ANALYSIS OF THE CONTRIBUTION OF FOREIGN DEVELOPMENT STRATEGIES ON ECONOMIC DEVELOPMENT OF RWANDA

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Analysis of the Contribution of Foreign Development Strategies on Economic Development of Rwanda

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DECLARATION

This thesis is my original work and has not been presented for a degree in any University.

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DEDICATION

To all Staffs of the Rwandan Embassies/ High Commissions whom are dedicated to fulfilling Rwandan Foreign Development Strategies by Protecting the nation's interests.

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LIST OF ABBREVIATIONS ACRONYMS AND SIGNS

AfDB Group : African Development Bank Group

APS : Administrative Partnership Strategy

AU **:** African Union

BBO : Buy-Build-Operate

BLOT : Build-lease-operate-transfer

BMI : Body Mass Index

BNR : National Bank of Rwanda

BOO : Build-Own-Operate

BOOT : Build-Own-Operate-Transfer

BOP : Balance of Payment

BOT : Balance of Trade

CEPGL **:** Economic Community of the Great Lakes Countries

CET **:** Common External Tariff

CIF : Cost, Insurance and Freight

COMESA **:** Common Market for Eastern and Southern Africa

CPAF **:** Common Performance Assessment Framework

CRCs **:** Citizen report cards

CSCs **:** community scorecards

DAC **:** Development Assistance Committee

DAD **:** Development Assistance Database

DB : Design-Build

DBFO : Design-Build-Finance-Operate

DoL **:** Department. of labour

DRC : Democratic Republic of Congo

EAC **:** East African Community

ECCAS **:** Economic Community of Central African States

ED : Economic Development

EDPRS **:** Economic development Poverty Reduction Strategy

EDPRS2 **:** Second Economic Development and Poverty Reduction Strategy

EPA **:** Economic Partnership Agreement

ESSP **:** European Satellite Provider

EU : European Union

Fao **:** Food and Agriculture Organisation

FDEI **:** Foreign Direct Equity Investment

FDI **:** Foreign Direct Investment

FDS : Foreign Development Strategy

FP : Foreign Policy

FPC	Foreign Private Capital
FPS	: Financial Partnership Strategy
FTA	**:** Free Trade Area
FtF	**:** Feed the Future
GAP	: Good Agricultural Practices
GCC	**:** Global Climate Change
GDP	**:** Gross Domestic Product
GDP	: Gross Domestic Product
GEF	: Global Environmental Facility
GGGI	: Global Green Growth Institute
GNI	: Gross National Index
GoR	**:** Government of Rwanda
HDI	: Human Development Index
ICBT	: Informal Cross-Border Trade
ICMM	**:** International Council on Mining and Metals
ICRG	**:** International Country Risk Guide
ICT	: Information and Communications Technology
IDEC	: International Democratic Education Conference
Ifad	**:** International Fund for Agriculture and Development

IFRS : International Financial Reporting Standards

IMF : International Monetary Fund

IOR-ARC **:** Indian Ocean Rim Association for Regional Cooperation

MDGs : Millennium Development Goals

MINADEF **:** Ministry of Defense

MINAFFET **:** Ministry of Foreign Affairs and Cooperation of Rwanda

MINALOC **:** Ministry of Local and Good Governance

MINEACOM **:** Ministry of Trade and Industry Promotion

MINECOFIN **:** Ministry of Finance and Economic Planning

MINICOFIN **:** Ministry of Finance and Planning

MININFRA **:** Ministry of Infrastructure

MNE **:** Multinational Corporation

Mt **:** Error term

NAEB **:** National Agricultural Export Development Board

NGO **:** Non-Government Organization

NISR **:** National Institute of Statistics of Rwanda

NTDs : Neglected Tropical Diseases

O&M : Operation & Maintenance Contract

Oda **:** Official Development Assistance

OECD	**:** Organization for Economic Co-operation and Development
OMB	: Office of Management and Budget
	Pacific
PCA	: Principal Component Analysis
PEPFAR	**:** President's emergency plan for AIDS Relief
PER CAPITA	: Gross Domestic Product per Capita
PMI	**:** President's Malaria Initiative
PPP	: Public Private Partnership
PRSP	**:** Poverty Reduction Strategy Paper
PSED	**:** Private Sector External Debt
PSF	**:** Private Sector Federation
PSF	**:** Private Sector Federation
R&D	**:** Research and Development
RAB	: Rwanda Agriculture Board
RCA	**:** Rwanda Community Abroad
RDB	**:** Rwanda Development board
RDHS	**:** Rwanda Demography Health Survey
REC	: Regional Economic Community
RIEPA	: Rwanda Investment and Export Promotion Agency

RL **:** Rule of Law

RTDA **:** Rwanda Transport Development Agency

RWG : Rwanda working Group

SADC **:** Southern African Development Community

SDGs : Sustainable Development Goals

SEZ : Special Economic Zone

SGS : Shadow Government Statistics

SMEs **:** Small Medium Enterprises

SPSS : Statistical Package for the Social Sciences

SSA **:** Sub-Saharan Africa

SSA **:** Sub-Saharan Africa

TDC : Trilateral Development Cooperation

TEXP **:** Total export

TFA **:** Total foreign aid

TFTA **:** Tripartite Free Trade Area

TIFA **:** Trade and Investment Framework Agreement

TIM **:** Total import

TNC **:** Transnational Corporations

TPS : Technical Partnership Strategy

TRIPS	**:** Trade Related Aspects of Intellectual Property Rights
TVET	**:** Technical and Vocational Education Training
U.S	**:** United States
UK	**:** United Kingdom
UNDP	**:** United Nations of Development Programme
UNESCAP	**:** United Nations Economic and Social Commission for Asia and the Pacific.
UN-NADAF	**:** United Nations New Agenda for the Development of Africa.
US$	: United States Dollars
USA	: United State of America
USAID	**:** United State Aid
WATSAN	**:** Water and sanitation specialists
WB	: World Bank
WEF	**:** World Economic Forum
WTO	**:** World Trade Organisation
Y	**:** Gross Domestic Product (GDP)

OPERATIONAL DEFINITION OF TERMS

Administrative partnerships strategy: According to (Lasker, Weiss, & Miller, 2001), administrative partnerships is a Country's projection to avail attractive rules and regulations to facilitate and motivate the world affairs in terms of Bilateral, Multilateral and Multinational actions provided by Countries, International community and big Corporates.

Economic Development: According to (Michael & Stephen, 1955 (2011)), the Economic Development is a process of providing a profitable progress aspect of well-being and quality of life of a nation, region, or a local community; to be improved according to their targeted goals.

Financial partnerships strategy: According to (Spillan, James, Tim, & John , 2003), financial partnerships is a bilateral, Multilateral sponsorship resource of Grants and Aids on one hand; and Foreign Direct Investment on other hand provided by Countries, international communities and Multinational cooperates to support their mutual cooperation.

For (Pollitt, 2003), Foreign Development Strategies called also International development or global development. It is a broad concept denoting the idea that societies and countries have differing levels and process of societies' improvement in term of per capita, household and GDP growth on an international scale.

Foreign development partnership strategies: According to (Parfitt, 2002), Foreign Development Strategies is a country' self-interest strategies within its international relations milieu oriented on partnerships plan such as Technical Partnerships, Financial partnerships, Administrative Partnerships to improve her socio economic development.

Technical Partnerships strategy: According to (Kenji, 2008), Technical partnerships is a bilateral, Multilateral and Multinational corporate function of cooperation between countries by joining forces in terms of technical capacities together with best practices in health, education, training, environment, science and technology, trade, investment and Socio welfare cooperation**.**

Unilateral Political Drive: According to (Post, Raile, & Raile, 2010), the unilateral political drive is a nation's responsibility of political actors to create friendly and attractive rules and regulation on one hand, economic equilibrium on second hand by orienting the actions to the unilateral, Bilateral and Multilateral aspect of the Business to accomplish a set of targets.

ABSTRACT

Analysis of the contribution of FPS on ED of Rwanda is pertinent to understand how Rwanda's diplomacy has contributed to ED of the nation. This study is important to various stakeholders in particular the Government of Rwanda, academicians, professionals and researchers. In this thesis, the researcher aimed at developing the notion conceptually, specifically, built on the work of (Pessoa, 2008) and (Ndou, 2004), whom their works were based on the contribution of technical and financial partnerships strategy to ED of developing countries. Two critical aspects formed the guiding philosophy of the entire research process and these were: (1) the Role of international community on maintaining peace & security, which is a fundamental component of ED; (2) the importance of Economic diplomacy by emphasizing on Technical & financial and administrative partnerships strategy on economic development. The study adopted the descriptive survey as a study design. The target population was 465 from 30 Rwandan Districts, Chief Executive Officers, Director Generals, Directors, Head of units, Specialists, professionals, Civil Society Actors (Private sector Managers, Experts from INGOs and Local NGOs, Multinational and Transnational Corporate (investors) and Cooperative members). The sample size was 214 individuals, which got through stratified and purposive sampling methods. The primary data was collected through structured questionnaires; whereas secondary data through reading and analysis of relevant books, report and journals. The data collected was edited, coded and fed into SPSS software v. 16 and e-views 3 for analysis, using descriptive, inferential statistics and econometrics. Regression analysis was done to investigate the relationship between hypothesized variables. The study found out that APS has a strong contribution on ED where it contributes ($\beta=0.970$) on per capita and ($\beta=0.708$) on HDI; Political Drive as a moderating variable plays a positive role on the contribution of FDS and ED of Rwanda where it contributes on ($\beta=0.783$) on per capita and ($\beta=0.789$) on HDI; TPS too has a significant contribution on ED in Rwanda where it contributes (β=0.899) on per capita and ($\beta=0.601$) on HDI; however, FPS demonstrates a weak contribution on ED where it provides (β=.542) on per capita and (β =.500) on HDI. On conclusion, the researched found out that FPS has a statistical significant contribution on the ED of Rwanda.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The Economic development as a discipline of development studies sometimes supported by the Foreign Development Strategies constitute a prerequisite aspect for the survival and prosperity of a social and political system. It is measured by a variety development indicators such as individual income distribution, Per capita product growth in the society, human development index, rates of unemployment and inflation, the average educational level of the labor force, access to education and health services, life expectancy and level of cultural products successful impacting different States in the world affairs, (Langarudi & Radzicki, 2013).

Although the international relations and economy have existed for thousands of years, it is only in the past century that foreign development or international development theory emerged as a separate body of ideas, (Michael & Stephen, 1955 (2011)). More specifically, it has been suggested that the theory and practice of foreign development is inherently technocratic, and remains rooted in the high modernist period of political thought that existed in the immediate aftermath of the cold war. It had the mandate, which was emphasized on four aspects such as political, economic liberalism, the significance of "free markets" and social evolution in extremely hierarchical environment, (Langarudi & Radzicki, 2013)

Nowadays, the foreign development aims to improve general government policies of developing countries, that is, the economic emerging and third world countries. The "State building" program strengthens the regional institutions necessary to support their long-term economic, social, and political development. Education, health and employment are important and good examples on foreign development aspect when focused on developing sphere’s which are sustainable; these component gives Nations the energies required to keep themselves out of deficiency. (Langarudi & Radzicki, 2013)

The researcher decided to conduct a study by analyzing the contribution of Foreign Development Strategie on economic development of Rwanda, after a tragic journey of genocide perpetuated against the Tutsi in 1994. This destroyed the country's entire development composition in relation to her economic development and relationship with the rest of the world.

In 2006, the government of Rwanda decided to develop its first Foreign Development Strategies that comprised two major objectives. These included sustaining the country's security, peace and stability in region, the continent and whole world by establishing and maintaining good relations with them. Secondly, to contribute on wealth creation through development cooperation, investment and tourism promotion, transfer of knowledge and technology, equitable world trade and regional integration, (Minaffet, 2015).

Different pillars were formed to assist the achievement of Rwanda's 2020 vision, besides, its national Strategies and policies, which established since 2000. The Rwandan Foreign Development Strategies was built on three pillars namely; the Technical partnerships, Financial partnerships and lastly Administrative partnerships strategy; which assisted the country to boost its cooperation with the rest of the world's affairs, (Minaffet, 2015). The analysis illustrated the level to which the Foreign Development Strategies supported by its pillars of technical, financial and administrative partnerships strategy contribute to the economic development of the country.

1.1.1 The link between Technical, financial and administrative partnerships strategy

The link between these three components is that they are the constituents and pillars of Foreign Development Strategies that focuses to transform the way International communities do business.

According to Mike et al. (2015) the components of Foreign development Partnerships Strategy contribute to economic development of countries with assistance from

different disciplines of development studies. These disciplines include Development communication, International relations, Diaspora studies, Migration studies, Gender studies, Human rights, Human security, Industrial relations, Media Studies, Peace and conflict studies, Population studies, Public administration, Public health, Rural development, Social development, Sustainable development, Urban studies and Women's studies Partnership.

The researcher added other components such as governance, people-to-people diplomacy, economic diplomacy and public diplomacy as a way to their own efforts of developing activities of economic development component. International development and Public diplomacy are results from the Private-Public activities, which use the optimal combination of the "Dispatch of Experts," "Technical Training" and/or "Provision of Equipment," as the core operation of some Non-Government Organization, Corporate, and financial aspect, which assist on partnership's achievement. For (Vitalija, 2015), three types of cooperation are based on to position country's development partnerships that advised to provide countries' services support the policy-related issues; the implementation of country's economic orientation legal instruments, regulations and norms; and lastly formulate the specific type of technical partnership strategy, which is to be used in any projects/program.

Both components of Development partnerships are considered to be a result of the Private-Public activities which use the optimal combination of the "Dispatch of Experts," "Technical Training" and/or "Provision of Equipment," that are the core operation of some Non-Government Organization, Corporate and financial aspect. Project outcomes achieved is more linked to the mutual collaboration and associated with the organizations as partners through planning, implementing, monitoring and evaluating the project in a systematic and comprehensive manner by providing opportunities that affect confidently or destructively the country's economic development (Vitalija, 2015).

I.1.1.1 Technical partnerships strategy

According to Kenji, (2008) the technical partnerships strategy is a bilateral, Multilateral and Multinational corporate practical function of cooperation between countries under the premise of joining forces in terms of capacity building to facilitate increase in economic development. This would assist education, infrastructure and Health sectors hence creating sustainable results on research and development that would inspire and attract Multinational corporate by increasing the Foreign direct investment. The function under this foundation connects different tangible meanings of Communities, Non-governmental, governmental organizations and Multinational corporates to achieve outcomes, which no business could accomplish simply, or profitably on its identification aspect, (John B. , 2008) .

Albeit, technical partnerships strategy functionality is limited in the absence of the financial and administrative partnership strategy. This invites a link to be established between the technical partnership strategy to the financial and administrative strategy so that a fine, smooth and productive action can be produced since it is dependent upon these. Therefore, this explains the need for the linkage.

I.1.1.2 Financial partnerships

According to Spillan, James, Tim, and John , (2003) the financial partnerships strategy was seen as sponsorship resource of grants and aids in one hand, as well as driving Foreign Direct Investment on second hand. This boosted the geo politico-economic, and socio-development of different Countries in the world affairs by improving their Governance and Security, Infrastructures, health, education, Agriculture component for public sector, investment, tourism, industry and means to facilitate the businesses under multinational and transnational corporate for private sector.

(Kobrin, 2008), added that the portfolio's output rely on several different inputs, and striking the right balance was significantly important. The biggest input was the economic value of the employee's skills, known as the human capital. Properly

accounting for human capital when structuring a portfolio requires understanding how it overlaps with financial capital and the investable assets accumulated through the country's savings.

However, financial partnerships strategy operation is restricted without technical and administrative partnership strategy. Therefore, a link between the financial partnership strategy to the technical and administrative strategy is required so that a harmonious action can be created since it is reliant on these.

I.1.1.3 Administrative partnerships

According to (Lasker, Weiss, & Miller, 2001), administrative partnerships is a Country's projection to avail attractive rules and regulations to facilitate and motivate the world affairs in terms of Bilateral, Multilateral and Multinational actions provided by Countries, International community and big. Corporates. The different items such as Development cooperation, foreign direct investment, tourism promotion, knowledge, technology transfer and remittance were facilitated by the Cost, ease of doing business component and market regulation.

Furthermore, (World Bank, 2015), added that directions set by Countries to break up their regular bureaucracies should facilitate the aspect of economic development such as investment, tourism and doing business so as to provide necessary information that contribute to improvement and formulation of policies and strategies to assess the impact of all efforts made in improving economic development.

In the line of linkage, administrative partnerships strategy operation linkage should be between the financial partnership strategy and technical partnership strategy so that a smooth action can be created since it is dependent on these. Restriction to these other partnership strategies, however, would lead to failure of the administrative partnership strategy. This henceforth, shows the need for the linkage.

I.2 Background of the Study

At the Global perspective, the foreign development goes back to the primitive times when the immeasurable desires used by human being assisted their tactful cooperation and created strong partnerships, which strengthened their kingdoms and empires hence, their political wealth. The advancement of mutual collaboration which begun from the primitive times was later seen in the industrial revolution crisis, especially in the western sphere. The crisis is stated by Karl Max when he noted the poor and the rich cooperating to have a common benefit economically, (Nancy & Philip , 2009).

Ulf and Marco, (2011) added that after partnerships endorsement during the medieval times by the Middle East and European countries, the Foreign Development partnerships was applied again to reinforce the commercial revolution in 13th century which impacted the World affairs. In 15th century, cities that were members of the Hanseatic League mutually strengthened each other via shipping cooperation. Ships from Hamburg to Danzig not only carried cargo aspect but was also were commissioned to transport freight for other members of the league. This affected the competitiveness, quality of life and subjective well-being on these parties of the continents.

The arrangements of the free world have made collective defense and mutual help based on recognition that the concept of national self-sufficiency could be reasonable. These countries became interdependent. The development Partnerships combined their resources and shared tasks in many fields, which progressed, and brought safety. A close examination of medieval period on partnerships strategies were supported by the Multilateral, bilateral cooperation component supported by the public diplomacy as community initiative on one hands (Governance, educations, agriculture, infrastructures, Military, and Health) and Multinational and Transnational corporate supported by the Trade and economic diplomacy (trade, investment and tourism) on the second hands, (Alcides, 2014).

Gavin, (2013) illustrates that development partnerships between States started to become more serious during the colonization of the world by European countries, and after cold war. In 1953, United States of America and Western Europe countries initiated, a mutual aid partnerships strategies because they were the biggest economies in the world and further focused on exchange of manufactured products, sharing education and applied the free movement principles.

The (OECD, 2002), added that the strength factor from development partnerships supported the investment initiative of United States of America and European Union countries which increased the economic power three times higher than other continents of the world, Asia specifically. During this period, the European Union countries investment in United States rose to around eight times the amount of European Union countries investment in India and China together. Since that period up to date the European Union and United States of America investments are still the real drivers of the transatlantic relationship that is contributing to the economic development of their nations, Vandinika &Campion, 2015).

For D'Alessandro and Zulu, (2017) the states members of United Nations signed the United Nations Millennium Declaration, which includes eight Millennium Development Goals. Sustainable Development Goals came after the end of Millennium development goals in 2015 to assist members Countries, especially the least countries' in socio-economic development. In these global foreign development strategies, every state had a set of obligations to assist the world community to meet their development target, especial in African countries. (Zukang, 2008).

At the Continental perspective, the concept of foreign development goes back to the colonial era at the turn of the twentieth century, in particular to the British policy of colonial development partnerships that emerged during that period. The traditional government policy had tended to favor laissez-faire style of development economics, with the free market for capital and goods dictating the economic role that colonies played in the British Empire, (Craig & Porter, 2006).

In late 1940s and early 1950s, the Foreign Development Strategies of countries emerged in the global North to assist "underdeveloped" countries in "promoting social progress and better standards of life" ((Koch & Weingart, 2015). In this post-World War II era, organizations like the Rockefeller Foundation, the Ford Foundation, and the Carnegie Foundation took a strong interest in engaging with Africa. Formed in 1945, the United Nations played a significant role in promoting northern engagement globally including African continent, (Parmar, 2012).

According to Parmar, (2012) from the earliest time in their post-independence history, almost all African countries have addressed their most pressing developmental challenges through foreign development Partnership strategies. This involved all African governments, African Institutions, the private sector, civil society, donor/financial organizations, and international technical partners (universities, research institutes, and program implementation organizations). These organizations interact within an ecosystem influenced by funding patterns, power relations, the individual goals and objectives of the participants involved.

Dichotomies between the Northern and Southern sphere development partnerships initiated with technical knowledge and needs; givers and receivers of aids dominated to the common discourse of the time (Binka, 2005). Technical assistance, coupled with large infrastructure projects, became the dominant model of providing aids to African countries, (Binka, 2005).The formation of South-South Cooperation was one of the development component between developing sphere composed by Africa, Asia and South Americas zone that had purposed to continue collaborating under the development partnerships platform, (IBON Center. , 2010).

The partnership strategy has also opened up opportunities for economic cooperation between Africa and other economic emerging countries. The available data indicate that the share of non-African developing countries in Africa's total merchandise trade rose from 8 per cent in 1980 to 29 percent in 2008. Besides, their share in inward foreign direct investment (FDI) flows to the region rose from an average of 12 per cent over the period 1995–1999 to 16 per cent over the period 2000–2008, ((Kaplinsky & Farooki, 2009)).

Since the African Union launched its vision 2063 and action plan for boosting Intra-African Trade supported by technical partnerships and financial partnerships and administrative partnerships, the continent created development partnerships with other continent which contributed on its economic development through investment, employment creation and therefore poverty reduction, (Vitalija, 2015).

According to (Joaquín & Roberto, 2008), The African regional economic integration arrangements was divided into broad groups. This entailed Economic integrations adopted in 1980, and currently composed by Arab Maghreb Union (AMU/UMA), Economic Community of West African States (ECOWAS), East African Community (EAC), Intergovernmental Authority on Development (IGAD), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Economic Community of Central African States (ECCAS) and Community of Sahel-Saharan States (CENSAD). These have influenced the operation of foreign development partnerships in the regional economic integration, (Ntara, 2016).

At the Regional perspective, the East African Community has within a relatively short time since its establishment realized tremendous progress in regional cooperation and development, which also supported its economic development. In real economic terms, the region's combined Gross Domestic Product has risen over time from 1999. The region's combined population grew up to 130 million of people from Kenya, Uganda, Tanzania, Burundi and Rwanda, (Eric, 2013).

According to Grant, (2014) The East Africa Community had aimed at widening and deepening co-operation among the Partner States, besides, political, economic and social fields for their mutual benefit; to this extent the East Africa Community countries established a Customs Union and Common Market which based on technical, financial and administrative partnership component.

In 2014, the bloc finalized negotiations for a region-to-region cooperation that assisted the bloc on export and import of goods and services, (Ombeni, 2007). The East Africa Community partner states began cooperating in their foreign

relations under a memorandum of understanding on development partnerships co-ordination in 1999. The cooperation agreement was strengthened by the adoption in 2010 of the EAC protocol on foreign development partnerships co-ordination, which fostered partnerships, diplomacy and international engagements, as well as technical, financial and administrative partnerships, (Eric, 2013).

The Kenya-Tanzania development partnerships were the oldest and operative in region with emphasis on their economic development (Frederick & David, 2013). In 2014, Tanzania became the largest partner export destination of Kenyan goods within East Africa, supported by the development partnerships arrangement. For (Ssekika, 2014) demonstrated how development partnerships assisted Uganda in becoming the largest export destination for Kenyan goods. However, due to the lifting of trade restrictions within the EAC, Tanzania remains to be the major export destination, ousting Uganda in 2014. Currently Rwanda is among few countries enjoying the development partnerships in the East African community member states.

Apart from region-to-region cooperation in action negotiated by EAC, the region determined its vision 2050 in 2014 to assist her socio- economic transformation and development implementation. This constituted the improvement of her member states' free movement and intra business.

At the national perspective, Rwanda has been comparatively successful in supporting the national leadership, organizations and other state agencies to promote Rwanda's international interests. To project the importance of the country based on its size and location, stronger integration within regional economies will be vital for further growth and help Rwanda reap benefits from the East African Community regional integration, which she joined in 2007. This would translate to improved economic, political and social prospects. Rwanda has also benefited from East African Community stronger market and challenges addressed together as a region (UNDP, 2011).

Paradoxically, in terminating the genocide perpetuated against Tutsis in Rwanda, the country's leadership ultimately claimed the full independence and sovereignty of the nation; since then, furthermore, Rwanda has consistently achieved exemplary performance in the economy, social and political affairs supported by its vision 2020 in its different components such as technical, financial and administrative partnership strategy, (Kimonyo, Twagiramungu, & Kayumba, 2004).

Since 2000, Rwanda has envisaged a set of national policies with the goal of transforming the agrarian subsistence economy into a sophisticated knowledge-based society. This is aided by vision 2020 which has its main economic development objective as transformation of Rwanda into a middle-income country, with per capita income of about $900 (from $290 in 2000), and the structure of the economy such that the industrial and services sectors to take over by 2020 with the support of Rwandan Foreign development Partnership strategies. It is expected that different national institutions components to jointly collaborate with a target of achieving the vision 2020, (Minecofin, 2000).

According to Grant, (2014) the country's Foreign Development Strategies has been subordinated to economic progress and friendly relations where integration into the East African Community is actively pursued. However, this progress does not remove doubts over whether the strategy of reforms imposed from above is suitable for tackling the structural deficits of the country's economy and the restoration of its social fabric. Modernization brings about a profound transformation of Rwandan society, the creation of a business and service-oriented knowledgeable middle class, based on private and services driven economy and off-farm businesses. Independent Countries use economic indices such as inflation, trade deficits, unemployment and Gross Domestic Product (GDP) to measure the performance of their country's economic development and the workability of its foreign direct investment policy. Taken together, these leading statistical indicators create a data map that countries use to define their foreign development strategies, (Aditya, 2015).

Through these Horizontal, Vertical, Intersectional, Joint Venture and Equity development partnerships strategies, Rwanda has gained a lot on the projects of the

New Communities Partnerships. This includes the construction of the standard gauge railway, regional power trade, the strengthening of a single customs territory and collaboration of infrastructure technology including regional mobile financial services. On addition to the benefits are one single tourism visa, regional tourism agenda, African Growth, and Opportunity Act (AGOA), Imani development policy, Cross-border trade (CBT), Non-tariff barriers (NTB), Sector Working Group on trade, industry and investment, Common External Trade Policy (CETP), and the implementation of the one area network, (Bradshaw, et al., 2011).

The Foreign Development Strategies of Rwanda has been developed in response to the country's rise in international stature and the recognition of its ambitious development that could only be fully realized through its engagement in economic development of manufacturing industry that should contribute on its wider international community system, (Danielle, 2014). Rwanda is focusing on second-generation economic reforms of exports diversification, structural transformation, regional integration and financial sector as main elements of development partnerships strategies. These are contributing to the acceleration of socio-economic development of tourism sector and boost incomes in terms of increase capacity building, research & development and impartiality mutual collaboration between countries so that Rwandans should keep advance on their goals 's journey, (Minaffet policy, 2012).

Rwanda at its effort shows that the country has maintained 6.9% of her economic development rate and macroeconomic stability for the first three-quarters of 2015 and projects a growth rate of 6.8% in 2016 (WB. 2015). The growth has come by maintaining the technical, financial and Administrative partnerships strategy through efficiency of public sector of foreign development Partnership strategies. The strategies include foreign direct investment, tourism promotion, acquisition and transfer of knowledge and technology, Agriculture, manufacturing industry, infrastructures, equitable world trade and regional integration, Intra-Africa cooperation and United Nations multilateral system. Rwanda therefore,

should achieve its goals of becoming a medium income country by increasing its economic development, (World Bank, 2015)

1.3 Statement of the problem

Since 2006, Rwanda harmonized its Foreign Development Strategies by adopting different development plans such as Technical, Financial and Administrative partnerships strategy, which assisted the Country to set out its aims of becoming a middle-income Country by 2020. This made her to be ranked by several International bodies such as Green Investment Application, Clean and Green Area; and lastly, Easy of Doing Business, (Minaffet policy, 2012).

A number of studies including (World Bank, 2015) (Arne & Susanna, 2004) (MINICOM, 2011) (UNCTAD & MINEACOM, 2010), established that Foreign Development Strategies including strengthening Technical, Financial and Administrative partnerships strategy do not have enough influence on the ED of Rwanda. The three main reasons were Low level of expertise, Research and development, and mutual cooperation which instils unfairness even though, imports and exports, have risen sharply since 2004, largely as result of the cumulative costs of importing different products such as fuel and energy.

Based on the above studies, different challenges entitled gaps such as the population living below the poverty line to less than 30%; population living in extreme poverty to less than 9%, Unemployment Rate of 13.2% could be fixed by the foreign development Partnerships strategies, however, it has no enough impact on Economic Development of Rwanda.

This is the reason why the researcher decided to carry out a study, which provided his contribution as Researcher on the said gaps by demonstrating, and verifying the existence of the foreign development strategy and its contribution based on its different pillars to the ED of Rwanda.

1.4 Objectives of study

1.4.1 General objective

To analyse the contribution of the Foreign Development Strategies on economic development of Rwanda.

1.4.2 Specific Objectives

1.4.2.1 The study specifically sought:

1. To demonstrate the contribution of technical partnerships strategy on economic development of Rwanda.
2. To assess the contribution of financial partnerships strategy on economic development of Rwanda.
3. To determine the contribution of Administrative partnerships strategy on economic development of Rwanda.
4. To analyze the moderating effect of political drive on the contribution of Foreign Development Strategies to the Economic development of Rwanda.

1.5. Research hypotheses

According to Creswell (2009, any hypothesis is considering as a proposition which can be tested to determine its validity; it may prove to be correct or incorrect (positive or negative aspect). The function of hypothesis is to test specifically relationship between phenomena in such way. Referring to this assumption the researcher verified if really and at what extent the pillars of Independent variable in this study (The Foreign development strategies) affect the dependent variable in this study (Economic development of Rwanda). This relationship can be empirically tested as either probable or not. That is the reason for the researcher brings out a probability equation to prove academically the importance of this study in both Quantitative and qualitative aspect. The Hypothesis on this study was proposed based on the Creswell (2009)'s confirmation

H_{00}: There is significant contribution of technical partnerships on Economic development of Rwanda.

H_{01}: There is no significant contribution of technical partnerships on economic development of Rwanda.

H_{00}: There is significant contribution of financial capital cooperation Partnership strategies on Economic development of Rwanda.

H_{02}: There is no significant contribution of financial partnership strategy on Economic development of Rwanda.

H_{00}: There is significant contribution of Administrative partnerships strategy on Economic development of Rwanda

H_{03}: There is no significant contribution of Administrative partnerships strategy on Economic development of Rwanda.

H_{00}: There is a moderating effect of political drive on the contribution of Foreign Development strategies on Economic development of Rwanda

H_{04}: There is no moderating effect of political drive on the contribution of Foreign Development partnerships strategies on Economic development of Rwanda

1.6 Significance of the Study

This study is important to various stakeholders in particular the Government of Rwanda, International community, different academicians, professionals and researchers. In this work, the researcher aimed at developing the notion conceptually. Specifically, the researcher built on the work of (Richard, 2006), where the pillars determined such as technical, financial and Administrative partnerships strategy that contributed to economic development of Rwanda.

The Rwandan government views a strong technical, financial and administrative partnerships strategy for the nation as a driving force, which contributes to economic

development of Rwanda. This study was timely as the Country sought to continue implementing the relevant strategies for attain the Rwandan vision 2020.

This study is important to the decision makers and experts in International studies, Defense and Strategic Studies, international traders and negotiators as it traced the contribution of Foreign Development Strategies and economic development of Rwanda. To the Rwandan institutions dealing with Foreign Development Strategies of Rwanda in general, the study challenges their strategic mindsets in a new realization of what constitute and sustain competitive advantage.

To the specific institutions that were surveyed, the study helped to inform their future debates and strategies, particularly leveraging on technical, financial and Administrative partnerships vis-à-vis to the GDP Per Capita and human development index as a key indicators of economic development of Rwanda.

For the future Researchers, this study should assist them with tangible and scientific data that demonstrated the contribution of the Foreign Development Strategies of a country when its well oriented and based on the community's necessities and displays to achieve the national economic development of Rwanda by understanding the multidimensional of national strategies for transformation.

1.7 Scope of study

The study sought to analyze the contribution of the Foreign Development Strategies on Economic development of Rwanda. This was with a focus on Staffs of the public and private institutions in Rwanda such as Rwanda Development Board (RDB), Ministry of Trade and Industries, Ministry of Finance and Planning, Ministry of Foreign affairs, Cooperation and EAC, Ministry of infrastructure, and Rwanda Transport Development Agency (RTDA). International Non-Government Organizations, Rwanda Local Non-Government Organizations, Rwanda Civil Society Platform, Multinational and Transnational Corporate (investors) and Rwanda Cooperatives staffs were included too. The target population was 462, sample size was 214 and the period was from 2000 to 2018.

1.8 Limitation of study

Although the research reached its aims, there were some unavoidable limitations. First, this study was conducted on a small population since the participants in foreign development strategy are few. Albeit, the study should have involved a larger number of respondents at different stages. The data of this study was collected from selected Public-Private Institutions, which are implementing the Foreign Development Strategies component. Hence, the ability to generalize the results of this study depended upon the limitations of small size of research population and other factors mentioned. Replications of this study within different institutional environments were assisted to shed light on the contribution of Foreign Development Strategies and economic development of Rwanda.

Secondly, the measurement scales of several aspects within the sub-variables of Foreign development strategies, such as technical partnerships, financial partnerships and Administrative partnerships strategy which contribute to economic development of Rwanda, may have had limited accuracy of the measures of these aspect. Nevertheless, having reduced indicators per aspect is acceptable, particularly when other aspect of strategies has more than three indicators, it is recommended that statistics under re-specification of the Foreign Development Strategies model on a shortened scale require cross authentication studies to re-evaluate the size of the model and inspect its generalizability.

Thirdly, practical inferences suggested in the study were based on theoretical and empirical results requiring a holistic and comprehensive approach. It is difficult and sometimes incredible for organization to undertake the whole task at one time due to limited resources of the organizations, especially in developing sphere part like Rwanda. Though the relative importance of single abilities was reflected, future research is necessary to explore the model further to determine if there is an optimal level of competences.

The accuracy of the research indicated a precise uniform march in a continuous action of an error percentage of 0.05 (5%) in all the statistical and econometrics

calculations. Albeit, this could not adequately prove lack of error since the minute portion of 5% could just leave a small portion of a work that may not conclude this to perfection.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who had carried out their researches in the same sphere of Foreign Development Strategies and economic development. The chapter specifically covers the theoretical and Empirical discussions, conceptual framework, Model and research gaps.

2.2 Theoretical Framework

Different theories and models, including the theories on Technical, financial and Administrative partnership strategy made a base to this study. These theories included Theories of the International Relations (Liberalism) by (Burchill, *et al.* 2013)*;* Normative and Positive Theories of Public-Private Partnerships by (David & Jerome, 2006); Theory of Money and Financial Institutions: A Summary of a Game Theoretic Approach by (Martin, 2006); and the foundations of Henri Fayol's administrative theory by (Daniel, Arthur, & John, 2002). In addition, Economic Development Theory by (Todaro *et al*. 2009), was also put as a foundation.

2.2.1 Theories of the International Relations (Liberalism)

According to Burchill et al. (2013) the Classic liberalism, unlike the classic realism believes in the good nature of the human beings and the interaction and cooperation between the states. Non-Government Organizations in the process of Foreign Development Strategies should increase number of players to assist the Governments' social economic development programs by creating strong cooperation among them and an International system which take them toward a civilized society and rejecting the particular interests of some States. This theory assumes that order within the countries may lead to the order in the international system and consequently, international peace. In addition, the technical cooperation should be oriented based on the free movement and free market implementation among the states by increasing

trade interdependence supported by the creation of international organizations. The most important aspect of the liberal theory is to believe in transformation based on the international relations supported by strong technical cooperation between nations and reducing the conflicts, and finally achieving the world Commercial peace theory, arguing that free trade has pacifying effects on international relations. Current explorations of globalization and interdependence are a broader continuation of this line of inquiry.

Based on this theory of international relations, the foreign development strategy used as a tool of interaction and cooperation between Rwanda and the rest of the world is a signal of goodwill. Its pillars such as technical, financial and administrative partnership strategies are a key to economic development in a nation. In line with interaction and cooperation between human beings; the bilateral, multilateral and transnational cooperates should be the actors in this field to operate the pillars in unilateral and out of the borders whereby, the doing was translated to improvement of the human welfare.

2.2.2 Normative and Positive Theories of Public-Private Partnerships

One of the most intriguing issues in modern industrial organization consists in delineating the optimal division of labor between the public and the private spheres by development partnership strategies. In that respect, the recent privatization wave which took place over the eighties and nineties in most industrialized countries, advocated by international agencies for developing countries certainly testifies that this question is at the heart of most major reforms especially in terms of technical, financial and administrative partnership strategies where it were affected countries and international communities' activities.

In reference to the Normative and Positive Theories of Public-Private Partnerships by (David & Jerome, 2006), the implementation of the foreign development strategy is supported by multinational and transnational corporate to aid different business activities between Rwanda and the rest of the world, hence an improvement in the achievement of the national economic development.

2.2.3 Theory of Money and Financial Institutions: A Summary of a Game Theoretic Approach.

According to (Martin, 2006) economic development through co-operation can be achieved through countries, international community and multinational corporate funded agency, through legislation or control of financial resources by Central or Local Government, and increasingly in the developed sphere. Such financial control may be by making resources available through grants and aids, in one hand and FDIs in the second hand, with the support of technical and administrative partnership strategy, which contributes to the achievement of the national welfare.

In the application of this theory, a country should have a strong bilateral, multilateral and multinational cooperation in terms of financial partnership with other countries, international community and multinational corporate to assist her in achieving her set objectives and vision.

2.2.5 The foundations of Henri Fayol's administrative theory

The theory of Henry Fayol's administrative function has 14 principles. It deals with the forecasting, planning, organizing, commanding, coordinating and controlling of the implementations of the national activities. It foresees and manages the financial, commercial, and technical conditions under which the countries, international community and multinational corporate must operate, by providing friendly and attractive rules and regulations to create an enabling environment for doing business in the nation's ED, (Daniel, Arthur, & John, 2002).

Luc and Jose, (2005) demonstrated that the administrative partnerships operate on the basis of their national legislation which normally grants them wide ranging powers but only within their national territories and for their own purposes. This means that administrative partnership often have to deal with bilateral, multilateral and multinational corporate activities with friendly and attractive rules and regulations.

In reference to the foundations of Henri Fayol's administrative theory by (Daniel, Arthur, & John, 2002), the implementation of the foreign development strategy is reinforced by country to enable different business activities to be achieved, therefore an improvement in the attainment of the national economic development.

2.2.6 Economic Development Theory

According to Todaro *et al.* (2009) the goal of economic development theory in its simplest form is to create the wealth of a nation. Prior to the 1970s, rapid economic development has been considered as a good proxy for other attributes of development with its performance measured by an annual increase in gross national product (GNP). The World Bank now replaces GNP per capita with gross national income (GNI) per capita to compare wealth among countries. The World Bank defines GNI as the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad.

Meanwhile, the World Bank is emphasizing on GDP and HDI as its chief principle which are considered as the major indicators of the economic development, that supports country's citizens. These indicators are a measure of well-being and development exclusively based on material wealth. Improvements in welfare such as better health care, education and more housing should improve the living standards of the nation, (World Bank, 2011) **.** Economic Development Theory by (Todaro & Smith, 2009), which the study was based on linked socioeconomic development of the nation to different indicators, especially those improving the GDP per capita, household and human development index of Country. This should be in operation supported by bilateral, multilateral and multinational corporate cooperation.

2.3 Conceptual Framework

In the conceptual framework on figure 2.1, the link between the independent variables and dependents variable supported by Mmoderating variables is outlined.

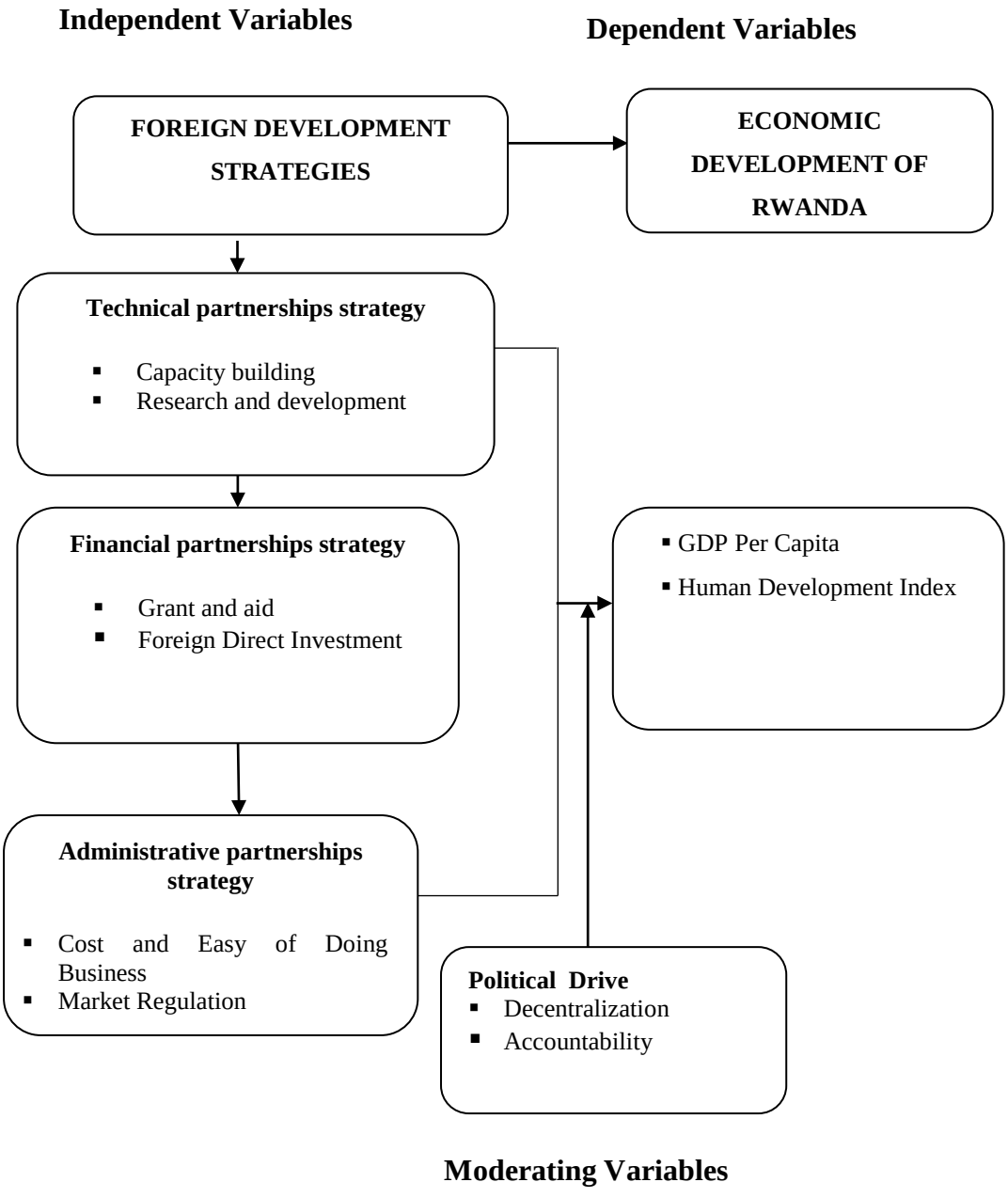

Figure 2.1: Conceptual framework

Source: Dickson, Emad *et al*. (2017) *modified by the researcher 2017*

In figure 2.1., the conceptual framework gives an overview of the types of research variables that play roles in this study. The independent variables that is Foreign Development Strategies also referred to as manipulating variable deal with all theories and practices related to the global development plans.

The linkage between these three components of Technical, financial and administrative partnership strategy is that all of them are the Foreign Development Strategies focusing to transform the Nation's economic development. These pillars of Technical, financial and administrative partnership strategy are like intertwine which means many time they are applied at the same cases and scenarios. For example, experts who have these skills and knowledge to construct tarmac road need financial aspect to get materials. Many times, facilitated to accomplish the identified project.

The researcher took into consideration different aspect by breaking down both Independent, dependent and moderating variable. Technical (Capacity building, research and development), Financial partnerships (Grants, Aids and FDI), Administrative partnerships (market regulation and Cost, easy of doing business), Economic development (GDP per capital and Human Developing index) were dependent variables while Unilateral Political Drive (Decentralization and Accountability) as Moderating Variable., (Grant, 2014).

2.4 Review of Empirical Literature

Different Knowledge and results derived from investigation, observation, experimentation and experiences were done by different researches on similar work with Foreign Development Strategies (technical cooperation, financial capital cooperation and Administrative partnerships strategy) as opposed to theoretical knowledge based on logical or mathematical assumptions to drive the study.

The question whether or not foreign development partnerships enhances to economic development and efficiency in resource used has long been debated, but still no consensus is found among researchers and policy makers. In spite of numerous studies, there is little evidence of a significant positive effect of capacity building, research and development, foreign Grant and aid, Foreign Direct Investment, Cost

and ease of doing business, Market regulation, accountability and decentralisation should contribute to the long-term growth of countries. Politically important results show that technical, financial capital and administrative partnership strategy as part of Foreign Development Strategies works better when countries' internal policies environment is conducive to their Communities' socio economic development.

2.4.1 The contribution of technical partnership strategy.

According to (Mario, Miels, Brecht, & Nicola, 2013), demonstrates that technical partnership strategy was one of the aspect on the agreements signed in Togo entitled "Lomé IV Convention and its precursors", that should improve bilateral and multilateral partnership performance and Multinational corporate of these developing sphere with the ultimate aims of promoting their economic development of manufacturing industry.

This function under the premise connecting different tangible meaning by countries, Non-governmental Organizations, governmental organization and businesses that can be achieved their results neither business can accomplish simply or profitably on its identifiable aspect. Collaborating by forming a technical or strategic alliance provides the added benefit of sharing the expertise and resources without modifying the legal business structure, (Imperial, 2005). To understand the Contribution of technical partnership strategy on economic development, different factors were considered in the study; however, only two of them only were identified such as Capacity building in one hand and Research and Development in other hand as portion of Technical partnership strategy pillars.

For Tom, (2008) USAID/Rwanda has worked in close technical partnership strategy with the Government of Rwanda (GOR) to advance the objectives outlined in its Vision 2020 and Economic Development and Poverty Reduction Strategies; over the last 10 years, annual funding to USAID/Rwanda has increased from about $48 million in 2004 to over $128 million in 2016. The bulk of the increase was due to the launch of several new U.S. Presidential Initiatives including the President's emergency plan for AIDS Relief (PEPFAR), the President's Malaria Initiative (PMI), and the Feed the Future (FtF) food security initiative. USAID/Rwanda continues to

support each of these Presidential Initiatives, as well as the Global Climate Change (GCC) initiative in its programming.

2.4.1.1 Capacity building of the Nation

The Folke et al. (2002) indicated that gender inequality remains a major barrier to capacity building and other forms of human development. The disadvantages facing women and girls are a major source of inequality.

According to (IMF report, 2003), the human and financial resources of around $100 million in 2001 to technical assistance and training were sent to support Africa on different skills and knowledge that were focused on the institution's core macroeconomic and financial areas of responsibility, in coordination with other agencies where appropriate.

World Bank group (2014) World Bank group, 2014)ranked countries with Life expectancy at birth, female; Mean years of schooling, male, 2002-2012; Estimated GNI per capita (2011 PPP$), female, 2013, Estimated GNI per capita (2011 PPP$), male, 2013 where Botswana ranked 7.9, Egypt, 2.8, S. Africa 41.1, Ghana 10.1, Congo 9.6, Kenya 19.9, Rwanda 51.9, Nigeria 6.6, Zimbabwe 35.1, Ethiopia 25.5, Tanzania 36.0 and Senegal 42.7. These were part of the classification that took these countries to the ascertain level of their capacity building and improved the economic development based on the innovative rate aspect. Countries in sub-Saharan Africa such as Ethiopia 173 and Rwanda 151 achieved the fastest growth, followed by Angola, Burundi, Mali, Mozambique, the United Republic of Tanzania and Zambia. They all had the second highest rate of progress in the capacity building and Human Development Index (HDI), which combined the achievements of their income in health and education that involved in mainstream of the technical partnership strategy aspect, (World Bank group, 2014).

Despite this mile, stone accomplishment mentioned by (Malik, 2014), shows that 585 million people in sub-Saharan Africa, the equivalent of 72 percent of the region’s population, and were living in multidimensional poverty. This group of poor people also suffers deprivation in education, health and living standards or at risk of falling

back into poverty because of the low capacity building level mark, which is destruction to the sub-continent's economic development.

For UNESCO (2015) Regional Bureau for Sciences in the Arab States and the Cluster Office for Egypt, Libya and Sudan spent US$ 105 498 from its regular budget on Capacity Building activities. This was on given different skills and knowledge on the Basic Sciences and Engineering where 37,595 Experts from these countries who received different skills and knowledge are currently assisting on improving the productivity based on the sectors of the socio economic development. Over the last three years, between 2012 and 2015, the Regional Bureau for Science in Latin America and the Caribbean has spent US$ 96 278 from its regular budget in capacity building activities for Basic Sciences and Engineering, an average of US$ 32.000 per year that increased the level of productivity in the society, (UNESCO, 2015).

In Sub-Saharan Africa the Multi-Sectoral Regional Office in Nairobi and the Multi-Sectoral Regional Office in Yaoundé have had the highest regular budget expenditures in the period 2012-2017, that is US$ 51 810 and US$ 45 189 respectively. Over the three years, this has been less than the average US$ 10 000 per year supporting different physical activity which has been improving the production, (UNESCO, 2015).

IMF report (2003) states those 3,000 official civil servants from African central banks; ministries of finance, economy, and planning; and other government agencies have received capacity-building sequences on micro and macroeconomic management supported cumulatively the level of facilities. International Monetary Fund on Monetary and Exchange Affairs provided the 34 trainings in different areas. These structural reforms for the effective conduct of monetary and exchange policy formulated and implemented these reforms: Fiscal Affairs; Creation and enhancement of institutional capacity in macro-fiscal policy management; design of structural policy reforms, and related institutional reforms, for sustainable revenue mobilization, including macro-significant inter jurisdictional issues. The result was showed by (IMF , 2015) where 98% of poverty and hunger management was

extremely achieved. The indicators of this great made target were the universal primary education, gender equity, reducing under-five mortality and maternal mortality by two-thirds and three-quarters respectively, reversing the spread physical support fight against different diseases, halving proportion of people without access to safe drinking water and ensuring environmental sustainability.

Egedy, Földi, Balogi, and Kovács, (2009) demonstrates that the returns to trainings for individuals were 13.1% in France and 6.1% in Sweden, whereas the estimated returns to the firm (productivity) for investments in training were 17.3% in France and 7.3% in Sweden. This was after investigating the effects of training and R&D on wages and productivity at the firm level in France and Sweden, which improved the countries productions and also affected its Gross Domestic Product. The Same scholars (Egedy, Földi, Balogi, & Kovács, 2009), adds that French workers obtained 30% of the returns to training and Swedish workers about 35%; the firm therefore obtained the larger returns to investments in training, although the gains to workers are also substantial;

For Dearden, Reed, and Van, (2006) shows the impact of training on labour productivity in British industries between 1983 and 1996 on productivity and wages. An increase from the average of 10% to 11% in the proportion of workers trained in an industry, value added per worker was about 0.6% and wages on 0.3%, which affected confidently their per capita and household income. The Human capital and indigenous innovation played a very important role in Portugal's economic development from 1960 to 2001 where found that 1% increase in average schooling led to 0.42% was increased in productivity of different aspect. In addition, 1% increases in the internal stock of knowledge measured by the real accumulated expenditures on firms' Research &Development depreciated at a rate of 5% per year, tended to increase productivity by 0.3%.

Egedy *et al*, (2009) assessed the magnitude of human capital spill-overs at the community level; his results were that 1 percent point increase in the supply of college graduates in an area raised the wages of high-school dropouts by 1.9%, of high-school graduates by 1.6% and of college graduates by 0.4% which could affect

the level and percentage of productivity of human capita. Taking into consideration the countries' in differing economic contexts, the results suggested that low-income countries benefited most from investments to expand primary education, with a full rate of return of 47% at this level; Middle-income country investments to expand secondary education carried by the highest overall returns at 52%. Besides, high income countries, expanding tertiary education yielded the best full returns at 20% of significance also was the finding that expanding higher education in low income countries had relatively poor social returns that suggests that the capacity to utilise technology and add value to capital investments to keep improving the level of productivity, (Psacharopoulos & Patrinos, 2018).

According to (Tom, 2008), USAID/Rwanda has worked in close technical partnership strategy with the Government of Rwanda (GOR) to advance the objectives outlined in its Vision 2020 and Economic Development and Poverty Reduction Strategies; over the last 10 years, annual funding to USAID/Rwanda has increased from about $48 million in 2004 to over $128 million in 2016. The bulk of the increase was due to the launch of several new U.S. Presidential Initiatives including the President's emergency plan for AIDS Relief (PEPFAR), the President's Malaria Initiative (PMI), and the Feed the Future (FtF) food security initiative. USAID/Rwanda continues to support each of these Presidential Initiatives, as well as the Global Climate Change (GCC) initiative in its programming. For RDB Rwanda (2015), Different trainings include those that were supported by the department of Capacity Building Funds under Rwanda Development board and others by bilateral support the Beneficiaries of 8942 in 2010; 5557 in 2011; 7858 in 2012, 3385 in 2013; and 13167 in 2014.

The level of Pre-primary education in capacity building recorded a significant increase in the number of pupils, staff, and schools. The number of pupils increased from 159,291 in 2014 to 183,658 in 2015; that of staff increased from 4,671 in 2014 to 5,386 in 2015, while that of schools increased from 2,431 in 2014 to 2,618 in 2015. The Net Enrolment Rate increased from 13.3% in 2014 to 14.2% in 2015, while the Gross Enrolment Rate increased from 17.5% in 2014 to 20.2% 2015 and thus achieving the 2014-2015 ESSP target, (Mineduc, 2014).

The actual number of children enrolled in primary schools in 2015 increased by 2.1%, and the increase was generally observed all over the country; The Gross Enrolment Rate increased from 134.3% in 2014 to 135.3% in 2015, while the Net Enrolment Rate increased from 96.8% in 2014 to 96.9% in 2015. Enrolment decreased from 565,312 in 2014 to 543,936 in 2015 at this level leading to a reduction in both Gross Enrolment (40.7% in 2014 to 38.0% in 2015) and Net Enrolment Rates (35.7% in 2014 to 28.3% in 2015). On the other hand, Repetition and Dropout rates in Lower and upper Secondary did significantly improve from 14.4% in 2014 to 5.7% in 2015 in lower secondary, and from 5.9% in 2014 to 2.5% in 2015 in Upper Secondary, (Mineduc, 2014).

Tomaszewski, Vodacek, Parody, and Holt (2015) the number of students in Technical and Vocational Education Training (TVET) was increased from 93,024 in 2014 to 94,373 in 2015, with an increase of 1.5%. However, a decrease of 2.9% in enrollment was observed in only Vocational Training Centers. The participation of female trainees was still low compared to that of male, which is 7,913 and 13,024 in 2015 respectively. Compared to Tertiary Education of last Academic year of 2013, the enrollment declined during 2014/15 and the participation of female in capacity building was still lower than that of male, especially in Public Tertiary Institutions. The number of Tertiary Institutions reduced from 45 institutions in 2012/2013 to 44 institutions in 2014/2015 due to the merger of five colleges/schools into the University of Rwanda. Furthermore, four newly established institutions were added to the number of Private Tertiary Institutions. In general, the number of Adult literacy centers in capacity building, learners and instructors decreased in 2015. Centers reduced from 4,602 in 2014 to 4,313 in 2015, learners declined from 112,656 in 2014 to 95,829 in 2015, and instructors from 5,571 in 2014 to 540 in 2015, (Smith-Greenaway, 2015).

For Mineduc (2014) the heavy focus on the provision of vocational training at the coaches and seminary level was increased by 78 percent. This included enhancement of the different discipline capacity building activities; 38 percent were short term vocational training, 39 percent focused on long term vocational training, 14 percent on developing human resource management, one percent on academic training, while

eight percent was unspecified. The enterprises took 23 percent, developing organizational strategies 11 percent, while two percent went to purchase of equipment.

Since the first years of the 2000s, Rwanda's research and publishing activity started to grow rapidly, at an average 26 per cent growth rate each year. The growth from dual-digits to a record number of 350 publications in 2016 also steadily improved Rwanda's regional ranking in Africa from 43/53 in the late 1990s to 24/53 in 2014, (Inge, 2017).The administrative reorganization and the statutory time limits reduced the time required to transfer property by 346 days from more than a year in 2004 to less than a month, and the changes in the transfer fees reduced the cost from 10.3% of the property value to 5.6%, (Inge, 2017). The Increased export earnings based on the capacity building were driven by stable and rising prices for major exports such as coffee, tea and minerals, which together comprised 74.8% of export earnings in 2011. Implementation of the mineral certification program, which facilitated the export of previously stocked minerals following the Dodd-Frank Act, strong informal cross-border exports and a recovery in tourism also contributed to higher export earnings, (MINICOM, 2011).

Imports also increased, with rising imports of consumer goods, intermediate goods (mainly construction materials and industrial products) and fuel, (MINICOM, 2011). In 2011 versus 2010, exports of goods increased by 52.8% from USD 253.7 million (US dollars) to USD 387.7 million. Imports increased by 17.3% to USD 1.63 billion in 2011 from USD 1.33 billion the previous year, deepening trade deficit to 16.6% of GDP, up from 14% in 2010. Tourism receipts increased to USD 251 million in 2011, a 25.5% increase from 2010, (MINICOM, 2011).

According to AfDB Group, (2014) Rwanda Establishments Census, 90.8% of Rwanda's workforce was employed in the private sector. Over 123 000 small and medium-sized enterprises (SMEs) operated in the private sector, accounting for 98% of all businesses and 84% of private-sector employment. However, 88% of these SMEs are informal and, as such, their contribution to tax revenues remains minimal (less than 2% in 2009/10).

For Stulac et al. (2015) Rwanda is the third placed with 68.2 index value, behind Morocco (1st), and Tanzania (2nd) with 71.6 and 68.8 index values, respectively. The 2014 report also signifies that only 7% of ministries and 10% of districts managed to elaborate a comprehensive gender situation analysis backed by sex-disaggregated data. Whereas, 72% of ministries and 50% of districts did not manage to support the elaborated gender situation analysis with sex disaggregated data, which is another sign of gap in gender mainstreaming and analysis.

2.4.1.2 Research and Development on the Nations

According to Bayarcelik and Taşel, (2012) the elasticity associated with own-returns to Gross Domestic Product in a state to Research &Development brought out 83% and 213%. This respectively increased slightly after 1993 and a constructive R & D across states in the long run: on average, of 77% of the total Gross Domestic Product created from Research &Development investment spills over to other states that improve the level of productivity.

For Bayarcelik and Taşel, (2012)The sources of economic development in US include education, Research &Development, health, world population growth and related factors explain about 80% of US economic development while 20% of growth is result of world population expansion.

Tucker-Drob, Cheung, and Briley, (2014) a growth rate of output per person of 2.5% per year doubles average living standards in 28 years about one generation whereas output per person growing at what seems a modestly slower rate of 1.5% a year leads to a doubling in average living standards in about 47 years roughly two generations. The Eurostat, (2015) demonstrates how European Union spent over €300 billion on Research & Development (R&D). The Research & Development intensity, i.e. R&D expenditure as a percentage of Gross Domestic Product, remained stable at 2.03% in 2015; Ten years ago (2006). With respect to other major economies, R&D intensity in the EU was much lower than in South Korea (4.23% in 2015), Japan (3.29% in 2015) and the United States (2.79% in 2015), while it was about the same level as in China (2.07% in 2015) and much higher than in Russia (1.10% in 2015) and Turkey (0.88% in 2015). In order to provide a stimulus to the EU's competitiveness, an

increase by 2020 of the Research & Development intensity to 3% in the EU is one of the five headline targets of the Europe 2020 strategy. The business enterprise sector continues to be the main sector in which Research & Development expenditure was spent, accounting for 65% of total Research & Development conducted in 2016, followed by the higher education sector (23%), the government sector (112%) and the private non-profit sector (1%), (Eurostat, 2015).

Freimane and Bāliņa, (2016) showed that The Research and Development expenditures as Percentage of GDP in the European Countries was classified on the period of 2000up to 2o15, Sweden 4.00, Finland4.00, Denmark 3.00, Germany 3.00, Austria 3. 76, France 3.00, Belgium 3.00 The Netherlands 2.50, Slovenia 3.00, The United Kingdom 1.63, Luxembourg 2.30, The Czech Republic, Ireland, Estonia, Spain, Italy1.23, Portugal 2.00, Hungary 1.53, Lithuania 2.70, Poland1.80, Greece1.90, Slovakia1.70, Malta 1.21, Latvia 1.20, Bulgaria 2.00, Romania1.50 and Cyprus 0.50 which supported on the economic development success. The five countries with the highest level of Research & Development expenditure that share Gross Domestic Product in the period of analysis were Sweden, Finland, Denmark, Germany, and Austria (Freimane & Bāliņa, 2016).

The Countries with relatively low Research and Development intensity in the explanation above are generally less developed than those that spend a lot, although some of lower R&D spenders had high Gross Domestic Product growth rates during the recovery period after the recent crisis. Generally, between 2000 and 2007, the EU 27 followed a relatively stable trend of 1.8 % in gross domestic expenditure on Research and Development as a percentage of Gross Domestic Product (Guevara, et al., 2015).

Since then it has grown marginally. This was due to the combined effects of the crisis on Gross Domestic Product growth and an increase in nominal government Research & Development spending to combat the long-term impacts of the crisis. The reasons for the increase between 2007 and 2009 include Gross Domestic Product falling more rapidly than overall Research & Development expenditure and the actions taken by individual EU member states to step up public Research &

Development investment (Guevara, et al., 2015). Between 2010 and 2013, Research & Development rates had grown, but for almost all countries remained far from their national Research & Development targets under Europe 2020.

The, UNDP,(2015) demonstrated that the 130 million US dollars were contributed by japan on the purpose of promoting research and development set by United Nations Development Programme on fighting against drugs against Neglected Tropical Diseases (NTDs) which are affect the negatively the socio economic development of different countries by decrease their GDP per capita and Human development index as indicators of economic development.

Eurostat, (2015) the Member States of the European Union (EU) spent all together around €283 billion on Research & Development (R&D). The Research & Development intensity, i.e. Research & Development expenditure as a percentage of GDP, stood at 2.03% in 2014, the same as in 2013. Ten years ago (2004), Research & Development intensity was 1.76%. With respect to other major economies, R&D intensity in the EU was much lower than in South Korea (4.15% in 2013) and Japan (3.47% in 2013) and lower than in the United States (2.81% in 2012), while it was about the same level as in China (2.08% in 2013) and higher than in Russia (1.15%). In order to provide a stimulus to the EU's competitiveness, an increase by 2020 of the R&D intensity to 3% in the EU is one of the five headline targets of the Europe 2020 strategy. The business enterprise sector continues to be the main sector in which R&D expenditure was spent, accounting for 64% of total R&D conducted in 2014, followed by the higher education sector (23%), the government sector (12%) and the private non-profit sector (1%), (Eurostat, 2015).

For. Chou, (2006) Demonstrated that the growth of Australian per capita income is not totally due to factor accumulation but also due to enhancing efficiency of transformation of inputs into outputs. A 28% of growth was due to educational attainment and 27-57 % due to research intensity in Australia as well as in G-7 countries. The education, health and related factors explain about 80% of US economic development while 20% of growth is result of world population expansion. (Bayarcelik & Taşel, 2012), most African countries are characterized by high income

inequality whereby several million citizens are placed in extreme poverty that as a result, inequality further augments the adverse effect of market and policy failure on economic development that affect negatively the human capita productivity. This contend that African continent losses about 73,000 professional personnel annually, and currently over 41,000 of its Ph.D. holders are living in Europe, Canada, or the United States. Based on the low level of the research and development available in Africa continent, the industrial sectors contribution is minimal with about 13% comparative to the two dominant sectors; this indicates significant structural weakness of the economy and Employment opportunity for urban youth is directly related to the development of the industrial sector of the economy, (UNEC, 2011).

Zoogah, Peng, and Woldu, (2015) the low level of development in the industrial sector of the economy therefore is one of the major issues that explain urban youth unemployment problem. In addition, maximizing the use of scare resources is evidently a useful criterion for resource development in African countries; however, such strategies usually do not take cognizance of the environmental and social disruption created the negative externalities or the environmental problems resulting from the maximization of resources used.

According to (Government of Rwanda report , 2001), shows Agriculture employs almost 80 percent of the population, accounting for more than 40 percent of gross domestic product (GDP) and more than 70 percent of exports. Apart from unexploited gas reserves beneath Lake Kivu, Rwanda is poorly endowed with mineral resources. Research and development expenditure in Rwanda was reported at 0.08% from 1995. For endogenous growth theories, innovations are one of the key drivers of economic development in Rwanda. To boost innovations and technical progress in Rwanda, country spent money on Research and Development where expenditures on research and development exceed 2% of GDP. Moreover, private business corporations covered about 70-75% of R&D expenditures.

For Danielle, (2014) showed that fertility in Rwanda has declined between 2005 and 2010. While fertility dropped across all cohorts (except for the youngest cohort), the decline has in relative terms been most pronounced for younger cohorts. Between

2005 and 2010, cumulative fertility declined by 20% for the 20 to 29 age group, compared to 9% for the 35 to 49 age group; also found that increased levels of female education explain the largest part of the fertility decline, accounting for slightly over one fifth of the drop. Rwanda's HDI value for 2013 is 0.506 in the low human development category positioning the country in 151th place out of 187 countries and territories. Between 1975 and 2013, Rwanda's HDI value increased from 0.242 to 0.506, an increase of 109% or an average annual increase of about 2.87%.

Over 90% of Rwanda's workforce is employed in the private sector. Small and medium enterprises (SME) account for 98% of the estimated 123 000 businesses operating in the country and provide 84% of private sector employment. However, only 14 000 firms are registered with the Rwanda Revenue Authority, 40% of which are registered for value-added taxes and merely 11% for income taxes. Key impediments to private sector development include the high cost of energy and transport, as well as poor business planning and management skills, particularly in SMEs. A private sector development strategy was adopted in 2013 to facilitate investment, job creation and growth in the private sector, (ADB, 2014).

UNDP, (2015) human development index for Rwanda was on 0.5 score. Human development index of Rwanda increased from 0.26 score in 1996 to 0.5 score in 2015 growing at an average annual rate of 3.52 %. Since 2001, there has been a deliberate effort to build the capacity of agricultural researchers in Rwanda. The Agriculture Science and Technology Indicators (ASTI) initiative, which is led by the International Food Policy Research Institute (IFPRI), has the most complete internationally comparable database on agricultural R&D investments and capacity for developing countries. Table 27 shows the data collected by ASTI on Rwanda, (World Bank group, 2014). The number of public agricultural researchers in Rwanda grew significantly during 2008–2011. Moreover, the number of FTE researchers qualified to the PhD level increased from 13 to 22, while the number qualified to the MSc level more than doubled, (ADB, 2014).

Omowunmi, (2012) the percentage of Rwandans living in poverty has decreased from 60.4 percent in 2000-2001 to 56.9 percent in 2005-2006; As a result of the country's high population growth rate, this progress has been overshadowed by an increase in the absolute number of people living in poverty, increasing from 4.8 million to 5.4 million persons during the same period. Poverty in Rwanda is mainly a rural phenomenon: while the population is 83 percent rural, 92 percent of the poor live in rural areas.

Mineduc, (2014) the majority of female engaged in Research &Development were 56 percent followed by Technicians and Equivalent Staff with 28 percent and lastly Support Staff count to 16 percent Of the all-female in Research &Development personnel. Research &Development Personnel employed in Government sector, belongs to (Bachelor's holders with 39 percent and Master's holders with 36 percent); the Research &Development Personnel with Doctoral degree are represented at 10 percent. Almost 132 Research &Development Personnel by Qualification are equivalent to 48.5 devoting their full time in Research &Development activities during the year of 2013/2014. Research &Development personnel with Master's or equivalent level (47) are equivalent to 21.7 Research &Development personnel devoting their full time in Research &Development activities during the year of 2013/2014. Personnel with Short-cycle tertiary education (10) are equivalent to 2.0 personnel devoting their full time in R&D during the year of 2013/2014, (Mineduc, 2014).

According RST, (2014), the numbers of 11 researches in Natural Science, 5 researches in engineering and Technology, 34 researches in Medical and Health Sciences, 7 researches in Agricultural Sciences, 11 research in Social Sciences and 10 researches on Humanities were conducted in terms of Research &Development. It can easily observe that 34 Research &Development conducted their research activities in Rwanda. Referring to the national report of Rwanda Demography Health Survey 2013-14 (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016), the national Gross Domestic Product was equivalent to five, 136 billion. The percentage of GOVERD was 0.0360 distributed in three types Research

&Development as follow: Basic Research took 0.0237 percent; Applied Research took 0.0118 percent whereas Experimental Research took 0.00044.

In Natural Sciences, there are 50 Researchers and developers representing 17 percent, in Engineering and Technology. There are 33 Researchers and developers representing 11 percent, in Medical and Health Sciences, there are 32 Researchers representing 11 percent, in Agricultural Sciences, there are 46 Researchers, developers representing 15 percent, in Social Sciences, there are 102 Researchers representing 34 percent, and in Humanities, there are 38 Researchers and developers representing 13 percent. In Higher Learning Institutions HLIs, Research &Development activities are mostly performed in Social Sciences. In Rwanda, private Higher Learning Institutions HLIs represent the majority of Higher Learning Institutions, (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016) .In Higher Learning Institutions HLIs, a big amount of money devoted to Research &Development is almost coming from foreign countries. During the reference year 2013/2014, that amount of money was approximately to FRW 2,796,139,795, (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016) . Official Development assistance, which ranges from $400 million to $500 million annually, currently covers more than half of the Government of Rwanda budget and most of their capital investment budget.

The fourth Rwanda population-housing census (Government of Rwanda , 2011) shows that the population of Rwanda is 10,515,973 residents, of which 52% are women and 48% are men. The average annual growth rate is 2.6%. The population of Rwanda is still largely rural with 83% living in rural areas. The population density in 2012 was 415 inhabitants per square kilometre. It is the highest density compared to neighbouring countries namely Burundi (333), Uganda (173) and Kenya (73).

Over the last 26 years, Rwanda's Human Development Index (HDI) has increased by over 103 percent from 0.244 to 0.498 and life expectancy has increased by 31.3 years to 64.5 years. This has improved Rwanda's Human Development Index ranking to 159 out of 188 countries globally and 27th in Africa. The improvement in Human Development Index is attributed to several factors, one of which is the concerted

efforts to eliminate gender inequality. The Mo Ibrahim Index 2016 ranks Rwanda 1st in Africa in terms of absence of gender discrimination and the 2016 Global Gender Gap Report ranks Rwanda 5th in the world and 1st in Africa, (M. O. Ibrahim, 2015).

According to NISR, (2012), the main indicators used in the Human Development Index calculation have improved significantly, and between 1978 and 2012, life expectancy at birth in Rwanda increased from 46.4 years to 64.5 years, while mean years of schooling (MYS) was 11.3 years. Rwanda's Human Development Index value for 2015 is 0.524 that put the country in the low human development category positioning it at 158 out of 189 countries and territories. Between 1990 and 2017, Rwanda's Human Development Index value increased from 0.250 to 0.524, an increase of 109.6 percent, (M. O. Ibrahim, 2015).

The largest share of funding in Research &Development activities is equivalent to FRW 1,986.447,523 and equal to77 percent funded from foreign funds followed by own funds with FRW 466,063,235 equivalent to 2 percent. The total Gross Domestic Expenditure (GERD) in PNPOs sector in 2013 by Type of Costs counted to FRW 2,586,786,953 distributed in different type of cost. These were labour cost of Research and Development Personnel expenses with FRW 1,380,405,656equal to 53 percent of the Total Research &Development expenditure by type of costs; other current expenditure with FRW 477,090,9443 equal to 18 percent; followed by computers and related equipment with FRW 286,714,986; vehicles equal to 11 percent, (NISR, 2015). The percentage of current Intramural Expenditure by Type of Research &Development in the total Intramural Expenditure is 72 percent. In current intramural expenditure by type of R&D, Basic research FRW 896,759,141.09 equals to 48 percent; applied research FRW 612,829,877.11 equals 33 percent whereas Experimental development contributes to Franc Rwandan 347,907,581.80 equals to 19 percent, (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016).

The total Private-non-profit-sector-intramural expenditure on Research and Development performed on the national territory during 2013 is FRW 2,586,786,953. Considered the national GDP of that exact time which was equal to 5,136,000,000

Franc Rwandan in (2013); the big portion of Research &Development expenditure was allocated to basic research at Rwandan francs 1,052,432,959.79 (41 percent). This was followed by applied research at Rwandan francs 1,020,182,694.11 (39 percent), whereas in experimental development the expenditure was at FRW 514,171,299.10 (20 percent), (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016). The contribution of the total Private-non-profit sector- intramural expenditure on research and development by type of research to the GDP was 0.05 percent. The highest contribution on GDP was done in basic research with 0.025 percent, followed by applied research with 0.0109 percent; the last was experimental development with 0.01 percent, (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016).

For (FAO , 2016), The Agriculture sector in Rwanda was occupied almost 79.5 percent of the labor force and generates more than 45.0 percent of the country's export revenues. The services sector established itself as a second growth engine, registering double-digit growth between 2004 and 2008-albeit from a very low base-before being affected by the global slowdown. (Kristina, 2014), Rwanda's GNI per capita increased by about 40%. Improvements in health resulted from the construction of more health facilities and expansion of existing ones, widespread distribution and increased use of insecticide treated mosquito nets, increased coverage of immunization against killer diseases, near universal access to medical insurance, increased coverage of clean drinking water and improved hygiene practices. For instance, access to health care increased from 31% in 2003 to 95% in 2010.

NISR, (2015) stated that nearly all mothers (98%) received antenatal care (ANC) from trained personnel. The contraceptive prevalence rate was 45% in 2010, and over 90% of children have received vaccination services. 88% of the resident population had a medical insurance.

2.4.2 Contribution of financial partnership strategy.

The Financial partnership strategy was played a vital role by Countries, Intergovernmental, non-government organizations and Multinational corporate by

providing Grant and aid, donation, loan and encourage Foreign Direct Investment to support countries' socio economic development of a country like tourism, Infrastructure, Agriculture, health, education and good governance and Military component. In addition, in the private sector such as financial institutions (banks and Insurances), in businesses (multinational and transnational), (Spillane, James, Tim, & John, 2003).

2.4.2.1 Grant and aid of the Nations

In principle, Narlikar (2003) found that, all real resource transfers from one country to other should be included in the Grant and aid of the Nations. For one element, many resource transfers can take disguised forms, such as the granting of preferential tariffs by developed countries to third world exports of manufactured goals. This permits from developing countries to sell their industrial products in developed country markets at higher prices than would otherwise be possible. (Ted, 2011), illustrated that the United States provided an assistance to 47 African countries through its Agency for International Development (USAID) that has 23 missions in Africa. In recent years, U.S. assistance to Africa saw a major increase, especially in health-related programs; Aid to Africa quadrupled from $1.1 billion in FY2006 to nearly $8.2 billion in FY2009 and in FY2010, and Africa received an estimated $8.09 billion and $6.9 billion in FY2011, which assisted on increasing the economic development of African countries.

For David *et al.* (2006) demonstrates that through a donor-backed national community-based health insurance system, Rwanda provides near-universal health coverage for basic primary care, with the cost fully or partially subsidized based on income level.49 as of 2015. About 39% of Rwandans reportedly lived below the poverty line, compared to 56% in 2006 and 78% in 1994.50. Some researchers have questioned the reliability of Rwanda's poverty statistics, noting that they are based on household-level survey data and may be subject to interference; the World Bank has rejected some of this criticism, asserting that Rwanda's official statistical methodology "is technically sound.

Obligations for sub-Saharan Africa projects under the DFA reached $846 million in FY1992, but dropped well below $800 million in subsequent years despite efforts by some members to increase the DFA appropriation to $1 billion or more, (Raymond, 2005). Congress last earmarked the DFA in the FY1995 appropriations legislation, when $802 million was appropriated, and DA for Africa has since been provided through the worldwide Development Assistance (DA) account. In FY2009, Africa received $876.6 million, and is expected to receive $1.07 billion in FY2010 in Development Assistance $1.01 billion for FY2011, (Ted 2011). The United States was a leading humanitarian donor in the period of FY1999 to FY2009, the where provided over $10.1 billion to East and Central African countries and an estimated $2.2 billion to Southern Africa countries. In FY2010, (Ted, 2011).

The African Development Foundation (ADF) has a unique mandate to make small grants directly to African cooperatives, youth groups, and other self-help organizations that usually range from less than $20,000 to a maximum of $250,000, which assisted African citizens, increased their per capita and improved the Human development index. For FY2006, the African Development Foundation received $22.7 million in the Foreign Operations Appropriations, In FY2008, received $29.7 million, in FY2009 $32.5 million and $30 million in FY2010, $30 million for FY2011 and $24 million for FY2012 all were assisted on the socio-economic development of Africans, (Ted, 2011).

The Koch *et al.* (2015) confirmed that the total millions of dollars provided under U.S. Bilateral Assistance to Africa. This was $7,037,409 in 2008 to $7,797,264 in 2012, considered in different aspects Grant and aids such as Development Assistance spent $678,352 from 2008 and $1,166,336 in 2012, Economic Support Fund $283,249 in 2008 and $618,549. Foreign Military Financing 6,757; Global Health and Child Survival State 18,793; Global Health and Child Survival State3, 295,550 3,774,390; Global Health and Child Survival USAID 746,073 1,605,581; International Military Education and Training13,779 15,500 were in inclusion. Besides, Int. Narcotics Control and Law Enforcement 31,642, 43,250 Non-proliferation, Antiterrorism, Demining and Related Programs27,512 43,250; Refugee and Migration Assistance Fund 320,000 420,000; Peacekeeping Operations 130,222

154,150 and Food for Peace 1,823,273 that were impacted the socio economic development the Human being aspect.

Leading U.S. Assistance Recipients in Africa ($ in millions) on the period of 2008 to 2012 were Uganda 389.7 to 527.7, Kenya 634.4 to 751.4, South Africa 574.2 to 571.1, Nigeria 496.4 to 660.4, Zambia 293.5 to400.7, Ethiopia659.1 to 608.3, Tanzania361 to 571.8, Sudan 666.3 to518.2, Mozambique 284.3 to 424.5, Somalia 161.1 to 82.3, and Liberia157.8 to 211.4. Rwanda108 to241.3, Namibia79.5 to 99.6, Botswana59.6 to 71.8, Mali 161 to 171.7, Dem. Rep. Congo 80.8 to 261.8, Ghana 105.9 to 204.5, Malawi 57.8 to 201.6, Senegal100.8 to 119.8, Côte d'Ivoire57.6 to142.4, Madagascar 42.2 to 78.8, Angola14.2 to 72.8, Guinea29 to13.6, Benin82.6 to 29.1, Zimbabwe5.1 to 109.9, Djibouti22.8 to 7.3, Sierra Leone 22.7 to 22.7 and Burundi 37.6 to 37.6 that affect positively these countries' targets, (Amitava, 2013).

Sara M. (2008) demonstrated how $600 million received on multi-year by the Africa Education Initiative (AEI) helped increase access to quality basic education in 39 countries of Africa and more than 15 million textbooks have been provided, 550,000 scholarships were given to African girls in primary and secondary levels that assist to ensure the countries sustainable growth. The Different activities of socio economic development such tourism sector, infrastructures, health, education sectors were improved in 2015, when Rwanda received a grant of more than $ 1 billion in Official development assistance, equivalent to 1/8th of its GDP, (World Bank, 2011).

For World Bank (2011) Recurrent Budget Grants and Loans (million $US) in the period of 2001 to 2003 were DFID 12.98 to 10.22, EU 12.21 to 12.50, Sweden 1.03 to 0.95, Bilateral (demobil) 3.81 to 18.34, HIPC Initiative 10.70 to18.34, HIPC Initiative 10.70 to Loans 0 to 0, World Bank 13.98 to 10.00 and World Bank (demobil) 1.69 to 4.00. this was used to pay attention on building the green economy of the receives countries. As much as 88% of the development budget is financed by donor funds. Of the donor funds, 40% are multilateral, 49% are bilateral, and 11% are from non-governmental organizations (NGOs). Shows that quite a large number of bilateral give capital grants, but the main supporters are again the World Bank, the

United Kingdom and the European Union on the increasing the socio economic development of countries

According to Minecofin (2006) the total amount of US$ 984.9 million in 2014/15 from both traditional and non-traditional sources that were disbursed to 275 projects. The three major financers were the WB, USA and AfDB, which together provided 51% of the total to ODA. In terms of the number of projects, the patterns have remained largely similar to those observed in the 2014/15 fiscal year. A large number of projects have been registered by the UN system represented by seven agencies reported to DAD-Rwanda, including One UN Fund, IFAD and GEF. The US has been traditionally reporting at the program level hence a small number have been recorded under the category "number of projects". Large multilateral agencies, including international financial institutions the World Bank and African Development bank groups have disbursed their funds to 23 and 22. The Official Development Assistance (ODA) has been a major part of external development finance received by Rwanda in the past two decades. It has to a large extent contributed to the implementation of an inclusive poverty-reducing growth model of the country, which has yielded, inter alia, a stable average economic development rate of 8-9% on average, reduced the poverty rate from 60.4% in 2011 to 39.1% in 2014.

Additionally, improved governance, better management of public finances, a strengthened private sector and an enhanced investment climate has led to the continuous growth of foreign private investments over the past decade, complementing public resources for development. Having demonstrated an extraordinary performance in management of large amounts of ODA in the past, the Government of Rwanda (GoR) has documented remarkable in improving its effectiveness. One evidence of this is Rwanda's high score 4.0 of the World Bank's Country Policy and Institutional Assessment (CPIA) index in 2015, compared to average of 3.2 across Sub-Saharan Africa, (Minecofin, 2014). The GoR has applied efforts to reduce the reliance of the Rwandan economy on aid, which resulted in a decrease of ODA/GNI ratio - from close to 18.5% in 2000 to 11.0% in 2015, thus proving that "aid is truly effective if it progressively put itself out of business"3.

Table 1 below illustrates the dependency of economy of Rwanda on ODA compared with other countries with comparable income and similar geographic stance, (Minecofin, 2014).

The Economic Development and Poverty Reduction Strategy 2013-2018 (EDPRS II) of Rwanda is the main framework that guides the allocation of financial resources, including external resources, to development priorities of the country. Its overarching goal is "Accelerating progress to middle income status and better quality of life for all Rwandans through sustained average GDP growth of 11.5% and accelerated reduction of poverty to less than 30% of the population". The recent interim review of EDPRS II (4) shows, that 40.7% of mid-term targets have been achieved, 14.8% are on track, and the remaining 44.4% are either on watch or on lagging behind, (Minecofin, 2015).

Rwanda claimed that grants to Rwanda between 1971 and 2011 had totalled US $170 million and that the total since 2004 was about US $115 million, invested in 39 projects Since 2011/12 DA has increased dramatically as the Government has negotiated concessional loans to invest in major infrastructure projects, (Eyakuze, Salim, & Hersi, 2012). The (OECD, 2015), data shows that Rwanda received funding from the Global Environmental Facility with the first grant in 2002 and consistent and increasing funding since 2009 rising from US$ 1.33 million to US$ 3.1 million in 2014. More recently funding has been provided by the Green Global Growth Initiatives - US$ 0.53m in 2013 and US$ 0.42m in 2014.

For OECD (2015) Aid for Trade has increased significantly since 2006/8 both in absolute value and as a proportion of ODA, as have other official flows; Between 2006/08 and 2013 ODA decreased by 0.6 per cent but Aid for Trade increased by 124 per cent. At the same time OOFs increased by 1190 per cent and Troofs by 103.48 percent; In 2013 Troofs accounted for 15.8 per cent of total DA for trade compared with 0.4 per cent in 2006/08.

Pamela *et al* (2016) stated that the main Development Partner providing Aid for Trade are European Union Institutions (24% of total), the World Bank (13% of total), the United Kingdom (12% of total), Japan (12% of total) and the US (10% of total).

Aid for Trade goes mainly to Agriculture, Forestry, Fishing, Transport and Storage, nevertheless the largest proportionate increase between 2006/08 and 2013 was in Energy Generation Supply. One Assessing Aid for Trade programme funded by a traditional also involves South-South cooperation. Under the Supporting India Trade and Investment for Africa programme, the International Trade Centre is working with the EXIM Bank of India to support Rwanda to build capacity to provide export credits and insurance and working with exporters to group small farmers into groups. Rwanda claimed that grants to Rwanda between 1971 and 2011 had totalled US $170 million and that the total since 2004 was about US $115 million, invested in 39 projects Since 2011/12 DA has increased dramatically as the Government has negotiated concessional loans to invest in major infrastructure projects, (Pamela & Roger, 2016).

The collected stock of foreign private capital increased threefold between 2008 and 2013, from US$315.7 million to US$1,404.1 million; FDI made up 59.7 per cent, other investments 34 per cent and portfolio investments 6.3 per cent; The main sectors of investment were ICT (40%), finance, insurance (20.4%) and manufacturing (14.6%), (RDB, 2014).

According to Minicofin (2015) the total volume of public resource received in 2015/16 fiscal year was US$ 984.9 million presenting 8% increase from the volume of the previous year. Thereby, flows from bilateral donors have slightly increased (1.2%), flows from IFIs and multilaterals have decreased by 6.2% and 7.3% respectively and the UN ODA has decreased for about 30% compared to 2014/15 fiscal year. Non-traditional assistance has also decreased by nearly 16% in the period under review. As much as 88% of the development budget is financed by donor funds. Of the donor funds, 40% are multilateral, 49% are bilateral, and 11% are from non-governmental organizations (NGOs). Shows that quite a large number of bilateral give capital grants, but the main supporters are again the World Bank, the United Kingdom and the European Union.

The development of government expenditure composition is largely influenced by the PRSP process and its priority sectors, which most clearly is reflected in the increase of expenditures on education and health; the agricultural sector is also a priority sector, since nearly 90% of the population are dependent on that sector. Expenditures on military activities have been significant throughout the period due to internal conflicts and the military involvement in the Democratic Republic of Congo (DRC). This expenditure is however predicted to decline along with increased security in the country and the withdrawal of troops from the DRC, (AfDB Group 2014).

For AfDB Group (2014) the African Development Bank's portfolio of USD 288.2 million in the past three fiscal years (2012-2015) in Rwanda has been allocated to the Private and Youth Employment sector (33%), WATSAN (21%), Transport (17%) and Agriculture (13%). The Financial Sector and the Energy Sector have each received 7% of the total. The Division of Labor sectors of the ADB are Transport, Energy, Financial Sector, WATSAN and PSDYE. The analysis of ADB's portfolio in terms of assistance type was done earlier in the report.

The Health, Education sector and Social Protection together have attracted as much as 44% of the total donor funds; the health sector appears to be the largest consumer of development finance with disbursements of US$ 228.1 million, followed by Agriculture with US$ 152.8 million. Disbursements to Infrastructure Sectors Energy, Transport, and Water and Sanitation – have amounted to US$ 213.7 million, constituting a share of 21% of the total. The smallest volumes of investments in 2015/16 have been made in Information Communication and Technology, Urbanization, Justice and Financial sectors US$ 2.5, 8.8, 13.5 and 13.6 million respectively.

Minicofin (2015) illustrated that the total official development assistance to Rwanda in 2014 was 1, 1045.36 million US$. In 2000, virtually 100 per cent of funding was from traditional development partners; by 2005, it had fallen to 94 per cent, by 2010 to 85.3 per cent and in 2014 it stood at 82.6 per cent. The Official Development assistance as a proportion of Gross National Investment peaked at just under 24 per

cent in 2004 and stood at just over 13 per cent, with the DA from traditional DPs declining from 22.8 per cent of Gross National Investment. This went to 11 per cent and that from non-traditional DPs increasing from one per cent to just over two percent over the same period.

(Jones *et al* (2014) demonstrated that the total of Grant and aid in 2014 non-traditional Development Partner has provided about 17 per cent of Development assistance to the Government sector. The Global Fund and South Korea participate in the mutual accountability mechanisms but the Government regards China and India as more like investors than Development Partners.13 The largest non-traditional donor is the Global Fund, which accounted from more than three quarters of non-traditional Development assistance between 2009 and 2013. China was the second largest, contributing 13 per cent, with India and Korea both providing about five per cent

The Global Fund has been working in Rwanda since 2003. Between 2003 and 2015, it disbursed US$ 1,020,179,189 to five programs: Human immunodeficiency virus/ Acquired immunodeficiency syndrome; Tuberculosis, Malaria, tuberculosis/ Human immunodeficiency virus and Health System Strengthening. In 2014, under a new agreement, Rwanda was allocated a grant of US$204 million for partially funding of the implementation of the Strategic Plan for Human immunodeficiency virus 2013-2014 as Short bowel syndrome rather than as project funding, (Jones, Robert, Swiss, & Liam, 2014).

Belgium's aid portfolio in Rwanda was on USD 101.9 million in the past 3 fiscal years of which USD 25.49 million were disbursed in FY14/15) was primarily allocated to the Health sector (43%), followed by Agriculture (18%) and Education (14%), (Minecofin, 2014). Both Governance and Decentralization and Energy follow each other closely with 9% and 8% respectively of the total Belgium ODA in the past three fiscal years. It should be noted that Agriculture is not among the Division of Labor sectors for Belgium. These are Health, Energy and Governance and Decentralization with agreed provision of Sector Budget Support in Education and Justice, reconciliation, and law and order, (Minecofin, 2014).

The EU's portfolio in Rwanda of USD 260.7 million for the period 2012-2015 of which USD 50.81 million was disbursed in FY14/15, was allocated to the Transport Sector (33%) and General Budget Support (33%), followed by Social Protection (18%) and Agriculture (8%). Less than 5% of the EU's aid has been allocated to 5 sectors, namely Governance & Decentralization, Justice, reconciliation, law &order, Energy, ICT and WATSAN, (Minecofin, 2014). it demonstrates that Germany invested USD 80 million of which USD 35.83 million in FY14/15 primarily in the Governance and Decentralization sector (48% of its total portfolio), followed by Energy (14%), Education (11%) and Public Financial Management (10%). Other sectors where the allocation is above 5% are Health (7%) and Private Sector Development and Youth Employment (6%) and its agreed Division of Labor sectors are Education, Private Sector and Youth, Governance and Decentralization, as well as being a silent partner in Public Finance Management and Financial Sectors.

The total disbursements of development partners in the fiscal year 2015/16 were US$ 984.9 million, of which traditional ODA amounted to US$ 932.7 million, and non-traditional US$ 52.2 million. Traditional ODA recorded on budget was US$771.5 million and non-traditional US$69.4 million. External resources traditional and non-traditional together contributed to 35% of the state revenue and financed 45% of the development budget in 2015/16 fiscal year. The budget execution report of 2015/16 fiscal year (8) certifies that performance on external finance has been on track, with minor shortfalls in grants and loans, equivalent to US$ 1.4 and US$ 17 million respectively, (Minecofin, 2000).

Mukabutera, *et al* (2016) the top sectors for Japanese in this period 2012-15, supported Rwanda in different aspect such as Energy (35%), Transport (20%), Education (14%) and Watsan (11%). Social Protection (9%) and Agriculture (8%) follow these closely. All of these sectors with the exception of Social Protection are as per the DoL agreement. A total of USD 97 million was provided during this period as grants of which 68% were delivered as project finance and the reminder 32%, (REMA, 2015).

NISR (2015), UN agencies have contributed to different priority sectors of the Government of Rwanda in 2015/16 fiscal year as can be observed from the figure 14 below. The largest consumers of UN funds have been Agriculture, Health, Social Protection and Education sectors, with the funding of US$ 7.6, 4.8 and 4.8 million respectively, which together made up 82% of the UN assistance. Environment and Governance sectors have received 8.1% and 5.4% of the total assistance respectively. Other sectors, such as Justice, Financial and Private sector development consumed between 1% and 2% of total funds. Rwanda received US$ 52.2 million from non-traditional donors in 2015/16 – a decrease by 15% from the previous year's US$ 61.4 million. Sources and volumes of non-traditional assistance in the past 3 years are presented, (Minecofin, 2006).

The Netherlands provided USD 113. 4 million in the course of the last three fiscal years of which USD 36.6 million in FY14/15. The sectors with the highest shares of the total are Governance and Decentralization (41%) and Energy (30%); JRLO (10%), Urbanization and Rural Settlements (8%) follow these. Agriculture (5%), (Rwiyereka, 2014).

Minecofin (2014) South Korea provided a total of USD 36.6 million in the period 2012-15 of which USD 20.33 million in FY14/15. The top three sectors are Education (45%), Agriculture (32%) and Financial Sector 15%. Funds were also disbursed in the Health (6%) and ICT (3%) sectors. According to the DoL, South Korea should also be active in Urbanization and Rural Settlements sector in which there were no disbursements. Sweden's aid to Rwanda's public sector was USD 22.5 million for the period 2012-2015 of which USD 12 million was disbursed in FY14/15. Education is the leading sector with 53%, followed by Environment and Natural Resources with 17%. Other sectors to which Swedish ODA is channeled are ICT (8%), which is outside of its DoL sectors, and Social Protection (5%). All funding was disbursed as grants and project finance.

The World Bank disbursed USD 537 million of aid to Rwanda in the period 2013-2015 of which USD 201.14 million in FY14/15. The top four sectors are Social Protection (35%), Agriculture (23%), Energy (12%), Governance, and

Decentralization (12%). These are followed by Public Financial Management and Transport both with 5% of the total. The Bank was also active in the Education (3%), Health (2%), JRLO (2%), Environment and Natural Resources (1%), ICT (1%) and the Financial Sectors (0.1%). The DoL sectors of the Bank are Agriculture, Energy, Urbanization and Social Protection. The portfolio has been well balanced between Sector Budget Support (49%) and project finance (51%), in both cases including grants and loans, (Brown, Sen, & Decoster, 2013).

The Official Development Assistance (ODA) has been a major part of external development finance received by Rwanda in the past two decades. It has largely contributed to the implementation of an inclusive poverty-reducing growth model of the country, which has yielded, a stable average economic development rate of 8-9% on average, reduced the poverty rate from 60.4% in 2011 to 39.1% in 2014. Having demonstrated an extraordinary performance in management of large amounts of ODA in the past, the Government of Rwanda (GoR) has documented remarkable in improving its effectiveness. One evidence of this is Rwanda's high score: 4.0 of the World Bank's Country Policy and Institutional Assessment (CPIA) index in 2015, compared to average of 3.2 across Sub-Saharan Africa, (Minicofin, 2015).

The debt stock of Rwanda increased significantly during 2002. There was new borrowing of $92 million, albeit on concessional terms. Of the 92 million, 51 was budget support from the International Development Association (IDA). This meant that the net present value (NPV) of debt to export at the end of 2002 was still only 197%, which was in line with what was required for the country to be able to reach the completion point in the HIPC process. Negotiations with other creditors, particularly the Paris Club, continue. Rwanda accumulated some arrears with foreign creditors during 2002, breaking one of the Poverty Reduction and Growth Facility conditions. This was not considered a serious breach, though, and it has been dealt with. In Heavily indebted poor countries agreements, it is normally assumed that a country is to reach a debt sustainability ratio of NPV of debt to export of 150% at the completion point. In the case of Rwanda, the IFIs have, however, acknowledged that the country's external position is weak and that domestic needs are large. They are therefore accepting a higher rate, with the 150% level reached only in 2008. During

2003 the government has been borrowing somewhat more ($18 million) than planned within the PRGF. Without new aid, the ratio should be 222% after debt relief has been obtained at the completion point (IMF report, 2003). The new projected date for reaching 150% is changed to 2016, mainly due to a more pessimistic view on export prospects, (IMF , 2015).

Available data on philanthropic giving shows that between 2006 and 2013 there was just over a 100 per cent increase, from US$ 10.1m to US$23.1m, with the number of funders increasing from 24 to 66 and recipients from 24 to 55. Over the period, the total amount of DA provided was US$144.0m. The apparent decline in 2014 is probably due to incomplete data collection. However, the funding provided by one of the top philanthropic funders to Rwanda, the Gates Foundation, fell from US$13.09 in 2009 to US$4.82 in 2014, (OECD, 2015)

2.4.2.2 Foreign Direct Investment on economic development

Global FDI flows increased by 25% in 2015, to USD 1 730 billion that was the highest level recorded since 2007 and start of financial crisis. That jump shows that the FDI recovery was strong in 2015 that surge in cross-border mergers and acquisitions to $721 billion, from $432 billion in 2014 and was the principal factor behind the global rebound. Those acquisitions were due to large corporate reconfigurations by multinational enterprises, including shifting their headquarters, for strategic reasons and for tax inversion purposes, (Roger, 2011)

Although, trade among the developing sphere still representing a meager 7% of total world trade, twice its share in 1970, it grew rapidly during the 1980S; By 1990, south-south trade represented almost 33% of all third world exports; The trade in Manufactures has risen from only 5% in 1960 to almost 35% of all exports in the early 1990s. Much of the growth in this intra-developing Sphere exports helped compensate for weak demand and growing protectionism in the developed world, ((Michael & Stephen, 1955 (2011))

According to Thomas (2015) developing economies also saw Foreign Direct Investment inflows reach a new high of $765 billion, up 9 per cent on 2014, because of the performance of Asia. Developing Asia received record annual inflows, with FDI surpassing half a trillion dollars, and remained the largest FDI recipient region in the world. However, flows to both Africa and to Latin America and the Caribbean faltered while flows to the transition economies declined further. Developing economies continue to comprise half of the top 10 host economies for FDI flows.

Foreign Direct Investment outflows from developed economies increased by 33 per cent to $1.1 trillion, following three years of decline; As a result, developed countries were responsible for 72 per cent of global FDI outflows in 2015, up from 61 per cent in 2014; This 11 percentage point increase broke the nearly uninterrupted relative decline that began in 2007. The increase notwithstanding, developed country outward FDI remained 40 per cent short of its 2007 peak, (Thomas, 2015).

OECD (2015) demonstrates that with outward flows of $576 billion, Europe became the world's largest investing region; multinational enterprises from Japan were the world's second largest investors, while investments from North America stayed close to their 2014 levels, dipping slightly to $300 billion.

D'Alessandro *et al.* (2017) on the other hand says that, over the past two decades, China's robust economic development and rapidly expanding presence in global markets have greatly intensified its trade ties with Sub-Saharan Africa. China's remarkable 10 percent average growth rate between 2000 and 2012, has fueled a steadily rising demand for oil, minerals and other primary commodities, many of which are abundant in Sub-Saharan Africa. The Selected sources of investment financing by categories of countries demonstrated from their Domestic saving/ GCF to Net private debt/ private investment in the period of 2000/2012. Non-oil Africa 17.2 to 2.2; Oil-rich Africa 158.8 to -3.3; Non-Africa 59.9 to 6.6 and Africa investment in general was 52.6 to 0.7, (D'Alessandro & Zulu, 2017).

Amitava (2013) demonstrates the ratio of ODA to investment over the period 2000–2012 was 68.8 per cent for Africa compared to 23.1 per cent for other developing countries. The gap is even larger for public investment: 239.3 per cent for Africa

compared to 84.3 per cent for other developing countries. The private sector in Africa has very low access to financial resources for investment. In 2011 domestic credit to the private sector in Africa was about 62 per cent of GDP compared to a world average of 129 per cent and 75 per cent for low- and middle-income countries. Within Africa, the share of domestic credit to the private sector in GDP is very low in many countries. For example, in 2011 it was 14 per cent in Algeria, 19 per cent in Burkina Faso, 15 per cent in Cameroon, 9 per cent in Equatorial Guinea, 15 per cent in Ghana and 9 per cent in Guinea. Others, 12 per cent in Guinea-Bissau, 16 per cent in Liberia, 18 per cent in the United Republic of Tanzania and Uganda, and 12 per cent in Zambia, (Burchill, et al., 2013).

Andy *et al.* (2014) shows how the high lending rate charged by financial institutions in Africa is not conducive to the promotion of investment. Some of the countries on the continent with lending rates of more than 20 per cent in 2011 are The Democratic Republic of the Congo 44 per cent, the Gambia 28 per cent, Madagascar 53 per cent, Malawi 24 per cent, Sao Tome and Principe (27 per cent), Sierra Leone 21 per cent and Uganda 22 per cent. It should be noted that these rates are quite high relative to those observed in the more successful developing countries. For example, in 2011 the lending rate in China was about 7 per cent, in India 10 per cent, and in Malaysia 5 per cent.

Eric (2013) asserts that, the degree of financial intermediation in an economy can also affect investment. It is well known that African countries have relatively low levels of financial intermediation as reflected in high interest rate spreads and margins. For example, in sub-Saharan Africa in 2011 the interest rate spread was 9 per cent compared to 5 per cent in East Asia and the Pacific, 6 per cent in South Asia, 7 per cent in Latin America and the Caribbean and 7 per cent in low- and middle-income countries. It is interesting to note that the skewed distribution of credit towards the nonproduction sectors has also been observed in relatively big economies in Africa such as South Africa. Data for the 2012 indicate that 35.9 per cent of bank credit went to the private household sector, 24.7 per cent to financial intermediation and insurance, 4.4 per cent to manufacturing and 1.7 per cent to agriculture, hunting, forestry and fishing, (Eurostat, 2015).

The sectoral distribution of loans in Kenya for 2012 also shows that the household and trade sectors account for the bulk of lending. Interestingly, the manufacturing sector received only 13.5 per cent of loans even though its share of non-performing loans is relatively small, (IMF , 2015). There are significant savings to be made from improved asset utilization in Africa. For example, a recent study indicates that electric power transmission and distribution losses in Africa were about 12 per cent of output in 2010. There is also direct loss of time and productivity due to traffic congestion, which by one estimate is as high as $8 billion per year in Cairo, $19 billion in Lagos, $0.89 billion in Dar es Salaam and $0.57 billion in Nairobi, (Dickson, Emad, & Joe, 2018).

Reducing these, inefficiencies, for example through better project management and implementation, should be on the priority list of African Governments in the short to medium term. given the limited resources that countries have at their disposal. One study suggests that if African countries had spent $12 billion on road maintenance in the 1990s they would have saved $45 billion in reconstruction costs, (Barsh, 2008).

Burchill *et al* (2013) illustrates how foreign direct investments into Africa totalled $66.4 billion for a sum of 705 projects in 2015. Egypt was the number one destination for foreign direct investments in 2015, ENI invested between $6 billion and $10 billion in the Zohar gas field.

Business Services, Sales, Marketing & Support and Manufacturing were the top three business activities for FDI projects into Africa in 2015. Despite being the fastest growing business activity by capital investment in 2014, the value of Extraction projects dropped 32 percent in 2015 to $15.1bn. Infrastructure-related business activities such as Electricity, Construction and ICT & Internet Infrastructure made up 13 percent of all projects into Africa and accounted for 44 percent of capital invested. Electricity, in particular, saw a 49 percent increase in capital investment and a 91 percent increase in project numbers, (IMF , 2015)

Although concentrated in a few countries, Services FDI accounted for 48 percent of Africa's total stock of FDI, more than twice the share of manufacturing (21 percent) and significantly more than the primary sector (31 percent). As in 2014, the Coal,

Oil & Natural Gas sector ranked top for capital investment in 2015 with $15.7 billion invested. However, $12.2 billion was invested in Alternative/Renewable Energy. The clean energy sector saw a 23 percent increase in capital investment, whereas fossil fuel declined by 52 percent, (Ondiege, 2014). Rwanda's 2010 Investor Perception Survey, which rates investor perceptions on core issues that impede or facilitate improvements in investment climate, showed an increase in the composite Investor Perception Index from 60.17 in 2009 to 71.04 in 2010. The legal framework sub-index improved from 64.47 to 69.37 during this period while the governance sub-index improved from 76.85 to 85.47 thanks to improved investor confidence in the political and legal systems, (AfDB Group, 2014).

According to OECD (2002) globally, FDI flows in 2015 rose by 38 percent to US$ 1.76 trillion from US$ 1.28 million in 2014, their highest level since the global economic and financial crisis of 2008-2009. A surge in cross-border mergers and acquisitions to US$ 721 billion, from US$ 432 billion in 2014, was the principal factor behind the global rebound. For (Brown, Sen, & Decoster, 2013), Inflows of foreign direct investment (FDI) have risen in recent years. Before 2006, annual inward FDI rarely exceeded $10 million. Since 2006, inflows have averaged just under $100 million a year. In 2014, around $200 million in FDI came into Rwanda. Though the country is welcoming greater levels of investment, aggregate FDI inflows from 1999 to 2014 barely surpassed $1 billion. Interestingly, this figure falls below aggregate remittance inflows during the same period by about $50 million.

In 2013, the value of merchandise exports of Rwanda increased substantially by 22.7% to reach 620.5 million US$, while its merchandise imports increased slightly by 4.8% to reach 1 700 million US$. In 2013, 48.7% of Rwanda's merchandise exports went to developing countries outside the region, whereas 32.4% to other economies in sub-Saharan Africa and 17.8% to high-income economies, (NISR, 2015)

RDB (2014) states, foreign private investment refers to inward investments in terms of equity and/or non-equity (debts) from non-residents and has been growing in importance in Rwanda. It is made up of foreign direct investment (FDI), portfolio

and other investments. As of 2013, there were investors from around 50 countries investing in Rwanda. FPI inflows are dominated by FDI (60%) and are characterized by high-retained earnings. FPI increased from US$145.9 million in 2008 to US$427.7 in 2013. In the five years to 2013 its contribution to Gross Fixed Capital Formation grew by an average of 22.3 per cent a year and to GDP by an average of 12.8 per cent.

Domestic credit to the private sector in Rwanda, which measures the financial resources provided to companies through bank loans, trade credit, and other sources, rose from 12.8 percent of GDP in 2012 to 17.6 percent in 2014.1 for the last three years, newest private-sector lending has been concentrated in three areas: hospitality, real estate and construction, and manufacturing. The first quarter of 2015 is representative of this trend, as 41.9 percent of the $267 million in new loans went to commercial restaurants and hotels, another 36.2 percent to the real estate industry, and 4.4 percent to manufacturing, (Colombo, et al., 2015).

Together, these 16 banks hold 67.6 percent of financial assets in the country, according to the BNR. Total bank assets at the end of the 2013/2014 fiscal year came to 1.8 trillion RWF, or around $2.6 billion, a 28 percent increase from the previous fiscal year. Total deposits have grown from around $225 million at the end of 2000 to $885 million in 2010 and $1.6 billion by year-end 2014, (NISR, 2015)

In 2014, Rwandan banks reported return on assets of 1.9 percent and return on equity of 10.7 percent. While higher than the previous year, Rwandan banking sector profitability falls below the levels seen in its neighbours Kenya and Uganda. Like banks across the region, the Rwandan banking industry continues to have relatively high rates of nonperforming loans, around 6 percent of total loans, compared to a global average of 3 to 4 percent; It is in this context that banks in Rwanda and other East African countries maintain fairly high capital adequacy ratios. At the end of 2014, Rwandan banks maintained an average capital adequacy ratio of 24.2 percent, nearly 10 points higher than the regulatory minimum of 15 percent. Kenyan, Tanzanian, and Ugandan banks maintain similar capital adequacy ratios, (Colombo, et al., 2015).

World Bank (2015) in one of the more significant developments in recent years, the National Bank of Rwanda established a regular, quarterly debt issuance program in early 2014. Following its quarterly schedule faithfully, the BNR has completed five local-currency bond issuances since then, totalling 82.5 billion RWF, or roughly $115 million.

The Government has made the attraction of investment and its role into the Rwandan economy a key policy priority and to this end created the Rwanda Development Board to integrate all agencies dealing with investment and venture capitalist. This took place at a time of strong growth in foreign direct investment (FDI), with inflows growing at an average of 70.0 per cent a year between 2005 and 2009 and reaching a peak of US$ 119 million, before returning to US$ 42 million in 2010, (NISR, 2015)

Zhu (2015) asserts that the government has started borrowing on the international and domestic money markets to fund investment. It issued its first Eurobond in 2013 and raised US$400.00 million. Its interest rate stood at 6.2 per cent in 2015. In the fiscal year 2014/15 the Eurobonds accounted for 21.6 per cent of total public external debt, the rest being mainly concessional loans from multilateral traditional development partners and non-traditional bilateral partners, and they accounted for 46.3 per cent of the debt serviced in that fiscal year. For (Minecofin, 2014), the total volume of investments in 2015/16 fiscal year was estimated at US$ 1,976.5 million in thematic and foundational sectors together, of which external flows channeled from public sources have financed the above mentioned US$ 984.9 million.

FDI as the dominant (more than 80%) portion of foreign private investment flows (FPI) (10) have increased in Rwanda almost tenfold during the past decade, and now constitutes 22% of the overall development finance envelop of the country and 4% of GDP. FPI envelop also includes portfolio investments involving the purchase of stocks, bonds, commodities, or money market instruments by non-residents. Other investments comprise long-term and short-term loans, (Minecofin, 2014).

NISR (2015) Shows that Rwanda's domestic exports to East African Community Partner States (EAC) increased by 7 percent comparing to the same quarter of 2014. Kenya saw the largest increase in values of exports from Rwanda and this is mainly

explained by an increase in values for “Other black tea (fermented) and other partly fermented tea” (14%) compared to the same quarter of 2014, (NISR, 2015)

World Bank group (2014) illustrates that Rwanda’s exports under multinational corporate have been divided into different groups: tourism, traditional export; non-traditional exports; re-exports and; informal exports, Exports from the tourism sector increased by 14% in 2012 over 2011 reaching US$ 286 million. Exports from Rwanda’s traditional merchandise export sectors saw a year on year decline of 12%, dropping from US$297.3 million in 2011 to US$262.9 in 2012. Coffee exports have not performed as well in 2012 as 2011 with a drop in the value of exports by 18% to US$60.8 million. The decline in coffee exports is largely the result of a fall in the average world price per kg of coffee by 36.5% (Index Mundi, 2012) in the past year. Rwanda coffee prices held up comparatively well to this price drop decreasing by 25.1%. The drop in prices was partially offset by an increase in coffee volumes exported, which were up 8.9% in 2012.

Lima (2013) found out that Asia is Rwanda’s primary source of formal merchandise imports accounting for 32% of imports followed by EAC and Europe with 23% and 21% respectively. 15% of imports came from countries in the Middle East. Within the energy and mechanism adapted by multinational corporate, informal imports have declined 35% over 2012 with drops in informal imports from all four neighbouring countries. Informal Imports from Uganda, Rwanda’s largest import origin, have dropped by 40%. Instability in the DRC kivu Region and increase in informal taxes charged on the DRC side of the border and a change in border opening times in Goma have also been reduced from 24 hrs to just 12 hours has led to a decrease of 25% drop in imports from Democratic Republic of Congo.

To counter the impact of price shocks, National Agricultural Export Development Board NAEB in cooperation with the private sector is continuing to promote the movement of coffee exports up the value chain through the promotion of exports of fully washed coffee (FWC) and investment in new coffee roasting facilities. Tea exports in 2012 saw a slight increase of 2.9% in the value of exports despite a 5.4% decrease in export volumes as a result of poor rains in the first half of the year.

National Agricultural Export Development Board has been working to offset the impact of lower tea output through efforts to increase tea quality and price, (Prudence, 2015)

World Bank (2015) demonstrates how Foreign Direct Investment in Rwanda was on the account of lower inflows of new equity and loans compared to 2014. The big chunk of Foreign Direct Investment inflows in Rwanda were loans from affiliates which amounted to US$ 210.9 million representing 55 percent, equity capital of US$ 110.0 million accounting for 29 percent while retained earnings were US$ 58.9 million accounting for 16 percent. Both equity capital and borrowing from affiliates inflows decreased by 15.5 percent and 32.6 percent in 2015, respectively compared to level of 2014, while retained earnings increased by 235.3 percent from US$ 17.5 million in 2014 to US$ 58.7 million in 2015.

A report by AfDB Group (2014) showed the strong performance in non-traditional exports, re-exports and informal exports has resulted in all three areas increasing their combined share of Rwanda's merchandise exports from 44% in 2011 to 54% in 2012. The growth in exports outside Rwanda's traditional export sector is positive, particularly the increase in non-traditional exports, as it reduces Rwanda's dependence on a few commodity sectors.

In terms of stock, Foreign Direct Investment in Rwanda grew by 21.7 percent to US$ 1,401.9 million in 2015 from US$1,152.3 million in 2014, driven by 37.3 percent increase in loans and 20.7 percent increase in equity capital despite a decrease of 49.1 percent in Retained Earnings (R.E) in 2015 compared to 2014, (Prudence, 2015)

In Rwanda's non-traditional export sectors, a number of products have emerged this year with substantially higher exports than in 2011. Rwanda's main non-traditional exports include manufactured goods, horticultural goods and other items such as hides and skins, livestock and other various goods. Rwanda's manufacturing sector has been performing particularly well, with exports up 142% in 2012 over 2011. Manufacturing exports accounted for 46% of Rwanda's non-traditional exports until the end of September 2012, up from 40% in 2011, (Andy, Mullineux, & Victor, 2014).

With multinational corporate, (McQuaid, 2000), illustrated how in the products, the sector include: products of the milling industry up 136% with total exports of US$19.8 million; beverage exports up 116% with US$13 million in exports; and iron and steel exports up 231% with US$ 5.6 million worth of exports. The plastics up 263% with US$3.3 million worth of exports; cement and other construction material up 189% with US$3 million in exports; soaps and washing preparation up 293% with exports of US$0.6 million and; animal and vegetable fats up 1022% at US$0.54 million. Rwanda's largest manufacturing sector to see a fall in exports was footwear where exports saw a 25% drop from US$1.6 million to US$1.2 million. The footwear industries main market was constrained by domestic currency crises that resulted in a collapse in demand.

Nkusi (2015) assessed the partnerships in trade, taxation, Foreign Direct Investment, Public, private partnership which has been supported by United Nations of development Programme jointly with Rwanda Ministry of finance and planning and its external finance unit in developing a new Donor performance assessment framework. It was found out that it defined some baseline indicators and targets for cooperation in foreign direct investment, Current Standard" purchasing power parity" and taxation and climate change between the Government of Rwanda and development partners.

Cary (2009) shows how Rwanda has improved its international political (bilateral and multilateral) cooperation on the reality 'phase. This is by explore the invisible opportunity such as Joint permanent commission which assisted on the exchange of the products, experiences, skills and knowledge; Technical and financial partnership and supporting a lot on the cooperation through promoting good relations based on mutual respect and complementarity of sovereign nations and its positive impacts on national economic development. Different bilateral and multilateral agreements signed are strengthening the government to oversee and guard the interests of Rwanda in all technical and financial arrangements and advise on cooperation matters.

Nkusi, (2015) illustrates that foreign direct investments in Rwanda, include three categories: equity capital, loan from affiliates (shareholders, parent or fellow companies) and retained earnings. In 2015, the FDI inflows reduced by 17.2 percent, from US$ 458.9 million in 2014 to US$ 379.8 million in 2015. The decline in FDI was mainly on account of lower inflows of new equity and loans compared to 2014. The East Africa Community was Rwanda's primary source of formal merchandise imports with 29% of imports coming from the East Africa Community and Democratic Republic of Congo region. This is closely followed by Asian countries on 28% of imports. The Middle East accounted for 18% of imports while 17% of imports came from European countries.

For World Bank (2017) the Growth in imports of capital and intermediary goods is commonly associated with growth in investment in productive technology and increased demand for inputs from productive sectors. Both these sectors grew strongly in 2012. Over the same period, imports of consumer goods have increased by just 8.6%, typically consumer goods are associated with finished products.

NISR (2015) Rwanda's total trade of US$ 572.38 million, higher by 0.13 percent over the first quarter of 2014 was made up of exports worth of US$ 101.90 million, imports worth of US$ 432.61 million and re-exports valued at US$ 37.87 million. The Total imports of Rwanda reduced by 1.75 percent in the first quarter of 2015 when compared to the same quarter of 2014 (US$ 432.61 million and US$ 440.30 million respectively) and rose by 3.89 percent over the fourth quarter 2014. Domestic exports rose by 10.22 percent during the period of first quarter 2015 (US$ 101.90 million and US$ 92.46 million respectively) over the same quarter of 2014 and reduced by 18.40 percent when comparing to the fourth quarter of 2014. Re-exports from Rwanda decreased by 2.35 percent in the first quarter of 2015 over the first quarter of 2014 (US$ 37.87 million and US$ 38.78 million respectively) and registered a decrease of 0.02 percent over the fourth quarter of 2014.

For domestic exports side, the three top destinations were Kenya, Democratic Republic of Congo and the United Arab Emirates. The top five destination countries of Rwanda's exports in the first quarter of 2015 totalized US$ 62.37 million (61.21%

of the total value of exports) while they totalized US$ 64.88 million in the first quarter of 2014 (around 70% of the total value of exports in that period). The commodity groups with the largest increase in values were: “Niobium, vanadium ores, tantalum and concentrates” (US$ 14.80 million). “Other black tea (fermented) and other partly fermented tea” (US$ 12.12 million). “Other unwrought gold (incl. gold plated with platinum), non-monetary” (US$ 11.78 million). “Tin ores and concentrates” (US$ 11.41 million) and “Coffee, not roasted, not decaffeinated” (US$ 6.33 million), (NISR, 2015)

According to Amitava (2013) Exports from Rwanda’s traditional merchandise export sectors dropped by 12%, from US$322.7million in 2014 to US$283.5million in 2015. Coffee’s exports increased by 4% in 2015 over the same period in 2014 from US$59.6 million exported in 2014 to US$62 million in 2015. Even though coffee has seen an increase during 2015 the prices dropped by 12% in 2015, the decline has been attributed to a raise in supply of coffee on the world market, especially from Brazil and Colombia, the major growers.

Tea exports in 2015 saw increased by 40% in value. Both tea prices and quantity increased with the average price now up 29% per kg and quantity up 9%. As Rwandan tea competes mainly with Kenyan teas where both quality and quantities of output were low this year. Furthermore, Rwandan tea is in high demand in the Middle East and with the removal of embargo on Iran and reduced conflicts, the market demand for tea increased. Mineral exports are down 29% over 2014 with US$149 million exported during 2015. The four first recipients of the Foreign Direct investment inflows in 2015 were Information Communication and Technology sector with US$ 76.7 million, electricity, gas and steam with US$ 76.1 million, tourism with US$ 66.9 million, and financial and insurance activities with US$ 57.9 million; regarding stock, only four sectors represented 77 percent of all FDI stock in 2015, (NBR, 2015). ICT took the lead with US$ 435.6 million, followed by finance and insurance (US$ 281.4 million), manufacturing (US$ 186.7 million) and tourism (US$ 173.3 million). The stock in these sectors increased by 31 percent, 20 percent, 13 percent, and 12 percent, (World Bank, 2015)

The foreign private capital inflows into Rwanda in 2015, were dominated by foreign direct investment inflows (79.8 percent). In terms of country of origin, most of the flows were mainly from Mauritius (US$ 155.6 million) followed by United States of America (US$ 70.1 million), Kenya (US$ 51.5 million) and China (US$ 23.5 million) accounting for 63.1 percent of total FPC flows in 2015 and investing mostly in finance and insurance, manufacturing and ICT sectors accounting to 56.8 percent of total inflows, (World Bank, 2015)

Bhinda *et al.* (2009) adds that Foreign direct investment for in Rwanda increased by a small margin of 0.67% over the forty-year period and this is in sharp contrast to other countries such as Uganda, Tanzania and Cameroon whose FDI accounted for about 30% of GDP.

Imports grew more rapidly (23.02%) when compared with exports (9.92%) over the study period. This is because Rwanda's economy has a few industrial opportunities creating the need for importation of basic goods and services. The country's main exports are tea and coffee but the government has been promoting the diversification of the export base to include horticulture; The partial regression coefficient associated with exports implies that if exports are increased by 1%, GDP per capita will grow by 0.57%, holding foreign direct investment, rural population, urban population, government expenditure, imports, inflation, interest rates and public spending on education variables constant, (MINICOM, 2011)

2.4.3 Contribution of Administrative partnerships strategy.

Administrative partnership strategy is a prosperity projection used by countries, with honor to create own control, and have potential to the monitory value by provide the Cost of Business and the Ease of Doing Business policy. This was endorsed to escalate foreign direct investment in different sectors such as tourism; knowledge, technology transfer and remittance under facilitation of business in any community.

According to World Bank (2015) administrative partnership strategy can be explained as a strategy set by Countries breaking up their regular bureaucracies and facilitate aspect of economic development such as investment, tourism and doing

business. This provides necessary information, which contribute, on improvement of formulation of policies and strategies to assess the impact of all efforts made in increasing the economic development of tourism sector. To understand the Contribution of Administrative partnerships strategy on economic development, different indicators were determine thought this study but based on the huge assignment the researcher do have, two of them only were identified which are Cost of doing business and easy doing business component as part of the Administrative partnership strategy pillars.

2.4.3.1 Cost and ease of doing Business

During the period of 2010/2015, new data in 170 economies on Doing Business has been collected and overall quality of plot administration systems through a set of indicators on reliability, transparency, coverage and dispute resolution were provided that assisted on cost of doing business and were motivated different businesses people and entrepreneurs taught on their merchandises, (Gauld, 2013). The Component of doing and growth of business in European Union (in Billions) with Value added confirmed that different sectors supported on the cost of doing business. These sectors were Business services 1,067, Renting of equipment 90, Computer and related activities 183, Research and development 37, Legal, technical, advertising 472, Other business activities 286, Manufacturing 2,516, Distributive trades 937, Transport 455 and Financial services 576, (Fiske, 2004).

As per World Bank (2015) in 72% of economies, the land registry makes fee schedules publicly available, online or on public display boards and only 56 economies make statistics about transactions at the land registry publicly available, 63 provided specific mean for filing an official complaint about land services. Around the world, 27% of economies have a registry with full coverage of private land, 34% a mapping system with complete coverage. A reliable, transparent, complete and secure land registration system is associated with greater access to credit, lower income inequality and a lower incidence of bribery at the land registry. The 10 economies improving the most across three or more areas measured Doing business are Poland 55, Sri Lanka 81, Ukraine 137, Uzbekistan 154, Burundi 159,

Costa Rica 110, Mongolia 76, Greece 78, 9 Serbia 86 and Kazakhstan 49 improved in the ease of doing business ranking. These worldwide eff orts reduced the average time to start a business from 50 days to 30 and the average cost from 89% of income per capita to 31%.

For Amitava (2013) shows how the past year Eastern Europe and Central Asia once again had the largest share of economies registering improvements, with 88% of economies implementing at least one institutional or regulatory reform making it easier to do business and 67% implementing at least twice. In 2005, these economies were 46 percentage points from the frontier on average, with the closest economy 10 percentage points away and the furthest one 74 percentage points away. Now these 174 economies are 40 percentage points from the frontier on average, with the closest economy 8 percentage points away and the furthest economy 69-percentage points away.

The finds research on Doing Business used 8 years shows that reducing the distance to frontier by 10 percentage points is associated with an increase of 1 newly registered business for every 1,000 working-age people, a meaningful result given the world average of 3.2 newly registered businesses for every 1,000 working-age people per year, (Amitava, 2013).

Bayarcelik *et al* (2012) demonstrated that almost a half (49%) of businesses in Moldova have to obtain an authorisation for their current activity. Compared to previous years, the share dropped significantly, time spent to obtain an authorisation has slightly decreased from 13 to 12 days (15 days in 2013) and the Costs have increased slightly from 77 to 90 US dollars, but are well below the year 2013 - 2015. Certification of equipment only 2% of respondents had to obtain certificates to start using the equipment and Time spent on getting an authorisation for this has been stable in 2012-2015. Import Importers needed nine, 7 days to certify their goods, the procedure took less time compared to 2014, but longer than in 2012-2013; the cost of obtaining the certificate was 76 USD, similar to its cost in 2013. The average time spent on a customs procedure decreased in 2012-2015 from 2, 7 to 1, 5 days. Related costs stood at 136 USD, (Grant, 2014).

After Rwanda simplified formalities for business registration in 2006, 77% more firms registered in the following year; in 2008 more than 3,000 firms registered, up from an average of 700 in previous years; in 2009 the number rose to 6,905; and in 2010 the government managed to register 18,447 new businesses nearly achieving its goal of registering 20,000 that year. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold, (RDB, 2014)

The administrative reorganization and the statutory time limits reduced the time required to transfer property by 346 days from more than a year in 2004 to less than a month and the changes in the transfer fees reduced the cost from 10.3% of the property value to 5.6%, (RDB, 2014)

According to Pamela *et al* (2016) Rwanda's consistent reforms to make trade easier improved the productivity of customs officials, who increased the number of documents they cleared annually by 39% between 2006 and 2009. Moreover, according to the Ministry of Trade and Industry, Rwanda's exports rose from $147 million in 2006 to $193 million in 2009. TH Rwanda recently adjusted some of the targets set in Vision 2020; most notably, it raised the income per capita target from $900 to $3,500. This brings the target into line with levels in middle-income economies today and reflects Rwanda's recent growth, which increased income per capita to around $570 in 2011.

For World Bank (2017) the 14th edition of the World Bank 2016 Ease of Doing Business Report ranked Rwanda second after Mauritius in Africa and 56th out of 190 countries globally, improving six places since the 2015 edition of the report, a testimony to strong national efforts to promote policy reforms geared at attracting private investment. However, with 57.3 percent of Rwandans involved in subsistence

agriculture, the GoR, (Government of Rwanda , 2011). Overall Rwanda's real GDP has grown by over 7.3 percent between 2010 and 2016 and 8.2 percent during 2000-2010. Remarkable socio-economic progress has been made over the last two decades demonstrated by a 312 percent increase in per capita GDP from $206 in 2002 to $ 729 in 2016 while resisting any inflationary pressure, majorly attributed to the GoR's successful management of the economy, (Dickson, Emad, & Joe, 2018).

There is evidence of a gradual shift of Rwanda's society and economy from majorly agrarian to one of a more service-led economy, indicating progress towards a knowledge-based society. During the period 2000 to 2016, agriculture grew on average by 5.5 percent while industry and services have grown by 9.4 percent and 9.5 percent. Similarly, agriculture contribution to GDP has declined from 37 percent in 2000 to 30 percent in 2016, while services increased marginally from 47 to 48 and industry from 33 percent to 17 percent over the same period, (Minecofin, 2014)

For Eurostat (2015) Rwanda earned $55 million from coffee exports in 2013, a 9% decrease from 2012, the result of falling global coffee prices. Over the same period, tea revenues decreased by 14%, to $56 million. Major markets for coffee exports were the United States and Europe, while the Middle East and Pakistan were the main buyers of Rwandan tea. Tourism is the country's leading foreign exchange earner, with total revenues of $344 million in 2013, compared with $240 million in 2012.

Rwanda's small industrial sector contributes around 14% to GDP and employs less than 3% of the population. The services sector generates around 53% of GDP and has grown at an average annual rate of 9% per annum, (Florence, 2014). The manufacturing sector in Rwanda has been experiencing steady growth & growing at annual rate of 7% a target to increase industrial contribution to GDP to 26% by 2020. The Government has embarked on a campaign to market Rwandan made products "Made in Rwanda" in an effort to boost local production and reduce the country trade deficit that is estimated at $450 Million, (World Bank, 2015).

The RDB (2014) asserts that in 2006 the introduction of hundreds of new notaries made starting a business faster. Before, only one notary had been available

countrywide, and the high volume of requests meant a long wait for entrepreneurs wanting to register a new business. After an overhaul of the company law in 2009, entrepreneurs no longer needed to use the services of a notary; they could use standard forms instead. An online system for publishing the registration notice replaced requirements for physical publication. Moreover, a new one-stop shop streamlined Business registration by reducing the number of interactions required from 9 to 2. The time required to start a business fell from 18 days to three, and the cost from 235% of income per capita to 4%.

Rwanda also made it easier to transfer property. In 2008, it eliminated mortgage registration fees and shifted from a 6% transfer tax to a fl at rate of 20,000 Rwandan francs (about $33). In 2010, the government decentralized the Office of the Registrar and Land Titles and created 5 branches throughout the country, purging the backlog of cases in Kigali. It also introduced strict time limits for some procedures. One was the issuance of tax clearance certificates, which had been the lengthiest part of the process, (RDB, 2014).

The real GDP at constant prices of 2006 grew by 7.5% in 2010, against 6.1% in 2009. This growth emanated mainly from the recovery of industry and services sectors that recorded respectively increase of 8.4% and 9.6% of the value added. Agriculture sector also grew by 4.9%. GDP per capita in nominal terms improved by 10.4% as it rose from Rwf 295,600 to 315,200, while in terms of USD, GDP per capita registered an increase of 3.9%, from USD 520.1 in 2009 to 540.5 in 2010, (World Bank, 2011).

For AfDB Group (2014), the real GDP at constant prices of 2006 grew by 7.5% in 2010, against 6.1% in 2009. This growth emanated mainly from the recovery of industry and services sectors that recorded respectively increase of 8.4% and 9.6% of the value added. Agriculture sector also grew by 4.9%. GDP per capita in nominal terms improved by 10.4% as it rose from Rwf 295,600 to 315,200, while in terms of USD, GDP per capita registered an increase of 3.9%, from USD 520.1 in 2009 to 540.5 in 2010. The World Bank Worldwide Governance Indicators confirm that Rwanda has made significant progress in areas such as government eff ectiveness,

regulatory quality and control of corruption. Transparency International ranked Rwanda 49 out of 183 countries surveyed in 2011 in terms of corruption, an improvement from 66 out of 178 countries surveyed in 2010; A robust anti-corruption law and a strong anti-corruption agency, which score 100% and 81% on the 2009 Global Integrity scorecard respectively, are among the key drivers of these improvements, but the same Global Integrity report shows a "large" (20%) gap between the country's legal framework and its actual implementation, (Florence, 2014)

According to Government of Rwanda (2011) Rwanda was ranked 29 out of 190 on the World Bank's 2016 Doing Business report, the only low-income country and one of only two African countries (along with Mauritius) in the top 50. Rwanda's continual improvements in the annual rankings reflect its efforts to reduce bureaucratic red tape, protect property rights, improve access to credit, expand the supply of reliable electricity, and ensure contract enforcement.

The State Department has nonetheless documented various challenges for foreign investors, including "payment delays with government contracts," inconsistent adherence to incentives offered by the Rwanda Development Board, infringements on property rights, and "competition from state-owned and ruling party-aligned businesses."47 Human development gains since the genocide have been dramatic in relative terms. According to the World Health Organization (WHO), from 1990 and 2016, life expectancy increased from 48 to 66 years; the child (under five) mortality rate fell from 152 to 42 deaths per 1,000 live births; and the maternal mortality rate decreased from 1,300 to 290 deaths per 100,000 live births, (Ted, 2011).

For Green (2014) Ease of Doing Business issue measures a different aspect of the business regulatory environment and average correlation coefficient between the aggregate distances to frontier score of 0.49. The coefficients between two issues range from 0.34 (between getting credit and paying taxes) to 0.63 (between getting electricity and trading across borders) that facilitate easy doing business aspect under administrative partnership. Based on Portugal case, the aggregate distance to frontier score is 76.84. Its score is 91.26 for starting a business and 100.00 for trading across

borders. But its score is only 60.00 for protecting minority investors and 45.00 for getting credit that affect the component of easy doing business under administrative partnership, (World Bank, 2015).

For Kristina, (2014) since 2004, the Doing Business report has captured more than 2,400 regulatory reforms making it easier to do business. In the year from June 1, 2013, to June 1, 2014, 123 economies implemented at least one reform in the areas measured by Doing Business 230 in total. More than 63% of these reforms reduced the complexity and cost of regulatory processes, while the others strengthened legal institutions; Twenty-one economies, including 6 in Sub-Saharan Africa and 6 in the OECD high-income group, implemented three or more reforms reducing burdensome bureaucracy or improving legal and regulatory frameworks. Globally, more than 80% of the economies covered by Doing Business had an improvement in their distance to frontier score it is now easier to do business in most parts of the world, (World Bank, 2015). Six of the 10 top improvers reformed their property registration processes and six strengthened the rights of minority shareholders, with Côte d'Ivoire, Senegal, Togo and the United Arab, (World Bank, 2011)

According to Tamara (2014), the strong evidence shows that reforms making it easier to start a business are associated with more firm creation which in turn is strongly associated with job creation and economic development that average, halving the number of procedures required to start a business is associated with a 14% increase in the number of new business registrations. A similar reduction in the days required is linked to a 19% increase, while an equivalent cut in the cost is associated with a 30% increase.

As for World Bank (2015), Reforms on making it easier to do business in 2013/14 provided a Complexity and cost of regulatory processes where cost of regulatory processes to start a business was 45 to 45 in Timor-Leste. Dealing with construction permits was 16 to 19 in Croatia; getting electricity was 12 to 12a in Solomon Islands, registering property was 21 to 22 in Greece. Paying taxes was 31 to 34 in Romania, trading across borders was 20 to 23 in Myanmar and in term of Strength of legal institutions was that Getting credit legal rights was 9 to 10 in

Colombia; Getting credit information was 22 to 20 in Jamaica. Protecting minority investors was 30 to 14 in United Arab Emirates; enforcing contracts was 15to13 in Kosovo and Resolving insolvency was 10 to17 in Mozambique that influenced the component of easy doing business.

New start-ups increased by about 17%, with most of the growth among less productive firms, those "that would have been most deterred by burdensome regulations, such as small firms in low-tech sectors. "Three comparable evidence exists on a regional level for Italy: provinces with a longer process for starting a business have lower rates of firm creation than those with a more streamlined process, (World Bank, 2015)

Reforms making it easier to do business in the 11 large economies in 2013/14 with Reforms reducing regulatory complexity, cost and Reforms strengthening legal institutions are Bangladesh1; Brazil 0; China 2; India2; Indonesia3; Japan 0; Mexico 0; Nigeria 0; Pakistan1; Russian Federation 2; and United States as one, (World Bank, 2011).

According to RDB (2014) the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

Its business regulation reforms have resulted in cost savings for the private sector estimated at US$5 million, investments totalizing US$45 million, and creation of about 15 000 jobs. In 2006, before these reforms, starting a limited liability company in Rwanda took nine procedures, 18 days and 235.5% of (annual) per capita income in fees. Today it takes eight procedures, 6.5 days and 52.3% of annual income, (World Bank, 2015). Rwanda was ranked top performer in the Doing Business 2010

report and among the ten most improved economies in 2011. It was 2nd easiest place to do business in Sub-Saharan Africa in 2014 report, following Mauritius, 9th globally in starting a business and is the best global performing economy by regulatory reform pace over last 8 years. Besides, most competitive place to do business in East Africa and 3rd in Sub-Saharan Africa in the 2013-2014 Global Competitiveness, Examples of significant transformational changes in 2013 (RDB, 2014).

As For Klaus (2015) Rwanda is overall ranking in the Global Competitiveness Report 2011-12 improved 10 places to 70 out of 142 countries and third in sub-Saharan Africa. Strong and well-functioning institutions and efficient labour markets were cited among the chief drivers of Rwanda's superior ranking of 8 out of 142 countries surveyed compared with ninth in 2010-2011. However, the ranking for core sub-indicators such as flexibility in wage determination, hiring and firing practices, pay and productivity, and rigidity in employment only showed negligible improvement or stagnated.

2.4.3.2 Market regulations

Market Regulation works to protect market integrity, to enforce rules that protect all market participants, and to act proactively to mitigate risks to prevent damage to the marketplace.

According to Haskel *et al.* (2009), estimate that in the absence of changes in supermarket store sizes, retail sector TFP growth would have been 0.44% per annum rather than the actual 0.07% per annum (between 1997/98 and 2002/03). The EUKLEMS database implies that retail made up 4.4% of total economic output in 2007. This implies that economy-wide TFP growth would have been 0.16 percentage points higher in the absence of planning restrictions. On a growth accounting basis, TFP growth can be directly compared with average annual GDP growth of 3.6% between 1997/98 and 2002/037. In 2005, the regulatory tax in the City of London is estimated at 8.89% compared to Frankfurt (3.31%), Stockholm (3.30%) and Milan (4.11%).

As for Bassanini *et al* (2016), found that one-point reduction in the EPLR index that is representative of the difference between the UK and the US would raise the relative TFP growth rate of EPL-binding industries by 0.43-0.48 percentage points. Importantly, this would translate in an economy-wide TFP growth impact of about 0.11-0.12 percentage points.

For Ghinita, D. *et al* (2009) Growth in the proportion of fixed term contract by 1% appears to reduce multi-factor productivity12 by up to 0.017% points that directly corresponds to GDP on a growth accounting basis. While the results are based on a sample that includes 15 European countries, they can be compared to recent (real) GDP growth in the UK of 1.3% in 2010. There is no significant impact of the proportion of part-time contracts on multi-factor productivity.

Poschke, (2009) find that simulating the effect of changing the entry costs in the US from 1.7% of GDP per capita to 10% reduces total factor productivity by 0.8%. The literature indicates that planning regulation can change the relative price of factor inputs (e.g. land, office space, etc.) and therefore have a negative impact on productivity in specific sectors. For example, (Poschke, 2009) found that retail sector productivity growth would have been 0.44% per annum rather than the actual 0.07% per annum (between 1997/98 and 2002/03). Using EUKLEMS data, we can infer that productivity growth in the UK would have been 0.16 percentage points higher per annum in the absence of changes in supermarket store sizes. On a growth accounting basis, TFP growth can be directly compared with average annual GDP growth of 3.6% between 1997/98 and 2002/0314.

As the United Kingdom is among the top ten deregulated countries (as measured by the World Bank Doing Business indicators and the Fraser Institute of Economic Freedom Index), the main findings of these studies do not apply to the United Kingdom. Rwanda's firms have grown rapidly supported by the market regulation where around 150,000 firms opened in 2014 and they employ only 560,000 employments initiated, which was just 14% of the overall workforce. The pace of job creation in the formal enterprise sector has slowed down in recent years, expanding

by around 8 percent between 2011 and 2012 compared to 14.5% between 2015 and 2016, (RDB, 2014).

2.4.4 The Importance of Political Drive.

The Importance of Political Drive on Foreign Development Strategies which promote or impede and economic development of a Country are based on the country's political decision vis a vis to the global business. In addition to the shaping of globalization, political drive is decisive factors for the way community deals with the results of globalization, especially how community wants to correct the market results produced by globalization.

2.4.4.1 Decentralization

According to Hammond *et al.* (2011), in 2000 there were 25.9 local governments per county in the United States. Local governments include county, municipal, township, independent and dependent school districts, and special districts. Metropolitan counties reported a higher number of local governments (at 41.5 per county) than did nonmetropolitan counties (at 22.0 per county). Metropolitan counties also registered a larger number of government per square mile (0.133) than did nonmetropolitan counties (0.084). However, on a per capita basis, nonmetropolitan counties registered 176.5 local governments per 100,000 residents, far higher than the metropolitan average of 43.2. This pattern reflects the fact that nonmetropolitan counties are sparsely populated compared to metropolitan counties.

As for Roster (2016), shows that the Indonesia has three levels of decentralized governance: provinces, regencies and municipalities. This study explores the effect of fiscal decentralization on economic growth (measured as the growth of output per capita) in a sample of 26 (out of 33) provinces, using data from 1992-2002. Fiscal decentralization is approximated as expenditures (ratio of local government expenditure to total government expenditures), revenues (ratio of local government revenue to total government revenues), production (ratio of local government expenditures to total government expenditures minus the defense and social security

expenditures) and autonomy (degree of fiscal independence of a local government in a province).

For Fisher (2011), shows the impact of growth determinants differs significantly across metropolitan and nonmetropolitan regions. Further, nonmetropolitan counties accounted for a significant share of the U.S. population in 2004 (at 16.9%, or 49.7 million residents, using the 1999 MSA designations from the federal Office of Management and Budget).

In India, as the second tier of decentralization below sub-national level, this relates to providing constitutional status to village assemblies and municipalities as the second tier of decentralization. The 73rd and 74th amendments to the constitution were enacted in 1993 and were put into effect from 1994 to create village assemblies and municipalities. With the creation of second tier decentralized unit, we now have 3586 urban local bodies (comprising of 95 municipal corporations, 1436 municipal councils, and 2055 nagar panchayats), and 234078 rural local bodies (comprising of 456 zilla panchayats and other forms of elected rural assemblies, (Johnson, 2003).

In a recent study, Hui *et al.* (2016), extended the local government empirical literature by examining the link between local decentralization and local economic growth using a new dataset of 314 U.S. metropolitan statistical areas. At the present time, there are 3,225 municipalities of which 16 are metropolitan municipalities, 100 are district municipalities in metropolitan municipality jurisdictions, 283 are district level first degree municipalities, 65 are provincial municipalities, 750 are district municipalities and 2,011 are township municipalities. More than 2,000 municipalities, which are more than 60 percent in terms of number of municipalities, have population less than 5,000. In other words, while the number of municipalities with less than 5,000 people makes up 62 percent of all municipalities; their population totals only 11 percent of the total population. The average population settled in municipalities is 16,643.

In 2008, the Parliament has approved a new law (Law No. 5747) reducing the number of municipalities by changing the status of small municipalities that do not meet the minimum population criterion of 2,000 per village, abolishing 283 first-

degree municipalities and amalgamating 25 municipalities with nearby municipalities. This change, which will be effective after the 2009 elections, effectively reduces the number of municipalities to 2,105 from 3,225. With this change, there will be 16 metropolitan municipalities, 142 district municipalities in metropolitan municipality jurisdictions, 65 provincial municipalities, 750 district municipalities and 1,132 township municipalities, (Mahadevia & Narayanan, 2008).

Municipalities by population and region are depicted in Table 4. Five population categories are: (1) population less than 5,000; (2) population 5,000- 20,000; (3) population 20,000-50,000; (4) population 50,000-100,000; and (5) population more than 100,000; and metropolitan municipalities. Some of the stylized facts are: 41.4% of the municipal population lives in metropolitan municipalities. 71% of the municipalities in Central Anatolia and 49% of the municipalities in Southwest Anatolia have populations less than 5,000. Municipalities with more than 100,000 people are only 3.3% of the municipality number. Marmara region is the only region with more than 35 percent of municipalities with population more than 100,000. The metropolitan municipal population in Marmara region makes up 67.7% of all municipal population; furthermore, its share in the region's total population is 83.1%, (Mukabutera, Thomson, Hedt-Gauthier, Basinga, Nyirazinyoye, & Murray, 2016).

Joaquín *et al.* (2008), who analyzed the experiences of 46 decentralized countries showed that developed countries are, on average, more decentralized than developing countries (33% versus 20%). Bahl and Linn (1992) observed, "Indeed, the review of the merits of decentralization above suggests significantly less decentralization in developing countries than in industrial countries. Decentralization more likely comes with the achievement of a higher state of economic development. This is because per capita income growth is usually accompanied by an increase both in urbanization and in the local government by a greater degree of local administrative capacity improvements in the implementation skills of local government.

Local government elections were adjudged free and fair. The highest score attainable was 4, while the lowest was 0. Of the 30 countries analyzed, eight scored high (at least a 3 on the index) indicating a high degree of political decentralization. These

were South Africa, Uganda, and Namibia (all above 3.0) and Kenya, Ghana, Senegal, Ethiopia and Cote d'Ivoire. A second set of countries indicated a moderate level of political decentralization, with scores ranging from 2.0 to 2.9; these included seven countries (i.e., Nigeria, Rwanda, Madagascar, Zambia, Tanzania, Mali and Malawi). The rest of the countries (15) indicated very low levels of political decentralization, although four of these at least held elections in part of the territory, (AfDB Group, 2014).

The degree of fiscal decentralization across the continent is very low as revealed by the fact that in 19 of the 30 countries analyzed local governments control less than 5 percent of the national public expenditure. Only South Africa was assessed to have a very high degree of fiscal decentralization (i.e., more than 10 percent of public expenditures are controlled by subnational governments). The countries that scored high (i.e., where local governments control 5–10 percent of public expenditures) are Nigeria, Uganda, and Zimbabwe. Countries with moderate levels of fiscal responsibilities anchored at the local level (i.e., where 3–5 percent of public expenditures are controlled by local authorities) included Kenya, Rwanda, Ghana, Senegal, Burundi, and the Congo Republic, and Congo DRC, (IMF , 2015).

The Decentralization of Country, specific scores between 0 to 49.5 per cent are associated with very high risk; 50 to 59.5 per cent was at the high risk; 60 to 69.5 per cent is moderate risk and 80 to 100 per cent is very low risk. Uganda, Kenya and Tanzania constitute the 140 countries that are ranked under the ICGR system. Rwanda and Burundi are not considered in ICRG system. The three Partner State scores have registered gradual but steady increases during the period under review. The range of Political Risk Scores for the period 2006-2010 for Uganda are 55- 56; Tanzania 62- 64 and Kenya 56- 58. Based on these ratings, there is room for improving governance, rule of law and socioeconomic issues in the region in order to improve investment conditions in the region. High political risk affects economic performance of a country or region and in particular, investment flows, (Gauld, 2013).

Beginning 2001, Rwanda legislated and began the implementation of decentralization to address the social, political and economic marginalization of communities that precipitated the 1994 genocide. (Gaynor, 2013) The decentralization would achieve this by increasing the voice of the people to have a say in the running of their affairs, as evidenced by consultative efforts which had revealed that 70% of the people demanded more participation in public affairs. This would be done in three phases. The first phase (2001 to 2005) would set up the institutional and administrative structures; the second (2006 to 2010) would entrench public participation in planning, decision-making and implementation of plans; the third phase (2011 to present) would consolidate gains, enable fiscal decentralization and improve on challenges encountered in previous phases, (M. O. Ibrahim, 2015).

Service delivery and poverty reduction have improved greatly in Rwanda since 2000.19. Although inequalities remain high in the country, the GDP per capita increase of 4.8% on average per year between 2000 and 2015.20 Rwanda is one of the few countries to have reached most of its Millennium Development Goals.21 It made significant improvements in terms of service delivery. For instance, between 2000 and 2014, maternal mortality decreased from 1071 to 210 maternal deaths per 100.000 live births, infant mortality from 107 to 32 per 1,000 live birth and school net enrolment increased from 72.6% to 96.8%, (Government of Rwanda , 2011).

Districts received in the 2014/2015 fiscal year 15% of the national budget, executing in total 21% of the central budget, 23 putting Rwanda at the same level of countries like Uganda, which however started its decentralization process a decade earlier. 24 Rwanda's 30 district headquarters are now little governments in themselves. Following a 2014 reform, they now employ 85 staff each overseeing education, health, agriculture, infrastructure, water and sanitation, private sector development, social protection, youth sport and culture. They are in charge of the sectors (umurenge) that are the main administrative units for service delivery, supervising schools and health centres and delivering administrative documents, (Gaynor, 2013). Close to 80% of transfers from central government are in the form of funds earmarked for precise activities, mainly related to service delivery.28 This remains however lower than in Uganda for instance.29 Furthermore, a large proportion of

discretionary funds (block grants) is absorbed by salary payment in Rwanda, (M'Cormack, 2011).

The Switzerland's ODA to the public sector in Rwanda was USD 24.6 million in the period 2012-2015 of which USD 10.39 million was disbursed in FY14/15. The three leading sectors are Health (35%), Education (26%). Other sectors in the portfolio include Agriculture (11%) and WATSAN (8%). The only sector that is outside of the DoL in the case of Switzerland is Education. All assistance is in the form of grants and project finance. The United Kingdom allocated USD 264.2 million dollars to the public sector in Rwanda with three sectors in the lead, namely Education (43%), Social Protection (28%) and Agriculture (10%) in the period 2012-2014. The UK is also supporting numerous other sectors to the tune of 13% of the total, such as Environment and Natural Resources (4%), Urbanization and Rural Settlements (3%), Governance and Decentralization (2%), PFM (2%), Financial Sector (1%) and Health (1%). All aid was disbursed as grants and divided in almost equal amounts between Sector Budget Support (47%) and project finance (48%). In FY2012/2013, there was a last disbursement made of General Budget Support (5%). The volume of aid disbursed in FY14/15 was USD 61.23 million, (Minecofin, 2006)

The reporting to the DAD UN agencies disbursed USD 171.3 million during the FY20122015 of which USD 65.94 million in FY14/15. The top sector is Agriculture (30%), followed by Social Protection (24%) and Health (16%). Other sectors where the UN agencies are allocating resources are Environment (6%), WATSAN (5%), Governance, and Decentralization (5%) (Bassanini & Cingano, 2016). The UN agencies also provide assistance in a number of other sectors where the investments have been below 3.5% over the above-mentioned period. Only two agencies are disbursing funds outside of their DoL sectors, namely FAO (Health sector 12% of its total ODA for FY14/15) and UNDP (Financial Sector 27% and Education 1% in FY14/15 and the Financial Sector 8% in FY13/14). The majority of the funding is disbursed as grants. The International Fund disburses only 11% as project loans for Agricultural Development (IFAD). Project grants are 64% of the UN agencies' portfolio, followed by in kind support (25%), (Minecofin, 2006)

In the course of the past three fiscal years, the USA disbursed USD 565 million for the public sector in Rwanda in three sectors, namely Health (68%), Agriculture (21%) and Education (10%), of which USD 163.09 million were disbursed in FY14/15. As per the DoL, the USA also works with the Governance and Decentralization sectors, however, no disbursements were recorded against these sectors during the period. All funding was provided as project grants, (Minecofin, 2014)

2.4.4.2 Accountability

The concept of accountability has been essentially developed in the context of the analysis of political drive as a moderating variable of this study, to refer to the oversight over the fulfillment of responsibilities of public sector officials and the checks and balances on the exercise of political power. It has also been subject of attention in relation to non-profit and private sector (corporate) governance. Although the researcher came back later to the accountability of non-governmental actors, it is better to focus here on how this concept has been discussed in relation to foreign Development Strategies.

According to De Renzio *et al*. (2016), this practice of accountability applies to North-South cooperation, through the Paris Declaration on Aid Effectiveness and the Busan Partnership. Even in this case, however, many developed countries do not recognize as commitments the half-century old target to provide ODA equivalent of 0.7 per cent of GNP, and the more recent to allocate 0.15-0.20 per cent for LDCs. In turn, the principles of South-South cooperation that have been agreed as lack explicit standards.

One such example is the International Council on Mining and Metals (ICMM), established in 2001 to act as a catalyst for performance improvement in the mining and metals industry. The ICMM convenes 20 mining and metals companies as well as 30 national and regional mining associations and global commodity associations. ICMM members work to address development and environmental challenges through upholding transparency and accountability commitments. Member compliance is ensured through a rigorous review process that takes into account business

information and past compliance with established ICMM standards. In this sense, private-sector initiatives may help inform the design of appropriate institutional and reputational sanctions that make non-compliance more costly for governments, (De Minería & Indígenas, 2005).

For instance, in 2015, the per capita GDP of North America was at least 34 times higher than the per capita GDP in South Asia and Sub-Saharan Africa. In addition to that, countries in some parts of the world have grown strongly over time while countries in other regions have not. The average nominal GDP in East Asia and the Pacific countries in 2015 increased by 3711 times in comparison with the figures in 1968. However, in the same period, the countries in Sub-Saharan Africa grew only 868 times. These figures reveal a growth difference in the different parts of the world, (World Bank, 2016).

Contrary to this, (M. O. Ibrahim, 2015) concludes there is a 0.72% reduction in growth rate, per 1%increase in the level of corruption. According to (Craig & Porter, 2006), the impact of corruption varies from country to country in accordance with the prevailing political regime. It can be argued that the influence of corruption is more harmful for the countries that have sound political institutions while the negative effects of corruption are reduced in the countries with a corrupt political regime. (M. O. Ibrahim, 2015), studied the impact of corruption on economic growth through different channels. According to his study, 53% of the overall negative impact of corruption on economic growth is contributed by political instability. In addition to that, the level of corruption depends highly on other institutional qualities such as culture and history.

Voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption; are metrics measured both by a Governance Score that ranges from -2.5 to +2.5, and a Percentile Rank relative to nations worldwide, (Jadhav & Katti, 2012). According to the latest available World Governance Indicator data for the Voice and Accountability metric, 16 of the Middle East and North Africa region’s 21 largest countries by population were given a negative Governance score; and ranked in the 38th percentile or lower. For the

Political Stability metric, 15 out of 21 were given a negative score and ranked in the 36th percentile or lower. For the Government Effectiveness metric, 12 out of 21 nations had negative scores, and 3 out of 21 ranked below the 25th percentile. For Regulatory Quality, 15 out of 21 had negative scores, and 6 out of 21 again ranked below the 25th percentile. For Rule of Law, 11 out of 21 had negative scores, and 4 out of 21 ranked below the 25th percentile. Moreover, for Control of Corruption, negative scores were given 13 out of 21 nations, with 4 out of 21 ranking below the 25th percentile, (Emara, 2016).

African governments dedicate a large share of their total spending to social services. Between 37% (Uganda) and 63% (Ethiopia) of total government expenditures in Africa are allocated to social services areas.18 On average, African countries spend 7.2% of GDP on primary and secondary education and 6.5% on health—higher than any other region in the developing world (figures 28.3 and 28.4). Social protection measures also consume a large proportion of resources, notably in North Africa: in 2008 food and fuel subsidies constituted 31% of current government spending in Egypt, 20% in Morocco and 18% in Tunisia, (Sewall-Menon, et al., 2012). There is a weak link between resources allocated to social services and outcomes of social provision in most African countries a problem partly attributable to weak governance and poor accountability. For example, the decline in under-five mortality has been slower in Africa than in other developing regions. In Sierra Leone, the government spends 18.8% of GDP on health, yet the country has one of the world's highest rates of child and maternal mortality, and national assessments by health workers indicate that the overall health situation is worsening. In some countries, social welfare remains low: nearly 50% of Kenyans live in poverty and more than 40% lack sufficient food, (Gallaher, Kerr, Njenga, Karanja, WinklerPrins, & M., 2013).

From a statistical point of view, the coefficient of determination that reflects the relationship between the number of students and the number of teachers should be close to 100%. In reality, however, this statistic varies from one country to another. More than half of the countries have a coefficience below 70%. In Benin, it is 48%, in Ghana 46% and in South Sudan only 21%. In Togo, for public schools with 200 pupils, the number of teachers varies between 2 and 16. Given that, people are the

main resource in social sectors; their equitable distribution among units of production is an important aspect of governance, (Michaelowa, 2002).

More than 30% of African countries have implemented diagnostic public expenditure tracking surveys (PETSs) to better understand the apparently weak link between resource allocations and outcomes. PETSs provide an indication of leakages in funding by tracing the path between central government allocation and receipt by social service providers, (Alcides, 2014).

By providing information on how many service providers (teachers, doctors, nurses) do not show up to work when they are supposed to be on duty. This allows measures to be taken to counter absenteeism. Uganda was able to reduce absenteeism in the health sector from 37% in 1996 to just 3% in 2000. Citizen report cards (CRCs) and community scorecards (CSCs) are also powerful tools in promoting transparency and public accountability. CRCs and CSCs gauge the quality and performance of public services, and the results of these surveys are normally made available to the public. However, there is little evidence of their widespread use across African countries. Some of the countries that have documented their use include the Gambia, Ghana, Kenya, Malawi, Rwanda, South Africa, Tanzania and Zimbabwe. However, in 2011/12 the Transparency Accountability Program of the Results for Development Institute issued requests for proposals from nongovernmental organizations (NGOs) to design and implement CRCs and CSCs in the health and education sectors in Burkina Faso, Ghana, Kenya, Mali, Rwanda, Senegal, Tanzania and Uganda so these tools are gaining ground. Evidence from the Gambia shows how CSCs allowed for greater client power in decision-making, including a new public governance approach to policymaking in the health sector. Implementation of CRCs in Uganda led to improvements in both the quantity and quality of primary health care in Uganda, (Joshi, 2013).

Together, these policy decisions have played a large role in Botswana's economic and social development over the last 20 years. During that period, real GDP growth has averaged nearly 9 percent per annum, and per capita income has risen above $3500. Impressive gains were also made with respect to many social indicators and

the Millennium Development Goals for example, the achievement of gender equality in primary education. These are truly impressive successes, (Bradshaw, et al., 2011).

The first principal component derived from the WGIs explains as large as 81% of the variations in the original six WGI measurements, which indicates that it can be used as a strong indicator for evaluating government's managerial ability and effectiveness. Following the creation of CGI, the second contribution is we are able to quantify the marginal contribution of improvement in governance to economic performance using PPP adjusted constant per capita GDP data. We find that the per capita GDP would rise by about 2% if the CGI increases by one unit. Using the Rule of 70, the marginal estimate further indicates a mere five-unit improvement in CGI would double the country's per capita GDP in seven years. Nonetheless, the effect of improvement of governance cannot account for the higher than expected per capita GDP in most of the oil rich MENA countries. In other words, the majority of the MENA countries have achieved fragile levels of economic growth that does not depend on sound governance, (Craig & Porter, 2006).

The graph shows that quantile estimates up to the 1st quantile fall outside the 95% confidence interval area for the OLS estimate (denoted by the dotted lines), indicating that those quantile estimates are significantly different from the OLS estimates, (Fayissa & Nsiah, 2013). Lack of control features and performance incentives lead to inefficiencies in education and health spending, though outcomes vary across African countries. Salaries are the highest-cost items in education and health provision: in some countries, such as Ghana and Malawi, teachers' wages make up more than 90% of primary education costs.16 Yet in many countries a high percentage of teachers and health workers do not show up to work, (Dickson, Emad, & Joe, 2018).

Absenteeism among teachers' ranges from 8% in Kenya to 35% Namibia, while absenteeism among health workers ranges from 3% in Uganda to 19% in Mozambique. Good governance has been touted as one of the emerging factors that are central to economic growth in developing countries (Fayissa & Nsiah, 2013).The

term governance has a wide range of meaning depending on the context in which it is applied.

On voice and accountability, Burundi in 1996 was the worst ranked among the five countries at negative 1.75 followed by Rwanda at -1.56 while Kenya at -0.67 was the highest ranked. The trend is sustained for Burundi and Rwanda up to 2000 and is reversed in 2002 with Rwanda ranking worst at -1.47 and Burundi at -1.24. Tanzania has been the best performing in this category improving from -0.74 to - 0.11 a massive 84.84 percent increase. Uganda has been the most unstable with erratic fluctuations while Rwanda registers a reversal of gains from 2005 to the year 2011. Similarly, political stability and absence of violence like in voice and accountability, Uganda, Rwanda and Burundi were ranked lowest among the five countries in 1996 at -1.61, -1.95 and -2.24 respectively while Kenya and Tanzania were ranked highest at -0.74 and -0.71 respectively. In 1998 all the countries with exception of Tanzania deteriorated. Rwanda improved drastically from a low of -2.15 in 1998 to -0.05 while Kenya displays converse performance from -0.74 to -1.31 over the same review period. Tanzania had the best ranking at -0.01 in the year 2011 with Burundi having the worst at -1.8, (Collier, 2009).

Effective government is essential for promoting private ventures, reducing bureaucracy and spurring economic activities. Among the five countries, Tanzania and Uganda have consistently been the most effective while Burundi has been most ineffective. Rwanda made the most gains from -1.2 in 1996 to reach -0.07 in 2011 while Kenya depicts reversal from -0.34 to -0.054 over the same period. Consistent with all other indicators, Burundi ranks lowest at -1.67 with Uganda ranking best at -0.20 in 1996 on Regulatory Quality (RQ). All countries with exception of Uganda improved in 1998 with Burundi posting highest change. The best score is by Uganda in 2003 and 2004 at 0.00 while Rwanda is the most improved from -147 to -0.12 while Tanzania is the only country that showed reversal in 1996, (Fayissa & Nsiah, 2013).

On the Rule of Law (RL), Rwanda had the worst ranking followed by Burundi at -1.73 and -1.72 respectively in reviewed period. The indicator is also the worst for Kenya among the six indicators in the year 1996 at -1.04 while it is the best for Tanzania at -0.25. Rwanda is the most improved at 82.34 percent followed by Uganda at 38 percent. Tanzania on the other hand had a worsening record deteriorating by 103 percent from -0.25 to -0.52 score. Finally, control of corruption, entails rent seeking resulting to low levels of employment, high cost of goods and services as producers pass on the cost of corruption to consumers resulting in reduced consumption and overall poor economic performance. Among the five countries, Uganda was ranked the least corrupt in 1996 at -0.6 while Burundi was ranked most at -1.39. This is however not sustained as Uganda ranking worsens in subsequent years reversing the gains to have a score of -0.92 in 1998, -0.91 in 2009 and -0.86 in 2011. Rwanda had the best ranking in the year 2007 at 0.01, which improved to reach 0.45 in the year 2011, a whopping 148 percent positive change, (Linke, 2013).

The Rwandan government and donors established a mutual accountability framework; The Common Performance Assessment Framework (CPAF) is a matrix of 45 indicators based on Rwanda's poverty reduction strategy. The CPAF permits development partners to hold the government accountable for delivering economic development and poverty reduction. The CPAF arose in response to the needs of budget support donors for a monitoring and accountability framework. The Donor Performance Assessment Framework (DPAF) was developed to align indicators with the Vision 2020 strategy of the government. The development partners have committed to helping the government achieve the DPAF targets, thus creating a framework for mutual accountability, (Versailles, 2012).

Transparency International Rwanda undertook a survey of citizens' perceptions of CSOs in 2015. Overall, over 70% of the respondents believe that civil society is able to influence public policy. Two-thirds (66%) stated that civil society was able to engage with the state and 62% stated that they engaged with the private sector. However, this was a vast improvement on 2012, (Ismail, 2018).

Rwanda has had the most impressive average growth rate in the past decade at 8.5 percent followed by Uganda and Tanzania at 6.9 and 6.0 percent respectively. Kenya's growth rate has been low at 3.5 percent on average in the review period while Burundi has the worst record at 1.7 percent lower than the world average and Sub-Saharan countries average growth rates of 2.8 and 4.3 percent respectively. Rwanda has had the highest growth rate 12.5 and 13.8 percent in the year 1996 and 1997 respectively while Burundi has growth rate of -8 and -1.59 in the same period. Among the five countries, Uganda and Tanzania has had the most consistent growth oscillating between 4 and 10 percent. Burundi has the most significant positive change moving from negative 8 percent to 5.12 percent between 1996 and 2006 and 3.9 percent in 2010, (Orayo & Mose, 2016). The CSOs are more effective in terms of building capacity for collective action, empowering vulnerable people (74%) and empowering women (73%). CSOs are also very effective in terms of lobbying for state services, poverty eradication and environmental sustainability. Less than two in three CSOs (66%) are responsive to social interests. However, only one in four and meet the needs of vulnerable people (Ismail, 2018).

There is very little literature on the donor support for civil society in Rwanda. CSOs in Rwanda are dependent on financial and technical support from international stakeholders and 74% of CSOs have international partners (Transparency International Rwanda, 2015, p. 72). Three quarters (75%) of CSOs are dependent on donors for funding. however only 36% state that financial resources are sufficient for accomplishing their goals (Ismail, 2018).

2.4.5 Economic development on GDP per capita and HDI when affected by foreign development strategies.

It looks at the group of industrialized countries only, there can identify a number of empirical regularities in the growth process. The British economist Nicholas Kaldor summarized these regularities in a number of stylized facts. Although he did that more than 50 years ago, the Kaldor facts still provide an accurate picture of growth in industrialized countries. Kaldor's first observation was that both output per worker and capital per worker grow over time; they also grow at similar rates, so the ratio of

the aggregate capital stock to output or Gross Domestic Product does not change much over time, (Binka, 2005). According to (Chou, 2006), the economic development was considering as a strategy of improve country's productive capacity, measured by comparing gross national product (GNP) in a year with same GNP in the previous year. Increase in the capital stock, advances in technology, and improvement in the quality and level of literacy are considered the principal causes of economic development. In recent years, the idea of sustainable development has brought in additional factors such as environmentally sound processes that must be taken into account in growing an economy.

2.4.6 Economic development

To understand the Importance of Economic development, different indicators were determined thought this study is focus on two of them which are GDP per Capita and Human development index as part of the economic development pillars.

According IMF (2015) the 2008 economic crisis led many politicians to question the merits of globalization. McKinsey Global Institute analyzed data from the International Monetary Fund, the finding was that the global cross-border capital flows shrank by 65% between 2007 and 2016. The decrease from $12.4 trillion to $4.3 trillion in those nine years includes declines in lending, FDI, and equity and bond purchases, (Lane & Milesi-Ferretti, 2018). The transfer effects, however, happened in different periods in the two countries. For Mexico, transfer effects occurred before China's accession into the WTO in 2001. For Columbia, transfer effects happened after 2001. One of the reasons for such time difference is likely the difference in the industrial distribution mix of FDI. The percentage of FDI inflows invested in the manufacturing sector was 56% in Mexico, 21% in Columbia and about 10% in Brazil, (Horner, 2014).

According to World Bank (2011) during this period, a significant proportion of FDI inflows into China came from neighboring regions and countries such as Hong Kong, Taiwan and Singapore. In particular, Hong Kong contributed about 45% of China's FDI inflows. In addition, a large proportion of China's FDI inflows, especially those from Hong Kong, belong to the backflow of domestic funds (capital backflow). Xiao

(2004) conducted a detailed analysis of China's capital backflow in FDI and estimated that backflow accounted for 30%-50% of FDI, far above the World Bank's estimate of one-fourth. Such capital backflow was only 20%-30% of capital flight.

There are many different measures used to assess the development gap, each one offering an alternate way of dividing the world concerning how developed it is. For (Amitava, 2013) the most common indicators of development used in geography which are Gross Domestic Product (GDP), Gross National Product (GNP), GNP per capita, Birth and death rates, The Human Development Index (HDI), Infant mortality rate, Literacy rate and Life expectancy level.

Table 2.1: Showing HDI and GDP per capita around the globe.

2015 Human Development Index – Highest Rankings

Country	Human Development Index (HDI) Value 2014	Life expectancy at birth (years) 2014	Expected years of schooling (years) 2014	Mean years of schooling (years) 2014	Gross national income (GNI) per capita (2011 PPP $) 2014	GNI per capita rank minus HDI rank 2014
Norway	0.944	81.6	17.5	12.6	64,992	5
Australia	0.935	82.4	20.2	13.0	42,261	17
Switzerland	0.930	83.0	15.8	12.8	56,431	6
Denmark	0.923	80.2	18.7	12.7	44,025	11
Netherlands	0.922	81.6	17.9	11.9	45,435	9
Germany	0.916	80.9	16.5	13.1	43,919	11
Ireland	0.916	80.9	18.6	12.2	39,568	16
United States	0.915	79.1	16.5	12.9	52,947	3
Canada	0.913	82.0	15.9	13.0	42,155	11
New Zealand	0.913	81.8	19.2	12.5	32,689	23
Singapore	0.912	83.0	15.4	10.6	76,628	-7
Hong Kong, China (SAR)	0.910	84.0	15.6	11.2	53,959	-2
Liechtenstein	0.908	80.0	15.0	11.8	79,851	-10
Sweden	0.907	82.2	15.8	12.1	45,636	-1
United Kingdom	0.907	80.7	16.2	13.1	39,267	9
Iceland	0.899	82.6	19.0	10.6	35,182	12
Korea (Republic of)	0.898	81.9	16.9	11.9	33,890	13

Source: World Bank group report, 2015

Based on these findings, the researcher decided to look on two indicators of GDP per capita and Human Development Index as the main component of consideration.

2.4.5.1 GDP per capita

The Growth of world gross product (WGP) is estimated to be 2.6 per cent in 2014, marginally better than the growth of 2.5 per cent registered in 2013, but lower than the 2.9 per cent projected in World economic situation and prospects as of mid-2014, (Saunders J. , 2015).

According to Amitava (2013), Average incomes (as measured by GDP per capita) in England between the year 1270 and 1650 were £1,051 when measured in today's prices. The income of the average person grew immensely from an average of £1051 incomes per person per year increased to over £30,000 a 29-fold increase in prosperity one truly important event in the economic history of the world, the onset of economic development. Countries were improved their GDP per capita at the certain level such as Asian countries' GDP Per Capita were reached 1,467.74 USD in 2015, compared with 1,426.07 USD; their GDP Per Capita data were updated with an average number of 375.35 USD.

For Danielle (2014) the Gross Domestic Product (GDP) gradually rebounded to moderate growth rate of 6.49 percent in 2015, up by 0.75 percentage points from 5.75 percent in the year 2014. The growth was mainly driven by the industry sector, particularly, construction sector with the growth of 10.33 percent, and by the strong performance of electricity sector with 7.44 percent growth in 2015.

The World Bank classifies countries into four income groups yearly whereby country economies' are divided according to 2008 Gross National Income (GNI) per capita. The following ranges of income are used: First, Low income countries had GNI per capita of US$1,000 or less. Second, Lower middle-income countries had GNI per capita between US$1,000 and US$4,000. Third, Upper middle-income countries had GNI per capita between US$4,000 and US$12,300. Lastly, Fourth, High-income countries had GNI above US$12,300, (World Bank, 2011). The World Bank

classifies all low-income countries and middle-income countries as developing. However, the use of the term is convenient was not intended to imply that all economies in the group are experiencing similar development or that other economies have reached a preferred or final stage of development; the classification by income does not necessarily reflect development status (World Bank, 2011)

With the moderate GDP growth, the GDP per capita in 2015 has increased to Nu. 174,400.66 (US $ 2,719.11) from Nu160,464.09 (US$ 2,610.55) in 2014. It grew by 4.80 percent, which is an increase by 1.19 percentage points from 3.62 percent in 2014. The per capita Gross National Income amounted to Nu. 158,945.13 (US$ 2,478.14) with the growth of 2.59 percent as compared to 3.59 percent in 2014, (World Bank, 2015)

The economy recorded a National Saving of Nu. 29,741.68 million in the year 2015 as against Nu. 35,015.78 million in 2014, down by Nu. 1,505.11 million. Of the total national saving, government saving constituted Nu. 4,610.07 and private savings (Households, Private and Public Corporations) of Nu. 25,131.61, (UN, 2015). The investment in the economy was recorded at Nu. 71,286.96 million, of which Nu. 9,379.50 million was financed through capital transfer and Nu. 32,165.79 million through external borrowings, (UN, 2015).

Despite the recent upturn, per capita income in SSA at the turn of the new century is 10 per cent below the level reached in 1980, and the gap is even larger compared to the level attained three decades earlier. Economic growth remains well below the UNNADAF target of 6 per cent per annum. For the region as a whole, only two countries, i.e. Mozambique and Uganda, met this target during the past decade. Growth rates needed to attain the more recent target of reducing African poverty by half by 2015 are estimated to be even higher than the UN-NADAF target of 6 per cent. Based on recent trends, these targets are unlikely to be accomplished, (Edoho, 2015).

For Rodrik (2018), moderate growth in agriculture and the poor performance of industry has meant that much of the African growth in the past decade came from the services sector. Comparing 1997 with 1980, the share of services within GDP rose

from 38.7 to 48.6 per cent as shares of agriculture and industry declined from 22.3 to 19.5 per cent and from 39 to 31.9 per cent respectively. Such a steep decline in the share of industry at an early stage of industrialization and development suggests that the growth process in the region is highly fragile.

UN, (2015), the Implicit GDP Deflator decreased from 7.28 in 2014 to 3.70 in 2015, down by 3.87 percentage points. Similarly, inflation of goods and services as measured by Consumer Price Index (CPI) also recorded at 4.58 percent 2015 that is a decline of 3.69 percentage points as compared to 8.27 in 2014. The economy recorded a National Saving of Nu. 29,741.68 million in the year 2015 as against Nu. 35,015.78 million In 2014, down by Nu. 1,505.11 million. Of the total national saving, government saving constituted Nu. 4,610.07 and private savings (Households, Private and Public Corporations) of Nu. 25,131.61, (UN/DESA, 2015). The investment in the economy was recorded at Nu. 71,286.96 million, of which Nu. 9,379.50 million was financed through capital transfer and Nu. 32,165.79 million through external borrowings, (UN, 2015).

The Brown, *et al.* (2013) the EAC has become a significant regional market and vehicle for development and stability throughout East Africa. The community has a market of more than 150m people do, with almost a quarter of that population living in urban areas. The combined GDP of the community stands at $146bn, which, if it were a country, would rank it as the fifth-largest economy on the African continent behind Nigeria, Egypt, South Africa and Algeria. The EAC Vision 2050 notes that GDP per capita in the region grew from $140 in 1960 to $790 in 2015. This compares poorly to the GDP per capita of South Korea, which grew from approximately $140 to $21,000 over the same period. As such, the EAC is targeting much more aggressive growth over the next three decades. The EAC Vision 2050 sets the goal of increasing per capita GDP for the region ten-fold to $10,000, allowing the EAC to achieve upper-middle-income status (Amitava, 2013).

According to Colombo, *et al.,* (2015), the ICG, the establishment of the EAC has led to a 0.45% increase in real GDP in the region and a 12% decrease in the statistical risk of bilateral conflict between member states. An effective implementation of the common market protocols could also double welfare gains.

The bloc continues its move towards integration and expansion. In April 2016, it welcomed its sixth member, South Sudan. The country of almost 12m people provides a market for just under 10% of exports from within the regional bloc. Furthermore, South Sudan stands to gain significantly from regional integration. The nascent nation has a GDP per capita of $1111, but is designated as fragile and conflict-affected by the World Bank. Policymakers hope the EAC provided a path to development and stability for the country, (Fayissa & Nsiah, 2013).

Rwanda now aspires to reach Middle Income Country (MIC) status by 2035 and High-Income Country (HIC) status by2050. This aspiration was carried out through a series of seven-year, underpinned by detailed sectoral strategies that are aimed toward achievement of the Sustainable Development Goals. The NST1 came after the implementation of two, five-year Economic Development and Poverty Reduction Strategies—EDPRS (2008-12) and EDPRS-2 (2013-18), under which Rwanda experienced robust economic and social performances. Growth averaged 7.5% over the decade to 2018, while per capita growth domestic product (GDP) grew at 5% annually, (Government of Rwanda , 2011).

The country entered a high period of economic growth in 2006, and the following year managed to register 8% economic growth, a record it has sustained since, turning it into one of the fastest-growing economies in Africa. This sustained economic growth has succeeded in reducing poverty and reducing fertility rates, with growth between 2006 and 2011 reducing the percentage of the country's population living in poverty from 57% to 45%.The country's infrastructure has also grown rapidly, with

connections to electricity going from 91,000 in 2006 to 215,000 in 2011, (Eurostat, 2015).

Table 2.2: the main economic indicators of Rwandan GDP per capita in the period of 1980–2017.

Year	1980	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GDP in $ (PPP)	2.11 Bln.	3.66 Bln.	3.96 Bln.	2.96 Bln.	5.00 Bln.	8.28 Bln.	9.32 Bln.	10.30 Bln.	11.68 Bln.	12.50 Bln.	13.58 Bln.	14.94 Bln.	16.56 Bln.	17.62 Bln.	19.30 Bln.	21.24 Bln.	22.80 Bln.	24.62 Bln.
GDP per capita in $ (PPP)	453	643	614	541	667	938	1,036	1,120	1,229	1,289	1,358	1,465	1,577	1,640	1,754	1,884	1,973	2,080
GDP growth (real)	−3.6 %	5.5 %	0.4 %	24.5 %	8.4 %	9.4 %	9.2 %	7.6 %	11.2 %	6.3 %	7.3 %	7.8 %	8.8 %	4.7 %	7.6 %	8.9 %	6.0 %	6.1 %
Inflation (in Percent)	7.2 %	−1.1 %	4.2 %	56.0 %	3.9 %	9.1 %	8.8 %	9.1 %	15.4 %	10.3 %	2.3 %	5.7 %	6.3 %	4.2 %	1.8 %	2.5 %	5.7 %	4.8 %
Government debt (Percentage of GDP)	...	...	...	120 %	103 %	67 %	24 %	24 %	19 %	20 %	20 %	20 %	20 %	27 %	29 %	33 %	37 %	41 %

Source: *World Bank group 2018*

2.4.5.2 Human Development Index

The main premise of the human development approach is that expanding peoples' freedoms is both the main aim of, and the principal means for sustainable development where the future of inequalities in human development in the 21st century is, that is, in their hands.

Since 1990, the world has made major strides in human development. The global Human Development Index value has increased by more than a quarter and that of the least developed countries by more than half. This progress has been steady over time and across regions. The number of people living in low human development fell from 3 billion in 1990 to slightly more than 1 billion in 2014, (AfDB Group, 2014).

According to World Bank (2015), between 1990 after Cold war and 2015, the income poverty in developing country regions fell by more than two-thirds; the number of extreme poor people worldwide fell from 1.9 billion to 836 million. The child mortality rate fell by more than half, under-five deaths fell from 12.7 million to 6 million, which increased the level of human capita, and productivity marked the economic development of the sphere.

The HDI growth model was re-estimated with all four index components (measured at the beginning of each five-year period) used as pre-determined variables in the model (and dropping initial GDP). As expected, each of the four components used in the construction of HDI (log of GNI per capita, expected years of schooling, mean years of schooling, and life expectancy) have coefficients that are negative and significant (at the 5% level or lower). The only other variables in this model of HDI growth that remain significant are population (positive with a p-value of 0.063) and population growth, (Dyer & Chu, 2011).

The 2010 HDR introduced the MPI, which identifies multiple overlapping deprivations suffered by individuals in 3 dimensions: health, education and standard of living. The health and education dimensions are based on two indicators each, while standard of living is based on six indicators. All the indicators needed to construct the MPI for a country are taken from the same household survey. The

indicators are weighted to create a deprivation score, and the deprivation scores are computed for each individual in the survey. A deprivation score of 33.3 percent (one-third of the weighted indicators) is used to distinguish between the poor and non-poor. If the deprivation score is 33.3 percent or greater, the household (and everyone in it) is classified as multidimensional poor. Individuals with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are classified as vulnerable to multidimensional poverty. Finally, individuals with a deprivation score greater than or equal to 50 percent live in severe multidimensional poverty. The MPI is calculated for 101 developing countries in the 2019 HDR, (Klugman, Rodríguez, & Choi, 2011).

Work in various forms by 7.3 billion people has contributed to this progress. Nearly a billion people who work in agriculture and more than 500 million family farms produce more than 80 percent of the world's food, improving nutrition and health. Worldwide, 80 million workers in health and education have enhanced human capabilities. More than a billion workers in services have contributed to human progress. In China and India, 23 million jobs in clean energy are increasing environmental sustainability, (World Bank, 2011)

For UNDP, (2015) proved that Human Development Index and its components, 2010 and 2013 according to the regional were characterised like these Very high human development 0.885 to 40,046; High human development 0.723 to 13,231; Medium human development 0.601 to 5,960; Low human development 0.479 to 2,904. In other hands Arab States came first with 0.675 to 15,817; East Asia and the Pacific 0.688 to 10,499; Europe and Central Asia 0.726 to 12,415; Latin America and the Caribbean 0.734 to 13,767 ; South Asia 0.573 to 5,195 and Sub- Saharan Africa 0.468 to 3,152, globally (World) 0.693 13,723 that established a constructive perfection on economic development.

In 2017, 69 percent of adults had an account with a financial institution, up 7 percentage points from 2014. That means more than half a billion adults gained access to financial tools in three years, In particular, inclusive e-commerce, which promotes the participation of small firms in the digital economy, is important

because it can create new opportunities for traditionally excluded groups. In China, for example, an estimated 10 million small and medium enterprises sell on the Taobao platform; nearly half the entrepreneurs on the platform are women, and more than 160,000 are people with disabilities, (Demirguc-Kunt, Klapper, Singer, Ansar, & Hess, 2017).

Rwanda's HDI value for 2018 is 0.536, which put the country in the low human development category positioning it at 157 out of 189 countries and territories. Between 1990 and 2018, Rwanda's HDI value increased from 0.245 to 0.536, an increase of 119.0 percent. Between 1990 and 2018, Rwanda's life expectancy at birth increased by 35.3 years, mean years of schooling increased by 2.7 years and expected years of schooling increased by 5.4 years. Rwanda's GNI per capita increased by about 126.5 percent between 1990 and 2018, (Horner, 2014). Rwanda's 2018 HDI of 0.536 is above the average of 0.507 for countries in the low human development group and below the average of 0.541 for countries in Sub-Saharan Africa. From Sub-Saharan Africa, countries which are close to Rwanda in 2018 HDI rank and to some extent in population size are Guinea and Togo, which have HDIs ranked 174 and 167 respectively, (Egedy, Földi, Balogi, & Kovács, 2009).

2.5 Critique to existing literature

A critical review of previous literatures shows that several conceptual and contextual Research gaps existed on the contribution of Foreign Development Strategies in this world affair. Some part of the sphere has been improved positively on economic development, specifically those from emerging economic countries such as China, Singapore, Brazil, South Korea, South Africa and others because of a focusing and initiates the political drive based on their economic development projection, which proved optimistic contribution on their nations.

Second part of the beneficial on these strategies are the developed sphere (western Europe and Northern Americas) considering as the main beneficiary of these strategies in terms of create jobs, investments, cheap labour force, available raw materials. In other hand, there are a second part of Developing sphere some called third countries that are considering economic field of northern sphere with the

negative effect of corrupt government, dictatorship, poverty, diseases, unemployment, unilateral conflict and so on.

Different findings of studies on the relationship between foreign development partnership and economic development have varied and have been controversial across countries. Some studies have found bidirectional causality; others have shown unidirectional causality in either of the two series while others have found no relationship between foreign development partnership and economic development with different reasons.

First, trade and financial linkages between developed countries, the North, and developing countries, the South, are not yet adapted capacity but on the expansionism of the third countries vis-à-vis to the developed sphere and emerging economic countries. Second, a number of developing countries have differentiated themselves from the others in the South by growing at an extraordinary pace while rapidly integrating themselves into the global economy, (Dyer & Chu, 2011).

The intensity of intra- and cross-group trade linkages still considering as dependent from South sphere to the northern sphere (Amitava, 2013), For example, the share of intra-group trade in the total trade of the Emerging

According to Barsh, (2008) the South trade has increased by fourfold from 9 percent in 1960 to 36 percent in 2005. During this period, the share of the Emerging Southern trade with the North has declined from 83 percent to 50 percent. Similarly, in the total trade of Developing South, the share of trade with the Emerging South has jumped from 6 percent in 1960 to 25% in 2005. China has been an engine of the growth of intraregional trade in Asia. For example, China related intraregional trade flows grew by 12 times trade accounting for roughly 60% of intraregional trade within emerging Asia over the period 1990-2006.

Based on these various literatures, it has been noticed that Foreign Development Strategies plays a big role on national socio-economic development of countries when it has well oriented on the national development policies. Many empirical studies were leant the significance of Foreign Development Strategies in

International relations in terms of Diplomacy, Security, having power in the world arena, but social component still underestimated, (Dyer & Chu, 2011).

Today with globalization era, countries do not need to have their only approaches, tactics and strategies on their political system, which is not positioned on national socio-economic development as community's interests but having strategies that assist them on TPS, FPS and APS that are not only advantaging one group or state but also more of them, (UNEC, 2011).

Mackey & Jacobson, (2011) provided his critics by demonstrate how the technical challenges should create new opportunities by establishing micro and small enterprises when is being recognized as a tool to generate additional sources of income; micro-enterprises are more flexible and adaptable to rapid changes than are bigger companies. On an individual level, starting up a business has sometimes been the only solution for certain segments of society, e.g. women, younger people, or workers who were previously employed in the public sector. Small-scale entrepreneurs, especially in the early stages, often lack the necessary information and tools needed for running their businesses. They are also in need of updated data about the market. It is therefore important to create appropriate frameworks that can offer support, guidance, and managerial tools to those willing to take the risk of entrepreneurship.

Nancy *et al.* (2009) Illustrated that majority of existing literatures place much emphasis on the Power of Monitoring (superpower, Great power, Regional power, Middle power, energy superpower, Small Power, balance of power, Soft power, hard power, smart power, international leadership, International governance, Power ranking, compare and influential states) under International politics and when look back to the reality, a gap is still perceived. In addition to what has been said before there is a shortage of literature on contribution of Foreign Development Strategies and economic development as dependent variable with technical partnership strategy, financial partnership strategy and lastly administrative partnership strategy as its pillars by increasing the national economic development.

In order to achieve all these values, countries, particularly developing ones have to rewrite and reformulate their policies in order to maximize international attraction as well as ensure credibility and favourability. The relationship has to be open and competitive; policies have to be friendly to capital in and outflows. In developing countries, economic development and improvement of people's welfare is the major and paramount issues which must be taken into consideration and solve it based on a well formulated the Foreign Development Strategies of the country.

2.6 Chapter Summary

The above chapter reviewed the various Foreign Development Strategies contribution theories and models that explain the independent and dependent variables. The reviewed theories are then critiqued for relevance to specific variables. The chapter also explored the conceptualization of the independent and the dependent variables by analysing the relationships between the two sets of variables. In addition, an empirical review was conducted where past studies both global and local is reviewed in line with the following criteria, title, scope, methodology resulting into a critique. It is from these critiques that the research gap was identified.

The Foreign Development Strategies have been viewed by the researcher as an important contribution on economic development of Rwanda. With this Perspective of bringing light to this topic, the general introduction was highlighted, the objective of the study and research questions, scope of study and other important key elements to be found in the introduction.

From the literature reviewed, both technical partnership strategy, financial partnership strategy and lastly administrative partnership strategy were strong-minded. It was clear that there is a positive correlation with Foreign Development Strategies that cover the components of technical, financial and lastly administrative partnerships strategy and were viewed as a great contribute on the economic development of Rwanda.

The research designs of this study was applied qualitative approach as systematic subject approach used to describe life experiences and give meaning. The goals were gaining insight; exploring the depth, richness, and complexity inherent in the phenomenon though her specific approach which was a Case study that was described in-depth the experience of one person, family, group, community or institution with the method of direct observation and interaction through subject.

In practice, the following activities were undertaken on the selection of sample techniques; develop research instruments questionnaires); collection of data (the research is going to use both primary and secondary data); Process the data (using SPSS software which assisted on process) and the researcher was analyse, interpret and draw the conclusion and recommendations.

The study population was on the direct Institutions dealing with foreign development Partnership strategies. These were officials of the Rwanda Cooperatives Agencies, Ministry of foreign affairs and International cooperation; the Ministry of infrastructure, Ministry of Trade and Industries. Ministry of Finance and Planning, Ministry of Education, Internationals Non-Government Organizations, Rwanda Local Non-Government Organizations, Rwanda Civil Society Platform and Multinational and Transnational Corporate (investors), Rwanda Development Board and finally the 30 Districts composed the Rwandan territory.

The Different Instrument were used on data collection; questionnaires and interview secondary data shall also be used to check the trustworthiness of primary data. Data was analysed using scores of statistical and mathematical functions. These functionalities were done through Statistical Package for the Social Sciences SPSS software such as data transformations; data examination; descriptive statistics; correlation; T-tests; Linear Regression;

2.7 Research gaps

A critical review of past literature showed that several conceptual and contextual research gaps existed on the implementation of the developmental Policies and strategies to the Rwandan National Institutions.

Since 2006, Rwanda harmonized its Foreign Development Strategies by adopting different pillars such as technical, financial and Administrative partnership strategy with the rest of the world affairs. The country has set out its aim to become a middle-income country by 2020 and has encouraged the government to use extra efforts that later translated in Rwanda being ranked by several International bodies. The country was celebrated for its green investment, Peace and Security component, clean and doing business; and that is why Rwanda should continue to maintain the mutual cooperation with Africa and the world as whole, (Minaffet policy, 2012).

A number of studies World Bank, (2017), NISR,(2015) Omowunmi, (2012), MINICOM, (2011) shows that Rwanda's Foreign Development Strategies including strengthening technical partnerships partnership strategy, financial partnership strategy and Administrative partnerships strategy, do not have enough influence on the economic development of infrastructures. This is because of the low level of expertise, research and development, and mutual collaboration which still unfairness even though; imports have risen sharply since 2004, largely as result of the cumulative costs of importing different products such as fuel and energy.

Based on these previous studies and reports from the researchers and Institutions such as (World,Bank, 2017) (NISR, 2015) (Omowunmi, 2012) (MINICOM, 2011), clarified gaps such as the percentage of population living below the poverty line to less than 30%; population living in extreme poverty to less than 9%, Unemployment Rate of 13.2%. These could be resolved by the foreign development partnership strategy as its affect negatively the economic development in Rwanda. The researcher decided to carry out a study, which provided results on the said gaps by shading lights from the findings of the research.

Gaps from both Technical and Financial partnership strategies have been done by different researchers such as (World Bank, 2015) (Arne & Susanna, 2004). This demonstrated a low contribution, which the researcher decided to work on the concept with consideration of Administrative strategy component as a principal element to operate the Technical and Financial partnership strategy and make them achieve the countries' vision.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used in undertaking the study. It starts by explaining the research philosophy, the research design adopted, target population, sample frame, sample and sampling techniques, data collection instruments, data collection procedures, pilot testing and data analysis and presentation techniques. Lastly, the analytic technique used to test the hypotheses is also presented.

This study adopted a research philosophy from the empirical literature, hinged on two prominent research paradigms: positivistic and deductive philosophical approach. The positivist approach is quantitative and based upon values of reason, truth and validity. The focus is purely on facts gathered through direct observation and experience, and measured empirically using quantitative survey methods, experiments and statistical analysis (Erickson & Kovalainen, 2008). Positivism maintains that knowledge should be based on real facts, not on the abstractions.

3.2 The Research Design

A research design is a plan or an overall strategy for conducting the research. It is a means of ensuring that a research process is systematic and scientific enough so that the results obtained can be applied in real life (Prabhat & Meenu M., 2015). This study was mainly a descriptive research. Descriptive research studies are those studies, which are concerned with describing the characteristics of a particular individual or characteristics of a group (Kothari, 2004).

According to Mugenda *et al* (2003), on the other hand define descriptive research as a process of collecting data in order to gain insight on the data patterns and answer questions concerning the status of the subject of study. (Sekaran, 2003), also contends that a descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation. Descriptive

survey design was adopted for this study because; first, it was used to quantitatively describe specific aspects of the population. Inferential statistics are used to determine the significant factors influencing economic development and test hypothesis.

Finally, the study data used a sample of the population from public and private institutions by utilizing questionnaires, from which research findings were generalized to the population.

3.3 Target population

Target population is an aggregation of study elements and refers to all members of a real or hypothetical set of people, events, or objects to which we wish to generalize the findings (Prabhat & Meenu M., 2015). The target population for the study was 462 from; districts, Ministries, Public and Private Institutions, Civil Society and Cooperative.

Table 3.1: Proportional stratified sample size

N	Stratum composition	N_h(the population size for stratum h)
1	Rwanda Cooperatives Agencies	30
2	MINAFFET	50
3	MININFRA	30
4	MINEDUC	30
5	RDB	40
6	MINICOM	33
7	MINICOFIN	44
8	Internationals NGOs	40
9	Rwanda Local NGOs	55
11	Rwanda Civil Society Platform	45
12	Multinational and Transnational Corporate (investors)	35
13	Districts	30
	Total	**462**

Source: Secondary data, 2016

The selected sample units show a general representation of other foreign development partnership Organs in the study area that operate in different business activities (sectors).

3.4 Sampling Frame

The sampling frame was designed to cover Public-private Institutions officials such as DGs, CEOs, mayors, Directors, Head of Units, Specialists, Experts, Professionals, Civil Society Actors (Private sector Managers, Experts from INGOs and Local NGOs, Multinational and Transnational Corporate (investors) and finally Cooperative officials) from Rwanda. A study sample is a subgroup or a fraction of the target population and is a representation of the study population (Roger, 2011). Multistage sampling was used in this study. Systematic random sampling followed this, by using random number table digits to identify the respondent. The next step involved the selection of the respondents from the sampling frame of potential respondents from each targeted institution.

3.5 Sampling Technique

The sample size is the number of individuals from whom the researcher obtains the required information and is usually denoted by the letter *n*. The respondents for this study were DGs, CEOs, mayors, Directors, Head of Units, Specialists, Experts, Professionals, Civil Society Actors (Private sector Managers, Experts from INGOs and Local NGOs, Multinational and Transnational Corporate (investors) and finally Cooperative officials) from Rwanda. In determining the sample size, this study adopted the formula and procedure for categorical data using Fishers formula. According to (Singh & Masuku, 2014) reformulated the formula of Yamane 1967, provided a simplified formula to calculate the said sample sizes as its below.

$$\boldsymbol{n = \frac{N}{1 + N(e^2)}}$$

Where n is the sample size, N is the population size, and e is the level of precision 5% for our study

Thus, $n = \frac{462}{1+462(0.05)^2} \triangleq 214$

As for Singh *et al*, (2014) added that the proportional stratified sample size means that, the number of sampling units drawn from each stratum is in the proportion to the relative population size of that stratum.

3.6 Data Collection Instruments

According to Kothari, (2004) questionnaire are popularly used data collection tools. Primary data was collected using structured to have a broad range of data to enhance data accuracy. The questionnaire had three parts. Part I comprised questions on respondents' information, Part II General information on the business and Part III Foreign development partnership management (that is, technical partnership strategy, financial partnership strategy, administrative partnership strategy) and economic development.

3.6.1 Primary Data

Primary data was collected from the Rwanda Cooperatives Agencies, MINAFFET, MININFRA, MINEDUC, RDB, MINICOM, MINICOFIN, Internationals NGOs, Rwanda Local NGOs, Rwanda Civil Society Platform, Multinational and Transnational Corporate (investors) and Districts. A Stratified random sampling methodology was employed since 214 officials from different public and private institution working in the country were selected from 462.

3.7 Data collection procedures

According to Sapsford *et al*, (2006) defined data collection as the process of gathering and measuring information on variables of interest in an established systematic fashion that enables one to answer stated research questions, test hypotheses and evaluate outcomes. For this study, primary data was collected by administering questionnaires face to face and via mail. 214 questionnaires were distributed to officials to access the Foreign Development Strategies contribute to the GCP per capita and human development index under economic development.

3.8 Pilot Study

According to Kothari, (2004) asserts a pilot study as an imitation and a rehearsal of the main survey. A pilot study on data collection instruments was carried out to ensure that the items in the questionnaire are stated clearly, mean the same to target respondents and give the researcher an idea of approximately time taken to complete a questionnaire. According to (Green, 2014) it is used to improve the validity and relevance to the study objectives. The Ministry of Foreign and International Cooperation and Ministry of Trade and Industry of Rwanda officials competed the pilot test questionnaire as part of the target population. The officials randomly selected from the ministries were not part of the final study sample. Scientific researchers generally recommend 10% representation of the population (462) which was 46 respondents. In choosing the respondents for pilot testing, the researcher utilized simple random sampling method. The questions that had errors, omissions, ambiguous and irrelevant were re-defined and the questionnaire content, structure and sequence were restructured to enhance the content validity and reliability. These improvements made the data collection instruments precise.

3.8.1 Validity Test of Research Instrument

Validity is about the accuracy of the data obtained in the study in representing the variables of the study (Saunders J. , 2015). (Creswell & Garrett, 2008) defined validity as how well an instrument as measures what it is intended to measure. The study used open-ended and close-ended questionnaires with Likert scale. Another important feature is the population for which the measure is intended, once some of these decisions were made and a measure was developed. This study established the validity of the research instrument with the help of the university supervisors and the pilot testing. In this study, the following measures were put place to ensure the items in the questionnaire produced valid data. Expert opinion: the comments of supervisors was incorporated in the instruments as a way of improving their validity. A pilot study: a pretest study was carried out among director general, directors, head of units, experts, specialist and professional of foreign development strategy implementation, after which the results of the pilot data analysis were used to

improve validity of the instruments. Factor analysis: Validity test was also used on the research instrument using a method of Principal Component Analysis (PCA) to extract the factors. The criteria, as suggested by (Chou, 2006), was that factor loadings greater than 0.40 were considered statistically significant for studies with sample size less than 200. Consequently, in this study, 0.40 was used as the cut- off for loadings since the sample size of the study was 214. The higher the factor loadings were, the greater they were relating to the variable.

3.8.2 Reliability of Research Instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 2003). According to (Kothari, 2004), reliability is the consistency of measurement. The Researcher contends that the more reliable a data collection instrument is the more consistent the measure would be. Reliability is the degree to which a test consistently measures whatever it measures (Creswell & Garrett, 2008). This study employed Cronbach‘s coefficient alpha method to determine the internal consistency of the variables to be measured.

$$\alpha = \frac{K*r}{1 + (K-1)*\bar{r}}$$

Where:

K is the number of variables,

r- bar is the average correlation among all pairs of variables.

The results found out the Cronbach‘s alpha value for the overall questionnaire was 0.805 which indicated its high reliability because the value was greater than the generally agreed lower limit of 0.7.

3.9 Data analysis and Presentation

To support the relationships as suggested in the model, the study used statistical and econometrics Package for Social Sciences (SPSS version 21) and used SERVQUAL

model to analyze the perception, multinomial model and descriptive analysis. First, the researcher analyzed internal correlations to examine the relationships among the research variables. Second, the researcher conducted a standard multiple regression analysis to test for the direct effect of the independent variables on economic development (GDP per capita and Human Development Index).

3.9.1 Data analysis

Data analysis was conducted according to the research objectives and hypotheses. This included the need to analyze the contribution of the Foreign Development Strategies on Economic development of Rwanda based on different Institutions of Rwanda. Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering and cleaning the data. Data collected was analyzed using descriptive, econometrics and inferential statistics.

Descriptive statistics and econometrics were employed to summarize the survey data and provide immediate summary statistics for the various objectives. These included measures of central tendency and relationships. Inferential statistics utilized regression analysis was used to investigate the relationship(s) that had been hypothesized amongst the study variables. Analysis of variance (ANOVA) was also used to investigate if independent variables had statistically significant influence on the dependent variable. As espoused (Mugenda & Mugenda, 2003) correlation technique is used to analyze the degree of relationship between the variables. Results were presented on frequency tables, charts and graphs.

The independent variable level of participation affect was regressed on the dependent variable while controlling for the moderating variable. The moderating variable in the study was the political drive effect on the independent variable and the outcome variable. The model that defines how the dependent variable $'Y'$ was related to the independent variables as indicated below;

3.10 Model specification

3.10.1 Multiple Linear Regression Model

The study employed multiple linear regression model given by equation 3.4 below

$\boldsymbol{Y} = \boldsymbol{\beta_0} + \boldsymbol{\beta_1} X_1 + \boldsymbol{\beta_2} X_2 + \boldsymbol{\beta_3} X_3 + \varepsilon$ without the moderator, and

$Y = \boldsymbol{\beta_0} + \boldsymbol{\beta_1} X_1 * Z + \boldsymbol{\beta_2} X_2 * Z + \boldsymbol{\beta_3} X_3 * Z + \varepsilon,$ with the moderator ……..3.4

Where:

i. Y: Economic development
ii. X_1 : Technical partnership strategy
iii. X_2: Financial partnership strategy
iv. X_3: Administrative partnership strategy
v. Z : Political drive
vi. $\boldsymbol{\beta_0}$: coefficient of intercept
vii. β1 – β3 : The corresponding coefficients for the respective independent variables for Foreign policy
viii. ε : error term

The linear regression model is based on the following assumptions; randomness of the error term, assumption of zero mean of the error term, the assumption of constant variance and assumption of normality of the variables. (Hosmer and Stanley, 2000) emphasize that regression methods have become an integral component of any data analysis concerned with describing the relationship between a response variable and one or more explanatory variables. The data was obtained from the questionnaires are the primarily quantitative analysed to identify the most statistically significant determinants of Foreign Development Strategies of Rwanda with the variables that have influence on economic development of Rwanda.

3.11 Test of Hypotheses

ANOVA was used to determine whether there are significant differences between independent groups and economic development of Rwanda at a selected probability level (Creswell & Garrett, 2008). The conclusion is based on the p-values where, if the null hypothesis is rejected then the overall model is significant and if null hypothesis fails to be rejected the overall model is insignificant. The null hypothesis with p-value greater than 0.05 was rejected and the p-value less than 0.05 we failed to be rejected.

3.11.1 Measurement of Independent variable

In this study, the independent variable of Foreign Development Strategies measured in three indicators of technical partnership strategy, financial partnership strategy and administrative partnership strategy. The study measured the various components of technical cooperation such as multilateral and bilateral technical cooperation with constructing infrastructures support, health services aids and education aids and multinational corporate such as investment and tourism attraction, international trade and foreign direct investment which assisted and used by the Public and Private Institutions in Rwanda.

In financial partnership strategy, the study measured the various component such as technical partnership strategy, which attracts international financial institution (banks and insurances). This facilitates the availability of the means to investments, development and donation. The international financial institution provide assistance, and aids that boost national budget. This affect the community, the public and private institutions in Rwanda. Administrative partnership strategy; the study measured various components such as cost and ease of doing business through free movement in the Public and Private Institutions in Rwanda.

In addition, moderating variable, this is political drive with Decentralization and Accountability. These indicators represented the component of foreign development partnerships policy strategies on Public and Private Institutions in Rwanda.

3.11.2 Measurement of Dependent Variable

The dependent variable for this study is economic development in Rwanda, which in this study was focused on Gross Domestic Product per capita and human development index.

3.11.3 Measurement of Moderating Variables

The study considered the moderating variable (Political drive). Factors considered under the Political drive like market regulation and Value (price).

Political will is not an easy concept to define let alone measure. This is because even though success or failure of many government objectives is often attributed to political will at the very top, or the lack of it in case of failure, little research has been conducted to understand factors that determine political was besides the motivation for political survival a factor neutralized in most parts of Africa. Thus to measure several performance indicators have been put in place by the government which include; performance contract and accountability of the leadership was based on the Rwanda's target to become a middle-income economy by the year 2020 under its Vision 2020. The Government of Rwanda (GOR) is also implementing a second phase of the Economic Development and Poverty Reduction Strategy (EDPRS), a medium term framework for the implementation of its development aspirations under this Vision 2020.

Achieving the medium term goals within the EDPRS was provided the assurance needed that Rwanda's long term objectives under the Vision 2020 were attained a performance based and accountability mechanism, in Local Governments, and later in Central Government Institutions, has been the most fundamental effort in instilling performance practices within the public services.

These efforts were supplemented by performance based budget reforms the sector wide approaches and results based budgeting, which emphasize the use of results of services in planning and as a basis for allocating resources within sectors and public institutions. The Economic Development and Poverty Reduction Strategy EDPRS II

(2013-18), by including measures for accountable governance for all public institutions, strongly backs these efforts. Finally, the specific adopted at The National Leadership Retreat in 2014 further demonstrate Government's resolve to implement performance based practices across the public service. Key of these are:

To improve preparation of institutional performance contracts so that they are outcome-based rather than output-based. To improve the preparation and evaluation of individual performance contracts in public institutions so that evaluation it is based on the contribution of each civil servant to the overall mandate of the institution.

3.12 Statistical and econometric technique

Both econometrics and statistics allowed the researcher to analyze, present and interpret data; the output was leading the researcher to show the contribution of Foreign Development Strategies on economic development of Rwanda.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the results and findings of the study according to the research objectives and hypotheses. Frequencies mean and percentages were used to analyze data descriptively, while inferential statistics using regression analysis was conducted for the purpose of testing hypothesis and predicting the relationship between the independent and dependent variables.

4.2 Response Rate

The survey was conducted from 2016-2017 covering Public and Private Institutions. 214 structured questionnaires were distributed to the DGs, CEOs, mayors, Directors, Head of Units, Specialists, Experts, Professionals, Civil Society Actors (Private sector Managers, Experts from INGOs and Local NGOs, Multinational and Transnational Corporate (investors) and finally Cooperative officials). Out of the 214 questionnaires, 213 were filled and returned. This represented 98.8% response rate. This response rate is considered satisfactory to make conclusions for the study. (Mugenda & Mugenda, 2003), observed that a 50% response rate is adequate, 60% good 70% rated very good and above 95% excellent.

The response rate of 98.8% is therefore excellent. The recorded high response rate can be attributed to the data collection procedure, where the researcher obtained a research permit from Ministry of Education of Rwanda, Directorate general of Science, Technology and Research. Then, pre-notified the potential participants of the intended survey utilized a self-administered questionnaire where the respondents completed the questionnaires. The questionnaires were picked shortly after follow up calls to clarify queries as well as prompt respondents to fill the questionnaires.

4.2.1 Response according to Public and Private Institutions

There was a 100% response rate from all the targeted institutions except for the local NGOs that had 98% on the questionnaires. This summarized in the table 4.1;

Table 4.1: Response according to Institutions

h	**Stratum composition**	**Distributed**	**Returned**	***Returned rate***
1	Cooperatives	20	20	*100%*
2	MINAFFET	30	30	*100%*
3	MININFRA	25	25	*100%*
4	RDB	25	25	*100%*
5	MINICOM	25	25	*100%*
4	MINICOFIN	30	30	*100%*
5	Internationals NGOs	19	19	*100%*
6	Rwanda Local NGOs	15	14	*98%*
7	Rwanda Civil Society Platform	10	10	*100%*
8	Multinational and Transnational Corporate (investors)	15	15	*100%*
9	30 District	30	30	*100%*
10	**Total**	**214**	**213**	***98.8%***

Source: *Primary data, 2017*

4.3 Demographic information

This section presents the demographic characteristics such as gender, level of education, year worked in the organizations, organization size and number of years institutions and organization's has been in existent.

4.3.1 Respondents Gender distribution

The 213 respondents who returned the questionnaire distribution had 48.1% males and 51.9% females. This implies that females were the majority of our respondents implying that they are the majority workforce in implementation of the contribution towards foreign development on Rwanda economy development.

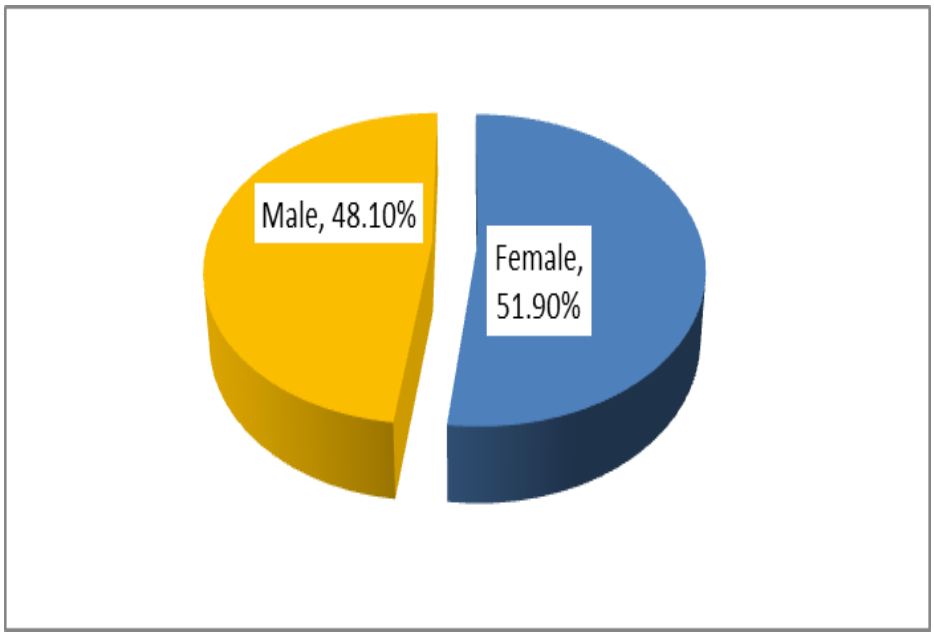

Figure 4.1: Gender of the Respondents

Source: *Primary data, 2017*

4.3.2 Level of Education

Respondents' qualifications varied greatly with a higher proportion of employees having university level education at 39.5%, Post University at 33%, 15% with college and 13% having secondary education level.

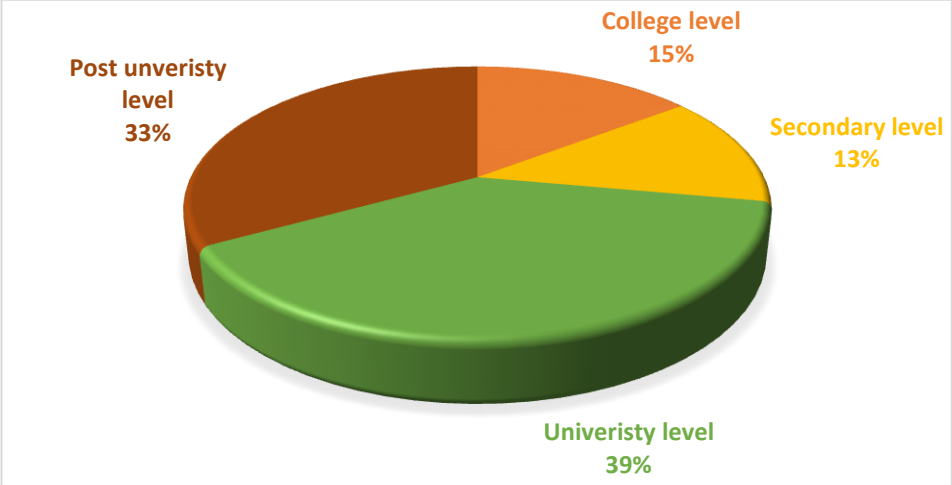

Figure 4.2: Level of Education

Source: ***Primary data, 2017***

4.3.3 Years Worked in the Institution or Organization

The researcher years worked distribution were; majority had worked for less than a 2 years 40.7%, followed by 3-5 years at 37% and 5 years 22.2% as in Figure 4.3 the workforce is relatively young as some of institutions and organizations have been newly established by the Rwandan.

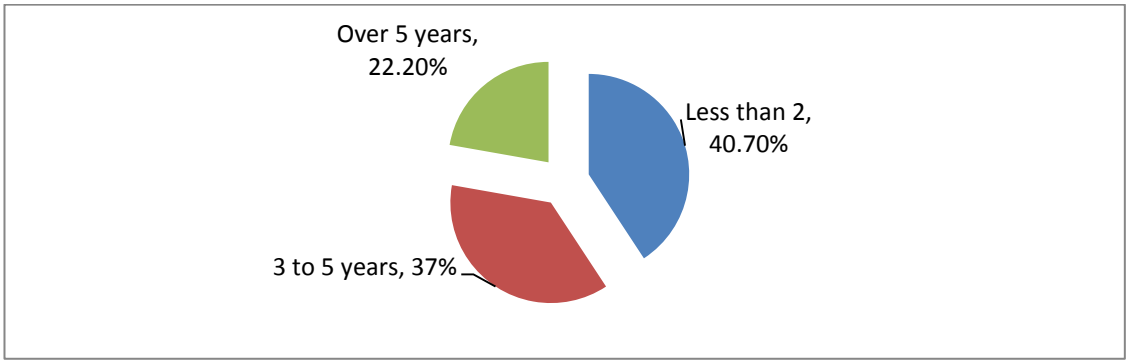

Figure 4.3: Institution working experience

4.3.4 Type of Institutions or Organizations

The researched also was interested in assessing the type of institutions or organizations target for research. The distribution is as in Table 4.2 below;

Table 4.2: Type of Institutions or Organizations

	Frequency	Percent
Public	134	63.0
Private	74	34.6
NGOs	3	1.2
Both public-Private	3	1.2
Total	213	100.0

Source: *Primary data, 2017*

4.3.5 Life of institutions

From table 4.3 above, 63.0% of respondents were from public institution, 34.6% were from private sector and 1.2% were from NGOs and Public-Private institutions prospectively equal proportion.

Table 4.3: Life of institutions

	Frequency	Percent
1 to 5 years	50	23.5
6 to 10 years	45	21.0
11 to 15 years	21	9.9
Over 15 years	97	45.7
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.3 indicates that 45.7% of respondents indicated that their organization or institutions have been in operation for over 15 years, 23.5% between 1 to 5 years, 21% between 6 to 10 years and 9.9% between 11 to 15 years.

4.3.5 Institution's contribution to the Foreign Development Strategies

The researcher wanted to know the respondents' views on the contribution of their institution towards Foreign Development Strategies implementation. Table 4.4 shows the dispersion of the sector and different knowledge from different sources.

Table 4.4: Opinion on Foreign Development Strategies implementation.

		Frequency	Valid Percent
	No	16	7.5
	Yes	196	92.5
	Total	212	100.0
Missing	System	1	
Total		213	

Source: *Primary data, 2017*

The findings from table 4.4 show that 91.4% of respondents said that their institutions work closely with the Rwanda's Foreign Development Strategies and only 7.4% indicated that their institutions do not implement the Rwanda's foreign development strategies. This gives the researcher, a picture that the majority of respondents consider the contribution of their respective institutions in the implementation of the foreign development strategies.

4.3.6 Strategies on the economic development

The study also sort to find out the economic development strategies put in place

Table 4.5: Organization or Institution Strategies on the economic development.

	Frequency	Percent
Attracting foreign investors	68	32.1
Promote Bilateral and multilateral cooperation	16	7.4
Facilitating trade	55	25.9
Equipping students with relevant skills	11	4.9
Improving export promotion	63	29.6
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.5 reveal that 68 from 213 respondents equivalent to 32.1% confirmed that their institution contribute to the economic development through attracting foreign investors, 63 (29.6%) through improving export promotion, 55 (25.9%) through facilitating trade, 16 (7.4%) through promoting bilateral and multilateral cooperation and 11 (4.9%) through equipping students with relevant skills.

4.4 The contribution of technical partnership strategy on economic development between Rwanda and the rest of the world affairs.

This section aims to establish the views of respondents on the technical partnership strategy contribution on economic development between Rwanda and the rest of the world. The table 4.4.1 shows the respondents perspectives to the strategy.

4.4.1 Bilateral and multilateral programs and multinational businesses

As illustrated in the table 4.6 below, respondents have shown their perception on Foreign Development Strategies with its pillar; technical, financial and

administrative partnership strategy to support infrastructures, health services, agriculture and education that contributes to economic development. All respondents support the mechanism applied by Foreign Development Strategies by encouraging mutual assistance in supporting infrastructures, health services agriculture and education with other countries and international organs.

Table 4.6: Bilateral and multilateral programs and multinational businesses

	Frequency	Percent
Strongly agree	113	53.1
Agree	100	46.9
Total	213	100.0

Source: *Primary data, 2017*

Among 213 respondents, 53.1% strongly supported and 46.9% supported that technical cooperation is an important instrument for implementing bilateral and multilateral programs and multinational businesses that affect economic development.

4.4.2 Opportunity to grow a flourishing productive sector, participation in international trade and safeguard their environment

The researcher tried to find out deferent sights of respondents on their participation in international trade and safeguard their environment.

Table 4.7: Opportunity to grow a flourishing productive sector, participation in international trade and safeguard their environment

	Frequency	Percent
Strongly agree	105	49.4
Agree	103	48.1
Disagree	5	2.5
Total	213	100.0

Source: *Primary data, 2017*

From the table 4. 7 above, out of 208 responded, 49.4% of respondents strongly agreed that the opportunity to grow a flourishing productive sector, increase their participation in international trade and safeguard the environment with 48.1% of the respondents agreed on the concept and only 2.5% disagreed.

4.4.3 The Capacity building is mobilized in a manner of strengthening Government of ownership enhancing service delivery

Respondents' perception on ccapacity building is mobilised in a manner of strengthening government ownership enhancing service delivery that affect economic development. Their responses were summarized in the table below.

Table 4.8: The Capacity building is mobilized in a manner of strengthening Government of ownership enhancing service delivery

	Frequency	Percent
Strongly agree	87	40.7
Agree	113	53.1
Disagree	13	6.2
Total	213	100.0

Source: *Primary data, 2017*

On the table 4.8 above, 53.1% of the respondent agreed that the capacity building is mobilised in a manner to strengthen government ownership enhancing service delivery to the Rwandan citizens that affect the economic development, 40.7% of the respondents strongly agreed while 6.2% disagreed on the concept.

4.4.4 Local administrations demonstrated special capacities to harness creativity and innovation, self-dignity (agaciro), and self-motivating potentials influencing country's economic development positively

Respondents perception to the local administrations demonstrated special capacities to harness creativity and innovation, self-dignity (agaciro), and self-motivating

potentials influencing the country's economic development positively by increasing their gross domestic product per capita and human development index. Their responses were summarized in the table below.

Table 4.9: Local administrations demonstrated special capacities to harness creativity and innovation, self-dignity (agaciro), and self-motivating potentials influencing country's economic development positively

	Frequency	Percent
Missing	3	1.2
Strongly agree	95	44.4
Agree	97	45.7
Disagree	15	7.4
Strongly disagree	3	1.2
Total	213	100.0

Source: *Primary data, 2017*

On this table 4.9, Among 213 respondents, 210 responded and three did not respond. Out of 201, 45.7% of the respondents agreed that local administrations have demonstrated special capacities to harness creativity and innovation, self-dignity (agaciro), and self-motivating potentials influencing positively on the country's economic development. This is by increasing their gross domestic product per capita and human development index, 44.4% strongly agreed, 7.4% of the respondents disagreed and 1.2% strongly disagreed on the concept.

4.4.5 Factors used by organization/ Institution to boost capacity building, research and development that contribute on economic development

During the research, respondents give some factors, which boost the capacity building, research and development that contribute to economic development. The factor were grouped into seven main economic sectors:

Table 4.10: Factors used by organization/ Institution to boost capacity building, research and development that contribute on economic development

	Frequency	Percent
Infrastructures promotion	42	19.8
Facilitating trade	34	16.0
Facilitating foreign investors	29	13.6
Right to residences promotion	24	11.1
Made in Rwanda promotion	32	14.8
increase investment in infrastructure	26	12.3
Peace keeping	3	7.4
Skills transfers	89	4.9
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.10 indicates that 19.8% of respondents confirmed that development infrastructures promotion is a factor of technical partnership strategy used by organization/ Institution. These boosts the capacity building, research and development that contribute on economic development, 16% indicated trade facilitation, 14.8% in made by promoting Rwanda, 13.6% trade facilitation, 12.3% increasing investment in infrastructure, 11.1% right to residents promotion, 7.4% is peace keeping and 4.9% is skills transfers.

Table 4.11: Strategy in boosting capacity building, research and development

	Frequency	Percent	Valid Percent	Cumulative Percent
YES	213	100.0	100.0	100.0

Source: *Primary data, 2017*

The result from table 4.11 indicates that 100% of respondents confirmed that Rwanda's strategies on boosting capacity building, research and development under technical partnership strategy to the optimistic economic development of Rwanda.

Table 4.12: Ssectors of technical partnership strategy

	Frequency	Percent
Ecotourism, culture tourism, antique tourism, academic tourism	12	5.6
Agriculture, forestry, fishery technical partnerships	36	16.9
Mining and quarrying technical partnerships	32	15.0
Manufacturing technical partnerships	35	16.4
Electricity, gas steam and air conditioning supply, water supply; sewerage, waste management and remediation activities technical partnerships	28	13.1
Construction, real estate activities and wholesale and retail trade technical partnerships	39	18.3
Accommodation and food service activities technical partnerships	11	5.2
Information and communication, transportation and storage technical partnerships	8	3.8
Education, Professional, scientific and technical activities technical partnerships	4	1.9
Human health and social work activities, arts, entertainment and recreation technical partnerships	8	3.8
Total	213	100.0

Source: Primary data, 2017

The results from table 4.12 indicate that among 213 respondents, 18.3% of respondents said that Construction, real estate activities, Wholesale and retail trade are the main sectors of technical partnerships Strategy. 16.9% of respondents said agriculture, forestry, fishery technical partnerships strategy, 16.4% of respondents said manufacturing technical partnerships strategy, 15% of respondents said mining and quarrying technical partnerships strategy, 13.1% of respondents said electricity, gas steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities technical partnerships strategy, 5.6% of respondents said ecotourism, culture tourism, antique tourism, academic tourism, 5.2% of respondents said accommodation and food service activities technical partnerships strategy; 3.8% of respondents said Information and communication, Transportation and storage technical partnerships; 3.8% of respondents said Human health and social work activities, Arts, entertainment and recreation technical partnerships and

1.9% of respondents said education, professional, scientific and technical activities as part of the technical partnerships strategy.

4.5 The contribution of financial partnership on economic development

This section focuses on the results of the research on contribution of financial partnership strategy on economic development.

4.5.1 Financial partnership is important instruments in developing commercial banks and micro-finance

The Financial partnership is a main pillar on **f**oreign private investments census play an important activity in its efforts to attract and retain foreign private capital in the country to complement domestic resources that enhance the economic development.

Table 4.13: Partnership with the rest of the world supported by grants to stimulate, increase efficiency and efficacy in the provision in management and positioning Rwanda economic development vis-à-vis world businesses.

	Frequency	Percent
Strongly agree	105	49.4
Agree	100	46.9
Disagree	8	3.7
Total	213	100.0

Source: *Primary data, 2017*

Table 4.13. Shows that, among 213 respondents 205 (96.3%) agreed among them 49.4% strongly agreed and 46.9% agreeing that agreed that he financial partnership with the rest of the world supported by grant and aids aims to stimulate, increase efficiency and efficacy in the provision in management and positioning economic development of Rwanda vis-à-vis to world businesses nowadays. Other 3 or 3.7% disagreed.

4.5.2 External financing through grants, concessional and non-concessional borrowing improve the economic development

This question brought was to check perception of respondents to the external finance through grants, concessional and non-concessional borrowing played an important role in financing of public investments, which improve the economy.

Table 4.14: External financing through grants, concessional and non-concessional borrowing improve the economic development

	Frequency	Percent
Missing	3	1.2
Strongly agree	100	46.9
Agree	103	48.1
Disagree	8	3.7
Total	213	100.0

Among 213 respondents, 210 gave their views but 3 never responded. From 210 responses 203 (96.3%) supported the idea that external financing through grants, concessional and non-concessional borrowing played an important role in financing public investments, which can lead to economic development. While 8 (3.75%) of them disagreed with the concept.

4.5.3 Rwanda presents numerous opportunities for foreign direct investments

It is interesting to find out perception of different respondents on how Rwanda presents numerous opportunities for foreign direct investments, including renewable energy, education, infrastructure, agriculture, mining, tourism, and information technology and communications that should boost its economic development of Rwanda.

Table 4.15: Oopportunities for foreign direct investments, including renewable energy, education, infrastructure, agriculture, mining, tourism, information technology and communications to boost economic development

	Frequency	Percent
Missing	5	2.5
Strongly agree	89	42.0
Agree	115	54.3
Strongly disagree	3	1.2
Total	213	100.0

Source: *Primary data, 2017*

The data presented in the table 4.15 above indicate that 98% response to the question. 5 of the respondents did not respond. 204 (97.5%) agreed that Rwanda presents numerous opportunities for foreign direct investments, including renewable energy, education, infrastructure, agriculture, mining, tourism, and information technology and communications that should boost its economic development of Rwanda.

4.5.4 Foreign direct investment in various sectors attract foreign investors to contribute towards economic development

The researcher was also interested in finding out how Rwanda's foreign direct investment in various sectors attract foreign investors contribute to contribute towards economic development through job creation, boosting production of goods and services, and contributing to the tax revenues. The findings were summarized in the table below.

Table 4.16: Foreign direct investment in various sectors attract foreign investors to contribute towards economic development

	Frequency	Percent
Missing	5	2.5
Strongly agree	97	45.6
Agree	105	49.4
Disagree	5	2.5
Total	213	100.0

Source: *Primary data, 2017*

Among 213 respondents, 208 respond to the question with 5 non respondents. From those 202 or 95.0% (97 strongly agreed and 105 agreed) agreed that Rwanda's economy is dependent on the foreign direct investment in various sectors to attract foreign investors. This contributes to economic development through job creation, boosting production of goods and services, and contributing to the tax revenues. 5 responds or 2.5 % disagreed to the direct foreign investment concept.

Table 4.17: Financial partnership strategy contribution to the economic development

	Frequency	Percent
YES	213	100.0

Source: *Primary data, 2017*

The findings revealed that 100% of respondents supported the idea that financial partnership strategy contribute positively on the economic development of Rwanda.

4.5.5 Financial partnership strategy that contribute towards economic development

During the research, respondents gave their view on areas of financial partnership strategy that contribute towards Rwanda economic development. The strategy were grouped into eight main economic sectors:

Table 4.18: Financial partnership strategy contribute towards the Rwanda economic development

	Frequency	Percent
Banks financial partnership strategy	42	19.8
Insurance financial partnership strategy	34	16.0
Cooperative financial partnership strategy	29	13.6
Individuals activities financial partnership strategy	24	11.1
Small Enterprises financial partnership strategy	32	14.8
Medium Enterprises financial partnership strategy	26	12.3
Big corporation financial partnership strategy	3	7.4
Services, Industries and Agriculture Enterprises financial partnership strategy	89	4.9
Total	213	100.0

Source: *Primary data, 2017*

The result from table 4.18 indicates that 19.8% of respondents confirmed that factor of banks financial partnership strategy to be the main area contributing to the Rwanda economic development. 16% of the respondents indicated insurance financial partnership strategy, 14.8% small enterprises financial partnership strategy, 13.6% cooperative financial partnership strategy, 12.3% is medium enterprises financial partnership strategy, 11.1% individuals activities financial partnership strategy, 7.4% is big corporation financial partnership strategy and 4.9% is services, industries and agriculture enterprises financial partnership strategy.

4.6 The Administrative partnership strategy contribution to economic development.

This section focuses on the results of the research on contribution of Administrative partnership strategy on economic development of Rwanda.

4.6.1 Improving conditions of doing business with a political drive facilitate

Administrative partnership strategy is one of the most important instruments of Foreign Development Strategies that help the economic development by improving

conditions of doing business. Political drive facilitate arrival visa, immigration procedures, low taxes and fiscal incentives, enough infrastructures and low corruption and good public services delivery which attract businesses people to invest.

Table 4.19: Rwanda has improved the conditions of doing business with a political drive to attract businesses people to invest in Rwanda

	Frequency	Percent
Strongly agree	113	53.1
Agree	92	43.2
Disagree	3	3.7
Total	213	100.0

Source: *Primary data, 2017*

The table 4.19 above shows that among 213 respondents, 210 (96.3%) agreed that Rwanda has improved the conditions of doing business with a political drive facilitated by arrival Visa, immigration procedures, low Taxes and fiscal incentives, enough infrastructures and low corruption and good public services delivery. These attract business people to invest in Rwanda, with those disagreeing at 3.7%.

4.6.2 Provide business regulations in short period to assist on business registration, investment promotion, licenses and permits, privatization and specialist support for priority sectors

The following table indicates insight of respondents on how Rwanda is providing business regulations in short period to assist on business registration, investment promotion, licenses and permits, privatization and specialist support for priority sectors in the private sector that should continue boosting the economic development of the Country.

Table 4.20: Pprovide business regulations in short period to assist on business registration, investment promotion, licenses and permits, privatization and specialist support for priority sectors

	Frequency	Percent
Strongly agree	129	61.5
Agree	84	38.5
Total	213	100.0

Source: *Primary data, 2017*

The results from table indicates that 61.5% of respondents strongly agreed that provide business regulations in short period to assist on business registration, investment promotion, licenses and permits, privatization and specialist support for priority sectors. Small Medium Enterprises and for human capacity development in the private sector that should continue boosting the country economic development 38.5% disagreed.

4.6.3 Facilitate ease of doing business based on its regulatory conducive environment to do business

The researcher also tried to find out how Rwanda ranked one of the best countries facilitate easily of doing business based on its regulatory conducive environment to do business operation which attracted multinational corporate invest. Different perceptions are summarized in the following table.

Table 4.21: Ffacilitate Cost and ease of doing business based on its regulatory environment is conducive to business

	Frequency	Percent
Strongly agree	129	62.5
Agree	84	37.5
Total	213	100.0

Source: *Primary data, 2017*

The results from table indicates that 62.5% of respondents strongly agreed that the Rwanda ranked on the best countries facilitate ease of doing business based on its regulatory environment is conducive to business operation which attracted multinational corporate invest in Rwanda, 37.5% disagreed.

4.6.4 Cost and Ease of doing business reforms by providing special economic zones space for businesses to attract investment

Rwanda ease of doing business reforms by providing special economic zones space for businesses to attract investment to increase foreign direct investments where opening up a business in country takes less than six hours at zero cost, and happen online too. Having any small business or big can work in get extremely high profits without necessarily putting more hours into it with small capital wich could affect the GDP per capita and Human development index of the citizens.

Table 4.22: The role of Market regulation on special economic zones space for businesses

	Frequency	Percent
Strongly agree	129	60.5
Agree	84	39.5
Total	213	100.0

Source: *Primary data, 2017*

The results from table indicates that 60.5% of respondents strongly agreed that Rwanda has effectively Market regulation role on special economic zones space for businesses to attract investment, increase foreign direct investments where opening up a business in country takes less than six hours at zero cost, and happen online too, 39.5% disagreed.

4.5.10 Factors of Administrative partnership strategy used that contribute on economic development of Rwanda

The respondents have responded on the different factors of administrative partnership strategy used by organization/ institutions that contribute towards economic development of Rwanda

Table 4.23: Factors of Administrative partnership strategy used by your organization/ institution that contribute on economic development of Rwanda

Economic Sector	Selected frequency
Easy Investment registration and low cost	166
Environmental impact assessment, availability of raw materials and labor forces attracted	195
Low risk factors motivation	210
Strategic regional positioning in east and west with English and French speakers	205
Effective public enterprises and civil servants	137
Timeline for one stop center services	108
Free Visas for Africans and permits facility at arrival	155

Source: *Primary data, 2017*

The Rwandan leadership has to look at the several sector of economic to attract different component of partnership and involve in. Our respondents chose to show the area that mainly needs partnership to be developed. In the table above, respondents chose mainly environmental impact assessment, availability of raw materials and labor forces attracted; low risk factors motivation (210 votes), strategic regional positioning in east and west with English and French speakers (205 votes), environmental impact assessment, availability of raw materials and labor forces attracted (195 votes).

Easy investment registration and low cost (166 votes), free Visas for Africans and permits facility for at arrival for others (155 votes), effective public enterprises and civil servants (137 votes) and timeline for one stop center services (108 votes) enforced economic development of Rwanda.

4.6 The Importance of Gross Domestic Product Per Capita and Human Development Index supported by the foreign development strategies

This section focuses on the results of the research on importance of Gross Domestic Product Per Capita and Human Development Index supported by the Foreign Development Strategies

4.6.1 The importance of human development index supported by the foreign development strategies

The human development index supported by the Foreign Development Strategies is one of the most important indicators of economic development. This is supported by the Foreign Development Strategies in term of improving conditions of basic economic needs such as Rwandan community with long and healthy life, access to knowledge and a decent standard of living (life expectation, education and health of Rwandan citizen) which are impacting the implementation of the Foreign Development Strategies

Table 4.24: The capacity of consumption based on the ttechnical, financial and administration partnership strategy

	Frequency	**Percent**
Strongly agree	163	76.6
Agree	50	23.4
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.24 reveal that 76.6% of respondents strongly agreed that capacity of consumption based on the technical, financial and administration partnership strategy by increasing the multinational collaborations and 23.4% agreed.

4.6.2 The positive per capita of Rwandan is an important indicator that shows the achievement of development strategies

The positive per capita of Rwandan is an important indicator that shows the achievement of development strategies

Table 4.25: The positive per capita of Rwandan is an important indicator to measure Foreign Development Strategies

	Frequency	Percent
strongly agree	101	47.2
agree	112	52.8
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.25 reveal that 47.2% of respondents strongly agreed that positive per capita of Rwandan is an important indicator that shows the achievement of foreign development strategies, while 52.8% agreed.

4.6.3: Healthy life, access to knowledge and decent standard of living.

The respondents have provided their views on how Rwandan with long and healthy life, access to knowledge and a decent standard of living are influencing foreign development strategies.

Table 4.26: Healthy life, access to knowledge and a decent standard of living

	Frequency	Percent
strongly agree	135	63.6
Agree	66	30.8
disagree	12	5.6
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.26 reveal that 63.6% of respondents strongly agreed that Rwandan with long and healthy life, access to knowledge and a decent standard of living are influencing foreign development partnership. A 30.8% agreed on security and governance and affect its implementation and investments that driving up the economic development in Rwanda with respondents 5.6% disagreeing.

4.6.3 The path to gender in Rwanda with 64 women in parliament and young people involvement

The respondents provided their views on how the path to gender equality in Rwanda with 64 Women in parliament and young people involvement should assist absolutely on economic development of the country

Table 4.27: The Rwanda gender mainstreaming and young people involvement

	Frequency	Percent
strongly agree	135	63.6
Agree	66	30.8
disagree	12	5.6
Total	213	100.0

Source: *Primary data, 2017*

The results from table 4.27 reveal that 63.6% of respondents strongly agreed that the gender mainstreaming and young people involvement assist absolutely on economic development of Rwanda, 30.8% agreed and 5.6% disagreed.

4.6.4 The importance of political drive on economic development of Rwanda

The factors of political drive used that can contribute on Rwanda economic development

Table 4.28: The importance of political on economic development

	Frequency	**Percent**
Political will	39	18.2
Rule by Law and decentralization performance contract	12	5.6
Political stability	74	35.0
accountability	39	18.2
Performance contract	25	11.7
Zero Corruption	24	11.2
Total	213	100.0

***Source**: Primary data, 2017*

The findings from table 4.28 indicates that 35% of the respondents confirmed that political stability is a political drive factor used to contribute to the Rwanda economic development, which means that if the country is stable it should facilitate its social and economic development. 18.2% of respondents confirmed accountability and political will in equal proportion respectively, 11.7% of respondents indicated performance contract, and 11.2% indicated Zero Corruption and 5.6% rule of law and decentralization.

Table 4.29: The trade openness in Rwanda is a tool of anti-monopoly and it helps to control the inflation aspect

	Frequency	Percent
Strongly agree	136	63.8
Agree	77	36.2
Total	213	100.0

Source: *Primary data, 2017*

The results from table reveal that 63.8.2% of respondents strongly agreed that trade openness in Rwanda is a tool anti-monopoly and it helps to control the inflation aspect, while 36.2% agreed.

Table 4.30: Public regulation provide good environment for multinational corporate

	Frequency	**Percent**
Strongly agree	110	51.6
Agree	103	48.4
Total	213	100.0

Source: *Primary data, 2017*

The results from table reveal that 51.6% of respondents strongly agreed that Public regulation in Rwanda facilitate necessaries environment for multinational corporate to support the economic development of Rwanda, while 48.4% agreed.

Table 4.31: High policy agenda on the pricing are vital to mitigate high product prices

	Frequency	Percent
Strongly agree	161	75.6
Agree	52	24.4
Total	213	100.0

Source: *Primary data, 2017*

The results from table reveal that 75.6% of respondents strongly agreed that high development strategies agenda on the pricing are vital to devise and mitigate the effects of high product prices that affect the consuption and inflation restriction on economic development of Rwanda, while 24.4% agreed.

Table 4.32: The Monopolistic competition as part of market regulatory considered by the government

	Frequency	Percent
Strongly agree	148	69.5
Agree	64	30.0
Disagree	1	.5
Total	213	100.0

Source: *Primary data, 2017*

The results from table reveal that 69.5% of respondents strongly agreed and 30% agreed that the monopolistic competition as part of market regulatory is considered by the government to allow businesspersons bring out their talents; creativities and innovation to facilitate and attract Foreign Direct Investment invest in Rwanda, while 0.5% disagreed.

4.7 Inferential Statistics on the contribution of Foreign Development Strategies and Economic development of Rwanda

The researcher used this module to provide his contribution based on the findings and the module given in the Methodology.

4.7.1 Joint Model Summary: contribution of the foreign development partnership and Economic development (GDP Per Capita)

Regression analysis was used to establish the contribution of the Foreign Development Strategies and economic development of Rwanda. Precisely, the following linear model was used:

$$\boldsymbol{Y} = \boldsymbol{\beta_0} + \boldsymbol{\beta_1} X_1 + \boldsymbol{\beta_2} X_2 + \boldsymbol{\beta_3} X_3 + \varepsilon$$

Where; $\boldsymbol{Y}$ stands for Rwanda economic development, while β_0 is the intercept (a constant), β_1, β_2 and β_3 are the slopes associated to the independent variables X_1, X_2 and X_3) and ϵ is the error term which is assumed to be independent, identical and normally distributed random variable with a zero mean and a constant variance. In this study, X_1 denotes partnership strategy, X_2 denotes financial partenship strategy and X_3 denotes administrative partnerships strategy. The findings were tabulated as shown in Table 4.33.

Table 4.33: contribution of foreign development strategy on economic development of Rwanda (GDP per capita)

Dependent Variable: Economic development (GDP Per Capita **Sample: 214** **Included Observations: 213**					
I. Variable: FPS	**Coefficient**		**Std. coefficient**	**t-tatistics**	**Prob.**
	B	**Std. Error**	**Beta**		
1(Constant)	1.537	0.151		16.710	0.000
Technical partnership strategy	0.899	0.0101	0.960	9.581	0.001
Financial partnership strategy	0.5420	0.088	0.343	8.710	0.040
Administrative partnership strategy	0.970	.015	0.764	6.892	0.000
R	0.951		Mean dependent variable		3.82
R-squared	0.905		S.D. dependent variable		2.134
Adjusted R-squared	0.903		Durbin-Watson statistics		0.163
F-statistics	661.056		Standard Error of Estimate		0.66
Prob (F-statistic)	0.002				

Source: *Survey Data 2017*

Table 4.33 displays the summary of the model used to assess its best-fit on the data and its coefficient estimates to investigate the Foreign Development Strategies (technical partnership Strategy, financial partnership strategy and administrative partnerships strategy) effect on Rwanda economic development. From table 4.34, R^2 that is the models goodness of fit for the regression line is 0.905. This means that 90.5% of variation in economic development is being explained by the Foreign Development Strategies with only 9.5% of the variation in dependent variable (economic development) being attributed to the error-term introduced in the theoretical model or other variables other than foreign development strategies.

Same table 4.33, column 2, it is observed that the computed F statistic (3, 212) is 661.056 and in column 2, the p-value for the overall regression relationship is (p <0.0001), which is less than 0.05 the level of significance. This indicates that the

model used is overall significant, given all the assumptions of normality underlying the model. The Durbin-Watson statistic of 0.163<2 indicates that there is a positive serial correlation among the observation. This could be the reason why the model did not capture much of the variations in the dependent variable. From table 4.33, the regression equation deduced to understand this relationship was:

$$\mathbf{Y_{GDP\ PER\ CAPITA}} = 1.537 + 0.899\mathbf{X_1} + 0.5420\mathbf{X_2} + 0.970\ \mathbf{X_3}$$

where Y is economic development, X_1 is technical partnerships strategy, X_2 is financial partenship strategy and X_3 is Administrative partnerships strategy. From the above equation, it can be observed in column 2 that there is a positive unstandardized beta coefficient of 0.899 for X_1 (technical partnerships strategy), 0.542 from X_2 (financial partnerships strategy) and 0.970 for X_3 (administrative partnerships strategy). This indicates that for every unit change in technical partnerships strategy increase in the economic development in terms of gross domestic product per capita in Rwanda is by 0.899 units from 1.537 when keeping financial and Administrative partnerships strategy constant.

A unit change in financial partnerships strategy increase mean economic development in terms of GDP per capita and human development index by 0.5420 times from 1.537 when technical partnerships strategy and administrative partnerships strategy are constant. Finally, a unit change in administrative partnerships strategy should increase in mean the economic development in terms of GDP per capita and human development index in Rwanda by 0.970 units from 1.537, when keeping technical and financial partnerships strategy constant.

However, the model indicates that improving management of Administrative partnerships strategy (β=0.970) contributes more, followed by improving technical partnerships strategy (β=0.899) and lastly improving management of financial partnerships strategy (β=0.5420) respectively in increasing the economic development of Rwanda. With a p-value of 0.002 < 0.05, in column 6, it can be concluded that Foreign Development Strategies has a statistically significant effect

on economic development of Rwanda (F=661.056, R^2 = 0.905, Sig=0.002 at α=0.05).

Table 4.34 displays also the standard error of the estimate, which read, in column 5, 0.66 that is a measure of standard deviation around the fitted line. This measure suggests that about 95% of the prediction error in Foreign Development Strategies is less than ±1.96 (0.218) = 1.29. It can be further as observed that, from the current findings, this significance can be extended to 0.01, or 99.99% confidence interval, since p-value of 0.002 remains much less than 0.01 or a 1% level of significance. This finding is supported by the position taken by (Arne & Susanna, 2004), that illustrated key achievements during 2002 were a GDP growth rate of 9.4%, an annual inflation rate of 2% and progress in tax collection beyond expectations. The result is mainly driven by the exceptional harvest of subsistence crops due to favourable rain and increased construction activity, while the monetized economy did worse. There are very limited multiplier effects from subsistence production to the modern sector in Rwanda, but the latter seems to have revived during the first half of 2003. The electricity output, which is a good indicator of the economic activity, increased by 25.7% during the first four months of the year compared to the same period 2002. Six out of nine quantitative performance criteria for 2002 agreed with the IMF were met, and the other three were missed due to unanticipated events that occurred late during the year, or administrative partnership strategy lapse.

(World Bank group, 2014), added that development assistance as determined by the total Official Development assistance to Rwanda in 2014 was 1,1045.36 million US$. In 2000, virtually 100 per cent of funding was from traditional development partners; by 2005, it had fallen to 94 per cent, by 2010 to 85.3 per cent and in 2014 it stood at 82.6 per cent. The official development assistance as a proportion of Gross National Investment peaked at just under 24 per cent in 2004 and by 2014 stood at just over 13 per cent. This was with the development Assistance from traditional development partners declining from 22.8 per cent of gross national investment to 11 per cent and that from non-traditional development partners increasing from one per cent to just over two percent over the same period.

4.7.2 Joint Model Summary: contribution of the FDS and ED of Rwanda (Human development Index)

Table 4.34: contribution of Foreign Development Strategies on economic development (human development index)

Dependent Variable: Economic development (Human development index) **Sample: 214** **Included Observations: 213**					
I. Variable: FPS	**Coefficient**		**Std. Coefficient**	**t-statistics**	**Prob.**
	B	**Std. Error**	**Beta**		
1(Constant)	2.603	0.22		11.274	0.000
Technical partnerships strategy	0.601	0.15	0.017	3.262	0.031
Financial partnerships strategy	0.500	0.09	0.009	3.389	0.040
Administrative partnerships Strategy	0.708	0.013	0.901	8.197	0.001
R	0.796		Mean dependent variable		1.877
R-squared	0.796		S.D. dependent variable		0.685
Adjusted R-squared	0.701		Durbin-Watson statistics		1.766
F-statistics	6.214		Standard Error of Estimate		0.256
Prob(F-statistic)	0.003				

Source: *Survey Data 2017*

Table 4.34 displays the summary of the model used which assess its best-fit to the data and its coefficient estimates in an attempt to investigate the effect of Foreign Development Strategies (technical partnerships strategy, financial partnerships Strategy and Administrative Partnerships Strategy) on the Economic development in Rwanda. From table 4.34, column 2, it is observed that R^2 which is the models goodness of fit for the regression line obtained is 0.796. This means that 79.6% of variation in the dependent variable-economic development is being explained by the

variation in independent variable- Foreign Development Strategies with only 20.4% of the variation in dependent variable (economic development) being attributed to the error-term introduced in the theoretical model or other variables other than Foreign development strategies.

From table 4.34, column 2, it is observed that R^2 which is the models goodness of fit for the regression line obtained is 0.796. This means that 79.6% of variation in the dependent variable (economic development) is being explained by the variation in independent variable (Foreign development strategies) with only 20.4% of the variation in dependent variable (economic development) being attributed to the error-term introduced in the theoretical model or other variables other than Foreign development strategies

The correlation coefficient, denoted in table 4.34, column 2 by R, between the variables under study, precisely between Foreign Development Strategies and economic development is 0.796. From statistical point of view, since R=0.796 is quite close to 1, this finding suggests that there is a positive and indeed strong association between the variables studied. Concretely, this suggests that any input in terms of Foreign Development Strategies would lead into more economic development in Rwanda. From table 4.35, column 2, it is observed that the computed F statistic (2, 212) is 6.214 and in column 2, the p-value for the overall regression relationship is (p = 0.003), which is less than 0.05 the level of significance. This indicates that the model used is a best-fit for the data used, given all assumptions of normality underlying the model.

The Durbin-Watson statistic of 1.766 < 2. indicates that there is a positive serial correlation among the observation. This could be the reason why the model did not capture much of the variations in the dependent variable. same table illustrated that the regression equation deduced to understand this relationship was:

$$\boldsymbol{Y_{HUMAN\ DEVELOPMENT\ INDEX} = 2.603 + 0.601X_1 + 0.500X_2 + 0.708X_3}$$

where Y is economic development, X_1 is technical partnerships strategy, X_2 is financial partnerships strategy and X_3 is administrative partnerships strategy. From the above equation, it can be observed in column 2 that there is a positive unstandardized beta coefficient of 0.601 for X_1 (technical partnerships strategy), 0.500 for X_2 (financial partnerships strategy) and 0.708 for X_3 (administrative partnerships strategy). This indicates that a unit change in technical partnerships strategy should increase in mean the economic development in terms of GDP per capita and human development index in Rwanda by 0.601 units from 2.603. This is keeping financial partnerships strategy and administrative partnerships strategy constant; a unit change in financial partnerships strategy should increase in mean the economic development in terms of quantity in Rwanda by 0.500 units from 2.603, keeping technical partnerships strategy and administrative partnerships strategy constant. Finally, a unit change in administrative partnerships strategy should increase in mean the economic development in terms of GDP per capita in Rwanda by 0.708 units from 2.603, keeping technical partnerships strategy and financial partnerships strategy constant.

However, the model indicates that improving management of Administrative partnerships strategy (β=.708) contributes more, followed by improving technical partnerships strategy information sources (β=.601) and lastly improving management of financial partnerships strategy (β=.500) respectively in increasing the economic development in terms of GDP per capita in Rwanda. With a p-value of $0.003 < 0.05$, in column 6, it can be concluded that Foreign Development Strategies has a statistically significant effect on economic development (GDP per capita) Rwanda ($F=6.214$, $R^2 = 0.796$, Sig=0.003 at $\alpha=0.05$).

Table 4.35 displays also the standard error of the estimate, which read, in column 5, 0.256 that is a measure of standard deviation around the fitted line. This measure suggests that about 95% of the prediction error in economic development is less than ± 1.96 (0.256) = 0.402. It can be further being observed that, from the current findings, this significance can be extended to 0.01, or 99.99% confidence interval, since p-value of 0.003 remains much less than 0.01 or a 1% level of significance.

This finding is supported by the positions of (Ombeni, 2007)and (NISR, 2015), demonstrated the Rwanda's total trade of US$ 572.38 million, higher by 0.13 percent over the first quarter of 2014 was made up of exports worth of US$ 101.90 million, imports worth of US$ 432.61 million and re-exports valued at US$ 37.87 million.

(NISR, 2015), demonstrates the contribution of Regional and global relations contribution that was give Rwanda orienting its export destination to Asia Oceania that account 35% of the total trade. The East African Community follows this and Europe accounting for 22% and 18% respectively, the Middle East comes next with 163of total trade. Exports to the EAC saw an increase from 20% in 2014 to 28% in 2015 due to an increase of exports of prepared foodstuffs and vegetable products up 633% and 46% respectively. Rwanda's total trade of US$ 572.38 million, higher by 0.13 percent over the first quarter of 2014 was made up of exports worth of US$ 101.90 million, imports worth of US$ 432.61 million and re-exports valued at US$ 37.87 million.

Total imports of Rwanda reduced by 1.75 percent in the first quarter of 2015 when compared to the same quarter of 2014 (US$ 432.61 million and US$ 440.30 million respectively) and rose by 3.89 percent over the fourth quarter 2014. Domestic exports rose by 10.22 percent during the period of first quarter 2015 (US$ 101.90 million and US$ 92.46 million respectively) over the same quarter of 2014 and reduced by 18.40 percent when comparing to the fourth quarter of 2014. Re-exports from Rwanda decreased by 2.35 percent in the first quarter of 2015 over the first quarter of 2014 (US$ 37.87 million and US$ 38.78 million respectively) and registered a decrease of 0.02 percent over the fourth quarter of 2014.

(MINICOM, 2011), Rwanda's total merchandise trade was US$2.7 billion, an increase of 14.7% over 2011 (see table 1). Merchandise exports from both formal and informal trade accounted for US$575 million and imports US$ 2.7 billion up 28.1% and 11.4% respectively over 2011. Rwanda ran a merchandise trade deficit of US$1.56 billion in 2012, an increase of 6.5% over 2011. Including preliminary data for tourism, Rwanda's total exports in 2012 were just under US$ 861 million, an increase of 23% over 2011.

For (Minaffet, 2015), Rwanda's exports to the world affairs such as United States of America, German, United Kingdom and other that have been growing steadily over the past 10 years. This is with an annual average growth rate of 21% and her total trade of Rwanda at the global affairs amounted to $60 million in 2015, with exports to the USA valued at around $46 million, while imports were only $14m down from $21m in 2014, where the largest export was coffee at over $23 million. Others were minerals ($17.8 million), pyrethrum ($2.1 million) and a range of smaller value exports, (ibid, 2015).

This makes Rwanda No. 170 in world rankings according to Gross Domestic Product Per Capita (Current Prices, US Dollars) in year 2015. The world's average Gross Domestic Product Per Capita (Current Prices, US Dollars) value is US$ 12843.36; Rwanda is US$ 12,111.85 less than the average. In the previous year, 2014, Gross Domestic Product Per Capita (Current Prices, US Dollars) for Rwanda was US$ 717.35 Gross Domestic Product Per Capita (Current Prices, US Dollars) for Rwanda in 2015 was or will be 1.97% more than it was or will be in 2014.

Services exports' share in global services exports was 0.005 per cent while services imports' share in global trade was 0.009 per cent. By encouraging foreign direct investors in Rwandan Economy sustained high growth: average year-on year real Gross Domestic Product Growth rate from 2007-2011; stable inflation and exchange rate well managed; 3 years Gross Domestic Product growth rate was one of the highest among major African economies and neighbouring countries, (ICES, *et al.* 2014)

(Dyer & Chu, 2011), demonstrated that with strengthening and broadening the participation and involvement of Rwanda Foreign policy, the Gross Fixed Capital Formation in Rwanda decreased to 342 Billion Rwanda Francs in 2015 from 343 Billion in 2014. This Gross Fixed Capital Formation in Rwanda decrease had had an average of 316.69 Billion Rwanda Francs from 1999 until 2015, reaching an all-time high of 804 Billion Rwanda Francs in 2010 and a record low of 128 Billion Rwanda Francs in 1999.

Table 4.35: Joint Model Summary: contribution of the Foreign Development Strategies and Economic development (GDP Per Capita) Moderated by Political drive

Dependent Variable: Economic development (GDP Per Capita) **Sample: 214** **Included Observations: 213**					
I. Variable: FPS	**Coefficient**		**Std. Coefficient**	**t-Statistics**	**Prob.**
	B	**Std. Error**	**Beta**		
1(Constant)	1.794	0.283		6.209	.000
Technical Partnerships strategy	0.769	0.195	.754	6.445	.0021
Financial partnerships strategy	0.675	0.121	0.654	2.318	0.039
Administrative partnerships strategy	0.813	0.171	0.7214	2.059	0.003
Political drive	0.783	0.23	0.34	2.336	0.02
R	0.885		Mean dependent variable		1.54
R-squared	0.783		S.D. dependent variable		0.46
Adjusted R-squared	0.751		Durbin-Watson statistics		0.94
F-statistics	7.957		Standard Error of Estimate		0.218
Prob(F-statistic)	0.002				

Source: *Survey Data 2017*

Table 4.35 displays the summary of the model used which assessed its best fit to the data and its coefficient estimates in an attempt to investigate the effect of administrative partnership strategy strategy on the economic development (GDP Per Capita) moderated by Political drive in Rwanda. From table 4.36, column 2, it is observed that R^2 which is the models goodness of fit for the regression line

obtained is 0.783. This means that 78.3% of variation in the dependent variable-economic development is being explained by the variation in independent variable- financial partnership strategy with only 21.7% of the variation in dependent variable (economic development moderated by Political drive) being attributed to the error-term introduced in the theoretical model or other variables other than administrative partnership strategy.

The correlation coefficient, denoted in the same table, column 2 by R, between the variables under study, precisely between administrative partnership strategy and economic development is 0.885. From statistical point of view, since R=0.885 is quite close to one, this finding suggests there is a positive and indeed strong association between the variables studied. Concretely, this suggests that any input in terms of Administrative partnership strategy engineered by foreign development partnerships should lead into more economic development in Rwanda. From table 4.35, column 2, it is observed that the computed F statistic (3, 212) is 7.957 and in column 2, the p-value for the overall regression relationship is (p = 0.002), which is less than 0.05 the level of significance. This indicates that the model used is a best fit for the data used, given all assumption of normality underlying the model.

The Durbin-Watson statistic of 0.945< 2 indicates that there is a positive serial correlation among the observation. This could be the reason why the model did not capture much of the variations in the dependent variable. Table 4.35 displays also the standard error of the estimate, which read, in column 5, 0.218 that is a measure of standard deviation around the fitted line. This measure suggests that about 95% of the prediction error in economic development is less than ±1.96 (0.218) = 0.427. It can be further being observed that, from the current findings, this significance can be extended to 0.01, or 99.99% confidence interval, since p-value of 0.002 remains much less than 0.01 or a 1% level of significance. From table 4.36, the regression equation deduced to understand this relationship was:

$$\boldsymbol{Y_{GDP\ PER\ CAPITA}} = \mathbf{1.794} + \mathbf{0.769}\boldsymbol{X_1} + 0.675\boldsymbol{X_2} + 0.813\boldsymbol{X_3} + 0.783\boldsymbol{X_4}$$

where Y is economic development, X_1 is technical partnership strategy strategy, X_2 is financial partnership strategy s strategy, X_3 is administrative partnerships strategy and X_4 is political drive. From the above equation, it can be observed in column 2 that there is a positive unstandardized beta coefficient of 1.794. This indicates that a unit change in technical partnerships strategy should increase in mean the economic development in terms of Human development index in Rwanda by 0.769 units from 1.794, keeping financial partnerships strategy, Administrative partnerships strategy and political drive constant. A unit change in financial partnerships strategy should increase in mean the economic development in terms of human development index in Rwanda by 0.675 units from 1.794, keeping technical partnerships strategy, administrative partnerships strategy and political drive constant. A unit change in Administrative partnerships strategy should increase in mean the economic development in terms of Human development index in Rwanda by 0.813 units from 1.794, keeping technical partnerships, financial parternships strategy and political drive constant. Finally, a unit change in political drive should increase in mean the economic development in terms of Human development index in Rwanda by 0.783 units from 1.794, keeping technical partnerships strategy, financial parternships srategy and and Administrative partnerships strategy constant.

However, the model indicates that improving management of administrative partnerships strategy (β=0.813) contributes more, followed by in political drive information sources (β=0.783) by improving technical partnerships strategy information sources (β=0.769) and lastly improving management of financial partnerships strategy (β=0.675) respectively in increasing the economic development in terms of human development index in Rwanda. With a p-value of 0.002< 0.05, in column 6, it can be concluded that administrative partnerships strategy has a statistically significant effect on economic development in Rwanda (F=7.957, R^2 = 0.783 Sig=0.002 at α=0.05).

Table 4.36: Correlation coefficients analysis of the contribution of Foreign Development Strategies and economic development (GDP per capita) moderated by political drive

	Economic development (GDP Per Capita)	Technical Partnerships Strategy	Financial partnership strategy	Administrative partnership Strategy	Political drive
Economic development (GDP Per Capita)	1	0.804	0.702	0.901	0.849
Technical Partnerships strategy	0.804	1	0.840	0.973	0.905
Financial partnerships strategy	0.702	0.840	1	0.708	0.929
Administrative partnerships strategy	0.901	0.973	0.708	1	0.891
Political drive	0.849	0.905	0.929	0.891	1

Source: *Survey Data, 2017*

The Table 4.36 presents the Pearson Correlation coefficients result, provided result was obtained based on 0.05% the significance level and the number of 213 cases. The Pearson Correlation Coefficients is interpreted as follows values between 0 and 0.3 (0 and −0.3) indicate a weak Positive (negative), values between 0.3 and 0.7 (0.3 and −0.7) indicate a moderate positive (negative), and values between 0.7 and 1.0 (−0.7 and −1.0) indicate a strong positive (negative) linear relationship through a firm linear rule. The Pearson Correlation coefficients are positively correlated for listed variables, this means that for the above variables varying in positive direction and the strength of that is ranged between 0.7 and 1.0, which is strong positive relationship.

Table 4.37: Joint Model Summary: Foreign Development Strategies and Economic development (Human development index) Moderated by Political drive

Dependent Variable: Economic development (human development index) **Sample: 214** **Included Observations: 213**					
I.Variable: FPS	**Coefficient**		**Std. Coefficient**	**t-Statistics**	**Prob.**
	B	**Std. Error**	**Beta**		
1 (Constant)	2.598	1.13		11.719	.000
Technical partnership strategy	0.736	0.017	0.725	5.867	.003
Financial partnership strategy	0.589	0.021	0.637	2.318	0.002
Administrative partnership strategy	0.874	0.031	0.743	2.059	0.003
Political drive	0.789				
R	0.830		Mean dependent variable		1.343
R-squared	0.718		S.D. dependent variable		0.268
Adjusted R-squared	5.757		Durbin-Watson statistics		0.945
F-statistics	0.001		Standard Error of Estimate		0.211
Prob (F-statistic)	0.783				

Source: *Survey Data, 2017*

From the Table 4.37 displays the summary of the model used which assess its best-fit to the data and its coefficient estimates in an attempt to investigate the effect of financial partnerships strategy on economic development the economic development (Human development index) moderated by Political drive in Rwanda. same table, column 2, it is observed that R^2 which is the models goodness of fit for the regression line obtained is 0.830. This means that 83.0% of variation in the dependent variable-economic development is being explained by the variation in independent variable-

financial partnerships strategy with only 17% of the variation in dependent variable (economic development) being attributed to the error-term introduced in the theoretical model or other variables other than financial partnerships strategy.

The correlation coefficient, denoted in table 4.37, column 2 by R, between the variables under study, precisely between financial capital partership strategy and economic development is 0.885. From statistical point of view, since R=0.885 is quite close to 1, this finding suggests that there is a positive and indeed strong association between the variables studied. Concretely, this suggests that any input in terms of regional economic integration strategy engineered by Foreign Development Strategies should lead into more economic development in Rwanda. From table 4.37, column 2, it is observed that the computed F statistic (3, 212) is 5.757 and in column 2, the p-value for the overall regression relationship is (p = 0.001), which is less than 0.05 the level of significance.

This indicates that the model used is an overall significant, given all assumption of normality underlying the model. The Durbin-Watson statistic of 0.945 < 2 indicates that there is a positive serial correlation among the observation. This could be the reason why the model did not capture much of the variations in the dependent variable. Table 4.37 displays also the standard error of the estimate, which read, in column 5, 0.211 that is a measure of standard deviation around the fitted line. This measure suggests that about 95% of the prediction error in sorghum productivity is less than ±1.96 (0.211) = 0.413. It can be further being observed that, from the current findings, this significance can be extended to 0.01, or 99.99% confidence interval, since p-value of 0.001 remains much less than 0.01 or a 1% level of significance. From table 4.37, the regression equation deduced to understand this relationship was:

$$\boldsymbol{Y_{HDI} = 2.136 + 0.736X_1} + 0.589\boldsymbol{X_2} + 0.874\boldsymbol{X_3} + 0.789\boldsymbol{X_4}$$

where Y_{HDI} is economic development in terms of human development index, X_1 is technical partnership strategy strategy, X_2 is financial capital parternship, X_3 is administrative and X_4 is the political drive. From the above equation, it can be observed in column 2 that there is a positive unstandardized beta coefficient of 2.136.

This indicates that a unit change in technical partnership strategy increases in mean the economic development in terms of human development index in Rwanda by 0.736 units from 2.136, keeping financial capital parternership, administrative and political drive constant. A unit change in financial partnership strategy should increase in mean the economic development in terms of quantity in Rwanda by 0.589 units from 2.136, keeping technical partnership strategy strategy, adminisrative parternship strategy and political drive constant. A unit change in administrative partnership strategy should increase in mean the economic development in terms of human development index in Rwanda by 0.874 units from 2.136, keeping technical partnership, financial capital parternship and political drive constant. Finally, a unit change in political drive should increase in mean the economic development in terms of human development index in Rwanda by 0.789 units from 2.136, keeping technical partnership strategy strategy, administrative partnership strategy and financial parternship strategy constant.

However, the model indicates that improving management of administrative partnership strategy (β=0.874) contributes more, followed by improving political drive information sources (β=0.789), followed by technical partnership strategy information sources (β=0.736) and lastly improving management of financial partnership strategy (β=0.589) respectively in increasing the economic development in terms of balance of trade in Rwanda. With a p-value of $0.001 < 0.05$, in column 6, it can be concluded that regional and global relationship strategy has a statistically significant effect on economic development in Rwanda ($F=5.757$, $R^2 = 0.718$, Sig=0.001 at $\alpha=0.05$).

This finding corroborates the finding by Thomas (2000), who illustrated the important socio-economic development achievements have been realized in Rwanda based on built a solid foundation for its economic development in the long term.

These impressive achievements of the past 20 years are attributable to political drive such as virtuous leadership committed under political will to finding strong sustainable solutions for Rwandan's people under a performance contract and Share of technical partnership, financial partnership strategy and administrative partnership

strategy. These have significantly increase the Gross domestic product per capita and human development index since 2006 due to good economic conditions and high level of macroeconomic and political stability, favorable growth prospects and investment environments achieved in country which transforming Rwanda into a middle-income country. Besides, per capita income of about $900 (from $290 in 2000), and structure of the economy such that the industrial and services sectors, (Thomas, 2015).

(UNDP, 2015), Rwanda was ranked 151 out of 187 countries, a marked improvement from the 2013 report, in which it was ranked 167th out of 186 countries. Overall, the progress has been broad-based, with strong improvements in two important dimensions of human development such as health and education. Rwanda has a higher score initiated by the good leadership than all its neighbors, with the exception of Kenya, which is the largest economy in East Africa. The remarkable improvement in Rwanda's Human Development Index can largely be attributed to dedicated investments in social and economic sectors that directly promote human development, notably education, health, agriculture, roads and social protection. These have been key priorities of the EDPRS1 and remain high on the government's priorities through EDPRS2. There have been tremendous improvements in food security, access to and quality of healthcare, and basic education. Income per capita has doubled within one decade. GDP has tripled since 2006, and the government has put in place measures to ensure that it is inclusive. According to NISR's fourth Rwanda Population and Housing Census, life expectancy in Rwanda has increased from 51 to 64 years over the past decade (NISR, 2015).

(Grant, 2014), based on the political stability, the real Gross Domestic Product growth rate was 0.9% compared to 9.4% for 2002 and estimated at 4% for 2004. After exceeding 10% before 2000, the investment rate by providing the start declining until it was less than 10% in the same period of before 2000. One of the explanations for this situation is the persistence of negative levels of domestic savings and the reduction of the flow of foreign aid, considering that investment is greatly dependent on foreign aid.

Table 4.38: Correlation coefficients analysis of foreign development partnership and economic development (human development index) moderated by political drive

	Economic development (HUMAN DEVELOPMENT INDEX)	Technical Partnerships	Financial partnership strategy s	Administrative partnerships	Political drive
Economic development (HUMAN DEVELOPMENT INDEX)	1	0.701	0.511	0.812	0.849
Technical Partnerships	0.701	1	0.760	0.830	0.905
Financial partnership strategy s	0.511	0.760	1	0.789	0.821
Administrative partnerships	0.812	0.830	0.789	1	0.881
Political drive	0.849	0.905	0.821	0.881	1

Source: *Survey Data (2017)*

The Table 4.38 presents the Pearson Correlation coefficients result, provided result was obtained based on 0.05% the significance level and the number of 213 cases. The Pearson Correlation Coefficients is interpreted as follows values between 0 and 0.3 (0 and −0.3) indicate a weak positive (negative), values between 0.3 and 0.7 (0.3 and −0.7) indicate a moderate positive (negative), and values between 0.7 and 1.0 (−0.7 and −1.0) indicate a strong positive (negative) linear relationship through a firm linear rule. The Pearson Correlation coefficients are positively correlated for listed variables, this means that for the above variables varying in positive direction and the strength of that is ranged between 0.7 and 1.0, which is strong positive relationship.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter presents the summary of the study, which sought to analyze the contribution of Foreign Development Strategies on economic development of Rwanda. The study was guided by specific objectives and hypotheses. This chapter therefore presents the summary of the research work, conclusions drawn from the study, recommendations and areas of further research in relation to data analysis.

5.2 Summary of the Findings

From the findings it was observed that majority of respondents were from the public Institutions at 63.0%. The findings also revealed the majority of respondents being Female at 51.9%, the majority having been in their positions for between one year to four years. The highest level of education for the majority respondents is university degree with 72, (80%), with each institution surveyed having a combined workforce was between 50 to 199 (78.2%). The study established a number of findings and they are summarized per objective.

5.2.1 The contribution of Technical partnership strategy on economic development of Rwanda.

The first objective of the study established the contribution of technical partnership on economic development of Rwanda where the statistical and econometrics findings demonstrates average rate of 76%. This is on the areas such as Capacity building, R&D, education, science and technology, health, manufacturing and infrastructures sectors. It is these areas where almost a strong average forming a gaps rate of 24%, especially on aspect of monitoring Rwanda's trade performance by understanding trends, patterns in trade by provides an opportunity to highlight emerging issues such as Exports as fundamental importance to achieve Rwanda's Economic Development and eliminate the remain poverty rate in the country. The Free movement and export included was a vital concern in this study.

5.2.2 The Contribution of financial partnership strategy on economic development of Rwanda

The second objective of the study established a weak contribution of financial partnership strategy on economic development of Rwanda. The statistical and econometrics findings demonstrated financial partnership strategy at an average rate of 52%, where the balance, 48%, was on the absent. This balance, that is 48%, if it were to be met, could resolve the gaps created in the financial sector. This finding of feeble contribution of FPS is also supported by multinational corporate such as financial banks, that lend at a high credit interest rate, that is, at 18%. The majority of Rwandan businesses cannot afford cannot afford to borrow at such a rate, (World Bank, 2015). Secondly, (Arne & Susanna, 2004) also gave a finding in line with the researcher's findings where the population living below the poverty line was above 13%; population living in extreme poverty above 7%, and Unemployment Rate of 13.2%. This can be improved by an availage rate of grants and aids not used well even through Country' accountability on Grants and Aids are clean and strong.

5.2.3 The Contribution of administrative partnership strategy on economic development of Rwanda

The 3rd objective of the study established a strong contribution of Administrative partnership strategy on economic development of Rwanda. The statistical and econometrics findings demonstrates average rate at 85% on the areas such as Cost, ease of doing business and market regulations. The average rate of 15% that is not met shows gaps in APS that result to frequent electricity blackouts, high credit interest rate, poor infrastructure, failure to protect minority investors and high taxes rates.

5.3 Conclusions

In conclusion, the researcher brought out the summary based on the findings by demonstrating the role of each variable vis-à-vis to its indicators for instance GDP per capita and HDI. The community, leadership, International communities and Multinational corporate support these. Besides, this conclusion demonstrate the

findings based on the level of contribution of each pillar according to the two indicators; GDP per capita and human development.

On the different questions related to the contribution of Foreign Development Strategies on Economic Development of Rwanda, the findings showed that Administrative Partnership Strategy established a strong contribution at an average rate of 85%. Thus supporting the cost and ease of doing business; and market regulation on achievement of ED of Rwanda. The Political Drive aspect confirmed its good contribution average rate of 78.3% hence facilitating market regulation and prices to achieve the Economic Development of Rwanda. The Technical Partnership Strategy established its contribution average rate of 76% on the areas such as Capacity building, R&D, education, science and technology, health, manufacturing and infrastructures sectors that assist on achievement of ED. Albeit, Financial Partnership Strategy demonstrated a weak contribution average rate of 52% supporting the social welfare and development sectors in Rwanda.

5.3.1 Conclusion on the contribution of the Administrative partnership strategy on economic development of Rwanda

The researcher findings demonstrate that Administrative Partnership Strategy has strong contribution on economic development where the econometrics and statistical analysis shows a strong contribution of APS on Rwandan Economic Development with $\beta=0.970$ on Gross Domestics Product per capita and $\beta=0.708$ on Human Development Index. This can be supported by the strong rule and regulation put out by the Government of Rwanda to assist and facilitate the different businesses initiative on time by fighting corruptions and other negative aspect. Based on these findings, the researcher approved the first hypothesis of this Study with the assumption of $\mathbf{H_{00}}$: there is a significant contribution of Administrative partnership strategy on economic development of Rwanda and reject the second ones of $\mathbf{H_{03}}$: there is no significant contribution of Administrative partnership strategy on economic development of Rwanda.

The strong contribution of APS to FPS on ED makes it to be at the tops of all pillars of FDS even though the researcher as the third previously regarded it. This finding therefore supports the research gap that was overlooked by other studies; therefore, the researcher has greatly contributed to the ED by highlighting an important forsaken pillar of FDS.

5.3.2 Conclusion on the Effect of moderating variable of political drive on the contribution of Foreign Development Strategies to the Economic development of Rwanda.

The researchers' findings demonstrate that the moderating variable of political drive plays a positive role on the contribution of Foreign Development Strategies to the Economic development of Rwanda. The econometrics and statistical analysis shows the positive contribution of political drive on Economic Development of Rwanda with $\beta=0.783$ on Gross Domestics Product per capita and $\beta=0.789$ on Human Development Index. This can be supported by an adoption system of free movement that have been initiated by the Government of Rwanda to assist and facilitate export and import inside and outside Rwanda. Based on these findings, the researcher approved the first hypothesis of this Study. This approved the assumption $\mathbf{H_{00}}$: there is a significant effect political drive on the contribution of Foreign Development Strategies to the Economic development of Rwanda and rejected the second one $\mathbf{H_{04}}$: there is no significant effect political drive on the contribution of Foreign Development Strategies to the Economic development of Rwanda.

The positive contribution of the moderating variable of political drive on FDS to ED makes it second in this study. This finding supports the research gap that other studies regarded as a minute contributor to the economic development. Heretofore, the researcher has highlighted an important pillar of FDS.

5.3.3 Conclusion on the contribution of the Technical partnership strategy on economic development of Rwanda.

The researcher findings demonstrate that the Technical partnership strategy has a good contribution on Economic development of Rwanda where the econometrics and

statistical analysis shows the ties contribution of Technical partnership strategy with β=0.899 on per capita and β=0.601 on HDI after Political drive. Its shows how it has assisted in different various such as multilateral and bilateral technical cooperation on the supports providing infrastructures, health services aids and education aids on one hand and capacity building, research and Development in second hand. Based on these findings, the researcher approved the first hypothesis of this Study with the assumption of $\mathbf{H_{00}}$: there is a significant contribution of Technical partnership strategy on economic development of Rwanda and reject the second ones of $\mathbf{H_{04}}$: There is no significant contribution of Technical partnership strategy on economic development of Rwanda.

The good contribution of the TPS on FDS to ED makes it third in this study. This finding supports the research gap that other studies regarded as a major contributor to the economic development. Heretofore, the researcher has highlighted an important view to the pillar of FDS, where the TPS to other pillars comes the third.

5.3.4 Conclusion on the contribution of the financial partnership strategy on economic development of Rwanda

The researchers' findings demonstrate that the Financial partnership strategy has a feeble contribution on Economic development of Rwanda where the econometrics and statistical analysis shows the weak contribution of Financial partnership strategy with β=.542 on Gross Domestics Product per capita and β =*0*.500 on Human Development Index which are low compare to the opportunities available in Financial sectors. The Results demonstrates that availabilities opportunities in Rwanda. Based on these findings, the researcher approved the second hypothesis of this Study with the assumption of $\mathbf{H_{02}}$: there is no significant contribution of financial partnership strategy on Economic development of Rwanda and rejected the first ones of $\mathbf{H_{00}}$: there is significant contribution of Financial partnership strategy on Economic development of Rwanda.

The feeble contribution of the FPS on FDS to ED makes it fourth in this study. This finding supports the research gap that other studies regarded as an immense

contributor to the economic development. Theretofore, the researcher has underscored a feeble pillar of FDS.

5.4 Recommendations

Based on the results, findings and conclusions on the Study, the outlines of recommendations were determined. This was done in view of the study objectives.

5.4.1 Recommendations on the Contribution of Administrative partnership strategy on economic development of Rwanda

The study recommends that government of Rwanda should diversify Administrative partnership strategy in the areas such as research and development, education, science and technology, health, manufacturing in order to ensure rapid and sustainable economic development.

The Researcher recommends that Rwandan institutions and Civil Society in charge of Foreign Development Strategies should keep focus on the Country' Visions by determining the specific targets to assist the Rwanda to transform into a middle-income nation where Rwandans are healthier, educated and generally more prosperous and promote even up to the local level.

Reference is made to the findings, which demonstrates that the Country has achieved its average rate at 85% supported by the positive implementation of Administrative Partnership Strategy on different areas. These areas include cost and ease of doing business and Market regulation. The average rate of 15% that is not met shows gaps in APS that result to frequent electricity blackouts, high credit interest rate of 18%, poor infrastructure, failure to protect minority investors and high taxes rates. The researcher, theretofore, recommends that Government of Rwanda and civil society should boost a strong investment strategies on these sectors mentioned. This would especial on attraction strategies, keep and improve on cost and ease of doing business; and market regulation in the Country.

The Researcher recommends that Government of Rwanda and civil society should encourage her local investors to focus on "made in Rwanda" by securing their markets inside and outside the country where almost 89% of the merchandises are imported. The government and civil society should determine a tangible and clear model to guide its target on cost and ease of doing business; and market regulations. This will resolve different challenges that made the country to be position 38 from 29, with a reduction score of 76.5 from 77.88 according to EAC report on cost and ease of doing business, (Bonga & Mahuni, 2018).

5.4.2 Recommendations on the Effect of Moderating Variable of political drive on the contribution of Foreign Development Strategies to the Economic development of Rwanda.

The Researcher recommends that Government of Rwanda's Rules and Regulations on the exports and imports should be more friendly and attractive to local and foreigners' business actors. This will mobilize their initiative in different businesses supported by market directive and prices (equilibrium aspect). This will encourage the community to be determined and oriented hence not sitting down and waiting for community' welfare support; overly, they will then pay the dues and taxes revenue.

The findings show that the country has been achieving an average rate of 78.3% on political drive on FDS to ED. The areas are market regulation, equilibrium prices, low level of corruption, political goodwill, peace and security. However, almost 21.7% still is misplaced. The Researcher recommends, therefore, that the Government of Rwanda and Civil Society to enforce its equilibrium strategies where the beneficiaries (consumers) and providers (producers) feel interested to consume and invest based on their income revenue and monetary policy strongly oriented on the public interest.

The Researcher recommends that the competition and consumption protection policy in its nature, should promotes equality by providing fair business framework and with efficient and effective implementation in where economic operators are to get the same opportunities and chances to compete with each other.

5.4.3 Recommendations on the Contribution of Technical partnership strategy on Economic development of Rwanda.

The findings show that the country has been achieved ED at the average rate of 76% on the areas such as Capacity building, Research &Development, education, science and technology, health, manufacturing and infrastructures sectors supported by the Technical Partnership activities. The big average rate of 76%, however, still leave a gap of 24%. The Researcher, therefore, recommends that Government of Rwanda and Civil society should diversify the Technical Partnership Strategy with all international bodies to accomplish these mentioned gaps.

The Researcher recommends that a Monitoring of Rwanda's trade performance on a regular basis should be taken into consideration in order to understanding trends, patterns in trade and provides an opportunity to highlight emerging issues on Exports. This is of fundamental importance to achieve Rwanda's Economic Development and eliminate the poverty existing in the country.

The Free movement and export included, is vitally fundamental in achieving Economic Development targets. A clear capacity building to the implementers and oriented Research and Development should support them. This is the reason why the Government of Rwanda is recommended to set a specific export growth target to be achieved. Besides, it should make efforts to increase and sustain its participation in both regional and international trade, with support of an oriented Technical Partnership Strategy, which should effectively monitor Rwanda's trade performance on a regular basis. This facilitates the understanding of trends and patterns in trade and provides opportunities to highlight emerging issues.

5.4.4 Recommendations on the Contribution of Financial partnership strategy on economic development of Rwanda.

To increase Rwanda's integration into the International community and the world economy, foreign investors should be attracted because their contributions have been found to be positive and statistically significant. The result will be increase in Gross Domestic Product per Capita and human development index.

The government of Rwanda should maintain international cooperation and continue working to enter into multilateral conventions and bilateral agreements in the field of education, science, culture, implementation of joint research and development of projects. Therefore, there is a need to increase Rwanda's integration into the international community and the world economy.

The Exports are of fundamental importance to the achievement of Rwanda's economic development and poverty reduction targets. The Government of Rwanda should therefore make every effort to increase and sustain its participation in both regional and international trade.

The Government of Rwanda should understand the contribution of movements in trade, which is meeting many counteracting factors that influence the buying and selling of goods and services to and from the economy. Some external factors are very likely to have an impact on Rwanda's imports and exports. An example is the competitiveness in the region that has a significant cause over the overall poor performance of exports.

5.4.4 Recommendations on the Contribution of Administrative partnership strategy on economic development of Rwanda

The institutions in charge of Foreign Development Strategies in Rwanda should base on Country's Vision for transforming Rwanda into middle-income nation in where Rwandans are healthier, educated and generally more prosperous. This will be by promoting and sup porting administrative partnership strategy to work with other countries as intended by Rwanda's development policy and strategies, its vision 2020 and the national strategy for transformation.

Based on the Study, it was observed that there are still a lot of technical gaps between Public Institutions such as lack of coherent coordination mechanisms between their developmental policies and foreign development strategies. The Government of Rwanda is thus urged to ensure that the coordination of Foreign Development Strategies and development policies are properly coordinated,

monitored, and updated to keep them proactive on the Country's economic development priorities.

The study also found out that institutions in charge of trade should encourage export by promoting the "made in Rwanda" initiatives, facilitating trade and increasing investment infrastructure. This is because the results have proved positive but statistically insignificant in relationship between Gross Domestic Product per Capita and human development index. The Researcher recommends therefore, that the Government of Rwanda and civil society should strongly promote the economic development and trade diplomacy strategy, by providing diplomatic means that protect Rwanda's interests, create favorable conditions for the expansion of Rwanda's business and exports to the global markets.

The Researcher recommends also that the Government of Rwanda should ensure country's participation in the international economic organizations and financial organizations, and promote Rwanda's representation and decision making in those international platforms.

Due to the Government of Rwanda setting targets to become a middle-income country by 2035, a highest income country by 2050, the Researcher therefore recommends that the Government of Rwanda and Civil Society should emphasize on the target by supporting both public and private actors' initiative; which must be in relation to the vision and in joint coordination.

5.4.5 Areas for Further Research

A replica of this study can be carried out with a wider scope to include other state corporations and see whether the findings hold true. Future studies should apply different research instruments like interview guide and Focused Group Discussions to involve respondents in conferences, which will generate detailed information. The outcome will demonstrate how Foreign Development Strategies contribute to economic development of other countries.

This study can, however, also be applied to other geographical areas as the Foreign Development Strategies of any country. This would help in contributing her economic development whatever class it may be classified; developed or developing sphere. Another of the applications of this study would be to extend the framework to the whole East African Region and the world in general. Multiple-case analysis would, therefore, allow for greater generalizability and making assumptions about the trade development strategy of Rwanda in the international arena.

Another stream of research could be directed towards deep investigations of each constituent part of the conceptual framework, which would ensure a deeper understanding of the framework's contribution on free movement and cross-border cooperation as an element of the Foreign Development Strategies research embedded in another context could address new issues and areas within the field of economic diplomacy, trade promotion, infrastructure development, intelligent growth or support for market access.

Finally, in this study the strategizing instances analyzed were initiated and executed by either formal or informal regional and International institutions; however, the types, availability, role, importance and influence of these institutions on economic development were not deliberated. Paying closer attention to the local institutional landscape would afford an opportunity to obtain valuable knowledge concerning its effect on the business environment and govern the necessary potentially institutional changes.

In addition, a deeper understanding of local institutions would allow foreign business actors to develop adequate strategies, foresee, and respond proactively to possible difficulties arising from the specifics of the institutional landscape.

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APPENDICES

Appendix I: Questionnaire

ANALYSIS OF THE CONTRIBUTION OF Foreign Development Strategies ON ECONOMIC DEVELOPMENT OF RWANDA.

This study focuses on the Contribution of Foreign Development Strategies on economic development of Rwanda. Please note that your responses are anonymous and confidential and will be used by the researcher only for the purposes of research. There is no right or wrong answers. Please answer all questions to the best of your knowledge.

PART I. BIO-DATA

1. Kindly indicate your gender

Male ☐

Female ☐

2. Please indicate the highest level of education you have ever attained

a) Secondary level ☐

b) College level ☐

c) University level ☐

d) Post graduate level ☐

3. How many years have you worked in this Organization/institution?

a) Less than 2 years ☐

b) 3 to 5 years ☐

c) Over 5 years ☐

4. What is the type of your organization/ institution?

a) Public ☐

b) Private ☐

c) NGOs ☐

d) Both Public-Private ☐

5. How long has the organization been in operation?

a) 1 to 5 years ☐

b) 6 to 10 years ☐

c) 11 to 15 years ☐

d) Over 15 years ☐

PART II: QUESTIONS

In your opinion, does your Organisation or Institution works with one of these strategies of Rwanda's foreign development strategies?

a) Yes ☐

b) No ☐

If yes, how your Organisation or Institution use these strategies to contribute on economic development of Rwanda?

……

PART III OPEN QUESTIONS

Objective A. ***The contribution of Technical partnership strategy on economic development of Rwanda.***

This section aims to establish the contribution of technical partnership strategy on economic development of Rwanda. Please kindly indicate your settlement or otherwise using the following statements like Key: **1**= strongly Agree, **2**= Agree; **3** = Disagree; **4**= Strongly Agree

N0	**Statements**	**Strongly Agree (1)**	**Agree (2)**	**Disagree (3)**	**Strongly disagree (4)**
01	Technical cooperation is an important instrument for implementing bilateral and multilateral programs in one hand, Multinational businesses in second hand that affect economic development of Rwanda.				
02	Technical cooperation activities represent a significant element in achieving county's mission to help reduce poverty through sustainable and inclusive industrial development, opportunity to grow a flourishing productive sector, increase their participation in international trade and safeguard their environment				
03	The Capacity building is mobilised in a manner of strengthening GoR ownership enhancing service				

	delivery to the Rwandan citizens that affect the economic development of Rwanda.				
04	Local administrations in Rwanda have demonstrated special capacities to harness creativity and innovation, self-dignity (agaciro), and self-motivating potentials influencing positively on the country's economic development by increasing their GDP per capita and human development index				

What are other factors of technical partnership strategy used by your organization/ Institution that should boost the capacity building, research and development that contribute on economic development of Rwanda?

……

Do you think Rwanda strategies on technical partnership strategy can be boosting capacity building, research and development to the optimistic the economic development of Rwanda?

Yes ☐ No ☐

If yes, which sectors of technical partnership?

Ecotourism, culture tourism, antique tourism, academic tourism	❑
Agriculture, Forestry, Fishery technical partnerships	❑
Mining and quarrying technical partnerships	❑
Manufacturing technical partnerships	❑
Electricity, gas steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities technical partnerships	❑

Construction, Real estate activities and Wholesale and retail trade technical partnerships	❑
Accommodation and food service activities technical partnerships	❑
Information and communication, Transportation and storage technical partnerships	❑
Education, Professional, scientific and technical activities technical partnerships	❑
Human health and social work activities, Arts, entertainment and recreation technical partnerships	❑
Other technical partnerships (specify) ……..	❑

If No, Why…….**.....**

Objective B. The contribution of financial partnership strategy on economic development of Rwanda

This section aims to assess the impact of financial partnership strategy on economic development of Rwanda. Please kindly indicate your settlement or otherwise using the following statements like Key: **1**= strongly Agree, **2**= Agree; **3** = Disagree; **4**= Strongly Agree

N0	**Statements**	**Strongly agree (1)**	**Agree (2)**	**disagree (3)**	**Strongly disagree (4)**
01	Financial partnership strategy is one of the most important instruments of foreign development partnership help the economic development of Rwanda, commercial banks and micro-finance included.				
02	External financing through grants,				

	concessional and non-concessional borrowing played an important role in financing of public investments which improved positively the economic development of Rwanda				
03	Rwanda presents numerous opportunities for foreign direct investments, including renewable energy, education, infrastructure, agriculture, mining, tourism, and information technology and communications that should boost its economic development.				
04	Rwanda's economy seem as an importance to the foreign direct investors in various sectors and keeps doing its best to attract foreign investors impact to national economic development through job creation, boosting production of goods and services, and contributing to the tax revenues				

What are other factors of financial partnership strategy used by your organization/ institution that impact the economic development of Rwanda?

……

On your experiences, does financial partnership strategy impact on economic development of Rwanda?

Yes ☐ No ☐

If Yes, which area as illustrated in the table below?

Financial partnership strategy	❑
Insurance financial partnership strategy	❑
cooperative financial partnership strategy	❑
Individuals activities financial partnership strategy	❑
Small Enterprises financial partnership strategy	❑
Medium Enterprises financial partnership strategy	❑
Big corporation financial partnership strategy	❑
Services Enterprises financial partnership strategy	❑
Industries and Agriculture financial partnership strategy	❑
Other (specify) ……..	❑

If no Why?

.....

Objective C. ***The contribution of Administrative partnership on economic development.***

This section aims to determine the contribution of Administrative partnership on economic development of Rwanda. Please kindly indicate your settlement or otherwise using the following statements like Key: 1= strongly Agree, 2= Agree; 3= Disagree; 4= strongly disagree

N0	**Statements**	**Strongly Agree (1)**	**Agree (2)**	**disagree (3)**	**Strongly disagree (4)**
01	Rwanda has improved the conditions of doing business with a political drive facilitate by arrival Visa, immigration procedures, low Taxes and fiscal incentives, enough infrastructures and low corruption and good public services delivery which attract businesses people to invest in Rwanda				

02	Rwanda is provide business regulations in short period to assist on business registration, investment promotion, licenses and permits, privatization and specialist support for priority sectors, for SMEs and for human capacity development in the private sector that should continue boosting the economic development of the Country.				
03	Rwanda ranked on the best countries facilitate Easily of doing business based on its regulatory environment is conducive to business operation which attracted multinational corporate invest in Rwanda.				
04	Rwanda was the effective ease of doing business reforms providing Special Economic Zones space for businesses to attract investment, increase foreign direct investments where Opening up Business in country takes less than six hours at zero cost, and happen online too.				

What are other factors of Administrative partnership strategy used by your organization/ institution as market regulation that affect the economic development of Rwanda?

……

On your experiences, does Administrative partnership strategy effect on economic development of Rwandan?

Yes ☐ No ☐

If Yes, which area as illustrated in the table below?

Business facilities	❑
Business secured	❑
Labour economics available	❑
Job available	❑
Low tax revenue	❑
Availability of Infrastructures	❑
Cheaper Electricity	❑
Other (specify) ……..	❑

Dependent variable 1: The Importance of Human Development Index supported by the Foreign Development Strategies of Rwanda

This section aims to establish dependent variable of the Importance of Human Development Index supported by the Foreign Development Strategies of Rwanda. Please kindly indicate your settlement or otherwise using the following statements like Key: 1= strongly Agree, 2= Agree; 3 = Disagree; 4= Strongly Agree

N0	**Statements**	**Strongly Agree (1)**	**Agree (2)**	**disagree (3)**	**Strongly disagree (4)**
01	The Capacity of consumption should be based on the Technical, financial and Administration partnership strategies by increasing the Multinational collaborations.				
02	The positive Per capita of Rwandan is an important indicator that shows the achievement of Foreign Development partnership				
03	Rwandan with long and healthy life, access to knowledge and a decent standard of living are impacting foreign development partnership				
04	The path to gender in Rwanda with 64 Women in parliament and young people involvement should assist absolutely on economic development				

	of the country				

What are other factors of GDP per capita and Human Development index that can be used to continue attracting foreign development partnership?

……

Moderating Variable: The effect of political drive on Economic development of Rwanda

This section aims to establish moderating variable on the importance of **political drive** on Economic development of Rwanda. Please kindly indicate your settlement or otherwise using the following statements like Key: 1= strongly Agree, 2= Agree; 3 = Disagree; 4= Strongly Agree

N0	**Statements**	**Strongly Agree (1)**	**Agree (2)**	**disagree (3)**	**Strongly disagree (4)**
01	The trade openness in Rwanda is seen as a tool of anti-monopoly and it helps to control the inflation aspect.				
02	Decentralisation and Accountability in Rwanda facilitate the national investors by providing the necessaries products for multinational corporate and equilibrium on both aspect to support the economic development of Rwanda.				
03	High development partnership agenda on the decentralisation are vital to devise the mitigate effects of high product prices which affect the consumption and inflation restrictive on economic development of Rwanda				
04	the Monopolistic competition as part of market regulatory should be taken into consideration by the government				

	to allow business people bring out their talents, creativities and innovation to facilitate and attract FDI invest in Rwanda.				

What are other factors of Political drive that can be used to continue contributing on economic development of Rwanda?

……

On your experiences, does Political drive contribute on the economic development of Rwandan?

Yes ☐ No ☐

If Yes, which area as illustrated in the table below?

Fight against corruption	❑
Performance contract	❑
Political will	❑
Accountability	❑
decentralisation	❑
Community participation	❑
Public involvement	❑
Political will	❑
Other (specify) ……..	❑

If no Why.....

If no Why.....

Thank You Very Much for Your Time and Efforts to complete this Survey!

Appendix II: Research Permission Letters

REPUBLIC OF RWANDA

Kigali, 21/11/2017
N°2663...../12.00/2017

MINISTRY OF EDUCATION
P.O.BOX 622 KIGALI

Re: Permission to Carry out Research in Rwanda - No: MINEDUC/S&T/469/2017

The Permission is hereby granted to **Mr. Aimé Muyombano Irivuzimana,** PhD candidate at Jomo Kenyatta University of Technology, Nairobi-Kenya, to carry out research on: **"Contribution of Rwanda's Foreign Policy Strategies on its Economic Development, 2000 - 2015".**

The research will be carried out Kigali City. The researcher will need access on records related Action Plan, Cooperation Reports, Trade and Investment Report as MoUs. He will need to interview officials from The Ministry of Foreign Affairs and Cooperation, Ministry of Trade and Industry, Ministry of Finance and Economic Planning. He will need also to interview selected officials from the districts, Non-Governmental Organizations, Rwanda Cooperatives Agencies, Rwanda Civil Society Platform as well as Multinational and Transnational Corporate (Investors).

The period of research is from **23rd November, 2017 to 22nd November, 2018**. It may be renewed if necessary, in which case a new permission will be sought by the researcher.

Please allow the **above mentioned researcher**, any help and support he might require to conduct this research.

Yours sincerely,

20/11/2017

Marie-Christine GASINGIRWA, Ph.D
Director General of Science, Technology and Research

REPUBLIC OF RWANDA

Kigali, 21/11/2017....
N°2662...../12.00/2017

MINISTRY OF EDUCATION
P.O.BOX 622 KIGALI

Mr. Aimé Muyombano Irivuzimana
PhD candidate

UNIVERSITY OF RWANDA

COLLEGE OF EDUCATION

OFFICE OF THE PRINCIPAL

10th October, 2017
Ref: 01/P-CE/...../GKN/gi/2017

Hon. Minister of Education
P.O.Box 622
Kigali-Rwanda

Honourable Minister,

Re: **Recommendation for Mr. Aimé Irivuzimana Muyombano to conduct a research study in Rwanda**

The above mentioned is a PhD candidate at Jomo Kenyatta University of Agriculture and Technology Nairobi-Kenya. He wishes to conduct a research entitled: "**Contribution of Rwanda's foreign policy strategies on its economic development, 2000-2015**".

Mr. Muyombano has requested for affiliation with UR-College of Education during the period of his research and we have agreed to support his request on condition that on completion of research, he will deposit a copy of his research study with UR-CE. During this period he will closely work with Assoc. Prof. Eugene Ndabaga, Ag. Director of Research, Innovation and Postgraduate Studies.

We therefore request for permission on his behalf to access data sources in his field of survey. Attached please find a copy of his research proposal and other related documents.

Any assistance accorded to him will be highly appreciated.

Yours sincerely,

Assoc. Prof. George K. Njoroge
Principal
Cc:

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