

**Key note Speech BY PROF SHYAKA Anastase, the CEO of Rwanda Governance Board (RGB) AT
THE ANNUAL ECONOMIC CONFERENCE IN MALAWI: TALKING POINTS**

**“The role of the Public Sector in Achieving Efficiency in the Economy:
Fostering innovative and accountable governance for sustainable development”**

You Excellency the President of the Republic Of Malawi,

Honorable Ministers,

Members of Parliament;

Members of the Diplomatic Corps and DPs,

The President and Chief Executive of ECAMA),

Organizers, OFFICIALS, Participants to this gathering;

Distinguished Guests,

Ladies and Gentlemen,

All Protocol observed

**I bring to you greetings from the people of Rwanda: “Muraho neza”;
MULIBWANKI!!**

**It is my great honor to participate in this momentous Annual Economic
Conference of ECAMA held in this beautiful country of Malawi; where I
arrived yesterday in Lilongwe; and enjoyed the beauty of your capital thanks
to good friend and host Frank who gave me a ride around the City especially
the magnificent Paul KAGAME Road.**

Your Excellency,

I would like to thank you for your commitment to inspire Africa towards a collective development and to take the future into our own hands.

This conference will among other things devise mechanisms and strategies of how best we can undertake our duties so as to take our countries and Africa to another level of development.

My sincere thanks go to the Economics Association of Malawi (ECAMA) for inviting Rwanda and me particularly to share Rwanda's experience and perspectives towards the theme "Achieving Efficiency in the Economy: the role of the Public Sector"; I will focus on "Fostering innovative and accountable governance for sustainable governance".

Rwanda has a unique but intriguing history, 19 years ago, we hit the bottom in all aspects of life, as a people and as a nation,

The 1994 genocide has not only damaged our human capital, but also seriously weakened and destroyed our economy, infrastructure; social fabric ...

Since then, we resolved to learn from past and history; and move forward; The post-genocide Rwanda has made tremendous achievements in its transformational journey, the courage and hope we have can be shared to cause change on the African continent. This is our firm belief, it's our message!

Despite the ocean of challenges we were faced with, we've managed to register some progress and achievements.

A. **ACHIEVEMENTS:** What is it that we achieved, which makes Rwanda a successful case.

1. **Poverty levels:** 10 years ago; 7 in 10 Rwandans were under poverty line; today, they are 4;
2. **GDP:** In 10 years; our GDP was 206 USD (2002); today; it has tripled (644\$ in 2012);
3. **Security:** 2 decades ago, Rwanda was a failed state; unsuccessfully assisted by UN peace keeping missions and some western partners; today, we are the 6th nation contributing forces to peace missions accros the globe. Furthermore; RDF- most trusted institution -95% of popular confidence (seen as Number One unifying force the people); yet we know 20 years ago; the military represented not only the center of genocide commission but also, was the symbol of discrimination;
4. **Growth:** 8% growth in the last 10 years; amongst the top 10 most growing economies in the World.
5. **Inclusive governance:** gender and power sharing.

B. HOW DID WE ARRIVE TO THIS?

1. Key pillars:

- i. Leadership: purpose driven;*
- ii. Inclusive Governance: Gender (parliament); power sharing; consensual democracy;*
- iii. Home Grown solutions;*
- iv. A resilient people*

2. How was it possible? What was done? What are results?

1. Government effectiveness: world Bank – in 10 years, we have improved our effectiveness as a government nearly 4 times: from 16% in 2002 to 58% in 2012 (among the best effective government in Africa); Africa average is 28% while SADC is 40% and 36%- EAC;

2. Control of Corruption

Real development will come if we tackle corruption, as you will agree with me, corruption not only undermines economic growth, it creates institutional mismanagement and hurts society by holding back development.

Today, corruption remains the biggest threat to Africa's development. Nearly 40% of Africa's GDP is lost in corruption-related practices, yet Africa remains the richest continent in the world in terms of economic resources.

Rwanda has set up stringent measures to stop corruption and this has paved way for championing good governance, and helped to set up a trend of formulating policies that reach the final implementation stages with success.

According to the Nairobi based East African bribery index the likelihood of encountering bribery remained lowest in Rwanda at 2.5% while the average of the EAC is about 25% (Uganda had higher rate of bribery, with values of 40.7%, followed by Tanzania 39.1%, then Kenya at 29.5% and Burundi at 18.8%). This means that the incidence of bribery & corruption in Rwanda is ten times lower than the EAC average.

We have instated assed declaration for all SG officials, from the President to civil servants; and today we are the best on the continent to curb corruption; among the top 50 best nations in the globe. In addition, in the last decade; we are the best reformer in the area of control of corruption.

3. Doing Business:

As we pursued Public sector Reforms, especially Investment Climate reforms Rwanda moved from 158th in 2007 to 45th in the world in 2012 (doing Business),

Rwanda is 2nd most reformed country in the world over six years, after Georgia, 3rd easiest in Africa (after Mauritius, South Africa) and 1st in EAC.

8th in the world in ease of starting a business and 8th in ease of getting credit (WB Reports)

As we reflect on our economic journey, we are now among top 10 fastest-growing economies , reports (The Economist) on global economic trends for 2013 indicated that Rwanda's economy would grow at 7.8 per cent this year, becoming the ninth fastest-growing economy in the world and the second-best in sub-Saharan Africa.

Of course in the sub-Saharan Africa, Mozambique is projected to register the highest growth at 8.2 per cent, with Rwanda, which is seen growing; at 7.8 per cent, on its heels

4. Aid effectiveness:

Allow me quote HE Paul Kagame speaking about MDG implementation he said "...where governments own their development, where real partnership

between supporters and those supported occur, and where the agenda is designed and executed by the people whom it is intended for, tangible results are obtained and livelihoods are improved.”

EDPRS, approach, projects private investment as engine for growth from 10% to 15% of GDP by 2017, exports growth for self reliance, focusing on value addition and service exports from 19.5 to 28% av growth per year

Rwanda’s economy has managed to grow by eight per cent, above the average of 7 per cent recorded by the region; which makes

National Budget growth over the years:

In reference to our national budget, in 2005 it was **369billion, (368,283,894,942) (abt 700 mln \$)** and it increased over the years currently exceeding one 1 trillion (**1,653,467,462,173 Frw; abt 2.5 bln \$**) **2013 budget;** financed by our own revenues at 60% against abt 30% early 2000!

Your Excellency, ladies and gentlemen,

Our main strategy has been to go “**Home Grown Solutions**”

I will underline major public service reforms, which to Rwanda, mattered most especially as we sought to restore peace, but on the other hand set up an economic transformation trend, we set out for Decentralisation, rural resettlement, land reforms, agriculture sector reforms, health, education, justice sector, doing business, ICT.

Rwanda’s progress is driven by the Economic Development and Poverty Reduction Strategy (EDPRS), places good governance as having primordial

influence over the society's stability, prosperity and the wellbeing of its citizens.

Your Excellency,

Ladies and gentlemen,

5. Home Grown Solutions:

As part of the HGI, a major contribution of the community in construction of **9YBE**, ABATURAGE over the last four years is 84 billion (61.90%), Gvt contribution 49billion, (36.62%), DPs 2 billion (1.48%)

With reference to governance effectiveness, the WB index of WWI, shows that Rwanda rose 16.6% score in 2002 to 58.3% in 2011, whereas Average for Africa is 28.11%, AV.EAC 36.48% while Singapore 99.1%;

I will illustrate one of the HGI which is **Gacaca, 1, 951, 388 cases** settled (more than 100 years would have been required using the conventional way,

The Imihigo which serves to instill a culture of competition, innovation, and ownership adopted at all levels of administration

The Annual National Leadership Retreat (Umwiyerero): drive quick wins, in reforms and economy ;

Eurobond : Rwanda

Another major economic step is on the stock exchange; this year (2013), Rwanda completed the issuance of a 10-year \$400m on Irish Stock exchange

market the first of its kind in East Africa. The bond was highly over-subscribed and priced to perfection.

The bond recorded large order book with a total subscription of \$3.5 billion, more than 8.5 times over and above the intended amount of \$400 million with over 250 investors across the globe participating.

The issuance of the bond reflects the country's push towards reducing dependency on international aid, and loans from multilateral agencies to realize our long term dream of becoming a middle income and self-reliant nation.

Umurenge SACCO (416 banks; accredited @ 60 mln\$ as savings; with credits given out totaling abt 50% of the savings)- an impetus for rural monetization and development.

Other key drivers of transformation include but not limited to:

- ✓ **National unity and Reconciliation:**
- ✓ **Decentralization and citizen empowerment:**
- ✓ **Institutional building (institutions of accountability and):**
- ✓ **Evidence based public policy;**

Public sector reform: strengthening government effectiveness and building/consolidating institutions of Accountability:

- We have been able to register such achievements, partly because our public sector has become more efficient, more accountable, more conducive for business and more innovative.
- **Decentralization : empowering LGs** – now @ 3rd phase ; fiscal decentralization- nearly 1/3 of NB goes to LGs; services closer to pp;

- **institutions of accountability:** OAG; Ombudsman; various commissions; RPPA;
- **Merging public agencies** for greater efficiency and performances in implementation: Establishment of Boards: **RDB; REB; RAB; RGB; and coming soon ONE Public University (out of 7)!**

Rwanda Governance Board (RGB):

RGB is a ONE STOP CENTER for governance matters. Mainly focuses on: decentralization and LGs CB, registration of PP; regulating CSOs and FBOs and media issues; applied research to governance; monitoring of governance practices; advisory services to the government on policy issues.

Generating Evidence to drive public policy and policy reforms: where we Use Rwanda Governance Score Card; to gauge the state of governance in our country, along 8 indicators: Rule of Law; Political rights and civil liberties; Security and safety; participation and inclusiveness; quality of services; control of corruption and accountability; Investing in People and; economic and corporate governance. In all these Areas we assess the status, identify gaps, and formulate policy recommendations for improvement.

Challenges:

- Poverty levels: abt 40%- still too high;
- Trade imbalance; Exports- only 1/3 of our imports;
- Employment / especially youth employment;
- Skills gaps to support our development ambitions;
- Aid dependency: 40% of our National Budget still coming from DPs;
- External factors & contradictions;

Going forward:

As a response: our EDPRII: Economic Transformation; Rural development; Productivity and Youth Employment; and Accountable Governance.

- ✓ Rwanda to become a middle income country: over 1200\$ per capita;
- ✓ Eradicate extreme poverty and reduce below 30% those under poverty line in the next 5 years;
- ✓ We target an average annual growth of 11.5% for the next 5 years;
- ✓ We target to be a corruption free society by 2020; or at least to reach the Asian tigers levels of control of corruption by 2020;
- ✓ Urbanization and off farm jobs: 30% by 2020; and 200,000 jobs every year;
- ✓ Increase the value of our exports products: processing, industry; service hub; banking; private sector growth is key.

CONCLUSION

Your Excellency, ladies and gentlemen,

1. **Africa's greatness; and our nation's greatness** to not primarily lie in the the amount of natural resource son our land; nor size of our countries; but in our capacity , as nation and leaders, to transform those potentialities and opportunities into real wealth and prosperity for our people; This process can be achieved faster and effectively if political leadership and with it public sector create conducive

environment for the private sector to grow and drive the economy on one hand; and on the other, if the players in private sector are active and innovative enough to seize the opportunity, create jobs and wealth.

2. Regional integration and cooperation: the tripartite Initiative to boost infrastructure (RWA-KE-UGA)- a very good direction ;

3. Africa: self definition, self reliance sine qua none parameters for sustainable development!

Rwanda has opted for self definition; self reliance. It is a long term milestone but it had to be set, as far as Rwanda is concerned.

Agaciro (dignity) development Fund. Now in its second years; has generated substantive funds to support developmental projects.

May lasting Peace and abundant prosperity find permanent home in this beautiful nation of Malawi.

Your excellence The President of the Republic, distinguished ladies and gentle Men, Thank you very much for this opportunity to share with Rwanda's perspectives and the matters and thanks again your kind attention.

ZJKOOMO. MURAKOZE

Prof. Dr. Anastase SHYAKA

