

# REPUBLIC OF RWANDA



## MINISTRY OF FINANCE AND ECONOMIC PLANNING

### BUDGET EXECUTION REPORT FOR JULY-MARCH 2017

May, 2017

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## I. INTRODUCTION.

This report builds on the previous report for the July-December 2016 period and extends the coverage to end March 2017. Budget implementation through -out the nine month period under review was affected by general economic performance and donor disbursements which affected the flow of resources on one hand and expenditure commitments which impacted on spending on the other hand.

This report is organized as follows. After the short introduction, the second section will discuss the performance of resources. Section three will deal with the details of total outlays, whilst the fourth section gives an over view of sectoral performance during the nine month period. Section five discusses the overall deficit and financing sources. The report closes with a brief conclusion.

## II. PERFORMANCE OF RESOURCES.

In the July- 2016 to March 2017 period domestic revenue collections were projected at RWF 907 billion comprising RWF 790.1 billion of tax revenue and RWF 116.9 billion of non- tax revenue. At end March 2017 total collections of RWF 942.3 billion exceeded the projections for the period by RWF 35.3 billion. Both tax and non- tax revenue collections contributed to the excess collections.

### i. Performance of Domestic Revenue.

The table below shows the details of tax and non-tax revenue collections for the July 2016 -March 2017 period.

**Table 1. Revenue**

	Jul-Jun 2016/17	
	Jul -March 2017 Proj	Jul-March 2017 Prov Act.
<i>(billion Rwf)</i>		
<b>Total revenue</b>	<b>907.0</b>	<b>942.3</b>
Tax revenue	790.1	794.9
Direct taxes	322.6	331.9
<i>of which local government taxes</i>	3.7	3.4
Taxes on goods and services	401.8	397.3
Taxes on international trade	65.7	65.6
Non-tax revenue	116.9	147.4
of which PKO	83.0	98.4
of which Other ( incl.LG Fees)	33.9	49.0

Source: MINECOFIN

## ✓ **Tax Revenue Performance.**

During the period under review, total tax revenue collections amounted to RWF 794.9 billion and exceeded the projected amount of RWF 790.1 billion by RWF 4.8 billion. Direct taxes exceeded their target and more than offset the shortfall under taxes on goods and services. Collections under Taxes on international trade were on target.

### ▪ **Direct Taxes.**

Collections under direct taxes during the period under review of RWF 331.9 billion exceeded the target of RWF 322.6 billion by RWF 9.3 billion. As was the case in the July-December 2016 period, both company income taxes and PAYE contributed to this good performance. In the case of company income taxes, collections of RWF 138.2 billion exceeded the projected figure of RWF 129 billion by RWF 9.2 billion. All sub tax categories ( CIT, PIT and Withholding taxes) contributed to this good performance. In the case of profit taxes, contributions from the financial sector ( banking and insurance) as well as from construction and transportation and storage sectors contributed the largest shares. This performance reflects a more profitable environment in business activity in the country.

Regarding PAYE, collections of RWF 188.4 billion also exceeded the revised estimate of RWF 187.2 billion slightly by RWF 0.9 billion. This good performance was also due to better collections on account of increases in salaries and bonuses of both public institutions and other private sector companies.

### ▪ **Taxes on goods and services.**

Taxes on goods and services collected during the nine month period under review amounted to RWF 397.3 billion compared to RWF 401.8 billion projected for the period. There was therefore a shortfall of RWF 4.5 billion mainly due to lower collections under excise taxes.

Total VAT collections of RWF 253.9 billion exceeded the projected amount of RWF 252.9 billion by RWF 1 billion. Despite the increase in exempted sales and a slow growth in taxable sales, the policy changes to tighten compliance for VAT input claims and the removal of VAT exemptions for investors were positive on VAT collections and contributed to the good performance mentioned above.

With regards to excise duties, collections of RWF 100.3 billion were RWF 7.4 billion lower than the RWF 107.7 billion estimated for the period under review. This performance was mainly due to lower than expected consumption and performance of

the four largest contributors to excise duties namely beer and soft drinks as well as petroleum products and use of mobile airtime. Collections from these products during the period under review declined by 6%,13.4%, 1.3% and 13.4% respectively.

- **Taxes on international trade.**

Taxes on international trade during the nine month period under review yielded an amount of RWF 65.5 billion against RWF 65.7 billion projected for the period. The target was therefore almost met. This performance shows an improvement compared to the performance in the July-December 2016 period. It was achieved despite a slight decline in imports of about 1.6% during the period under review. The higher than expected depreciation partly offset the decline in the value of imports and yielded the performance mentioned above.

- ✓ **Non- tax Revenue.**

Non tax revenue collections for the nine month period under review yielded an amount of RWF147.4billion compared to RWF 116.9 billion projected for the period . There was therefore an excess of RWF 30.5 billion. The excess was due to better performance of the three major components under non tax revenue collections. In the case of PKO reimbursements from the UN of RWF 98.4 billion exceeded the projected amount of RWF 83 billion by RWF 15.4 billion and represented some arrears payments. Total local Government fees collections of RWF 35.3 billion also exceeded the projected amount of RWF 22.6 billion by RWF 12.7 billion. Better collections by the Local Government entities of several items including rental, trading license and property taxes account for this good performance. In the case of other administrative fees and charges the collected amount of RWF 13.8 billion also exceeded the target of RWF 11.3 billion by RWF 2.5 billion. This performance shows a recovery in other administrative fees and charges including visa, passport and driving license fees in recent months.

### **III. Performance of External Resources.**

The table below shows the performance of external resources in the period under review.

**Table 2. External Resources**

	<b>Jul-Jun 2016/17</b>	
	<b>Jul -March 2017 Proj</b>	<b>Jul-March 2017 Prov Act.</b>
<i>(billion Rwf)</i>		
<b>Total Grants</b>	<b>233.1</b>	<b>228.4</b>
Budgetary grants	123.7	119.0
of which other grants (incl. HIPC grants)	81.9	77.1
of Which Global Fund	41.8	41.9
Capital grants	109.4	109.4
Projects	109.4	109.4
<b>Total Loans</b>	<b>291.5</b>	<b>263.1</b>
Budgetary loan	157.9	157.9
Project loans	133.6	105.3

Source: MINECOFIN

Total external flows projected for the nine month period under review amounted to RWF 524.6 billion comprising RWF 233.1 billion of grants and RWF 291.5 billion of loans. Total disbursements during the period were RWF 491.3 billion and registered a shortfall of RWF 33.3 billion. The shortfall came from budgetary grants and project loans.

Regarding budgetary grants, the total amount disbursed during the period under review amounted to RWF 228.4 billion against RWF 233.1 billion estimated. There was therefore a shortfall of RWF 4.7 billion from the EU.

In the case of external loans, the performance of RWF 263.1 billion was RWF 28.4 billion lower than the projected figure of RWF 291.5 billion. Whilst program loans were on track, the draw-down of project loans of RWF 105.3 billion fell short of the estimated draw down amount of RWF 133.6 billion by RWF 28.4 billion mentioned above. Once again delays in project implementation of some foreign financed infrastructure projects notably in energy and roads sectors caused the lower disbursements.

#### **IV.PERFORMANCE OF OUTLAYS.**

Total expenditure and net lending projected for the nine month period under review amounted to RWF 1342.1 billion. This projected figure comprised RWF 736.9 billion of recurrent expenditure, RWF 525.4 billion of capital expenditure and RWF 79.8 billion net lending outlays. At end March 2017, total outlays amounted to RWF 1375.3 billion which exceeded the projected figure by RWF 33.2 billion. Lower outlays under capital spending was more than offset by higher recurrent expenditure and caused the excess spending during the period under review.

The table below shows the details spending during the period under review.

**Table 3. Spending**

	<b>Jul-Jun 2016/17</b>	
	<b>Jul -March 2017 Proj</b>	<b>Jul-March 2017 Prov Act.</b>
<b>Total expenditure and net lending</b>	<b>1,342.1</b>	<b>1,375.3</b>
<b>Current expenditure</b>	<b>736.9</b>	<b>804.0</b>
Wages and salaries	203.2	216.2
Purchases of goods and services	150.1	148.9
Interest payments	53.8	51.9
Domestic Int (paid)	29.6	27.6
External Int (due)	24.2	24.2
Transfers	210.4	249.8
Exceptional social expenditure	119.4	137.2
<b>Capital expenditure</b>	<b>525.4</b>	<b>492.3</b>
Domestic	282.4	277.7
Foreign	243.0	214.7
<b>Net lending</b>	<b>79.8</b>	<b>78.9</b>

Source: MINECOFIN

✓ **Recurrent Expenditure.**

Total recurrent spending in the nine month period under review amounted to RWF 804 billion and exceeded the estimated amount for the period of RWF 736.9 billion by RWF 67.1 billion. Whilst expenditure under goods and services and interest was almost on track, higher outlays under wages and salaries, transfers and exceptional expenditure accounted for the excess spending.

✓ **Wages and Salaries.**

During the nine months period under review an amount of RWF 216.2 billion was used to pay wages and salaries of public servants. This amount was RWF 13 billion higher than the RWF 203.2 billion estimated for the period. The main reasons for this excess spending were the late payment of some bonuses to some public servants as well as

the transfer of the April-June 2017 wages and salaries of diplomatic staff in the various embassies and consulates.

Within the wages and salaries figure, an amount of RWF 65.3 billion was used to pay the wages and salaries of pre-primary and primary schools teachers in the districts. An additional amount of RWF 24.5 billion was used for salaries and other performance based benefits of various health personnel in the districts. The National Prosecuting Authority ( NPPA) also used RWF 2.1 billion for wages and other allowances whilst the Supreme court was supported with RW 3.9 billion for its personnel. The cost of administrative and support services for the chamber of deputies and the Ministry of Justice in the period under review amounted to RWF 1.2 billion and RWF 1.3 billion respectively.

✓ **Goods and Services.**

Total spending under goods and services in the nine months period under review amounted to RWF 148.9 billion against RWF 150.1 billion estimated for the period. There was therefore a small under spending of RWF 1.2 billion. The amount spent under goods and services allowed RWF 4 billion to be spent on books, whilst RWF 22.1 billion was used for the purchase of various drugs and dressings, vaccines and other medical supplies during the period under review. During this period also the schools feeding program cost the Government RWF 3.9 billion. An amount of RWF 5.1 billion was also spent on the acquisition of ICT equipment, software and other assets whilst RWF 28.4 billion was spent on consultancy services and technical assistance remuneration. The Government also spent RWF 5.7 billion as membership dues to various regional and other international organizations. Running costs of the Supreme Court and of various embassies during the period under review amounted to RWF 1.8 billion and RWF 4.8 billion respectively.

✓ **Interest Payments.**

Interest payments during the nine months period under review amounted to RWF 51.9 billion and registered a shortfall of RWF 2 billion. The shortfall was due to lower interest payments on domestic debt. During the period under review interest on domestic debt was estimated at RWF 29.6 billion. However the amount of new securities sold in the January-March 2017 period was smaller than originally estimated. Interest payments were also smaller resulting in a total for the nine month period of RWF 27.6 billion. This performance showed the shortfall of RWF2 billion mentioned above.



Total interest paid on external debt of RWF 24.2 billion was on track. This amount included RWF10.9 billion of interest paid on the EURO bonds of USD400 million.

✓ **Transfers and Subsidies.**

Spending under Transfers and Subsidies during the nine months period under review of RWF 249.8 billion exceeded the estimate of RWF 210.4 billion by RWF 39.4 billion. Acceleration of spending by several public institutions in the January-March 2017 period accounted for these excess commitments. A large portion of this amount was to deal with contract obligations. The amount spent under these items allowed the expenditure of RWF 10.5 billion on capitation grants to the districts. The Rwanda Correctional Services received RWF 17.7 billion for their operations including running costs and welfare of inmates, whilst the Rwanda Revenue Authority was allocated RWF 11.6 billion for its operations. The Workforce Development Authority and The Rwanda Housing Authority received subventions of RWF 7.7 billion and RWF 3.7 billion respectively for their operations. The Rwanda Education Board was also allocated RWF 34.4 billion for its various activities including scholarships, conduct of examinations, development of curricula and pedagogical materials as well as for other professional services including security. The Road Maintenance Fund used RWF 22.9 billion for its operations during the period under review. The Rwanda Energy Development Corporation and the Rwanda Development Board also received funds of RWF 11.5 billion and RWF 1.7 billion respectively for their operations. The Auditor General's Office also received an amount of RWF 1.3 billion for its activities whilst transfers to the National Institute of Statistics amounted to RWF 1.4 billion during the period under review for its operations.

The outlays under Transfers and Subsidies also allowed the transfer of RWF 33.1 billion of block grants to the various districts for their running costs during the period under review.

✓ **Exceptional Expenditure.**

The amount of RWF 137.2 billion spent under exceptional expenditure during the nine months period under review was RWF 39.2 billion higher than the RWF 98 billion estimated for the period. The excess spending was mainly due to additional funds

required for UN Peace-keeping operations including those in South Sudan. The UN is expected to reimburse the Government fully for the additional spending.

During the period under review, the expenditure under exceptional spending also allowed RWF20.3 billion to be spent on the provision of various social services for numerous survivors of genocide. An amount of RWF 1.7 billion was also spent on the resettlement of returning refugees and demobilized soldiers.

✓ **Capital Expenditure.**

In the nine months period under review, an amount of RWF 525.4 billion was estimated to be spent on capital projects. This figure was made up of RWF 282.4 billion of domestically funded projects and RWF 243 billion of foreign financed projects. At end March 2017, a total amount of RWF 492.3 billion had been spent and therefore registered a shortfall in spending of RWF 33.1 billion. Both domestically and foreign financed portions contributed to the shortfall in spending. In both cases slow- down in implementation of several projects mainly in the energy and roads sectors attributable to delays in finalizing all supporting documents associated with the tendering processes caused the shortfall in spending.

The table below shows some selected domestically funded capital projects implemented during the period under review.

**Table 4. SELECTED PROJECTS FUNDED IN THE JULY-MARCH 2017****(in billion RWF)**

Construction of houses for Genocide Survivors	5.4
Construction of Irrigation Canal	3.5
Construction of Kigali Convention Center access road	1.0
Construction of Shyira District Hospital	3.0
Construction of TVET Schools ( Nyabihu Polytechnic, Muhanga TVET Schools, Rulindo Mining School and Gicumbi VTC	1.0
Primary schools Installed with E-solution system	12.7
Purchase of XO Laptops in primary schools	3.0
HIV- National Strategic funding Project-RBF Model	11.9
RBC support operations are effectively contributing to smooth implementation of RBC programs	
Pharmaceutical products are available and accessible at health facility	15.4
Demarcation of Road Network	3.7
Development And Maintenance Of Road Transport Infrastructure	16.3
Housing And Settlement Promotion	5.4
Funding of Sustainable Crop Production in the districts	5.4
Funding of Sustainable Livestock Production in the districts	4.1
Improvement of Urban and Rural water supply	4.8
Vulnerable Groups Support	3.5
Installation of CCTV	4.2
Increased area under Irrigation by GFI	5.0
Increased quality seed distribution by priority crops	3.4
Increased Quality basic seeds Production by priority crops : Hybrid Maize, OPV Maize, Wheat, rice , irish potatoes cassava and soya bean	1.1
Soil fertility management improved through use of appropriate inorganic fertilizers	3.8
TEA Expension	1.5
Industrial Parks developed	1.0
Gikondo Industrial Parks Relocation	1.2
Installation of E-solution system in primary Schools	1.0
KIA Passeger terminal building Expension	4.1
Kivu Belt lot 7: Rubavu-Gisiza road upgraded (48 Km)	2.4
Rukomo-Base road upgraded (51.5 Km)	2.4
Base-Butaro-Kidaho road upgraded (63 km)	2.3
Remera - Rugende road rehabilitated (15 Km)	1.9
Ministerial Office Complex-MOC ( Building) Construction Works completed at 20%	2.3
Construction of High Commercial Court Building	1.1
Musanze Urban roads upgraded (15 Km)	2.6
Oil and Gas Exploration Project	1.9
Rehabilitation/renovation of 4 Stadiums (Amahoro, Nyamirambo, Huye and Rubavu)	3.7
Rural Water Supply And Sanitation	1.9
Upgrad Base-Butaro-Kidaho Road	1.7
Water Infrastructure in Districts	3.5

Source: MINECOFIN

- **Net Lending Expenditure.**

Spending under net lending in the nine months period under review amounted to RWF 78.9 billion and was only RWF 0.9 billion lower than the RWF 79.8 billion estimated for the period. This performance showed an improvement in expenditure in respect of export promotion. Spending was lower in the first half of the fiscal year 2016/17 due to delays in spending.

## **V. SECTORAL PERFORMANCE**

### **I. ECONOMIC AFFAIRS SECTOR**

In the **sub-sector of Agriculture**, the following were the keys achievements registered for the third quarter of 2016/17 fiscal year;

- In order to increase productivity and sustainable agriculture, the Ha of land consolidated for crops production at the end of quarter three of fiscal year 2016/17 were as follows: Maize: 345,752.7 ha, Beans: 739,381 ha, Soybean: 23,351 ha, Irish potatoes: 122,360 ha , Wheat: 50,073.5 ha and Cassava: 67,663 ha. To increase crop yields, local seeds were produced and distributed as follows: Hybrid maize 10532 metric tonnes, Soybeans 164 metric tonnes and irish potatoes 1045 metric tonnes
- Quantity of crops produced are as follows: Maize: 659.254 metric tonnes, 152.820 metric tonnes , and Wheat: 415.645 metric tonnes.
- By the end of March 2017, 1320ha of irrigated marshland for cultivation had been developed.
- Small Scale irrigation technologies were developed during the period under review to increase areas under irrigation.
- Efforts were made on radical terracing construction, where 5,338.5 ha were developed by end March By the end of quarter three of the FY 2016/2017, the

total number of 40,654 cows were inseminated in line with the program of increasing productivity and sustainable animal resources.

- Different activities were implemented to increase Fish production. These include training of fish farmers in feed utilization, assisting farmers to develop fish farming business models and how to keep farm data. Fish production was estimated at 18,184 metric tonnes at the end of quarter three.
- 18,196 cows were distributed to poor families through Girinka Program to fight against malnutrition
- In line with the policy to increase exports, coffee and tea production was boosted and this resulted in the export of –metric tonnes of coffee and –metric tonnes of tea in 2016. export promotion and enhanced agribusiness environment for agricultural enterprise, 2,157 metric tonnes of coffee and 18,721 Metric tonnes of tea were produced.

In the **sub-sector of Trade and Industry**, below are the main key achievements realized in the 3<sup>rd</sup> Quarter of the 2016/2017 fiscal year.

- 72 Irish Potatoes Collection Centres were inspected in Rubavu and Nyabihu Districts. The Irish potato collection centres (IPCCs) and Regional potatoes Trading (RPT) staffs were trained in management, accounting and taxation.
- 81 member cooperatives were mobilized for contract farming with agro processors where 10 supply contracts were signed with different processors.
- 20 contracts were signed between farmers and East Africa Exchange (EAX) for the operationalization of the warehouse receipt system.
- 40 exporters in special foods including coffee, tea, honey, , pyrethrum products, macadamia, cassava flour and juice were trained on how to access USA(AGOA) and EU markets with regard to marketing skills, product presentation, networking and market linkages technics and this is expected to help the exporting firms to address their constraints on supply and market accessibility.
- Construction works for 5 industries in Gikondo Industrial park has reached 92%
- 18,932 SMEs were facilitated to access finance (total loan amount of RWF 2,453,411,535) through Business Development Advisor's (BDA) support.

In the **Transport sub-sector**, the following achievements were realized during the third quarter of the 2016/17 fiscal year in line with the efforts to improve and sustain the quality of road networks. These include:

- The various contracts for road rehabilitation of Huye-Kitabi road, Kagitumba-Gabiro road, Gabiro-Kayonza road and Kayonza Rusumo road to fast track the work of site mobilisation and start the supervision services were signed and implementation is underway.
- Regarding the Rubengera-Gisiza road (Kivu Belt Lot 6), upgrading project (24.1km); the expropriation of properties is ongoing and it is expected to be completed by end April 2017; progress of work was at 52.4% against 80% planned, Gisiza-Rubavu (Kivu Belt Lot 7)(48km), progress was at 72.4% against 75% planned; Base-Butaro-Kirambo (68km), progress was at 14.7% against 45% planned, Base-Rukomo road (51km), progress was at 30% against 45% planned.
- With regards to the road maintenance of Ruhango–Kinazi-Rutabo, Kinazi-Mukunguri road (36.3 km); work was completed by end March as planned ; Mbuga–Mpimbi-Burerabana-Nyabinoni (Lot 1: 34 km) progress was at 87.5% against 100% targeted and access road to Rwamagana-Gishali flower plant (12 Km), work was completed as planned.
- Rehabilitation of Rukali-Kabuga unpaved road (DR95) in Nyanza District (40.1 Km); progress of work was at 93.9% against 85% planned;
- Regarding the maintenance of blackspots on Pindura\_Bweyeye road, work is ongoing and was estimated at 60 % against 75% planned at the end of quarter three;
- In the case of the Multi-year Maintenance of National paved roads, progress of Kigali-Huye-Akanyaru (157km) and Umukobwa mwiza, Kamonyi, Ruhango Blackspots is ongoing and 95% (Phase I) of work was completed at the end of

quarter three. The maintenance Kigali-Kayonza (74.8km) is also ongoing with 95% of work done.

- With regards to urban roads, Musanze urban roads (5Km) and Rubavu urban roads (7Km) were completed as planned;
- construction of access road to Methane Gas Power plant in Rubavu (7km) was completed as planned;
- The study to review the construction of a Port on Lake Kivu in Karongi district is ongoing and will be completed in May 2017 prior to funding by Trade Mark East Africa;

In the **Energy and fuel sub-sector** the following are achievements made during third quarter of the fiscal year 2016/17:

- to increase access to energy, 33,932 households were connected to the national grid compared to 24,891 connections planned countrywide;
- 255,550 households were also connected with off-grid systems through partnership with private companies.
- Medium Voltage and Low Voltage lines were Connected to 462 Productive users ; these include 127 productive centres and social sites (1 water pumping station, 9 Tea factories, 81 Schools, 2 Markets, 29 Health centres, 4 Milk Collection Centres, 9 Commercial centres and Integrated Development Program (IDP) Model village).
- The construction of 220kV High Voltage Transmission Line Shango-Rubavu Bwishyura-Kibuye (170km) was completed and commissioned by end quarter three.
- Construction of High Voltage (HV) Transmission lines 110kV Transmission Line to Rulindo-Gicumbi-Gabiro-Musha work is on-going and progress was at 20% against 40% planned;

- On-going construction of High Voltage (HV) Transmission lines 110/30kV to Gabiro substation and 110/30kV Musha substation continued and the overall progress was at 46% against 40% planned;
- Rehabilitation of 110/30kV Rulindo and Gifurwe substations: Rulindo substation is at 46.01%; Gifurwe substation is at 39.28%. Overall progress at 43%; against 50% planned;
- The installation of new 110/30kV transformer at Mukungwa 1 Hydro Power Plant -95% of work was completed, against 80% planned;

In the **water and sanitation sub-sector** the following are achievements made during the third quarter of the fiscal year 2016/17:

- Regarding the construction of 115.5 Km of network extensions in urban areas; progress was at 68 % against 70% planned This includes work on Nzove II whereby filters were installed. In the case of Nzove I all filters were installed.
- With regards to the construction of NYUNGWE-KIBEHO-NDAGO-COKO water supply system of 112 Km, progress was at 98% against 100% planned at the end of quarter three;
- construction of Giheke-Kamembe-Nkanka water supply system (126 km) in Rusizi District was completed as planned by end of the third quarter;
- The construction of NKOMBO WSS to supply water to 17,500 inhabitants was completed at the end of quarter three.
- Reinforcement and extension of Water Supply System RUHASHYA-NTYAZO (95 Km) in Nyanza District was at 42% against 50% planned while Kageyo-Ngororero town Water Supply System (22km) was at 95% against 100% planned at the end of quarter three;
- Work on Gihengeri Water Treatment Plant, Nyagihanga, Ngarama, Gatsibo sectors in Gatsibo District (60 km )was at 30% against 50% planned;
- Construction of distribution network of MUSERI phase II ( 97Km ) from Ntoma –Rwimiyaga – Karangazi and Matimba- Kagitumba Water Supply System in Nyagatare District: progress is at 40% against 25% planned;



- The construction of Nyabizi-Butaro Kivuye water supply system to supply water to University Global Health Equity at Butaro was at 24% against 30% planned and the Construction of Karuruma-Gatsata and Muko-Jali water network extension (16 Km) was at 40% against 70% planned.
- construction of 3 solid waste and 3 faecal sludge treatment plant in Kayonza, Nyanza and Nyagatare was at 95%

In the **housing sub-sector** the following are achievements made during third quarter of the fiscal year 2016/17:

- construction of the National Archives Building was at 30%. In the case of the High Commercial Court Building , work is on-going and 40% done at the end of quarter three.
- 22,229 households were resettled in planned villages from scattered settlement against 60% as planned;

## **II. EDUCATION SECTOR**

The following are the key achievements made in education sector during the third quarter of the fiscal year 2016/17.

In the **sub-sector of Pre-Primary and Primary Education** the main key achievements realised in are as follow:

- A total number of 385 Sector Based Trainers for pre-primary were trained on the implementation of Competency Based Curricula;
- In collaboration with Hartford, 806 teachers were trained in English language;
- Regarding the policy to construct 350 classrooms and 296 latrines in fiscal year 2016/17 work is on-going and 91.4% done by end of ,arch 2017.
- 627 XO laptops were maintained and repaired ,393 schools across all districts received 100 laptops each, for setting up smart classrooms;
- 126,165 adult people were trained in adult literacy program;
- Schools of Excellence in Special Needs and Inclusive Education were supported financially;

- 194,052 candidates registered, 187,139 (Girls=103,445, Boys =83,694) sat primary examination, 159,785 (Girls =88,068, Boys =71,717) got pass marks;

In the **sub-sector of secondary education**, the main key achievements registered are the following:

- 203 best performing teachers were identified and will be given cows;
- 41,609 candidates were registered, 41,240 (Girl =18,859, Boys =22,381) sat for A `level examination and 36,916 (G=17,541, B=19,374) got pass Marks;
- 90,759 candidates were registered, 89,421 (Girls =47,691, Boys =41,730) sat for Lower Secondary examination, and 79,655 (G=41,530, B=38,125) got pass Marks ;
- School Hygiene campaign and campaign against teenage program in schools were conducted
- Science Competition was done, whereby 1,040 students from 87 schools competed and 200 students from 62 schools succeeded to compete at National level;
- 184 National Subject trainers were trained and 3,563 Sector Based Trainers including primary and secondary were trained and they are now conducting Sector Based Training whereby all teachers are supposed to attend and share their experience and challenges with the aim of improving the implementation of CBC; 211 teachers trained on E- solution system;

In the **sub-sector of higher education** the following are the main achievements registered;

- In line with the Government priority to increase the number of students in Science Technology Engineering and Mathematical (STEM) programs, there was a significant increase in the number of students in STEM: 14,987 students (52%) of the total student population in 2016/17 compared to 14,888 (49%) of the total student population in 2015/16.

- In alignment with Government priorities to build the capacity in the mining sector, the University of Rwanda has opened the School of Mining and Geology (SMG) with two departments namely Mining and Geology in the College of Science and Technology.
- The Rwanda Education Qualifications Frameworks (REQF) that will guide the whole Education System was completed. A Cabinet Paper on REQF was prepared and submitted to the Prime Minister's Office for informing the Cabinet on the establishment of REQF.
- An external Comprehensive Audit was conducted by a team of experts from Outside the country, in all Higher Learning Institutions operating in Rwanda; In total 27 Higher Learning Institution were audited and the following Higher Learning Institutions were granted Accreditation:
  - o African Institute of Mathematical Sciences - AIMS,
  - o African Leadership University - ALU,
  - o VATEL School Rwanda,
  - o The African Institute for Mathematical sciences, Rwanda campus was established and supported. 44 students from 10 countries of which 19 Rwandans are now pursuing their Master's Degree courses.
- The 27th World Academy of Sciences General Meeting was hosted and this brought together more than 250 scientists from all around the world.
- The biennial African School of Physics 2016 was hosted and this brought together 76 students representing 29 countries including 20 students from Rwanda.
- The National Research and Development Survey were conducted and the report was produced.
- In partnership with RURA, 97 schools were connected to internet around the country.
- Mugogo station was equipped with modern equipment and technicians were trained on how to use the equipment.

- In partnership with REMA, through the CCOS (Climate Change Observatory Secretariat), MINEDUC signed an agreement and got a fund from FONERWA to support the Air Quality and Climate Change Monitoring Network Project
- Hosting of CAASTNet: brought together 45 participants including young researchers including those from the region. In all Professionals, from 11 countries came together to network and help frame research proposals that will be of significant relevance to address the development challenges of the region.

In the **sub-sector of Technical and Vocational Education and Training (TVET)** the following are the main key achievements registered with the sector as far as the increase of equitable access to relevant, high-quality and demand-driven TVET program was concerned

- The renovation of 5 schools (NYAMATA TSS, KAVUMU VTC, MPANDA VTC, NELSON MANDELA, GISENYI VTC) continued;
- The construction work of Rwanda TVET Trainer Institute is now at 95%;
- Since July 2016 to date, a total number of 12,432 youth and women have been skilled for quick employment and job creation under NEP-Kora wigire;
- The Construction works of new 3 TVET schools in Nyabihu, Muhanga and Rulindo were at 42% ;
- In order to close the skills gap in Energy sector, 13 curricula were developed in areas of Geothermal, Solar Energy, Hydro, Gas and Peat;
- In order to attract more female students in TVET, a HeforShe TVET campaign was organized across the country and it is expected that the number of Girls in TVET will increase over time.

### **III. HEALTH SECTOR**

In the **Health sector** the following are the main key achievements made during the third quarter of the fiscal year 2016/17;

- Improved malaria diagnosis and treatment. Malaria data assessment by central level to decentralized level to review data from CHWs activities was conducted

and Children <5 years were treated by CHW within 24hrs of symptoms onset was at 96% in Quarter 3.

- Infected persons are timely enrolled and initiated on Antiretroviral Treatment (ART B). A total of 178,021 out of 211,754 (84.1%) HIV+ adults and children received antiretroviral therapy. Mentorship sessions were organized in all HIV accredited health facilities to facilitate the new protocol implementation and the new Service Delivery Model (DSDM) and 637 Healthcare Providers from accredited Health Facilities were trained on the Differentiated Service Delivery Model (DSDM).
- Clinical mentorship from central level to district level (on new protocol) was conducted. HIV+ adults and children currently receiving antiretroviral therapy was at 82.7% in quarter 3. Clinical mentorship sessions focusing on the implementation of HIV Care and Treatment Differentiated Service Delivery Model (DSDM) were conducted by Clinical Mentors in 39 District Hospitals. Mentorship took place from the 06th to the 09th February 2017. Regarding the task accelerating training to increase number of nurses prescribing ARVs, a total of 493 nurses were trained.
- The management of TB cases improved. Food packages were provided for hospitalized patients with multi-drug resistant MDR-TB and Treatment success rate for bacteriologically confirmed new and relapse TB cases was at 89.5% in quarter 3.
- Increase number of assisted deliveries at Health Facilities. Births attended in Health Facilities were 94% in quarter 3. All 35 District Hospitals with its 405 Health Centres were trained and the rollout of the new Rapid SMS version V3 will be implemented after training all DHs and HCs
- Under five years malnourished children are screened and Purchase and distribute Fortified blend food (FBF). A total of 524 tons of FBF were purchased and distributed to children between 6 to 24 months and pregnant and breastfeeding mothers in Ubudehe I countrywide and children in Ubudehe II for 11 districts with high burden of stunting.

- Availability of vital medical products in health facilities improved through monitoring the implementation and effective use of e-LMIS (Electronic logistics management information system) by all Health Facilities. Data cleaning and supervisions were conducted to improve the use of the system and allow decision makers to make accurate and prompt reactions.
- Nyabikenke District Hospital partially constructed by reinforced concrete, wall elevation ongoing and roof structure ongoing. However, construction for Nyabikenke District Hospital have not yet resumed due to issues encountered in the contract execution and management, as well as the need to review designs. Work still stands at 18.4%. However, the review of design is completed.
- Byumba DH is partially reconstructed (Phase I). Byumba hospital construction didn't resume in Quarter 3 due to delays encountered in the finalization of revised designs, contract negotiations and amendment. Work currently stands at 40%. The modifications in the design have been reviewed and harmonized according to the services packages to be provided and their interconnections and were approved by all concerned parties.
- Shyira Hospital constructed. Foundations, walls elevation, roofing, floor and wall finishing, electricity and plumbing as well as exterior works completed and construction works are at the finishing stage (paint, exterior works, oxygen installation, mechanical ventilation installation are ongoing) and is planned to be completed by June 2017.

In **social protection sector** the main activities achieved in quarter 3 of 2016/2017 fiscal year are related to the provision of support to the vulnerable groups, assistance to disaster victims, and Repatriate and assist Rwandan refugees. The following are the key achievements in social protection sector;

- In order to enable the poorest households to graduate out of extreme poverty, 111,687 households under extreme poverty were covered under VUP public works in 240 Sectors. 84,356 households that were covered by VUP Direct Support have been paid. In addition, 51,372 individuals (21,749 males and

29,623 females) benefited from VUP financial support loans, and 19,114 households have benefited from minimum package for graduation programs.

- 18,196 cows were distributed to poor families under one cow per power family program and small livestock including 461 goats were supplied and distributed in Nyaruguru District. 27,000 hens have been imported for distribution to the beneficiaries in Nyamasheke and Rusizi.
- In the area of reducing Rwanda's chronic malnutrition rates for children under-five years, 13,291 under-five children with acute and chronic malnutrition were supported and 1,305,266 liters of milk were purchased and distributed in 484 health centers.
- 311,099,284 households were identified with Kitchen gardens and vegetable seeds have been distributed to nutritionally vulnerable group.
- From January up to the end of March, 80,878 children benefited from one cup of milk per child with 731,455 liters of milk under school feeding program and 362,366 (92%) against 393,651 pupils were getting lunch including 79% at school and 13% at home.
- In line with government's efforts to fight against Gender Based Violence, the construction and equipment of all 17 Isange One Stop Centers have been fully completed.
- In order to lessen family related issues, all 29,674 Inshuti z'Umuryango (friends of the family) countrywide were trained and supported with headsets to facilitate them in information sharing and reporting on family related issues.
- In line with Government efforts to reintegrate children from child care institutions into families, 1,070 Children (397 from orphanages, 618 from Centers for children in streets and, 55 children of three years of age with their mothers in detention centers) were placed into families and alternative family based care provided from July 2016 to end March 2017.
- In the area of supporting genocide survivors, 1,475 Incike were supported with special direct support and 23,719 other beneficiaries assisted with ordinary direct support. Furthermore, FARG provided school fees and monthly allowance fees to

12,419 students under FARG support in Higher learning institutions and 1,345 in TVET Diploma Program (short courses)

- In line with the policy of ensuring effectiveness of disaster response and recovery, 97,595 Households affected by drought in Southern Province and Eastern Province were assisted with 1,089,254 Kg of Maize and 613,572 Kg of Beans. In the area of implementing Cessation Clause, 3782 Rwandan returnees were assisted with Health insurance for 1 year, food provision for three months, and non-food items. 80 vulnerable households among those returnee families were provided with shelter in Musanze, Nyabihu, Rubavu, Ngororero, Karongi and Rutsiro. 951 households received small livestock in Nyaruguru, Ngororero, Rubavu, Nyabihu, Gakenke, Burera, Nyamasheke, Karongi, Rutsiro and Rusizi.
- Regarding improving service delivery in public institutions, monitoring of service delivery was conducted in 38 public entities mainly 15 ministries, 18 institutions, 4 Provinces and City of Kigali.
- In addition to the above, during the governance month 79.5% of complaints were resolved while 20.5% were addressed to concerned institutions. All Provinces and Districts Directors of Good Governance and District Territorial Administration Officers and MINALOC officials have been trained on E-citizens' complaints tracking system.
- Inspection of social protection programs under VUP components (PW, DS, and FS) and service delivery on service charters and citizen complaints in 8 Districts was conducted and Inspection on DS projects was conducted in 6 Districts.
- In order to synchronize information for online Authentication, 18 institutions were connected to NIDA System from July 2016 to end March 2017 (and a total of 283 Sectors were connected with local area network (LAN) infrastructures.
- Ubudehe categorization was hosted online through monitoring and evaluation information system (MEIS) and it can be easily accessed by the end users in all Districts. Furthermore 77 end users including five (5) RSSB staffs and 72 social affairs staff at sector level in City of Kigali, and community Health Insurance staff were trained on Ubudehe MEIS operationalisation.



#### **IV. ENVIRONMENT SUB-SECTOR**

In the **Environment and natural resources**, below are the main achievements for the 3<sup>rd</sup> Quarter of the fiscal year 2016/2017;

-Maintenance and sustainability of National Land registry was ensured by strengthening land administration institutions. Rehabilitation of Northern and Western zonal offices were completed by end quarter three.

-Total of 29,510 Ha of land was planted including 2,851 Ha of New plantations to increase forest cover.

-Mineral recovery rate improved under model mine concept where 6 Model mining companies were enhanced.

- Value addition technologies to wood and non-wood forest products and services were promoted whereby 170, 025, 090 Rwf revenue was generated from non-wood forest products.

#### **V. JUSTICE SECTOR**

In the sector of justice and in line with the implementation of prioritized policy actions agreed within the sector, efforts made in implementing them has led JRLOS to the following achievements in the Third quarter of FY 2016/17

- Integrated electronic cases management system (IECMS) project was at operational stage by end of Q3 2016/2017, 45 out of 83 courts in Rwanda are connected. Only 52 RNP offices are using IECMS out of 423 planned offices; 14 RCS prisons and RCS headquarters are using IECMS. National Prosecution Headquarters and 40 out of 78 planned offices are connected.
- IECMS users were trained in concerned institutions (RNP, NPPA, Judiciary, MINIJUST, RCS) and 1,534 (50.5%) out of 3,040 IECMS users countrywide were trained by end March 2017.

- construction work of Nyanza court house was at 83.45% and the construction of the commercial courts was at 16% at the end of March 2017.
- Regarding the provision of means of transport to Abunzi to facilitate their work, 4,343 bicycles were distributed country wide.
- In line with Legal Aid to the Community, (From July 2016 to March 2017) MAJ received 12,970 cases in which 8,609 (66.3%) cases were handled through providing legal advises or/and mediation; 2,276 (17.7%) cases were handled by preparation of court submissions; 1,994 (15.3%) cases were transferred to other institutions whereas 91 (0.7%) cases were on going.
- In order to recover government embezzled funds (from January to March), 205 embezzlement cases were handled (125 new + 80 pending). Among them 75 cases were filed with courts, 19 were closed and 2 were transferred to competent institutions.
- The National Public Prosecution Authority investigated and handled genocide fugitives' files. Only 244 files were completely investigated, 87 indictments were sent in different countries hosting genocide fugitives and 196 cases were handled by the end of March 2017; (55.8%) of Gacaca pages were digitalized.
- Construction work of Rwanda Forensic laboratory was estimated at 98% and 40 police officers were trained in DNA analysis, forensic investigation and forensic technical skills.
- construction work of MAGERAGERE prison was at 65,25%; the construction work of one inmate block in Rubavu prison was at 97% and the construction work of the fourth inmate block in Rwamagana prison was at 70% at the end of quarter three of the 2016/2017 FY.

## VI. Deficit and Financing.

The table below shows the details of the deficit and how it was financed.

**Table 5. Financing**

<i>(billion Rwf)</i>	<b>Jul-Jun 2016/17</b>	
	<b>Jul -March 2017 Proj</b>	<b>Jul-March 2017 Prov Act.</b>
<b>Financing</b>	<b>218.1</b>	<b>191.0</b>
<b>Foreign financing (net)</b>	<b>275.0</b>	<b>246.6</b>
Drawings	291.5	263.1
Budgetary loan	157.9	157.9
Project loans	275.0	246.6
Amortization (due)	-16.5	-16.5
<b>Domestic financing</b>	<b>-56.9</b>	<b>-55.6</b>
Banking system (Monetary Survey)	-102.7	-68.6
Non bank (Net)	38.9	32.8
Gvnt Securities (Net)	66.8	55.4
Non bank T/Bills	33.7	32.8
Non bank T/Bonds	33.1	22.6
Non Bank Sector Debt Repayment	-27.9	-22.6

Source: MINECOFIN

The details of the accrual of total resources as well as total outlays of Government during the nine month period under review have been described in the appropriate sections of this report. The budget therefore in the nine month period under review closed with an overall cash deficit of RWF 191 billion compared with RWF 218.1 billion projected for the period. The deficit was therefore RWF 27.1 billion lower than envisaged for the period.

Net external borrowing during the period under review amounted to RWF 246.6 billion as against RWF 275 billion projected for the period. This lower net borrowing amount as indicated above under external financing was mainly due to shortfalls in project loan disbursements on account of delays in implementing some infrastructure projects in energy and roads sectors. The funds from these net external borrowings of RWF 246.6 billion were used to finance the cash deficit of RWF 191 billion mentioned above, whilst the remaining RWF 55.6 billion together with net domestic non- bank borrowing of RWF

32.8 billion allowed the Government to increase its banking sector deposits and other assets by RWF 68.6 billion and RWF 19.7 billion respectively.

## **VII. Conclusion**

As shown in this report, the implementation of the budget in the nine month period under review has had mixed results. On one hand the performance of resources has been good due to good performance of domestic tax and non- tax flows. On the other hand total spending was slightly higher reflecting front loading of some expenditure commitments despite lower outlays in respect of capital expenditure on account of delays in some infrastructure projects. The Government however is committed to implementing the revised budget of fiscal year 2016/17 fully. It will therefore take all necessary measures to ensure that this objective is realized. In so doing it will act in such a way that macro-economic stability is preserved.