

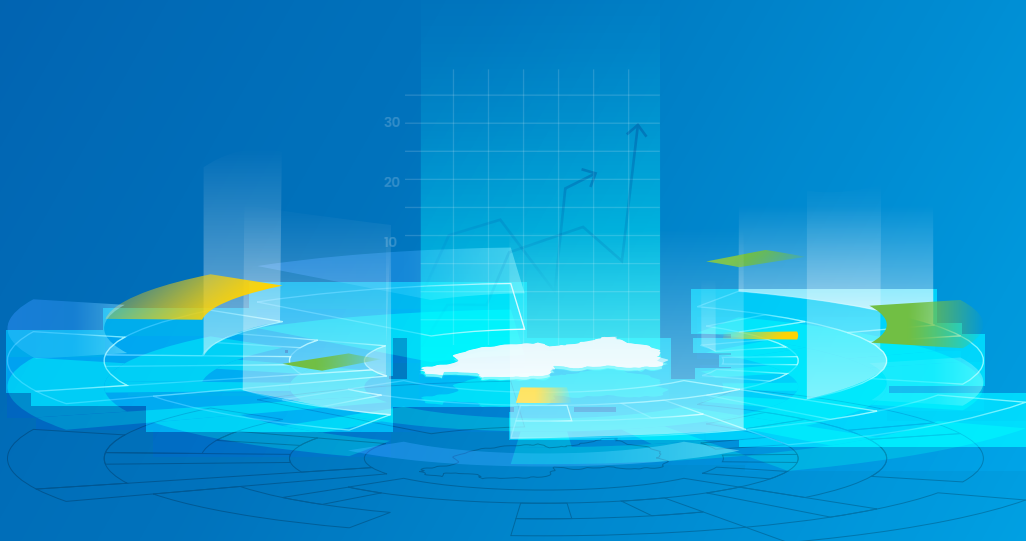


Republic of Rwanda

FIVE YEARS GOVERNMENT PROGRAMME

National Strategy for Transformation (NST2)

2024 - 2029



ABRIDGED VERSION

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Preamble

Rwanda is set to begin the next phase of its development journey through the Second National Strategy for Transformation (NST2) on the backdrop of significant progress made during the past seven years under the National Strategy for Transformation 1 (NST1). Despite global challenges such as the COVID-19 pandemic, climate change related disruptions, and geopolitical tensions affecting supply chains, Rwanda has demonstrated resilience, enabling significant advancements in economic growth, social welfare, and governance.

NST2 is designed to build on these achievements and take the country closer to realizing the Vision 2050 of sustainable economic growth, prosperity and high quality of life for all citizens.

This strategy aims to deliver long term success and positively impact on the lives of citizens by prioritizing sustainable development and climate resilience, development of domestic manufacturing industries to reduce the trade deficit, creating sustainable and decent jobs, improving the quality and relevance of education, enhancing nutrition and early childhood development to reduce stunting, improving the quality-of-service delivery while strengthening citizen engagement and participation.

To ensure the successful implementation of the strategy the governance and institutional framework supporting delivery will be streamlined, data and technology will be harnessed and innovation, capacity and skills development will be emphasized.

The success of NST2 depends on the collective commitment and action of all stakeholders – citizens including youth and women, the private sector, faith-based organizations, civil society, academia, media, and development partners among others. Every Rwandan is urged to approach NST2 with determination and solidarity, turning challenges into opportunities and driving the nation towards a prosperous and equitable future.

This document outlines the main objectives of the NST2, organized under the economic, social, and transformational governance pillars. It further elaborates on the key macroeconomic aspects, the financing of the strategy, as well as its implementation plan and monitoring framework.

1

Introduction

Rwanda's Vision 2050 aspires to elevate the nation to upper-middle-income status by 2035 and high-income status by 2050 through achieving sustainable economic growth and ensuring a high-quality life for all Rwandans. This long term vision is implemented through a series of medium-term national development strategies, beginning with the National Strategy for Transformation 1 (NST1, 2017–2024), which marked a critical phase in the country's developmental journey and served as the bridge between Vision 2020 and the start of Vision 2050.

As 2024 marks the final year of the NST1, it has laid the foundation for subsequent national transformational strategies aimed at achieving Vision 2050. The evolving global context (characterized by geopolitical shifts, climate-related disasters, external shocks, inflationary pressures and socioeconomic uncertainties) calls for a strategic recalibration to tackle emerging challenges and seize new opportunities. NST2, which spans from 2024 to 2029, is designed to provide the strategic direction for national development with a central focus on improving the lives of Rwandans and ensuring sustainable economic growth and development.

Despite significant diverse challenges mentioned above, Rwanda has demonstrated remarkable resilience and made significant progress under NST1.

1.1. Key achievements during the NST1 period (2017 – 2024)

In the economic transformation pillar:

- **The country achieved steady economic growth**, with Gross Domestic Product expanding at an average rate of 7% over the NST 1 period and per capita income rising from \$729 to \$1,040 in 2023.

- **Critical infrastructure has been developed** with over 1,600 km of national roads and 4,137 km of feeder roads. Street lighting increased from 664 km to 2,185 km, and access to electricity also surged from 34.4% to 78.9%.
- **Over 1.3 million decent and productive jobs were created, and financial inclusion** rose from 89% in 2017 to 96% by 2024.
- **Tourism revenues nearly doubled**, increasing from \$374 million in 2017 to \$620 million.
- The country also successfully implemented several policy measures to recover from the negative effects of the COVID-19 pandemic including establishing the Economic Recovery Fund and rapidly rolling out vaccination efforts to save lives during the pandemic.

Under the social transformation pillar:

- **Life expectancy rose from 66.6 years to 69.9 years**, reflecting advancements in healthcare and overall well-being.
- **Seven (7) hospitals were constructed** (Gatonde, Gatunda, Munini, Nyabikenke, Byumba, Nyarugenge, and IRCAD) adding to the 52 existing hospitals. Kabgayi and Kibogora hospitals were also rehabilitated.
- A total of **12 new health centers were constructed reinforcing the 495 existing ones**. Health posts increased from 473 in 2017 to 1,252 in 2024 enabling increased access to health care for communities.
- In education, **over 27,000 classrooms were constructed**, and **Technical and Vocational schools were scaled-up from 200 in 2017 to 396 sectors (out of 416)** countrywide.
- **A comprehensive school feeding program was established**, and significant reforms introduced to enhance teacher welfare and motivation, further strengthening the foundation for sustained socioeconomic development and transformation.

In the transformational governance pillar:

- **Rwanda has ensured continued stability, peace, and security, underpinned by a citizen centered governance model**, which is the foundation for realizing developmental gains.

- **The country also made significant improvements in service delivery**, particularly through the use of technology, with the number of services available online expanding from 155 to over 680 setting the foundations for a digitally transformed economy.

1.2. Rationale for NST2 prioritization

The NST 2 aims to take the country closer to achieving the Vision 2050 and the intermediate targets of 2035. Notwithstanding the above-mentioned achievements, there are a number of emerging issues that require concerted efforts to accelerate progress towards the Vision 2050 these include the following:

- Rwanda has made significant strides in building resilience to climate change and ensuring sustainable development. The country has nevertheless borne the brunt of disasters including landslides, flooding and effects of climate change like drought, leading to loss of lives, livelihoods and infrastructure among others. This necessitates scaling up and sustaining interventions geared toward building resilience and sustainable development.
- Significant gains in employment have been made including increased labor force participation (59.3% in 2023) compared to pre-covid19 levels (53.4% in 2017) and reversal of the negative impact of covid on employment with more people employed in the latter period (3.96 million in 2023 compared to 3.54 million in 2017).

However, youth unemployment remains relatively high at 20.8% and overall unemployment at 17.2% (2023) while gender disparities in unemployment are still apparent at 20.3% for women while at 14.5% for men. Vision 2035 targets an unemployment rate of 7% requiring intensification of job creation efforts with a focus on decent and productive jobs for all including youth and women.

- Exports of goods and services increased over the NST1 period from USD 1.9 billion in 2017 to USD 3.51 billion in 2023. However, the current account deficit widened from 9.5% of GDP in 2017 to 11.8% in 2023 driven by higher import demand in line with strong economic growth as well as external and climate-related shocks. Growing exports remains paramount under NST2 especially in narrowing the trade deficit and increasing the value of exports.

- Nutrition and early childhood development have been the subject of intense focus and coordination in the NSTI, bringing these issues to the forefront of human capital development. Further progress requires sustaining the momentum and strengthening coordination and interventions to achieve an even faster reduction of stunting from the current rate of 33% towards the 2035 target of 5.5%. This will contribute to ensuring a productive workforce capable of contributing to the attainment of the long term Vision.
- The consultative process leading up to the elaboration of the NST2 emphasized quality of education as one of the most critical aspects for Rwandans today and in the future in the social transformation pillar. A joint study of the World Bank and the Government of Rwanda conducted in 2024 further highlighted the importance of prioritizing access to pre-primary (35% in 2023), enhancing foundational learning outcomes (which currently show low proficiency in key subjects) and increasing the quality and market relevance of education (to address low post graduation employment among graduates) for achieving Vision 2050.
- The quality-of-service delivery has improved with the attainment of 78% (2023) citizen satisfaction mainly through provision of more public services online. To ensure the needs of citizens are addressed and high-quality services rendered in both public and private sectors in line with Rwanda's vision to become a hub for various services including medical, financial, tourism and hospitality, this remains a core priority moving forward. Quality service delivery is also important to fast track implementation of developmental programmes and projects with the required speed, scale and quality.

1.3. NST2 Strategic Orientation

NST2 has been developed through an inclusive and participatory process involving citizens, the private sector, civil society, development partners and relevant institutions among others.

NST2 leverages existing and emerging opportunities, including a growing youthful population 56% of whom are of working age of 16–64 years and 65.3% are under 30, the increased adoption of technology and innovation, and the development of high growth potential sectors such as mining, agro-processing, horticulture, automotives, aviation, sports, creative arts, tourism,

and MICE. An engaged citizenry, grounded in core developmental and cultural values, also plays a significant role in this strategy.

NST2 is primarily designed to improve incomes and wellbeing of citizens by delivering the following impactful results:

- Enhancing **climate resilience and sustainable development**
- Developing **domestic manufacturing industries to boost exports** and reduce the trade deficit
- Creating **decent and productive jobs**
- Improving the **quality and market relevance of education**
- Enhancing **nutrition and early childhood development** to reduce stunting
- Improving the **quality of service delivery and enhancing citizen participation**

Several key enablers will be emphasized to effectively implement these priorities, including enhancing productivity through technology and digitalization, leveraging data and research, and fostering capacity development for strengthened implementation among others.

Rwandan values, culture, home-grown solutions and sustaining peace and security will remain central to delivering the NST2.

2. Macroeconomic outlook

Despite the global shocks experienced during the NST1 period, Rwanda's economy demonstrated remarkable resilience and recovery, largely due to agile policy interventions, including measures to ease transactions and support businesses and the population. The transition to the NST2 requires renewed efforts to accelerate and sustain progress towards achieving Vision 2050.

Drawing on the sectoral policy interventions detailed in the upcoming sections and the reforms set out in this strategy, the macroeconomic framework for NST2 targets an annual average real GDP growth rate of 9.3% from 2024 to 2029, with per capita income expected to rise to USD 1,369 by 2029 from USD 1,040 in 2023.

This growth trajectory further anticipates productivity improvements across all sectors, with a shift towards higher value-added activities, particularly in agriculture, industry (with emphasis on manufacturing) and the services sector. Achieving this will demand investments, business expansion, empowering youth and women with skills and education, promoting innovation and reinforcing trade links both regionally and globally.

2.1. Factors contributing to growth

- i. Agriculture output is expected to grow at **an annual average rate of over 6%** per year.
- ii. The industry sector is projected to achieve an **average annual growth rate of over 10%** during the NST2 period, primarily driven by manufacturing, which is projected to grow at **an average annual rate of 10.4%**.
- iii. The services sector is projected to grow by **an annual average rate of 10.2%**.

- iv. Strong investment will be needed to sustain growth during the NST2 period, with **total investment expected to reach 32.1% of GDP by 2029**, primarily fueled by **private investment rising from 15.9% of GDP (USD 2.2 Billion) in 2023 to 21.5% (USD 4.6 Billion) by 2029**.
- v. Exports and imports of goods and services are **expected to grow at an average annual rate of 13% and 8.7% respectively during the NST2 period**, with the export-to-import coverage ratio improving from 61% in 2023 to 77% in 2029. The growth in export revenues will be driven by diversification, with an emphasis on manufacturing, along with an expected increase of over 80% in tourism and mining revenues. This surge will be supported by efforts to mobilize savings through a business-friendly environment and an efficient, innovative financial sector, which are expected to raise the national savings rate from 12.4% of GDP in 2023 to 25.9% by 2029.
- vi. The fiscal policy under NST2 will focus on supporting **sustained high economic growth while ensuring the sustainability of public finances and debt**.
- vii. **Inflation is projected to stay within the medium-term target range of 2% – 8%**, and a suitable foreign exchange-rate policy will be adopted to promote exports and enhance international competitiveness.
- viii. These macroeconomic fundamentals will be realized by continuing to build resilience of the economy, ensuring prudent macroeconomic management.

2.2. NST2 financing

The total NST2 financing over the five-year period (2024/2025 – 2028/2029) is estimated at Frw 63,559 billion. Of this, 43% is expected to be mobilized by the private sector for investment through foreign capital inflows and domestic savings. The domestic financial sector is anticipated to provide more than 70% of private sector financing during NST.

The remaining 57% of NST2 financing will come from public resources, with tax and non-tax revenues making up about 74% of the total.

2.3. Risks to the NST2 outlook

At both the global and country level, certain risks could impact the expected outcomes of NST2. To address this, the government will continuously monitor and evaluate the likelihood and impact of these risks and implement appropriate prevention and mitigation measures to minimize their effects across various sectors.

Below are key risks identified:

Table 1 – Major risks matrix for NST2

Possible areas of impact		GDP growth	Prices/ inflation	Local production (Agriculture & industry)	Trade & investment	Tourism	Public finances & debt
Risk category	Specific risks						
Macroeconomic risks	<ul style="list-style-type: none"> External shocks Subdued global outlook Reduction in global supply capacity/ Supply chains disruptions 	X	X	X	X		X
Rising geopolitical tensions: a spillover of Russia-Ukraine war and a broadening of the Middle East conflict could pose a risk on the global economy	<ul style="list-style-type: none"> Food and energy supply disruption Volatile commodity prices/rise in global inflation Additional disruptions to trade networks 	X	X		X		X
Public health emergencies	<ul style="list-style-type: none"> New or resurgence of pandemic diseases may slow down the economy. 	X	X		X	X	X
Climate change and disasters: erratic weather causing drought and floods	<ul style="list-style-type: none"> Low agriculture production Food insecurity Low agricultural exports Infrastructure damages Loss of lives 	X	X	X	X		X

3.

Economic Transformation Pillar

The Economic Transformation under NST2 will be crucial in advancing the Vision 2050 pillars of Competitiveness and Integration, Agriculture for Wealth Creation as well as Urbanization and Agglomeration.

Headline Indicators for Economic Transformation

- Achieve over 6% annual average GDP growth in the agriculture sector
- Achieve at least 10% annual average GDP growth in the industry sector
- Increase export revenues from USD 3.5 Billion to USD 7.3 Billion
- Increase by 80% tourism and mining revenues
- Increase private investment from 15.9% of GDP (USD 2.2 Billion) to 21.5% (USD 4.6 Billion)
- Ensure universal access to electricity for productive use and roll out connections countrywide in all cells (Utugali)
- Ensure universal access to water supply for productive use and scale up access to all villages countrywide.
- Double national savings rate from 12.4% to 25.9% of GDP
- Reduce greenhouse gas emissions by 38%
- Create 1.25 million productive and decent jobs

3.1. Climate-resilient, productive, and modernized agri-food systems

Agriculture will be transformed into a more productive, market-oriented, and sustainable sector, with the aim of achieving an annual average growth rate exceeding 6%.

The main objectives in this period will be:

- Increasing productivity by 50% on priority food crops to ensure food security, self-sufficiency and export,
- Achieving and sustaining seed self-sufficiency through the local production of seed,
- Ensuring the sufficiency of animal resources and related products,
- Strengthening post-harvest management,
- Attracting investment in the agriculture sector (to drive expansion, modernization and innovation),

This transformation will be achieved by increasing the productivity of priority food crops by more than 50% focusing on main food crops such as maize, beans, potatoes, rice, cassava, wheat and bananas.

The use of modern inputs (fertilizers and improved seeds) will be scaled up and timely supply and availability ensured.

New management models, such as Agri-hubs and Food Basket sites, will be adopted to enhance efficiency and maximize returns on agricultural investments.

Agriculture resilience to climate change will be enhanced by implementing various irrigation schemes to expand irrigated land from 71,000 ha to over 130,000 ha.

In the animal resources subsector, production and productivity will be increased by scaling up key value chains in livestock and aquaculture. This will involve adopting modern livestock farming practices such as zero grazing, increasing access to improved breeds, ensuring adequate water infrastructure and management for livestock.

In order to reduce post-harvest losses to below 5%, there will be a strong emphasis on improving post-harvest handling (including drying infrastructure), strengthening market linkages and expanding agro-processing capabilities.

Finally, interventions to attract private investment in the sector will be reinforced through de-risking strategies, including strengthening agricultural (crops and livestock) insurance and scaling up tailored financing solutions across production chains. These measures aim to increase credit to the agriculture sector from 6% to 10%, providing the required financial resources for accelerated growth and innovation.

3.2. Industrial development and export promotion

The main objectives in this priority will be:

- Scaling up manufacturing and production of essential and high-value products to satisfy the local market demand and reduce dependence on imports,
- Attracting and increasing private investment in manufacturing and construction sub-sectors,
- Promotion of exports to regional and international markets,

To achieve these targets, industrial parks in designated areas will be operationalized and expanded including Kigali Special Economic Zone (KSEZ), Bugesera and Rwamagana Special Economic Zones among others.

The “Made in Rwanda” initiative will be central to this effort focusing on scaling up domestic industrial production of essential and high-value products while boosting exports including under the Africa Continental Free Trade Area (AfCFTA).

Exporters will be facilitated in accessing international markets, while aggregating exports of SME products to capitalize on economies of scale.

Investments will also support the development of logistics infrastructure crucial for facilitating trade and export growth.

Value addition, high-end products, and services will drive rapid growth in export value and progressively reduce the trade deficit. As a result, export levels are projected to reach USD 7.3 billion in 2029 from USD 3.5 billion in 2023.

Mining revenues are anticipated to rise from USD 1.1 billion to USD 2.17 billion (including non-traditional minerals) during the same period.

3.3. High-end, eco-friendly, and diversified tourism

The objective is to position Rwanda as a world-class, high-value ecotourism destination to nearly double tourism revenues from USD 620 million to USD 1.1 billion.

New and existing tourism destinations will be developed nationwide to diversify tourist attractions with a strong focus on promoting nature-based tourism.

Innovative tourism and conservation financing initiatives such as Green Bonds, investments in conservation, public-private partnerships, and product diversification, will support this and elevate Rwanda into a high-end tourism market.

To further establish Rwanda as a top global destination for Meetings, Incentives, Conferences, and Exhibitions (MICE), the country will attract events aligned with national priorities, including high-level meetings, strategic partnerships, and sports events.

The MICE industry will be enhanced through professionalization programs alongside the introduction of industrial standards and certification to raise the overall quality of services offered.

Sports development will aim to create a vibrant sports industry that complements the tourism sector while promoting grassroots sports participation. To support this, sports infrastructure will be expanded nationwide, facilitating community-level sports activities and aiding in identifying and nurturing top talent in partnership with key stakeholders, including the private sector.

3.4. Renewable and clean energy transition and universal access to electricity

The objective is to connect all productive users to electricity and ensure it is accessible in all cells countrywide for households while increasing the share of renewable energy generation.

The scaling up of access to electricity will focus on connecting productive users (such as industries, commercial facilities, schools, health facilities, agro-processing plants, and other facilities) that contribute to socioeconomic development.

The ongoing initiatives to provide households with electricity will continue, with the goal of scaling access up from the current level of 78.9% by ensuring that electricity is accessible in all cells of the country.

Energy generation will be aligned with projected demand and economic forecasts based on the least-cost power development plan.

The energy transition will prioritize increasing the share of renewable and clean energy in the power generation mix from 51% to 60% while scaling up the adoption of clean and efficient biomass cooking technologies for large-scale users (e.g. schools, health facilities, prisons, etc.) and households.

Nuclear technology for productive uses in sectors such as health, energy and agriculture among others will be explored and developed.

Development and use of cleaner fuels such as methane gas for industrial and home uses will also be promoted.

To ensure long term energy security, adequate reserves and storage capacity for critical energy products such as oil and gas, will be developed and maintained.

3.5. Increased access to water for socioeconomic development

The objective is to increase water production and ensure it is accessible in all villages nationwide for productive users and households.

This will involve expanding, rehabilitating and maintaining water infrastructure to improve the quality of water services delivered.

Daily water production capacity will be more than doubled to meet projected demand through the development and maintenance of water treatment plants.

Non-revenue water will be reduced to enhance efficiency in providing water services.

The drive towards universal access to basic water will be accelerated for both productive use centers and households by ensuring water is accessible in all villages across the country.

This will help to reduce distance traveled to access water (in rural and urban areas) and to increase the availability of piped water within dwelling units (houses).

3.6. Enhanced transport connectivity for economic growth and trade

The primary objectives are to develop transport infrastructure and services that facilitate economic growth and trade.

Public transport infrastructure and services will be upgraded to support economic development. This will include expanding domestic transport connectivity, extending public transport services to rural areas, improving the efficiency of transport services in urban areas, and ensuring climate resilience for existing and new road infrastructure.

In urban areas, the focus will be on improving public transport services and promoting green transport (electric-mobility). Specifically, dedicated bus lanes will be introduced in the City of Kigali (CoK), and high-capacity road junctions will be constructed while rolling out smart traffic management systems to gradually ease traffic congestion at peak hours.

In rural areas, intercity scheduled bus routes will be increased to ease mobility across different areas of the country.

Furthermore, over 300 kilometers of national roads will be constructed and rehabilitated.

In addition, over 500 kilometers of feeder roads will be developed to facilitate local trade and ease access to markets for agricultural products.

The aviation sector will be expanded by scaling up RwandAir's capacity, aiming to double the number of passengers transported by the national carrier,

increase the number of destinations, and boost cargo freight capacity and services to facilitate exports.

This will be complemented by the completion and operationalization of the new Bugesera International Airport and the development of subsidiary airports.

The establishment of an Aviation Skills Academy will support the creation of the necessary skills and local capacity to sustain the growth of the sector.

Maritime transport and trade across Lake Kivu will be improved by constructing and operationalizing strategic ports in Rusizi, Karongi and Rutsiro (Nkora) in partnership with the private sector.

Developing and operationalizing One-Stop Border Posts (OSBP) remains a key priority to enhance regional transport connectivity and facilitate trade with neighboring countries.

3.7. Enhanced urbanization and settlements for agglomeration benefits

During the NST2, the key objectives will be accelerating urbanization and creating densified, livable, integrated and resilient rural and urban neighborhoods that foster economically and socially thriving communities.

To achieve this, the development of detailed physical plans, site servicing and provision of basic infrastructure will be expedited to enhance well-planned urban and rural settlements.

Informal settlements will be upgraded through various approaches including providing basic infrastructure services and rehousing in collaboration with the concerned communities.

Households in high-risk zones will be urged to relocate to more resilient sites while those in scattered rural settlements will be mobilized to settle in planned settlements.

Development of affordable housing for rent and/or purchase will be expanded in the CoK, as well as satellite and secondary cities in partnership with the private sector to meet diverse demand across income segments.

Economic activities in CoK, satellite and secondary cities and other urban areas will be enhanced by implementing flagship projects that leverage local economic potentials. This will be complemented by harnessing backward and forward linkages and opportunities linked to major investments in agro-processing, infrastructure, tourism, sports and entertainment, entrepreneurship and innovation hubs, among others.

To foster inclusive, climate resilient cities and towns, rehabilitation of urban wetlands will be undertaken and green open spaces developed and scaled up.

3.8. Digital transformation

The key objectives include;

- Accelerating the transformation towards a knowledge-based economy,
- Facilitating universal access to smart devices and basic technology,
- Enhancing digital service delivery,

To achieve these objectives, digital literacy is planned to increase from 53% to 100%, equipping the Rwandan population with the necessary skills to fully benefit from digital transformation.

To develop skills for the ICT sector and prepare the youth for future jobs, 1 million coders will be trained and 500,000 people will be equipped with advanced ICT skills.

In partnership with the private sector, efforts will focus on ensuring universal smart device ownership and affordable, quality connectivity nationwide to foster the adoption and use of digital technology by all Rwandans, enabled by best-in-class ICT infrastructure capabilities including high-performance computing environments that positions Rwanda as a proof-of-concept hub.

All government services will be fully digitized, and a Single Digital ID will be rolled out nationally to improve the quality and efficiency of public service delivery through a trusted, secure and resilient digital ecosystem.

The impact of research and innovation will be strengthened to enhance competitiveness and expand market access.

Spending on research and development (R&D) will be progressively increased in partnership with the private sector.

3.9. Resilient and broadened financial sector for private sector growth

The driving objectives in this sector include;

- Sustaining the expansion of financial inclusion,
- Increasing the financial sector's contribution to economic growth and improving citizen welfare,
- Strengthening Rwanda's role and development as an international financial services hub,
- Deepening capital markets,

Building on the success of achieving near-universal financial inclusion (96%) during the NST1 period, the financial sector will aim to enhance its contribution to overall growth and the economic well-being of Rwandans. This will be achieved by expanding the use of formal financial services, including digital and electronic payment systems, with a particular focus on youth and women.

Strengthening the capacity of local financial institutions and improving access to digital financial services will play a key role in deepening financial inclusion and ensuring that capital is effectively channeled into productive investments.

Considering that over 70% of private investment is expected to be sourced from the domestic financial sector, the aim during the NST2 period is to significantly boost the national savings rate, increasing it from 12.4% of GDP in 2023 to 25.9% by 2029. Achieving this target will require expanding traditional financial channels and diversifying and mobilizing alternative funding sources to meet the growing demand for investment.

Beyond increasing annual private sector credit at an average rate of 17% annually, a concerted effort will be made to attract innovative financing such as blended financing, venture capital, and crowdfunding among others. These alternative funding options are critical for supporting emerging and high-

potential businesses, particularly in sectors that drive economic growth and job creation, such as manufacturing, technology, agriculture and services.

To further strengthen savings, initiatives will be implemented to enhance the Ejo Heza program by introducing dual accounts and providing incentives to attract more savers.

Additionally, the government will work to increase and diversify the number of Collective Investment Scheme products available to investors, offering a broader range of investment options to encourage participation in the financial market.

Additionally, capital markets will be strengthened to improve access to capital for businesses by establishing robust regulatory and governance frameworks that enhance transparency and investor protection to build market confidence, investing in modern trading and settlement infrastructure to streamline operations and reduce transaction costs.

Supporting local economic development will also be a priority through the consolidation of Umurenge Savings and Credit Cooperative Organizations (SACCOs) at district and national levels into a cooperative bank, which can improve access and provide tailored financial services to local communities and small businesses while leveraging the use of technology.

To foster innovation, there will be a focus on promoting the growth of Fintech startups and developing effective market infrastructure that supports investments in digital innovations.

In this regard, Rwanda aims to position itself as a leading international financial hub by strengthening its financial systems and attracting high-value investors and financial actors to the financial center.

In pursuit of this goal, steps will be taken to facilitate the introduction of new and alternative forms of capital, including innovative financial products and services, private banking, and wealth management to broaden the offerings within the financial center.

The National Bank of Rwanda (NBR) is scoping the introduction of a Central Bank Digital Currency (CBDC) to drive innovation, support the shift to a cashless economy, and improve cross-border transaction efficiency.

Ultimately, these measures will help create a more resilient financial ecosystem that can better support the ambitious growth targets set for the NST2 period while fostering long term sustainable development.

3.10. Building resilience to climate change and sustainable management of the environment and natural resources

The key objectives relate to;

- Disaster risk reduction and management,
- Ensuring sustainable management of natural resources,
- Mobilizing climate finance and resources to support sustainable development,
- Reducing greenhouse gas emissions by 38%,

Disaster risk reduction and management will be enhanced across all sectors through several key interventions. These will include strengthening multi-hazard early warning systems, strengthening capacity for rapid response and management of disasters, restoring catchment areas, improving watershed management, and implementing flood control measures in high-risk areas, such as the Northern and Western Provinces in partnership with local communities.

To sustain forest cover, efforts will focus on improving forest management through the use of technology, increasing forest densification with indigenous and climate-resilient tree species, promoting agroforestry and planting fruit trees.

Furthermore, access to tree seedlings will be improved at a decentralized level.

The sustainable management of natural resources will be prioritized, focusing on effective land use management and land market development to reduce speculation. To facilitate this, land use master plans for the remaining districts will be completed.

In contrast, monitoring and implementing of existing plans will be strengthened by leveraging emerging technologies such as satellite imagery.

At least USD 3 billion in climate and nature finance will be mobilized to support nature conservation and climate mitigation and adaptation initiatives. Financing instruments will be diversified to tap into innovative sources of investments across public and private sectors.

A programmatic approach will be pursued, addressing major issues such as sustainable land management, climate-smart agriculture, and the development of sustainable cities.

The implementation of various interventions mentioned above and across sectors in this strategy, will contribute to the reduction of greenhouse gas emissions by 38% over the next five years in alignment with Rwanda's Nationally Determined Contributions (NDCs), the Paris Agreement and the revised Rwanda Green Growth and Climate Resilience Strategy (GGCRS).

3.11. Creation of productive and decent jobs

Over the next five years, **the objective is to create 1.25 million Jobs (250,000 annually).**

This will be achieved by enhancing entrepreneurship and improving access to resources (such as finance, business advisory services, marketing platforms and equipment) for Micro, Small, and Medium-sized Enterprises (MSMEs) with strong job creation potential.

Anchor investments in various sectors will play a crucial role in creating backward and forward linkages to markets that support growth of MSMEs and generate employment. Key sectors of focus will include manufacturing (including agro-processing), service sector jobs such as global business services (GBS), tech start-ups and the creative industry.

To optimize job creation, major public and private investments projects like Bugesera International Airport, the Aviation Skills Academy, Industrial Parks, the Gabiro Agri-hub, the Nyagatare Milk Powder Plant and sport complexes will serve as platforms for employment and skills development.

Synergies between workplace learning, employability skills for youth, and labor market systems will be strengthened through initiatives such as internships, apprenticeships and re-skilling programs.

In parallel, a talent pool will be developed for critical sectors such as Global Business Services (GBS) companies, financial services center, health, engineering, and more. Specialized skills including technology, communication and electrical motor maintenance will further drive the growth of job-rich, productive service sectors.

To ensure sustainable job creation, deliberate strategies will be undertaken to mainstream employment creation into both public and private sector investments, with a focus on high-impact, labor-intensive projects.

Through this approach, employment will be integrated and monitored from the conceptualization of projects to their execution.

Labor market information systems will be improved to match job opportunities with job seekers better, ensuring efficient workforce planning and employment growth.

4. Social Transformation Pillar

The Social Transformation of NST2 aims to contribute to Vision 2050's Human Development pillar. It seeks to ensure that all Rwandans have access to high standards of living and contribute to a productive workforce.

Headline Indicators for Social Transformation

- Improve the quality and market relevance of education
- Reduce the stunting rate for children under the age of five years from 33% to 15%
- Scale up access to sanitation, and hygiene (WASH) for productive uses and households
- Increase graduation out of poverty and enhanced coverage of social safety nets

4.1. Enhanced quality and market relevance of education

The objectives of the education sector in the NST2 include;

- Enhancing quality of education at all levels with a focus on improving learning outcomes at foundational grades,
- Scaling up market-relevant education in Basic TVET and higher education,
- Increasing functional adult literacy,
- Ensuring timely enrolment and progression through education levels,
- Strengthening efforts to curb and reduce drop-outs,

To achieve the above, the education sector will focus on strengthening inclusive access, particularly in pre-primary and improving the quality of education at all levels.

Pre-primary education will prioritize increasing net enrollment from 35% to 65% by developing infrastructure, increasing the number of trained teachers, and providing essential teaching and learning materials.

In basic education, the emphasis will be on improving quality through providing adequate learning materials, enhanced teacher recruitment, training and management, expanding infrastructure to increase hours of learning, and reducing classroom overcrowding and the distances traveled by students to reach school.

Mechanisms will be strengthened to ensure timely enrolment and progression at all levels of education

Emphasis will be put on lowering primary and secondary dropout rates through enhanced attendance monitoring and tracking, sustaining the school feeding program, community mobilization and addressing the root causes of drop outs.

Additionally, there will be a strong focus on improving learning outcomes, especially in mathematics, science, and languages. The use of ICT across the education sector will be scaled up.

Technical Secondary Schools (TSS) centers of Excellence will be established in all districts to scale up modern, high-quality training nationwide. The aim is to increase the proportion of learners enrolled in technical and vocational training schools to 60% of the total learners enrolled in upper secondary.

Vocational Training Centers (VTCs) through workplace learning approaches will be scaled up in every cell in the country.

Technical Vocational Education and Training (TVET) and Higher Learning Institutions (HLIs) will be continuously improved with modern infrastructure, equipment and provisioned with adequate consumables and materials to enhance STEM learning and promote research and innovation aligned to labor market demands.

4.2. Enhanced quality of health, strengthened health systems and reduced stunting

The objectives include;

- Continuously improving the access to and quality of health services,
- Expanding the health workforce,
- Continuing to expand health infrastructure and equip health facilities,
- Strengthening health systems and preparedness for public health emergencies,
- Promoting medical tourism and positioning Rwanda as a hub for specialized healthcare services,
- Improving child nutrition to reduce stunting from 33% to below 15%,

Efforts will be intensified to improve maternal, infant, and child health and consequently reduce mortality in the respective categories.

The number of active registered health workers will be quadrupled to improve the quality of healthcare and strengthen the prevention and treatment of communicable and non-communicable diseases.

Awareness will be raised on positive behavior and lifestyle changes for disease prevention such as good nutrition practices, exercising and avoidance of behaviors that lead to alcoholism, drug abuse and teenage pregnancies, among others.

Mental health professionals and related services will be scaled up and strengthened.

The quality of Community Based Health Insurance (CBHI) services will be enhanced including review and expansion of the benefit package.

Community Health Workers (CHW) will be increased and their capacities will be enhanced with the aim of professionalizing them.

Health systems will be continuously strengthened to better manage public health emergencies.

There will be a focus on modernizing health infrastructure and fully equipping health facilities to ensure high-quality healthcare.

Additionally, Rwanda will be positioned as a medical tourism hub by developing critical investments in health infrastructure and systems in partnership with the private sector. This includes expanding health facilities and services in the Kigali Health City and other areas of the country to offer specialized health care.

Additionally, efforts will be put into promoting drug discovery research and attracting investment in local manufacturing of pharmaceuticals.

In order to promote early childhood development, an integrated and multi-sectoral approach engaging all stakeholders will be implemented focusing on scaling up and improving the quality of Early Childhood Development centers (ECDs) at all levels. This will include enhanced utilization of antenatal care services, strengthened screening, raising awareness of good feeding practices and provision of nutritious foods and supplements. This will be further complemented by improving the quality of services delivered through nutrition centers in health facilities. **This will contribute to the objective of reducing stunting by more than half from 33% to below 15%.**

4.3. Increased access to Sanitation and Hygiene services for improved wellbeing

Major sanitation projects will be implemented to support the sustainability of cities and urban areas. The Kigali Centralized Sewerage System Project will be completed along with the construction and operationalization of wastewater treatment plants and modern landfills in various districts.

Public sanitation facilities will continue to be scaled up in public and private facilities to cater to the sanitation needs of all individuals with a focus on inclusivity and convenience.

Communities and households will be mobilized to continuously adopt safe and modern hygiene and sanitation practices for disease prevention. Tailor-made sanitation solutions for different households will be promoted in collaboration with the private sector.

4.4. Enhanced graduation from poverty and increased resilience

The major objectives are to increase the capacity of households to sustainably graduate from poverty, reduce vulnerability and significantly contribute to eliminating malnutrition. This will be supported by interventions and innovations that promote people out of poverty and protect and prevent people from falling into poverty.

Promoting graduation from poverty will be achieved by creating an enabling environment that empowers households to grow their incomes and build resilience. Multi-sectoral interventions targeting vulnerable and poor populations will enable this, including providing access to technical, vocational and financial skills, productive assets (including toolkits and livestock) and complementary services such as business advisory, coaching and mentorship.

Protecting people who are in poverty without the capacity to graduate and preventing people from falling into poverty will be ensured through increasing coverage and adequacy of social transfers for poor and vulnerable populations, such as Vision Umurenge Program (VUP) and Community Based Health Insurance (CBHI), as well as initiatives that encourage savings (including Ejo Heza) and insurance to protect households from shocks as well as reducing malnutrition through the provision of social transfers to pregnant women and children during the first 1000 days of life.

Civil Society Organizations will be encouraged and required to align their interventions with national Social Protection policies, strategies and guidelines in order to make the most effective use of available funding.

To enhance the tracking of the effectiveness of graduation and social protection interventions, the coordination and monitoring framework will be strengthened among Government Institutions, Development Partners, Civil Society Organizations, the Private Sector and Faith-Based Organizations through joint planning and monitoring efforts.

5. Transformational Governance Pillar

Transformational Governance of NST2 aims to strengthen the rule of law, good governance, national unity and resilience to enable the achievement of the Vision 2050 goals relating to the Accountable and Capable State Institutions pillar.

Headline Targets for Transformational Governance

- Reduce case backlogs in the justice system by half
- Increase the quality-of-service delivery to above 90%
- Increase the proportion of the population that is confident in both personal and property safety and security to over 90%

5.1. Enhanced Rule of Law

To ensure universal access to quality justice, the justice system's capacity will be strengthened, focusing on reducing the case backlogs by half and improving justice service delivery.

This will be delivered by enhancing the efficiency and effectiveness of existing Alternative Dispute Resolution (ADR) and Criminal Justice policies to increase cases settled through mediation and plea-bargaining.

In addition, existing laws and court procedures will be reviewed and updated to increase the uptake of mediation and plea-bargaining including those relating to summary procedures and provisional detention.

The career development policy in the judiciary will be implemented to further strengthen capacity and capabilities of judicial personnel.

Improving justice service delivery will also be achieved through the adoption of innovative technologies, enhancing the functioning and use of the Integrated Electronic Case Management System (IECMS), upgrading the Forensic Institute and making its services more accessible to the public.

5.2. Enhanced service delivery, implementation and inclusive citizen participation

The increased level of citizen participation and quality of service delivery is a priority in the reinforcement of citizen-centered governance.

This priority will be implemented by enhancing the efficiency and effectiveness of existing citizen participation platforms and strengthening feedback mechanisms to expedite citizens' problem-solving and improve accountability.

Institutional governance for delivery will be strengthened to accelerate and improve the implementation of development projects and programs and to provide quality services.

Service delivery in the public and private sector will be reinforced through carrying out regular assessments to identify gaps and recommend strategies for continuous improvement in quality of services.

The level of citizen satisfaction with service delivery is targeted to reach above 90%. This will entail reforming the public service in both central and local governments and strengthening their capacities.

In addition, private service providers will be sensitized to strengthen the quality of services delivered to the community, such as hospitality, travel and tourism, financial services and others to leverage the vital contributions of the private sector to economic development.

5.3. Enhanced PFM transparency and accountability

The main objective is to enhance transparency, accountability and compliance in Public Financial Management (PFM) by improving compliance with relevant laws and regulations and fighting corruption.

Efforts will be made to increase compliance with PFM rules and ensure value-for-money oversight. The expected outcomes will include public entities' ability to adhere to International Public Sector Accounting Standards (IPSAS) and PFM regulations.

A sustainable pipeline of critical PFM skills will be developed to support these objectives. This will be achieved by updating learning and development strategies to prioritize essential PFM competencies and increasing the capacity to implement advanced PFM practices at decentralized levels through professional bodies.

PFM capabilities will also be enhanced by creating sustainable and integrated systems that respond effectively to user needs. This will involve the digital transformation of the Integrated Financial Management Information System (IFMIS) as a decision-making tool using artificial intelligence and big data analytics, expanding the e-procurement (Umucyo) coverage, modernizing revenue collection infrastructure, and digitizing audit processes.

Local government revenue management systems will also be enhanced to support better resource mobilization.

Additionally, climate-responsive PFM will be enhanced by integrating sustainability into public investment management and supporting green procurement. In tandem, PFM staff will be equipped to manage climate-related risks and report on them effectively.

Lastly, generating high-quality and timely data will support evidence-based decision-making in planning, budgeting, monitoring and evaluation.

5.4. Enhanced international cooperation

International cooperation and diplomacy will be strengthened to accelerate Rwanda's economic development with a focus on economic diplomacy. This includes securing trade and investment opportunities and boosting tourism by leveraging initiatives such as the African Continental Free Trade Area (AfCFTA) agreement.

The Rwandan Community Abroad will be mobilized and engaged to sustain participation in the national development agenda and the quality of services rendered to them will be improved.

5.5. Strengthened National unity, resilience, culture and values

National unity, resilience and civic engagement will be strengthened by continuing to institutionalize Rwandan culture and values in civic education (Ndi Umunyarwanda, Itorero, etc.) and national development programs.

The prevention and fight against genocide ideology and all forms of discrimination will be reinforced. This will be achieved by enhancing education on the history of the Genocide against the Tutsi using widely accessible platforms including social media as well as raising legal awareness on the crime of genocide ideology and related crimes.

5.6. Sustained peace and security

Crime prevention and response, public order, safety, security, and territorial integrity will be sustained and strengthened by continuing to professionalize and enhance the capacity of security organs while continuously engaging and working with communities to contribute to Rwanda's socio-economic development.

Rwanda will also continue contributing to peace and security through bilateral, regional and international cooperation.

6. Cross-Cutting Areas

To address cross-sectoral challenges in economic, social, governance and environmental dimensions, NST-2 will take into consideration the following Cross-Cutting Areas (CCAs):

6.1. Environment and Climate Change

The government of Rwanda has been active in global action on climate change and safeguarding nature and the environment in support of sustainable economic growth and resilient communities.

Under NST 2, emphasis will be given to greening and climate-proofing key sectoral areas through conducting Strategic Environmental Assessment (SEA), and Environment and Social Impact Assessment (ESIA) at both policy and implementation levels.

6.2. Disability and Social Inclusion

In Rwanda, mainstreaming Disability and Social Inclusion is an essential matter of rights. One of the key focus areas will include increasing the level of citizen participation and inclusiveness by ensuring that persons with Disabilities, their organizations, and other vulnerable groups are capacitated to play an active role in the transformational programs. Key sectors of focus that will mainstream this cross-cutting area are education, healthcare services, social protection, infrastructure, agriculture, sports, employment, and ICT.

6.3. Disaster risk reduction and Management

Mainstreaming disaster management in Rwanda involves integrating Disaster Risk Reduction (DRR) and response efforts across various sectors to effectively mitigate, prepare for, respond to, and recover from disasters.

Several sectors play crucial roles in this process, each addressing specific aspects of disaster management. Key development Sectors are highlighted in mainstreaming disaster risk reduction and management, focusing on those with high impact: Environment, Agriculture, Mining and quarrying, Water and Sanitation, Energy, Transport, Housing, Education, Health, Financial and Social Protection.

Emphasis will be put on sustaining progress and strengthening gender-responsive capacities for disaster risk reduction and management and enhancing resilience through developing and implementing sector disaster risk mitigation plans, promoting integrated and inclusive approaches focusing on the most vulnerable to risk management such as; joint inspections to ensure compliance, strengthening and implementing community-based disaster resilience measures including putting in place water harvesting and drainage systems and house retrofitting.

6.4. HIV/AIDS and Non-Communicable Diseases

HIV/AIDS and Non-Communicable Diseases (NCDs) pose significant challenges to public health, requiring multi-sectoral collaboration for their prevention and control. Under NST2, the focus will be on sustaining progress in combating HIV/AIDS and NCDs. Targeted awareness campaigns for youth, especially Adolescent Girls and Young Women (AGYW), will be conducted, alongside promoting effective prevention interventions for men, including voluntary Medical Male Circumcision.

Comprehensive policies will be developed and implemented in collaboration with multiple stakeholders to address HIV/AIDS, reduce stigma and discrimination, improve the socio-economic status of affected populations, and human rights, reduce inequalities and gender-based violence, and ensure social and legal protection for those living with or affected by HIV/AIDS.

In terms of strengthening and promoting NCDs prevention and Control, the government will promote a whole-of-society, life-course and multisectoral collaboration approach, for a sustainable response. The main strategies and interventions will include regular public awareness on lifestyle practices that prevent NCDs as well as capacity-building initiatives for community health workers and certified public health workers on NCDs prevention and early detection/screening to enable them to drive community NCDs awareness programs.

6.5. Gender and Family Promotion

Rwanda's strong legal framework has facilitated significant progress in narrowing gender gaps and improving social-related indicators. The focus will be on ensuring equal access, use, and control over productive resources by men and women both in urban and rural areas to support inclusive accelerated economic growth, developing women's technical skills in male dominated areas such as infrastructure, industry, mining, Agri-Hub, sports, and creative industry to support their entrepreneurship, employability, business development, and trade opportunities. In addition, efforts will be made to further institutionalize gender equality in all levels of education, including bridging the gender divide in ICT, STEM, and TVET education programs as well as continuing to increase women's representation and participation at all levels of leadership and decision-making in both public and private sectors.

To ensure prosperous Rwandan families, the emphasis will be on promoting a stable and productive family through implementing targeted poverty alleviation programs for vulnerable households, especially female-headed ones, through VUP, livestock and other assets support, access to low-interest loans, and entrepreneurship skills development. Moreover, the government will continue to strengthen other home-grown initiatives, to promote positive parenting in building resilient and secure families. Gender transformative approaches to enhance the prevention of domestic and gender-based violence, intra-household conflicts, child labor, behaviors that lead to alcoholism, drug abuse, street children and teenage pregnancies, among others, will be enhanced.

6.6. Regional Integration and International Positioning

Rwanda's active engagement in regional integration aligns with the Vision 2050, prioritizing increasing access to global and regional markets, enhancing trade connectivity, and fostering investment. Deepening integration within the East African Community (EAC) and other regional blocs such as COMESA will continue to be a cornerstone for the country's economic and diplomatic efforts. Rwanda will continue to enhance its competitive advantage by focusing on export diversification and participation in global value chains, which are essential for economic resilience and sustainable growth.

This will be done through implementing initiatives such as the African Continental Free Trade Area (AfCFTA), preferential trade agreements, bilateral trade and investment treaties, double taxation agreements among others. This cross-cutting approach will solidify Rwanda's international positioning as a regional hub for investment and a promoter of the free movement of people and goods and secure its role as a land-linked country

Additionally, the Government of Rwanda will continue to expand cross-border trade and eliminate non-tariff barriers including improving trade logistic infrastructure and harmonizing regulatory frameworks across the region. Key strategic interventions will involve advocating for the implementation of joint infrastructure projects critical to regional integration, as well as extending the geographic reach of broadband infrastructure, and enhancing regional transport corridors to reduce trade costs, improve connectivity, and bolster Rwanda's integration into regional and global markets.

6.7. Capacity Development

To ensure the availability of capable institutions, systems, and human resources, NST2 will promote comprehensive initiatives targeting institutions, and people and creating an enabling environment for capacity enhancement and retention. As such, the following areas for capacity development will be prioritized. (i) establishing efficient systems for tracking equal enrollments and transitions in TVETs and STEM, employability trends among University and HLIs graduates, (ii) increasing professional qualifications (in priority sectors driving innovation and digitally led growth), (iii) enhancing professional internship programs with both private and public institutions, (iv) strengthening staff and knowledge retention, and promotion of succession planning across the public sector.

In addition, more focus will be on promoting youth and women's entrepreneurship, digital and other soft skills development, and access to employment opportunities as well as supporting sector- specific training in critical skills and emerging technologies, such as AI, big data analytics, and green technologies.

These areas will be mainstreamed, monitored and evaluated across all Sector Strategic Plans and District Development Strategies by the respective CCAs lead institutions.

7. NST2 Implementation Arrangements

The National Strategy for Transformation (NST2) implementation framework defines the core structures, institutions, and mechanisms essential for delivering NST-2 priorities effectively.

7.1. Institutional roles and responsibilities

Successful implementation requires enhanced coordination, stakeholder engagement, and integrated planning, supported by systems for real-time performance tracking and data-driven decision-making.

A strong oversight and accountability framework ensures progress remains aligned with national priorities. Key institutions such as Parliament and Cabinet provide strategic oversight, while cross-sectoral platforms such as Ministerial Clusters, SWGs, and JADFs facilitate collaboration and stakeholder participation.

The private sector and civil society play pivotal roles by driving innovation, mobilizing resources, engaging citizens, and ensuring accountability, thereby enhancing NST-2's impact across all sectors.

7.2. NST2 implementation enablers

A key takeaway from the implementation of NST1 is that the second generation of the National Strategy for Transformation (NST2) requires enhanced focus on strengthening coordination and implementation to deliver faster and better results by focusing on the following:

- **Optimizing governance structures:** To support efficient implementation, institutional frameworks, planning and coordination structures will be optimized and aligned with NST2 priorities.

- **Harnessing data and technology:** The systems supporting NST2 implementation will rely on technology, data, and evidence-based decision-making. This will streamline processes, improve resource allocation, and ensure that decisions are based on solid evidence.
- **Building innovation and skills:** Continuous innovation and skills building are fundamental to the successful implementation of NST2. This requires a focus on innovation, research, and capacity-building to ensure that the workforce is equipped to deliver on NST2 priorities;

8

NST2 Monitoring and Evaluation Framework

8.1. NST2 M&E framework

The Monitoring and Evaluation (M&E) framework is designed to support the implementation of NST2 by enabling monitoring of progress, evaluation, and lesson learning during implementation of the NST2.

The M&E framework will leverage technology and digital tools and reporting will consider data disaggregation by gender, and other special categories, especially at the SSP and DDS level. The M&E framework is composed of the following key tools:

- i. **NST2 Theory of Change (ToC):** It was developed to facilitate the tracking and implementation of NST2 priorities, across the three NST2 pillars of Economic and Social Transformation as well as Transformational Governance.
- ii. **SSP Theory of Change:** The SSP theory of change draws from the high-level results outlined in the NST2 Theory of change. The SSP Theory of change goes beyond the results mentioned in the NST2 to integrate other priorities at the sector level.
- iii. **CoK/District Theory of Change:** The CoK/DDS theory of change draws from the high-level results outlined in the NST2, relevant SSPs Theory of change and extends to city or district-specific priorities.
- iv. **NST M&E Matrix:** The NST2 M&E Matrix shows high-level outcomes, their respective indicators, baselines, targets across the implementation period, institutions responsible for reporting, and means of verification or data sources. This enables the tracking of targets contained in the NST2.

- v. **SSP M&E Matrix:** The SSPs M&E matrix indicates the outcomes, associated indicators, baselines and targets to be tracked in respective SSPs.
- vi. **CoK/DDS M&E Matrix:** This matrix shows outcomes, associated indicators, baselines, and targets to be tracked in CoK or respective DDSs.
- vii. **NST2 Metadata of indicators:** This is a collection of indicators contained in the NST2 M&E matrix. It elaborates on how each indicator is defined and measured, the data sources, the frequency of collection, and the responsible institutions for reporting.

8.2. NST2 Evaluation

The evaluation of the NST2 will build on assessments and evaluations conducted at the SWG level including performance contract (Imihigo) evaluations among others. A mid-term evaluation will be conducted at the national level to assess the status of NST2 implementation, identify progress, challenges, and lessons learned and devise measures to accelerate progress.

A final assessment and ex-post evaluation will be conducted to review the outcomes and impact of the NST2 and extract lessons for successor strategies.

9

Conclusion

The Second National Strategy for Transformation is set to drive significant progress across all economic sectors and improve the livelihoods of Rwandans. Prerequisites for this positive change across the entire country include:

- **Continuing to foster an inclusive development model.** The aim is to ensure all citizens have access to development opportunities and no one is left behind, including people with disabilities, children, youth, and women, among others. In particular efforts will be dedicated to gender equality and empowerment in addition to the development of youth who are at the forefront of Rwanda's development agenda.
- **Continuing to enshrine Rwanda's unique and positive cultural values in the country's development.** Progress realized over the last three decades is the result of homegrown solutions and continuous innovation that build on the country's unique culture and values. This includes strengthening families as a foundation for sustainable development.
- **Ensuring value for money.** The bedrock of Rwanda's development is ensuring increased productivity of every resource invested by eliminating all forms of corruption and enhancing transparency and accountability.
- **Adopting a positive developmental mindset founded on the unity of Rwandans.** Lessons learned have shown that nothing is impossible when Rwandans put their collective minds together; as evidenced by the remarkable progress achieved in the aftermath of the Genocide against the Tutsi.
- **Strengthening mechanisms for implementation and delivery.** The successful delivery of this strategy hinges on efficient and effective implementation. This means enhancing decision-making, strengthening engagement, ownership and collaboration with all stakeholders. 'Business as usual' will not be sufficient to deliver on these ambitions and should not be tolerated.

The success of NST2 depends on the collective commitment and action of all stakeholders – citizens, youth, the private sector, faith-based organizations, civil society, academia, media and development partners. Every Rwandan is urged to approach NST2 with determination and solidarity, transforming challenges into opportunities and propelling the nation towards a prosperous and equitable future



Annex



Annex 1: NST2 Monitoring and Evaluation Matrix

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
				2023 (baseline)	2026	2029		
1	Sustainable economic growth and increased per capita incomes	Annual average Real GDP growth	Percentage	8.2%	8.3%	9.3%	MINECOFIN	GDP Annual National Accounts
		Nominal GDP	In Billion FRW, current prices	16,355	24,068	37,413		
		GDP Per capita	USD	1,040	1,047	1,369		
		Annual average Agriculture GDP growth	Percentage	1.7%	6.7%	6.5%		
		Annual average Industry GDP growth	Percentage	10.2%	9.7%	10.6%		
		Annual average Services GDP growth	Percentage	11.2%	8.9%	10.2%		
2	Increased national savings for investment	National Savings	Percentage of GDP	12.4%	19.6%	25.9%	MINECOFIN, Financial Sector	MINECOFIN, reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
3	Increased value of private investments	Private investment in value	In Billion USD	2.2	3.1	4.6	RDB, PSDYE Sector	MINECOFIN reports
4	Increased value of exports and reduced current account deficit exports	Exports of goods and services	In million USD	3,509	4,994	7,316	MINICOM, PSDYE	GDP National accounts, NISR
		Current Account Deficit	Percentage of GDP	-11.8%	-10.7%	-7.9%		NBR
5	Increased Productive and decent jobs by 1.25 million (250,000 annually)	Number of new decent and productive jobs created	Number (cumulative additional)	1,374,204	750,000	1,250,000	MIFOTRA, RDB, PSDYE Sector	NISR, Labor Force survey
ECONOMIC TRANSFORMATION PILLAR								
6	Modernized Crop Production and productivity	Index on Productivity increase for priority food crops	Percentage	-	>10% annually	>10% annually	NISR	SAS

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
		Productivity and production for specific priority food crops	MT/Ha (MT)	Maize: 1.7 (508,492)	Maize: 2.26 (665,701)	Maize: 2.74 (874,337)	NISR	Season Agriculture Survey (SAS)
				Beans: 0.6 (441,406)	Beans: 1.3 (565,009)	Beans: 1.5 (662,115)	NISR	SAS
				Rice: 4.0 (133,628)	Rice: 4.8 (240,073)	Rice: 5.4 (293,178)	NISR	SAS
				Irish Potatoes: 8.2 (781,032)	Irish Potatoes: 11.4 (1,144,425)	Irish Potatoes: 14.7 (1,498,545)	NISR	SAS
				Wheat: 1.2 (16,656)	Wheat: 1.38 (22,169)	Wheat: 1.48 (26,825)	NISR	SAS
				Soybean: 0.4 (29,059)	Soybean: 1.1 (53,019)	Soybean: 1.4 (64,152)	NISR	SAS
				Cassava: 13.5 (1,345,379)	Cassava: 16.5 (1,567,734)	Cassava: 17.9 (1,653,924)	NISR	SAS

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
				Cooking banana: 14.2 (1,049,838)	Cooking banana: 17.9 (1,274,919)	Cooking banana: 19.7 (1,424,973)	NISR	SAS
		Area under irrigation	Ha	71,549	99,260	132,171	MINAGRI	MINAGRI Reports
		Area Under terraces	Ha (Radical)	142,318	155,768	167,268	MINAGRI	MINAGRI Reports
			Ha (Progressive)	1,032,282	1,071,282	1,102,282	MINAGRI	MINAGRI Reports
		Quantity of fertilizers applied	Kg per Ha	70	79.6	94.6	MINAGRI	SAS
		Percentage of farmers using improved seeds	Percentage (LSF)	85.7	94	100	MINAGRI	MINAGRI Reports
		<input checked="" type="radio"/> Large-scale farmers (LSF) <input checked="" type="radio"/> Small-scale farmers (SSF)	Percentage (SSF)	35.9	47	50	MINAGRI	MINAGRI Reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
		Coverage of agricultural extension services	Percentage	35	60	69	MINAGRI	MINAGRI Reports
7	Strengthened Market Linkages and Post-Harvest Infrastructures	Post-harvest losses on food crops	Percentage	13.8	8.5	4.8	MINAGRI	MINAGRI Reports
8	Modernized Animal Resources production and productivity	Production of milk products	MT	1,061,301	1,220,496	1,323,561	MINAGRI	MINAGRI Reports
		Production of Meat products	MT	197,778	227,445	247,223	MINAGRI	MINAGRI Reports
		Production of Fish	MT	46,495	64,500	77,700	MINAGRI	MINAGRI Reports
		Production of Eggs	MT	17,344	19,946	20,813	MINAGRI	MINAGRI Reports
9	Strengthened Agriculture De-risking for resilience	Crops insured	Ha	33,269	58,824	75,841	MINAGRI	MINAGRI Reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
		Livestock insured	Number	Cattle: 48,962	Cattle: 53,462	Cattle: 58,962	MINAGRI	MINAGRI Reports
			Number	Pigs: 7,300	Pigs: 82,300	Pigs: 157,300	MINAGRI	MINAGRI Reports
			Number	Poultry: 274,506	Poultry 364,506	Poultry: 474,506	MINAGRI	MINAGRI Reports
		Credit to Agriculture Sector as a percentage of total loans	Percentage	6	8	10	MINAGRI	BNR/ MINECOFIN
10	Increased sector contributions to exports	Export to import ratio	Percentage	61%	70.6%	77%	MINICOM, PSDYE	NISR, National account
		Value of mining exports	USD Billion	1.1	1.6	2,17	RDB, PSDYE Sector	GDP National accounts, NISR
		Value of Tourism revenues	USD Millions	620	908	1,100	RDB, PSDYE Sector	RDB annual reports
		Value of MICE (tourism sub-sector) revenues	USD Millions	95	156	224		

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
11	Increased spatial access to electricity countrywide	Percentage of cells with access to electricity	Percentage (& number)	91% (1,955 cells)	96% (2,064 cells)	100% (2,148 cells)	MININFRA, Energy Sector	MININFRA Reports
		Percentage of productive use areas with access to electricity	Percentage	86%	94%	100%	MININFRA, Energy Sector	MININFRA Reports
12	Enhanced share of renewable energy in electricity generation mix	Percentage share of renewable energy in power generation mix	Percentage	51%	53.8%	60%	MININFRA, Energy Sector	MININFRA Reports
13	Increased access to drinking water	Percentage of villages with access to improved drinking water	Percentage	80% (2023)	90%	100%	MININFRA, WATSAN Sector	MININFRA Reports
14	Improved quality of the road network and trade supporting infrastructure	Length of unpaved National roads upgraded to paved (Cumulative)	Km	1,729	1,818	1,941	RTDA	MININFRA Reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
		Length of national paved road rehabilitated	Km	598	647	711	RTDA	MININFRA Reports
		Length of feeder roads rehabilitated (Cumulative)	Km	4,187.5	4,404	4,797	RTDA	MININFRA Reports
15	Increased access to decent housing and enhanced resilience of communities	Percentage of rural households living in integrated planned rural settlements	Percentage	65.4%	–	81.1%	MININFRA, Urbanization and Rural Settlement Sector	EICV Survey, NISR
		Percentage of urban population living in unplanned settlements	Percentage	60%	–	52.7%	MININFRA, Urbanization and Rural Settlement Sector, CoK, Districts	EICV Survey, NISR
16	Increased digital literacy	Percentage of citizens with basic digital literacy skills (15 years above)	Percentage	53%	80%	100%	MINICT/RISA	NISR reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
17	Enhanced Environmental management, mitigation and adaptation to climate change	National GHG emissions	MtCO ₂ e	6.75 (2020)	–	7.5 (With Interventions)	MoE	MoE, NISR reports
18	Increased resilience to climate change and reduced impacts of disasters	Percentage of households in high-risk areas protected from flood-related hazards	Percentage	9%	20%	40%	RWB	RWB Annual report
19	Mobilized climate and nature finance	Increased climate and nature finance (cumulative)	USD Billion	4.8	6.8	7.8	MoE, MINECOFIN	MoE, MINECOFIN, RGF reports
SOCIAL TRANSFORMATION PILLAR								
20	Increased enrollment in pre-primary education	Net enrolment rate in pre-primary	Percentage	39%	54.6%	65%	MINEDUC	EMIS report

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
21	Improved timely enrollment, efficiency, equity and learning outcomes in primary education	Dropout rate in Primary	Rate	5.5%	4.5%	< 3.9%	MINEDUC	EMIS Report
		Pupil Trained Teacher ratio in Primary	Ratio	62:1	53:1	49:1	MINEDUC	EMIS Reports
		% learners at or above basic proficiency in Kinyarwanda/English/ numeracy in P3.	Percentage	Kinyarwanda: 69% English: 37.52% Numeracy: 55.6%	<u>2025/26</u> 79% 50% 65%	<u>2027/28</u> 98% 60% 70%	MINEDUC	LARS Report
22	Increased net enrolment and quality in basic secondary education Reduced repetition Rate in primary and secondary	Percentage of learners at or above basic proficiency in Mathematics, science and English in S3	Percentage	Math: 63.8% English: 47.2% Science: 65.6%	<u>2025/26</u> 68% 49.5% 70%	<u>2027/28</u> 72% 75% 75%	MINEDUC	LARS Report
		Dropout rate in secondary	Percentage	7.5%	6.1%	< 5.1%	MINEDUC	EMIS Reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
23	Enhanced access to quality education in basic Technical and Vocational Education and Training (TVET)	Percentage of students enrolled in TVET as proportion of total students enrolled in upper secondary	Percentage	43%	55%	60%	NESA	EMIS Reports
		Number of TSS Centers of Excellence established	Number	1	9	30	MINEDUC	EMIS Reports
24	Reduced prevalence of stunting among under five years children	Prevalence of stunting among children under five years	Percentage	33%	22.2%	<15%	MoH, Health Sector	DHS
25	Reduced maternal and child mortality	Maternal mortality ratio	Per 100,000 live births	105	78	60	MoH, Health Sector	HMIS/MoH
		Under 5 mortality ratio.	Per 1,000 live births	45	31.8	20	MoH, Health Sector	HMIS/MoH
26	Increased Human Resources for quality Health	Ratio of active licensed Doctors to population	Ratio per 100,000 of population	15.2	25.8	32	MoH, Health Sector	MoH reports

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
		Ratio of active licensed Nurses to population	Ratio per 100,000 of population	97.4	135	171	MoH, Health Sector	MoH reports
		Ratio of active licensed Midwives to population	Ratio per 100,000 of population	58.1	137.7	185	MoH, Health Sector	MoH reports
27	Increased access to sanitation services	Percentage of households with access to improved sanitation facilities	Percentage	92.0%	97%	100%	MININFRA, WATSAN Sector	MININFRA Reports
		Percentage of population with basic sanitation services	Percentage	72.10%	75%	77%	MININFRA, WATSAN Sector	MININFRA Reports
28	Enhanced empowerment of households' to sustainably graduate out of poverty	Percentage of graduation participants graduated out of poverty	Percentage	-	70%	70%	MINALOC, Social Protection Sector	Social Registry, MINALOC

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
29	Increased access to social security and income support programmes, particularly among vulnerable people	Proportion of poor and vulnerable population covered by Social Protection systems	Percentage	11%	16%	20%	MINALOC LODA RDRC MINIBUMWE NCPD	EICV
TRANSFORMATIONAL GOVERNANCE PILLAR								
30	Reduced case backlogs	Percentage of case backlogs	Percentage	62%	47%	30%	MINIJUST	MINIJUST Reports
31	Enhanced digital service delivery and implementation of Single Digital ID	Percentage of government services fully digitized (end to end)	Percentage	11%	50%	100%	MINICT	IREMBO

No	NST2 Outcome	Indicators	Units	Baseline (2023/24)	Mid-term target	End period target	Responsibility for reporting	Means of verification and Data Sources
					26/27	28/29		
		Percentage of citizens owning a single digital identification	Percentage	0%	50%	100%	MINICT/NIDA	NIDA Reports
32	Quality and inclusive services are delivered and sustained	Level of quality service delivery	Percentage	78.28	82.5	>90	MINALOC, RGB	RGS, CRC
33	Enhanced transparency and accountability and compliance of PFM laws	Percentage of public entities with an unqualified audit opinion for financial statements, compliance with laws and regulations and value for money	Percentage	57%	70%	80%	MINECOFIN, OAG	Annual Audit Report
34	Strengthened National unity and community resilience	Level of shared sense of national identity	Percentage	92%	93.5%	95%	MINUBUMWE	National Unity Barometer
35	Increased confidence in peace, personal and property security	Percentage of citizens with confidence in both personal and property safety and security	Percentage	93.63%	95.73%	97.2%	MININTER	RGS reports



Republic of Rwanda