

National Social Protection Strategy



Ministry of Local Government (MINALOC)

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0. EXECUTIVE SUMMARY

0.1. Introduction

In recent years Rwanda has managed to achieve a good level of economic growth. However there is still much to be done if the government's aspirations for poverty reduction are to be achieved. In 2006, almost 57 percent of the population still lived in poverty, while levels of inequality were on the rise¹. A number of categories of the population are particularly vulnerable to poverty including older people, those living with disabilities, young children, female-headed households, genocide survivors and the historically marginalised. Young people are a group that also need support, given the difficulties many have in finding jobs due to low skill levels.

The Strategy defines social protection across two main dimensions:

- As a Social Protection Sector, which essentially comprises the system of regular and predicable **cash transfers that will provide income support** to those living in poverty and vulnerable to falling into poverty;
- As a **means of ensuring access to other public services** – such as health and education – by enabling poor households to overcome the financial barriers that they may face.

In addition the Strategy sets out a number of **social development initiatives** and **complementary activities** to social protection focused on helping poor households graduate out of poverty.

The Social Protection Strategy will play an important role in enabling the government to tackle poverty and inequality across Rwanda. It complements other sector strategies already in place, and is focused on enabling Rwanda to achieve its commitments as set out in the Economic Development and Poverty Reduction Strategy (EDPRS). This Strategy focuses mainly on programmes delivered by MINALOC; social protection programmes provided by other sectors – such as free education, the *mutuelle de santé* community health insurance and subsidised fertiliser inputs – are set out in the strategies of those sectors, but summarized in this Strategy.

0.2. Mission of the sector

The mission of the social protection sector is:

Ensuring that all poor and vulnerable people are guaranteed a minimum income and access to core public services, those who can work are provided with the means of escaping poverty, and that increasing numbers of people are able to access risk sharing mechanisms that protect them from crisis and shocks.

¹ Enquête Intégrale sur les Conditions de Vie-2 (EICV-2)

The long-term vision for social protection in Rwanda is, in the next **ten years**, to build a system that comprises two guiding elements:

- a) A **social protection floor** for the most vulnerable households and individuals, comprising:
 - a. **Cash transfers**, providing a minimum income and livelihood security, and
 - b. Continuing extension of **access to core essential services** for poor and vulnerable households, in particular health, education, shelter and water and sanitation;
- b) Increased **participation of the informal sector in the contributory social security system**, with more people enjoying the benefits of labour legislation.

Alongside these core elements will be social development initiatives and complementary activities to help the poor graduate out of poverty.

Underpinning Rwanda's vision for social protection system are three important principles; that it be **protective** (providing essential support to those living in poverty), **preventative** (providing a safety-net to those in danger of falling into poverty) and **promotive** (supporting people to pull themselves out of poverty and graduate from the need for social protection). The integration of these aspects is critical to the success of the Strategy.

0.3. Objectives of the Strategy

The Global Objective of the social protection sector is to: *build a social protection system that tackles poverty and inequality, enables the poor to move out of poverty, helps reduce vulnerability and protect people from shocks, helps improve health and education among all Rwandans, and contributes to economic growth.*

The Social Protection Sector will support the EDPRS objectives and 7 year plan by:

- Helping **increase economic growth** through encouraging and enabling poor and vulnerable households to invest in more productive activities, stimulating consumption and market activity, and extending the reach of the country's financial system;
- Contributing to **slowing down population growth** through greater household income security, thereby reducing the imperative for young parents to invest in large numbers of children as a means of enhancing their own security in old age;
- Directly **tackling extreme poverty** by providing cash transfers to poor households with limited labour capacity while also supporting the economic empowerment of those who can become more self-sufficient and graduate out of poverty, and by contributing to improved access to health and education services and improved nutrition;
- Providing **greater efficiency in poverty reduction** through the development of a comprehensive electronic management information system (MIS), efficient delivery of cash benefits, and strengthening co-ordination in the delivery of social protection across government and civil society.

The focus of the Strategy in the **next five years (2011-2016)** will be to: a) harmonize and coordinate different interventions to respond to the needs of the poor and vulnerable; b) build on and extend existing cash transfer programmes, b) extend access to public services to the poorest households; c) begin to extend contributory social security mechanisms; d) deliver complementary programmes to assist households to graduate; e) build leadership and capacity across government on social protection and strengthen the alignment of non-governmental actors with national priorities, and f) strengthen systems and structures for delivery of social protection.

0.4. Programmes

0.4.1. Build a comprehensive system of cash transfers

The Strategy will build on, integrate and extend the cash programmes that are currently part of the Vision 2020 Umurenge Programme (VUP), Genocide Survivors Support and Assistance Fund (FARG) and Rwanda Demobilisation and Reintegration Commission (RDRC): the VUP Direct Support and Public Works programmes, the FARG emergency assistance and the subsistence allowances for disabled ex-combatants. These will enable the government to take the first steps in establishing a comprehensive Social Protection Floor.

VUP Direct Support Programme

We will continue with the VUP Direct Support programme, providing a grant to extremely poor households with no adult labour capacity in line with guidelines under the VUP direct support manual of procedures. The grant will provide an important safety net for those who temporarily fall into crisis – for example, as a result of a long-term illness – while also reaching some of the poorest and most vulnerable households with more long-term support. The programme will be scaled up at a faster rate, to ensure timely coverage of all the eligible beneficiaries, reaching national coverage within the next 5 years. The Direct Support programme will benefit approximately 345,000 people living in 5% of households across Rwanda. It will have a significant impact on extreme poverty.

Grants for other vulnerable groups

During the lifetime of the Strategy, we will assess the continued relevance, complementarities and synergies, as well as duplications in existing categorical programmes like the FARG, RDRC, Child and Refugees Support Programmes, and how the different programmes can be implemented in a more harmonised and coordinated way. Where possible, support for specific vulnerable groups will be integrated into the VUP Direct Support, and funding streams harmonised. We will also conduct feasibility studies on the viability of implementing old age, disability and child grants. Nonetheless, older people, children and people with disabilities will be key beneficiaries of the Direct Support programme where they are members of those households receiving grants.

VUP Public Works Programme

The VUP Public Works Programme will be extended nationally in line with the programme scale up plan and lessons learned, and will gradually provide, over the next 5 years, the different types of support outlined below.

- **An initial “booster”** along the lines of the current programme. Participating households will receive, where feasible, at least 100 days employment in one year, at up to market rates, with the expectation that they will use this income to invest in productive activities to try and graduate from poverty. The programme will aim to ensure that at least 10 percent of households access the “booster” programme in any one year and, after three years – on average – in a sector, all eligible households will have participated for one year.
- **Skills development strategy:** the VUP programme will develop a strategy to ensure that structured skills development is incorporated into the Public Works programme, with a particular focus on the youth, and will monitor its impact.
- **Support to infrastructure development:** VUP staff will take on the role of mobilising the VUP work-force to participate in infrastructure projects, as appropriate. These are likely to be projects that require large numbers of unskilled workers, such as terracing.
- **Options for better implementation of the public works component will be explored based on lessons learned.** Among others, by 2012, a feasibility study will be conducted for establishing an employment guarantee scheme and modalities for doing so.

0.4.2. Social protection programmes implemented by other sectors

Social protection also takes place across a range of other sectors, in which its focus is on ensuring that poor people can overcome financial barriers to accessing public services. The Strategy sets out the government’s key social protection commitments in the areas of health, education, agriculture, youth and disaster management. These include mutuelle de santé, free basic education and girinka, the one cow one family programme.

0.4.3. Extension of contributory social security and labour standards

The main focus of this strategy is on reaching the poorest and most vulnerable. However, we also recognise that social protection is broader than this and that it is important to ensure that the benefits of labour standards and contributory social insurance schemes are extended to as many people as possible. Therefore, during the period of the Strategy, we will focus on two main areas: a) extending the benefits of the Social Security Fund for Rwanda (SSFR) to the informal and agricultural sectors; and b) ensuring that labour standards are strengthened and begin to extend to the informal and agricultural sectors.

0.4.4. Social development initiatives to support social protection

A range of social development initiatives to support social protection will be taken forward by the Ministry in charge of Social Welfare, other ministries and institutions in the social protection sector. These will focus on helping poor households move out of poverty while also building community cohesion.

The programmes to be prioritised by MINALOC are the VUP Financial Services programme, support for income generation programmes among genocide survivors, and the continuation of the Ubudehe priority community interventions programme. These programmes are part of and contribute to broader national initiatives across government and the private sector, focused on strengthening cooperatives, Savings and Credit Cooperatives (SACCOs) and increasing access to financial services and income generating opportunities.

0.4.5. Complementary services to social protection

A range of complementary activities to strengthen the impact of social protection will be taken forward, focusing on the roles of households, communities and culture in building community participation and cohesion and helping poor households graduate out of poverty. Community mobilisation on cross-cutting issues and government strategies that impact on livelihoods (for example on gender, primary health care, human rights, nutrition, the environment, savings and cooperatives) are key complementary activities.

Coordination and linkages with skills development and vocational training activities carried out by other ministries and institutions, particularly for the youth, will further enhance cohesion of society and the ability of households to generate income, construct shelters and graduate from social protection programmes. Local mechanisms that will be used to strengthen community mobilisation, coping mechanisms and social cohesion include: Umuganda, Kuremera abacu, Ingobyi y'abarwayi, Kuragizanya, Kugabirana, Itorero, Kuzitura and Igikumba Rusange.

0.4.6 Risk mitigation and responsiveness to shocks

Shocks and disasters impact poor households most negatively. It is crucial therefore to minimise the impact of shocks so that they do not undermine poverty reduction efforts of social protection programmes. This can be done by complementing and strengthening social protection with risk mitigation and rapid response systems. Core elements of effective risk management are effective early warning, contingency plans and financing and adequate institutional arrangements and capacity to be able to respond. Within the social protection sector, there is potential to utilise timely early warning information and for existing programmes to be refined in order to be able to scale up to meet transitory needs in response to shocks.

In order to better coordinate and help strengthen the effectiveness of early warning, risk mitigation and response systems in Rwanda, the government will establish a technical working group. This group will seek to better coordinate and enhance the effectiveness of the range of stakeholders involved in early warning, risk mitigation, climate adaptation and disaster management.

0.5. Implementation and Monitoring of the Strategy

0.5.1 Strengthen social protection structures and coordination

To ensure the effective implementation of the Strategy, a range of structures will be built or strengthened. These will put in place strengthened systems of leadership, co-ordination, implementation as well as building capacity at all levels, to take forward this important agenda. A detailed implementation plan will be developed, once this Strategy is approved. Implementation of the Strategy will be led by the Ministry in charge of social protection, in close collaboration with other Ministries, local government, para-statal, development partners and civil society.

0.5.2 Strengthen social protection systems

Over the next five years, a key focus of our engagement on social protection will be to strengthen implementation systems, so that programmes become more efficient and effective. We will focus on two key areas:

- Building a nationwide electronic Management Information System in which beneficiaries of all social protection programmes are registered and monitored; and,
- Assess advanced means of electronic payments of cash to social protection beneficiaries that enhance financial security and increase the accessibility of financial services – provided by the banking sector – to vulnerable households in even remote communities.

0.5.3 Monitoring and Evaluation

Once the electronic MIS is established, we will be able to undertake effective monitoring of all social protection programmes. We will also undertake a major impact evaluation of our cash transfer programmes, using both quantitative and qualitative methods. We need to ensure that we learn lessons from the implementation and evaluation of social protection programmes and incorporate this learning into our future policy development and improvements to programmes. A communications strategy will be developed to ensure that progress in implementing this Strategy is well-communicated across government and to citizens.

0.6. Budget and Funding Arrangements

The proposed annual costs of the Strategy are shown in Table 2. The indicative cost of the Strategy, if implemented in the next fiscal year, is RwF59.8 billion in 2011/12, rising to RwF94.5 billion in 2015/16.

It is our intention to develop a sector-wide funding mechanism for social protection. Currently, development partners fund specific social protection programmes, in particular the VUP. However, the development of a sector-wide funding mechanism will allow development partners to contribute to the sector as a whole, rather than specific projects. This will ensure that funding is aligned to government priorities and will also enable development partners to engage over the whole sector.

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1. INTRODUCTION

1.1. Background and Context

Rwanda is a landlocked country with a population of about 10.1 million (2009)². It is situated in central Africa with a land area of 26,338 km². It is one of Africa's most densely populated countries with an average of **373** people per square kilometre³. The population is composed mainly of young people; in 2005, under 25's represented two thirds of the population.

The Government of Rwanda is committed to eliminating poverty and reducing inequality. Its five-year aims were set out in the Economic Development and Poverty Reduction Strategy (EDPRS), approved in 2007. In the EDPRS, social protection was given a prominent role and, in the past three years, the government has taken major steps towards realising its commitments. The gradual expansion of social protection across Rwanda – in particular through the Vision 2020 Umurenge Programme (VUP), a flagship programme of the EDPRS – has already begun to make significant in-roads into reducing poverty, in particular in the sectors where it has been implemented. The government's economic development strategy will be key to further reducing poverty and enabling the further expansion of social protection to those who need it.

As the EDPRS indicates, underlying the challenge of addressing poverty in Rwanda is continuing rapid population growth, resulting from increasing fertility combined with declining infant mortality. The total fertility rate rose from 5.8 children per woman in 2000 to 6.1 children by 2005. This has led to a population growth rate that is one of the highest in Africa, at around 2.7 percent per year.

This National Social Protection Strategy sets out in detail the government's vision and commitments within the sector. It will describe how the government plans to build on commitments already made in the EDPRS and will demonstrate how our vision continues to grow. We will take significant steps to broaden the coverage of social protection to those in need of support from government. At the same time, we will prioritise enabling households to become self-sufficient and graduate from social protection: key to this will be the broadening and strengthening of the VUP Public Works programme as well as measures to establish complementary social development programmes to social protection, such as increasing the access of poor people to financial services.

By the end of the Strategy, we expect to have taken significant steps to transforming the lives of poor and vulnerable Rwandans.

² National Institute of Statistics Year book 2009

³ Source: NISR (Population Projection, 2009)

1.2. Poverty, vulnerability and inequality in Rwanda

Rwanda has achieved good economic growth during the past decade. Between 2004 and 2008, average annual real GDP growth was 8.6 percent, exceeding the EDPRS target of 7 percent. However alongside this impressive growth, Rwanda has made only modest progress in reducing poverty.⁴ Poverty rates reduced from 60.4 percent in 2000 to 56.9 percent in 2006, a rate of reduction that is insufficient to meet either the targets set in Vision 2020 or the Millennium Development Goals.⁵ Furthermore, 36.9 percent of the population in 2006 lived in extreme poverty. Also of concern, due predominantly to population growth, the absolute number of poor people grew from 4.8 million in 2001 to 5.4 million in 2006.

The challenge of high poverty levels is exacerbated by rising and high levels of inequality. Inequality as measured by the Gini co-efficient rose from 0.47 in 2000 to 0.51 in 2006.⁶ To put this in perspective, a Gini co-efficient of 0.40 is regarded as high inequality: when China reached this in 2000, it rapidly changed its policy from one focused only on economic growth to “growth with equity.” In the East African community, only Kenya has a higher level of inequality. A key challenge with high and rising inequality is that not only does it reduce economic growth it also reduces the impact that economic growth has on poverty reduction. It is likely to lead to a reduction in social cohesion.

Poverty in Rwanda is concentrated among certain groups. In the initial Ubudehe survey of the mid-2000s, communities ranked the poorest and most vulnerable categories of the population as “widows, landless, sick, the elderly and child-headed households.”⁷ These views are backed up by statistical evidence, with Rwanda having a range of priority vulnerable categories of the population, as set out below.

Households with **older people** aged above 65 years are one of the poorest groups in the country. They have a poverty rate 5.7 percent higher than the national average (see Figure 1).⁸ Indeed, 79.1 percent of these households could be regarded as poor or vulnerable to falling into poverty.⁹

There are currently an estimated 328,000 people over 65 years of age, but only 24,300 (7.4 percent¹⁰) have access to a pension from the Social Security Fund for Rwanda (SSFR). Older people suffer from increasing social exclusion and many have to take care of orphans and children of migrants at a time in their lives when they would be expected to be taken care of themselves. These households – and their children – are particularly vulnerable in the absence of assistance from government.

⁴ EDPRS (2007:12f)

⁵ EDPRS (2007:13)

⁶ EDPRS (2007:15)

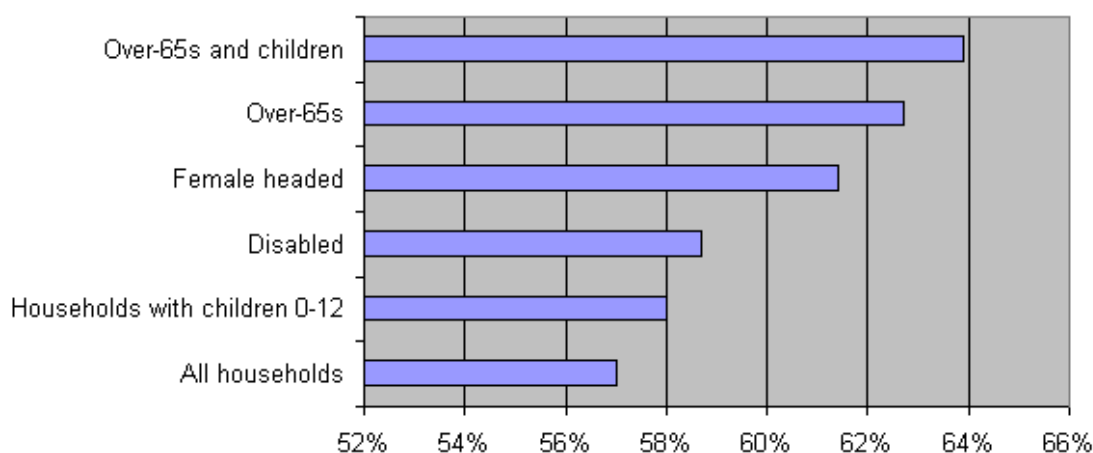
⁷ EDPRS (2007:13)

⁸ Source: analysis by Prof. Nanak Kakwani, using EICV-2 data. We are grateful to the World Bank for facilitating this research.

⁹ To identify those that are prone to falling into poverty, we have estimated a “vulnerability line” which is the equivalent of twice the extreme poverty line. In reality, poverty figures disguise much of the truth about poverty as they give only a snapshot at a particular time. For example, while 56.9 percent of the population are regarded as poor, over a five year period a much larger proportion of households will spend at least one year in poverty. Household survey data cannot demonstrate this so a “vulnerability line” is a useful proxy.

¹⁰ Source: SSFR (2008)

Figure 1: Poverty levels of households including specific categories of the population, compared to the poverty level of all households¹¹



People living with disabilities: Households with a disabled member have a poverty level 1.7 percent above the national average (see Figure 1) and 76.6 percent are either poor or vulnerable to living in poverty. The need to care for disabled people means that some households cannot work as much as they otherwise could while many disabled people are inhibited from working themselves because they are too poor and cannot meet the additional costs they face when accessing work. People who are both old and disabled experience double vulnerability. Those who are chronically ill are also very vulnerable to living in poverty: 22 percent of food insecure households have a chronically ill member.

Children: Poverty levels of households with children under-12 are 1 percent above the national average (see Figure 1). Recent data has indicated that 52 percent of young children are stunted which will, of course, set them back significantly in life, an increase from 43 percent in 2000.¹² Of particular concern are children living in households with older people as these have one of the highest poverty rates in the country, at 7 percent above the national poverty rate (see Figure 1).¹³ There is still a low completion rate of basic education – at 52.5 percent – and it is likely that poverty is a significant cause.¹⁴

Female-headed households: Have a poverty rate that is 4.4 percentage points above the poverty rate for all households (see Figure 1). They represent around 43 percent of all households.¹⁵ The 2009 Comprehensive Food Security and Vulnerability Analysis and Nutrition Survey found that female headed households are more likely to have poor food consumption. In 2006, 37 percent of households headed by widows were food insecure compared to only 25 percent for male-headed

¹¹ Analysis based on EICV-2 data

¹² Source: CFSVA and Nutrition Survey (2009:71)

¹³ Source: World Bank analysis of EICV-2 data

¹⁴ Source: Ministry of Education (2009)

¹⁵ EDPRS (2007:17)

households. Poverty increases with age, with single women over-60 years of age significantly poorer than younger single women.

Youth: Many Rwandan young people have had very difficult backgrounds, often growing up without parents as a result of the 1994 Genocide against the Tutsis. Indeed, there is a poverty rate of 69.5% among youth, and 54.5% are living in absolute poverty, while 15% are relatively poor. Poverty in childhood has meant that many have suffered nutritionally and do not have sufficient education and skills to find employment. Some young people continue to face psycho-social challenges as a result of the traumas they have experienced. Without jobs or opportunities to earn for themselves, these young people face a difficult future. They are a group that needs particular attention, as recognised by the recent creation of the Ministry for Youth.

Certain other groups are particularly vulnerable within the context of Rwanda. The government is committed to supporting **needy genocide survivors**, and has a range of programmes in place to support the most vulnerable among them. Nonetheless, the most vulnerable genocide survivors tend to fit into the vulnerable demographic categories outlined above (such as older people, children, single females, etc). **Historically marginalised** people – who number around 25-30,000 in total¹⁶ – are believed to experience higher levels of poverty and worse social indicators than the general population, although little objective data is available.

Poverty in Rwanda is concentrated in **rural areas**. In 2006, poverty levels in rural areas were 62.5 percent compared to 41.5 percent for urban areas.¹⁷ Around 80 percent of adults have agriculture as their main occupation. Indeed, among those whose main source of income is agricultural wage labour, poverty levels are 91 percent. To a large extent, rural poverty is due to a lack of land. The EICV-2 has demonstrated that almost 30 percent of households have less than 0.2 hectares of land, yet the minimum farm size needed to feed a household in Rwanda is estimated at 0.7 hectares. But, it is important to recognise that poverty continues to impact on over 40 percent of households in urban areas and must not be ignored.

1.3. Rationale for investing in social protection

Investing in social protection will enable the government to address a range of challenges. By doing so, it can continue to convert its strong economic growth achievements into programmes that benefit poor households and enable the country to tackle high inequality. We expect to see positive impacts in the areas of broad economic growth, reduction in poverty and inequality, and improvements in human development outcomes in poor households.

Social protection is a key component of **economic growth**. A significant challenge faced by many prospective small businesses in Rwanda – in particular those run by young people – is a lack of market demand for goods and services, to a large extent due to the poverty and limited purchasing power experienced by a large proportion of the population. Injecting significant amounts of cash into the economy through cash

¹⁶ MINALOC (2009)

¹⁷ EDPRS (2007:13)

transfer programmes will provide a major economic stimulus. It will increase consumption and, therefore, the demand for goods and services, particularly those produced locally. Young people, for example, should benefit from the extension of cash transfer programmes and coverage to areas where they have not reached as many will find a market for their small businesses.

A key priority for government is to enable households with sufficient labour capacity to **graduate off social protection programmes**, since we do not want to create dependency when it is not needed. We believe that social protection programmes will give poor people the confidence – and the cash – to invest in productive activities and build assets. People will be encouraged to invest in higher risk but higher return activities, knowing that, if they fail, there is a safety net to support them. Putting in place essential and important complements to social protection – such as financial services and productive asset transfers – will help facilitate the graduation of many people from social protection programmes. By investing in their own productive activities – with the assistance of small loans – households will be able to become increasingly self-sufficient and not need to fall back on social protection. However, we do recognise that programmes alone are insufficient; we need the **community support** to ensure that social protection programmes are effective in reducing household poverty. Community led initiatives and community participation will be supported. We will also strengthen linkages with **skills development and vocational training** activities in other sectors so that a strong healthy environment is created, to further enhance the ability of households to generate income and graduate from social protection programmes.

Social protection will also impact directly on **poverty and nutrition**. It will increase incomes among poor and vulnerable households and enable them to purchase a wider and more nutritious range of food. Among the very poorest households – in particular those with little labour capacity – social protection will significantly increase their incomes and enable them to care for their children. We will ensure that those who really need long-term support – such as older people and people with disabilities – will be able to receive it.

Cash-based social protection programmes will also help improve the **human development** of poor households, in particular among children, especially when complemented by broader social protection programmes that remove or reduce the financial barriers that limit the ability of poor households to access public services such as health and education (such as free basic education, health insurance, etc). Even with the actions taken by government to increase access to public services, some private financial costs still remain. The provision of cash-based social protection programmes will be an important means of ensuring that the poorest and most vulnerable households can overcome these costs. Furthermore, providing additional income to poor households will mean that children will develop better and perform better at school, while improved nutrition will underpin better health.

A critical benefit from rising investment in social protection will be an increase in the government's ability to tackle inequality. By ensuring an increase in income and access to services for poor and vulnerable households, we should begin to see a **reduction in inequality**. By establishing programmes that are accessible to all, we will strengthen the social contract between government and citizens: receiving

benefits from social protection programmes will be clear evidence to everyone – even the most marginalised – that the government has their best interests at heart, and is striving to support them as best it can, within the fiscal realities of the country. A reduction in inequality should also be associated with an **increase in social cohesion**, as people gain evidence that the government’s role is to protect and support all citizens, whenever they are in need.

We recognise that providing income transfers alone are not sufficient to achieve outcomes in poverty, nutrition, health and education, although they are essential. Building a broad range of social protection benefits – that increase incomes while also expanding access to essential public services – will be absolutely critical in improving the well-being of citizens in all areas of their lives. It will complement and strengthen our commitment to enhance the ability of poor people to participate in economic activities, while building on our existing commitments to eliminate discrimination and progressively extend the full enjoyment of human rights to all.

1.4. International experience with social protection

Our increasing commitment to social protection is based on strong international evidence that investing in the sector can have significant impacts on the well-being of poor people.

Across Africa, there is a range of social protection cash transfer programmes. Most are found in southern Africa. There are a number of national and pilot programmes which are similar to Rwanda’s Direct Support programme, such as in Burkina Faso, Ethiopia, Ghana, Kenya, Malawi and Zambia. In addition, a number of countries have public works programmes, the largest being in Ethiopia. The most common national programmes in Africa are old age grants (found in Botswana, Lesotho, Mauritius, Namibia, South Africa and Swaziland, and being trialled in Kenya, Tanzania, Uganda and Zambia). Mauritius, Namibia and South Africa have also introduced child grants and disability benefits.

1.4.1. Impacts on poverty and nutrition

National social protection programmes in southern Africa have had a significant impact in reducing the poverty gap; for example, in South Africa, cash transfers have **reduced the poverty gap** by 48 percent.¹⁸ In Mauritius, households with both children and older people have had their poverty rates reduced from 30 percent to only 6 percent as a result of the old age grant.¹⁹ Across Africa, cash transfers have **impacted on food consumption**. In Lesotho, the old age grant has resulted in an increase in the number of older people reporting that they never go hungry from 19 percent to 48 percent.²⁰ In Malawi, 93 percent of beneficiaries of the Mchinji cash transfer programme report that their food consumption had improved in a period of six months, compared to only 10 percent in a control group.²¹ In Zambia, in the

¹⁸ Samson et al. (2004)

¹⁹ Kaniki (2007)

²⁰ Croome and Nyanguru (2007)

²¹ Miller et al. (2008)

Kalomo cash transfer programme, there has been a 12 percent increase in households consuming proteins while 35 percent more consume oil on a daily basis.²² And, in the Ethiopia Productive Safety Nets public works programme, 75 percent of beneficiaries consumed a higher quantity and quality of food compared to the previous year.²³

Lower poverty and improved diets have led to **improvements in nutrition**. In South Africa, children who live with recipients of the old age grant are up to 3.5 centimetres taller than children who do not,²⁴ demonstrating that grandparents use their cash to care for children. Indeed, in Namibia, older people spend around 70 percent of their income from the old age grant on others, mainly children.²⁵ Similar, though slightly lower, impacts on nutrition have resulted from the South Africa Child Support Grant.²⁶

1.4.2. Impacts on health and education

Investing in health and education services and reducing their cost is clearly essential, but it is not sufficient if countries want to maximise impacts on health and education outcomes. It is also important to directly tackle poverty.

Cash transfer programmes across Africa have made significant impacts on **school enrolment and attendance**. For example, Zambia's Kalomo pilot programme – which mainly benefits households headed by older people – has resulted in a 16 percent increase in attendance.²⁷ In Lesotho, recipients of the old age grant spend a significant proportion of their grant on uniforms, books and stationary for their grandchildren. And, in Malawi's Mchinji programme, 150 percent more children in beneficiary households were newly enrolled in school, compared to children in a control group.²⁸

It is also evident across Africa that recipients of social protection cash transfer programmes spend their money on **accessing health services** for themselves and their households. In Malawi, 81 percent of beneficiary households have reported improved health as a result of the Mchinji programme cash grant, compared to only 14 percent in a control group.²⁹ In Namibia, 15 percent of the cash from the old age grant is spent on health care, including for children.³⁰ And in Zambia, the incidence of illness among beneficiaries of the Kalomo cash transfer programme reduced from 43 percent to 35 percent.

²² MCDSS/GTZ (2007)

²³ Devereux et al. (2007), in Samson et al. (2007)

²⁴ Case (2001)

²⁵ Devereux (2001)

²⁶ Agüero, Goddard and Woolard (2006)

²⁷ MCDSS/GTZ (2005)

²⁸ Miller et al. (2008)

²⁹ Miller et al. (2008)

³⁰ Devereux (2001)

1.4.3. Impacts on economic growth

There is increasingly evidence from within Africa on the impact that social protection cash transfer programmes can have on **local economic growth**, both by **supporting investments by beneficiaries** and **stimulating markets**. In Rwanda itself the VUP programme has demonstrated that recipients of cash transfer programmes invest in productive assets, including livestock and farms.³¹

In Zambia, beneficiary households of the Kalomo cash transfer programme have increased their ownership of goats from 8.5 percent to 42 percent. There has also been a four-fold increase in investment activity and a doubling of the amount invested.³² In Ethiopia, 15 percent of beneficiaries of the Productive Safety Net Programme have invested in farming and 8 percent have purchased livestock.³³

Impacts from injecting cash into the economy have also been noticed. A recent study in Malawi demonstrates how local businesses have been significantly strengthened by the increased flow of cash in the economy.³⁴ There have been similar findings in Namibia where many shops in remote areas only exist because of the old age grant.³⁵ All these results chime with research carried out in Mexico which has indicated significant increases in assets among non-beneficiaries in communities where significant numbers of households were beneficiaries of the *Progresa* cash transfer programme.³⁶ Furthermore, in India, the Maharashtra Employment Guarantee Scheme has encouraged farmers to invest in riskier higher yield crops.³⁷

³¹ Devereux and Ndejuru (2009)

³² Schuering (2008)

³³ Devereux et al. (2006)

³⁴ See: <http://sph.bu.edu/insider/index.php/Recent-News/cash-payments-to-poor-not-only-help-families-but-boost-local-economy-study-finds-video.html>

³⁵ Devereux (2001)

³⁶ Barrientos and Sabates-Wheeler (2009)

³⁷ Devereux (2002)

2. OVERVIEW OF THE SECTOR

This section will begin with a review of the sector over the past five years, looking at both the institutions charged with taking forward social protection as well as progress by programmes, challenges and lessons learned. It will also set out the policy commitments that underpin this Strategy.

2.1. Institutional overview of the sector

A wide range of institutions – both governmental and non-governmental – are active in broader social protection. MINALOC has the overall policy lead on social protection. It heads a cross-governmental Social Protection Working Group, which includes representatives from Ministries working on social protection, key parastatals, development partners and NGOs. The responsibilities of the Social Protection Working Group are to provide co-ordination on social protection across government, oversee the development and implementation of the Social Protection Strategy, and report to central government on progress.

MINALOC is also directly responsible for a number of key social protection programmes. These include:

- **The Vision 2020 Umurenge Programme (VUP)** is a flagship programme of the EDPRS. It commenced in 2008 and comprises three components: Direct Support which gives cash grants to extremely poor households without labour capacity; Public Works which provides community work opportunities for extremely poor households with labour capacity; and Financial Services that acts as a complementary service to social protection and provides investment loans to poor households. Funding for the programme is currently shared between government and development partners. It works at a pilot scale, currently reaching 90 sectors.
- **The Genocide Survivors Support and Assistance Fund (FARG)** is a parastatal organisation that provides vulnerable genocide survivors with support in of education, health, shelter, social assistance and income generation. The social assistance cash transfer payments provide people with RwF5,000 per month; the education scholarships and support for *mutuelle de santé* payments enable people to access other public services; and the income generating projects.
- **The Rwanda Demobilization and Reintegration Commission (RDRC)** which provides support for demobilized ex-combatants and disabled soldiers.
- **Funding to Districts** to ensure that they can provide a broad range of services to vulnerable groups.

In addition, MINALOC oversees a number of additional social development initiatives to social protection. These include:

- **Ubudehe programme** which, among other things, has financially assisted poor households to invest in income generating projects, and enabled communities across the country to undertake priority projects.

- **Income generating and other activities** supported especially for the most vulnerable people such as the historically marginalized groups and women headed households, so that they can be able to support themselves and also instilling in them the culture of helping themselves to do self help projects so that they can graduate from support and be able to sustain themselves economically.

A number of other Ministries have significant social protection programmes. For example:

- The Ministry of Finance oversees the Social Security Fund of Rwanda, a mandatory defined benefit fund that was founded in 1962. It provides **old age, disability and survivors' pensions** to members, among other services. The SSFR is a semi-autonomous para-statal organisation which, in 2007, had 216,000 active contributors and provided pensions to 24,200 people.³⁸
- The Ministry of Health in 1999 introduced a community-based health insurance (CBHI) scheme called the **Mutuelle de Santé**. CBHI is regulated under law no. 62/2007 which also stipulates that membership in at least one health insurance is mandatory for every Rwandan. The CBHI membership fee is an annual contribution. It provides access to a complete minimum package of medical services at the health centre and the complete complementary package at district and referral hospitals. The main funding of the health sector – which plays a key role in enabling people to access health services – is from general government revenues, including support from development partners.
- The Ministry of Education's main social protection programme is the provision of **free basic education** to all Rwandans. This is serviced through a capitation grant to government and subsidised schools. In addition, the Ministry provides bursaries to select secondary school scholars, while school feeding is offered in around 300 schools, with support from development partners.
- The Ministry of Gender and Family Promotion is mandated to coordinate the formulation and implementation of national policies, strategies and programmes regarding the promotion of gender, family and children's rights. Under its policy and strategic plan of action for Orphans and Vulnerable Children, it provides and coordinates all **support to orphans and other vulnerable children** with emphasis on the Most Vulnerable through a minimum package of services which comprises health, nutrition, education, shelter, protection and psycho social support.
- The Ministry of Agriculture offers a number of programmes that provide – or subsidize – assets to rural households. These include: **Girinka, the One Cow Per Poor Family Scheme** in which poor families with more than 0.7 hectares are provided with a cow; a programme **providing small animals** (goats and rabbits) to poor households with little land; and **fertilizer subsidies and seeds**. The Ministry of Agriculture also has a major public works programme to tackle erosion, but this is not provided with social protection objectives.
- The Ministry of Trade and Commerce oversees Microfinance institutions which are established in the sectors (Savings and Credit Cooperatives (SACCOS)) in collaboration with the Ministry of Finance and Economic Planning (MINECOFIN) and MINALOC. These will help all members of society learn the

³⁸ The Source of information for data in this section is the 2007 report of the SSFR.

culture of saving and also to access loans that will support them to venture into entrepreneurship opportunities.

Within Rwanda’s decentralised governance structure, District and Sector authorities have key responsibilities for the delivery of social protection programmes. For instance, the VUP is implemented at Sector level with oversight provided by the District authority, which is responsible for reporting to MINALOC. Districts are also responsible for ensuring that budgets are accessed from central government – and from organisations such as FARG – to provide Sectors with the resources they require.

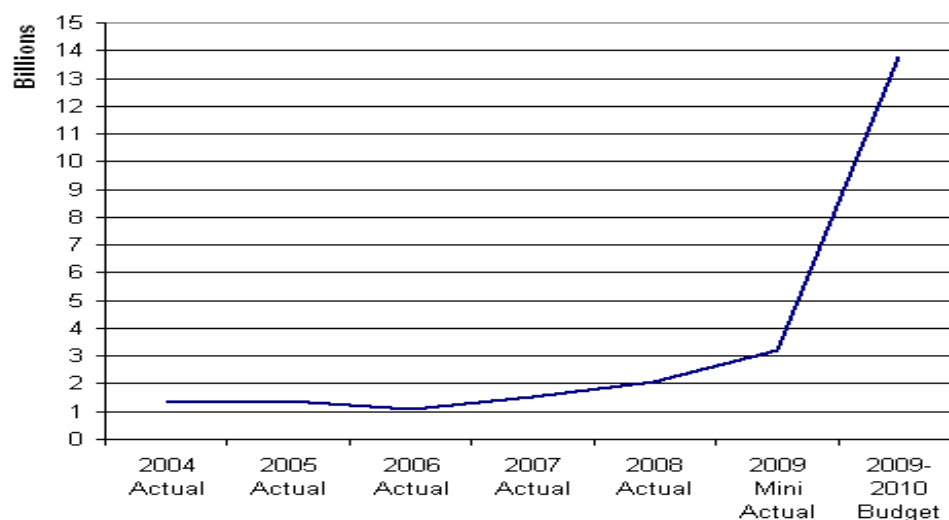
Furthermore, a range of development partners and civil non-governmental actors are active in social protection. Some provide direct assistance and financial support to the core social protection sector, while others work across other sectors.

2.2. Review of the sector

Over the past five years, social protection has expanded significantly in Rwanda and the range of social protection programmes across government are set out in Annex 1. These programmes are delivered through three distinct funding mechanisms:

- **Programmes funded from government revenue** often referred to as *social assistance*.
- **Programmes funded by contributions**, often known as *social insurance* programmes. These involve some form of risk-sharing between members/contributors of the social insurance schemes.³⁹
- **Employer-funded programmes** resulting from *labour legislation* that mandates employers to finance social protection programmes (such as maternity benefits, and health and safety legislation) etc.

Figure 2: Increase in social protection sector spending 2005-10⁴⁰



³⁹ In reality, many social insurance programmes are, in fact, hybrid programmes since government funding can be used to subsidise them.

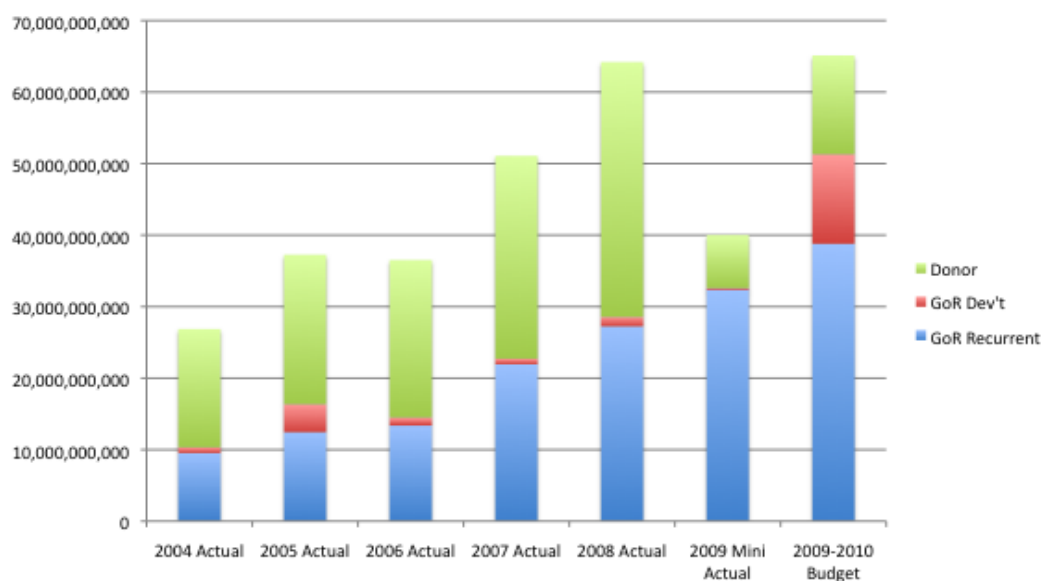
⁴⁰ The data for this graph is taken from the 2010 Public Expenditure Review for Social Protection.

Figure 2 demonstrates, **investment in the core social protection sector⁴¹ has increased significantly** by the introduction of the innovative VUP Flagship programme, which provides regular cash transfers and public works wages to around 20% of households in 60 sectors, making a major difference to their lives.

Yet, investment in non-contributory cash-based social protection is still low by international standards (although it is probably in line with other Central and East African countries). The Social Security Fund for Rwanda is an example of a well-managed contributory pension scheme, being actuarially sound and providing regular and significant benefits to members.⁴²

Across other sectors, there have also been significant increases in commitments to social protection. For example, Figure 3 indicates the **increase in spending on broad-based social protection, including in particular health and education.** This represents an increase in real resources for the 2009/2010 budget period of 142% over actual expenditure in 2004, including a 17% real decrease in resources from development partners and a 250% real increase in government spending.

Figure 3: Increase in broad social protection spending across government, 2005-10⁴³



2.3. Sector challenges and lessons learned

There has been good progress and a strong upward trend in the government's commitment to social protection in recent years. However, there are **still many challenges** that need to be addressed.

⁴¹ Core social protection sector spending in the Public Expenditure Review (PER) report is for the narrow definition of social protection – social assistance - which includes MINALOC funding to Districts, Haute Intensité de Main d'Oeuvre (HIMO) and VUP.

⁴² For example, the SSFR – in 2007 – had a net replacement ratio of 76%, which implies that, on average, pensioners receive 76% of their pre-retirement net earnings.

⁴³ The data for this graph is taken from the 2010 Public Expenditure Review for Social Protection

The main challenge, of course, is that **coverage is still low**. We need to achieve national coverage of existing programmes, such as the VUP, to achieve the desired impacts. Furthermore, there are many vulnerable groups in the population which do not have adequate coverage or support. For example, there is no specific national programme of support for older people or people with disabilities. Many of the most vulnerable children are in need of additional assistance, but such coverage has been beyond the financial means of the country. We recognise that we need to work within the constraints of available finances, but we are committed to extending coverage to these groups over the next few years.

We recognise that there are still **too many small and overlapping government social protection programmes and funding lines**. Wherever possible, we will consolidate programmes to create greater efficiency and put resources behind those major programmes that we believe have the greatest transformational potential. We will aim to mainstream certain programmes that are directed at particular groups. For example, support for genocide survivors through FARG will increasingly be provided through mainstream government programmes, such as the VUP Direct Support programme.

It is important that we make efforts to **further strengthen monitoring of all social protection programmes**. Investing in comprehensive, electronic data-bases will enable more efficient and effective monitoring of programmes at sector, district and national levels. The availability of new technologies should enable us to establish cutting-edge systems.

Similarly, we need to **do more to evaluate and learn from our current and proposed social protection programmes**. It will be crucial to invest in comprehensive evaluations of key programmes that examine both their impact and their effectiveness. It will also be important for government – including MINALOC – to have the resources and capacity to undertake key analytical and policy work as we seek to continually improve the social protection sector and provide a better service to all citizens.

International experience demonstrates that for programmes to be well-funded and sustainable in the long-term, they need popular support among citizens, in particular tax-payers. We need to establish programmes that have strong buy-in across all sections of the population and ensure that we communicate effectively the benefits of social protection programmes to citizens.

We now have two years experience of implementing the **VUP programme** and have identified a **range of lessons** that will enable us to improve the programme, and others like it. These include:

- We recognise that while **some households can quickly graduate from social protection programmes, others will take longer**. Indeed, there are some particularly vulnerable categories of the population – such as older people and people with disabilities – who will need long-term support. This will require us to put in place a range of programmes that: a) provide long-term support for the most vulnerable; b) provide a safety net for the working poor,

should they need it on a temporary basis; and, c) facilitate the graduation of those who can.

- VUP has demonstrated that **we can reach certain categories of the population without directly targeting them**. This is particularly important in the case of children who must be regarded as members of households, as well as individuals. Programmes that, for example, increase the incomes of households as a whole will also, necessarily, benefit children within them. While programmes such as child grants are desirable in the long-term – once the government has the financial means to sustain them – we recognise that we can also reach children effectively by providing financial assistance to their carers' and other household members who have their best interests at heart.
- We have seen that **identifying and targeting the poor has both benefits and challenges**. We will, therefore, continually review and improve our targeting methods while prioritising and ensuring that eligible individuals and households are included in the programmes. There is strong evidence internationally that providing benefits to particular categories of the population – such as older people and people with disabilities – and self-targeting (in public work programmes) can work effectively. We will review such forms of targeting as part of the planned Old Age, Disability and Child grant feasibility studies.
- It is not possible for our programmes to be completely successful in identifying everyone who is eligible during initial targeting, so it is **important that potential beneficiaries are able to appeal decisions**. All our social protection programmes must have parallel and independent grievance procedures. We also want to ensure that the general public are able to provide our programmes with a welcome critique, as part of our drive for continuing improvement.
- **Spending on VUP public works programmes has been slower than anticipated but we have learned important lessons**. We will identify how to implement more stream-lined measures for contracting and implementing work, so that the VUP public works programme can achieve its social protection objectives even more effectively, as well as provide communities with important infrastructure.
- We have taken important steps to improve the gender sensitivity of the VUP programme. We can build on this and **need to further strengthen gender-friendly policies** across all social protection programmes so that women – in particular those with young children – can fully benefit from them.
- It has become apparent that **not all recipients of cash transfers receive their benefits in a regular and timely manner**. We need to ensure that systems are strengthened to improve the efficiency of cash transfers, taking full advantage of new technologies. We also need to build synergies into our programmes, in particular by ensuring that the provision of cash transfers also enables financial services to move closer to more remote communities. It is evident that there is potential to use cash transfers as a form of indirect subsidy to improve the reach and efficiency of the banking system.

2.4. Policy commitments

There are a wide range of laws, conventions and policies that underpin our commitment to social protection. Key among these is the Constitution and two articles that are the driving force for our work and long-term vision for social protection are:

- **Article 14:** The State shall, within the limits of its capacity, take special measures for the welfare of the survivors of genocide who were rendered destitute by the genocide committed in Rwanda from October 1st, 1990 to December 31st, 1994, the disabled, the indigent and the elderly as well as other vulnerable groups.
- **Article 28:** Every child is entitled to special measures of protection by his or her family, society and the State that are necessary, depending on the status of the child, under national and international law.

Beneath the Constitution are a range of international, regional and national commitments made by Rwanda. These are summarized below.

2.4.1. International commitments

Rwanda has ratified a range of international conventions that establish the right to social security and protection. These include: the International Covenant on Economic, Social and Cultural Rights (ICESCR); the Convention on the Elimination of Discrimination Against Women (CEDAW); the Convention on the Rights of the Child (CRC); and, the Convention on the Rights of Persons with Disabilities. At the heart of all of these conventions are the entitlements set out in the Universal Declaration of Human Rights:

- **Article 22:** “Everyone, as a member of society, has a right to social security and is entitled to realisation through national effort and international co-operation and in accordance with the organisation and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”
- **Article 23.3:** “Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”
- **Article 25:** “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. Motherhood and childhood are entitled to special care and assistance.”

In addition, Convention 102 of the International Labour Organisation (ILO) – of which Rwanda is a member – provides a widely accepted framework for social protection systems. As a goal for all countries, the ILO has set the provision of “universal access” to social protection in order that all older people, children and people with disabilities enjoy income security.

2.4.2. Regional commitments

At a regional level, there are key agreements within which we will set our social protection engagement. For example, Article 18 of the African Charter on Human and People's Rights stipulates that "the aged and the disabled shall also have right to special measures of protection in keeping with their physical or moral needs." Furthermore, the African Union's Social Policy Framework – ratified by Rwanda in 2009 – sets out commitments to build social protection systems, ideally based on a social protection floor that provides benefits to old people, people with disabilities, children and the unemployed.⁴⁴ The Social Policy Framework also argues that comprehensive pension – or old age grant – systems need to be established to help reduce fertility.

2.4.3. National commitments

At a national level, the Social Protection Strategy is oriented towards supporting the achievement of the EDPRS and its priorities of: a) economic growth; b) slowing down population growth; c) tackling extreme poverty; and, d) ensuring greater efficiency in poverty reduction. The EDPRS states that: "The objective of the Social Protection Sector is to achieve effective and sustainable social protection for the poor and vulnerable, to reduce the risks to which households are subject, to mitigate the potential consequences of those risks, and to help families that experience them to cope with the consequences." This Strategy is consistent with and builds on this objective as well as those of the national Social Protection Policy, which was agreed in 2005.⁴⁵ Specific sector targets found in the EDPRS are set out in Box 1. The EDPRS also established the VUP and this Strategy will set out a vision for strengthening and building on VUP, in line with the EDPRS's overall goals.

⁴⁴ The recent 2010 *Mwanza Declaration on Improvement of Social Protection Benefits for All East Africans* calls for countries to develop national social protection policies that stipulate minimum benefits and the Social Protection Floor as a guaranteed government programme.

⁴⁵ The general objective of the Social Protection Policy is "to give orientation to reduce vulnerability in general and the vulnerability of the poor and marginalised people in particular, and to promote a sustainable economic and social development centred on good social risk management and good coordination of savings actions and protection of vulnerable groups."

Box 1: 2012 Sector Targets for Social Protection, as set out in the EDPRS⁴⁶

- Social protection coverage is planned to be extended from 12% to 20%, whilst ensuring that 75% of stakeholders perceive safety nets as successful.
- 38% of vulnerable people graduating from livelihoods enhancement schemes should achieve economic independence.
- The whole target group of employed and self-employed should obtain coverage by the *mutuelle de santé*, whilst 15% of the remaining population is included in other insurance schemes.
- The proportion of districts undertaking social protection capacity building should rise from 30% to 85%, while the corresponding proportion among sectors should increase from 20% to 85%.
- All districts should supply evidence of consultation and harmonisation between social protection providers in their District Development Plans (DDP) by 2012
- 55% of sectors should have at least two programmes for vulnerable groups managed and funded by community-based organisations (CBOs), non-governmental organisations (NGOs) and the private sector.
- MIS should regularly be used to support social protection policy making and implementation in 100% of MINALOC departments, districts and sectors
- 90% of civil society organisations should be regularly evaluating their own and MINALOC's social protection activities by 2012.

A further key national policy to be supported by the Strategy is the National Social Security Policy, approved by Cabinet in 2009, which stipulates that all Rwandans should have access to pension coverage by 2020. This strategy will help to make that a reality.

⁴⁶ EDPRS, p. 42-43

3. THE STRATEGIC FRAMEWORK

This section of the Strategy sets out the understanding of social protection in Rwanda. It then defines our long-term vision – over the **next ten years** – followed by the new directions for the sector, specific objectives and programmes to be implemented over the **next five years**.

3.1. Understanding of social protection in Rwanda

The 2005 Social Protection Policy defined social protection, in a broad sense, as: “a set of public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks and enhance the social status and rights of the marginalised; with the overall objective of reducing the overall social and economic vulnerability of the poor, vulnerable and marginalised groups.”

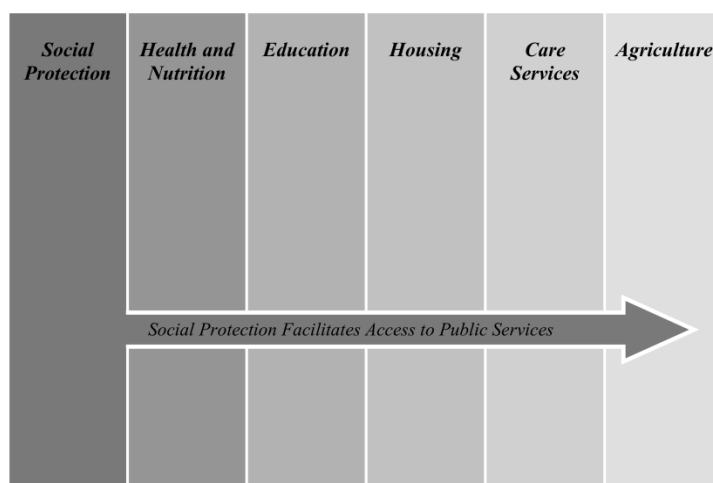
Within the context of this definition, the Strategy moves our thinking forward by clearly identifying a specific Social Protection Sector while also recognising the role of social protection in cutting across other public services. Therefore, social protection in this Strategy encompasses two essential components:

- **The Social Protection Sector:** we will build a public service of regular and predictable cash transfers – some financed by government and some from contributions – that will provide income support to those living in poverty and vulnerable to poverty. Examples in the strategy include the Social Security Fund of Rwanda, Public Works programmes, and regular cash payments to extremely poor households, genocide survivors and disabled ex-combatants.
- **Ensuring access to other public services:** social protection can be understood more broadly as cross-cutting all sectors with the aim of ensuring that poor people can access public services, such as health and education, in particular by enabling them to overcome the financial barriers they face. Examples include free basic education, education scholarships for genocide survivors and *mutuelle de santé* health insurance.

The link between the two dimensions of social protection as a) the social protection sector, which should be regarded as a public service in itself, and b) social protection as a cross-cutting – and access-enhancing – element of all public services, is expressed diagrammatically in Figure 4. The columns represent public services while the arrow indicates the role of social protection in increasing access.⁴⁷

⁴⁷ The diagram should be regarded as indicative only. For reasons of space, it does not include other public services – such as water and sanitation, legal services, etc. – which could also be represented as columns.

Figure 4: The link between social security as a public service and social protection as a cross-cutting principle across public services



In addition, the strategy recognises that social protection, while essential, is **not sufficient in itself to enable poor people to move out of poverty**. Social protection needs to be combined with investments across a range of areas including improvements in the quality of other public services, activities to enable poor people to access jobs or undertake investments (including training etc), and commitments to secure basic rights and entitlements for all citizens and continue to tackle discrimination. The government also needs to ensure that national policies are developed and implemented that indicate how specific vulnerable groups – such as people with disabilities, old people and the historically marginalised – will be supported across all public services.

Much of this is, of course, much broader than social protection and, consequently, is not dealt with within the Social Protection Strategy. Other strategies and policies across government deal with many elements of these wider social policy and social development commitments. Nonetheless, this Strategy will indicate how we will put in place a number of **additional social development initiatives and complementary services to social protection**. While not social protection in themselves, these social development activities and complementary services should be regarded as providing essential additional support to those in need, enabling households to invest in their own futures, become increasingly productive and self-sufficient. Examples in the Strategy include the Ubudehe community priority projects and the VUP Financial Services programme.

These different elements are in line with Rwanda’s vision for social protection which incorporates three important principles. Social protection is **protective** in that it provides essential support to those living in poverty, protecting them from the worst consequences of that poverty. It is also **preventive** in that it puts in place a safety net that can be activated to catch people in danger of falling into poverty, for example as a result of falling ill. And, it is **promotive** in that it supports poor people’s investment so that they can pull themselves out of poverty and graduate from the need to receive social protection. The integration of the protective, preventive and promotive aspects of social protection will be critical to the success of the Strategy.

3.2. Mission and objectives

3.2.1. Mission of the sector – our long-term vision

The mission of the sector is oriented towards a long-term vision for social protection in Rwanda, with a *perspective of ten years*.

Vision:

By 2020, Rwanda will have established a social protection system that complements and contributes to economic growth.

Mission:

Ensuring that all poor and vulnerable people are guaranteed a minimum income and access to core essential services, that those who can work are provided with the means of escaping poverty, and that increasing numbers of people are able to access risk-sharing mechanisms that protect them from crises and shocks.

The social protection system will comprise two guiding elements:

- a) A **social protection floor**⁴⁸ for the most vulnerable households and individuals, comprising:
 - a. **Cash transfers**, providing a minimum income and livelihood security, and
 - b. Continuing extension of **access to core essential services** for poor and vulnerable households, in particular health, education, shelter and water and sanitation;
- b) Increased **participation of the informal sector in the contributory social security system**, with more people enjoying the benefits of labour legislation.

Alongside these core elements will be complementary activities to help the poor graduate out of poverty.

3.2.2. New directions for the sector

Rwanda has had positive experiences in providing financial assistance through FARG, VUP, RDRC and SSFR to poor and vulnerable households. We have seen how cash transfers can make a significant difference to the lives of beneficiaries and to communities as a whole. The social protection sector will **build on and extend key existing cash transfer programmes** to ensure that they continue to respond to the needs of Rwanda. We will do this in the following ways:

- Where possible, we will **integrate support for specific vulnerable groups** – such as genocide survivors – **into other mainstream social protection programmes**, and ensure that effective monitoring of their inclusion takes place. Our aim will be that all members of the household benefit. By investing

⁴⁸ Explanations for the guiding principles are in Annex 2

in impact evaluations, we will be able to assess the extent to which this goal is achieved.

- Because a large proportion of poor and vulnerable people are not yet reached through the existing programmes, we will **accelerate the scale up of Direct Support** coverage across the country. Funding for FARG, RDRC and VUP Direct Support, which are currently administered separately, will be harmonized where possible. We will continue to assess and improve the effectiveness of the targeting system, so that the extreme poor are reached and access a minimum income.
- As part of Rwanda's mission to move towards a social protection system which guarantees a minimum income and access to services for all vulnerable and poor people, we will assess the extent to which current programmes reach the most vulnerable groups. As indicated earlier (Section 1.2.) households with older people are one of the poorest groups in the country. Whether this group is or can be fully reached through the extension or modification of existing cash transfer programmes, or whether a separate programme is needed, will be assessed. Therefore, by 2012, we will undertake a **study to assess the feasibility of introducing an old age grant**.
- Given that some households receiving cash transfers from the VUP and FARG programmes have disabled persons who require additional support, we will also focus on strengthening programmes across government that empower those living with disabilities and provide access of disabled people to other services. Our future engagement on disability issues will be dependent on gaining adequate information on the number of people with disabilities, as well as a better understanding of the nature of those disabilities. Therefore, by 2014, we will undertake a **study to assess the feasibility of establishing a disability grant**.
- The VUP Public Works programme will be rolled out over the next five years according to the existing scale up plan. Use of the VUP Public Works approach will also be encouraged in other public works programmes. While retaining much of the current design of the VUP, we will make two innovations. We will integrate the VUP public work programmes, and workforce, with appropriate infrastructure projects across government, using VUP to co-ordinate the mobilisation of poor people in sectors as a workforce for infrastructure projects. The other innovation is that by 2012, we will conduct a feasibility study to **assess the possibility of introducing an Employment Guarantee Scheme**. This would offer a safety-net of public works employment at a lower market wage, to households which opt to participate when they absolutely need to.

The implementation of the above programmes will be underpinned by **improvements in the systems for delivery of social protection**. We will focus on two main interventions:

- A **comprehensive electronic management information system** (MIS) will be introduced nation-wide, to enable the registration and monitoring of all beneficiaries of social protection programmes.
- A system of electronic transfers of cash to beneficiaries will be introduced – using advanced technologies – which will be combined with initiatives to extend financial services to rural communities.

We will support our social protection programmes with social development initiatives that will focus on providing poor households with investment opportunities to pull themselves out of poverty and strengthen the cohesion of communities. Two key programmes will be the VUP Financial Services programme which will provide poor households with easy to access and inexpensive loans, and the Ubudehe programme which will enable communities to undertake priority projects of their choosing, strengthening community cohesion in the process.

A number of innovations in contributory social security schemes will be taken forward. We will take measures will be to extend the social security to the informal sector. We will also take steps to establish a minimum wage and provide mechanisms to enable women to access maternity leave insurance. Labour enforcement capacity will be strengthened in those Districts where the demand and needs are highest.

We will increasingly take a holistic approach towards social protection interventions in order to increase impact, forging strong linkages with complementary activities across ministries, such as mother to child health, ECD, protection of people with chronic illnesses, and other local coping mechanisms.

3.2.3. Objectives of the sector

The **Global Objective** of the social protection sector is to:

Build a social protection system that tackles poverty and inequality, enables the poor to move out of poverty, helps reduce vulnerability and protect people from shocks, helps improve health and education among all Rwandans, and contributes to economic growth.

The **Specific Objectives** of the Sector over the next five fiscal years (2011-2016) are to:

- Harmonize and coordinate the different interventions to respond to the needs of the poor and vulnerable persons.
- Establish a system of cash transfer programmes that a) provide poor and vulnerable households with a guaranteed minimum income b) provide essential financial services to the poorest and most vulnerable c) enable poor households who can work to access employment d) build resilience to shocks/risks and e) enable government to respond quickly and efficiently to emergencies.
- Extend access to health and education services to all, but in particular to the poorest and most vulnerable households and individuals, especially children.

- Extend contributory social security mechanisms to the informal sector and enable workers to enjoy a minimum wage and access to maternity insurance.
- Deliver social development and complementary initiatives that enable vulnerable households to access credit facilities, shelter and strengthen the cohesion of communities (through sensitization, financial literacy, group mobilisation, mindset change and other local coping mechanisms).
- Build leadership and capacity across government on social protection, and strengthen the alignment of non-governmental actors to national priorities.
- Strengthen systems for the delivery of social protection, in particular by establishing a nationwide and comprehensive electronic management information system (MIS) and building a cash transfer delivery system that is efficient, cost-effective, and facilitates the extension of financial services – such as savings accounts and loans – to the most vulnerable households and remote communities.

All programmes will aim to have a significant impact on the well-being of older people, vulnerable children, women, people with disabilities, genocide survivors and the historically marginalised.

Achieving the above objectives will help transform Rwanda in line with the EDPRS's priorities⁴⁹ and the government's 7 year plan:

- The cash transfer programmes will help **increase economic growth** by encouraging and enabling poor and vulnerable households to invest in more productive activities, stimulating consumption and market activity and extending the reach of the country's financial system;
- The Strategy will contribute to **slowing down population growth** through greater household income security, thereby reducing the imperative for young parents to invest in large numbers of children as a means of enhancing their own security in old age;
- The system of cash transfers and improved access to health and education services will directly **tackle extreme poverty**, while also contributing to improved nutrition;
- **Greater efficiency in poverty reduction** will be ensured through the development of a comprehensive electronic management information system, efficient delivery of social protection benefits and greater co-ordination in the delivery of social protection across government and civil society.

How the strategy will address the needs of different vulnerable groups

Programmes within the social protection strategy will focus on tackling poverty among priority vulnerable groups. However, it needs to be recognised that the social protection sector is only one means of improving well-being among these groups. They will also benefit from other public services such as health, education and agricultural support, as well as other non-social protection programmes. Priority groups for support are set out by the Constitution and include the elderly, disabled, genocide survivors, vulnerable children and other vulnerable groups such as the historically marginalised and single parents.

⁴⁹ The priorities of the EDPRS can be found on page 28 of the EDPRS.

- To date, there has been no specific programme for **older people**. Extremely poor old people already benefit from existing cash transfer programmes, particularly the VUP Direct Support, and a larger proportion of this vulnerable group will be reached as the programme scales up. In addition, by 2012 we will assess the feasibility of introducing an old age grant. Other key services will be provided by government, including access to health services and the ability to participate in employment without discrimination.
- The government is working with civil society to establish a number of programmes of support to **people with disabilities**, with a focus on their empowerment. We have in place a policy on special needs education, although there remain challenges in getting all disabled children to school. However, we also recognise that disabled people need financial support to enable households to care for those in a dependent situation and help those who can take care of themselves to overcome additional costs they face in accessing jobs and establishing their own enterprises. We will gradually build this assistance through the VUP Direct Support programme and, by 2014, we will assess the feasibility of a Disability Grant, building on the programme of financial assistance we currently give to ex-combatants. Access to health and financial services are also critical for people with disabilities.
- The **most vulnerable children** are a particularly important category to support. Many vulnerable children will benefit as members of households receiving cash transfers (including Direct Support and Public Works Programmes), which will enable households to feed, clothe and educate their children, even in times of crisis. They will also benefit through complementary programmes aimed at increasing the ability of households to engage in productive activities. By 2014, we will assess the feasibility of a future child grant. We will also encourage non-governmental actors working with vulnerable children to provide them with a package of minimum support, and we will gradually build our capacity to ensure children are protected from abuse
- **Single mothers** – and older widows and single women – are particularly vulnerable as they have less labour capacity. Rwanda has a very high proportion of single mothers due to the genocide and conflict. We expect that our cash-based social protection programmes will reach a significant proportion of single women and mothers. We will also ensure that single women can access other financial services, and enable them to send their children to school and for everyone in the household to access health services.
- Vulnerable **genocide survivors** have been a priority for the government. The FARG programme has, over ten years, provided essential support over a range of services. Increasingly, however, we will ensure that genocide survivors can benefit from the range of mainstream programmes, and will pass FARG funding through those programmes, where appropriate.
- The government seeks to help **historically marginalised** peoples in Rwanda. In particular, we will enable them to overcome their disadvantages by providing positive discrimination in terms of access to benefits from public services.
- The needs of **youth** are a priority for government. The focus for support to this group should be on ensuring that they are able to gain access to work, with a priority on skills development. Injecting cash into local markets through the

social protection cash transfers will be an important means of building demand for the goods and services to be sold by young people. We will also develop a strategy for building training into the Public Works programme, so as to provide young women and men with skills for the labour market. As an important complement to this strategy, government will take broader measures to provide young people with skills development and access to credit.

A critical element for ensuring the access of vulnerable groups to services will be to build an effective monitoring system. When undertaking monitoring we will ensure that **data is disaggregated** so that we can effectively track the inclusion of priority vulnerable categories in social protection programmes, and take steps to address any situations of concern. Disaggregation of data will take place by, for example, sex, age, disability, ethnicity and status as genocide survivors.

All programmes will actively seek to promote **gender equity and women's empowerment**. All monitoring data will be disaggregated by gender to ensure that we are on track with our commitments. We will undertake regular gender audits of our programmes – as aspects of regular reviews – and seek to disseminate good practice across all programmes. Each programme will be required to set out how it will support the goals of gender equity and women's empowerment and all regular reports will address progress against these goals.

3.3. Programmes

A wide-range of programmes will be put in place that build on social protection initiatives already underway and which are in line with Rwanda's Constitution, laws and policies, the 7 year government programme as well as the objectives of the EDPRS.

The programmes and their design features will begin the process of building a National Social Protection Floor in Rwanda. They will aim to protect those who are most in need while also enabling those among the poor who can work to gain access to employment on public works programmes. This should provide them with cash to invest in productive assets while also encouraging them to invest in higher return but more risky activities through, for example, the VUP Financial Services programme.

Not all elements of a future National Social Protection Floor can be established in the next five years. Nonetheless, over the next five years, we will begin a process of assessing the feasibility of old age, disability and child grants, and an employment guarantee scheme, and the best means of implementing them.

3.3.1. A comprehensive system of cash transfer programmes

We will build on, integrate and extend the four cash transfer programmes that are currently part of the VUP, FARG and RDCR: the VUP Direct Support and Public Works programmes, the FARG emergency assistance and the subsistence allowances for disabled ex-combatants. Having learnt many lessons from the

implementation of these programmes we believe that we should now focus on making the following changes.

VUP Direct Support Grant

The VUP Direct Support programme will be scaled up at a faster rate, to reach national coverage within the next 5 years. We will continue to assess and improve the effectiveness of the targeting system, so that the extreme poor are reached and access a minimum income.

The Direct Support Grant will play two major roles. It will provide an important safety net for those who temporarily fall into crisis – for example, as a result of a long-term illness – while also reaching some of the poorest and most vulnerable households with more long-term support. At national scale, it will benefit approximately 345,000 people living in 5% of households across Rwanda, and will have a significant impact on extreme poverty.

Grants for other vulnerable groups

During the lifetime of the Strategy, we will assess the continued relevance, complementarities and synergies, as well as duplications in existing categorical programmes like the FARG, RDRC, Child and Refugees Support Programmes, and how the different programmes can be implemented in a more harmonised and coordinated way.

Where possible, support for specific vulnerable groups - such as the FARG emergency assistance and subsistence allowances for disabled ex-combatants - will be integrated into the VUP Direct Support, and where possible currently separate funding streams will be harmonised. We will also conduct feasibility studies on the viability of implementing old age, disability and child grants.

VUP Public Works

The current VUP Public Works Programme has two main objectives. It provides social protection to extremely poor households with labour capacity, while also building assets that are useful to communities. The VUP Public Works Programme plays a critical role in enabling households to exit from poverty. Households that participate on the programme receive cash wages as a short-term “boost” to their income. They are able to invest their cash in productive assets and enterprises that will help them graduate from poverty. The assets built by the programme will also help generate economic growth in communities. Over the next five years, the VUP Public Works Programme will be rolled out according to the existing scale-up plan.

We recognise that the VUP Public Works Programme can have a significant role in helping young people enter the work-force. We will, therefore, take efforts to ensure that the programme can also meet the needs of the youth. A key element will be to introduce a strong element of structured capacity-building into the programme, so that the youth can gain skills that will help them enter the job market. By 2013, the VUP programme will put in place a strategy to ensure that skills development is incorporated into employment programmes, as appropriate. It will be necessary to

have systems in place to monitor and evaluate the adequacy of skills development and the related impact that this has on the youth.

An addition to the programme will be a more explicit attempt to link the VUP work force to appropriate infrastructure projects. Every year, plans will be drawn up by each District for future infrastructure projects to be funded from Ministries across government. Projects that could usefully use the VUP workforce will be identified and VUP staff will manage the inputs of the VUP workforce into these projects, in co-ordination with other Ministries. Participation in these projects will be at market rates and would be open to those identified as eligible for the VUP programme. Given that these infrastructure projects will be happening anyway, the budgetary implications of this element of the cash for work programme should be neutral.⁵⁰

It is recognised that not every household may be able to graduate after participation in VUP Public Works, and also there may be a need for a safety-net for those who fall back into poverty. The current design is very worthwhile in the short-term, but the possibility of an Employment Guarantee Scheme in the longer-term, offering a safety-net of guaranteed public works employment at a lower market wage, which households would opt into when they absolutely need to, will be assessed through a feasibility study. It will be necessary to test a range of alternative options for the programme and we will, in the initial stages, adopt an experimental approach, alongside good monitoring and evaluation.

The VUP Public Works programme will, therefore, have four main elements over the next 5 years:

- **An initial “booster”:** the current VUP programme will be extended to all sectors according to the scale up plan. It will continue to provide participating households with an initial cash “boost. In each sector, the programme will aim to provide all eligible households, where feasible, with at least 100 days work. The programme will be aimed at households living in extreme poverty with labour capacity. Wages will be set at up to the prevailing local market rate. The programme would aim to ensure that 10 percent of households access the “booster” programme in any one year and, after three years – on average – in a sector, all eligible households will have participated for one year.
- **Skills development strategy:** the VUP programme will develop a strategy to ensure that structured skills development is incorporated into the Public Works programme, with a particular focus on the youth, and will monitor its impact.
- **Infrastructure public works:** as indicated above, VUP staff will take on the role of mobilising the VUP work-force to participate in infrastructure projects, as appropriate. These are likely to be projects that require large numbers of unskilled workers, such as terracing.
- **A feasibility study on an Employment Guarantee Scheme:** will be conducted by 2012.

⁵⁰ In fact, it is possible that savings will be made by using the VUP workforce, where appropriate, since wage rates are likely to be lower when compared to the normal workforce for these types of programmes. However, necessary skilled labour will still need to be identified and contracted separately.

For all cash transfer programmes transparency, justice and accountability will be strengthened through for example:

- Targeting beneficiaries, awareness creation of entitlements, settlements of disputes, and
- An independent appeals and complaints mechanism.

3.3.2. Social protection programmes implemented by other Sectors

Social protection is not just the responsibility of the Social Protection Sector. As Section 2.1 indicated, social protection also takes place across a range of other sectors, in which its focus is on ensuring that poor people can overcome financial barriers to accessing public services.

The Social Protection Strategy will summarize the main forward looking plans for each sector and suggest where programmes and strategies need to be aligned. Detail on each area can be found in the strategies and plans of each sector. The main sectors involved in social protection are set out below (health, education, agriculture, youth and disaster management).

Health Sector

In the past, community-based health insurance, social and private health insurance have been managed and rolled out independently. With the elaboration of the Rwanda Health Financing and the Rwanda Health Insurance policies, an attempt is being made to develop a wider social health protection framework. The policies are based on the principles of universal access as well as equity, solidarity and risk-sharing, which have underpinned the achievements of the current schemes.

In order to consolidate and further improve the coverage of the Rwandan population with health insurance, different strategies have been identified including the extension of social health insurance to growing formal and informal sectors, strengthening the CBHI, protection of vulnerable groups through subsidies or exemption from payments, and providing health insurance to pensioners through the SSFR. A national council – the Rwanda Health Insurance Council (RHIC) - will be created as the regulatory watchdog over health insurance in Rwanda. Financial sustainability will be reinforced by increasing domestic resource mobilization and more efficient use of resources. To address the current regressive contributions to CBHI, a new premium scheme will be introduced based on members' ability to pay. Identification of the different income groups will be undertaken in close collaboration with MINALOC using the Ubudehe targeting approach.

Education Sector

Parallel to the development of the Social Protection Strategy, the education sector is also developing its own strategy. The Education Strategy covers a wide range of areas. In terms of social protection, however, its main provisions are:

- Capitation grants for schools providing basic education, so as to eliminate all formal fees.

- The remaining financial barriers to access for the poorest quintile of the population will be identified and tackled, and it is expected that the governments system of cash-based social protection programmes will help poor households send their children to school. Additional support will be provided through wider community sensitisation, the provision of catch-up centres, better provision in schools of water and sanitation, expansion of primary schools and construction of lower secondary school classrooms.
- Better physical access and working environment will be put in place for disabled and special needs pupils.
- Access to a greater range of cheaper quality learning materials will be achieved through the formation of a minimum profile recommended book list.
- To encourage greater access to upper secondary school, more day schools will be established as boarding schools are very expensive. More classrooms will be constructed. Furthermore, bursary and scholarship schemes for the poorest and most vulnerable students will be harmonised.

The FARG programme will continue to support the education costs of genocide survivors through secondary school and university. In 2008, FARG provided support to 53,000 children at secondary school and 3080 university students. In the short term we expect these numbers to increase before gradually beginning to fall as genocide survivors move through the system. The programme will also continue its practice of providing historically marginalised children with free access to upper secondary school, through District governments.

Agriculture Sector

The Ministry of Agriculture will continue with its programmes to provide essential inputs to poor households. Key programmes will include:

- Girinka, the One Cow one Family programme, which provides poor families with more than 0.7 hectares of land with a cow. The first-born off-spring should be passed to another programme.
- Poor households with less than 0.7 hectares will increasingly have access to programmes that provide them with small animals, such as goats, rabbits and chickens.
- The practice of subsidising fertilizer inputs will continue.

A large erosion control programme is underway, which will require the implementation of a large number of public works infrastructure programmes. We will explore the potential of linking these programmes to the VUP work-force at District level so that poor people in local communities can benefit from the employment that will be available.

Youth

The youth sector will continue to support youth empowerment through various programmes. It is still important that all the other stakeholders “change their lenses of looking at youth” and look at them as future builders of the nation and thus lay a good foundation for them to become self sustainable citizens.

The 2010 leadership retreat recognised the fact that Youth ought to be supported in terms of access to finance, and therefore a credit line through UMURENGE SACCO is being set up to ensure sustainable access to finance for youth, the ministry of youth is developing a comprehensive strategy to mobilize savings among youth. The idea is that with the start up fund, support to business start ups for youth will be ensured in a way that does not create dependency i.e. this money can be channelled through SACCOs and access should be limited to those with bankable projects at normal SACCO credit terms but without demanding collateral. The Ministry of Youth with the support of other specialised institutions will then implement a comprehensive savings campaign out within identified MFIs (i.e. SACCOs) with incentives for saving such i.e. if you save so much money; you will be assisted to develop a bankable project. After the savings scheme has generated sufficient funds to support member credit needs, the start up fund can either be merged with the SACCOs to increase loan portfolio or paid back to the government.

Across government there will be a continued drive to promote skills development reflected in the establishment of specialized institutions such as Work Force Development Agency to enhance employability skills of people especially the youth link to TVET.

3.3.3. Extension of contributory social security and labour standards

The main focus of this strategy is on reaching the poorest and most vulnerable. However, we also recognise that social protection is broader than this and that it is also important to ensure that the benefits of labour standards and contributory social insurance schemes are extended to as many people as possible. Therefore, during the period of the Strategy, we will focus on two main areas: a) extending the benefits of the SSFR to the informal and agricultural sectors; and b) ensuring that labour standards are strengthened and also begin to extend to the informal sector.

Extending the Social Security Fund of Rwanda to the informal and agricultural sectors

The Social Security Fund of Rwanda is, essentially a well-functioning, mandatory, contributory pension scheme. Employees are obliged to contribute to the SSFR, and their contributions are augmented by further contributions from their employers. However, as in most developing countries, its members mainly belong to the formal sector. This does not, of course, mean that they are all well-off as many have relatively low wages. However, it is government policy – as set out in the National Social Security Policy – to extend to the benefits of the SSFR to the informal sector workforce. We recognise that the vast majority of the population will not be able to contribute to the SSFR for many years – hence the need to ensure that Direct Support reaches old people who are poor so that they are catered for – but an additional 10-15 percent of the overall workforce may be able to, if the right incentives are put in place. It is in the interests of workers in the informal and agricultural sectors – and of the country – for the Social Security Fund to grow. Informal and agricultural sector workers, with sufficient income, can provide a higher level of protection for themselves in the case of disability or old age while a larger SSF will provide the nation with more funds for investment.

The SSFR is, of course, already making efforts to expand to the informal sector. For example, it has made good progress in ensuring that members of motorcyclists' co-operatives join the fund. One attraction of SSFR membership is that it offers additional benefits to the pension, such as disability insurance and is also planning to introduce pre-retirement benefits. These features are already making the SSFR attractive to those members of the informal work force who can afford to save and pay for insurance.

It is, however, impossible to make the SSFR mandatory in the informal and agricultural sectors as workers do not declare their income. So, once the feasibility study on introducing an old age grant is conducted, the government will work with the SSFR to develop and implement proposals for incentives that will encourage the further extension of the SSFR to the informal sector.

Labour legislation and enforcement

In May 2009, Rwanda modernised and up-dated its labour legislation through the promulgation of Law Number 13/2009. The law covers a wide range of areas such as child labour, maternity provisions, sick leave, holidays, salary protections, health and safety in the workplace, employment of disabled people and organisation in the work-place. The law will make a significant difference to the lives of workers across Rwanda. Its application is led by the Ministry of Public Service and Labour.

Over the next five years, the Ministry of Public Service and Labour's focus will be on ensuring that the law is implemented. However, there are two other areas where further improvements can be made. First of all, measures will be taken to modernise minimum wage regulations. Secondly, maternity insurance will be developed so that working pregnant women can gain the best deal possible for themselves.

However, laws, by themselves, are insufficient. Their implementation needs to be assured. For this reason, a network of labour inspectors is in place across the country, with one in each District. Nonetheless, the demands on inspectors vary significantly between Districts as some have many more enterprises to oversee than others. Therefore, the Ministry of Public Service and Labour will work with Districts to encourage those where the demand is greatest to increase the number of inspectors employed.

3.3.4. Social development initiatives to support social protection

A range of social development initiatives to support social protection will be taken forward by the Ministry in charge of Social Welfare, other ministries and institutions in the social protection sector. These will focus on helping poor households move out of poverty while also building community cohesion.

The programmes to be prioritised by MINALOC are the VUP Financial Services programme, support for income generation programmes among genocide survivors, and the continuation of the Ubudehe priority community interventions programme. These programmes are part of and contribute to broader national initiatives across government and the private sector, focused on strengthening cooperatives, SACCOs

and increasing access to financial services and income generating opportunities in Rwanda.

VUP Financial Services

The aim of the Financial Services component is to enable people to move themselves out of extreme poverty on a sustainable basis. The Financial Services component provides loan funding to enable beneficiaries to implement income-generating activities which will provide enough income to make them self sufficient and to repay the loan. The Financial Services component is managed as a revolving loan fund in each sector.

The Financial Services component is rooted in the community based Ubudehe approach, and the Ubudehe Credit Scheme is managed by Government. Currently, neither the microfinance sector nor SACCOs are capable of providing the services required to operationalise the scheme, given the challenges inherent in targeting loans at the very poor.

Beneficiaries of the Financial Services component will be able to access loans to finance income-generating activities either individually or collectively in groups or cooperatives. The Financial Services component is mainly orientated towards facilitating poor people's access to loans.

FARG Income Generation

FARG will continue to provide support to genocide survivors to obtain loans so that they can take forward income generating activities. Groups of survivors will be formed and FARG will either provide co-lateral for a loan or will provide a percentage of the loan in cash. Over the next five years, however, we will identify how to mainstream the FARG income-generation programme in other programmes providing credit, such as the VUP Financial Services programme.

Ubudehe community support programme

We plan to launch a third phase of the Ubudehe community support programme. Rwanda has 14,837 villages and, over a two-year period, we would hope to fund every village to take forward a priority community project. We will, however, encourage communities to focus on projects that have significant multiplier effects. In addition, in each village, we will also fund one household to take forward a priority project, although we will assess whether we can increase the number of households in each village. Alongside the programme, we will strengthen capacity-building of communities and improve the monitoring of results.

3.3.5. Complementary services to social protection

Community mobilisation on cross-cutting issues and government strategies that impact on the livelihoods of people (for example on gender, primary health care, human rights, nutrition, the environment, savings and cooperatives) is another key complementary activity both within MINALOC social protection programmes and

across government and other institutions. It will strengthen the impact of social protection programmes. It will also be important to coordinate and link with skills development and vocational training activities carried out by other ministries and institutions, particularly for the youth, to further enhance the ability of households to generate income, construct shelters and graduate from social protection programmes.

Some of the local mechanisms which will be used to support social protection through strengthening community mobilisation, coping mechanisms and strengthening social cohesion include: Umuganda, Kuremera abacu, Ingobyi y'abarwayi, Kuragizanya, Kugabirana, Itorero, Kuzitura and Igikumba Rusange. Other public led supporting social protection include Army week and youth solidarity camps.

Old people who are capable will also be facilitated to form associations and cooperatives, in order to support the younger generation in skills transfer and cultural heritage.

3.3.6. Risk mitigation and responsiveness to shocks

The social protection programmes and complementary activities already described under this strategy combine protective and productive measures, which will work together to reduce household and community poverty and vulnerability. However they largely address chronic needs and it is crucial to prevent progress from being undermined by shocks and disasters. Commonly experienced risks/disasters are linked with climate related factors, and increased climate variability and possible climate change makes things worse.

Shocks and disasters impact the poor most negatively because their asset base is low and livelihoods highly exposed; their risk management options are limited; and their coping mechanisms may entail heavy costs (such as in terms of nutrition, education, health and even a shift in burden to less affected households) which all negatively impact on human development and perpetuate accelerated vulnerability.

It is important therefore that social protection systems are complemented and strengthened by risk mitigation and rapid response systems.

Pillars of effective risk management are:

- **Effective early warning systems** in place to indicate the need for a response as early as possible;
- **Contingency plans** in place so that when a shock is indicated key actors in the system have already thought through how they need to respond;
- **Contingent financing** resources need to be ready and available to avoid negative consequences of a delayed response; and
- **Adequate institutional arrangements and capacity** in place or able to be put in place quickly to allow the pre-prepared plans to be implemented.

By anticipating and responding to shocks early, people can be provided with appropriate and timely support, and will be able to avoid destructive coping mechanisms and minimise negative impacts of shocks.

There are a range of stakeholders involved in early warning, risk mitigation, climate adaptation and disaster management and response in Rwanda. There is great potential across them for greater linkages, coordination and synergies in strategies, plans, programmes, data management and information systems, and responses.

Within the social protection sector, there is potential to utilise early warning information and for existing programmes (such as the VUP Direct Support and Public Works) to be refined in order to be able to scale up when needed to meet transitory needs in response to shocks. Much of the infrastructure and systems for delivery are already in place, and modifications could include increased payments to existing beneficiaries and an extension of programme coverage.

The government will therefore establish a technical working group to strengthen linkages and coordination between all government and non-government organisations involved in early warning, risk mitigation, climate adaptation and disaster management. Its objective will be to strengthen the effectiveness and potential impact of early warning, risk mitigation and response systems.

4. IMPLEMENTATION OF THE STRATEGY

To ensure the effective implementation of the Strategy a range of structures will be built or strengthened across all levels of government. These will put in place strengthened systems of leadership, co-ordination and implementation by government and partners, as well as build capacity at all levels. A detailed implementation plan will be developed once this Strategy is approved.

4.1. High-level leadership on social protection

Implementation of the Strategy will be led by the Ministry in charge of social protection, in close collaboration with other Ministries, local government, para-statal, development partners and civil society:

- Central Government (Ministries of Local Governments, Education, Health, Agriculture, Gender, Disaster Management and Refugees)
- Local Governments – Districts and Sectors
- Para-statal – FARG and SSFR
- Development Partners
- Civil Society

The current Social Protection Working Group will be strengthened. Its responsibilities will be laid out in the detailed implementation plan, including:

- Ensuring the implementation and monitoring of the National Social Protection Strategy (NSPS), including providing regular six-monthly reports on progress;
- Providing regular reports to the Social Cluster;
- Making recommendations on annual budgets for all activities set out in the NSPS;
- Monitoring the execution of social protection budgets across government;
- Making recommendations to the social cluster on all new social protection initiatives across government;
- Monitoring all social protection initiatives across government, through, for example, receiving and reviewing six-monthly reports from all members of the Social Protection Working Group;
- Overseeing analytical work undertaken by Ministries on social protection.
- Reporting on the different thematic groups outcomes.

4.2. Social protection at Districts and Sectors

As the VUP programme implementation and approach is rolled out nationally, it will be necessary to assess how implementation roles and responsibilities can be integrated into the decentralised structures. A key area of work will be to link the VUP work-force to District infrastructure programmes. Sector and District responsibilities will include:

- Overseeing and monitoring the implementation of the Direct Support and Public Work Programmes, ensuring the inclusion of eligible genocide survivors, historically marginalised, and vulnerable old people and people with disabilities.
- Supporting the co-ordination of infrastructure projects across the District, and helping the integration of the VUP eligible workforce in these projects, where appropriate and ensure the use of VUP approach.
- Overseeing the implementation of relevant complementary programmes, as set out in this strategy.
- Advising the District leadership on District social protection policy;
- Reporting to the District leadership, MINALOC, and FARG on progress with social protection programmes;
- Ensuring co-ordination of social protection programmes run by NGOs
- Implementing a District-wide communications strategy on social protection
- Maintaining a District-level social protection electronic MIS;
- Overseeing District-level training on social protection

4.3. Roles of para-statal organisations

A number of para-statal organisations will continue to play key roles in taking forward the National Social Protection Strategy.

Social Security Fund of Rwanda (SSFR)

The SSFR will continue to be responsible for the current contributory social security fund, reporting directly to MINECOFIN. It will develop the Fund in line with the priorities set out in the Social Protection Policy, and maintain the actuarial soundness of the fund, while ensuring the best deal for members.

FARG

FARG will continue to fund a range of programmes in education, health and income generating activities, to assist the most vulnerable genocide survivors. These will be undertaken in co-ordination with the relevant Ministries and through decentralized entities, as appropriate.

The current emergency assistance cash grants – which currently reach around 30,000 people – will be integrated into the broader non-contributory social security programmes. Policy work will be undertaken to assess whether the Income Generation component of FARG can be integrated with the VUP Financial Services.

The Districts will, as now, propose candidates for assistance to FARG. However, they will indicate into which social protection programme they should be incorporated. The Districts will register the candidates on the respective programmes. FARG will transfer funds to the respective social protection programmes and monitor the incorporation of Genocide Survivors' in the programmes, receiving regular reports from MINALOC. It is expected that, once the social protection programmes are scaled up nationally, it should be possible to

identify an increase in the number of genocide survivors receiving cash benefits from the government.

Over time, as genocide survivors move through and out of the education system, FARG should gradually decrease in size.

The future direction of FARG is set out in more detail in its Policy and Strategic Plan, of August 2009.

Rwanda Demobilisation and Reintegration Commission (RDRC)

The ex-combatants, once they are demobilised, undergo pre-discharge orientation programmes such as counselling, entrepreneurship training and also socio-economic profiling. Children go back to school and those who past primary school age are enrolled in catch-up schools and others join technical and vocational schools. These programmes will continue in a bid to integrate them in government programmes, main streaming and exit strategies so that they can be integrated socially. Those with special cases that need special attention will receive rehabilitation and will also be enrolled on the programmes that they qualify for. The demobilized combatants will be encouraged to integrate into the mainstream social protection programmes.

National Council of Refugees (now under the Ministry for Disaster Management and Refugees (MIDIMAR))

The refugees living in Rwanda are mainly from the DRC and these are taken care of by the Government of Rwanda, UNHCR and other partners. They are supported with food items, shelter, education for children and health. However, it is important to realise peace and security in the region is getting better and these will be returning to their countries.

Currently, there are around 70,000 Rwandans who live as refugees, mainly in Democratic Republic of Congo and Uganda. Until 2011, under the oversight of the National Council of Refugees, we will continue to support the return of these refugees, in collaboration with the international community. We have two transit centres where returnees are received, in Gicumbu (Northern Province) and Nkamira and Nyagatare (Western Province). Each returnee receives a package of support, including food for three months from the World Food Programme and non-food items from UNHCR. If required, we also provide support for returnees to access shelter. Measures are also taken to ensure that returnees are able to access mainstream programmes such as the VUP Public Works and Financial Services programmes. Direct Support cash transfers will be made available to those returnees who qualify.

4.4. Enhanced co-ordination of social protection programmes

To ensure the effective harmonization and coordination of the different intervention in the sector, a range of structures will be built or strengthened across all levels of government. These will be put in place to strengthen systems of leadership, co-ordination and implementation by government and partners, as well as build capacity

at all levels. This will necessitate creating linkages with other sectors such as health and education so that targeting the vulnerable groups is better coordinated.

As is evident from above, a wide range of international partners and non-governmental actors provide social protection services across Rwanda. However, effective co-ordination of these services is minimal and there is no comprehensive data-base of their activities. We will build structures for more effective monitoring of activities, with co-ordination undertaken at District level.

On an annual basis, each development partner and non-governmental actor will present to District authorities a detailed list and plan of their social protection interventions – as well as relevant complementary activities - in the District, disaggregated for each sector. The District authorities will ensure that these programmes align to District development priorities and a District wide plan of activities by non-governmental actors will be elaborated.

In addition, development partners and non-governmental actors will provide a list of all beneficiaries receiving support, and an indication of the nature of this support. These lists will be entered into the Social Protection MIS by District staff. Districts will set out guidelines on whether and how beneficiaries can access more than one programme. The MIS will identify the programmes that each household is receiving and lists will be compiled of households inappropriately receiving more than one programme.⁵¹ These lists will be discussed with relevant development partners and non-governmental actors and measures taken to remove beneficiaries from programmes that they should not be accessing.

4.5. Strengthen social protection systems

Over the next five years, a key focus of our engagement on social protection will be to strengthen systems, so that programmes become more efficient and effective. We will focus on two key areas:

- Building a nationwide electronic Management Information System based on the National Identification (NID) and UBUDEHE databases, in which beneficiaries of all social protection programmes are registered and monitored; and,
- Assess advanced means of electronic payments of cash to social protection beneficiaries that enhance financial security and increase the accessibility of financial services – provided by the banking sector – to vulnerable households in even remote communities.

Electronic Management Information System

Effective monitoring of social protection programmes can only take place if a high quality electronic and nationwide management information system (MIS) is established. Recent advances in technology and extensive coverage by the mobile phone network make this achievement possible.

⁵¹ In many cases, it may be entirely appropriate that households receive more than one programme. But, in other cases, households will be accessing more than one similar programme against regulations.

By 2012 we will develop a comprehensive data-base of all households in Rwanda. Building on the National Identity Card programme and the Ubudehe database, over a period of one year, basic data will be registered of each household across the country including: number of members and their date of birth, sex, marital status, orphanhood, and disability status.

The establishment of the social protection data-base will core enable a range of operations to be undertaken including: 1) identifying inappropriate multiple receipt of programmes by households; 2) monitoring of beneficiaries; 3) building of payment lists; etc. All data will be appropriately disaggregated including by age, sex and disability.

Once the data-base is established and functioning well, it will also be used to identify households in receipt of programmes from non-governmental organisations. Each NGO working in a district will be asked to provide lists of beneficiary households, at sector level, and this will be inputted into the data-base and up-dated annually.

The existence of an electronic MIS will enable payments to beneficiaries to be made much more effectively and regularly, through electronic transfers. The electronic MIS will also enable government to have a more effective and flexible response to large-scale crises and shocks such as droughts and floods. If a disaster hits a District – or sector – it will be possible to quickly identify all beneficiaries of cash-based social security programmes and, immediately, increase payments to them for a specified period. While this will directly assist beneficiary households, it will also help others in the communities through established sharing and informal support networks. It will be a first step in a response, prior to larger scale emergency assistance – often in kind – being directed to the area. MINALOC will take forward the development of this emergency response facility, once the social protection MIS has been established.

An Advanced Electronic System of Cash Delivery

Initially delivery of cash to beneficiaries of the Direct Support and Public Works Programmes will take place using the type of delivery structures already used by VUP and SSFR (such as Bank Populaire, etc). However, these delivery systems have weaknesses, such as not being close enough to all recipients and - to date - delivery of cash in a timely manner has not been up to the standards expected.

Advances in communications technology are making it possible to put in place much more advanced systems of cash delivery. Alternative options will explored and potentially pilot tested in some sectors where implementation is already taking place.

4.6. Build capacity on social protection across government

Given the increased importance of social protection in Rwanda, it will be important to build our capacity to take forward this important agenda. We will, therefore, develop a capacity-building strategy, under the leadership of MINALOC. The strategy will consider social protection across all sectors and will encompass training for both the implementation of social protection programmes and on policy. It will include

international and in-country training courses as well as study visits to social protection programmes outside Rwanda for key staff and Ministers.

Funding for most capacity-building activities will be provided by programmes themselves. However, a small fund will be available for core training in priority areas as well as study visits.

4.7. Undertake policy analysis on social protection

It is absolutely essential that capacity is established to ensure that the Government can undertake its own analytical and policy work on social protection, collaborating, as appropriate, with development partners. We also need to ensure that we can learn lessons from the implementation of social protection programmes and incorporate this learning into our future policy.

Therefore, we will build a social protection policy team that can lead policy development across government on social protection. We will ensure that high quality policy work will take place, and collaborate with development partners as appropriate. We will also put in place a comprehensive impact evaluation of our social protection cash transfer programmes (see Section 5.3 for more detail). The results of this evaluation will be incorporated into government policy development and lead to improvements in programmes.

Potential priorities for further policy analysis include:

- Feasibility studies for the development of old age, child and disability grants.
- A new Social Protection Policy, as the current one is out of date;
- Understanding the contribution of social protection to economic growth;
- The role of social protection in strengthening support for the most vulnerable children.
- Building synergies between social protection transfers and enterprise programmes (such as microcredit etc.)
- Pilot the system of cash transfers using electronic cards
- Assessing the integration of FARG support for Income Generation with VUP, as well as the broader integration of all programmes of financial support at District level.

Policy analysis will be undertaken with relevant line Ministries and plans for analytical work will be agreed on a six-monthly basis by the Social Protection Working Group. In addition to government core funding for analytical work, we will engage with development partners to augment funding and, where possible, undertake joint work.

5. MONITORING AND EVALUATION

There will be three components to the Strategy's monitoring and evaluation programme. In addition, a communications strategy will be developed and implemented.

5.1. Regular monitoring

Once the electronic MIS is established, it will be possible to undertake regular monitoring of all programmes set out in the Strategy. Monitoring will take place at all levels of government: Sector, District and National. As the MIS is established, MINALOC – in consultation with the SP Working Group – will set out the data fields to be included in the MIS to enable effective monitoring. All data should be able to be disaggregated by sex, disability, age, household composition and it should be possible to indicate coverage of specific vulnerable groups such as older people, genocide survivors, people with disabilities, single parents, the historically marginalised and the most vulnerable children.

The Social Protection Working Group will be responsible for oversight of monitoring of all social protection programmes. In addition to the monitoring of activities set out in this strategy, it will also monitor progress in social protection programmes in other sectors and Ministries, such as health and education and relevant social protection programmes directed at the Most Vulnerable Children (MVCs). Sector working group meetings to monitor progress will be held every six months and, in February of each year, a Joint Sector Review will be undertaken, as stipulated in the Organic Budget Law. It is the responsibility of District governments to ensure that the MIS is regularly up-dated and to provide regular reports – every six months – on progress with all programmes set out in the Strategy.

Key performance indicators are set out in the Sector Log-frame, in Table 1. Many of the baseline indicators cannot yet be determined due to a lack of baseline data. A number of activities set out in the strategy will enable baseline indicators to be generated including the development of a Social Protection Index, the establishment of a good social protection monitoring system and the planned impact evaluation baseline will enable a number of indicators to be included.

Table 1: Log-frame for the Social Protection Sector

Objectives	Objectively verifiable indicators	Baseline	Milestone 2013	2015 Target	Means verification	Assumptions
Goal						
Build a social protection system that helps tackle poverty and inequality, enables the working poor to move out of poverty, supports access to health and education services among all Rwandans, and contributes to economic growth	Social Protection Index (SPI) Score	TBD	TBD	TBD	SPI report	
	National poverty rate	56.9%	TBD	TBD	Household surveys	
	National poverty gap	22.5	TBD	TBD		
	National extreme poverty rate	36.9%	TBD	TBD		
Purpose						
To reduce poverty and help improve access to health and education services among beneficiaries of social protection programmes, while providing an economic stimulus to local markets	Expenditure levels on food items among targeted households	TBD	An average increase of RwF.30 per day per hh member in targeted households	An average increase of RwF.30 per day per hh member in targeted households	Impact evaluation	
	Primary school completion rate for children in targeted households	TBD	10% increase in operational areas	Increase by 10% in operational areas	Impact evaluation MINEDUC reports	
	Increase in assets among non-beneficiary households in communities where programmes are operating	TBD	TBD	TBD	Impact evaluation	

	Increase in number of visits per year to health clinic by beneficiary households	TBD	TBD	Increase of 30% above baseline	Impact evaluation	
Outputs						
O1: A national system of non-contributory cash transfers established: Old Age Grant; Public Works Programmes; and Direct Support for vulnerable households.	Number of eligible households participating in Public Works*	58%			VUP monitoring system	
	Average number of days work completed by each HH	TBD	Average of 70 days per year among eligible households	Average of 90 days per year among eligible households	VUP monitoring system	
	Number of households receiving Direct Support	9,666	2.4% of households	4% of households	VUP monitoring system	
O2: SSFR extended to informal sector workers and benefits from labour legislation strengthened	Number of informal sector workers enrolled in SSFR	SSFR to provide data	Increase by 3% on baseline	Increase by 10% on baseline	SSFR membership data	
	Number of women taking out maternity insurance	0	10% of formal sector female workers	30% of formal sector female workers	Insurance scheme records	
O3: Leadership, co-ordination and capacity on social protection strengthened across government	Number of social protection staff in place in MINALOC	0.5 central staff in place	7 central SP positions filled	7 central SP positions filled	Payroll	
	Number of SPWG meetings held	12 SWG	30% of District positions filled Average of 6 meetings per year	70% of District-level posts filled Average of 12 meetings held per year	SPWG meeting records	

* EDPRS Results and Poverty Matrix Indicator

	Attendance of SPWG meetings, including level of representation by officials	40	60% of ministries attend with officials at level of ** at least	80% of Ministries attend with officials at level of ** at least	Attendance records	
	Number of government staff who receive SP training	0	100 staff have been trained in SP	500 staff have been trained in SP over 5 years	MINALOC records	
	Perception of effectiveness of SPWG and MINALOC SP Department by Ministers in Social Cluster	TBD	TBD	TBD	Satisfaction surveys to be implemented by MINALOC	
O4: Evidence generated on social protection in Rwanda that feeds into policy debates and is effectively disseminated	Development and implementation of new Social Protection Policy	No new policy	Policy approved by 2013	Policy demonstrated to have influenced direction of SP	Annual reports on policy implementation	
	MINALOC SP web-site designed and functioning	No web-site	Web-site established by 2012	Website is updated on a weekly basis and contains latest data on progress on sector and EDPRS targets	Review of web-site	
	Number of publications produced on SP across government	0 per year	3 per year	5 per year	MINALOC records	
	No of SP policy and analytical studies undertaken by MINALOC SP Department	0	3 per year	5 per year	MINALOC records	
O5: Effective and efficient systems developed for the	Regularity and timeliness of payments	VUP to provide data	70% of beneficiaries receive benefits on time	90% beneficiaries receive payments 'on time'	Payment records	

delivery of social protection in Rwanda	Travel time to pay-point	VUP data	70% of beneficiaries travel <3 hours to collect payment	95% beneficiaries travel <3 hours to collect payment	Impact evaluation	
	Number of beneficiaries accessing other financial services from financial service provider	VUP data	10% of all beneficiaries	20% of all beneficiaries	Impact evaluation Payment Service Provider records	
	Electronic management information system implemented	No electronic MIS	Electronic MIS functioning in 40% of districts	Electronic MIS functioning in 80% of districts	MINALOC records MIS records	
O6: Programmes implemented that complement social protection by enabling people to move out of poverty and improving community cohesion	Number of vulnerable households accessing credit and savings facilities from VUP and with FARG support	VUP to provide data	10,000 households	30,000 households	VUP and FARG data	No major crises that de-rail investments by households Community projects add value and are maintained
	Number of communities implementing priority projects	0	8,000 in previous 2 years	4,000 in last year of project	Ubudehe records	

5.2. Measuring the success of the Strategy

A mechanism for measuring progress on social protection, including the implementation of the Strategy, will be developed. We will design a national Social Protection Index (SPI) which will measure the effectiveness of the country's social protection system.⁵² The Social Protection Index concept was initially developed by the Asian Development Bank and has been used to measure social protection in almost all Asian and Pacific countries. We will adapt the SPI measure to the Rwandan context and undertake a baseline measure. The SPI will be repeated every two years as a key performance measure by government. We will also engage with other countries in East Africa to develop a common measure for the SPI, so that cross-countries comparisons can be made.⁵³

5.3. Impact evaluation

The Strategy will harmonise its monitoring and impact evaluation plans with existing national systems, such as the EICV surveys, as far as possible.

From 2012, once the key cash-based social protection programmes are established, a comprehensive, nationwide evaluation will commence to assess their impact and performance. The evaluation will have both quantitative and qualitative components.

- The quantitative evaluation will be based on a panel data set. Further surveys will be undertaken on a yearly basis over five years. A sample of sectors across the country will be selected.
- The qualitative evaluation will use a mix of focus group discussions, in-depth one-on-one interviews and key stakeholder discussions. It will focus on both the impacts of the programme and its operational effectiveness. Key informants will be followed up on, at least, an annual basis over five years. The evaluation will encompass the same communities, sectors and districts as the quantitative evaluation.

The evaluation will examine a range of areas, covering, for example, impacts on beneficiaries and non-beneficiaries in the areas of poverty and human development, impacts on local markets and communities, and key operational aspects of the programmes such as targeting, registration and payments.

⁵² The Social Protection Index uses four main measures: 1) social protection expenditure, as a proportion of GDP; 2) the social protection coverage of key target groups; 3) the social protection distribution, which measures the proportion of poor people who are beneficiaries; and, 4) the social protection impact which measures the per capita social protection expenditure going to the poor as a proportion of the poverty line.

⁵³ Uganda is currently making plans to undertake an SPI, and we will engage with the Uganda Ministry of Gender, Labour and Social Development in designing the SPI. Longer-term, the SPI could be managed as a regional exercise by either the East African Community or African Union.

5.4. Communications

A communications strategy for the Social Protection Strategy will be developed by 2012. Its aims will be to build understanding on the role of social protection in promoting poverty reduction and economic growth in Rwanda, inform citizens and government on progress with the Social Protection Strategy, and disseminate evidence on the impact of social protection, including results from analytical work, monitoring and the impact evaluation. A range of media will be used including publications, television, radio, the internet, workshops and public meetings.

6. COSTING AND FINANCING OF THE SECTOR STRATEGY

Given that the main aim of the Social Protection Strategy is to support poor people, most of the instruments outlined in the Strategy will be funded from government revenue. Usually, social insurance programmes are only feasible for those who have sufficient income to be able to contribute and save, while labour legislation normally only applies to formal sector employees. Nonetheless, some social protection programmes for the poor in Rwanda are financed through social insurance – such as the *Mutuelle de Santé* health insurance – although they can also incorporate subsidies from government financing to facilitate the access of the poor and the informal sector.

6.1. Sector budget

Table 2 sets out the budget for the Social Protection Sector over the next five years. It also includes the budget for two key social development initiatives: the VUP Financial Services programme and the Ubudehe programme. It does not include budgets for social protection programmes in other sectors, as these are dealt with in those sector budgets. The combination of social protection programmes under the Strategy, and phased approach to implementation, has taken fiscal affordability and sustainability into account. These factors will continue to be assessed as a detailed implementation plan is developed, and as the Strategy is rolled out.

6.2. A Sector Wide Funding Mechanism

It is our intention to develop a sector-wide funding mechanism for social protection. Currently, development partners fund specific social protection programmes, in particular the VUP. However, the development of a sector-wide funding mechanism will allow development partners to contribute to the sector as a whole, rather than specific projects. This will ensure that funding is aligned to government priorities and will also enable development partners to engage over the whole sector. The sector-wide funding mechanism will also facilitate coordination, harmonisation and synergy across the different ministries and institutions that implement social protection programmes, through, for example, joint action plans, division of labour and accountability mechanisms.

This Strategy has focused on identifying a core Social Protection Sector, as distinct from understanding social protection as cross-cutting a wide range of other sectors. The sector-wide funding mechanism will incorporate the core programmes in the Social Protection Sector as proposed in this Strategy. These include:

- VUP Direct Support programme
- VUP Public Works programme
- Feasibility studies
- Impact evaluation
- Policy analysis on social protection
- Development of the social protection management information system
- Social protection training

By June 2011, we will finally agree the programmes that will be included in the Social Protection Sector. MINALOC and the MINECOFIN will collaborate on establishing the sector wide funding mechanism, and will be responsible for developing Memoranda of Understanding with development partners.

Table 2: Budget for the Social Protection Sector, 2011-16

	2011/12 RwF millions	2012/13 RwF millions	2013/14 RwF millions	2014/15 RwF millions	2015/16 RwF millions	Total RwF millions
Social Protection Sector						
VUP Direct Support (DS)	5,863	9,014	12,320	17,331	22,394	66,922
VUP Public Works (PW)	11,947	15,308	18,813	22,436	26,210	94,714
Feasibility Studies	90	45	45	0	0	180
Electronic MIS	1,500	1,500	0	0	0	3,000
Impact Evaluation	300	200	200	200	200	1,100
Policy analysis	100	100	100	100	100	500
Training	50	50	50	50	50	250
Total (Social Protection Sector)	19,850	26,218	31,528	40,117	48,954	166,666
Social Development Initiatives						
VUP Financial Services (FS)	8,831	7,032	7,710	8,370	9,042	40,984
Ubudehe Community Projects	4,000	5,000	6,000	5,000	0	20,000
FARG	24,600	25,300	27,400	30,100	33,600	141,000
Girinka (One Cow per Family)	2,500	2,600	2,704	2,812	2,925	13,541
Total (Social Development Initiatives)	39,931	39,932	43,814	46,282	45,566	215,525
TOTAL	59,781	66,149	75,342	86,399	94,520	382,191

Annex 1: Government-owned social protection programmes in Rwanda for selected public services

Social Protection	Direct cash transfers	Health	Education	Care Services	Housing	Agriculture
Social Assistance (Government Financed)	<ul style="list-style-type: none"> • VUP Direct Support • VUP Work Programmes • FARG Emergency Assistance • Disability benefits for ex-combatants • Short-term food and cash transfers to returnees 	<ul style="list-style-type: none"> • Tax-financing underpinning health services • Free pre-natal care • FARG and ex-combatants payment of Mutuelle contributions • Donor support – eg Global Fund – for mutuelle contributions • FARG special assistance for hospital treatment • Nutritional assistance (WFP supported) 	<ul style="list-style-type: none"> • Free basic education (capitation grants) • Bursaries for secondary education • FARG bursaries for secondary and university education • School feeding (WFP supported) • Access to job training 	<ul style="list-style-type: none"> • Financial support for orphanages 	<ul style="list-style-type: none"> • Housing for indigent households and informal settlements • FARG construction and repair of houses • Housing for historically marginalised 	<ul style="list-style-type: none"> • One Cow programme • Transfers of goats and rabbits to poor households • Fertiliser subsidies • Subsidized training for farmers
Social Insurance (Contributor Financed)	<ul style="list-style-type: none"> • Social Security Fund of Rwanda 	<ul style="list-style-type: none"> • CBHI Mutuelle de Sante • Social health insurance (civil servants, military, etc) 				
Labour legislation (Employer financed)	<ul style="list-style-type: none"> • Provisions in the 2009 Labour Law 	<ul style="list-style-type: none"> • Health and Safety legislation 				

Annex 2: Building a national social protection floor: guiding principles

A *National Social Protection Floor* (NSPF) establishes a system of minimum support in terms of social transfers and access to essential services to households and individuals across the life-cycle. It ensures that the most vulnerable members of society and those who cannot or should not work – such as older people, people with disabilities, long-term sick and vulnerable children – are provided with a minimum package of support. At the same time, it enables those who can work to participate fully and productively in the labour force. It considers both the supply and demand sides of extending social protection and ensuring effective access. It includes:

- a. **Cash or in kind transfers**, providing a minimum income and livelihood security, and
- b. Continuing extension of **access to core essential services** for poor and vulnerable households, in particular health, education, shelter and water and sanitation.

For the former, the Rwandan social protection floor will aim to progressively move towards establishing a **system of cash transfers** comprising four key instruments over the next **ten years**.

Table 3: Existing building blocks of the future social security floor

Current building blocks of social protection floor	Potential future social protection floor
<ul style="list-style-type: none"> • VUP Direct Support programme • FARG cash payments for elderly genocide survivors 	Old Age Grant
<ul style="list-style-type: none"> • VUP Direct Support programme • FARG cash payments for disabled genocide survivors • Disability payments for ex-combatants 	Disability Grant
<ul style="list-style-type: none"> • Payments to children in VUP Direct Support 	Child Grant
<ul style="list-style-type: none"> • VUP Public Works programme • WFP Food for Work programmes 	Public Works programme

The social protection floor will build on initiatives already underway in Rwanda. For example, a large proportion of the beneficiaries of the VUP Direct Support programme are extremely poor old and disabled people. The VUP Public Works programme is catering for the needs of the working poor and enabling them to access cash that will act as a springboard out of poverty. And, a number of other cash transfer programmes are targeted at the most vulnerable people. These include FARG emergency cash payments and disability payments for ex-combatants. These initiatives will act as the building blocks of the future social protection floor, as indicated in Table 3.

For the latter, **ensuring access to essential services**, the next two decades will see increased investment by government in the core public services of health, education, water and sanitation and housing, so that poor people can begin to enjoy full access. We will ensure that mechanisms are put in place to enable everyone to participate in education at all levels. We will invest in the health system to improve the breadth and quality of services, and guarantee access for all by building an adequate health financing system. Clean water and improved sanitation will gradually reach everyone, while we will make certain that the most vulnerable households are provided with a minimum standard of shelter.

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Annex 4: Consultation record

Names	Date	Place
Social Protection Sector Working Group	18/03/2010	MINALOC
Northern Province*	29/04/2010	Rulindo District
Southern Province*	04/05/2010	Huye District
Eastern Province*	05/05/2010	Rwamagana District
Western Province*	06/05/2010	Karongi District
Kigali City*	11/05/2010	Kigali City
Validation Workshop**	20/05/2010	LAICO Hotel, Kigali
Consultative Meeting with Ministers		PMO, Kigali
Inter-Ministerial Consultations		Kigali
Technical Committee on NSPS	11-12/11/2010	Gashora, Bugesera

* Vice-Mayors in charge of Social Affairs and Economic Development, Local Government officials, NGO representatives and Civil Society representatives from all Districts

** MINALOC, MINECOFIN, MINEDUC, MIFOTRA, MIGEPROF, MINISANTE, MINICYOUTH, Institute of Policy Analysis and Research, Social Security Fund of Rwanda, Development Partners, NGOs