

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**COUNTRY DEVELOPMENT
STRATEGY STATEMENT**

FY 1981

RWANDA

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

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COUNTRY DEVELOPMENT STRATEGY STATEMENT

(CDSS)

RWANDA

JANUARY 1979

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COUNTRY DEVELOPMENT STRATEGY STATEMENT

RWANDA

PART I. ANALYSIS

A. ANALYTICAL DESCRIPTION OF THE POOR

1. General Discussion

Rwanda is a predominantly rural country in which poverty is pervasive and widely distributed. Less than 4% of the country's population of 4.82 million lives in settlements larger than 2,000 people. About 95% of all Rwandans are small-holding, mainly subsistence level, farmers. Average annual per capita income in the rural areas is about \$65 (this compares to \$120 per capita in the urban areas)^{1/}; and 60% of the population earns less than this minimal level. There are about 880,000 small farmer holdings which average about one hectare; the average, however, diminishes for young couples forming new households.

Agriculture, Rwanda's mainstay and virtually sole means of livelihood, is relatively homogeneous throughout the country, with differences attributable to ecological variations such as altitude and rainfall. The staple crops are bananas, sweet potatoes, cassava, potatoes, beans and peas. Potatoes and wheat replace maize, sorghum, and to some extent, beans at the highest altitudes. About half the farm population grows coffee, tea or pyrethrum as a cash crop. Bananas and sorghum are grown primarily to use in the brewing of beer, and account for

^{1/} 1976 World Bank Atlas.

about half of small farmer cash income. Onfarm technology is simple.

Cattle, traditionally prized as wealth in this patrilineal society, are diminishing slowly in number as pasture lands are increasingly converted to farm holdings. It is estimated that all cattle holdings are concentrated in the hands of 25% of the farmers, with the remaining farmers possessing small numbers of sheep, goats, poultry, etc.

The Rwandan farm is generally a homogeneous economic production and consumer unit. The nuclear family is the predominant farming unit, although variations arise with the incidence of polygamy or when aged parents farm on the land of one of their married sons. Studies in Byumba, one of Rwanda's 10 prefectures, demonstrated that farms are typically fragmented into five fields, of which two are at least 15 to 30 minutes walking distance from the home^{1/}.

2. Land Distribution

The above generalizations are useful, yet caution must be exercised lest overall generalities mask the variety and complexity of conditions under which Rwandan families live. Table 1, below, demonstrates the considerable diversity of size of farms in Rwanda's ten prefectures.

1/ Socio-Economic Study of the Prefecture of Byumba, 1973/75, SEDES/Berger.

TABLE I ^{1/}

AREAS OF FAMILY FARMS BY PREFECTURE

<u>PREFECTURE</u>	<u>FAMILY FARM (%HA.)</u>	<u>15% MARGINAL ERROR</u>	
Butare	78.4	66.6	90.2
Byumba	83.8	71.2	96.4
Cyangugu	101.8	86.5	117.1
Gikongoro	99.3	84.4	114.2
Gisenyi	79.5	67.6	91.4
Gitarama	98.7	83.9	113.5
Kibungo	210.3	178.8	241.8
Kibuye	102.0	86.7	117.3
Kigali	135.0	114.8	155.3
Ruhengeri	115.0	97.8	132.3

At the micro-level, there is a great variety of conditions affecting food and cash crop production. The 1973 Byumba Province Study points to a diverging distribution of farm sizes in Rwanda. In that province, the statistical average farm size is distributed as follows:

- one-third of farms have 1 to 7 hectares;
- one-third of farms have 0.5 to 1.0 hectares;
- one-third of farms have less than 0.5 hectares.

It should be noted that Byumba Province, on which the study is based, has the third smallest average farm size in Rwanda. Given this significant variation in Rwandan farm size and livestock holdings, it

^{1/} IBRD, Agricultural Sector Review Rwanda, June 30, 1977, Annex 1, p.9

can be assumed that a similar disparity exists in other provinces with respect to produce marketed, the extent of food and monetary surpluses, social prestige, etc.

3. Health and Education Profile

Life expectancy at birth in Rwanda is estimated to be 45.6 years. Infant mortality is 133 per thousand live births and the birth rate is currently estimated to be about 3.2%. Health facilities, though poorly staffed and equipped, are relatively well distributed across the country, and few families are more than 15 km. from a health unit. Many of the health units are associated with or supported by religious orders. Para-medical personnel have minimal formal education or training. Although the average population per physician is about 40,000^{1/}, only 68 of the 109 physicians reported practicing in Rwanda in 1976 were Rwandan, and most physicians practice in the urban areas of Kigali and Butare. In 1975, 68% of the total population had access to safe water and 57% had adequate systems for sewage disposal^{2/}.

The nutritional status of rural Rwandans declined by an estimated 16% between 1959 and 1973-75. The average Rwandan consumes approximately 80-85% of the minimum caloric daily intake as estimated by the FAO. There is evidence that the population of the southwestern portion of Rwanda suffers more than other sections from diseases caused by malnutrition. This is presumably due to the relatively higher concentration

1/ 1976 Annual Report, Ministry of Public Health, Republic of Rwanda

2/ WHO, World Health Statistics Report, Vol. 29, No. 10, 1976.

of population per square kilometer of land and to the relatively lower productivity of that land.

The educational status of Rwandans is high compared to other African countries of equivalent economic standing. Adult literacy is estimated to be 23%. Primary school enrollment includes about 57% of the school age population and girls constitute 45% of this group. About 6% of the students, representing about 2% of the relevant age group, go on to secondary school ^{1/}. There the proportion of women is much lower, largely because secondary schools are segregated by sex. A new educational reform plan, aimed at providing a more practical education to Rwanda's youth, calls for 6 years of basic primary education for all children, followed by 2 years of "practical rural skills" training. At the end of the 8th year, 90% of the students in attendance would be selected for an additional 3-year integrated rural vocational arts course; 10% would go on to a 5-6 year secondary school curriculum.

Christian missionary activity plays an important role in education, health and other related development activities in the rural areas.

4. Ethnic Breakdown

Rwanda is relatively homogeneous from the point of view of ethnic groups and language. Three distinct groups coexist in Rwanda: the Hutu represent nearly 90% of the population; the Tutsi represent almost 10%; and the Twa, approximately 1%. Formerly a feudal monarchy dominated by the pastoral Tutsi ethnic minority, the country is now a

^{1/} 1977 Rwanda Development Assistance Program, Annex C, p.1.

republic governed by Hutu leaders of largely Bantu background. The Hutu broke their feudal chains in a bloody 1959 revolution. While there is a residue of ill-feeling from the revolution, efforts have been made since 1973 to incorporate the former Tutsi upper caste minority into the country's development. Although the country at present constitutes a society in which members share a common language and history, ethnic tensions persist. Kinyarwanda, a Bantu language, is the national language, along with French, and is spoken by all three predominant ethnic groups. Minor regional variations in dialect and pronunciation do not prevent mutual intelligibility.

Statistical profiles of health, land or wealth by ethnic or religious groups are not available. General assumptions, however, hold that of the three ethnic groups, the Twa are the poorest and the Tutsi are the best educated and relatively more well-to-do. The status of the Tutsi may be changing, however. This is discussed in further detail in Section I.B.4 below.

5. Summary

The poor in Rwanda are the predominant numbers of malnourished farm families who scratch out a living on farms which produce less than enough food for their families, who have little cash savings or tangible assets, and who frequently live in a state of perpetual hunger and ignorance leading to sickness, disease and early death. These same people are also the victims of a pattern of procreation which continues the perpetual cycle of hunger and ignorance.

AID, by working to identify and implement projects which bear upon poverty in rural Rwanda will, almost by definition, deliver U.S. assistance to the bulk of the country's population. The predominance of subsistence agriculture, the relative equality of land and resource distribution, fairly homogenous ethnic makeup and the general poverty of the country, indicate a certain futility in efforts to differentiate programmatically between the poorest and the poor in this country. Although there are variations in the conditions under which Rwanda's rural poor exist -- and while the U.S. assistance program must be implemented with an awareness and sensitivity to these differences -- there is a limit to the usefulness of a "poverty differentiation" exercise in the Rwandan context. The prevalence of the target group -- the rural poor -- in an essentially rural land meets the Agency's criteria for every practical developmental purpose.

B. IDENTIFICATION OF THE CAUSES OF POVERTY

1. Overview of the Economy

a) Key Sectors

Agriculture

Rwanda's economy is heavily dependent on the agriculture sector. In 1978, it was estimated that agriculture accounted for approximately 62% of GDP and employed over 93% of the labor force. The Rwandan Government estimates that agricultural products will account for 77% of exports in 1978. Of this, coffee will provide over 65%^{1/}.

1/ International Monetary Fund, Staff Report for the 1978 Article IV Consultation, November 1978, pp. iv and 78.

Notwithstanding its importance as a foreign exchange earner, the agricultural sector is largely subsistence oriented. In 1978, of a total estimated agriculture production of 3.86 million metric tons, exports totalled only 32,800 tons, or less than 1% of total production, as shown in Table II.

TABLE II ^{2/}

AGRICULTURAL PRODUCTION IN 1978 (OOO TONS EST.)

<u>For Internal Consumption</u>		<u>For Export</u>	
Bananas	1,896	Coffee	24.8
Sorghum	170	Pyrethrum	1.5
Maize	77	Tea	5.7
Irish Potatoes	180	Cinchona	<u>.8</u>
Sweet Potatoes	715	Sub-total	32.8
Beans	180		
Cassava	460		
Peas	16		
Others	<u>133</u>		
Sub-total	3,827	Total	3,859.8

Bananas constitute the most significant Rwandan crop, and generally provide the highest rate of return to the grower. Banana acreage accounts for about 24% of cultivated land. It is estimated that 90% of the banana crop is processed into beer, which is used extensively in social exchanges. About 75% of sorghum production is also processed into beer.

2/ International Monetary Fund, Staff Report for the 1978 Article IV Consultation, November 1978, pp. 43, 49 and 78.

Major staple food crops are sweet potatoes, cassava, Irish potatoes and beans. Although agricultural technology is relatively advanced for cash crops, food production at the small farm level is deficient in terms of seed varieties, spacing of plants, crop rotation, use of organic manure, plowing and forage.

Livestock, including poultry, rabbits and small ruminants, suffers from excessive in-breeding, an unbalanced diet, worms and inadequate pasture. In 1978, the cattle population was estimated to number 600,000, down from 650,000 in 1976 and 750,000 in 1971. This decline is attributed to increased pressure from the human population and the resultant conversion of pasture to crop production. Cattle are only secondarily meant to be productive; they are principally maintained as a measure of wealth and prestige. If, over time these attitudes can be altered, and if proper attention is given to research and extension activities, the potential for increases in production of milk and meat could be considerable.

Energy

The availability of energy is becoming an increasingly serious problem in Rwanda. Hydroelectric power, produced by the Maruru and Nataruka dams, constitutes a major source of energy. There was a total production of 45.6 million kilowatt hours in 1976. Although Rwanda exports limited amounts of electricity, there is a substantial energy shortage in rural areas and small towns where no electrification exists.

Significant reserves of natural methane gas in Lake Kivu offer an important potential source of energy and is the possible subject of a joint development plan with Zaire and Burundi. It is believed that the methane might be used in its gaseous state either by a number of industries situated near the lake or converted into methanol for transport to other parts of Rwanda and possible use as a 25% vehicle fuel substitute or as a cooking fuel substitute for firewood.

Most of Rwanda's current energy supply in rural areas and small towns is derived from firewood, but Rwanda's forest reserves are limited and rapidly diminishing. The growing demand for firewood has led to increased erosion, and the limited reforestation that exists is less than maximally productive owing to excessively close spacing of trees. According to a 1977 World Bank Agricultural Sector Review, even with improved reforestation practices, however, Rwanda would require 800,000 hectares of forest by the year 2000 to service minimum needs. Clearly Rwanda cannot continue to rely exclusively on firewood for rural energy supplies over the long term.

Preliminary investigations undertaken in Rwanda in 1978 by an Irish research team indicate that peat deposits, originally thought to be another potential source of available energy, are not as extensive or of as high a quality as hoped. Although peat is already used as a source of heat in the tea and pyrethrum processing industries and in brick-making, and although a peat project recently

begun by AID in Burundi may offer additional experience applicable to Rwanda, large-scale exploitation of peat seems unlikely for the near future.

Other possible alternative sources of energy are thermal, from the volcanic region of northwestern Rwanda, as well as solar and wind. These are not overly promising, however, based on a survey undertaken in 1978 by the Overseas Development Council. Therefore, Rwanda must actively seek to develop its most promising alternative energy prospects while, concurrently, it vigorously pursues a reforestation program.

Small Industry

The industrial sector in Rwanda is small and its growth is limited by a dependence on the limited local market. Two textile mills, a brewery, a radio assembly plant, and plants for soap, paint, shoes, pharmaceuticals, aluminium goods, plastic containers and food processing are among those in operation. In addition, coffee, tea and pyrethrum are processed for export as well as for local consumption. About 4,600 persons were employed in this sector in 1970 and electricity consumption figures for 1975 indicate the steady growth of industrial activity. Artisan and small-scale industry offer considerable potential and constitute an area which merits increased emphasis, through either support to artisan cooperatives or the private sector.

2. Country Financial Situation

a) The Ordinary Budget

TABLE III

1978 GOVERNMENT OF RWANDA REVENUE AND EXPENDITURE DATA (EST.)^{1/}

(In Millions of Rwandan Francs)^{2/}

1978 Central Government Revenues

	<u>1978 Budget</u>
Taxes on income and profits	1,416.0
Taxes on property	53.3
Taxes on goods and services	1,458.5
Taxes on external trade	4,106.0
Other taxes	58.0
Non-tax revenue	<u>551.6</u>
Total	7,643.4

1978 Central Government Expenditures

General public services	2,868.9
Defense and police	1,283.7
Community and social services	2,167.0
of which: education	(1,549.4)
Economic services	1,170.4
of which: agriculture and livestock	(297.2)
transport and communications	(831.3)
Interest on public debt	153.4
Other	<u>-</u>
Total	7,643.4
of which wages and salaries	(3,302.7)

1/ Source: IMF, Staff Report for the 1978 Article IV Consultation, November 1978, Tables XVII and XVIII, pp. 56 and 57.

2/ \$1 = 91.48 Rwf

A review of the 1978 Ordinary Budget expenditures by sector shows that education receives about 20% of the total (most of this going into primary education); defense and police 17%; agriculture 4%; and transport and communications about 11%.

b. The Development Budget

TABLE IV ^{1/}

GOVERNMENT OF RWANDA DEVELOPMENT BUDGET EXPENDITURE 1974-78 AND
COMPARISON WITH ORDINARY BUDGET, 1974-78

(In Millions of Rwanda Francs)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u> PROV.	<u>1978</u> BUDGET
Rural sector	16.8	19.5	118.3	70.6	114.4
Industry and mines	5.0	63.7	52.5	121.6	119.0
Energy	11.0	15.2	89.7	48.7	168.5
Transport and communications	51.9	113.6	20.4	30.2	48.7
Tourism	25.0	-	-	476.2	7.0
Education	2.0	-	15.2	31.6	169.2
Health and welfare	5.6	7.0	.9	0.2	40.7
Housing and urban development	7.3	9.4	-	25.3	4.4
Administration	54.9	186.4	201.6	239.5	266.6
Other	65.5	17.9	276.9	126.8	302.5
Total Development Budget Expenditures	245.0	432.7	775.5	1,170.7	1,241.0
Total Ordinary Budget Expenditures	3,533.6	4,388.6	5,122.7	6,283.4	7,643.4
Development Budget as a Percentage of Ordinary Budget	6.9%	9.8%	15.1%	18.6%	16.2%

1/ IMF, Staff Report for the Article IV Consultation, November 1978, pp. 57 and 58.

The Development Budget (see Table IV) is maintained separately from the Ordinary Budget and consists mainly of counterpart contributions to externally financed projects. Most capital expenditures for development are financed by foreign assistance. In recent years foreign assistance has roughly equalled the GOR's own resources, including the Development and Ordinary Budgets combined.

3. Prospects for Economic Development

a) Potential

Rwanda's prospects for economic development are limited, owing to a dense and rapidly growing population, a limited and already eroding land-base to support this population, few exportable natural resources, a land-locked geographic position dictating high transport costs, administrative and physical infrastructure deficiencies, and a shortage of trained personnel.

Nevertheless, Rwanda does possess the potential to overcome certain of its inherent disadvantages and mitigate others. Most important is a government which is consciously promoting the equitable development of the country's agricultural base. Another advantage is the relative homogeneity of the country with respect to population, culture and wealth. The compact geographic size of Rwanda facilitates administration, despite the largely unimproved nature of the extensive road network. Rwanda's soil is fertile and its moderate climate permits double cropping. Rwanda also has potentially inexpensive energy sources, most of which has yet to be tapped, cheap labor, and some essential minerals.

Agriculture is the most critical growth area for the Rwandan economy. The sector must expand to keep pace with a growing population whose nutritional standards have declined since the late 1950's. Agriculture must also provide employment, increased foreign exchange earnings and products for local processing to facilitate increased productivity and income and minimize the necessity for food imports.

Mining could provide some growth impetus to the economy if further reserves were exploited and the benefits widely distributed. Some 3,000 artisan miners were registered in 1971 and produced 100 kgs. of gold, nearly 21% of the cassiterite and 10% of wolfram production^{1/}. However, overall mining activity has declined since independence owing to the departure of expatriate entrepreneurs.

Industry, construction, tourism and artisan activities also provide growth potential on a more limited scale. In general these sectors grow as demand is generated. Artisan activities in particular are dependent on tourism demand and/or increased disposable rural income. Artisanry, particularly handicrafts, generally provides a supplementary income to farmers. Several thousand Rwandans are presently employed full-time in the services and skills trades. As demand is generated, small-scale construction firms, mills, forges, etc., could expand into rural areas. Industry suffers from many of the same difficulties as artisanry -- limited internal demand,

^{1/} 1977 Rwanda DAP, p. 7.

an inadequate technological support environment, high costs, and irregular supply of imported inputs. These sectors of the economy are not likely to become growth catalysts, but their development comprises an integral part of Rwanda's economic potential.

Energy is a potentially important growth sector which could impact on rural industry as well as on-farm families. Currently, deforestation is attaining critical proportions. Exploitation of peat, thermal, solar, wind, hydroelectric and/or methane gas resources would serve not only to contain deforestation, but also would provide an impetus to rural development and improved standards of living. Methane gas has the potential, yet to be confirmed, to provide a source of fertilizer as well, although even the feasibility of fertilizer use in Rwanda's small farm economy would require further analysis.

The Government has plans for both the industrial and tourism sectors, which it views as a source of income for the population and foreign exchange and fiscal revenue for the government. The small size of these sectors, however, diminishes their potential impact. The government will have, therefore, to rely principally on the agriculture sector, including agro-industry, as the primary vehicle for development for the foreseeable future. Since most agriculture is now based on small holdings and is largely subsistence, only a concerted effort in rural development (and perhaps increased stabilization of

external and international markets) can transform agriculture into a more dynamic sector. In Rwanda, the task is rendered more difficult by increasing population pressure.

b. Constraints

Population Growth. A census undertaken in August 1978, indicated that Rwanda's population was 4.82 million people. This population, concentrated in an area of 26,338 square kilometers, makes Rwanda the most densely populated country in Africa and one of the densest in the world -- 183 persons per square kilometer. The true density is even higher when deductions are made for lakes, swamps, national parks and forests. There are an estimated 386 persons per square kilometer of arable land. Not only is Rwanda's population density high, but it is also estimated to be growing at a rate of about 3.2% per annum ^{1/}.

The trend is clear: in 1950, Rwanda had a population of 1.8 million; by 1958, the population was 2.5 million and by 1970 it was 3.7 million. There are numerous factors contributing to resistance to any early change in net population growth. The strongest of these factors is the large existing population base. Even if family size is limited in the future, the population growth rate cannot fall perceptibly for at least another generation. Other factors are the basically healthy environment and the improving health delivery system, which are likely to contribute to a further decline in the mortality rate of 133 per

^{1/} Government of Rwanda, Recensement General de la Population et de l'Habitat, Resultats Preliminaires, 1978 and IBRD, Agricultural Sector Review, Rwanda, June 1977, p.8.

thousand live births. Finally, the fertility rate is not likely to decline appreciably until social values are modified and social services and income assurances are provided for those who accept the family size limitation concept.

The Land Resource Base. About one-half of Rwanda's land area is suitable for agriculture, with the remainder covered by lakes, forests and marshes. Of total land area, approximately 35% is potentially arable land and 14% is natural pasture ^{1/}. Because of population pressure, marginal lands increasingly are being brought under cultivation in many areas. About 95% of cultivated land is used for the production of foodcrops, including banana and sorghum for beer, with the remaining 5% devoted to exportable or industrial cash crops.

Rwanda's generous rainfall also creates the country's greatest environmental hazard. Situated on the Zaire-Nile Continental Divide, Rwanda is the site of a great continental watershed. This watershed must be considered as an ecological entity, including soil, vegetation, rainfall, water courses, the pitch of slopes and the composition of the terrain. When exploited heedlessly through the removal of vegetation by overgrazing, the cutting of trees and bush cover, poor cultivation practices and the disruption of drainage, the natural equilibrium of the watershed can be disturbed with appalling consequences.

In Rwanda these consequences begin with erosion, itself a very

^{1/} World Bank, Agricultural Sector Review, Rwanda, June 30, 1977, p.8.

serious problem. Over a longer time frame, however, if Rwanda continues to lose its natural forests, which attract rain clouds, its basic climate could change considerably and become less favorable to agricultural production. In some sections deforestation is already far advanced, with predictable consequences. The rate of evapotranspiration is upset, water tables decline, springs dry up and gully-creating run-off increases. In a country which was formerly covered by forests, there now remain only 150,000 hectares of forest, concentrated in the Zaire-Nile Divide. Clearly this is a subject of major concern to the Rwandan Government.

Geographic Isolation: Rwanda's landlocked position presents both a natural and a development constraint. It is obliged to rely on expensive international land transport and shipment via foreign ports for its imports and exports. Apart from the difficulties of distance (Kigali is 1200 kilometers from the nearest ocean port at Mombasa, Kenya^{1/}), Rwanda also suffers as a result of occasional political rifts between the adjacent countries -- Uganda, Tanzania, Burundi and Zaire.

Distance from principal markets raises the price of Rwanda's imports substantially and lowers its earnings from exports. The increases in fuel prices and transport costs since 1974 have had a particularly adverse effect on the profitability of exports and probably on the rate of export growth. Although Government policy is to continue to promote export crop production, it must be understood that Rwanda's competitive position is reduced vis-a-vis other producers. Emphasis

^{1/}Rwanda is one of the few countries in the world where commerce must pass through two countries (Uganda and Kenya) before reaching an outlet to the sea.

on production for the domestic market and import substitution is desirable and is receiving increased attention.

... (and its antithesis) Regionalism. Lying between Uganda to the north, Zaire to the west, Tanzania to the east and Burundi to the south, Rwanda is dependent upon good relations with its neighbouring countries, not only in view of transport and trade requirements, but also for numerous other interests as well. For instance, because Rwanda shares much of the run-off from the Zaire-Nile Crest watershed with Burundi, it is necessary that, when Rwanda plans for the reclamation of fertile valley lands, the impact on Burundi is considered. Since Rwanda shares Lake Kivu with Zaire, its transport and energy (methane gas) potential must be shared.

There are two examples of regional cooperation. The Organization for the Management and Development of the Kagera River Basin involves Tanzania as well as Rwanda and Burundi, since the river forms part of Rwanda's border with both countries -- and the entirety of Rwanda's border with Tanzania. This organization has received support primarily from the U.N. family. Another example, the Communaute Economique des Pays des Grands Lacs (CEPGL), with member states of Burundi, Rwanda and Zaire, has been organized as "an instrument for regional collaboration and problem-solving", with Lake Kivu as a unifying point of interest.

Although there has been limited achievement to date with regard to both organizations, the potential is evident for the coordination and management of regional development programs and the exploitation of common resources.

4. Social Structure

a) Role of Women

Rwandan women play a major role in the agricultural production of the country, as well as in the domestic life of rural society. Their multiple tasks include food production and preparation; housekeeping, including the daily supply of fuel and water; and child-bearing and child-care. Traditionally, women have submitted to the authority of their husbands, although women's opinions are usually taken into consideration in the decision-making process.

Food production has traditionally been the responsibility of the woman, even though her husband held title to the land and often told her what to cultivate. During the frequent periods when a man was absent from the household, owing to nomadic cattle-raising practices or the need to earn cash, the woman assumed the responsibilities as head of household. European practices of hiring males rather than females for household help, as well as for other labor requirements, accentuated or reinforced this trend, which continues to the present.

Women continue to perform the majority of agricultural and domestic labor. Table V depicts the results of a survey carried out in a pilot paysannat on six families for 18 months, as reported in Annex I of the World Bank's Agricultural Sector Review of 1977. This survey indicates that women predominate in domestic activities, processing activities, handicrafts, animal husbandry, food crop production and coffee production. Overall, women performed 73% of all work observed and 75% of agricultural work.

TABLE V
DIVISION OF LABOR BETWEEN MEN AND WOMEN^{1/}

	Relative Importance in Total	Division Between	
		Men	Women
a. Domestic activities	15.5%	10	90
b. Processing activities	5.1%	5	95
c. Marketing (markets)	1.2%	51	49
d. Handicrafts	1.7%	1	99
e. Animal husbandry	10.7%	44	56
f. Food crops	34.5%	21	79
g. Banana plantation	.7%	93	7
h. Coffee trees (some 200)	23.0%	30	70
i. Outside work	<u>7.6%</u>	<u>66</u>	<u>34</u>
Total (all work)	100.0%	27	73
Agricultural labor (f + g + h)	58.2%	25	75

Unfortunately the woman's predominant agricultural role is not reflected in the existing extension activities for women. Rwanda's systems of social centers, nutrition centers and family groups currently focus on nutrition, sewing, cooking and child care, rather than on agriculture. Although some shift in focus has become apparent, changes are occurring at a relatively slow pace.

In the area of formal education, women also have a disadvantaged position. Although women comprise approximately 45% of the primary school students, training for women is not as available at higher levels. The policy of single sex schools up to the university level has promoted occupational differentiation by sex. Co-educational primary schools are part of the recently announced educational reform, but the GOR remains reluctant to promote co-education at the secondary level.

^{1/} World Bank, Rwanda Agricultural Sector Review, 1977, Annex 1, p.7.

Relatively few women in Rwanda have attained a professional or even semi-professional working status. A common complaint among community development workers is that women who have been trained to work in social or nutrition centers leave their jobs after one or two years to get married and to fulfill the demanding role of wife and mother. Women who participate in agricultural extension activities or community activities with men have been found to be reticent to voice their opinions, although they are willing to voice them in segregated groups. This reticence probably stems from the traditional subservient role of the woman. Problems of this nature are personal and must be addressed on an individual basis. Progress is likely to be slow, but only frank discussions at all levels can begin to alleviate the problem. Consciousness-raising discussions of this phenomenon, which is not equally severe in all parts of Africa, have only recently begun to take place in high-level government-sponsored "Women in Development" forums in Rwanda. However, it is clear that progress in this area will be slow. Attempts should be made to draw skilled women back into the labor force after a family has begun to be reared.

5. Ethnic History - Current Ethnic Roles

Contemporary Rwanda must be understood in terms of its traditions and recent history. The watershed in Rwanda's socio-political history is 1959, when the mass of Rwanda's people, identified ethnically as the Hutu and comprising about 90% of the population, wrestled political power from the minority pastoral elite, the Tutsi, who made up about 10% of the population. Given the intensity of the struggle and the fact that control of the government was at stake, it is unrealistic to expect that within 20 years the scars of what was essentially a social revolution can be fully healed. In

contemporary Rwanda ethnic tension has not completely disappeared, nor is it likely to in the near future.

Nonetheless, the GOR has exercised considerable restraint in the face of the potentially volatile ethnic tensions which derive from the feudal social structure. With the exception of a few overt reactions, the last of which occurred in 1972 as a result of social turbulence in Burundi, the GOR has maintained a moderate position which seeks to enhance the position of the long-dominated Hutu, without violating the rights of the Tutsi. The "deposed" Tutsi, a disproportionate number of whom received secondary training during the colonial period, are increasingly returning to prominent positions. At the same time Hutu self-confidence grows as educational levels increase and experience in governing widens. Clearly such an evolution of the social structure involves periods of relative discrimination against the Tutsi, but the GOR has recently been successful in engineering this change without violence and repression.

5. Political Structure

a) Government Administrative Structure

TABLE VI

ADMINISTRATIVE ORGANIZATION

<u>UNIT</u>	<u>APPROXIMATE SIZE (PERSONS)</u>	<u>NUMBER IN COUNTRY</u>	<u>ADMINISTRATIVE HEAD</u>
Prefecture (province)	480,000	10	Prefect (appointed)
Commune (district)	34,000	143	Burgomaster (appointed)
Sector	3,000	1,600	Chairman (elected)
Colline ("hill")	300	16,000	Chef de Colline (elected)

The Second Republic of Rwanda, established in 1973 after a military coup, has a structure of administration largely inherited from the Colonial Mandate period. It is characterized by strong central leadership, at the apex of which is the President.

Table VI depicts the existing government administrative organization, based on prefectures and communes ^{1/}. The Burgomaster, as administrative head of a district (commune), is the lowest level administrative appointee and, as such, plays a crucial role in articulating and carrying out the development plans of the GOR.

An important feature of the system is that the heads of the prefecture, commune and colline are jointly representatives of the National Revolutionary Development Movement (MRND) in their constituencies (see Section 5. b. below). A second feature is that the existing structure is perhaps less newly "imposed" on the people of Rwanda than it might appear. The contemporary system shares similarities with the indigenous, feudal, hierarchial political system in which an on-going process of reciprocity, or ubuhake, was maintained by hierarchical control and by military force, particularly as regards access to land and cattle. Under the traditional system, serfs (Hutus) received certain benefits in return for their contributions of labor and gifts to local lords (Tutsis). In the current system, peasant farmers also collectively receive certain benefits (e.g., improved services, roads, extension assistance) as an outcome of their required participation in local communal labor, umuganda, as well as from the taxes levied by the government. In short, both indigenous and contemporary administrative systems are "top-down" in orientation, but

^{1/} The Commune is the administrative sub-division of Rwanda which approximates the District or county, and which is sub-divided into Sectors and Collines.

both also are characterized by a process of interaction in which the "bottom" has some means for attaining its own ends through its own initiative. Specific examples of local level initiatives are reciprocal exchanges among farmers for farming or building and elected councils for communal sectoral development, savings banks and local storage activities.

The present administrative organization concentrates government services at the level of the prefecture (or province) and the commune (or district). Commune centers often do not represent a sizable concentration of the population, although the GOR seeks to encourage settlement around these centers. The communes do represent, however, a focal point of government administration and services, including a tribunal, postal services, primary schools, nutrition and social centers, dispensary and limited technical services, such as agricultural extension and veterinary expertise. The Ministry responsible for the cooperative movement also sends officials to promote cooperative organizations at the commune level. Finally, popular savings banks and local storage silos are being established at the commune level. Christian missions complement services in health, nutrition and extension in many communes, usually by working through communal development committees.

Taxes are collected at the level of the commune under the direction of the Burgomaster, and are utilized to cover the recurrent costs of the commune-level services. A head tax of \$4.50 equivalent for each adult and a head tax on cattle constitute the main sources of revenue. A typical commune budget is approximately \$15,000 annually. The national government pays some of the technically skilled employees assigned to the communes, while the commune

hires and pays others with its tax revenue. Levels of training are low, generally limited to primary education and perhaps a few years of secondary school. The small size and scale of the communes and the fact that Burgomasters have both administrative and political responsibilities make them a suitable vehicle for ensuring that farmers' ideas and opinions are heard and that local initiatives are acted upon.

b. Mouvement Revolutionnaire National pour le Developpement (MRND)

From the outset of the Second Republic, development has been the clear goal of domestic policy, and the reorganization of local administration has been seen as the key to its success. The formation of the National Revolutionary Development Movement (MRND) was announced by President Habyarimana on July 5, 1975. The Movement's goal is the mobilization of all forces in the country to achieve development. Within the Movement there is an emphasis on strong presidential leadership through a system of descending authority. Central leadership is balanced by the equally strong role given to local development initiatives under the overall guidance of the Burgomaster. The MRND is represented at the local level by members who also serve as government officials, thereby promoting both the Movement and local government. The MRND thus parallels the lines of authority in the political administrative system.

c. Progress and Commitment

1. Commitment to the Poor Majority

The Hutu majority which now controls the Government of Rwanda -- after many years of suppression by the minority Tutsis -- is, by self-interest, motivated to have its formerly subdued, traditionally disadvantaged people take greater part in the direction of government programs and policies. These

policies coincide with AID's objectives of encouraging the poor to play a greater role in the improvement of their own lives.

On the other hand, evidence of the GOR's efforts at ensuring equity for everyone is seen in the policy requiring employment of Hutus and Tutsis, in jobs at all levels, at a rate proportionate to the percentage of total population (approximately 10% Tutsi, 90% Hutu).

2. Women in Development

All of the contributions of women to development in the lesser developed countries, which we are only now beginning to acknowledge, are evidenced in Rwandan society. Although the GOR is not actively engaged in a policy to raise the status of women, it has embarked on several programs which will have that result. For example, the revolutionary switch in educational philosophy is changing the educational system in Rwanda from one of purely scholastic aims to one with a more practical/vocational bent. A portion of the effect of this philosophical change -- which will affect more than just education -- will be that women, who have been engaged in practical/vocational pursuits all along, will find themselves moving towards the center of the government's goals, plans and concerns.

3. Commitment to Education for Basic Life Skills

In this area, as in others, the GOR is attempting to channel its meager resources into efforts to help the vast majority of poor who, heretofore, were disadvantaged by an elitist educational philosophy. Under the proposed new educational plan, discussed below, the schools and government centers will be oriented toward provision of basic skills and vocational, practical education for the majority of the rural population.

a) "Universal Education"

There is an effort, not only within the Ministry of Education but within other related ministries (Youth, Social Affairs and Cooperatives), to focus limited resources and attention upon formal training as well as increasing opportunities for non-formal education. The belief is that unless adults are taught what children are learning, the acceptance of new ideas will encounter serious resistance.

b) Practical Emphasis

The emphasis in the GOR's educational reform is on building practical skills and reducing the emphasis on theoretical learning. A portion of almost every course at every level will be agricultural training. After 8th grade, for 90% of the students, education will be almost exclusively in agronomy, artisanship, health, nutrition, and related fields.

4. Commitment to Small Farmers and Rural Development

The traditional systems of inheritance and land tenure, the non-existence of any system of land titling, the high population density (386 per square kilometer of arable land) and the systems for division of communal lands render the question of access to land by low-income agricultural producers a

moot issue in Rwanda -- for the present. There are virtually no large-scale Rwandan farmers, and the average farm size in Rwanda is less than one hectare. Farming is essentially a family operation.

Rwanda's resources are very limited, as is evident from its inclusion on the U.N. list of the world's relatively least developed countries. It does, however, parley its resources into those kinds of rural development activities which AID policy supports. The following are among the kinds of development projects being undertaken as evidence of the Government's commitment to address the country's poverty problem. Rwanda is contributing a share of the costs, along with U.N.D.P., World Bank, WFP and the German and Belgian Governments, for a major effort to upgrade and maintain its rural road network. It is working with the Swiss, Arabs, Canadians, FED and World Bank on area development projects and is asking help from AID for a similar one to recover large tracts of deforested areas, valley swamps and flooded bottom lands. The Swiss are helping the Rwandans to establish a viable credit system through "Popular Banks" which extend credit to farmers at minimal interest. The U.N., Swiss, Belgians and Canadians are all involved with the GOR in agricultural research and extension efforts, and AID is attempting to help this general effort with a project to rehabilitate and extend a system of rural fish ponds. Finally, the GOR is also addressing the rural farmers' problems with prices and marketing through a national food storage and marketing project which serves to stabilize prices.

5. Commitment to Reductions in Population Growth and Fertility Decline

After a long history of refusal to acknowledge the necessity of addressing a burgeoning population, the GOR recently resolved to move toward development of a national family planning program. The commitment is a

cautious one -- and implementation of the national program will not begin for perhaps another year, but training plans have been made and several sources of funding have been identified. Small pilot family planning clinics are opening in the country's three largest government hospitals in January 1979, and the government's commitment to the idea of reduced fertility now finds dedicated and unreserved support in the speeches and conversations of GOR officials from the President on down.

6. Commitment to Improve Health and Nutrition Conditions

The Government's recent commitment to reducing the population growth rate will be successful only if its professed commitment to rural health materializes. The stated health sector policy is: 1) to make health services more cost-effective by giving priority to preventive medicine and 2) to promote sanitation and nutrition through education, increased vaccinations and development of mass medical treatment. Notwithstanding the emphasis on rural health and in-country training programs for doctors and nurses, most of these professionals soon relocate to hospitals or private practices in urban settings.

The policies supporting rural health reform are further contradicted by the development of a health infrastructure that places priority on the construction of three 500-bed referral hospitals and a 250-bed hospital for each prefecture. This curative, centralized approach to improving health care runs directly counter to the concept of ^a health center with maternity ward, as proposed for each commune. Furthermore, no particular attention is presently focused on the medical logistics/distribution system.

Rwanda is apparently one of the first African countries to commit resources to the World Health Organization's Expanded Program of Immunizations. In 1978

this country vaccinated the first 5% of the at-risk population targeted by the program. Unfortunately, despite its success, the rural infrastructure from which this action was launched is desperately weak and budgets for strengthening that infrastructure are inadequate.

Although the government sponsors its own nutrition programs, more is done in this area by donor agencies and private voluntary organizations (which the government encourages) than is done by the government itself.

Nutritional problems in Rwanda are concentrated in the young. Of all nutritional deaths, 60.5% are concentrated in children under 5 years of age and 82% in children under 15 years of age. Consequently, the GOR is seeking support from foreign donors for an expansion of nutrition programs, including AID in the context of an MCH/FP project.

7. Summary

The preceding discussion demonstrates the GOR's concern for and emphasis on rural development efforts and policies directed toward the general improvement of conditions for all the people of Rwanda. AID can and does support these policies. The Rwandan effort appears to be impeded principally by the human and financial counterpart resources necessary to fully implement development programs. Therefore, AID's challenge in Rwanda is not to find an appropriate environment in which to offer assistance, but rather to choose from a variety of opportunities which are available within a development climate that is generally very receptive to external assistance.

D. Host Country Development Plan and Budget

As reflected in the Second Five-Year Plan (1977 to 1981), the main priority of the Second Republic is rural development. This priority represents

a refocusing of the more traditional economic/industrialization objectives of the First Five-year Plan (1966-1970 and later extended through 1971). The first plan had set as its main objectives: 1) the achievement of economic independence; 2) improvements in the standards of living of the population; and 3) better educational opportunities for Rwandans. The strategy for achieving these objectives was through the development of exports, the mobilization of public and private savings, the development of infrastructure and the expansion of the education system.

It is to the Government's credit that the Second Five-Year Plan is based on the development of Rwanda's positive features while emphasizing an integrated and balanced development strategy aimed at reaching the majority of the population. The Plan's objectives reflect a shift from the First Plan, which stressed infrastructure development, education and the diversification of agricultural exports, to one with a grass-roots development bias. The four principal goals of the Plan are:

- 1) to satisfy the food requirements of the people;
- 2) to promote an improved utilization of the human resource base;
- 3) to raise the living standards of the population; and
- 4) to improve Rwanda's external trade and financial position.

TABLE VII

SECOND FIVE-YEAR PLAN: 1977 - 1981

(In Millions of Rwandan Francs)

	<u>ORIGINAL GOR PROJECTIONS OF DEVELOPMENT BUDGET EX- PENDITURE FOR 1977-79 1/</u>	<u>ACTUAL GOR BUDGET AMTS 1977 & 78 2/</u>	<u>COLUMN II AS PERCENTAGE OF COLUMN I</u>
Rural Development	500	185	37%
Mining, Industry, Artisanry	400	240.6	60%
Services and Commerce	150	562.1	375%
Infrastructure	500	246.9	49%
Social, Cultural, Adminstra.	400	747.8	187%
Money, Finances, Credit	-	429.3	-
Total	1,950	2,411.7	124%

Initial GOR budget allocations to the Development Budget have been significantly higher than foreseen in the Second Five-Year Plan. The Plan originally called for a total GOR investment of Rwf 2,607 million, or about \$28.5 million, beginning with a 1975 base investment of Rwf 433 million, followed by yearly increases of 5%. In fact, as can be seen in Table IV of Section I.B.2.b. above (p. 13), development expenditures for 1976, 1977 and 1978 have increased by 79%, 145% and 148% respectively over original projections.

A total of 95% of the development investment funds were expected to come from external sources, amounting to \$413 million over a five-year period, or \$82.5 million per annum. External sources provided only \$63 million toward the First Five-Year Plan; however the trend for foreign assistance has increased noticeably in recent years, averaging \$96 million per annum in 1975 and 1976. (For further details, see Section I.F below). Thus the targeted level of investment set forth in the Plan is likely to be met.

Table VII above shows projected GOR allocations to date for each of the above sectors for the first three years of the Plan, as compared with actual budgeted amounts for the first two years. The large percentage deviations

1/ Deuxieme Plan Quinquennal de Developpement Economique, Social et Culturel
1977 - 1981, p.7.

2/ IMF, Staff Report for the 1978 Article IV Consultation, November 1978, p.58

between planned and actual sectoral budget allocations may be explained by relatively stronger or weaker contributions by the donor community to those sectors.

E. Absorptive Capacity

The problem of absorptive capacity or effective utilization is central to any development effort. Although there are sizeable demands for assistance in every sector of the Rwandan milieu, the government is limited in its ability to support recurrent costs. Furthermore, there is a very thin structure of central administrative, managerial talent available to plan, coordinate and implement projects. The problem is not new to Rwanda nor is it different from that of other less developed countries. The situation necessitates, however, that proposed projects be coordinated with existing programs and manpower availability. To the extent possible, projects will have to be designed that maximize the use of Rwanda's existing pool of manpower, although recognizing that this approach is of limited utility in many sectors.

The government is addressing the recurrent cost problem by leaving certain taxing powers to the local commune administrations -- and asking them to finance certain development activities from their own resources. While this is an effective mechanism in many areas, its usefulness is suspect in poorer communes.

As in many developing countries, the problem of trained manpower is not one of quantity but of quality. The largest problem facing the Government is that of filling the vast mid-level manpower void between policy and implementation, an area in which trained, self-motivated and dedicated individuals are necessary but hard to find. The proposed AID program is responsive to this issue, with the bulk of AID's resources being directed at institution-building activities.

Extensive training is a first step toward solution of the mid-level management problem, and all donor assistance must involve a major component for such training. The government must be encouraged, however, to make the compromises necessary to ensure that (1) training opportunities are presented through existing and/or new institutions, and (2) mid-level manager candidates are given the opportunity, and are encouraged, to function in an independent manner.

1.F. Other Donors

TABLE VIII

DEVELOPMENT ASSISTANCE TO RWANDA ^{1/}

(In Millions U.S. \$)

<u>BILATERAL ASSISTANCE</u>	<u>1975</u>	<u>1976</u>	<u>PURPOSE OF ASSISTANCE</u>
Belgium	19.5	23.5	- Ag.research, Technical assistance & scholarships; Rural development (Note: T.A. & scholarships accounted for 53% of assistance in 1976).
Canada	22.1	4.0	- University of Rwanda, Swamp drainage, Rice development.
China	N/A	N/A	- Rice, Sugarcane, Kigali/Tanzania highway, Cement plant totalling about \$28.6 million since 1973.
Germany	10.6	10.6	- Transport, Communications, Public works, Agriculture.
France	7.6	3.2	- Hospital, Tourism, Airport control.
Switzerland	2.2	2.3	- Agricultural research and education; Popular Banks; Forestry.
United States	1.8	2.6	- Food storage, Self-help, PL 480 & Disaster relief.
U.S.S.R.	2.4	1.1	- Scholarships and food aid.
Sweden	0.2	0.4	- Secondary school system.
Austria	0.3	0.2	- Geologic.
Japan	-	3.7	- Credit for transportation.
Sub-total	66.7 ^{2/}	51.6 ^{2/}	
<u>MULTILATERAL ASSISTANCE</u>			
U.N.D.P.	3.0	3.4	- Diverse studies & Technical assistance, Agriculture.
World Bank Group ^{3/}	17.5	19.8	- I.R.D.; Kigali/Uganda highway; Rwanda Development Bank; Quinine production.
F.E.D. (EEC) ^{4/}	11.8	8.4	- Coffee, Tea, Pyrethrum.
African Development Bank	-	5.6	- Kigali water system.
Arab Bank for Econ. Dev.	-	5.0	- I.R.D. (contribution to World Bank project).
Sub-total	32.3	42.2	
<u>Total</u>	99.0	93.8	

^{1/} Taken from June 1977 Annual Report on Development Assistance, UNDP which does not differentiate between amounts disbursed and new commitments.

^{2/} Does not include Chinese assistance. The figures for German assistance were not included in the UNDP report, but were added based on estimates by the German Embassy in Kigali.

^{3/} New commitments.

^{4/} Disbursements.

Rwanda has benefitted from significant amounts of development assistance since independence was attained in 1962. During the first decade of independence, Belgium, as the Colonial Mandate power, provided upwards of 50% of all external assistance. Since 1972, Belgium's absolute contributions have nearly doubled, but the overall level of external assistance from all other sources has increased more than threefold. Belgium, nonetheless, remains Rwanda's principal donor, followed by Canada, France, FRG, China, the World Bank and the European Development Fund (F.E.D.). Private investments have been increasingly significantly, but still represented only 5% of all external resources in 1975.

Over the 1972-75 period, economic infrastructure received 28.5% of external assistance, education received 23.5%, agriculture 20.5%, health and social infrastructure 8.3%, and the remaining 16.7% was allocated to other miscellaneous activities ^{1/}.

The debt burden posed by external assistance appears to be expanding significantly, with over 17% of all assistance being loan-financed, albeit on generally soft terms. Given its status as an RLDC, Rwanda is scarcely in a position to finance its own development, much less assume a debt burden which will mortgage export earnings in years to come. The Government has raised this issue with many of the donors, although no definitive resolution has been reached.

Donor Coordination

There is tendency for the GOR to maintain its relationships with the donor community separately and independently -- with little support for a coordinated approach from the donors themselves. Neither the UNDP nor any of the major

^{1/} 1977 Rwanda Development Assistance Program, p.26.

donor countries have taken the responsibility for establishing a regular coordinative mechanism. Until the U.S. assistance program becomes a more substantive part of the total assistance effort in Rwanda it is questionable whether AID can or should take the formal lead in this area. Nonetheless, Kigali is a small community in which informal as well as professional contacts serve the function of a less than adequate but extant coordinative mechanism. Few proposed project initiatives go very far beyond serious thought before inquiries are made about other donor interests in the area. In addition, the government has used its own Five-Year Plan to point out possible assistance efforts for execution by particular donors.

It is clear that a more formal donor coordination process is necessary for making the most effective use of possible complementary donor assistance. While the "informal" system which now exists serves to avoid overlap and often leads to collaborative efforts, it is not sufficient. A formal coordinative mechanism would contribute significantly to the effectiveness of the donor community programs and Rwanda's own development efforts.

PART II. STRATEGY

A. Objectives

The policy framework for U.S. development assistance over the next three to five years should be:

To support the GOR's priorities in rural development as they relate to increased food production, the conservation of soil and water resources, nutrition, preventive medicine and family planning, and education as it relates to these fields.

Although numerous beneficial activities could be undertaken consistent with AID's New Directions, U.S. assistance will concentrate on two broad objectives related to the food/population problem:

First, in the agriculture sector, AID will continue to focus the bulk of its resources on increasing the availability of food. The pressing nature of the population problem and the severe constraint of finite land resources, coupled with the importance attached to increasing food levels by the Rwandan government, clearly indicates that AID's agriculture sectoral strategy would be deficient were it not to address itself to this problem. AID proposes to assist in this sizeable task through a dual approach which deals both directly and indirectly with increasing food availability -- directly through support for programs that increase food storage capacity at all levels, and indirectly through institution-building activities that, over time, will enhance the ability of Rwandan farmers to maximize their productive efforts. The elements of this strategy are designed to impact on the problem over the near-term (food storage) as well as at varying points in the longer term (erosion control,

adaptive research, improved technology, extension, agricultural education, and cooperative activities).

Second, in a related area of concern, AID will assist the GOR in bringing its population growth rate down to a level at which the government might reasonably hope to provide its future population with the benefits of development. The principal channel for this approach is through the health sector. However, the current cultural-political climate is such that the introduction of a large-scale, purely family planning-related program would encounter resistance. Consequently, the proposed strategy is to incorporate family planning activities into more general health programs, including preventive medicine and nutrition. This will facilitate the assimilation and adoption of family planning concepts, while at the same time addressing the health needs of the majority of rural Rwandans. AID plans, therefore, to commit itself to the improvement of rural health, maternal child care and nutrition delivery programs, while maintaining as a primary objective the introduction of an effective family planning effort.

B. AID Assistance Strategy

1. Agriculture

The economic situation of Rwanda in terms of land availability and population pressure virtually dictates that agriculture, specifically increasing the availability of food, receive priority attention.

a) Constraints

The agriculture sector incorporates a complex set of inter-relationships and institutions, both traditional and modern. The task of modernizing the sector and upgrading the productivity of individual farm units is beset with

numerous constraints.

The most pervasive constraint in agricultural production is inadequate or inappropriate technology. Few farmers utilize either improved seeds, soil improvement techniques or improved cultural practices. Livestock and small ruminant production techniques are also poor, seriously limiting milk, meat and egg production. Although improved production technologies do exist, adaptive research to test Rwandan growing conditions is required in many areas. A related problem is one of dissemination and adoption. For certain crops, yield increases of 100% are already possible.^{1/} Still, yields have been stagnant or declining for most crops over recent years. Technological innovations must be sought, disseminated and applied.

Extension represents another critical constraint in Rwanda. Technical knowhow must be disseminated effectively. Entities currently engaged in extension work include church missions (which often sponsor demonstration farms), the agricultural education system, including rural training centers, research stations, and the Ministry of Agriculture's extension service. Technical knowledge is weak in most of these institutions and is not effectively passed on when it does exist.

Serious deficiencies also exist in the extension system in terms of quality of training (76% of 1242 extension personnel have received no formal training; 8% less than 10 months; and 10% only two years ^{2/}); the quantity of personnel (about 1 per 700 farmers); and logistic and material support (vehicles, seeds, supplies) are almost non-existent. Effective outreach is consequently limited.

Inadequate local storage, insufficient producer access to inputs and a poor marketing system and transportation network in terms of both roads and vehicles

^{1/} I.B.R.D. Agricultural Sector Review, June 1977, p.18.

^{2/} Ibid, Annex 5.

are also serious impediments.

Manpower deficiencies, both quantitative and qualitative, are evident at senior, intermediary and lower levels. Inadequate manpower is a pervasive problem and has implications for each of the other constraints cited above.

b. Intervention

As a result of Rwanda's looming food/population crisis, AID support is necessary for programs which will increase food availability as quickly as possible in order to buy time while related programs having a longer term pay-off take hold. Other donor agencies have concentrated their efforts on increasing the production of food, principally through area development projects. AID is addressing the food availability problem by supplying resources for improvements in the storage and handling of food. Post-harvest losses are estimated as high as 25% of total production. AID's intervention, through support of storage programs at both the national and local level, will eventually reduce those losses by up to 80%, with a concomitant increase in food availability, greater income for farmers and a levelling of food prices. AID has already initiated several activities in that sub-sector and proposes to continue project support for new and expanded storage capacity. These interventions are assumed to be appropriate to the short-term needs of the country.

At the same time, AID must also look to impact on key constraints which inhibit the longer term transformation and modernization of the sector. Most of these constraints relate to the weaknesses of the institutions charged with overseeing the component/^{elements}of the sector -- the agricultural education system, the soil conservation/reforestation service, the research and extension service,

the marketing entities for both cash and food crops, the agricultural credit system, food processing and agro-industries, agricultural and rural development planning bodies, etc. AID attaches greatest importance to interventions aimed at strengthening those institutional activities which impact either directly or indirectly on the problems associated with food availability. These include: developing a Rwandan capability to identify technological alternatives and/or refine mixed farming techniques for small farms in different ecological zones; training and up-grading of extension workers and farmers; infrastructure to support extension workers and local development initiatives; marketing and credit activities, possibly through cooperatives; conservation of soil and water resources; and other activities which promote increased food availability and improved farming systems.

In addition, if significant levels of U.S. development assistance are made available, AID will consider major food production activities, as well as agriculture-related infrastructure projects (e.g., rural roads, area development, marshland drainage, etc.) which would impact on Rwanda's ability to feed itself.

2. Health and Family Planning

a) Constraints

The GOR faces numerous constraints in reaching health and population goals. The major constraint is time the time required to improve health and nutrition standards and to promote conditions favorable to child spacing and family planning acceptance. Therefore, programs need to be initiated to achieve a cumulative effect as quickly as possible.

Rwanda is fortunate in that virtually all of its people live within 15 kilometers of a health facility. The quality of these facilities, their equipment and trained personnel, however, varies considerably. As in many LDC's, there are frequent complaints that medicines and medical supplies fail to reach the health centers and dispensaries in the countryside because of the priority assigned to urban areas, theft and corruption, poor communications and transportation and inadequate supplies for distribution.

Another constraint is the limited training of health personnel (doctors, nurses, social assistants, midwives, etc.) in rural health problems, nutrition, preventive medicine and family planning. Most Rwandan doctors work in the urban areas of Kigali and Butare. Few technical personnel are trained, or interested, in preventive medicine. The attention and concern of medical personnel is essential if health conditions in rural Rwanda are to improve. This problem is coupled with that of inadequate support for rural health clinics in terms of supplies, medicine and logistics.

A final but critical constraint is the resistance to implementing family planning programs among Rwandans themselves, particularly among males. Religious and tribal taboos, ignorance, poverty and high infant mortality have created obstacles to family planning programs which are only now beginning to be overcome. The proposed approach towards overcoming this resistance, one that has been effective in other countries, is to combine family planning activities with other health programs, or with tangentially related programs, e.g., nutrition and social centers. By addressing the population problem within the context of the larger problem of personal and family well-being, the likelihood of acceptance is greatly increased.

b. Intervention

A health sector strategy must focus on nutrition, preventive medicine, and family planning. Rwandan experience indicates that people are receptive to child-spacing or family planning primarily in areas where basic health services are reliable and where malnutrition has been largely eliminated. Therefore, the health sector strategy will include integrated projects for upgrading rural health delivery systems and nutrition education as well as conventional family planning information, training and distribution programs. The strategy focuses on family planning, but recognizes that health and nutrition programs can deal with family planning only if those programs are effective in their own right.

3. Implementation Strategy

AID's strategy for the implementation of assistance activities will support projects and programs at the national level as well as on an area-specific or sub-sectoral-specific basis, involving local development initiatives when possible. This approach is in harmony with the Rwandan government's own strategy which focuses on area development as the vehicle for improving rural life, while continuing to support regular development programs. The area development approach is also being supported, to varying degrees, by most of the other major donors -- Belgium, Canada, Switzerland, FRG, and the World Bank. This approach has many arguments in its favor, principally, that the resulting synergism is likely to impact most directly and immediately on the selected target group. The chief drawbacks involve the difficulty of coordinating different donor-supported area development efforts, and the problems

of how to deal with those areas of the country not included in area development schemes.

In response to GOR requests, AID proposes to devote a portion of its future resources to an area development plan. The extent of AID's involvement will depend on the outcome of a series of studies to be undertaken in the near future. Although drawbacks to the approach are indicated, on balance, it is believed that the benefits will outweigh those negative aspects. AID proposes to use its good offices to urge that both the GOR and the donor agencies involved meet on a regular basis to exchange information of mutual interest and to maximize coordination with Rwanda's regular ministry programs. Furthermore, by participating in this approach, AID will be helping to complete the area development grid which, over-time, will involve the large majority of Rwanda's rural population.

With regard to other elements of the AID program, AID proposes to support its agriculture-related activities on a sub-sector-specific basis. Research and extension, reforestation, food storage/marketing, rural agricultural education, fish culture, cooperatives and alternative energy development each will be addressed in terms of developing or strengthening the institutional base for providing services. Although some AID agriculture projects will initially be concentrated in one or more areas, the objective of eventually extending institutional outreach to provide services throughout Rwanda still remains valid.

In the family planning/health area, the approach will be similar. AID-supported activities will concentrate on upgrading all programmatic elements

of family planning -- staff training, facilities, commodities, etc. Given the nascent characteristics of the program such an approach is feasible, assuming GOR concurrence of AID's proposals. Our interventions in the health sector will supplement this approach and concentrate on specific sub-sectoral activities, i.e., maternal/child health care, preventive medicine and nutrition. This will be coordinated with other donors who are active in the health sector.

4. Forms of Assistance

For the foreseeable future no dramatic upturn in the economy is envisaged which would justify a change from grants to loans. The proposed AID program, therefore, will take the following form:

- 1) Development grants to be administered by U.S. Direct Hire and contract employees in collaboration with GOR ministries and Rwandan counterparts.
- 2) Assistance to those U.S. and Rwandan private voluntary organizations (PVOs) having access to expertise and resources necessary or helpful in the execution of projects that directly support AID efforts in the agriculture and family planning/health sectors.
- 3) Title II food assistance to be delivered through voluntary organizations for activities that are supportive of AID's assistance strategy.

As stated in Section I.E. above, grants should be programmed in such a way that projects are the product of joint U.S.-GOR planning and utilize existing GOR organizations and manpower. This will help assure ongoing GOR support and maintenance of projects after U.S. assistance ceases.

5. Results to be expected

Rwanda is a relative newcomer for U.S. assistance efforts, and the major objectives outlined above cannot be attained in the near future. One would be optimistic to suggest their attainment within several decades. One of the objectives, the slowing of the population growth rate to a level at which the government might reasonably hope to provide basic services on a national scope, requires by definition, a comprehensive and vigilant effort for the foreseeable future. Without an unusual effort at both the national and local levels, and without dramatic, short-term changes in the population growth rate, it is unlikely that U.S. assistance objectives in the agriculture sector will be achieved any sooner. We would, however, expect to see definite improvements in food availability (as a result of reduced post-harvest losses) prior to FY 85.

The U.S. assistance effort should lead to a national family planning program by 1985 with a community-level contraceptive distribution system providing contraceptives to most Rwandans who desire them. In the agriculture sector, progress is so intimately linked with the constraints of erosion, deforestation, overpopulation and education, that it would be unwise to predict achievements outside of limited project objectives. It should be adequately ambitious to propose that, by 1985, the agriculture sector will have begun to possess the means, in the form of^a strengthened institutional base and growing manpower infrastructure, to develop and deliver the information necessary to help Rwandan farmers increase yields, protect their produce and feed themselves and their fellow countrymen.

PART III. Assistance Planning Level

A. Proposed Assistance Planning Level (PAPL):

	Fiscal Years					<u>Total</u>
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	
<u>Agriculture, Rural Development</u>						
Production/Storage/Marketing	1.5 ^{*/}	1.0	2.0	3.2	3.5	11.2
Research/Extension	1.5	2.4	2.2	1.7	4.4	13.2
Institution Building	2.3 ^{*/}	4.6 ^{*/}	5.0	6.9	5.0	23.8
Infrastructure	<u>2.0</u>	<u>1.2</u>	<u>2.5</u>	<u>1.6</u>	<u>4.1</u>	<u>11.4</u>
SUB TOTAL	(7.3)	(9.2)	(11.7)	(14.4)	(17.0)	(59.6)
<u>Population, Health</u>						
Institution Building	1.7	1.5	2.7	2.9	4.6	13.4
Research/Extension	1.5	1.7	3.0	2.8	3.2	12.2
Infrastructure	<u>1.5</u>	<u>1.8</u>	<u>1.9</u>	<u>3.8</u>	<u>3.7</u>	<u>12.7</u>
SUB TOTAL	(4.7)	(5.0)	(7.6)	(9.5)	(11.5)	(38.3)
Total Project Assistance	<u>12.0</u>	<u>14.2</u>	<u>19.3</u>	<u>23.9</u>	<u>28.5</u>	<u>97.9</u>
<u>PL 480 Title II</u>	1.9	2.5	2.5	3.0	3.5	13.4
Total AID Assistance	<u>13.9</u>	<u>16.7</u>	<u>21.8</u>	<u>26.9</u>	<u>32.0</u>	<u>111.3</u>

*/ Only two FY 1979 projects, the Local Crop Storage Project (696-0107) and the Ag. Education Project (696-0109), will require funding during the FY 81-85 period. The first would be allocated \$961,000 in FY 1981. The second would receive \$2,044,000 in FY 1981 and \$869,000 in FY 1982.

B. Justification

A significant portion of the proposed level of assistance in the agriculture and rural development sector is dictated by AID's role to date. The Agency has taken the lead in food storage and marketing projects and will shortly begin to do so in post-primary agricultural education. Given the pressing needs in those areas, AID will continue to play a major role in these activities for some time. AID is committed to this course of action because it is highly responsive to GOR developmental priorities and because of its impact in terms of increasing food availability, stabilizing prices and providing training to Rwanda's next generation of farmers.

To complement this approach it is necessary to support the longer term development of other institutions which address, both directly and indirectly, the problems of food availability. Given the linkages between food availability, erosion control/reforestation, improved production technology and education, and given the relative weakness of the institutions charged with carrying out these activities, the proposed approach appears sound.

At the request of the Rwandan Government, AID is planning to play a leading role in the Family Planning sector. Because of AID's expertise in this field and the critical nature of Rwanda's population problem, this appears to be an excellent opportunity to respond to the GOR's plans and programs. As stated earlier, it is determined that AID involvement in tangentially related activities, in the health sector (MCH, preventive medicine and nutrition) is necessary for the eventual success of a national family planning program.

The Rwandan Government has expressed keen disappointment with the current level of U.S. assistance. The GOR believes that AID's past program has not been

consistent with U.S. foreign policy declarations regarding assistance to the world's poorest countries, especially those (like Rwanda) meeting other stated U.S. Government criteria related to commitment to the rural poor, human rights, etc.

The Proposed Assistance Planning Level reflects movement away from a limited development emphasis to larger scale involvement in which AID expects to impact significantly in the priority sectors of food and population by mounting bilateral programs at the subsectoral and national levels.

The Indicative Planning Allocation (IPA) level has been used in Part III. A., however, it must be recognized that inflation, currently running at 24% in the construction sector and perhaps half that overall, markedly diminishes the real transfer of resources possible. At the same time there are environmental and support problems which must be taken into account and which tend to limit the expansion of an AID program. Rwanda's isolation, inadequate schools and health facilities and French language requirement are serious ⁰⁴⁵ impediments to large scale staff increases. Thus, the proposed program requires an increase in AID staff in Kigali only for overall program planning and program management purposes with continued reliance on REDSO/EA, EAAC and AID/W for various support services.

C. Staffing Implications

The direct hire staff which has been proposed for the FY 1980 AID program (\$6.5 million) in Rwanda should prove adequate to initiate and supervise the program proposed for FY 1981 (\$13.9 million).

Current positions include: AID Affairs Officer
Program Officer
Agriculture Development Officer
Health/Population Officer
Management Officer
Secretary

In FY 1982 an increase in the agriculture program will require the addition of a second agriculture technician, perhaps an agriculture engineer or agronomist. The increase will be necessary not only to assist with the 1982 program, but with the development of the 1983 agriculture portfolio.

FY 1983 will witness a \$2.9 million jump in Population and Health Programming over FY 1981 -- followed by another \$1.9 million increase for FY 1984. There should be an additional direct hire, perhaps an IDI, with a health and nutrition background, brought on board in FY 1983 to help carry the Population and Health Grant load.

The overall increase in funding levels from FY 1981 to FY 1984 of \$13 million -- followed by FY 1985 proposals for another \$5.1 million increase -- will dictate the addition of an assistant program officer to the 1984 Mission staff.

FY 1985 should see the permanent establishment of the second Health and Population Officer's position. No other staff increases, however, would be anticipated.

STAFFING PATTERN/PERSONNEL REQUIREMENTS

	<u>FY 1980 TO 1985</u>					
	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
Program (\$000)	6.5	13.9	16.7	21.8	26.9	32.0
Personnel (in work years)						
Mission U.S.	6.0	6.0	6.9	7.5	8.5	9
F.N.	5	5	6	7	8	9
TDY-USDH	1.6	2.0	2.0	2.0	2.5	2.5
Contract, other	11.4	10.0	12.0	15.0	16.0	18.0

Every effort will be made to utilize REDSO/EA, EAAC and AID/W TDY staff to the maximum extent possible, given the difficulties of recruiting staff and the post limitations discussed earlier. Furthermore, AID proposes to work with smaller numbers of large projects to minimize managerial requirements. There are also plans to increase the number of skilled Rwandan nationals on the AID staff. To the extent that they are able to assume a growing share of the design and implementation responsibilities, increases in USDH staff will be kept to a minimum. However, the weaknesses of the Rwandan institutions involved in implementing AID programs cannot be ignored. They will require considerable backstopping, a management burden which contractor teams cannot fully assume. Experience in FY 80 will provide a basis for determining whether a "minimal staff" approach is feasible, or whether staff (e.g. controller, engineer, design officer, etc) over and above that indicated will be required.

D. PL 480 Title II

Malnutrition is one of the primary health problems of Rwanda. However, the task of increasing food production and ensuring its availability to the poorer segments of the population is so difficult that it will take a long time to overcome. Moreover, the steadily increasing population, together with limited terrain, has resulted in the present use of the most potentially productive land. Weather continues to be a crucial factor and often varies considerably from one region to another, even in a country as small as Rwanda. Such conditions led to food shortages in 1974-75 and 1977 necessitating additional imports of food.

Within this framework, the present Title II program, administered by Catholic Relief Services (CRS), and the new one which will soon be implemented by the Seventh Day Adventists World Service (SAWS), takes on ever greater importance. The programs serve humanitarian purposes but also support the important development objectives of increasing food production and improving nutritional standards. The Assistance Planning Level reflects a modest increase in the overall PL 480 Title II program during the FY 1981-1985 period.