

public-private collaboration with the use digital means and smart city tools , and (iii) increased access for all residents in their diversity to inclusive and climate-resilient infrastructure and facilities

The action contributes to the roll-out of the Global Gateway strategy and the digital transition investment package of the Global Gateway strategy through its smart cities component by enhancing digital competencies, bridging gender-based digital disparities, and establishing robust digital infrastructure. Additionally, the action plans to put another building block to the bilateral flagship - the Team Europe Initiative (TEI) for “Sustainable Rwandan Cities fit for the digital age”. It will holistically contribute to all the pillars of this TEI, from smart urban planning angle, to the provision of resilient smart infrastructure and services and support related to addressing the digital divide.

The proposed action directly contributes to the implementation of the EU Gender Action Plan (GAP) III, and specifically to its key areas focusing “Promoting economic and social rights and empowering girls and women” and “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

The Action will also primarily contribute to the MIP 2021-27 Priority Area 2 “Green Deal for inclusive development”, and in particular its Specific Objective 2.3: “Support to sustainable urbanisation in Rwanda”. And it will contribute to SDG 5 (Gender equality), 11 (making cities and human settlements inclusive, safe, resilient and sustainable), SDG: 6 (clean water and sanitation), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation and infrastructure), SDG 10 (reduced inequalities), SDG 13 (Climate action), and SDG 16 (Peace, justice and strong institutions).

## 2 RATIONALE

### 2.1 Context

Rwanda has emerged as a strategic partner for the European Union (EU) across multilateral, regional, and bilateral platforms. Rwanda occupies a prominent position on the African continent, championing a forward-looking agenda encompassing economic and trade integration, multilateralism, climate ambition, and a more assertive African presence on the global stage. Rwanda's Vision 2050 and National Strategy for Transformation (NST-1) encapsulate the country's aspirations to elevate the quality of life for all Rwandans and attain upper-middle-income status by 2035. This trajectory hinges on factors such as human development, competitiveness, integration, urbanisation, and agglomeration, among other key objectives.

Over the last decade, Rwanda has experienced an annual population growth rate of 2.3%, resulting in an estimated population of 13.2 million in 2022. This figure is expected to nearly double by 2050, with a projected density of around 900 inhabitants per square kilometer. The urbanisation rate is predicted to surge from 28% in 2022 to 66% by 2050, with the ultimate country's vision of achieving a 70% urban population by 2050. Presently, Rwanda's urbanisation narrative is characterized by rural-to-urban migration, fuelling uncontrolled urban expansion.

Nyamata and Rwamagana are two of three satellite cities in Rwanda identified in the National Land Use Master Plan for their potential to grow faster than the other eight secondary cities. This distinction is due in part to substantial investments like the new airport in Nyamata/Bugesera and agro-processing industries in Rwamagana. Furthermore, the strategic selection of these satellite cities stems from their vital role in curbing Kigali's urban sprawl due to their proximity. However, rapid urbanisation in these areas also presents challenges, including the imperative for affordable housing, sustainable and inclusive urban planning, and addressing socio-economic disparities often linked to rapid urbanisation.

The Government of Rwanda has demonstrated significant progress in reinforcing its urban policy framework in recent years, concentrating on enhancing urban governance, promoting sustainable urbanisation, and fostering inclusive economic growth. The proposed action seamlessly aligns with Rwanda's comprehensive urban development framework. It will contribute to the implementation of the National Smart City Master Plan (2018), designed to guide Rwanda's cities through the 21st-century transition and to ensure the future prosperity of all citizens. The action seeks to contribute to the implementation of the National Land Use and Development Master