

**2021/2022 Backward-Looking Joint Sector Review**  
**Private Sector Development & Youth Employment (PSDYE)**  
**Sector working Group**



**Sector Working Group (SWG)**

**Chair:** Ministry of Trade and Industry (MINICOM)

**Co-Chair:** European Union Delegation (EU)

**SSWG 1, Production capability and technology**

**Chair:** NIRDA

**Co-Chair:** UNIDO

**SSWG 2, Distribution, logistics and market access**

**Chair:** RDB

**Co-Chair:** FCDO

**SSWG 3, Youth employment**

**Chair:** MIFOTRA

**Co-Chair:** German Embassy

## Table of Contents

Introduction.....	2
Section 1: Assessment of progress in achieving sector objectives focusing on 2021/22 targets.....	4
<b>1.1 Job creation</b> .....	4
<b>1.2 Annual Export Growth</b> .....	7
<b>1.4 Tourism export revenues</b> .....	10
<b>1.5 The value of revenues from MICE</b> .....	10
<b>1.6 Exports from the mining sector</b> .....	11
<b>1.7 Ecommerce</b> .....	11
Government efforts have further been augmented by development partners and trade facilitation agencies who have put in place elaborate e-commerce initiatives. These public and private initiatives set a good foundation for the potential growth of e-commerce in Rwanda.....	11
Section 2: Selected sector performance indicators and their corresponding policy actions	13
<b>2.1 FDI as share of GDP</b> .....	13
<b>2.2 Manufacturing exports as a share of GDP</b> .....	13
<b>2.3 Services share of the total export</b> .....	14
<b>2.4 Private Investment as share of GDP</b> .....	15
Section 3: Budget execution performance for 2021/21 .....	16
Section 4: Priority areas for the 2022/23 fiscal year.....	17
Section 5: Progress against implementation of recommendations from the last JSR meetings and Implementation status of 2019/20 OAG recommendations. ....	19
<b>5.1. Progress against implementation of recommendations from the last JSR meeting</b> .....	19
<b>5.2. Progress against implementation status of 2019/2020 OAG recommendation</b> .....	20
Section 6: Status on SDGs indicators already monitored by sectors and Progress against the implementation of the plans and strategies to monitor the additional SDG indicators	21
6.1. Status on SDGs indicators already monitored by sector.....	21
6.2. Progress against the implementation of the plans and strategies to monitor the additional SDG indicators.....	21
<b>6.2.1. Proportion of jobs in sustainable tourism industries out of total jobs</b> .....	21

<b>6.2.2. Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools</b>	21
<b>6.2.3. Proportion of traded wildlife that was poached or illicitly trafficked</b>	21
<b>6.2.4. Recruitment cost borne by employee as a proportion of yearly income earned in country of destination</b>	22
<b>6.2.5. Level of national compliance of labour rights</b>	22
<b>6.2.6. CO2 emission per unit of value added</b>	22
<b>Section 7. Lessons learnt, success factors and challenges in implementation Process of PSYDYE</b>	23
<b>7.1 Key Lessons Learned from Covid-19 on Trade and Industry Perspective</b>	23
<b>7.2 Success factors in achieving planned targets</b>	23
<b>7.3 Challenges faced during implementation of planned policy actions</b>	24
<b>Section 8: Analytical Work/studies Planned in 2021/2022</b>	24
<b>8.1 Labour Force Survey 2021</b>	24
<b>8.2 1.8 Mid Term Review of the Made in Rwanda Policy (MIR) 2021-2022</b>	25
<b>8.4 Conduct a study on Multi-level Marketing and Pyramid Scheme</b>	26
<b>Closing note</b>	27

## List of Acronyms

AfDB	African Development Bank
BDF	Business Development Fund of Rwanda
BRD	Banque Rwandaise de Développement (Development Bank of Rwanda)
CPC	Community Processing Centre
CESTRAR	Rwanda Workers' Trade Union Confederation
DMRS	Domestic Market Recapturing Strategy
EU	European Union Delegation to Rwanda
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOR	Government of Rwanda
IMF	International Monetary Fund
JSR	Joint Sector Review
KFW	Kreditanstalt für Wiederaufbau (German Development Bank)
KIC	Kigali Innovation City
KLP	Kigali Logistics Platform
KSEZ	Kigali Special Economic Zone
MFI/SACCO	Microfinance institution/Savings and Credit Cooperative Society
MIFOTRA	Ministry of Public Works and Labour of Rwanda
MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of Trade and Industry of Rwanda
MINICT	Ministry of ICT and Innovation of Rwanda
NSDEPS	National Skills Development and Employment Promotion Strategy
NES	National Export Strategy
NIRDA	National Industrial Research and Development Agency
NISR	National Institute of Statistics Rwanda
PSDYE	Private Sector Development and Youth Employment
RCA	Rwanda Cooperative Agency
RDB	Rwanda Development Board
RSB	Rwanda Standards Board
RWF	Rwandan Franc
SEZ	Special Economic Zone
SME/MSME	(Micro) Small and Medium-Sized Enterprises
SSWG	Sub-Sector Working Group
SWG	Sector Working Group
TA	Technical Assistance
VNR	Voluntary National Report

## **Introduction**

The Private Sector Development and Youth Employment Sector Working Group (PSDYE SWG) brings together public institutions, the private sector and development partners who have projects and interventions targeting private sector development.

The role of this sector-working group is to engage in policy dialogue about the development of the private sector in Rwanda. This dialogue entails discussions of implementation progress of policies, strategies and action plans that create favorable conditions for the private sector development by addressing constraints within the markets and enable the business community to take the lead.

The development and the role of the private sector is at the heart of National Strategy for Transformation (NST), hence, the PSDYE Sector Working Group provides a forum for strategic engagement, planning, and review of the growth in the private sector as well as its partnerships with the government for economic development.

Among others, Government institutions that are part of the PSDYE SWG are the Ministry of Trade and Industry (MINICOM), The Ministry of Public Service and Labour (MIFOTRA), Ministry of Youth and Culture (MYCULTURE), Ministry of Gender and Family Promotion (MIGEPROF), Rwanda Development Board (RDB), National Industrial Research and Development Agency (NIRDA), Rwanda Cooperative Agency (RCA), Rwanda Standards Board (RSB) and Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA), Rwanda Mines, Petroleum and Gas Board (RMB), National Institute of Statistics of Rwanda (NISR), National Agricultural Export Development Board (NAEB), The Ministry of Finance and Economic Planning (MINECOFIN) coordinates the National planning and budgeting.

According to the division of labour for NST1, Development Partners (DPs) belonging to this sector-working group are Germany, Netherland, Sweden, African Development Bank, IFC, OFID, FAO, ILO, ITC, UNCDF, UNCTAD, UNDP, UNIDO, UNV and UNWOMEN. Lastly, the Private Sector Federation and its Clusters notably; the Association of Manufacturers, the cluster of Commerce and Service and the specialized clusters (Women, Young Entrepreneurs and person with Disabilities)

For the year 2021-2022, the Backward-Looking Joint Sector Review (BL-JSR) report is structured as per the terms of reference issued by MINECOFIN as follows:

- The first section assesses progress in achieving sector objectives with focus on 2021/22 targets for NST1 indicators in the Annex 1.1, selected sector performance indicators in the Annex 1.2 and their corresponding policy actions. This will also include discussion on catch up plans for areas lagging behind.
- The second section to present and discuss budget execution performance (Annex.2.1) for Fiscal Year 2021/22.

- The third section to highlight priority areas (maximum of five) for the 2023/24 fiscal year that will inform the planning and budgeting process for institutions in the sector.
- The fourth section to review progress against implementation of recommendations from the last JSR meetings as well as summary of discussion on implementation of 2021/22 Office of the Auditor General (OAG) recommendations.
- Fifth section to provide latest implementation status on SDGs indicators already monitored by sectors (Annex 3.1) and to highlight plans for monitoring the additional SDG indicators applicable to Rwanda and currently having clear computation methodologies, but not monitored at the moment using Annex 3.2.
- The sixth section to provide the latest status on the implementation of the Covid-19 Socio-Economic Recovery Plan using Annex 4.

## Section 1: Assessment of progress in achieving sector objectives focusing on 2021/22 targets

This section assesses progress in achieving sector objectives focusing on NST1 2021/22 targets including job creation, growth of exports both in terms of percentage rate and value, the share of industry to GDP, the value of revenues from tourism, the value of revenues from MICE and mineral exports.

in 2021, GDP increased by 10.9 percent from -3.4 percent in 2020. This growth was due to the implementation of the Economic Recovery Fund (ERF) and active government 's measures to minimize the impact of the pandemic.

The ERF was established to support the businesses hardest hit by COVID-19 to survive, preserve jobs, resume operations, and recover. The fund includes refinancing for hotels, lending working capital or lines of credit and the scheme (SMEs and microbusiness) to high-potential firms under favorable rates.

### 1.1 Job creation

The PSDYE has set an annual target for job creation of 214,000 jobs on average. As per the LFS, Over the last five years from 2017 to 2021, 942,324 jobs have been created compared to the NST 1 target of 1,071,425 targeted jobs that were supposed to be created in 5 years. This implies that there is a deficit of 129,101 jobs in the past five years to achieve the NST1 target.

According to the LFS 2021 **164,189 new jobs were created**, from 192,171 jobs in 2020. In 2021 Jobs Created for female 77,804 and for Male 86,385 with 136,918 jobs for youth and 27,271 for adults, the target was not reached this was attributed to the lag effect of the impact of Covid-19 pandemic and external shocks.

The economic activities which offered relatively high number of employment opportunities to young people were agriculture, households as employer, trade, construction and manufacturing. Below is the distribution of new jobs created.

Economic activity	2017 (Baseline)	2018	2019	2020	2021
Agriculture forestry and fishing	24,658	43,830	48,052	44,026	41,255
Mining and quarrying	1,913	4,910	4,397	3,804	1,341
Manufacturing	5,786	16,121	16,564	12,801	12,085
Electricity gas steam and air condition	537	647	877	141	349
Water supply, gas and remediation service	1,150	647	267	420	973
Construction	15,120	25,922	21,773	35,665	20,118

<b>Economic activity</b>	<b>2017 (Baseline)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Whole sale and retail trade; repair of motor cycle and motor vehicle	36,775	36,853	36,914	32,524	22,386
Transportation and storage	4,640	7,242	8,473	5,100	7,097
Accommodation and food service activities	7,930	4,778	8,180	8,586	3,519
Information and communication	1,744	962	442	517	669
Financial and insurance activities	754	1,290	2,670	3,197	2,177
Real estate activities	2,146	1,091	371	581	-
Professional, scientific and technical activities	1,976	1,018	1,776	940	735
Administrative and support activities	754	2,828	5,568	6,108	4,628
Public administration and defense; compulsory social security	2,123	1,747	1,841	735	805
Education	3,190	5,447	6,072	2,726	11,892
Human health and social work activities	1,536	2,310	2,072	1,928	1,472
Arts, entertainment and recreation	182	158	989	1,403	156
Other services	5,856	3,876	3,412	3,845	3,949
Activities of households as employers	36,579	45,474	53,298	26,548	28,583
Activities of extraterritorial organization	1,398	295	1,039	577	-
<b>Total</b>	<b>155,994</b>	<b>206,190</b>	<b>223,781</b>	<b>192,172</b>	<b>164,189</b>

Source: National Institute of Statistics of Rwanda (NISR), Labour Force Survey, 2019,2020, 2021

Based on Labour Force Survey Findings 2021, 4 Factors led to a decline in jobs created;

- Yet the Agriculture jobs of 2021 has declined compare to last year 2020 due to poor rainfall distribution and lower access to fertilizer and other and external shocks
- Completion of major construction projects especially construction of Classroom projects by Ministry of Education and other projects like road construction in preparation for CHOGM, this affected linkage sectors mostly Mining & Quarrying. Construction sector contracted by 16% (-70,486 less Jobs);
- Mining & Quarrying, jobs created decreased as result of decline in demand for quarry materials due to completion of schools, also enforcement of compliancy measures which led to closure of sub-standard mining activities, Mining & Quarrying contracted by 48% (-27,451 less Jobs);

- Also manufacturing Sector, jobs created declined due to disruption of global supply chains due to COVID and seasonal factors which affected Agriculture output and inputs for Agro-processing industries, contracted by 22% (-43,575 less Jobs).

An innovative initiative such as Eco-brigade program created 11,264 jobs. 3,504 jobs were created through environment across the districts of Karongi, Ngororero, Muhanga and Gicumbi while 7,760 jobs were created through road maintenance across 26 Districts excluding Nyamasheke District.

### Work Place Learning Policy

Workplace learning (WPL) is implanted through different types of interventions, which are dual training (DT), industry-based training (IBT), rapid response training (RRT), and internships. According to the impact assessment (May, 2022), the jobless rate six months after graduating from the WPL program dropped from 73.1% to 31.4%. The table below reveals that dual training scored the highest employment rate, followed by RRT, IBT, and internship with 78.8%, 66.7%, 61.3%, and 54.9%, respectively.

This is justified by the fact dual training intervention involves entrepreneurship skills given to beneficiaries that would prepare them not only to be employed but also to create their own jobs (self-employed).

### Distribution of employment status per WPL intervention

Intervention	Employment status per WPL intervention	
	Unemployed %	Employed %
Dual training	21.2%	78.8%
Industry Based Training	38.7%	61.3%
Rapid Response training	33.3%	66.7%
Internship	45.1%	54.9%

Source: Field survey conducted in May 2022.

The analysis went further to find out the types of employment in which WPL graduates are involved. As such, it was found that the majority of respondents, 69.8%, are involved in wage employment, while 30.2% are self-employed; the latter is much higher than other graduates from higher education, which is around 2% of self-employment (MIFOTRA, Graduate Labour Markey Survey, 2022).

## Demographic Dividend

The national statistics indicate that the total youth population and education attainment status is close to 68% (those who have not attained any level of education- 32.9% and those who attained primary education only -35.2%) while 29% of the total youth have attended secondary education (14.9% for lower and 13.9% for upper secondary) and only 3.1% of the total youth have attended university/tertiary education (NISR, LFS, 2021).

It is important to note that as education goes up, the proportion of youth involved in subsistence agriculture considerably decreases. Overall, 58.8% of the young population are not involved while 41.2 % are involved in subsistence agriculture. Using education level as a proxy, 79% are low-skilled (none to lower secondary), 8,5% semi-skilled (upper secondary), and 6,4% are skilled (university). Rwanda's challenge is to ramp up the quality of primary schooling. There are too many people with no education. Expanding schooling should be accompanied by qualitative improvement in teaching and learning standards.

A critical mass of market-driven TVET and specialized skills will promote high value-added production and strengthen productivity, especially in micro, small and medium entrepreneurship (MSMEs). Growth potential will contribute to value chain development and spur job creation for the youth and women.

### 1.2 Annual Export Growth

NST1 established the target of an annual export growth of 17% annually. In 2021 the Export total growth rate of 28.7%. From 2,017 million Frw recorded in 2020/21 to 2,596 million Frw in 2021/22 (BNR- FSR March 2022).

the Value for export was not achieved from 2,596 million recorded in 2021-2022 against the value of Export of 3,205.6 million targeted in 2021-2022.

The aforementioned increase in exports value is attributable to the improvement of global demand and international commodity prices. As a result, all merchandise export categories recorded positive growth, such as, traditional exports (+41.1 percent), non-traditional exports (+56.7 percent) and re-exports (+49.2 percent), as well as the informal cross border trade exports (+152.7 percent).

The policy actions implemented in the year 2021/2022 for this indicator include: Operationalization of Nyamasheke Cross Border Market at 77%, Completion of Construction of Bugarama CBM at 100% and its operationalization at 100%; Construction of Rusizi Bonded warehouse was at 95%; Occupancy rates of other completed cross border markets were as follows: Rubavu (35. %) against 60% targeted; Karongi (39%) against 39% targeted. Burera 24% against 25% targeted; Rusumo 5% against 15% targeted. The occupancy rates of Cross Border Markets reduced due to challenges related to unpredictable and unstable regional political environment.

The feasibility study and engineering design of KLP water drainage were finalized. The tendering process for an investor for Rubavu bonded warehouse is ongoing and construction is expected to kick off in the 2023/24 fiscal year.

Since the establishment of Export Growth Facility in July 2015, the Government of Rwanda has injected 662,600,000 Frw into the fund and at the end of June 2022 the disbursed money to the exporters/companies is 4,735,638,100 Frw and committed amount not yet disbursed is 270, 499,527 Frw. This means that the execution rate stands at 73 % accessed by 91 export companies.

Additionally, a donor driven on-lending fund has been established within BRD under the EGF. The On-lending Investment Catalyst Fund – provides commercial banks and lending institutions with low-cost finance (8%) to on-lend to SMEs at a discounted rate of around 12%. Funding to date has come from the German Development Bank (KfW). So far, 7 financial institutions are part of the On-Lending window and 6 of them have signed loans agreement with BRD namely Bank of Kigali I&M Bank, BPR, Bank of African Plc and CogeBanque are now offering EGF under investment catalyst with an interest rate capped at 12%. However, NCBA was yet to sign the contract with BRD at end of June 2022. So far, KfW has contributed to the fund the amount of money totaling 24,302,000 Frw which 20.743 billion was disbursed to the aforementioned commercial banks.

Agricultural exports for traditional commodities in FY 2021/2022 generally increased by 17.96% hindered by observed decrease in pyrethrum compared to previous fiscal year. Recorded coffee exported quantities was 15,184.5 MT that generated USD 75.5 Million which is less set targets of USD 82 Million and 23,241 MT. Tea quantities exported were 35,404.7 MT that generated USD 103.4 Million against targets of 35,943 MT and USD 99.7 Million respectively. Whereas, Horticulture targets were USD 39 Million, of which USD 42.8 Million were realized while pyrethrum reached USD 6.3 million against the targeted of USD 7 Million.

Increased export revenues for coffee and tea in comparison to previous fiscal year, can be attributed from rise in average prices on international markets, measures put forward in combatting COVID19 that were in favor of trade, and market penetration activities among others. However, much efforts put in increasing production such as provision of extension services, has been less achieved compared to set target as a result of; aging coffee trees that affected productivity, increased local market for pyrethrum products, green leaf production that still low in newly planted teas in Rugabano and Nyaruguru among others.

In terms of export development, 14 cheese processing companies were trained in new product development and product development, 20 companies supported for their business website development, other were facilitated & connected to international markets through not limited to Qatar International exhibition, Coffex Istanbul, Dubai expo, and participation in salon international de l'agriculture. Export documents of certificates of origins, and quality were issued to different exporters

## I.1. Production and exports, period of June 2022, July 2021-June 2022 compared to July 2020-June 2021

Production and exports, period of June 2022, January-June 2022 and July 2021-June 2022									
I. Traditional exports	July-June 22	July-June 21	% change	January-June 22	January-June 2021	% change	22-Jun	21-Jun	% change
<b>TEA</b>									
Production	36,129,800	34,735,506	4.01	20,488,935	19,984,620	2.53	3,040,434	3,258,537	(6.69)
Exports (Kg)	35,404,742	34,394,288	2.94	19,385,806	19,422,481	(0.19)	3,508,591	3,429,009	2.26
Value of Exports (USD) Tea	103,498,994	90,002,449	15.00	57,430,279	50,852,531	12.93	10,253,018	8,336,078	23.00
Average export price/Kg USD	2.92	2.62		2.96	2.62		2.92	2.43	
<b>Coffee sector</b>									
Production	18,564,191	20,958,306		4,832,833	5,735,523	(15.74)	2,061,112	1,804,711	14.21
Exports (Kg)	15,184,566	16,880,926	(10.05)	2,709,494	5,004,485	(45.86)	776,684	1,073,929	(27.68)
Value of Exports (USD) Coffee	75,571,428	61,505,410	22.87	14,130,249	17,162,258	(15.92)	1,643,893	4,238,578	9.56
Average export price/Kg USD	4.98	3.64		5.33	3.43		5.98	3.95	51.49
<b>Pyrethrum</b>									
Exports (Kg)	22,796	30,384		13,500	19,037		2,500	1,325	
Value of Exports (USD)	6,371,411	5,696,892	11.84	4,508,142	3,710,643	21.49	2,200,000	273,236	
Average export price/Kg USD	279	187		334	195			206	
<b>Total traditional export USD</b>	<b>185,442,832</b>	<b>157,204,541</b>	<b>17.96</b>	<b>76,368,670</b>	<b>71,725,432</b>	<b>6.47</b>	<b>14,899,411</b>	<b>12,847,892</b>	<b>15.97</b>
<b>II. Nontraditional exports</b>									
<b>Vegetables</b>									
Exports (Kg)	25,221,596	9,615,957		20,494,933	4,911,086		3,486,866	762,718	
Value of Exports (USD) hort	21,383,939	13,088,094	63.38	14,701,775	7,210,634		2,511,670	1,329,565	89.77
Average export price/Kg USD				-	-				
<b>Fruits</b>									
Exports (Kg)	16,207,439	4,993,923		11,951,612	2,661,863		1,510,509	561,126	
Value of Exports (USD) hort	14,623,733	7,797,123	87.55	8,492,963	3,852,698		1,092,205	755,230	44.62
Average export price/Kg USD				-	-				
<b>Flowers</b>									
Exports (Kg)	1,130,243	1,193,834	(5.33)	393,163	581,979	(32.44)	38,467	97,222	(60.43)
Value of Exports (USD)	6,654,822	7,908,050	(13.32)	2,402,313	4,418,797	(45.63)	187,756	644,443	(70.87)
Average export price/Kg USD									
<b>Hides and Skins</b>									
Exports (Kg)	3,719,395	289,756		2,215,921	281,359		330,653	92,514	
Value of Exports (USD)	2,878,507	345,316		1,688,426	156,101		512,107	43,617	

## 1.3 Industry as share of GDP

In 2021-2022 Fiscal year, the share of industry to GDP increased to 21% compared to 19% recorded in 2020-2021. Compare to the set target of 21.7% , this sector is in good progress due to the Economic recovery plan combined with gradual easing of covid-19 containment measures have supported the strong recovery of the industry and services sectors. The industry sector, particularly, has benefited from the public and private sector infrastructure projects. The latter generated strong demand for construction activities as well as domestically manufactured related materials.

Consistently, the construction and manufacturing sectors grew by 15.2 percent and 10.6 percent respectively in 2021 from a decrease of 5.7 percent and a moderate growth of 2.0 percent in 2020. Manufacturing of building materials, specifically cement and bricks (+11.8 percent from -0.8 percent), Chemicals, rubber & plastic products that include paints and vanishes (+22.7 percent from +1.3 percent) to name a few, expanded at a faster pace. Growth in the manufacturing industry is also associated with the good performance of wood, paper and printing (+18.7 percent from -9.1 percent), textiles (+15.6 percent from -4.1 percent), beverages (+6.1 percent from +1.1 percent) and stable growth in food processing industries (+7.0 percent).

The industry sector's improved performance has also been supported by the global economic recovery, mainly the increased demand for minerals which led to the increase in their prices on the international market. Consequently, the mining and quarrying

subsector grew by 26.7 percent in 2021 from a contraction of 31.2 percent in 2020, in line with the increase in metal and minerals prices (+47.1 percent from +1.0 percent) over the same period. **(BNR, Financial Stability Report, March 2022)**

In addition to planned policy actions, there were new initiatives to support the recovery and growth of industry sector such as Manufacturing acceleration focusing on Made in Rwanda products and specifically on the “**Must Have**” products to sustain local demand while reducing high dependency on foreign market for essential products; The “Manufacture and Build to Recover Program” **(MBRP)** was developed by the Government of Rwanda to boost economic recovery efforts with specific incentives for the manufacturing, construction and real estate development sectors (VAT exemption on construction materials and Tax credits).

NIRDA industrial research laboratories were operationalized to encourage the competitiveness of industries which resulted into, 16 pharmaceutical and food products being developed, 23 industries providing quality testing services and 12 Science Technology Engineering and Mathematics (STEM) industrial devices graduated from STEM for industry hub incubation and linked to investors for large production and commercialization.

#### **1.4 Tourism export revenues**

Tourism one of the worst-hit sectors registered a 25% growth, generating USD164 million in revenues 2021 from USD131 million in 2020. The government supported the sector's recovery through initiatives like the Economic Recovery fund, where half of the RWF100 billion fund was dedicated to tourism and hospitality. Total visitor arrivals increased by 2.8% during this period, from 498,000 in 2020 to 512,000 in 2021. It is highlighted that critical sectors such as tourism that were most affected by the COVID-19 pandemic. In addition to the government's support through the Economic Recovery Fund, various activities, such as the diversification of tourism products, sports tourism promotion, strong presence in global media, and the exemplary COVID response and management efforts, contributed to the rapid recovery of this sector. **(RDB Annual report, 2021).**

#### **1.5 The value of revenues from MICE**

The revenue from MICE tourism increased from USD 8.2 Million in 2020-2021 to USD 38.5 million in 2021-2022. This increase was attributed to key events hosted including the commonwealth heads of government meeting (CHOGM), BAL finals, international association of Francophone cities, Africa microfinance week and AU-EU meeting. However, performance against the NST1 target 2021 (USD 106 million) is still low, due to various reasons such as budget constraints and COVID-19 that affected many conferences and events planned for the year 2020/2021. Most policy actions implemented in this fiscal year were proactively targeting attraction of special events and conferences and

participation in trade fairs such IBTM Barcelona, IMEX America, meetings Africa, IMEX Frankfurt, ACE of MICE -Turkey, meetings show London.

RDB in collaboration with Johannesburg chamber of commerce conducted an international virtual roadshow on March 24th, 2021 with Trade Malta. Rwanda remained among the second top MICE destination for MICE tourism in Africa. Businesses converted into confirmed events through GoR subvention of key international conferences (Subvention).

## **1.6 Exports from the mining sector**

The Value of mineral exports revenues realized was USD 697 Million in 2021-2022 against USD 667 million in 2020-2021 in relation to the NST1 target of USD 800 million. This increase can be attributed to cassiterite USD 83,1million Coltan USD 54.1million, wolfram USD 59 million Gold USD 496 million, other minerals USD 5 million, there is continued support of mining operators to diversify focusing on gold, gemstones, lithium, beryl and rare earth elements (REEs) and to facilitate mineral value addition operations and support them to obtain raw materials. In 2021/22, mining companies have been facilitated to diversify their operations focusing on gold, lithium, gemstones while 2 companies have been licensed in gemstones exploration, 6 Companies with gemstones mining licenses. Importation of minerals as raw materials have been facilitated and advocacy was successfully done with RRA on VAT exemption. Mining companies and 1quarrying company have been license.

## **1.7 Ecommerce**

Government efforts have further been augmented by development partners and trade facilitation agencies who have put in place elaborate e-commerce initiatives. These public and private initiatives set a good foundation for the potential growth of e-commerce in Rwanda.

1. A training under E- Commerce aimed at uplifting the knowledge and understanding of stakeholders in the ecosystem on consumer protection standards and principles and more particularly how they can be applied to digital commerce was organized and took place in Musanze at Lapalme Hotel from 30th Jan-3rd Feb 2022. 29 stakeholders attended the training from the following institutions: MINICOM, MEDIA (TV1&IGIHE), E-commerce platforms (KIGURE, VUBA-VUBA & IMIGONGO), PSF, BNR, RICA, MINICT, RURA and ADECOR.
2. 12-TV Programs, 8-TV Spots and 2 Documentaries were produced with an emphasis on the role of E-commerce in promoting Made in Rwanda products.
3. From 28 to 30 March 2022, FAO in collaboration with MINICOM through the Peace Building Project organized a training workshop of smallholder farmers' traders on both sides of the border of Rwanda and DRC, with specific focus on youth and women. The

aim of this activity was to facilitate connecting smallholder farmers and cross-border traders with each other between DRC and Rwanda in collaboration with chambers of commerce in DRC and Rwanda to increase food security, socio - economic benefits and peace building on both sides through access to market linkages allowing them to have access to agriculture market information system.

4. 74 participants including 59 smallholder farmers' traders attended the training and 59 farmers were given smart phones with 6 months internet bundles.
5. In collaboration with MINICT, MINECOFIN and BNR a National Digital Payments Awareness Campaign was launched on 27 May 2022 and this campaign was planned to run until September 2022.
- 6.
7. In June 2022, 113 SMEs from Kigali city and secondary cities were trained on E-commerce policy, laws & regulations, online branding and digital marketing and digital customer service.

## **Section 2: Selected sector performance indicators and their corresponding policy actions**

This section presents the status progress of PSDYE sector indicators as of 2021/2022. These include the FDI as share of GDP, manufacturing share of total GDP, services as share of total exports and private investment as share of GDP.

### **2.1 FDI as share of GDP**

The targeted share of FDI to GDP in the fiscal year 2020 was 4.8% from the 4.7% of the fiscal year 2019. The actual performance decreased to 2.7% in the fiscal year 2020 from 3.4% recorded in the fiscal year 2019 (**FPC 2021**).

The findings of the Foreign Private Capital (FPC) Census 2021 which report on the performance of the year 2020 show that in 2020, the total FDI inflows in Rwanda declined by 22.5 percent to \$ 274.1 Million from \$ 353.8 Million registered in 2019. The decline in FDI was mainly driven by a decline in equity capital inflows that outweighed increase in retained earnings and borrowings from affiliated investor inflows.

The new equity investment inflows recorded in 2020 amounted to \$49.7 Million that represent an increase of 9.1 percent, from \$ 45.6 Million registered in 2019. The new equity investment inflows were mainly invested in the financial, manufacturing, agriculture and electricity sectors. The borrowings from affiliated investors decreased by 43.3 percent, standing at \$ 94.4 Million from \$ 166.5 Million recorded in 2019, while the retained earnings decreased by 8.3 percent to \$ 130.0 Million from \$ 141.8 Million registered in 2019. The decrease in retained earnings reflects accumulated losses driven by covid19 pandemic (**FPC Census report, 2021**).

The 2021 FPC findings showed that the financial sector received the most FDI inflows in 2020 accounting for 39.7 percent of total followed by ICT (17.4 percent), agriculture (13.4 percent), manufacturing (11.5 percent) and electricity (9.1 percent). The FDI stock remain concentrated in the ICT sector with a lion's share of 27.7 percent, followed by the financial sector (22.9 percent) and the manufacturing sector; 12.2 percent, (FPC Census report, 2021).

### **2.2 Manufacturing exports as a share of GDP**

The target of Manufacturing exports as a share of GDP was 6.5% in 2021/2022 in the PSDYE strategy. The actual performance is 7.4% in the fiscal 2021/22.

This increase was due to the manufacturing of building materials, specifically cement and bricks (+11.8 percent from -0.8 percent), Chemicals, rubber & plastic products that include paints and vanishes (+22.7 percent from +1.3 percent) to name a few, expanded at a faster pace. Growth in the manufacturing industry is also associated with the good performance of wood, paper and printing (+18.7 percent from -9.1 percent), textiles (+15.6 percent from -4.1 percent), beverages (+6.1 percent from +1.1percent) and stable growth in food

processing industries (+7.0 percent).

The industry sector's improved performance has also been supported by the global economic recovery, mainly the increased demand for minerals which led to the increase in their prices on the international market. Consequently, the mining and quarrying subsector grew by 26.7 percent in 2021 from a contraction of 31.2 percent in 2020, in line with the increase in metal and minerals prices (+47.1 percent from +1.0 percent) over the same period, (*MPFSS, March 2022*).

**Note:** The name of this indicator was “**Manufacturing share of total export**” and has changed to “**Manufacturing exports as a share of GDP**”. This change was brought about the fact that the interpretation of this indicator was somehow confusing given the target set in the annual PSDYE Strategy of less than 10% and based on the actual numbers from NISR of around 80% when you consider this indicator to be capturing the total manufactured and exported goods out of the total exports. The following table summarizes different scenarios.

<b>Fiscal year</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Values in billion Frw</b>			
GDP at current prices	9,383	10,266	11,976
Total general export of goods	1,179	1,445	1,886
Total domestic export of goods	810	1,012	1,195
Total manufactured exported domestic goods	652	825	887
<b>Calculated indicators</b>			
<i>Manufactured domestic export goods as a share of GDP (Recommended For PSDYE JSR)</i>	6.9%	8.0%	7.4%
<i>Manufactured domestic export goods as a share of total domestic export of goods (Be Removed In PSDYE)</i>	80.5%	81.6%	74.2%

**Source: NISR, 2022**

### **2.3 Services share of the total export**

In 2021/2022, the contribution of services to GDP was 48%, the growth rate of services was 12%. The contribution of services in the total export target was 50% (PSDYE 2021/2022) while the actual share is 27.3% in fiscal year 2021/2022 (**National Account, NISR 2021/2022**). The value of total services exported was 710 billion Frw against 2596 billion Frw of total export (NISR, GDP Publication September, 2022). The PSDYE target was not achieved due to COVID-19.

The recovery in services sector, slower at the beginning of 2021, strengthened since the second quarter. After contracting by 5.5 percent in 2020, the sector rebounded by 11.9 percent in 2021 despite the second and third waves of COVID-19 in January and July 2021 respectively. The remarkable services sector's recovery was driven by the rebound of some services, including tourism related services and education that were severely hit by the COVID-19 shock in 2020. In this regard, with the gradual reopening of the global economy

and Rwanda's tourism recovery measures, hotels and restaurants grew by 20.4 percent in 2021 after contracting by 40.2 percent in 2020 while transport services recorded a growth of 14.6 percent from a decline of 23.7 percent.

After dropping by 37.5 percent in 2020, the education sector rebounded by 58.6 percent in 2021, following the reopening of schools. The good performance of services sector is linked also to the uptick in trade services (+11.7 percent from -3.3 percent) and financial services (+18.0 percent from -2.4 percent) as well as outstanding performance of information and communication (+18.8 percent from +29.2 percent). The economic recovery is expected to continue in 2022, supported by ongoing Government programs such as the Manufacture and Build to Recover, the continuous vaccine campaign and reopening of the economy. **(MPFSS Report,2022)**

## **2.4 Private Investment as share of GDP**

The Private Investment as share of GDP targeted in PSDYE Strategy, is 17.9% in FY 2021/2022 while the actual share is 15.7% in 2021/22 **(NISR National Account, 2022)**.

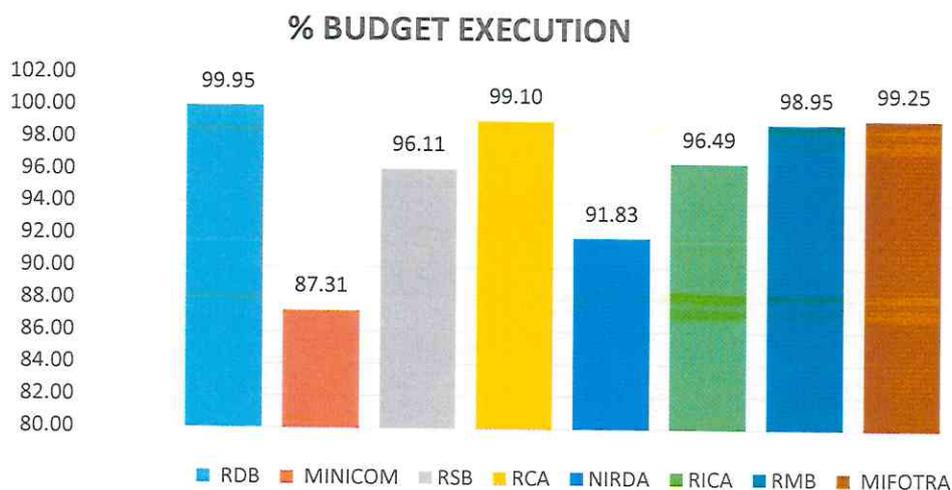
The 2021RDB annual report indicates that USD3.7 billion value of investment projects were registered, an increase from USD 1.3 billion in 2020, which was mainly due to registration of Bugesera International Airport investment. 1 international roadshow event was organized in Malta targeting Northern Europe market. Aftercare services were provided and emerging issues troubleshoot which resulted to 85% of investments projects registered in the last five years being operationalized.

In the efforts to facilitate increase in private investment, RDB conducted three domestic road shows in Muhanga, Huye and Musanze. During the roadshows, investment opportunities in different sectors were showcased as well as services provided at RDB. The business community was encouraged to invest in the country's priority sectors.

### Section 3: Budget execution performance for 2021/21

The Total Revised budget in 2021-2022 in all PSDYE sector was **98,493,369,916 Rwf** and the budget committed was **95,018,471,729 Rwf**. The overall budget execution rate for the entire PSDYE Sector after the budget revision was 96,47 this Fiscal year 2021-2022 compare to the last year 2020-2021 which was at 79.4% across 9 Public institutions.

The budget was allocated to 24 programs and 39 subprograms. The table below shows the budget allocated to PSYE stakeholder institutions and their budget execution performance. For detailed budget performance by subprogram, an annex 2.1 has been attached to this report for reference.



Source of data: MINECOFIN, National Budget 2021-2022

MINICOM's execution rate was lower also with 87.31% mainly due to funds secured under Intellectual Property Rights Promotion which the disbursement was at 0% up to the end of 2021/2022.

## **Section 4: Priority areas for the 2022/23 fiscal year**

The section below sets out the sector's priorities for the fiscal year 2023/2024. These are informed by key strategies namely the NST1; Vision 2050; Private Sector Development and Youth Employment Strategy (PSDSYE); Made in Rwanda Policy; Rwanda Entrepreneurship Development Policy; National Strategy for AfCFTA; National Skills Development and Employment Promotion Strategy (NSDEPS) and National Employment Policy and the Domestic Market Recapturing Strategy (DMRS, National industrial Policy, National Export Strategy among others. The 2023/2024 priorities are linked to NST1 and PSDYE. The interventions that will be proposed in the Single Action Plan of the Sector Institutions are also aligned with the following NST1 priority areas for PSDYE Sector:

- Promote Industrialization and attain a Structural Shift in the export base to High-value goods and services with the aim of growing exports by 17% annually;
- Create 1.5 million (over 214,000 annually) decent and productive jobs for economic development;
- Establish Rwanda as a Globally Competitive knowledge-based economy

The PSDYE sector has selected five key priority areas to inform planning and budgeting process in the fiscal year 2023/2024 as follows:

1. Priority area: Export/Trade Development
2. Priority area: Development of industrial infrastructure for growth
3. Priority area: Made in Rwanda promotion and Investment promotion
4. Priority area: Entrepreneurship and Business Development for job creation
5. Priority area: Foster employment and decent Jobs

Under PSDYE SWG, there are 3 sub-sectors working groups and in 2023/2024 fiscal year, their associated priorities are the following:

### **SSWG 1: Production Capabilities and Technology**

1. Priority: Develop industrial Parks (Huye, Muhanga, Rwamagana, Musanze, Rusizi, Nyagatare)
2. Priority: Support selected value chains for competitiveness (packaging materials, pharmaceuticals, agro-processing, Clays, Stones, wood, meat and leather)
3. Priority: Promote exploration and value-addition strategic/partnership investments for existing (cassiterite, gold, coltan, wolfram) and new minerals (lithium, beryllium and rare earth elements (REEs));
4. Priority: Promote applied research innovations for industrial development (young innovations Incubation, Product development, joint STEM Laboratory establishment),
5. Priority: Promote made in Rwanda Products, SMEs standards compliance through ZAMUKANUBUZIRANENGE, Products and Services Certification,

## **SSWG2: Distribution, Logistics and Market Access**

1. Priority: Achieve high standards, quality services and customer care across public and Private sector
2. Priority: Promote market linkage on selected product (Milk, Irish potatoes, rice, cassava, horticulture, banana, soybean, beans)
3. Priority: Promote the usage of Electronic World Trade Forms and link exporters to international markets,
4. Priority: Construction of bonded warehouses (Rubavu, and Rusizi)
5. Priority: Disability friendly market Accessibility (infrastructure,

## **SSWG3: Youth Employment**

1. Priority: Operationalize the project model village,
2. Priority: Support access finance capital for both existing SMEs and start-ups (micro-leasing, start-up capital, guarantee, agribusiness investment facility and leasing,
3. Implement entrepreneurship end employment promotion initiative for persons with disability,
4. Employment mainstreaming (eco-brigade, Road maintenance, Agriculture modernization and skills development) through developmental project,
5. Priority: Provide massive hands-on skills for unskilled and youth in subsistence agriculture,

## **Section 5: Progress against implementation of recommendations from the last JSR meetings and Implementation status of 2019/20 OAG recommendations.**

### **5.1. Progress against implementation of recommendations from the last JSR meeting**

**5.1.1 Avail updated information on the PSDYE Sector to all members of the Sector Working Group:** The PSDYE Secretariat is working with all PSDYE member institutions to regularly share sector updates through the PSDYE mailing group. The Secretariat will keep updating the mailing list to ensure that all members have direct access to the PSDYE information platform.

### **5.1.2 To establish framework for the private sector operators to integrate people with disabilities.**

The PSDYE Secretariat is working on identifying and coordinating institutions with direct and indirect mandate of mainstreaming people with disabilities into economic activities with the aim of assessing the existing support programs and initiatives that could be monitored under the PSDYE framework as one of the cross-cutting areas.

### **5.1.3. To establish incentives for new to create more jobs in the rural areas and across country.**

According to the 2021 Annual Report of the Labour Force Survey, the labour force participation was 54%, reduced by 2.4% from 56.4% in 2020. In 2021, this ratio was higher among men (62.0 per cent) compared to women (46.9%). Again, this ratio was higher in Urban (62.7%) than in rural area (51.6%). In 2020, the labour force participation rate by area of residence was 67% and 53.5% respectively in rural and urban areas.

The 2020 employment to population ratio was higher among males (55.2 percent) as compared to females (38.5 percent), higher among adults (49.5 percent) than among youth (42.6 percent) and higher in urban areas (54.9 percent) as compared to rural areas (44.0 percent). As per the labor statistics of 2021, the employment-to-population ratio for males was 50.5% and for females, 35.6%, while for urban areas, it was 49.7% and for rural areas, 40.6%. This may be attributed to the diversity of job opportunities in urban areas as compared to rural areas, whereby the number of employment opportunities is limited and most people are involved in subsistence agriculture

MINICOM is implementing an industrial park development program that looks at establishing industrial zones in secondary cities that will serve as economic poles a pull factors that will generate jobs for rural population. As of 2021, 9 out 10 locations earmarked for industrial parks are located in districts outside Kigali. These include, Rwamagana, Rusizi, Huye, Musanze, Muhanga, Bugesera, Rubavu, Nyagatare and Nyabihu.

More incentive for investors requesting for land in Industrial Parks: - payment of USD 3 per Square meter - Investors can also pay the land in installment within 5 years upon the deposit of 30% of the Value of the Land.

**5.2. Progress against implementation status of 2019/2020 OAG recommendation.**

the status on the implementation of previous audit recommendations revealed that 69% of audit recommendations were fully implemented, 25% were partially implemented and 6% were not implemented

1	Total number of findings raised in the internal auditor previous reports for are	16
2	Number of recommendations that are not applicable	
3	Number of recommendations that have been fully implemented as at time of current audit	11
4	Number or recommendations that have been partially implemented as at time of current audit	4
5	Number of recommendations not implemented as at time of current audit	1
	Percentage of previous recommendations fully implemented [no.3/no.1]*100	69%
	Percentage of previous recommendations partially implemented [no.4/no.1]*100	25%
	Percentage of previous recommendations not implemented [no.5/no1 ]*100	6%

## **Section 6: Status on SDGs indicators already monitored by sectors and Progress against the implementation of the plans and strategies to monitor the additional SDG indicators**

This section highlights the brief status on SDG indicators already monitored by sector and Progress against the implementation of the plans and strategies to monitor the additional SDG indicators.

### **6.1. Status on SDGs indicators already monitored by sector**

As introduced by the terms of reference for the preparation of the Backward-Looking Joint Sector Review of the FY 2021-2022, SDG indicators are monitored at the sector level. SDG indicators has been developed and the progress of implementation captured. Among them we have indicators of monitoring employment, tourism and manufacturing. As of 2021/2022, all of these indicators have been updated with the most recent data available – for reference, see annexes 3.2

### **6.2. Progress against the implementation of the plans and strategies to monitor the additional SDG indicators**

SDG indicators were also identified and strategies to monitor them formulated – See Annex 3.2. In terms of progress of implementation of these strategies, institutions members of PSDYE SWG have contacted various stakeholders relevant to each SDG indicator for consultation. Computation methodology and an updated status is provided in the next section of this report.

#### **6.2.1. Proportion of jobs in sustainable tourism industries out of total jobs**

This indicator is monitored through the Rwanda Labour force survey by the NISR where employment data are disaggregated by Sector (Economic activities-*ISIC Rev4*). Currently, Labour Force Survey collects information on the contribution of tourism to national employment. Therefore, the computation of sustainable tourism jobs out of total jobs are already covered. The latest figures for tourism sector contribution to national employment are as follows: 11.9% (2021), 3.9% (2020), 5.1% (2019), 3.7% (2018) and 3.4% (2017), (**LFS,2021**)

#### **6.2.2. Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools**

13 sustainable tourism strategies and policies are implemented: Adventure tourism masterplan, Kivu-Belt, Eastern Province Master Plan (MP), Heritage Corridor MP, Sustainable Tourism Master-Plan, Concession policy, Twin Lakes, Avi-tourism, MICE strategy, Tourism policy and Tourism bill, domestic tourism strategy, Tourism recovery strategy.

#### **6.2.3. Proportion of traded wildlife that was poached or illicitly trafficked**

Currently data are collected on 5 big wild animals in Akagera National Parks, namely: Elephants (135), Lions (50), Buffalos (5,000), Rhinoceros (60), and Leopards (85). For this

category the reported proportion of poached or illicitly trafficked is 0%, (GPS Tracking devices help in their monitoring) their total counts are 5,303. Also, Gorillas are monitored and approximately 604 as of 2021. Their poaching or illicit trafficking is 0%.

#### **6.2.4. Recruitment cost borne by employee as a proportion of yearly income earned in country of destination**

Currently Labour force survey provides regular information about the international migrants, as per the LFS 2021, the total number of international migrants was estimated at 58,281 people with 44.6% employed, 27.1% unemployed and 22,655 representing 30.9%. The Labour force population rate among international migrants stands at 61.1%. It seems impossible to include recruitment cost borne in the LFS's questionnaire, thus there is a need to mobilize resource for conducting a separate study for migrant workers or improve administrative data from Occupational Demand List (ODL) implementers.

#### **6.2.5. Level of national compliance of labour rights**

The level of national compliance of labour rights is measured through inspections conducted by labour inspectors across the country. The freedom of association is ensured through a number of trade unions and workers representatives elected in different institutions. Collective bargaining is encouraged in private institutions to ensure the protection of labour rights. In 2021, the inspection conducted on 1073 private and parastatal establishment found that the level of compliance was 67.3%. When calculating the level of national compliance of labour rights, the following indicators were taken into considerations: having contract, payment using any financial institutions, occupational health and safety, pension.

#### **6.2.6. CO2 emission per unit of value added**

CO2 emission per unit of value added is monitored by NIRDA through the Cleaner Production and Climate Innovation Centre (CPCIC). 290 organizations were trained on RECP protocols (46 Local experts, 223 industries, and 21 public institutions, and resulted in the following environmental benefits assessed from 42 industries:

<b>Description</b>	<b>Baseline 2013-2017</b>	<b>2018-2021</b>
Carbon Dioxide (ton CO2-eq/yr)	30,402.6	3,476.03
Energy reduction	41,053,247 MJ	41,053,247 MJ
Solid waste reduction	22,390.20 tons	22,390.20 tons
Wastewater reduction	241,952 m <sup>3</sup>	13,276.6 m <sup>3</sup>

## **Section 7. Lessons learnt, success factors and challenges in implementation Process of PSDYE**

### **7.1 Key Lessons Learned from Covid-19 on Trade and Industry Perspective**

- Proactiveness, strong leadership and coordinated interventions at government level have been very instrumental in responding to this crisis, which required many things including citizen trust in the leadership to effectively cooperate with the population and change their normal behaviors throughout the pandemic. Rwanda as a country with well-known good leadership coupled with the trust and positive response of its population to policy measures initiated by the government; all of these provided a basis to generally anticipating fewer consequences compared to other countries where this is not happening.
- The pandemic has reminded again on the need to reshape and fast track the promotion of the Rwandan manufacturing sector under the Made in Rwanda Programme, with a focus on self-reliance at least in the “Must Have Products” and explore new emerging business opportunities (PPEs), and quick remodeling of business plans. The multi-sectoral approach has been key in coordinating interventions in a very short time period necessary to take policy measures to minimize the economic effect of covid-19 but also fast-track implementation of new investment projects.
- The imperatives brought on by the COVID-19 crisis for businesses to innovate around the creation of human-like interactions with customers without necessarily having to meet physically by bringing out digital products as quickly as possible and innovating new capabilities for remote operation, complete digital transformations (E-commerce). Example: Shift to online provision for essential services providers such as doctors and teachers/online, education has become the norm. Expect this trend to spread well beyond exam rooms and classrooms. Lawyers, architects, and marketers are all beginning to deliver their services in new ways, ranging from basic videoconferencing to virtual reality and automation.

### **7.2 Success factors in achieving planned targets**

In order to implement planned policy actions, institutions in the PSDYE Sector have many strategies that include the following:

- Working with the private sector to develop initiative platforms promoting digital literacy in order to contribute to the overall target of creating decent and productive jobs
- Coordinated institutional planning focusing on addressing national priorities and vision
- Focused and visionary leadership to drive economic development
- Available guiding documents for easy planning and targeting in creating performance results at institutional level.
- Efficient use of coordination channels put in place that include the following:

- Joint Sector Reviews, Sector coordination activities and collaboration through the chairs and co-chairs of the subsector working groups
  - Made in Rwanda Policy implementation
  - Inter-institutional monitoring and management of the manufacturing sector
  - Tourism Recovery Strategy from COVID-19
- Coordination and strategic management of Imihigo both individual and joint by the management of the sector as well as that of member institutions.

### **7.3 Challenges faced during implementation of planned policy actions**

The implementation of planned policy actions has for the most part been successful, except where issues related to insufficiency of the budget has caused delays. This is the case of industrial parks, EGF, NEP interventions,

Planned policy actions implemented during the fiscal year have mostly been successful with a shortfall in job creation, FDI inflows mainly due to decline in equity capital inflows that overweighed increase in retained earning among others. Main challenges faced during execution were related to insufficient budget that resulted into delays in meeting intended objectives in timeframe period planned, resurgence of a new COVID-19 variant "OMICRON" that prompt countries to reimposed mobility restrictions, rising commodity prices and persistent supply disruptions as well as emerging geopolitical tension. The occupancy rates of cross border markets in Rubavu, Karongi, Burera, and Rusumo district reduced due to challenges related to unpredictable and unstable regional political environments whereas operationalization of Nyamasheke cross boarder market is still low

## **Section 8: Analytical Work/studies Planned in 2021/2022**

### **8.1 Labour Force Survey 2021**

Labour Force Survey (LFS) 2021 was conducted and provides estimates of labour market indicators and monitor labour market trends on a quarterly basis.

The data collection on the size and characteristics of the Labour force, employment, unemployment and other labour market characteristics of the population was carried out through four quarters of 2021, specifically in February, May, August and November. The survey was also designed to measure different forms of work, in particular, own-use production work and other components of labour underutilization including time-related underemployment and potential labour force in line with the international standards, adopted by the 19th International Conference of Labour Statisticians (ICLS) in 2013. The current report presents the results of the annual report of 2021 LFS obtained by combining all quarters of LFS in 2021 (February, May, August and November).

The survey covered all persons living in private households, excluding the institutional population permanently residing in places such as hostels, health resorts, correctional establishments etc., as well as persons living at their work-sites and in seasonal dwellings.

The resulting estimates of the main labour force indicators at the national level from the combined datasets have standard errors of about 0.5 percent

### **8.2 1.8 Mid Term Review of the Made in Rwanda Policy (MiR) 2021-2022**

The Made in Rwanda (MiR) Policy was adopted with the main broad objectives of reducing the trade deficit and of accelerating job creation. These objectives would be achieved through boosted production and stimulated sustainable demand for competitive Rwandan value-added products by addressing factors constraining their quality and cost competitiveness. The overall goal of the policy (among other policies) is to increase the competitiveness of the Rwandan economy. This was expected to lead to a US\$ 450 million per annum reduction in the trade deficit, equivalent to 17.8 percent of the import bill at the time the policy was launched.

After 5 years of implementation, a mid-term evaluation of the MiR Policy was undertaken by MINICOM with the support of the Tony Blair Institute for Global change. Overall, the evaluation team analyzed trade data to assess the effectiveness of MiR in delivering the targeted reduction in the trade deficit and it should be noted that it is very difficult to attribute changes in the trade balance to any specific interventions under the MiR Policy or elsewhere, as the factors influencing a country's trade balance are numerous and highly complex.

On the other hand, the team found out that where there has been progress in achieving the outcomes and outputs identified in the MiR policy, implementation has been largely driven by their inclusion in the wider Industrial Policy rather than specific MiR initiatives. The exceptions are the products quality improvements in MiR sectors generated as a result of the Rwanda Standards Board (RSB)'s programme as well as the RDB-led Supplier Development Programme, both of which were established in direct response to the launch of MiR.

Among other recommendations, the evaluation results pointed strongly to the need to pursue one of the following three options for a better alignment of MiR interventions to the overall economic policy framework:

- A. Incorporate MiR interventions into an updated and expanded Industrial Policy, both in terms of mandate and delivery mechanisms.
- B. Keep MiR as a separate policy but clearly distinguish it from the Industrial Policy with mutually exclusive mandates.
- C. Restructure the MiR Policy as a clearly defined programme that operates under the Industrial Policy.

All the recommendations from the MiR Policy evaluation exercise are still under discussion for validation and the final evaluation report would be circulated in due course. It is also expected that MINICOM would invest all necessary efforts – in collaboration with all relevant stakeholders – for implementation of the recommended interventions.

#### **8.4 A study on Multi-level Marketing and Pyramid Scheme**

"The study was done by RICA and it was completed, the report is available

Based on the findings, the study suggested the following recommendations:

1. Establishing a clear legal and institutional Framework for MLM or Anti-Pyramid scheme  
*Preferred Option:*

1. Enable enactment of a specific law on Anti-pyramid Scheme law/Law governing multi-level marketing in the competition and consumer protection policy which is under revision; As the policy is being amended, the introduction of a new law on anti-pyramid schemes should be one of the policy recommendations.
2. Once the policy is adopted, then, concerned institutions coordinated by MINICOM, RICA, NBR among others will start drafting processes and finalization of the draft law as submitted,

*Alternative Option:*

3. Amendment of law n° 36/2012 of 21/09/2012 relating to competition and consumer protection and to include a proposed provision on the anti-pyramid scheme. This is one of the best practices benchmarked in Australia and Zambia.
4. However, this option may be challenging the cross-cutting nature of the sector, for instance normally financial matters are managed by BNR and there is specific law on financial consumer protection.
5. So, this option may require the amendment of several other laws. Irrespective of the option adopted, the new law or the amendments should cover key aspects, including among others the following:
  - i. Definition: Distinction between MLM and Pyramid schemes
  - ii. Scope of the law: All activities of undertaking operating as MLM in all sectors
  - iii. Substantive provisions: Prohibitions including those operating online
  - iv. Mandatory registration of MLM: Conditions for Grant, Refusal, and revocation of license
  - v. Requirements for registration of MLM: performance security, buyback inventory policy, etc
  - vi. Establishment of the interagency committee: Committee Composition, ToR

## Closing note

This Backward-Looking Joint Sector Review Report for the Private Sector Development and Youth Employment (PSDYE) Sector Working Group (SWG) was presented to the members of the sector working group and subsector working groups for discussion and validation to increase ownership of the sector activities and plans. The discussions and resolutions from PSDYE Sector working group meetings was integrated in different Minutes approved.

Signed by:

Chair of the PSDY SWG



**Mr. Richard NIWENSHTI**  
Permanent Secretary  
Ministry of Trade and Industry

Co-chair of the PSDY SWG



**Ms. Michela TOMASELLA**  
Head of Cooperation -  
European Union Delegation to Rwanda