

# PRESS RELEASE



United Nations Development Programme

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## **The Rwanda National Human Development Report urges for a new push in investment and aid to achieve the MDGs.**

**Kigali, 26 July 2007:** The National Human Development Report 2007 released on Thursday in Kigali has called for a new agenda of scaling up of investment, increase in the quantity and quality of Official Development Assistance (ODA). The report further urges development stakeholders in Rwanda to promote a greater coordination and management of aid.

The report entitled **“Turning Vision 2020 into Reality. From Recovery to Sustainable Human Development”** has been commissioned by the United Nations Development Programme (UNDP) in Rwanda and prepared by a group of researchers from the National University of Rwanda. It has seen the participation of different stakeholders from government, civil society organizations, donors and the academia.

“The report constitutes a rigorous and objective piece of research, which takes a hard look at the facts, as they are, without trying to embellish them or tweak them to suite one or the other interest. This independence is key to the credibility of the analytical findings and the value of the report for strategic planning purposes”, said Moustapha Soumare, UNDP Resident Representative and UN Resident Coordinator, emphasizing the independence of this report, which represents neither the views of UNDP nor the government or the National University of Butare.

The report reveals that the Millennium Development Goals (MDGs) can still be achieved in Rwanda, even within reasonable assumptions about economic growth and development aid. However, achieving this will require us to break with the “business as usual” approach to development assistance, and create a mutually accountable partnership for human development. This partnership should bridge the two missing links of development assistance in Rwanda: the link from aid to national development strategies and the link from public spending to the MDGs and targeting the most vulnerable in society.

The report reveals that soaring inequality is threatening poverty reduction and economic growth. According to the report, Rwanda’s high growth rates hide large and growing inequalities between social classes, geographic regions and gender. These disparities cut across all sectors and undermine Rwanda’s progress towards the MDGs in all areas from health to education and even poverty reduction. Rwanda’s recent growth has largely bypassed the rural poor, leading to a concentration of wealth at the top of the income distribution, and an increase in the country’s Gini coefficient from 0.47 to 0.51 from 2001 to 2006. With rising inequality, we estimate that Rwanda could soon have exhausted its ability to reduce poverty rates through economic growth alone, says the report.

It is released at an appropriate time when Rwanda is finalizing the Economic Development and Poverty Reduction Strategy (EDPRS). “This Report has been released at the particular time when we are finalizing the Economic Development and Poverty Reduction Strategy document. Similarly to the Report, the EDPRS focuses on economic growth, poverty

reduction, and governance”, said Hon. James Musoni, Minister of Finance and Economic Planning of Rwanda.

The EDPRS Needs Assessment has helped to define with some level of accuracy the investments needed to achieve the MDGs and Vision 2020 objectives. Total investment needs are estimated at approximately US\$140 per capita per year over the EDPRS period, just for the MDG-related interventions. Given the extent of poverty and the small size of the private sector, the bulk of these investments would have to be carried out by the public sector. This would imply a substantial and rapid scaling up of public investments.

Talking to the journalists, the Minister said the report shows where Rwanda stands vis-à-vis its development vision and the Millennium development Goals. “Rwanda needs to increase investments in development sectors mainly in agriculture”, he said. He however regretted the high population growth rate which does go at the same pace with economic growth. He urged the population and development partners to support government endeavors to solve the high population growth problem.

Rwanda has achieved remarkable results in areas such the access to education, gender equality and democratic governance. According to the Minister of Finance and Economic Planning, some targets of Vision 2020 have already been achieved. It is the case of the life expectancy that has shifted from 39 years to 51 years today. It is also the case of target of reducing HIV/AIDS prevalence to only 6% while the current prevalence rate is of 3%. In some sectors progress has been recorded but the target is still to be met. It is the case of the number of people living of agriculture that has to drop from 90% to 50% by 2020.

Participants at the launch commended the report and urged the new NHDR to take into account the gender dimension of human development as well as job employment mainly for the youth. The report stimulated discussions among stakeholders which enriched their experience and gave new ideas for the next National Human Development Report.

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**For more information, please contact Jean de Dieu Kayiranga**, Communications Officer, tel. 08455778, email: [jean.kayiranga@undp.org](mailto:jean.kayiranga@undp.org) or **Jean Paul Rwabuyonza**, National Economist, Tel. 08435110, email: [jp.rwabuyonza@undp.org](mailto:jp.rwabuyonza@undp.org)

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