The Governments of Rwanda and India this Tuesday signed a concessional loan agreement worth US$66.60 million (Approximately Rwf 56 billion) for the construction of the Base- Butaro-Kidaho road Project. The Minister of Finance and Economic Planning Dr. Uzziel Ndagijimana signed on behalf of the Rwandan Government while Mr. Tarun Sharma, General Manager and Regional Head of India Export Import Bank represented the Government of India.

Located in the Northern Province, the 63 kilometer road project will connect Rulindo and Burera Districts thus facilitate tourism and increased economic activity. The road project will connect the touristic center of Burera, Ruhondo lakes, University of Global Health Equity, Cancer Reference Hospital of Butaro, as well as Uganda at Cyanika border crossing.

Speaking after the signing event, Minister Ndagijimana pointed out that Rwanda has put emphasis on the development of transport infrastructure and services to encourage economic growth in a bid to achieve the objectives set by Vision 2020.

“Transport plays an important role in stimulating economic growth by increasing internal production and facilitating access to domestic and international markets while ensuring favorable conditions for provision and distribution of imported products within the country”. Minister Ndagijimana said.

“Rwanda has lead the way when it comes to prudent use of funds while undertaking development initiatives. This has been encouraging and we believe there are some lesson we can learn from this country,” Mr. Sharma said.

The Base-Butaro-Kidaho road development project is in line with the 10 year Rwanda Transport Master Plan adopted in 2012. The road is a single carriage with a construction period of two and a half years. Construction is due to start in 2019 and will be implemented by Rwanda Transport Development Agency. According to the financing modalities, the loan carries a 1.5% interest rate, will be serviced in 25 years and has a grace period of 5 years.

Bilateral cooperation between India and Rwanda is based on agreements in trade, agriculture, ICT, and energy.

Cooperation with India Exim Bank was established in 2011 with the signing of an 80m USD line of credit for the Nyabarongo hydro power project currently on the grid and expected to generate about 27MW. The project was completed and handed

over to Government in early 2015.

In 2013 a US$ 120.05 million loan was extended for the Export Targeted Modern Irrigated Agricultural Project in Kirehe District. The project is on-going

In May 2017, The Government of Rwanda and EXIM Bank India signed an LOC worth 81 million dollars. This money will be used for the construction of modern training and production workshops, including equipment for 10 new vocational training centers and four business incubation centers.