



RW107- Inclusive Economic Transformation

Rwanda Development Challenges and UN Solutions

Underdeveloped value chains: 80% of Rwanda's rural population is subsistence farmers due to limited access to land, lack of modern technology, limited access to regional and international markets, and lack of finance and human capacity. This has led to an economy with a range of underdeveloped value chains. The UN will work for the enhancement of these value chains through training programs for farmers in entrepreneurship, the use of new technologies, financial accessibility, and the research of new and emerging markets.

Lack of employment opportunities for youth and women: The rate of unemployed Rwandan youth is 2.6% which is almost three times the average national unemployment rate of 0.8%. There are several reasons why women and youth face difficulty finding employment. These include limited skills sets, little or no access to finances, limited higher education or vocational training opportunities, and the traditional gender norms that require women to spend considerable time on household chores. The UN will support women and youth through training programs on entrepreneurial skills as well as improving the involvement of women and youth in different target sectors such as the agriculture sector. The UN will also work towards improved quality of learning institutions along with youth and women's access to such institutions.

Green Economy issues: As Rwanda depends on subsistence agriculture, climate change affects the economy. Additionally, the electricity grid connectivity rate is a mere 13% which is mostly used in Kigali. As a result of environmental practices Rwanda is experiencing deforestation and land degradation. Another challenge faced is the inadequate technical knowhow for integrating budgeting and expense management of green growth interventions into the national budget framework; to address this, the UN will facilitate costing and analysis of investments required for the green economy interventions. In order to mitigate the effects of climate change and to promote sustainability the UN will increase the level of public and private investment in sustainable environment, natural resource management and climate change. To address insufficient technological skills, the UN will strengthen capacity to develop appropriate technologies and skills for resource efficiency and cleaner production. The UN will also expand the capacity of national and local project showcase institutions in planning and implementing the up-scaling green cities and villages.

Sustainable urbanization: Rwanda is currently one of the least urbanized countries in the world but this is changing rapidly; the urban population grew from 5.5 percent to 16.7 percent in the decade 1990-2000 and stood at 19 percent in 2011. The Government of Rwanda plans to accelerate the urbanization process further through proactive programmes and policies in EDPRS 2 projecting urban growth to top 45 percent by 2018 to raise opportunities for off-farm employment, especially for the youth and women. Urbanization and promoting secondary cities as centres of nonagricultural economic activities are processes which are looked upon to alleviate pressures on the land from the rising population densities. The UN will support the Government in formulating a National Urban Policy that reiterates the role of cities and towns in national development. Capacity building of policy makers and relevant players involved in the urbanization process, including implementation of city master plans will be assessed and

strengthened and sustainable urbanization programmes piloted in selected intermediate cities together with programs aimed at upgrading informal settlements.