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CONFERENCE REPORT

12TH EPRN ANNUAL ECONOMIC RESEARCH CONFERENCE

RESILIENT AND INCLUSIVE GROWTH IN RWANDA: POLICY PATHWAYS AMID GLOBAL UNCERTAINTY

LEMIGO HOTEL KIGALI

JUNE 25TH- 26TH, 2026

IN PARTNESHIP WITH

ICTD

Food and Agriculture Organization of the United Nations

UNDP

ECA

Executive Summary

Rwanda entered 2026 with strong economic momentum, recording 9.4% GDP growth in 2025, driven by services (52%), industry (22%), and agriculture (20%). Despite this robust performance, challenges persist—headline inflation remained high at 12.9% in May 2026**,** youth unemployment continues to pressure the labor market, and external shocks threaten fiscal stability. The government's fiscal consolidation efforts, supported by the IMF's Extended Credit Facility, have narrowed the balance of payments deficit and strengthened export diversification, notably in coffee, tea, and minerals.

Against this backdrop, the 12th Annual Economic Research Conference, convened by the Economic Policy Research Network (EPRN) on June 25–26, 2026, brought together over 350 stakeholders from government, academia, civil society, private sector, and development partners. The conference WAS CO-ORGANISED BY FAO, ICTD, UNDP AND UNDECA. Its central theme was ***Resilient and Inclusive Growth in Rwanda: Policy Pathways Amid Global Uncertainty***; and was explored through four interconnected pillars:

- **Agriculture and Food Systems Transformation** – Evidence highlighted the need to repurpose agricultural budgets using tools like FAO's PolOpT and institutionalize the Rwanda Food Systems Dashboard to reduce post-harvest losses, diversify exports, and embed nutrition into agricultural planning.
- **Tax Administration and Fiscal Resilience** – Rwanda's VAT gap, estimated at RWF 2 trillion in 2023, underscores the urgency of modern tax administration. Data-driven compliance, regulation of tax advisors, and balanced revenue mobilization were emphasized to expand fiscal space without stifling SMEs.
- **Regional Integration Amid Global Shocks** – With Eastern Africa averaging 5.7% growth in 2026, Rwanda must deepen intra-EAC trade, diversify exports beyond minerals, and adopt innovative financing instruments such as green bonds and diaspora bonds to sustain growth under tightening fiscal conditions.
- **Youth Employment Ecosystems** – Evidence from the AGUKA Tracer Study (2022–2025) showed that youth enterprises created over 128,000 jobs but remain vulnerable due to informality and limited access to finance. Expanding financial literacy, tailored loan products, and entrepreneurship hubs is critical to harness Rwanda's demographic dividend.

The conference produced action-oriented recommendations**:**

- Scale climate-smart agriculture and digital traceability systems (e.g., Smart Kungahara System) to strengthen competitiveness and compliance with international markets.
- Institutionalize advanced data analytics in tax administration to recover revenue without raising rates.
- Protect priority social spending while diversifying financing instruments to manage external shocks.
- Build inclusive youth employment ecosystems through skills development, incubation hubs, and tailored financing for women, refugees, and PWDs.

In his closing remarks, Prof. Jean Baptiste Sagahutu, EPRN Chairperson, reaffirmed that resilience and inclusivity are not parallel ambitions but intertwined imperatives. He called on all stakeholders—government, private sector, academia, civil society, and development partners—to translate the conference's evidence and recommendations into concrete reforms, ensuring Rwanda's Vision 2050 remains on track amid global uncertainty.

1. Introduction

Rwanda entered 2026 with a robust economic performance, building on the momentum of previous years. According to the Ministry of Finance and Economic Planning (MINECOFIN), overall GDP growth reached 9.4 percent in 2025, with quarterly growth rates ranging from 6.5 percent in the first quarter to 11.8 percent in the third quarter, reflecting strong domestic demand and sectoral expansion. Services contributed the largest share to GDP at 52 percent, followed by industry at 22 percent and agriculture at 20 percent. The service sector was particularly buoyed by wholesale and retail trade, transport, and information and communication activities, while industry benefited from double-digit growth in construction and manufacturing. Agriculture, though smaller in relative contribution, continued to provide livelihoods for the majority of the population and recorded a 7 percent growth rate, supported by improved crop yields and investments in irrigation and mechanization.

Inflationary pressures remain a concern. Headline inflation stood at 12.9 percent in May 2026, slightly down from 13.0 percent in April, reflecting easing energy prices but persistent increases in food, transport, and housing costs. This underscores the vulnerability of Rwanda's economy to global commodity price volatility and supply chain disruptions.

Fiscal consolidation efforts have continued, with the government committed to balancing growth ambitions with debt sustainability. The overall balance of payments deficit narrowed to USD 298.4 million at the end of 2025, down from USD 575.5 million in 2024, driven by improved export performance. Coffee exports grew by 54.1 percent, minerals (3Ts) by 46.2 percent, and tea by 3.9 percent, highlighting Rwanda's progress in diversifying its export base. At the same time, imports slowed by nearly 15 percent, contributing to an improved trade balance.

Despite these achievements, Rwanda faces significant challenges. Youth unemployment and underemployment remain pressing, with young people aged 16–35 representing more than 60 percent of the population but struggling to access sustainable employment opportunities. This demographic pressure underscores the urgency of building future-ready employment ecosystems that harness Rwanda's demographic dividend.

Externally, Rwanda is exposed to global shocks, including geopolitical tensions in the Middle East, tighter global financing conditions, and volatility in commodity markets. These risks threaten to erode fiscal space and undermine inclusive growth. The IMF's Extended Credit Facility arrangement approved in June 2026, amounting to SDR 185.031 million (about US$250 million), aims to support Rwanda in managing fiscal and debt risks, sustaining growth, and protecting priority social spending.

Agriculture, which employs the majority of the population, continues to face structural gaps such as post-harvest losses, limited agro-processing capacity, and weak integration into regional and global value chains. To address these challenges, Rwanda must strengthen alignment with continental frameworks such as the CAADP Kampala Declaration of 2025, which calls for reducing post-harvest losses, tripling intra-African trade in agrifood products, and raising the share of locally processed food.

Against this backdrop, the 12th Annual Economic Research Conference provided a timely platform to deliberate on how Rwanda can consolidate its economic resilience, deepen inclusivity, and chart policy pathways amid global uncertainty. The discussions emphasized the need for evidence-based strategies in agriculture, fiscal management, regional integration, and youth employment, ensuring that Rwanda's Vision 2050 remains on track despite prevailing challenges.

2. About the 12th Economic Research Conference

The 12th Annual Economic Research Conference, convened by the Economic Policy Research Network (EPRN), was held at Lemigo Hotel in Kigali on June 25–26, 2026. It attracted more than 350 participants representing government institutions, academia, civil society, the private sector, and development partners. This diverse mix of stakeholders ensured that the discussions were rich, inclusive, and grounded in both national priorities and international perspectives. The conference provided a platform for evidence-based dialogue, collaborative research dissemination, and the generation of actionable policy recommendations to support Rwanda's Vision 2050 and the National Strategy for Transformation (NST2).

The conference was designed to address Rwanda's most pressing economic challenges in the context of global uncertainty. It emphasized the need to strengthen resilience while ensuring inclusivity, particularly for farmers, youth, women, and vulnerable groups. By bringing together policymakers, researchers, and practitioners, the event created a space for cross-sectoral learning and partnership building. The sessions were structured to balance technical presentations with panel discussions, ensuring that evidence was not only shared but also debated and contextualized for Rwanda's policy environment.

The deliberations were organized around four thematic pillars that reflect Rwanda's current economic priorities and long-term development ambitions. The first pillar focused on agriculture and food systems transformation, recognizing the sector's central role in livelihoods, food security, and export diversification. The second pillar examined tax administration and fiscal resilience, highlighting the importance of mobilizing domestic resources while safeguarding competitiveness and citizen welfare. The third pillar addressed regional integration amid global shocks, situating Rwanda's economy within the broader East African Community and exploring strategies to mitigate external vulnerabilities. Finally, the fourth pillar concentrated on youth employment ecosystems, underscoring the urgency of harnessing Rwanda's demographic dividend through skills development, entrepreneurship, and innovation.

Together, these pillars provided a comprehensive framework for dialogue, ensuring that the conference addressed both immediate challenges and long-term opportunities. The discussions underscored the importance of evidence-based policymaking, innovative financing, and inclusive approaches that leave no one behind. In doing so, the 12th Annual Economic Research Conference reaffirmed EPRN's role as a hub for policy research and dialogue, and as a bridge between national priorities and global commitments.

3. Conference Highlights

3.1. Welcome and Opening Remarks

The 12th Annual Economic Research Conference opened with a strong call to action from Professor Jean Baptiste Sagahutu, Chairperson of the EPRN Board. In his welcome remarks, he expressed gratitude to the diverse audience of policymakers, researchers, development partners, and private sector representatives. He emphasized that resilience and inclusivity must remain guiding principles for Rwanda's economic transformation. Professor Sagahutu framed the conference around four critical pillars: agriculture and food systems transformation, strengthening fiscal space through effective tax administration, regional resilience in the face of global shocks, and building youth employment ecosystems. He reminded participants that these areas are not abstract themes but urgent priorities that require evidence-based solutions and collaborative action.

Following the Chairperson's remarks, the Guest of Honor, Olivier Kamana, Permanent Secretary of the Ministry of Agriculture and Animal Resources (MINAGRI), delivered opening reflections that reinforced the importance of agriculture as the backbone of Rwanda's economy. He stressed the need for evidence-based agricultural policies, highlighting tools such as FAO's Policy Optimization Tool and the Monitoring and Analyzing Food and Agricultural Policies (MAFAP) programme. He underscored Rwanda's commitment to aligning national strategies with the CAADP Kampala Declaration of 2025, which calls for reducing post-harvest losses, tripling intra-African trade, and increasing the share of locally processed food.

Kamana also emphasized inclusivity, noting that growth must benefit farmers, youth, women, and vulnerable groups. He called for innovation hubs, training programs, and entrepreneurship initiatives to empower the next generation of agribusiness leaders. His remarks highlighted the importance of partnerships and collaboration, urging participants to generate actionable recommendations that would strengthen Rwanda's food systems and rural livelihoods. In closing, he expressed confidence that the outcomes of the conference would guide Rwanda toward sustainable growth amid global uncertainty.

Together, these opening statements set the tone for two days of dialogue, research dissemination, and policy engagement. They reminded participants that Rwanda's resilience must be matched with inclusivity, and that evidence-based policymaking is essential to navigate the challenges of a rapidly changing global environment.

3.2. Conference Proceedings

Session 1: Evidence-Based Agriculture and Food Systems Transformation for Resilient Growth

The first session of the 12th Annual Economic Research Conference was dedicated to agriculture and food systems, reflecting the sector's central role in Rwanda's economy and its importance for resilience, inclusivity, and export diversification. The session featured four technical presentations, followed by a

panel discussion and an interactive Q&A with participants from government, academia, private sector, and development partners.

Summary of Presentations and Discussions

1st Presentation: Optimizing Allocation of Public Expenditure to Accelerate Agrifood System Transformation with Environmental Sustainability in Rwanda

Marco V. Sánchez (FAO) presented the Policy Optimization Tool (PolOpT) and the Monitoring and Analysing Food and Agricultural Policies (MAFAP) programme. He explained how Rwanda's agricultural budget can be repurposed to achieve multiple objectives simultaneously, such as boosting agrifood GDP, reducing rural poverty, creating off-farm jobs, and lowering the cost of healthy diets. His presentation highlighted the trade-offs policymakers face when balancing productivity, nutrition, and environmental sustainability.

During the discussion, participants noted the importance of prioritizing interventions that deliver both economic and social benefits. Feedback from the audience emphasized the need for stronger coordination between fiscal authorities and agricultural planners to ensure that budget allocations are not only efficient but also equitable. Several participants argued that while subsidies remain important, they must be targeted to avoid market distortions.

2nd Presentation: Turning Data into Action: Rwanda Food Systems Dashboard

Jean Claude Kabano (GAIN) introduced the Rwanda Food Systems Dashboard, developed in partnership with MINAGRI. The dashboard integrates 140 national indicators across five dimensions—drivers, supply chains, food environments, individual factors, and outcomes—providing a holistic picture of Rwanda's food system. Kabano explained that the dashboard helps policymakers identify structural strengths, such as gender equity in land rights and low greenhouse gas intensity, while also exposing bottlenecks like persistent malnutrition, high post-harvest losses, and limited financial inclusion.

In the ensuing discussion, participants welcomed the dashboard as a tool for evidence-based governance. Audience members highlighted its potential to break down silos between agriculture, health, and finance sectors. Feedback stressed that the dashboard must be institutionalized within government systems to ensure sustainability. Some participants argued that the tool should also be decentralized to district level to support targeted interventions.

3rd Presentation: Rwanda Tea Sector: Growth, Challenges and the Path Forward

Alexis Nkurunziza (NAEB) outlined achievements in the tea sector, including a 21 percent production increase over five years, reaching 40,043 MT in 2025, and USD 117 million in export revenue. He noted that tea supports nearly 60,000 households across 11 districts, making it a vital source of rural livelihoods.

However, he highlighted persistent challenges such as yield gaps, fertilizer shortfalls, seedling deficits, and labor shortages.

The discussion that followed focused on the need for value addition and market diversification. Participants from the private sector stressed that Rwanda must move beyond bulk exports and invest in specialty teas and branded products. Feedback from academia emphasized the importance of research and innovation to close yield gaps and improve quality. Several participants argued that stronger partnerships with international buyers are needed to achieve the sector's target of USD 300 million in export revenue by 2031.

4th Presentation: Leveraging the Smart Kungahara System (SKS) to Strengthen Rwanda's Coffee Value Chain and Support EUDR Compliance

Anne Laurette Isingizwe and Roger Michel Kubwimana (BK Techouse) presented the Smart Kungahara System (SKS), a digital platform developed in partnership with NAEB and FAO. SKS provides end-to-end visibility across the coffee value chain, from farmer registration to export tracking. It enhances traceability, supports compliance with the European Union Deforestation Regulation (EUDR), and integrates financial inclusion services such as digital payments and insurance.

During the discussion, participants praised SKS for its potential to strengthen transparency and competitiveness in Rwanda's coffee sector. Feedback from exporters highlighted the importance of compliance with international market requirements, while farmers emphasized the benefits of digital payments and access to insurance. Some participants argued that SKS should be expanded to other cash crops such as tea and horticulture to maximize impact.

Panel Discussion

The panel was moderated by Birasa Nyamulinda (EPRN) and featured two distinguished panelists: Emerence Mukangabo, Senior Researcher at IFPRI, and Getaw Tadesse, Director of Research at Akademiya2063. Their contributions provided deeper insights into how Rwanda can transform its agrifood systems in line with national and continental priorities.

Emerence Mukangabo emphasized that Rwanda's agricultural transformation must integrate nutrition-sensitive approaches. She explained that IFPRI's research demonstrates how food system dashboard indicators can guide policymakers in designing inclusive agricultural policies that improve both productivity and equity. She argued that Rwanda's food systems must not only deliver higher yields but also ensure that diets are affordable and diverse, thereby contributing directly to improved health outcomes. Mukangabo stressed that nutrition cannot be treated as a separate agenda but must be embedded into agricultural planning, with strong monitoring frameworks to track progress.

Getaw Tadesse focused on the broader structural challenges and opportunities facing Rwanda's agrifood systems. He noted that climate change, demographic pressures, and market volatility pose significant risks, but also create opportunities for innovation and regional integration. He highlighted that Rwanda must align its agricultural transformation agenda with CAADP targets, and that evidence-based tools such as PolOpT and the Food Systems Dashboard can support implementation and tracking. Tadesse explained that by using these tools, Rwanda can better monitor progress, identify gaps, and ensure that agricultural policies are coherent with both national priorities and continental commitments.

Key Questions and Responses

A participant asked a question about how Rwanda can reduce post-harvest losses while scaling mechanization. In summary, the response by Emerence Mukangabo was that investment in cold-chain infrastructure, storage facilities, and climate-smart technologies, supported by digital monitoring systems, is essential to minimize losses. She added that nutrition-sensitive approaches must also be integrated, ensuring that reduced losses translate into improved dietary diversity and affordability.

Another participant asked a question about how fiscal allocations to agriculture can be optimized without crowding out other sectors. In summary, the response by Getaw Tadesse was that Rwanda must use evidence-based prioritization, guided by tools such as PolOpT, to ensure efficient resource use while maintaining fiscal sustainability. He explained that aligning budget allocations with CAADP targets would allow Rwanda to maximize impact while safeguarding fiscal discipline.

A 3rd question form a participant was about financing gaps for agribusiness SMEs. In summary, the response by Emerence Mukangabo was that inclusive agricultural policies must integrate private sector financing mechanisms, while leveraging digital innovations to reduce risk and improve access to credit. She emphasized that SMEs are critical for value addition and job creation, and must be supported through targeted interventions.

A participants asked a question about the role of academia in supporting agricultural transformation. In summary, the response by Getaw Tadesse was that universities are critical partners in innovation, and collaborative research and capacity building are essential to ensure evidence is integrated into policy design. He stressed that academia must play a stronger role in generating data, testing innovations, and training the next generation of agricultural leaders.

Another participant asked a question about balancing agricultural subsidies with fiscal sustainability. In summary, the response by Emerence Mukangabo was that subsidies should be carefully targeted and

time-bound, focusing on catalytic areas such as inputs and mechanization, while broader fiscal discipline is maintained through evidence-based monitoring. She explained that subsidies must be designed to promote equity and resilience, rather than creating long-term fiscal burdens.

In conclusion, Session 1 demonstrated that Rwanda's agricultural transformation must be evidence-driven, nutrition-sensitive, and regionally aligned**,** while leveraging digital platforms and research partnerships. The discussions highlighted that resilience and inclusivity are not parallel goals but interconnected imperatives, requiring coordinated action across government, private sector, academia, and development partners. This session set a strong foundation for subsequent deliberations on fiscal resilience, regional integration, and youth employment.

Session 2: Tax Administration to Finance Sustainable Growth – Strengthening Rwanda's Fiscal Space

The second session of the conference shifted focus from agriculture to fiscal resilience, examining how Rwanda can strengthen domestic revenue mobilization while safeguarding private sector competitiveness. The session featured three technical presentations, followed by a panel discussion and interactive Q&A with participants from government, academia, private sector, and development partners.

Summary of Presentations and Discussions

5th Presentation: Strengthening Fiscal Resilience through VAT Compliance: Leveraging Data-Driven and Modern Tax Administration Approaches

David Ntihemuka (RRA) presented Rwanda's VAT performance and highlighted the critical role of VAT in fiscal resilience. He explained that VAT contributes nearly one-third of Rwanda's total tax revenue, with collections projected to grow by 27.8 percent in FY2025/26. His presentation revealed that Rwanda's VAT gap in 2023 was estimated at RWF 2 trillion, with 44 percent stemming from compliance gaps and 56 percent from policy gaps. The compliance gap was largely driven by under-reporting and informality, while the policy gap reflected exemptions and efficiency challenges.

In the discussion, participants noted that SMEs account for nearly 90 percent of the VAT under-reporting gap, underscoring the need for targeted compliance strategies. Feedback from the audience emphasized the importance of risk-based audits, automated invoice monitoring, and improved taxpayer services. Several participants argued that while VAT reforms are necessary, they must be implemented in ways that do not stifle small business growth.

6th Presentation: The Value of Good Advice: Experimental Evidence on Tax Advice in Rwanda

Giovanni Occhiali (ICTD) presented findings from a large-scale survey of Rwanda's tax advisory profession, complemented by experimental evidence. He explained that while most advisors are driven by compliance complexity and taxpayer capability gaps, a significant minority privately endorse aggressive tax minimization strategies. The study revealed that messaging from RRA—particularly deterrence letters

reminding advisors of penalties—can influence compliance judgments, though not necessarily underlying behavior.

During the discussion, participants reflected on the dual role of tax advisors: promoting compliance with clear provisions while exploiting grey areas of legislation. Feedback from the audience stressed the importance of strengthening regulation of tax advisors, enhancing professional ethics, and building stronger collaboration between RRA and advisory bodies. Some participants argued that tax advisors should be seen as partners in compliance rather than adversaries, provided accountability mechanisms are robust.

7th Presentation: Balancing Domestic Revenue Mobilisation and Private Sector Competitiveness in Rwanda

Jean Paul Mpakaniye (EPRN) presented evidence from secondary data covering 2015–2024, highlighting the tension between revenue mobilization and private sector competitiveness. He explained that while Rwanda has made significant progress in increasing its tax-to-GDP ratio, currently projected at 15.5 percent in 2025/26, challenges remain in balancing fiscal needs with business growth. His analysis showed that excessive tax burdens can discourage investment, while weak enforcement undermines revenue collection.

In the discussion, participants emphasized the need for a balanced approach that mobilizes domestic resources without undermining competitiveness. Feedback from the private sector stressed that predictable tax policies, streamlined compliance processes, and fair enforcement are essential to building trust. Several participants argued that Rwanda must continue to broaden its tax base while protecting SMEs and encouraging innovation.

Panel Discussion

The panel was moderated by Hannah Mareno (RRA) and featured John Karangwa, Deputy Head of Research Unit at the RRA**,** Giovanni Occhiali, Senior Research Fellow at ICTD**,** and Habtamu Fuje, Senior Economist at IMF**.**

John Karangwa emphasized the role of advanced data analytics and digital platforms in improving VAT compliance. He explained that RRA's adoption of machine learning models has significantly reduced evasion, with under-reporting from sales declining from RWF 51.5 billion in 2023 to just RWF 1.2 billion in 2025. He stressed that compliance measures must be designed to build taxpayer trust, ensuring they are perceived as supportive rather than punitive.

Giovanni Occhiali reflected on lessons from international tax administration reforms. He noted that Rwanda can adapt best practices such as strengthening taxpayer services, regulating tax advisors, and deploying behavioral nudges to influence compliance. He explained that experimental evidence shows how targeted communication can shift compliance judgments, and argued that scaling such interventions could have broader impact on taxpayer behavior.

Habtamu Fuje provided a macroeconomic perspective, emphasizing that Rwanda must safeguard fiscal resilience while managing external shocks such as declining aid and global financial tightening. He explained that international partners like the IMF play a critical role in supporting Rwanda's efforts to enhance domestic revenue mobilization, while also ensuring fiscal sustainability. He stressed that Rwanda's fiscal strategy must balance debt management, revenue mobilization, and social investment to sustain inclusive growth.

Key Questions and Responses

A participant asked a question about how Rwanda can expand fiscal space without overburdening taxpayers. In summary, the response by John Karangwa (RRA) was that data-driven compliance and risk-based audits can recover significant revenue without raising tax rates, thereby creating fiscal space while protecting competitiveness.

Another participant asked a question about how research can inform tax policy reforms. In summary, the response by Giovanni Occhiali (ICTD) was that evidence from experiments and surveys provides valuable insights into taxpayer behavior, and integrating such research into policy design can improve compliance outcomes.

Auger question from the audience was about how Rwanda can sustain fiscal resilience amid global uncertainty. In summary, the response by Habtamu Fuje (IMF) was that Rwanda must continue fiscal consolidation, diversify revenue sources, and strengthen partnerships with international institutions to manage external shocks while sustaining growth.

The 2nd session underscored that Rwanda's fiscal resilience depends on modern tax administration, evidence-based reforms, and balanced policies that protect competitiveness. Presentations and discussions highlighted the importance of VAT compliance, the role of tax advisors, and the need to align revenue mobilization with private sector growth. The panel reinforced that Rwanda must leverage data analytics, international best practices, and strong partnerships to sustain fiscal resilience and inclusive development.

Session 3: EAC Regional Economic Status Amid Global Shocks

8th Presentation: Eastern Africa's Balancing Act: High Growth, Tight Budgets, and Rising Uncertainty

Elena Acebes, Senior Economist at UNECA's Sub-Regional Office for Eastern Africa, delivered a comprehensive presentation on the region's macroeconomic outlook under the theme *"High Growth, Tight Budgets, and Rising Uncertainty."* She highlighted that Eastern Africa continues to record robust growth rates averaging 5.7 percent in 2026, outpacing continental averages. However, this growth is increasingly constrained by tightening fiscal space, rising debt service obligations, and external vulnerabilities linked to commodity price fluctuations, climate shocks, and geopolitical uncertainty.

Her analysis underscored that while Rwanda and its EAC peers have sustained momentum through services, infrastructure investment, and digital transformation, fiscal pressures are mounting. Regional budgets for FY2026/27 show significant increases, with Rwanda's budget rising by 12.1 percent to USD 5.3 billion, 68 percent of which is domestically financed. Yet, debt sustainability remains a concern, with interest payments consuming a growing share of government revenues. Acebes concluded that sustaining high growth will require innovative financing, stronger regional integration, and evidence-based fiscal and monetary coordination.

Panel 3: High Growth, Tight Budgets, and Rising Uncertainty

The third panel, moderated by Didier Habimana (ECA), brought together Elena Acebes from UNECA, Judith Nabaasa from MINECOFIN, and Faustin Maniraguha from the National Bank of Rwanda to discuss the theme *High Growth, Tight Budgets, and Rising Uncertainty*.

Elena Acebes (UNECA) explained that Rwanda and other EAC countries can sustain high growth by deepening intra-regional trade, diversifying exports beyond minerals, and investing in resilience-building sectors such as agriculture and renewable energy. She emphasized that lessons from countries like Kenya and Tanzania show the importance of mobilizing domestic resources while maintaining fiscal discipline. She also noted that Rwanda could adapt innovative financing models, such as green bonds and blended finance, which have been successfully piloted in other African economies facing similar budget constraints.

Judith Nabaasa, Director of Budget Policy at MINECOFIN, stressed that Rwanda is prioritizing expenditure toward resilience and inclusivity. She explained that the government is channeling resources into social protection, health, and education while maintaining investments in infrastructure and innovation. To manage rising uncertainty, she highlighted innovative financing mechanisms under consideration, including public-private partnerships, diaspora bonds, and climate financing instruments. Nabaasa emphasized that fiscal consolidation remains central, but Rwanda is committed to protecting priority spending that supports vulnerable groups and long-term transformation.

Faustin Maniraguha, Director of Monetary Policy at the National Bank of Rwanda, explained how the central bank is balancing inflation control with growth support. He noted that inflation, which peaked above 20 percent in 2024, has been brought down to single digits through tighter monetary policy, but the bank remains cautious given global volatility. He stressed that monetary policy coordination with fiscal authorities is essential to mitigate risks from external shocks, such as rising energy prices and tightening global financial conditions. Maniraguha highlighted that coordinated interventions—such as targeted credit facilities for SMEs and joint fiscal-monetary measures—can stabilize the economy while sustaining growth.

Key Questions and Responses

- A participant asked how Rwanda can shield its agricultural sector from external shocks while sustaining growth. In summary, the response by Elena was that Rwanda must invest in climate-smart agriculture and regional value chains, ensuring that agriculture contributes both to resilience and export diversification.
- A 2nd participant asked about balancing fiscal consolidation with social investment. In summary, the response by Judith was that Rwanda is prioritizing expenditure on social protection and inclusivity, while leveraging innovative financing tools to expand fiscal space without compromising discipline.
- Another participant asked how monetary policy can support SMEs amid global volatility. In summary, the response by Faustin was that targeted credit facilities, coordinated with fiscal incentives, can cushion SMEs from shocks while sustaining employment and innovation.
- Another participant asked about lessons Rwanda can learn from other African economies. In summary, the response by Elena was that Rwanda can adapt models such as Kenya's infrastructure bonds and Tanzania's domestic resource mobilization strategies to strengthen fiscal resilience.
- Another participant asked about the role of international partners in supporting Rwanda's fiscal resilience. In summary, the response by Judith was that Rwanda welcomes partnerships that provide concessional financing, technical assistance, and support for innovative instruments such as climate funds, while maintaining ownership of its fiscal strategy.

The session highlighted that sustaining high growth in Rwanda and the wider EAC requires a delicate balance between fiscal consolidation, social investment, and monetary stability. Presentations and panel discussions emphasized that resilience must be built through regional integration, innovative financing, and coordinated fiscal-monetary strategies. The dialogue underscored that inclusivity and discipline are

not competing priorities but complementary pathways to ensure that Rwanda and its neighbors thrive amid global uncertainty.

Session 4: Building Future-Ready Youth Employment Ecosystems in Rwanda – From Evidence to Action

9th Presentation: AGUKA Tracer Study (2022–2025)

The session opened with a presentation of the AGUKA Tracer Study, jointly conducted by UNDP and MOYA. Covering the period 2022–2025, the study tracked 2,000 youth entrepreneurs to measure enterprise growth, job creation, and lessons for future policy. Findings revealed that 5,000 MSMEs were supported**,** generating 128,485 jobs (33% female, 67% male). Revenues reached Frw 34 billion (USD 22 million)**,** with net profits of Frw 10 billion (USD 6.5 million) and taxes paid amounting to Frw 2 billion (USD 1.5 million)**.**

The study highlighted strong returns on investment: every USD 1 invested generated USD 46 in revenues and USD 14 in net profit, while USD 100 invested created seven jobs. However, most jobs were casual or seasonal (77%), underscoring vulnerability in youth employment. Gender disparities were evident, with 79% of women-led businesses remaining informal compared to 59% of men-led businesses. Access to finance was a major barrier, with high collateral requirements, limited guarantee mechanisms, and weak financial literacy. The study concluded that integrated models—combining capital, coaching, and market linkages—deliver the most sustainable results.

Panel 4 Discussion

The 4th panel moderated by Mrs. Diane Ineza (UNDP) brought together Nicolas Schmids (UNDP)**,** Pierre Kalinda (Ministry of Youth)**,** and Ms. Uwineza Shakira (Youth Entrepreneur) to deliberate on building future-ready youth employment ecosystems in Rwanda.

Nicolas emphasized that the AGUKA findings reveal persistent structural gaps in Rwanda's youth employment ecosystem. He noted that informality, limited access to finance, and weak market linkages continue to constrain youth enterprises. He argued that national strategies must harness evidence from youth enterprise growth to design policies that reduce barriers, expand financial literacy, and strengthen mentorship. He stressed that Rwanda's demographic dividend can only be realized if youth enterprises are integrated into formal markets and supported with inclusive financing instruments.

Kalinda explained that MOYA is working to bridge financing gaps by promoting inclusive loan products tailored for youth, women, and vulnerable groups. He acknowledged that collateral requirements remain a major obstacle, but highlighted ongoing efforts to expand guarantee schemes and partnerships with SACCOs and MFIs. He also emphasized the role of government policy in anticipating future skills and jobs, particularly in the era of rapid technological change. Kalinda noted that MOYA is investing in TVET programs, digital skills training, and innovation hubs to prepare youth for emerging opportunities in ICT, green economy, and creative industries.

Shakira shared her personal experience, highlighting the challenges of starting and growing a business as a young entrepreneur. She cited difficulties in accessing affordable finance, navigating bureaucratic processes, and competing in saturated markets. She stressed that Rwanda's employment ecosystem must provide stronger incubation support, mentorship, and simplified regulatory frameworks. Shakira also argued that youth-led enterprises can play a transformative role in shaping Rwanda's future job market, particularly by driving innovation and creating demand-driven solutions. She called for ecosystem changes that empower youth through policy incentives, market access platforms, and inclusive financing**.**

Key Questions and Responses

- A participant asked how youth enterprises can integrate into agricultural value chains. In summary, the response by Nicolas was that targeted incubation and financing for agribusiness SMEs, combined with mentorship, can reduce informality and expand youth participation in agriculture.
- Another participant asked about financing mechanisms for vulnerable youth. In summary, the response by Pierre was that government is piloting guarantee schemes and tailored loan products, while also promoting blended finance models to reduce collateral barriers.
- A 3rd participant asked how youth enterprises can scale sustainably. In summary, the response by Uwineza was that scaling requires stronger market linkages, simplified tax processes, and access to affordable credit, alongside mentorship to strengthen business models.

This session underscored that Rwanda's youth employment ecosystem is vibrant but vulnerable. The AGUKA Tracer Study demonstrated strong economic contributions from youth enterprises, yet highlighted persistent challenges of informality, limited access to finance, and gender disparities. The panel emphasized that building future-ready ecosystems requires integrated approaches—capital, coaching, and market linkages—combined with inclusive policies and innovative financing mechanisms. Youth-led enterprises are central to Rwanda's demographic dividend, but they must be empowered through evidence-based strategies that ensure resilience, inclusivity, and sustainability.

6. Recommendations

Building on the evidence, discussions, and stakeholder reflections across the four thematic pillars, the 12th Annual Economic Research Conference calls for urgent and coordinated action. The following recommendations are structured under Policy**,** Institutional, and Technical dimensions, with clear responsibilities and timelines to ensure Rwanda's Vision 2050 remains on track.

6.1 Policy Recommendations

Stakeholder	Action / Recommendation	Timeline	Expected Outcome
MINECOFIN & RRA	Institutionalize advanced data analytics and risk-based audits to close VAT compliance gaps without raising tax rates.	Short-term (0–12 months)	Expanded fiscal space and strengthened resilience.
MINAGRI & NAEB	Align agricultural strategies with CAADP Kampala Declaration targets: reduce post-harvest losses, triple intra-African trade, and increase locally processed food.	Medium-term (1–3 years)	Inclusive agrifood transformation and export diversification.
Government & Parliament	Introduce innovative financing instruments (green bonds, diaspora bonds, blended finance) to sustain growth amid global shocks.	Medium-term	Diversified financing and reduced debt vulnerability.
EAC Secretariat & Rwanda	Deepen regional integration through harmonized standards, trade facilitation, and coordinated fiscal/monetary policies.	Ongoing	Stronger resilience to external shocks and expanded regional markets.

6.2 Institutional Recommendations

Stakeholder	Action / Recommendation	Timeline	Expected Outcome
MINAGRI, MINALOC, Districts	Embed accountability for post-harvest management (PHM) in Imihigo and ministerial scorecards.	Medium-term	Stronger institutional coordination and reduced losses.
Private Sector & Cooperatives	Scale partnerships for value addition in tea, coffee, and horticulture, moving beyond bulk exports.	Ongoing	Higher export revenues and rural job creation.
Financial Institutions & BDF	Expand tailored credit products and guarantee schemes for agribusiness SMEs and youth enterprises.	Immediate & ongoing	Improved access to finance and enterprise growth.
Academia & Research Institutions	Strengthen collaborative research, tracer studies, and innovation hubs to support evidence-based policymaking.	Ongoing	Enhanced knowledge base and skilled workforce.

6.3 Technical Recommendations

Stakeholder	Action / Recommendation	Timeline	Expected Outcome
MINAGRI & RAB	Scale climate-smart technologies (cold-chain hubs, solar dryers, hermetic storage) to reduce losses and improve food safety.	Short-term	Increased resilience and food security.
NAEB & BK Techouse	Expand Smart Kungahara System (SKS) to tea and horticulture for full traceability and EUDR compliance.	Medium-term	Strengthened market access and transparency.
UNDP, MOYA & Partners	Operationalize youth employment ecosystems through incubation hubs, digital skills, and inclusive financing.	Ongoing	Harnessed demographic dividend and reduced youth unemployment.
UNECA & EAC Partners	Support coordinated fiscal and monetary responses to global shocks, including stabilization funds.	Medium-term	Sustained growth and macroeconomic stability.

Call to Action

The Conference urges Government, private sector, academia, civil society, and development partners to act decisively on these recommendations. Rwanda's resilience and inclusivity cannot be postponed.

- **Invest now** in climate-smart agriculture and digital traceability to secure food systems.
- **Mobilize domestic resources** through modern tax administration to safeguard fiscal space.
- **Empower youth** with future-ready skills, finance, and entrepreneurship ecosystems.
- **Deepen regional integration** to withstand global shocks and expand opportunities.

By committing to these actions, Rwanda will not only protect its economic gains but also accelerate progress toward Vision 2050**,** ensuring that growth is both resilient and inclusive.

7. Closing Remarks

Prof. Jean Baptiste Sagahutu, Chairperson of EPRN

In his closing reflections, Professor Jean Baptiste Sagahutu expressed deep gratitude to all participants, partners, and institutions whose contributions made the 12th Annual Economic Research Conference a success. He emphasized that the deliberations over the past two days were not merely academic exercises but urgent calls to action for Rwanda's economic transformation.

He reminded the audience that resilience and inclusivity are not parallel ambitions but intertwined imperatives. Rwanda's journey toward **Vision 2050** requires evidence-based policymaking, innovative financing, and strong partnerships that leave no citizen behind. The Chairperson highlighted that the conference's four pillars—agriculture and food systems, fiscal resilience, regional integration, and youth employment—are not isolated themes but interconnected pathways that must be advanced simultaneously.

Professor Sagahutu urged policymakers to translate the recommendations into actionable reforms, the private sector to invest boldly in value addition and innovation, academia to deepen research and capacity building, and development partners to sustain their support for Rwanda's transformation agenda. He stressed that the conference outcomes must serve as a living framework for guiding Rwanda through global uncertainty while safeguarding inclusivity and sustainability.

In closing, he reaffirmed EPRN's commitment to remain a hub for policy dialogue, research dissemination, and partnership building. He called upon all stakeholders to carry forward the spirit of collaboration and evidence-driven action, ensuring that Rwanda's resilience is matched by inclusivity, and that the country continues to inspire the region with its determination to build a prosperous and equitable future.

Annexes

Annex 1: Conference Agenda

Day 1: 25th June 2026		
Time	**Session**	**Facilitators / Presenters**
08:30 – 09:00	Arrival and registration	EPRN
09:00 – 09:05	Introduction of the conference	Seth Kwizera (EPRN)
09:05 – 09:20	Welcome Remarks	• Jean Baptiste Sagahutu (EPRN) • Olivier Kamana, Permanent Secretary of MINAGRI
09:20 – 09:25	Group photo	All
SESSION 1: EVIDENCE-BASED AGRICULTURE AND FOOD SYSTEMS TRANSFORMATION FOR RESILIENT GROWTH		
09:25 – 09:35	Key note speech/Session opening remakes	FAO Country Representative remarks
09:35 – 10:35	• Optimizing allocation of public expenditure to accelerate agrifood system transformation with environmental sustainability in Rwanda • Turning Data into Action: Rwanda Food Systems Dashboard • From Leaf to Cup: Supporting the Future of Rwanda's Tea Sector • Embedding Traceability into Rwanda's coffee sector	• Marco V. Sanchez (FAO) • Jean Claude Kabano (GAIN) • Alexis Nkurunziza (NAEB) • Anne Laurette ISINGIZWE and Roger Michel KUBWIMANA (BKtechouse)
10:35-10:50	Comments, Questions and Answers	All
10:55 - 11:20	Health Break	All
11:20 - 12:10	Panel Discussion on Agriculture and Food Systems Transformation for Resilient Growth Moderator: Birasa Nyamulinda, EPRN	Moderator: Panelists: • Getaw Tadesse (AKADEMIYA) • Emerence Mukangabo (IFPRI)
LUNCH BREAK		

SESSION 2: TAX ADMINISTRATION TO FINANCE SUSTAINABLE GROWTH: STRENGTHENING RWANDA'S FISCAL SPACE		
14:00-14:45	• Strengthening Fiscal Resilience through VAT Compliance: Leveraging Data-Driven and Modern Tax Administration Approaches • The value of good advice: Experimental evidence on tax advice in Rwanda • Balancing Domestic Revenue Mobilization and Private Sector Competitiveness in Rwanda (2015 – 2024): Evidence from Secondary Data	• David Ntihemuka (RRA) • Giovanni Occhiali (ICTD) • Jean Paul Mpakaniye (EPRN)
14:45-15:00	Comments, Questions and Answers	All
15:00-15:20	Health Break	
15:20-16:00	Panel Discussion on Strengthening Fiscal Resilience through Domestic Revenue Mobilisation and Modern Tax Administration Moderator: Hannah Mareno (RRA)	**Discussants:** • John Karangwa (RRA) • Giovanni Occhiali (ICTD) • Habtamu Fuje (IMF)
Day 2: 26th June 2026		
SESSION 3: EAC REGIONAL ECONOMIC STATUS AMIDIST GLOBAL SHOCKS		
Time	**Session**	**Facilitators / Presenters**
09:00-09:05	Recap of day 1	Seth Kwizera (EPRN)
09:05-09:35	Presentation on Eastern Africa's Economic outlook	Elena Acebes (UNECA)
09:35-10:10	Panel discussion on High Growth, Tight Budgets, and Rising Uncertainty Moderator: Didier Habimana (ECA)	**Panelists:** • Rodgers Mukwaya (UNECA) • Judith Nabaasa (MINECOFIN) • Faustin Maniraguha (NBR)
10:10-10:30	Comments, Questions and Answers	All
10:30-11:00	Health Break	All
SESSION 4: BUILDING FUTURE-READY YOUTH EMPLOYMENT ECOSYSTEMS IN RWANDA: FROM EVIDENCE TO ACTION		
11:00-11:30	AGUKA Tracer Study (2022–2025): Jobs, Enterprise Growth and Lessons for Youth Economic Empowerment in Rwanda	• Pierre Kalinda (MOYA) • Nicolas Schmids (UNDP)
11:30-11:50	Comments, Questions and Answers	All
11:50-12:30	Panel discussion on Building Future-Ready Youth Employment Ecosystems in Rwanda: From Evidence to Action Moderator: Flora Kaitesi (UNDP)	**Panelists:** • Nicolas Schmids (UNDP) • Pierre Kalinda (MOYA) • Ms. Uwineza Shakira (Youth Entrepreneur)
12:30-12:35	Conference Recommendations	Willis Okul Odhiambo (EPRN)
12:35-12:40	Conference closing remarks	Olivier Kamana, Permanent Secretary of MINAGRI
12:40	Lunch and Networking	

Annex 2: Conference Presentations

https://eprnrwanda.org/Conference-Theme-Resilient-and-Inclusive-Growth-in-Rwanda-Policy-Pathways-Amid