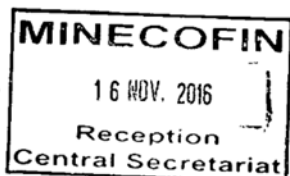


REPUBLIC OF RWANDA



Kigali,14. NOV. 2016.....

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MINISTRY OF TRADE, INDUSTRY AND EAC AFFAIRS
P.O.Box 73, KIGALI

Permanent Secretary and Secretary to the Treasury
Ministry of Finance and Economic Planning
KIGALI

Dear PS/ST,

RE: Transmission of the 2015/16 Backward-Looking Joint Sector Review (JSR) for the Private Sector Development & Youth Employment (PSD YE) Sector

With reference to the Terms of Reference for the 2015/16 backward-looking JSR provided by MINECOFIN, I have the honour to submit to you the JSR Report for the PSD&YE Sector.

This report assesses progress against EDPRS-II midterm targets towards achieving the core EDPRS-II and sector indicator targets for 2015/16 and their corresponding policy actions including budget execution by programs for the sector. It also provides priority areas to inform the 2017/18 plan and budgeting process.

Sincerely,

Innocent SAFARI
Permanent Secretary



A.I Permanet Secretary
MINEACOM

CC:

— Hon. Minister of Trade, Industry and EAC Affairs

2015/16 Backwards-Looking Joint Sector Review



Private Sector Development & Youth Employment Sector (PSDYE)

Sector Working Group (SWG) Chair: Ministry of Trade, Industry and East African Community Affairs (MINEACOM)

SWG Co-Chair: African Development Bank (AfDB)

Sub-Sector Working Group (SSWG) 1, Industry & Exports, Chair: MINEACOM

SSWG 1 Co-Chair: TradeMark East Africa (TMEA)

SSWG 2, Productivity & Employment, Chair: Ministry of Public Service and Labour (MIFOTRA)

SSWG 2 Co-Chair: Development Cooperation, Embassy of the Federal Republic of Germany

SSWG 3, Investment & Regulation, Chair: Rwanda Development Board (RDB)

SSWG 3 Co-Chair: World Bank Group

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List of Acronyms

AfDB	African Development Bank
AFU	Advance Factory Unit
BDF	Business Development Fund of Rwanda
BNR	Banque Nationale de Rwanda (National Bank of Rwanda)
BRD	Banque Rwandaise de Développement (Development Bank of Rwanda)
CPC	Community Processing Centre
DMRS	Domestic Market Recapturing Strategy
EDPRS-II	Economic Development and Poverty Reduction Strategy II
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
MINEAC	Ministry of East African Community of Rwanda
MINECOFIN	Ministry of Economic Planning and Finance
MINICOM	Ministry of Trade and Industry of Rwanda
MyICT	Ministry of Youth and ICT of Rwanda
NEP	National Employment Programme
NES	National Export Strategy
NIRDA	National Industrial Research and Development Agency
NISR	National Institute of Statistics Rwanda
NTB	Non-Trade Barrier
PSDYE	Private Sector Development and Youth Employment
RCA	Rwanda Cooperative Agency
RDB	Rwanda Development Board
RSB	Rwanda Standards Board
RWF	Rwandan Franc
SDG	Sustainable Development Goals
SEZ	Special Economic Zone
SMEs/MSMEs	(Micro) Small and Medium-Sized Enterprises
SPIU	Single Project Implementation Unit
SSWG	Sub-Sector Working Group
SWG	Sector Working Group
TA	Technical Assistance
TVET	Technical and Vocational Education and Training

1 Introduction

This Backwards Looking Joint Sector Review (JSR) Report focuses on achievements made in the Fiscal Year (FY) 2015/16 in the Private Sector Development and Youth Employment (PSDYE) sector. The report was presented and discussed at the JSR meeting that was held at the Ministry of Trade, Industry and EAC Affairs (MINEACOM) on November 9th 2016. This report incorporates comments that were made from the JSR meeting. The report is structured as follows:

Section 1 is Introduction while section 2 provides an overview of the EDPRS-II midterm targets with catch up plans and progress made towards achieving the core EDPRS-II and sector indicator targets for 2015/16 and their corresponding policy actions. The section also highlights implementation progress for 2016/17 policy actions. Section 3 discusses budget execution performance for the sector, while sections 4 and 5 look at progress against the recommendations from the Forward Looking JSR held in June 2016 and sector priorities for FY 2017/18. Section 6 presents the status of analytical works for 2015/16 and 2016/17. Lastly, section 7 presents updates on key developments in the sector.

2 Achieving EDPRS-II midterm targets and PSDYE Sector Objectives for 2015/16

This section provides an overview of progress made on achieving EDPRS-II midterm targets and PSDYE sector objectives focusing on the 2015/16 targets for the EDPRS-II core indicators and selected PSDYE sector indicators and their corresponding policy actions. Refer to Annex 1.1 for details.

2.1 Achieving EDPRS-II midterm targets

The EDPRS2 sets out the national development framework for Rwanda up to 2018. It is monitored using 48 Core Indicators and ambitious annual targets. The Government of Rwanda (GOR) has committed to achieving these targets and are considered of national importance that they are achieved.

The PSDYE sector monitors 5 EDPRS2 Core Indicators. Two of these have reached their mid-term targets ie. (i) Number of new businesses created and (ii) private sector investment as share of GDP. Indicator on FDI as share of GDP¹ is on watch and two are lagging behind. These are (i) Exports as share of GDP and (ii) New off-farm jobs created. Table 3 below and the rest of the section summarises progress and trends towards achieving the EDPRS-II midterm targets. As well as challenges encountered and corrective measures being implemented where targets are not on track. Catch up plans to achieve EDPRS 2 export target are presented in annex 2.

¹ This is erroneously so: The mid-term target is 3.5% and in 2015, FDI was 4.1% of GDP. In their mid-term assessments, MINECOFIN appear to have used data from 2014 (3.4%). The Secretariat has followed up with MINECOFIN to correct this.

Table 3: EDPRS-II PSDYE indicators and progress on their midterm targets

EDPRS/ SEC-TOR OUTCOME	INDICATORS	BASELINE (2013/14) VALUE	Midterm Targets 2015/2016	Achievements
Accelerated growth exports	Exports to GDP (Value of exports goods and services)	14.60% (\$1,030m)	21.1 (2,053.8)	15.3% (\$1,369m)
Increased private sector investment and financing	FDI/GDP	2.3 (160)	3.5% (342)	4.1% (336.5)²
	Private investment/ GDP	10 (693.5)	13 (1,253.7)	13.3% (\$1,254M)
	Credit to the private sector/ GDP	15.6%	18%	19.7%
Increased entrepreneurship and business development	New SMEs registered annually	11,563 (2013 calendar year)	13,500	13,610
Increased employment in off-farm sector	Off-farm jobs created	90,800 (annual average 2006-2011)	2.0m	150,000 (2010/11 to 2013/14 annual average)
Availability of critical skills for service and industrial sectors	Employers satisfied with university graduates	75.1 (2011)	88	80.20%

The two PSDYE Core Indicators have not been achieved due to:

- **Exports growth:** Rwanda's export performance has faced some challenges in recent years, mainly due to external factors. These include declining mineral and coffee prices; instability in Burundi resulting into the borders to be closed for goods; and import restrictions imposed by DRC on beverages which was previously a key export product to that market. Nevertheless, the exports components not affected by the above (re-exports notably) have continued to perform well. The target growth rate for exports was 28% annually and has proven to be very ambitious.
- **Annual off-farm job creation:** This has averaged 146,000 new off-farm jobs per annum between EICV3 and EICV4, i.e. 2011 and 2014. Average job growth was 90,000 (2006-11) new off-farm jobs per year, but the trend is increasing. However, the achievement is below the target of 200,000 new jobs per year. The low performance is due to slow growth of the economy. Also the manufacturing sector has not been growing as expected either. The manufacturing sector is a major source of off-farm job creation but has been lagging behind.

² FDI data provided is for 2015 calendar year

Across the PSDYE sector there are a number of interventions in place to boost Rwanda's Private sector. The 2015-2020 Domestic Market Recapturing Strategy takes a long-term perspective, targeting interventions to sectors that in the long-term may become export-ready but in the short-term must outcompete imports. The Government has taken strategic decision to progressively phase out importation of second hand garments and footwear. An action plan was developed to transform the infant textile, apparel and Leather sectors to increase domestic production competitively while phasing out second hand imports. The action plan will be implemented over the next three years.

MINEACOM developed strategies for enhancing market access to key international markets for exporters. Initially the US and EU markets have been targeted, looking at potential sectors such as horticulture, minerals, crafts and apparels. A key issue for exporters' access to both markets is standards certification and quality assurance. RSB together with PSF and several development partners are supporting exporters to become certified under internationally recognised certification schemes. FY 2015/16 also saw significant developments on the African continent towards wider Tripartite Free Trade Agreement (TFTA) between three regional economic blocks, namely COMESA, EAC and SADC. The TFTA is an important first step towards realising the African Union's effort to create a Continental Free Trade Agreement (CFTA) which will cover all 54 member states, more than a billion people and a combined GDP of \$3.4 trillion. Rwanda's trade policy maker, MINEACOM is part of all the negotiations, ensuring the best possible deal for Rwandan producers, service-providers and consumers.

Two of the three indicators for 'Increased private sector investment and financing' fall under PSDYE SWG while one indicator on credit to private sector as share of GDP is reported under the Financial Sector SWG. The 2015 data on FDI as share of GDP show that the indicator was attained and reached the target of 4.1% by the end of the 2015 reporting period and the 13% target on private investment as a share of GDP was reached ahead of time. Success in this area is due to: (i) improvement in the regulatory environment; (ii) increased infrastructure; (iii) increased focus on implementation of registered investment projects; and (iv) improved investor aftercare. RDB is developing a new 5 strategic plan to further boost investments, focusing on both FDI and local investments.

The National Employment Programme's (NEP) Entrepreneurship and Business Development pillar also works to increase the capacity and quality of SMEs. Making them more attractive to lenders, while also increasing the amount of credit available through credit guarantee schemes and quasi-equity funding through BDF.

Finally, the EDPRS-II 2.0m off-farm job target is on track to be reached despite low performance to date. The indicator has been underperforming against the annual target of 200,000. However the rate of off-farm job creation has been increasing from 90,000 new jobs per year between 2005/06 and 2010/11 to 150,000 per year between 2010/11 and 2013/14. Several policy and programme changes have been introduced to this effect. , Notably the operationalisation of the NEP, which is coordinated by MIFOTRA with close links to other government ministries and Business Development and Employment (BDE) units at district levels. NEP has four pillars namely: (i) Skills Development; (ii) Entrepreneurship and Business Development; (iii) Labour Market Interventions and

(iv) Monitoring, Evaluation and Coordination. These combined work holisti are aimed to address both supply- and demand-side issues in the labour market. In FY 2015/16 NEP interventions created 51,462 jobs³. Combined with overall private sector development and economic growth, the annual increase in off-farm jobs is therefore expected to rise. Lessons learnt from EDPRS Implementation

Outlined below are key lessons learned for PSDYE Sector from EDPRS 2 Implementation:

- Need to be more realistic when setting targets to factor in inevitable investment period for specific projects to yield results;
- There is need to link targets to the previous year's achievement. At least the absolute amounts for exports etc..., rather than having these completely unrealistic cumulative targets that we will never reach when we don't hit the growth rates in the first years
- Availability of resources is essential to achieve and implement sector strategic plans; and
- Partnership and strong collaboration with different stakeholders in the sector is essential for achieving the set targets.
- Adequate focus should be on outcomes over outputs. There is need to be clear about what the objectives are before setting out actions.
- There is need of high-quality data and monitoring systems that allow to measure what's important not what's easy.
 - o E.g. The EDPRS indicator on SMEs registered doesn't tell us what we need to know (are these businesses growing? active even?)

2.1.1 Key catch up plans to achieve export targets in EDPRS2

- **Support export flagship projects:** About 12 export flagship projects have been supported by IDEC of which some are expected to start exporting by 2017. (i.e. Karuruma expected to generate \$72 million in the first year and double in the second year). These flagship export oriented projects hold high export potential in the short to medium term and long run in order to increase exports.
- **Operationalise Export Guarantee Fund:** EGF pilot phase started in FY 2015/2016 MOU between BRD and MINEACOM was signed and guidelines completed. About 5 companies secured funding and a few more are being assessed to access the facility. EGF aims to enhance access to finance and expansion of export base and diversification.
- **Memorandum of Understanding:** Signing Memorandum of Understanding between Government and exporters to ensure partnership towards attainment of the EDPRS 2 targets of increasing exports in their respective sectors. A number of cross-cutting issues have been identified are being addressed. Twenty-three (23) MoUs are ready for signing off. A team of focal points responsible for the specific sector has been formed to ensure effective monitoring and evaluation of the agreed policy actions, smooth and effective implementation and reporting to IDEC.

³ Note: this is based on the estimation that the 892 credit guarantees extended by BDF to SMEs each created 3.6 jobs.

- **Support Value addition to minerals:** A private company is setting up a plant at Kigali Special Economic Zone and is expected to be operational by April 2017. The company will process minerals with a view to increase its quality and value on the export market. The plant is expected to purify coltan from about 30% to over 90%. This will increase its value from about 50USD per Kg to at least 200USD per Kg (when markets are stable) on the international market.
- **Enabling cross border trade environment especially with DRC:** A number of cross border markets infrastructure are being established, with some at advanced level. DRC accounted for 52% of Rwanda's cross border exports. Rwanda and DR Congo signed a new agreement establishing a framework for bilateral cooperation in the area of cross-border trade and elimination of non-tariff barriers. Rwanda and DRC have recently launched the COMESA Simplified Trade Regime (STR) which is expected to increase cross border trade volumes between the two countries.
- **Rwanda Convention Bureau as One Stop Centre for events (RCB):** The Center is operational and has been working with international conferences hosted in Rwanda. RCB Serves as the focal point for the coordination of all MICE Industry activities and is building the Rwanda's business and events brand.

2.1.2 Key catch up plans for achieving the annual off-farm target

The average annual jobs creation between 2011 and 2014 was 146,000 off farm jobs. The trend increased from about 90,000 off farm jobs on average between 2006 and 2011. There is an increasing trend though below the target of 200,000 off-farm jobs per annum., but it is not clear whether actual performance is lagging behind the EDPRSII target of 200,000 off-farm jobs due to lack of latest data.

- Reporting on the indicator on off-farm jobs created relies on EICV data. However, the last EICV (EICV4) was conducted in 2013/14. More than two years has elapsed since the last report, therefore, the figure could be higher now. However, in 2015, the Ministry of Public Service and Labour in collaboration with the NISR, started conducting **Labour force Survey** which will provide semi-annual statistics on work, employment and labour underutilization and the increase of off-farm jobs. The pilot Labour Force Survey was successful and the first round of the main Labour Force survey is being finalised and expected to be published by January 2017. The report it will provide the real performance of the labour market thus the status on achieving the EDPRSII target of off-farm jobs.
- Since 2014, National Employment Program has been implementing several interventions to facilitate the creation of jobs especially for Youth, Women and People with Disabilities. The Program is prioritizing the interventions below and are playing a significant role in the creation of off farm jobs through **SMEs development which is the driving force for off farm jobs creation:**
 - Consolidation and streamlining the provision of subsidized Business advisory services at sector level. Each sector has two business

development advisors (BDAs) that support mainly young men and women start-ups to turn their business ideas into bankable business plan; and coach them to develop and run businesses;

- Facilitating Youth and Women to access finance through BDF Products (Quasi equity scheme, leasing scheme, support to guarantee up to 75% for youth and women and grants);
 - Facilitating equipping of integrated craft production centers (ICPCs) and upgrading skills of craftsmen.
 - Massive short term Vocational Training that equip youth with hands-on skills in trades that have business and economic potential aligned to District potentials. Graduates are then supported to acquire start up toolkits loans for self-employment;
 - Establishment and operationalization of community processing centers (CPCs) aimed at adding value to local produce in different communities building on Districts potentials.
- Made in Rwanda Strategy in textile and garment industry which is labour-intensive sectors
- Investment support to job-rich model projects in agro-processing in each district. This will boost the attractiveness of investing in activities such as market-oriented production, agriculture value-additions through modern farming and transformation, and linking production to market.
- Studies are conducted in each district to guide on job-rich interventions to be carried out and to inform each district towards the creation of 200,000 jobs. In addition, another study on the employment dimension of macroeconomic policies will be conducted to guide on how monetary and fiscal policies can be more friendly to job creation.

2.2 Achieving PSDYE Sector Objectives for 2015/16

Of the five EDPIS-II core indicators, three indicators (FDI, private investment as share of GDP and newly registered SMEs) reached their annual targets. Two indicators are lagging behind; ie. Exports as share of GDP and new off-farm jobs created. FY 2015/16 experienced challenges in exports mainly due to external factors including declining mineral and coffee prices and instability in Burundi. (insert the reasons for low performance on job creation so that the next sentence makes sense). The National Employment Programme is expected to ensure progress on job creation backed by the emerging manufacturing sector especially textile and apparel sector which have potential to create more off-farm job. Annex 2.2 provides more details.

Of the 11 policy actions, 7 were achieved. Of the remaining 4 policy actions, the majority (3) saw substantial progress in implementing relevant activities. Five were rolled over into FY 2016/17. These include: (i) bonded warehouses in Rubavu and Rusizi; (ii) foreign MSCs in Brazzaville and Dubai; (iii) development of bankable investment projects in key sectors; (iv) Develop industrial parks and

(v) construction of two advance factory units (AFUs). The five policy actions that were not completed in 2015/16 have not been included in the implementation plan which is monitored by PSDYE sector working groups but are considered in the respective implementing institutions' single action plan (SAP) and Imihigo.

2.1 EDPRS-II core indicators

Export as a percentage of GDP reached 15.3% for FY 2015/16⁴. This is short of the 21.1% target, mainly due to global commodities price shock as well as instability in Burundi. Other exports components not affected by the above (re-exports notably) have continued to perform well. The FY 2015/16 policy actions for this indicator were partially achieved and have been rolled over to FY 2016/17.

FDI as a share of GDP reached 4.1% in the 2015 calendar year⁵, ahead of the 3.5% target for FY 2015/16. Out of the four policy actions against this indicator, three were achieved, while the indicator on hiring lead market agents was not achieved due to budget constraints and was not rolled over to FY 2016/17.

Private investment as a share of GDP reached 13.3% during the FY 2015/16, slightly above the 13.0% target. Both policy actions against this indicator ie Enhance aftercare monitoring primarily through improvement of the electronic investor tracking system and Business Excellency Awards and operationalize the industrial issue tracker system were partially achieved and have been rolled over to FY 2016/17.

Newly registered SMEs totalled 13,610 in the FY 2015/16, surpassing the 13,500 target. One policy action against this indicator on Coach Start up MSMEs to develop bankable projects by Business Development Advisors succeeded the target while the remaining two policy actions ie. (i) Scale up apprenticeship scheme for beneficiaries and (ii) Provide start-up toolkits to apprentices and short-term vocational training graduates for self-employment were partially achieved. The policy action has been carried over to FY 2016/17 and revised annual targets have been set.

Finally, **off-farm jobs created** per year averaged 150,000 between 2010/11 and 2013/14⁶. This is significantly higher than 90,000 annual average between 2005/6 and 2010/11 but still below the target of 200,000 off-farm jobs. Nevertheless there is good progress towards reaching the 200,000 annual jobs target. The new jobs are created especially in construction, which saw an incredible increase from 20,000 jobs in 2001 to 234,000 jobs in 2014⁷. Industrial employment in general increased by an average of 16% annually 2010-2014. There were three associated policy actions to this outcome. These include: (i) Support all Districts to have job creation targets in Performance Contract and mainstream employment in sectors plan (ii) Scaling up and equipping 6 ICPCs and support 730 operators to get training and improve/modern equipment in districts to increase the productivity of the craftsmen working in ICPCs. (iii) Prepare

⁴ MINECOFIN, EDPRS2 Mid-term review

⁵ IMF

⁶ EICV4

⁷ Industrial Survey 2014

premises, equip and operationalize 3 CPCs for the creation and sustaining of 1360 productive jobs. The policy actions on CPCs and ICPCs were partially achieved and were rolled over to FY 2016/17. See Section 4 below for further details on interventions in this area.

2.2 PSDYE Sector indicators

Non-traditional exports reached 57.5% of total merchandise exports in 2015, which represents an increase from 56% in 2014. However, in absolute value terms, non-traditional exports did not increase (\$384.4 million in 2014 to \$383.4 million in 2015 thus remaining short of the \$ 650 million target). However, the two associated policy actions: (i) Establish Export finance schemes and (ii) Promote Rwanda Convention Bureau as One Stop Centre for events, were both fully achieved.

Hectares of serviced land within Special Economic Zones (SEZ) reached 276 ha in FY 2015/16, below the 412ha target due to delays in construction. However, a total area of 668 ha has been earmarked for industrial use of which 81% (538ha) has been expropriated and construction is underway. Of the three associated policy actions, two policy actions on Continuing construction of Bugesera Industrial Park and Hiring a transaction advisor for the management of the industrial parks were achieved. The policy on Expropriating properties in Musanze (50 ha), Muhanga (53 ha) and Rwamagana (50 ha) Industrial park) was partially achieved and rolled over to FY 2016/17.

The **total stock of credit to SMEs by banks and MFIs/SACCOs** reached 471.7bn RWF in June 2016 thus exceeded the 452bn target. In terms of GDP, this is equivalent to 7.8%, thus ahead of the 6.25% target. The policy action against this indicator - support to 7,000 MSMEs and start-ups to access finance was 86% achieved. This policy action is continuing in FY 2016/17 and a new annual target has been set (9000 MSMEs).

2.3 Progress on Achieving 2016/17 Policy Actions

At the Sub-Sector Working Group (SSWG) meetings in June 2016, SSWG Implementation Plans were adopted. Progress updates were provided on the implementation of the FY 2016/17 policy actions as of quarter 1. See Annex 1.2 for details on each policy action.

Progress was also recorded against all policy actions. Only one major challenge has been encountered so far, which was under analytical studies whereby it was agreed on the need to develop "Advance Factory Unit Policy" detailing terms and conditions for investors to access AFUs be considered in the on-going fiscal year but was not done due to lack of budget. The SSWG meeting recommended that that the activity should be taken forward as the planning and budgeting for the next fiscal year kicks-off.

Policy action on 9000 new and existing MSMEs coached and supported to access finance and technology was already achieved in FY 2016/17 Q1, with 10,148 new and existing MSMEs coached of which 8,035 accessed finance.

2.4 Mainstreaming Cross-Cutting Issues from the EDPRS-II

Capacity building forms the core of the sector's interventions and objectives, for both government institutions and the private sector. The Private Sector Development Strategy prioritises capacity building of GOR institutions such as Rwanda Standards Board (RSB) and National Industrial Research and Development Agency (NIRDA) as well as the Private Sector Federation to allow these agencies to effectively execute their roles. Funds mobilised for the Export Growth Facility (EGF) also come with significant TA components and both the National Export Strategy and the Domestic Market Recapturing Strategy focus on upgrading the capacity of the private sector to produce and to export. Furthermore, a more capable public sector, diversified economy and export base as well as a reduced trade deficit will increase Rwanda's resilience to external shocks and thus addressing another key EDPRS-II cross-cutting issue; **disaster management**.

Gender and youth has been well mainstreamed into the sector's objectives and is explicitly targeted in interventions such as the cross-border markets and TVET training and apprenticeship provisions. MINEACOM and the Ministry of Gender and Family Promotion (MIGEPROF) developed the Gender Mainstreaming Strategy for the Private Sector (GMS) in 2015, which aims to promote gender responsive business through effective advocacy, capacity building and networking. MIGEPROF is also in the process of revising the access to finance strategy for women and youth in order to match it with NEP interventions and targets.

Environmental issues are also well mainstreamed in the sector as evidenced by the relocation of companies from Gikondo Industrial Park to KSEZ due to environmental concerns. All provincial industrial parks are located in areas that are not deemed environmentally fragile. Environmental Impact Assessments are carried out for each investment project.

Finally, **Regional Integration** within the EAC is key for much of the PSDYE sector's work, including the focusing on the reduction of non-tariff barriers to trade (NTBs), the provision of regional transport and logistics services and the implementation of the single customs territory. Additionally, the sector is implementing several measures to increase trade links with Eastern DRC.

3 PSDYE Budget Execution Performance

The overall budget execution rate for the entire sector budget was estimated at 95%, see Table 1 and Annex 3.1. However, there is significant variation amongst projects, but the vast majority of development and recurrent budgets were executed at a high rate. Where low execution exists, this was due to delays in procurement, weaknesses in contract management⁹ and delays in signing agreements and setting up implementing teams.

Table 1: Performance against total sector budget

	ALLOCATION	EXECUTION	EXECUTION RATE (%)
Total Recurrent Budget	11,450,370,495	10,581,923,649	92%
Total Development Budget	63,800,655,989	60,962,073,137	96%
Total	75,251,026,484	71,543,996,786	95%

3.1 Performance Against the Domestically Funded Budget

Table 2 shows the performance of the domestically funded PSDYE budget. As shown, overall execution was at 95%, mainly driven by the execution of the development budget, which is by far the largest share of the sector budget accounting for 84%. Domestic budget execution in FY 2015/16 stood at 92% and 96% for the recurrent and development budgets, respectively. Annex 2.2 provides further details for the execution of the domestically funded budget, while the rest of the section presents headlines for the government institutions involved in PSDYE project implementation.

Table 2: Performance against domestically funded PSDYE budget

	ALLOCATION	EXECUTION	EXECUTION RATE (%)
Total Recurrent Budget	11,450,370,495	10,581,923,649	92%
Total Development Budget	60,966,532,200	58,676,950,909	96%
Total	72,416,902,695	69,258,874,558	96%

Rwanda Development Board (RDB): Was allocated 25.6bn RWF, representing 35.5% of the domestically funded PSDYE budget which is the largest share implemented by one institution. RDB's overall budget execution rate was 98.3%, with recurrent and development budgets executed at 94.7% and 99.2%, respectively. RDB was audited by the Office of the Auditor General (OAG) in FY 2014/15 whereby RDB received 53 recommendations of which 37 (70%) have been fully implemented while 9 (17%) have been partially implemented and the remaining 7 (13%) have not yet been implemented.

Ministry of Trade and Industry (MINICOM) was allocated 24.5bn RWF in 2015/16, all of which falls under PSDYE and represents 33.9% of the domestic sector budget and the second largest share after RDB. MINICOM's overall budget execution rate was 92.4%; ie 89.5% and 93.2% for recurrent and development budgets, respectively. Execution rates for Rwanda Standards Board (RSB),

⁹ This is by no means specific to the PSDYE sector; the Office of the Auditor General 2013/14 Annual Report finds persistent weaknesses in contract management across a range of GOR institutions raising costs and lowering value for money.

Rwanda Cooperative Agency (RCA) and National Industrial Research Development Agency (NIRDA), were 90.7%, 97% and 84.9% respectively. MINICOM was audited by OAG in 2014/15. Of the institution's ten OAG recommendations, five have already been fully implemented and five partially implemented.

Ministry of Agriculture (MINAGRI): The third largest share (20%) of the domestic PSDYE sector budget was implemented by MINAGRI for a value chain development and private sector investment programme under the National Agriculture Export Board (NAEB) with execution rate of 96%.

Local Governments: was allocated 4.1bn of the domestically funded PSDYE sector budget was allocated to the district under the "Private sector development programme" implemented by Districts. The budget was fully executed (100%).

National Employment Programme (NEP): In FY 2015/16 GOR allocated 9.6bn⁹ RWF for NEP of which 98% was spent. However, this hides significant variation between outputs. The subcomponents of the "Technology upgraded through ICPCs" and "Sector Skills Councils operationalized" and were only executed at 11% and 10% respectively. The low execution rate for the output on sector skills councils was due to delays in publishing terms of reference for hiring technical assistance for the implementation of the capacity needs assessment. Low execution rate for the output on upgrading ICPCs technology was due to the cancellation of the supplier contract resulted from the delivery of a drier which did not match the technical specifications and standards as per the contract. A new tendering process is awaiting for beneficiaries to provide technical specifications.

However, the budget on the output "Start-up MSMEs developed, strengthened and supported to access finance through the Kora Wigire Centers and BDA" was over executed at 163% due to the fact that it is only commitment paper that is issued upon approval of guarantee without necessarily disbursing money which brought up the average execution rate for the NEP development budget. Without considering the over performance through guarantee scheme, the overall NEP budget execution was at 83%.

Ministry of Youth and ICT (MyICT) was allocated 2.1bn of the domestic PSDYE budget and 92.9% of this was spent. In FY 2015/2016, MyICT implemented two projects under PSDYE, namely 'Youth Empowerment and Productivity' (95% execution); 'ICT for Development' (100% execution) and 'Youth Economic Empowerment and Social Welfare' (87% execution).

Ministry of East African Community (MINEAC) was allocated 1.2bn RWF for EAC commitments and coordination. The total MINEAC budget is recurrent budget which was executed at 83%.

Ministry of Gender and Family Promotion (MIGEPROF) received 4.4bn RWF of which 94% was spent. MIGEPROF runs one programme in PSDYE ('Women's Empowerment'), which had a development budget of 146.9 million RWF and execution rate was 97%.

⁹ Detailed breakdown of this is not available, but the 7.5bn is included in GOR institutions' budgets given above include the domestic NEP budget.

3.2 Performance Against the Externally Funded Budget

In addition to the domestically funded budget, various external funds are allocated to the PSDYE sector, some of which are channelled through GOR institutions' SPIUs; some through CSOs or private sector operators. Annex 3.2 provides further details, while the rest of this section provides headlines.

The average execution rate for externally funded projects was 47%. Projects channelled through GOR institutions reported an execution rate of 42%, while those implemented in parallel report execution at a rate of 76%¹⁰.

Externally financed projects implemented through MINICOM-SPIU had an overall budget execution rate of 87.1% in 2015/16. However, this hides significant variation between projects: the budget for E-waste Management Project (EWMP) was executed at a high 131%, while the budgets for Governance for Competitiveness (G4C) and Resource-Efficient and Cleaner Production (RECP) were executed at 42% and 61%, respectively. Low budget execution rates are primarily due to delays in disbursements which effected project implementation progress.

RDB-SPIU externally financed projects had an average execution rate of 28%, due to slow implementation by the Regional ICT Center of Excellence project (RICTCoE) due to transfer of project implementation responsibilities from MINEDUC to RDB followed by procurement delays and related change which delayed the re-design process considerably. The project's budget accounts for 63.3% of the total RDB externally funded projects and was executed at only 19% of its budget.

4 Progress against implementation of last JSR recommendations

The 2016/17 Forward Looking JSR conducted in June 2016 made two recommendations. Details and updates on progress against each are given in Table 4:

Table 4: Updates on recommendations for the June 2016 JSR

Recommendation	Progress by November 2016	Responsible institution
Develop road maps for each activity to be implemented	The secretariat came to realize that the roadmaps for each selected policy action are embedded in the single action plan and performance contract of implementing institutions. Most of the government institutions now are implementing the "Result Based Management (RBM) an online system in which policy actions is more much detailed. To avoid duplication, it was agreed that the existing framework within implementing institutions be considered in this matter.	MINEACOM AfDB

¹⁰ Note that much of this data is not readily available and in these cases the assumption is that all programmed funds have been disbursed. The true execution rate is therefore likely to be much lower than what is reported here.

Disaggregate targets to indicate the expectation to jobs creation from each activity	The NEP Secretariat has disaggregated targets in terms of gender and economic sectors in which it will be easier to track performance on jobs created per each planned activity.	MIFOTRA
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5 Five priority areas for the 2017/18 fiscal year

The table below sets out the sector's priorities for the fiscal year 2017/18. These are informed by the Private Sector Development Strategy, National Export Strategy, Domestic Market Recapturing Strategy and National Employment Programme.

Table 5: PSDYE priority areas for the fiscal year 2016/17

Priority area		2017/18 Target	Planning and budget cluster
Export Promotion: National Exports Strategy II (NESII)	<ul style="list-style-type: none"> Export Growth Facility; Scale up exporters development program to increase competitiveness; Development ICT Innovation Center Strengthen the operationalisation of Rwanda Convention Bureau to implement MICE strategy Mobilize private sector to invest in the Kivu Belt and Heritage Corridor flagship projects 	28% annual growth	Exports (led by MINEACOM)
Trade Logistics and Cross-Border Market Infrastructure	<ul style="list-style-type: none"> Continue development of Kigali Logistics Platform; Bonded warehouses, Air-cargo center Continue mobilization of resources for Cross-border markets; Construction of Rwanda International Trade and Exhibition Center. 	Facilitates export growth target of 28% growth	Exports (led by MINEACOM)
Industrial promotion and Development	<ul style="list-style-type: none"> Strengthen Made in Rwanda Program Continue expansion and operationalisation of Community Processing Centers (CPCs); Implement Growth Anchor Initiative; Detailed designs for the Start in Rwanda Innovation Program SEZ packages opportunities and industrial parks Continue construction of Advanced Factory Units targeting export-oriented firms; Increase provision of serviced land (priority given to secondary cities plus Rwamagana and Bugesera). 	Growth: 14% Serviced land: 752 ha	NEP Private Sector Development (PSD) (led by MINEACOM and RDB) Exports
Job Creation: National Em-	<ul style="list-style-type: none"> Coach Start-up and growing MSMEs in business development and support 	200,000 new jobs created	National Employment Pro-

ployment Program (NEP)	them to access finance through BDF products <ul style="list-style-type: none"> • Technical Assistance and Capacity building of BDF and proximity Business Development Advisors to consolidate business advisory services at District level and diversify products; • Scaling up apprenticeship scheme and short term vocation training and support youth start-ups including provision of the startup toolkits to graduate trainees; • Decentralization of labor market services with Employment Service Centres in districts with secondary cities; • Support skills and technology upgrading through acquisition of modern equipment for ICPCs operators in districts. 		gram (NEP) (led by MIFOTRA)
Investment promotion and facilitation	<ul style="list-style-type: none"> • Investor targeting through Lead Agents; • Enhance investment after-care; • Improving the doing business environment. 	Private investment: 15% of GDP; FDI: 4.5% of GDP	Led by RDB

6 Status of analytical works for 2015/16 and 2016/17

Accelerated Growth of Exports

- EAC Single Customs Territory (SCT) Implementation Status (2015/16) by MINEAC: It was decided against doing this study as the value for money was deemed too low. A shorter review on the impact to Rwanda of SCT is available.
- Development of Medical Tourism Strategy in Rwanda (2015/16) by RDB: This study has been finalised and implementation has commenced.

Increased private sector investment and financing

- Eastern Lakes Tourism Sub-Master Plans (2015/16) by MINICOM: The Master Plan has been developed and validated, now is awaiting for cabinet approval.
- National FDI Strategy (Q4, 2015/16) by RDB: This has been expanded to include local investment attraction and is therefore a strategy for RDB as a whole.
- Conduct investor perception survey by RDB and IFC: RDB is working with the IFC to conduct an investor perception survey that is expected to commence by March 2017.

Increased employment in off-farm sector

- NEP mid-term evaluation (2016/2017) by SIDA: The evaluation is expected to be completed by February 2017. The evaluation will generate evidence about the effectiveness and efficiency of NEP to date in order to demonstrate impact and suggest course corrections as required.
- Labour force survey (LFS) by NISR and MIFOTRA: The survey is expected to be completed by January 2017.

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Increased share of non-traditional exports

- Creative Industries Strategy developed (2016/2017: MINISPOC has started developing the strategy
- Advance Factory Unit Policy Developed, detailing terms & conditions for investors accessing AFUs: RDB and MINEACOM are still planning to develop once budget is available.

7 Updates on key issues within the PSDYE sector

7.1 New AfDB strategy

AfDB has developed a Country Strategy Paper 2017-21 for Rwanda which has two focus areas: (i) Investing in energy and water sanitation to enable inclusive and green growth; and (ii) Developing skills to promote high value added economic activities and economic transformation.

The Strategy thus aims to support Rwanda to accelerate the transformation of its economy towards higher value added economic activities and more formal productive employment creation. The strategy will in particular place emphasis on:

- Promoting high value added production in the high growth sectors and sectors with high potential for exports such as manufacturing, ICT, agribusiness and agro-industry;
- Supporting industrial zones and secondary cities to transform into regional growth poles;
- Catalytic financial sector development support to facilitate risk sharing and de-risk commercial bank lending to high growth sectors; and
- Policy advisory support on 'soft' issues/ enablers for economic transformation.

Collaboration with other stakeholders will be enhanced to maximize the developmental impact of the AfDB's support to Rwanda.

7.2 Labour force survey

NIRS is conducting a labour force survey with the main objective to monitor the trend of employment and labour underutilization including unemployment at the national and province levels and to the extent possible also at district level. The survey programme is also meant to provide relevant data for the design, implementation and evaluation of economic and social policies related to employment creation, income generation, and skills development including vocational education and training, and related decent work policies.

7.3 NEP mid-term evaluation

The Swedish International Development Operations Agency (SIDA) has started working on NEP Mid-term evaluation which is expected to be completed by February 2017. The evaluation will generate evidence about the effectiveness and efficiency of NEP to date in order to demonstrate impact and suggest course corrections as required.

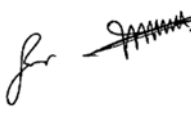



7.4 Rwanda's Youth in Agribusiness Forum (RYAF)

The Ministry of Agriculture and Animal Resources (MINAGRI) in collaboration with the Ministry of Youth and ICT (MYICT) and other stakeholders have established the Rwanda's Youth in Agribusiness Forum in order to promote com-

mitment, coherency and partnership, combining these approaches in an effective manner and delivering cost-effective opportunities to youth for profitable agribusiness development. The aim of RYAF platform is to change the current mindset among the youth vis-a-vis the agriculture sector in Rwanda, while reaching out to other farming groups for awareness on business oriented agriculture.

7.5 Cross Border trade in services

Key observations and findings of the assessment of Rwanda's Cross border trade in services revealed that the Rwandan economy benefits significantly from CBT in services and enjoys significant employment boost as a direct result. Much of the existing services around the border are driven by the existence of the border and they are thriving. Rwanda is ensuring to maximum its comparative advantages (standards, quality, and regulation) to unlock potential in financial services, health and pharmacy services by strengthening the link to Kigali primary services, education services. Findings and recommendation have called for further interventions from the government and private sector to unlock the untapped potential in cross border trade in services and ensure any regulation introduced takes into account its potential impact on this important sector of the economy.

	  	
<p>Chairperson of PSDYE SWG</p> <p>A.I Permanent Secretary MINEACOM</p> <p>Innocent SAFARI Permanent Secretary Ministry of Trade, Industry and EAC Affairs</p>	<p>Co-Chairperson of PSDYE SWG</p>  <p>Negatu MAKONNEN Resident Representative African Development Bank</p>	

8 Annexes

8.1.1 Annex 1.1: Progress against EDPRS and Sector indicators as well as 2015/16 policy actions

Table 1: Progress on policy actions towards EDPRS II outcomes

EDPRS II Outcome	Indicators	Baseline (2012) Value	2015/16 Targets	2015/16 Policy Actions	Progress status	Status of policy actions	Institution
Accelerated growth of exports	Exports to GDP (Value of exports of goods and services)	14.9% (\$1029.9)	21.1% (\$2,054m)	<p>Develop Rwanda Trade Logistics Facilities through five components:</p> <ul style="list-style-type: none"> a. Development of Kigali Logistics Platform commenced; b. Air-cargo center (private operator selected) c. Foreign Multi-Service Center in Brazzaville and Dubai operationalized d. Expropriation of bonded warehouse in Rusizi and operationalization of the bonded warehouse in Rubavu e. Complete construction of 2 cross border markets (Rusizi I and Akanyaru Haut), launch construction of 3 CBMs (Karongi, Burera, Nyamasheke) and Continue mobilization of resources for the remaining Cross-border market infrastructure 	<ul style="list-style-type: none"> a. Phase I (13 ha out of 30 ha) have been expropriated. Valuation for phase II is complete, expropriation is expected to be finalised and construction launched by December this FY. b. MININFRA has established a company which will handle all air cargo operations in Kigali Airport. MINEACOM is playing a supporting role. c. MSC in Brazzaville is operational. d. Land has been expropriated for Rubavu bonded warehouses and a private developer has been awarded the contract, constructions of which is due to begin within this financial year. Concerning Rusizi Warehouse, no investor bid during the first tender so it has been re-advertised. e. Construction of Burera and Karongi has been launched, Construction works on Rusizi I is at 90% and Akanyaru phase 1 completed, while Nyamasheke is planned to be launched this FY. 		MINICOM

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EDPRS II Outcome	Indicators	Baseline (2012) Value	2015/16 Targets	2015/16 Policy Actions	Progress status	Status of policy actions	Institution
				Scale up exporters development program to increase competitiveness	<p>Market research and trade missions were undertaken for 18 companies in Bukavu and Goma. This has resulted in a number of sales leads and some big supply contracts with big distributors in Bukavu and Goma.</p> <p>RDB is currently facilitating follow-ups on the leads to result into supply contracts. More missions are planned for Kampala and Nairobi.</p> <p>20 companies have been trained on pricing and costing, 6 companies facilitated with HACCP and S-Mark certification.</p> <p>10 Export Advisers have already graduated and 24 more candidates have been trained, pending certification competence tests.</p>		RDB
Increased private sector investment and financing	FDI/ GDP	2.3% (\$160m)	3.5% (\$342m)	Commence development of Kigali Innovation City	<p>Detailed engineering design works for the phase one infrastructure civil works have been completed and construction launched.</p> <p>Seven technology clusters have been identified for occupation and investor targeting.</p> <p>The first anchor tenant is the Carnegie Mellon University, the construction of which has been launched and is expected to be completed by July 2017</p> <p>Rwanda Innovation Fund, which is a locally domiciled innovation-friendly financial capital fund, supporting technology companies through all stages of growth and it should close its first \$100</p>		RDB

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EDPRS II Outcome	Indicators	Baseline (2012) Value	2015/16 Targets	2015/16 Policy Actions	Progress status	Status of policy actions	Institution
				Development of bankable projects in key sectors (e.g. Energy, Agriculture, Manufacturing, Transportation, Tourism, ICT)	million. The project to hire an external consultant to develop bankable projects in the priority sectors was due to budget constraints. RDB has set up an internal team to develop projects in the cited sectors.		RDB
	Private investment/GDP	10% (693.5)	13.0% (\$1,254m)	Enhance aftercare monitoring primarily through improvement of the electronic investor tracking system and Business Excellency Awards	Client Relation Management (CRM) has been updated RDB and PSF under RPPD Secretariat launched Integrated Business Management Information (IBMI) in May 2016 to solicit business issues both SMEs and Sector based issues from Investors to facilitate solutions by both champions at grass root level and Aftercare team at RDB. The next Business Excellence Awards will take place in December 2016. The Beta Version of the issue tracker was launched and more than 170 users from 15 different GOR institutions have populated it with issues reported from 291 companies. The most common issues to date are: Frequent power cuts (21%); insufficient land (15%) and insufficient roads (13%). MINEACOM is working with PSDAG on issues brought forth in agri-business to prioritise these and action plans		RDB

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EDPRS II Outcome	Indicators	Baseline (2012) Value	2015/16 Targets	2015/16 Policy Actions	Progress status	Status of policy actions	Institution
				Operationalize the industrial issue tracker system	The Beta Version of the issue was launched and more than 170 users from 15 different GOR institutions are populating it with issues reported from 291 companies. The most common issues to date are: Frequent power cuts (21%); insufficient land (15%) and insufficient roads (13%). MINEACOM is working with PSDAG on issues brought forth in agri-business to prioritise these and action plans.		RDB/MINICOM
Increased entrepreneurship and business development	New SMEs registered annually	9,000	13,500*	Scale up apprenticeship scheme for 1,000 beneficiaries to support youth start-ups	3,289 trained through apprenticeship		MINICOM
				Provide start-up toolkits to 4,300 apprentices and short-term vocational training graduates for self-employment	1,512 start upstart-up toolkit projects were approved for finance.		MINICOM
				Support all Districts to have job creation targets in Performance Contract and mainstream employment in sectors plan	Districts have inserted jobs targets in their performance contracts Guidelines to support sectors to mainstream employment issued and training undertaken		MIFOTRA/NEP
Increased employment in off-farm sector	Off-farm jobs created	1.4m (2010/11)	200,000 annual	Scale up and equipping 6 ICPCs training wings in all districts.	Technical specification and skills needs assessment in ICPCs conducted, operators from 6 Districts ICPCs upgraded skills. Leasing Model guiding policy developed and ICPC Gasabo is in the process of acquiring a wood drying machine and ICPC		MINICOM

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EDPRS II Core	Indicators	Baseline (2012) Value	2015/16 Targets	2015/16 Policy Actions	Progress Status	Status of Policy	Institution
				Prepare premises, equip and operationalize 3 CPCs	Rubavu leasing machines procured. 2 (Irish potato, leather and Dairy) are fully operational; 2 (Banana, Ceramics, honey and Wood) are now being equipped 2 CPCs have procured equipment and are ready for operationalization		NIRDA

8.1.2 Annex 1.2: Progress Against 2016/17 Policy Actions

Table 7: Progress Against Policy Actions for the EDPRS-II Core Indicator Matrix

EDPRS2/sector outcome	Sector outcome indicators (EDPRS Core Indicators in bold)	Baseline (2012)	2016/17 Targets (latest data available in brackets)	2015/16 Policy Actions/ priority outputs	Progress	Implementing institutions
Accelerated Growth of Exports	Exports to GDP ratio	14.9% (\$1,029.9m)	23.8% (\$2,629m) 2015 BNR data: 14.4% (\$1,198m)	Develop Cross-Border Trade by: 1. Finish construction of Burera and Karongi CBMs and launch construction of Nyamashyeke and Rusizi II CBMs 2. Train 300 ICBTs	Burera CBM is at 57.5% Karongi CBM is at 58.5% Nyamashyeke -ToRs approved for the review of designs for Nyamashyeke and Rusizi II Cross Border Markets 50 cross border traders from 5 coops of Kagitumba and Rwempasha borders were trained in customs procedures, cooperatives' management, basic accounting	MINEACOM /TMEA /World Bank

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				Support 30 companies to access export finance through EGF	2 firms accessed Export Growth Facility while three are under appraisal to access it.	BRD/KFW
Exports diversified and access to markets increased	Increased share of non-traditional exports	56% (\$332m)	60% 2015 data: 47.5% (\$285m)	Promote textile, leather and garments sectors by: 1. Expand AMZ in KSEZ to 5ha (Q2) and construct two light industry facilities (Q4) 2. Construct 3800 msq expansion for C&H Garments (Q4) 3. Mobilise investor for a model shoe factory and construct basic infrastructure in Bugesera Tannery Park (feasibility and engineering studies are available) (Q4). Enhance market access and business linkages through 1. Removal of regulatory barriers and NTBs 2. Enhance business linkages across EAC	Agreement with EPZ on AMZ expansion was signed and the down payment of 30% is in process Construction for the expansion of C&H Garments is at 48% An agreement with an investor for modern leather factory was signed and has accessed land. 106 NTBs have been resolved, 19 are outstanding while other 6 new NTB have been introduced. A National Trade Facilitation Committee has been established A trade fair/mission was organised in order to link 21 companies with distributors	MINEACOM MINEACOM/ PSF/RDB/NAEB
Increased entrepreneurship and business development	New SMEs registered	9,500	15,000 16,778 companies were registered in 2015, the vast majority of which will be	9000 new and existing MSMEs coached and supported to access finance and technology 2500 startups and early growth SMEs supported to access finance through BDF guarantee, grant and quasi-equity scheme	10,148 new and existing MSMEs coached of which 8,035 accessed finance 355 startups supported to access finance through BDF guarantee	MINICOM /BDF MINICOM /BDF

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			SMEs	Scaling up apprenticeship, workplace learning and short term vocation training and support youth start-ups in the provision of the start-up toolkits to foster their employment for 3000 beneficiaries	671 graduates from TVET schools (356 males and 315 females) have been supported to acquire start-ups toolkits through BDF SACCO refinancing	MINICOM/ WDA/BDF
Skills expanded to meet private sector demand	Share of employers satisfied with TVET graduates	73.4% (2014)	82% 2016: 75%	Support skills and technology upgrading through acquisition of modern equipment for ICPCs operators in 7 districts, supporting 300 ICPC operators	27 representatives from 6 ICPCs received a professional ToT to upgrade their carpentry skills Equipment needs for 5 ICPCs have been identified and procurement is on-going	MINICOM/ WDA/RDB
Increased employment in off-farm sector	Off-farm jobs created	1.4m (2010/11)	200,000 new jobs (25,398 from NEP) 150,000 new jobs on average were created per year between 2010/2011 and 2013/14. NEP data will be available July 2016.	Operationalise 3 CPCs (Ceramics, banana and honey) and develop one new CPC (Wood) to trigger and sustain 598 jobs	Construction of honey, Ceramic (phase 1) and Banana CPCs (phase 1) was completed awaiting for reception and technical handover by late October. An MoU between the GoR through NIRDA and ADARWA has been signed. ADARWA will provide space while GoR will provide modern equipment.	NIRDA/BDF
Increased private sector investment and financing	FDI/ GDP	2.3% (\$160m)	4.0% (\$441m) 2015 data: 4.1% (\$342m)	Promote private domestic and foreign investment in 8 priority sectors (Tourism, ICT, Manufacturing, Agriculture, Services, Energy, Mining, Construction and Real Estate) through:		RDB/ MINI-COM
	Private investment/ GDP	10% (693.5)	14% (\$1,543m) 2015 data: 13.5% (US\$ 1,065m)	1. Support diplomatic missions here and Rwandan missions abroad to generate	A number of foreign inward investment and business missions have been facilitated & supported include those from; Angola, Sweden, United Kingdom, Turkey, Switzerland, China,	/MINIRENA /MININFRA /MINALOC /MINECOFIN /MYICT/PSF

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				inward missions for potential investors	Morocco and Singapore business missions.	/CoK/Districts
				Conduct domestic marketing initiatives to mobilize investors in districts and provinces	Increased collaboration with the Rwandan embassies abroad to participate in major key events (conferences, exhibitions, and business meetings) that are investor targeted. Concept paper to enroll-out marketing activities to identify opportunities and projects in districts has been prepared for which implementation is expected to commence Mid-January 2017	
				Increase and build capacity of the aftercare team through: 2. Conduct in-house business intelligence research. 3. Set up a portal to ensure that Government monitors implementation status of investment projects and produce quarterly investment reports (investor business score card). 4. Set up a mechanism to help investors easily send their feedback about government service	The Strategic Investment Department has carried out the financial literacy training with Aftercare team including one on the New Public Private Partnership Law facilitated by a team of experts from the World Bank. The Customer Relationship management Portal (CRM Portal) is operational and used by the Aftercare team. The system does record client records, tracks investment projects, monitors project conversion as well as providing real time information. RDB is working with the IFC to develop a G2B feedback mechanism	

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8.1.3 Annex 3.1: Total sector Budget Execution

Table 9: Total PSDYE Sector Budget Execution Performance

	ALLOCATION	EXECUTION	EXECUTION RATE (%)
Total Recurrent Budget	11,450,370,495	10,581,923,649	92%
Total Development Budget	63,800,655,989	60,962,073,137	96%
Total	75,251,026,484	71,543,996,786	95%

8.1.4 Annex 3.2: Domestically funded PSDYE budget performance

Table 10: Total GOR 2015/16 Budget Performance

	ALLOCATION	EXECUTION	EXECUTION RATE
Total Recurrent Budget	11,450,370,495	10,581,923,649	92%
Total Development Budget	60,966,532,200	58,676,950,909	96%
TOTAL DOMESTIC SECTOR BUDGET	72,416,902,695	69,258,874,558	96%

Table 11: 2015/16 Budget Performance by Programme and Sub-programme, RWF

Program and Sub programme	2016/2016 Budget allocated	2015/2016 Budget Ex-ecuted	Execution rate
0705 ADMINISTRATIVE AND SUPPORT SERVICES: RDB	5,258,992,259	4,979,570,146	95%
15 SECONDARY and TERTIARY INDUSTRY ECONOMIC DEVELOPMENT	8,315,139,936	8,315,139,936	100%
1502 TRADE PROMOTION AND MANUFACTURING	995,356,466	591,196,416	59%
1503 SUSTAINABLE TOURISM AND WILDLIFE CONSERVATION	7,006,066,971	9,204,482,235	131%
1504 INVESTMENT PROMOTION AND BUSINESS FACILITATION	288,057,659	256,440,527	89%
1505 SERVICES SECTOR DEVELOPMENT AND COMPETITIVENESS	25,658,840	0	0%
16 QUATERNARY INDUSTRY ECONOMIC DEVELOPMENT	12,104,565,071	11,939,505,233	99%
1601 ICT SUPPORT SERVICE DEVELOPMENT	12,104,565,071	11,939,505,233	99%
08 VALUE CHAIN DEVELOPMENT AND PRIVATE SECTOR INVESTMENT	14,526,097,682	13,884,801,192	96%
0801 CREATING AN ENVIRONMENT TO ATTRACT PRIVATE SECTOR	397,800,000	373,159,535	94%
0803 DEVELOPMENT OF PRIORITY VALUE CHAINS: EXPORT CROPS	7,336,591,674	6,809,573,357	93%
0809 MARKET-ORIENTED INFRASTRUCTURE FOR	6,791,706,008	6,702,068,300	99%

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Program and Sub programme	2016/2016 Budget allocated	2015/2016 Budget Ex-ecuted	Execution rate
05 ADMINISTRATIVE AND SUPPORT SERVICES (MINICOM and AGENCIES)	5,349,546,039	4,789,682,533	90%
0501 ADMINISTRATIVE AND SUPPORT SERVICES: MINICOM	1,225,962,067	1,083,051,975	88%
0502 ADMINISTRATIVE AND SUPPORT SERVICES: RBS	2,320,340,166	2,185,446,542	94%
0503 ADMINISTRATIVE AND SUPPORT SERVICES: RCA	893,007,690	844,287,669	95%
0505 ADMINISTRATIVE AND SUPPORT SERVICES: RICA	100,000,000	0	0%
0506 ADMINISTRATION AND SUPPORT SERVICES(NIRDA)	862,925,556	726,197,787	84%
06 TRADE, INVESTMENT AND INTELLECTUAL PROPERTY RIGHTS	795,496,486	743,497,342	93%
0601 DOMESTIC TRADE PROMOTION	118,115,193	110,935,878	94%
0602 FOREIGN TRADE PROMOTION	660,092,203	621,593,814	94%
0603 INVESTMENT CLIMATE AND INTELLECTUAL PROPERTY RIGHTS	17,289,090	10,967,650	63%
07 INDUSTRY AND SME DEVELOPMENT	13,734,701,875	13,061,743,672	95%
0701 INDUSTRIAL AND TOURISM DEVELOPMENT	8,288,466,156	7,862,749,908	95%
0702 FREIGHT AND LOGISTICS SERVICES DEVELOPMENT	2,619,478,055	2,375,130,126	91%
0703 SME DEVELOPMENT	2,826,757,664	2,823,863,638	100%
08 STANDARDS DEVELOPMENT AND CERTIFICATION	82,360,000	59,496,255	72%
0801 STANDARDS DEVELOPMENT REVIEW AND HARMONISATION	79,360,000	56,496,255	71%
0802 STANDARDS RESEARCH AND DISSEMINATION	1,300,000	1,300,000	100%
0803 PRODUCT AND SYSTEM CERTIFICATION	1,700,000	1,700,000	100%
09 QUALITY AND SAFETY TESTING	873,600,000	763,234,954	87%
0901 BIO-TECHNOLOGY TESTING PROMOTION	720,300,000	639,617,037	89%
0903 MATERIALS TESTING PROMOTION	153,300,000	123,617,917	81%
10 METROLOGY SERVICE PROMOTION	691,600,000	589,401,784	85%
1001 INDUSTRIAL METROLOGICAL SERVICES PROMOTION	691,600,000	589,401,784	85%
11 COOPERATIVES PROMOTION	565,561,478	565,561,478	100%
1101 NON-FINANCIAL COOPERATIVE PROMOTION AND	288,522,350	288,522,350	100%
1102 FINANCIAL COOPERATIVE (SACCOS) PROMOTION AND	277,039,128	277,039,128	100%
12 COOPERATIVES REGULATION	154,998,591	154,998,591	100%
1201 INSPECTION AND AUDIT	154,998,591	154,998,591	100%
15 INDUSTRIAL RESEARCH AND DEVELOPMENT	1,009,284,035	925,259,573	92%

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Program and Sub programme		2016/2016 Budget allocated	2015/2016 Budget executed	Execution rate
	1501 PHARMACEUTICAL AND CHEMICAL INDUSTRIES	27,821,342	14,821,342	53%
	1503 AGRO-PROCESSING AND APPLIED BIOTECHNOLOGY	981,462,693	910,438,231	93%
16	TECHNOLOGY TRANSFER AND COMMERCIALIZATION	1,210,259,667	959,697,310	79%
	1601 INDUSTRIAL INNOVATION, TECHNOLOGY TRANSFER AND COM-MERCIALIZATION	400,000,000	256,773,230	64%
	1603 TECHNOLOGY OUSOURCING AND TRANSFER	810,259,667	702,924,080	87%
09	YOUTH EMPOWERMENT AND PRODUCTIVITY	1,511,715,550	1,443,316,025	95%
	0901 YOUTH POLICY AND STRATEGY DEVELOPMENT AND COORDINATION	33,342,709	31,483,913	94%
	0902 YOUTH MOBILISATION	268,575,216	266,694,901	99%
	0904 REHABILITATION AND SKILLS DEVELOPMENT CENTRES	1,209,797,625	1,145,137,211	95%
11	YOUTH ECONOMIC EMPOWERMENT AND SOCIAL WELFARE	617,848,259	535,430,902	87%
	1101 YOUTH ECONOMIC EMPOWERMENT	16,000,000	13,677,500	85%
	1102 YOUTH MOBILISATION AND SOCIAL WELFARE	601,848,259	521,753,402	87%
07	EMPLOYMENT PROMOTION AND LABOUR ADMINISTRATION	299,161,864	287,407,995	96%
	0701 EMPLOYMENT PROMOTION	228,803,164	222,479,875	97%
	0702 LABOUR ADMINISTRATION	70,358,700	64,928,120	92%
0301	ADMINISTRATIVE AND SUPPORT SERVICES: MINEAC	789,142,757	763,369,530	97%
	04 EAC COMMITMENTS AND COORDINATION	133,719,252	120,305,251	90%
	0402 EAC ECONOMIC COMMITMENT IMPLEMENTATION COORDINATION	69,092,151	66,996,904	97%
	0403 EAC SOCIAL LEGAL AND POLITICAL COMMITMENT IMPLEMENTATION COORDINATION	54,622,300	46,148,591	84%
	0404 EAC COMMITMENT PLANNING MONITORING AND EVALUATION	10,004,801	7,159,756	72%
03	WOMEN EMPOWERMENT	146,926,360	142,640,743	97%
51	PRIVATE SECTOR DEVELOPMENT	4,130,135,542	4,130,135,542	100%
TOTAL		72,219,822,891	69,083,192,176	96%

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8.1.5 Annex 2.3: Externally funded PSDYE budget performance
Table 13: External funded projects channelled through GOR institutions

Project	GOR institu-tion	Planned timeframe		Source of funding, i.e. DP	Type of Fund-ing	Total funding		Amount budg-eted in 2015/16 (RWF)	Actual amount exe-cuted in 2015/16(RW F)	2015/16 budget execu-tion rate (%)
		Start	End			Foreign currency	RWF			
EIF Tier I Phase 2	MINICOM	Jul-14	Jun-16	UNOPS	Grant		456,000,000	251,000,000	221,372,403	88%
Inclusive cross border trade capacity de-velopment EIF Tier 2	MINICOM	Jan-15	Dec-17	UNOPS	Grant		2,427,577,039	567,431,246	237,460,241	42%
Governance for Competi-tiveness Tech-nical Assis-tance Project (G4C)	MINICOM	26-Jan	30-Apr	IDA	Loan		3,479,073,395	567,431,246	237,460,241	42%
Resource Effi-cient and Cleaner Pro-duction (RECP)	MINICOM	12-Nov	30-Jun	UNEP&IDA	Grant		263,069,505	190,311,333	115,813,863	61%
E-Waste Man-agement Pro-ject	MINICOM	1-Oct	30-Jun	FONERWA	Grant		873,647,300	616,689,616	808,497,080	131%
Building an Inclusive Fi-nancial Sector in Rwanda (BIFSIR)	MINICOM	1-Jan	31-Mar	UNDP	Grant		806,122,523	140,682,960	140,682,960	100%
RICTCoE (Re-gional ICT Center of Ex-celence)	RDB	24-Feb	30-Jun	AfDB	Loan		7,616,230,000	3,630,345,092	703,573,229	19%

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Project	GOR institution	Planned timeframe		Source of funding, i.e. DP	Type of Funding	Total funding		Amount budgeted in 2015/16 (RWF)	Actual amount executed in 2015/16 (RWF)	2015/16 budget execution rate (%)
		Start	End			Foreign currency	RWF			
Strengthening Law Enforcement Capacity in National Parks	RDB	1-Nov	31-Dec	BUFFET FONDATION	Grant		2,765,128,188	1,733,110,247	684,172,516	39%
Rwanda Business Life Cycle Project (RBLCP)	RDB	6-Feb	31-May	ICF	Grant		1,100,261,713	367,710,195	204,212,848	56%

Table 14: Execution performance of other off-budgetary Projects externally financed

Project	Planned timeframe		Source of funding, i.e. DP	Type of Funding	Total funding		Amount budgeted in 2015/16 (RWF)	Actual amount executed in 2015/16 (RWF)	2015/16 budget execution rate (%)
	Start	End			Foreign currency	RWF			
Promotion of Economy and Employment	June 16	May 19	BMZ through GIZ	Technical Cooperation (Grant)	14,045 Million Euro				
Advisor for Micro, Small and Medium Enterprises (MSMEs) Development	Oct-14	30/09/2015	JICA	TA	\$180,468		124,378	100%	
Linking farmers to markets	Jan-13	31-Dec-16	the Netherlands	grant		3,940,000,000	1,534,621,389	74%	
PROECCO Promoting Off-Farm Employment through Climate Responsive Construction Material Production	1st July 2015	30th June 2016	Swiss Agency for Development and Cooperation	Implementation contract		3,200,000,000	1,200,000,000	87.5%	