

REPUBLIC OF RWANDA

MINISTRY OF FINANCE AND ECONOMIC PLANNING



BUDGET EXECUTION REPORT

JULY 2020- JUNE 2021

August 2021

TABLE OF CONTENTS

TABLE OF CONTENTS	2
EXECUTIVE SUMMARY	3
1. INTRODUCTION.....	6
2.1. Real Sector	8
2.2. External Sector	9
2.3. Monetary Sector Developments.....	10
3. Performance of Revenue.....	11
3.1. Performance of Taxes.	13
▪ Performance of taxes on income, profits and capital gains.	13
▪ Taxes on Property.	14
▪ Taxes on goods and services.....	14
▪ Excise Duties.	16
▪ Other collections.....	17
▪ Taxes on international trade.....	17
3.2. External grants disbursements.	18
3.3. Other Revenue.....	19
4. PERFORMANCE OF EXPENDITURE.....	20
4.1 Total Expenses	20
✓ Compensation of Employees.	21
✓ Use of Goods and Services.....	22
✓ Interest Payments.	23
✓ Subsidies.....	24
✓ Grants	25
✓ Social Benefits.	26
✓ Other Expense.	26
4.2. Net investment in nonfinancial assets.	26
4.3. Net Lending /Borrowing and financing	27
5. SECTORAL PERFORMANCE	32
5.1 ECONOMIC AFFAIRS.....	32
5.2. EDUCATION SECTOR	40
5.3. HEALTH SECTOR	45
5.4. SOCIAL PROTECTION SECTOR	46
5.5. JUSTICE SECTOR	47
5.2. ENVIRONMENTAL PROTECTION	50
6.CONCLUSION	52

EXECUTIVE SUMMARY

This budget execution report is once again formulated in the new GFSM 2014 format. This change in format as mentioned in the report covering the July 2020- March 2021 period differs in presentation from the old GFSM 1986 format with economic classification details. This new format has been adopted in consultation with the IMF and also respects the new Chart of Accounts of Government. The report builds on the performance in the July 2020 – March 2021 period and extends the coverage to end June 2021.

As mentioned in the report covering the July 2020- March 2021 period, some of the restrictions introduced to combat the corona virus pandemic during that period continued in the last quarter of the 2020/21 fiscal year. These restrictions continued to impact on general economic activities and implementation of the budget both on the resources and spending sides. At the beginning of April 2021, the revised budget approved by Parliament was adjusted to include the resources and expenditure associated with the vaccination program as well as the decision to issue a new EURO bond with a face value of USD 500 million. These proceeds were to be used to retire USD 240 million (60 percent) of the old bond maturing in 2023. The remaining amount was to be used to refinance a portion of a more expensive debt of Rwandair (USD 112 million) and for priority spending of USD 148 million. Whilst the vaccination program got under way as expected, the bond issuance could not be done till the beginning of August 2021. This was due to delays in finalizing all the preparatory work for the bond issuance before end June 2021.

Regarding revenue collections, the collected amount for the fiscal year under review of 2,568.2 billion FRW exceeded the end year revised estimated figure of 2,524.8 billion FRW by 43.3 billion FRW. The collected amount also exceeded the figure of 2,453 billion FRW in the revised budget approved by Parliament by 115.2 billion FRW. The good performance of tax and other revenue collections more than offset shortfalls in grants disbursement and caused the excess collections. The tax revenue collection performance was led by good performance from taxes on income, profits and capital gains as well as from taxes on goods and services as well as other revenue particularly administrative fees and charges. Domestic tax collections benefitted from improved economic activity including the uptick in consumption and increase in Government spending.

Total outlays of Government comprising total expenses and the net investment in nonfinancial assets (representing the old definition of capital expenditure) in the fiscal year 2020/21 amounted to 3,341.2 billion FRW. This figure was 15.5 billion FRW higher than the amount of 3,325.6 billion FRW estimated for the fiscal year in the revised end year framework. Higher spending under primary expenditure more than offset lower spending under net investment in non- financial assets and caused the slight excess overall expenditure. Regarding primary spending, higher outlays under interest payments and higher than expected transfer of grants

to EBU and Local Government Authorities were mainly responsible for the excess spending. In the case of net investment in non-financial assets, the shortfall in spending was caused by delays in executing some domestically financed investment projects.

Fiscal operations of Government closed the financial year 2020/21 with a slightly lower deficit (including grants) of 773.0 billion in the revised end year projections. The overall deficit (including grants) was projected at 800.8 billion whilst the deficit (excluding grants) was estimated at 1,372.6 billion FRW. Corresponding figures in the revised budget approved by Parliament were (including grants) of 655.9 billion FRW and (excluding grants) of 1,248.1 billion FRW.

As mentioned above, the delay in effecting the issuance of the new EURO bonds led to slightly lower financing requirements to finance the deficit. The lower overall deficit (including grants) of 773.0 billion FRW was financed with a net incurrence of liabilities of 910.7 billion FRW (comprising 657.3 billion FRW of external debt and 253.5 billion FRW of domestic debt). This figure of net incurrence of liabilities allowed the Government not only to finance the deficit of 773.0 billion FRW but it also allowed the Government to acquire new financial assets of 156.9 billion FRW (including a build up of deposits of 43.2 billion FRW). In the end year revised framework, the overall deficit was projected at 800.8 billion FRW. This figure was to be financed with net incurrence of liabilities of 1,107.8 billion comprising external loans (including the net flow of 253.1 billion FRW from the new EURO bond issuance) and net domestic borrowing of 102.3 billion FRW. The figure of 1,107.8 billion FRW was not only to be used to finance the deficit of 800.8 billion FRW as mentioned above, but would have allowed the Government to acquire net domestic assets in the form of loans and increase in banking deposits of 307.0 billion FRW.

Gross Domestic Product grew by 3.5 percent year-on-year in the first quarter of 2021, following a 0.6 percent contraction in the previous period, as activity gradually recovers from the pandemic shock. The services sector contributing -0.2 percentage points to the GDP drop, shrank by 0 percent better than -3 percent recorded in fourth quarter of 2020, in particular for trade & transport (-4 percent vs -7 percent); hotels & restaurants (-34 percent versus -44 percent) and financial services (10 percent versus 6 percent).

Annual inflation rate decreased to 0.4 percent in July 2021 from -0.2 percent in previous month driven mainly by decrease for Alcoholic beverages and tobacco (7.8 percent vs 3.6 percent in June) and for Food and non-alcoholic beverages (-0.1 percent vs 0.2 percent in June). Local nonfood stabilized at 11.4 percent in July and imported inflation decreased (5.1 percent vs 5.3 percent in June). Transport (-13.5 percent vs -13.9 percent in June).

The base effect on inflation continues to be observed due to the high level of food inflation in July 2020 (11.9 percent vs -0.1 percent in July of 2021). Inflation in rural areas decreased to 1.7 from 0.3 percent in June of 2021. On a monthly basis, consumer prices stood at 0.0 percent from -0.2 percent in June of 2021.

With regards to the external sector, this was severely impacted by the COVID-19 virus pandemic which destabilized both global and region trade. As a sign of economic recovery with gradual opening of activities worldwide and vaccination in some countries, Rwanda's formal trade deficit has deteriorated a bite by 0.8 percent recording USD 2,016.5 million in July to June 2020/21 from USD 1,999.7 million in the same period 2019/2020. This performance was mainly resulted from different positive and negative factors related to the fluctuations in terms of international prices and volume of some minerals and other products exported by the country.

On monetary development side, Rwanda National Bank (BNR) continued to maintain an accommodative monetary policy stance as in February 2021, the Monetary Policy Committee kept the Central Bank Rate to 4.5 percent to support economic activities affected by COVID-19 pandemic. On overall, monetary key aggregates in June 2021 compared to June 2020 show that Broad Money (M3) grew by 17.3 percent, Net Foreign Asset (NFA) by 7.3 percent and Credit to private Sector by 19.1 percent.

The depreciation of Franc Rwandais (FRW) against American Dollars (USD) was 5.3 percent during the period of end June 2021 referring to June 2020. The Franc Rwandais came under pressure due to the reopening of economic activities and the uptick of the demand for foreign currencies amid low foreign inflows. It is worth to note that with September 2020 report of Monetary Survey, Central Bank foreign liabilities were modified with a reclassification of some accounts from Government to nonresident.

1. INTRODUCTION

In the July 2020- March 2021 report, it was mentioned that the execution of the budget during that period was based on the revised budget approved by Parliament at the beginning of 2021. 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 2020/21 with the IMF team under the PCI program in the latter part of 2020.

In March 2021 however, it became necessary to adjust the estimates in the revised budget to reflect resources and outlays associated mainly with the corona virus vaccination program as well as the decision to go to the EURO bond market for some resources to refinance the portion of the EURO bond of 2013 which was maturing in 2023 as well as the refinancing of some relative more expensive Rwandair debt and securing some funds for the financing of some priority infrastructure projects.

With regards to the vaccination program this was expected to be done over a three-year period, starting in the last quarter of the fiscal year 2020/21. Total cost including the purchase of the vaccines and other associated costs were estimated at 125.3 billion FRW. A portion of the financing was expected to come from external sources in the form of grants (including assistance from Indian Government and the COVAX initiative) and loans whilst the remaining financing will come from Government domestic sources. For the April-June 2021 period, the cost of the vaccination program was estimated at 16.8 billion FRW. This cost was to be financed with grants of 3.7 billion FRW from the Indian Government and the COVAX initiative and 13.1 billion from Government resources. In the case of the EURO bond issue, Government was expected to issue a new 10- year bond of USD 500 million on the market before end June 2021. The proceeds from the issuance were expected to be used to refinance 60 percent (equivalent to USD 240 million) of the existing 10-year bond maturing in 2023 as well as repaying a more expensive debt of Rwandair amounting to USD 112 million whilst the remaining USD 148 million is used to finance some priority projects that will support the post corona virus recovery effort.

As a result of these changes, the end fiscal year 2020/21 estimates projected total revenue at 2,524.8 billion FRW. This figure was 71.8 billion FRW higher than the figure of 2,453 billion FRW in the revised budget. Likewise, the projected figure for total expenses was raised to 2,054.3 billion FRW and showed an increase of 86.4 billion FRW compared to the revised budget figure of 1,967.9 billion FRW. As a result of these changes, the overall deficit (GFSM1986 definition)

was projected at 927.1 billion FRW which was 51.6 billion FRW higher than the figure of 875.5 billion FRW estimated in the approved revised budget.

As mentioned in the July 2020- March 2021 report, implementation of the budget was affected by the on-going impact of the corona virus pandemic coupled with the imposition of some restrictions on movements and gathering including working from home and night curfews in order to reduce the spread of the infection. Some of the restrictions that were introduced in the first nine months of the fiscal year continued in one form or the other in the April to June 2021 period. These measures affected the implementation of the budget in the fourth quarter of the fiscal year 2020/21. In addition to the domestic restrictions, the flow of external budget support funds also dictated the pace of expenditure commitments during the last quarter of 2020/21. Furthermore, some delays occurred in the preparations for the issuance of the EURO bond and therefore could not be done before end June 2021. Despite these occurrences, the Government closed the fiscal year in a stronger financial situation than envisaged in the end fiscal year revised projections. In the case of revenue collections, total collections of 2,568.2 billion FRW exceeded the revised end fiscal year projections of 2,524.8 billion FRW by 43.3 billion FRW. These collections were also 115.2 billion FRW higher than the revised budget estimates of 2,453 billion FRW. On the spending side, total expenses of 2,089.4 billion FRW exceeded the end fiscal year revised projections of 2,054.3 billion FRW by 35.0 billion FRW and also the revised budget projected figure of 1,967.9 billion FRW by 121.5 billion FRW. With this performance, the overall deficit (GFSM 1986 definition) of 886.7 billion FRW at end June 2021 was 40.4 billion FRW lower than the end fiscal year revised estimated figure of 927.1 billion FRW but 11.2 billion FRW higher than the revised budget projected amount of 875.5 billion FRW. With the delayed issuance of the new EURO bonds, the net foreign financing in the end year revised budget of 657.3 billion FRW was 348.2 billion FRW lower than the figure of 1,005.5 billion FRW projected for those estimates and also 33.4 billion FRW lower than estimated in the revised budget approved by Parliament at the beginning of the year 2021.

The July 2020-March 2021 report also mentioned that for the first time the Budget Execution Report was being presented in the GFSM 2014 format as against the usual GFSM 1986 economic classification format. It was further indicated that the new GFSM 2014 format has been adopted in agreement with the IMF under the PCI program and also to respect the implementation of the new chart of accounts of Government in the context of the implementation of the roadmap to accrual accounting adopted by Government. All future Budget Execution Reports will therefore be presented in this new GFSM 2014 format. Reflecting this new presentation, some budgetary items have been changed on one hand whilst some new items /definitions have been included on the other hand in this report.

After this short introduction, the report will be organized as follows: Section two gives a brief summary of the domestic economic performance during the July 2020 to June 2021 period. The following section three will then discuss the performance of the new concept of total revenue whilst section four will discuss the new concept of total expenses including a new concept of capital expenditure now known as net investment in nonfinancial assets. Section five discusses the details of the new concept of net lending /borrowing which now will deal with the details of how the financing gap (deficit) is financed during the fiscal year covering the July 2020 to June 2021 period. The report as usual will close with a brief conclusion. As has been done in the past, the report is based on provisional data and the results of the analysis will be revised when more accurate data becomes available.

2. ECONOMIC PERFORMANCE

2.1. Real Sector

Gross Domestic Product grew by 3.5 percent year-on-year in the first quarter of 2021, following a 0.6 percent contraction in the previous period, as activity gradually recovers from the pandemic shock.

The services sector contributing -0.2 percentage points to the GDP drop, shrank by 0 percent better than -3 percent recorded in fourth quarter of 2020, in particular for trade & transport (-4 percent vs -7 percent); hotels & restaurants (-34 percent versus -44 percent) and financial services (10 percent versus 6 percent). The sector continued to be affected as some restrictions were still in place. However, some sub-sectors such as information & communication maintained a positive growth (18 percent compared to 18 percent in Q4). The industry sector contributed 1.7 percentage points, which is an improvement (10 percent growth versus 2 percent in Q4 2020), as output for manufacturing maintained a positive growth (8 percent vs 10 percent) and a first growth for mining & quarrying (3 percent compared to -19 percent in Q4) since 2019 and recovery for construction (14 percent compared to -2 percent). The agriculture sector contribution was 1.7 percentage points, rebounded (7 percent versus 3 percent), driven by export crops (7 percent versus 0 in Q4 2020), growth in food crops (7 percent versus 3 in Q4); livestock & livestock products (9 percent same as in Q4)

On the expenditure side, consumption of households and NGOs dropped by 2 percent while gross capital formation increased by 3 percent compared to -3 percent in Q4 2020. Exports and imports of goods and services did not improve (-19 percent and -22 percent after recording -29 percent and -15 percent) respectively in quarter 4.

The economy contracted by 3.4 percent in 2020 as a result COVID-19 pandemic shocks. Economic growth prospects remain largely dependent on the availability, equitable and effective distribution of vaccines in the country and globally.

Annual inflation rate decreased to 0.4 percent in July 2021 from -0.2 percent in previous month driven mainly by decrease for Alcoholic beverages and tobacco (7.8 percent vs 3.6 percent in June)

and for Food and non-alcoholic beverages (-0.1 percent vs 0.2 percent in June). Local nonfood stabilized at 11.4 percent in July and imported inflation decreased (5.1 percent vs 5.3 percent in June). Transport (-13.5 percent vs -13.9 percent in June).

The base effect on inflation continues to be observed due to the high level of food inflation in July 2020 (11.9 percent vs -0.1 percent in July of 2021). Inflation in rural areas decreased to 1.7 from 0.3 percent in June of 2021. On a monthly basis, consumer prices stood at 0.0 percent from -0.2 percent in June of 2021.

Table 1: Real GDP Growth (%)

	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1
GDP	12.3%	10.9%	8.4%	3.6%	-12.4%	-3.6%	-0.6%	3.5%
AGRICULTURE, FORESTRY & FISHING	5.1%	6.6%	4.5%	-0.5%	-1.6%	0.0%	3.0%	7.0%
O/w Food crops	4.0%	4.0%	4.0%	-2.0%	-2.0%	2.0%	3.0%	7.0%
Export crops	8.0%	23.0%	-4.0%	-16.0%	-19.0%	3.0%	0.0%	7.0%
INDUSTRY	21.0%	16.0%	14.0%	2.0%	-19.0%	-1.0%	2.0%	10.0%
o/w Mining & quarrying	15.0%	-13.0%	-12.0%	-26.0%	-53.0%	-24.0%	-19.0%	3.0%
Manufacturing	16.0%	13.0%	9.0%	6.0%	-13.0%	6.0%	10.0%	8.0%
Construction	37.0%	34.0%	33.0%	5.0%	-20.0%	-6.0%	-2.0%	14.0%
SERVICES	11.0%	10.0%	8.0%	6.0%	-16.0%	-7.0%	-3.0%	0.0%
Wholesale & retail trade	24.0%	21.0%	14.0%	11.0%	-22.0%	0.0%	-2.0%	0.0%
Information & communication	9.0%	-1.0%	25.0%	34.0%	33.0%	43.0%	12.0%	18.0%
Transport	11.0%	18.0%	12.0%	0.0%	-41.0%	-33.0%	-19.0%	-14.0%

Source: NISR, 2021

2.2. External Sector

In general, external sector was severely impacted by the COVID-19 virus pandemic which destabilized both global and region trade. As a sign of economic recovery with gradual opening of activities worldwide and vaccination in some countries, Rwanda's formal trade deficit has deteriorated a bite by 0.8 percent recording USD 2,016.5 million in July to June 2020/21 from USD 1,999.7 million in the same period 2019/2020. This performance was mainly resulted from different positive and negative factors related to the fluctuations in terms of international prices and volume of some minerals and other products exported by the country.

During the period under review formal exports growth (+17.9 percent), down weighted the growth of imports (+7.3 percent). The performance of exports was supporting the export diversification initiative where some traditional and non-traditional exports had recorded positive growth including; Cassiterite (+101.6 percent), Wolfram (+66.3 percent), Hides and Skin (+89.3 percent), Live animals (+81.7percent), flowers (+96.9 percent), vegetables (+122.2 percent), etc. Despite the

positive side, some other products like Tea, Coffee, Coltan, and Pyrethrum declined by -3.9 percent, -0.9 percent, -6.0 percent, and -34.5 percent respectively.

Importation of consumer goods (+10.7 percent), Capital goods (15.2 percent) and intermediate goods (+14.6) contributed to the performance of imports while energy and lubricants category marked a negative growth (-40.1 percent) that may be linked to some transport related measures to contain the pandemic. The increase in intermediate and capital goods is in line with the gradual recovery of economic activities in the country where machines, devices and tools increased by 10.2 percent, construction materials (+12.2 percent) and industrial products (+19.1 percent).

Table 2: Summary Trade balance as of July2020-June 2021

Trade	July2019-June2020		July2020-July2021		% change	
	Value mIn USD	Volume Tons	Value mIn USD	Volume Tons	Value	Volume
Exports	1,230.0	687,351.6	1,450.4	895,462.8	17.9%▲	30.3%▲
Export (Excl. Gold)	747.7	687,341.9	884.2	895,453.1	18.3%▲	30.3%▲
Gold	482.3	9.8	566.2	9.7	17.4%▲	-0.4%▼
Imports	3,229.7	3,044,492.2	3,466.9	3,393,201.2	7.3%▲	11.5%▲
Imports(Excl. Gold)	2,769.6	3,044,482.4	2,903.8	3,393,191.6	4.8%▲	11.5%▲
Gold	460.1	9.8	563.1	9.6	22.4%▲	-2.1%▼
Trade deficit (Excl. Gold)	-2,021.9	-2,357,140.5	-2,019.5	-2,497,738.5	-0.1%▼	6.0%▲
Trade deficit	-1,999.7	-2,357,140.5	-2,016.5	-2,497,738.3	0.8%▲	6.0%▲

Source: MINECOFIN

2.3. Monetary Sector Developments

Rwanda National Bank (BNR) continued to maintain an accommodative monetary policy stance as in February 2021, the Monetary Policy Committee kept the Central Bank Rate to 4.5 percent to support economic activities affected by COVID-19 pandemic. On overall, monetary key aggregates in June 2021 compared to June 2020 show that Broad Money (M3) grew by 17.3 percent, Net Foreign Asset (NFA) by 7.3 percent and Credit to private Sector by 19.1 percent.

The depreciation of Franc Rwandais (FRW) against American Dollars (USD) was 5.3 percent during the period of end June 2021 referring to June 2020. The Franc Rwandais came under pressure due to the reopening of economic activities and the uptick of the demand for foreign currencies amid low foreign inflows. It is worth to note that with September 2020 report of Monetary Survey, Central Bank foreign liabilities were modified with a reclassification of some accounts from Government to nonresident.

3. Performance of Revenue

Under the GFSM2014 concept, total revenue comprises total taxes (including Local Government taxes) social contributions, grants and other revenue. As currently there are no collections under social contributions, the report will also exclude these in the discussion of total revenue. The July 2020-March 2021 report mentioned that total revenue collection showed a mixed picture. Whilst the performance under taxes continued to improve, disbursement of grants and collection of other revenue lagged behind. The report also mentioned that total revenue collections at end March 2021 for the nine-month period of 1,833.6 billion FRW were 112.5 billion FRW lower than the estimated amount for that period of 1,946.1 billion FRW. Lower disbursement of grants and the accrual of other revenue more than offset the excess tax revenue collections and caused the shortfall in collection of total revenue. Performance in both tax and other revenue collection in the fourth quarter of the fiscal year 2020/21 continued to improve whilst the disbursement of grants continued to lag behind. At end June 2021, total revenue collections amounted to 2,568.2 billion FRW and exceeded the end year projected figure of 2,524.8 billion FRW by 43.3 billion FRW. The achieved figure also exceeded the revised budget amount of 2,453 billion FRW by 115.2 billion FRW. Excess collection of tax and other revenue items more than offset the shortfall in the disbursement of grants and caused the excess revenue performance.

The table below shows the performance of total revenue comprising total taxes, total grants and other domestic revenue in the fiscal year under review.

Table 3. Revenue

	Jul-Jun 2020/21	
	July_June 2021.Proj	July-June 2021. Prov Act
(in billion RwF)		
REVENUE	2,524.8	2,568.2
Taxes	1,593.5	1,621.7
Taxes on income, profits, and capital gains	677.8	702.6
Of which Rental income Tax LG	10.1	11.1
Taxes on payroll and workforce	0.0	0.0
Taxes on property	21.7	19.4
Of which Property Tax and Fixed asset LG	21.7	18.6
Taxes on goods and services	768.8	776.0
Of which Road Fund (Fuel levy)	37.8	37.2
Of which Trading License Tax (Patent) LG	7.0	6.9
Of which Strategic petroleum reserve levy	11.7	11.5
Taxes on international trade and transactions	125.1	123.7
Of which Infrastrure development levy	13.5	14.5
Of which African Union import levy	1.8	1.8
Other revenue	359.6	385.4
Property income	11.7	19.6
Sales of goods and services	297.4	301.4
of which PKO receipts	214.3	208.9
of which LG Fees	41.5	41.7
Fines, penalties, and forfeits	22.8	29.2
Transfers not elsewhere classified	27.6	35.3
of which CCRT	27.6	35.3
Miscellaneous and unidentified revenue	27.6	35.3
Grants	571.7	561.1
From foreign governments	9.4	9.1
Current	9.4	9.1
From international organizations	562.4	552.0
Current	267.0	257.2
Capital	295.4	294.7
Of which Vaccine (Covax and India)	3.7	3.0
From other general government units	0.0	0.0
Source :Minecofin		

3.1. Performance of Taxes.

According to the GFSM2014 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. The July 2020-March 2021 report showed total tax revenue collections figure of 1,171.5 billion FRW which was only 1.7 billion FRW higher than the estimated amount for that period of 1,169.8 billion FRW. It was further mentioned that the July 2020 to March 2021 performance benefitted from “one off “VAT collections and some delayed tax payments that spilled over to the 2020/21 fiscal year as well as higher collections from taxes on property, taxes on goods and services and taxes on international trade. The improvement in tax collection continued in the fourth quarter of the fiscal year and at end June 2021, total collection of taxes amounted to 1,621.7 billion FRW following the GFSM2014 Classification. This figure was 28.2 billion FRW higher than the end fiscal year projected amount of 1,593.5 billion FRW and 21 billion FRW higher than the estimated amount of 1,600.7 billion in the revised 20/21 budget. Better performance under taxes on income, profits and capital gains and taxes on goods and services more than offset a small shortfall under taxes on international trade and caused the excess collection amount.

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

The July 2020- March 2021 report mentioned total collections under taxes on income, profits and capital gains as well as Local Government rental income and taxes on property of 504.1 billion FRW. This figure was 5 billion FRW higher than the projected amount for that period of 499.1 billion FRW. All major items contributed to this excess performance.

Regarding profit taxes comprising CIT, PIT and WHT as well as Local Government rental income and property tax the July 2020-March 2021 report mentioned collections of 245.6 billion FRW. This figure was 20.4 billion FRW higher than the estimated amount for that period of 225.2 billion FRW. This good performance as mentioned in the report covering that period benefitted from the improvement in economic activity including the acceleration of public investment during this period. PIT collections from the three sectors comprising manufacturing, information and communication and financial and insurance sectors as well as WHT collections including payments by Government mainly contributed to this performance under profit taxes. The latter was in line with increased Government spending including on investment projects for economic recovery following the easing of restrictions on movements to stop the spread of the corona virus pandemic. Collections particularly under PIT and WHT continued to improve in the last quarter of the fiscal year. At end June 2021, total collections under profit taxes and Local Government rental income amounted to 702.6 billion FRW. This figure exceeded the end fiscal year revised estimated amount of 677.8 billion FRW by 24.8 billion FRW. Local Government

rental income collections contributed an amount of 11.1 billion FRW, which was 1 billion FRW higher than the 10.1 billion FRW projected for the fiscal year 2020/21.

In the case of PAYE total collections, the July 2020-March 2021 mentioned that collections in the July to December 2020 period were sluggish and reflected conditions at that period to respond to the corona virus pandemic namely a decrease in the number of employees in some sectors, lower salaries paid and non-payment of performance bonuses normally paid in December of each year. Collections however improved slightly in the first quarter of 2021 and at end March 2021 collections for the nine-month period amounted to 265.2 billion FRW. This figure was 2.3 billion FRW higher than 262.9 billion projected for that period. This improvement in collection was achieved despite the registered net decrease in the number of employees in the July 2020 to March 21 period compared to the same period last fiscal year. As mentioned in the July 2020-March 2021 report, the main sectors affected by the decrease in employment were the accommodation and food service activities. PAYE collections in the fourth quarter of the fiscal year under review continued to improve and at end June 2021 PAYE collections for the fiscal year under review amounted to 365.8 billion FRW. This figure exceeded the end fiscal year estimated amount of 355.6 billion FRW by 10.2 billion FRW. This excess collection was attributable to delayed payment of bonuses by some companies and institutions during the last quarter of the fiscal year 2020/21.

- ***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. The July 2020 to March 2021 report mentioned total collections in the nine-months period under review of 10.9 billion FRW compared to the projected amount of 12.2 billion FRW. This small shortfall was due the extension of deadline for property tax to April 2021 by Government as one of the measures to alleviate the adverse impact of the corona virus pandemic on tax payers. At end June 2021, total collections have risen to 19.4 billion FRW for the fiscal year. This collected amount fell short of the revised end year projected figure of 21.7 billion FRW by 2.3 billion FRW. The main reasons for the shortfall are the revision of land tax rates downward and difficulties experienced by some districts which prevented them to sell own properties/assets as it was planned.

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

Taxes on goods and services comprise mainly VAT collections, excise duties, road fund collections (excluding road toll collection), trading license for LG and petroleum strategic

reserves levy. The July 2020- March 2021 report mentioned total collections of 563.9 FRW for that period which fell short the projected amount for that period of 566.1 billion FRW by 2.2 billion FRW. It was further reported that a shortfall in trading licenses collection mainly accounted for the shortfall. Performance in the fourth quarter of the fiscal year 2020/21 however improved and at end June 2021, total collections amounted to 776 billion FRW in the GFMS2014 classification terms. This figure exceeded the revised end fiscal year estimated amount of 768.8 billion FRW by 7.2 billion FRW. It was however lower than the revised budget figure of 785.5 billion FRW by 9.5 billion FRW. Improvement in turnover growth together with increased collections from the use of EBMs contributed to the collections under taxes on goods and services in the fiscal year 2020/21.

Regarding VAT collections, the July 2020 to March 2021 report mentioned that the improvement in economic activity in the last quarter of 2020 as well as in the first quarter of 2021 impacted positively on domestic VAT collections. As a result, VAT collections at end March 2021 for the nine-month period reached 382.2 billion FRW. This figure was 4.7 billion FRW higher than the estimated amount for that period of 377.4 billion FRW. Both imports and domestic components contributed to this good outcome. This achieved performance continued in the April- June 2021 period and at end June 2021, total VAT collections reached 531.4 billion FRW. This figure exceeded the revised estimate of 523.3 billion FRW by 8.1 billion FRW. Once again both imports and domestic components contributed to the excess collection.

In the case of imports VAT, the July 2020-March 2021 report mentioned that total collections during that period amounted to 122.3 billion FRW. This collected amount was 1.3 billion FRW higher than the projected figure for the period of 121 billion FRW. It was further mentioned that an increase in import of goods from non-EAC countries especially China in the second half of 2020 accounted for this good performance in collections. After a small deceleration of imports in the first quarter of 2021, there was a slight recovery in the second quarter of the fiscal year 2020/21. As a result, the total value of imports (CIF basis and excluding petroleum products) increased by 14.8 percent in the July 2020-June 2021 period compared to the corresponding period of last fiscal year. This performance improved collections under VAT imports during the last quarter of the fiscal year 2020/21. Total collections at end June for the fiscal year 2020/21 of 163.8 billion FRW therefore exceeded the revised estimated amount of 158.7 billion FRW by 5.1 billion FRW. This performance was achieved despite a smaller than expected collection on petroleum products. Their imports were lower than expected due to the on and off imposition of travelling restrictions during the fiscal year to combat the spread of the corona virus pandemic.

With regards to VAT domestic, the July 2020-March 2021 report mentioned that total collections for the nine-month period amounted to 259.9 billion FRW. This figure exceeded the projected amount for that period of 256.4 billion FRW 3.5 billion FRW. It was further reported that an improvement in turnover growth especially the taxable base of big clients and importers together with improved collections from the use of EBMs contributed to the good performance. This improvement in turnover growth, which reflected an increase in economic activity,

continued in the April to June 2021 period and again contributed to increased VAT collections. Total domestic VAT collections at end June 2021 for the fiscal year therefore amounted to 367.6 billion FRW compared to the revised estimated figure of 364.6 billion FRW. There was therefore an excess collection of 3 billion FRW. Total turnover growth from VAT declarations increased by 16 percent in the fiscal year 2020/21 compared to a registered increase of 3.3 percent in the fiscal year 2019/20. The main sectors which had significant increases in performance (according to ISIC classification) compared to the previous fiscal year are the wholesale and retail trade, manufacturing, financial services, information and communication and construction. In addition to the positive growth in turnover, an increase in the withholding tax with a growth of 7.3 percent compared to 5.2 percent in the corresponding period of 2020/21 contributed to the improved collections. Furthermore, the fiscal year 2020/21 saw a decline in non-taxable sales and this event together with a decrease in exempted sales also contributed positively to the good performance of VAT domestic collections.

▪ ***Excise Duties.***

In the July 2020-March 2021 report, it was mentioned that collections under this tax category during that period under review amounted to 142.9 billion FRW and equaled the estimated figure for the nine-month period. It was further mentioned that both the domestic and imports components contributed to this good performance. It was also indicated that these collections benefitted from the improvement in economic performance as evidenced by increased Government spending (both investment and consumption), increase in currency in circulation as well as increase in imports of goods and services. Collections in the April to June period of 2021 continued to improve and at end June 2021 total excise duties collected amounted to 194.4 billion FRW. This amount exceeded the revised budget projected amount of 187.1 billion FRW by 7.3 billion FRW. As was the case in the July 2020 to March 2021 period, both the domestic and imports components contributed to this good performance the fiscal year 2020/21.

In the case of the domestic component, the July 2020- March 2021 report mentioned total collection of 77.4 billion FRW for the nine months' period. This figure was 0.3 billion FRW higher than the estimated amount for the period of 77.1 billion FRW. Collections continued to improve in the last quarter of the fiscal year 2020/21. At end June 2021 total collections under the domestic component of excise duties amounted to 105.7 billion FRW and exceeded the revised projected figure of 101.2 billion FRW by 4.5 billion FRW. As has been the case in the course of the last fiscal year, this performance was achieved despite the slow recovery of consumption in the hotels and restaurants. There are indications that an increase in home consumption and/or in informal bars and restaurants contributed to the collection performance. Excise duty on fuel products contributed about 30 percent of total collections. This performance was achieved despite the one-off imposition of travelling restrictions in the country to combat the spread of the corona virus pandemic which somehow reduced consumption of fuel products. Excise duty on wines and liquors, mobile airtime, soft drinks and cigarettes contributed 8 percent, 8 percent ,7 percent and 7 percent each respectively.

In the case of mobile airtime, the one and off imposition of the countrywide lockdown and the policy to introduce working from home increased the use of social media activities and improved collections. Regarding collections of excise duties on soft drinks, the limitations imposed on social gatherings including weddings and other social gatherings impacted negatively on collections during the fiscal year 2020/21

Concerning imports excise, the July 2020- March 2021 report mentioned collections for that period of 65.3 billion FRW. This amount was 0.5 billion FRW lower than the 65.8 billion FRW projected for that period under review. It was further reported that whilst imports especially excisable consumer goods in the second half of 2020 improved and impacted positively on collections during that period, imports in the first quarter of 2021 were sluggish. This performance impacted negatively on collections and led to the shortfall mentioned above. A slight improvement in imports was registered in the April-June 2021 period as mentioned above and impacted positively on collections. As a result, collections at end June 2021 for the fiscal year rose to 88.7 billion FRW and exceeded the revised budget figure of 85.9 billion FRW by 2.8 billion FRW.

- ***Other collections.***

Other taxes categories under goods and services comprise road maintenance fund collections (excluding road tolls) and petroleum strategic reserves levy. Total collections under these two tax items in the July 2020-March 2021 period amounted to 14.6 billion FRW compared to 16 billion FRW estimated for the period under review. Lower collections from these items on account of lower sales of petroleum products accounted for this small shortfall. The imposition of some restrictions on vehicular movements in the country to combat the second wave of the corona virus pandemic caused this shortfall. Total collections for these two items at end June amounted to 48.7 billion FRW and fell short of the estimated amount for the fiscal year of 49.8 billion FRW by 1.1 billion FRW. As mentioned above lower than expected consumption of petroleum products due to the restrictions on movements to combat the corona virus pandemic caused the shortfall in collections.

- ***Taxes on international trade.***

Taxes on international trade comprise Customs and other import duties including infrastructure development levy and African Union levy. The July 2020- March 2021 report showed total collections of 92.6 billion FRW during that period. This amount was only 0.2 billion FRW higher than the 92.4 billion FRW estimated for this period. As mentioned in that report, improvement in the value of total imports during the second half of 2020 was mainly responsible for this performance. After a sluggish performance of imports in the first quarter of 2021, things improved during the April-June 2021 period as mentioned above. However, in the GFSM2014 classification, total collections at end June 2021 of 123.7 billion FRW fell short of the revised budget estimated figure of 125.1 billion FRW by 1.4 billion FRW. This shortfall

was due to lower than expected collections under customs duty. However, it is worth to mention that as it is the case on the other tax categories, some late interest payments or penalties attached to this category are classified under other revenue as per GFSM2014 methodology.

Again as mentioned above, even though imports on CIF basis and excluding petroleum products increased by 14.8 percent in the fiscal year 2020/21 compared to 4.2 percent projected for the fiscal year under review, a large portion of that increase in imports affected imports from the EAC region predominantly from Kenya and Tanzania. Total imports from the EAC region increased by 21 percent in the fiscal year 2020/21 compared to fiscal 2019/20. Since imports from the EAC region are subject to lower imports duty this share of imports was responsible for the shortfall in collections. The amount collected under taxes on international trade also included 14.4 billion FRW of the infrastructure development levy and AU import levy of 1.8 billion FRW. The AU import levy is periodically transferred to the AU.

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.

The July 2020-March 2021 report showed the receipt of total grants amounting to 416.3 billion FRW. This figure was 75.4 billion FRW lower than the estimated amount for the period of 491.7 billion FRW. It was further explained that delayed disbursements of current grants from international organizations notably the Global Fund, the EU and from the Multi Donor Trust Fund (MDTF) established as a basket fund to support education expenditure were responsible for the shortfall during the nine-month period under review. For the fiscal year 2020/21, total grants of 571.7 billion FRW were projected comprising 9.4 billion FRW from foreign Governments and 562.4 billion FRW from international organizations. Disbursements in the April-June 2021 period improved slightly. However, at end June 2021, provisional total grants disbursed of 561.1 billion FRW fell short of the revised total of 571.7 billion FRW mentioned above by 10.7 billion FRW. Lower disbursement of current grants from international organizations caused the shortfall in the fiscal year 2020/21.

Regarding grants from international organizations, the projected amount of 562.4 billion was made up of 267.0 billion FRW of current grants and 295.4 billion FRW (of which 3.7 billion FRW was for vaccines from both Indian Government and the COVAX initiative) of capital grants. At end June 2021, an amount of 552.0 billion FRW had been disbursed and registered a shortfall of 10.4 billion FRW. The shortfall came from both current and capital portions. Concerning the current portion an amount of 267 billion was estimated for the fiscal year. Total disbursements

at end June 2021 amounted to 257.2 billion FRW and fell short of the projected amount by 9.8 billion FRW. Delayed disbursements of USD 9.8 million from the Global Fund and USD 10 million from MDTF caused the shortfall in current grants. Regarding the MDTF portion the delay was due to late implementation of some actions to trigger disbursement. Some of these actions have been met and an amount of USD 3.9 million was disbursed in July 2021.

In the case of capital grants, an amount of 295.7 billion FRW (including 3.7 billion for vaccines from India and the COVAX initiative) was projected for the fiscal year under review. At end June 2021, total disbursements received amounted to 294.7 billion FRW and fell short of the projected figure by only 0.6 billion FRW. Lower disbursement from the COVAX initiative for vaccines amounting to 2.9 billion FRW as against an estimate of 3.4 billion FRW mainly caused the shortfall in capital grants for the fiscal year 2020/21.

3.3. Other Revenue.

Under the GFSM 2014 fiscal accounts definition, other revenue comprises property income, sales of goods and services (including PKO reimbursements), fines, penalties and forfeits as well as Transfers not elsewhere classified. PKO reimbursements make a large component of items under other revenue in this context. The July 2020-March 2021 report mentioned total collections of 245.8 billion FRW during that period. This collected amount fell short of the projected amount for the nine-month period under review of 284.6 billion FRW by 38.8 billion FRW. It was further mentioned in the report that delayed reimbursements from the UN for Peace Keeping Operations expenditure mainly accounted for the shortfall in receipts.

Performance in the accrual of other revenue in the last quarter of the fiscal year 2020/21 improved significantly. As a result, total collections at end June 2021 of 384.5 billion FRW exceeded the projected figure for 2020/21 of 359.6 billion FRW by 24.9 billion FRW. Excess accrual of receipts from property income, fines, penalties and forfeits as well as proceeds from debt relief granted by the IMF(CCRT) more than offset a small shortfall in PKO reimbursements and were responsible for the excess accrual of funds.

Property income yielded 19.6 billion RWF and exceeded the revised projected figure of 11.7 billion FRW by 7.9 billion FRW. Yields from fines, penalties and forfeits amounted to 29.2 billion and also exceeded the estimated figure for the fiscal year of 22.8 billion FRW by 6.4 billion FRW. Mining royalties and road tolls also yielded 4.1 billion FRW and 13.7 billion FRW respectively.

Regarding PKO reimbursements, it has been mentioned above that delayed reimbursements in the July 2020- March 2021 period was mainly responsible for shortfall registered under other revenue during that period. Whilst the delayed funds were disbursed in the last quarter of the

fiscal year a small amount of USD 5.1 million expected in June has been delayed. As a result, total reimbursements for the fiscal year 2020/21 of 208.9 billion FRW fell short of the earmarked amount of 214.3 billion FRW by 5.4 billion FRW.

The amount of 35.3 billion FRW recorded under Transfers not elsewhere classified represents the debt relief granted by the IMF under the CCRT program. This debt relief was granted to the Government as one of the measures to deal with the financial implications of the corona virus pandemic. This recorded figure also exceeded the estimated amount of 27.6 billion FRW by 7.7 billion FRW.

4. PERFORMANCE OF EXPENDITURE

4.1 Total Expenses

Total expense under the new GFSM 2014 fiscal format 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. The July 2020- March 2021 report mentioned that total expenses of Government during that period amounted to 1,561.6 billion FRW. This figure was 44.8 billion FRW lower than the figure of 1,606.4 billion FRW projected for the nine-month period under review. Lower spending under use of goods and services, and grants more than offset higher spending under interest payments and subsidies and caused the overall lower spending mentioned above.

It has also been mentioned above that the vaccination program as well as the decision by Government to issue new 10-year EURO at the beginning of the year to finance some expenditure items necessitated a revision of the fiscal program to accommodate these items. As a result, total expenses in the end fiscal year scenario was raised to 2,054.3 billion FRW showing an increase of 86.4 billion FRW compared to the revised budget figure of 1,967.9 billion FRW. This increase affected mainly the use of goods and services and it was due to the inclusion of the cost of the vaccination program and other associated costs. At end June total expenses of Government in the fiscal year 2020/21 amounted to 2,089.4 billion FRW and exceeded the end year revised framework of 2,054.3 billion FRW by 35.0 billion FRW. Slightly higher spending on use of good and services, interest costs as well transfers for grants mainly accounted for this overall excess spending in the fiscal year 2020/21.

The table below shows the details of total expenses for the fiscal year July 2020 to June 2021 period.

Table 4. Expenditure

	Jul-Jun 2020/21	
	July_June 2021.Proj	July-June 2021. Prov Act
(in billion RwF)		
EXPENDITURE	3,325.7	3,341.2
EXPENSE	2,054.3	2,089.4
Compensation of employees	301.7	302.3
Use of goods and services	621.4	624.0
Consumption of fixed capital	0.0	0.0
Interest	163.5	180.7
To nonresidents	59.8	67.2
To residents other than general government	103.6	113.5
Subsidies	263.9	260.2
of which Rwandair	145.1	146.2
Grants	527.7	549.0
Grants to EBU	55.5	29.1
Grants to LG	472.2	472.6
Social benefits	46.4	41.0
Other expense	129.8	132.3
Net investment in non financial assets	1,271.3	1,251.8
Foreign financed	708.0	682.3
Domestically financed	563.4	569.5

Source :Minecofin

✓ **Compensation of Employees.**

In the report covering the July 2020 to March 2021 period, it was mentioned that total outlays for the compensation of employees in all ministries and affiliated departments and agencies during that period amounted to 224.3 billion FRW and fell short of the projected figure of 225.7 billion FRW by only 1.4 billion FRW. It was further mentioned in the report that delayed recruitments of some civil servants were responsible for this small deviation during that period. As mentioned above the measures including the on and off restrictions on movements adopted at the beginning of the year and which continued in the fourth quarter of the fiscal year to contain the spread of the coronavirus pandemic continued to impact expenses including wages. Nevertheless, payment of wages and salaries continued and at end June 2021, total outlays for compensation of employees amounted to 302.3 billion FRW. This figure slightly exceeded the revised end fiscal year 2020/21 projected figure of 301.7 billion FRW by only 0.6 billion FRW.

Within the total compensation of employees figure for the fiscal year 2020/21 of 302.3 billion FRW, the Supreme Court received 6.8 billion FRW for personal emoluments whilst the Rwanda National Police also received an amount of 34.2 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 2020/21. Compensation of employees in MINISANTE and MINEDUC amounted to 0.6 billion FRW and 0.7 billion FRW respectively. An amount of 2.7 billion FRW was also spent the Chamber of Deputies within the compensation of employees' figure mentioned above.

✓ **Use of Goods and Services.**

Under the new GFSM2014 fiscal accounts classification, some transfers to several government agencies, which were put under transfers and subsidies in the old GFSM1986 classification system are now classified under the use of Goods and Services in addition this new classification includes some expenses of old exceptional expenditure category.

In the July 2020 to March 2021 report, it was mentioned that a total amount of 442.8 billion FRW was spent by the Government on the use of goods and services during that period. This expenditure amount was 12.3 billion FRW lower than 455.1 billion FRW estimated for the period. It was further mentioned that some of the restrictions on movements that were introduced during that period including the policy to encourage working from home impacted negatively on some spending under the use of goods and services. Those that were affected included spending on travelling and office expenses and accounted for the lower spending mentioned above.

Again as mentioned above, the allocation for the use of goods and services in the end fiscal year 2020/21 revised framework was adjusted upwards from the revised budget estimate of 493.9 billion FRW to 621.4 billion FRW. There was therefore an increase of 127.5 billion RWF. Within the additional amount of 28.9 billion FRW, 16.8 billion FRW was to be used for the purchase of vaccines whilst the rest of the amount was to be used for other costs associated with the Covid-19 response to protect the population. At end June 2021, the amount spent under the use of goods and services for the fiscal year under review amounted to 624.0 billion FRW. There was therefore an excess spending of 2.6 billion FRW. Regarding spending on the vaccine, only 4.7 billion FRW of the projected amount of 16.8 billion FRW was spent. This was due to supply problems with the acquisition of the vaccines. As happened in the July 2020 to March 2021 period, the largest share of this expenditure amount was used for the purchase of various goods and services including administrative and other support services for the various ministries and public entities under Budgetary Central Government.

The amount spent under goods and services also allowed the Government to cater for several priority programs during the fiscal year under review. These included 10.3 billion FRW spent for purchases of various drugs, dressings and vaccines. Expenditure for technical assistance and other professional services amounted to 12.1 billion FRW during the period under review.

The amount spent under use of goods and services during the July 2020 to June 2021 period also allowed the Senate and the Chamber of Deputies to be supported with 0.9 billion FRW and

1.8 billion FRW respectively during the period under review. The Supreme Court and MINIJUST received 3.2 billion FRW and 2.4 billion FRW respectively whilst the Rwanda National Police and the National Prosecuting Authority received 15.3 billion FRW and 1.2 billion FRW respectively for their operations.

Furthermore, several public entities that hitherto were funded under Transfers and Subsidies under the old GSFM 1986 classification are now funded and classified under use of goods and services under the new GSFM 2014. Accordingly, the amount of 620.9 billion FRW spent during the fiscal year under review, allowed funding for several public entities. The Rwanda Bio-Medical Center received 18.5 billion FRW for its various activities including epidemic surveillance and response and vaccine programs. The Rwanda Correctional Service was funded with an amount of 16.5 billion FRW for the management of prisons including the welfare of prisoners. The Rwanda Agricultural Board and the National Agricultural Export Development Board were supported with 3.3 billion FRW and 1 billion FRW respectively. For its revenue collection activities, the Rwanda Revenue Authority received an amount of 63.4 billion FRW. The Rwanda Higher Education Council and the Rwanda Education Board were funded with 42.5 billion FRW and 1.9 billion FRW respectively. The amount for the Rwanda Higher Education Council included 30.7 billion RWF for scholarships. The Road Fund Authority was allocated an amount of 49.6 billion FRW for its road and bridges maintenance activities during the period under review. Government also spent an amount of 13.2 billion FRW on technical and vocational education including an amount of 0.6 billion FRW to support the Rwanda Polytechnic Board.

Furthermore, The Rwanda Transport Development Agency and the Rwanda Energy Corporation were supported with 0.6 billion FRW and 16 billion FRW respectively. The Water and Sanitation Corporation (WASAC) received funding of 2.3 billion FRW whilst the Rwanda Development Board was funded with an amount of 5.3 billion FRW. The Auditor General and the Rwanda Investigation Bureau were also supported with 2.9 billion FRW and 11.3 billion FRW respectively. Government also supported the activities of the Rwanda Housing Authority and the National Institute of Statistics with 5.9 billion FRW and 4.3 billion FRW respectively during the period under review. The Office of the Ombudsman also received an amount of 0.7 billion FRW during the period under review. The amount spent under the use of goods and services also allowed a spending total of 248.9 billion by Government on various peacekeeping operations of the UN in several countries. A portion of this amount represents pre financing of some operations. Reimbursements during the fiscal year amounted to 208.9 billion FRW. The UN is expected to reimburse Government fully with the expenditure amount by the end of the calendar year.

✓ **Interest Payments.**

Regarding interest payments, the July 2020- March 2021 report showed total interest payments of 132.1 billion FRW were 8.4 billion FRW higher than the projected figure for that period of 123.7 billion FRW. It was further explained that Interest payment to residents other than

general Government was responsible for this excess payment. This performance was the result of larger than expected sales of Government securities to these entities for cash -flow purposes during that period. Total sales of securities to non-residents other than general Government (both banks and non-banks) during the nine-months period under review amounted to 213.5 billion FRW. Sales of securities to residents other than the general Government for cash-flow purposes continued in the April to June 2021 period. Interest payments to non-residents also accelerated in the last quarter of the fiscal year 2020/21. As a result, total outlays for interest at end June rose to 180.7 billion FRW and exceeded the end year revised budget estimate of 163.5 billion FRW by 17.2 billion FRW. Payments to both non- residents and residents other than general Government caused the excess spending.

Concerning the portion of payments to nonresidents, the amount spent on interest payments of 67.2 billion FRW exceeded the revised projected figure of 59.8 billion FRW by 7.3 billion FRW. Payment of commissions and other fees on some loans caused the excess spending. These were not anticipated during the budget formulation exercise.

In the case of the portion for residents other than general Government, the increase in sales of securities observed in the July 2020- March 2021 period continued in the April- June 2021 period. As a result, this portion of payments reached 113.5 billion FRW at end June 2021. This figure was 9.9 billion FRW higher than the revised end year projected figure of 103.6 billion FRW. Total sales of new securities during the fiscal year amounted to 277 billion FRW.

✓ **Subsidies.**

As mentioned in the report covering the July 2020-March 2021 period, the adoption of the new GSFM 2014 format for the production of the Budget Execution Report has necessitated some changes to some classification of some expenditure items. As a result, some expenditure items that were classified under Transfers and Subsidies in the old GSFM 1986 are now being split and classified under use of goods and services and also separated under subsidies and grants. Consistent with the new GSFM2014 classifications, subsidies are now defined as either subsidies to public corporations or to private enterprises.

The July 2020-March 2021 report mentioned that an amount of 222.2 billion FRW was spent on subsidies during the nine-months period under review. This figure exceeded the projected amount for that period of 206.4 billion FRW by 15.9 billion FRW. It was further mentioned that front-loading of subsidies to Rwandair caused the excess expenditure for that period.

Spending in the April to June 2021 period was however on track and at end June total expenditure under this item amounted to 260.2 billion FRW. This figure fell short of the end year revised estimated figure of 263.9 billion FRW by a small amount of 3.7 billion FRW. Delayed payments to some Public Corporations were mainly responsible for this small shortfall in spending. Rwandair however, was supported with an amount of 146.2 billion FRW during the fiscal year under review.

✓ Grants

Grants under the new GSFM 2014 classification are defined as grants to other level of Government and include grants to Extra Budgetary Units (EBU) and grants to Local Government units. The July 2020-March 2021 report mentioned that total transfer of grants to Extra Budgetary Units (EBUs) and to Local Government entities for the nine-month period amounted to 415 billion FRW. This figure was 53.2 billion FRW lower than the projected amount of 468.2 billion FRW for that period. It was further indicated delayed completion of all payment processes on time caused the shortfall in spending. Total spending increased in the last quarter of the fiscal year 2020/21 and at end June 2021, total outlays on grants amounted to 549 billion FRW. This figure exceeded the end year revised projected figure of 527.7 billion FRW. There was therefore an excess transfer of grants amounting 21.3 billion FRW. This excess spending was mainly due to excess accrual of Local Government taxes collected during the fiscal year alluded to under other revenue.

Regarding EBUs, the July 2020- March 2021 report showed total grants of 21.6 billion FRW at end March 2021 and fell short of the projected amount of 34.7 billion FRW by 13.1 billion FRW. It was further mentioned that, delayed hiring of staff was mainly responsible for this shortfall in spending. This situation did not change in the April-June 2021 period and as a result, total transfers only rose to 29.1 billion FRW at end June 2021. There was therefore a shortfall in spending of 26.4 billion FRW. This shortfall in spending mainly came from compensation to employees. As mentioned above, delays in new recruitment led to the spending of only 16.9 billion FRW as compensation to employees compared to the figure of 26.4 billion FRW allocated for this item during the fiscal year under review.

The amount spent however allowed the Central University Hospitals in Kigali and Butare to be funded with 5.7 billion FRW and 4.1 billion FRW respectively. The Neuro Psychiatric Hospital of Ndera also received an amount of 1.4 billion FRW, Rwanda Military hospital received an amount of 3.9 billion FRW whilst the Rwanda Broadcasting Agency was also supported with 1 billion during the fiscal year under review.

In the case of the Local Government entities, the July 2020- March 2021 report mentioned transfer of grants by end March 2021 of 393.2 billion FRW. This figure fell short of the estimated amount of 433.5 billion FRW by 40.3 billion FRW. It was further mentioned that delayed finalization of payment processes caused the shortfall in the transfer of the grants. Transfers accelerated in the last quarter of the fiscal year under review and at end June 2021, total transfers to the Local Government entities reached 476.6 billion FRW. This grant figure marginally exceeded the revised projected amount of 472.2 billion FRW by 0.4 billion FRW. An excess spending under capital expenditure of the Local Government entities caused this minor excess spending.

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 130.7 billion FRW and 45.8 billion FRW respectively. An amount of 9.7 billion was used for school feeding whilst 14.9 billion FRW was also used as capitation grant. Within this total was an amount of 53.0 billion FRW as block grants to the districts.

✓ **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. The July 2020-March 2021 report mentioned that an amount of 25.1 billion FRW was spent on social benefits during the nine-month period under review. This figure fell short of the estimated amount of 29.4 billion FRW by 4.3 billion FRW. It was further indicated that delayed transfers to some of the beneficiaries mentioned above accounted for this shortfall. Payments under this item at end June 2021 for this fiscal year under review rose to 41 billion FRW. This figure however fell short of the revised budget projected amount of 46.4 billion FRW by 5.4 billion FRW. Once again delayed finalization of payment processes caused the shortfall in spending.

✓ **Other Expense.**

Other expense item includes several miscellaneous items not elsewhere classified. The July 2020- March 2021 report indicated a total spending under this item of 100.1 billion FRW and exceeded the projected figure of 97.9 billion FRW by only a small amount of 2.2 billion FRW. At end June 2021, total spending had risen to 132.3 billion FRW and exceeded the estimated figure for the fiscal year of 129.8 billion FRW by 2.5 billion FRW. The amount spent allowed the financing of scholarships of 30.7 billion FRW during the fiscal year under review.

4.2. Net investment in nonfinancial assets.

This new definition of net investment in financial assets in the GFSM 2014 format of fiscal accounts replaces the capital expenditure item in the old GFSM1986 version of fiscal accounts.

The July 2020- March 2021 report mentioned that despite the imposition of some restrictions in the second half of 2020 to combat the corona virus pandemic, implementation of capital projects led by the special schools' construction program with funds from the Government and the World Bank as well as other infrastructure projects in energy, roads, water and sanitation and agriculture accelerated during this period. As a result, the value of net investment in non-financial assets at end March 2021 for the nine-month period under review was 945.4 billion FRW. This amount was only 5.2 billion FRW lower than the projected value for that period of 950.6 billion FRW. This small shortfall was from the domestically financed portion.

Implementation of projects in the last quarter of the fiscal year 2020/21 was not as robust as was in the first nine months of the fiscal year. At end June 2021, the value of net investment in non-financial assets at 1,251.8 billion FRW was 19.5 billion FRW lower than the revised end year projected figure of 1,271.3 billion FRW. Lower implementation of the foreign financed portion more than offset the slightly better performance of the domestically financed portion and caused the under spending.

Regarding the domestically financed portion, total spending at end March 2021 for the nine-month period of the fiscal year amounted to 398.7 billion FRW. This figure was only 5.2 billion

FRW lower than the amount of 403.9 billion FRW projected for that period. There was therefore a small shortfall in spending of 5.2 billion FRW. As mentioned above this strong performance was led by the special school construction program funded by the Government. In addition, health projects funded with Global fund grants also contributed to this strong performance in the July 2020 to March 2021 period. Performance in the April to June 2020 was more robust and increased spending. As a result, total spending at end June 2021 for the fiscal year under review was 569.5 billion FRW and exceeded the revised end fiscal year total of 563.4 billion by 6.1 billion FRW. The schools construction program to reduce congestion in classrooms as well as the construction of quarantine facilities took a large share of spending under this item. In the case of the externally financed portion, the total amount of 546.7 billion spent on the various projects in the first nine months was on track. A large share of the financing for these projects came from the World Bank under the Basic Education Human Capital Development project also for schools' construction. An amount of 113 billion FRW was disbursed for this construction program.

Performance in the last quarter of the fiscal under review was also robust and at end June 2021 total spending stood at 682.3 billion FRW. This figure was however 25.7 billion FRW lower than the revised estimated amount of 708 billion FRW. Slight delays in the execution of some projects caused this deviation on spending. In addition to the schools construction program, other projects in the areas of roads, energy, water and agricultural sectors were implemented during the fiscal year under review. The sectoral analysis portion of this report presents some highlights of programs and projects implemented in the fiscal year 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. It therefore shows how the budgetary balance was financed. 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 also 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 2020 to June 2021 period.

Table 5. Net lending/Borrowing and Financing

	Jul-Jun 2020/21	
	July_June 2021.Proj	July-June 2021. Prov Act
(in billion RwF)		
Net lending (+) / borrowing (-)		
including grants	-800.8	-773.0
excluding grants	-1,372.6	-1,334.1
Net acquisition of financial assets	307.0	156.9
Domestic	307.0	156.9
Currency and deposits	180.7	43.2
Loans	119.1	107.6
of which KCC	29.4	18.6
Economic Recovery Fund	89.7	89.2
Equity and investment fund shares	7.2	6.2
Foreign	0.0	0.0
Net incurrence of liabilities	1,107.8	910.7
Domestic	102.3	253.5
Debt Securities	194.9	277.3
Loans	-57.3	-46.7
Other accounts payable	-35.2	22.9
Foreign	1,005.5	657.3
Debt securities (Euro bond)	253.1	0.0
Loans	752.4	657.3
Disbursements	828.1	733.6
Current	415.6	343.1
Capital	412.5	390.6
Reimbursements	75.7	76.4

Source :Minecofin

As mentioned above, the approved revised budget was again adjusted to include the vaccination program as well as the envisaged issuance of the EURO bond with a face value of USD 500 million. As a result, the budget deficit (including grants) was projected to rise from 655.9 billion FRW in the revised budget to 800.8 billion FRW whilst the deficit (excluding grants) was also projected to rise from 1,248.1 billion FRW to 1,372.6 billion FRW. The end year revised deficit of 800.8 billion FRW was to be financed with net incurrence of new liabilities of 1,107.8 billion FRW. This new net incurrence of liabilities amount would allow the Government to finance the deficit and at the same time acquire new net financial assets of 307 billion FRW. At end June 2021 however, the Government closed the fiscal year with an overall budget deficit (including grants) of 773.0 billion FRW which was 27.9 billion FRW lower than the revised

projected figure of 800.8 billion FRW. Likewise, the deficit (excluding grants) of 1,334.1 billion FRW was 38.5 billion FRW lower than the revised figure of 1,372.6 billion FRW. This deficit (including grants) of 773.0 billion FRW was filled with net incurrence of liabilities amounting to 910.7 billion FRW. This amount not only allowed the filling of the fiscal gap, but it also allowed the Government to acquire new financial assets of 156.9 billion FRW.

Regarding the incurrence of liabilities of 1,107.8 billion FRW, a net amount of 102.3 billion FRW was projected to come from the domestic market in the form of debt securities, whilst the remaining net amount of 1,005.5 billion FRW is sourced from the external market in the form of loans. At end June 2021, however the fiscal account showed net incurrence of liabilities of 910.7 billion FRW, comprising an external portion of 657.3 billion and a domestic portion of 253.5 billion FRW. Concerning the domestic portion of liabilities, an amount of 194.9 billion was to be raised from sales of securities (Treasury bills and bonds to both banks and non-bank public). This amount would allow the Government to repay domestic loans of 57.3 billion FRW and also suppliers (float) of 35.2 billion FRW. At end June however, debt securities sold amounted to 277.3 billion FRW and exceeded the projected amount of 194.9 billion FRW by 82.4 billion FRW. Whilst the proceeds from the sale of debt securities allowed the payment of domestic loans of 46.7 billion FRW as well as the float of 35.4 billion FRW, the delayed disbursement of budget support funds in turn allowed the accumulation of new “float” of 22.9 billion FRW. These transactions resulted in a net domestic liabilities figure of 253.5 billion FRW compared to the figure of 102.3 billion FRW mentioned above. Again as mentioned above, preparations for the issuance of the new EURO bond delayed until end the beginning of August 2021. As a result, new drawdown of loans in the fiscal year 2020/21 amounted to 733.6 billion FRW compared to an estimated amount of 828.1 billion FRW. There was therefore a shortfall of 94.5 billion FRW. Delayed disbursement of USD 10.0 million from the World Bank for transformation of Agriculture Sector Program, USD 40 million from the African Development Bank for energy sector program and USD 15 million from OFID for the Economic Recovery Fund (ERF) accounted for the shortfall in loans disbursement. Adjusting for the repayment of principal debt of 76.4 billion FRW, the figure for foreign net incurrence of liabilities at end June 2021 of 657.3 billion FRW was 348.2 billion FRW lower than the revised projected figure of 1,005.5 billion FRW mentioned above. As mentioned above, the incurrence of new liabilities was not only expected to finance the budgetary gap but it also allowed the Government to acquire net assets. The revised end year fiscal framework envisaged the acquisition of domestic assets amounting to 307 billion FRW. This figure comprised new loans and equity in Government entities of 119.1 billion FRW and an increase in deposits of 180.7 billion FRW. At end June 2021 however the new net assets amounted to 156.9 billion FRW comprising new loans of 107.6 billion and increase in deposits of only 43.2 billion FRW.

COVID-19 Related Expenditure

Table 5: COVID-19 related Expenditure

Category/ Intervention	July-June 2021
Health	50.0
Vaccines	4.7
Capacity Building and incentives for Health Workers	5.4
Leadership and coordination (Command Post Expenditures)	5.0
Health Commodities and equipment	18.0
Quarantine Centers costs	4.7
Security, safety and other	12.3
Social Protection/Agriculture	119.4
Additional Inputs support farmers	16.8
Strategic Food Reserves	2.7
Support to livestock and livestock products	5.8
Social Protection (VUP Public works, Direct Support to vulnerable groups)	66.3
Teachers Salaries (July-september)	27.7
Private Sector/Trade Facilitation	102.4
Economic Recovery Fund	89.2
Economic Recovery Fund - Public Transport Subsidy	12.3
Trade Facilitation/Border infrastructure costs	1.0
Education	94.6
Measures to reduce overcrowding especially to enable social distancing and installation of water facilities in schools	94.6
Total	366.4

Source: MINECOFIN

The health emergency resulting from the COVID-19 pandemic necessitated a shift in spending towards health and other priorities to support the economy identified under the Government Economic Recovery Plan. The total COVID-19 related expenditure amounts 366.4 billion FRW for the period July 2020 to June 2021.

These can be classified in six broad categories:

- Health related spending:** represented in total 50 billion FRW. These include direct health spending such as acquisition of health commodities and equipment and operational costs of quarantine centers. We can note an estimated 4.7 bln FRW for the total cost of vaccine including logistics for the period, financed through the COVAX initiative and the Government. Rwanda started its vaccination campaign in March 2021 and as of June 2021, had already vaccinated close to 3 percent of its population despite some delays in shipment of some vaccines. 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 119.4 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.
- **Private sector/Trade facilitation:** totaling 102.4 billion FRW. This represents mainly the spending under the Economic Recovery Fund as a way of supporting businesses most affected by COVID-19, and the activities of trade facilitation including border infrastructure. The total spending under ERF is 101.5 billion Frw of which 12.3 billion Frw represent the Government subsidy for public transport. This implies that as of end-June 2021, the quasi-totality of the first phase of the ERF (101.5 out of 102 billion FRW) was already committed.
- **Education:** 94.6 billion FRW to support different measures to reduce overcrowding enable social distancing, and improve hygiene. These include fast-tracking of classroom construction as well as installation of water facilities in schools.

5. SECTORAL PERFORMANCE

5.1 ECONOMIC AFFAIRS

In **the sub-sector of agriculture**, the sectors' annual achievements result from implementation of the sector priorities for the FY2020/2021 and these are always aligned to the Agriculture Policy and PSTA4. Below are the key achievements registered;

- In line with 2021 A season preparation; Land have been consolidated and planted per priority crop as follow; Maize: 253,253 ha planted out of 260,300 ha planned; Beans: 358,696 ha planted out of 330,670 ha planned; Cassava: 55,278 ha planted out of 44,238 ha planned; Soybean: 4,553 ha planted out of 4,815 ha planned; Rice: 13,949 ha planted out of 13,500 ha planned; Irish Potato: 62,652 ha planted out of 65,700 ha planned; Wheat: 6,944 ha planted out of 5,900 ha planned; Vegetables : 7,448 Ha planted out of 7,500 ha planned while in season B; Maize: 56,685 ha planted out of 45,808 ha planned; Beans: 340,188 ha planted out of 369,525 ha planned; Cassava: 20,380 ha planted out of 36,064 ha planned; Soybean: 3,036 Ha planted out of 2,430 ha planned; Rice: 11,665 ha planted out of 14,553 ha planned; Irish Potato: 49,732 ha planted out of 49,339 ha planned; Wheat: 34,804 ha planted out of 42,145 ha planned; Vegetables: 6,746 ha planted out of 8,837 ha planned.
- The total 8,752.9 MT of improved seeds were used in season A and B of 2021 composed of 7,207.3 MT of Maize against a target of to 5,435 MT; 1,320.9 MT of Wheat compared to 955.8 MT planned and 224.7 MT of Soybean against a target of 185.2 MT.
- In order to increase the yield per ha; 84,306.8 MT of fertilizers against a target of 53,563.7 MT were used in season A and B of 2021 composed of 20,505.4 MT compared to 19,902.9 planned of NPK, 32,371.4 MT of DAP against a target of 18,387 MT, 23,376 MT of Urea against a target 11,479 MT and 8,054 out of 3,804.8 MT of Kcl&Blends and 16,012 MT of fertilizer have been distributed and applied in both Tea and Coffee Plantations while 22,123.9 MT of lime against a target of 27,996 MT were used by Farmers in Season A and Season B.
- In line with scaling up Local seed production on priority crops to reduce 75% of their import by 2024, MINAGRI/RAB produced Basic Seed to multiplies 49.2 MT against 40 MT planned of Maize; 56.07 MT out of 60 MT of wheat, 59.7 MT out of 50 MT of soybeans;

36.4 MT out of 35 MT of Rice, 75 MT out 60 MT of Beans, 1,589.6 MT out 1,350 MT of Irish potato and 100,750,250 out of 133, 000,000 of Cassava QDS.

- With regards to Agriculture insurance policy; 24,144 cows and 109,630 chicken were insured while 23,956.3 ha of crops were insured out of 12,750 ha targeted (Maize, Irish Potatoes, Green Beans and Chili).

In line with strengthening agricultural market linkages and market infrastructures; 189 out of 184 drying shelters of maize were constructed, 78 drying grounds of rice were constructed while the construction of 1 storage facilities and 2 cold rooms located in Kicukiro and Kirehe Districts have been completed.

To increase value addition from traditional crops; 20,958 MT of green coffee produced against 27,000 targeted, 34,735 MT of made tea produced against 32,723 MT planned while 15,804.12 MT of horticulture products and a total number of 36,991,665 for Flower stems were exported.

- Regarding animal health and production; 111,574 cows were inseminated against a target of 106,942; 44,425 AI Calves born were registered against 40,159 calves planned; 593,000 out of 598,087 animals vaccinated against BQ; 156,675 out of 120,000 animals vaccinated against FMD; 699,460 animals against a target of 692,352 vaccinated against LSD; 349,539 out of 368,070 animals vaccinated against RVF while 58,759 out of 52,228 animals vaccinated against brucellosis.

In **the sub-sector of Trade and Industry**, annual achievements realized during the fiscal year of 2020-2021 are in line resumed activities that were affected by lockdown due to Cov-19 pandemic and consolidation of the progress on key project intervention with big economic impact on trade and industry development. The following achievements were recorded;

- To strengthen commodity value chain linkages, 70,385,689 litters were supplied to milk processors compared to 70,383,820 litters planned. A total of 51 contracts were signed between cassava farmers and cassava plants of Akanoze Nyamiyaga and Kinazi Cassava plant which is at 35% of production capacity of 600 tons per month and the number of cooperatives will increase as the production capacity of the plant increases.
- In addition, 45 Irish potatoes Collection Centers were inspected and virtual meetings were organized with different stakeholders to discuss the management of Nzove Irish Potatoes wholesale market and how to organize the distribution of Irish potatoes from IPCCs to last consumer.

- In order to support Made in Rwanda products, 31 garment companies have been supported to get VAT exemption on imported machinery and raw materials worth USD 736.7 million for them to minimize their cost of production, increase their competitiveness and create 7,161 jobs. In addition;
 - o Importers of Oil were supported to establish an oil production plant worth USD 10 million to produce 100 liters of oil, which is imported, and producing soaps using oil wastes.
 - o MINICOM in partnership with other stakeholders assessed 6 garment companies (Kigali Garment Center, Tuberwe Knitting, Burera Garment, Hema Garment, New Kigali Designers, J3 Garments), 5 garment cooperatives (COTINYABU, COCOBEGI, Musanze Garment Cooperative, Hand-cap Urumuri Cooperative, Berwa New Vision) and 1 leather cooperative (ACOLEPO) that received equipment under Leasing Scheme and Training under RRT.
 - o Poultry, Piggery, Animal feeds value chains technology audits were conducted and disseminated, Open Calls were launched and 248 applications were received and screened for second phase of application.

- The government has provided the support to flour production plant to decrease the volume of imported flour. In this regard, Mahwi plant was established to produce 30 tons of maize per day. In addition, plants that produce health commodities to prevent COVID-19 were supported including PHARMA LAB which produces face masks used in health facilities and the population. This plant has been supported to import machines that produces facemasks and was leveraged on electricity used. A total of 12 plants started to produce hand sanitizers for Cov-19.

- The Occupancy rate for Cross Border Market has been affected due to border crossing restriction, the occupation rate has dropped considerably due to Cov-19. The Cross border market of Rubavu has been operationalized and occupied at the rate of 48% and Rusizi at 28%. The cross border market of Karongi 24%. The construction works stands at 30% for Rusizi Bonded Warehouse. The constructions delayed due to the heavy rain encountered in the last months. Construction progress of Bugarama CBM is at 52%.

- In order to enforce Standards and Regulations Compliance: All export consignments were inspected at the arrival on Rwanda territory. As this is demand drive activities around 1,391 export consignments for agricultural and animal were received and inspected and this shows an execution rate of 100 % for export consignments. For effective enforcement, currently RICA is working at 10 Entry Points: Kigali International

Airport/KIA, Gikondo, Dubai Port World (DPW), Bollore Logistics, Rusumo, Kagitumba, Gatuna, Cyanika, Rubavu Grande Barriere, and Rubavu Petite Barriere and 13,731 import consignments for different products were inspected and controlled on those checking points mentioned above.

In the **sub-sector of Information Communication Technology**, the following are cumulative achievements that were realized in this fiscal year 2020/21;

- In line with increasing Devices Connectivity and Cellular Phone Penetration rates through Connect Rwanda initiative; 7,509 smartphones have been distributed from July 2020 up to June to different persons at community level and target groups such as people with disabilities, women cooperative leaders and promoters in agriculture, Inkomoko Beneficiaries including Refugees.
- In order to have an increased connectivity and ICT infrastructure through Internet penetration, 273 Institutions connected to 4G LTE (185 Schools, 39 Health Posts, Health 1 Centers, 14 NEC Offices and 34 Cells). Apparently Internet penetration stands at 63.6%, Mobile broadband at 17.5%, Mobile cellular: 84.11%.
- To promote ICT Human capital development, 140,358 Rwandan citizens have been trained on digital literacy towards a target of 3,000,000 where 53,146 citizens have been trained under DAP and 87,212 citizens have been trained by youth volunteers in basic digital literacy using online platform (WebEx) where 46.5% are Female and 53.5% male.
- In addition, to promote the development of ICT Human capital, currently, Andela has 102 trainees in the program with more than 70 in the apprenticeship phase with 25 companies.
- Under enhancing Government operational efficiency recorded achievements are as follows;
 - 74 out of 132 targeted institutions deployed and developed with Smart Administration system and also a new mailing platform zimbra in all districts (30) as well as Sectors (416) which were successfully done.
 - 22 services were re-engineered, six (6) Sector EA (Enterprise Architecture) blueprints were developed by RISA's Business Process Reengineers and validated. Those

agencies are; JUSTICE, MINISPORTS, MIFOTRA, MoE, SENATE & PARLIAMENT, MYCULTURE fully digitalized (end to end) and those services now available on Irembo platform Version 2.0.

- 150 new sites have been deployed and 416 CROs (civil registration officers) have been trained on biometric data capture. The support on online biometric data capture for Civil Registration Officers across all sites (180 Sectors).
- Marriage, divorce and annulment of marriage modules were developed and end user's trainings offered to (Sector Executive Secretaries and Civil Registration Officers) for Districts including Gicumbi, Burera, Gakenke, Rulindo, Musanze, Nyabihu, Ngororero, Muhanga, Huye and Gisagara.
- In order to strengthen Cyber Security and data protection in public and private institutions, 11,724 digital Certificates were issued (New issuance: 8,487; Renewed: 1,774; and Re-issuance: 1,463) done through Public Key Infrastructure System (PKI).
- In regards to R&D and Innovation establishment, 38 startups innovator have supported different programs including 250 startups programs, Seeding Funding Program and Business Matching Program brings the current achieved target standing at 76%.
- Additionally, so far, 11,935 out of 180,746 on boarded Businesses are able to offer services and products using 47 e-commerce platforms which represent 10.9% of total SMES (109,133) in Rwanda and 6.6% of total Businesses (Micro, small and Large E/se).

In the **Transport sub-sector**, achievements realized during the FY 2020/21 are in line with the implementation of prioritized policy actions agreed within the sub-sector. Below are the key highlights of the recorded achievements;

- 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) 52% works was completed against a target of 70%;
- With regards to upgrading of 407.8 km of National Paved Roads, the overall progress for the construction of ancillary works of Kivu Belt Lot 7: Gisiza-Rubavu road upgrading (20km) was at 78.32% against 100% targeted, Nyagatare-Rukomo road was upgraded at 90% as targeted, Kibugabuga-Nyanza road was upgraded at 70% as targeted, whereas, Huye-Kibeho-Ngoma (66 km) was at 75.65% against a target of 75%;
- Regarding the maintenance of 917.4 km of National unpaved roads & Bridges, Rubagabaga and Satinsyi bridges were maintained at 96.2% against a target of 100%, 157km Kigali-Huye-Akanyaru road (Multi-year) was ongoing and riding quality at 85% against works ongoing and riding quality is 80% as target, 82km Kigali-Musanze road

(Multi-year), 65km Kigali- Kayanza road (Multiyear), 98km Muhanga-Ngororero-Mukamira road (Multiyear), 78km Kigali-Gatuna road (Multiyear), 61km Kicukiro-Nemba road (Multiyear), 31 km Crete Congo- Nil-Ntendezi road (Multiyear), 30 km Kitabi-Crete Congo- Nil road (Multiyear), 83 km Tyazo-Karongi-Rubengera road (Multiyear), and 50.4 km Rusizi-Buhinga-Tyazo road (Multiyear) were ongoing and riding quality was at 96% as targeted. Whereas, 30km Muhanga-Nyange road (Multiyear) Works ongoing and riding quality is 65% as planned; 50km Rusizi-Bugarama-Ruhwa & Access to Rusizi road (Multiyear) works ongoing and riding quality was at 85% against a target of 75%; Maintenance of 102km Nyakinama -Musanze-Cyanika-Musanze-Rubavu road (Multiyear) works are ongoing and riding quality is 90%as planned.

- Regarding the 450km feeder road roads in six districts of Gatsibo, Nyagatare, Nyabihu, Rutsiro, Gakenke and Nyaruguru rehabilitated. the overall works progress is at 40.5% against a target of 40%.
- Regarding the construction of 13 km of urban roads in City of Kigali and other secondary cities, the overall physical progress of Sonatube-Gahanga of urban roads was constructed at 81% against a target of 80%;
- 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 Rusizi and Rubavu Ports on Lake Kivu was at 10% against a target of 40%;
- In line with improving and sustaining of air transport infrastructure, the overall project progress of KIA runway strip upgrading was at 100% against a target of 100% and provisional handover was done, the overall project progress of a perimeter fence for Gisenyi Airport was at 100% as targeted and provisional handover was done.

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 2020/21;

- With regards to increasing access to electricity from 51% to 56% by end June 2021: 177,898 households were connected to on-grid against 118,657 of new households' connections targeted; new productive users' areas connected to electricity grid were 1,110 against 260 targeted, while 72,202 new households were connected to off grid electricity against 26,002 new connections targeted.

- In order to increase electricity generation installed capacity from 227.58 MW to 307.58MW by June 2021: under the 80 MW Hakan Peat-to-Power, the overall progress was at 100% against a completion target of 100%; 80 MW Rusumo Hydro Power Project had an overall progress of 80% against 75% targeted.
- In order to improve the transmission and distribution Network for reliability of supply: 220kV Mamba-Rwabusoro-Rilima and 110kV Bugesera-Gahanga TL and associated sub-station were constructed and the overall project progress was at 100% as targeted; 23.3 km of 110kV single circuit Mukungwa-Nyabihu Transmission line and associated sub-stations were constructed at the overall progress of 83% against 55% targeted; whereas improvement of Substations and Distribution network (JICA-III, Upgrade of Gasogi s/s constructed overall works is at 14% against 10% targeted.
- In line with the construction of 119 km of 220kV Single circuit Rusumo-Bugesera-Shango Transmission Line and associated sub-station, the overall progress for the transmission line was at 90.06% against a target of 90%; while the construction of 63.5km of 220kV Rwanda-Burundi Transmission Line and associated sub-station, the overall project progress was at 90.03% against a target of 90%.
- In line with construction of five 220 kV Sub-stations (Rubavu, Bwishyura and Kibuye), the overall project progress was at 60% against 50% targeted. The overall project progress of 75km Bwishyura - Kigoma- Rwabusoro 220KV Line and Shema (Symbion) substation constructed is at 21% against 20% targeted. The overall project progress of 631.85km of National roads served with street lights is at 32% against 30% targeted. The overall project progress for Grid strengthening in Rwamagana, Kayonza & Ngoma districts (8.4km of MV and 42km of LV) and Rubavu distribution network from 6.6 to 30kv were at 100% as targeted.
- In line with 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 64.86% against a target of 40%; while the construction of MV distribution lines (37Km) associated with the Reinforcement of Kigali distribution network (8 cabins) overall progress is at 57.76% against 55% targeted.

In the **water and sanitation sub-sector**, achievements realized were in the policy of increasing access to clean drinking water and increased access to improved sanitation. Registered achievements during the fiscal year 2020/2021 include the following;

- In order to increase daily water production capacity from 267,660 to 327,690 m3: the construction of Gihira II WTP in Rubavu Town (15,000m3/day) and Kanzenze WTP

(40,000m³/day) to increase water production in Kigali and Bugesera were both completed at 100% as targeted whereas Nyankora Portable Water Supply System (30m³/day) was completed at 100% against a target 100%. Construction of Mwoya water treatment plant of 3000 m³/d overall progress is at 32.4% against 30% targeted. Implementation of Quick Win Project for Karongi Water Supply (2,000m³/day) was at 50.6% against 50% targeted.

- In line with the construction, extension and rehabilitation of 352.2 Km of WSS in Rural Areas to serve 190,947 people and rehabilitation of 36 non-functional rural WSS, 238.8 km under Gicumbi WASH Program, Nyabizi-Rusarabuye Water Supply System (27.9km), and Ruhunde - Rushara Water supply system (43km) were completed at 100% as planned; Construction of Rugarambiro Water Supply System constructed and 19.7 km construction of Nkururo-Nyamucucu-Kivuye water supply system in Burera District (8.6km) were completed at 15% against 80% targeted; 14.2 km Water network extension to Kagogo, Cyanika, Kinyababa and Bungwe Sectors constructed in Burera District was completed at 81% against 80% targeted; rehabilitation of 36 Rural Water Supply System works progress is at 86% against 80% targeted.
- In line with Water networks in Urban and peri- urban areas rehabilitated /upgraded (1,725.9 km), construction and rehabilitation of 568 km of WSS in Kigali City works progress is at 59.04% against 50% as a target; construction and rehabilitation of 205 km of WSS in Muhanga Secondary city works progress is at 96.7% against 100% targeted; Construction and rehabilitation of 162.9 km of WSS in Huye Secondary city works progress is at 96.7% against 100% as a target; Construction and rehabilitation of 237 km of WSS in Rusizi Secondary city works progress is at 51.89% against 60%; Construction and rehabilitation of 214 km of WSS in Rubavu Secondary city overall project progress is at 81.5% against a target of 80% completion; Construction of new main pipe of 11km from Nzove to Ntora (Gisozi) with associated civil works completion progress is at 2% against 60% completion targeted; Extension of 35km Kanzenze-Karumuna water supply project, Construction and rehabilitation of 171 km of WSS in Nyagatare Secondary city, and Construction and rehabilitation of 122 km of WSS in Musanze Secondary city were completed at targeted.
- In line with increased access to sanitation services, semi-centralized sewerage system in Kigali Estates rehabilitated and upgraded overall project progress is at 11.11% against works completion at 5% as a target.

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 2020/2021:

- The construction of National Archives Building (Phase 4) progress stands at 99% against a target of 80%;
- With regards to increasing access to social and affordable housing, the overall progress of Busanza I Project of 1,020 DU on 7Ha supported with basic Infrastructure (cheap seal roads, electrical and water network, Waste Water Treatment Infrastructure, Storm Water Drainage) was completed at 98.75% against 100% targeted.
- Regarding livable, well- serviced, connected, compact, green and productive urban and rural settlements with a cultural identity; 1,880 against 1,186 households were relocated from High Risk Zones in different District as targeted.
- IDP Model Village constructed at Kivu Belt corridor, Phase II for inauguration on liberation day overall works were estimated at 99% against 100% completion targeted.

5.2. EDUCATION SECTOR

The education sector annual achievements are in line with the main mandate of improving access to quality education. These achievements are observed in different sub-sectors of pre-primary, primary and secondary, TVET and higher learning institutions. Below are the main annual achievements in the FY 2020/2021;

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

- In order to enhance access to quality education through provision of modern school infrastructure, the overall construction works progress is 98.2% for 11,501 classrooms and 92.26% for 17,252 latrines for 2020/2021 under ordinary Budget and G+1 construction works is at 77.8%. whilst the overall construction works is 98.5% for 8,300 classrooms and 97.4% for 11,032 latrines and G+1 construction works is at 76.9% under world bank Project.
- In line with enhancing English Language Proficiency (ELP) of primary teachers through compulsory English Language standardized test and training; 69,404 Primary and Secondary School teachers conducted test on English proficiency and their levels were determined. Henceforth, 32,366 (96.7%) are in the Common European Framework

Reference for Languages (CEFR). A band (Beginner), 841 (2.5%) in the B (Intermediate) and 261 (0.8) in the C (Advanced) and remaining 35,936 teachers tested but not submitted their answers due to ICT challenges (low internet connectivity and ICT skills).

- With regards to provision of Learning and Teaching Materials and Equipment (LTM) to Primary and secondary schools (Laptops and Projectors); 1,350 laptops were provided to primary schools and 4,150 laptops were provided to secondary schools, 69 projectors were provided to secondary schools and 1,067 projectors have been already received by REB to be delivered to schools after codification.
- Additionally, 30 targeted Centers of Excellence (CoE) were rehabilitated and equipped with 1,404 Lenovo i3 laptops, 300 Tables, 1,530 Chairs, 30 Speakers, 30 Screen Projectors and 30 Projectors. The in service Teacher Training conducted in April 2021 used the CoEs as the training Centers.
- To ensure sufficient numbers of competent teaching workforce in schools, 28,208 teachers for pre-primary, primary and secondary school were recruited in line with new schools constructed to reduce long distance by pupils and overcrowding in classrooms. Equally important to note, 626 pre-primary teachers/caregivers were trained on the use of preprimary competence based curriculum and aligned materials including teachers' guides for preprimary teachers, scheme of work, minimum standards for preprimary.
- Furthermore, to enhance teacher career path advancement through offering partial waiver of fees to students pursuing TTCs; a total of 10,296 students benefited 50% of school fees from government with 4,259 Year 1, 3,067 Year 2, and 2,970 Year 3. In addition, 297 in-services teachers were selected from all Districts and were given study loans/grants to study in UR - College of Education.
- In regards to ensuring enhanced use of ICT to transform teaching and learning and support the improvement of quality across all levels of education in Rwanda. Data cleaning for 2020 was performed and the technical support was provided to schools, sectors and districts. 100% of public and government aided schools completed the registration of students, 90% of private schools completed the registration of students. 100% of public and government aided schools completed the registration of staff, 89% of private schools completed the registration of staff. 98% of public and government aided schools completed the registration of infrastructure, 87% of private schools completed the registration of Infrastructure. The School Data Management System (SDMS) reporting component on Education indicators was designed, developed, tested and deployed successfully and the draft for statistical yearbook is available.

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

- Under TVET curricula development, 25 TVET curricula for level 6 have been developed; these include; Advanced diploma in heating, ventilation and air conditioning technology, Advanced Diploma in Agri-mechanization, Advanced Diploma in Animal Health, Advanced Diploma in Automobile Technology, Advanced Diploma in Biomedical Equipment Technology, Advanced diploma in Construction Technology, Advanced diploma in Crop Production, Advanced Diploma in Digital Multimedia Production etc.
- In order to ensure sufficient numbers of competent teaching workforce under TVET schools, 276 TVET trainers have been enrolled in CBT/CBA trainings (including 21 Senior TVET Trainer certificate, 15 TVET school management & leadership certificate, 15 waiting for verification, 225 others).
- Under National Employment Program (NEP), a number of beneficiaries were trained in different programs, including 843 under Massive Vocation Training (MVT); Rapid Response Training (RRT): 400, Recognition of Prior Learning (RPL): 1,929, Integrated craftsmen production centers (ICPC): 230, Reconversion program (RP): 85.
- In line with priority skills for growth, in collaboration with the World Bank, 2,236 beneficiaries with 1,452 females (64.9%) have graduated, 1,455 beneficiaries (52.8% are female) are being trained, 2285 beneficiaries from a new batch of 54 institutions are expected to graduate by November 2021.
- In line with Additional Financing, call for proposals for Call 4 was launched in January 2021, 651 applications were received and paper evaluation and due diligence processes were completed for 302 eligible applicants. 181 applicants were accepted and approved by the grant committee, among them 49 signed contracts, and 132 were put on hold due to budget shortage. In addition, 39 applicants recommended by the grant committee are undergoing due diligence and final evaluation reports will be available once this exercise is completed. The contract negotiation and contract signing for 49 applicants with 2,330 trainees were conducted on 7th May 2021.
- In order to continue enhancing practical teaching and learning, 33 staff participated in industrial attachments to teach in the accredited new or updated programs with 13 staff from Energy Sector, 13 staff from Agro processing, and 7 staff from Transport and Logistics and all have been attached to industries

- Under Increase innovative and responsive research and development in relation to community challenges, 88 Research Papers were published during the fiscal year 2020/2021 as follows: African Center of Excellence for Internet of Things (ACE IoT): 30; African Center of Excellence for Energy for Sustainable Development (ACE ESD): 15; African Centre of Excellence in Data Science (ACE-DS): 8; African Center of Excellence for Innovative Teaching and Learning Mathematics and Sciences (ACEITLMS): 35.
- With regards to enhancing quality learning outcomes and relevance of education at in higher education; 1,827 students have already been enrolled in the new priority programs: with 415 students enrolled in Energy Sector; 208 in Bsc (Hons) in Electrical Power Engineering; 67 in Bsc (Hons) in Energy Engineering; 140 Bsc (Hons) in Mechanical Engineering, Plant Engineering. 227 students in Transport and Logistics sector (Bsc (Hons) in Transport Engineering: 72 students, Bsc (Hons) in Transport Management: 43 students and in Bsc (Hons) in Procurement Logistics and supply chain management: 40 students). In Agro processing sector, 1,185 students have been enrolled with 400 in Bsc (Hons) in Food Science and Technology, Bsc (Hons) in Agricultural Engineering; 262 in Agricultural Mechanization, Bsc (Hons) in Crop production 317 students and Bsc (Hons) in Horticulture production 206 students enrolled.
- In addition to the above, 40 students (3rd Cohort) have been enrolled in Health Supply Chain Management and started classes in November 2020.
- Under ensuring TVET Education Quality Assurance; 381 TVET Schools applied for accreditation were inspected, 333 TVET Schools were accredited, 32 TVET schools received provisional accreditation and 16 TVET schools their application was rejected. Total of 365 TVET schools were inspected against 345 targeted.
- With regards to increasing access to TVET education through construction of modern infrastructure, overall progress for the construction of 6 TVET Schools alongside the Northern Borders stands at 82.42%. (with GICUMBI: Cyumba: 97.89%, Mukarange: 81.22%, BURERA: Kivuye: 93.6%, Cyanika: 91.5%, and NYAGATARE: Ntoma: 83.1%, Shonga: 87.2%)
- In addition to the above, the progress for the construction of 81 TVET wing on existing GS stands at 82%.
- To widen access to quality TVET trainings through provision of training equipment in STEM related programs; Nyagisozi TVET school was equipped at 100% while Muhanga TVET school has been equipped at 90% (tailoring equipment supplied and installed), the

remaining equipment of welding and masonry are already arrived on site but not yet received officially.

- In addition, 80% of all equipment for 6 new schools across the borders in each district Musanze, Burera and Gicumbi, (tailoring, electrical and masonry) were supplied. The remaining equipment in carpentry arrived in Rwanda and will be supplied and installed not later 30th August 2021 and the auto mechanics materials will be supplied by end of September 2021.
- Under University of Rwanda, overall construction works stand at 46% for UR infrastructure project (Including UR HQ, School of Mining Geology, ODL Huye, ODL Busogo and ODL Nyagatare). Whereas Center of Excellence for Biomedical Engineering (CEBE) is estimated at 45%.
- As a result of Covid-19 pandemic several activities were implemented to ensure improved use of digitalized teaching, learning and Assessment materials in HLIs. These include;
 - Higher Learning Institutions (HLIs) were requested to digitalize the teaching, learning and assessment materials.
 - The HLIs were also requested to improve their E-learning platforms.
 - Guidelines for recognition of remote instruction and approval of blended mode of teaching were developed.
 - Assessments tools were prepared.
 - Assessments were conducted for the applications submitted by HLIs (18 Applications received) for recognition of the remote instruction or Blended mode of teaching and learning.
 - In order to assess the HLIs readiness of their Virtual Learning Environment, assessment was conducted for 16 HLIs: UR, UGHE, ALU, KP, INES, MKU, AUCA, IPB, PIASS, RHIH, ULK, ICK, INILAK, RTUC, UoK and Vatel School).
 - The purpose of the evaluations was to ascertain the extent to which the teaching and learning that was implemented remotely by the applicant institutions during closure of schools before they re-open, could be recognized based on the established guidelines or to ascertain the readiness of HLIs to implement the blended mode of teaching.
 - Currently, 1 HLI is teaching fully online, 10 HLIs can teach through Blended mode for all students, 2 HLIs use Blended mode for Level 1&2 students, and the remaining HLIs support students with existing platforms (with digitalized teaching, learning and assessment materials).

5.3. HEALTH SECTOR

The **Health Sector** through a number of strategies continued to ensure universal health coverage through equitable and affordable quality health services to all. The following are the key achievements registered by the health sector in the fiscal year 2020/2021;

- To strengthen the prevention and control of malaria, Indoor Residual Spraying activities were conducted in thirteen districts by the end of June 2021. A total of 1,308,731 structures were sprayed in Kirehe; Ngoma, Nyagatare; Rwamagana; Kayonza, Gatsibo; Ruhango; Kamonyi; Huye; Gisagara; Nyanza; Bugesera and Rusizi districts.
- In order to ensure access to HIV, Sexually Transmitted Infections and Viral Hepatitis prevention and treatment services, Health Care providers from 17 hospitals have been mentored on the improvement of the quality of HIV services with focus on multi-month dispensing and on new HIV care and treatment strategies.
- To strengthen the capacity of laboratories to test COVID-19, a total of twelve laboratories have been established in hospitals countrywide, they have been equipped with testing machines and staff were trained on sample collection as well as COVID-19 testing. Additionally, a total of 52 Private clinics, 51 hospitals and 506 public health centers were trained and enrolled in COVID-19 sample collection as well as testing using rapid test.
- To ensure the early detection and management of Non Communicable Diseases, from July 2020 to May 2021 a total of 2,157,546 people have been screened for Non Communicable Diseases out of 2,895,280 total eligible people to be screened. The screened people represents 75% of the eligible people (men above 40 and women above 35 years).
- Regarding the fight against malnutrition, the average coverage of children aged 6-59 months that were screened for weight for age at community level from July 2020 to May 2021 is estimated to 89.9%.
- To improve the availability of quality blood and blood products, a total 12,708 blood Units were collected during 252 blood collection sessions. The hospital satisfaction (Demand: 17,171 vs Supply: 16,578 of blood product units) was at 96.55 % in the quarter four of 2020/2021.
- Regarding the improvement of clinical Services and Primary Health Care in health facilities, CHUK performed medical outreaches in surgeries in nine public hospitals and a total of 676 patients were treated.
- 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 Munini District Hospital was estimated at 100%, Nyabikenke District Hospital was estimated at 91.3 % and the construction works for Research Centre against digestive Cancer was estimated at 33.5 % by the end 2020/2021 fiscal year.

- To ensure equitable and quality health care for all, an equivalent of FRW 5,779,125,000 was transferred to Rwanda Social Security Board to support a total of 1,926,375 people under Ubudehe category I to access health services through community based health insurance for 2020-2021 fiscal year.
- Regarding the improvement of quality of food and pharmaceuticals products, 742 samples were received and tested including medicines, hand sanitizers, Honey, alcoholic drinks, maize flour and other food samples from pre market, post shipment and Post Market Surveillance.
- To ensure the quality of foods and pharmaceutical products, 434 inspections of food and pharmaceutical products were conducted in food manufacturing plants, wholesale and retail pharmacies, food shops, warehouses and hotels.
- As of May 2021, a total of 3,651 Health Professionals have been enrolled for the Ethics in Health Care Practice using Online platform of which 2,045 Health Professionals have completed the course and got their certificates.

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 the 2020/21 Fiscal year;

- In line with ensuring social security and income support programs particularly among vulnerable older people, people with disabilities, households with low labor capacity and other poor families; a total number of 168,849 out of 145,992 households (77,877 female headed and 90,972 male headed) benefited from classic public works (cPW) in 300 sectors, 58,907 out of 48,960 targeted households (43,892 female-headed and 15,015 male-headed) benefited from expanded public works (ePW).
- In addition to the above, 119,798 households (86,665 headed by females and 33,133 headed by males) against a target of 118,873 from 416 Sectors were supported under VUP Direct support while a total of 124,906 beneficiaries out of 124,906 (88,674 children and 36,232 pregnant women) benefited from Nutrition sensitive direct support (NSDS).
- With regards to increasing access to complementary livelihood development services for economic empowerment to extremely poor households; 39,613 loans out of 30,798

have been advanced to finance income generating activities, 43,898 beneficiaries against a target of 33,702 benefited from VUP financial services (FS), a total of 90,551 households under category 1 of Ubudehe benefited from seeds/fertilizers, 26,257 benefited from small livestock, 26,614 Cows were distributed to poor families (Partners: 4,124, Earmarked: 4,046; Pass on: 18,444) while 2,366 out of 1,297 pigs and 41,691 out of 32,303 Chickens were distributed to youth and women cooperatives.

- Under the policy of reducing malnutrition among children under 5 Years; 5,469 children below 5 years of age with acute malnutrition were supported under a milk support program while 109,289 against a target of 102,141 children (6-24 Months) and 54,283 pregnant and lactating women out of 37,449 targeted in Ubudehe Category 1&2 received Fortified Blended Food (FBF).
- In line with protecting child rights and welfare 333 (105 children from orphanages and 228 from detention centers) were reintegrated into families while 908 Orphans and vulnerable children (OVC) were provided with school fees in Vocational Training (TVET) and 314 OVC were provided with school feeding in 12 YBE.
- In order to address human security issues, a total number of 2,416 houses against a target of 2,699 were constructed for vulnerable households under category 1 of Ubudehe, 18,697 houses in poor conditions out of 23,778 targeted were rehabilitated, and 3,058 out of 3,066 targeted toilets were constructed while 60,902 toilets out of 66,949 targeted were rehabilitated.
- Regarding disaster response and recovery interventions; 4,306 households were assisted with galvanized wires, 3,288 families and 6 classrooms have been assisted with recovery package (irons sheets, cement, galvanized wires) in various districts, 8,440,488,900 Frw were transferred to 30 districts accounts to purchase 1,671 plots and construct 12,696 houses for vulnerable households affected by disasters, 100% (3,840 households' and 152 students) eligible and in need of assistance affected by disasters were assisted with non-food items, 4,720 were assisted with food item, 117 families in Nyamasheke were supported with cash transfers while 4,725 congolese affected by Nyiragongo volcanic eruption who fled to Rwanda have been provided with humanitarian assistance through emergency centers (Rugerero, Busasamana and Kijote).

5.5. JUSTICE SECTOR

The achievements in the **Justice sector** are in line with the implementation of prioritized policy actions agreed within the sector, efforts made have led to the following cumulative achievements at the end of FY 2020/21:

- To ensure timely execution of court judgements and enforceable decisions, non-Professional Bailiffs received 6,238 dossiers related to ordinary judgement execution and they executed 2,672 cases equivalent to 42.8% while 3,566 (57.2%) cases were still ongoing at the end of the reporting period.
- In line with providing legal aid assistance to needy minors and vulnerable people in conflict with the law, July 2020 to June 2021), MAJ staff received 18,674 cases to be handled. At the end June 2021, 18,652 cases equivalent to 99.8% were handled as follows: 13,997(74.9%) cases received legal advice, 2,798 (14.5%) cases were handled by preparing courts submission while 1,857 (9.9%) were oriented to other institutions. Only 22 (0.12%) cases were still pending at the end of June 2021;
- With regards to providing timely Gender-Based Violence (GBV) support to victims and child abuse through Isange One Stop Centers (IOSCs), a total number of 29,444 victims of GBV and child abuse were received and supported by IOSCs which stands at 100% performance.
- In line with conducting investigation and prosecution of GBV cases, out of 11,943 reported GBV and child abuse cases, 12,287 GBV cases equivalent 102.8% were investigated by RIB.
- With regard to recovering embezzled funds won cases, a total of 303,301,824 Frw equivalent to 13.73 % was recovered out of 2,209,844,954 Frw unlawfully earned by 819 people.
- To continue ensuring embezzlement and corruption-related offences are investigated and prosecuted, a total number of 876 out of 867 reported embezzlement and corruption related cases were investigated. It is equivalent to 101%. Additionally, 40 (88.8%) corruption cases were investigated out of 45 received cases, 9 cases were closed due to the lack of evidences, 9 cases were submitted to prosecution.
- In line with identifying and seizing properties for suspects of public fund embezzlement, properties were seized at 100%, suspects' properties that were identified and seized include; 15 plots worth 45,052,600Frw, 7 houses worth 703,000,000 Frw, Laptop estimated worth 42,768,320 Frw; 2 Moto vehicles worth 19,000,000Frw, 3,250,000Frw in Bank accounts and 2,680,000Frw in hard cash; and 19,156 USD.

- By ensuring timely handling of forensic laboratory services to citizens, from July 2020 to March 2021, RFL received and handled 8,460 (121%) cases against the estimated target of 7,000 cases. Those 8,460 received and handled cases were from different departments as follows: 1,525 cases from Biology division; 5,651 from forensic medicine division; 358 cases from physical evidence and 926 cases from chemistry division.
- In line with improving community participation and awareness on crime prevention, 23,788 CPCs were trained on COVID-19 preventive measures, GBV teenage pregnancies and road accidents.
- To continue promoting Standard TVET programs in correctional facilities, 6 instructors and their 6 assistants were hired, among the 300 inmates that were supposed to graduate in June 2021, only 50 inmates completed their training while 550 inmates are still undergoing training in 6 trades of Moto vehicle Mechanics; Leather craft; Carpentry; Plumbing; Electricity and Welding and they will end in September 2021.
- Furthermore 136 anti-crime clubs were created and sensitized in which 90 campaigns against illicit drugs were conducted. 204 radio talk shows were delivered.
- To ensure investigation and prosecution of GBV cases are smoothly conducted, 9,377 GBV cases involving 9,446 suspects (9049 Males & 397 Females) were received. Among them, 5,542 cases were filed into courts while 3,676 cases were closed. Meaning that 9,218 cases (98.3%) were handled and 159 were still pending at the end of 28 June 2021.
- In order to continue digitalizing and preserving Gacaca archives for them to be accessed online, development of the digital repository was completed. It is now being used in the case file assignment where documents are linked to accused. The indexing process is at 60% as planned.
- To ensure Genocide proof and testimonies are well, conserved 2,900 Bodies in Murambi, Nyamata and Ntarama have been conserved. 598 testimonies were collected and recorded.
- To enhance Professional & practical legal skills of both public and private sector lawyers, ILPD enrolled 366 students (137 females and 229 males) in different modes. Among them, 315 students from 5 intakes have completed their courses.

5.2. ENVIRONMENTAL PROTECTION

In the **environment protection sector**, the following were the main key achievements made during the fiscal year 2020/21;

- To foster employment in the environment and natural resources, 17,361 jobs were created with 80 permanent jobs and 5,685 are temporary whereas 11,596 are casual.
- On public forests whose management has been transferred to the private operators, 7,020 ha have been identified and mapped from Ibisi bya Huye, Gishwati, Burera, Gicumbi, Kamonyi districts forests. 7,290.95 ha were identified and are under contract negotiation with RDB.
- In order to green and maintain the selected roads and roundabouts in the City of Kigali, Trees and ground covers are all planted at 100%. Irrigation system is also installed at 100%. All roads and roundabouts have been planted with trees and irrigation systems installed and maintenance is done on a regular basis.
- In order to ensure the integrated and harmonized land information in a paperless land register for an optimized land management, 20 District Land Use Plans (Nyanza, Rulindo, Rubavu, Rusizi and Ruhango districts) have been integrated into LAIS for latter alignment of planned land use. The planned information is accessible via (*651#) and landinformation.rlma.rw. Integration of paperless with irembo services completed and launch for paperless land register was done on 26th April 2021.
- In order to effectively enhance pollution control and environmental compliance, planting fig forest trees was done at 100%, construction of water ponds and gabions on the main stream done at 100%, Construction of water drainage channels done at 100%, construction of walkways & bicycle lanes, roads and parkings done at 100% while construction of restaurant, information center and lavatories was done at 100%. Nyandungu Wetland Eco-Tourism Park was rehabilitated at 100%.
- To reduce wood biomass energy through use of improved efficient technologies, 27,069 ICS were distributed to households in Secoko and Muhazi catchments (4,369), Amayaga region (11,000), Gicumbi District (6,700) and Kirehe (5,000).
- To ensure cumulative volume of finance [US\$ millions] is mobilized for climate and environment purposes, 64million USD were mobilized from external sources while 730,857 USD were mobilized from domestic sources making a cumulative of USD 64,730,857.

- To ensure Water related disasters mitigation and degraded watersheds rehabilitation, 5,701.57 ha of land have been rehabilitated. 5,472.63 ha in Sebeya and Nyabugogo catchments and 228.94 ha in upper Nyabarongo/Secoko catchment.
- To improve the availability and accessibility of quality weather information and climate data, 123 institutions and companies have been served with data through online requests and 107,000 registered users received weather and climate information at different time scales through tweeter accounts.
- In order to sustainably expand the national weather observation network, 14 new automatic weather stations have been added to the network: 3 from Green Gicumbi Project (FONERWA) and 11 from NAEB.
To ensure sustainable mining exploitation through adopting environmentally friendly and mining standards, mining safety and environment standards was assessed and found at 55.4%.
- To Increase revenues in USD generated through minerals value addition and diversification, 8,434.6 tons were exported worth 668 Million USD.
- In order to ensure increased employment in Mining sector, 223 qualified mining and environmental technicians were staffed in mining and quarrying companies. 159 men and 64 women.
- In order to establish certified analytical mining laboratory, Construction works were completed at 100% and the laboratory is ready for operationalization.

6.CONCLUSION

As mentioned above at the beginning of this report, the execution of the budget in the fiscal year covering the July 2020 to June 2021 period under review was impacted by domestic economic environment including some prevailing restrictions to combat the second wave of the pandemic. These measures affected domestic resource mobilization as well as the pace of expenditure commitments. In addition, delayed disbursements of donor budget support funds also affected the pace of expenditure commitments and the cash flow of Government. It was also mentioned that at the beginning of April 2021, the revised budget approved by Parliament at the beginning of 2021 was again adjusted to include the resources and expenditure associated with the vaccination program and the proposed issuance of new 10- year EURO bonds with a face value of USD 500 million to refinance a portion of the old 10 year bond maturing in 2023 as well as refinance a portion of more expensive Rwandair debt and the financing of some priority investment projects. Whilst the vaccination program got under way during the latter part of the fiscal year under review, the issuance of the new EURO bond was not implemented before the end of the fiscal year in June 2021. This development was due to delays in finalizing all the arrangements and processes before end June 2021. The new 10 -year bonds with a face value of USD 620 million were issued in August 2023. The utilization of the funds from the issuance will be incorporated in a revised budget for the fiscal year 2021/22 to be finalized before the end of 2021.

Despite the measures adopted by Government to contain the spread of the corona pandemic, the execution of the budget for the fiscal year 2020/21 was by and large on track. Both total revenue collections and total expenditure exceeded their projections only marginally. As a result, the deficit also deviated from the projected figure only marginally. Government has learnt some lessons from the implementation of the budget for the fiscal year 2020/21. Some of these will be used in the implementation of the 2021/22 budget. Government will continue to monitor both local and international development closely for the rest of the fiscal year 2021/22 and will take all the necessary steps to ensure that the 2021/22 budget that has been approved by Parliament is fully implemented. In doing so the Government will endeavor to uphold its main policy objectives of promoting growth whilst maintaining macro-economic stability.