The African Development Bank Group and Rwanda
FOUR DECADES OF PARTNERSHIP

Improving economic competitiveness
to bring about shared growth
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Kicukiro-Kirundo Highway. The AfDB funded 97 kilometres of this road. Travel time has dropped from 6 hours to 2 hours.
The African Development Bank is proud to be part of Rwanda’s quest for economic transformation. Our current portfolio of projects in Rwanda totals USD1.65 billion. We have supported such critical areas as infrastructure development, skills development, agriculture, science and technology, private sector development and regional integration.

Among the lessons we have learned along the way is the need for strong country ownership of our programmes, and focused priorities in the way our member countries manage the private sector and investment.

The Bank’s new Ten-Year Strategy for 2013-2022 is very relevant to what Rwanda is trying to achieve – inclusive growth, sustainable growth through a gradual transition to green growth, and robust development of human capital. Through our presence in our member countries, we seek to enhance country dialogue and donor coordination.

The challenges of job creation, embedding domestic firms into higher levels of global value chains, and providing opportunities for young people are shared across Africa.

Rwanda has set out its vision to attain middle income country status by 2020, and the African Development Bank is a committed partner in this journey.
Foreign Direct Investment (FDI) in Information & Communication Technology (ICT) to Rwanda has risen to over USD 700 million, with more than 4,000 jobs created. The Government's has created an enabling environment by liberalizing the ICT sector and laying fibre optic cable across the country.
On behalf of the Government and people of Rwanda, I would like to convey our appreciation to the African Development Bank for the strong collaboration and partnership we have enjoyed over the past 40 years.

Rwanda is honored to host the 2014 Annual Meetings of the African Development Bank Group. This landmark occasion, which coincides with the 20th commemoration of the Genocide against the Tutsi, is testimony to our long-standing cooperation with the Bank. I am convinced that this year’s Annual Meeting will provide a platform to discuss and agree on measures that will lay the foundation for a peaceful, secure, and prosperous continent whose economic gains benefit the majority of its population.

Rwanda has implemented several reforms over the past 20 years, aimed at improving the livelihoods of the entire population while ensuring peace and security. This inclusive approach to governance and growth has placed the country on course to realizing its goal of becoming a private sector led middle-income economy by 2020. Emphasis has been placed on improving the quality of our infrastructure to increase access to social services and reduce the cost of doing business.

Measures taken to improve the enabling economic environment - including through the development of infrastructure - have yielded considerable results. For instance, during the past 10 years to 2013, we have reached three major milestones. First, GDP per capita increased from USD225 in 2000 to USD565 in 2010, increasing further to USD693 in 2013. Second, poverty rates decreased from 58.9% in 2000 to 44.9% in 2011. Marked reductions in poverty were recorded between 2006 and 2011, with over one million Rwandans being lifted out of poverty. Third, income inequality as measured by the Gini coefficient decreased from 0.51 in 2000 to 0.49 in 2011. Reduced poverty and income inequality demonstrate that an increasing number of Rwandans are benefitting from their country’s economic progress.

Our cooperation with the African Development Bank, which began in 1974, has been central to Rwanda’s economic recovery. The Bank’s programmes in infrastructure, agriculture and rural development, and human capital development have contributed to our structural transformation efforts. The use of instruments such as budget support has supported key macroeconomic and business regulatory reforms, contributing to macroeconomic stability and improvements in the business regulatory environment.

Rwanda has embarked on the implementation of its second Economic Development and Poverty Reduction Strategy (EDPRS-2) 2013-18 which is designed to lead the country closer to its middle income status target. The focus remains on consolidating the gains made in infrastructure development, developing skills that allow our youth to find remunerative jobs and create their own employment, and strengthening the contribution of the private sector. We believe that these priorities are fundamental to achieving our objective of ensuring that economic progress translates into quality jobs.

We know that we can continue to count on the African Development Bank as we work towards improving livelihoods in Rwanda and across the continent.
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Rwanda is one of the pioneers of the One Laptop Per Child project in Africa. The Project is expected to boost the quality country’s education system. Ensuring quality in the education system right from the grassroots is a critical requirement for inclusive growth and competitiveness.
The African Development Bank (AfDB) Group, a multilateral development finance institution, was established in 1964 to promote social and economic development in Africa. The AfDB Group is composed of the parent African Development Bank and two concessional windows – the African Development Fund (ADF) established in 1972 and the Nigeria Trust Fund (NTF) which was established in 1976. The Bank Group is funded by its 53 African (Regional) Member Countries (RMCs) and 25 Non-African (Non-Regional) Member Countries (NRMCs).

The Bank Group officially started its operations in 1967 from its headquarters in Abidjan, Côte d’Ivoire. The AfDB’s Board of Governors decided temporarily to relocate the Bank’s headquarters to Tunis in Tunisia in 2003 due to the political situation in Côte d’Ivoire at that time. Following the restoration of peace and security in Côte d’Ivoire, the institution in 2013 resolved to return to its permanent headquarters in Abidjan.

The AfDB’s mandate is to support poverty reduction and promote inclusive and sustainable growth for its RMCs.
through its lending and non-lending activities, including policy advisory services. Since 2006, the AfDB’s operations have focused on supporting infrastructure development; deepening regional integration; catalyzing private sector development; improving economic and financial governance, and promoting higher education, science and technology. The Ten-Year Strategy (2013-22) is built on two overarching pillars: promoting inclusive growth, and ensuring that this growth is sustainable through a gradual transition to green growth. For the period 1974 to 2013, the Bank Group approved 98 operations (loans and grants) for Rwanda amounting to USD1.65 billion.

Through innovative home-based solutions like Umuganda, Rwanda has achieved great success on key principles of good governance like citizen participation and social protection and cohesion.
ICT acts as an enabler in Rwanda’s socioeconomic transformation. Innovatively, the Government of Rwanda has embarked on a nationwide ICT awareness campaign, partly through the ICT bus.
Rwanda has evolved through a period of economic prosperity and macroeconomic stability in the past two decades. Real GDP grew by an average of 8% annually during the period 2000 to 2013, which is among the highest average growth rates in East Africa. Strong economic growth has resulted in an increase in per capita income from USD225 in 2000 to USD693 in 2013. Inflation rates remain in single digits due to the implementation of robust macroeconomic policies and the easing of global food and fuel prices. Fiscal deficits after grants have also been contained at less than 5%. High import demand particularly for intermediate and capital goods continues to outstrip the narrow but expanding export base leading to trade deficits. Measured interventions in the foreign exchange market by the central bank to smooth out volatilities have ensured a stable exchange rate against the US dollar. External debt has decreased significantly, in part due to substantial debt relief amounting to USD 1.5bn in 2005 and prudent debt management. This robust macroeconomic framework has kept the economy resilient to external shocks even during the recent temporary suspension of budget support disbursements by some donors.

Rwanda’s efforts to achieve economic transformation are beginning to bear fruit, and the development of value chains provides strong potential to consolidate the current gains. Industry and services have grown much faster than agriculture over the period 2000-2013, with the GDP share of the service sector increasing from 38% to 45% during this period. Growth
in services has been driven by hotels and restaurants, financial services and trade, while construction has been the primary driver of growth in industry. Agriculture remains a key source of employment and exports, although its share of GDP has decreased steadily from 45.1% to 33% during the same period. Prospects for further development of value chains exist in several cluster areas, including principal exports (coffee, tea and minerals), agro-processing, and ICT. Developing these value chains has the potential to catalyze further economic transformation.

Peace and political stability, high and sustained real GDP growth and sound macroeconomic management have contributed significantly to poverty reduction, increased income equality, improved social indicators and progress towards the MDGs. Rwanda is on course to achieve five MDGs. Decisive policies to increase access to primary and secondary education as well as water and sanitation, promote gender equality, increase access to and affordability of health services via a country-wide community-based insurance scheme, have been integral to this progress. Poverty levels have been reduced from 56.7% in 2005/06 to 44.9% in 2010/11, lifting one million Rwandans out of poverty. This is due to several factors, including improvements in incomes in agriculture which accounts for over 70% of employment, an expansion in off-farm jobs, and effective social protection programs. Income inequality, as
measured by the Gini coefficient, also decreased from 0.52 to 0.49 during the same period.

Remarkable progress has been made towards achieving gender equality and there is scope to consolidate these improvements. The MDG target on parity between boys and girls in primary and secondary education enrolment has already been achieved, and the number of parliamentary seats held by women increased from 56% in 2008 to 64% in 2013. Women’s participation in economic activities at the national level - at 56.4% - is higher than for men at 43.6%. However, inequalities in economic participation remain. For instance, 38.7% of male workers were employed in remunerated non-farm jobs in 2010/11, compared to 18.1% of female workers. Progressive laws and policies are in place to promote the economic empowerment of girls and women. Gender has also been integrated into policy and strategic planning across all levels of government and specific interventions in such areas as education and access to economic opportunities are incorporated into the Economic Development and Poverty Reduction Strategy (EDPRS-2) 2013-2018.

Rwanda is one of the most consistent reformers in improving competitiveness and the business environment. Rwanda remains the third most competitive country in sub-Saharan Africa, and is ranked 66 out of 148 in the 2013 Global Competitiveness Index. The country’s Doing Business ranking also improved from 54 out of 185 in 2012 to 32 out of 189 in 2013, with improvements being recorded in eight of the ten dimensions that measure the state of business climate. The government’s focus, through EDPRS-2, is to leverage these improvements to catalyze both domestic and foreign direct investments.
The National Employment Program (NEP) 2014-18 aims to guide the creation of the target 200,000 off-farm jobs annually. The Technical and Vocational Education Training (TVET) is emphasized to enable the youth become job creators other than job seekers.
Ensuring that all Rwandans benefit from the country’s progress is a critical factor in fostering peace and unity. Consequently, the Vision 2020 was developed on the basis of a broad national consultative dialogue, and adopted in 2000. The overarching goal of the Vision 2020 is to transform Rwanda into a middle income country, while ensuring unity and inclusive growth. The first Poverty Reduction Strategy Paper (2002-2005) contributed to major achievements in restoring peace and providing key basic services such as health, education and access to safe water and sanitation. The 2008-20112 Economic Development and Poverty Reduction Strategy (EDPRS-1) was designed to consolidate achievements in the rehabilitation and reconstruction of the economy by prioritizing poverty reduction and inclusive growth. The strategy provided a medium-term framework for achieving the Vision 2020 goals and guided the implementation of structural reforms aimed at transforming the country from a from a society based on subsistence agriculture to a knowledge-based economy.

Significant progress has been made in developing infrastructure to enhance economic competitiveness. For instance, electricity generation more than doubled from 45MW to 110.8MW between 2005 and 2013, increasing electricity access from 2% to 17% of the population during the same period. The share of national roads (paved and unpaved) classified to be in good condition increased from 11% in 2005 to 63.5% in 2013, while the ICT composite network coverage rate increased from 75% to 90%
during the same period. However, infrastructure bottlenecks continue to impede progress towards achieving economic competitiveness. At USD 0.22/kWh, power tariffs exceed the regional averages of USD 0.10-0.12/kWh. Due to its landlocked status and poor inter-regional road conditions, Rwanda’s transport costs, are estimated at 40% of the value of imports and exports, are higher than the 12% and 36% for Kenya and Uganda respectively.

EDPRS-2 (2013-18) was adopted in June 2013 and aims to further contribute to the Vision 2020 goal of elevating the country to middle-income status through accelerated real GDP growth averaging 11.5%, and reducing poverty levels from the current 44.9% to less than 30%. The strategy focuses on four thematic areas: economic transformation, rural development, productivity and youth employment, and accountable governance. Among other things, EDPRS-2 places emphasis on infrastructure development to improve national and regional connectivity and to reduce the cost of doing business. The Government of Rwanda targets increasing power generation capacity to 563MW and paving an additional 830km and 2,478km of national and district roads respectively by 2017-2018. Rwanda is also working with the other East African Community partner states to develop railway connectivity with the ports of Dar es Salaam and Mombasa.

Inclusive growth is a key priority under EDPRS-2. A National Employment Program (NEP) 2014-18 aims to guide the creation of the target 200,000 off-farm jobs annually. It aims to equip the workforce with the required skills for private sector growth; and consolidate and coordinate all employment interventions in both the public and private sectors. The NEP also underscores the need to eliminate gender discrimination in access to jobs and socio-economic opportunities, and is expected to support the economic inclusion of the youth who comprise 39% of the population, 42% of whom are either unemployed or under-employed in subsistence agriculture.

Ensuring that growth is sustainable is equally emphasized under EDPRS-2. A robust strategic and institutional framework is in place and has been decisively implemented to counter climate change and promote green growth. The government’s goal of becoming a climate-resilient and low carbon economy is articulated in its ‘Vision 2050: For Rwanda to be a developed climate resilient, low-carbon economy by 2050’. EDPRS-2 emphasizes the need to mainstream environmental sustainability into productive and social sectors to mitigate vulnerabilities related to climate change and to guide the country’s transition to green growth. EDPRS-2 builds on the country’s Green Growth and Climate Resilience Strategy (GGCRS, 2012-17) which encourages the elaboration of carbon-friendly infrastructure development strategies, particularly the utilization of renewable energy sources.

The total investment requirements to achieve the EDPRS-2 objectives are estimated at RWF 9,929bn (about USD15bn). The government plans to pursue new and innovative financing approaches to fund EDPRS-2, including external debt, private investment and finance via equity funds and Public Private Partnerships, as well as green growth financing. The Bank Group will work with the authorities to scale up its support through various instruments such as partial credit and partial risk guarantees, support from its non-sovereign window, and complementary advisory services including those offered by the African Legal Support Facility (ALSF). Support from the ALSF in the negotiation and conclusion of complex commercial transactions will allow Rwanda to be prudent in harnessing private investment and finance.
The Bank Group began operations in Rwanda in 1974. At the end of March 2014, the Bank had cumulatively approved 98 loans and grants amounting to USD1.65 billion, largely financed through the concessional ADF window (97%). The non-concessional window accounted for 1.7%, while resources from the Nigerian Trust Fund (NTF) represented 1.2%.

The largest share of this support has been allocated to infrastructure (31.7%), agriculture (24.9%), multi-sector (21.1%) and social sector (17.1%). Support to the finance, industry, communications and environment sectors accounted for 5.2% of the cumulative commitments during this period.

Hence, the Bank has made a significant contribution to the development of Rwanda’s infrastructure, rural development and enhanced food security, as well as its structural reforms.

Currently the Bank is shifting the focus of its support to Rwanda towards fewer but larger projects that have higher development
impact, in line with the Country Strategy Paper (CSP) principle of strategic selectivity.

The performance and quality of the Bank portfolio in Rwanda has witnessed a steady improvement. Consequently the portfolio performance rating has improved from 2.40 in 2011 to 2.55 in 2013 (on a scale of 0-3). The average project age is three years, which is below the Bank-wide average of four years.

With respect to the aid effectiveness agenda, the Bank has made good progress in Rwanda. The Paris Declaration surveys show that the Bank has increased its use of country systems and does not use parallel project implementation units.
BLow the whistle on corruption

TungA Acatoki
Ruswa
The overarching objective of the Bank’s Country Strategy Paper (CSP) 2012-16 for Rwanda is to promote economic competitiveness for inclusive growth and poverty reduction. The CSP supports Rwanda’s development aspirations, as articulated in the country’s Vision 2020 and the EDPRS. The CSP was aligned with EDPRS-1 (2008-12) and the Bank’s Medium Term Strategy (2008-12). The Bank’s support under the CSP falls under two complementary pillars: (i) infrastructure development; and (ii) enterprise and institutional development. The choice of pillars was informed by the need to consolidate earlier successes from the Bank Group’s support to Rwanda – which also emphasized the development of infrastructure – and the country’s achievements in addressing growth bidding constraints.

The design of the CSP benefitted from extensive consultations with the Government of Rwanda, development partners, private sector and civil society organizations. Lessons from the previous CSP (2008-11) and the 2010 Donor Division of Labor in Rwanda were also taken into account. The emerging consensus from these consultations and diagnostics confirmed that sustaining progress made in developing infrastructure was critical to ensuring the country’s transition from a subsistence agrarian society to a private sector-led economy. Infrastructure development and support to micro, small and medium enterprises (MSMEs) – which account for over 95% of the country’s private sector – have the potential to improve economic competitiveness, support business development and promote inclusive growth.

5.2 Country Strategy Paper Pillars

Rwanda has made good progress in improving the quality of infrastructure. However, high energy and transport costs contribute to high costs of doing business and reduce the
competitiveness of the country’s private sector. In addition, shortages of skills required by the private sector and shortfalls in core business competencies, particularly for the MSMEs, are among the major constraints to private sector development.

Consequently, achieving the country’s vision of becoming a private sector-led middle income economy by 2020 will require consolidating the progress made in improving the quality of infrastructure, developing relevant skills, and supporting business development and entrepreneurship for job creation. The Bank’s interventions in infrastructure address the country’s energy and transport bottlenecks while support under enterprise development is designed to strengthen local entrepreneurship for job creation.

5.3 Pillar 1 – Infrastructure Development

Pillar 1 aims to support the EDPRS-2 target of improving national and regional connectivity, reduce transportation costs and increase energy generation and access to electricity. A reduction in transportation and energy costs will improve economic competitiveness, support business development and bolster economic transformation. MSMEs accounted for over 95% of all registered businesses in 2011 and were estimated to provide 84% of private sector employment in Rwanda. Consequently, the growth of MSMEs will ensure that the majority of Rwandans benefit from the country’s economic progress, making growth more inclusive. Specifically, the Bank is supporting the upgrading and rehabilitation of 259km of national roads and 289km of feeder roads during the CSP period to improve linkages between national production centres with extension services, markets, and other socio-economic infrastructure. Support to energy focuses on increasing power generation and grid expansion. As an example, the Bank’s investments in the methane-to-power Kivuwatt project will add an extra 25MW to the national grid in 2014. Support through the Scaling-up Energy Access Program is contributing to the Government’s target of increasing electricity access from the current 17% to 70% by 2017-2018.

Magnificent Nemba One Stop Border Post (OSBP) that borders Rwanda and Burundi. It has simplified cross-border trade through integrated customs and immigrations clearance services. AfDB funded the project, as part of Kicukiro-Kirundo Road Project. Traders say, they now make more round trips between Kigali and Kirundo, thus boosting their businesses.
Under the Regional Integration Strategy Paper (RISP) 2011-15, the Bank’s investments in regional transport infrastructure aim to improve the quality of infrastructure along the northern and central corridors through Mombasa-Nairobi-Kampala and Dar es Salaam–Isaka respectively. Investments in regional energy generation and transmission lines will allow Rwanda to diversify its energy mix, and to benefit from the relatively cheaper energy from other countries in the region.

5.4 Pillar 2 – Enterprise and Institutional Development

Pillar 2 focuses on business development and incubation, including the development of relevant skills and competencies required to promote enterprise development. Strengthening institutional capacities for the effective provision of business development services is also a key area of focus. The Skills, Employability and Entrepreneurship Program (SEEP) is the Bank’s primary intervention under Pillar 2. The SEEP focuses on developing relevant skills and increasing employability, entrepreneurship and business development, and improving institutional coordination in the provision of job creation and business development services. Support under the SEEP aims to contribute to the Government’s target of creating an additional 200,000 off-farm jobs annually.

5.5 CSP Implementation Progress

Lending Activities

The mid-term review of the CSP is underway and reveals that the Bank Group’s support has generated good results during the first half of the CSP (2012-2013). Under Pillar 1, for instance, 93km were upgraded from gravel to bitumen surface standard, and 106km of paved roads rehabilitated. This helped to increase the share of classified national road network (paved) in good condition from 60% in 2011 to 97.5% in 2013 and above the 70% target. A total of 264km of feeder roads were rehabilitated, improving rural accessibility, integrating local communities with social and economic services and opportunities, and markets. In water and sanitation, 642,000 new water connections serving 333,840 women and 308,160 men and 16,990 new individual household sanitation facilities serving 150,000 new beneficiaries – of which 78,000 are women – were completed. The share of the population with access to clean water increased from 65% in 2010 to 78% in 2013, with the share of the population using hygienic sanitation facilities increasing from 58% to 74.5% during the same period. Under Pillar 2, the number of SMEs supported through Business Development Service Centers increased from 1,200 in June 2011 to 5,250 in 2013, while the number of business incubation centers increased from one in 2010 to three in 2013. The Bank’s support to higher education, science and technology contributed to an increase in access to TVET from 15,354 students in 2010 to 74,320 in 2012-2013. Consequently, the proportion of employers who are satisfied with the performance of TVET graduates increased from 67% in 2010 to 71.6% in 2012-2013.

Non-lending Activities

The implementation of the non-lending program was also satisfactory at CSP mid-term with the outcomes being used to complement the lending activities and inform country dialogue and policy. Three studies were completed jointly with the government and other stakeholders in 2012-2013 to help inform the preparation of EDPRS-2. These studies include: an energy sector review and action plan, a transport sector review and action plan, and a study on leveraging capital markets for small and medium enterprise financing in Rwanda. The energy and transport studies develop a road map for implementing the identified short, medium, and long-term energy and transport investment needs. The SME financing study identifies instruments and other options to facilitate SMEs’ access to long-term financing through the capital markets.

The Bank has also played a leading role in aid coordination and harmonization. The Bank Group co-chaired the Water and Sanitation Sector Working Group (SWG) between 2011 and 2013 and currently co-chairs two SWGs: Transport, and Private Sector Development and Youth Employment.
5.6 Indicative Operations Program 2014-16

The indicative operations program (IOP) for the remaining CSP period 2014-2016 reflects the CSP’s objective of promoting economic competitiveness for inclusive growth and poverty reduction. The IOP comprises four operations: three in transport (Base-Nyagatare, Musanze-Cyanika, and Kagitumba-Kayonza-Rusumo road projects); one in energy (Rusizi-III). There is also a three-year operation focusing on skills, technology, employability and entrepreneurship development.

The ADF-13 indicative Performance-Based Allocation (PBA) for the period 2014-2016 amounts to USD189.57 million, compared to USD186.51 million under ADF-12 (2011-2013). An additional USD100.32 million is expected to be leveraged from the Regional Operations window yielding a total envelope of USD289.89 million. Over 60% of the PBA will be allocated to transport and energy.

Complementary support from the Bank’s private sector window will also be explored. This includes instruments such as sovereign-guaranteed loans; lines of credit; guarantees and other support to SMEs in agribusiness and related value chains as well as manufacturing through the Trade Finance Program and the Agriculture Fast Track Fund. Technical assistance and capacity development for the private sector to participate in higher-value chains will also be provided. Promoting the entry of domestic firms into global value chains has the potential of expanding market access, facilitating knowledge transfer, and overcoming several of the key bottlenecks that continue to hold back the private sector and impede economic transformation.
About 74% of Rwanda’s population has access to improved sanitation. AfDB’s current country strategy seeks to increase this to 95% by 2016.
For a small and landlocked country such as Rwanda, the quality of its infrastructure plays a vital role in its economic development. Good transport connections are required to enable the country to integrate with the larger economies around it, helping it to achieve the economies of scale it needs to become internationally competitive. Good communications networks are also vital for its goal of becoming a service hub for the East African market. And Rwanda needs reliable and affordable power if the private sector is to flourish. Reflecting these needs; the Government of Rwanda (GoR) has prioritized investments in several strategic infrastructure projects, particularly in the energy and transport sectors, to reduce the cost of doing business and ensure both internal and external connectivity of the economy. The Government recognizes that implementing these projects is an essential step towards more inclusive growth and economic competitiveness in line with the goals of both EDPRS 2 and Vision 2020. The AfDB is a key partner of the Government of Rwanda in its work on infrastructure development.

Through an active portfolio of 24 operations, with total commitments close to USD550 million, the AfDB has allocated 62.4% of its total portfolio to support three principal infrastructure sectors of energy, transport, and water and sanitation. The Bank also provides support to agriculture and education infrastructure to catalyze economic competitiveness. The Bank’s support aims to contribute to some of the national targets for EDPRS-2, including boosting energy generation capacity from 110 MW in 2012 to 563 MW in 2018, and improving national and regional transport linkages to connect farmers and other entrepreneurs to markets, while lowering the costs of doing business and improving health outcomes through investments in the water and sanitation sector. These examples provide a partial forward looking picture of delivering the Bank’s country strategy for infrastructure development in Rwanda, but there is also a full picture that can be demonstrated by some sector specific results of the Bank support in the projects which have been completed most recently.
6.1 Transport Sector

The transport sector represents the largest share (31%) of the Bank’s current portfolio in Rwanda (USD550 million). By investing in this sector, the Bank aims to reduce transport costs while increasing the connectivity of the Rwandan economy to external markets. Over the last five years, the Bank constructed, rehabilitated or maintained 798km of feeder roads and 170km of main roads—allowing 2.7 million people to access improved transport, more than twice the Bank target for the period. This has contributed to reducing travel times within Rwanda, and between Rwanda and its trading partners. The Kicuciro –Kirundo road project is one of those transformative projects that best illustrates the impacts of the Bank’s intervention in transport sector.

The project constructed 97 km of road and a one-stop border post (OSBP) at Nemba including a computerized freight clearance system at the OSBP to support an important communication trade route between Kicuciro in Rwanda and Kirundo in Burundi. It cut the journey times from six hours in 2006 to one hour at the completion of the project in 2012, with time spent at the border reduced by more than half. The Gitarama–Ngorero–Mukamira Road project, which was completed in June 2012, also helped to reconstruct 49km of main road and 90km of feeder roads. This has given close to 900,000 people access to public services such as schools and health centers. People have also been well connected to economic infrastructure like rural markets and agricultural production centres, particularly tea plantations. In the coming years, the Bank will support the upgrading of a further 85km of gravel roads to tarmac, helping to reach the target of 90% of the classified national road network being rated as in ‘good condition’ by 2016. The Bank also stands ready to support the Government of Rwanda in developing the regional rail network. An East African Railway Master Plan was adopted in October 2009. The Governments of Rwanda, Tanzania and Burundi are now engaged in the design of the Isaka-Kigali/Keza Musongati Railway Project.
“With a new road, merger of borders,
I now make more round trips.”

Ruberintwari Sylvester, a Burundian, lives in Kirundo—a town about 30 kilometres from Nemba Border Post. He is an established businessman with a wife and five children who are still in school. Most of Sylvester’s career has been in trading in general merchandise between Kigali and Kirundo through Nemba Border. “I have seen both faces of Nemba—I saw it before, and I see what it is today”.

“I started trading back in 1990. At the time life was very difficult, until recently when a new road was completed (Kicukiro-Kirundo Highway). Beyond my expectation, in 2012 I witnessed here the new facility called One Stop Border Post (OSBP) that was officially commissioned by the Governments of Rwanda and Burundi in May last year. This was awesome! It solved a major problem that (for many decades) kept Nemba Border lagging behind in terms of development. The merger of the Rwanda and Burundi Nemba Border Offices was the greatest innovation I have ever seen. Now both immigration and customs work under the same roof. For us traders, I must say we are the bigger winners because it greatly reduced the customs processing and clearance time. Before, both borders were six kilometers apart. It was quite inconveniencing to trek that long distance to complete a mere customs clearance. In business time is money. Where time was significantly reduced it is true that we are making more cash.”

In the past, Sylvester says it would take five hours to travel from Kirundo to Kigali. This has now been reduced to approximately 2½ hours, including all border customs and immigration clearances. “Trading then wasn’t easy. The road was really bad. Now I can take quick customer orders, rush to Kigali, and deliver on time. This has opened up more trade opportunities for me. With the One Stop Border Post, all offices at Nemba now open for longer hours. All this has had a positive impact on the turnover of my business. I am able to make more round trips fetching commodities from Kigali and beyond (as far as Kampala/Uganda).”

At the beginning, he used to rely on public transport to move his commodities. As business grew he bought a pick-up, and this reduced transport costs considerably. It also gave him more flexibility in terms of round trips he could make. As of today, his income status has grown significantly, to the extent that he recently bought a new saloon car just to spice up his family’s leisure time. However, Sylvester talks about one challenge: “We are yet to see more Burundians attracted to cross-border trade as a result of this important development. The biggest challenge lies in securing travel documents. Whereas Kirundo is near the border, one still has to go to Bujumbura to get either a laissez-passer or passport to be able to cross. How I wish Burundi also adopts use of identity cards like it is in Rwanda with other borders.”

In a related development, Gerald Kabanda, Customs Officer of the Rwanda Revenue Authority (RRA) echoes similar outcomes with regards to the Kirundo-Kicukiro Highway and the Nemba OSBP project. The time reduced considerably, depending on the nature of customs clearance. Gerald illustrates this using a clearance of ‘entry card’. “My Burundian counterpart, seated right next to me here, takes about 2½ minutes to receive, enter and process the customer’s documents. I take almost the same time or even less sometimes. So within five minutes we are able to complete a simple customs clearance entry card. In the past, traders used to take hours, given the very long distance between the two customs clearing points at the border of Nemba.”

Although both Rwanda and Burundi customs now sit together in the same office for more convenience, the customs clearance systems (Asycuda World) of both countries are yet to be integrated. Also, to ensure better reliability and efficiency (of the customs systems), both Rwanda and Burundi will have to improve the speed of internet connectivity. With the recently signed pact between Rwanda and Korea Telecom, it is envisaged that within the next three years over 90% of the country will be covered with 4G Broadband.

Bizimana Innocent, Border Manager at Nemba Border Post (Immigration Office) reports that before the completion of the road and inauguration of the OSBP, his office would clear on average 200 travelers on a daily basis. Today the number has soared to over 850 travelers a day. “We also see more and more private businesses attracted to the border, like canteens and forex bureaus,” he adds.
Modern water pump constructed to support irrigation under PADAB Project in Bugesera District.
Ensuring the equitable and sustainable use of water resources is a priority for the Government of Rwanda and a key goal for AfDB’s Rwanda portfolio. By helping to finance the Government’s investments in water and sanitation across the country, the Bank aims to improve health outcomes, alleviate poverty, promote socioeconomic development and safeguard the environment. In line with these objectives the focus is on three core areas. These are the Bank’s strategic interventions in: the development of sustainable and inclusive water and sanitation infrastructure; the promotion of sector governance and knowledge management; and the enhancement of the water and sanitation sector collaboration and coordination so as to achieve Integrated Water Resources Development and Management in Africa.

Overall, the performance of the Bank’s portfolio in the water and sanitation projects, especially between 2003 and 2013, has been very creditable. For example, the Bank’s investments in the rural water supply and sanitation project has enabled more than 765,000 people (143% more than the target) to have new or better access to drinkable water and improved sanitation. This has contributed to an increase in the national share of the population with access to clean water and improved sanitation from 52% in 2000 to 74.2% in 2011. The Bank’s current strategy aims to raise this share to 95% by 2016.

With a total commitment of USD24.8 million the Bank investment under the National Rural Drinking Water and Sanitation Programme (PNEAR–II) has helped to construct 16 new piped water supply systems covering a total distance of 444.5km, and to protect 887 natural water supply springs. The project also constructed 100 rainwater harvesting tanks, 130 multi-door public latrines at public institutions, and nearly 17,000 individual home latrines. Alongside these achievements, the project is helping to deepen technical and managerial skills so that the water infrastructure is well constructed and properly maintained. Working in partnership with the Government, the Bank has helped develop a National Water and Sanitation Data Bank to improve planning and management.
Mrs. Mukabutera Marie Solange, 45, a resident of Karembure cell, Gahanga Sector in Kicukiro District is married with seven children. She recounts the ordeals her family suffered before water was extended to her village in Gahanga Sector, Kicukiro District—an area that benefited from the AfDB-funded project that provided water, electricity lines extensions and public sanitation infrastructure in and around Kigali City.

“We could hardly wash clothes. We had given up on hygiene, not because we didn’t know how to clean ourselves. Without enough water there is nothing you can do. It was even counter-productive teaching my children basic hygiene and sanitation skills.

My husband has a bicycle. Every morning he would fetch a few jerry cans from Nyanza, five kilometers away. Every day, he had to haul up to six jerry cans that cost Rwf50 each. He also had to spend several hours in the water queues that started in the wee hours of the night. That of course substantially wasted the time that he would otherwise use to go to the farm. Water was so dear in this family. Taking a bath was only possible at weekends as we prepared for church service. Children suffered all sorts of water-borne diseases and skin infections. Besides spending a lot on buying water, we also spent a lot on medicating ourselves. For days we didn’t have cash, I used to fetch water from a faraway swamp called ‘Gatovu’. Water from this well was very impure. It had to be boiled before use. Imagine the time and the amount of firewood required to boil whole jerry cans of water needed for all domestic chores. It was indeed burdensome. At Gatovu well, it used to be a real battle to fetch water there. Women who could not push their way through the crowd had to buy water from energetic young men who fetched water for sale. It was survival for the fittest.

I can still recall how elated we were in 2002 when piped water was extended to Karembure. It was an exciting experience. Everybody in this village talked about it. There was a big well-built water reservoir on top of the hill, and pipes were extended down the hill to people’s homes. We were told by our local leaders that the Government, through EWSA (Electricity, Water and Sanitation Authority) had gotten support from development partners. I and my husband agreed to prioritize bringing water to our house. We paid Rwf65,000 to EWSA and in a few weeks we had everything fixed.

No words can adequately explain how water changed our lives. We started bathing everyday—it became a routine to bathe my children before they left for school. Hygiene significantly improved in my home. We had more time for the farm and this improved productivity and incomes, as my husband no longer had to fetch water every day. More important, we decided to invest in a Friesian cow business in the knowledge that we had enough water. The number of cows has now grown to three, and they drink at least four jerrycans of water every day. We milk at least 10 litres every day, consuming some and selling the rest. It is easy to settle our water bills because of our diversified sources of income. My children have now learned good hygiene and sanitation habits. They have ample time to do their school work and this has improved their academic performance. They do not have to bother about fetching water from far away. It is right here in the compound. My sincere appreciation goes to Government and all partners that ensured that water is extended to Gahanga.”
The Government of Rwanda prioritizes ICT as an enabler of its socioeconomic development, through the new five-year (2013-2017) national strategy on ICT Development called ‘Smart Rwanda’. To address the acute shortage of advanced skills in ICT, the Bank in collaboration with Carnegie Mellon University is also supporting the establishment of a regional ICT center of excellence. The center will address the limited capacities in hardware and software engineering, network design and large scale ICT project management.
Agriculture is the backbone of the Rwandan economy, employing 70% of the population and contributing 32% of GDP. Investing in agriculture is one of the most direct ways in which the Bank promotes inclusive growth. Raising the productivity of agriculture is critical to increasing farm incomes and addressing rural poverty as well as achieving food security and reducing exposure to volatile food prices.

Rwanda has demonstrated that intensive investment in agricultural productivity can be a major driver of poverty reduction. Intensive government programmes have boosted agricultural productivity through land reform and crop intensification. Rwanda is one of the few countries to meet NEPAD’s recommendation of devoting 10% of national expenditure to agriculture.

AfDB’s interventions in the agriculture sector aim to improve productivity, thereby enabling the Government’s efforts to reduce poverty and improve food security. This is in line with Rwanda’s Agriculture Sector Strategy. Broadly, the impact of AfDB’s contribution to the sector can be illustrated by three main projects.

**The Dairy Cattle Development Support Project (PADEBL)**

PADEBL was implemented from 2001 to 2009. It boosted the contribution of the livestock sector to agricultural development and poverty reduction. It was specifically designed to develop the dairy cattle industry. The AfDB supported the project with a total of USD21.88 million. During operations, PADEBL’s innovative ‘One Cow for Every Poor Family’ component distributed an average of 1,250 cows in each of the country’s nine neediest districts, bringing the total number of beneficiary households to 11,240. By completion, PADEBL covered Rwanda’s entire national territory.
PADEBL modernized milk marketing systems in rural areas by creating a total of 63 milk collection centres out of 93 built across Rwanda. Additionally, more support went into strengthening the dairy sector value chain through restocking herds and improving local breeds; constructing facilities for the collection, storage and marketing of livestock products; monitoring veterinary care, promoting appropriate reproduction, feeding, processing and conservation techniques. PADEBL also introduced the biogas scheme, which is supplying more than 200 households with biogas for their domestic activities, including lighting. The project also trained local technicians in the extension and delivery of artificial insemination of dairy cattle. This improved dairy livestock breeds in Rwanda and boosted milk production in the country. The increase in milk production led to the establishment of many agro-industries. Also, annual meat production grew to 56,000 metric tonnes, vastly outstripping the project’s target of 16,500 metric tonnes. The social impact of the ‘One Cow for Every Poor Family’ programme was significant as indicated in the survey conducted by the Ministry of Agriculture and Animal Resources in 2011.

8.1 The Inland Lakes Integrated Development and Management Support (PAIGELAC) Project

The AfDB has supported Rwanda in improving the productivity of lake and pond fisheries through the Inland Lakes Integrated Development and Management Support (PAIGELAC) Project. This ran from 2005-2012, with financing of over USD18.1. The project helped the Government to restore the fisheries sector. AfDB helped to stock 15 inland lakes with tilapia fingerlings; it provided training in fisheries management and fishing techniques; and it provided a range of infrastructure including cold storage, drying racks and smoking ovens. To conserve the environment around these water bodies, the Bank helped prevent erosion around the lakes through the construction of terraces and reforestation, which also boosts agricultural production. A total of 147 cooperatives were supported with pond aquaculture, managing a total of 195 hectares of rehabilitated ponds, as well as 43 cooperatives engaged in tilapia farming in 385 cages in the lakes. By 2012, the project had increased fish production in the country from 13,000 to 17,400 tons per year. By 2012 the sector provided employment to 294,216 people. Other important results were the training of sector players like fishermen, aquaculturists, fishmongers, fish processors, input suppliers, administration officials, professional associations, professional unions, and federations, as well as the rehabilitation of feeder roads and the control of water hyacinth.

8.2 The Bugesera Agricultural Development Support Project (PADAB)

PADAB was a Bank-funded project that ran from 2006 to 2013. The main objective of the project was to enhance food security in the Bugesera region by (i) setting up irrigation infrastructure in a 1,000 ha valley, (ii) protecting water catchment areas and improving rain-fed farming on nearly 5,000 ha of hills and (iii) building the capacity of farmers and supervisory institutions. Seven years on, the project has developed 1000 ha of land in line with the targets, and protected over 11,000 ha of land against hillside erosion. In addition the project has completed the construction of a modern market to improve the commercialization of agricultural outputs in the surrounding areas. Several notable impacts have been recorded as a result of this project. These include increased food production (especially bananas, rice and cassava), which has contributed to a decrease in the prevalence of malnutrition in the project area to 1.2% for children under the age of five years, compared to a national average of 11.7%. The average farmer’s income has improved with increased productivity per acreage.
Nakabonye Dorothy (Dorotia), 44, is a widow with five children (three boys and two girls) at Kabeza village, Kagasa cell, Gahanga Sector of Kicukiro District. Eight years on, it is now very difficult to tell how hard her family survived before 2006, when the Government’s One Cow per Poor Family (Girinka) Programme was introduced. Read her story:

“Before Girinka, life was very hard. I was widowed and ill. Raising these children was very difficult, and educating them had become even impossible because I was perpetually bedridden, with no strength to till the land. I could not afford to pay for the mutuelle de santé (medical insurance cover). Everyone in Kabeza knew about my plight. When our leaders initiated the Girinka program in 2006, I was selected to be among the first beneficiaries because I was the most vulnerable in this village. When the authorities officially gave it to me, I built a house for it and made sure that it received enough grass and water. In addition the veterinary officer came to check on my cow very often to ensure that it remained healthy because I was less familiar with cattle rearing, since this was the first time in life I owned a cow.

It was pregnant when it arrived, and in two weeks we had two cows so we gave one away to our neighbor. In Rwandan culture when you receive a gift of a cow you pay back when it breeds. So I paid back by giving its offspring to my fellow poor neighbor. My cows have multiplied since then, and now I’m a happy farmer with four cows. When I look back, life has never been the same. I see development in my family day by day. Now I produce 12 liters of milk per a day from my cows, which is more than enough for my family. We consume two liters and sell the rest to my neighbors at RWF 350 per liter. With an average income of RWF 350,000 (USD53) per month, I am able to pay my children’s school fees, medical insurance and also feed them. My eldest son has just completed vocational training in mechanics and the rest are studying well. I can’t thank God enough for this achievement! With my earnings from the milk sales, I have rehabilitated my house to give my children a decent home and built three more houses which I rent out at RWF 65,000 (USD98.4) per month. I have also opened a bank account with a local microfinance institution and deposit at least RWF 25,000 (USD37.4 per month) of my earnings on this savings account since 2008. Part of these savings served as collateral for a loan I secured to complete my rentals. Because of my diversified sources of revenue, my loan has been fully repaid and I am planning to invest part my savings in the biogas project because our cows produce more dugs than we need for manure.

As part of this program the government has facilitated 37 of us (beneficiaries of this program) to enroll in a farmer’s co-operative group (cooperative y’borozi). Within our co-operative we contribute money to hire veterinary services such as regular medical checkups for our cows, artificial insemination services and training on how to take care of our cows. This program has helped me so much; I don’t know what my life would look like if I had not benefited from the ‘One Cow Per Family’ program. I want to thank the President and all development partners who support this program. With Girinka, our hopes were raised.
A FDB GROUP AND RWANDA
FOUR DECADES OF PARTNERSHIP
The Bank’s Human Capital Development Strategy 2012–2016 was developed to meet increasing demand from Regional Member Countries for interventions in education, health and social protection. The strategy has a strong focus on improving access to and equity in key public services, to ensure they contribute to social and economic inclusion. In the education sector, the Bank focuses on higher education and training, thereby making it possible to tackle the issue of youth employment. In Rwanda, the Bank has been a strong supporter of the Government’s efforts to ensure that the education system meets the needs of the labour market. From the post-genocide reconstruction phase through the rapid expansion of Rwanda’s education system, our education projects have contributed to fulfilling national development priorities and meeting Rwanda’s Millennium Development Goals.

Our education projects have supported the construction or equipping of 1,041 classrooms and educational support facilities. We funded the supply of nearly nine million textbooks and teaching materials, and the training and recruitment of 343 teachers.

Through the Education III Project, which ran from 2000 to 2009, the Bank supported the Government in a wide-ranging programme of reforms designed to boost access to primary education, improve the skills of teachers, and strengthen
technical and vocational training. It also helped build up the central and local institutional capacities required to manage a decentralized education system.

With the support of the African Development Bank, science streams in secondary school included 49% girls in 2010, compared with only 22% in 2004.

Working with a number of other development partners, we helped boost overall primary enrolment from 1.4 million pupils in 2000 to 2.2 million in 2008. The project also supports the Kigali Institute of Science and Technology (KIST) with a study on training needs and support for new facilities, equipment and teaching materials. Over the life of the project, KIST used these resources to train more than 3,500 technicians and engineers (including 1,168 women) in scientific and technological fields.

The Bank also contributed sector budget support totaling USD15 million between 2007 and 2010.

To avoid duplication with other development programmes, the Bank’s contribution focused on building on the gains from the Education III project by supporting training in scientific and technological skills at the higher education level. It supported the development of seven science and technology-related sector policies. It helped introduce science and technology-related indicators into the Education Management Information System (EMIS). At the conclusion of the support, science streams in secondary school included 49% girls, as compared to only 22% in 2004.

To address the acute shortage of advanced skills in ICT, the Bank - in collaboration with Carnegie Mellon University - is also supporting the establishment of a regional ICT center of excellence. The center will address the limited capacities in hardware and software engineering, network design and large scale ICT project management.

Under the Country Strategy Paper 2012–2016, the Bank will continue to help Rwanda to improve access to specialized technical and vocational training, to equip young people with the skills required by the labour market and help Rwanda in its goal of becoming an ICT hub for the East African region. The Bank has pledged to help the Government with its ambitious plans for the sector, including extending free basic education to 12 years for all Rwandan children.
The Bank’s Human Capital Development Strategy 2012–2016 was developed to meet increasing demand from Regional Member Countries for interventions in education, health and social protection. The strategy has a strong focus on improving access to and equity in key public services, to ensure they contribute to social and economic inclusion. In the education sector, the Bank focuses on higher education and training, thereby making it possible to tackle the issue of youth employment. In Rwanda, the Bank has been a strong supporter of the Government’s efforts to ensure that the education system meets the needs of the labour market. From the post-genocide reconstruction phase through the rapid expansion of Rwanda’s education system, our education projects have contributed to fulfilling national development priorities and meeting Rwanda’s Millennium Development Goals.

The Government has put private sector development at the forefront of poverty reduction and economic transformation. The country adopted the private sector development strategy in 2013 to address the key constraints to private sector development including the high costs of energy, and access to finance and entrepreneur deficits particularly among small and medium enterprises (SMES). Supporting the private sector to become the engine of growth is the core objective of the Bank’s strategy in Rwanda. The two pillars of the Bank’s strategy (infrastructure development and enterprise; and institutional development) are designed to complement each other to reduce the cost of doing business and to strengthen the business environment in Rwanda. One of the flagship programs of the Bank support to private sector development is the Skills, Employability and Entrepreneurship Program (SEEP), which is supporting a comprehensive set of policy reforms to enhance critical skills and attitudes for the labour market, and nurturing entrepreneurship and business development skills in order to generate 200,000 off-farm jobs per annum.

The Bank, through its non-sovereign window, is also helping Rwanda’s private sector to create jobs through its two ongoing lines of credit to the Bank of Kigali (USD12 million) and the Development Bank of Rwanda (USD8 million). These loans have been disbursed to SMES in key growth sectors of the economy including agribusiness manufacturing, micro-finance, information and communication technology, hospitality, education, health...
care, energy and water enabling SMES to access long term loans to expand their operations. These lines of credit also include a counterpart capacity building grant to improve the beneficiary Bank’s internal operational structures and systems.

The AfDB lines of credit - and the FAPA technical assistance - support private sector development in Africa, especially where long-term financing is scarce.

As part of its on-lending to the private sector, the Bank has also provided a USD25-million loan to the KIVU watt project to finance part of the cost of Lake Kivu Integrated Methane gas Extraction and Power Production facility. The project, which is due for completion in 2014, is expected to add 25MW to the national grid and contribute towards the national target of 563MW in 2017/2018. Rwanda’s power tariff at USD0.22/kWh is considered the highest in the EAC region. The Bank’s non-sovereign loan to KIVU watt aims to reduce the high cost of energy, which is still a significant impediment to attracting private sector investments and job creation in the country.

TESTIMONY
“Strategically, no institution could steer Africa’s development any better.”

The grant from the AfDB to the Private Sector Federation (PSF) Rwanda helped in many ways. It had two important components that supported the work we do. These were institutional capacity building, and enhancing SMEs’ competitiveness. Our staff at various levels benefitted from training that equipped them with required knowledge and skills. Many entrepreneurs were equipped with business skills. Equally important, it helped in forming platforms like the PSF Resource Centre which serves as a hub for information sharing among all stakeholders in the private sector. It is already serving as a knowledge base for academia and researchers. SMEs were facilitated in various ways to access markets, attend exhibitions, and gain exposure to affordable technologies to boost their businesses growth.

All this created the thirst to do even more. Thus, it is essential that continuity of such wonderful contributions to Rwanda’s private sector development is sustained for more solid outcomes. And, given the expectations of EDPR-2 on the part of private sector, we envisage more concrete engagements with development partners like AfDB, and others that have signaled support to this critical sector. PSF is the apex body of Rwanda’s business fraternity—we have built a strong network across Rwanda. We assure our partners of the good partnership in executing development programs. Internally, we have developed programs and reinforced structures that will deliver results and value to our partners. With the grant that ended last October, we were able to build the foundation but now we badly need to build on it. We have already engaged the Bank in talks.

The lines of credit by the Bank to various players in the private sector are commendable. They have had a great positive multiplier effect. Even the Bank’s support to Government that goes to infrastructure, skills development, agriculture and regional integration, etc., have had great socioeconomic impact, both directly and indirectly.

My only appeal is that the Bank should do more. They are an African Bank, so I don’t see any other financial institution that can steer Africa’s development any better.
Dr. Birahira Williams is one of the beneficiaries of the AfDB’s line of credit to the Development Bank of Rwanda (BRD). Dr. Williams had worked in a Government hospital for three years prior to starting his own Polyclinique de L’Etoile. His savings were not enough to fulfill his long-term dream of setting up his own polyclinic in Kigali. He needed a loan to supplement his personal savings to make his dream come true.

In his own words: “When I received my license to operate this health center from the Ministry of Health, it initially became a daunting task for me to secure financing from commercial banks. I moved from one bank to another but was always told that there were no long-term loans available for my business idea yet I desperately needed a loan with a maturity of at least five years. This period would enable me to recover my investment costs and be able to make profit. I almost gave up my idea but held on because I had big dreams for this business. Then by good luck a friend of mine told me to approach BRD. Since my first meeting with BRD I have never regretted the move. One thing led to another! My business proposal was appraised and found viable and consequently the loan has been disbursed as scheduled. I have used part of the loan to expand the patient holding capacity of my clinic as well as invest in modern equipment. With an average admission rate of 150-200 patients per day, I am able to service my loan properly and provide employment to a total of 23 full time staff which includes seven specialist doctors. With almost 100% of Rwandans having a medical insurance cover; I am assured that my clinic will continue to make profit whilst expanding nationally and regionally. I thank AfDB and BRD so much for making my dreams come true.”
As we celebrate African Development Bank Group’s 50th Anniversary this year, we are also marking four decades of its operations in Rwanda, and a number of outstanding achievements in this country.

In sub-Saharan Africa, Rwanda’s economy has grown at an average of 8% in the last decade, with a million people lifted out of poverty. These are two critical outcomes of Rwanda’s socioeconomic transformation, driven by visionary leadership and economic stability. AfDB Rwanda is indeed proud to be part of this phenomenal performance. More still needs to be done, as the country has set itself the goal of becoming a middle-income country by 2020, while maintaining national unity and ensuring inclusive growth and development. Considering the trends, this is certainly achievable.

As of March 2014, total disbursements including loans and grants now amount to USD1.65 billion since the Bank began operations in Rwanda. The Country Strategic Paper (CSP) sets out the strategic priorities for the Bank’s work. A recent review of the plan indicates that under the infrastructure support pillar, set targets in road construction, water and sanitation have been significantly surpassed. Rwanda envisages that the private sector will drive her economic prosperity. The Bank’s support to business incubation centers has boosted the number of SMEs in the country. For increased productivity across all economic sectors, the AfDB’s support is also focused on higher education to spur skills development, science and technology. This is developing more skills for the job market. Overall, our assistance is now focused on energy, transport and water and sanitation.

The Bank is efficient, and characterized by a high disbursement ratio. We have set the bar even higher, anticipating to scale-up our disbursements by ensuring that new projects are ready for implementation before they are approved.

Also, we are improving our soft infrastructure by scaling up our non-lending operations, including our analytical work and advisory services to the clients. Working with other development partners, we will continue to invest in diagnostic work on country systems, to help inform the Government’s reform efforts.

Fast forward, the implementation of AfDB Rwanda CSP further requires us to benchmark our lending activities to the Government’s new mid-term strategy, the Economic and Poverty Reduction Strategy II (2013-2018).

Like EDPRS, our goals in the CSP are equally ambitious, but we have no doubt they are achievable given the strong leadership shown by the Government and the solid foundations we have established in our programming to date.

On behalf of all the Bank team here, I wish to extend my sincere appreciation to the Government of Rwanda and all other partners for their unwavering support.

Join us in celebrating 50 years of AfDB serving Africa.