



Republic of Rwanda

VISION 2050

BUILDING THE RWANDA WE WANT

VISION 2050

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VISION 2050

"We don't want to be a status quo country or status quo people. Vision 2020 was about what we had to do in order to survive and regain our dignity. But Vision 2050 has to be about the future we choose, because we can, and because we deserve it.

Rwandans will not be satisfied to live paycheck to paycheck, harvest to harvest, without accumulating wealth and financial security. They want to live close to the families they love and watch them thrive.

They want access to world-class education, right here at home.

They aspire to travel the world in search of new ideas and experiences, unhindered by barriers. And then fly proudly back home to Rwanda, because there is no other place they would rather live.

If this sounds right, then we are together. That means: Not alone, but all of us."

H.E. President Paul Kagame

State of the Nation Address | Umushyikirano, December 2015

EXECUTIVE SUMMARY

Rwanda's Vision 2050 articulates the long-term strategic direction for **"the Rwanda we want"** and the enabling pathways to achieve this ambition. Energized by – but by no means content with – the past two decades of successes and having learned lessons from challenges encountered towards achieving Vision 2020; Rwanda now aspires to transform its economy and modernize the lives of all Rwandans.

Recognizing that achieving these aspirations will require bold and decisive action, Vision 2050 serves as the critical planning and policy blueprint to guide the efforts of all players in Rwanda's development, including Government, private sector, citizens, diaspora, civil society and faith-based organizations, development partners, academia and research institutions, and political parties.

The preparation of Vision 2050 has considered global and regional development agendas to ensure harmonization of targets and indicators. These include: The Sustainable Development Goals (SDGs), African Union (AU) Agenda 2063, East African Community (EAC) Vision 2050, and the Paris Agreement on climate change among other instruments.

The Vision 2050 sets a new pathway that will lead the country to the living standards of upper middle income by 2035 and high income countries by 2050.

The Vision 2050 has overarching goals of promoting Economic Growth and Prosperity and High Quality of Life for Rwandans and is anchored around five pillars.

Human Development

Rwanda's population was 10.5 million people in 2012 and was estimated at 12.6 million in 2020 (NISR, 2020). According to the National Institute of Statistics of Rwanda (NISR), The Rwandan population is projected to increase by more than 50% to 17.6 million by 2035 and to double to about 22.1 million people by 2050. During this period, the share of the working age population is expected to grow from around 61% of the population in 2017 to 65.7% in 2050.

Reaping the economic benefits from this “demographic dividend” will be realized only through an integrated approach that ensures that decline in fertility is backed up by essential investments in human capital development and economic reforms so that the country has a healthy, well educated, and highly skilled labor force that is gainfully employed.

Competitiveness and Integration

Rwanda's ambition to become a developed country hinges on its ability to enhance competitiveness at various levels. Key aspects to consider include economic competitiveness underpinned by modern technology, innovation, research, quality infrastructure, favourable cost of doing business and micro factors such as increased firm and labour productivity.

Agriculture for Wealth Creation

Agriculture has and will continue to play a prominent role in both economic growth and poverty reduction as it has important implications for food security, nutrition, exports, and has backward and forward linkages to both industry and services sectors.

Going into 2050, the Agriculture sector is expected to be totally transformed with professional farmers and commercialized value chains.

Urbanization and Agglomeration

Urbanization in Rwanda is rapidly evolving and presents many opportunities for increased access to markets, skills and employment among others. The new focus will be on identifying and creating synergies between the critical elements of urbanization that create agglomeration and enhance the socioeconomic benefits of urbanization.



Accountable and Capable State Institutions

Rwanda's strong track record is underpinned by effective institutions which in turn facilitate economic growth and development over the long term. To fulfil the Vision 2050 aspirations, Rwanda's institutions and governance will need to adapt to the changing environment, become modern, innovative, accountable to citizens, and rooted in the rule of law.

Building on the achievements of the Vision 2020 in citizen participation, good governance, rule of law, peace and stability, Rwanda will go into the next phase of long term development aiming to consolidate gains made and continue citizen-centred reforms enshrined in local innovations and home grown solutions.

Early in Rwanda's development journey, Rwandans made a "triple choice": **staying together, being accountable** and **thinking big**, highlighting the way of doing business unusually¹. Rwandans are cognizant that attaining the aspirational goals of Vision 2050 will be challenging but achievable.

This will call for a number of prerequisites and success factors that include intense improvements in productivity through strong and sustainable macroeconomic fundamentals, consistency in prioritization of investments, increasing the role of private sector and deepening regional integration.

It will also require positive values for societal transformation and adopting an unconventional approach and not business-as-usual mindset associated to a rigorous and effective monitoring and implementation framework to ensure delivery of results.

A mid-term review is envisaged in 2035 and regular reviews planned every 5 years to inform necessary policy improvements.

¹ Speech of HE Paul Kagame, President of the Republic of Rwanda in commemoration of 20th Anniversary of Genocide against the Tutsi, April 2014

BACKGROUND TO VISION 2050

1. Introduction

Rwanda's Vision 2050 articulates the long-term strategic direction for **"the Rwanda we want"** and the enabling pathways to achieve this ambition. Energized by – but by no means content with – the past two decades of success in reducing poverty, increasing incomes, improving living standards, strengthening good governance, promoting home grown solutions, establishing rule of law, maintaining stability, promoting gender equality and women empowerment, peace and security. Rwanda now aspires to transform its economy and modernize the lives of all Rwandans.

Recognizing that achieving these aspirations will require bold and decisive action, Vision 2050 serves as the critical planning and policy blueprint to guide the efforts of all players in Rwanda's development, including Government, private sector, citizens, diaspora, civil society and faith-based organizations, development partners, academia and research institutions, and political parties.

2. Rwanda's changing development context

Rwanda has undergone several development phases starting from the aftermath of Genocide against Tutsi in 1994 which focused much on recovery; the early 2000s where the Vision 2020 was elaborated, and gave a blueprint for a new Rwanda embarking on economic development aspirations and post-2010 a period that intensified efforts to lay foundations for sustained growth through investing in human capital, developing basic infrastructure and expanding access to various services.

The next phase of Rwanda's long term development is focused on transformation of the entire economy and society. There is a need to continue the journey towards self-reliance through a private sector-led growth and transformation economic model.



In the next 3 decades, the country will make long-term investments in future endowments: enhanced human capabilities, strong innovation and technological capabilities, socioeconomically integrated forms of urbanization, and effective and accountable institutions of governance.

The country will play to its inherent strengths, which arise from an endowment of labor including a youthful population, a fertile agricultural landscape, natural resources and a good foundation of ICT.

3. Development of Vision 2050

The Vision 2050 was requested by the **13th National Umushyikirano Council** in 2015. Subsequently, broad stakeholder consultations and citizens' engagement were conducted to define what the Rwanda citizens want to see by 2050.

Specific stakeholders consulted include: youth and women, private sector, development partners, political parties, civil society, faith-based organizations, academia, and research institutions, and persons with disabilities among others.

Vision 2050 establishes the development framework for 2020–2050, with a mid-term review envisaged in 2035 and regular reviews planned every 5 years. The Vision intensifies the country's ambitions and continues the drive towards self-reliance and competitiveness.

The elaboration of Vision 2050 has taken into consideration the global and regional development agendas, to ensure harmonization of targets and indicators. Those include: The Sustainable Development Goals (SDGs), African Union (AU) Agenda 2063, East African Community (EAC) Vision 2050, and the Paris Agreement on climate change among other instruments.



THE RWANDA WE WANT: PROSPERITY AND HIGH QUALITY OF LIFE FOR ALL RWANDANS

The overarching goals for the Vision 2050 are:

1. Economic Growth and Prosperity

Economic prosperity is about creating wealth for all Rwandans. It requires high and sustained economic growth over the long term. Economic prosperity implies that Rwanda's economy is regionally and globally competitive, continuously improves its productivity and creates decent jobs for its citizens through both economic and human capital investments.

Rwanda's aspirations are translated as becoming an upper-middle income country (UMIC) by 2035, and a high-income country (HIC) by 2050.

Specifically, this means realizing the following key economic targets:

- **By 2035:** Gross Domestic Product (GDP) per capita of over USD 4,036; and
- **By 2050:** GDP per capita of over USD 12,476

2. High Quality and Standards of Life for Rwandans

To achieve high quality and standards of living, Rwanda will continue the trajectory laid out under the Vision 2020 period. Overall, Rwanda will build on the strong progress made in reducing poverty over the last two decades, reducing the poverty rate from 78% after 1994 to 38% in 2017, with the aim of eliminating poverty altogether. Rwanda will comprehensively enhance living standards for all Rwandans.

Achieving high quality of life for all will also mean ensuring all walks of society have increased opportunities to contribute to national development, including by increasing its investments in human capital



and ensuring universal access to amenities, safety and security.

Not only ensuring that all youth, women, men and elderly people can contribute as actors of sustainable development but also ensuring that no one is left behind in benefiting from development. It is not only part of Rwanda's good governance principles but also reflected in the positive values for societal transformation.

Vision 2050 takes into account the aspiration of leaving to Rwandan children a better world to live in. As such, growth and development will follow a sustainable path in terms of use and management of natural resources while building resilience to cope with climate change impacts.

Rwandans aspiration for high quality of life will be further appreciated through the quality of the environment, both natural and built. These aspirations will continue to be embedded in Rwanda's long term Green Growth and Climate Resilient Strategy (GGCRS) whose impact is intended to bring about mindset and developmental transformation in Rwandan society that is necessary to achieve the desired carbon-neutral and climate resilient economy.

The efficient use of land across sectors will be guided by the National Land Use and Development Master Plan (2020-2050).



PILLARS OF THE VISION 2050

1. Human Development

Introduction

Rwanda's population was 10.5 million in the 2012 Population and Housing Census (RPHC4) and is estimated at 12.6 million (NISR, 2020). The National Institute of Statistics of Rwanda projects that the population will increase by more than 50% to 17.6 million by 2035 and to double to about 22.1 million people by 2050. During this period, the share of the working age population is expected to grow from around 61% of the population in 2017 to 65.7% in 2050.

Reaping the economic benefits from this “demographic dividend” will be realized only through an integrated approach that ensures that decline in fertility is backed up by essential investments in human capital development and economic reforms so that the country has a healthy, well educated, and highly skilled labor force that is gainfully employed.

Universal access to high quality health care

Rwanda will sustain the significant achievements already made in the health sector which include achieving all Millennium Development Goals (MDGs) towards improving maternal and child health care. In line with the ambitions of the Sustainable Development Goals (SDGs), Maternal, neonatal, infant and under-5 mortality rates will reduce significantly to high-income country standards (70-90% reduction).

Universal uptake to family planning will be inclusive for both women and men and delivered toward reducing the fertility rate from 4.1 births per woman (DHS 2019/2020) to high income countries standards of 2.3 births per woman (NISR, 2017) in 2050. In addition, reproductive health information and services will be increased to avoid unplanned pregnancies and sexually transmitted diseases with particular focus on the youth.



This will be realized by offering a comprehensive health care system including quality care for non-communicable diseases and commonplace screening for preventable forms of cancer, like cervical cancer.

Expanding upon the **Community-based Health Insurance Scheme** (CBHI), the focus will be on improving the quality of services offered. Building on expanded coverage and leveraging sustainable financing mechanisms the scheme will serve all segments of the population and help to continue stimulating demand for health services while reducing out of pocket expenditures on health.

Health service delivery systems will further be devolved down to community levels, with patients receiving primary care near home and increasingly able to get specialized treatment at decentralized levels. Expanded services will include diagnostic treatments as well as curative, rehabilitative and palliative care.

Telemedicine and development and application of advanced health technologies will be promoted to deliver high quality health services. These will also facilitate specialty training for clinicians, improve medical research, reduce operating and administrative costs and increase patient security and data protection countrywide.

Rwanda aspires to significantly reduce all forms of malnutrition among children (stunting, wasting, and underweight) by 2035. Child stunting (under 5 years children) will be reduced from 33% (2020) to 5.5% in 2035 and 3% in 2050. Rwandans will continue to uphold healthy dietary practices to minimize lifestyle-related maladies such as obesity and diabetes.

Rwanda will also position itself as a center for medical tourism, biomedical research and pharmaceutical industries. World class health facilities will be developed offering specialized health care with quality services that are competitive on the continent. Super specialty and multi-specialty health facilities will be developed and these will be matched by investing in human resources for health to raise the quality of health care professionals at all levels.

Rwanda will attract investors in pharmaceutical industries both in distribution and manufacturing which will contribute to lowering the cost of drugs in the country and further exporting to other countries.



A conducive environment will be created for medical research by developing critical skills in Science, Technology, Engineering and Mathematics (STEM) fields from early stages in the education system.

Universal access to high quality education

A reformed education sector will lay the foundation for Rwanda to join the most advanced economies in 2050 with a market-driven education system. This entails increasing investments that yield high returns and form a basis for long-term economic growth – namely, enhanced attention and strengthened curricula for high quality early childhood and basic education (including basic skills for the 4th industrial revolution) – as well as those that yield moderate returns but produce job candidates in a shorter timespan – skills training and other investments in youth and adults.

Access to quality education in the initial years of life will be ensured through increased investments in early childhood development to achieve universal pre-primary enrolment rates by 2050 from 17.5% (MINEDUC, 2016).

Access to quality basic education will be ensured. All classes will reach middle-income standards for pupil-classroom and pupil-teacher ratios by 2035. Teachers will be empowered and equipped to deliver an education that provides all Rwandans with the capabilities to continually improve their skills and productivity.

Science, Technology, Engineering and Mathematics (STEM) courses will be ensured and strengthened for boys and girls across all levels of education, to position Rwanda among the leading African countries in technology and innovation by 2035.

The continued development of a market-driven Technical and Vocational Education and Training (TVET) system will be crucial to train and upskill workers to meet the needs of the changing labor market demand while prioritizing study-based competitive areas for all Rwandans with special focus on ensuring equal access for women and girls. Accordingly, the curriculum for different levels of education will ensure adaptability to present and future new types of skills needs.



Rwanda will ensure digital literacy for all by 2035 and sustain it going forward to ensure inclusive participation in a knowledge society and attain new levels of productivity for the labor force.

Tertiary education will be core to building a stronger and competent Rwandan society. More efforts will be ensured to maintain a high enrolment rate for both boys and girls up to tertiary education. Investments in Higher Learning Education will be increased to build capacity in Research and Development (R&D) and increase attainment levels. A concerted effort will be undertaken to strengthen linkages between academia and industry.

Gross Domestic expenditure on R&D as percentage of GDP will increase from 0.66% in 2016 to 1.5% by 2035 and 3.0% by 2050, respectively.

A transformed workforce for higher productivity

The structural transition of the workforce from surplus labour in agriculture to other economic sectors of service and industry will happen gradually, paying particular attention to youth and gender-specific impacts. In the medium term, mass jobs will need to be created in low-end, low-wage economic activities and in the long run, jobs will need to be created in high value-added products and services resulting from the specialised extension services in agriculture, knowledge-based services in IT and Finance and light manufacturing.

Training will need to anticipate where and when new jobs are created. This will require investments in sectors with potential for high growth as well as high employment over time, such as light manufacturing, tourism and services. Developing these sectors requires building the right skills base starting now to become competitive in the 2020s and to reap the benefits between 2025 and 2035.

In close collaboration with stakeholders especially private sector, continuous efforts will be made to offer career guidance, mentorship and reskill the labour force to ensure that people are matched with the right skills for the labour market. Many Rwandans remain self-employed; upskilling and technology upgrading interventions will allow their enterprises to grow and transit from informal to formal sector, which will sustain and expand their employment.



Rwanda's education system will be market-driven and competence-based, matching Rwandans to innovative jobs created in ICT, tourism, aeronautical engineering, computer programming, and venture capital. Kigali Innovation City, universities and business schools will attract the best talent from across the region. Whereas in the past Rwanda imported services professionals, by 2050 this trend will have been reversed.

To develop high-value and competitive jobs in prospective high-value sectors across Rwanda, TVET and Tertiary education will be core to building a stronger and competent society to boost productivity and investments in identified high-value sectors where the country is having a niche. In the same vein, private sector employers and firms are needed to invest in on-the-job training for their workers to increase competitiveness.

Strategic partnerships with private sector companies in high growth sectors will enhance workplace learning, which will help curb the skills gap and increase private sector productivity.

Talented young women and men with attractive projects that can generate productive jobs for others will be supported. Promoting creativity and an innovation culture, especially among youth, and supporting talented youth to realize their potentials will promote the creation of future jobs. An innovative and technological culture and mindset will be upheld and promoted countrywide.

Rwandans will be encouraged to experiment with new ideas, take manageable risks, learn from failure and have the resilience to try again. Process, social and organizational innovations will be promoted in addition to product innovation as a way to foster a nationwide culture of innovation that is focused on problem solving.



2. Competitiveness and Integration

Introduction

Rwanda's ambition to become a developed country hinges on its ability to enhance competitiveness at macro and micro levels. Key aspects to consider include economic competitiveness underpinned by modern technology, innovation, research, quality infrastructure, favourable cost of doing business and micro factors such as increased firm and labour productivity.

Globally, Rwanda is ranked 38th in doing business – second in Africa after Mauritius (World Bank Doing Business, 2018). Rwanda is ranked 58th/137 in global competitiveness (World Economic Forum, Global Competitiveness Report, 2017/18).

Looking forward, Rwanda is targeting to belong to the top 10 countries in doing business in 2035 and maintain the status. Rwanda is targeting to rank among the top 20 economies in competitiveness by 2035 and top 10 in 2050.

A diversified economy built upon future industries

Since 2009, the Rwandan industrial sector has grown at an average of 9.4% per annum. Within manufacturing, there have been some stand-out performers, most notably metal products, machinery & equipment, furniture & other manufacturing and non-metallic mineral products.

Industry's contribution to GDP has grown from 16% in 2009 to 19% in 2019, with this share steadily increasing year on year. Construction has consistently been the largest part of the Rwandan industrial sector, now representing 7% of GDP in 2019.

Building on the sectors in which it has a comparative advantage today, Rwanda will strive to continue developing its agro-processing, manufacturing and construction industries. Efforts will be made to ensure increased worker productivity in these sectors for both women and men.



Rwanda will produce the materials needed in neighbouring countries such as materials for modern constructions and aviation, production of mosquito nets, organic fertilisers and aquaculture.

The estimated impact of interventions detailed in the Vision could be as much as \$400 million reduction in imports by 2024 with more reductions expected in proceeding years whilst generating significant employment and business opportunities for Rwandans.

Special attention will be given to nurturing new industries that are knowledge-based such as creative industries, financial sector and aviation which have the potential to employ thousands of people.

The private sector will be supported to enhance their innovation and technological capabilities to become more competitive. This will be achieved through increased spending in research and development and a strengthened focus on business innovation and the commercialization of relevant innovations. The National Innovation Fund will be used to support Small and Medium Enterprises (SMEs) to strengthen their innovation capabilities and to create, adopt, adapt and use technological innovations.

Competitive manufacturing anchored to a regional logistics hub

Over the medium-term to 2035, even though high value industries will take the lead, labour intensive industries like textile, apparel and leather sectors are of strategic importance to Rwanda, given the significant potential these sectors hold in terms of employment and value addition. Over the next decade, Rwandan anchor firms will be strengthened to upgrade their supply chains.

By 2050, “Made in Rwanda” will be a recognized brand locally and internationally. Kigali will have solidified its position as the regional trading hub (logistic services, aviation hub, and innovation hub, etc.) and the gateway to East and Central Africa. A Kigali-based logistics platform will monitor and optimize logistic systems across Rwanda with real-time online technology massively reducing the cost of transport.

Rwanda’s industrial parks will operate at full capacity and feature state-of-the-art infrastructure, dedicated power lines, modern water



and drainage systems and high-speed internet connectivity and will be developed through Public Private Partnership (PPP) approach. Each industrial park will be linked to modern cargo and handling facilities.

Bugesera International Airport will serve as the major hub for producers to access Africa, Europe, Asia and the United States with daily flights and will become a major cargo hub.

Innovations will drive down the cost of trade. The cost of trading is currently 20-30% of the total cost of production in Rwanda. Lowering the cost of trade will be achieved through heavy investments in regional infrastructure, concerted efforts to facilitate trade and integration into the EAC as well as the wider continent. Rwanda's integration into global value chains will be paramount.

Vision 2050 therefore aims for a future where Rwandans are connected and integrated to regional and global markets. An advanced food industry will be developed in the country basing on strong linkages between commercial farmers and industries.

The agricultural sector will have a high focus on productivity with emphasis on gender- responsive interventions targeting both women and men, climate resilience and high standards to match Rwanda's ambitions. Rwanda will intensify efforts to build linkages between production and processing by ensuring that domestic supply chains are efficient. Investment in the sourcing of raw materials will be improved by encouraging industrialists to develop their own agricultural blocks and partner with out-growers.

While construction is already a significant contributor to Rwanda's GDP, looking ahead construction will further increase its economic role through industrial park infrastructure, modern housing needs, local materials development, and expansion linked to the mass transit in Kigali city, secondary cities and other urban areas.

By 2050, local content and job creation will be the standard across Rwanda's modernized construction industry. Given that the public sector is a key source of demand for construction works, government is increasing the local content in their procurement as well as finding ways to incentivise international companies in the sector to sub-contract locally.



Modern and innovative service sectors driving transformative growth

Rwanda's growth trajectory over Vision 2050 will be driven by its services sector. Looking to countries which have achieved this pathway, a country's services sector typically grows in size (relative to GDP) and complexity as its income level rises. To achieve transformative growth and structural shifts to high productivity, it will be important to ensure close linkages between competitive service sectors and other economic sectors.

An efficient services sector not only makes direct contributions to a country's GDP and export capabilities, but also high-value-added segments of value chains are especially rich in services content; it is in services that most of the value is added within value chains.

By 2050, Rwanda's manufacturing and commercial agriculture sectors will be regionally and globally competitive with access to modern, high quality, and cost-effective services as inputs.

While the existing services sectors will remain a key focus, it will be critical to continuously anticipate and accelerate high-value, niche emerging sectors, such as nanotechnology, biotechnology, block chain technology or artificial intelligence. This will require strategic foresight and a good understanding of Rwanda's competitive advantages. Leveraging on this, niche sectors will be targeted with appropriate interventions to develop them. Over the course of Vision 2050, the shift will be to equip Rwandans with the skills to lead as innovators in services.

Export-oriented knowledge services

Rwanda will position itself as a knowledge hub in differentiated high value clusters, leveraging on technology and innovation ecosystems such as the Kigali Innovation City model, utilizing systematic collaboration between Higher Learning Institutions (HLIs) and professional services firms, to deliver:

- Export-oriented knowledge services based on the high-value technology clusters: Fin-tech, Edu-tech, Energy-tech, Agri-tech, big-data management, Pharmaceutical, Biotech, Cyber-tech;



- High value niche services such as software lifecycle management outsourced from developed economies, legal and business consultancy services for emerging digital economies;
- Knowledge services based on emerging technology cluster such as block-chain, life science, and others, where Rwanda can differentiate itself as the “proof-of-concept” country;
- Services will also play a key role in facilitating production and exports throughout the value chain, mainly in back office and production stages e.g. Inventory Management, Distribution and Supply Management, R&D, Design, Marketing, Engineering, Accounting, Legal etc;
- Rwanda will focus on developing strong capabilities in applied uses of information technology and innovation building on quantum physics, artificial intelligence, block chain technology, robotics and machine learning. This will leverage initiatives like the ‘Next Einstein Forum’ among others that attract and equip the best talents from the continent with critical skills for the 4th industrial revolution and beyond.

High-end sustainable tourism

Tourism has been Rwanda’s largest foreign exchange earner for over a decade. The sector has shown an average growth rate of over 10% per year over the last 10 years. It will continue to be an extremely important sector under Vision 2050. Given the regional and domestic dynamics of the sector, Rwanda has positioned itself as a high-end tourist destination.

This strategy has begun to yield results, with the entry of several big brand players in the luxury hospitality sector such as the Radisson, Marriott, Hilton, One & Only, Wilderness Safaris, etc. To advance this status, Rwanda will endeavour to attract investors to diversify our current high-end tourism offerings, e.g. to develop wellness facilities (luxury spas, luxury sports, members only clubs). A particular focus here will be the continued development of the Kivu belt.

Meetings, Incentives, Conferences and Events (MICE) will continue to be a strategic sub-sector. MICE revenues will be increased by diversifying



the MICE events attracted beyond just conference tourism, strategically targeting regional and global organisations to move their headquarters to Rwanda, developing the required skills for the MICE industry and to benefit all of Rwanda's districts.

Continuous diversification of the sector will also be critical through the development of new tourism products. For instance, leveraging its scenic landscapes, Rwanda will establish the Rwanda Film Office to launch and market Rwanda as a preferred film location.

Recognizing the importance of conservation for the sustainability of the tourism industry and the country's heritage, Rwanda will continue to position itself at the global frontier for conservation. Particular focus will be on continuing to diversify tourism product offerings and investing in sustainable ecotourism that engages communities.

To achieve these innovations, there are several cross-cutting areas that will need to be developed in the medium term to support the growth in modern high-value services. These include business services for emerging digital economies; cyber security services; professional and digital skills services covering various technology clusters; cashless innovation-friendly financial services; and regulatory and institutional frameworks to enable trade in services.

Universal access to financial services

Rwanda will build on the progress registered in promoting the financial sector and financial inclusion over the past decade (financial inclusion for adult people was at 93%, FinScope Rwanda 2020) and further implement policies and strategies to develop a stable and sound financial ecosystem that is sufficiently deep and broad, capable of efficiently mobilizing and allocating resources to address the development needs of the economy. Rwanda will make further efforts towards increasing access to finance while closing the gap for youth and women.

Rwanda will establish and position itself as an international financial services center. This will be enabled through continuous development of the financial ecosystem supported by an enabling legal and policy framework, appropriate technologies and skilled workforce.



Strengthening export competitiveness and trade connectivity

Rwanda is committed to building a larger market that will foster cross-border and intra-Africa trade, spur investment in infrastructure, agriculture and energy, and strengthen the region and continent by harmonizing policies and practices. Regional integration will provide a stable environment for Rwandan citizens to channel their energies and resources into development and entrepreneurial initiatives. It is important for Rwanda to team up with other countries as a way of addressing challenges inherent to the country's geography and move from a landlocked to land-linked country.

Over the medium-term, Rwanda is committed to rationalizing its membership in regional blocs to strengthen cooperation and benefit from comparative advantages like promoting regional integration and equitable international trade. Rwanda will push for regional agreements to be implemented and regional infrastructure to be improved and developed through joint projects by Regional Economic Communities. Such advocacy will focus on the removal of trade barriers for free movement of goods, services and capital.

Knowledge-intensive economy

To become a developed economy, Rwanda will focus on building a knowledge-intensive economy; one in which the production, distribution and use of knowledge are the main drivers of growth, wealth-creation, and employment for all industries. Similarly, Rwanda is targeting to break into the top 50 countries in innovation by 2035. This requires Rwanda to increase innovative capacity and leverage the use of technology to accelerate this as well as:

Foster excellence in Research and Development (R&D): Rwanda will continue to be a destination for world class universities and research institutions e.g. Carnegie Mellon University - Africa, Africa Leadership University, African Institute of Mathematical Sciences, University of Global Health Equity and the Rwanda Institute of Conservation Agriculture as well as to continue to build the capabilities of the University of Rwanda in research and development.

In order to achieve this, Rwanda will continue to build strong research infrastructure by increasing funding to R&D across the research spectrum (basic research, applied research and market applications), groom and attract top researchers and align research with industry demand through strong collaborations with local and global industries.

Remain a proof-of-concept destination for current and future innovations:

Rwanda will continue to be a proof-of-concept destination and a living laboratory for today and tomorrow's innovation and embrace both incremental innovation (improved products, processes, business models as well as exponential new to the market innovations).

This will require Rwanda to remain agile and open to new ideas, embracing change.

Becoming a data-driven economy:

Rwanda's economy, government, private sector, civil society and citizenry will be more data-driven and powered by technologies of today e.g. Internet of Things, Robotics, Artificial Intelligence and tomorrow's technologies while at the same time ensuring appropriate security measures are in place.

Future-proof the education system:

Rwanda will require a sufficiently large pool of people with qualifications in Science, Technology, Engineering, Arts and Mathematics to develop its innovative strength and to not only consume but to participate in advancing technological progress in the future. An interest in and understanding of technology and the sciences needs to be awakened at an early stage and initiatives like the Rwandan Coding Academy scaled to ensure that Rwandans keep up with the changing nature of work and jobs.

3. Agriculture for Wealth Creation

Introduction

Over the last 2 decades, agriculture has played a prominent role in both economic growth and poverty reduction. With about 70%² of the population currently earning their livelihoods in the sector and contributing about a third of GDP, there is no doubt the sector will continue to play a critical

² According to EICV5 (2016/17)



role in the next 3 decades. The sector has important implications for food security, nutrition, exports, and has backward and forward linkages to both industry and services sectors.

The sector is credited with contributing about two thirds to poverty reduction in the Vision 2020 era. Going into 2050, the Agriculture sector is expected to be equally transformed by both women and men professional farmers and commercialized value chains.

Modern market-oriented and climate resilient agriculture

To achieve the structural shift away from an agriculture-based economy, a gradual yet unrelenting reform in the current agricultural model is needed. Rwanda's transformed agricultural sector will be market-driven, linked to urbanization and trade, and nearly 15 times more productive than today. Agriculture value added per worker will need to increase to more than 8-fold by 2035, and more than triple again by 2050 for comparative levels of high-income countries.

Less than 30% of Rwandans will be working as farmers. In 2050, Agriculture in Rwanda will be market-led and high-tech, driven by professional farmers with large farms on irrigable lands totalling about 600,000 hectares, with an irrigation rate of 100% of irrigable land.

The Rwandan landscape by 2050 will reflect this significant shift. Farms will take up less of the countryside while producing more using modern farming and land efficient techniques such as greenhouses and urban farming.

Scaled up use of modern inputs and technologies to maximize productivity

In agriculture, the aim is to increase productivity and develop professional agriculture services with strong downstream and upstream linkages to primary agriculture. These services will include equitable production and distribution of fertilisers, quality seeds, irrigation technology, higher-value agricultural products for supermarkets, hotels, etc. that will be needed domestically and in the region.



In comparison with contemporary farming in Rwanda, farms will be mechanized, fully irrigated and use high-tech inputs in greater volumes. Cereal yields will increase fourfold by 2035. As a result, Rwandan farmers (women and men) will have larger plots and small-holder farmers will be employed outside their farms.

Digitalization of the sector will link producers to profitable markets in real-time. Leveraging advances in biotechnology (home-grown and globally), smart phones, digital and spatial technologies, will further increase productivity. Products will be labelled to benefit from specific niche markets, for example, from consumers who prefer products from specific brands.

Achievement in the agriculture sector will be attained through the growing availability of electricity, water, communications and government services, present in Rwanda's Smart cities. Affordable energy access will be available for large commercial enterprises in horticulture, agro-industries, abattoirs, dairies and others.

To achieve the 2050 targets, the role of Government will be increasingly oriented towards facilitating the private sector to be at the forefront of increased productivity in the agriculture sector. The Government's role will be first and foremost to protect agricultural land and producer syndicates.

Rwanda's private sector will play the leading role in every stage of the value chain: from the source to addressing institutional needs (food standards, etc.), to managing risks, and delivering high quality extension services (including for innovation and technology adoption).

Enhanced rural access to credit, tenure security, and functioning land markets will become ever more important. Public-private partnerships in agricultural supply chains will offtake what is produced from Rwandan farmers, process it, and tap into global export markets; while simultaneously providing jobs and technical on-the-job training.

The National Land Use and Development Master Plan (2020-2050) will play an important role in guiding on the spatial location and preservation of agricultural land.



Productivity gains will also be driven by research and development (R&D) to help farmers optimize their efforts and take up modern technologies. The creation of international and local networks in the research area will boost innovation, while the adoption of high-tech equipment and techniques like hydroponics and automated drip irrigation will increase dramatically labour and land productivity.

Increased access to agriculture finance and risk sharing facilities

Rwandan farmers will have tools at their fingertips to reduce losses from the effects of weather and climate change through: (i) better insurance and financial services and other risk management and transfer tools, (ii) increased diversification at the household level, (iii) improved market information and strengthened contract farming models, and (iv) decentralised grain reserves to mitigate large hikes in local food prices.

Gradually, Rwanda will transform the financing models for the agricultural sector. In 2035, Government will indirectly support farmers. Agriculture subsidies will be limited to production conditions, where farmers will be fully professionalized to the extent that they can be given production quotas in order to be eligible to certain amount of subsidies.

By 2050, Government interventions will be allocated to big investments such as reinforcing research projects, and modernization of agriculture infrastructure. These will be fully led by the private sector.

Public expenditure will also be targeted toward: (i) innovative financing and risk-sharing facilities specifically adapted to Rwandan farmer's needs, and (ii) financing for research, extension, and infrastructure to add value to products.

One reason for low funding levels in Rwanda's agriculture sector today is the reluctance of banks and private sector players to invest, due to perceived high risks and high transaction costs. By 2050, Rwanda will have a multi-million public-private risk-sharing fund/facility to connect affordable financing to all players along entire agricultural value chains, working with Rwandan banks, farmers, and value chain actors. This will help to achieve lower risk and higher repayment of agriculture loans.

Integration within global value chains for higher-value products

Reflecting Rwandans' rising income levels, the population will be eating better and more diversified diets of safer, processed and packaged foods, reflecting the shifting dietary preferences associated with income growth and urbanization. While today such products are mostly imported, by 2050 Rwanda's domestic agri-food system will meet the modern dietary needs of the population. This will mean a shift away from staples to higher amounts of fruits, vegetables, and animal source proteins.

By 2050, higher value locally produced niche products will be found in all urban supermarkets, restaurants and hotels. Food products will be widely certified to ensure their safety and hygiene consistently. Rwanda's lakes will be fully exploited to increase aquaculture and fish production.

Diversification away from cereals to higher value crops will be pursued especially for exports purposes. Agricultural produce such as beef and dairy products, horticulture, edible oils and fresh produce exported to the region are projected to generate annual revenues of over \$550 million. Within the EAC, continued market integration will expand Rwanda's regional market. The growing urban market in regional cities will be satisfied with Rwandan high-quality products.

Rwandan coffee and tea will be found on supermarkets across the continent and globally. By 2050, traditional agricultural exports (coffee and tea) are projected to double in volume and quadruple in value to generate each \$230 million per annum, without significantly increasing the land area under cultivation.

Cut flowers will be exported regularly on flights across Europe and globally.



4. Urbanization and Agglomeration

Introduction

Urbanization in Rwanda is rapidly evolving with increasing numbers of towns and cities emerging. Urbanization presents many opportunities for increased access to markets, skills, employment among others. Rwanda has proactively embarked on a path to promote urbanization. The new focus will be on identifying and creating synergies between the critical elements of urbanization that create agglomeration and enhance the socioeconomic benefits of urbanization.

Urbanization will continue to rapidly change with new growth poles projected to emerge besides the already planned six secondary cities and Kigali city due to large investments being undertaken for example in Bugesera.

Key considerations in the future include:

Universal access to quality services and amenities

Rwanda in 2050 will be well beyond access and tackling the issues of sustainable energy generation and utilization, water, and sanitation. Access to electricity will be universal by 2024 scaled up to all from 56% (2019/20). Energy infrastructure will be reliable. On-grid and off-grid connections shall be combined to ensure that every consumer receives an appropriate level of access, while minimising costs to the utility.

The delivery of off-grid electricity access will continue to be led by private companies, with support provided by Government to low-income households. The use of off-grid connections will be reduced over time as the grid is further expanded and urbanisation rates increase. By 2050, all consumers will be connected to the central grid.

Access to water will be scaled up from 87% (EICV5 2016/17) to 100% by 2024. In order to ensure sustainability, households with piped water within dwellings/yard will be increased from 9.4% (EICV5 2016/17) to 55% by 2035 and 99% by 2050.



Modern, safe and reliable water supply network shall be established. To contribute towards sustainable services, production and quality of water supplied will be increased to match the increasing demand.

Relocation and resettlement of population into densified urban and planned grouped settlement patterns shall play a vital role to ensure universal access to water and other basic services.

Access to sanitation will be scaled up to all from 86.2% (EICV5 2016/17) to 100% in 2035 and waste management systems. Efforts shall be directed towards increasing household onsite access to sanitation services from 2% to 80% by 2035 and 100% by 2050.

Modern sanitation sewer and management services in urban areas to handle solid and liquid waste shall be established. All households in urban areas will be connected to sewer networks where waste shall be treated at the central sewerage systems. In rural areas, all households will have access to standardized on-site improved sanitary systems.

Through smart solid waste management, solid waste shall be collected, transported, treated and safely disposed. Industries will have regulated semi-centralised sewerage systems and landfills or incinerators to treat liquid and solid waste respectively.

Broadband coverage will be provided to all citizens through the continuous roll-out of latest technologies, promoting internet of things and increase in smart devices penetration and usage enabled by modern household lifestyle.

Universal access to affordable and decent housing

Decent settlement for Rwandans will be developed. Rwandans living in rural and urban areas will live in safe and decent settlements. The increase in population comes with an increase for demand of decent housing. By 2050, Rwanda will have a formal housing sector sufficiently available and accessible to all segments of the population.

The percentage of rural households settled in integrated planned settlements will increase from 67.2% (EICV5 2016/17) to 80% by 2024 and



100% by 2035, maintained throughout 2050. Rural settlements will grow in a clustered and densified way with the necessary basic infrastructure, services and facilities.

With more than 70% of Rwandans projected to be living in urban areas, a national spatial human settlement framework will be established to guide the location, hierarchy and service levels of human settlements in the country, as well as their linkage with each other and with their non-settlement surroundings.

The housing finance sector will further be improved to develop long-term investment including the insurance industry and long-term savings schemes; mortgage lending, and facilitation of liquidity in mortgage lending through securitisation legislation.

The target is a steady annual increase of housing units constructed and housing mortgages accessed resulting from Public Private Partnership (PPP) schemes. Organizing the demand side of housing will be of paramount importance to ensure asymmetry in market information is addressed. Research into new local construction materials and housing typologies will be developed as a backbone for the roll out of affordable and decent housing countrywide.

In order to overcome urban sprawl, urbanization will largely have to take place in existing settlements which will be upgraded to high density settlements.

Ease of mobility and efficient transport

The priorities in this Vision will be the ease of mobility and the establishment of reliable, affordable and efficient mass transit systems. Technology will keep evolving and it is not possible to predict entirely the infrastructure needs in the next 30 years. However, important indicators will remain the ease and speed of movement between places, the median time taken to commute to work and the use of public transportation.

Rwanda will develop a modern and efficient transport system where median time taken to commute to work will be 45 minutes by 2035 and 25 minutes by 2050. The percentage of population having accessibility



to convenient public transportation will be at 90% or more in 2050 and convenient public transport will be accessible at least within a 500m radius or less.

To stay competitive, Rwanda will rely on the efficiency of its transport corridors. Transport cost accounts for 40% of the cost of trade (AfDB, 2013); the focus going forward is to reduce this cost by 7% by 2035 and by 9% by 2050.

An integrated transport system (pipeline, railway, maritime, air and road transport) will be developed to ensure the reduction of cost of doing business and transit time. More cooperation and joint programmes between EAC, The Common Market for Eastern and Southern Africa (COMESA) and other regional bodies' member countries shall be strengthened to further improve regional connectivity.

Smart and Green cities for sustainable growth

Urbanization will follow an integrated approach considering spatial, economic, social and environmental considerations. Rwanda is a member of the Smart Africa Initiative whose Vision targets to **"Transform Africa into a Single Digital Market"**. The initiative has identified a number of flagship projects to be championed by member countries.

Rwanda is currently spearheading the Smart Cities and Communities project. This will entail development of cities and communities that "integrate shared ICT infrastructure and services into management and provision of critical public utilities and services in rural and urban setting to achieve; Smart energy, Smart transport, Smart water and sanitation, Smart social services, Smart environment, and Smart agglomeration".

This describes exactly what modern cities of the future will look like and is something that has been adopted for the Vision 2050. Some of the initiatives are already underway and will be scaled up over the Vision 2050 implementation period. Sustainable management of the environment will include adequate waste disposal, treatment and recycling, air and water pollution management and prudent water resource management driven by projected increases in water consumption/demand.



Sustainable and green urbanization process will transform the quality of livelihoods and promote skills development and decent employment opportunities in both urban and rural areas with special attention to the needs of youth and women.

Agglomeration will be an important factor in driving growth of urban areas in Rwanda, highlighting the need for management of spatial transformation for economic growth. This will entail strong linkages between development plans, urban and rural development land use and master plans. Coordination, enforcement and monitoring mechanisms will be vital.

The impact of agglomeration will be increased output per worker in urban areas as well as increased creation of productive jobs in urban areas, keeping unemployment in urban areas below 5% between 2035 and 2050. Socioeconomically integrated settlements will support growth of businesses and industries in concentrated areas designated in Master plans.

Given the burgeoning development needs in urban and rural areas, local revenue mobilization capacities will be enhanced to be able to cater for 85% of their development projects, thereby reducing significantly reliance on transfers from central government. Reforms to be pursued include the introduction of new municipal financing mechanisms and increasing efficiency in collection of local government revenues.

Sustainable supply and demand for energy

Energy will continue to be a requirement for household and commercial purposes in the future. Evidence shows a strong correlation between the increase in energy consumption and rise in income levels. Per capita consumption of energy will increase from 50 kwh in 2019 to 1,026 kwh in 2035 and 3,080 kwh in 2050.

Energy generation will continue to be informed by demand projections. It is anticipated that there could be need for about 3,788 MW and 13,981 MW of energy capacity in 2035 and 2050 respectively, to cater for the growing industrial demand. This will require the identification of new sources of energy over time that are affordable and reliable for industries.



Tariffs will be kept affordable by developing long term least cost power generation plans. There will be continued emphasis on clean and renewable energy as a source of generation with at least 60% of installed capacity from 53.7% in 2020.

The use of smart distribution systems will significantly reduce energy losses to 12% in 2035 and 6% in 2050 from 19.1% in 2019/2020 (MININFRA, 2020). There will be high emphasis on adequate and stable supply of electricity for household and commercial purposes. Shortages and interruptions of power supply should be at a minimum. Shortages in hours per year will be monitored and expected to reduce by over 90% of the current levels.

5. Accountable and Capable State Institutions

Introduction

Rwanda's strong track record is underpinned by effective institutions (the formal and informal rules of the game) which in turn facilitate economic growth and development over the long term. To fulfil the Vision 2050 aspirations, Rwanda's institutions and governance will need to become modern, innovative, accountable to citizens, and rooted in the rule of law.

Building on the achievements of the Vision 2020 in citizen participation, good governance, rule of law, peace and stability among others; Rwanda will go into the next phase of long term development aiming to consolidate gains made and continue citizen-centred reforms enshrined in local innovations and home grown solutions.

Efficient and accountable institutions for socioeconomic transformation

Governance and effective institutions constitute a key pillar of socioeconomic transformation of Rwanda. They are prerequisites to achieve the national agenda in all sectors. Not only are institutions important for economic and social development - a capable and accountable state is also desirable in and of itself.



Rwanda in 2050 will be built upon the social cohesion and mutual trust of today. Social cohesion and mutual trust is appreciated at 94.55% (Rwanda Reconciliation Barometer, 2015). Citizens identify themselves as Rwandans first and not in ethnic identity at 95.3% (Citizen Report Card, 2016).

In terms of transparency and accountability, the Government of Rwanda will maintain its zero-tolerance-to-corruption policy. Rwanda is targeting to belong to the best performing economies such as the European Union and East and Southern Asian Countries by 2035 and the first country globally on the fight against corruption by 2050.

Effective institutions will deliver public services to the citizens; and crucially; Rwanda's state institutions will lead on formulation and implementation of policies to foster private-sector development and investment. Vision 2050 will be driven by continued transformational leadership, which has enabled Rwanda to become a good place of doing business and to become more competitive globally.

Rwanda's institutions will embrace the culture of innovation and leverage ICT and frontier technologies to improve public service delivery. The public service will not only be a promoter, but also an adopter of innovation. To ensure this happens, innovation and technology will continue to be mainstreamed into all areas of policy formulation, implementation and evaluation.

Another area which characterises Rwanda's governance is participation and inclusiveness, in particular gender equality and equity in leadership. Gender equality and women empowerment is becoming a reality in Rwanda where the country is one of the best performing countries in this area.

Rwanda is ranked 9th/153 (Global Gender Gap Report, 2020) in closing gender gaps and the country is globally leading in percentage of women in parliament with 61.3% (GMO, 2018). Rwanda will continue its policy of Zero tolerance to Gender Based Violence (GBV). The inclusiveness policy also incorporates special groups, where youth and persons with disabilities are being represented in decision organs. This is to be maintained and enhanced going forward.

Rwanda will also strive to emphasize institutional collaboration and coordination for better results. This will require synergy among institutions and all actors will be involved. In particular, civil society, media sector



and academia will have a key role to play in policy formulation and in advocating for citizen participation in all activities.

Deepening decentralization to bring services closer to the citizens

Over early years of Vision 2050, decentralization will be fully achieved with equal participation of women and men in decentralized government entities, private sector and civil society. It will yield in capable local service delivery and revenue and job creation led at the local level.

The decentralization process, which started in 2001, followed three phases. The policy aimed at achieving good governance principles through promoting participation of citizens in the development of their own communities, strengthening service delivery mechanisms close to the population, and establishing participatory planning and local economic development.

The first phase of decentralization (2001-2005), focused on establishing democratic and community development structures at the Local Government levels, implemented and accompanied by a number of legal, institutional and policy reforms, as well as democratic elections for local leaders.

The second phase (2006-2010) dealt with reducing the number of administrative entities (from 11 to 4 provinces and the city of Kigali, 106 to 30 districts, 1,545 to 416 sectors, and 9,165 to 2,148 cells). This resulted in enhancing coordination of local economic development and streamlining service provision with a clear division of roles between the Central Government (Policy formulation, Capacity Building, M&E, Resources mobilization) and the Local Government Level (implementation of national policies and programs).

The third phase (2011-2015) was concentrated on consolidating achievements (governance/service delivery), consolidating fiscal, financial and sectoral decentralization, strengthening useful partnerships for better service delivery and local development. The main orientation of this phase was to accelerate growth and sustainability. This is envisaged to be



achieved by focusing on local economic development (LED), governance for production, creation of jobs, deepening capacity, and continued improvement in service delivery.

Rule of law and justice for all

Vision 2050 envisions a state rooted in the rule of law with clear roles for the state, citizens, and the market; economic freedoms ensured by strong market institutions; and robust mechanisms to hold the government, citizens, and the private sector to account.

Over Vision 2050, the goal of Rwanda's democratic system is to ensure that no one is being left behind. The democratic consensus adopted in the Rwandan system allows all actors to participate in the management of the country for a common goal.

The National Forum of Political Parties is a platform bringing together the recognized political parties to discuss and formulate recommendations to the concerned organs. Rwanda ratified and domesticated various international conventions in relation to the respect of human rights, and has made significant reforms in justice sector.

Rwanda's justice sector also made significant reforms in order to ensure justice to all– to be further strengthened over the course of this Vision.



KEY CONSIDERATIONS FOR SUCCESS

For Vision 2050 to be successful, a set of prerequisites need to be fulfilled to ensure transformation and growth.

Consistency in prioritization:

To build globally competitive industries, skills, capital and infrastructure need to be invested in for a very long time, even decades. For example, shipbuilding in Korea took 25 years to double its share of value-add of GDP despite heavy investments. Even in ICT, a very fast-moving sector, benefits from skills building investments and clustering often can be reaped only after a decade or more.

Increasing the role of private sector:

To date, public sector investment has played a disproportionately large role in the economy. Looking ahead, there is a far greater need for the private sector (both domestic and foreign) to play a leading role, as the public sector's ability to drive growth through investments diminishes.

Deepening regional integration:

Being a small economy, outward orientation is bound to be crucial for any future high growth strategy for Rwanda. The East African Community (EAC), for example, has a combined GDP that is 20 times that of Rwanda. There is also significant untapped market potential to the west in the DRC. The combined EAC population in 2016 was estimated at 150 million and is projected to be 278 million by 2050. These markets provide sufficient volumes for Rwanda's industrialization, if they are easily accessible.

Adopting an unconventional approach:

"Business-as-usual" is not sufficient to reach the objectives of Vision 2050. With an average GDP growth rate of around 7%, Rwanda would become a high-income country only by 2075. The biggest gains have to be made in next decade to lay a strong foundation for reaping rewards in the decades to come.



These aspirations will not be reached without hard work. The requirements that must be in place to achieve the Vision objectives are further elaborated below;

- Strong and sustainable macroeconomic fundamentals
- Positive values for societal transformation
- A rigorous and effective monitoring and implementation framework

1. Strong and Sustainable macroeconomic fundamentals

Rwanda aims to reach upper middle-income status in 2035 and high-income status in 2050. To reach these targets, taking into account population growth and real exchange rate (RER) depreciation³, the needed GDP growth rates (annual average) are at least 12% during 2018-2035 and 10% from 2036 to 2050.

This scenario is very ambitious, compared to Rwanda's GDP growth record approaching 8% realized in 2006-2018 and to Asian Tigers' long-term GDP growth rates of 7-9%.

To achieve this aspiration, Rwanda will need to attract and sustain high private investment induced by domestic savings and capital inflows, high public investment, improved human capital through education and very high productivity gains.

Private investment: is projected to increase from around 15.7% of GDP in 2019 to about 21.4% of GDP by 2035 and 25% of GDP by 2050. The higher investment levels are funded by higher private savings and foreign capital (Foreign Direct Investment and debt), contributing each one-half to the increase, respectively, while government domestic borrowing is being kept low, to leave room for the private sector.

The investment allows private capital stock to grow at over 12% per year, thus contributing 2.7 percent points to real GDP growth. Higher private investment levels can be reached by (i) higher private savings through financial sector development; and (ii) accelerating private capital inflows to reap gains in growth faster.

³ RER depreciation in itself lowers per capita income in USD, as GDP projected in constant prices is converted to USD at the projected RER.

Fiscal policies: Public investment is set to increase from 10.4% of GDP in 2019 to 11.0 % of GDP in 2035, stabilizing around 10.2% of GDP by 2050. The increase in public investment is made possible by steady increases in the revenue-to-GDP ratio, mostly coming from taxes (tax-to-GDP ratio is projected to be around 20% of GDP in 2050), and moderate declines in (non-human capital) current expenditure & net lending-to-GDP, more than offsetting the gradual decline in grants and the increase in current spending on education and health.

The deficit is stable at around 5% of GDP, largely funded by concessional foreign borrowing, while government domestic borrowing is below 5% of GDP on average. Consistent with this, and thanks to high GDP growth, the net present value (NPV) of (external) debt to GDP only, will gradually increase from 29% in 2018 to 46% in 2050, being kept in check below the EAC limit of 50% of GDP and debt sustainability threshold of 55% of GDP. In nominal terms, public debt-to-GDP increases from 53% in 2018⁴ to around 60% in 2050.

Labour: Reflecting policies aimed at full employment and absorbing underemployment, employment would grow at 2.2% per year on average, with higher (lower) rates in earlier (later) years. Labour could thus contribute 1.1 percent point to growth during the period 2018-2050. Increasing ability and participation of women in the labour force will be a significant contributor to this objective.

Human capital: Measured in average number of years of schooling, is projected to grow by 0.2 years each year reaching 10.9 years in 2050 from 4.4 years in 2015, based on MINEDUC's targets for enrolment, completion rates etc⁵.

With a rate of return of 20% on human capital development,⁶ growth in human capital (education) contributes initially 1.4 percent point to GDP growth until 2035, rising to 2.2 percent points in the period 2036-2050. Compared to other Low Income Countries (LICs), the targeted improvements in education levels and returns in terms of productivity and hence growth contribution are very high.

The health component of human capital will also contribute 0.2 percent point to growth.

⁴Including guarantees

⁵As the average increase during 2000-14 was 0.06 years per year, MINEDUC's projections embody large improvements and budget costs.

⁶Estimates for Rwanda (2010) by the World Bank (Montenegro and Patrinos, 2014) for all three school levels combined. The estimates for Rwanda are among the highest of all countries and more than double the mean estimate of 0.10.



Total Factor Productivity (TFP): Growth in TFP will be required to contribute 2.5 percent points of Real GDP growth during 2018-2050. The residual TFP growth (excluding public capital) at the macroeconomic level consists of: (i) within-sector TFP growth due to allocative efficiency and innovation; and (ii) structural change in the composition of GDP from lower to higher productivity sectors or activities. This compares to average TFP of 1 percent point realized in 2000-2017. The envisaged TFP growth seems realistic, of the order achieved by high-growth Asian countries during their take-off.

External balance: In 2019, exports of goods and services represented 21.3% of GDP while imports were 33.1% representing a deficit of 11.8% of the GDP. Tradable goods and services are estimated at around 40% of GDP in 2016. Reflecting new enterprises and projects and in response to openness policies and modest RER depreciation (around 0.5% per year), the share of tradable production is projected to sharply increase to almost 50% of GDP by 2050.



Financing Rwanda's economic growth

Increasing domestic revenue mobilization and savings.

All countries that have developed successfully have done so on a foundation of high level of domestic savings. For example, in both Singapore and Korea gross domestic savings grew from around 10% of GDP in 1965 to around 40% in the mid-1980's and have remained at or above that level ever since. A saving culture must be strongly encouraged and the emergence of pension funds and other long term savings instruments facilitated.

Long-term finance for industry.

A transformation of long-term savings into long-term investment capital that is reasonably priced and accessible to our productive sectors is crucial for Rwanda's development.

A key intervention in this area which would lessen the finance constraint is the establishment of a dedicated and highly specialized Industrial Development Corporation, which would act as the special intermediary institution.

The Government should proactively set aside funds to be available on a long-term basis, which could be supplemented by the mobilization of further resources on the international markets. GoR funds could be raised by issuing special industrial development bonds – given Rwanda's reputation on the international market as a stable and reliable government that is serious about industrialization, this should come at a much cheaper cost than currently available financing for industrialists.

Attracting Foreign Direct Investment (FDI)

Rwanda's industrialization process will be financed through greater FDI, especially in manufacturing. Building on its strong governance and a stable political environment combined with a good business environment, Rwanda will build up further tools to attract FDI – such as access to state-of-the-art industrial estates with world-class infrastructure.



2. Positive Values supporting Societal Transformation

Post-genocide against the Tutsi, Rwanda's starting point was rebuilding institutions and ensuring security of all Rwandans. Although everything was priority after the 1994 Genocide against the Tutsi, Rwanda made a "triple choice," **(staying together, being accountable and thinking big)** highlighting the way of doing business unusually.

Staying together is a precondition of building a country without discrimination and fear among Rwandans; being accountable to ourselves constitutes a core value of taking responsibility of our destiny; and thinking big is helping the country to build the future we want.

These three principles are basic and core guidelines of Rwanda's governance for socioeconomic transformation. Indeed, two decades after the Genocide against the Tutsi in 1994, Rwanda is being considered as a model of governance and development – a trend to be continued in order to build the Rwanda we want by 2050.

Further, Rwanda recognizes the importance of her culture and values in providing a platform for sustained socioeconomic transformation and prosperity. Developing an innovation- and services-driven economy will demand a commitment to cultivating a societal climate that values openness to new ideas, accountability, and community participation in spearheading local innovations.

Sustaining shared positive values for Vision 2050

The aspirations and shared values which will define Rwandans in 2050 are, among others: (i) Self-determination including self-sufficiency as a Nation (Kwigira), Solidarity and Dignity (Agaciro); (ii) Unity and Rwandan Identity/culture; (iii) Equity (including gender), and Inclusiveness.

These values will be cultivated and sustained to provide the right impetus and framework for delivering the aspirations of this Vision.

The values are cross-cutting in nature. Self-sufficiency as Nation will

ensure self-determination in decision-making thereby enhancing the sense of dignity. At the same time, over the Vision 2050 period, Rwanda will strengthen international cooperation through trade and other regional and global negotiations.

Unity and reconciliation is and will remain a key Rwandan value. The lessons learnt following the atrocities of genocide against the Tutsi have and will continue to cement the national unity and solidarity. The citizen-centred governance which characterized Rwanda post-genocide against the Tutsi will continue to be preserved in order to ensure the welfare and prosperity of our citizens.

Rwanda's Home-Grown Solutions

Home-Grown Solutions (HGS) are Rwanda's domestic solutions to economic and social development. They are practices developed by the Rwandan citizens based on local opportunities, cultural values and history to fast-track their development. They were reintroduced in Rwanda post-genocide to address some specific challenges which also required specific solutions.

HGS contributed and still contribute to socioeconomic transformation of Rwanda, and will form a core part of Rwanda's journey over the course of Vision 2050.

As noted in the Rwanda's Millennium Development Goals (MDGs) report of 2015 achievement of the MDGs can be attributed, in part, to the role of Home-Grown Solutions. Indeed, Girinka and Ubudehe programs played a pivotal role in poverty reduction and social cohesion in Rwanda. Community Health Workers (CHWs) introduced in Rwanda in 2005 play a key role in the country's remarkable progress in the health sector (RGB, 2016). Universal Health Insurance has helped citizens to access health care as more than 85% (MINISANTE, 2020) of the citizens are covered by **Mutuelle**.

In the justice sector, Gacaca courts succeeded to bring justice to the post-genocide Rwanda where the International Criminal Tribunal for Rwanda (ICTR) was unable to handle all planned cases. Gacaca also contributed in social cohesion and unity and reconciliation among Rwandans. Along with Gacaca, other initiatives have been introduced to ensure access to legal aid for all specifically for vulnerable people.



Abunzi and Access to Justice Bureaus contribute a lot in reducing backlogs from the ordinary courts as well as reduce the cost of access to justice compared to conventional justice systems. The target is to preserve and continue using these unconventional measures in doing justice to the citizens but more importantly by involving citizens in solving their problems.

In the governance sector, the voice of citizens is raised through different fora such as **National Umushyikirano Council** where all categories of citizens are represented in discussions on national issues and priorities. The school of civic education (Itorero) helps Rwandans to regain their values and maintain a self-reliant culture.

Imihigo serves as a tool of self-evaluation by all sectors. They help to measure performance at the same time identify the areas in need of attention for the next fiscal year. It is now becoming a culture in every institution, be they public, private or civil society. Imihigo have been also decentralized at household level in order to ensure that all citizens are part of the whole process. Public servants use Imihigo and this has greatly enhanced performance and service delivery.

Umuganda contributes in supporting national budget. According to the Ministry of Local Government (MINALOC), the value of Umuganda in terms of money was estimated to 4 billion Rwandan francs in 2007 and increased up to 19 billion Rwandan francs in 2016 (MINALOC, 2016). It is worth noting that Umuganda also has other benefits such as promotion of social cohesion through community meetings held after Umuganda activities.

These and other HGS will remain at the heart of Rwanda's socio-economic development. A centre of excellence will be created to enhance management and preservation of Home-Grown Solutions.



3. Rigorous and Effective monitoring and implementation framework

Vision 2050 encompasses two distinct time periods, 2020-2035 and 2036-2050, with a mid-period review point during each phase to allow for readjusting plans and targets as necessary.

A mechanism for regular assessment of progress achieved and alignment of the Vision to take into account Rwanda's changing development context will be implemented.

The implementation of Vision 2050 will be done through medium-term development strategies starting from the first National Strategy for Transformation (NST 1) which serves to bridge the Vision 2020 and Vision 2050. The NST1 will lay the foundations for achieving Vision 2050's targets over 2017-2024, building momentum to the targets set for the 2035 mid-term review.

Vision 2050 planning and execution will be driven by existing development planning and implementation frameworks at the national, sector, and district level, respectively **(Figure 1)**.

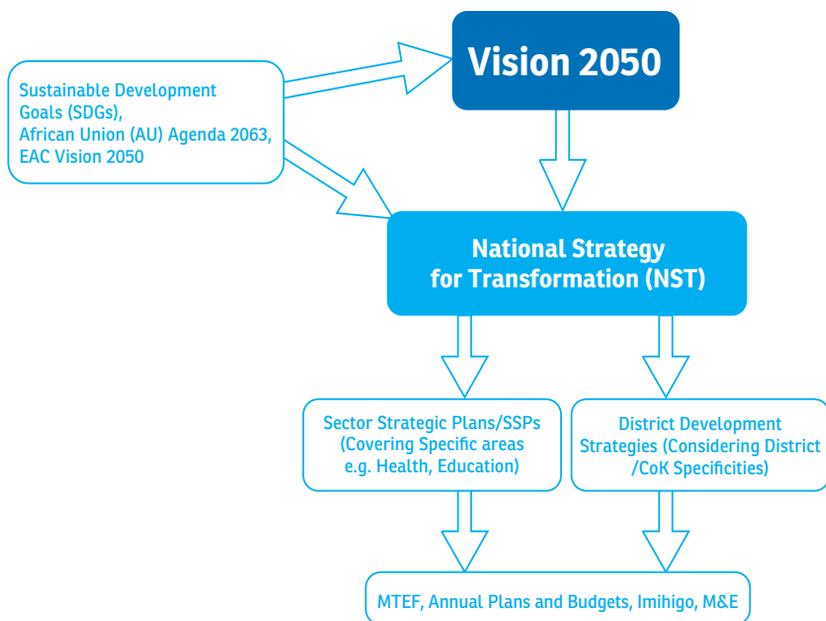
The monitoring and evaluation systems will further be enhanced through continuous development of capacities, improving or building tools for timely reporting, monitoring and evaluation leveraging innovations in ICTs.

The overarching goal of monitoring and evaluation will be ensuring and promoting a result- focused culture in planning and delivery of government programmes as well as accountability. Accordingly, the culture of Imihigo at different levels will play an instrumental role in delivering this Vision.

Operational efficiency of public and private institutions will be enhanced and regularly checked through rigorous monitoring of investments, improving coordination, communication, information sharing and service delivery to ensure value for money and timely execution of projects.



Figure 1: The Development Planning Framework for Vision 2050



CONCLUSION

Building on Rwanda's extraordinary record of success and energized by the aspirations of a strong leadership and a middle class on the rise, Vision 2050 charts a bold and ambitious future for Rwanda.

Rwanda's ambitious economic objectives can only be achieved through structural transformation. Rwanda's aspirations are emboldened by the window of opportunity over the medium term to increase employment in manufacturing and services, for greater regional and international integration, and to leverage the demographic dividend.

Vision 2050 endeavours to chart this course, recognizing that challenges and opportunities will present themselves over the course of this Vision's implementation.

Rwanda aspires to provide increased incomes, high-quality livelihoods, and modern living standards to all Rwanda's citizens. Rwanda aspires to be a modern, innovative, equitable, accountable society with comprehensive utilities, clean water, easy mobility, and equal access to quality healthcare, education, and job opportunities for all its citizens.

The education system will be market-led to match Rwandans' skills with the modern industries and services that drive the economy. These objectives will be built upon a foundation of strong macroeconomic fundamentals and effective institutions supported by positive values and leveraging on home grown solutions.

Rwanda's leadership and citizens alike, recognize that achieving these aspirational goals in the Vision 2050 will not be easy. The agenda will be challenging, requiring intense improvements in productivity, prioritization of investments, and an unconventional mind-set. Learning from international experience, countries have achieved the sustained growth rates required by Vision 2050.

Nevertheless, through Vision 2050 Rwanda continues to set itself a uniquely high level of ambition. Current and future generations of Rwandans have the spirit, self-determination and solidarity to implement the aspirations of Vision 2050 successfully and to move toward a transformed economy and way of life over the coming decades.



VISION 2050 INDICATORS MATRIX

Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
Quality well-being	1	Life expectancy (years)	67.8	71.7	73
	2	Population Growth rate (%)	2.5 (2019)	1.7	1.4
	3	Fertility rate (total births per woman)	4.1	3	2.3
Inclusive accelerated economic growth	4	GDP per capita (in USD)	837 (2019)	4,036	12,476
	5	Gini Coefficient	0.43 (2017)	0.35	0.3
Employment creation	6	Unemployment rate (%)	15.2 (2019)	7	5
	7	Ratio of male to female in labour force participation	Male: Female 1.8:1	Male: Female 1.5:1	Male: Female 1:1
Human Development					
Access to affordable, high-quality and specialized health care	8	Maternal mortality rate (per 100,000 live births)	203	<50	<20
	9	Infant mortality rate (per 1,000 live births)	33	<25	<18
	10	Under Five Mortality Rate (per 1,000 live births)	45	33	24
	11	Child Stunting (as a % of under 5s)	33	5.5	3

Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
Access to affordable high-quality education	12	Net Enrolment Rate in pre-primary (%)	24.6 (2019)	99	99
	13	Proportion of learners achieving at least minimum proficiency in numeracy and literacy in S3 (%)	Numeracy Total: 78.8 Male: 81.8 Female: 75.9 Literacy Total: 71.3 Male: 77.6 Female: 65.3 (2017)	99	99
	14	Transition rate from primary to lower secondary education (%)	72.2 (2019)	94.3	97
	15	Students enrolled in TVET as proportion of total students in Basic Education (%)	33.6 (2019)	60	60
	16	Mean years of schooling (Years)	4.4	6.9	10.9
	17	Proportion of graduates in STEM related programmes (%)	Total: 36.9 Male: 42.6 Female: 29.9	44.26	50
	18	University young population employment to population ratio (%)	Total: 56.8 Male: 59.0 Female: 54.5	77.48	80.18



Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
	19	Gross domestic expenditure on research and development as percentage of GDP (%)	0.66 (2016)	1.50	3
	20	Proportion of academic staff involved in research publication relevant to socio-economic development (%)	Total: 23.0 Male: 22.0 Female: 26.7	38.30	52.0
Comprehensive social safety nets	21	Proportion of population covered by health insurance (%)	91	>95	100
	22	Proportion of poor and vulnerable population covered by social protection systems (%)	6.5 (2017/18)	20	50
	23	Proportion of population accessing social security (%)	8.7	30	50
Competitiveness and Integration					
A diversified economy built upon future industries	24	Industry sector's Value Added contribution to GDP (%)	19 (2019)	24	33

Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
Modern and innovative services sectors driving transformative growth	25	Services sector's Value Added contribution to GDP (%)	49 (2019)	46	42
Higher investment	26	Investment as percentage of GDP (%)	26 (2019)	32.6	35.1
	27	Change in National GHG Emissions (Mt-CO2e) from established Business As Usual (BAU)	5.3 MtCO2e	16.1 (Mt-CO2e)-BAU 10 (MtCO2e) – With Intervention	28.2 (MtCO2e)-BAU 17.5 (Mt-CO2e)-With Intervention
Agriculture for wealth creation					
Modern and market-oriented agriculture	28	Agriculture sector's Value Added contribution to GDP (%)	24 (2019)	21	16
Urbanization and Agglomeration					
Urbanization as a driver of growth	29	Population living in urban areas (%)	18.4 (2016/17)	52.69	70



Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
	30	Proportion of urban population living in slums, informal settlements or inadequate housing (%)	62.6 (2016/17)	44	20
	31	Land used according to the National Land Use and Development Master Plan (NLUDMP 2020-2050) (Km ²)	Agriculture: 10,949km ² Built-up areas and infrastructure: 2,888 km ² Forests: 7,242 km ² Water bodies and their buffer zones: 1,637 km ² Wetlands and their buffer zones: 2,068 km ²	Agriculture: 11,691km ² Built-up areas and infrastructure: 3,434km ² Forests: 7,483 km ² Water and protected wetlands: 2,200 km ²	Agriculture: 12,433km ² Built-up areas and infrastructure: 3,980km ² Forests: 7,725 km ² Water and protected wetlands: 2,200 km ²
	32	Renewable water resource availability per capita per annum (m ³ /capita/annum)	670 (2015)	1,000	1,700
Affordable and high-quality housing	33	Proportion of rural households settled in integrated planned settlements (%)	67.2 (2016/17)	100	100
Ease of mobility and efficient transport	34	Proportion of population conveying with public transportation (%)	17	24	40

Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
Sustainable supply and demand for energy	35	Share of renewable energy in power generation mix (%)	53.78	At least 60	At least 60
	36	Access to electricity (% of population)	56	100	100
	37	Per capita energy consumption (proxy for improvements in income contributing to increased energy demand) (Kwh)	50 (2019)	1,026	3,080
Universal access to quality services and amenities	38	Households using safely managed sanitation services (%)	86.2 (2016/17)	100	100
	39	Population using improved water source (%)	87.4 (2016/17)	100	100
	40	Households with improved water source in dwellings/yard (access to safely managed drinking water services) (%)	9.4 (National) 39.2 (Urban) 2.3 (Rural) (2016/17)	55	99
	41	Population using internet (%)	21.77 (2018)	60	88



Objective	No.	Indicator	Baseline (2020)	Target (in 2035)	Target (in 2050)
Accountable and Capable State Institutions					
Enhanced service delivery	42	Public services rendered fully online (%)	40	100	100
Reduced dependency on aid	43	Domestic revenues (tax and non-tax) as percentage of GDP (%)	19.4 (2018/2019)	21.5	21.5
	44	Gross National Savings as percentage of GDP (%)	13.2 (2019)	22.4	27.7
	45	Financial sector contribution to GDP (%)	2	5.2	11.8
	46	Ratio of the value of investment funds (Total assets) to GDP (%)	0	320	641

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