

# The Vision 2020 Umurenge Programme: A Pathway to Sustainable Livelihoods for Rural Rwandans?

**Paper presented at the Annual IPAR Research Conference**

***“Improving the Lives of Ordinary Rwandans: Evidence for Policy”***

**Kigali Institute of Education**

***8 December 2011***

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# What is VUP?

The Vision 2020 Umurenge Programme (VUP) launched in 2008, is a flagship social protection programme under the EDPRS. Its objective is to reduce extreme poverty in Rwanda.

**An integrated community approach, with 3 components:**

- 1) **Direct Support:**  
unconditional cash transfers to those unable to work
- 2) **Public Works:**  
employment on community infrastructure projects
- 3) **Financial Services:**  
access to savings and credit for enhanced livelihoods.

# VUP Targeting

## 1) Geographic

1 sector per District is added each year: 30 sectors in 2008/9, 60 sectors in 2009/10, 120 sectors in 2011/12, etc.

## 2) Poverty

Sectors are ranked by poverty indicators: poorest sector is selected into VUP first, 2<sup>nd</sup> poorest in year 2, etc.

## 3) Community-based

Ubudehe social mapping: lowest 2 categories are eligible.

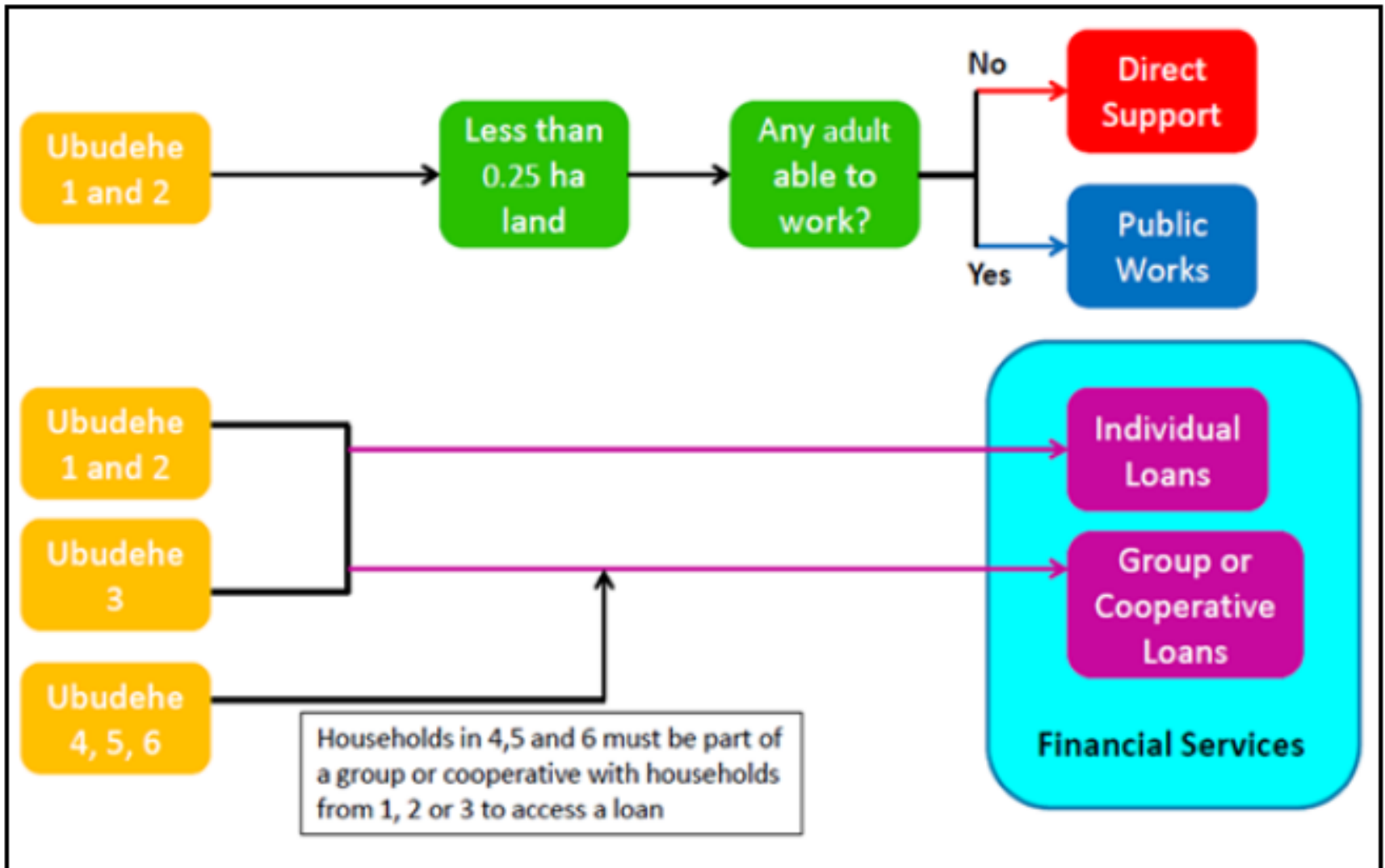
## 4) Categorical

Direct Support: Ubudehe 1+2 and labour-constrained

Public Works: Ubudehe 1+2 with labour capacity

Financial Services: Ubudehe 1+2+3; or: 4/5/6 + 1/2/3.

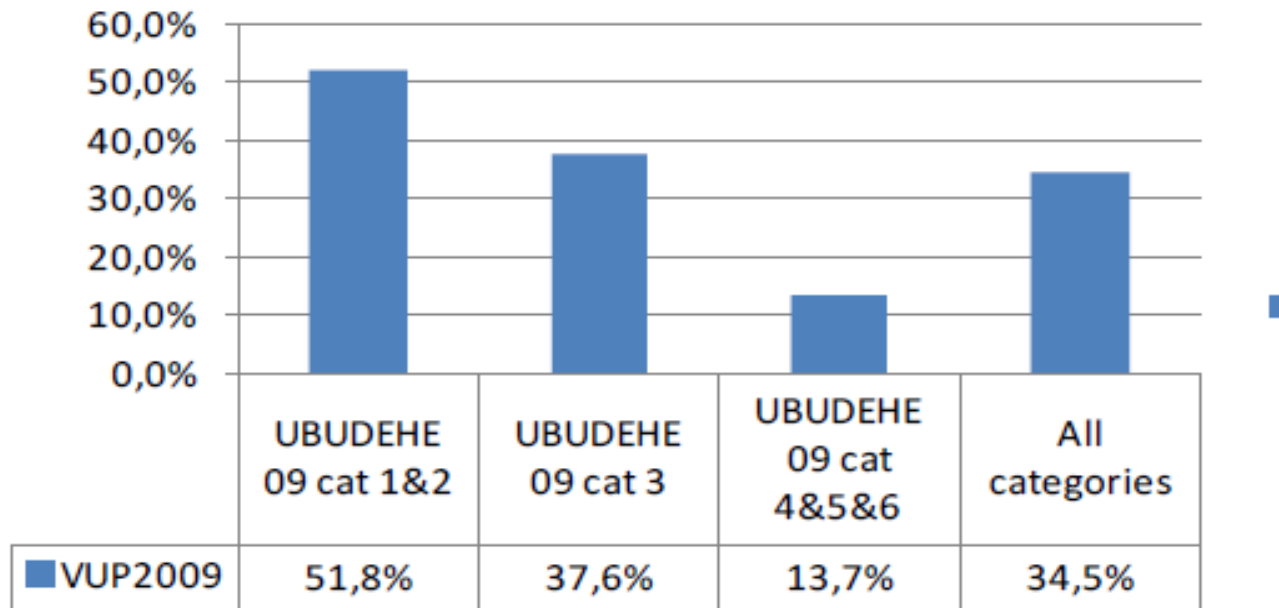
# VUP Targeting



# VUP Targeting

“Social poverty” versus “income poverty”

## Extreme Income Poverty Rate 2009 within Ubudehe Categories



Source: Asselin (2010) VUP Targeting and Poverty Surveys 2009

# VUP Achievements & Challenges

## ACHIEVEMENTS

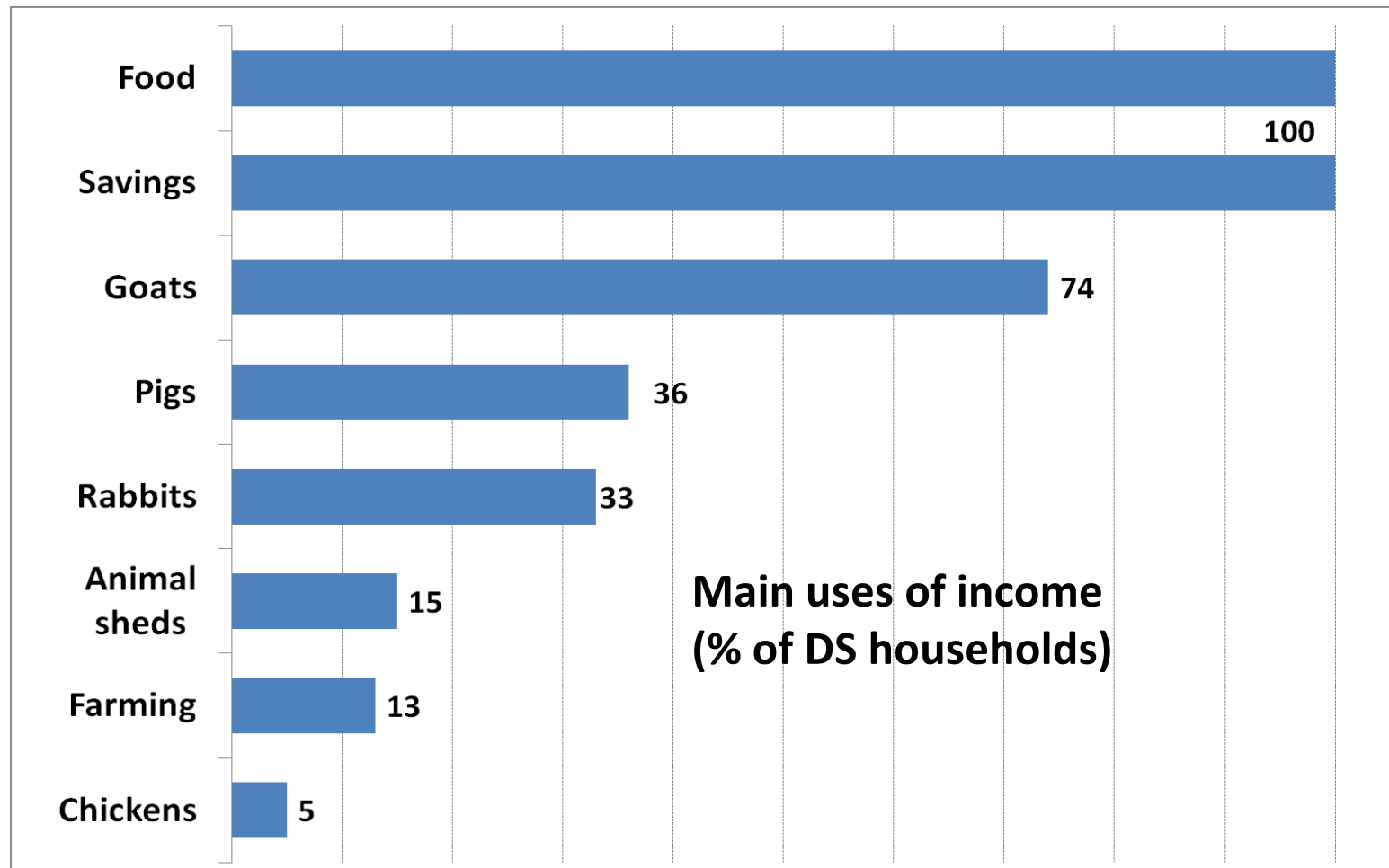
- 1) VUP is operational in 120 sectors, covering all 30 districts.
- 2) 19,000 households receive Direct Support cash transfers.
- 3) 99,000 households employed on VUP Public Works.
- 4) Bank/SACCO accounts opened for 100,000+ households.
- 5) 53,000 clients have borrowed from VUP Financial Services.

## CHALLENGES

- 1) Coverage – only 29% of sectors, due to phased scaling up.
- 2) Delayed Direct Support payments due to retargeting issues.
- 3) Public Works reaches 66% of eligible; it is not rights-based.

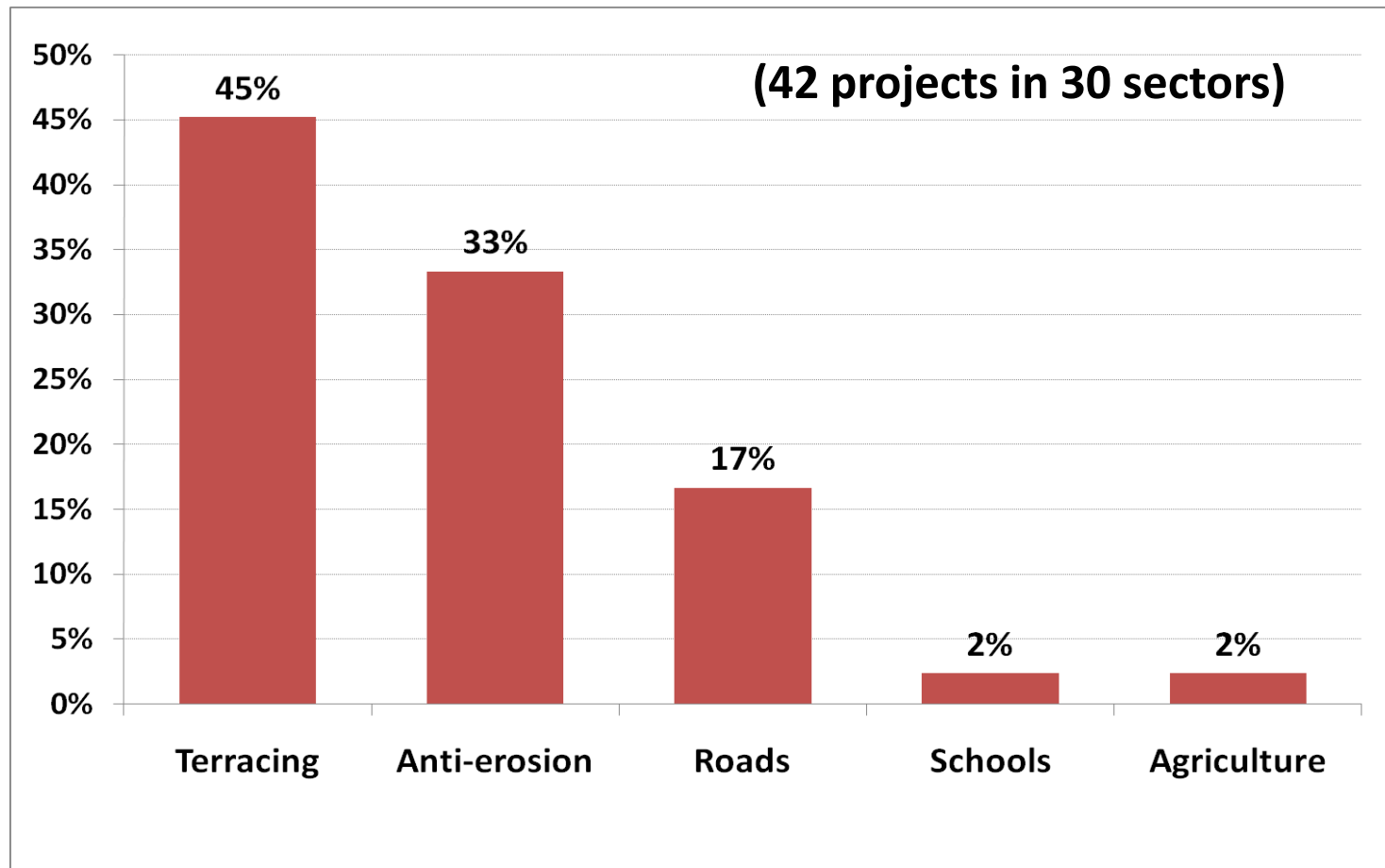
# VUP graduation pathways (1)

Income transferred by Direct Support is invested in assets that generate income for beneficiaries.



# VUP graduation pathways (2)

Assets created by Public Works have economic value that generates income for participating individuals and communities.





## VUP graduation pathway (3)

**Loans taken under VUP Financial Services are invested in enterprises that generate net income for borrowers.**

**Francoise is disabled (prosthetic leg) and poor, classified as Ubudehe #2. She paid for training as a tailor using Direct Support (RwF. 7,500 a month). She also took a UCS loan of RwF. 80,000 to buy a sewing machine, used Direct Support money to pay it off. She earns about RwF. 1,000 per day – it takes 2 days to make a dress that she sells for RwF. 2,000.**

***“Now I own this sewing machine. My life is based on this machine. You can see from my clothes and skin how VUP has helped me get clothes and soap – it has contributed such a lot to my life.”***

**VUP gave her capacity to do a job and earn income, despite being disabled. She has now graduated to Ubudehe #3, but plans to apply for another VUP loan to buy more cloth and earn more income so she can buy new crutches.**

# VUP Graduation

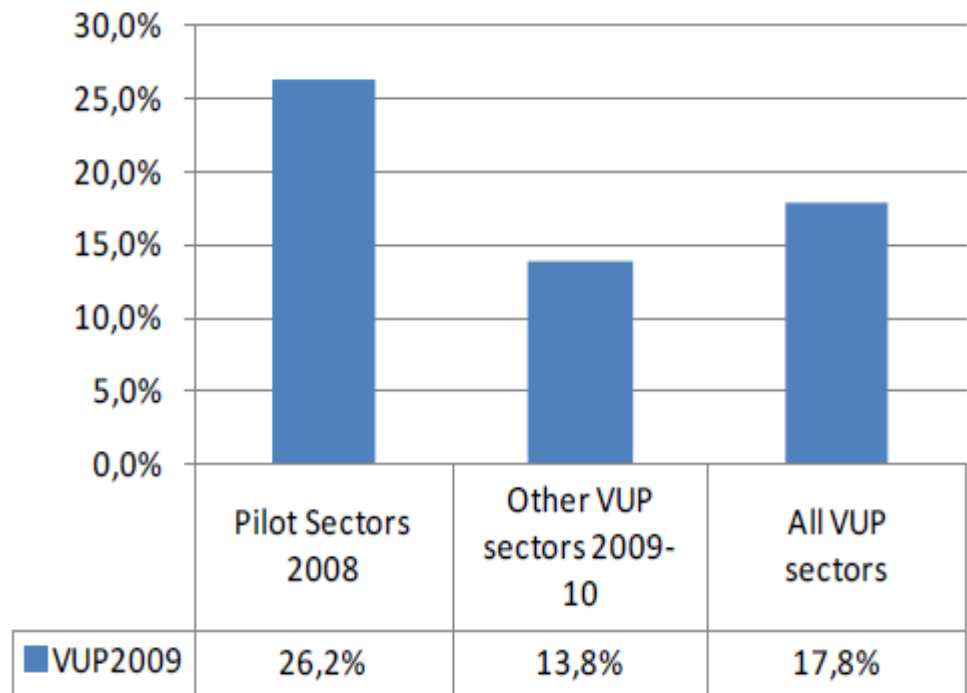
## Exit (from VUP):

Moving from Ubudehe #1 or #2, to #3 or higher.

## Graduation (from poverty):

Households can meet their immediate and future basic needs, and can cope with future shocks.

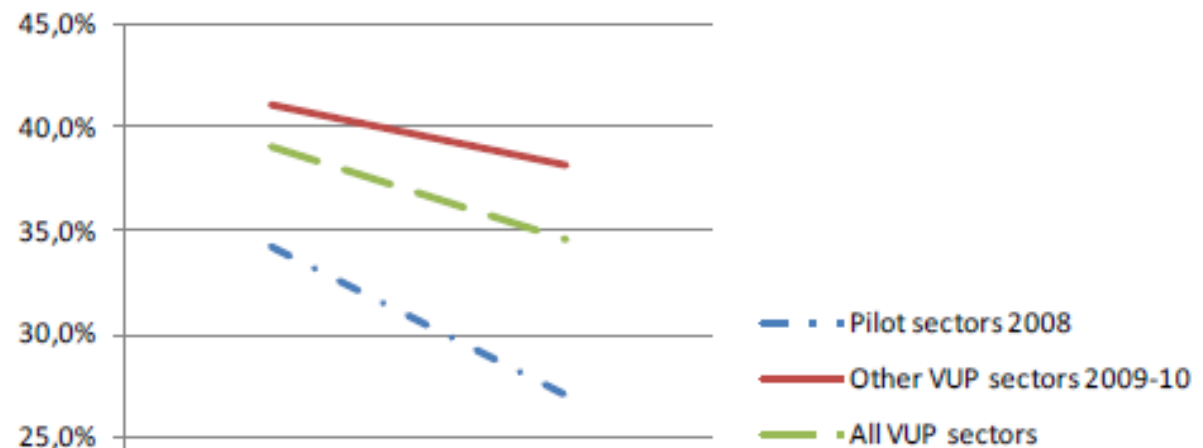
### Net Ubudehe Graduation 2007-2009



Source: Asselin (2010)

# VUP and poverty reduction

**Extreme Income Poverty rate 2006-2009**  
**VUP sectors**



	EICV2006	VUP2009
• • Pilot sectors 2008	34,2%	27,0%
— Other VUP sectors 2009-10	41,1%	38,1%
• • All VUP sectors	39,0%	34,5%

Source: Asselin (2010)

# Conclusion: Constraints to graduation

**VUP aims to “graduate” Direct Support beneficiaries, Public Works participants and Financial Services clients, because it is a poverty reduction programme, not “social welfare”. But...**

- ❑ Transfers might be too small, limited duration, or erratic.**
- ❑ Support to “livelihood promotion” might be inadequate.**
- ❑ Moving from Ubudehe #2 to #3 might be entirely VUP–related (“graduates” might fall back into “eligibility” next year).**
- ❑ Markets might be too weak to demand loan project products.**
- ❑ Livelihood shocks can undermine increases in income.**
- ❑ Need to recognise that some people will never graduate!**



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