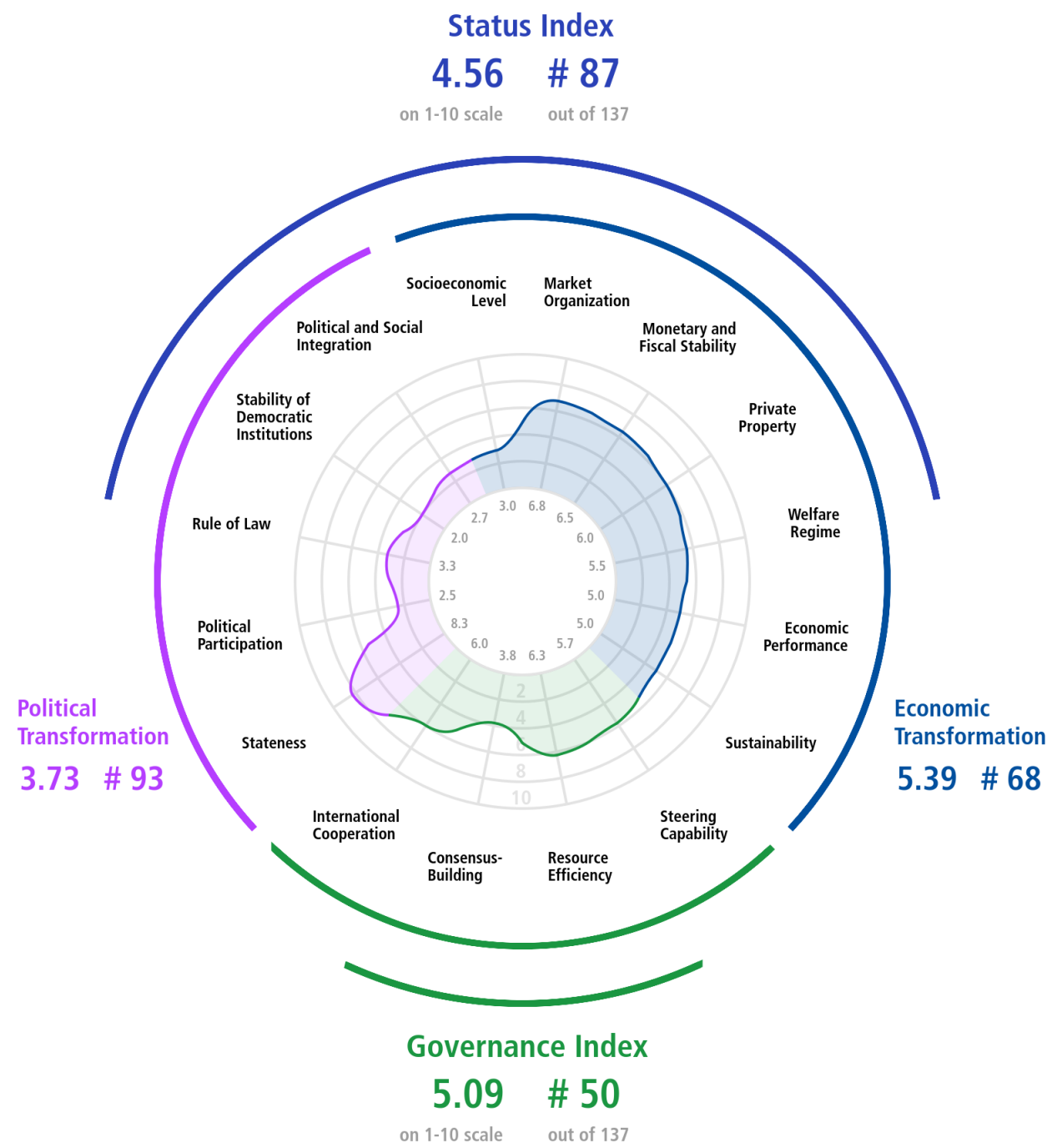


Rwanda



This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	14.3	HDI	0.578	GDP p.c., PPP \$	3711
Pop. growth ¹	% p.a.	2.1	HDI rank of 193	159	Gini Index	39.4
Life expectancy	years	67.8	UN Education Index	0.512	Poverty ³	78.0
Urban population	%	18.1	Gender inequality ²	0.394	Aid per capita \$	99.4

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

Rwanda's political landscape has been dominated by the current ruling party, the Rwandan Patriotic Front (RPF), since the end of the genocide. The party and its power holders have imposed their dominance on the political system, the economy and society over time. This has allowed the RPF to establish stable conditions in the country, with little to no opposition or dissent tolerated toward national-level authorities and limited space for independent media and civil society to organize.

The most recent presidential election was held on July 15, 2024. This granted President Paul Kagame, who has been in power since 2000, another five-year mandate. Kagame was elected with an official vote share of 99.18%. The RPF also won a majority of seats in the Chamber of Deputies. There have been many government reshuffles in recent years, and these are often used to consolidate power around staunch government supporters. Legal, administrative and political structures continue to be used to limit political expression in the country. There is very little alternative political space in Rwanda.

Continued involvement in the Democratic Republic of the Congo (DRC) has strained regional and international relations. In particular, Rwandan support for the M23 rebel group fighting in eastern DRC has prompted concern and growing condemnation. In the past, Rwanda has been the subject of similar international criticism for its involvement in violence in the DRC. Rwanda's key partners, including Belgium and the United Kingdom, have suspended aid cooperation. The United States has imposed sanctions on a key government official. It remains to be seen whether these actions in the DRC conflict that has flared up again since 2022, including the January 2025 capture of the city of Goma, will lead to stronger measures by Rwanda's traditional international allies and supporters.

Rwanda has seen a rebound in growth after the major economic downturn during the COVID-19 pandemic. However, it continues to face major fiscal deficits and a growing public debt. Although the government has embarked on economic reforms in recent decades, policies aimed at changing the structure of the Rwandan economy have had limited impact.

Structural constraints limit the transformation of the economy. Rwanda is a landlocked country with high transportation costs and a small resource base; it continues to have a very modest level of industrialization, a small formal sector, high levels of unemployment or underemployment, stagnating fiscal revenues, and a high level of dependence on foreign aid. Most Rwandans live in rural areas and rely on subsistence farming carried out on decreasing quantities of land. Despite some reforms to the education sector, most Rwandans have little formal education and few labor skills to contribute to the type of economy the Rwandan government aims to establish. Economic disparities increasingly overlap with socioeconomic – especially urban-rural – and ethnic divides, making this combination a source of frustration, especially among those not privileged, or not as privileged as some, by the Rwandan government's policies.

Despite the Rwandan government's claim to espouse liberal and market-oriented policies, it continues to exert substantial influence over the economy and the market. Consequently, a group of favored businesses overseen by the military and the ruling party have expanded their control of the market.

History and Characteristics of Transformation

One of the most pivotal moments in Rwanda's history was the 1994 genocide perpetrated against the Tutsi ethnic group, which killed hundreds of thousands of Tutsi and sent even higher numbers of Tutsi and Hutu across borders. The political and economic effects of the genocide and its aftermath were dramatic, including the takeover of the country's political institutions by the Rwandan Patriotic Front (RPF) and a profound destabilization of the Rwandan economy, even as they created an opportunity to redevelop the country. Yet despite the major rupture caused by the genocide, it did not fundamentally transform the nature of politics in Rwanda, nor did it change the country's basic economic makeup: Throughout its modern history, Rwanda has been governed by authoritarian governments, and it has consistently struggled within the constraints imposed by limited economic resources.

The country has been ruled by autocratic governments since gaining independence in 1962. Emerging from a backdrop of civil unrest, the First Republic (1962 – 1973) quickly transformed into a de facto one-party system. Instituted at independence after governance by a Tutsi monarchy and the colonial administration, the First Republic was largely led by Hutu officials from the south and center. A coup led by officers primarily from the north ushered in the Second Republic. Administrations following independence faced significant economic challenges. Already densely populated by the time of independence, the country lacked modern infrastructure and relied heavily on subsistence farming and cash crops such as tea, coffee and pyrethrum, introduced by

Europeans, to generate export revenue. Unlike some neighboring countries, Rwanda possesses only modest mineral resources on which to build a trade base. Given the narrow revenue base, constrained both by limited resources and limited tax revenue, successive governments in Kigali continued to struggle economically in the decades after independence – a struggle the country has continued to face throughout its recent history.

By the late 1980s and early 1990s, the government of the Second Republic faced escalating domestic discontent and economic instability. The situation was further exacerbated by the start of the war with the Rwandan Patriotic Front – a rebel group composed of exiled Tutsi and political opponents – that launched an attack on Rwanda in October 1990.

Amid severe political division and after years of war with the RPF, the genocide began on April 6, 1994. Over the next three months, hundreds of thousands of Tutsi were massacred, along with moderate Hutu politicians. In July 1994, the Rwandan Patriotic Front took control of the territory from government forces and militias. Millions of perpetrators and ordinary Rwandans fled to neighboring countries during and after the genocide.

In subsequent years, the RPF gradually established itself as the pre-eminent actor in the Rwandan political system. Influential Hutu politicians were forced into exile, assassinated or prosecuted over allegations of corruption throughout the 1990s – a practice that has since been extended to other political opponents, especially under the guise of accusations of genocide ideology or of sowing ethnic hatred and divisionism.

Over its decades in power, the RPF under President Paul Kagame has continued to extend its dominance over the political landscape. Recognized opposition parties generally follow the RPF line and are required to operate by consensus. The government has undertaken significant political reforms, including at lower administrative levels, to increase the RPF's presence and influence at the local level.

Rwanda is a small, landlocked and very densely populated country with limited socioeconomic resources. According to the World Bank, the country's population reached about 13.9 million in 2023, with a growth rate of 2.2%. The population growth rate in Rwanda has been declining slowly since reaching a recent peak during the period from 2005 to 2007 (2.7% per year). More than 80% of Rwandans reside in rural areas, and more than two-thirds engage in subsistence agriculture.

The current government is pursuing an ambitious economic transformation plan, first articulated in its Vision 2020 strategy and later updated in the Vision 2050 agenda. These strategic visions have been implemented through two Economic Development and Poverty Reduction Strategy papers (EDPRS 1 and 2) and the previous and current national strategies for transformation (NST 1 and 2). NST 2 covers the period from 2024 to 2029 and prioritizes concerns such as climate resilience, employment, education quality and quality service delivery.

Agriculture accounts for roughly one-third of Rwanda's GDP, and key products such as tea, coffee and pyrethrum are significant Rwandan exports. The current government has initiated significant reform programs to shift agricultural production away from subsistence and smallholder production toward productive, market-oriented production. This has entailed advocating the

professionalization of agricultural production and greater private sector involvement, promoting the adoption of technology, and clustering Rwandans in cooperative groups whenever feasible. However, certain transformations have had disruptive effects on rural communities, resulting in unemployment among some farmers.

Part of Rwanda's vision has also been to increase the service sector's weight in the economy through human resource development and infrastructure development while also promoting a knowledge-centered and private sector-centered economy. Through these changes, the government hopes to make Rwanda a middle-income country by 2035 and a high-income country by 2050.

However, the implementation of these transformations has been slow. The shift away from subsistence farming has been incremental. Alternative employment opportunities in the small village and city centers that the government has pushed to develop, as well as in commercial enterprises on state-owned land or in mining, have been limited and precarious. In the cities, especially in the booming capital, Kigali, the majority of people work in social services; transport and trade; construction and utilities; and the finance and real estate sectors. Overall, the youth unemployment rate remains relatively high (20.8% in 2023, with the general unemployment rate in the country at 17.2% – although the Rwanda Labor Force survey estimated this at about 15% in the last quarter of 2024). As part of its economic transformation, the current government has also promoted new technologies, including support for startups, tourism and the conference (hospitality) industries. Most of these opportunities have remained centered on the capital.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Rwanda has a long history as a functioning polity with a monarchy or government at its head that is able to control – and, at times in ancient Rwanda, expand – its territory effectively. In present-day Rwanda, authorities hold the monopoly on the use of force, and the very tight links between political authorities and the Rwanda Defense Force (RDF) contribute to a military-inspired type of political rule that is intolerant of opposition, armed or otherwise. Rwanda's densely populated territory is tightly controlled by strong and effective police forces, security services, armed forces, and local authorities.

The Rwandan authorities also have extensive surveillance capacities in Rwanda and abroad, which allow them to preempt and manage possible threats within Rwanda's territory. Given the density of armed personnel and authorities across administrative levels in Rwanda, as well as the state's extensive surveillance, Rwanda's territory offers a high level of public safety. Therefore, there is very little space for organized violence, including political violence.

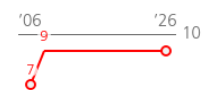
The RPF-led government has consistently reminded Rwandans of its ability to ensure security throughout the territory for decades. Despite the state's role as a source of repression, many segments of the Rwandan population recognize that the current government has been instrumental in bringing stability back to Rwanda and in guarding it stringently since, especially in the aftermath of the genocide.

Rwandan authorities' control over the territory has forced armed challengers to organize and operate largely in neighboring countries. This has especially been the case in the Democratic Republic of the Congo (DRC). Beginning in the aftermath of the genocide, armed opponents, including exiled génocidaires, have used the Congolese border regions with Rwanda – especially the Kivus – as bases to regroup and at times launch attacks on Rwandan territory. This was the case in the years following the 1994 genocide, with attacks targeting northwestern Rwanda during the

Question
Score

Monopoly on the
use of force

9



1

period from 1996 to 1998. These attacks prompted a dramatic armed response by the Rwandan government against civilians in northwestern Rwanda suspected of having ties to these organizations. More recently, certain rebel groups in the DRC have merged, some with ties to the Rwanda National Congress (RNC). The RNC is a movement organized around key political opponents of the Rwandan government, including former RPF cadres.

Recurrent instability in the DRC, as well as the presence of armed and political opponents in border regions, has led the Rwandan government to attack Congolese territory, either directly or by providing support for proxy forces such as the March 23 Movement (M23), a rebel group. Since 2022, Rwandan involvement in the DRC has dramatically increased, leading to major tensions with the Congolese government and the displacement of more than half a million people. Instances of cross-border shelling by the Rwandan military were regularly reported in 2024. They have at times targeted camps for displaced people or densely populated areas around the city of Goma. The Rwandan government's proxy, M23, has taken control of growing areas of Congolese territory since 2022. It entered the city of Goma on January 26, 2025, with the support of Rwandan troops, according to the United Nations. It has been accused of perpetrating atrocities where it operates. Rwanda's support subsequently allowed M23 to capture the southern city of Bukavu on February 14, 2025.

Once a prominent source of contention in Rwandan politics, regional divisions – especially between the south and center of the country and the north – have largely subsided, and have never posed a threat to territorial integrity in the country's modern history. The state, as both a territory and an administration, is therefore widely accepted.

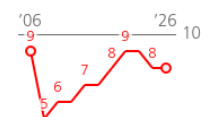
The government also asserts a commitment to inclusive citizenship and seeks to foster a sense of belonging to the state that is meant to erase ethnic divisions. This is justified as a means of addressing and eradicating the deep divisions that led to the genocide – in particular the Hutu-Tutsi identity politics that the government argues has been at the heart of recurrent political violence in the country.

The Rwandan government promotes the notion that all individuals in the country are Rwandans (Ndi Umunyarwanda or “I am Rwandan” policy) and that Rwandanness should be the pre-eminent identity of all citizens, more so than individual ethnic identities, although the Twa's self-identification as an indigenous minority is somewhat tolerated. The state has criminalized genocide denial and divisionism through laws that ban propaganda aimed at stoking sectarianism and intergroup tensions. However, these laws have largely been used to target political opponents.

The Rwandan constitution grants Rwandan nationality to every Rwandan. Citizenship rights are further stipulated by Organic Law No. 002/2021.OL of July 16, 2021, which grants nationality by birth and acquisition under specified circumstances. Legally, citizenship is granted equally.

State identity

8



1

Nonetheless, divisions persist across groups, including ethnic groups, in part because of the forced nature of reconciliation and identity policies and the recognized political nature of genocide ideology and divisionism laws. Furthermore, although the ethnic divide is diminishing among some segments of the population as a result both of government policies and distance from the genocide, Rwandans are acutely aware that the current government and privileged elite are predominantly Tutsi, prompting some resentment.

The state is secular, and religion and the state are separate. As a result, religion plays little role in the conduct of state affairs in Rwanda. This is further exemplified by religious tolerance enshrined in the constitution. Article 37 of the Rwandan constitution, along with other laws, guarantees the freedom of religion and worship.

No interference of religious dogmas

10



Rwanda is recognized as a strong performer in basic administration. According to the 2024 World Bank Country Policy and Institutional Assessment (CPIA), Rwanda was Africa's top performer across its indicators. It scored well above its East and Southern African counterparts during the period from 2015 to 2023 and above International Development Association (IDA)-eligible sub-Saharan countries. It has continued to improve in the areas of public administration, especially in public sector management and institutions. Rwanda is also recognized as effective at mobilizing revenue, including through taxation, following major tax administration reforms in recent decades. However, the volume of the domestic revenues it mobilizes remains below the country's potential.

Basic administration

6



An effective state administration also exists at the subnational level. The Rwandan state has implemented basic administrative structures throughout the country under the auspices of an ambitious decentralization policy overseen by the Ministry of Local Government (MINALOC). Local administrative structures oversee the extension and provision of basic services, such as access to water and energy and to health and education. Services related to tax collection, the judiciary, sectoral administrative entities and law enforcement are being decentralized nationwide.

The World Bank's World Development Indicators for 2022 report that 65% of the population had access to basic drinking water services, 74% used basic sanitation services, 50.6% had access to electricity and 34% used the internet.

The rural population's expectations of administrative structures remain modest and are largely met. Lower-level district administrative structures, especially cells and sectors, are digitally equipped and accessible within a few kilometers of the populations they oversee. They handle processes such as issuance of marriage and birth certificates, as well as passport applications. In collaboration with the districts,

they support and enforce the compulsory health insurance system (*mutuelles de santé*) and help build health centers and health posts through compulsory community work (*Umuganda*). In addition, they contribute to the government's education policy by building schools and overseeing the teaching staff.

That said, Rwanda's hilly geography and the population's dispersed settlement pattern have made implementing administrative structures and providing services at the local level a challenge. Historically, Rwandans did not reside in villages, but were scattered throughout the country's hilly terrain. In line with previous administrations, the current government has undertaken efforts to encourage Rwandans to relocate to villages. Although this transformation has altered the rural landscape, the remoteness of many villages and the difficult terrain have made the provision of access to clean water, electricity and schools challenging. Nevertheless, the regime's primary focus on education, health care and digitalization has helped mitigate some of these limitations. Over the years, it has also revised some of its ambitious development goals – for example, regarding electrification – to account for these challenges.

Government officials at all levels are bound by a detailed personal service agreement – known as *Imihigo* – to the president of the republic. The *Imihigo* system is described as a performance management tool whereby officials set goals and report on their progress. However, critiques of the system describe it as a top-down tool for control. Accountability and performance at the subnational level are also encouraged through mechanisms that allow citizens to bring complaints against local administrators.

2 | Political Participation

Elections for the president and the Chamber of Deputies are direct. The electoral system for the Senate is indirect.

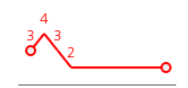
The last presidential and Chamber of Deputies elections took place on July 15, 2024. Incumbent President Paul Kagame, who has served since 2000, was re-elected with 99.18% of the vote. This surpassed his previous result of 98.79% in 2017. Kagame faced two political opponents, Frank Habineza of the Green Party and Philippe Mpayimana, an independent, while the electoral commission barred at least three other candidates from running. The voter turnout rate was 98.2%. Kagame's re-elections in 2017 and 2024 were made possible by an amendment to the constitution approved by a referendum on December 18, 2015. The amended constitution effectively allows Kagame to stay in office – if re-elected – until 2034. The expected date of the next presidential election is July 31, 2029.

The Chamber of Deputies is elected under a system of proportional representation for a five-year term. In the last parliamentary election, held alongside the presidential election, the Rwandan Patriotic Front (RPF) won 37 of 53 seats, a loss of three seats

Free and fair elections

2

'06 '26 10



from the party's result in the previous election in 2018. The RPF nonetheless continues to dominate the Chamber of Deputies. Other parties trailed well behind, with the Social Democratic Party and the Liberal Party each securing five seats.

The Chamber of Deputies includes 27 additional seats: 24 reserved for women elected by specific electoral colleges, two reserved for youth elected by the National Youth Council, and one elected by the National Council of Persons with Disabilities. Parliament amended the constitution in 2023 to synchronize parliamentary and presidential elections. This has raised questions about the effectiveness of the separation of powers.

The Senate has 26 members, each serving a five-year term, renewable once. Twelve senators are elected by administrative councils. Eight senators are appointed by the president, and four are appointed by the National Consultative Forum of Political Organizations (NFPO), a body established by the 2003 constitution and tasked with bringing political parties into dialogue and building consensus. Finally, two senators are elected from among the staff of public and private universities and higher learning institutions.

A series of other administrative positions are filled through elections. These include positions such as the heads of villages, as well as councilors at the cell and sector levels, and mayors and vice mayors at the district level – Rwanda's administration is organized around five administrative levels: provinces, districts, sectors, cells and villages, with the latter four considered "local governance." Local elections are primarily carried out through public lineups.

Presidential, legislative and local elections are generally conducted properly, though some analysts have raised concerns about the vote-counting process. In addition, Rwandans cast their ballots without true alternatives; many of the parties and candidates running at the national level, for example, are allowed to run because they tacitly support the status quo in a climate of ongoing political control and intimidation. The RPF heavily controls and dominates electoral campaigns. The new chair of the National Electoral Commission, Oda Gasinzigwa, is a member of the RPF. While voting is not compulsory in Rwanda, Rwandans fear reprisals and discrimination if they do not vote.

Rwanda's political system is characterized by a powerful, dominant executive centered on the president and by the dominance of his party, the Rwandan Patriotic Front (RPF), in the political system. As a result, despite the recurring elections, a significant part of Rwanda's political life, especially at the national level, is guided by the RPF's positions. Elected officials can govern so long as they follow the general policy line suggested by the executive and the party.

The constitution grants the president extensive authority over matters of security and foreign policy. The president also has the power to designate the prime minister and cabinet members. While the constitution mandates that ministerial positions be divided among all parties represented in parliament, the president retains the ability

Effective power to govern

2

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1

to choose individuals from within those parties. Moreover, the president appoints personal advisers, senior military officers, top administrators, chief judges and eight senators. Consequently, the system is largely geared toward executive dominance. Both the president and the ruling RPF exert influence over the majority of public and civil servants, which undermines principles of liberal pluralism and competitive processes.

The president's power still draws on his achievements as head of the RPF when it ended the 1994 genocide against the Tutsi. He claims to have secured and stabilized the country, and ongoing repressive governance continues to maintain that stability. To some extent, the continuing authority of the president and the RPF stems from the government's performance. During its tenure, the government has delivered security and key improvements in development. Finally, the president's power rests on the loyalty of key actors (for example, high-ranking officers in the army and secret service, presidential aides, some cabinet members and provincial governors).

The Senate and the Chamber of Deputies, with their large RPF majorities, rarely use their constitutional authority to develop their own initiatives. They may discuss issues and proposals as long as they do not concern state power, state security or the presidency.

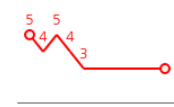
The constitution guarantees the freedoms of peaceful association and assembly (Articles 39 and 40). However, in law and in practice, there are important limits to these freedoms in Rwanda. The constitutional description of allowable grounds for restraining the freedoms of association and assembly is vague and open to abuse. In addition, several laws contradict freedom of assembly by imposing strict regulations, including requirements to notify authorities of public demonstrations and to seek authorization for outdoor gatherings. Opposition groups or people suspected of not supporting the government are rarely allowed to exercise their freedom of assembly. Given the country's political climate, there is little public political organization by citizens outside government-sanctioned events.

Limitations on association also affect the ability to organize. In recent years, government intimidation, harassment, obstruction and threats have significantly undermined Rwandans' ability to organize outside government-created or -sponsored groups and forums. The activities of non-governmental organizations (NGOs) and community service organizations (CSOs) are subject to significant government control. A recent law (No. 058/2024 of June 20, 2024) imposes strict rules requiring organizations to register and report to the government. This applies both to national and international organizations. The Rwandan Governance Board (RGB) not only oversees the registration of NGOs, CSOs and faith-based organizations but also "monitors" their operations. It imposes a number of cumbersome administrative measures for these organizations to operate, from requiring that notarized statutes be filed in Kinyarwanda and another language to charging hefty registration fees (RWF 300,000), especially for smaller organizations.

Association /
assembly rights

3

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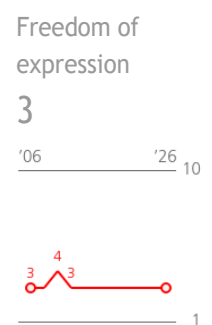
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Furthermore, while the state largely refrains from discriminating against religious groups or showing religious preference, it generally signals – as it does with other organized groups – that religious organizations are tolerated as long as they do not question state authority. The Rwandan government also imposes strict rules on the standards religious organizations must uphold and on how they organize public events. It requires all non-profit organizations, including faith-based groups, to register with the Ministry of Local Government (MINALOC). This complicates organizations' ability to operate by imposing strict registration and renewal requirements.

The freedoms of the press, expression and information are guaranteed in Rwanda's constitution (Article 38). However, these freedoms are limited by other laws, the closure of public space, and the persistent targeting of the opposition and the press. Existing or proposed laws regulating the media, access to information, the information technology sector and what constitutes defamation impose constraints on what can be said and by whom. In addition, legal instruments regarding what constitutes crimes of genocide denial and divisionism also curb free speech in the country. These include clauses in Rwanda's constitution (Article 10, clauses 1 and 2) and laws such as the Law on the Crime of Genocide Ideology and Related Crimes (N° 59/2018 of 22/8/2018). They have been used, for example, to target political opponents. The broader interpretation of the country's policy and practice of national unity means that any criticism of the president or other high-ranking officials is deemed a violation of this principle.

There is also limited space allowed for a free press. The country's media sector was described by Reporters Without Borders as "one of the poorest [media landscapes] in Africa." RPF party affiliates control television stations, and there are currently no independent national newspapers. The government interferes with and imposes restrictions on individuals and media outlets that ask questions about political and sensitive topics. Typically, this involves blocking media outlets or their access to financing, and may also entail targeted harassment. Journalists have been subjected to arrests and politicized trials, and in some cases have been murdered. Social media commentators are also targeted by the Rwandan government. Some journalists have fled the country. Consequently, there is significant self-censorship in the sector for fear of government retaliation.

Given the overall climate in the country, most Rwandans avoid publicly expressing their political views about national authorities. More broadly, the regime has sufficient legal and forceful means to silence open critics – who risk being accused of divisionism and condemned to long prison sentences. Members of the inner power circle are bound by absolute loyalty. Any detractor or dissenter can be considered a dangerous traitor and may be demoted, jailed or forced to seek refuge abroad. The government has also targeted political opponents abroad. At times, this targeting has been direct, through use of the Rwandan secret services. Instances of cross-border targeting have included assassinations, disappearances, kidnappings and intimidation.



3 | Rule of Law

Legally, a clear separation of powers is set out in the Rwandan constitution (Article 61). In practice, however, the executive exercises considerable power over the political system, including the two other branches of government. Although the speaker of the Chamber of Deputies cannot belong to the same political party as the president, the speaker oversees a parliament that has consistently been dominated by the Rwandan Patriotic Front (RPF). In addition, according to the constitution, the prime minister is “elected, appointed and dismissed by the president of the republic,” and, before assuming office, swears an oath to the president.

Rwandan courts have generally supported government decisions, including major instances such as the revision of the constitution to change presidential term limits, as well as in cases brought against major political opponents such as Victoire Ingabire and Paul Rusesabagina. The executive also exercises significant power over the state administration.

The judiciary’s powers, functions and organization are regulated by law and set out in the Rwandan constitution, including the 2023 revisions to the constitution that pertain to some aspects of the judiciary. Article 151 establishes the independence of the judiciary. The High Council of the Judiciary is the paramount authority in this branch of power.

Nonetheless, the executive branch exerts significant influence over the judiciary, both legally – especially through appointments – and tacitly. Key judicial figures, including the president and vice president of the Supreme Court and the president and vice president of the High Court, are appointed by the president after Senate approval. In making these appointments, the president consults the cabinet and the High Council of the Judiciary. This gives the executive important influence over the judiciary because these higher judicial institutions, in turn, appoint judges in lower jurisdictions. In recent decades, high courts have tended to validate government decisions.

There is significant oversight of public officeholders in Rwanda, and denouncing incompetent or abusive local officials is encouraged. The Ministry of Local Government (MINALOC), for example, has set up a website to register complaints. The Rwanda Investigation Bureau (RIB), which is present at all levels of local administration, thoroughly prosecutes public officeholders who abuse their positions. The slightest accusation of improper behavior in office might land an officeholder in prison.

In 2019, several mayors and other local officials resigned or were dismissed for corruption and other misconduct, particularly for a lack of transparency in financial matters. In 2020, additional key officials – for example, the former minister of

Separation of
powers

2

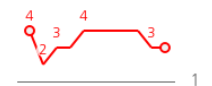
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Independent
judiciary

3

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Prosecution of
office abuse

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education – were prosecuted on corruption charges. They were joined by other high-ranking officials in the Ministry of Finance and Economic Planning and Infrastructure who had already been tried and were serving sentences. More recently, the Rwanda Correctional Services reportedly fired more than 400 corrections officers over allegations of corruption and misconduct.

Overall, the incidence of corruption remains comparatively low in Rwanda, though it is not uncommon. In 2024, the bribe encounter rate, as measured by a report commissioned by Transparency International, stood at 18.5% after a slight increase during the COVID-19 pandemic. Some actors more likely to be associated with bribes included the Rwandan National Police, some government institutions in charge of service delivery (electricity, water and sanitation), and judges.

At the same time, accusations of corruption can be used as a political tool. Critics and opponents of the government have been prosecuted on fabricated charges of genocide revisionism, corruption, terrorism and immoral behavior to discredit or imprison them.

Civil rights are codified in law but are infringed due to authoritarian practices and norms in the country. The freedoms of speech, press, assembly and association are restricted, and a general climate of control leads to self-censorship. The National Commission for Human Rights (NCHR) is not independent, so it does not effectively report on civil rights violations.

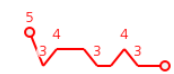
Political opponents of the ruling party are often targeted by the state. Perpetrators are never prosecuted, and cases are not investigated. Arbitrary or unlawful killings of opponents inside and outside the country pose a severe human rights problem. There have been accusations of police abducting or torturing people in so-called safe houses or unofficial detention centers in Kigali and other parts of the country. The government has also targeted parts of the population it considers undesirable – such as the homeless, street children and prostitutes – and has arrested them, taking them to what it calls rehabilitation or transit centers. In April 2024, a rare landmark trial convicted correctional officers and prisoners of mistreatment and murder. However, most cases of abuse go unpunished.

Other forms of discrimination exist in society, though rarely in the open. For example, the Rwandan government does not openly discriminate against LGBTQ+ people. It has signed the 2011 U.N. statement condemning violence against LGBTQ+ people. Yet there remains widespread social stigma toward LGBTQ+ people, which at times has manifested in targeting by authorities, including the police.

Civil rights

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4 | Stability of Democratic Institutions

Political institutions in Rwanda are not democratic. The presidency and the Rwandan Patriotic Front dominate the political system. Most political parties allowed to operate in the country and allowed representation within institutions fall in line with the RPF vision and policy. Others are regularly harassed or hindered. Nonetheless, the system is designed to give a semblance of operating according to democratic processes. It includes elections and referendums, has multiparty legislative chambers, and proclaims the independence of the legislature and judiciary.

In practice, however, there are major impediments to these democratic processes. The country's constitutions and laws contain inherent contradictions that curb democratic processes and infringe on rights and freedoms.

Several institutions and practices are designed to reinforce executive and party control over the political system. To start, most parties allowed to compete in legislative elections are widely viewed as allies of the Rwandan Patriotic Front (RPF). In addition, the National Consultative Forum of Political Organizations (NFPO) filters political debates in advance and permits them only if they do not contradict the RPF's general vision. Officers, deputies, senators and senior officials – particularly those outside the RPF – are closely watched.

Although legally separate, the RPF and local administration structures are closely linked. That said, politics tends to operate more openly at the local level as long as the president, the executive, the RPF and the overall national policy line are not questioned.

Rwanda's institutions are not democratic. Political actors are well aware that the country's institutions are authoritarian. They either are embedded in and contribute to the Rwandan Patriotic Front's (RPF) dominance of the political system or generally refrain from challenging authoritarian practices. If they do not censor themselves, they are often publicly and violently targeted.

As a result, key state actors, such as the military and bureaucrats, tend to fall in line with RPF policy. The military, for example, maintains extremely strong ties with the party, both politically and economically. High-level officers who do not fall in line with the party have regularly been sent abroad in ambassadorial roles to neutralize them or been retired.

Citizens also understand the authoritarian nature of politics in Rwanda. There are ample opportunities for all Rwandans to participate and contribute. Discussions take place at the village level, and individuals openly express their grievances during Umuganda sessions. However, political opinions are tolerated only as long as they do not contradict the government's general policy – notably on national unity – and as long as criticism of authorities remains focused on subnational politics.

Performance of democratic institutions

2

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2

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Commitment to democratic institutions

2

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That said, there is a growing sense among some segments of society that the Rwandan Patriotic Front government has delivered stability to the country and expanded access to services. Therefore, there is some commitment to and recognition of what the government has achieved through state institutions, even if these institutions are not democratic.

5 | Political and Social Integration

The party system is relatively stable, in large part because of the decades-long dominance of the Rwandan Patriotic Front (RPF) over Rwandan political life. Although other political parties exist, the RPF dominates political institutions and the broader political landscape. It has superior organizational structures and financial resources compared with all other parties. In addition, RPF membership appeals to many who view it as advantageous for career advancement in administration and business. This further reinforces the party's dominant position in the country.

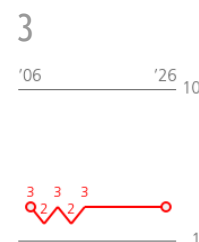
Other parties within Rwanda's institutions are allowed to continue operating because they do not question RPF policy and its overall dominance. The National Consultative Forum of Political Organizations (NFPO) helps ensure this by requiring all parties to operate by consensus on major policy issues. Although the NFPO is presented as a way to limit divisions among political actors and conflict in Rwandan politics, it also serves to control parties.

Given this political party landscape, voting has been quite consistent in Rwanda. Voter turnout rates for both presidential and Chamber of Deputies elections remains very high, at more than 90%. The turnout rate was 98.2% in the 2024 elections. The results have also tended to be relatively stable. Paul Kagame was elected president with 99.18% of the vote in 2024, slightly higher than his 2017 result (98.79%). The RPF received 68.83% of the vote in the 2024 Chamber of Deputies election, down from 75.5% in 2018. It also lost three seats in 2024, dropping from 40 in 2018 to 37 in 2024. This is due to gains by the Liberal Party (one seat) and the Ideal Democratic Party (two seats). The IDP ran candidates on its own for the first time in decades. Having taken part in previous elections as part of the broad RPF governing coalition, it won no seats in the previous election, though it has consistently backed the president and been part of the governing coalition in recent decades.

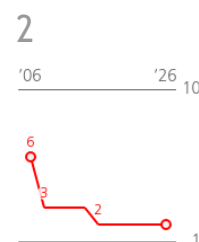
There are a variety of interest groups in the country that can work together as long as they are not perceived as constituting a political front or counterpower.

Most activities by individual interest groups are limited by the government's tight control of public and civic space. As a result, most interest groups focus on economic and social issues. The Rwanda Governance Board (RGB) monitors the activities of non-governmental, civil society and faith-based organizations in Rwanda. Most interest groups and non-state groups are required to participate in state-controlled

Party system



Interest groups



umbrella organizations. They therefore lack the freedom to engage in independent initiatives and actions and are instead geared toward ensuring members operate in line with the government's broad political line.

The constitution stipulates the rights to form trade unions, participate in collective bargaining and strike (Articles 31, 32 and 33). However, collective bargaining actions and strikes are constrained by binding arbitration rules and by limits on public assembly. They are minimally practiced.

The country is not democratic. Rwanda does not take part in the Afrobarometer survey, which limits the ability to assess the public's approval of democracy. While Rwanda has a decent statistical agency, there have been reports, at various times, of data manipulation to alter survey results deemed problematic or contradictory to government aims or assessments. Therefore, there are no depoliticized measures to appropriately gauge the level of approval of democracy or, more basically, government performance in the country.

For example, the 2020 Reconciliation Barometer found that 97% of Rwandans considered themselves able to think critically. However, levels of approval of the central administration's role in reconciliation were above 97% in all but two districts. Seven districts even reported 100% approval of the central government's role. Such surveys do not capture public opinion per se, but are instead tools to showcase the popularity of the RPF and the president.

In general, survey results in Rwanda must be interpreted with skepticism; there are no non-politicized measures of public attitudes toward the Rwandan government or trust between Rwandans. The primary tool used to gauge social capital in Rwanda is the Reconciliation Barometer, which periodically evaluates progress in reconciliation and personal trust in the country in light of the genocide. Yet given that the Rwandan government has made the unity of Rwandans one of its main policies and controls the country tightly to ensure this unity, tools such as the Reconciliation Barometer are seen as political, at least on a surface level. The Reconciliation Barometer is also produced by the National Unity and Reconciliation Commission, which is understood to be a highly politicized institution intended to promote the government's understanding of what occurred during the genocide and of reconciliation.

Groups, associations and organizations independent of the Rwandan state are closely monitored, and their activities are curtailed both by legal and informal forms of repression in the country.

Approval of
democracy

n/a

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n/a 1

Social capital

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II. Economic Transformation

6 | Level of Socioeconomic Development

Poverty rates have declined in recent decades, although reliable data on poverty rates has not been available for years. Based on previous rates and recent economic and labor trends, however, the poverty rate likely remains relatively high, at around 40% of the population. The veracity of poverty statistics in Rwanda has long been a source of debate.

For similar reasons, accurately assessing the extent of inequality in Rwanda is difficult and generates debate. The consensus is that levels of inequality in Rwanda are high – perhaps among the highest in Africa – and the highest in East Africa. There are significant disparities between economic realities in Kigali and the rest of the country, where a large segment of the population still relies on subsistence farming. This class divide has tended to overlap with ethnic identities, with one group benefiting most from government policies and subsistence farmers primarily being Hutu. The government has implemented pro-poor and inclusive policies and measures to address the issue, but these have tended to favor certain categories of Rwandans more than the large group of rural smallholder farmers.

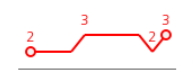
Rwanda has seen significant gains in life expectancy, health, access to education and gender equality since the genocide, as measured by the Human Development Index (HDI). However, the country has stagnated at a score of around 0.5 on the HDI since 2005. The HDI score stood at 0.548 in 2022, a small increase from the previous data point, placing Rwanda 161st on the measure. Consequently, Rwanda remains in the low human development category.

Economic indicators		2021	2022	2023	2024
GDP	\$ M	11078.8	13316.2	14331.7	14251.6
GDP growth	%	10.9	8.2	8.2	8.9
Inflation (CPI)	%	-0.4	17.7	19.8	1.8
Unemployment	%	15.8	15.1	12.4	12.0

Question
Score

Socioeconomic
barriers
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Economic indicators		2021	2022	2023	2024
Foreign direct investment	% of GDP	1.9	2.3	3.2	5.7
Export growth	%	2.4	29.4	25.8	16.0
Import growth	%	2.7	17.9	14.4	11.5
Current account balance	\$ M	-1209.2	-1246.4	-1653.7	-
Public debt	% of GDP	67.3	60.9	63.4	67.2
External debt	\$ M	9317.7	9690.1	11384.0	-
Total debt service	\$ M	620.2	348.8	545.4	-
Net lending/borrowing	% of GDP	-5.3	-3.9	-4.1	-
Tax revenue	% of GDP	14.5	13.7	13.5	-
Government consumption	% of GDP	16.9	17.0	16.3	17.1
Public education spending	% of GDP	5.6	4.7	4.9	4.7
Public health spending	% of GDP	3.0	2.8	-	-
R&D expenditure	% of GDP	-	-	0.8	-
Military expenditure	% of GDP	1.5	1.3	1.3	-

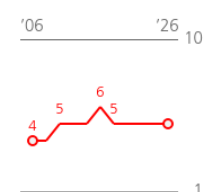
Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

In one of its early vision statements, Vision 2020, the current government clearly stated its dedication to a private-sector-led, competitive and market-based economy. Over the past decades, it has continued to champion principles such as reducing bureaucratic obstacles for enterprises and attracting private foreign investment. Notably, Rwanda has developed structures and policies that enable expedited company registration and simplified business procedures. The government has also empowered a group of private economic partners to foster business innovation and startups, particularly in Kigali. Rwanda is considered one of the leading reformers in East Africa in the area of private enterprise, and continues to improve the regulatory environment to support it. However, the U.S. Department of State's Investment

Market
organization

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Climate Statement highlighted certain challenges faced by businesses operating in the country despite the ease of business registration. These obstacles include high transportation costs due to Rwanda's landlocked status, as well as the country's comparatively small market size. It also pointed to challenges tied to competing with RPF-owned or state-owned companies or with companies of individuals close to the government, which have a dominant position in the Rwandan market.

Another important set of challenges concerns how the market functions. A significant segment of the economy, accounting for about 30% of GDP, remains informal. According to International Labour Organization data, more than 80% of the population is employed informally (86.8% in 2023 as a share of total employment). This is despite government efforts to expand the formal economy.

The government also exerts notable influence over the economy. It dominates a significant part of the economy through party-, military- and state-led enterprises. These dominant enterprises ensure that individuals close to the ruling circles are at the center of the economy. The way Rwanda has transformed key infrastructure sectors, such as telecommunications and electricity, into public-private partnerships (PPPs) has not helped foster economic competition. The situation could improve over time following the adoption of a PPP law (2016) as well as the establishment of PPP guidelines (2018).

The market is open to all investors. Domestic and foreign investments continue to support the Rwandan economy, in part because of opportunities to invest across a wide variety of sectors. Investments in Rwanda are largely managed by the Rwanda Development Board (RDB). The government recently created the Kigali International Financial Center, which is spearheading Rwanda's Sustainable Finance Roadmap (2022 – 2029) to promote green finance. In 2021, the Rwandan government amended key laws, including its Investment Code, Law on Anti-Money-Laundering and Counter-Terrorism Financing, and Company Act. Since reaching a high point in 2014 (\$459 million), foreign direct investment (FDI) inflows have declined, dropping to \$399 million in 2023. FDI is concentrated in the manufacturing, construction and real estate sectors.

The government has sought to make the Rwandan market attractive and dynamic. Competitiveness is one of the pillars of its Vision 2050 strategy, which aspires for Rwanda to be among the top 10 countries for doing business by 2035, maintain that status and rank among the top 20 economies in competitiveness by 2035, and in the top 10 for competitiveness by 2050.

In line with this, in 2010 Rwanda introduced a competition and consumer protection policy aimed at providing consumers with competitive prices and high-quality products, and at ensuring a competitive business environment for enterprises. The policy is supported by Rwanda's 2012 Law Relating to Competition and Consumer Protection, which aligns with the East African Community Competition Act of 2006.

Competition policy

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In 2017, another law was enacted to establish the Rwanda Inspectorate, Competition and Consumer Protection Authority. These legal frameworks are intended to apply to all businesses operating in Rwanda, including government and parastatal companies.

Nonetheless, there has been ongoing criticism of the government's dominant position in the economy.

Rwanda advocates trade liberalization and regional economic cooperation. It is a member of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the smaller Communauté économique des pays des Grands Lacs (Economic Community of the Great Lakes Countries, CEPGL).

Rwanda also has duty-free access to the European Single Market. Moreover, it has a trade and investment framework agreement (TIFA) and a bilateral investment treaty (BIT) with the United States, making it the only state in the region to hold this status, according to the U.S. State Department. In 2013, it also created a special economic zone (KSEZ) in Kigali and has a regulatory process for setting up special economic zones.

Nonetheless, a 2019 World Bank study found that barriers to trade and investment persist, primarily because of discretionary administration of laws and regulations and inconsistent application of rules. In 2023, the WTO estimated the average applied most-favored-nation (MFN) tariff was 13.3%.

The banking system is relatively free and dynamic, and it meets international standards. Rwanda has adopted the Basel III standard for financial performance.

The banking sector has grown in recent years, and its stability, structure and efficiency have improved significantly because of the central bank's rule enforcement. The International Trade Association, in collaboration with the U.S. Department of Commerce, has stated that the banking system is highly concentrated but increasingly competitive as foreign banks enter the country. Currently, the banking sector is stable and well capitalized, with an aggregate capital adequacy ratio of 21.5% as of December 2023, surpassing the 15% central bank regulatory requirement. According to the National Bank of Rwanda (BNR), the country's central bank, non-performing loan volume amounted to RWF 267 billion, or approximately 5% of total gross loans. Rwanda's banking industry includes commercial banks, development banks, cooperative banks and microfinance banks. All commercial banks maintain international correspondent banks in major cities worldwide. The domestic banks are predominantly privately owned, with partial ownership by foreign investors. The National Bank of Rwanda oversees commercial bank regulation and enforces a fixed capital requirement of RWF 5 billion (\$5.8 million) for these institutions. Additionally, Rwanda operates a stock exchange that includes listings for some of the country's larger companies and banks.

Liberalization of foreign trade

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Banking system

9

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8 | Monetary and fiscal stability

The government is committed to price stability and to maintaining a stable currency, the Rwandan franc (RWF), which is overseen by the National Bank of Rwanda.

The Rwandan franc has weakened against the U.S. dollar over the past five years, with USD 1 worth more than RWF 1,000 since 2020 and the rate rising significantly since 2022. By early 2025, USD 1 was equivalent to approximately RWF 1,400.

The rate of consumer price inflation stood at 19.8% in 2023, according to the World Bank, the highest such rate since 1991. The Rwandan government, for its part, reported a 6.8% year-over-year inflation rate in December 2024. Recent decades have seen significant volatility in inflation, with sharp swings. The recent sharp rise in the inflation rate, beginning in 2022, corresponds to what the World Bank called an “unprecedented” increase in food prices that posed a significant risk to the most vulnerable and could exacerbate poverty.

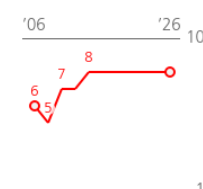
Increases in food, transport and energy prices have been linked to the war in Ukraine and a poor harvest in Rwanda. Rwanda relied heavily on Russia for wheat and fertilizer and has struggled to find alternative suppliers in light of sanctions on Russian exports. The government of Rwanda has been aware of this impact and acknowledged geopolitical factors as a source of economic volatility in its National Strategy for Transformation 2 (NST 2). In response to the destabilization stemming from the war in Ukraine, the government implemented various strategies to curb inflation, including raising interest rates throughout 2022, providing subsidies for certain goods (such as fertilizer and seeds) and for specific transport costs, and increasing spending on social protection.

The African Economic Outlook (2024) estimated that Rwanda’s fiscal deficit in 2023 was 7.0% of GDP, lower than the previous year’s 7.7%. This decrease reflects a shift away from pandemic measures and spending. According to the IMF, general government gross debt amounted to slightly more than 73% of GDP at the end of 2024. The Rwandan government indicated that its general government fiscal deficit for 2023/24 stood at 6.9% of GDP. The fiscal deficit remains higher than levels observed prior to the pandemic. Inflation-control measures such as tax incentives and subsidies resulted in lower-than-anticipated tax revenue in the first half of the 2021/22 fiscal year, exacerbating Rwanda’s challenging fiscal situation. Over the past few years, Rwanda’s trade deficit has continued to grow. The National Institute of Statistics of Rwanda (NISR) reported an 11% increase in the trade deficit in October 2024 compared with the previous year.

The country continues to be highly dependent on foreign financing and donor aid. The recent suspension of aid cooperation by some of Rwanda’s development partners, including Belgium, the U.K. and Germany, over Rwanda’s support for the

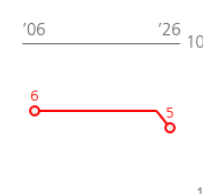
Monetary stability

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Fiscal stability

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M23 rebel group will undoubtedly affect the country's fiscal strength. The majority of Rwanda's debt is external (77%) and amounted to 82.4% of gross national income (GNI) in 2023. It consists mainly of concessional loans provided by multilateral institutions. Over the past five years, borrowing rose significantly to handle the COVID-19 pandemic, repay existing debt and refinance debt associated with RwandAir, the national airline. There is no indication of a medium-term return to debt sustainability and fiscal consolidation.

9 | Private Property

In recent years, there has been little change in the character of property rights in Rwanda. The 2024 International Property Rights Index ranks Rwanda 48th in the world out of 125 countries, making it the second-best performer in sub-Saharan Africa. It scores highest in the areas of control of corruption, physical property protection and intellectual property protection. However, the country's overall property rights score has been slowly declining since 2018.

The constitution guarantees property rights in Articles 34 and 35. Article 34 provides that every person has the right to private property, whether owned personally or in association with others. Under the constitution, the right to property may not be questioned, except in cases involving the public interest, and only in accordance with specific circumstances and procedures determined by law and subject to fair and prior compensation. Article 35 further provides that the state grants private ownership of land and other land-related rights. The law also specifies how land may be acquired, transferred and used.

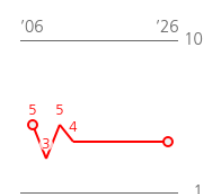
That said, the right to own land and property de facto remains with the government and largely in the hands of a small elite and the urban middle class. Property and land titles are highly politicized, and ownership can be revoked under the public interest statute.

The government of Rwanda has been a strong advocate for the development of private enterprise, as reflected in its Vision 2020 strategy and reiterated in its Vision 2050 agenda. As part of the government's efficiency drive, the Ministry of Finance and Economic Planning (MINECOFIN) is mandated to oversee the legal and regulatory framework for the privatization of state-owned enterprises. Rwanda is regularly recognized as a champion for its efforts to promote a vibrant environment for business and private enterprise.

The 2024 Business Ready report identified Rwanda as one of the world's top performers in public services and operational efficiency among the countries surveyed. It is especially lauded as one of the only low-income countries to perform strongly on business and private enterprise measures.

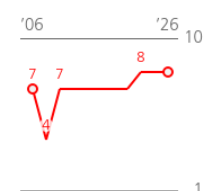
Property rights

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Private enterprise

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The impact of a new law governing companies (2021) remains to be seen, as it introduces new requirements for company governance regarding reporting, performance and diversity that may grant the Rwandan state significant oversight of companies operating in its territory.

10 | Welfare Regime

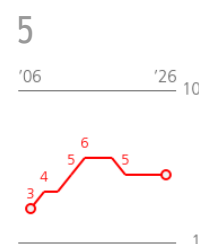
The welfare system in Rwanda has made significant strides since the genocide, and these improvements have been linked to better living standards, better health and higher-quality education. This progress is especially noteworthy given the extensive destruction caused by the genocide and the civil war. In 1995, life expectancy at birth was 40 years, but it has now risen to about 70 years (69.9 years at birth in 2024, according to the National Institute of Statistics (NISR)).

Social protection in Rwanda is largely tied to two wide-ranging initiatives: the Vision Umurenge Program (VUP) and the Ubudehe initiative. The VUP is an overarching framework of social programs targeted at lower administrative levels, which includes direct funding and microcredit, local employment in infrastructure work and development, and skills training. Ubudehe involves community-level assessments of poverty and priorities, as well as community planning to develop initiatives to address local needs. Together, these programs are intended to target unemployment and help Rwandan households “graduate from poverty.”

An additional flagship welfare measure that has garnered significant international attention is the introduction of nationwide mandatory health insurance. Community-based health insurance, known as the *mutuelles de santé*, aims to cover poorer Rwandans, especially those in the informal sector. *Mutuelles de santé*, in which participation is required if no other coverage exists, is accessible with a small contribution and is provided free of charge to the most vulnerable. This community-based insurance approach has enabled more than three-quarters of Rwandans to obtain coverage, with additional people in the formal sector receiving coverage through more conventional forms of health insurance. Therefore, Rwanda has one of the highest levels of health insurance enrollment in Africa. It also ranks high in per capita health spending. According to the World Bank, Rwanda spent 7.32% of GDP on health expenditures in 2021. The Rwandan government estimates that 90% of Rwandans have health coverage, whether through community or private coverage.

The government also developed the Girinka program, or “One cow per family,” to promote poverty reduction and improve nutrition, particularly in rural areas where community-level decisions determine the program’s beneficiaries. However, the program’s long-term sustainability is a real concern, given its significant importance and subsequent impact on the national economy.

Social safety nets



Furthermore, many broader welfare opportunities remain concentrated in Kigali. This pattern was evident during the COVID-19 pandemic, when food programs, cash transfers and hygiene measures to prevent the spread of COVID-19 and to counter its economic fallout were focused primarily on urban centers, particularly Kigali.

A notable and widening divide exists between the upper and middle classes on one side and the impoverished masses on the other, with the former predominantly living in urban areas and the latter mostly in rural regions.

Challenges remain in achieving equal opportunities, particularly regarding gender disparities. According to UNESCO, girls now outperform boys in completing both primary and lower secondary education, with completion rates of 75% for girls and 65% for boys at the primary level in 2024, and 36% versus 29% at the lower secondary level in 2023. Yet women remain disadvantaged in several other ways in Rwanda. According to the World Bank, the adult literacy rate remains lower among women (81% for men and 77% for women in 2022). About 58% of women participate in the workforce, compared with 70% of men. Furthermore, 70% of businesses were owned by men in 2020.

In addition, the authoritarian nature of the political system affects the extent to which changes in equal opportunities are substantive. Although the government promotes inclusivity – with programs ranging from a focus on gender empowerment to opportunities for people with disabilities, for example – access to public employment and public office under Rwanda’s authoritarian conditions remains determined by willingness to support the government.

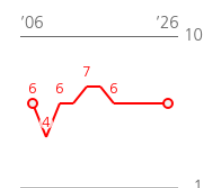
11 | Economic Performance

To some extent, economic growth has supported changes in Rwanda’s economy, though this remains constrained by significant structural limitations. Aid suspensions tied to Rwanda’s involvement in the Democratic Republic of the Congo are likely to act as a shock to the country’s economy.

In recent decades, the country has experienced strong economic growth. Its growth rate averaged approximately 7% between 2010 and 2019, with GDP per capita growing at 5% during the same period, according to the World Bank. The pandemic dramatically impacted this trend, with its GDP shrinking by 3.4% in 2020, resulting in Rwanda’s first recession since 1994. The economy nonetheless rebounded the following year as a result of fiscal stimulus, the government’s relaxation of COVID-era measures and general global trends. According to the World Bank, Rwanda’s GDP grew by 8.2% during 2022/23 and was expected to grow by approximately 7.7% during 2025/26.

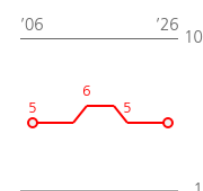
Equal opportunity

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Output strength

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Total GDP reached \$14.1 billion in 2023 (current U.S. dollars), while GDP per capita was \$1,010.3 (current U.S. dollars) in the same year. According to the African Economic Outlook 2024, services remained the largest sector of the economy, accounting for 47.9% of GDP in 2023, while agriculture accounted for 24.8% of GDP and industry for 18.9%. The African Economic Outlook concluded that, despite the government's aims to radically transform the economy, Rwanda "has experienced very little structural transformation in the decade from 2013 – 2023." This may prove to be a challenge for Rwanda as it pursues its goal of becoming a middle-income country. Despite government investment in key transformational policies and initiatives, agriculture remains the backbone of the economy, especially in terms of the proportion of Rwandans working in the sector. Moreover, this remains a fragile sector, susceptible to environmental shocks. Rwanda's GDP growth was expected to slow in 2024/25 as a result of such shocks, which historically have included poor rainfall, drought, floods and limited suitable land for agriculture, as well as the effects of pests and diseases, all of which have continued to limit yields.

The unemployment rate dropped to 12.4% in 2023 after reaching a 2021 high of 15.8%, according to the World Bank. As reflected in its National Strategy for Transformation 2 (NST 2, 2024 – 2029), the Rwandan government remains concerned about unemployment, especially youth unemployment, and aims to make job creation a priority. A significant number of Rwandans still work in the informal economy and earn low incomes. A recent study by Brookings found that individuals in rural areas, women, and both young and middle-aged people in Rwanda faced an above-average risk of unemployment.

Another challenge to economic growth is tied to the structure of trade. Trade amounted to 66% of GDP in 2023, having steadily increased over the past two decades. Rwanda's key exports are coffee, tea, mining products and processed food products. In the past decade, service exports have also begun to play a growing role in Rwandan trade. Commodities, particularly gold, tin, tantalum, tungsten, tea and coffee, are among Rwanda's top exports. Food items accounted for 31% of Rwandan exports, while ores and metals accounted for 16%. Rwanda's main export markets in recent years have been the United Arab Emirates, the Democratic Republic of the Congo, and China. Tourism is also key to foreign exchange earnings, according to the Rwanda Development Board.

Rwanda continues to experience trade imbalances. According to the United Nations Conference on Trade and Development (UNCTAD), Rwanda exported \$2.5 billion in merchandise and imported \$3.9 billion in 2023, despite a 16.8% growth rate in merchandise exports that year. The country's trade balance has consistently been negative. These deficits have largely been covered by development grants and loans, remittances, and borrowing.

For the foreseeable future, Rwanda's ability to balance external accounts, service its debts, make appropriate budget allocations and invest in necessary infrastructure will continue to depend on a constant inflow of foreign resources, particularly aid. Foreign

aid remains a cornerstone of Rwanda's economy, accounting for 8.3% of gross national income in 2022, even though aid was at its lowest level in years. Consequently, Rwanda remains reliant on aid.

12 | Sustainability

Rwanda aims to position itself as a forward-thinking nation on the issue of the environment. From early on, the current government made environmental protection a priority. For example, environmental protection and sustainable resource management formed one of three cross-cutting areas in the Vision 2020 strategy. More recently, the Environment and Climate Change Policy, adopted in 2019, updated the government's 2003 policy. Its purpose is to prepare the country for new opportunities and challenges related to environmental management and the climate crisis while promoting a greener economy. This updated policy aligns with Rwanda's National Strategy for Transformation 2, the EAC Vision 2050, the African Union Agenda 2063, the Sustainable Development Goals, the Paris Agreement on Climate Change, and the Kigali Amendment to the Montreal Protocol. A parent policy document is the new Sustainable Finance Roadmap (2022 – 2029), which promotes green finance.

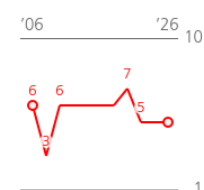
Rwanda was also selected as a pilot country for the U.N. Poverty and Environment Initiative (UNPEI). UNPEI contributed to the government's prioritization of environmental sustainability, climate action and poverty reduction in its National Strategy for Transformation 2 (2024 – 2029).

However, Rwanda's commitments to environmental protection, sustainability and climate change mitigation have not translated into consistent implementation of its environmental vision.

Continued population growth and extensive use of land resources have contributed to significant soil degradation and erosion, deforestation, biodiversity loss, and pollution. Rising population density has forced small landholders to divide their already small plots among their children. This has compelled farmers to overexploit their land or encroach on previously unexploited terrain, such as marshes. This has further contributed to environmental degradation while simultaneously exacerbating the precariousness of these subsistence farmers. Climate change appears to be worsening the situation, with extreme weather events and droughts becoming more common in certain parts of the country.

Environmental
policy

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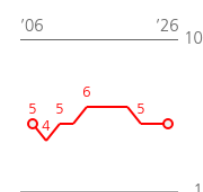
Education is a priority for the government, as reflected in its policies. Government expenditures on education amounted to 4.9% of GDP in 2023, continuing the incremental increase since 2018. An education policy is in place, but serious gaps remain with regard to ensuring primary school completion and access to high-quality education, especially in the realm of teacher training. While an impressive 98% of Rwandans attend primary school, fewer complete it, particularly in rural areas. The primary school completion rate was 91%, up significantly from 69% in 2016, according to the World Bank, and well above the sub-Saharan African average. Similarly, the net enrollment ratio at the lower secondary level was 97%, also well above the sub-Saharan African average. That said, in 2021, 29% of youth (between 15 and 24) were out of school, training and employment, a share below the sub-Saharan African average. According to a 2024 report by the African Development Bank, Rwanda scored 0.38 on the Human Capital Index, slightly below the sub-Saharan African average (0.4) but above the average of all lower-income countries (0.37).

As with previous governments, the current government has prioritized developing technical training as a means of addressing unemployment among underprivileged youth. Strengthening technical and vocational education is seen as crucial to enabling young people to contribute to the modern economy the government intends to foster. In addition, to support growth in the service sector, the government is promoting tertiary education. The quality of university education is improving, thanks in part to private initiatives such as the establishment of branch campuses and international student exchange programs by international universities. However, there is concern that access to higher education may increasingly favor the upper and privileged classes.

Investment in research and development lags, and the country has limited domestic capacity to support cutting-edge research. Research and development expenditures as a percentage of GDP stood at 0.76% in 2019, the latest data available from the World Bank. Some bilateral donors, such as Sweden, have invested significantly to support research at higher education institutions in Rwanda; however, the results have not been commensurate with the investment.

Education policy / R&D

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Governance

I. Level of Difficulty

Significant structural constraints hamper the country's development. Many of these constraints have been present since the country gained independence. Rwanda is a landlocked, hilly country susceptible to major climatic events such as droughts and floods, which have repeatedly caused famines and local-level destruction. Limited infrastructure development makes it difficult to overcome this geographic challenge, resulting in high transportation and export costs.

Consequently, Rwanda relies on its neighbors' goodwill to facilitate the movement of goods and people across its borders. This reliance also hinders Rwanda's trade competitiveness relative to its neighbors. Despite significant government investments in restructuring the economy and improving education, a large proportion of Rwandans remain impoverished subsistence farmers with limited formal education or skills beyond agriculture.

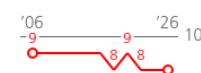
The Rwandan government has proposed several inclusive initiatives to address security, economic and humanitarian needs. Its vision for this ambitious overhaul was laid out primarily in the Vision 2020 strategy, unveiled in 2000. Vision 2020 (which has now been replaced by Vision 2050) aimed to turn the country into a regional hub for trade and investment by encouraging knowledge-based innovation, an entrepreneurial mindset and market-driven agriculture.

Both the authoritarian context and the political elite discourage civil society participation, at least when it comes to creating space for civil society to act as a counterweight to the state. A few segments of society, such as women, youth and people with disabilities, are integrated into the political landscape thanks to reserved seats in the legislature. Yet given the dominance of the Rwandan Patriotic Front (RPF) over the political system, these groups are limited in their ability to bring diverse voices into Rwandan politics. Overall, the space for an independent and vocal civil society in Rwanda is very constrained, at least in terms of expressing views different from the general line adopted by the government. Decades of authoritarianism have limited any tradition of openness within civil society.

Part of the government's efforts to curb a free and dynamic civil society has specifically targeted non-governmental organizations (NGOs) and civil society organizations (CSOs). In the years following the genocide, the Rwandan government

Structural
constraints

8



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Civil society
traditions

9

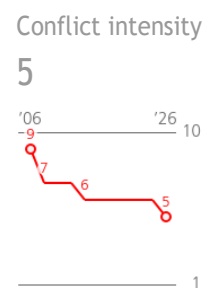


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undertook significant efforts to target NGOs and CSOs that did not follow its line, including well-established human rights organizations. Since then, community service organizations, civil society and NGOs in Rwanda have been weak and constrained. Independent NGOs exist mostly at the national level and generally adhere to the government's guidelines and plans. Development NGOs integrate their activities into the institutionalized development structure if they want to be allowed to remain active.

The country's significant constraints also include the war and genocide that ravaged it in the early 1990s. Insecurity linked to the genocide's aftermath remained a concern for years after 1994, especially in the northwest of the country, leading the government to target civilians in these areas. The massive displacement to neighboring countries of parts of the population, some of whom were associated with the 1994 killings, created significant refugee populations. Some within these populations, organized into armed rebel groups, have regularly caused instability in recent decades. This has led to the regular involvement of the Rwandan government in the Democratic Republic of the Congo (DRC), which has been at the center of the renewed conflict in eastern DRC since 2022. The Rwandan government justifies its involvement in the DRC on the basis of the continued presence of armed groups opposed to it in this area. However, it has largely been the instigator of violence on Congolese territory, rather than being targeted on its own territory by armed groups across the border. That said, rockets have on occasion fallen on Rwandan territory, and the Rwandan Ministry of Defense has recorded incidents of artillery or soldiers crossing the border in recent years.

The government's heavy-handed, authoritarian style has bred resentment among those most affected. Many young people, particularly from the urban underclass, are increasingly resentful of the repression they have endured. In the past, the government has singled out populations it considers undesirable, such as prostitutes and informal vendors, arresting and occasionally displacing them to what it calls transit centers. Overall, significant and real divisions in Rwandan society intersect and pose obstacles to the reforms pursued by the government. Over time, these divisions may become a source of destabilization.



II. Governance Performance

14 | Steering Capability

The current government of Rwanda, led by the Rwandan Patriotic Front, has long been recognized for its efficiency. From the first years after the genocide, it showed a clear sense of reconstruction priorities. Its vision for the country was further formalized in the Vision 2020 road map, which set clear strategic priorities operationalized through the country's poverty-reduction papers (EDPRS 1 and 2). The Rwandan government recently proposed a new vision document, Vision 2050, which aims for Rwanda to achieve middle-income status by 2035. It has also outlined how it will operationalize this new vision through its National Strategy for Transformation (1 and, more recently, 2). Both Vision 2020 and Vision 2050 propose ambitious plans for deep social and economic transformation.

To support these visions, the government has developed a series of policies and programs over recent decades. Many of these are described as “homegrown solutions” or initiatives, a notion recognized in Rwanda's constitution (Article 11). Rwandan authorities describe them as largely inspired by traditional Rwandan practices and based on Rwandans' values. Some of these homegrown solutions include Imihigo contracts, Ubudehe, and the Girinka, or the “one cow per family” program. This vision and initiative by authorities have contributed to the sense that the Rwandan government has a strong capacity for policy development and implementation, and that it has shown an ability to innovate domestically in policy.

Rwanda's steering capability is reflected in its performance on several international indexes. Notably, the country has consistently ranked at the top among African states in the Country Policy and Institutional Assessment (CPIA) since 2011. It ranked well above the African average across all CPIA indicators in 2024, including in the areas of governance, structural policies and economic management. Nonetheless, steering in Rwanda follows a top-down and government-driven developmentalist approach with clientelistic characteristics.

Rwanda's government has been effective at implementing its policies due as much to the heavy-handed, top-down nature of its governance as to its ability to achieve results according to its own metrics.

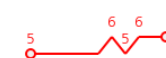
To extend its programs and presence in rural areas, it has relied on extensive decentralization while ensuring that local administrators remain strongly accountable to the regime. Decentralization has helped connect the government more closely to local realities, but it has also expanded the regime's local footprint, especially at the Umurenge, or sector, level.

Question
Score

Prioritization

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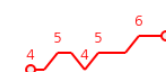


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Implementation

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The implementation of policies also requires catering to the expectations of the government's power base – elites such as high-level functionaries, army and police officers, party officials, and businesspeople – regarding economic and social status. Tolerating a certain degree of rent-seeking is unavoidable, but the Rwandan government has been effective in channeling it at the highest levels, largely through initiatives that have supported major economic projects and enterprises. According to analysts, the Rwandan government and its circle of elites have therefore engaged in a form of development patrimonialism that has had some beneficial impacts on the economy at the macro level. In other words, some of the effective economic steering in Rwanda has occurred in large part because elites who have benefited from it and from the type of economy it is helping build have supported it.

Nonetheless, among other segments of the population, the implementation of policies and initiatives has at times caused frustration with the top-down, heavy-handed approach. Reforming the agricultural sector has proved particularly challenging. Experts have raised doubts about the government's strategy of transforming the sector into a professional, market-oriented industry.

The government continues to follow the course agreed with the World Bank and the IMF, while also promoting certain homegrown mechanisms. Building on Rwandan culture is enshrined as a core principle in the Rwandan constitution. As such, the government prefers a top-down approach to economic and social transformation.

The government has a clear vision that circumscribes policy development and implementation. While this allows some adaptation, the regime's highly authoritarian nature does not tolerate questioning of the overall approach and vision for the country advocated by the Rwandan Patriotic Front (RPF). Rwanda's top-down model of policymaking, therefore, hinders flexibility in policy learning beyond the project or program level.

Nevertheless, in response to challenges the government has adjusted some of its policies and programs in recent years. For instance, it has adapted aspects of the Girinka program's implementation and revised some original targets because progress in implementing the Vision 2020 strategy has been slower than anticipated.

15 | Resource Efficiency

The Rwandan government makes efficient use of most of its available financial, organizational and human resources. However, domestic financial resources are scarce, leading to consistent reliance on public debt. According to the World Bank, Rwanda's development model, which is primarily financed by the public sector, has proved to be a drain on public financial resources, leading to fiscal deficits. Financing prestigious projects in the capital, Kigali, has consistently added to the budget burden and public debt stocks. While the budget discloses expenditures for the sizable army and other security forces, the amounts are very low, suggesting that additional funding comes from sources outside the budget.

Policy learning

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Efficient use of assets

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According to figures provided by KPMG, revenue for fiscal year 2023/24 totaled RWF 5.03 trillion, up 6% from the previous year. A total of 59% of the budget came from domestic revenues, with the remainder from external grants (13%), external loans (24%), and domestic borrowing and drawdowns of financial assets (4%). As a result, the country's fiscal position remains negative.

Tax collection, particularly of the value-added tax (VAT), has improved significantly, as Rwanda has developed an effective revenue and tax infrastructure. However, internal revenue remains relatively stagnant, and Rwanda's indebtedness has been financed mainly externally through grants, concessional and non-concessional borrowing.

Regarding the efficient use of human resources, competition for employment in government service is strong. However, applicants from privileged strata and certain categories often have better chances of gaining positions. There remains a bias toward upper and privileged strata in university-level education, though changes to the scholarship system introduced in 2013 have extended funding opportunities for advanced education to rural communities.

The government coordinates policy through a strict hierarchy. Efficient but autocratic organizational functioning is expected. Public statements by government representatives and local administrators align with the official policy of the RPF-led government. Because of the government's hierarchical structure, coordination among ministries is opaque. Innovation within institutions is promoted only if it aligns with the government's expectations.

The fight against corruption remains a priority for the Rwandan government, and Rwanda is often perceived as one of the countries with the lowest levels of corruption in Africa. Prioritizing the fight against corruption has served three functions: mitigating negative economic impacts, removing personnel who are politically out of line and improving the country's international reputation. Consequently, low- and mid-level civil servants are prosecuted when allegations of corruption are brought against them.

Despite these anti-corruption efforts, the issue remains a concern in some areas. In particular, the police, judges and administrators working in certain services, including electricity and water and sanitation, have been associated with a greater likelihood of petty corruption. Although overall levels of petty corruption remain low, some researchers have associated the dominance of the party, military and state over the economy with economic collusion, especially in favor of wealthy party backers, and, in some instances, through "closed deals" instead of open ones.

Policy coordination

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Anti-corruption policy

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Several institutions and policies have been established in recent decades to enhance organizational effectiveness within the state. These include the Office of the Ombudsman, the Rwanda Public Procurement Authority (RPPA), the Office of the Auditor-General, the Anti-Corruption Unit in the Rwanda Revenue Authority, and the Public Procurement Appeals Commission. A number of high-level authorities are required to disclose their assets. Performance contracts (Imihigo) are expected of most of the public sector. The Office of the Ombudsman of Rwanda serves as the coordinating body in the fight against graft, holding investigative and prosecutorial powers. The Intermediate Court also has specialized chambers dedicated to corruption cases. To improve the exchange of information on corrupt activities, a national-level advisory council against corruption and injustice was established to oversee strategies. Additionally, in September 2018, Rwanda implemented a new law (No. 54/2018 of 13/08/2018) aimed at combating corruption.

Despite positive outcomes and the implementation of policies to ensure transparency in the auditing of state expenditures, concerns remain about the independence of the ombudsman's office in Rwanda's highly politicized context.

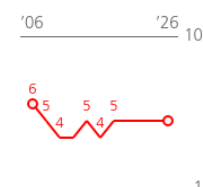
16 | Consensus-Building

The country is not democratic. Since coming to power, the RPF-led government has made unity and stability two of its key goals. This depends on ensuring that Rwandans know and follow the party's broad vision for the country. Specific means to ensure this include monitoring the activities of civil society actors and the media, even though the country's constitution guarantees freedom of speech and assembly. The Rwandan government has also instituted a forum where political parties can deliberate, though they are also led to operate by consensus. Major political actors agree, at least rhetorically, on the value of political pluralism and democracy as strategies to forge the base needed for ambitious political, social and economic transformations in the country. However, there is no real internal political opposition or independent public opinion, and any critical voices risk being accused of divisionism. Thus, while consensus on political governance appears to have been achieved in Rwanda, it is largely because it is imposed.

Regarding the market economy, Rwanda has prioritized liberal, market-oriented growth, with activities involving close cooperation with the World Bank, the IMF and major Western donors (the United States and the United Kingdom in particular). This has helped stimulate stable economic growth over the past 15 years. However, the principle of a liberalized market economy is not consistently applied in Rwanda. In practice, the government has not always favored liberalization in sectors where competitors were lacking or where some of its economic allies had interests. As a result, it has sometimes operated through closed deals. In addition, the agricultural sector, which employs the largest share of Rwandans, is highly regulated by the Rwandan administration. Consequently, consensus on economic policy may largely reflect the interests of the class privileged by the government's economic vision.

Consensus on goals

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Rwanda has few reformers within the ruling party, given its strong expectations of compliance. The Rwandan Patriotic Front (RPF) has maintained a strong norm of allegiance, evident among the new generation of cadres rising through the party's ranks. Dissenters are regularly ejected from the inner circle of power. This dynamic is reinforced by the dominance of non-democratic actors loyal to the government's party line across all branches of government and the public sector. Some analysts have described the RPF government as animated by a "military ethos," bent on enforcing compliance across the state and society.

Given the very strong stance against any dissension or opposition, there are also very few pro-democracy reformers with significant political influence outside the regime. Over the past decade, potential reformers or challengers have preferred to go into exile. Critics – especially journalists and political opponents – have regularly been targets of smear campaigns or have been repressed, jailed, disappeared or assassinated in Rwanda and abroad. The circumstances surrounding the deaths of these critics are generally murky, and the Rwandan government has opposed independent investigations, as in the case of Kizito Mihigo in 2020. This also appears to be the case in the January 2023 death of journalist John Williams Ntwali. Given the government's tight grip on the public realm, public contestation is almost nonexistent, at least in terms of challenging national-level authorities.

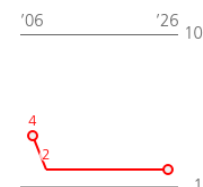
There has been no identity-based violence in Rwanda in recent years, although identity-based resentment persists because of unequal opportunities afforded by the system, particularly between rural and urban areas. The rising number of impoverished individuals (primarily Hutu) is a breeding ground for frustration. The regime is acutely aware of this and has developed policies to address discontent in rural communities and among youth, and it has also implemented – in a heavy-handed way – a national reconciliation policy intended to criminalize divisions and any recourse to identity politics. Those who raise identity issues risk being accused of divisionism or harboring genocide ideology. Both are punishable by law.

The Rwandan government has established spaces for public consultation, including the national leadership forum (Umushyikirano). However, these spaces are largely under its control. Opportunities to hold government actors accountable primarily involve evaluating the performance of subnational – and especially local – administrators.

As a result, meaningful public consultation about the direction or performance of the national government is minimal. Likewise, civil society actors permitted to operate and consulted tend to align with the Rwandan government's vision.

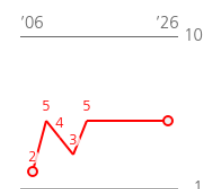
Anti-democratic actors

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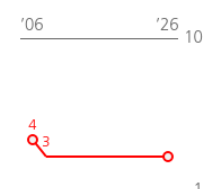
Cleavage / conflict management

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Public consultation

3



To manage divisions born of ethnic violence, particularly the genocide, the Rwandan government has advocated reconciliation and unity among Rwandans through top-down policies and structures. This includes the Ndi Umunyarwanda (“I am Rwandan”) policy, which aims to promote a single Rwandan identity. On the basis of its own Reconciliation Barometer, the government reports positive results for reconciliation in the country, but the process of fostering reconciliation remains complex. The imposition and one-sided nature of the reconciliation policies and tools have also generated resentment. People express concerns about the widening gap between the rich and the poor, the increasing difficulty in accessing land and housing, and the lack of opportunities for specific categories of Rwandans, especially rural youth. These divides often intersect with ethnic identities, with the majority of the poor being Hutu. Furthermore, the government continues to limit many Hutus’ freedom of expression, believing that they still pose a threat.

Additionally, the alleged crimes committed by the Rwandan Patriotic Army (RPA) during the civil war, after its 1994 victory in Rwanda and during the 1996 Congo War have not been prosecuted. This lack of accountability reinforces the perception that the government’s commitment to reconciliation is one-sided and primarily a means of control rather than a genuine effort to reshape relationships and bonds within society.

17 | International Cooperation

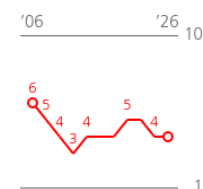
Despite regularly coming under fire for its involvement in the Democratic Republic of the Congo (DRC) – as is currently the case – the government of Rwanda is generally regarded internationally as an effective development partner that uses international aid efficiently to implement its development strategy. Rwanda has become – or has remained since before the genocide – a development darling. This is fed in part by policy choices made by the Rwandan government. For example, Rwanda’s promotion of gender equality within political institutions, its status as of December 2024 as the country with the highest percentage of women in parliament and its embrace of the language of effective governance and results-based management have made it an attractive development partner for Western donors.

This is also largely due to the perception that the government has strong policy and implementation capabilities. Notably, the government has outlined a comprehensive development strategy aimed at achieving the Sustainable Development Goals by 2030. The administration has a track record of using aid effectively to achieve desired outcomes.

Before some recent aid suspensions resulting from its involvement in the DRC, Rwanda received one of the region’s largest amounts of aid per capita. In 2022, Rwanda received \$79 (current dollars) per capita in aid. This was the lowest such level since 2007, though it compares favorably with amounts received by its neighbors, such as Uganda (\$45) and Burundi (\$43) for the same year.

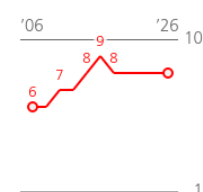
Reconciliation

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Effective use of support

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This is not a new trend, as Rwandan authorities were perceived as having a clear vision for reconstruction as early as the first years of the post-genocide emergency period. This translated into the government of Rwanda taking a strong role in guiding development programming and determining the sectors in which donors should work. Rwanda's post-genocide policies and institutions were also strengthened by the creation of clear accountability tools and procedures and by the definition of intended results against which to measure progress. According to the government, the institutions and structures rebuilt following the genocide reflected traditional Rwandan values and practices, evident in many homegrown mechanisms put in place, alongside the implementation of best international development practices and know-how. This blend has proven attractive to donors, who see in this domestic capacity for innovation further proof of Rwandan effectiveness.

Under the Rwandan Patriotic Front (RPF), Rwanda has repeatedly been the subject of major criticism for its role in destabilizing the eastern part of the Democratic Republic of the Congo (DRC). The government has been accused of supporting rebel groups in the area and, in some instances – including during the renewed war that began in 2022 – of operating on Congolese territory. This has affected the government's international reputation.

Amid renewed violence in the DRC, the United States' recent imposition of sanctions against James Kabarebe, a former army general and current minister of state for regional integration, poses a significant challenge for Rwanda's international credibility. Rwandan involvement in the DRC has also led to suspensions of military and development aid by key bilateral donors, including the United States, the United Kingdom and Germany. In turn, Rwanda suspended the aid it was receiving from Belgium, its longest development partner due to colonial ties, following growing tensions between the two countries regarding the DRC.

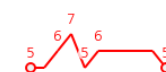
Outside its involvement in the DRC, the government is generally perceived as a credible international partner that complies with international commitments, such as climate change and development agreements. It cooperates well with development institutions such as the World Bank, the African Development Bank and the International Monetary Fund, as well as with key United Nations agencies.

Rwanda is a member of major regional structures in Eastern and Central Africa. These include the East African Community, the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS) and the Economic Community of the Great Lakes Countries (CEPGL). It is one of the strongest proponents of the African Continental Free Trade Area (AfCFTA), and it hosted the meeting that led to that initiative's initial launch. It is also an influential member of the African Union and a member of the Commonwealth, the Organisation internationale de la Francophonie, and the East African Community. This has been evident in recent years through the key roles it

Credibility

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Regional cooperation

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has played in these institutions, from President Kagame's election as chairperson of the African Union in 2018 to the Commonwealth's heads-of-state meeting being held in Kigali in 2022.

However, Rwanda's internal politics and relations with its neighbors often strain its ties with donors and allies. International donors often cite the country's democratic deficiencies and human rights violations – especially when non-governmental organizations press their home parliaments to raise these issues. These domestic concerns rarely affect aid enough to trigger suspensions or program reconsideration. Given Rwanda's international influence – both its diplomatic weight and its involvement in regional and continental security structures – responses to democratic deficiencies and human rights violations have tended to be timid.

However, international donors and allies have been more vocal regarding Rwanda's involvement in the Democratic Republic of the Congo since the mid-1990s. This has at times led to aid suspensions, particularly in 2012. Given the Rwandan government's support for and involvement in the latest episode of conflict in the DRC since 2022, criticism of Kigali has mounted, prompting calls from international civil society actors to reconsider aid to Rwanda.

As this suggests, Rwanda's relations with neighboring countries have fluctuated. They have often soured with Uganda, Burundi, Tanzania and the DRC, especially when security concerns arise. The Rwanda-DRC relationship has been a notable source of instability for the larger region. Despite initial efforts to improve relations following the election of Congolese President Félix Tshisekedi in 2018, the remobilization of the March 23 Movement (Mouvement du 23 mars, M23) rebel group in recent years (since 2022) and the support it receives from the Rwandan government have reignited tensions between the two countries.

Strategic Outlook

Apart from the significant flare-up of violence in the eastern part of the Democratic Republic of the Congo (DRC) and Rwanda's involvement in it, little has changed in Rwanda politically or economically in recent years. This suggests that the opportunities and challenges the country is likely to face in the coming years will remain similar to those it has faced recently.

These are tied to the strong authoritarian nature of the ruling party's governance and to the fragile and strongly unequal economic situation the country faces despite growth. Both aspects have been sources of resentment among different segments of society. This resentment has not led to major protests, given the government's strong hold on the country; however, it holds the potential, if it were to fester and if some of the government's longtime societal backers – key military and economic actors – were also to grow increasingly resentful, to leave Rwanda's current authorities on precarious footing.

Little about this fragile political foundation is likely to change unless the regime chooses to undertake substantive political liberalization. This would involve allowing parties critical of the RPF to run in elections. Just as important, it would mean breaking the inner regime's hold on the country's management. This may be the most difficult transformation to undertake, given how entrenched the RPF's rule over the country is and how reluctant it is to allow open public discussion and opinion. The RPF is a highly centralized organization that operates with little transparency. It likely ties its political survival to such extensive control. The core group of advisers around the president has narrowed as internal feuds within the RPF have created rifts with former allies, some of whom have been assassinated. A new generation of key regime figures has emerged, acting as staunch defenders of the RPF. The extent to which they hold real sway over the regime is unclear, if not questionable. In the same vein, little effort has been made to groom a successor for President Kagame. Given the president's strong hold on the country and the absence of obvious successors, this situation raises the risk of dramatic instability if something were to happen to him.

Part of Rwanda's stability in recent years has also stemmed from the tacit understanding that the current government has maintained security in the country and bolstered Rwanda's international reputation. Both factors have benefited the country's political and economic elite. Renewed violence in eastern DRC, especially the increased direct involvement by Rwanda and scrutiny of Rwanda's contribution to the conflict, could not only affect the country's security but also tarnish its reputation – even if the latter has been surprisingly resilient despite continued Rwandan meddling in the DRC. Short of Rwanda's clear decision to stop intervening in the DRC and to stop supporting proxies beyond the border, this issue is unlikely to resolve itself.

The country also faces important economic challenges that could signal tougher economic times if revenues are not increased and deficits are not reined in, and if Rwanda faces important new external economic shocks. Rwanda's economy remains vulnerable. This remains the case despite the government's ambitious plan to transform the economy.

It has become apparent that some of the country's projects to develop the service and hospitality sectors have had a significant impact on Rwanda's fiscal health without delivering the anticipated returns. Recognizing agriculture's continued significance to the economy, the Rwandan government has also invested in transforming the sector into a market-based, competitive and revenue-generating industry. However, implementation of these changes in the agricultural sector has been slow. As a result, growth will continue to depend on international commodity prices and access to substantial foreign aid.

The government's policies and initiatives have also aggravated key divides and inequalities in the country. These include the urban-rural divide, which is often intertwined with socioeconomic and ethnic fault lines. The country has also struggled to create opportunities for some of its young people. Prioritizing the development of a consistent, transparent strategy to address challenges related to rural and youth-focused development will be essential to the country's future political and socioeconomic stability. This strategy should include creating sustainable employment opportunities for those left behind by job growth in recent decades, especially low-skilled young people in rural regions and the urban informal sector.