

Strategy for Sweden's development
cooperation with

Rwanda

2015 – 2019



REGERINGSKANSLIET

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**Government Offices
of Sweden**

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1. Direction

Swedish development cooperation with Rwanda within the framework of this strategy shall contribute to a structural transformation of the economy that will improve the opportunities for people living in poverty to earn a living. The strategy also aims to empower poor women and men to shape their own lives and promote the democratic development of society. Conflict prevention and reconciliation are cross-cutting themes in the strategy. The strategy will apply for the period 2015–2019 and comprises a total of SEK 900 million for the strategy period¹.

Contributions within the framework of the strategy are expected to contribute to:

A better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters

- Strengthened capacity of public institutions to contribute to environmental sustainability and greater resilience to climate change and environmental impacts
- Strengthened capacity of civil society to work for openness, accountability and increased knowledge about the environment and climate change

Strengthened democracy and gender equality, and greater respect for human rights

- Strengthened capacity of civil society to promote greater popular participation and accountability, peace and reconciliation, and greater respect for human rights

¹ Contributions within the framework of this strategy are financed in accordance with the terms for appropriation items in appropriation directions concerning the Swedish International Development Cooperation Agency (Sida) for each financial year.

- Better quality of, and access to, free and impartial media, including an open internet
- Strengthened capacity of Rwandan society to promote gender equality and enhance enjoyment of human rights, especially for women and girls

Better opportunities and tools to enable poor people to improve their living conditions

- Greater opportunities, particularly for women and young people, for decent work and productive employment and entrepreneurship
- Increased access to services and support, particularly for women and young people, improving their opportunities to start and run (commercial) businesses
- Strengthened competitiveness among producers and suppliers of goods and services
- Enhanced opportunities for actors, such as social partners and others, to promote labour rights

2. Country context

Rwandan politics is still marked by the genocide of 1994, with a focus on national unity and reconciliation at the cost of public debate and political pluralism. Developments in the eastern parts of the Democratic Republic of the Congo (DR Congo) are unstable and Rwanda's relations with, and actions in, eastern DR Congo entail a risk of international conflicts. The Framework for Peace, Security and Cooperation for the DR Congo and the Region of 2013 is an important cornerstone for continued dialogue and peacebuilding at a regional level.

Rwandan politics is development-oriented but authoritarian and has a democracy deficit, with a lack of openness for genuine public participation. Consensus-building is a greater priority than open political debate, which in the long run risks leading to instability.

Ranked 151 out of 186 countries in the UNDP Human Development Index of 2014, Rwanda is still one of the world's poorest countries. At the same time, it has experienced rapid economic development with an annual economic growth rate of approximately 8 per cent since 2001. The proportion of people living in poverty has dropped from 57 per cent in 2005/2006 to 45 per cent in 2010/2011, which has also meant that one million people have lifted themselves out of poverty.

Although Rwanda's Gini coefficient has dropped from 0.52 in 2005/2006 to 0.49 in 2010/2011, it remains high compared with those of other countries in sub-Saharan Africa. Rwanda is well on the way to achieving all of the Millennium Development Goals, with the exception of the goal to halve poverty. Women's participation in society is increasing, but old gender patterns live on. The development strategies are being carried out relatively efficiently by the Rwandan authorities. The country also has relatively robust systems for public financial management, and corruption levels are low by African standards. Economic inequality, environmental and climate vulnerability, high population density, urbanisation and poor infrastructure pose considerable development challenges.

The overarching goal of Rwanda's economic development and poverty reduction strategy 2013–2018 is to transform Rwanda's agriculture-based economy into a knowledge-based economy. Private sector development and structural transformation that create incentives for people to move to urban areas offering employment are also highlighted in the national strategy.

The motive behind the orientation of Swedish development cooperation with Rwanda is widespread poverty and the lack of political pluralism. Long-term Swedish development cooperation and Swedish expertise in areas important for Rwanda's development – including human rights, democratic governance, ICT, decent work and productive employment, the development of research capacity, gender equality and the environment – contribute to Sweden's added value. A regional approach to the countries in the Great Lakes region is being sought.

3. Activities

The focus of activities and the specific context govern the choice of partners and forms of cooperation. The point of departure is that the partners and forms of cooperation that contribute most effectively to achieving long-term sustainable results are to be used. The Swedish government assesses that general budget support is not an option at present. A balance should be sought when choosing partners, for instance by supplementing cooperation with the state with cooperation to strengthen civil society. Sida is to identify agents for change that can contribute to positive development.

Cooperation should be designed to contribute to strengthened capacity and long-term sustainable results. Programme-based support may be combined with strategic and catalytic contributions, including new, innovative forms of cooperation and financing. Sweden shall work to promote coherent and effective aid coordination in Rwanda, firstly through active participation in the EU's aid coordination and joint programming. A perspective beyond aid is to be established. Synergies between the different areas of the strategy as well as with other relevant strategies are to be harnessed as far as possible.

An important condition for development is access to home-grown knowledge production through high-quality research relevant to combating poverty, based on national needs. Through its *Research cooperation*² appropriation item, Sweden supports the development of Rwanda's domestic research capacity. Synergies with research cooperation should be sought to promote knowledge, innovation and critical thinking in all results areas.

Poor people's perspectives on development and a rights perspective should be mainstreamed into all activities. Attention should be paid to, inter alia, gender equality, children's rights, and the rights of other vulnerable individuals and groups that are discriminated against. An environmental and

climate perspective should be integrated in order to promote long-term sustainable development.

Aid to Rwanda is to be characterized by conflict sensitivity and contribute to conflict prevention and reconciliation. In this context, cross-border programmes and collaboration between countries in the region can be developed as a complement to, and in synergy with, bilateral contributions.

Rwanda's actions in eastern DR Congo and limited democratic space are two contributing factors to the strategy being characterised by risk. Risks should be assessed in light of developments in the country and the region. Risks should be spread by combining contributions with varying risk levels so as to achieve the best results possible at an acceptable overall risk level.

The forms of follow-up are described in the Government's Guidelines for results strategies within Sweden's international cooperation.

A better environment, limited climate impact and greater resilience to environmental impacts, climate change and natural disasters

Rwanda's dependence on agriculture makes the country vulnerable to the increasing temperatures and heavier rainfall that are expected as an effect of climate change. In addition, the high population density has an adverse impact on the country's natural resources and ecosystems. Institutional capacity needs to be strengthened, as the capacity of public institutions to realise a high level of ambition on climate and environmental issues is weak in practice. The capacity of civil society to promote openness, accountability and increased knowledge about the environment, climate and natural resources needs to be strengthened.

Swedish development cooperation is to contribute to strengthening the capacity and skills of national actors to help improve the environ-

²Research cooperation is governed by the *Strategy for research cooperation and research in development cooperation 2015–2021*.

ment and tackle climate change and negative environmental impacts, including continuing reforms in the areas of climate/energy, environment and natural resources. Activities may involve both the public administration and other actors. The business sector's work on green economic development and green innovations, including sustainable energy solutions and trade in green products and services, can help to limit negative environmental and climate impacts. Sweden's long-standing engagement and leadership in the area of environment and climate change, and its expertise in this area, contribute to Sweden's added value.

Synergies with Swedish activities at regional and local level are possible. Contributions are to take account of the link between climate, environment and conflict.

Strengthened democracy and gender equality, and greater respect for human rights

Increased democratisation and strengthened opportunities to express criticism and opposition are crucial for securing Rwanda's long-term stability and the respect for human rights. Therefore, Sweden's activities within the framework of the strategy are to focus on accountability and public participation, greater freedom of opinion, association, and expression, media freedom, and in particular women's and children's – especially girls' – enjoyment of their human rights.

The limited scope for expressing critical opinions and dissent risks aggravating social tensions and fomenting conflicts. It is therefore important to strengthen civil society's and citizens' participation and influence in the formulation of policies and plans at national and local level. In this context, the right of children to participate in decisions affecting them should be taken into account. Contributions should include actors working for peace and reconciliation. There is a need to strengthen the capacity of citizens and civil society to hold the State accountable for public services and rule of law.

The overall development trend concerning freedom of expression, among other things, has been negative in recent years. Although there are some positive signs in the form of new legislation on public access to information and new, more liberal media laws, considerable challenges remain in creating a pluralistic society in which criticism and opposition are welcome features. It is also important to strengthen civil society's ability to engage in opinion-making and strengthen the conditions for public debate and investigative journalism. This is especially important ahead of the presidential election in 2017.

Women's representation in parliament is high (64 per cent). The State's commitment to gender equality and women's empowerment is strong, and it has policies and plans in place promoting gender equality. However, the capacity to implement these is inadequate. Sweden's development cooperation for greater gender equality can help to strengthen the ability to integrate gender equality into public sector services. To strengthen gender equality, it is also important to enhance efforts to combat sexual and gender-based violence, in line with Security Council Resolution 1325 on women, peace and security. The particular vulnerability of children should be highlighted. Sida can look into the possibilities of supporting organisations and people working in the cultural sphere.

Sweden's long-standing focus on areas such as democracy, freedom of expression, human rights – including children's rights – and gender equality gives Sweden added value as a donor.

Better opportunities and tools to enable poor people to improve their living conditions

The population density, population growth and economic inequality require a structural transformation towards a more knowledge-based economy with high productivity and more modern and sustainable methods for the use of natural resources. The contribution of Swedish development cooperation to the structural transformation is to facilitate decent work

and productive employment and better opportunities to earn a living, and to also ensure that urbanisation becomes a positive force for development. Activities within the framework of the strategy are therefore to focus on contributions that promote market development, innovation and ICT, skills development and entrepreneurship, as well as labour rights and social dialogue.

The competitiveness of both producers and suppliers of goods and services needs to be strengthened, as do value chains that offer the greatest potential for job creation. Greater regional integration, fewer non-tariff barriers and stronger institutions in the area of trade can contribute to better growth prospects for Rwandan companies and also help to prevent conflicts.

Vocational education and training needs to be developed, as does higher education. Contributions to increase opportunities for primarily women and young people to find a job may include increased access to quality education and skills to facilitate entrepreneurship. Activities may also include support for women to start and run a business and strengthening women's opportunities for financial autonomy.

To achieve results, support may be given, for example, for private sector development reforms. By supporting contributions with the potential to improve the environment, limit the impact of climate change and strengthen resilience to environmental impacts, climate change and/or natural disasters, contributions can also help to achieve results in the environmental area. Land reform may be a component in Rwanda's economic structural transformation, especially with a focus on women's rights.

Innovation is to be encouraged and utilised. Synergies with research cooperation can be found, for example in terms of applied research and incubators, business clusters and quality assurance systems for higher education. The strong link to research represents Swedish added value in this area.