

Achieving the Vision 2020 & the MDGs through Economic Development and Poverty Reduction (EDPRS)



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Presentation outline

1. Introduction
2. Flagship programmes & priorities
3. Selected EDPRS & MDGs targets
4. Financing Framework
5. Success factors for implementation
6. Next steps

INTRODUCTION: A participatory process

- EDPRS elaborated over 18 months in a consultative manner with strong national leadership and ownership:
 - Process led by National Steering Committee, technical committee and 19 Sector Working Groups and Cross-Cutting Issues Groups
 - Wide stakeholder involvement (GoR at local and central levels, donors, CSOs, private sector, citizens...)
 - EDPRS priorities informed the Districts Development Plans alongside districts local priorities

INTRODUCTION: Evidence Based

- EDPRS document draws comprehensively on work by Sectors (Sector Working Groups):
 - Situation analysis draws on PRSP1 independent & sector self-evaluations and surveys (EICV, DHS, Food security, *Ubudehe*...)
 - Sector log-frame targets informed EDPRS overarching targets and monitoring framework
 - Strategy and implementation plan drawn from sector strategy statements
 - Starts by looking at where we are, where we want to be and how we can reach there.

EDPRS flagship programmes

- Key priorities embodied in 3 Flagship Programmes:
 - Growth for jobs and exports: public investments to relax key constraints to achieve economic growth
 - Vision 2020-Umurenge: integrated rural development programme to eradicate extreme poverty & release the productive capacities of the poor
 - Governance: Underpins achievements in growth and poverty reduction

EDPRS priorities

1. Skills for knowledge-based society (need strong push)
 - Establish strong/relevant technical and vocational education and training (TVET);
 - Improve formal education (i.e. big push to secondary, quality of primary, and access/quality of higher education);
 - Skills development linked to market demand.
2. Agriculture (foster transformation)
 - Food security;
 - Supply-chain transformation for exports;
 - Agro-processing and agro-industry;
 - Microfinance and finance adapted to agricultural transformation;
 - Land management.

EDPRS priorities (cont'd.)

3. Infrastructure (need to reduce business operational costs)
 - Energy (both urban & rural / both production & distribution);
 - Transport (roads, railways);
 - Science, technology & ICT (both utilization & provision as an industry prospect);
 - Water for sanitation & productive use ;
 - Incentive-based village settlement

4. Financial sector (need implement the Financial Sector Development Plan)
 - Banking sector, microfinance, access to credit and payment systems
 - Contractual savings through insurance and pension
 - Long-term finance/capital markets

EDPRS priorities (cont'd.)

5. Manufacturing and services

- Building sites with excellent infrastructure connectivity
- Attract specific industries and foreign direct investors
- Promote resource based manufacturing
- Industrial parks and export processing zones
- Tourism

6. Population and health (need to promote quality of life)

- Limit population growth through sensitization, education, family planning, etc.
- Continue progress in rural health systems and efficient referrals

EDPRS priorities (cont'd.)

6. Productive social transformation (need to empower extremely poor)

- Land and labor productivity schemes
- On- and off-farm employment schemes
- Cooperative development
- Microfinance and credit schemes
- Social protection schemes

7. Good Governance

- Strengthening the country's peace and security
- Unity and reconciliation, human rights and the rule of law
- Public administration reforms including public financial management (PFM), performance-based budgeting, political accountability at all levels of government
- Develop regional comparative advantage in "soft infrastructure" to foster private investment: i.e. well-defined property rights, efficient public administration, transparency in fiscal and regulatory matters.

Selected EDPRS & MDGs Indicators

Indicators	2007	EDPRS Targets 2012	MDGs Targets 2012
<i>Accelerate poverty reduction (MDG 1)</i>			
Poverty incidence	56.9%	46%	34.7%
Extreme poverty	36.9%	24%	24%
Child malnutrition (% of under-5s underweight)	23%	14%	16%
<i>Develop skills (MDG 2)</i>			
Net primary enrolment	90%	100%	94%
Primary completion (%)	52%	100%	74%
Literacy (% of 15-24s)	77%	85%	92%

Selected EDPRS & MDGs Indicators

Cont'd

Indicators	2007	EDPRS Targets 2012	MDGs Targets 2012
<i>Promote gender equity (MDG 3)</i>			
Gender gap in primary education	0%	0%	0%
Gender gap in literacy	10%	0%	0%
% women parliamentarians	49%	50%	50%
<i>Improve maternal and child health (MDG 4&5)</i>			
Infant mortality (percent live births)	8.6%	7.0%	3.7%
Maternal mortality (per births)	0.75%	0.6%	0.35%
Children immunised against measles	86%	100%	100%
Population covered by health insurance	70%	100%	

EDPRS: Financing framework

<i>Projections, billion RwF (nominal)</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>Total 2008/12</i>
EDPRS total costs	760	859	1,010	1,172	1,350	5,151
1) Public spending	550	612	677	756	839	3,434 (67%)
2) Private investments	210	247	333	416	511	1,717 (33%)
Sources of Public Funding						
Domestic Revenue	262	297	338	385	439	1,721 (50%)
External committed budgetary grants	143	156	159	158	156	772
External projects grants & loans	103	111	115	125	136	590
Required financing (gap)	42	48	65	89	108	352
Required financing in % GDP	1.9%	2.0%	2.4%	2.9%	3.1%	

Financing Options (to fill the gap)

- Seek additional grants (“scaling up of aid”) to fill the gap
- If no additional grants and current 12% export growth rate then borrowing unsustainable by 2012
- If no additional grants and 15% export growth rate then borrowing remains sustainable beyond EDPRS period.
- The assumption is that borrowing will be done at concessional terms (at least 35% grant element).

Success factors for implementation

- Success factors for effective implementation of EDPRS include:
 - Strong institutional framework for implementation & monitoring
 - Consolidation of decentralisation process
 - Better public finance management
 - Involvement of the private sector
 - Common performance monitoring system
 - Scaling-up aid and enhancing aid effectiveness

Success factors: Implementation & monitoring framework

EDPRS monitoring system:

- Clear alignment of EDPRS in planning system: to minimise implementation risks
 - GoR *imihigo* performance contracts at all levels (including household, local and central government administration)

- Reporting aligned to planning priorities:
 - Implementation monitored by Annual Progress Reports, Joint Sector and District Reviews, Public Expenditure Reviews

- Technical expertise provided: 1 statistician per District; M&E specialist in each sector (line Ministry); coordination by National Institute of Statistics (NISR) using Rwanda Development information (Rwanda Devinfo)

Success Factors; Enhancing aid effectiveness

- Need to channel aid through GoR Institutions and systems – reduce transaction costs
- Need to harmonise and align aid according to 'comparative advantage'
- Need for strong alignment to GOR Aid Policy

Next steps

- EDPRS framework for monitoring and evaluation as well as the common performance assessment system [by Q1 2008]
- Donor comparative advantage guide [by Q2 2008]
- Extensive communication campaign

THANK YOU