



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Rwanda**

Rwanda

Programme for Country Partnership

PCP Annual Report **2019**

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PCP RWANDA AT A GLANCE

| | |
|---|---|
| STATUS | Early programming (initiated in 2019) |
| MAIN NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP | National Strategy for Transformation (NST1: 2017-2024), Rwanda's Vision 2050 and the associated 2035 targets |
| FOCUS SECTORS/AREAS | <p>Tentative:</p> <ul style="list-style-type: none"> • Livestock value chain development • Industry 4.0 • Garments • Integrated agro-parks for fruits and vegetable <p>Cross-cutting: Technological upgrading to leapfrog industrialization; the integration of circular economy in selected interventions; and quality enhancement and quality control for products</p> |
| MAIN PARTICIPATING MINISTRIES | <p>Ministry of Trade and Industry Ministry of Finance and Economic Planning Ministry of Agriculture Ministry of Information and Communication Technology Ministry of Labour Rwanda Development Board The National Industrial and Research Development Agency</p> |
| KEY DEVELOPMENT PARTNERS | <p>Financial institutions: African Development Bank, International Fund for Agricultural Development Bilateral/multilateral partners: Belgium, China, Germany, European Union, Republic of Korea, Switzerland, and the United Kingdom UN entities: Food and Agriculture Organization, United Nations Development Programme, United Nations Economic Commission for Africa, International Labour Organization</p> |
| UNIDO'S TC PORTFOLIO¹ (COMPLETED AND ONGOING) | N/A |
| TOTAL INVESTMENTS LEVERAGED² (CUMULATIVE) | N/A |
| TOTAL PCP VOLUME³ | N/A |

¹ **Funding secured:** The total budget (net of programme support costs) under signed agreements for UNIDO programmes and projects.

² **Funding leveraged:** Financial contributions allocated by public or private partners towards objectives pursued in a PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

³ **Total PCP volume:** UNIDO's portfolio with funding secured plus investments leveraged.

1. EXECUTIVE SUMMARY

In October 2018, the Executive Board of UNIDO approved the development of the Programme for Country Partnership (PCP) for Rwanda. The PCP will support the implementation of the National Strategy for Transformation (2017-2024) and the Government of Rwanda's "Vision 2050".

UNIDO conducted several missions to the country in the course of 2019 to discuss the PCP with the Government and initiate the formulation of the new programme. The initial PCP request to UNIDO from June 2018 identified the proposed priority areas of the programme, however, following a reshuffle in the Government, there was a need to reconfirm the priorities of the PCP.

A PCP roadmap was developed and the tentative priority areas reconfirmed with the new administration. The proposed focus areas are: (i) Integrated agro-industrial parks, particularly for fruits and vegetables; (ii) Livestock value chain development; (iii) Garments; and iv) Industry 4.0. Cross-cutting areas will include technological upgrading to leapfrog in the areas of industrialization, circular economy, and quality control and enhancement. UNIDO has established a multi-disciplinary PCP team to formulate the programme.

Discussions were held with the Government on the national coordination structure and its composition, as well as on national in-kind and financial resource allocations to the PCP. Three levels of coordination were identified for the PCP: (i) Ministerial-level coordination through a National Steering Committee; (ii) Specific task forces with a strong private sector presence; and (iii) Project steering committees. The PCP coordination and steering structure will provide strategic direction and oversee overall implementation of PCP activities, coordination of resource mobilization efforts, and the sequencing and prioritization of programme activities.

A number of partners have already expressed their interest to support the PCP Rwanda, including: the AfDB, the Government of China, the Government of the United Kingdom of Great Britain and Northern Ireland, the EU, the Republic of Korea, and United Nations Development Programme (UNDP).

UNIDO is an active member of the United Nations Country Team (UNCT) in Rwanda and acts as co-chair of the Economic Transformation Results Group, along with UNDP. The PCP for Rwanda will align with and support the United Nations Development Assistance Plan for 2018-2023.

In 2020, UNIDO will conduct a light country diagnostic, which will help to finalize the PCP priority areas and develop a programme document.

2. INTRODUCTION

The UNIDO Programme Manager for the PCP Rwanda undertook a mission to Kigali in May 2019 to meet with key stakeholders, including the Ministry of Trade and Industry (MINICOM), the National Industrial Research and Development Agency (NIRDA), the UN Resident Coordinator, and Rwanda's main development partners. The meetings served to reconfirm the initially proposed focus areas, discuss the institutional coordination mechanisms for the PCP, and agree on a PCP roadmap. In 2019, UNIDO also established a multi-disciplinary PCP team to formulate the new programme.

The PCP for Rwanda will be formulated in line with Rwanda's national development plans, including the National Strategy for Transformation (NST1 2017-2024), and the Government of Rwanda's "Vision 2050" and the associated targets for 2035. Rwanda's Vision 2050 aspires to ensure high living standards for all Rwandans building on several pillars, among which "Transformation for Prosperity". With nearly 70% of the workforce engaged in agriculture, the potential for productivity gains from structural transformation, urbanization and industrialization is significant. Agriculture has yet to reach its full potential and investments in climate resilient techniques for farming, coupled with improvements in value chains, are expected to yield significant future gains in both growth and poverty reduction. The PCP will also build on the experiences and best practices of the UNIDO Country Programme for Rwanda, which has been ongoing since 2016.

Proposed focus areas for the PCP Rwanda:

- **Livestock value chain development:** This component will include meat processing, animal feed processing, the Bugesera Integrated Leather Park, and industrial by-products following the "Cow-in-the-Car" approach.
- **Industry 4.0:** This component will seek to integrate new technologies and automation in industries, and develop new value chains around the Fourth Industrial Revolution for both life science and science, technology, engineering and mathematics.
- **Garments:** This component will support the upgrade of small and medium-sized enterprises (SMEs) in the garments industry looking at the entire value chain from raw material supply to retail sales for markets. In addition, the component will look into making "Made in Rwanda" products more competitive in terms of price and quality, and seek to attract more private investment from companies such as Pink/Mango and C&H.
- **Integrated agro-parks for fruits and vegetables:** This component will seek to establish a coordinated geographical space for more advanced processing especially for export, while also developing rural micro-processing centres for fruits and vegetables.

Cross-cutting areas will include technological upgrading to leapfrog in the areas of industrialization, circular economy, and quality control and enhancement. UNIDO's role within the PCP Rwanda will be to:

- Facilitate the convening of partners and the overall coordination of the PCP;
- Design and develop a holistic programme aimed at upscaling development impact and building synergies with partner interventions in the country;
- Provide normative, policy and advisory services to the government on industry-related issues;
- Deliver integrated and multidisciplinary technical assistance; and
- Support the Government in mobilizing large-scale industrial investments from public and private partners.

3. ALIGNMENT WITH AND CONTRIBUTION TO UNDAP

The UNIDO Field Office in Rwanda is an active member of the UNCT and UNIDO acts as co-chair of the Economic Transformation Results Group, along with UNDP. The PCP Rwanda will be integrated in the United Nations Development Assistance Plan (UNDAP) for 2018-2023.

The UNDAP for 2018-2023 outlines the following strategic areas of collaboration in line with Rwanda's national development priorities: (i) Economic transformation; (ii) Social transformation and; (iii) Transformational governance. These areas are aligned to the Government of Rwanda's development priorities as outlined in the Vision 2050, the National Strategy for Transformation (2017-2024), and the subsequent sectoral strategic plans and district development strategies based on the Agenda 2030.

The PCP for Rwanda is aligned with and will contribute to the above-mentioned UNDAP strategic areas, in particular the economic transformation pillar.

The economic transformation pillar comprises the following priority areas:

- **Priority area 1:** Promote industrialization and attain a structural shift in the export base to high value goods and services with the aim of growing exports by 17% annually;
- **Priority area 2:** Modernize and increase productivity of agriculture and livestock;
- **Priority area 3:** Create 1.5 million decent and productive jobs for economic development;
- **Priority area 4:** Accelerate sustainable urbanization from 17.3% to 35% by 2024;
- **Priority area 5:** Establish Rwanda as a globally competitive knowledge-based economy;
- **Priority area 6:** Increase domestic savings and position Rwanda as a hub for financial services to promote investments; and
- **Priority area 7:** Sustainable and climate sensitive management of natural resources and the environment.

4. PROGRAMME-LEVEL RESULTS

4.1. COORDINATION AND GOVERNANCE

Discussions were held with the Government on the national coordination structure and its composition. The PCP coordination and steering structure will provide strategic direction and oversee overall implementation of PCP activities, coordination of resource mobilization efforts, and the sequencing and prioritization of programme activities. It will also ensure coordination among the various partners involved in the programme.

The proposed national coordination mechanism is structured along three levels:

- **Ministerial-level coordination through a National Steering Committee.** This will include the Ministry of Trade and Industry, the Ministry of Agriculture, and the Ministry of Finance and Economic Planning.
- **Specific task forces with a strong private sector presence, building on the experience of the PCP for Ethiopia, including:**
 - » A task force for manufacturing agricultural transformation, include with the participation of the Rwanda Bureau of Standards and the Rwanda Foods and Drugs Authority;
 - » A resource mobilization task force led by the Ministry of Finance and Economic Planning, involving Permanent Secretaries, financial institutions, bilateral donors, foundations, etc.; and
 - » An investment promotion task force involving the Rwanda Development Board.
- **Project steering committees.**

A UNIDO multi-disciplinary PCP team, led by the UNIDO PCP Rwanda Programme Manager, will hold monthly coordination meetings and provide technical updates on implementation and monitoring to the national steering body. The PCP's national coordination structure is expected to be formally established in 2020.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

The Government of Rwanda has committed in-kind contributions to PCP programming, as well as funding for the realization of the integrated-agro industrial parks. In November 2019, Rwanda's Minister of Trade and Industry met with UNIDO's PCP Rwanda Programme Manager to discuss the way forward. The Government expressed its commitment to allocate the required resources for infrastructure development and strengthening coordination efforts for industrialization in the country.

The Government of Rwanda, being the Chair of the East African Community (EAC), also expressed interest in promoting the PCP approach among other EAC countries as a platform for strengthened collaboration and enhanced partnerships at the regional level.

In addition, a number of development partners have already expressed their interest to support the PCP Rwanda, including the AfDB, China, the EU, the Republic of Korea, the United Kingdom, and UNDP. In 2020, UNIDO will organize formulation missions to Rwanda to finalize the programming phase and further identify synergies and resource mobilization opportunities with various partners.

4.3. RESULTS OF PCP ADVISORY SERVICES

The Government of Rwanda has developed strategic documents, including the National Strategy for Transformation (NST1 2017-2024), the Vision 2050 and its Mid-Term Targets in 2035, and the Future Drivers of Growth in Rwanda report. The Government has also conducted feasibility studies with UNIDO's support on potential sectors, such as livestock/leather, and textiles and garments, which will inform the formulation of the PCP Rwanda programme. A light version of the PCP country diagnostic will be conducted in 2020 to help finalize the PCP priority areas and related technical interventions.

4.4. TECHNICAL COOPERATION RESULTS

As the PCP is gearing towards the diagnostic and formulation phase, the technical cooperation results will be reported during the implementation phase, which is expected to start during Q4 2020/Q1 2021.

5. COMMUNICATION

During the course of 2019, communication activities focused on broad-based consultations with Government institutions, the donor community and UN sister entities, particularly on the promotion of the PCP approach, its features and success factors. Many of the stakeholders expressed a keen interest in being considered as partners from the onset of the PCP process, during the diagnostics and formulation exercises, and later on during the implementation.

A PCP communication strategy will be developed during the programme's formulation and the development of associated projects.

6. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2020

The priority for 2020 is to finalize the PCP's programming phase in order to start implementation during the last quarter of 2020/first quarter of 2021. The major milestones for 2020 include: (i) The finalization of the PCP Rwanda programme document and its signature by the UNIDO Director General, Li Yong, and the President of Rwanda, H.E. Paul Kagame, during an official signing ceremony; (ii) The establishment of a National Coordination Body to coordinate and provide effective governance to the PCP; and (iii) The national allocation of financial resources by the Government of Rwanda to support the PCP's implementation and, in parallel, the identification of major donors and partners for the PCP's main components.

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FOR MORE INFORMATION, PLEASE CONTACT >

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