Rwanda, a small, mainly rural and densely populated country in eastern and central Africa, is primarily known as the home of mountain gorillas, for producing delectable coffees and teas, and for its vibrant music and art. Then in 1994, a long-standing ethnic strife between the majority Hutu and minority Tutsi culminated into genocide and a civil war. The Rwandan military and Hutu militia groups conducted mass killings of the Tutsi and moderate Hutu people that left an estimated 1,000,000 people dead in only three months. Two million people, mainly Hutus, fled Rwanda to neighboring countries where thousands died of disease and malnutrition. Not only did these events cause loss of life and social crisis within families and communities, but it also ruined Rwanda’s economy. Crops were unattended, investors stopped spending, and tourists, one of the country’s largest income sources, stopped visiting. Already a poor country, the country’s civil strife caused the economy to sink and poverty to rise.

Since 1994, the country has strived to heal as a nation, restart its economy and reduce poverty. In the last decade the economy grew. Between 2002 and 2008, the average annual GDP growth was an impressive 6 percent per year. Poverty levels and income inequality, however, remain high. In 2005, 57 percent of the population was below the national poverty line and 37 percent was in extreme poverty. Moreover, Rwanda imports large quantities of food. Therefore, the global food crisis has increased food prices severely impacting the country’s poor and vulnerable populations such as the elderly, disabled, orphans, young children and the chronically ill. The government and external donors have launched several initiatives for poverty reduction and social protection interventions. However, coordination of these initiatives and interventions became a major challenge to overcome.

In Rwanda like in many other countries, quite a few government institutions are involved in the provision of social safety nets, often in partnership with bilateral donors, international organizations, private foundations and non-governmental organizations. All of them bring different perspectives on poverty, vulnerability and social protection and leads to different program designs, implementation and evaluation strategies. Because these programs are not well coordinated among the government institutions and development partners, these differences makes delivering and receiving social safety net benefits complex and confusing.

For example, some individuals may be receiving multiple benefits from two or more programs that provide the same type of assistance. This means that there are fewer resources in the safety net system as a whole to cover other individuals – even individuals that have similar characteristics and are equally deserving. In addition, a safety net system consisting of uncoordinated programs tends to impose high transaction costs on both the government and the beneficiaries. On the government side, costs are high because similar administrative units and information systems get set up across multiple institutions, each of which serves a relatively small segment of the population. On the other hand, in order to receive different forms of assistance, beneficiaries need to apply for and receive benefits from multiple government institutions. This takes time and causes confusion.
To harmonize and integrate safety net programs into a coherent system, the government has developed a National Social Protection Strategy and began implementing it in January 2011. The foundation of this strategy—both conceptually and administratively—is “Vision 2020 Umurenge (VUP).” Umurenge (Imirenge) is its plural form, translated as “sector” in English, is a sub-national government tier below district in Rwandaiii. There are 416 Imirenge that are grouped into 30 districts.

The VUP, led by the Ministry of Local Government, aims to ensure that growth is shared by the poorest Rwandans by creating economic opportunities using the local participatory mechanisms cultivated by the county’s decentralization effortsiv. It has three components. The first component, public works, promotes the design and development of suitable projects in local communities, and also provides temporary employment to the poor. The second component, credit packages, provides micro-financing to poor entrepreneurs who pursue promising off-firm income generating activities. The third component, direct supports, provide cash benefits to very poor households without a member who is able to work, such as households with a single-parent and young children, the elderly and/or the disabled. In other words, VUP brings together several social protection measures including community asset building, income generation, relevant skills training, and small income support to extremely poor households.

The VUP originally started in May 2008 with 30 Imirenge, consisting of the poorest Umurenge in each of the 30 districts in the country. Since then, it has steadily expanded and currently covers 120 Imirenge, and will be further scaled-up to include 150 Imirenge by the end of 2012. In order to fine-tune VUP’s expansion strategy, the government is also evaluating VUP’s performance and outcomes in each participating Umurenge to identify what has worked well and what did not in key operational components such as poverty targeting and benefits payment.

The World Bank’s Rapid Social Response Program has been supporting this VUP expansionv. More specifically, it is funding the technical assistance necessary to carry out the VUP evaluations, development of beneficiary and administrative databases, and training of VUP staff at both national and local levels until June 2012. RSR is also supporting a comprehensive assessment of the country’s social safety net system, a critical step to implement the National Social Protection Strategy. These activities, expected to be nearly completed by December 2011, will identify best practices but also areas to be better coordinated or consolidated so that the social safety net system can cover more vulnerable families without jeopardizing fiscal sustainability. The findings will provide the government and development partners with the essential information to improve the system configurations and performance.

Written by Andrea Robles, October 15, 2011

This article does not necessarily reflect the views of the World Bank Group, its Executive Directors or the governments they represent. Rapid Social Response Program (RSR) is part of the World Bank’s response to the Food, Fuel and Financial Crisis. Its mission is to help the World’s poorest countries become better prepared to cope with systemic and unpredictable shocks. RSR has been generously supported by the governments of the Russian Federation, Norway and United Kingdom. For further information, please visit http://www.worldbank.org/rsr.

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i Between 2002 and 2005 the Gini coefficient, the most commonly used measure of inequality, increased from 0.47 to 0.5 (see World Bank website: Measuring Inequality)

ii These interventions were part of Rwanda’s first Poverty Reduction Strategy Paper (PRSP) for 2002-2005.

iii The order of the administrative levels is as follows: central government, provinces (4), districts (30), sectors (Imirenge; 416), cells (Akagare; 2,148) and villages (14,837).

iv In May 2000, Rwanda’s National Assembly adopted the National Decentralization Policy. For more information, see “Rwanda Decentralization Strategic Framework,” available through Ministry of Finance and Economic Planning.

v The World Bank team leader for this project is Alex Kamurase (Social Protection Specialist).