

Risks	Risk level (H/M/L)	Mitigating measures
Government's institutional capacity to support a major ramping-up of pre-primary education sector is limited	H	Strong engagement to increase pre-primary enrolment rates. Reliance on several channels to deliver pre-primary education: formal public schools, private schools and community approaches
Learners don't achieve basic levels of literacy and numeracy in early grades and beyond	H	Formalised teachers training and continuous professional development institutionalised. Remedial programmes for under-performing learners designed
Low levels of motivation and remuneration of primary/pre-primary teachers	H	Payments and incentives to teachers frequently increased and clear career paths being designed
Limited capacity to deliver using the language of instruction	H	Maintaining focus on teacher training in English
TVET programmes are not responsive to labour market needs	M	Links with industry promoted through cross-ministry and public/private initiatives. Employer organizations and trade unions will be closely associated to the design of TVET support interventions, including in particular the design of curricula that respond to market needs,
Inadequate leadership in schools, TVET institutions, as well as administration, management and support services	M	Real-time data collection by sector and district officials and strengthened school leadership

2.1.2. Expected results per specific objective

Expected results under specific objective a)

- Improved access to and quality of TVET

Expected results under specific objective b)

- Increased access to pre-primary education
- Improved access to and quality of secondary education

Expected results under specific objective c)

- Expanded and equitable access to entrepreneurship support, including by young innovators, female entrepreneurs, underserved and vulnerable groups.
- Enhanced access to finance and investors for entrepreneurs.
- Improved Research & Innovation ecosystem and uptake of research results.

2.1.3. Indicators (including baseline and targets), per expected result

See Attachment 1 – Intervention framework.

2.1.4. Possible use of blending and guarantees for investment under EFSD+

Concerning support to TVET and education, blending could be one of the modalities used in particular for possible infrastructure and ICT investments, like construction of schools or rolling-out of smart classrooms. Guarantees under EFSD+ could also be mobilised to attract impact investors in the National TVET fund scheme to be potentially launched in 2021/2022.

Concerning enhanced entrepreneurship and access to finance, agreements between hubs and investors, as well as shared equity schemes remain scarce. EU support will advocate for exploring such schemes to maximise the benefit of the de-risking component under EFSD+. In addition, the EIB has been supporting the Rwandan private sector through a number of lending facilities to local financial institutions, complemented by a significant technical assistance (TA)/capacity building programme. In addition, loans to microfinance institutions could play a complementary role in promoting and supporting access to finance for vulnerable groups, such as young entrepreneurs or women.

Subject to its confirmation through the implementation phase, it is expected that an indicative total amount of EUR 49 M may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area.

2.2. Priority area 2 - A Green Deal for inclusive development

2.2.1. Specific objectives related to the priority area

Priority area 2 will pursue the following three specific objectives:

- a) Support to Rwanda's agricultural transformation for social and environmentally inclusive food systems - DAC Code 310, Agriculture, Forestry, Fishing - SDG 1, 2, 5, 10.
- b) Support to Rwanda's environmental and climate sustainability – DAC Code 410 General Environment Protection - SDG 12, 13.
- c) Support to sustainable urbanisation in Rwanda - DAC Code 43030 - Urban development and management – SDG 6, 7, 8, 9, 10, 11 and 12

Specific objective a) on support to Rwanda's agricultural transformation will spearhead the transition to socially and environmentally inclusive agri-food systems, including the improvement of agriculture value chains targeting both local and regional markets. This calls for an integrated approach that not only addresses infrastructural needs but also includes the necessary capacity building support along the whole value chain. Important target groups within this context will be farmer's cooperatives, commercial smallholders and agri-food SMEs. Enhancing rural-urban markets connectivity will raise agricultural productivity, promote rural non-farm job opportunities as well as e-services and enhance private sector mobilisation across value chains, including possibilities for circular economy. The role of women in the leadership of agricultural cooperatives and companies will be promoted, as well as their inclusion as beneficiaries of rural services.

Other important interventions in this regard will include strengthening applied research, knowledge and skills at value-chain level including linkages to the support to TVET under priority area 1. An important component will also focus on improving the provision by local authorities of quality services for farmers, including extension services. Interventions will address the need for appropriate institutional arrangements to enhance technology, e-services and knowledge transfer to farmers. Furthermore, support to public finance management (PFM) at the level of local authorities will be considered, including the greening of budgeting processes and reinforcing of digitally enabled PFM systems. A strong focus will also be placed on more climate-smart agricultural practices that enhance resilience, and ultimately improve food security. The use of Copernicus for promoting climate-resilient food systems will be explored.

Specific objective b) on support to Rwanda's environmental and climate sustainability will focus on climate adaptation measures, sustainable eco-systems restoration, biodiversity conservation and supporting the national climate change commitments and environmental policy. Support will therefore address the following areas: Rwanda's NDC adaptation interventions in agriculture, integrated water resources management, land and agro-forestry, agro-ecology and landscape restoration through enforcement of watershed management and integrated land use management plans; sustainable use and restoration of eco-systems at risk and biodiversity protection, with a possible regional focus.

The focus on climate adaptation measures is consistent with Rwanda’s economic development, emissions profile and climate vulnerability. Scalability to a majority of households, and thus affordability, will be a key criterion for the design of such measures.

Specific objective c) on support to sustainable urbanisation will cover three main areas:

- a) Strengthening urban governance and management, supporting broad-based engagement and inclusive citizen participation in urban processes;
- b) Improved service delivery at city level for various sub-sectors such as storm water management and flood prevention, affordable housing and informal settlements upgrading, solid waste management, and sustainable urban mobility;
- c) Supporting access to finance for investments in climate-resilient municipal infrastructure and promoting the use of green financial instruments for private sector investments (including green bonds if feasible).

The focus will be on major issues still faced by Kigali, but also on secondary and satellite cities, to foster a more balanced system of cities within the country.

The use of digital solutions could have transformational character for sustainable urbanisation. (See also 2.4 Proposals of country Team Europe Initiatives)

Support under this priority area would contribute to the EU climate change goals (30% of overall NDICI expenditure), whilst also providing a platform to support Rwanda’s circular economy (CE) agenda in a wide range of areas like wastewater, solid waste, plastic and e-waste, access to sustainable cooking technologies and energy, but also agriculture, manufacturing, construction and sustainable transportation. In this context, it will be important to include capacity building for those institutions responsible for steering and coordinating the environment sector, ensuring environmental integration and compliance. This could include a focus on policy reforms, as well as enhanced use of incentives, prices and policy instruments to promote green change.

Gender equality and women’s empowerment will also be a significant component of all areas of support under this priority area, with a focus on gender-inclusive agriculture, gender-sensitive urban planning and informal settlements upgrading. The EU Delegation will ensure that urban interventions supported would only involve, as a last resort measure, lawful evictions. The gender digital gap in both rural and urban areas will be addressed.

Civil society will also be mobilised, inter alia, to strengthen the voices of citizens in policymaking processes as well as decision-making processes on investments at local level, both on agriculture and urbanisation, as well as possible interventions targeting basic service delivery in areas not reached by government action. The comparative advantage of civil society can also be mobilised to implement interventions in the areas of biodiversity conservation and climate action, including advocacy to adopt measures at national level and delivering on international commitments.

Risks	Risk level (H/M/L)	Mitigating measures
Limited involvement of private sector, farmers and CSOs in sector dialogue	M	Advocacy, involvement of farmers’ organisations and policy dialogue.
NDC targets straddling different public services	M	Promoting strong inter-Ministerial coordination on adaptation targets in rural areas
Vulnerability to climate events	M	Promoting climate adaptation and resilience measures
Higher EU environmental and food safety standards limiting market opportunities	M	Technical and financial support in the transition towards sustainable food systems
Lack of qualified urban planning staff at district level	M	Urban planning programs offered at universities to be expanded

Limited funding or inability to implement the proposed actions to achieve the required urban servicing	H	Explore other funding opportunities, such as climate related funds, and expand the offer of bankable projects on Government's side
Inability of various stakeholders to comply with urban planning documents	M	Zoning regulations to be market responsive and not restrictive; participatory process to be followed for elaboration of all plans

2.2.2. Expected results per specific objective

Expected results for Specific objective a):

- Increase of employment and income in rural areas via inclusive development of high-value product value chains and rural services, including women's access to services and participation in decision-making processes.
- Improved access to urban local and regional markets through better market linkages and improved quality and safety of agricultural produce.

Expected results for Specific objective b):

- Consolidation of sustainable climate-smart and circular agricultural practices, with a focus on agro-forestry, sustainable land and water resources management, and scalable landscape and watershed restoration.
- Ecosystem services and biodiversity protected and green jobs created.
- Vulnerability to climate change reduced.

Expected results for Specific objective c):

- Sustainable and integrated human settlements.
- Improved access to basic services.

2.2.3. Indicators (including baseline and targets), per expected result

See Attachment 1 – Intervention framework.

2.2.4. Possible use of blending and guarantees for investment under EFSD+

In terms of support to agricultural value chains, there should be opportunities for blending in particular with regard to the financing of irrigation schemes, which could be of interest for European Development Banks. The EIB has been discussing with the Government of Rwanda the possibility to support the preparation and financing of feasible irrigation schemes including sustainable use of water resources and preservation of biodiversity for which the use of EU/EIB blending schemes would be welcome. EFSD+ guarantees could also be mobilised to support agriculture financing facilities for private sector investments, be it on irrigation or other investments along the value-chain like storage facilities, transport logistics, etc. Loans and guarantees to microfinance institutions can also play a key role in promoting and supporting access to finance, notably for farmers and those living in rural areas.

With regards to support to sustainable urbanisation in Rwanda, the blending modality would be suitable for the implementation of hard infrastructure components, including water and sewage networks, sanitary landfills, housing provision, clean transport. The use of the guarantee products under EFSD+ could also be considered, either in the field of affordable housing (providing an additional layer of security for private developers) or to provide de-risking mechanisms for public-private partnerships in the field of municipal infrastructure (for instance for solid waste management in a PPP scheme).

Subject to its confirmation through the implementation phase, it is expected that an indicative total amount of EUR 49 M may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area

At regional level, the EU will strengthen its engagement for the wider deployment of sustainable and clean energy as part of the European Green Deal. In this framework, the Ruzizi III hydropower scheme will continue benefiting from strong EU support (including the EU, EIB, AFD and KfW) to finance the construction phase of the project and the provision of clean energy to Rwanda, DRC and Burundi.

2.3. Priority area 3 – Political and Economic Governance

2.3.1. Specific objectives related to the priority area

Priority area 3 will pursue the following three specific objectives:

- a) “Enhanced Voice and Accountability” – DAC Code 15150 – Democratic participation and civil society – DAC Code 15152 – Legislatures and political parties – DAC Code 15153 – Media and free flow of information – SDGs 1, 5 and 16
- b) “Strengthened Rule of Law” – DAC Code 15130 – Legal and judicial development – DAC Code 15160 – Human Rights – DAC Code 15180 – Ending violence against women and girls – SDGs 1, 5 and 16
- c) “Strengthened economic governance” – DAC Code 25010, DAC Code 25030, DAC Code 33130, SDG 8 - to promote investment and a conducive business environment.

Specific objective a) Enhanced voice and accountability will cover three main areas:

Firstly, EU support should seek to strengthen the capacity of citizens and civil society to hold duty-bearers accountable, with a particular focus on the voices of youth, women and persons with disabilities. Fora and platforms to engage citizens and foster CSO participation in policy planning, budget preparation, monitoring of implementation and service delivery at local level will be supported (e.g. the Community Scorecard or consultation mechanisms under Imihigo). In this context, support for youth and women’s organisations, and organisations of persons with disabilities (OPDs) could be considered, for instance to enhance their capacity to conduct research and advocate for and participate in the formulation of, inter alia, more inclusive development policies. The use of ICT (e.g. mobile applications) for citizen participation holds great potential in the Rwandan context.

Secondly, the EU could also continue to support the capacity and institution building of the media sector, building on lessons learnt from the Media4Democracy studies. The advocacy role of the media, for instance on issues of freedom of expression and access to information, could also be supported. Possible interventions could include the continuation of exchange programmes, increased use of “edutainment” and the creative industry; and a possible emphasis on digital media and new technologies, in particular to improve outreach and further engage the youth.

A third priority is to continue the current support to accountability institutions. The Parliament, for instance, stills suffers from significant capacity gaps in the delivery of some of its core functions, namely the oversight of government actions and of the state budget, its legislative mandate, and the representation of and accountability towards citizens. The Office of the Ombudsman has also a crucial role in monitoring access to information and spearheading the fight against corruption.

Specific objective b) Strengthened Rule of Law will cover the following:

EU support will focus on the functioning of the justice system, in line with the Justice, Reconciliation, Law and Order (JRLO) Sector Strategic Plan (2018-2024), and the on-going reforms in the justice system (development of EU-funded Alternative Dispute Resolution policy, new criminal justice policy). Priorities could include: improving access to justice through the full implementation of the legal aid policy, including the decentralisation of legal aid services and increasing the number of Maisons d'Accès à la Justice (MAJ); the establishment of effective mechanisms that ensure quality representation to all suspects and accused; and the support to e-delivery of justice services. EU support could also address issues related to the execution and revision of judgements, especially the case backlog of the court system. The capacity of the judicial and legal aid systems to adequately address cases of Sexual and Gender Based Violence (SGBV) will be prioritised. EU interventions will also support the important complementary role that CSOs play to support more equitable access to justice for all, including in terms of enhancing citizens' awareness of their rights and duties.

Huge challenges remain also when it comes to reconciliation and reintegration of prisoners, with approximately 20,000 convicted genocidaires set to be released in the coming period. Key lessons from both previous and on-going EU-funded activities include the prerequisite of counselling in any dialogue process, especially between survivors and ex-prisoners, the need to build trust and flexibility in project implementation, and the importance of income-generating activities to foster inclusive reconciliation. Partnerships could be envisaged with the newly created Ministry of National Unity and Civic Engagement as well as relevant CSOs to scale up existing interventions.

Throughout this area, a human rights-based approach (HRBA) will be followed with the aim of integrating human rights principles, including labour rights, into EU development activities and to assist the Rwandan authorities and security organs in implementing international human rights obligations in line with the recommendations of the UN Universal Periodic Review (UPR). In this regard, support to the National Commission for Human Rights and to the National Preventive Mechanism could be provided to promote and protect human rights and to reinforce their capacity to investigate human rights abuses, and particularly alleged cases of torture. Attention will be paid to research independence, effective monitoring and reporting of cases and effective cooperation with NGOs who monitor cases and provide aid to victims. In addition, support for law enforcement agencies like the Rwanda National Police and Rwanda Investigation Bureau, but also the Rwanda Correctional Services, could be considered to support a police and detention system respectful of the rule of law and the rights of detainees. Support to the police would seek to foster a human rights-sensitive approach to all areas of police work, such as investigations, arrest, detention and the use of force, in particular in the areas of community policing, public order management, or border security. Twinning could be a promising instrument in these areas.

Specific objective c) Support to economic governance in order to promote investment and a conducive business environment will cover the following areas:

One priority will be to support the investment climate, including through implementation of the ongoing investment policy review. This could cover: interventions to further improve investor after-care, including to further streamline and consolidate services offered under the Rwanda Development Board (RDB); support to the operational framework for public-private partnerships; support the capacity of relevant Government agencies on contract enforcement, investor protection, investment after-care, dispute resolution and the implementation of the insolvency framework. An enhanced public-private dialogue could be an additional driver of an improved and dynamic business environment, which is also attractive for potential investors.

The EU will consider support on investment promotion, including in the health and pharmaceutical sector. Supporting local manufacturing and access to essential health products and technologies represents an opportunity to target several development objectives and geopolitical priorities shared by both the EU and the Government of Rwanda: stimulate growth and jobs, facilitate trade, diversify global value chains, engage with the private sector, mobilizing its technical expertise and financial power, and reinforce EU's scientific and diplomatic ties with

Rwanda while advancing universal health coverage (UHC) and human development. The MIP will provide a framework for implementation at national level of the Team Europe Initiative on manufacturing and access to vaccines, medicines and health technologies in Africa (MAV+). In this regard strengthening of the health regulatory system will be a key component. The EU will support the capacity of the Rwanda Food and Drug Authority (RFDA) to fully play its regulatory functions spanning the product lifecycle of medicines and vaccines, including clinical trial oversight, marketing authorization and registration, licensing and inspection of premises, market surveillance and enforcement. Team Europe will also work on human resource development strategy to train and retain the required workforce to be employed in a future pharmaceutical ecosystem. Regulatory strengthening and skills development will complement efforts made at regional level on the MAV+ Team Europe initiative, to develop the manufacturing of medical products in Africa. These would include support to regional production hubs (business plans, intellectual property management, technology transfer, scientific education & research, vocational training, etc.) and reinforcement of Digital Supply Chain Management Systems (DSCMS) and Supply Chain Integrity. Last, participation of Rwanda in other EU programmes such as the European & Developing Countries Clinical Trials Partnership (EDCTP) will be promoted, to enhance EU-Rwanda research cooperation in the field of Health.

Support to the pharmaceutical sector under this specific objective would potentially represent one of the EU's most visible and identifiable action in Rwanda. Local manufacturing of vaccines is one of the government of Rwanda's top priorities and cooperation with EU actors on regulatory aspects and investment facilitation is highly welcome (private investments under the latter could also be supported through an EFSD+ guarantee scheme). A Twinning between the RFDA and EU MS regulators will also be supported under the 11th EDF National Indicative, as an additional component of the MAV+ Team Europe initiative.

Another important area the EU will consider is the mining sector. This could include interventions on labour rights, social protection, professionalization and modernization of operators, digitalization of licenses and procedures, training and implementation of international standards on environment and traceability and development of raw materials value chains. These interventions will aim to reinforce the attractiveness of a high potential economic sector notably in terms of job creation. Complementarities with the regional approach will be sought in light of existing and future programmes on security and resources.

Opportunities to support outreach and mobilisation of the diaspora as a potential source of investment and skills can be explored. Specific attention could be given to work with RRA to render existing tax incentives for investors less complex and more accessible. These measures would also lead to enhanced access to finance for small businesses and support the specific objective on entrepreneurship and decent job creation.

Cooperation with the Ministry of Trade and Industry could support Rwanda's engagement and leadership in regional bodies and the implementation of the EU-EAC Economic Partnership Agreement and the African Continental Free Trade Area. Enhanced capacity on trade facilitation, export promotion, standards and quality infrastructure, trade in services, tourism promotion and diversification, and investment could also be supported.

Regional integration can be considered through participation in initiatives, supporting reflection on regulatory harmonization, business environment and integration at continental level (data flows and exchange, etc.), in connection with RECS institutions.

Interventions on Public Finance Management (PFM) will be included, with an emphasis on the sectoral and district level, particularly in the context of any possible budget support operation to implement the objectives of this MIP. Broader interventions on PFM could also be formulated at the end of the implementation of the GoR current PFM Multi Annual Work plan currently financed by EU MS, including due consideration to gender budgeting.

Risks	Risk level (H/M/L)	Mitigating measures
Human Rights monitoring organizations are unable to carry out their work	H	Strong capacity analysis, political support
Access to justice remains insufficiently fair and transparent	M	Strong monitoring, careful alignment of incentives
Support to citizen participation is diverted towards the promotion of government actions	H	Governance and institutional ring-fencing, technical cooperation
African countries are unable to reach a deal on the main AfCFTA protocols and implementation is postponed	M	Experience sharing, technical assistance, advocacy and political support
Market distortions continue, hindering further investment of private sector	M	Continued policy dialogue and advocacy to free market economy and benefits of innovation
Certification of RFDA delayed due to complexity of requirements	M	Capacity building accompanied by a partnership that can provide expertise from an EU MS Food and Drug Authority
Private sector investment in vaccine manufacturing does not materialize	M	Developing a comprehensive offer of incentives accompanied by an adequate regulatory framework

2.3.2. Expected results per specific objective

Expected results for specific objective a)

- Enhanced CSO and citizens’ participation and engagement in policy formulation, monitoring and budgeting processes, in particular by women, youth and persons with disabilities.
- Strengthened accountability of public institutions.
- Enhanced freedom of expression and access to information, in particular through the increased capacity of the media sector.

Expected results for specific objective b)

- Improved access to justice for all, including by vulnerable populations.
- Reconciliation and reintegration of prisoners in society enhanced.
- Rwandan authorities are better equipped to implement international human rights obligations and, in particular, the recommendations of the UN Universal Periodic Review.

Expected results for specific objective c)

- Increased preparation and engagement of Rwanda in regional bodies and effective implementation of obligations under regional and continental trade agreements.
- Increased domestic and foreign investment in Rwanda.
- Improved business environment.

2.3.3. Indicators (including baseline and targets), per expected result

See Attachment 1 – Intervention framework. All indicators will be sex disaggregated where appropriate. Other relevant disaggregation data (e.g. age, income, disabilities, district, etc.) will be provided depending on its feasibility.

2.3.4. Possible use of blending and guarantees for investment under EFSD+

In line with the priority to support private sector development and promote private investment, EFSD+ can be used to provide blending or guarantees for private investments, including in areas of economic priority for the government, like manufacturing, agro-processing, knowledge-services, or the pharmaceutical sector.

Support to innovation in the Rwandan media industry could also possibly benefit from innovative financing approaches that could enhance the availability of credit at early stages of investment in what is inherently a risky business. EFSD+ could possibly be used to de-risk private investment in commercial digital platforms (ICT and mobile apps, civic-tech) which could eventually open more space for citizen participation.

Subject to its confirmation through the implementation phase, it is expected that an indicative total amount of EUR 49 M may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area.

2.4. Proposals of country Team Europe Initiatives

Team Europe Initiative (TEI) 1 - “Investing in sustainable and inclusive agricultural transformation”

The transformational objective of this TEI is to tap into the potential of Rwandan agriculture to drive innovative, sustainable and inclusive transformation. This would be achieved through a shift towards market-oriented high-value cropping systems geared towards feeding the cities. This TEI would follow an integral value-chain development approach. Improved and climate-resilient food systems and value chains, targeted to the urban markets in the region, have the potential to increase farmers’ incomes and create jobs. This TEI will also contribute to enhanced food safety, as well as food and nutrition security through more resilient, green and sustainable agriculture as well as the enhanced availability of more diverse and more nutritious foods. The approach is consistent with Rwanda’s ambition of becoming a regional hub for food processing and distribution. It would also contribute to improve Rwanda’s trade balance.

The high value chains pre-identified are horticulture and livestock (including aquaculture and fisheries), given their impact on employment, income and nutritional status.

The TEI will include an important environmental and climate sustainability dimension, through a focus on sustainable production patterns and technologies, including circular business models. Biodiversity will be protected with a zero-pollution approach to minimise pressure on natural resources and address key drivers of biodiversity loss (land-use management, climate change impact, unsustainable agricultural practices) in line with EU Biodiversity Strategy adopted in May 2020. Energy consumption and the use of chemical pesticides and antimicrobials will also be minimized. Interventions will promote agro-ecological practices with a positive impact on climate adaptation. Through this integrated approach, this TEI will contribute to the implementation of the NDC targets at district level.

Key components of this TEI are:

- ❖ Support to green and climate resilient productive infrastructures (including post-harvest, retail markets and wholesale markets in Kigali and secondary cities, as well as sustainable irrigation schemes).
- ❖ Supporting access to local, regional and international/EU markets following a market systems development approach, through safe, high quality food packaging and processing, improved post-harvest management, better cross-border marketing and export-coaching programmes.
- ❖ Support to all key actors along the value chain, with an emphasis on agri-food SMEs, women and youth, through extension services to local producers, and support to logistics, first transformation and research tailored to the local needs and conditions.

- ❖ Expansion of the Kigali Special Economic Zone, specifically in agri-business services. This could include the development of linkages with the urban development dimension, including on issues like waste management and urban mobility.
- ❖ Advancement of regional economic integration in order to open access into the main urban markets of the region (Eastern DRC, Uganda, Burundi).
- ❖ Support to digital innovation as an enabling tool within the value chains (e.g. market and prices information services, e-commerce platforms), which could also facilitate access to financing and payments through fintech, extension services, advice on safe agricultural practices, etc.
- ❖ Promotion of EU private investment and knowledge transfer, including on food safety and both social and environmental sustainability standards. Twinning initiatives could be implemented for institutional cooperation at local level on a wide range of issues.

This “Green Deal” TEI offers ample opportunities for joint efforts with EU Member States, the European Investment Bank and EU Development Finance institutions. The Netherlands (through the RVO) is interested in co-financing the Kigali Wholesale Market infrastructure component, whereas Belgium (through ENABEL) is already actively supporting a number of livestock value chains and is willing to partner up with the EU Delegation to expand their interventions. Cooperation with Germany will also be considered, since it is currently supporting the Kigali Special Economic Zone to improve service delivery as well as a pilot project on circular economy with a focus on waste management. Programme design and discussions with the Government of Rwanda are well advanced.

There is potential to also involve other EU partners, like the European Investment Bank, and Agence Française de Développement. Specific components on climate resilient infrastructure and agricultural finance could provide scope for blending and guarantees under EFSD+. These instruments could also be used to leverage the EIB investments in private equity, infrastructure or climate funds, which could target some of these components. Similarly, the EIB support to the local financial sector and microfinance institutions might also play a role in promoting and supporting access to finance, including youth and women farmers.

The possibility of blending EIB loans with EU grants to support agri-enterprises, integrating smallholders and pastoralists in inclusive value chains, could be explored in Rwanda borrowing on lessons learnt from similar operations in other countries.

Within the MIP, the indicative EU contribution to this TEI will be 69 million euros for the period 2021-2024, to be confirmed during formulation phase. EFSD+ guarantees could complement this support by fostering investments in agriculture, environment and urbanisation (potential EU contribution of 16M EUR to both Team Europe Initiatives).

The EU’s indicative contribution to this TEI (69 million euros) is subject to the confirmation of the Team Europe partners’ indicative meaningful contribution as early as possible. In the absence thereof, the EU’s indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

As an essential catalyser for the value-chains development, with support from up to four EU member states and some very tangible realisations (such as the Kigali wholesale market and retail markets in secondary cities), this TEI potentially represents one of the EU’s most visible and identifiable action in Rwanda.

Team Europe Initiative 2 - “Sustainable Rwandan cities fit for the digital age”:

The transformation of Rwanda from an agrarian economy into a knowledge-based society is taking place in the context of two of the biggest drivers of change in the 21st century — rapid urbanisation and the increased application of digital technologies in all sectors of society. To meet these challenges, and take advantage of the opportunities of the digital world, Rwandan society is transforming. Citizens are increasingly moving to towns and cities, acquiring new skills and demanding better services. Cities are growing; require better planning, governance and new financing mechanisms¹⁶. The transformational objective of this TEI is to tap in the potential of Rwandan cities to drive innovation and spur the creation of jobs fit for the 21st century.

Key components of this TEI are:

- ❖ Ensure that smart cities in Rwanda make use of scalable technology solutions and follow green urbanisation models
- ❖ Help drive new data collection models and monitoring processes that enable strategic planning and management at city level. Promote open urban data platforms that would enable digital technologies to integrate data flows, leading in turn to the breaking down of information silos, opportunities for start-ups and generating larger synergies - e.g. linking waste collection and food distribution patterns to optimize the flow of goods. Linkages with global/regional initiatives such as the EU-AU Data Flagship will be identified.
- ❖ Foster improved and more inclusive and accessible local services through collaboration, co-ownership and co-creation (engaging communities and neighbourhoods).
- ❖ Promotion of EU “green” private investments (both in municipal infrastructure and emerging tech companies) and knowledge transfer, including through city-to-city partnerships and twinning arrangements at local level.
- ❖ Support current government efforts to elevate Rwanda as a digital and innovation hub in the region. Strengthen access to affordable broadband and digital services in Rwanda, ensuring access to digital skills and giving every SME and start-up the opportunity to benefit from the digital transformation (links with the African European Digital Innovation Bridge could be explored, as well as the models of the Kigali Innovation City).
- ❖ E-Government: support current efforts to create and upgrade digital systems that allow for more transparency and management of government data.
- ❖ Promote a human-centric approach at the heart of the digital transformation, including through the promotion of GDPR requirements on data protection.

Smart cities is an area that offers significant opportunities to work together with the European Investment Bank and EU MS Development banks, including in the framework of the EFSD+. Germany is active on urbanisation through the “Green city” project in Kigali, and on wastewater management. The EIB has supported the preparation and financing of the first central sewerage system in Kigali and is keen on continuing its support to urbanisation, including related basic infrastructures such as water supply and wastewater networks and plants, solid waste management facilities, circular economy investments opportunities, energy efficiency and mobility. As regards mobility in particular, the EIB has extensive experience in financing clean transport in Sub-Saharan Africa and would be interested in supporting smart clean transport in Rwanda. Belgium, via Enabel, is active on urbanisation through its ‘Urban and Economic Development Initiative’ (UEDI), focusing on two secondary cities and one satellite city. AFD has been supporting the creation of the African Smart Towns Network (ASToN) of which Kigali is part. AFD and the French Government are also working on a Kigali citizen platform as well as an Air Quality monitoring system. Support for wider urban development/smart cities initiatives could be envisioned. Sweden, in the framework of their new strategy, would be open to consider interventions in the circular and green economy, including solid waste management and

¹⁶ Smart city Rwanda master plan, 2017, UN-Habitat

sustainable transportation. Cooperation with African networks like Smart Africa, in connection with EU-AU partnership channels, especially D4DHub will also be explored.

Digitalisation is also an area where KfW, GiZ, Enabel are active, whereas AFD (including through their support to the Digital Africa initiative) and the EIB¹⁷ have expressed a clear interest to also work in this sector.

Within the MIP, the EU contribution to this TEI will be 31 million euros for the period 2021-2024. EFSD+ guarantees could complement this support by fostering investments in the pharmaceutical sector, entrepreneurship, TVET and education (potential EU contribution of 16M EUR to both Team Europe Initiatives).

The EU's indicative contribution to this TEI (31 million euros) is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

3. Support measures

3.1. Measures in favour of civil society

Civil society plays a major role in contributing toward the attainment of Rwanda's development objectives. The importance of the involvement of CSOs including social partners in accountable governance and development processes is recognised in Rwanda's Vision 2050 as well as the National Strategy for Transformation (NST1).

The EU and its Member States are the leading supporters of civil society in Rwanda. EU support has largely focused on strengthening the capacity of Rwandan CSOs as development actors, promoting more accountable and transparent governance and the promotion of human rights.

Nonetheless, and despite much progress over the past two decades, civil society in Rwanda has yet to reach its full potential. CSOs operating in Rwanda are still strongest on service delivery (often short-term) and are mainly focused on implementation of policies rather than advocacy, agenda setting and participation into policy formulation. Strengthened coordination and partnerships between CSOs themselves, as well as between CSOs and other relevant stakeholders, could improve their relevance and the quality of their contribution to the planning, monitoring and evaluation of public policies. The UPR process has shown that under the appropriate conditions, civil society coalitions can undertake these tasks effectively. A strengthened civil society is needed, in particular to make sure the voices of citizens at large, and vulnerable groups in particular, are heard. Unfortunately, CSOs often lack the necessary skills and capacity, for instance on policy-oriented research and evidence-based advocacy, which limits their ability to engage duty bearers and fully perform their role in policy dialogues.

Since 2016, the EU has implemented the EU CSO roadmap for Rwanda together with EU Member States, which has been updated in 2018 and 2021. The main goals of the roadmap are to enhance the capacity, participation and the enabling environment for civil society. Some of the results of the roadmap have for instance led to improved partnerships with local civil society, with a majority of EU project grants now being implemented by local organisations in the lead. The roadmap has also resulted in improved coordination with other development partners supporting CSOs. However, this is a long-term process and much remains to be done.

CSOs will be an important implementing partner in the three identified priority areas of this MIP. On the other hand, resources specifically earmarked for measures in favour of civil society would be more focused on the implementation of the new CSO roadmap 2021-2024, whilst also maintaining a high degree of complementarity with the identified priority areas of the present

¹⁷ Rwanda will benefit from the "Sub-Saharan Africa Digital Economy Technical Assistance framework" that the EIB is putting in place to support digitalisation investments in a wide range of sectors.

MIP in terms of thematic focus. Important crosscutting issues like gender, people with disabilities, migration (refugees), human rights, or peace and security (rehabilitation and reintegration of prisoners) could also be considered for support either by thematic budget lines or under this window for measures in support of Civil Society.

3.2. Cooperation facility

A cooperation facility will be implemented to undertake the following activities:

- Support the preparation, implementation and evaluation of the EU's cooperation, including via technical assistance.
- Support capacity development and institutional building, including through technical assistance and exchanges of public expertise, such as TAIEX and Twinning. Numerous public and private organisations in the identified priority areas and beyond could benefit from twinning arrangements in the context of programmes adopted under this MIP.
- Supporting events, conferences, studies, fellowships or exchanges in the context of the implementation of activities funded by the EU or the EU's policy dialogue and engagement with Government and other partners.
- Support to facilitate Joint Programming / Team Europe coordination at country level.
- Supporting the participation of Rwanda in EU Programmes and cooperation with EU agencies, where relevant.
- Financing communication and visibility actions on EU cooperation.
- Supporting the EU's economic and cultural diplomacy as well as public diplomacy interventions. To promote the EU foreign and security policy agenda or the external dimension of EU sector policies through engagement of specific target audiences (youth, academia/think tanks etc.) with a view to building long-term alliances.

4. Financial overview

Although the duration of this MIP is seven years, the indicative allocations for Rwanda and for each of the priority areas and support measures laid down in the table below (in millions euros) are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Rwanda.

	<i>Million EUR</i>	<i>%</i>
<i>Priority area 1: Education, Skills and Jobs for the Youth in the digital age</i>	<i>83</i>	<i>32%</i>
<i>Priority area 2: A Green Deal for inclusive development</i>	<i>116</i>	<i>44%</i>
<i>Priority area 3: Political and Economic Governance</i>	<i>51</i>	<i>20%</i>
<i>Support measures</i>	<i>10</i>	<i>4%</i>
<i>TOTAL for initial period*</i>	<i>260</i>	<i>100%</i>

* Subject to its confirmation through the implementation phase, it is expected that that out of the total of EUR 260 million, an indicative amount of EUR 49 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations under the three priority areas.

Attachments

1. Intervention framework
2. Donor matrix

Attachment 1. Intervention framework

Priority area 1: Education, Skills and Decent Jobs for the Youth			
Specific objective 1: Support access to and quality of Technical and Vocational Education and Training			
Expected Results	Indicators	Baseline & targets	Means of verification
a) Improved access to and quality of TVET	a1) Percentage of students enrolled in TVET as proportion of total students (in basic education, to be sex disaggregated); a2) Percentage of TVET graduates employed within six months of graduation (to be sex disaggregated) a3) Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU, disaggregated for digital skills (EURF)	2019/20:43.5% 2023/24: 60% 2019/20:76.9% 2023/24: 86.2% 2019/20: 0 2023/24: TBD	MINEDUC Reports Rwanda TVET Board (RTB) reports EU projects' documents, RTB/RP documents
Specific objective 2: Support access to and quality of Pre-primary and Secondary Education			
Expected Results	Indicators	Baseline & targets	Means of verification
a) Increased access to pre-primary education	a1) Net Enrolment Rate (NER) in pre-primary (to be sex disaggregated)	2019/20: 24.6% - 2023/24: 45%	MINEDUC reports
b) Improved access to and quality of secondary education	b1) NER in lower secondary, to be sex disaggregated b2) NER in upper	2020: 31.5% 2024: 45% 2020: 16.5%	MINEDUC Sector Indicator Matrix; EMIS (Educational Management Information Systems) report

	<p>Secondary, to be sex disaggregated</p> <p>b3) Learning Adjusted Years of School (considering expected years of school and harmonized test scores)</p> <p>b4) Number of students enrolled in secondary education with EU support (EURF)</p>	<p>2024: 30%</p> <p>2020: 3.9 years 2024: 8 years</p> <p>2023/24: 0 2023/24: TBD</p>	<p>Human Capital Index, World Bank</p> <p>EU Projects' documents, MINEDUC/REB documents</p>
c) Improve enrolment and retention rates for learners with special education needs (SEN) of both sex	<p>c1) Enrolment of learners with SEN in 12 years basic education by special needs categories and sex</p> <p>c2) Completion rate of learners with SEN in 12 years basic education by special needs categories and sex</p>	<p>2018/19: 25% 2022/23: 90%</p> <p>2018/19: 10% 2022/23: 70%</p>	MINEDUC REB & Districts reports
d) Improved digital literacy	d1) Proportion of youth and adults with information and communications technology (ICT) skills (disaggregated by sex)	2017: 8.4% 2024: 20%	MINICT reports
Specific objective 3: Inclusive entrepreneurship support			
Expected Results	Indicators	Baseline & targets	Means of verification
a) Expanded and equitable access to entrepreneurship support, including by young innovators, female entrepreneurs, underserved and vulnerable groups	a1) Global entrepreneurship index	2018: #91 - Target: #60	GEDI (health of entrepreneurship index)
b) Enhanced access to finance and	b1) Access to finance surveys (formal inclusion)	2020: 67% Target: 90%	Statistics provided by Access to

investors for entrepreneurs.			Finance Rwanda (FinScope)
c) Improved Research & Innovation ecosystem	c1) Number of Rwandan entities participating in Horizon Europe.	2020: 13 2024: 50	Horizon Europe Country Dashboard
Priority area 2: A Green Deal for inclusive development			
Specific objective 1: Support to Rwanda's agricultural transformation for social and environmentally inclusive food systems			
a) Increase of employment and income in rural areas via inclusive development of high-value product value chains and improved access to markets.	a1) Average agriculture gross value added/ha at constant prices	+3.7% on annual basis (PSTA IV) - + 20% from 2021 to 2027	EICV report Joint Sector Review
	a2) Rural Households living below national poverty line (sex disaggregated)	43.3% FY 16/17 - 35% FY 23/24	EICV report NISR report
Specific objective 2: Support to Rwanda's environmental and climate sustainability			
Expected Results	Indicators	Baseline & targets	Means of verification
a) Consolidation of sustainable climate-smart agricultural practices, with a focus on agro-forestry, sustainable land and water resources management, and scalable landscape and watershed restoration	a1) Agricultural ecosystems where sustainable management practices have been introduced with EU support (EURF) a2) Number of ha of land under agro-forestry	60% of agricultural land (2019) - 75% (2027) 230.000 (25.2%) FY 17/18 - 635.000 (70%) FY 23/24	PSTA IV-Minagri reports MoE reports RFA or RFA report+ ground survey
b) Ecosystem services and biodiversity protected and green jobs created	b1) Total jobs created by the environment sector b2) Number of Ha of degraded forests rehabilitated	89.000 cumulative jobs FY 19/20 - 110.000 cumulative Jobs FY 23/24 4 379 FY 17/18 - 12 379 FY 23/24	Joint sector review reports+ Fonerwa (green fund) activity report Strategic Plan for Environment and natural resources sector 2018-2024 (MoE)

c) Vulnerability to climate change reduced	c1) % of Rwanda's Nationally Determined Contribution (NDC) programmatic targets achieved	25% (FY19/20) - 50% (FY23/24)	NDC monitoring report (REMA)
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Specific objective 3: Support to sustainable urbanisation in Rwanda

Expected Results	Indicators	Baseline & targets	Means of verification
a) Sustainable, climate resilient and integrated human settlements	a1) Number of countries and cities with urban plans including climate change and/or disaster risk reduction strategies (EURF)	2019/20: 8 (Towns) 2023/24: 24 (Towns)	MININFRA reports
	a2) Percentage of urban population living in informal settlements (impact indicator/SDG)	2019/20: 58% 2023/24: 52%	
b) Improved access to basic services, in particular in secondary cities	b1) No. of affordable housing units constructed	2019/20: 1,197 2023/2024: 15,047	MININFRA, RHA reports
	b2) % of solid waste collected and recycled	2019/20: 20% 2023/24: 40%	WASAC reports
	b3) % of urban population in areas covered by masterplans with storm water considerations	2019/20: 50% 2023/24: 80%	WASAC, MININFRA reports

Priority area 3: Political and Economic Governance

Specific objective 1: Enhanced Voice and Accountability

Expected Results	Indicators	Baseline & targets	Means of verification
a) Enhanced CSO and citizens' participation and	a1) SDG 16-related EU International Cooperation and	18.72% (2019) - 33% (2027)	World Bank Worldwide

<p>engagement in policy formulation, monitoring and budgeting processes, in particular by women and youth.</p>	<p>Development Results Framework (EURF) Level 1 indicators 1.26 - Voice and Accountability score</p> <p>a2) Participation</p> <p>a3) Number of laws and policies where recommendations made by women's and youth CSOs have been taken on board by national and local government bodies during the drafting or revision process</p>	<p>30.2% (2019) - 44% (2027)</p> <p>TBC - TBC</p>	<p>Governance Indicators</p> <p>Ibrahim Index of African Governance</p> <p>TBC during CLIP consultations (GMO Observatory?)</p>
<p>b) Strengthened accountability of public institutions</p>	<p>b1) SDG 16- related EU International Cooperation and Development Results Framework (EURF) Level 1 indicators 1.26 - Voice and Accountability score</p> <p>b2) Accountability and transparency</p>	<p>18.72% (2019) - 33% (2027)</p> <p>41.5% (2019) - 53% (2027)</p>	<p>World Bank Worldwide Governance Indicators</p> <p>Ibrahim Index of African Governance</p>
<p>c) Enhanced freedom of expression and access to information, in particular through increased capacity of the media sector</p>	<p>c1) Global freedom status</p>	<p>23/100 (2019) - 40/100 (2027)</p>	<p>Freedom House - annual Freedom in the World report</p>
<p>Specific objective 2: Strengthened Rule of Law</p>			
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets</p>	<p>Means of verification</p>
<p>a) Improved access to justice for all, including by the</p>	<p>a1) SDG 16-related EURF Level 2 indicator 2.27 – Number of people</p>	<p>No baseline - 10,000 (2027) of which 7,000 women</p>	<p>Future intervention internal monitoring system</p>

more vulnerable populations	<p>directly benefiting from legal aid interventions supported by the EU (disaggregated by age and gender)</p> <p>a2) Number of plaintiffs who benefit from defence counsel before Court</p> <p>a3) Number of individuals benefiting from EU-funded programmes to counter sexual and gender-based violence</p> <p>a4) SDG 16-related EURF Level 1 indicator 1.29 – Rule of Law score</p>	<p>23% (2020) – 60% (2027)</p> <p>0 – 10.000, of which more than 8.000 women</p> <p>56.25% (2019) – 72% (2027)</p>	<p>World Bank Worldwide Governance Indicators</p> <p>EU project reports</p>
b) Reintegration and reconciliation of prisoners	b1) NURC reconciliation barometer	92.5% (2015) - 95%	NURC
c) Promotion and protection of human rights reinforced.	<p>c1) EURF Level 1 indicator 1.28 – SDG 16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principles (A accredited)</p> <p>c2) SDG 16-related EURF Level 2 indicator 2.26 – Number of victims of human rights violations directly benefiting from assistance funded by the EU</p>	<p>A status (2021) - A status (2027)</p> <p>No baseline - 300 (2027)</p>	<p>Sub-Committee of the ICC, in cooperation with the Office of the High Commissioner for Human Rights</p> <p>Future intervention internal monitoring system</p>
Specific objective 3: Strengthened economic governance			
Expected Results	Indicators	Baseline & targets	

			Means of verification
a) Increased preparation and engagement of Rwanda in regional bodies and effective implementation of obligations under regional and continental trade agreements	a1) Rwanda exports to Africa a2) Ratification of AfCFTA protocols	\$1.6 billion (2019) - \$3 billion (2027) 0 – 7	National Bank of Rwanda AfCFTA Secretariat
b) Increased domestic and foreign investment in Rwanda	b1) Foreign Direct Investment in Rwanda	\$385 million (2019) - \$700 million (2027)	National Bank of Rwanda
c) Improved business environment.	c1) RFDA maturity level classification c2) Sub-indicator on protecting minority investors c3) Sub-indicator on enforcing contracts	Maturity Level 1 - Maturity Level 3 baseline 2020: 114 th rank - target 2027: 80 th rank baseline 2020: 32 th rank - target 2027: 25 th rank	WHO Global Benchmarking Tool assessment report World Bank Doing Business Survey

Attachment 2. Donor Matrix

RELEVANT SDGs		1,2,5,8,9,10,11,12,13,15,16							1,2,3,4,5,6,7,10				1,5,8,9,10,11,12,15,16,17				
NST PILLAR		ECONOMIC TRANSFORMATION							SOCIAL TRANSFORMATION				TRANSFORMATIONAL GOVERNANCE				
SECTORS	DP	Agriculture	Energy	Environment, CC & Natural resources	Transport (including aerospace)	Private Sector Devlpt & Youth Employment	Financial sector Development	Urbanization & Rural Settlement	ICT	Health (Incl. HIV and NCDs)	Water and Sanitation	Education	Social Protection (including Disaster Mgt)	Justice Reconciliation Law & Order	Decentralization & Governance	Economic Governance/PFM	Sports and Culture (incl Media & Entertainment)
		BILATERAL	Belgium	P						▣		T					
China	P		▣		▣					▣		P					
France			P				▣					▣					▲
Germany				▲		▣			P			▣			▲		
India	▣				▣	P						▣					
Japan	▣		▣		▲				▲		P	T					
Kuwait (KFAED)			▣		▣					▣							
Netherlands	P			P	P	▣								▣	▣		
Saudi Arabia (SFD)			▣		▣					▣							
Republic of Korea	▣							P	▣			▣					
Sweden				▣		▣						▣	P				
Switzerland								▣			P	▣			▣		
United Arab Emirates (ADFD)			▣		▣												
United States of America (USA)	▣		P			P				▲	P	▣		P			
United Kingdom	T		▣			▣					▲	▲			P		

MULTILATERAL	AfDB		▲		□	□	P				▲/T	T					
	BADEA		□		□	P	□										
	EU	T		□		▲		□	□			T		□	□	□	
	EIB	□	T				□	□		□	□						
	IFC					□	▲										
	IMF						□									□	
	Global Fund									□							
	Green Climate Fund			□													
	Global Partnership on Education												□				
	OPEC Fund (OFID)		□			□	P				□						
UN (see detailed in next table)													▲				
WB	▲	□		T		P	▲	P	T		T	□				P	

Skills Development and Employment Promotion Coordination Forum: UN Co-Chair with RDB (Chief Skills Office)

LEGEND

- ▲ indicates lead designated sector/Co-Chair for NST1
- indicates a designated sector under DoL
- T indicates Treasury Delivery Mechanisms including Sector Budget Support, Result-based financing, etc.
- P indicates joint financing through delegated partnership, basket fund contribution, or multi-donor trust fund

RELEVANT SDGs	1,2,5,8,9,10,11,12,13,15,16								1,2,3,4,5,6,7,10				1,5,8,9,10,11,12,15,16,17			
NST PILLAR	ECONOMIC TRANSFORMATION								SOCIAL TRANSFORMATION				TRANSFORMATIONAL GOVERNANCE			
SECTORS DP	Agriculture	Energy	Environment, CC & Natural resources	Transport (including aerospace)	Private Sector Devlpt & Youth Employment	Financial sector Development	Urbanization & Rural Settlement	ICT	Health (Incl. HIV and NCDs)	Water and Sanitation	Education	Social Protection (including Disaster Mgt)	Justice Reconciliation Law & Order	Decentralization & Governance	Economic Governance/PFM	Sports and Culture (incl Media & Entertainment)

UN Agreed Division of Labour (DoL) for NST1

UNO	FAO	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>										
	IAEA		<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>							
	IFAD	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>									
	ILO					<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>					
	IOM								<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
	ITC					<input checked="" type="checkbox"/>										
	ITU							<input checked="" type="checkbox"/>								
	UNAIDS								<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			
	UNCDF					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>				
	UNCTAD					<input checked="" type="checkbox"/>										
	UNDP			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>		
	UNECA			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	

UN Environment		☐	☐													
UNESCO											☐					☐
UNFPA									☐		☐			☐		
UN-HABITAT			☐				☐									
UNHCR			☐						☐		☐					
UNICEF										☐	☐	☐				
UNIDO		☐	☐		☐											
UNV					☐											
UN Women	☐				☐									☐		
WFP	☐										☐	☐				
WHO									☐	☐						