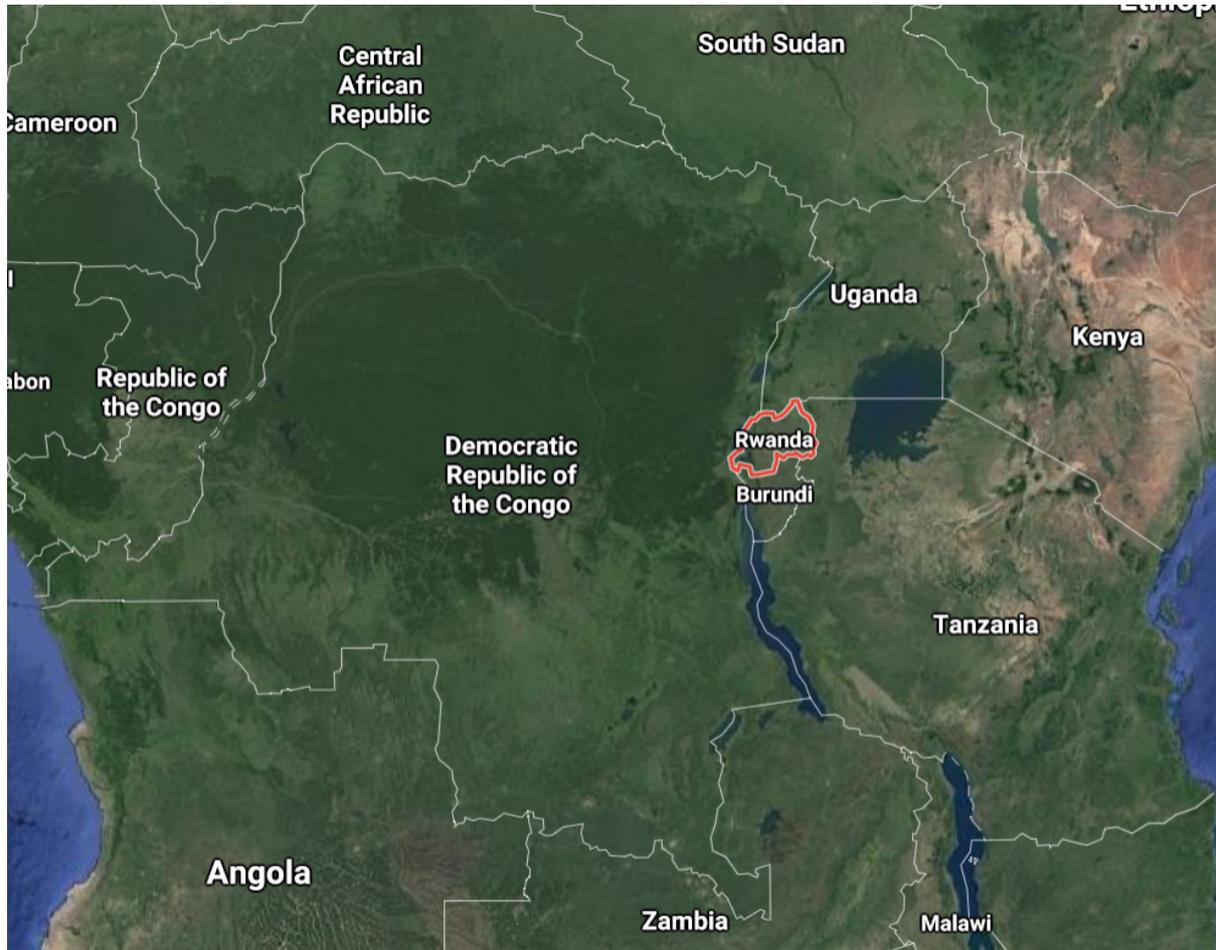


HOW RWANDA CAN MAXIMISE ITS POTENTIAL IN THE REGION

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Rwanda's location on the African continent is clearly an opportunity. The country is at the heart of the African Great Lakes and east Africa regions, both of which offer abundant natural endowments that Rwanda can tap into to advance its development. However, this depends on Rwanda establishing good relationships with its neighbouring countries and effectively managing its governance

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Background

The eastern region of Democratic Republic of Congo (DRC) has been experiencing instability for more than two decades.

Some states – among them Rwanda – have been identified as responsible for these troubles. Indeed, Rwanda, as ally of the Alliance of Democratic Forces for the Liberation of Congo (AFDL), was involved in the overthrow of Marshal Mobutu and the rise of Laurent Desire Kabila to power in DRC in 1997. Allegations of Rwanda supporting rebel groups that destabilised eastern DRC persist today.

The conflict in eastern DRC has caused the death of more than five million people and significant loss of economic opportunities for the DRC and in the region of the Great Lakes of Africa. In 2002, Rwanda's illicit economic activities in eastern DRC were revealed in a United Nations (UN) report on the illegal exploitation of natural resources and other forms of wealth of the DRC¹. In 2010, the UN released a report of the mapping exercise documenting the most serious violations of human rights and international humanitarian law committed within the territory of DRC between March 1993 and June 2003². The AFDL was identified as the perpetrator of several major incidents in the report. Rwanda's senior public officials have spent time, energy and effort defending themselves to the international community against allegations of being involved in the DRC conflict. In spite of these efforts, Rwanda's reputation as a conflict instigator and illicitly exploiting mineral in eastern DRC will remain a challenge to the relationship between Rwanda and DRC unless these allegations are cleared once and for all.

¹ <https://reliefweb.int/report/democratic-republic-congo/report-panel-experts-illegal-exploitation-natural-resources-and>

² https://www.ohchr.org/Documents/Countries/CD/DRC_MAPPING_REPORT_FINAL_EN.pdf

In 2013, when Tanzania sent troops to DRC as part of the UN force to neutralise the M23 (a rebel group that Rwanda was allegedly helping) the then-president of Tanzania suggested that Rwanda should negotiate with the Congo-based Democratic Force for the Liberation of Rwanda (FDLR), a Rwandan armed group that is opposed to the current administration in Rwanda that is based in the eastern DRC. The repercussion was that the relationship between Rwanda and Tanzania deteriorated. In 2015, the relationship between Rwanda and Burundi also soured. Burundi accused Rwanda of masterminding a failed coup; while Rwanda accuses Burundi of sheltering the FDLR rebels. The border between Rwanda and Burundi was closed, causing trade disruption between the two countries. In 2018, problems arose between Rwanda and Uganda. Rwanda complained that Uganda was arresting Rwandans living in Uganda and was supporting rebel groups trying to oust the government in Rwanda. The border between Rwanda and Uganda was also closed, further damaging Rwanda's trade activities.

If these political tensions between Rwanda and its neighbouring countries endure, Rwanda will limit its potential of fully tapping into regional trade opportunities to boost its economy. Among these opportunities are a larger consumer base offered by country members of East African Community (EAC), estimated to be 177 million, and the development of infrastructure projects to boost trade in EAC. It has already been noted that the East African railway project that aims to connect landlocked EAC members – especially Rwanda, Burundi and Uganda – to ports in either Tanzania or Kenya could be delayed or has been abandoned.

Proposed solutions

How can Rwanda, in spite of political tensions, rebuild good relationships with neighbouring countries, especially Burundi, DRC and Uganda? Such relationships are important if Rwanda is to tap into the regional natural endowment in eastern DRC – a large consumer base offered by EAC country members – and contribute to regional development projects with the ultimate objective to advance Rwanda's economic prospects. For this to be achieved, we propose the following prerequisites.

A. Transparent approach to economic interests in eastern DRC

One of the causes of conflict in eastern DRC is lack of rule and order. This has encouraged local and foreign armed insurgencies, as well as regional states and multinationals, to pursue their economic interests in eastern DRC by means of survival of the fittest. The economic interests of groups, states & multinationals in eastern DRC has never been discussed during any negotiations to bring about peace in the region – yet it represents one of the most pertinent causes of conflict in the African Great Lakes region.

Taking advantage of lack of rule and order and instigating conflict as a way of pursuing economic interest is not appropriate, and should be stopped. The death toll that has resulted from it, along with other damages endured by the different parties involved in the conflict (such as the aforementioned in the case of Rwanda) should be the catalyst for a new and effective approach for countries to pursue their economic interests in eastern DRC in a manner that guarantees peace, security and prosperity for the local people as well as the entire African Great Lakes region.

The DRC would certainly like to trade its natural resources and use the proceeds to invest in its people, as much as neighbouring countries – including Rwanda – would like to have access

to eastern DRC's natural resources to develop its tradable sectors with the ultimate objective of advancing the development of its citizens. The DRC can extend to its eastern neighbouring countries opportunities to invest in eastern DRC or take part in the supply chain of its natural endowment in eastern DRC to the global market in a transparent manner. This creates a win-win situation for all parties. However, conditions should be applied to ensure eastern DRC is a safe environment to conduct any commercial ventures.

B. Justice for crimes committed in eastern DRC

Previous peace negotiations between the different parties involved in eastern DRC have not considered how to bring about justice for the millions of people killed in the conflict. The culture of impunity has exacerbated the conflict in eastern DRC to an unimaginable extent. Yet justice for crimes committed in eastern DRC is vital if there is to be peace in the region and make the eastern DRC a safe environment for business. Bringing economic prosperity to the population without providing justice will not create sustainable peace and economic progress. Rather, it will lead to the creation of yet more armed insurgencies in eastern DRC under the pretext of claiming justice for victims. This would halt the peace process – the goal should be to put an end both economic and injustice motives which have been fuelling conflict in the region. Providing justice for crimes committed would make it possible for both the local population and regional countries to cooperate towards achieving respective economic needs – reaching a win-win situation – without any animosity.

C. Opening Rwanda's political space

The government of Rwanda's involvement in eastern DRC's conflict has been justified by the need to prevent armed insurgencies that committed genocide in Rwanda in 1994 organising in the forests in DRC close to the Rwandan border, with the intent to return and topple the

current leadership. The counter-argument is that this is a pretext for Rwanda to find way into eastern DRC and mine for minerals. It is also fair to say that the many military operations jointly undertaken by the Rwandan and DRC armies have not been able to put an end to armed insurgencies. These continue to operate in the forests of DRC and are actually increasing. From FDLR, different armed insurgencies groups have emerged such as RUD, and the National Liberation Force, known as FNL.

Taking everything into consideration, it is appropriate for the government of Rwanda to open up political space and establish genuine rule of law. If this is done there will be no reason to exercise political activities outside the country for Rwandans, with or without armed groups. This would also put an end to political tensions between Rwanda and its neighbouring countries such as Burundi, Tanzania and Uganda on whether or not any of these countries support armed group that intent to destabilise Rwanda. International and regional communities should support and reinforce the need for democracy in Rwanda, for stability in Rwanda and the region.

D. A smooth political transition

The conflict in eastern DRC became intense in the late 1990s, which means it has been going on for more than 20 years. It is therefore essential that new approaches to negotiate for the establishment of peace in eastern DRC are considered, along with economic integration that is based on transparent win-win opportunities between DRC and its neighbouring countries, for the benefit of all regional citizens.

Last year, DRC went through a peaceful political transition. Prior to that Tanzania, Angola and Zambia also went through the same. Recently Burundi followed suit. Therefore, Rwanda's leadership must also ensure a smooth political transition takes place. This is important so that

Rwanda is able to rebuild its relationship with regional countries and restore its tarnished reputation, especially due to its alleged involvement in the regional conflicts. The ultimate goal would be for Rwanda to take advantage of its abundant untapped regional natural endowment, boost its economy and bring about concrete economic transformation to Rwandans.

Conclusion

Despite having reported remarkable development over the past decade, Rwanda's economy is yet to reach its Vision 2020 development programme targets³. It is clear that the country needs to tap into regional opportunities to bring about genuine economic transformation to its citizens.

The World Bank⁴ has warned that Rwanda's income, measured by GNI per capita, remained low – ranked 112th among 128 low- and middle-income countries. Moreover, the country's private investment and foreign direct investment flows have been much lower than the global and regional averages. In addition, Rwanda's exports as a share of GDP barely meets import bills, and is lower than neighbouring countries. The share of the country's tradable sector in the economy has been almost unchanged since the late 1990s, ranging between 7% and 10%. Lastly, Rwanda's economy has been depending largely on aid. The net Overseas Development Assistant as a percentage of GDP was 12.3% – almost twice as large as the global average and the second highest among east African countries.

Rwanda's public investments are predominantly supported by aid from multilateral organisations and developed countries – and borrowing raised from international and

³ <https://dalfa.org/en/wp-content/uploads/2020/02/Rwanda-vision-2020-development-programme-scrutiny.pdf>

⁴ <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/885151468001475764/financing-development-the-role-of-a-deeper-and-more-diversified-financial-sector>

domestic markets has been skewed towards non-productive large projects in MICE, air transport and hotels to support the tourism sector of the country. These projects were yet to generate expected returns prior to the COVID-19 outbreak, and during the outbreak the losses on investments made have increased. One of the options for Rwanda to support its growth is to develop a tradable sector, led by private investment, that is capable of catering for regional markets and create decent employment for its citizens.

Developing such a tradable sector in Rwanda could be a challenge, particularly because the country is not endowed with abundant natural resources which it could trade to generate revenue. Nor does the country have large amounts of arable land which could be cultivated to produce sufficient food for local consumption and trade to international markets. This is due to the small size of Rwanda and its high population density (427 people per km²). Only 40% of Rwanda's households are considered food secure⁵. For those reasons, trading agricultural products would not bring in sufficient revenue for Rwanda to guarantee economic transformation for its citizens.

Despite its abundant population, Rwanda is yet to invest in the development of this human capital endowment so it becomes able to utilise knowledge and produce services that can be traded abroad. Rwanda ranks 142nd out of 157 on the recently released Human Capital Index (HCI) by the World Bank⁶. Its score is lower than the average for sub-Saharan Africa and slightly lower than the average for its income groups (low-income countries).

Rwanda's tourism sector, which brings most of the foreign currency into the country, faces competition from tourism sectors of neighbouring countries, especially Tanzania, Kenya,

⁵ <https://reliefweb.int/report/rwanda/rwanda-comprehensive-food-security-vulnerability-analysis-cfsva-2018-data-collected>

⁶ <https://www.worldbank.org/en/data/interactive/2018/10/18/human-capital-index-and-components-2018>

Uganda and Ethiopia. COVID-19 has affected tourism and related sectors, such as hospitality and MICE, although to what extent is not yet clear.

The infrastructure (such as roads and electricity) needed to facilitate the development of a dynamic tradeable sector in Rwanda remains underdeveloped⁷. Having said that, the Rwandan government has made some efforts towards developing infrastructure, though it is not sufficient. The development of infrastructure projects has been challenged by a lack of public official accountability, whereby the development of these projects have been either delayed or abandoned even stalled⁸; those completed operate under expected capacity due to inadequate management⁹. Moreover, public fund embezzlement has prevented project development in the country.

All of these factors have made the creation of a suitable environment for tradeable sector development in Rwanda very slow. The private sector that is supposedly to lead the sector's development also confronts various challenges, including lack of competition. State-owned and ruling party enterprises are assertively involved in commercial activities on the local market.

To develop a solid tradable sector the Rwandan government should invest in developing the country's natural endowments, especially its abundant human capital, and manage and allocate efficiently its public finances by enhancing accountability in public institutions. Most importantly, Rwanda should enable competition in the private sector so that the sector can take the lead in developing a tradable sector. While these could not be sufficient to make the

⁷ <https://dalfa.org/en/wp-content/uploads/2020/02/Rwanda-vision-2020-development-programme-scrutiny.pdf>

⁸ <https://dalfa.org/en/wp-content/uploads/2020/07/Observations-on-Rwandan-Government-Economic-Recovery-Plan.pdf>

⁹ <https://dalfa.org/en/wp-content/uploads/2020/02/Rwanda-vision-2020-development-programme-scrutiny.pdf>

tradeable sector vibrant and prosperous to its citizens, Rwanda should also tap into regional opportunities to expand its tradable sector and increase its citizens' income level. A 2019 joint World Bank and Rwanda Government publication on future drivers of growth in Rwanda¹⁰ also reaffirms this as follows:

“The country {Rwanda} growth outlook has to be powered by trade and regional integration. Fortunately for Rwanda, the region around it abounds in (largely untapped) opportunities...the ability of Rwandan firms to compete globally depends on the “competitive-ness” and “connectedness” of its neighbours. Rwanda is thus likely to seize regional trade opportunities through intraregional trade and participation in regional value chains connected to the global market. The strongest regional opportunities exist in commodity-based processing and exports and services trade – what some have called “industries without smokestacks”.

Despite Rwanda being landlocked, small and having no natural resources endowment, the country is neighbour to DRC. The DRC is widely considered one of the world's richest countries in natural resources; its untapped deposits of raw minerals are estimated to be worth in excess of US\$24 trillion. Moreover, DRC is the second-largest country on the African continent with a population density of 37 people per km². All these make Rwanda's proximity to DRC an opportunity to develop its tradable sector in the area of farming, commodity-based processing, exports and services trade, etc. Rwanda is also a member of the EAC giving Rwanda access to a consumer base of around 177 million people. Once developed, Rwanda's tradable sector could cater this consumers.

There is no doubt that Rwanda's economic breakthrough will depend on its good relationships with its neighbouring countries. This will enable Rwanda to develop a tradable sector led by

¹⁰ <https://www.worldbank.org/en/results/2019/05/10/future-drivers-of-growth-in-rwanda>

private investments, capable of tapping into regional natural endowments. Rwanda would be able to cater for regional markets and create abundant employment for its citizens. This would most certainly bring about genuine economic transformation to the people of Rwanda. However, for this to be achieved, we believe the prerequisites described in our “Proposed Solutions” section are pertinent and worth considering.

ABOUT THE REPORT AUTHOR

Since 1997, Victoire Ingabire Umuhoza has been involved in the struggle of the Rwandan political opposition in exile. This has led her in the creation of the United Democratic Forces (FDU) Inkingi in October 2006 which she was then elected to preside. FDU has a goal to install the rule of law in Rwanda, underpinned by the respect of democratic values enshrined in the universal declaration of human rights and other international instruments relating to democracy and good governance.

In January 2010, Ingabire returned to Rwanda from the Netherlands in order to register FDU Inkingi as a political party according to Rwandan law so that she could run in the presidential elections scheduled August 2010.

In April 2010, Ingabire was arrested on charges of spreading the ideology of genocide, aiding and abetting terrorism, undermining the internal security of the State, establishing an armed branch of a rebel movement, and attempting terrorism and any form of violence to destabilize authority and violate constitutional principles. Ingabire went through a court's trial which was condemned by human rights organizations and the European Parliament.

On 30 October 2012, Ingabire was sentenced to eight years imprisonment by the High Court of Kigali, Rwanda for "conspiracy against the country through terrorism and war" and "genocide denial". During her imprisonment, Ingabire wrote a book titled "between four walls of 1930 prison" in which she recounts her return to Rwanda, the trial and her subsequent imprisonment as well as her thoughts and convictions.

On 13 September 2012 while she was still imprisoned, Victoire Ingabire Umuhoza, was nominated by 42 Members of European Parliament for the Sakharov Prize for Freedom of Thought 2012 of the European Parliament. The Sakharov Prize honours individuals and groups of people who have dedicated their lives to the defense of human rights and freedom of thought.

On 17 April 2013 Ingabire, made submission to the Supreme Court, asking the Supreme Court to quash the sentence passed on her by the High court.

On 13 December 2013, Rwanda's Supreme Court upheld the conviction of Ingabire and increased her jail term from eight to fifteen years.

On 18 October 2014, Ingabire appealed against the ruling of Rwandan courts to the African Court of Human and Peoples' Rights (AfCHPR). While Ingabire's case was pending before the AfCHPR, the current government in Rwanda withdrew Rwanda's declaration allowing individuals to appeal directly to the AfCHPR. Nonetheless, the withdrawal of Rwanda's declaration from AfCHPR did not affect Ingabire's case.

On 24 November 2017, the African Court on Human and Peoples' Rights (AfCHPR) held that Rwanda violated Victoire Ingabire Umuhoza's right to freedom of opinion and expression, as well as her right to an adequate defense.

On 14 September 2018, the current President of Rwanda exercised his prerogative of mercy and granted early release to Ingabire. Since her release, Ingabire continues to publicly condemn human rights abuses going on in Rwanda, to hold accountable the authorities and speaking out about social and economic challenges Rwandans are daily confronting in spite of claims of development progress by the current government in Rwanda.

In November 2019, Ingabire resigned as chairperson of FDU and launched a new political party, Dalfa Umurinzi for democracy and liberty for all. The mission of Dalfa Umurinzi is to strive for the rule of law in Rwanda and sustainable development that benefits every Rwandan citizen.

In December 2019, Ingabire received the 2019 international human rights award from Padhe a Spanish human rights association. She also wrote and published a report titled "Rwanda Vision 2020 Development Programme's scrutiny" in which she provides a comprehensive description of Rwanda's social and economic development constraints. Thus, challenging Rwanda's development miracle narrative and calling for change.



About DALFA and its vision

We are Rwandans brought together by a common vision imbued with a determination to do all it takes to make the ideals of democracy and human rights a reality in Rwanda.

We want to promote sustainable development, tackle social inequalities and promote social equity.

We are convinced that there can be no development without democracy and are equally convinced that the development of Rwandan society will remain a myth if there is no democracy and respect for human rights.



THE PARTY DEVELOPMENT AND LIBERTY FOR ALL

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Our mission

Striving to ensure that there is rule of law in Rwanda and sustainable development that benefits every Rwandan citizen.

WHY NOW

Art.1: Noting that the principles of democracy are not respected in our country and that this undermines any sustainable development;

Art.2: Given that the benefits of economic development remain confined to a limited number of Rwandans and that many Rwandans are excluded from the decision- making process in planning the socio- economic development of the country;

Art. 3: We have decided to create a political party named: Development And Liberty For All (DALFA-UMURINZI).

Art. 4: The pillars of genuine democracy that we want to establish in Rwanda are:

1. Freedom of expression so that every Rwandan can participate freely and actively without hindrance in decision making and in policy formulations on matters affect him or her in all areas of socio-economic and cultural development;
2. Political freedoms that allow every Rwandan to express his/her opinions, to freely join a political party of his/her choice; freedom of the press; freedom of NGOs and civil society to operate without undue interference;
3. Separation of powers: executive, legislative and judicial, to guarantee independence of each arm of government;

4. Good governance and the sovereignty of the people that allow the Rwandan people to freely choose their leaders.

Art.5: to build strong pillars of democracy in Rwanda that will guarantee individual freedoms regardless of background, political or religious beliefs; all Rwandans will be equal before the law and have equal opportunities;

Art. 6: Building the pillars of democracy in Rwanda will enable sustainable development that benefits all:

1. Schooling is an instrument of social emancipation and justice. Good quality education is a prerequisite for harmonious development and maintaining good social cohesion.
2. Public health accessible to all is the basis of sustainable development for all;
3. Ordinary farmers must decide independently on the use of their in a manner that they know best to ensure the food security of their family. He/she does not have to pay land tax. Only the one who has a large farm must pay a property tax and tax on his/her income.
4. Free enterprise and small business (service development) must be liberalised and promote competition and impose legal limits on monopoly.

Art. 7: National wealth must benefit all people and all regions of the country .Basic infrastructures must be accessible to all Rwandans