



Kigali,/07/2022

No: 1880/15.02/PLAN/2022

Hon. Minister of State in Charge of Economic Planning
Ministry of Finance and Economic Planning
KIGALI

Hon. Minister of State,

RE: Submission of the 2022-2023 Forward-Looking Joint Sector Review report of the Private Sector Development and Youth Employment Sector Working Group.

Under the framework of the Private Sector Development and Youth Employment (PSDYE) sector Working Group (SWG), the Ministry of Trade and Industry (MINICOM) is pleased to submit the 2022/2023 Forward Looking Joint Sector Review (JSR) report of the meeting that held Virtually on **Thursday, 2nd June 2022 from 9:00AM to 12:00 PM**

The 2022-2023 FL -JSR report was guided by the terms of reference shared by the Ministry of Finance and Economic Planning office.

We are also pleased to inform you that the mentioned report went through a series of validation by the Senior Technical working group team who feed this report with accurate data and the Joint Sector review meeting where the report was presented and validated by relevant stakeholders from the Private Sector representatives, Public Institutions and Development Partners with the additional inputs and quality assurance by the focal point of the Ministry of Finance and Economic Planning.

Sincerely,



Claire MUKESHIMANA
Acting Chief Budget Manager

Cc:

- Hon. Minister of Finance and Economic Planning
- Hon. Minister of Trade and Industry, MINICOM

KIGALI

2022/2023 Forward-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

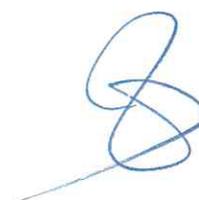
Chair: MIFOTRA

Co-Chair: German Embassy

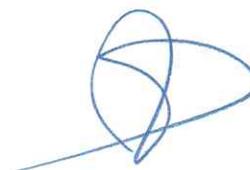
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Table of Contents

1	Introduction.....	5
2	Section 1: Areas prioritized during the planning and budgeting process for the fiscal year 2022-2023	6
3	Section 2: 2022/23 sector targets and related policy actions.....	7
4	Section: Selected policy related studies to be conducted in 2022/23 fiscal year	9
	Table: 1 policy related studies to be conducted in 2022/23 fiscal year.....	10
	Table: 2 Progress status of policy related studies conducted in 2021/22 fiscal year	10
5	Section 4: Progress towards implementation of the 2021/2022 policy actions	11
5.1	Annual export growth at 17% p.a was target and reach only 9.4% in 2021 (calendar year BNR report)	11
5.1	Value of tourism revenues	13
5.2	Value of MICE (Meetings, incentives, conferences, and exhibitions) revenues	13
5.3	Industry as share of GDP	13
5.4	Serviced Industrial Parks & SEZs (Construction of basic infrastructure)	13
5.5	Number of new decent and productive jobs created (NST1)	14
6	Section 5: SDGs monitoring and reporting in sector working group and the Latest Progress of SDGs Indicators.....	14
6.1	SDGs monitored by PSDYE SWG	15
6.1.1	Proportion of jobs in sustainable tourism industries out of total jobs monitored by RDB.....	15
6.1.2	Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools monitored by RDB.....	15
6.1.3	Proportion of traded wildlife that was poached or illicitly trafficked monitored by RDB.....	15
6.1.4	CO2 emission per unit of value added monitored by NIRDA under the project of Cleaner Production and Climate Innovation Center/CPCIC	15
6.2	The Latest Progress of SDGs Indicator	15
6.2.1	The Average hourly earnings of female and male employees, by occupation, age and persons with disabilities, in Rwandan Francs- 15	
6.2.2	Average monthly earnings from employment (Proxy)	16

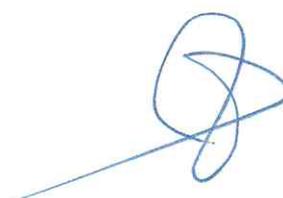


6.2.3	Unemployment rate, by sex, age and persons with disabilities	16
6.2.4	Tourism direct GDP as a proportion of total GDP and in growth rate	16
7	Section 6: Updates in the PSDYE sector	16
7.1	Economic Recovery Fund (ERF).....	16
7.2	Manufacture and Build to Recover Program (MBRP)	17
7.3	Success story with the Eco-Brigade Program.....	17
7.4	E-commerce in Rwanda.	18
8	Conclusion	19



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
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
VNR	Voluntary National Report



1 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 (NST1), hence, the PSDYE Sector Working Group provides a forum for strategic engagement, planning, and review of the growth in the private sector as well as its partnerships with the government for economic development.

Among others, Government institutions that are part of the PSDYE SWG are the Ministry of Trade and Industry (MINICOM), The Ministry of Public Service and Labor (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 Mining Board (RMB), 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 NST1, Development Partners (DPs) belonging to this sector-working group are Germany, Netherland, Sweden, African Development Bank, IFC, OFID, FAO, ILO, ITC, UNCDF, UNCTAD, UNDP, UNIDO, UNV and UNWOMEN. Lastly, the Private Sector Federation and its chambers notably; the Association of Manufacturers, the Chamber of Commerce and Service, the Chamber of Young Entrepreneurs and chamber of Women.

For the year 2022-2023, the Forward-Looking Joint Sector Review (FL-JSR) report is structured as per the terms of reference issues by MINECOFIN as follows: The first section presents and discusses areas prioritized during the planning and budgeting process. The second section discusses and validates the 2022/23 sector targets and related policy actions while the third section selects policy related studies to be conducted in 2022/23 fiscal year. The fourth section assesses progress towards implementation of the fiscal year 2021/22 policy actions. The fifth section provides the latest status on SDGs indicators already monitored by sectors and review the progress against the implementation of the plans and strategies to monitor the additional SDG indicators currently having clear computation methodologies. The sixth section presents new developments in the PSDYE sector as shared during the senior Technical Working Group Workshop.



2 Section 1: Areas prioritized during the planning and budgeting process for the fiscal year 2022-2023

PSDYE sector working group selected 5 priorities for planning and budgeting the fiscal year 2022-2023; these priorities were discussed and adopted by the PSDYE Backward-Looking Joint Sector Review meeting. The selected priorities were grouped around NST1 and PSDYE indicators¹.

The planning and budgeting of the fiscal year 2022-23 was based on the above presented priorities through the development of institutional strategic issues papers and actions plans. The strategic issues papers propounded on the specific issues and needs in the sector that needed policy intervention. All policy actions were planned and budgeted for at the exception of those that were temporarily put on hold pending the finalization of policy/strategy documents elaboration. Nevertheless, some activities were budgeted for but not funded while others were partially funded due to limited resources resulted from covid-19 impact on Rwanda's economy.

Policy actions that have been funded and included in action plans of respective PSDYE member institutions have all been aligned to NST1 targets and M&E framework as well as to PSDYE strategy, where applicable. A list of these policy actions has been annexed to this report for reference². Budgeting for planned policy actions was mainly guided by the strategic importance of the priority with regard to NST1 and PSDYE Strategy as well as the unmet targets of the previous fiscal year. In this perspective, for priority 1 which is trade and export development, budget allocation focused on the strategic importance of the export promotion which includes completion of construction of cross border markets in Bugarama and operationalisation of Nyamashyike, Rusomo, as well as increasing occupancy rates in the existing ones (Rubavu, Rusizi, Rusomo, Burera and Karongi) which were affected by covid-19 pandemic. The same priority area provides for support to exporting firms, both new and existing ones. It also prioritized support to firms for certification and quality standards adoption and the promotion of tourism and MICE.

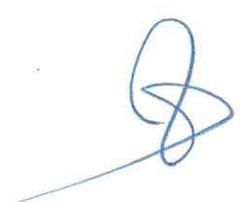
For priority number 2, development of infrastructure for growth, budget allocation focused on completing the ongoing large infrastructure development but also on the prioritization of joint investment by the public and private sectors in the development of industrial parks and special economic zones. Although policy actions under this priority had been internally allocated funding for their implementation, the available resources were not enough to cover this policy action.

Under priority number 3, industrial development and promotion of Made in Rwanda, budget allocation prioritized mainly support to made in Rwanda promotion and development, support to the made in Rwanda construction materials namely clay, stone, bamboo, wood and agri-by products as well as agriculture value chains focusing on poultry, piggery and animal feeds. Should we add Cow in the Car too?

Priority number 4, entrepreneurship and business development for job creation, budget allocation focused on access to finance for MSMEs and job creation for the promotion of entrepreneurship in support of NEP program. The impact of covid-19 to MSMEs has been high and many of the recipients of NEP interventions are struggling to resume their businesses. In the 2022/2023 budgeting process, the focus was on efforts to promote the recovery of NEP beneficiaries which will have positive impact on BDF products supported through MINICOM namely equipment leasing, micro-lease, BDF guarantee for SMEs to access finance.

¹ See annex in word document for detailed analysis

² List of policy actions prioritized for 2022/2023



Priority 5, foster employment and decent Jobs, budget allocation focused on employability skills development and mainstreaming and coordination of employment opportunity development.

3 Section 2: 2022/23 sector targets and related policy actions

The PSDYE SWG selected 3 sector targets and 22 policy actions for 11 indicators. These sector indicators include; indicators, targets and policy actions drawn from the NSTI Indicator at National level relating to the PSDYE sector and in reference to Sector Strategic Plans namely the Private Sector and Youth Employment Strategy as well as other policies, strategies and programs under implementation taking into consideration available resources from funded interventions after budget consultations at MINECOFIN and budget hearings at the parliament for PSDYE member institutions.

Target 1: Promote Industrialization and attain a Structural shift in the Export base to high value of Goods and Services with the aim of growing export by 17% annual

- .1 Value of mineral exports per annum from \$800 Million in 2020-2021 to \$825 Million (RMB) in 2022/2023

Related policy actions:

- .1..1 Continued professionalization of ASM through enforcement of 100% of productive mines and 53% of industrial quarries complying with professional staffing;
- .1..2
- .1..3 Facilitate mineral value addition operations and support them to obtain raw materials

- .2 Manufacturing share of Total Export From 5.5% in 2020/2021 to 7.0 in 2022/2023

Related Policy action

- .2..1 Implementation of the Manufacture and Build to Recover Program.
- .2..2 establish and expand industries working with the private sector to promote locally produced materials and "Made in Rwanda" including: a pharmaceutical plant, a mosquito nets manufacturing plant, a chemical fertilizer plant and Industries for the production of construction materials.

- .3 Industry as share of GDP from 19% in 2020 to 21% in 2022/2023

Related Policy actions:

- .3..1 Support selected industries from cow in the car to acquire modern technologies.
- .3..2 Put in place basic infrastructure in selected industrial parks (Bugesera and Rwamagana)

- .4 Growth of Export (Goods and Services)

Annual Export Growth from 17% (2020/2021) to the targeted 17% to 2022/2023, Value of Export from \$ 3,205.6 Million 2020/2021 to the target of 5,304.6 in 2022/2023



Related Policy actions:

- .4..1 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
- .4..2 Increased Market Access for Export Growth through trade logistics development
- .5 Services share of the total export from 49% (2020/2021) to 51% (2022/2023)

Related Policy Actions:

- .5..1 Develop the hospitality industry and build the capacity of the private sectors to provide high level of services delivery.
- .5..2 Facilitate Business Process Outsourcing (BPO) companies to access finances especially in the field of accounting, legal and security services.

Target 2. Increase Domestic Savings and Position Rwanda as a hub for financial Services to promote Investment.

- .6 FDI as Share of GDP from 4.7 % (2020) to 4.9% 2022/2023

Policy Action related:

- .6..1 To develop specialized skills and establish incentive mechanisms to attract investors in the financial sector
- .6..2 To leverage on the new investment code to attract new investment (Made in Rwanda)

- .7 Private Investment as share of GDP from 16.8% (2020) to 18.6% 2022/2023

Policy Action related:

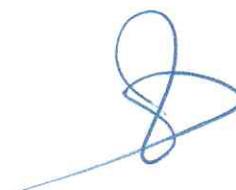
- .7..1 To organize domestic and international investment roadshows to showcase investment opportunities in Rwanda and to bring development partners to be involved in the priority areas.
- .7..2 To leverage on the new investment code to attract new investment (Made in Rwanda)

Target 3: Create 1.5 million over 214,300 (NST1) Annually Productive Jobs for Economic Development

- .8 223,500 new jobs will be created in 2022/2023 as per annum this was targeted high compared to the NST1 target of 214,300 jobs in 2020/2021 because the restriction of covid-19 has been removed and for now many sectors which was creating jobs are largely open.

Policy Action Related:

- .8..1 Support private sector trainings in selected priority sectors (manufacturing, infrastructure, ICT, Tourism, mining, financial...) through RDB-PSF financing agreement phase II
- .8..2 New and existing MSMEs supported to access finance and technology to grow



- .9 The value of investments target from USD 1.3 billion in 2020 to USD 1.5 Billion for the FY 2022/2023.

Related policy actions: There are two major policy Actions to contribute to the realization of this target.

- .9..1 To attract and facilitate investment in priority sectors– Manufacturing, **Agro-processing, Construction and Real Estate development** by giving specific incentives ((VAT exemption on imported construction materials N/A in EAC, VAT exemptions for machines & raw materials sourced domestically, VAT exemptions for construction materials N/A in EAC -greenfield)
- .9..2 To leverage on the new investment code to attract new investment in high value sectors in line with the Government priorities (Made in Rwanda, proof of concept, financial services hub, innovations, manufacturing exports among others)
- .10 Value of tourism revenues from \$600 million in 2020/2021 to target \$733 million in 2022/2023 This target is high compare to the last year because of the covid-19 restrictions was removed, many sectors in tourism will resume.

Related Policy actions:

- .10..1 Implement the tourism recovery strategy through special Organization of trade events and identify speaking opportunities for leadership
- .10..2 operationalize market representation in target regions (US, UK, Israel, Netherland and German).
- .11 Value of MICE revenue from \$106 million targeted in 2020/2021 to \$149 Million targeted 2022/2023 the sector expects to increase the revenue from MICE as many conferences and events planned this year will take place.

Related Policy Actions:

- .11..1 Proactive targeting and attraction of special events and conferences
- .11..2 Participation in trade fairs

4 Section: Selected policy related studies to be conducted in 2022/23 fiscal year

This section presents selected policy related studies identified in PSDYE member institutions annual work plans. These analytical studies are expected to support effective delivery of sector priorities. Policy related analytical work comprise of policy research, evaluations and studies.

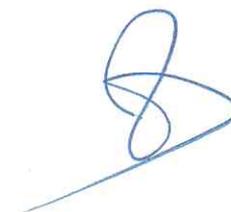


Table: 1 policy related studies to be conducted in 2022/23 fiscal year

Sector outcome	Planned Analytical Work & Duration	2022/23 Budget (FRW)	Funding Source
Improved coordination mechanism of employment promotion and labour market interventions towards evidence based active labour market information system	Labour Force Survey 2022	463,976,080	NISR
Promote fair competition and Consumer rights.	Analytical work on Buyer's power, affordability and substitutability of products. This study will help to point out the level of power of a consumer to influence price quality and quantities of commodities or service at the Market	20,000,000	RICA
Promote fair competition and Consumer rights	Analytical work on Price of volatility in Agricultural commodities. The main Objective of this analytical work is to assess with trends the factors leading to price of volatility and possible solutions	26,000,000	RICA

These studies are planned under their respective institutions and will be monitored in collaboration with the PSDYE secretariat in order to inform future priority interventions to support the private sector and post covid-19 growth. There will specific sessions to discuss findings with all relevant stakeholders to validate study reports that will inform further policy making process and implementation.

For the year 2021/2022, a number of analytical studies were conducted, and a brief progress status is provided as follows:

Table: 2 Progress status of policy related studies conducted in 2021/22 fiscal year

NST 1 sector outcome	2021/22 Planned Analytical Works	Brief progress
Promote fair competition and Consumer rights	Conduct a study on multi-level marketing and pyramid scheme	Completed available at RICA
Promote Industrial Research and Development	to conduct applied research and development of bioethanol production from sugar cane molasses and other vegetable by-products for a standardized hand sanitizers production.	The research was conducted and completed. The report is available at NIRDA
improved coordination mechanism of employment promotion and labour market interventions towards evidence based active	Labour force survey 2021	Completed by NISR

labour market information system		
Accelerated industrialization for economic transformation.	Mid-Term Review of the Made in Rwanda Policy (MIR) 2021/2022	Completed- Available at MINICOM

These studies have supported the coordination of related sector and NSTI outcomes by providing accurate and timely information needed for policy decisions and actions. For the three studies which status indicates that they have been completed and released for public use.

5 Section 4: Progress towards implementation of the 2021/2022 policy actions

This section provides a brief description of the progress against 2021/22 policy actions and explains the implementation challenges where existent as well as appropriate remedial measures taken or to be taken.

The NSTI Sector outcomes considered in this report are: Accelerated growth of exports: Value of exports of goods and services increased by 17%. Increased industrial production to reduce imports by US\$ 57 million per annum (Accelerated industrialization for economic transformation in NSTI) and Increase entrepreneurship and business development to achieve 214 ,300 jobs creation per annum (Increased decent and productive jobs).

The Sector outcome indicators that were considered are: Annual export growth at 17% p.a, Exports of goods and Services as a percentage of GDP, Industry as share of GDP, Value of MICE revenues, Serviced Industrial Parks & SEZs (Construction of basic infrastructure) and Number of new decent and productive jobs created (NSTI)

5.1 Annual export growth at 17% p.a was target and reach only 9.4% in 2021 (calendar year BNR report)

Under this indicator the achievements were as follows: Nyamasheke Cross Border Market (CBM) the construction is completed at 100%. And operationalize at 78% The construction of Bugarama CBM is at 100% and it operationalize 97% against 30% target by end of June 2021. Karongi CBM occupancy rate is at 39% against 40% that was planned to be achieved at the end of June 2021. Rusizi is at 28% against 50% Planned and Rubavu at 45.2% against 80% planned, note that these occupancy rates are still low due some business not yet recover from covid -19 consequences.

Rusizi 2% Low occupancy was due to Covid outbreak which caused the district to host cross border trader including truck drivers victims in the CBM up to end January 2022

Burera CBM 18% was due to the Closure of the border.

Activities of rehabilitating Kamembe airport are ongoing:

- ✓ Supply, installation, testing and commissioning of Aeronautical ground lighting, fence lighting, power upgrade and civil works (TP1) are at 99%
- ✓ Supply, installation, testing and commissioning of AWOS & ATIS systems (TP3) at 100%
- ✓ Supply, installation, testing and commissioning of AWOS & ATIS systems (TP4) at 100%
- ✓ Supply and installation, Testing and Commissioning of Airport Communication systems (AMHS & D-AIM Systems) (TP4) at 100%. The progress of rehabilitation of Kamembe airport is at 80% as projected to be at 80% at the end of the next fiscal year 2021-2022.

Kigali Logistics Platform (KPL) is fully operational and the expropriation of the 6.5ha has been completed and the facilities to be used have been launched and inaugurated in march 2022, some of the services of the extension includes; a commodity processing center, a manufacturing processing and a storage facility;

- Rusizi bonded warehouse is at 90% compared to the 50% from last year 2021 and is expected to be completed by December 2022;
- Rubavu Bonded warehouse is still under procurement process and is expected to be completed by end of next fiscal year.

Since the establishment of Export Growth Facility (EGF) in July 2015, the Government of Rwanda has injected 6.462 billion Frw into the fund and at the end of March 2022 the execution rate stands at 76% accessed in 2022 by 137 export companies, from 76 Export Compagnies assessed in 2020 including disbursed amount of 4.668 billion in 2022 compare to 3.319 Billion in 2020 and committed but disbursed of 236 billion at the end of March 2022, projects that were under analysis had a total amount equal to 1.281 billion Frw.

Additionally, a donor driven on-lending fund has been established within BRD under the EGF. The On-lending Investment Catalyst Fund – provides commercial banks and lending institutions with low-cost finance (8%) to on-lend to SMEs at a discounted rate of around 12%. Funding to date has come from the German Development Bank (KFW).

So far 7 financial institutions (I&M Bank, BPR/Atlas Mara, Bank of Kigali, Equity Bank, Cogebank, Bank of Africa and NCBA Bank of Rwanda Ltd) are part of the on-lending model and are now offering EGF under investment Catalyst, with interest rates capped at 12%. On this window, BRD approved 24.3 billion to 7 commercial banks of which 18.5 billion were approved to be disbursed to 43 SMEs. However, out of 7 commercial banks, the two new banks on board (Bank of Africa and NCBA Bank Rwanda Ltd), are yet to start disbursement to SMEs.

13 exporters accessed EGF (11 projects under Investment Catalyst Fund amounting to 205,385,419 Frw and 2 projects under Matching Grant amounting to 53,361,820. The total amount approved to 12 projects 258,747,239 Frw

The revenue and value of coffee by end of March 2022 reached USD 68.18 M from the quantity of 13,832 MT compared to the target that was set of USD 78 million and volumes of 27,000 MT. Rwanda exported 25,801 MT of Made Tea that have generated USD 75.83 M and Exported 21 MT of refined pyrethrum & essential oils that has generated USD 5.93 M and 23,557 MT of horticulture products were exported hence generating USD 29.38, Other diversified agricultural & animal products have so far generated USD 325.52 M

There are factors of success in the sector due to the softened COVID19 measures that have been hence facilitating trade, and better prices was offered on the international markets. Exportation of New products of Chia Seeds and increase in Honey Exportation compared to previous Fiscal years.

There are set of Challenges that affected Limited Cargo space for exports market of horticulture products especially flowers. Among those challenges there is the ongoing war between Russia and Ukraine and many businesses in the sector are not yet covered completely from the consequences of the COVID-19.

5.1 Value of tourism revenues

Tourism is one of the worst-hit sectors registered a 25% growth, generating USD164 million in revenues from USD131 million in 2020. The government supported the sector's recovery through initiatives like the Economic Recovery fund, where half of the RWF100 billion fund was dedicated to tourism and hospitality, 6 trade shows/fairs/MICE platforms attended and 61 events hosted

5.2 Value of MICE (Meetings, incentives, conferences, and exhibitions) revenues

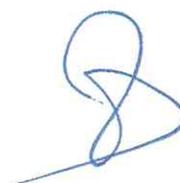
The revenue from MICE tourism were USD 1,942,000 out of 35M targeted annually. Investment opportunities and projects in secondary cities have been identified and packaged. Investment roadshows were organized and conducted in Rusizi. Those Roadshows were conducted on 11th Dec 2020. Domestic investment roadshows were organized and conducted in Muhanga district on March 23rd 2021 to promote Domestic Investments. In collaboration with Johannesburg chamber of commerce an international virtual roadshow was conducted. International Virtual Roadshow was organized and conducted on March 24th, 2021, with TradeMalta. Rwanda remained a top of destination for MICE tourism in Africa. However, visits for conferences and revenues generated from it sharply declined in 2020 due to COVID-19.

5.3 Industry as share of GDP

Under this indicator, NIRDA Laboratory was upgraded, and equipment was purchased: Laboratory renovation phase two was completed and molecular laboratory equipment was supplied. The laboratory operationalization is ongoing. In order to develop and support the private sector industries for firm level competitiveness, the Life science laboratory provides quality testing services and product development to industries. Science Technology Engineering and Mathematics (STEM for industry hub), a pilot proof of concept for the Joint STEM Laboratory that aims at providing testing space and coaching to innovators with special interest on STEM-based digital hardware's, to-be accelerated from ideation or Proof-of-Concept (PoC) stage to minimum viable product (MVP), up to commercialization.

5.4 Serviced Industrial Parks & SEZs (Construction of basic infrastructure)

The status of 2 industrial parks (IP) development is at 96% for Bugesera IP has Asphalt roads, water supply, firefighting, waste and there are some snags to be fixed by the end of June 2022 before it is handed over and 99% of Rwamagana (IP) has Murram roads construction and it is ready to be handed over



5.5 Number of new decent and productive jobs created (NST1)

Over the last five years from 2017 to 2021, 942,324 jobs have been created compared to the target of 1,071,425 targeted jobs that were supposed to be created. This implies that there is a deficit of 129,101 jobs in the past five years to achieve the NST1 target. According to the LFS 2021, the new jobs created: 164,189 jobs were created. Among the economic activities, construction progressed well in 2021 but less than in 2019, where jobs increased from 315,022 in 2019 to 435,720 in 2020 (38% of an increase); followed by market-oriented agriculture, from 1,225,151 jobs in 2019 to 1,399,907 in 2020 (14% of an increase); and human health and social worker activities, from 46,020 jobs in 2019 to 55,984 jobs in 2020 (22% of an increase).

A comparison of the 2017 and 2020 Establishment Census results shows a 22.9 percent increase in private business-oriented establishments since 2017. The results have shown that the noticeable change overtime in terms of the number of establishments was in the urban areas (+24.1 percent) vis-à-vis the rural areas (+20.7 percent); specifically, the business-oriented establishments have increased by 24.7 percent in urban areas and 21.6 percent in rural areas. With regard to the enterprise's size, there is an increase in all size categories. The highest increase is observed for medium enterprises (37.4 percent), followed by micro enterprises (23.4 percent), small (17.2 percent) while large size enterprises have achieved the lowest increase (15.6 percent).

The highest increase was observed in business-oriented establishments involved in the following economic activities: water supply, sewage, and waste management (106.4 percent), transport and storage (82.2 percent), and professional, scientific, and technical activities (58.2 percent). In terms of employment change, business-oriented establishments reported a 15.6 percent increase in employment size between 2017 and 2020 (NISR, Establishment Census, 2021). The employment opportunities have increased to 28.4 percent for small establishments and decreased by 6.8 percent for large establishments.

The increase in employment size has been extremely high in Human health and social work activities (114.9 percent), Other services activities (110.7 percent), Real estate activities (90.9 percent), Water supply, sewage, waste management, and remediation activities account for 81.7 percent of total activity. Professional, scientific, and technical activities (40.1%), wholesale and retail trade (33.7%), motor vehicle and motorcycle repair (33.7%), and education (32.2%).

6 Section 5: SDGs monitoring and reporting in sector working group and the Latest Progress of SDGs Indicators

The MINECOFIN terms of reference for the JSRs have introduced monitoring and reporting of SDGs. SDG indicators have been shared with member institutions for preparation. Most indicators are now currently being monitored and many of them have now monitoring strategies in place. The SDGs 2022/2023 Sector target was not available as many stakeholders still learn how to compile the projection as not been clear due to the complexity of the sector with many factors that can affect indicators.



6.1 SDGs monitored by PSDYE SWG

6.1.1 Proportion of jobs in sustainable tourism industries out of total jobs monitored by RDB

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, LFS 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% (2021)**, 3.9% (2020), 5.1% (2019), 3.7% (2018) and 3.4% (2017).

6.1.2 Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools monitored by RDB

This indicator is captured through administrative database recordings of the Chief Tourism Officer. 13 sustainable tourism strategies and policies are implemented: Adventure tourism masterplan, Kivu-Belt, Eastern Province MP, Heritage Corridor MP, Sustainable Tourism Masterplan, Concession policy, Twin Lakes, Avitourism, MICE strategy, Tourism policy and Tourism bill, domestic tourism strategy, Tourism recovery strategy.

6.1.3 Proportion of traded wildlife that was poached or illicitly trafficked monitored by RDB

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 are 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.

6.1.4 CO2 emission per unit of value added monitored by NIRDA under the project of Cleaner Production and Climate Innovation Center/CPCIC

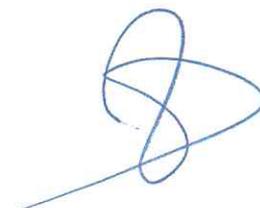
Under this project 46 Local expert were trained, 115 industries were trained. Public institutions also received training, these helped to reduce the CO2 emission of 30,202.6 ton per year, during the period of 2010-2019.

To the year 2021, intervention related to increase of industrial production and reduction of environmental performance, the reduction of CO2 emissions is accounted for Through circular economy, to enable sustainable of resource, 7 network of material exchange through industrial symbiosis were established and 537 drums of liquid wastes, 19 tonnes of woods and papers products, 45 cubic meters of metals scraps were deviated from the landfill for reuse and recycling into new materials. this generated income to supported industries of 21,288,922 Rwandan francs and reduced the cost of waste disposal

6.2 The Latest Progress of SDGs Indicator

6.2.1 The Average hourly earnings of female and male employees, by occupation, age and persons with disabilities, in Rwandan Francs-

In 2018, Male was earning 3,119 Rwf and Female was earning 2,066 at the Managerial position, currently at the Managerial position Male are earning the average hourly 34,281.08 RWF and Female are earning the average hourly 22,279.10 RWF (More details Annex 7.1)



6.2.2 Average monthly earnings from employment (Proxy)

In 2019 young of 16+ years their average monthly earning was at 67,942 rwf for male and 44,741 rwf for Female, in current situation their average monthly earning is 63, 641, 91 Rwf for male compare to 68,117 earning in 2020 and for Female the current earning is 41,718.02 Rwf compare to 42, 796 Rwf earning in 2020 this decrease was the consequence of COVID- 19 as many employers had to reduce the monthly earning of employees because there was no many activities generated revenue.

Earning of people with disabilities was at 123,373 Frw for men and at 168,113 Frw for women in 2019 compare to the situation in 2021 where men was at 96,755 Frw and women was at 126,209 Frw. The year 2020 situation was not capture because the statistical sample was not sufficient this also was due to consequence of COVID -19

(More details in Annex 7.1)

6.2.3 Unemployment rate, by sex, age and persons with disabilities

In 2020 the total Unemployment rate was at 18% while in 2021 the total unemployment has increase to 21% due to the consequence of the COVID-19 and due to other Economic and social factors that affected the country during the lockdown in the World.

In 2020 The unemployment rate for Male 16%, for Female was 20 %, for people with disabilities was 17 %"

In 2021 Unemployment rate for Male was 19%, for Female at 24%, and for people with disabilities was at 21% (more details in Annex 7.1)

6.2.4 Tourism direct GDP as a proportion of total GDP and in growth rate

In 2019 the Value of Tourism direct was \$498Million and its proportion of the Total GDP was at 4.9%, In 2020 the value of Tourism was at \$ 121 Million corresponding of 1.3% of GDP this decrease was due to the impact of COVID-19. In 2021 the Value of Tourism was at \$ 164 Million corresponding of 1.5% of GDP, there was an increase compare to last year because many COVID-19 restrictions measures are now a bit relaxed and Tourism is slowly opening.

7 Section 6: Updates in the PSDYE sector

This section provides brief highlights on the new development in the PSDYE sector as shared by stakeholders from PSDYE member institutions.

7.1 Economic Recovery Fund (ERF1)

Since its establishment, the economic recovery Fund, it has so far support businesses with FRW 102.99 billion of which 6,710 are Microbusinesses supported with FRW 6.55 billion through BDF. 139 hotel businesses benefited from the refinancing window with FRW 42.7 billion while the disbursed amount under the working capital window is FRW 11.5 billion to around 127 businesses. Amount dedicated for the transport and education sectors are included in the above reported performance. It is expected that numbers of beneficiaries will increase under the second phase of Economic Recovery Fund which has been launched on 18th May of 2022.



Table 3: Businesses supported under ERF1 by window as of May 2022

Window	Companies supported	Disbursed amount (FRW)
Hotel Refinancing Window	139	42,719,000,000
Working capital	157	11,510,339,496
Working capital for micro finance	6,710	6,551,818,950
Public Transport	55	7,717,962,891
Additional Hotels and MICE Venue Refinancing	4	9,952,122,501
Education	69	12,643,661,484
Public Transport Subsidy	37	11,895,598,117
Total		102,990,503,439

Source: MINECOFIN, May 2022

The economic recovery fund has been extended to continue supporting businesses affected by covid-19 pandemic and support the overall economic recovery and growth through new investments.

7.2 Manufacture and Build to Recover Program (MBRP)

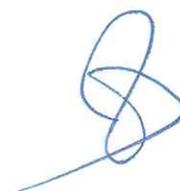
The "Manufacture and Build to Recover Program" (MBRP) was developed by the Government of Rwanda to boost economic recovery efforts with specific incentives for the Agro business, manufacturing, construction and real estate development sectors (VAT exemption on construction materials and Tax credits).

So far RWF 100 billion was disbursed under the Economic Recovery Fund (ERF) and 64 projects have been approved under Manufacture and Build to Recover Program (MBRP)

7.3 Success story with the Eco-Brigade Program

Since September 2019, more than 13,504 young people have been employed by the program and saved around 25.4 million through 108 youth cooperatives "Amasibo". The Ministry supported the best 35 selected youth cooperative projects with a total budget of 150,000,000 Rwf, in collaboration with partners (UNDP and KOICA), and the new 20 cooperatives will be awarded in December 2022. This fund was provided to supplement their savings and operationalize their respective business projects. Young people involved in this project are primarily involved in five interventions, namely: radical terraces, progressive terraces, forestation, resilient agriculture, and financial literacy (training on cooperative management and saving culture). The culture of saving for investment and forming cooperatives is spearheaded by 24 youth volunteers allocated to various sector "Umurenge" sites.

Through **YOUTH ROADMAINTENANCE PROGRAM**: The Government of Rwanda, in partnership with UNDP and KOICA, has initiated the new youth road maintenance program to support young graduates from TVET and engineering to undertake regular maintenance for feeder



roads in all districts as a way of promoting entrepreneurship among STEM graduates and creating productive jobs for youth.

So far, 153 youth companies are implementing this program in 26 districts; 2,061 km of feeder roads have been rehabilitated; as a result, 7,760 casual jobs (jobs) and 467 permanent jobs (shareholders of youth companies) have been created. There are 52 volunteers who are supporting the promotion of a saving culture and coaching individual employees and companies' M&E reporting.

7.4 E-commerce in Rwanda.

The Ministry of Trade and Industry (MINICOM) in partnership with UNOPS, through the Enhanced Integrated Framework (EIF) project commissioned an assessment of the e-commerce ecosystem in Rwanda in November 2020, to identify e-commerce gaps for SMEs and provide policy recommendations benchmarked on global practice. The assessment identified that Rwanda's e-commerce ecosystem is still in its infancy. However, a good foundation has been set for the growth of e-commerce in the country.

The government of Rwanda has made commendable efforts towards creating a conducive environment for doing business, realizing a digital and cashless Rwanda and in establishing modern logistics infrastructure.

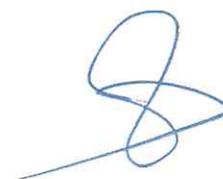
The results of the assessment served as basis for the development of an e-commerce policy that lays out the framework under which e-commerce will be developed in Rwanda and creates a unifying 'whole of Government' approach on e-commerce within the broader digital economy agenda. The policy also envisages the establishment of a multi-stakeholder National e-commerce council that will be the custodian of the policy and include representation from government, private sector, e-commerce businesses, consumer associations, and other key relevant stakeholders such as development partners.

So far, we have 4 awareness activities conducted, 2 Educative E-commerce TV spots were produced and disseminated, 2 batches of success stories were produced and disseminated. To ensure continuity in awareness raising activities, we have recently accomplished the production of 8 TV spots, 12 TV programs and 2 documentaries were on the theme "the role of e-commerce in promoting Made in Rwanda products" and these materials will be aired on RTV starting from June 2022.

Cashless awareness campaign conducted in collaboration with MINICT and ICT Chamber through conducting 10 radio and TV live talk shows.

On Friday 27 May 2022, MINICT in collaboration with MINICOM, MINECOFIN, BNR, ICT Chamber, UNCDF, Access for Finance Rwanda and Better than Cash Alliance have launched the National Awareness Campaign on Digital Payments. The launch was at Kimironko Market and this is a 3 months campaign that will be conducted in all districts across the country.

In collaboration with FAO and RDB, 5 workshops were organized to raise awareness on e-commerce in agriculture value chain. The campaign has reached to 43 farmers in Kigali, 46 in Northern Province, 36 in Eastern province, 46 in South and 18 in Western province. From 28 to 30 March 2022, FAO in collaboration with MINICOM through the Peace Building Project organized a training workshop of smallholder farmers' traders on both sides of the border of Rwanda and DRC, with specific focus on youth and women. 74 participants including 59 smallholder farmers' traders attended the training and 59 farmers were given smart phones with 6 months internet bundles.



8 Conclusion

In the year 2022/2023 the private sector will slowly recover from COVID-19 consequences and most sectors will resume with the support of Economic recovery Fund II. The implementation of policies and strategies will require innovative ways to deliver on the intended objectives/outcomes in order to reach the target of NST1. Hospitality and tourism sector will need to adapt innovative methods for recovery and remain afloat.

Chair of PSDYE SWG

Claire MUKESHIMANA

Acting Chief Budget Manager
Ministry of Trade and Industry



Co-Chair of PSDYE SWG

Thibaut MOYER

European Union Delegation to
Rwanda