

REPUBLIC OF RWANDA



MINISTRY OF TRADE and INDUSTRY
P.O.Box 73, KIGALI



Kigali, 6/11/2019
Ref. N°: 2423/15.02/PLAN/2019

Mr. Caleb RWAMUGANZA
Permanent Secretary and Secretary to the Treasury
Ministry of Finance and Economic Planning/ MINECOFIN
KIGALI

Dear PS/ST,

RE: Transmission of the Report of 2018/19 Forward-Looking Joint Sector Review (JSR) for Private Sector Development and Youth Employment (PSDYE)

With reference to the Terms of Reference for the Backward-Looking JSR provided by MINECOFIN; I am pleased to inform you that the PSDYE Sector has successfully conducted this exercise.

In this regard, I have the pleasure to submit to you the Report of the PSDYE Sector Working Group for your consideration. In line with the TORs, the report reflects on the performance of the sector in the year 2018-2019.

Yours sincerely,

Michel M. SEBERA

Permanent Secretary



CC:

- Hon. Minister of Trade and Industry, MINICOM
 - Country Manager of African Development Bank in Rwanda, AfDB
- KIGALI**

REPUBLIC OF RWANDA



MINISTRY OF TRADE AND INDUSTRY

PRIVATE SECTOR DEVELOPMENT AND YOUTH EMPLOYMENT

**BACKWARD-LOOKING JOINT SECTOR REVIEW MEETING 2018/2019
17/10/2019 – Kigali Marriot Hotel**

1. Meeting date, venue, participants and agenda

On 17th October 2019, at Kigali Marriott Hotel, the Private Sector Development and Youth Employment Sector Working Group held its backward looking joint sector review meeting for the fiscal year 2018-2019. Mr Michel Sebera, the Permanent Secretary of MINICOM, chaired the meeting and Ms Martha T. M. Phiri, the Country Manager of the African Development Bank in Rwanda, co-chaired. Delegates from respective stakeholder institutions participated and contributed to the meeting (see attached attendance list for reference).

On the agenda of the meeting were the following topics:

- i. Feedback from the subsector working group meetings
- ii. Presentation of the PSDYE sector performance of the year 2018-2019
- iii. Presentation of the prioritized areas for planning the year 2020-2021
- iv. Presentation and discussion of the new employment promotion policy

2. Opening remarks and discussions of the meeting

In his opening remarks, the chair of the sector-working group highlighted two very important points: (i) on the one hand, he reminded the participants the essence of holding joint sector review meetings. He explained that the sector organizes the backwards looking joint sector review meetings in order to evaluate the performance of the sector together. He emphasized on learning from the success factors that enabled the sector to achieve the current results and to learn from the challenges faced during

implementation in the fiscal year just completed. He invited all institutions represented to take note of the policy actions that have not been fully implemented so that they can be taken over to the next fiscal year. (ii) On the other hand, he invited the institutions present to take the opportunity of a joint sector review to continue cross sector planning consultations. He reminded participants to keep the development of the private sector as a priority in the planning consultations for the next fiscal year. He concluded his opening remarks by thanking all institutions that have responded positively to the invitation to attend the backward looking joint sector review meeting.

The co-chair of the private sector development sector-working group, in her opening remarks, thanked the chair for reminding everyone the objectives of holding a joint sector review meeting. She added that robust policy consultations beyond presentations of targets are needed. She noted the interest in understanding the progress with regard to job creation. "There is need to identify and understand the risks that are hampering achieving the target to create decent jobs." Referring to the prioritized areas for planning consultations, she invited all institutions present to link priorities to specific targets so that the link between the priority and the target can be visible and precise. "...this will help us to understand the challenges met during implementation and how to remedy to them". She concluded her opening remarks by thanking the chair and the secretariat for organizing the meeting.

3. Presentation and discussion of the topics on the agenda of the meeting

As per the agenda of the meeting, the following four presentations were made:

- (i) updates from the meetings of the subsector working groups,
- (ii) the performance of the private sector development and youth employment sector working group with regard to NST1 and PSDYE target indicators and related policy actions
- (iii) prioritized areas for planning consultations for the year 2020-2021 and
- (iv) employment promotion policy. After the presentation, the chair opened the floor for a question and answer on the presentations made. (Refer to the report of the joint sector review for the content of the presentations)

The deliberations of the meeting were moderated by Mr Jonas Munyurangabo, the DG PM&E/MINICOM. Participants shared their contributions with regards to policy actions presented, with reference to the draft report shared with them in advance, and the secretariat committed to incorporating the contributions from participants to the

final report. The highlight of the discussions was the participation of the representatives of the private sector in the joint sector review meetings. It was recommended that co-chairs representing the private sector appoint alternate designate to the sector working group events to ensure consistent participation and contributions of the private sector to the sector working groups.

4. *Conclusion and recommendations from the meeting*

After the question and answer session, the chair thanked the participants for their contributions, and the presenters for the presentations made during the meeting. He reiterated the recommendations to the representatives of the private sector to appoint alternate representatives to the sector working group event to ensure consistency of participation of the private sector in the sector working group meetings and events.

Minutes taker



Bimenyimana A Cédric
PSDYE Specialist and
Secretariat Coordinator

Chair of the meeting



Michel M. Sebera
Permanent Secretary of MINICOM and
Chair of the Sector working Group



2018/2019 Backward-Looking Joint Sector Review

Private Sector Development & Youth Employment (PSDYE)

Sector working Group



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Sector Working Group (SWG)

Chair: Ministry of Trade and Industry (MINICOM)

Co-Chair: African Development Bank (AfDB)

SSWG 1, Production capability and technology

Chair: NIRDA

Co-Chair: UNIDO

SSWG 2, Distribution, logistics and market access

Chair: RDB

Co-Chair: DFID

SSWG 3, Youth employment

Chair: MIFOTRA

Co-Chair: German Embassy

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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
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
MINECOFIN	Ministry of Economic Planning and Finance
MINICOM	Ministry of Trade and Industry of Rwanda
MINICT	Ministry of ICT and Innovation of Rwanda
NEP	National Employment Programme
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

o. Introduction

This Backwards Looking Joint Sector Review (BL-JSR) Report focuses on achievements made in the Fiscal Year (FY) 2018/2019 in the Private Sector Development and Youth Employment (PSDYE) Sector Working Group. According to the terms of reference issued by the Ministry of Finance and Economic Planning, the 2018-2019 backward looking joint sector review report has the following 5 objectives. (i) to present the progress made in achieving NST1 and PSDYE target indicators (ii) to present the progress of implementation of selected sector policy actions, (iii) present the budget execution performance (iv) the present the prioritized areas for planning the fiscal year 2020-2021 and finally to provide updates on recent developments in the sector.

For ease of reading and clarity of presentation, the report has the following 6 sections: sections (i) & (ii) present the progress towards achieving the NST1 and PSDYE target indicators; sections (iii) and (iv) present the progress achieved in policy actions implementation and related budget execution. Section (v) presents the prioritized areas for planning fiscal year 2020-2021 while section six provides some brief updates on recent developments in the sector.

1. Progress towards achieving NST1 targets for FY 2018-9

NST1 sets out the national development framework for Rwanda up to the year 2024. The implementation of NST1 is monitored through 34 Core Indicators, of which 5 indicators are monitored by PSDYE Sector Working Group. In addition to these targets and indicators, PSDYE strategy set 5 sector indicators monitored under PSDYE implementation.

Monitoring of implementation takes place through sector working groups via joint sector review meetings. As indicated, the backward looking joint sector review offers an opportunity to evaluate the progress made against the indicators set. Hence, the following table below summarises progress towards achieving NST1 (table 1) targets.

Table 1: NST1 indicators and progress on targets for FY 2018-9

NST 1 Outcome	Indicators	Units	Baselines 2017/18	Target 2018/19	Current status 2018/19	Data Sources
Increased decent and productive jobs	Number of new decent and productive jobs created	Number	146,000	214,000 (PSDYE)	206,190	Labour Force Survey, NISR (2018)
Accelerated growth of Exports (Goods and services)	Annual export growth	Percent	27%	17% (PSDYE & NST)	2 % (GDP, National Account NISR, 2018-2019)	GDP National Accounts, NISR (2018-2019)
	Value of exports	USD millions	1,475 Bn Frw (2017-2018) (1,745 Mn USD) (2017-2018)		1,476 Bn Frw USD 1,678 Computation MINICOM	Historical exchange rates (BNR 2018-2019)
Accelerated industrialization for economic transformation	Industry as share of GDP	Percent	16%	17%	17%	
Increased revenues from Tourism	Value of tourism revenues	USD millions	TBC	TBC	TBC	RDB annual report
	Value of MICE revenues	USD millions	TBC	TBC	TBC	

2. Progress towards achieving PSDYE core targets for FY 2018-9

PSDYE strategy has 4 policy targets with clear indicators that are monitored on a yearly basis. These indicators do not stand alone separate from NST1 pillars; they rather are more specific to the development of the private sector in particular and they fit in the broader framework set by NST1. Hence, some of these targets are common to both NST1 and PSDYE strategies. Apart from shared indicators between NST1 and

PSDYE, there is the share of FDI to GDP, the share of manufacturing to total exports, share of services to total exports, and industry as a share of GDP that are specific to PSDYE.

The progress achieved against the targets set for the year 2018-2019 is summarized in the table below.

NST1 Priority area	Indicators	Units	Baselines 2017/18	Target 2018/19	Current status 2018/19	Data Sources
Increased domestic savings and position Rwanda as a hub for financial services to promote investments	FDI as share of GDP	%	4.1	4.5	3.9	FPC 2018 (BNR)
Promote industrialization and attain a structural shift in the export base to high value aim of growing exports by 17% annually	Manufacturing as share of exports	%	31.6	5	34.6	GDP National Accounts 2018-2019 (NISR)
	Services as share of GDP	%	47	47	48	
	Industry as share of GDP	%	16	17.6	17	

3. Progress towards implementation of sector policy actions

In the fiscal year 2018-2019, a selected number of policy actions related to both NST1 and PSDYE target indicators were implemented; the table below indicates the progress of implementation, the lead implementation institution and related budget execution of the sub-program of the concerned policy action.

Outcome and Target indicator	FY 2018-2019 planned policy action	Implementation progress	Comment: success factor/ challenge encountered
<p>Outcome:</p> <p>Increased decent and productive jobs</p> <p>Target indicator:</p> <p>214,000 new decent and productive jobs to be created</p> <p>Progress:</p> <p>206,198 jobs created</p>	<p>Lead institution:</p> <p>NEP (RDB, MINICOM & MIFOTRA)</p> <p>Budget execution rate: 93.8%</p> <ol style="list-style-type: none"> 5,600 youths supported under skills development program (in agro processing, energy and transport sectors) Skills and technology upgraded within 7 ICPCs & Companies 200 SMEs trained in e-commerce & 50% are online 10 Companies increased productivity through open calls innovation proposals 2,000 women/youths receive credits for business growth 	<ol style="list-style-type: none"> 11,033 youths benefited from the following policy actions: Rapid Response Trainings in collaboration with private companies (2,195 youths); 2,147 existing craftsmen upgraded their skills; 4,171 youths were trained in relevant market trades. 404 cooperatives and company members were facilitated to lease equipment 32 cooperatives and companies have been supported to increase their competitiveness. 1,002 SMEs were supported to access collateral guarantee from BDF; 1,748 TVET graduates received start up toolkit loan; 905 PWDs supported to access start up loans. Of the 8,287 youths and women targeted, 6,802 were supported to access finance. 	<p>Strong coordination of implementation progress has been an important factor in achieving the results highlighted here.</p>
<p>Outcome:</p> <p>Accelerated growth of Exports (Goods and services)</p> <p>Target indicators:</p> <p>Annual export growth: 17%</p> <p>1.475 Bn Frw = 1,745 Mn USD (2017-2018 baseline)</p> <p>Progress:</p> <p>2% growth and</p>	<p>Lead institutions: MINICOM</p> <p>Budget execution rate: TBC</p> <ol style="list-style-type: none"> 14 exporters access EGF; 5 investment catalyst and 9 Matching grant CBM infrastructure developed: Nyamasheke at 50%, Rubavu occupied 100%, Rusizi occupied at 60%, Burera and Karongi as well. 	<ol style="list-style-type: none"> 14 exporters accessed investment catalyst fund and 9 exporters accessed the matching grant fund. Nyamasheke CBM construction work at 35%; Rubavu CBM occupied at 60%; Rusizi CBM occupied at 50%; Burera CBM occupied at 40% and Karongi CBM occupied at 24%. Operationalization of approved management models for Burera, Rusizi and Karongi CBMs completed. Capacity building for beneficiaries done for Burera, Karongi and Rubavu 	<ol style="list-style-type: none"> EGF eligibility criteria were reviewed and impacted Q3&4 of implementation. The horticulture guarantee fund guidelines were approved; and commercial banks were trained in export finance to facilitate access to EGF. Tendering process to hire property manager for Rusizi CBM delayed. Way forward, to operationalize management models; build capacity of beneficiaries in Karongi and Rusizi; assist Districts in selection of beneficiaries for Rusizi CBM; Provide CCTV camera for Rubavu CBM.

1.476 Bn Frw =
1.678 Mn USD
Value of export

3. Rwanda integrated trade logistics project implemented: KLP constructed at 100% and Rubavu Bonded warehouse constructed at 30%

Lead institution: NAEB

Budget execution rate: 64.8%

4. Export 24.3 million of stems
5. Construction of 20 Ha of greenhouse flower production

CBMs. Districts supported to hire property management firms for Burera and Rubavu.

3. KLP construction reached 100%

4. 22 companies in non-traditional agricultural exports: horticulture, honey, and agro-processing were supported through promotion of the products to international markets. Export plan for non-traditional agriculture and manufacturing was done; inward and outward trade missions were done and one-on-one market linkages were done. 86 companies were trained on the use of e-commerce.

5. Revenues from exports of fruits, vegetables and flowers exceeded the targeted 23.8 Mn USD and reached 27.4 Mn USD. 25.7 million stems of flowers were exported and 8 exporters facilitated with sorting park-house; exhibition in Holland attended by 3 exporters. NEAB participated in fruit logistics in Germany to promote market linkages. 9 Ha of greenhouse flower production covered and planted

4. Due to falling international prices of flowers and high airfreight costs export volumes reduced to avoid losses. Going forward, increase efforts to support exporters to participate in regional and international exhibition and expedite the construction of the remaining 11 Ha of green-house for flower production.

Target revenues from tea 92.8 Mn USD Progress: 85 Mn USD generated	6. 29,635 MT of made tea exported	6. The targeted 92.8 Mn USD revenues from tea export was not achieved as the revenues amounted to 85 Mn USD from 30,984 MT exported. 4,985 tea pickers were trained in tea plucking techniques.	6. Washed coffee prices on the international market were not favourable and impacted the revenues from washed coffee
	7. 24,500 MT of green coffee exported	7. 69.7 Mn USD worth of coffee exports were achieved through exports of 21,499 MT of coffee.	
Target revenues from coffee: 75 Mn USD Progress: 69.7 Mn USD generated 600 Mn USD from Mineral exports Progress: 290,550 Mn USD from mineral exports	Lead institution: RMB Budget execution rate: TBC	8. 290,550 Mn USD generated from mineral exports from 7,799 T of export volume.	8. Lengthy licencing procedures for mining companies affecting their entry in operations. Price volatility on the global market (Cassiterite and Wolframite; lack of value addition negatively affect prices. Going forward: need to speed up the mining company licencing.
	8. 10,000T of minerals exported (cassiterite, Coltan, Wolfram and others		
Increased revenues from tourism and MICE Target 488 Mn USD from Tourism and MICE Progress: Up to end March 126 Mn USD and 177 Mn USD events organized	Lead institution: RDB Budget execution rate: 99.1%	9. Up to end March 2019, revenues from tourism were estimated at 126 Mn USD. 177 MICE event organized by end March 2019.	9. Revenue projections were based on a longer visit of delegates/tourists in Rwanda and on an average of 300USD expense during their stay. Yet, the length of the visit is shorter and the expense is 230 USD on average. Working on more accurate projections as well as tourism products to attract more expenses and longer visits.
	9. Rwanda tourism brand developed: 1,400,000 visitors from all segments		

Target share of industry to GDP: 17%
Progress: 17%

Manufacturing share of total exports: 5%
Progress: 34.6%

Lead institution: RDB

Budget execution rate: 98.9%

10. Construction of 2 advanced factory units (AFUs) for potential exporters
11. Sector specific strategies conducted (packaging, cement, ceramics and granite) [sic]
12. 2 MIR exhibitions organized (1 in Kigali and 1 in Eastern Province)

10. 1 AFU constructed and hand over for utilization by export led manufacturers in progress.
11. TBC
12. 4th MIR exhibition organized and held with 466 exhibitors and 51,718 visitors. MIR survey to measure the impact of MIR campaign and policy conducted.

10. Follow up with TMEA to expedite completion of the project.
11. TBC
12. Due to the lack of sufficient budget for 2nd MIR exhibition in Eastern province, only 1 MIR exhibition was organized.

Lead institution: MINICOM

Budget execution rate: 91.9%

13. Industrial parks developed: 100 ha BIP phase I completed at 70%
14. 50% road construction completed for Rwamagana IP
15. Investors/developers secured for Musanze, Huye, Bugesera and Rusizi IPs
16. 10 garages/warehouses expropriated from Gikondo IP

13. BIP development phase I was at 50% at the end of June 2019.
14. The construction of the road for Rwamagana IP was at 20% at the end of June 2019.
15. There was a feasibility study for District industrial parks development and management under PPP model and it was validated.
16. 19 properties were valued and payment transactions sent to MINECOFIN for processing.

There were delays in Indian Exim bank disbursement that led to delays in construction works at both BIP and Rwamagana IP.

NSTI priority area

Increased domestic savings and position Rwanda as a hub for financial services to promote investments

Lead institution: RDB

Budget execution rate: 85%

1. Value of investment projects registered

1. The targeted 4.5% FDI to GDP was not reached, the targeted 2 Bn USD investment fell short of 252.5 Mn USD. Yet the total FDI inflow reached 381.9 Mn USD while the FDI stock reached 2,283.7 Mn USD in 2018 (calendar year).

PSDYE indicator

FDI as share of GDP: 4.5%
Progress: 4%

2.1. Performance analysis

It is important to note that the progress presented in the table above, result from joint efforts in implementing different policy actions by different public, private and civil organization institutions. The progress made is also partly due to the continued efforts to implement the unfinished business (policy actions, projects, interventions...) that were not completed at the time of evaluation of the fiscal year 2017-2018. Likewise, some of the policy actions, projects and interventions implemented in the year 2018-2019 have not yet yielded the targeted results at the time of the evaluation.

Considering targets for the year 2018-2019, the baseline 2017-2018 and the actual performance of the year 2018-2019, different indicators, both NSTI and PSDYE, have generally performed well with various success factors reflected below.

- Number of new decent and productive jobs created: LFS survey indicated that sector wise, construction, manufacturing and accommodation & food services contributed 25%, 20% and 12% of the created employments respectively, while agriculture and fishing, water supply and gaz and arts and entertainment shed 1.1%, 0.7% and 0.4% respectively compared to the previous year.
- Annual export growth: there was a negative growth of exports in Q3&4 of the year 2018 of 4% and 9% respectively, with the overall impact on the annual average export growth rate. This affected the targeted exports value in USD
- Industry as share of GDP: Construction contributed 7%, mining and quarrying 2% while manufacturing contributed 6%.
- Increased revenues from Tourism: 2018-2019 values not yet published
- Manufacturing share of total exports: there are signs of the impact of MIR on manufacturing and exports; hence the target set in PSDYE Strategy seem to be below the current performance as indicated in the indicators table above.

2.2. Progress towards achieving the accelerated growth of exports

The export performance of the year 2018-2019 was 2% compared to the set target of 17%. The export commodity's performance was retracted compared to the base year 2017-2018, there was a drop in export values from 1,745 Mn USD to 1,678 Mn USD.

The export performance of the year 2018-2019 was 2% compared to the set target of 17%. The export commodity's performance was retracted compared to the base year 2017-2018, there was a drop in export values from 1,745 Mn USD to 1,678 Mn USD. Commodity analysis based on formal external goods trade performance data (NISR 2019 Q2 report) indicates rather reducing revenues year to year. Analysis of a selected list of key traditional export commodities reveals that crude materials, inedible, except fuels whose revenues in million USD reduced by 22 % from 236.75 to 185.23 million USD, while manufactured goods dropped by 30 % from 107.79 to 75.20 million USD. Machinery and transport equipment dropped by 42 % from 22 to 12.89 million USD, miscellaneous manufactured articles' revenues reduced by 22% from 15

to 11.67 million USD and Other commodities & transactions, reduced by 32% from 82.28 to 56 million USD.

The sharpest reduction was registered in animals and vegetable oils, fats & waxes where the contraction (YoY) averaged 70% compared to the previous year followed by beverages and tobacco whose reduction was 40%. Worth noting is the 68% growth in exports of mineral fuels, lubricants and related materials amounting to 780 thousand USD up from 47 thousand in the previous year. Chemicals & related products also performed quite well with an overall growth of 15% compared to the previous year amounting to 3.49 million USD up from 2.99 the previous year.

In general, the export commodity's performance registered a net reduction of 117.39 million USD in formal traditional exports representing 16% of export revenues from 2017-2018 to 2018-2019. It is worth noting that, the re-export commodity performed quite well with manufactured goods classified chiefly by materials whose export growth reached 62% compared to the previous year, followed by miscellaneous manufactured articles whose growth reached 43% and chemicals & related products which registered a growth rate of 33% compared to the previous year.

2.3. Progress towards achieving the creation of increased decent and productive jobs

The targeted 214,200 jobs were not created, rather 206,190 jobs were created. This performance was largely achieved due to emphasis on employment mainstreaming in all government and private interventions to enhance job creation, but also to more focus on job creation in investment promotion and attraction in all sectors of the economy. Last but not least is the strong coordination of employment interventions carried out across the sector by relevant authority.

2.4. Progress towards achieving the accelerated industrialisation for economic transformation

Noteworthy is the implementation and campaign of made in Rwanda policy that have diversified the manufacturing base. Analysis of GDP growth from 2017-2018 to 2018-2019 by kind of activity at constant prices (2014) shows that the sector of industry grew by 16%, of which mining and quarrying constitutes 6%, manufacturing 12%, electricity 9%, water and waste management 4% and construction by 25%.

Closer analysis of manufacturing growth reveals that food processing grew by 4%, chemicals, rubber and plastic manufacturing grew by 12%, textile, clothing, and leather goods grew by 14%, metal products manufacturing grew by 35% while manufacturing of wood, paper and printing grew by 26%.

4. PSDYE Budget Execution Performance for FY 2018-9

The overall budget execution rate for the entire sector budget was estimated at 81.1%, - Annex 2.1. The total budget allocated to PSDYE sector after budget revision was 111.089 billion Frw across 11 public institutions of the central government and 30 local government districts. The budget was allocated to 62 subprograms. The table below shows the budget allocated to PSDYE stakeholder institutions and their budget execution performance.

INSTITUTION	Allocation	Execution	% Execution
Rwanda Development Board (RDB)	27,424.3	26,907.3	98.1%
RAB (Market linkage infrastructure)	6,348.7	480.3	7.6%
NAEB (Export promotion)	14,483.1	9,392.1	64.8%
MINICOM	31,980.2	28,709.3	89.8%
Rwanda Standards Board (RSB)	3,806.6	3,801.7	99.9%
Rwanda Cooperatives Agency (RCA)	2,076.4	1,365.3	65.8%
NIRDA	2,822.8	2,299.6	81.5%
Rwanda Inspectorate and Competition Authority (RICA)	300.0	-	0.0%
Workforce Development Authority(WDA)	17,772.8	13,166.2	74.1%
MIFOTRA (Job creation)	259.1	218.4	84.3%
MINIYOUTH	844.3	776.2	91.9%
Districts	2,970.7	2,970.7	100.0%
PSDYE Total	111,089.0	90,086.9	81.1%

In general, PDYE stakeholder institutions' budget execution performance rated between 65 and 100% for the majority of institutions, with the exception of RAB and RICA whose execution rate is below 10%.



5. Presentation of priority areas for planning consultations of the 2020/2021 fiscal year

The section below sets out the sector's priorities for the fiscal year 2020/2021. These are informed by key strategies namely the NST 1; Vision 2020; the sector strategic plan (SSP), namely the Private Sector Development and Youth Employment Strategy (PSDSYE); the revised National Export Strategy (NES-II - unfinished business); the National Employment Programme (NEP) and the Domestic Market Recapturing Strategy (DMRS). The 2020/2021 priorities are linked to NST1 and PSDYE2. The interventions that are proposed in the Single Action Plan of the Sector Institutions and 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 1.5m (over 214,000 annually) decent and productive jobs for economic development

Priority area 1: Export/Trade Development

1. Strengthen Value chains and market linkages for key value chains
2. Support exports through e-commerce platforms in target markets
3. Support companies to achieve HACCP certification for exports
4. Full Operationalisation of Cross border markets (Burera, Karongi)
5. Implement and coordinate the implementation of a trade in services strategy and ICT4 COM strategy
6. Facilitate exporters to access finance, new and existing markets
7. Tourism branding and promotion (including bidding for events, participation in MICE trade fairs, roadshows and marketing...)
8. Develop new tourism products (Kivu Belt flagship project, hiking experiences...)

Priority area 2: Development of Infrastructure for growth

1. Complete the development of on-going IPs (Bugesera phase 1, Rwamagana) including tannery park in BIP
2. Expropriation of Muhanga IP
3. Continue mobilization of resources for the remaining cross-border Markets;

Priority area 3: Industrial Development

1. Develop sector strategic plans for priority sectors
2. Implementation of the revised Industrial Policy
3. Implementation of textile, apparel and leather strategy (Unfished business)
4. Improve competitiveness of Rwandan firms
 - Promote research for industrial development (Life Sciences: Phytodrugs development and value addition for essential oil)
 - Development and operationalization of the STEM Lab Box
 - Technical support towards value chain development through technology development/transfer (focusing Dairy, poultry, Packaging materials, processed mining and construction sector value chains)

Priority 4: Entrepreneurship and Business Development for job creation

1. Support start-ups and early growth MSMEs to access finance
2. Support private sector companies to access entrepreneurship and business development services
3. Support MSMEs to access/acquire technologies and markets
4. Implementation of the new Entrepreneurship Development Policy
 - Entrepreneurship Portal
 - Pilot of new models of business incubators
 - Facilitate adoption of standards
 - Support development of Kigali Innovation City (KIC).

Priority 5: Foster employment and decent Jobs

1. Support Employability Skills Development for youth through workplace learning and pre-employment training (RRT, Apprenticeship and Internship)
2. Facilitate women and youth projects access to capital and Finance
3. Mainstream and coordinate employment opportunities across all sectors of economy;
4. Promote hands on skills relevant to labor market needs.

6. Updates on key issues within the sector

6.1. Industrial Policy

In the fiscal year 2018-2019, and in collaboration with Trade Mark East Africa, MINICOM started to draft the industrial policy. Cross-institutional stakeholder consultations are ongoing and policy drafting has advanced.

6.2. Entrepreneurship Policy

The Ministry of Trade and Industry, in collaboration with USAID-Nguriza Nshore project, developed the draft entrepreneurship development policy. It was presented in a special joint sector review meeting that took place on the 10 September 2019 and is currently awaiting to be tabled for cabinet.

6.3. Analytical studies

In the course of FY 2018-2019, a number of studies, such as the Labour Force Survey (2018) and Investor Perception Survey (2019) were successfully conducted and published.

6.4. Developments in the PSDYE Secretariat and Subsector Working Groups

In efforts to increase ownership of the stakeholders in the activities of the PSDYE Sector Working Group, the chair and co-chair of PSDYE SWG have decided to transfer the organization and management of the subsector working group meetings and events to the respective chairs and co-chairs of the respective subsector working groups. This will enable subsector-working groups to organize and meet at least once every quarter. PSDYE secretariat will continue to work with all the subsector-working groups for coordination purposes.

In line with the above, all the three subsector-working groups organized and held their first meetings and guided by the terms of reference issued by MINECOFIN for the preparation of the BL JSR 2018-2019. The following were take up actions/recommendations from the respective meetings.

Subsector Working Group one: Technology and Production Ca- pability	Subsector Working Group two Distribution, Logistics and Market Access	Subsector Working Group three Youth Employment
<p>The meeting of this SSWG dis- cussed the implementation sta- tus of the FY 2018-2019 policy actions as well as priority areas for planning FY 2020-2021. The recommendations below were adopted</p> <ol style="list-style-type: none"> 1. FDA and RSB to make presentations in the next meeting highlighting what each does and how they complement each other 2. MINICOM should con- sider environment in its planning of Bugesera IP in partnership with En- viroservice and Fonerwa 3. Consider industrial symbiosis - use of in- dustrial waste as raw material for relevant production - in industri- al park planning 4. For standards promo- tion, there is need to emphasise on ISO, GMP+ the same way it is done for HACCP 	<p>The meeting of this SSWG dis- cussed the implementation sta- tus of the FY 2018-2019 policy actions as well as priority areas for planning FY 2020-2021. The recommendations below were adopted</p> <ol style="list-style-type: none"> 1. To conduct a case study on the impact of EGF highlighting the experi- ences of the beneficiaries 2. For the next meeting, a presentation on EGF highlighting the chal- lenges, achievements and next steps 3. The report should in- clude informative statis- tics to facilitate policy consultations 4. Cross border markets: there is an issue of high renting costs raised by the beneficiaries. MINI- COM and stakeholders should to address this issue 	<p>The meeting of this SSWG discussed the implementation status of the FY 2018-2019 policy actions as well as priority areas for planning FY 2020- 2021. The recommendations below were adopted</p> <ol style="list-style-type: none"> 1. To fast track the implemen- tation of the DWO training in education system and make sure the private sector is strongly involved. 2. To invite the following to be part of the SSWG3: Ministry of Sports and Culture, RALC, Chamber of women entrepreneurs, Rwanda Youth in Agriculture Fo- rum, Rwanda Bankers' as- sociation, Inkomoko Entre- preneur Development, As- sociation of Microfinance in Rwanda.

Chair of PSDYE SWG



Michel M. SEBERA
 Permanent Secretary
 Ministry of Trade and Industry

Co-Chair of PSDYE SWG



Martha T. M. PHIRI
 Country Manager
 African Development Bank

Annex 1.1. NST 1 MONITORING AND EVALUATION MATRIX

No	NST 1 Outcome	Indicators	Units	Baselines 2016/17	Target 2018/19	Current status 2018/91	Targets		Responsibility for reporting	Data Sources
							2020/2021	2023/2024		
Economic Transformation Pillar										
3	Increased decent and productive jobs	Number of new decent and productive jobs created	Number	155,994	214,000	206,190 (LFS Annual report 2018)	857,200 cumulative (Annual target 214,300)	1,500,000 cumulative (Annual target 214,300)	NEP, PSDYE Sector	Labour Force Survey, NISR
5	Accelerated growth of Exports (Goods and services)	A. Annual export growth B. Value of exports	Percent USD millions	10.8 average growth of EDPRS 2 (USD 1,893.7 calendar year 2017)	17% (PSDYE & NST)	2% (GDP, National Account NISR) 1476 Bn Frw GDP, National Accounts NISR USD 1,678.7 (Exch Rate BNR, computation MINICOM)	17 USD 3,250.6 (calendar year 2021)	17 USD 5,304.6 (calendar year 2024)	MINICOM, PSDYE Sector	GDP National Accounts, NISR
	Increased share of exports (Goods and services) as percentage of GDP	Exports of goods and Services as a percentage of GDP	percent	15.3	17	17	23	27.5		GDP National Accounts, NISR
7	Accelerated industrialization for economic transformation	Industry as share of GDP	Percent	16.5	17.6%	17% (GDP, National Accounts	19.4	21.7	MINICOM, PSDYE Sector	GDP National Accounts, NISR
8	Increased revenues from Tourism	Value of tourism revenues Value of MICE revenues	USD millions USD millions	374 (2016) 64	TBC TBC	TBC	600 106	800 171	RDB, PSDYE sector RDB, PSDYE sector	RDB annual report RDB annual report

No.	NST/SECTOR OUTCOME	INDICATOR	UNIT	BASELINE (2017/18)	2018/19 Target	Actual Performance	Indicator Score	Policy Actions	Brief Narrative Progress against Policy Actions	Catch Up Plans for areas lagging behind
	Economic Transformation Pillar									
	Increased decent and productive jobs to be created	214,000 new decent and productive jobs to be created	Number	200,000	214,000	206,190		1. 5,600 youths supported under skills development program (in agro processing, energy and transport sectors) 2. Skills and technology upgraded within 7 ICPCs & Companies 3. 200 SMEs trained in e-commerce & 50% are online 4. 10 Companies increased productivity through open calls innovation proposals 5. 2,000 women/youths receive credits for business growth	1. 11,033 youths benefited from the following policy actions: 1. Rapid Response Trainings in collaboration with private companies (2,195 youths), 2,147 ex-isting craftsmen upgraded their skills, 4,171 youths were trained in relevant market trades. 2. 404 cooperatives and company members were facilitated to lease equipment 3. 32 cooperatives and companies have been supported to increase their competitiveness 4. 1,002 SMEs were supported to access collateral guarantee from BDF, 1,748 TVET graduates received start up toolkit loan, 905 PWDs supported to access start up loans. Of the 8,287 youths and women targeted, 6,802 were supported to access finance.	Strong coordination of implementation progress has been an important factor in achieving the results highlighted here.
	Accelerated growth of Exports (Goods and services)	Annual export growth: 17% Frw = 1,475 Bn USD = 1,745 Mn (2017-2018 baseline)	% and Mn USD	27	17.2			1. 14 exporters access EGF: 5 investment catalyst and 9 Matching grant 2. CBM infrastructure developed: Nyam-asheke at 50%, Rubavu occupied 100%, Rusizi occupied at 60%, Burera and Ka-rongi as well 3. Rwanda integrated trade logistics project implemented. KLP constructed at 100% and Rubavu Bonded warehouse constructed at 30% 4. Export 24.3 million of stems 5. Construction of 20 Ha of greenhouse flower production	1. 14 exporters accessed investment catalyst fund and 9 exporters accessed the matching grant fund 2. Nyam-asheke CBM construction work at 35%, Rub-avu CBM occupied at 60%, Rusizi CBM occupied at 50%, Burera CBM occupied at 40% and Karongi CBM occupied at 24% Operationalization of ap-proved management models for Burera, Rusizi and Karongi CBMs completed. Capacity building for beneficiaries done for Burera, Karongi and Rubavu CBMs. Districts supported to hire property management firms for Burera and Rubavu. 3. KLP construction reached 100% 4. 22 companies in non-traditional agricultural ex-ports: horticulture, honey, and agro-processing were supported through promotion of the products to international markets. Export plan for non-traditional agriculture and manufacturing was done, inward and outward trade missions were done and one-on-one market linkages were done. 86 companies were trained on the use of e-commerce 5. Revenues from exports of fruits, vegetables and flowers exceeded the targeted 23.8 Mn USD and reached 27.4 Mn USD. 25.7 million stems of flow-ers were exported and 8 exporters facilitated with sorting park-house; exhibition in Holland attended by 3 exporters. NEAB participated in fruit logistica in Germany to promote market linkages. 9 Ha of greenhouse flower production covered and planted	1. EGF eligibility criteria were reviewed and impacted Q3&4 of implementation. The hor-ticulture guarantee fund guidelines were ap-proved, and commercial banks were trained in export finance to facilitate access to EGF. 2. Tendering process to hire property manager for Rusizi CBM delayed. Way forward, to operationalize management models, build capacity of beneficiaries in Karongi and Rusizi, assist Districts in selection of bene-ficiaries for Rusizi CBM. Provide CCTV cam-era for Rubavu CBM. 4. Due to falling international prices of flowers and high airfreight costs export volumes re-duced to avoid losses. Going forward, in-crease efforts to support exporters to partic-ipate in regional and international exhibition and expedite the construction of the remain-ing 11 Ha of green-house for flower produc-tion.

4

Target revenues from tea 92.8 Mn USD Target revenues from coffee 75 Mn USD	Mn USD				Progress 85 Mn USD generated Progress: 69.7 Mn USD generated	29,635 MT of made tea exported 24,500 MT of green coffee exported	The targeted 92.8 Mn USD revenues from tea export was not achieved as the revenues amounted to 85 Mn USD from 30,984 MT exported 4,985 tea pickers were trained in tea plucking techniques 69.7 Mn USD worth of coffee exports were achieved through exports of 21,499 MT of coffee.	Washed coffee prices on the international market were not favourable and impacted the revenues from washed coffee
600 Mn USD from Mineral exports	Mn USD				Progress: 290,550 Mn USD from mineral exports	10,000T of minerals exported (cassiterite, Coltan, Wolfram and others)	290,550 Mn USD generated from mineral exports from 7,799 T of export volume.	Lengthy licensing procedures for mining companies affecting their entry in operations Price volatility on the global market (Cassiterite and Wolframite; lack of value addition negatively affect prices. Going forward, need to speed up the mining company licensing.
Increased revenues from tourism and MICE	Mn USD				Up to end March 126 Mn USD and 177 MICE events organized	Rwanda tourism brand developed: 1,400,000 visitors from all segments	Up to end March 2019, revenues from tourism were estimated at 126 Mn USD. 177 MICE event organized by end March 2019.	Revenue projections were based on a longer visit of delegates/tourists in Rwanda and on an average of 300USD expense during their stay. Yet, the length of the visit is shorter and the expense is 230 USD on average. Working on more accurate projections as well as tourism products to attract more expenses and longer visits.
Accelerated industrialization for economic transformation	%	17	17.6	5.6	17 34.6	Construction of 2 advanced factory units (AFUs) for potential exporter Sector specific strategies conducted (packaging, cement, ceramics and granite) [sic] 2 MIR exhibitions organized (1 in Kigali and 1 in Eastern Province) Industrial parks developed: 100 ha BIP phase I completed at 70% 50% road construction completed for Rwamagana IP Investors/developers secured for Musanze. Huye, Bugesera and Rusizi IPs 10 garages/warehouses expropriated from Gikondo IP	1 AFU constructed and hand over for utilization by export led manufacturers in progress. TBC 4th MIR exhibition organized and held with 466 exhibitors and 51,718 visitors. MIR survey to measure the impact of MIR campaign and policy conducted. BIP development phase I was at 50% at the end of June 2019. The construction of the road for Rwamagana IP was at 20% at the end of June 2019. There was a feasibility study for District industrial parks development and management under PPP model and it was validated. 19 properties were valued and payment transactions sent to MINECOFIN for processing.	Follow up with TMEA to expedite completion of the project. TBC Due to the lack of sufficient budget for 2nd MIR exhibition in Eastern province, only 1 MIR exhibition was organized. There were delays in Indian Exim bank disbursement that led to delays in construction works at both BIP and Rwamagana IP.

Annex.2.1 Execution Performance against Domestically and Externally Financed Budget

Table.1 2018/19 Budget Execution by sub programme, recurrent and development, domestic and external

	Allocation (F)	Execution (F)	% Execution
RWANDA DEVELOPMENT BOARD (RDB)	27,842,873,005	27,359,401,107	98.3%
0701 Sustainable Agriculture Development	138,000,000	131,012,100	94.9%
0702 Export and Business development	2,558,487,760	2,531,441,821	98.9%
0703 Sustainable Tourism And Wildlife Conservation	11,681,648,650	11,581,544,818	99.1%
0704 Investment Promotion And Business Facilitation	425,590,864	362,538,006	85.2%
0705 ICT Support Service Development	7,939,006,687	7,939,006,687	100.0%
0707 Business Registration and insolvency administration	193,750,000	144,648,672	74.7%
EF01 Sector Capacity Development Support Coordination	3,797,294,336	3,749,344,584	98.7%
EF04 Employment Promotion Services	1,109,094,708	919,864,419	82.9%
RAB (Market linkage infrastructure)	6,348,713,460	480,328,520	7.6%
EF05 Farmers -Market linkages infrastructures	6,348,713,460	480,328,520	7.6%
NAEB (Export promotion)	14,483,144,908	9,392,104,357	64.8%
EF02 Traditional Export Crop Development	5,151,668,784	5,129,040,219	99.6%
EF03 Export Diversification	9,331,476,124	4,263,064,138	45.7%
MINICOM	31,980,217,823	28,709,323,606	89.8%
0101 Administrative And Support Services	1,451,087,204	1,308,019,757	90.1%
4001 Domestic Trade Promotion	152,108,467	145,403,000	95.6%
4002 External Trade Promotion	13,072,723,042	10,724,879,380	82.0%
4003 Intellectual Property Rights Promotion	12,206,269	4,942,500	40.5%
4101 Strategic industries development	603,442,135	586,105,832	97.1%
4102 Domestic industries competitiveness	407,400,587	324,512,657	79.7%
4103 Logistics and infrastructure development	13,781,276,884	13,126,226,678	95.2%
E301 SMEs competitiveness promotion	32,989,645	23,797,412	72.1%
E302 Entrepreneurship, innovation and creativity promotion	2,466,983,590	2,465,436,390	99.9%
RWANDA STANDARDS BOARD (RSB)	3,806,551,557	3,801,670,024	99.9%
0101 Administrative And Support Services	2,470,198,278	2,451,958,766	99.3%
4201 Standards Development Review And Harmonisation	8,291,000	1,600,000	19.3%
4202 Standards Research And Dissemination	15,810,912	43,956,867	278.0%
4203 Product And System Certification	425,272,246	413,553,647	97.2%
4301 Bio-Technology Testing Promotion	396,434,023	345,667,053	87.2%
4302 Chemical Testing Promotion	3,640,000	1,831,059	50.3%
4303 Materials Testing Promotion	214,841,351	257,528,296	119.9%
4401 Industrial Metrological Services Promotion	250,733,747	265,884,536	106.0%
4402 Legal Metrology Services Promotion	19,645,000	18,004,800	91.7%
4403 Chemical Metrology Services Promotion	1,685,000	1,685,000	100.0%
RWANDA COOPERATIVES AGENCY (RCA)	2,076,350,228	1,365,260,476	65.8%
0101 Administrative And Support Services	863,005,110	789,305,501	91.5%
4501 Non-Financial Cooperative Promotion And Strengthening	118,322,940	67,670,580	57.2%
4502 Financial Cooperative (Saccos) Promotion And Strengthening	914,367,148	341,249,787	37.3%
4601 Inspection And Audit	161,655,030	155,035,092	95.9%
4602 Cooperatives Accreditation	19,000,000	11,999,516	63.2%
NIRDA	2,822,839,787	2,299,583,185	81.5%
0101 Administrative And Support Services	1,450,839,786	1,032,372,532	71.2%
EN01 Knowledge Management and Dissemination	20,000,000	36,257,754	181.3%
EN02 Technology Acquisition and Transfer	619,151,828	646,198,765	104.4%
EN03 Industrial Business and Technical Advisory	38,000,000	25,000,000	65.8%
EP01 Applied Industrial Research and Development	694,848,173	559,754,134	80.6%
RWANDA INSPECTORATE AND COMPETITION AUTHORITY	300,000,000	0	0.0%
0101 Administrative And Support Services	300,000,000	0	0.0%
WORKFORCE DEVELOPMENT AUTHORITY(WDA)	17,772,795,183	13,166,164,509	74.1%
6601 Technical And Vocational Curricular Development Training	2,040,000,000	2,034,244,864	99.7%
6603 Technical And Vocational School Infrastructure Development	8,734,418,784	5,009,215,649	57.4%
6604 Integrated Technical And Vocational Facilities	352,000,000	221,500,000	62.9%
ER01 TVET STANDARDS AND ACCREDITATION	18,932,118	18,932,118	100.0%
ER02 TVET QUALITY ASSURANCE	2,178,830,735	1,679,805,888	77.1%
6601 Technical And Vocational Curricular Development Training	2,066,243,146	2,065,975,755	100.0%
6605 TVET SCHOOL INFRASTRUCTURE DEVELOPMENT	2,000,000,000	1,754,119,835	87.7%
6606 TVET CURRICULA AND INSTITUTIONAL DEVELOPMENT	294,430,000	314,430,000	106.8%
6607 TVET RESEARCH AND INNOVATION	0	0	0.0%
6608 TVET ASSESSMENT AND CERTIFICATION	87,940,400	67,940,400	77.3%
MIFOTRA (Job creation)	259,131,512	218,381,717	84.3%
A201 Employment Promotion	64,031,512	50,369,053	78.7%
A202 Labour Administration	195,100,000	168,012,664	86.1%
2700 MINICYOUTH	844,316,189	776,155,130	91.9%
9705 Youth Entrepreneurship and Employment Development	61,000,000	66,846,827	109.6%
9706 Youth Skills and Talent Development	54,000,000	74,100,000	137.2%
EA01 Youth Mobilization and Ethical Values Nurturing	399,117,863	322,354,376	80.8%
EA02 Youth Social Empowerment and Inclusiveness	330,198,326	312,853,927	94.7%
DISTRICTS	2,970,692,540	2,970,692,539	100.0%
D401 Business Support	2,252,185,187	2,252,185,186	100.0%
D402 Trade And Industry	718,507,353	718,507,353	100.0%
PSDYE Total	111,507,626,192	90,539,065,170	81.2%

Annex 2.2 Execution performance of other off-budgetary Projects externally financed"

NB. This is meant to capture execution on externally financed projects that were not on budget in the 2018/19 Finance law

MAIN AGENCY	PROJECT NAME	DONOR	FIN. TYPE	PROJECT TOTAL COST	2018/19 BUDGET	START DATE	END DATE	ACTUAL BUDGET BY END JUNE 2018	CUMULATIVE DISBURSEMENT END	ANNUAL EXECUTION RATE IN FY	CUMULATIVE PROJECT SPENDING
MINICOM GLT		WORLD BANK	LOAN	19,119,249,656	7,437,304,215	Oct-15	Oct-20	5,437,304,215	4,083,512,995	28%	21.36
MINICOM EIF TERR II		UNOPS	GRANT	2,996,619,556	578,823,168	Apr-14	Dec-18	578,823,168	272,135,823	80%	91%

AP