

**REPUBLIC OF RWANDA**

**MINISTRY OF FINANCE AND ECONOMIC PLANNING**



**BUDGET EXECUTION REPORT**

**JULY 2021- JUNE 2022**

**August, 2022**

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## EXECUTIVE SUMMARY

The budget execution in the FY 2021/22 was impacted by domestic economic environment including some economic recovery from the COVID-19 pandemic. These impacted domestic resource mobilizations as well as the pace of expenditure commitments. In addition, the delay in the disbursement of some of the donor funds on one hand especially those of the African Development Bank and European Union also affected the pace of expenditure commitments and the cash flow of Government during the FY 2021/22. Consequently, the accrual of total revenue in the July-June 2022 period amounted to 3,091.1 billion FRW compared to estimated amount of 2,991.9 billion FRW.

On the spending side; provisional data show that a total Expenditure amounted to 3,807.3 billion FRW lower than the estimated amount of 3,887.5 billion FRW for the July-2021-June 2022 period. Externally financed investment in non-financial assets were responsible of underspending.

Real Gross Domestic Product increased by 7.9 percent year-on-year in the first quarter of 2022 from 10.3 percent growth in the fourth quarter of 2021 resulting from a steady growth of the industry sector since Q4 2020 supported mainly by manufacturing and construction activities/investments, and the continued recovery of the services sector.

Annual inflation rate increased by 13.7 percent in June of 2022 from 12.6 percent in the previous month driven mainly by an increase in food, non-alcoholic beverages (25.1 percent vs 24.2 percent) and Transport (11.5 percent vs 7.7 percent). Also, upward pressure came from clothing and footwear (8.5 percent vs 6.9 percent) while Housing, water, electricity, gas, and other fuels slightly eased at 7.9 percent in June of 2022 from 8.0 percent in May of 2022.

With regards to the external sector, there has been by and large a significant recovery from COVID-19 impacts, as economic activities re-opened thanks to both expansionary fiscal policies and mass vaccination across the world. However, inflationary pressures from Ukraine-Russia crisis in the second half of FY 2021/22 affected Rwanda's formal trade balance which deteriorated by 11.2 percent from recording USD 2,278.2 million in July to June 2021/22 against USD 2,049.2 million in the same period in 2020/21.

For the period under review Formal Exports grew by 21.3 percent due to the reopening of international markets and recovering Economy. hence, Other minerals recording a growth of (96 percent), 3Ts (81 percent), Re-exports (42 percent), Coffee (25 percent) and tea (15 percent). the positive growth observed in other items offset the negative growth in Gold's

exports of (12 percent) which is consistent with the decline of imported and re-exported volumes of gold, despite the continued increase in its price on the international market.

Total import rose by 15.3 percent in value and 0.4 percent in volume respectively. The increase was mainly driven by imports of Energy (89.2% percent), non-Fuel re-exports (+29.2percent), Intermediate goods (+20.5 percent), consumer goods (17.9 percent) while Gold and capital goods dropped by 12.4 and 6.6 percent respectively

On monetary development side, the National Bank of Rwanda maintained the central bank rate (CBR) at 5.0 percent as of 11<sup>th</sup> May 2022 after raising it from 4.5 percent back in February 2022. This is in response to the rising inflationary pressures as a result of commodity price increases particularly food and fuel as effects linked to the Ukraine-Russia war.

Compared to December 2021 Broad Money (M3) and Credit to Private Sector grew by 12.2 percent and 8.8 percent respectively in June 2022. Net Foreign Assets (NFA) increased by 18.2 percent while Central Government credit declined by 0.4 percent. Considering year on year changes; Broad Money (M3) and Credit to Private Sector grew by 20.4 and 16.2 percent respectively while Net Foreign Assets (NFA) and Central Government also grew by 29.2 percent and 3.2 percent respectively. Compared to December 2021, The Rwandan Franc (FRW) depreciated by 2.2 percent against the US Dollar as of 12<sup>th</sup> August 2022.

## 1. INTRODUCTION

In the July 2021- March 2022 report, it was mentioned that the execution of the budget during that period was based on the revised budget approved by Parliament in February 2022. That revised budget was adjusted to include some additional domestic revenue and external loans and grants on the resources side, as well as some corresponding additional spending on the expenditure side. The details of this revised budget formed the basis of an agreed revised macro-economic framework for the fiscal year 2021/22 with the IMF team under the PCI program in October 2021 to reflect the inclusion of the new Eurobond transactions, the granting of SDRs resources equivalent to the amount of USD 218.0 from the IMF to the Government for spending as well as other revised projections. As a result of these changes, the original approved budget of 3,807.0 billion FRW was raised from 3,807.0 billion FRW to 4,440.6 billion FRW showing an increase of 633.6 billion FRW.

In April 2022 an IMF team again visited the country for a review of the macro-economic framework for the remaining period of the fiscal year 2021/22 and an agreement on a framework for the fiscal year 2022/23 including the budget for 2022/23. During this visit, accruals of an amount of additional revenue to the Treasury as well as requests for additional spending from some sectors mainly in the priority areas were recognized. Accordingly, the estimates for total domestic revenue as well as for total expenditure were raised especially for the January- June 2022 period. In economic classification terms under the GFSM2014 framework, for the total revenue and grants estimates, the revised budget figure of 2,873.6 billion FRW was raised by 117.5 billion FRW to 2,991.9 billion FRW. The changes in revenue affected both tax, grants and other revenue (non- tax revenue). In the case of expenditure, there was an increase of 73.5 billion FRW which raised the revised budget figure from 3,814.4 billion FRW to 3,887.9 billion FRW. The changes affected both expense and investment in non-financial assets. As a result of these changes, the FY 2021/22 budget agreed with the IMF team in April 2022 during the IMF team visit was projected to end the fiscal year with an overall deficit of 1,026.8 billion FRW compared with the figure of 914.4 billion FRW in the revised budget for the fiscal year 2021/22. There was therefore an increase in the deficit of 122.4 billion FRW which was to be financed with an equal amount of domestic financing as well as external borrowing through different incurrence of liabilities. These revised projections were discussed with an IMF team in April 2022 and formed the basis for an agreement with the team under a Policy Coordination Instrument (PCI) program that was approved by the IMF Board of Directors in the beginning of June 2022.

As mentioned in the July 2021-March 2022 report, implementation of the budget was adversely affected by a third wave of the corona virus infections which led to the reinstitution of a two-week lockdown in July 2021, in the City of Kigali and in the districts with high infection rates. In that report, it was further mentioned that Even though the lockdown was lifted a little bit

later, movement restrictions continued to apply with a stringent curfew imposed in areas with high virus incidence. Public offices, businesses and transportation continued to operate below capacity and the size of gatherings continued to be limited. In addition to the lockdown, the granting of some exemptions to some manufacturers to improve the impact of the pandemic on their operations reduced domestic tax revenue collections during that period as some of the restrictions (including working from home and curfew) and other policies in one form or another continued in the last quarter of 2021. These restrictions together with the flow of resources including external budgetary resources, impacted on budgetary performance also in the last quarter of 2021. This report therefore builds on the performance evaluated in the July-March 2022 report and extends the coverage to end June 2022. In some areas, the report also used available provisional data and these will be amended later when more accurate data becomes available.

After this short introduction, the report will be organized as follows: Section two gives a brief summary of domestic economic performance during the FY 2021/22. The summary builds on the performance of the first half of 2021 and extends the coverage to end June 2022. The following section three will deal with will discuss the performance of total revenue whilst section four will discuss the details of expenditure both Expenses and net investment in nonfinancial assets (capital expenditure). Section five will discuss the net lending/borrowing (deficit) and its financing from the net acquisition of financial assets and incurrence of liabilities. Section six will discuss the sectoral performance during the twelve-months period under review. The report as usual will close with a brief conclusion in section seven.

## 2. ECONOMIC PERFORMANCE

### 2.1. Real Sector

Real Gross Domestic Product increased by 7.9 percent year-on-year in the first quarter of 2022 from 10.3 percent growth in the fourth quarter of 2021 resulting from a steady growth of the industry sector since Q4 2020 supported mainly by manufacturing and construction activities/investments, and the continued recovery of the services sector.

Although moderate compared to Q4 2021, growth was driven by services (11% vs 14% in Q4 2021), in particular, Hotel & restaurants (80 %); transport (19%); wholesale and retail trade (7%) information & communication (17%) and financial services (13%). The industrial sector recorded a positive growth (10.0 % vs 5.0% in Q4 2021) boosted by mining & quarrying (16%), manufacturing (11 %) and construction (6%).

Low growth performance was registered for the agriculture sector with (1% vs 5% in Q4 2021) due to adverse weather conditions in both seasons A and B. This poor performance in the agriculture sector was driven by a fall in food crops (-1% vs 6% Q4 2021) and export crops (-14% vs -7% in Q4 2021).

In terms of contribution to GDP growth in Q1 2022, Services contributed the most to growth with 5.0 percentage points (pp) followed by industry with 1.9 pp while agriculture sector contributed only 0.2 pp. Main contribution for the growth in the services sector came from trade and transport with 1.4 pp and hotel and restaurants with 0.9 pp, for Industry, manufacturing and construction largely contributed to growth with 0.9 pp and 0.5 pp respectively while food crops ( -0.2 pp) and export crops (-0.2 pp) contributed to the low growth for agriculture. The table below shows percentage shares of each sector to Rwanda's total real GDP growth for the periods indicated:

**Table 1: Real GDP growth and contribution for 2021 Q1 to 2022Q1 – Production**

Activity description	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
	Growth	Growth	Growth	Growth	Growth	Contrib	Contrib	Contrib	Contrib	Contrib
<b>GROSS DOMESTIC PRODUCT (GDP)</b>	<b>3.5%</b>	<b>20.6%</b>	<b>10.1%</b>	<b>10.3%</b>	<b>7.9%</b>	<b>3.5</b>	<b>20.6</b>	<b>10.1</b>	<b>10.3</b>	<b>7.9</b>
<b>Agriculture, Forestry &amp; Fishing</b>	<b>7%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>1%</b>	<b>1.7</b>	<b>2</b>	<b>1.6</b>	<b>1.3</b>	<b>0.2</b>
Food crops	7%	7%	6%	6%	-1%	1.1	1.3	1.0	1.0	-0.2
Export crops	7%	-2%	2%	-7%	-14%	0.1	0.0	0.0	-0.1	-0.2
<b>Industry</b>	<b>10%</b>	<b>30%</b>	<b>12%</b>	<b>5%</b>	<b>10%</b>	<b>1.7</b>	<b>5.1</b>	<b>2.2</b>	<b>1.0</b>	<b>1.9</b>
Mining & quarrying	3%	87%	30%	6%	16%	0.0	0.9	0.4	0.1	0.2
Manufacturing	8%	23%	7%	6%	11%	0.7	1.9	0.6	0.5	0.9
Construction	14%	33%	15%	4%	6%	1.0	2.0	1.1	0.3	0.5
<b>Services</b>	<b>0%</b>	<b>24%</b>	<b>11%</b>	<b>14%</b>	<b>11%</b>	<b>-0.2</b>	<b>10.8</b>	<b>5.3</b>	<b>6.8</b>	<b>5.0</b>
<b>Trade and Transport</b>	<b>-4%</b>	<b>41%</b>	<b>9%</b>	<b>16%</b>	<b>11%</b>	<b>-0.6</b>	<b>4.7</b>	<b>1.2</b>	<b>2.2</b>	<b>1.4</b>
Wholesale & retail trade	0%	34%	4%	15%	7%	0.0	2.7	0.4	1.3	0.6
Transport	-14%	48%	19%	19%	19%	-0.7	1.6	0.8	0.8	0.8
<b>Other Services</b>	<b>1%</b>	<b>18%</b>	<b>12%</b>	<b>14%</b>	<b>11%</b>	<b>0.4</b>	<b>6.2</b>	<b>4.1</b>	<b>4.5</b>	<b>3.6</b>
Hotels & restaurants	-34%	34%	62%	69%	80%	-0.6	0.2	0.5	0.7	0.9
Information & communication	18%	28%	14%	16%	17%	0.4	0.7	0.4	0.4	0.4
Financial services	10%	19%	11%	30%	13%	0.2	0.5	0.3	0.8	0.3
Professional, scientific & technical activities	10%	20%	11%	12%	5%	0.2	0.5	0.2	0.3	0.1
Administrative & support service activities	-4%	10%	7%	9%	6%	-0.1	0.3	0.2	0.3	0.2
Public administration & defense; compulsory social security	-2%	8%	1%	3%	7%	-0.1	0.5	0.1	0.2	0.4
Human health & social work activities	-12%	22%	6%	19%	22%	-0.3	0.5	0.1	0.4	0.4

Source: NISR, 2022

In the context of the GDP/expenditure approach, in the first quarter of 2022, total final consumption expenditure was negatively impacted by the increase in global food and fuel prices, leading to an increase of 3 percent against 14 percent observed in Q4 2021. Most specifically, household final consumption decreased by 2 percent from an increase of 15 percent in Q4 2021 reflecting inflationary pressures from rising oil and food prices. On the other hand, government final consumption increased by 25 percent from 9 percent in 2021Q4. Gross capital formation increased by 1 percent against -6 percent last in the quarter owing to a slowdown in economic activity, while Exports and Imports increased by 41 percent and 5 percent respectively.

## Inflation

Annual inflation rate increased by 13.7 percent in June of 2022 from 12.6 percent in the previous month driven mainly by an increase in food, non-alcoholic beverages (25.1 percent vs 24.2 percent) and Transport (11.5 percent vs 7.7 percent). Also, upward pressure came from clothing and footwear (8.5 percent vs 6.9 percent) while Housing, water, electricity, gas, and



other fuels slightly eased at 7.9 percent in June of 2022 from 8.0 percent in May of 2022. On a monthly basis, consumer prices increased at 0.8 percent from 1.9 percent in the previous month. Inflation increased for Local products (12.6 percent vs 11.5 percent) driven by local non-food (16.9 percent vs 15.9 percent). Inflation for imports increases at 16.9 percent from 15.9 percent in the previous driven by transport, furnishing and households equipment. Inflation in rural areas accelerated to 17.9 percent from 16.4 percent in previous month mainly due to high prices on food products (vegetables, cereals and meat and milk) as a result of poor agriculture performance in previous season. Furnishing, household equipment and routine household maintenance (25.7 percent vs 22.6 percent in May 2022). On annual average, inflation increased to 4.6 percent in June of 2022 from 3.5 percent in May. Core inflation (excluding fresh products and energy) in annual change increased at 11.2 percent from 10.9 percent in the previous month driven by non-food products. On annual average, the core inflation stood at 5.0 percent from 4.1 percent in May of 2022. Inflation will likely remain elevated in the short run due to food and energy prices and supply-demand imbalances.

### High Frequency Indicators (HFIs)

**Table 2: HFIs 2021 January-June 2022**

% Change yoy	Q4 2021	Q1 2022	22-Apr	22-May	22-Jun	Jan-Jun 2022
<b>Real CIEA</b>	<b>13.1%</b>	<b>13.9%</b>	<b>8.7%</b>	<b>13.5%</b>	<b>9.8%</b>	<b>12.0%</b>
<b>Total turnovers (Real)</b>	<b>19.3%</b>	<b>24.4%</b>	<b>10.0%</b>	<b>5.0%</b>	<b>23.4%</b>	<b>17.6%</b>
Industry	17.0%	18.4%	6.3%	-3.1%	15.2%	11.3%
Services	20.3%	26.8%	11.5%	7.7%	26.4%	20.0%
<b>Total turnovers (Nominal)</b>	<b>22.3%</b>	<b>32.4%</b>	<b>21.7%</b>	<b>19.1%</b>	<b>40.4%</b>	<b>29.0%</b>
Industry	22.9%	28.7%	19.3%	15.7%	34.0%	25.3%
Services	21.7%	33.9%	22.7%	20.4%	43.0%	30.51%

Source: BNR

The monthly Real CIEA increased by 9.8 percent in the month of June 2022 compared to the same month last year. In the first half (January-June) of 2022 Real CIEA increased by 12.0 percent compared to the same period last year. Total turnover in real terms increased by 17.6 percent in January-June 2022 compared to the same period last year mainly driven increase in services (20.0 percent) and Industry (11.3 percent).

Total turnovers increased by 29.0 percent in nominal terms comparing January-June 2022 with the same period last year. The industry sector recorded a 25.3 percent growth while the

services sector performed better with a 30.5 percent growth mainly driven by the hotel and restaurant activities which grew by 97.0 percent.

## 2.2. External Sector

By and large, external sector significantly recovered from COVID-19 impacts, as economic activities re-opened thanks to both Expansionary Fiscal policies and mass vaccination across the world. Inflationary pressures from Ukraine-Russia crisis in the second half of FY 2021/22 affected Rwanda's formal trade balance which deteriorated by 11.2 percent from recording USD 2,278.2 million in July to June 2021/22 against USD 2,049.2 million in the same period in 2020/21.

For the period under review Formal Exports grew by 21.3 percent due to the reopening of international markets and recovering Economy. hence, Other minerals recording a growth of (96 percent), 3Ts (81 percent), Re-exports (42 percent), Coffee (25 percent) and tea (15 percent). the positive growth observed in other items offset the negative growth in Gold's exports of (12 percent) which is consistent with the decline of imported and re-exported volumes of gold, despite the continued increase in its price on the international market.

Total import rose by 15.3 percent in value and 0.4 percent in volume respectively. The increase was mainly driven by imports of Energy (89.2% percent), non-Fuel re-exports (+29.2percent), Intermediate goods (+20.5 percent), consumer goods (17.9 percent) while Gold and capital goods dropped by 12.4 and 6.6 percent respectively. Negative performance observed under imports was due reduction in available quantities of Gold at the market. because of newly established refineries in DRC and Tanzania which automatically pushed up the demand of Gold to use in their pilot phase while capital goods' performance reflects Ukraine -Russia crisis impact as Prices skyrockets. Which is also reflected in both energy and non-fuel re-exports performance, as petroleum Unitary price grew by 57 percent for FY 2021/22 compared to the same period in 2020/21.

**Table3: Summary Trade balance as of July 2021-June 2022**

Trade	July2020-June 2021		July2021-June2022		%Change	
	Value	Volume	Value	Volume	Value	Volume
<b>Exports</b>	1,438.4	895,053.7	1744.5	1,126,316.2	<b>21.3% ▲</b>	<b>25.8% ▲</b>
Exports (excl Gold)	874.4	895,044.0	1248.6	1,126,307.9	<b>42.8% ▲</b>	<b>25.8% ▲</b>
Gold	564.0	9.7	495.9	8.3	<b>-12.1% ▼</b>	<b>-14.4% ▼</b>
<b>Imports</b>	3,487.6	3,392,064.0	4022.7	3,404,032.6	<b>15.3% ▲</b>	<b>0.4% ▲</b>
Imports (Excl Gold)	2,924.5	3,392,054.5	3529.3	3,404,024.3	<b>20.7% ▲</b>	<b>0.4% ▲</b>
Gold	563.1	9.6	493.4	8.4	<b>-12.4% ▼</b>	<b>-12.3% ▼</b>
Trade deficit (excl Gold)	- 2,050.1	- 2,497,010.4	- 2,280.7	- 2,277,716.3	<b>11.2% ▲</b>	<b>-8.8% ▼</b>
<b>Trade deficit</b>	- 2,049.2	- 2,497,010.3	- 2,278.2	- 2,277,716.4	<b>11.2% ▲</b>	<b>-8.8% ▼</b>

### 2.3. Monetary Sector Developments

The National Bank of Rwanda maintained the central bank rate (CBR) at 5.0 percent as of 11<sup>th</sup> May 2022 after raising it from 4.5 percent back in February 2022. This is in response to the rising inflationary pressures as a result of commodity price increases particularly food and fuel as effects linked to the Ukraine-Russia war.

Compared to December 2021 Broad Money (M3) and Credit to Private Sector grew by 12.2 percent and 8.8 percent respectively in June 2022. Net Foreign Assets (NFA) increased by 18.2 percent while Central Government credit declined by 0.4 percent. Considering year on year changes; Broad Money (M3) and Credit to Private Sector grew by 20.4 and 16.2 percent respectively while Net Foreign Assets (NFA) and Central Government also grew by 29.2 percent and 3.2 percent respectively. Compared to December 2021, The Rwandan Franc (FRW) depreciated by 2.2 percent against the US Dollar as of 12<sup>th</sup> August 2022.

**Table 4: Monetary indicators as of end June 2022**

Monetary Statistics	End-June 2021	End-Dec 2021	End-May 2022	End-June 2022	% Change June 22 - Dec 21	% Change June 22- June 21
Net foreign assets	1,340.4	1,464.9	1,718.3	1,731.8	18.2%	29.2%
Central government (net)	297.8	308.6	224.2	307.2	-0.4%	3.2%
Private sector Credit	2,390.3	2,551.3	2,737.3	2,777.1	8.8%	16.2%
Broad money M3	3,097.5	3,323.6	3,633.3	3,728.2	12.2%	20.4%

Source: BNR

### 3. Performance of Revenue

Under the GFSM 2014 context, total revenue comprises total taxes (including Local Government taxes) social contributions, grants and other revenues. As currently there are no collections under social contributions, this report will exclude them in the discussion of total revenue collections. The July-March 2022 report mentioned a total revenue collection of 2,153.0 billion FRW. This amount was 36.2 billion FRW lower than the estimate for the period of 2,189.2 billion FRW.

Performance in the April-June 2022 period continues to show improvement in revenue collection. Whilst the performance under taxes as well as disbursement of grants continued to improve, collection of other revenue lagged behind. As a result, total revenue collections at end June 2022 for the fiscal year period under review of 3,091.1 billion FRW were 99.2 billion FRW

higher than the estimated amount for the period of 2,991.9 billion FRW. Lower accrual of other revenue more than offset the excess tax revenue collections and as well as improvement under the disbursement of the grants contributed to the excess in collection of total revenue. The table below shows the performance of total revenue comprising total taxes, total grants and other revenue for the FY2021/22 period under review.

**Table 3. Revenue**

	<b>FY2021/22</b>	
	<b>July-June Proj</b>	<b>July-June Prov Act</b>
(in billion RwF)		
<b>REVENUE</b>	<b>2,991.9</b>	<b>3,091.1</b>
<b>Taxes</b>	<b>1,849.1</b>	<b>1,876.8</b>
Taxes on income, profits, and capital gains	828.0	853.6
Of which Rental income Tax LG	12.0	12.0
Taxes on payroll and workforce	0.0	0.0
Taxes on property	28.2	17.1
Of which Property Tax and Fixed asset LG	15.6	16.2
Taxes on goods and services	860.2	873.1
Of which Trading License Tax (Patent) LG	7.4	7.3
Of which Strategic petroleum reserve levy	14.8	13.7
Taxes on international trade and transactions	132.6	133.0
Of which Infrastrure development levy	19.6	18.0
Of which African Union import levy	2.3	2.3
<b>Other revenue</b>	<b>442.5</b>	<b>390.2</b>
Property income	23.2	13.3
Sales of goods and services	369.2	328.7
Fines, penalties, and forfeits	18.0	36.7
Transfers not elsewhere classified	32.1	11.4
Miscellaneous and unidentified revenue	0.0	0.0
<b>Grants</b>	<b>700.3</b>	<b>824.2</b>
<b>From foreign governments</b>	<b>36.3</b>	<b>214.5</b>
Current	36.3	214.5
Capital	0.0	0.0
<b>From international organizations</b>	<b>664.0</b>	<b>609.7</b>
Current	286.9	232.6
Capital	377.1	377.1
Of Which Vaccine	101.9	124.6
<b>From other general government units</b>	<b>0.0</b>	<b>0.0</b>

Source : MINECOFIN

### 3.1. Performance of Taxes.

As per GFSM 2014 classifications, total taxes are mainly the following: taxes on income, profits and capital gains, taxes on goods and services and taxes on international trade and transactions. Provisional numbers on tax collections in the July-June 2022 period of 1,876.8 billion FRW exceeded the projected amount for that period of 1,849.1 billion FRW by 27.6 billion FRW. All tax categories contributed to the excess in the total collections. In addition to the macroeconomic factors in line with economic activities' recovery from the COVID-19, revenue administration measures including the increase in inspections on usage of tax stamps to boost excise tax compliance for local manufacturing, introduction of the system control on income tax declarations as well as efforts to enforce EBM usage to boost the performance of VAT and excise tax collections contributed largely to the good performance of tax collections during the period under review.

- *Performance of taxes on income, profits and capital gains.*

Total collections under taxes on income, profits and capital gains in the July-June 2022 including LG Rental income tax amounted to 853.6 billion FRW and exceeded the revised estimated figure for that period of 828.0 billion FRW by 25.5 billion FRW. As mentioned in the previous reports under taxes on income, profits and capital gains, PAYE and profit taxes (CIT, PIT and WHT) contributed to this good performance.

Regarding profit taxes (comprising CIT, PIT and WHT), the profit taxes collections for the fiscal year amounted to 425.1 billion FRW. This figure exceeded the estimated figure for the period of 393.3 billion FRW by 31.8 billion FRW. This excess was due to the new administrative measures of tax system validations implemented on Income tax declarations and good performance of the businesses for calendar year 2021 compared to calendar year 2020.

The cost of goods sold as percentage of business income has decreased from 67.1 percent to 57.1 percent average cost of goods sold as percentage of business income for the last five years, this decrease of 10 percent in cost of goods sold can be attributed to this new administrative measures of income tax system validations.

Furthermore, good performance during the July-June 2021/22 period was observed largely in the sectors of financial and insurance activities, wholesale and retail trade, repair of motor vehicles and motorcycles, manufacturing, construction, as well as the sector of Information and Communication.

Moreover, this good performance is explained by the high increase in payments of WHT 15% on service fees largely observed in the public sector. Large increase in the public sector results from expansion of government spending to boost economic activity as a response to COVID-19 on the Rwandan economy as well as various controls implemented on Income tax declarations.

In the case of PAYE total collections at end June 2022 for the fiscal year 2021/22 period amounted to 427.4 billion FRW and were 31.9 billion FRW higher than the projected figure for the year of 395.6 billion FRW. This performance was driven mainly by an increase in the number of employees as many companies hired back employees that have been made redundant due the shutdown of the economy during the Corona virus pandemic period. In addition, the payment of performance bonuses also contributed to the excess collection.

This performance in collection under PAYE was once again driven by companies whose payments of wages increased during the period under review with factors attributed to; increase in number of employees largely calling back employees after COVID-19), salaries and performance bonuses from various private companies as well as government institutions. In addition, an amount of 12.0 billion FRW in rental income tax was also collected by Local Government entities during the period under review. This amount was close compared to the projected figure of 12.0 billion FRW. With the performances described of various categories under taxes on income profits and capital gains, total collections amounted to 853.6 billion FRW and exceeded the estimated amount for the period of 828.0 billion FRW by 25.5 billion FRW.

- ***Taxes on Property.***

This category of tax comprises property tax collected by RRA (Customs and SMT0) for motor vehicles registration and taxes on property and fixed assets collected by Local Government. Collections in the fiscal year period under review amounted to 17.7 billion FRW compared to the projected amount of 28.2 billion FRW for the period under review showing a small short fall of 11.1 billion FRW.

- ***Taxes on goods and services.***

Taxes on goods and services comprise mainly VAT collections, excise duties, road fund (excluding road toll collection), trading license and petroleum strategic reserves levy. The July-June 2022 total collections of 873.1 billion FRW under taxes on good and services is higher than the projected amount for that period of 860.2 billion FRW by 12.9 billion FRW.

This figure includes also collections in trading licenses (LG) collection which also amounted to 7.3 billion Frw compared to 7.4 billion Frw projected for the period under review.

Regarding VAT collections, at end June 2022, an amount of 593.4 billion collected were 13.6 billion FRW higher than the projected amount for the Fiscal year of 579.8 billion FRW. This good performance is in line with the ongoing of economic recovery.

With regards to VAT domestic, there was an increase in turnovers. In line with the economic recovery and higher inflation in the second half of the fiscal year (January- June 2022), turnover declared in VAT declarations has increased by 22.9 percent during the FY 2021/22 higher than the projected total consumption growth of 13.8 percent for the period. On the other hand, the continued growth of non-taxable sales provides a genuine threat to VAT performance going forward. Non-taxable sales (i.e. the total of exempted sales, zero-rated sales, and exports) percentage share of total turnover increased from 38.4 percent in last fiscal year to 41.8 percent in July-June 2021/22, while taxable sales declined from 61.6 percent in July-June 2020/21 to 58.2 percent in July-June 2021/22. Exempted sales as a percentage of total turnover increased from 30.7 percent in July-June 2020/21 to 32.0 percent in July-June 2021/22, zero-rated sales as a percentage of total turnover increased from 6.0 percent in July-June 2020/21 to 8.0 percent in July-June 2021/22, and exports as a percentage of turnover increased from 1.6 percent in July-June 2020/21 to 1.9 percent in July-June 2021/22.

Among the non-taxable sales components, zero-rated sales have grown the greatest in comparison to previous years. One of the main reasons for this increase is sales to company which are benefiting from the "manufacture and build to recover program," in which the government offers VAT incentives to qualified investors in the construction, manufacturing, and agro-processing sectors.

The VAT collection on imports amounted to 185.0 billion FRW during the FY 2021/22, compared to the projections of 176.1 billion FRW showing an excess collection of 8.8 billion FRW. The good performance of VAT collected on imports was mainly driven by the increase of general importations in FY 2021/22, where the value of imports CIF (from paid declarations) increased by 22.8 percent.

- ***Excise Duties.***

At end June 2022, collections from excise duty amounted to 230.5 billion FRW compared to the projections of 220.4 billion FRW. This performance of excise duty collections largely benefitted from increased consumption of beer excise duty on fuel which contributed 29 percent of the collections, followed by excise duty on Wines and Liquors, Soft drinks, Airtime and cigarettes with contributions of 9 percent, 9 percent, 7 percent and 6 percent respectively. The rest of the

revenue under this category came from excise duty on vehicles and powdered milk. The excise on beers, Wines & liquors and on Soft drinks performed above the target. These individual performances have driven the over performance of overall performance in total excise taxes.

▪ ***Other collections.***

Other taxes categories under goods and services comprise road maintenance fund (excluding road tolls) and petroleum strategic reserves levy. Total collections under these two tax items amounted to 28.8 billion FRW compared to 40.4 billion FRW estimated for the period under review showing a shortfall of 12.0 billion FRW. The main reason for the shortfall is the revision of fuel levy rates downwards. The fuel levy is taxed based on the number of the litres delivered with the applied rate being 55 FRW per litre from 115 FRW for gasoline and 82 FRW per litre from 115 FRW for diesel and from April 2022, fuel levy has been removed completely (the rate is zero). In nominal terms, road fund fuel levy collections decreased by 12.4 billion FRW when you compared the projections with actual during the FY 2021/22

. The total collections of the period under strategic reserves levy amounted to 13.7billion Frw compared to 13.6 billion FRW estimated for the period.

▪ ***Taxes on international trade and transactions.***

Taxes on international trade comprise customs duties, infrastructure development levy and African Union levy. At end June 2022, collections under the International trade and transactions taxes totaled 133.0 billion FRW during the FY 2021/ 2022, compared with an amount of 132.6 billion FRW projected for the period. Import CIF, excluding petroleum products, increased by 8.4 percent during the FY21/22 compared to the FY20/21. collections from VAT on imports also had an increase of 7.4 percent, higher than the 1.1 percent growth over the same period in FY20/21.

Moreover, both customs duty and VAT showed higher growth rates during the period of FY 2021/22 compared to the last fiscal year, despite a slowdown in CIF growth. Part of this can be attributable to administrative changes implemented as a result of COVID-19 pandemic.

The increase in CIF can be again explained by greater value of imports from the products not paying import duty including palm Oil and its Fractions, Medicaments, Chemical fertilizers, Soya beans, Articles of apparel and clothing accessories, Electrical apparatus for line telephony or line telegraphy, including line telephone set, Ferrous waste and scrap; remitting scrap ingots of iron or steel and Wheat and meslin. The amount collected under taxes on international trade and transactions also included 18.8 billion FRW of the infrastructure development levy and the African Union Levy of 2.3 billion FRW.



### **3.2. External grants disbursements.**

Total Grants comprise grants from foreign Governments, from international organizations and from other general Government units. At the moment the Government of Rwanda does not receive any grants from other general government units.

Provisional data showed that in the July-June 2022 period, total grants of 824.4 billion FRW accrued to the Treasury for spending. This figure was 123.9 billion FRW higher than the projected estimate of 700.3 billion FRW. Excesses from foreign government contributed to the over performance. With regards to the portion from international organizations, disbursements in the July-June 2022 period amounted to 232.6 billion FRW compared to the figure of 286.9 billion FRW estimated for that period. There was therefore a shortfall of about 54.3 billion FRW. Delayed disbursements mainly from the European Union caused this shortfall. This shortfall was due to delays in the disbursement of grants amounting to USD 29.9 million from the EU for agricultural program. The disbursed amount however included an amount of 124.6 billion FRW from several donors including COVAX, the World Bank group as well as other bilateral donors for the vaccination program. Grants from foreign governments of 214.5 billion FRW include a frontloaded grant from UK government on account of Economic Transformation and Integration program.

### **3.3. Other Revenue.**

Under the GFSM 2014 fiscal accounts definition, other revenue comprises property income, sales of goods and services, fines penalties and forfeits as well as Transfers not elsewhere classified. In the July-June 2022 period, total collections amounted to 390.2 billion FRW and registered a shortfall over the projected amount for the period of 442.5 billion FRW by 52.4 billion FRW.

In the case of collections under property income, the collected amount of 13.3 billion FRW were lower compared to the projected amount for the period of 23.2 billion FRW by 9.9 billion FRW. Regarding collections from sales of goods and services, PKO receipts, road toll and Local Government fees are the largest components. The accrual of an amount of 328.7 billion FRW at end June 2022 fell short of the projected amount of 369.2 billion FRW by 40.6 billion FRW. Delayed reimbursements from the UN for peace -keeping operations were mainly responsible for this shortfall. In the FY2021/22 period under review, reimbursements amounting to 174.3 billion FRW were projected. Reimbursements at end June 2022 however amounted to 143.7 billion FRW and registered a shortfall of 30.6 billion FRW. Collections of Local Government fees of 39.5 billion at end June 2022 were lower than 40.4 billion FRW projected for the period by only 0.9 billion FRW.

Collections from fines, and penalties including police fines and penalties amounted to 36.7 billion FRW for the period under review. This collected amount was 18.7 billion FRW higher than the projected figure of 18.0 billion FRW. This over performance is mainly attributed to over performance of the collections under police fines and penalties during the period under review. The amount of 11.4 billion FRW recorded under Transfers not elsewhere classified during the period under review represents the debt relief granted by the IMF under the CCRT program. This amount shows a shortfall of 20.7 billion under this category as the debt relief that was granted to the Government as one of the measures to deal with the financial implications of the corona virus pandemic did not materialized in the second half of the FY201/22.

## 4. PERFORMANCE OF EXPENDITURE

### 4.1 Expense

Total expense under the GFSM 2014 fiscal classification comprise, compensation of employees, Use of goods and services, Consumption of fixed capital, Interest Payments, Subsidies, Grants, Social Benefits and Other Expense. For this report there is no expenditure under Consumption of fixed capital. Provisional data show total expense at end June 2022 for the fiscal year period of 2,467.9 billion FRW. This figure was 41.0 billion FRW higher than the projected amount of 2,426.9 billion FRW. Acceleration of some current spending mainly account for the excess in total expense. The table below shows the details of total expenses for the July 2021 to June 2022 period.

**Table 4. Expenditure**

	FY2021/22	
	July-June Proj	July-June Prov Act
(in billion RwF)		
<b>EXPENSE</b>	<b>2,426.9</b>	<b>2,467.9</b>
Compensation of employees	313.4	317.7
Use of goods and services	663.4	688.4
Consumption of fixed capital	0.0	0.0
Interest	241.2	220.3
To nonresidents	83.8	70.0
To residents other than general government	157.4	150.4
Subsidies	381.9	382.2
of which Rwandair	265.2	260.1
of which Export Promotion	101.6	102.4
Grants	651.6	655.6
Social benefits	59.0	56.7
Other expense	116.3	147.0
<b>Net Investment in nonfinancial assets</b>	<b>1,461.0</b>	<b>1,337.4</b>
<b>Foreign financed</b>	<b>691.1</b>	<b>532.9</b>
<b>Domestically financed</b>	<b>769.9</b>	<b>804.5</b>

Source : MINECOFIN

### ✓ **Compensation of Employees.**

Total outlays for the compensation of employees in all ministries and some affiliated departments and agencies in the July-June 2022 period amounted to 317.7 billion FRW slightly higher to the revised projected figure of 313.4 billion FRW by only 4.3 billion FRW. It was further mentioned in the July-March 2021 report that spending under compensation of employee during the nine-months period was lagging behind following the delays in the implementation of the new structure including new recruitments in some institutions. However, during the last quarter of the FY 2021/22 there was an improvement in spending under this category which led to the total amount of 317.7 billion as mentioned above. Within the total compensation of employees figure for the July 2021 to June 2022 period of 317.7 billion FRW, the Supreme Court got 6.9 billion FRW for personal emoluments whilst the Rwanda National Police also received an amount of 36.1 billion FRW for wages and allowances. Wages and allowances of the National Public Prosecuting Authority cost the Government an amount of 3.4 billion FRW in the fiscal year 2021/22. Compensation of employees in RBC and RAB amounted to 2.9 billion FRW and 3.1 each. An amount 2.7 billion FRW was also spent by the Chamber of Deputies. Office of the Auditor General was supported with 3.0 billion Frw, the compensation of the staff of the Rwanda development Board amounted to 2.8 billion Frw within the compensation of employees' figure mentioned above

### ✓ **Use of Goods and Services.**

In the July- March 2022 report, it was mentioned that a total amount of 442.7 billion FRW was spent by the Government on the use of goods and services during that period. This expense amount was 6.1 billion FRW lower than 448.9 billion FRW estimated for the period. It was further mentioned that the largest share of this expenditure amount up till end March 2022 was used to cater for purchase of goods and services including administrative and other support services for the various ministries and public entities under Budgetary Central Government as well as spending for purchases of various drugs and vaccines.

At end June 2022, provisional data show that an amount of 688.4 billion Frw was spent under goods and services compared to 663.4 billion FRW, as it was the case in the July- March 2022 period, government continued to support the vaccination program which started in the first half of the fiscal year as well as other government machinery. Amount spent under use of goods and services amounted to during the July 2021 to June 2022 period also allowed the Senate and the Chamber of Deputies to be supported with 1.3 billion FRW and 2.4 billion FRW respectively during the period under review. The Supreme Court and MINIJUST received 3.7 billion FRW and 2.4 billion FRW respectively whilst the Rwanda National Police and the Rwanda Correctional Services received 12.8 billion FRW and 8.2 billion respectively for their operations. The Rwanda Bio-Medical Center received 49.2 billion FRW for its various activities including epidemic surveillance and hygiene programs. The Higher Education Council and the Rwanda

investigation Bureau were supported with 39.3 billion FRW and 4.0 billion FRW respectively. For its revenue collection activities, the Rwanda Revenue Authority received an amount of 15.3 billion FRW. Furthermore, The National examination and School Inspection Authority and the National Institute of Statistics of Rwanda were supported with 10.8 billion FRW and 9.5 billion FRW respectively. The amount spent under the use of goods and services also allowed a spending total of 175.2 billion by Government on various peacekeeping operations of the UN in several countries. A portion of this amount represents pre-financing of some operations. The UN is expected to reimburse Government fully with the expenditure amount.

#### ✓ **Interest Payments.**

Regarding interest payments, the July- March 2022 report showed total interest payments of 157.1 billion FRW. This amount was 4.1 billion FRW lower than the projected figure for that period of 161.7 billion FRW. Both interest payments to residents other than general Government as well as to nonresident were responsible for this under payment. At end June, this situation continued and available data show that total payment amount of 220.3 billion Frw was lower than 241.2 billion Frw projected for the period by 20.9 billion Frw.

Concerning the portion of payments to nonresidents, the amount spent on interest payments during the period under review reached 70.0 billion FRW as against 83.8 billion FRW estimated for the period under review on account of interest on Eurobond which did not take place during the FY 2021/22.

Regarding the payment of interest to residents other than general government, an amount of 150.4 billion Frw was paid compared to the amount of 157.4 projected for the period. This under spending is due to retirement of securities which were supposed to generate the interest on domestic in the course of the fiscal year 2021/22

#### ✓ **Subsidies.**

Consistent with the GSFM 2014 classifications, subsidies are defined as subsidies to other government corporations operating for production activities. In the July-June 2022 period, an amount of 382.2 billion FRW was spent as subsidies to these public entities. This figure was almost close to the amount of 381.9 billion FRW projected for the period. During the fiscal year 2021/22 period under review, Rwandair was supported with an amount of 260.1 billion FRW while the export promotion program was supported with an amount of 102.4 billion FRW.

#### ✓ **Grants**

Grants under the GSFM 2014 classification are defined as grants to other levels of Government and include grants to Extra Budgetary Units (EBU) and grants to Local Government units. Payment of grants in the July-June 2022 period amounted to 655.6 billion FRW and exceeded the estimated amount of 651.6 billion FRW for that period by 8.5 billion FRW. During this period, the EBUs got a grant of 32.0 billion FRW whilst the Local Government entities received

623.6 billion FRW. In the case of the Local Government entities, an amount of 488.2 billion FRW was used to finance recurrent expenditure (of which 308.1 billion FRW was used for compensation of employees) and 135.4 billion FRW for capital expenditure.

Regarding EBUs, total grants of 32.0 billion FRW at end June 2022 fell short of the projected amount of 36.5 billion FRW by 4.5 billion FRW. The amount spent allowed the Central University Hospitals in Kigali and Butare to be funded with 6.1 billion FRW and 3.7 billion FRW respectively. The Neuro Psychiatric Hospital of Ndera also got 1.3 billion FRW whilst the RWANDA POLYTECHNIC (RP) was also supported with 2.7 billion during the fiscal year 2021/22 period under review.

In the case of the Local Government entities, provisional data show that transfer of grants at end June 2022 amounted to 655.6 billion FRW. This figure exceeded the estimated amount of 651.6 billion FRW as above mentioned by 4.0 billion FRW. The transfer of grants to the Local Government entities allowed the payment of wages and salaries to teachers and the various health personnel in the districts of 177.6 billion FRW and 53.5 billion FRW respectively. An amount of 35.5 billion was used for school feeding whilst 17.8 billion FRW was also used as capitation grant and 59.3 billion FRW for block grant.

#### ✓ **Social Benefits.**

Social benefits include mainly the transfer of funds on Assistance to Orphans and Assistance to Vulnerable Groups including expenditure under the demobilization and reintegration program. At end June 2022, total spending on social benefits amounted to 56.7 billion FRW as against 59.0 billion FRW estimated for the July-June 2022 period. This figure fell short of the projected by 2.3 billion FRW. Delayed transfers to the beneficiaries accounted for the shortfall.

#### ✓ **Other Expense.**

Other expense item includes several miscellaneous items not elsewhere classified. At end June 2022, total spending under this item amounted to 147.0 billion FRW as against a figure of 116.3 billion FRW projected for the period and exceeded the projected figure by 30.7 billion FRW. The amount spent allowed the financing of scholarships of 24.2 billion FRW during the fiscal year 2021/22 period under review.

## **4.2. Net investment in nonfinancial assets.**

At end June 2022, total spending under investment in nonfinancial assets amounted to 1,337.4 billion FRW. This figure was lower than the estimated amount of 1,461.1 billion FRW. Lower spending under the externally financed portion was mainly responsible for the overall lower

spending under net investment in non -financial assets during the period under review. This shortfall from the externally financed portion was mainly caused by lower than projected projects disbursement during the period under review. Total projects disbursement amounted to 382.6 billion FRW compared to the amount of 449.0 projected for the period. The domestically financed portion, which amounted to 800.2 billion FRW exceeded largely the targeted amount of 765.6. The sectoral analysis portion of this report presents some highlights of programs and projects implemented in the period under review.

#### 4.3. Net Lending /Borrowing and financing

Under the new GFSM 2014 concept, Net Lending/ Borrowing is a balancing item stating the surplus / deficit resulting from all government operations other than financing. In other words, it can be viewed as a net financial impact of government operations on the rest of economy and on the rest of world. It shows the impact of government operations on its financial resources or its financial wealth. The table below shows the details of Net Lending/Borrowing for the July 2021 to June 2022 period.

**Table 5. Net lending/Borrowing and Financing**

(in billion RwF)	FY2021/22	
	July-June Proj	July-June Prov Act
<b>Net lending (+) / borrowing (-)</b>		
including grants	-896.0	-714.2
excluding grants	-1,596.2	-1,538.4
<b>Net acquisition of financial assets</b>	<b>134.6</b>	<b>455.7</b>
<b>Domestic</b>	<b>66.3</b>	<b>301.6</b>
Currency and deposits	-64.5	207.8
Loans	66.7	31.4
of which KCC	33.0	31.4
Equity and investment fund shares	64.1	62.4
<b>Foreign</b>	<b>68.3</b>	<b>154.1</b>
Monetary Gold & SDRs	68.3	154.1
<b>Net incurrence of liabilities</b>	<b>1,064.2</b>	<b>1,228.5</b>
<b>Domestic</b>	<b>-61.7</b>	<b>226.1</b>
of which Debt Securities	122.0	223.8
Loans	-143.6	-75.9
<b>Foreign</b>	<b>1,125.9</b>	<b>1,002.4</b>
<b>Monetary gold &amp; SDR</b>	<b>222.4</b>	<b>222.4</b>
Debt securities (Euro bond)	285.7	274.6
Loans	617.8	505.3
Disbursements	715.8	600.5
Current	266.8	218.1
Capital	449.0	382.4
Reimbursements	98.0	95.2

Source: MINECOFIN

The budget for the fiscal year 2021/2022 was projected to close with a net borrowing amount of 896.0 billion FRW. This gap was to be filled with net incurrence of liabilities of 1,064.2 billion FRW and net acquisition of financial assets of 134.6 billion FRW. In the case of the net incurrence of new liabilities, external loans were projected to amount to 1,125.9 billion FRW whilst the domestic component was estimated at 66.3 billion FRW. The acquisition of new net domestic assets was estimated at 66.7 billion FRW in the form of loans to KCC and to business entities from the Economic Recover Fund.

At end June 2022, provisional data show that the net borrowing amount (including grants) registered was 714.2 billion FRW and was lower to the projected amount of 896.0 billion FRW. On the other hand, the net increase in liabilities amounted to 1,228.5 billion FRW. This amount allowed the Government to acquire new net financial assets of 455.7 billion FRW and at the same time finance the deficit of 714.2 billion FRW mentioned above.

The net incurrence of liabilities had two components namely foreign and domestic. The external portion was in the form of loans both budgetary (current) and project loans (capital). In the case of the budgetary loans (current) the total amount of 218.1 billion FRW disbursed was 48.7 billion FRW lower than the estimated amount for the period of 266.8 billion FRW. Delayed drawdown of the African Development Bank under the RBF Energy program was partly responsible for this shortfall. Provisional drawdown of project loans (capital) of 382.4 billion FRW fell short as mentioned above.

Regarding the domestic portion, the increase in liabilities had two components namely sales of new securities to both the banks and non-banks and accumulation of other accounts payable. In the July 2021-June 2022 period, total sales of securities amounted to 223.8 billion FRW and contributed to the filling of the financing gap. In the case of other accounts payable, the July-June 2022 reported a provisional figure of 78.2 billion FRW. This temporary spike in unpaid bills (float) was due to delayed budget support disbursements from development partners mentioned above. The delayed funds amounted to about US\$ 75.5 million. It is expected that these delayed funds will be disbursed to allow the float in unpaid bills to be cleared as soon as possible. In the case of the net acquisition of financial assets, a net increase of 134.6 billion FRW was projected for the period under review. This figure comprised the loans to KCC and Business Fund in the form of the Economic Recovery Fund of a total amount of 66.7 billion FRW. At end June 2022 however, the net acquisition of financial assets amounted to 455.7 billion FRW. These assets comprised the KCC loans of 31.4 billion FRW, equity and investment fund shares of 62.4 billion Frw, a drawdown of SDRs allocations of 154.1 billion Frw as well as a build up of deposits amounting to 207.8 billion FRW.

### COVID-19 Related Expenditure

The health emergency resulting from the COVID-19 pandemic continued to necessitate a shift in spending towards health and other priorities to support the economy identified under the Government Economic Recovery Plan during the FY 2021/22. At end June 2022, provisional numbers show a total COVID-19 related expenditure amounting to 324.0 billion FRW. The table below shows provisional details of COVID-19 related spending for the 2021/22 fiscal year covering the July 2021-June 2022 period.

**Table 5: COVID-19 related Expenditure**

Category/ Intervention	July-June 2022
<b>Health</b>	<b>202.7</b>
Vaccines	152.1
Capacity Building and incentives for Health Workers	7.5
Leadership and coordination (Command Post Expenditures)	3.1
Health Commodities and equipments	24.0
Quarantine Centers costs	0.9
Security, safety and other	15.2
<b>Social Protection/Agriculture</b>	<b>56.1</b>
Additional Inputs support farmers	25.6
Strategic Food Reserves	7.3
Support to livestock and livestock products	4.3
Social Protection (VUP Public works, Direct Support to vulnerable groups)	18.9
<b>Education</b>	<b>65.2</b>
Measures to reduce overcrowding especially to enable social distancing and installation of water facilities in schools	65.2
<b>Total</b>	<b>324.0</b>

Source: MINECOFIN



**These can be classified in three broad categories:**

- **Health related spending:** represented in total 202.7 billion FRW. These include direct health spending such as procurement of vaccines, acquisition of health commodities and equipment and operational costs of quarantine centers. There are also indirect costs such as security and safety related costs related to respect of Government directives to prevent the spread of the virus, sanitation and hygiene including hand washing stations, as well as capacity building, and command post expenditures.
- **Social Protection and Agriculture related expenditure:** totaled 56.1 billion FRW. These include traditional social protection schemes that needed to be expanded: public works and direct transfers to vulnerable groups, strategic food reserves and food distribution related costs as well as other social protection initiatives.
- **Education:** 65.2 billion FRW to support different measures to reduce overcrowding specially to enable social distancing and installation of water facilities in schools including fast-tracking school construction.

## 5. SECTORAL PERFORMANCE

### 5.1. ECONOMIC AFFAIRS SECTOR

In the **sub-sector of agriculture**, below are the annual main achievements registered in the FY2021/22 in line with PSTA4;

- In line with increasing yield of major crops on consolidated sites, in the preparation of season A 2022; out of 776,651 ha projected, a total of 766,750 ha of land were consolidated and planted per priority crops as follows: Maize: 252,271 ha planted out of 253,253 ha planned; Beans: 371,277 ha against 365,565 ha targeted, Irish Potato: 60,203 ha against 64,479 ha targeted, Wheat: 5,784 ha against 8,700 targeted, Soybean: 4,691 ha against 4,613 targeted, Cassava: 51,968 ha against a target of 57,815 ha and vegetables: 6,108 ha against 8,000 ha targeted, Rice: 14,448 ha against a target of 14,226 ha.
- In Season B 2022, selected priority crops were planted on 539,217 ha of consolidated land, against a target of 536,473 as follows; Maize: 57,593 ha against a target of 52,059, Beans: 342,075 ha against a target of 345,082 ha, Cassava: 29,567 ha against a target of 22,024 ha, Soya: 4,867 against a target of 2,786, Rice: 15,102 ha against a target of 13,960 ha, Irish potatoes: 50,603 ha against a target of 52,426 ha, Wheat: 34,999 ha against a target 36,561, Vegetables: 407 ha against a target of 9,166 ha.
- In line with the implementation of sustainable, diversified and climate smart crops practices, 5,912.2 MT against a target of 5,707 MT of improved seeds composed of 4,123.4 MT of Maize out of 4,404.3 targeted, 311.7 MT of Soybean against 183.4 MT targeted, 1,477.1 MT of Wheat against 1,119.3 MT targeted and 70,071.4 MT out of a target of 35,908.1 MT of fertilizers composed of 24,590.2 MT of DAP against a target of 14,158 MT, 17,873.4 MT of Urea against a target of 9,792.2 MT, 21,657.7 of NPK against a

target of 9,695.2 and 5,949.9 MT of Kcl and Blends against a target of 2,262.6 were distributed and used by farmers. Besides, a total of 15,990 MT of fertilizers (composed of 3,466 MT applied in coffee and 12,523.9 MT in tea plantation for both season A & B) against a target of 11,090 MT were applied in tea and coffee plantations.

- Regarding animal health and production; 110,494 cows were inseminated against 111,665 cows planned; 42,195 artificial insemination calves were registered against 44,148 calves planned; 655,367 animals were vaccinated black quarter(BQ) against 663,698 planned; 219,024 animals were vaccinated Foot and Mouth Disease(FMD) against 186,000 planned; 777,799 animals were vaccinated Lumpy skin disease(LSD) against 801,963 planned; 723,729 animals were vaccinated Rift Valley fever(RFV) against 363,790, 61,296 animals were vaccinated (Brucellosis) against 70,141 planned and 9,937 animals were vaccinated Rabies against 12,217 planned.
- In line with scaling up local seed production on priority crops to reduce reliance on imports, the following MT of basic seeds were produced: 54.1 MT of maize against 50 MT targeted, 70.3 MT of wheat out of 25 MT targeted, 49.4 MT of soybean against a target of 60 MT, 51.2 MT of rice against a target of 37 MT, 2,129.8 MT of Irish potatoes against a target of 1,600 MT, and 86.3 MT of beans against 85 MT planned.
- In addition, the following seeds were certified as follows; 5,371.2 MT of maize out of 5,000 MT planned, 1,281.9MT of wheat against 950 MT targeted, 517.4 MT of soybean against 400 MT targeted, 753.2 MT of rice out of 640 MT planned, 53,649.7MT of Irish potatoes against a target of 30,000 MT, and 679.86 MT of beans out of 650 planned.
- In line with agriculture insurance policy; 34,120 Cattle out of 826 targeted, 163,124 Chicken against 5,116 targeted and 3,477 Pigs out of 200 targeted were insured while 22,047 ha of rice out of 4,051 ha targeted, 4,730.56 ha of maize against 2,300 ha targeted,

1,027.6 ha of Irish Potatoes against 200 ha targeted, 9.51 ha of Green beans out of 10 ha targeted and 151.8 ha of Chili against a target of 20 ha were also insured.

- In order to increase value addition from traditional crops; 18,217.9 MT of green coffee out of 23,241 MT targeted were produced and 14,400.3 MT out of 16,153 were fully washed. In addition, a total of 35,489 MT of made tea against a target of 34,983 MT were produced while 24,678 MT of Fruits & Vegetables against a target of 23,314 MT were exported and a total number of 55,791,157 out of 60,857,561 targeted of Flower stems were produced for local and export markets.

**In the sub-sector of Trade and Industry,** the following achievements were realized during the fiscal year 2021/22;

- In order to strengthen commodity value chain linkages, 77,508,138 Liters of milk against a target of 80,390,754 Liters were supplied to the milk processing plants.
- In line with improving access to the markets for export, Occupancy rate (%) for Cross border markets have been affected by the emerging security tensions as follows; the rate of occupancy of Rubavu cross border market(CBM) stands at 35% out of a target of 60%, Karongi at 39% against 60% targeted, Burera at 24% against a target of 40% while Rusumo CBM is at 5% against 15% while Bugarama was operationalized at 100% against a target of 30%.
- In line with increasing access to finance for export firms through Export Growth Facility (EGF), 26 exporters against a target of 16 were facilitated to access EGF support.
- In order to enforce Standards and Regulations Compliance: 7,728 against a target of 6,400 formal export consignments were inspected under RICA scope at only controlled Border Points. Furthermore, imports consignments inspected under RICA scope controlled at border point were 65,957 in total inspected consignments against a target of 69,864.

- In order to increase the competitiveness of domestic industries, 146 SMEs against a target of 110 were coached and recognized.
- To increase domestic production for local consumption and improved export competitiveness, one ha of botanical garden was restored (0.2 of aloe vera, Plantago and 0.8 ha of Rosemarenus species and other species were restored at Mukoni center). Also, three industries were supported with essential oil based product development for competitiveness. (Pharmacie de l'experience, Meditra and Zirumuze Ltd were coached on product development)
- To increase growth of traditional exports by 17% annually (from USD 2.154 bn in 2019-2020 to USD 3.2 bn in 2021- 2022), the amount of revenues generated from exported coffee was USD 75,615,668 against a target of USD 82,000,000 while the amount of revenues generated from MADE tea export was USD 102,429,328 against a target of USD 99,750,040. The amount of revenues generated from exported flowers were USD 6,976,214 against a target of USD 9,094,395 while the amount of revenues generated from exported horticulture products was USD 43,286,537 against a target of USD 34,130,000.

In the **sub-sector of Information Communication Technology**, registered achievements in fiscal year 2021/22 include the following:

- In line with establishing a Vibrant, Competitive, and Innovative ICT Private Sector, 275 Innovators and Startups at early development stage were being supported both technically and financially under different projects such as Bid Capital, Hanga Pitch Fest, DigiCenter - Make IT. Additionally, MUSANZE ICT hub was established and it is now running and other 4 facilities to host innovation hubs in Muhanga, Nyagatare, Rubavu and Rusizi were identified and secured.

- Furthermore, 36 Rwandan Companies of startups participated, supported and granted under specialized acceleration programs such as Hanga Pitch Fest, B2B Matching with Japan Companies, Ninja Program competition for covid-19 emerging Businesses thus establishing a Vibrant, Competitive, and Innovative ICT Private Sector. 20 startups were supported through Hang Pitch Fest
- In addition, 5 Smart waste collection sites were fully operationalized in CoK (Zinia Market, Kimirinko Market, Mutangana Market, Murindi Market, Karama Model Village). The project closed and the Ministry handed over the project results to CoK thus establishing a Vibrant, Competitive, and Innovative ICT Private Sector.
- In additional to that, Citizen Portal & App for CoK was developed where 8 city services enabled on the city Portal. The services are Water & Sanitation, Electricity, Public Transport, Roads & traffic, Public hygiene/cleanliness, Security & nuisance, Construction and Land use thus sustainable and Vibrant Smart cities created.
- To ensure empowered digital communities and transformation through improved access to information and services using ICT;
  - o 164,731 citizens were trained in digital literacy from July 2021 to June2022. This effort contributed to increase the percentage of digital literacy from 20.4% to 35.1%.
  - o Cumulatively, since July 2021, 1,576 staff from RIB, RDF, Rwanda Law Reform, Supreme Court, MINICT, NCST, GMO, RCS, HEC, MININFRA, MINEMA, NIDA, NPC and TVET, Rwanda Forestry Authority, Minubumwe, Rwanda Forensic Laboratory and Financial Intelligence Center completed ICDL.
  - o Internet subscriptions per 100 inhabitants was at 60.4%
  - o Mobile-broadband internet subscriptions rate (per 100 inhabit) was at 15.3%.
  - o Mobile Penetration Rate that refers to the number of active SIM cards per total projected population remained at 80.6%.

- Furthermore 1,116 public institutions connected to 4G LTE with Quarterly achievement as follow: (Q1=669; Q2=244; Q3=56; Q4=147). These include 543 Schools, 461 Health Posts, 80 Cells and 32 Health Centers.
- In order to enhance government Operational Efficiency and Citizen's Satisfaction, 54 public institutions deployed smart administration system as follows; Q1=3; Q2=0; Q3=45; Q4=6. So far the Project development has completed and deployed in 190 public institutions. Furthermore, 90% of ID cards were produced and distributed on time (within 30 days).
- In addition to that, in line with the Rwanda's Cyberspace and Information Assets Security 21,780 digital Certificates equivalent to 87.12% were issued as follows; Q1=6,061; Q2=5,847; Q3=4,266; Q4=5,606). More to that, the new PKI system was operationalized and 4 systems integrated to it which include the E-Procurement system, Government wide smart administration, RCA System and Smart IFMIS.
- With regard to high quality skills in ICT leveraging knowledge based economy developed, 139 Rwandan men and Girls were trained on Software development under Andela Project.

In the **Transport sub-sector**, the following achievements were realized during FY 2021/22 and are in line with the implementation of prioritized policy actions agreed within the sector;

- Regarding the policy to improve the Quality of road network through the rehabilitation program, 19.35 km of various national paved roads were rehabilitated as follows; Rubengera– Rambura (15.15 km) + 2Km urban roads in Karongi and access road to Kibogora Hospital (2.2 km) 75% of works were completed as targeted;
- With regards to upgrading of 517.8 km of National Paved Roads, the overall progress for the construction of ancillary works of Kivu Belt Lot 7: Gisiza-Rubavu road upgrading (20km), the project works were completed, Nyagatare-Rukomo road (73%) was upgraded at 95% as targeted, Ngoma-Ramiro road upgrading (52.8km) was upgraded at

20% as targeted, Kibugabuga-Nyanza road (66km) was upgraded at 74% against a target of 100%, whereas, Huye-Kibeho-Ngoma (66 km) was at 90% against a target of 100%; construction works for Asphalt Road Pindura- Bweyeye Upgrading (32 km) was completed at 50% against a target of 50% where as Kibaya-Rukira-Nasho road rehabilitation (35 Km) overall project progress was estimated at 72.8% against 45% targeted;

- Regarding the maintenance of 988.7 km of National unpaved roads & Bridges, Rubagabaga and Satinsyi bridges were maintained in defect liability period (DLP) as targeted and it was completed at 100%, 82km Kigali-Musanze road & 9km access to Tumba College road (Multiyear), 65km Kigali- Kayonza road (Multiyear), 78km Kigali-Gatuna road (Multiyear), 61km Kicukiro- Nemba road (Multiyear), 31km Crete Congo- Nil- Buhinga road, 30 km Kitabi-Crete Congo- Nil road (Multiyear), 83 km Tyazo-Karongi-Rubengera road (Multiyear), 50.4 km Rusizi-Buhinga-Tyazo road (Multiyear), 48km Gisiza- Pfunda road (Multiyear) maintenance works ongoing and riding quality was at 96% as targeted. Whereas, 8km Muhanga-Ngororero-Mukamira road & 30km Muhanga-Nyange road (Multiyear) Works are ongoing and riding quality is 65% as planned; 50km Rusizi-Bugarama-Ruhwa & Access to Rusizi road (Multiyear) works ongoing and riding quality was at 75% as targeted; Maintenance of 102km Nyakinama -Musanze-Cyanika-Musanze-Rubavu road (Multiyear) works are ongoing and riding quality is 90% as targeted; 157km Kigali-Huye-Akanyaru road (Multi-year) was ongoing and riding quality at 85% against works targeted at 95%.
- With regards to rehabilitating of 450km of feeder roads in districts of Gatsibo, Nyagatare, Nyabihu, Rutsiro, Gakenke and Nyaruguru, Nyagatare & Gatsibo, feeder roads were rehabilitated at 90% as targeted, Nyaruguru, Gakenke & Nyabihu Feeder Roads were rehabilitated at 60% as targeted where as Rutsiro Feeder Roads were rehabilitated at 45% as targeted;



- In order to improve regional transport and trade facilitation across the borders and in relation to the development of Maritime Transport infrastructures and services, the overall progress for Rubavu port was at 24% against 60% while Rusizi port was at the 8.9% against a target of 25% while the overall progress of Nkombo Boat II assembling and the Feeder Boat supplied was at 37% and at 57% respectively against a target of 80%.
- Regarding the construction of 13km of urban roads in City of Kigali and other secondary cities, the overall physical progress of Sonatube-Gahanga-Akagera of urban roads was substantially completed.
- In line with improving and sustaining of air transport infrastructure, the overall project progress of Bugesera International Airport was at 57% while Design completed was at 98%

In the **Energy and fuel sub-sector**, below are the achievements recorded under the policy to increase access to electricity, expansion of electricity transmission networks and electricity generation during the fiscal year 2021/22;

- With regards to increasing access to electricity from 63% to 70% by end June 2022: 120,383 households were connected to on-grid against 119,540 new productive users' areas connected to electricity grid, 463 PUAs were connected against 209 of new Productive use areas being connected whereas, 111,517 households were connected to off grid electricity against 33, 603 targeted.
- In order to increase electricity generation installed capacity from 238.368 MW to 292.368 MW by June 2022, the overall progress at Shema power lake Kivu plant (56MW) was at 70% against 50% targeted; 80 MW Rusumo Hydro Power Project was at 93% against 100% targeted;
- To improve power transmission and distribution Network for reliability of supply; 23.3 km of 110kV single circuit Mukungwa-Nyabihu Transmission line and associated

substations were constructed. The overall progress was estimated at 99% against 95% targeted, whereas the overall progress for the construction of 63.5km of 220kV Rwanda-Burundi transmission line and associated sub-station was at 95% against a target of 99%. The construction of 119 km of 220kV Single circuit Rusumo-Bugesera-Shango Transmission Line and associated sub-station was at 95.6% against a target of 95%. The construction of 75km Bwishyura - Kigoma- Rwabusoro 220KV Line and Shema (Symbion) substation was at 35.2% against a target of 40%.

- In line to the upgrade of the Eastern Province network from single to three phase, the overall progress was at 93% against 75% targeted, whereas 631.85km of National roads served with street lights was done at 65.6% against a target of 65%.
- In order to ensure improved transmission and distribution capabilities and availability of the network; the overall progress of the rehabilitation of Reinforcement of Kigali distribution network (8 cabins) was at completed at 100% against 90% targeted; while the construction of MV distribution lines (37Km) associated with the Reinforcement of Kigali distribution network (8 cabins) overall progress was at 96% against 86% targeted.
- In line with enhancing Energy Use Efficiency for the reduction of Biomass use, 114,359 clean cooking stoves were disseminated against 54,760 targeted.

In the **water and sanitation sub-sector**, the following achievements were realized under the policy of increased access to clean drinking water and improved sanitation during the fiscal year 2021/2022;

- To increase daily water production capacity from 322,852 to 327,852 m<sup>3</sup>; the rehabilitation of Shyogwe- Mayaga Dyke works was completed at 100% against a target of 80% whereas Implementation of Quick Win Project for Karongi Water Supply (2,000m<sup>3</sup>/day) was at 100% against 90% targeted;
- In line with the construction, extending and rehabilitation of 72.8 Km of WSS in Rural Areas to serve 71,930 people, Nkururo-Nyamicucu-Kivuye-Rugarambiro water supply system in Burera District (19.2km) was constructed at 70% against 25% targeted, Water

Network Extension to Kagogo, Cyanika, Kinyababa and Bungwe Sectors in Burera District (14.2km) was completed at 100% as targeted, Construction of Ngororero Water Supply System in Ngororero District was completed at 5% as targeted, Construction of Water supply system to selected IDP Model Villages was completed at 96% against 80% whereas 200 Boreholes were completed at 100% as targeted;

- With regards to water networks in Urban and peri- urban areas rehabilitated /upgraded (369 km), strengthening 11km for Nzove-Ntora Principal Transmission Pipeline in Kigali City works progress was at 64.6% against 45% targeted; rehabilitation and extension of 284km in city of Kigali and surrounding areas (construction of 200km and rehabilitation of 84km) works progress was at 72% against 90% targeted; construction, rehabilitation, reinforcement and extension of 214km for Water supply distribution networks in RUBAVU secondary City was completed at 100% as targeted; construction, rehabilitation, reinforcement and extension of 132.6km for Water supply distribution networks in RUSIZI secondary City works were completed at 100% as targeted;
- In line with increased access to sanitation services, Semi-centralized sewerage system in Kigali Estates were rehabilitated and upgraded at 49% against 100% targeted;

In the **housing sub-sector**, achievements recorded were in line with efficient management of Government assets, coordination of urban and rural settlement planning management and a network of secondary and City of Kigali that provides services and attract economic activities. The following were the achievements accomplished during the FY 2021/2022.

- With regards to increasing access to social and affordable housing, Rugarama Project of 500 DU was supported with basic Infrastructure- Phase1 (Murrum Road was completed at 100%) while the overall progress for provision of basic Infrastructure was completed at 30% against 100% targeted

- Regarding liveable, well- serviced, connected, compact, green and productive urban and rural settlements with a cultural identity, Munini IDP model village in Nyaruguru was constructed at 100% as targeted.
- In line with relocating households from Kangondo informal settlement to Busanza, 420 houses were constructed in phase 1 and 840 in phase 2. So far, 569 households have been relocated against 2,198 people and the remaining households to be relocated progressively. As for Nyamirambo informal settlement; upgrading of 170Ha in Mpazzi (covering Kitega and part of Kimisagara) is planned in the FY 2022/23 through WB funding
- Upgrading works of Amahoro national stadium and Huye stadium have started. Works to rehabilitate and extend Amahoro stadium have commenced. Amahoro stadium sitting capacity to be increased from 25,000 to 45,000, with a roof covering the entire stadium. Amahoro will be upgraded to meet international standards. In addition, Petit Stade will also be upgraded in the process.

## 5.2. EDUCATION SECTOR

The **education sector** achievements registered are in line with the core mandate of improving access to quality education across all levels of education. For the FY 2021/22, annual recorded achievements can be observed in different sub-sectors of pre-primary and primary, secondary, TVET and higher learning institutions. Below are the main achievements recorded in by the end of the fiscal year:

In the **sub-sector of Pre-Primary, Primary Education and secondary**, the main achievement realized were;

- To ensure sufficient numbers of competent teaching workforce across all levels of education, a total of 10,883 teachers and 610 head teachers were recruited in the FY 2021/2022.

- With regards to enhancement of the quality of education through improved teacher's welfare and schools' operations, through expanding school feeding program from all pre- primary to secondary in all Public and government aided schools, 77% of students from pre-primary to primary are now fed at schools.
- Under teacher development program,
  - In line with capacity development for in-service pre-primary teachers, Training centres were identified, training modules developed and 345 Pre-Primary Teachers were trained on how to implement the pre-primary curriculum.
  - To enhance teacher career path advancement through offering loans/grants to existing in-services teachers pursuing Bachelors of Education at UR college of Education, 297 in-service teachers were granted study loans/grants to pursue Bachelors of Education.
  - To enhance teacher career path advancement through offering partial waiver of fees to students pursuing TTCs, a total of 11,362 students were provided with 50% of government scholarship.
  - With regards to enhancing special needs education through provision of special needs education materials, 15/15 items of special needs and inclusive education materials were delivered to TTCs and model schools. However, the training of 48 (M:41&F:7) tutors and 32 (M:14 & F:18) teachers from model school trained on the use of inclusive education materials.
  - To enhance quality learning outcomes and relevance of education at all levels, 7,874 newly recruited teachers and uncertified teachers across the country (25 Districts) were trained with support of IEE. Teachers received methodological and pedagogical skills related to the implementation of CBC.
- To enhance use of ICT to transform teaching and learning and support the improvement of quality across all levels of education in Rwanda, a total of 33 Smart Classrooms were

rehabilitated, 1,716 laptops delivered 100%, 1,530 chairs and 240 tables delivered to 60 Centers of Excellence.

- Still under ICT in Education, equally important to note, School Data Management System (SDMS) has been operationalized, data cleaning activities were done for students, teachers and infrastructure with primary students completed at 99%, O level students at 100%, A level student at 100%, TVET students at 100%, TTC students at 100% and the reporting Modules on Education Indicators was designed and developed.
- To strengthen school management to enhance the quality of education, 3,993 schools head teachers, 3,994 schools and 647 teachers were inspected, given advice and follow up were made to ensure that all advice were taken into consideration.

Under the **Technical and Vocational Education and Training (TVET) and Higher Learning Education sub-sector**, the following are the key achievements registered and are in line with the need to provide skills that respond to labor market needs and Rwanda's social and economic development;

- To reduce skills gaps by increasing supply of skills with high demand on the labor market under Skills Development Fund (SDF); In total 9,706 SDF beneficiaries were trained, graduated and verified by the OAG in Call 3 and 4 Additional finance.
- Under CBA/CBT, training plan was developed, 324 trainers were trained on CBT/CBA, 40 TVET Academic staff from Western Province have been trained in CBA-CBT. The training plan was developed and a training of 34 academic staff from IPRC Huye and IPRC Musanze teaching in Animal health, Food processing, and crop production departments have been completed successful and certified.
- Additionally, 258 TVET Trainees were trained and facilitated in Masonry, carpentry, electricity, welding and plumbing in dual training programme. The training facilitation includes meals, school fees, uniform, occupational basic tools and PPES, insurance and

consumables for school-based and in-company training as well as assessment and accommodation during 3 months of in-company training.

- Regarding ongoing construction works of 7 TVET Schools alongside Borders, overall construction works of the 7 TVET Schools stands at 100% as targeted, where Cyanika and Kivuye sites in Burera District were completed at 100%, as well as Cyumba and Mukarange sites in Gicumbi District, Ntoma and Shonga sites in Nyagatare District were also completed at 100%, while Bweyeye TVET school was at 99.5% and only electrical installation not yet done. The Supply of furniture was also completed and schools are operational, a part from Bweyeye TVET School which is expected to start operation in September 2022.
- Under renovation of TVET schools with the support of KFW Phase II, the overall renovation works for 8 TVET schools was estimated at 86%. With Lot 1- Rushashi TSS at 84%, Lot 1- Nyagahanga TSS at 85%, Lot 2-Nyundo TSS: 91%, Lot 2-RSAM Muhanga: 60%, Lot 3-Nyarushishi VTC: 68%, Lot 4-Maraba VTC, Lot 4-Gacuriro VTC and Janja VTC completed at 100%.
- With regards to construction of 81 TVET wing on existing GS, overall progress on construction is at 74.1%, with 60 TVET wings completed at 100% . the construction works for 5 TVET wings are not yet completed. Those TVET wings not yet completed, 2 are in Kayonza District<sup>1</sup> in Gatsibo, 1 in Rulindo and 1in Burera; while 16 TVET wings are only lacking the electrical installation in the following districts: 3 are in Gakenke, 5 in Gicumbi, 2 in Nyamasheke, 2 in Karongi, 1 in Ngororero, 2 in Ngoma and 1 in Huye District.
- In line with the construction of 21 new TVET wings, 20 TVET wings are under construction and will be completed by August 2022. All construction materials were purchased on local level and all construction materials from the central level have been supplied to all districts; 1 TVET wing in Ruhango district is under rehabilitation as it was requested by Ruhango district to renovate ES Mushubati instead of construction of

Brand new TVET wing. Contracts for the supply of 21 new TVET wings have been awarded and equipment are already supplied to all 21 TVET wings as it was planned.

- Furthermore, the overall construction works for IPRC Huye Learning center was at 47.7% of completion against 55% targeted. Additionally, overall construction works for Hospitality Management Institute (HMI) stands at 91.5% of completion.
- In order to increase access to education through construction of modern infrastructure in higher learning institutions, UR Infrastructure development (UR Headquarters, Schools of Mining and Geology, Regional ODL centers, and construction works for the Regional Center of Excellence for Biomedical Engineering and E-health (CEBE) were completed at 100% as planned.
- With regards to the manufacturing and supply of 6,182 Cooking stoves (movelo) and additional pots to be supplied and installed in different schools across the country have been completed, and 5,869 (94%) of full cooking stoves and additional pots have been supplied across the country in different Districts. Cumulatively, 6,250 full muvelo and Additional Pots have been manufactured. A total of 6,182 full muvelo and Additional Pots have been supplied and 5,860 Full Muvelo and Additional Pots have been installed.
- To promote use of alternative energy saving stoves, 4,915 Cooking stoves and 945 additional pots were manufactured and installed in different schools across the country have been completed.
- Again, in regards to enhancing quality learning outcomes and relevance of education at higher learning education levels, verification of compliance of admission criteria and specific academic program entry requirement carried out in the following HLIs:
  - **Under Polytechnics;** IPRC Ngoma; IPRC Huye; Davis College; Muhabura Integrated Polytechnic College; Kigali Integrated College; HANIKA Polytechnic; St Joseph Integrated Technical College, ULK Polytechnic, IPRC Kigali; IPRC Karongi; IPRC; Musanze; IPRC Gishari; IPRC Tumba; IPRC Kitabi.



- **Under General HLIs:** ISPG; VATEL School; EAUR Nyagatare Campus; EAUR Kigali-Campus; AUCA, RTUC; ALU; UoK, ULK, EACC.
- To increase innovative responsive research and development in relation to community challenges; 174 research papers were published, with 9 in Data Science 23 in Energy for Sustainable Development, 30 in Internet of Things, 100 in Innovative Teaching Mathematics and 12 research papers from other centers.
- In order to enhance quality learning outcomes and relevance of education through enrollment of students from East African Community in Post Graduate Programmes in the Center of Excellence in Biomedical Engineering; 44 MSc students were enrolled in Master's program for 4th cohort since December 2021. Whilst, 100 candidates have been admitted in Masters programs of CEBE (40 Health Informatics, 30 in Biomedical Engineering and 30 in Rehabilitation Sciences). Currently admitted candidates are processing registration while classes are expected to start with July 2022.

### 5.3. HEALTH SECTOR

The Health Sector through a number of strategies continued to enhance demographic dividend through ensuring access to quality health for all. The following are the key achievements registered by the health sector in the fiscal year 2021/2022 through different health interventions:

- In line with the COVID-19 vaccination deployment program, a total number of 9,130,139 (100.7%) people had received the first dose of COVID-19 vaccine, a total number of 8,755,611 (96.6%) people had received the second dose of COVID-19 vaccine and 5,042,098 (55.6%) people had received the third dose by end June 2022. These coverages are calculated using target population of 12 years and above.
- To strengthen the prevention and control of malaria, Indoor Residual Spraying activities were conducted in 15 districts and 1,376,832 structures out of 1,387,505 targeted

structures were sprayed, with a coverage rate of 99.2%. The following districts were sprayed countrywide namely: Nyagatare, Ngoma, Kirehe, Kayonza, Rwamanagana, Bugesera, Gatsibo, Gisagara, Nyanza, Huye, Ruhango Kamonyi, Nyamagabe, Nyaruguru and Rusizi.

- To reduce the burden of communicable diseases, care and treatment services were provided to patient whereby the proportion of persons living with HIV infection receiving Anti-Retroviral Therapy reached 91.7% (213,537/232,842). Additionally, the proportion of targeted adults aged 15 Years and above screened for Hepatitis C for elimination reached 107%.
- To increase the quality of Non-communicable diseases services at all levels, 2,434,599 (women aged 35 years and above and men aged 40 years and above) have undergone community medical checkup. This represent 83.3% of total eligible people (2,922,663) for community medical checkup.
- To improve quality of services offered by public health facilities, CHUK conducted different outreaches and operated a total number 396 cases. The outreaches were conducted in the following hospitals at Ruli Hospital (96 cases of Pediatric and General surgery); Kibuye Hospital ( 36 cases of Plastic surgery); Gisenyi Hospital (76 cases of Urology and ENT); Byumba Hospital (76 Cases of Urology and orthopedics);Ruhengeri Hospital (96 cases of Pediatric and Orthodic Surgery) and Bushenge (24 cases of plastic surgery).Additionally, the overall implementation Electronic Medical Records and the utilization of its module in public hospitals is at 75.5% (registration, Outpatient Department and billing are implemented at 100%, lab at 96 %, Inpatient Department at 50%).
- To improve the availability of quality blood and blood products, a total 18,763 blood Units were collected during 413 blood collection sessions. The hospital satisfaction (Demand: 30,851 vs Supply: 30,146 of blood product units) was at 97.7% in the fourth quarter of 2021/2022.

- To ensure geographical accessibility to health services, on-going construction of several health infrastructure facilities continued and their physical progress were at different stages of completion whereby, the construction works for Mental Health Day Care were estimated at 72% and the construction works for IRCAD Africa Center were estimated at 50% by end of 2021/2022 fiscal year.
- Regarding the improvement of quality of food and pharmaceuticals products, a total of 15 food safety inspections were conducted, 189 food premises and 250 pharmaceutical premises were inspected by end of quarter four 2021/2022.
- To enhance the availability and quality of Health professionals, a total of 210 students were enrolled in the associate nursing program. Additionally, eleven international senior consultants from different institutions were recruited to teach the health professionals locally. In addition to that, 16 Curricula were developed for 2021-2022 (Adult cardiology, Pediatric cardiology, nephrology, endocrinology, gastroenterology, neonatology, gynecology, maternal fetal medicine, Masters in clinical anatomy, PHD in clinical anatomy, pediatric surgery, dermatology, plastic surgery, neurology, clinical pathology and ophthalmology).

#### **5.4. SOCIAL PROTECTION SECTOR**

In the social protection sector, the main achievements registered were in line with the provision of support to the vulnerable groups and assistance to disaster victims. Below are annual key achievements for 2021/22 Fiscal year;

- In line with increasing access to social security and income support programs, particularly among vulnerable older people, people with disabilities and households with low labor; a total number of 109,217 out of 82,521 targeted households (49,046 females headed and 60,171 males headed) benefited from classic public works (cPW), 100,136 out of 58,152 targeted households (70,068 females headed and 30,068 males headed) benefited from

expanded public works (ePW) in 300 sectors, 123,015 households (88,909 headed by females and 34,106 headed by males) against a target of 119,256 from 416 Sectors were supported under VUP Direct support while a 100% of 133,249 eligible beneficiaries enrolled in Nutrition sensitive direct support in 18 Districts (NSDS) (89,093 under two children and 44,156 pregnant women) were supported.

- With regards to increasing access to complementary livelihood development services for economic empowerment to extremely poor households, a total of 51,741 loans against 29,855 were advanced to finance income generating activities, 56,719 beneficiaries (27,384 females and 29,335 males) against a target of 31,018 were provided with loans from VUP financial services (FS).

- In addition, 7,104 eligible individuals in ubudehe category 1 out of 7,389 benefited from skills development, 36,549 eligible households (HHs) in ubudehe category 1 against a target of 22,252 benefited from small livestock, 18,843 eligible HHs in ubudehe category 1 against a target of 6,244 benefited from off/on grid energy, 20,800 benefited from one Cow per family compared to 23,469 targeted while a total of 2,891 pigs and 61,775 poultry against a target of 568 and 15,000 respectively were distributed to youth and women cooperatives.

- Under the policy of reducing malnutrition among children under 5 Years; 3,156 children below 5 years of age with acute malnutrition against a target of 6,975 were supported under a milk support program while 93,540 children (6-24 Months) and 49,057 pregnant and lactating women against a target of 154,710 and 90,738 respectively received Fortified Blended Food (FBF);

- In line with protecting Child rights and welfare, 229 children (65 from orphanages and 164 from detention centers) were reintegrated into family and community-based care while 899 Orphans and vulnerable children (OVC) out of 892 targeted in TVET and 247 OVC against a target of 237 in 12 YBE were supported with school fees, school feeding and scholastic materials.

- In order to address human security issues, a total number of 1,867 houses out of 1,855 targeted were constructed for vulnerable households under category 1 of Ubudehe, 7,523 out of 7,912 targeted houses in poor conditions were rehabilitated and 1,739 toilets were constructed against 1,979 targeted while 26,409 toilets were rehabilitated out of a target of 26,783 targeted.

- In line with providing relief assistance and humanitarian protection for people affected by disasters, 589 eligible households and 1,863 students were assisted with non-food items in Rulindo, Gasabo, Nyarugenge, Nyabihu, Rubavu, Gisagara, Gicumbi, Burera, Gakenke, and Karongi Districts. In addition, a total of 3,574 eligible households and 97 schools have been assisted with recovery package (Iron sheets and galvanized wires) in order to renovate the destroyed houses and classrooms.

## **5.5. JUSTICE SECTOR**

For the Justice sector and in line with the implementation of prioritized policy actions agreed within the sector, efforts made have led to the following key achievements in the FY 2021/2022.

- In line with modernizing criminal, commercial, civil and administrative system, during the period (July 2021 - May 2022): 533 cases were completely investigated and 532 cases were handled.
- In line with establishing Alternative Dispute Resolutions mechanisms to ensure citizen ownership and participation in quality justice, cumulatively from July 2021 to June 2022, Abunzi handled 34,771 (98.4%) cases out of 35,345 cases received. The 8,490 cases were handled during Q1; 9449 cases during Q2; 8347 during Q3 and 8485 cases were handled during Q4. At the end of June 2022, only 574 cases equivalent to 1.6% were still pending.

- With regard to strengthening and coordinating legal aid to the community through access to Justice Bureaus (MAJ), cumulatively from July 2021 to June 2022, MAJ staff received 19,206 cases and handled 19,204 cases equivalent to 99.9%. At the end of the June 2022, only 2 cases equivalent to 0.01% were still pending. The 4,818 cases were handled by MAJ during Q1, 5,593 cases were handled in Q2, 4,886 cases handled during Q3 while 3,907 cases were handled during Q4. In addition to that, cumulatively from July 2021 to June 2022, MAJ staff have represented vulnerable people in 102 cases at 100% (90 cases were from females and 22 cases from males).
- With regard to provision of legal assistance to needy minors in conflict with the law and vulnerable people, cumulatively from July 2021 to June 2022, 3,121 people were assisted by Rwanda Bar Association (RBA) at 100% as follows: based on MINIJUST contract with RBA, 2,621 minors in conflict with the law were assisted in various criminal chain organs by RBA (2,280 males and 3,41 females); 500 indigent people were assisted in Court of Appeal (426 males and 74 females).
- In line with ensuring that court judgments and enforceable decisions are timely executed, cumulatively from July 2021 to 30 June 2022, both Professional and Non Professional Bailiffs have executed 2,649 (31.4%) cases out of 8,432 cases received. The low performance is due to the use of a new system in executing judgement cases. The Professional Bailiffs especially the Non Professional Bailiffs should be given refresher courses on how to do online judgement execution.
- In a bid to improve the quality service delivery on investigations, from July 2021 to June 2022, 25,787 cases (96%) out 26,975 cases in such need were supported by scientific evidence.
- With regard to improving investigation of human trafficking, drug trafficking, environmental and cybercrimes cases (JRLOS Strategic Plan 2018-2024), From July 2021

to June 2022, 6,412 illicit narcotic drugs cases including 6,368 new received cases and 44 backlog cases were investigated at 100% while all 35 reported cases of trafficking in Human beings were investigated at 100% and also all 672 reported cybercrime cases equivalent to 92% were investigated out of 720 cybercrimes.

- With regard to conducting investigation and prosecution of Gender-Based Violence (GBV), From July 2021 to June 2022, 10,100 GBV cases (97.3%) in such need were supported by scientific evidence out of 10,378 cases received. The technical challenge is that some victims delay to report the case to RIB which may cause the destruction of evidences. Also all 5,618 child defilement cases including 5,616 new received cases and 2 backlog cases were investigated at 100% and all 28 cases of child abandonment were investigated at 100%. Furthermore 9,481 GBV cases involving 9,563 suspects (440 females and 9,123 males) were received by the Prosecution. At the end of the FY, 4,941 cases were filed into Courts while 4,467 cases were closed by the Prosecution. Meaning that 9,408 cases equivalent to 99.2% were handled while 73 equivalent to 0.8% were still pending.
- In line with handling forensic cases and timely delivery of services to citizens, cumulatively, from July 2021 to June 2022, Rwanda Forensic Laboratory (RFL) handled 8,529 forensic cases equivalent to 95.5% against 8,930 cases received for scientific evidence.
- In line with prosecution and investigation of embezzlement and corruption-related offences, From July 2021 to June 2022, 1,070 (99.9%) out of 1,071 cases of corruption and related cases were investigated. Furthermore, 1,020 embezzlement and corruption-related cases involving 1,974 suspects (384 females and 1,590 males). At the end of June 2022, 418 cases were filed into Courts while 464 cases were closed by the Prosecution. Meaning that 882 cases equivalent to 86.5% were handled while 138 case (13.5%) were still remaining. In addition, 124 (98.4%) cases out of 126 cases found in 2018/19 OAG

report were handled by the Prosecution. Frw171,268,572 in 17 cases involving 134 civil servants and other 2 people was returned to public treasury while 91 cases (83.4%) cases out of 109 cases found in 2019/20 OAG report were handled by the Prosecution where Frw 2,451,458 was returned by suspects who accepted to pay fine without trial.

- With regard to recovering embezzled funds for won cases, Cumulatively, from July 2021 to June 2022, a total of Frw 3,348,701,554 was recovered against the target of Frw 1,800,000.

## **5.6. ENVIRONMENTAL PROTECTION**

In the Sector of environment protection, the following achievements were recorded in the fiscal year 2021/22;

- In order to increase the percentage of forest cover, 3,164 ha of new forests were planted countrywide against annual target of 2,565.4 ha of new forests that had to be planted countrywide. Among these, 1,742 ha of new forests planted, 639 ha of bamboo trees were planted and 782 ha planted on roadsides.
- To increase land under agroforestry, 64,036 ha of agroforestry were planted and maintained countrywide against the annual target of 50,920. Furthermore, 3,202,978 fruits trees were distributed and planted countrywide against the annual target of 2,414,800 fruits trees.
- In order to increase public forest whose management is transferred to private operators, 6,526.26 ha were mapped and were in tender process for allocation to private operator against the annual target of 9,600 ha (15.6%) of public forests that were to be mapped and inventoried while 6,615 ha were submitted for cabinet approval.
- To continue reducing wood biomass energy through use of improved efficient technologies, 30,583 improved cook stoves (ICS) were distributed in Kamonyi



(10,000 ICS), and Gicumbi (8,000 ICS), Kirehe District (12,083 ICS), Nyagatare (500 ICS) against the annual target of distributing 23,010 improved cook stoves.

- To continue increasing annual employments created from environment sector, 41,712 new jobs were created against the annual target of creating 42,442 new jobs. This is composed of 3,052 permanent jobs and 38,660 casual jobs created.
- In order to ensure effective enhancement of Pollution control and environmental compliance, the revised report of the feasibility studies, and preliminary proposed designs for the 5 wetlands Gikondo, Rugenge, Rwintare, Kibumba & Nyabugogo wetlands rehabilitation in the City of Kigali were developed at 60% against the annual target of developing them at 100%.
- To ensure cumulative volume of finance [US\$ millions] is mobilized for climate and environment purposes, USD \$69.4M were mobilized against the annual target of mobilizing USD \$63M. Out the mobilized resources above, USD \$1.6M were from domestic sources while USD \$67.8 M were from external sources.
- To ensure effective governance of water resources at catchment, national and transboundary level, provisional structures were established in catchments in which catchments management plans were developed at 90% against 100% annual target.
- To continue rehabilitating water related disasters mitigated and degraded watersheds, 10,254.51 Ha against the annual target of 9,135 Ha of land were restored.
- Ensuring equitable water allocation and efficient utilization, was done at 75% of all technical chapter including MIS, knowledge transfer and capacity building against the annual target of 100%. Installation and configuration of sensors for 7 ground water stations and 24 surface water stations was completed at 90% against 100% annual target.
- In order to increase revenues generated through minerals value addition and diversification, USD \$618.6 M USD was generated against the annual target of mobilizing USD \$171.75M. In addition to that, as a result of value addition interventions,

the price of exported Cassiterite increased from 9.4 USD/KG to 16.4 USD/KG which is about 74.4% due to the value addition intervention.

- In order to digitize core businesses of RMB including geological information, managing licenses, certificates and granting them online, Geological Information and Mining, Cadaster System (GIMCS) was developed at 86% against the annual target of 100%. So far, 10,298 maps and 5,544 documents have been cataloged which makes the total of 15,842 cataloged files from the RMB archive. 8,740 maps and 4,644 documents were scanned making the total of 13,384 scanned files from the RMB archive.
- The certified analytical mining laboratory was operationalized at 10% against the annual target of operationalizing it at 20%.
- In order to ensure sustainable mining exploitation through adopting environmentally friendly and mining standards, 68% of mines complied with mining safety and environment standards against 75% annual target.
- In order to enhance small scale mining professionalization through training, skills and modern equipment, 95% productive mines complied with professional staffing against the annual target of 98.2% compliance.

## 6.CONCLUSION

As indicated above at the beginning of this report, the execution of the budget in the FY 2021/22 was impacted by domestic economic environment including some economic recovery from the COVID-19 pandemic. These impacted domestic resource mobilizations as well as the pace of expenditure commitments. In addition, the delay in the disbursement of some of the donor funds especially those of the African Development Bank and European Union also affected the pace of expenditure commitments and the cash flow of Government during the FY 2021/22.

Government will continue to monitor both local and international development closely for the fiscal year 2022/23 and will take all the necessary steps to ensure that budget that was approved by Parliament in June 2022 is fully implemented to support the economy. In doing so the Government will endeavor to uphold its main policy objectives of promoting growth whilst maintaining macro-economic stability.