



Institute of Policy Analysis and Research - Rwanda

# Strengthening the Urbanization of Secondary Cities in Rwanda



This infographic was derived from a research on “Strengthening the Urbanization of Secondary Cities in Rwanda” conducted by the Institute of Policy Analysis and Research (IPAR-Rwanda) in March and April 2019 to inform the design of the Master Plan for three of the secondary cities.

## WHY DO SECONDARY CITIES MATTER?

- A pillar to Rwanda’s socio-economic agenda
- Poles of growth and will relieve pressure from the capital Kigali
- Essential to meeting the national target for inclusive urban growth of 35% by 2024
- Employment creation
- Improved welfare for the people in semi-urban areas
- Source of agricultural production / consumption
- Source of Labor for industries
- Source of tax revenues for national development
- Incubation centers for small to medium sized industries
- Source of exports

## WHAT IPAR-RWANDA DID?

- Literature review (national urbanization policy and District Development Strategies (DDS) 2018-2024 and several other research works on urbanization;
- Analysis of datasets (EICV4, EICV5, and the fourth national population and housing census of 2012);
- IPAR-Rwanda took analysis of these aspects:
  - i. the current socio-economic status and the preferences of a set of representative households from the different sectors in the secondary cities districts;
  - ii. the current characteristics and the expectations of a set of businesses from all over the secondary cities districts
  - iii. the views of key informants, citizens and business people on the future drivers of development of the secondary cities districts;
- 3,503 households were surveyed across the three secondary cities districts
- 606 businesses were surveyed across the three secondary cities districts
- In each of the Secondary Cities, interviews were conducted with:
  - \* District Leaders,
  - \* Private Sector Federation
  - \* Technical directors
  - \* Civil society representatives
  - \* High-profile business owners

## PERFORMANCE OF THE SECONDARY CITIES

Performance of three out of six secondary cities is presented for the sake of this infographic. The cities include: Muhanga, Nyagatare and Rubavu.

### Gross Domestic Product (GDP) growth rate in the past seven years



### Projected GDP by 2050 in Rwandan Francs (Rwf)



### Poverty levels in 2017<sup>1</sup>



### Urban population projection

Secondary City/district	2017	2038	2050
Muhanga	55,000	250,000	410,000
Nyagatare	55,000	250,000	400,000
Rubavu	190,000	350,000	420,000

### Job creation and Employment<sup>1</sup>

**58,000**

Additional workers absorbed by the labour market in Muhanga, Nyagatare and Rubavu between 2014 and 2017.

### Productivity

Secondary cities still have a high share of agricultural jobs, with unproductive, low-level service industries and very few jobs in manufacturing

### Employment projections by 2050



### Composition of Informal businesses<sup>2</sup>



### Contribution of Agriculture in employment<sup>1</sup>



## CHALLENGES IN THE SECONDARY CITIES

- The responsibility for overall delivery for secondary cities is fragmented across different ministries/institutions, creating coordination challenges.
- The secondary city district councils are not sufficiently empowered when compared to other district councils which means they are not prioritized in terms of resources and powers.
- Secondary cities have some limited financial powers, which inhibits them to tailor spend to local circumstances.
- Untapped resources

## WHAT IPAR-RWANDA RECOMMENDS TO STIMULATING SECONDARY CITIES’ POTENTIAL

### Socio-economic Recommendations

1. Develop human capital with a key focus on developing labor force skills to improve productivity
2. Improve access to markets to build bottom-up growth
3. Improve the business environment to facilitate domestic and external investment

### Governance Recommendations

1. Establish secondary cities as units in legislation
2. Prioritise investment and spending decisions across government
3. Strengthen the capacity of the lead delivery institutions

### 4. Create a new Secondary Cities Delivery Committee

5. Establish a task force in partnership with the Prime Minister’s Office (PMO)
6. Operationalize city management offices (CMOs)
7. Improving local capacity
8. Improving coordination to support private sector growth
9. In the short-term, central government should further priorities investment in secondary cities
10. Over time, increase revenue mobilizing powers for secondary cities

<sup>1</sup> Based on EICD4 & EICD5, IPAR’s calculation

<sup>2</sup> NISR Establishment census, 2017.