

	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	<p>Budget line(s) (article, item): 14.020121</p> <p>Total estimated cost: EUR 35 500 000</p> <p>Total amount of EU budget contribution: EUR 10 000 000</p> <p>This action is co-financed in joint co-financing by:</p> <p>- Belgium government for an amount of EUR 25 500 000</p> <p>The action is part of the TEI on “Sustainable Rwandan cities fit for the digital age”, which is being supported by EU Member States, notably France for an amount of approximately EUR 100 000 000, Germany for an amount of EUR 72 000 000, Belgium for an amount of approximately EUR 53 500 000, European Investment Bank for an amount of EUR 45 000 000 and other EU programmes amounting approximately to EUR 35 000 000. Denmark, Sweden, Luxembourg are also considering potential interventions that could contribute to this TEI.</p>			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	Indirect management with the entity to be selected in accordance with the criteria set out in section 4.4.1			

## 1.2 Summary of the Action

The action intends to contribute to Rwanda's aspiration, evidenced in the National Urban Policy, to foster well-managed urban growth that generates sustainable and climate-resilient urban environments, inclusive economic growth and sustainable development. In particular, the action seeks to contribute to the implementation of the National Land Use Master Plan – NLUMP (2020-2050) which aims to develop sustainable and attractive satellite cities around the city of Kigali, by supporting the development of growth poles and countering urban sprawl.

Indeed, many indicators still point to a large relative weight of the capital city in the Rwandan economy. For instance, 85% of sales and 80% of transactions in the formal economy – as measured by Electronic Billing Machine (EBM) data –originate in Kigali<sup>1</sup>. Rwandan secondary cities are still very small, particularly compared to other cities in the region, and they are growing at a slower pace than Kigali. While the rapid development of Kigali can have positive effects for the Rwandan economy, widening inequalities may pose concerns in terms of management of migration flows, uncontrolled urban and peri-urban growth in Kigali, and national cohesion. The NLUMP recognises this situation, and points towards three “satellite” cities (Rwamagana, Muhanga and Nyamata/Bugesera) which have the potential to grow faster than secondary cities. First, because of their proximity to Kigali, and second, because of potential for implementation of smart specialisation strategies: Rwamagana is already an agricultural hub, Muhanga has the potential to become a trade and mining hub and Nyamata is a hub for logistics given its proximity to the future new international airport. The action intends to support this drive for a more balanced territorial development in Rwanda.

The action's overall objective is to contribute to ensure an inclusive, competitive and climate change resilient development in the cities of Nyamata and Rwamagana . The action targets three specific outcomes:

i) To improve multi-level and cross-sectoral coordination between central and district levels around the planning and operationalisation of sustainable and inclusive urban development, (ii) enhanced participatory governance and

<sup>1</sup> The economic geography of Rwandan cities, Laterite, 2020