

## 2020/2021 Backward-Looking Joint Sector Review

### Private Sector Development & Youth Employment (PSDYE) Sector working Group



#### Sector Working Group (SWG)

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

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

#### SSWG 1, Production capability and technology

**Chair:** NIRDA

**Co-Chair:** UNIDO

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

**Chair:** RDB

**Co-Chair:** FCDO

#### SSWG 3, Youth employment

**Chair:** MIFOTRA

**Co-Chair:** German Embassy

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





## Introduction

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

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

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

Among others, Government institutions that are part of the PSDYE SWG are the Ministry of Trade and Industry (MINICOM), The Ministry of Labour (MIFOTRA), Ministry of Youth and Culture (MYCULTURE), Ministry of Gender and Family Promotion (MIGEPROF), Rwanda Development Board (RDB), National Industrial Research and Development Agency (NIRDA), Rwanda Cooperative Agency (RCA), Rwanda Standards Board (RSB) and Rwanda Inspectorate and Consumer Protection Authority (RICA). The Ministry of Finance and Economic Planning (MINECOFIN) coordinates the planning and budgeting. According to the division of labour for NST, Development Partners (DPs) belonging to this sector-working group are Germany, Netherlands, Sweden, African Development Bank, IFC, OFID, FAO, ILO, ITC, UNCDF, UNCTAD, UNDP, UNIDO, UNV and UNWOMEN. Lastly, the Private Sector Federation and its chambers notably; the Association of Manufacturers, the Chamber of Commerce and Service and the Chamber of Young Entrepreneurs.

For the year 2020-2021, the Backward-Looking Joint Sector Review (BL-JSR) report is structured as per the terms of reference issued by MINECOFIN as follows: The first section assesses progress in achieving sector objectives focusing on NST1 2020/21 targets, the second section reviews selected sector performance indicators and their corresponding policy actions including catch up plans for areas lagging behind. The third section assesses budget execution performance for the fiscal year 2020/21 while the fourth section highlights selected priority areas for the 2022/23 fiscal year that will inform the planning and budgeting process for institutions in the PSDYE sector. The fifth section looks at progress against implementation of recommendations from the last JSR meetings as implementation status of 2019/20 OAG recommendations. The sixth and last section reviews the status progress on SDGs indicators already monitored by sectors and well as progress against the implementation of the plans and strategies to monitor the additional SDG indicators.



## Section 1: Assessment of progress in achieving sector objectives focusing on 2020/21 targets

This section assesses progress in achieving sector objectives focusing on NSTI 2020/21 targets including job creation, growth of exports both in terms of percentage rate and value, the share of industry to GDP, the value of revenues from tourism, the value of revenues from MICE and mineral exports. In general, the performance of the economy in general was affected by the COVID-19 pandemic. Some sectors were more affected than others; this is the case of the tourism sector. The overall impact of COVID-19 on the economy is yet to be fully assessed since the pandemic persist and measures to cap its spread are still into force through at varied conditions.

### 1.1 Job creation

The PSDYE has set an annual target for job creation of 214,000 jobs on average. As per the LFS, over the last few years of implementing NSTI, 778,136 total cumulative jobs have been created. The total cumulative youth jobs represent 84.6% (658,630) of the total jobs created. In 2020, the total number of jobs created reached 192,171 from 223,781 in 2019. The decline is mainly attributed to the impact of Covid-19 pandemic (LFS, 2020).

Among the economic activities that contributed to the above-mentioned jobs created, construction progressed better in 2020 than in 2019, in which jobs increased from 315,022 in 2019 to 435,720 in 2020 (38% of an increase), followed by Market oriented agriculture which also increased from 1,225,151 jobs in 2019 to 1,399,907 in 2020 (14% of an increase) as well as human health and Social Workers activities that increased from 46,020 jobs in 2019 to 55,984 jobs in 2020 (22% of an increase). However, other economic sectors saw a decline in job creation due to the negative effects of pandemic which resulted into net jobs of 192,171 in 2020.

An innovative initiative such as Eco-brigade program found in the agriculture sector was not affected by covid-19 (environmental) and supported the creation of youth saving cooperatives that increased the number of jobs created to 5,923 jobs in 2020 from 3,567 in 2019 across the districts of Karongi, Ngororero, Muhanga and Gicumbi. The above success stories are attributed to a strong coordination of government pro-employment projects implemented at districts level such as promotion of entrepreneurship and business development through operationalization of ICPCs and acquiring equipment, support graduate through micro-leasing, start-up capital, and guaranteed provision of BDA support. Many initiatives also made in improving skills:

- Registered 3,177 graduates on the skills database
- 5,649 people trained in key sectors: agriculture, ICT, health, education, trade & investment, industry and infrastructure.
- The number of trainees increased by 41%
- 885 graduates placed in private companies and public institutions for professional internships
- 800 SMEs supported with bank guarantees to access finance in partnership with BDF





## 1.2 Annual Export Growth

NSTI established the target of an annual export growth of 17%.

The latest available data as of 2020 indicates that the trade sector has been highly affected by supply chain disruptions but seems to be heading on a recovery path. There has been decline in exports, disruption in travel and tourism as well as cancellation of events, which had impact on domestic and external trade. Although the total export decreased mainly due service sector which were heavily affected by the pandemic; the total exports of goods grew by 14% in 2020 as a result of robust growth in traditional exports category mainly minerals exports (gold) and re-exports representing an emerging diversification in export products. In addition to mineral exports and re-exports, there has been increase in non-traditional exports made up principally by products of the milling industry (maize and wheat flour), flowers, vegetables. However, there hasn't yet been full recovery on traditional exports (coffee and tea) and services (tourism) as COVID-19 pandemic hit global demand, weighing down commodity prices and domestic economic activities.

The policy actions implemented in the year under review for this indicator include: completion of construction of Nyamashyike Cross Border Market at 100% which is now operational at 76% while the construction progress of Bugarama CBM is at 82% against 30% target by end of June 2021. Occupancy rate for Karongi CBM is at 43.7% against 40% that was planned to be achieved at the end of June 2021.

Rusizi is at 31% against the target of 50% and Rubavu at 53.2% against the target of 80%. It is important to note that the low performance in occupancy rates resulted from the effects of covid-19 measures which restricted mass physical engagements in addition to lockdowns measures against Covid 19. 52 against 50 targeted District and Border officials (Rubavu, and Rusizi Districts) were trained on new trade arrangements recovery strategies to increase cross border trade with DRC. 200 against 300 targeted cross border traders were trained in cooperative management, regional trade and regional market requirements by end of March 2021. Also 452 participants from different Cooperatives received training in 4 modules (cooperative governance, financial management, internal control, marketing and negotiations)

KLP is now fully operational and expropriation of additional 6.5Ha of land has been for extension has been completed. The extension of premises by the investor is expected to start in the 2021/2022 fiscal year. The progress of construction of Rusizi bonded warehouse is at 50% and it is anticipated to be completed by the end of 2021/2022 fiscal year. The tendering process for an investor for Rubavu bonded warehouse is ongoing and construction is expected to kick off in the 2021/22 fiscal year.

Since the establishment of Export Growth Facility in July 2015, the Government of Rwanda has injected 4.5 billion Rfw into the fund and at the end of December 2020 the execution rate stands at 93% accessed by 76 export companies, including disbursed amount of 3.319 billion and committed/approved of 1.139 billion. Additionally, a donor driven on-lending fund has been established within BRD under the EGF. The On-lending Investment Catalyst Fund – provides



commercial banks and lending institutions with low-cost finance (8%) to on-lend to SMEs at a discounted rate of around 12%. Funding to date has come from the German Development Bank (KfW).

So far 5 financial institutions (I&M Bank, BPR/Atlas Mara, Bank of Kigali, Equity Bank and CogeBanque) are part of the on-lending model and are now offering EGF under investment Catalyst, with interest rates capped at 12%. On KfW fund, BRD approved 7.375 billion to 5 commercial banks of which 7.636 Billion Frw for 20 SMEs. In addition to that, in October 2020 KfW has also approved and disbursed 5 million euro as COVID 19- funds to be lent to SMEs to revive their businesses through the investment Catalyst Fund. BRD has already committed this full amount to the commercial banks and SMEs are now applying to access this Covid -19 fund.

The revenue and value of coffee for FY 2020/2021 reached USD 61.5 million from exported quantity of 16,880.9 MT compared to the set fiscal year targets in NST1 of USD 78 million and volumes of 27,000 MT. Tea quantities exported were 34,394.2 MT that generated USD 90 million against NST1 targets of 37,566 MT and USD 130 million respectively. Whereas, Horticulture targets were USD 39.2 million, of which USD 28.7 million were realized while pyrethrum reached USD 5.69 million against the targeted of USD 6.1million. The export volumes can be attributed to a number of activities but not limited to supporting farmers with mineral fertilizers and pesticides, market penetration, increase in demand of flowers, rise in average price on local and international markets for some commodities among others. The general performance was attributed to global Covid-19 pandemic measures put in place by different countries which affected logistics, demand, and price of commodities.

In terms of trading online, 3 new companies are currently in onboarding process to join alibaba's Tmall Global platform. 2 companies onboard negotiating to join Tmall global (Kivu Noir, Question coffee, Coffee business Company).

### 1.3 Industry as share of GDP

The share of industry to GDP was 19% in 2020 against NST1 target of the actual value of 19% in the Calendar year 2021 quarter 2 ( NISR 2021). Under this indicator, Bugesera phase 1 of 100 ha are fully expropriated; currently servicing basic infrastructures (electricity, water and Sewage system) which stands at 74% , also the development of Rwamagana IP with 50ha fully expropriated, currently servicing basic infrastructures (access road). 94% Murram roads construction was completed

NIRDA Laboratory was upgraded and equipped, Laboratory renovation phase two was completed and molecular laboratory equipment supplied. More so, the Laboratory operationalization is ongoing and NIRDA trained 2 Micro enterprises, 26 Medium enterprises and 12 small enterprises to comply with the quality management related certification.

Under open calls, the Poultry, Piggery, animal feeds value chains technology audits were conducted and disseminated whereby 248 applications were received. The project selection committee approved 46 industries of which 40 industries applied for technical business management coaching and technology support. In addition, the second selection phase, 28 companies were picked and supported with technology advisory services till end of October 2021.



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

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

Rwanda's tourism sector faced a very challenging year as global tourism and travel fell sharply in the wake of the COVID-19 pandemic. In Rwanda, tourism revenues declined significantly from USD 498 million in 2019 to USD 121 million in 2020 (RDB Annual report, 2020) mainly due to sharp decline in 2020 visits for conferences due to COVID-19.

Despite the decline in the tourism sector revenues, a number of policy actions were implemented. These include; 3105 tourism entities inspected against the target of 400 as result of preparations CHOGM which was later postponed due to covid-19 pandemic. 2511 professionals have been trained in collaboration with GIZ. 108 tourism entities were licensed. There has been training on EAC Criteria (procedures and process) for owners/managers. RDB is revising the tourism law and expected to be finalized and submitted to the Law Reform Commission by September 2021.

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

The revenue from MICE tourism declined to USD8.2 million in 2020 against USD 106 million targeted under NST1 in 2020/21. This decrease was due to COVID-19 restrictions that affected many conferences and events planned for the year 2020/2021. Most of policy actions implemented in this fiscal year were proactively targeting attraction of special events and conferences and participation in trade fairs such IBTM Barcelona, IMEX America, meetings Africa, IMEX Frankfurt, ACE of MICE -Turkey, meetings show London.

RDB in collaboration with Johannesburg chamber of commerce conducted an international virtual roadshow on March 24th, 2021 with TradeMalta. Rwanda remained among the second top MICE destination for MICE tourism in Africa. Businesses converted into confirmed events through GoR subvention of key international conferences (Subvention). However, visits for conferences and revenues generated from it sharply declined in 2020 due to COVID-19.

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

The Value of mineral exports revenues realised was USD 671 Million in 2020-2021 against USD 800 million. This can be distributed under cassiterite USD 47.9million Coltan USD 37.3 million, wolfram USD23.1million Gold USD 566.1 million, other minerals USD 2.5 million, there is continued support of mining operators to diversify focusing on gold, gemstones, lithium, beryl and rare earth elements (REEs) and to facilitate mineral value addition operations and support them to obtain raw materials. In 2020/21, mining companies have been facilitated to diversify their operations focusing on gold,

lithium, gemstones while 2 companies have been licensed in gemstones exploration, 6 Companies with gemstones mining licenses. Importation of minerals as raw materials have been facilitated and advocacy was successfully done with RRA on VAT exemption. Mining companies and 1 quarrying company have been license





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

This section presents the status progress of PSDYE sector indicators as of 2020/2021. These include the FDI as share of GDP, manufacturing share of total exports, services as share of total exports, private investment as share of GDP.

### 2.1 FDI as share of GDP

The targeted share of FDI to GDP in the year 2020 was 4.7% from the 4.5% of the year 2019, while the actual performance reached 3.6% in the year 2020. (FPC 2020)

The findings of the Foreign Private Capital (FPC) Census 2020 which report on the performance of the year 2019 show that in 2019, the total FDI inflows in Rwanda declined by 7.3 percent to \$ 353.8 Million from \$ 381.9 Million registered in 2018. The decline in FDI was mainly driven by a decline in equity capital inflows that outweighed increase in retained earnings and borrowings from affiliated investor inflows.

New equity capital recorded in 2019 stood at \$ 45.6 Million, lower than 137.3 Million in 2018. The retained earnings rose by 49.7 percent to \$ 141.8 Million from \$ 94.7 Million registered in 2018, while the borrowings from affiliated investors increased by 11.1 percent, standing at \$ 166.5 Million from \$ 149.9 Million recorded in 2018.

The FDI stock remain concentrated in the ICT sector with a lion's share of 29.5 percent, followed by the financial sector (21.3 percent) and the manufacturing sector (12.2 percent).

### 2.2 Manufacturing share of total export

**The target of Manufacturing share of total export was targeted at 6% 2020/2021 in the PSDYE strategy the actual value is 7.9% in 2020. The success is attributed to the Economic Recovery Strategies.**

As per of the economic recovery strategies, 31 investment projects have been approved under the Manufacture and build to recover program and are expected to generate a total investment and jobs worth USD 736.7 million and 7,161 respectively. To increase awareness of the private sector on the program; there has been MBRP media campaigns through Rwanda recovery website and adverts on TV and radio media adverts. The campaigns continue on social media via Rwanda Recovery social media handles on Twitter & LinkedIn, upload of FAQs on website, MBRP adverts in both Kinyarwanda and English pages, and MBRP success stories to the site.

### 2.3 Services share of the total export

**The services share of the total export targeted at 49% (PSDYE 2020/2021) while the actual share is 26% in fiscal year 2020/2021 (NISR 2020/2021) this delay of meeting the target is the consequences of the COVID-19.** The overall service sector dropped by 4% Although it is expected that the situation will improve in 2021/2022 going forward; Hotel and restaurants were the most affected dropping by 40% followed by Education which dropped by 38% and Transport activities that dropped by 24%.

Furthermore, in 2020, Wholesale and retail trade dropped by 3%, Construction activities also dropped by 6% following a high growth of 33% recorded in 2019. However, Information and communication sector grew by 29% while Health sector grew by 19% due to among others, efforts taken in containing the Covid-19 pandemic<sup>1</sup>. Rwanda's tourism sector faced a very challenging year as global tourism and travel fell sharply in the wake of the COVID-19 pandemic. In Rwanda, tourism revenues declined significantly from USD 498 million in 2019 to USD 121 million in 2020 (RDB Annual report, 2020) mainly due to sharp decline in 2020 visits for conferences due to COVID-19.

## 2.4 Private Investment as share of GDP

The Private Investment as share of GDP was targeted at 16.8 in FY 2020/2021 while the actual share is 12.6% in 2020.

The 2020 RDB annual report indicates that USD1.3 billion value of investment were registered, 3 main roadshows events were organized virtually targeting Lagos market, 3,692 site visits for aftercare service and emerging issues troubleshoot which resulted into 164 issues identified and 142 resolved equivalent to 85% of investments operationalized.

In the efforts to facilitate increase in private investment, RDB conducted two domestic roadshows in Huye and Rusizi, and a session with Collective Investment Schemes in Kigali. During the roadshows, investment opportunities in different sectors were showcased as well as services provided at RDB. The business community was encouraged to invest in the country's priority sectors Investment Promotion Activities Carried out in 2020.

## Section 3: Budget execution performance for 2020/21

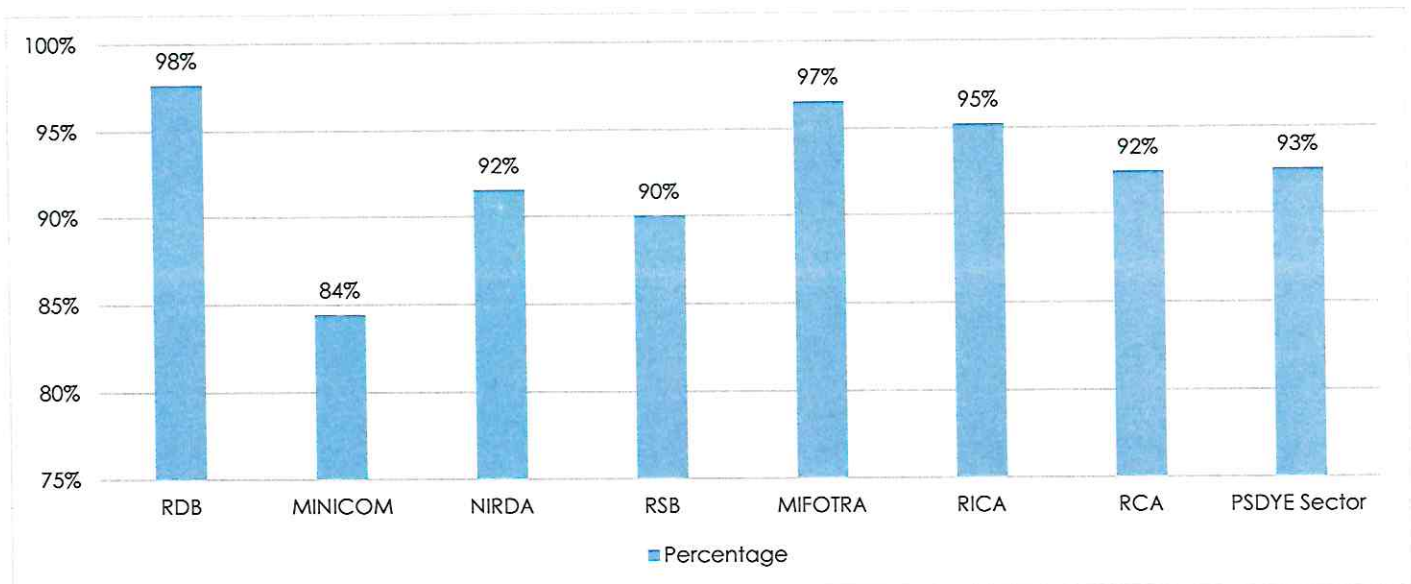
The overall budget execution rate for the entire sector budget was estimated at 93% - Annex 1. The total budget allocated to PSDYE sector after budget revision was 79.4 billion Frw across 7 public institutions. The budget was allocated to 19 programs and 38 subprograms. The table below shows the budget allocated to PSYE stakeholder institutions and their budget execution performance. For detailed budget performance by subprogram, an annex has been attached to this report for reference

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<sup>1</sup> MINECOFIN Macro Department, 2021







Source of data: MINECOFIN, National Budget 2020-2021

MINICOM's execution rate was the lowest across the sector with 84% mainly due to funds secured under the meat value chain project of which disbursement was done almost at the end of 2020/2021 (June).

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

The section below sets out the sector's priorities for the fiscal year 2022/2023. These are informed by key strategies namely the NST1; Vision 2050; the sector strategic plan (SSP), namely the Private Sector Development and Youth Employment Strategy (PSDYE); the Made in Rwanda Policy; the Rwanda Entrepreneurship Development Policy; National Strategy for AfCFTA; the National Skills Development and Employment Promotion Strategy (NSDEPS) and National Employment Policy and the Domestic Market Recapturing Strategy (DMRS) among others. The 2022/2023 priorities are linked to NST1 and PSDYE2. The interventions that will be 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

The PSDYE sector has selected five key priority areas to inform planning and budgeting process in the fiscal year 2022/2023 as follows:

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

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

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

#### **5.1.1 Avail updated information on the PSDYE Sector to all members of the Sector Working Group:**

The PSDYE Secretariat is working with all PSDYE member institutions to regularly share sector updates through the PSDYE mailing group. The Secretariat will keep updating the mailing list to ensure that all members have direct access to the PSDYE information platform.

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

**5.1.3. To establish incentives for new to create more jobs in the rural areas and across country.** The 2020 LFS report indicates that the labour force participation rate by area of residence is 67% and 53.5% respectively in rural and urban areas. The 2020 employment to population ratio is 44.0% in rural area and 54.9% in urban area. This may be attributed to the diversity of job opportunities in urban areas as compared to rural areas, whereby the number of employment opportunities is limited and most people are involved in subsistence agriculture.

MINICOM is implementing an industrial park development program that looks at establishing industrial zones in secondaries cities that will serve as economic poles and pull factors that will generate jobs for rural population. As of 2020, 9 out of 10 locations earmarked for industrial parks are



located in districts outside Kigali. These include, Rwamagana, Rusizi, Huye, Musanze, Muhanga, Bugesera, Rubavu, and Nyagatare and Nyabihu.

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

An assessment of the status on the implementation of previous audit recommendations revealed that **12%** of audit recommendations were fully implemented, **27%** were partially implemented and **61%** were not implemented.

1	Total number of findings raised in the OAG previous report for the period ended June 2020	26
2	Number of recommendations that have been fully implemented as at time of current audit	3
3	Number of recommendations that have been partially implemented as at time of current audit	7
4	Number of recommendations not implemented as at time of current audit	16
	Percentage of previous recommendations fully implemented [no.2/no.1] *100	12%
	Percentage of previous recommendations partially implemented [no.3/no.1] *100	27%
	Percentage of previous recommendations not implemented [no.4/no.1] *100	61%

The 2019-2020 Auditor General's Report and recommendations were made available in the last 4 months since May 2021, hence the low level of fully implemented of recommendations. It is believed that the level of implementation will increase overtime as the Ministry establishes clear implementation plan for the of 2019-2020 queries. Strategies are being put in place by relevant authorities to ensure that implementation progress reaches 100% as expected.

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

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

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

As introduced by the terms of reference for the preparation of the Backward-Looking Joint Sector Review of the FY 2020-2021, SDG indicators are monitored at the sector level. SDG indicators have been developed and the progress of implementation captured. Among them we have indicators of monitoring employment, tourism and manufacturing. As of 2020-2021, all of these indicators have been updated with the most recent data available – for reference, see annexes 3.2

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

SDG indicators were also identified and strategies to monitor them formulated – See Annex 7. In terms of progress of implementation of these strategies, institutions members of PSDYE SWG have contacted various stakeholders relevant to each SDG indicator for consultation. Regular efforts to institutionalise computation methodology are ongoing and an updated status is provided in the next section of this report.



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

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

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

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

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

Currently data are collected on only 5 big wild animals in Akagera National Parks, namely: Elephants (120), Lions (40), Buffalos (4,000), Rhinoceros (27), and Leopards (100). For this category the reported proportion of poached or illicitly trafficked is 0%, (GPS Tracking devices help in their monitoring) their total counts is 4,287. Also, Gorillas are monitored and approximately 604 as of 2021. Their poaching or illicit trafficking is 0%. For the full coverage, RDB is retrieving available data from National Parks and Police to have a database on this indicator going forward. Further consultations/discussions between RISA, RDB, NISR, MINICOM and MINECOFIN will be conducted.

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

Consultations with NISR will be conducted to see if Labour Force Survey (LFS) can include questions related to the recruitment cost borne by migrant workers in order to rely on existing programmes carried out on regular basis. Currently LFS is conducted on quarterly basis and the rounds for 2021 have already started, so consultations will be done in these 6 months from July to December 2021 in order to include questions for recruitment cost borne in LFS rounds of 2022. It seems impossible to include those questions in LFS, a separate study for migrant workers could be initiated through administrative data from Occupational Demand List (ODL) implementers.

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

The level of national compliance of labour rights is measured through inspections conducted by labour inspectors across the country. The freedom of association is ensured through a number of trade unions and workers representatives elected in different institutions. Collective bargaining is encouraged in private institutions to ensure the protection of labour rights. The dis-aggregation of migrant workers in the level of national compliance of labour rights will be considered in FY 2021/2022.



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

CO2 emission per unit of value added monitored by NIRDA under the Cleaner Production and Climate Innovation Centre (CPCIC). Under this project 46 Local expert was trained, 115 industries were trained, and public institutions receive also training, these help to reduce the CO2 emission of 30,202.6 ton per year during the period of 2010-2019.

## Section 7. Lessons learnt, success factors and challenges in implementation

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

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

### 7.2 Success factors in achieving planned targets

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

- Coordinated institutional planning focusing on addressing national priorities and vision
- Focused and visionary leadership to drive economic development
- Available guiding documents for easy planning and targeting in creating performance results at institutional level.
- Efficient use of coordination channels put in place that include the following:
  - Joint Sector Reviews, Sector coordination activities and collaboration through the chairs and co-chairs of the subsector working groups
  - Made in Rwanda Policy implementation
  - Inter-institutional monitoring and management of the manufacturing sector
- Coordination and strategic management of imihigo both individual and joint by the management of the sector as well as that of member institutions.

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

The implementation of planned policy actions has for the most part been successful, except where issues related to insufficiency of the budget has caused delays. This is the case of industrial parks, EGF, NEP interventions, Rwanda Innovation Fund and Kigali Innovation City just to name a few. In the case of insufficient budget, the planned targets have been revised according to the available funding, which resulted into delays to meet the intended objectives in the timeframe planned. This issue has also indicated that proper prioritization will, in most cases, enable the sector to avoid accumulation of unfinished interventions, as only those that are adequately funded are implemented.

### Closing note

This Backward-Looking Joint Sector Review Report for the Private Sector Development and Youth Employment (PSDYE) Sector Working Group (SWG) will be presented to the members of the sector working group and subsector working groups for discussion and validation to increase ownership of the sector activities and plans. The discussions and resolutions from both the subsector working group meetings and the Joint Sector Review meeting are reported in the meeting reports for detailed reference

Signed by:

Chair of the PSDY SWG

**Yves Bernard NINGABIRE**  
Permanent Secretary  
Ministry of Trade and Industry



Co-chair of the PSDY SWG

**Lluís NAVARRO**  
First Chancellor of the EU delegation to Rwanda