REPUBLIC OF RWANDA

MINISTRY OF FINANCE AND ECONOMIC PLANNING

BUDGET EXECUTION REPORT FOR FISCAL YEAR 2014/15

November, 2015

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BUDGET EXECUTION REPORT FOR FISCAL YEAR 2014/15.

I.INTRODUCTION.

At the beginning of June 2014, Parliament approved of an original budget for fiscal year 2014/15 totaling RWF 1755.9 billion. In economic classification terms, total revenue and grants were estimated at RWF 1535.3 billion comprising domestic resources of RWF 985.5 billion and total grants of RWF 550 billion. Total expenditure and net lending was projected at RWF 1700.5 billion made up of recurrent spending of RWF 807.5 billion, capital expenditure of RWF 792.4 billion and net lending of RWF 100.7 billion. The original budget was therefore expected to end with an overall deficit of RWF 175.2 billion to be financed with foreign net borrowing of RWF 109.2 billion and net domestic finance of RWF 66 billion.

As a result of several changes to the resource and expenditure envelopes, the budget was revised at the end of December 2014. In January 2015, Parliament approved of this revised budget totaling RWF 1762.3 billion showing a small increase of RWF 6.4 billion. In economic classification terms, total revenue and grants were reduced from RWF 1535.3 billion to RWF 1414.5 billion showing a total reduction of RWF 120.8 billion. Within this total, domestic resources were raised from RWF 985.5 billion to RWF 997.4 billion showing a net increase of RWF 11.9 billion. This net position was the result of a decrease in domestic tax revenue of RWF 12.2 billion on account of expected delays in the accrual of some revenue from the implementation of some tax measures and increases arising from the accrual of the new infrastructure imports levy amounting to RWF 3 billion as well as additional revenue from PEACE keeping operations. Total grants were on the other hand revised downward from RWF550 billion to RWF 417.1 billion showing a decrease of RWF 132.9 billion. The revision reflects a compositional change in donor disbursements as both the World Bank and the AFDB shifted from grants support to budgetary loans support.

On the outlays side, total expenditure and net lending was maintained almost at the same level as in the original budget with an amount of RWF 1700.5 billion. There was only RWF 0.3 billion reduction.Within this revised total recurrent spending was reduced from RWF 807.5 billion in the original budget to RWF 794.4 billion showing a reduction of RWF 13.1 billion. Capital expenditure was also reduced from RWF 792.4 billion to RWF 787 billion showing a reduction of RWF 5.4 billion mainly due to a reduction in the allocation for domestic capital spending. Outlays for net lending was raised upwards from RWF 100.7 billion by RWF 18.1 billion to RWF 118.8 billion to allocate some funds for a couple of strategic investment projects.

These changes to the resources and expenditure envelopes led to an increase in the overall deficit from RWF 175.2 billion to RWF 295.6 billion showing an increase of RWF 120.4 billion. However as a result of the compositional changes in donor disbursements mentioned above, net foreign finance increased from RWF 109.2 billion to RWF 197.5 billion showing an increase of RWF 88.3 billion. Net domestic finance therefore increased from RWF66 billion to RWF 98.2 billion showing an increase of RWF 32 billion.

II. EXECUTION OF THE REVISED 2014/15 BUDGET

Execution of the revised 2014/15 budget was affected on the resources side by delayed donor disbursements and shortfalls in some domestic tax revenue collections on account of lags in the accrual of additional revenue from implementation of tax measures as well as sluggish performance of exports and lower than expected imports. On the spending side there were some delays in the execution of several infrastructure projects including KCC resulting in lower spending regarding capital expenditure and net lending.

II.1.Performance of resources

The revised budget projected total current resources at RWF1414.5 billion comprising total revenue of RWF 997.4 billion and total grants of RWF 417.1 billion.

i. Domestic Revenue Collections.

The table below shows the details of performance compared to the revised projections

- ✓ **Tax Revenue Performance.**

The revised budget approved by Parliament in January 2015 estimated total tax revenue collections at RWF 894.6 billion. However stagnant export receipts and sluggish imports at the beginning of the year together with the expected delays in the accrual of some tax receipts from implementation of selected revenue measures led to a lowering of the target after negotiations with the IMF team on a revised PSI program from RWF 894.6 billion to RWF 845 billion. In the end the Rwanda Revenue Authority (RRA) collected RWF 871.6 billion in fiscal year 2014/15 compared to RWF 894.6 billion projected in the revised budget that was approved by Parliament and RWF 845 billion agreed with RRA and projected in the PSI program. There was therefore a shortfall of

RWF 23 billion when compared to the revised budget figure but an excess of RWF 26.6 billion if compared to the RWF 845 billion agreed in the PSI program. For the purposes of this budget execution report the revised budget figure approved by Parliament is used as basis for comparism.

Table 1. Revenue

	Jul-Jun 2014/15	
(billion Rwf)	**Revised Budget**	**Prov.Act.**
Total revenue	997.4	1,002.8
Tax revenue	894.6	871.8
Direct taxes	364.0	375.9
of which local government taxes	13.5	13.2
Taxes on goods and services	461.5	432.4
Taxes on international trade	69.1	63.5
Non-tax revenue	102.9	131.2
of which PKO	62.3	89.0
of which Other (incl. LG fees)	40.6	42.2

Source: MINECOFIN

Regarding direct taxes, collections of RWF 375.9 billion exceeded the revised budget figure of RWF 364 billion by RWF 11.9 billion.Improved collections from corporate profit tax and personal income taxes together with withholding taxes accounted for the excess collections.

In the area of taxes on goods and services, collections of RWF 432.4 billion were RWF 29.1 billion lower than the RWF 461.5 billion estimated in the revised budget. Lower collections of both excise duties and VAT contributed to the total shortfall. In the case of excise duties despite improved collections from modern beer producers (Bralirwa and Skol), local soft drinks and air time, significant shortfalls from traditional beer production, imported wines and liquors, cigarettes and most importantly petroleum products imports on account of lower general consumption including lower imports for EWSA more than offset the improvements mentioned above and resulted in the shortfall in excise tax collections. Regarding VAT collections, the performance of RWF 286.2 billion was RWF 9.2 billion lower than the RWF 295.4 billion estimated for the fiscal year. The main contributing factors to this lower performance were the slower than expected uptake of the electronic billing machines(EBM) to facilitate collections as well as lower than expected turnover tax payments by the financial and insurance sub-sectors.

In the case of taxes on international trade, actual collections of RWF 63.5 billion were RWF 2.6 billion lower than the revised estimate of RWF 66.1 billion.This lower collection was due to lower than expected imports especially during the first half of 2015. At the beginning of the year the value of imports was projected to rise by about 8% compared to 2014. However as a result of lower export performance on account of lower receipts from minerals exports and lower donor disbursements for Government, BNR and Commercial Banks foreign exchange sales for imports were lower than projected in the first half of 2015. Total imports are therefore rising only by 1% in 2015 compared to the 8% projected at the beginning of this year. The most affected areas are petroleum products and consumer goods which contribute the largest share of taxes on international trade. The shortfall in taxes on international trade would have been higher but a slightly higher depreciation of 3.6% in the first half of 2015 compared to 1.7% in the same period of 2014 arising from the shortfall in foreign exchange for imports mentioned above, partly offset the loss in revenue.

- ✓ **Non Tax Revenue Performance.**

Non Tax Revenue collections of RWF 131.2 billion exceeded the revised budget estimate of RWF 102.9 billion by RWF 28.3 billion. This performance was largely due to reimbursement to Government from the UN for expenditure on various Peace Keeping Operations.There was also a good performance from other non -tax revenue collections notably property taxes by Local Government entities.

- ✓ **External Resources.**

The table below shows the performance of external resources in fiscal year 2014/15.

Table 2. External Resources

	Jul-Jun 2014/15	
(billion Rwf)	**Revised Budget.**	**Prov. Act.**
Total Grants	417.1	415.9
Budgetary grants	176.1	174.9
of which other grants (incl. HIPC grants)	95.6	86.6
of Which Global Fund	80.5	88.2
Capital grants	241.0	241.0
Projects	241.0	241.0
Total Loans	212.6	202.9
Budgetary loan	107.1	103.6
Project loans	105.5	99.2

Source: MINECOFIN

The revised budget estimated total external budget support flows at RW 629.7 billion made up of RWF 417.1 billion of grants and RWF 212.6 billion of loans. At the end of the fiscal year total disbursements amounted to RWF 618.8 billion registering a shortfall of RWF 10.9 billion.

- ✓ **Budgetary grants**

Regarding grants, total disbursements of RWF 415.9 billion were only RWF 1.2 billion lower than the RWF 417.1 billion estimated. Whilst capital grants of RWF 241 billion are recorded as having met the target, there was a small shortfall of RWF 2.1 billion on budgetary grants. Excess disbursements from the Global fund of RWF 7.7 billion partly offset delayed bilateral grants of RWF 9 billion resulting in the total shortfall of RWF 1.2 billion. These delayed grants were disbursed in July 2015.

- ✓ **Budgetary loans**

In the case of loans, total disbursements of RWF 202.9 billion were RWF 9.7 billion lower than the revised budget figure of RWF 212.6 billion. Both budgetary loans and project loans contributed to the shortfall. With regards to budgetary loans, the shortfall of RWF 3.5 billion was due to differences in cross currency estimation of disbursements from the World Bank. Regarding project loans, the shortfall was due to lower disbursements for some energy projects on account of implementation delays concerning some new infrastructure projects.

III. PERFORMANCE OF OUTLAYS IN FISCAL YEAR 2014/15.

The revised budget projected total expenditure and net lending at RWF 1700.2 billion made up of RWF 794.4 recurrent spending, RWF 787 billion capital expenditure and net lending amount of RWF118.8 billion. Provisional figures put total spending at RWF 1720.5 billion showing an excess in spending of RWF 20.3 billion. Lower spending under capital expenditure and net lending was more than offset by excess outlays under recurrent expenditure resulting in the overall excess spending mentioned above.

The table below shows the performance details of total expenditure and net lending.

Table 3. Spending

(billion Rwf)	Jul-Jun 2014/15	
	Revised Budget	Prov.Act.
Total expenditure and net lending	1,700.2	1,720.0
Current expenditure	794.4	834.0
Wages and salaries	207.0	203.9
Purchases of goods and services	151.2	159.5
Interest payments	42.9	45.2
Domestic Int (paid)	15.6	17.6
External Int (due)	27.3	27.6
Transfers	301.0	304.0
of which expenditures on local government taxes	28.7	31.0
Exceptional social expenditure	92.3	121.1
Capital expenditure	787.0	754.0
Domestic	440.4	388.5
Foreign	346.6	365.5
Net lending	118.8	93.2

Source: MINECOFIN

III.1.Performance of Recurrent Expenditure.

Total recurrent spending of RWF 834.5 billion was RWF 40.1 billion higher than the RWF 794.4 billion estimated in the revised budget. Whilst spending for wages and salaries was lower than projected, excess spending on all the remaining items under recurrent expenditure contributed to the excess spending overall.

✓ Wages and Salaries.

Expenditure for wages and salaries amounted to RWF 203.9 billion and was RWF 3.1 billion lower than projected. Delayed recruitment of some local Government staff accounted for the lower expenditure. Importantly however, the amount spent during the fiscal year 2014/15 allowed salaries and allowances of various health professional in hospital and clinics of RWF 26.5 billion as well as salaries and allowances of Teachers in pre-primary, primary and secondary schools of RWF 77.3 billion to be paid. Salaries and allowances for central civil service staff took a share of RWF 37.8 billion in fiscal year 2014/15.

✓ Goods and Services.

Spending under goods and services of RWF 159.5 billion exceeded the revised budget allocation of RWF 151.2 billion by RWF 8.3 billion. Outlays on drugs, vaccines and other medical supplies for the health sector (RWF19.9 billion), purchases of ICT equipment and software for various ministries and agencies as well as repairs and maintenance of official buildings and equipment accounted for a large share of expenditure and were the sources of the excess spending. In addition to these expenditure items, payments for various consultancy services of Government as well as for utility services (electricity and water) took a significant share of total expenditure under goods and services.

- ✓ **Interest Payments.**

An amount of RWF 45.6 billion was spent for the payment of interest on both domestic and external debt during the fiscal year 2014/15. This figure exceeded the revised budget allocation of RWF 42.9 billion by RWF 2.7 billion. Whilst interest on external debt of RWF 27.6 billion (which included RWF 18.7 billion of interest on the EURO bonds), was on track, the portion for domestic debt of RWF 18 billion was higher than the RWF 15.6 billion estimated in the revised budget by RWF 2.4 billion. This performance was the reason for the excess expenditure mentioned above.

This development in turn was the result of a much larger sale of Government securities (Treasury bills and bonds) for financing of the budget. The larger sales were due to delays in donor disbursements as well as lower domestic revenue collections mentioned above. As a result of these transactions, the total stock of Government securities rose from RWF 190 billion at end June 2014 to RWF 301 billion by end 2015.

- ✓ **Transfers and Subsidies.**

The expenditure of RWF 304.1 billion exceeded the revised budget estimate of RWF 301 billion by a small amount of RWF 3.1 billion. This small excess was mainly due to a slightly higher exchange rate depreciation associated with external transfers of scholarships and subscriptions to international organizations during the first half of 2015. In the fiscal year 2014/15 the Rwanda Education Board (REB) spent RWF 16.5 billion on scholarships both external and domestic. An amount of RWF 7.6 billion was also spent on subscriptions to international organizations.

The amount spent under transfers and subsidies also allowed the transfer of RWF36.9 billion as block grants to MINALOG for the districts, whilst RWF 16.8 billion was spent as capitation grants to various schools. In addition, the University of Rwanda was allocated RWF 24.8 billion for institutional support including payment of salaries and allowances of academic and other staff. Furthermore, the National Capacity Building Secretariat (NCBS) was supported with an amount of RWF 5.1 billion for its operations whilst RWF 5 billion went to the Workforce Development Authority (WDA) for technical and vocational training including job creation activities.

The Central university hospitals of Kigali and Butare received RWF 3.8 billion and RWF 2.3 billion respectively for their health care operations, whilst the Rwanda Bio-medical Center got a subsidy of RWF 2 billion.

- ✓ **Exceptional Expenditure.**

Expenditure of RWF 121.1 billion was RWF 28.8 billion higher than the RWF 92.3 billion allocated in the revised budget of 2014/15. The excess spending was due to higher outlays for Peace Keeping Operations which amounted to RWF 89.3 billion as against RWF 62.3 billion projected. This excess spending was fully financed by the UN and recorded under non tax revenue which led to the excess resources mentioned above. There was therefore no cost to the Government with this excess spending.

Within the expenditure total, RWF 26.8 billion was spent on various programs and projects for the survivors of genocide, whilst RWF 4.9 billion was used for demobilization and re-integration of demobilized soldiers and insurgents.

III.2. Performance of Capital Expenditure.

Total spending under capital expenditure of RWF 769.8 billion was RWF 17.2 billion lower than the RWF 787 billion estimated in the revised budget. Lower spending by the domestic component was partly offset by excess outlays by the foreign financed component.

In the case of the foreign financed portion, spending of RWF 381.3 billion was RWF 34.7 billion higher than the RWF 346.6 billion allocated in the revised budget. Whilst implementation of new infrastructure projects, which are financed with external funds (notably in the roads and energy sectors) slowed on account of technical problems including timely completion of tender documents to trigger disbursement of project funds, other on-going projects were accelerated and in the case of the Nyabarongo Hydro Project (27MW) completed.These on-going projects were financed with accumulated project loan and grants deposits and therefore were not a burden on fiscal year 2014/15 resources. The implementation of these projects accounted for the excess spending under foreign financed capital expenditure mentioned above.

Regarding domestically financed projects, again technical and administrative bottlenecks caused implementation delays. As a result total spending of RWF 388.5 billion was RWF 52 billion lower than the RWF 440.5 billion projected in the revised 2014/15 budget.

Details of projects implemented in the 2014/15 fiscal year are highlighted in the sectoral performance section of this budget execution report.

- ✓ **Net Lending.**

Total outlays under net lending of RWF 92.2 billion were RWF 25.3 billion lower than the RWF 118.8 billion projected in the revised budget. This lower spending was primarily due to delays in the implementation of the KCC project. In the revised budget, an amount of RWF 54.1 billion was allocated for the project. As a result of the delays, only RWF 25.7 billion was spent resulting in a shortfall of RWF 28.4 billion.

IV.DEFICIT AND FINANCING.

The table below shows the details of the deficit and financing in the fiscal year 2014/15.

Table 4. Financing

	Jul-Jun 2014/15	
(billion Rwf)	**Revised Budget**	**Prov.Act.**
Financing	295.6	296.8
Foreign financing (net)	197.5	188.2
Drawings	212.6	202.9
Budgetary loan	107.1	103.6
Project loans	105.5	99.2
Amortization (due)	-15.2	-14.6
Domestic financing	98.2	108.3
Banking system (Monetary Survey)	101.2	137.5
Non-bank (Net)	-3.0	9.3
Gvnt Securities (Net)	30.0	30.9
Non-Bank Sector Debt Repayment	-33.0	-21.6
Errors and omissions	0.0	-39.0

Source: MINECOFIN

On the resources, side despite the shortfalls in domestic revenue collections mentioned above, the excess reimbursement to Government for Peace Keeping Operations boosted total resource flows resulting in a small excess regarding total revenue and grants. In the case of total outlays, excess spending on recurrent expenditure was partly offset by lower outlays in respect of capital expenditure and net lending and led to a small over-spending under total expenditure and net lending. In the end the overall deficit of RWF

296.8 billion was almost the same as the RWF 295.6 billion estimated in the revised budget.

In the revised budget, the overall deficit of RWF 295.6 billion was to be financed with net foreign loans of RWF 197.5 billion and net domestic finance of RWF 98.2 billion. However as a result lower budgetary loan disbursements from the World Bank of RWF 3.5 billion reflecting currency cross rates differences and a shortfall in project loan flows of RWF 6.3 billion on account of delayed implementation of some new projects mentioned above, foreign net loans in fiscal year 2014/15 amounted to RWF 188.2 billion registering a shortfall of RWF9.7 billion. This shortfall in net loans financing led to a slightly higher net domestic finance resulting in a figure of RWF 108.1 billion as against RWF 98.2 billion in the revised budget. The banking system provided an amount of RWF 137.5 billion which was RWF 36.3 billion higher than the RWF 101.2 billion estimated in the revised budget. The non- banking sector on the other hand contributed a net amount of RWF 9.3 billion. The mode of domestic financing was largely through the sale of Government securities (Treasury bills and bonds) to both the banks and non-bank public resulting in a gross increase in the stock from RWF 190 billion at end June 2014 to RWF 301 billion at end June 2015 mentioned above.

V.SECTOR PERFORMANCE OF THE REVISED 2014/15 BUDGET.

✓ Economic Affairs Sector

This sector contains key priorities in EDPRS 2 thematic areas and accordingly was allocated a big portion of the budget. Total primary expenditure in the sector amounted to RWF248.9 billion which shows an execution rate of 83.4 percent compared to a budget of RWF 298.3 billion.

The following section describes key achievements recorded in the sub- sectors:

✓ The Agriculture Sub Sector;

i) Reflecting the policy to increase arable land for farming and at the same time reduce soil erosion, 17,976 ha of radical terraces and 47,792 ha of progressive terraces were constructed across the country. Furthermore an area of 1323 ha was developed for hillside irrigation,

ii) In order to reduce agriculture losses resulting from disasters, farmers have been sensitized to take insurance cover for their produce and the number of farmer insured under the insurance policy scheme was 93,735.

iii) Livestock program was developed and 23,259 cows were distributed to power families under Girinka Program. Similarly, 85,448 pupils were supported under the one cup of milk program with 840,966 liters of milk.

iv) The quantity of fish production from lakes and fish farms increased and 24,594 MT of fish were produced during 2014/2015 fiscal year,

v) In order to increase agricultural products meant for export, Flower Parks were constructed and handed over for operationalization,

vi) In line with Government's initiative to reduce malnutrition through locally produced food, on-going sensitization, training and coaching schemes were continued and at the end of 2014/2015 fiscal year, 70 percent of households had productive kitchen gardens.

vii) As part of crop intensification program, 180 MT of bio-fortified beans, 18,000 mushroom tubes and 350,000 vines were distributed to farmers.

viii) In order to increase the capacity in the agriculture sector a number of Students received training in partnerships with various universities including universities in Israel as 106 fresh graduates were sent there and received a one year post graduate training in agribusiness, irrigation and horticulture.

- ✓ **The Trade and industry Sub-sector;**

The following achievements were realized during 2014/15 fiscal year:

i) Consistent with the policy to increase export earnings, raw materials supply agreements were signed between some farmers and processors. Commodities involved were fruits and vegetables as well as horticultural products.

ii) Five Market Infrastructure Master-plans were completed and detailed implementation plans were developed for 10 districts.

iii) Cross border markets and trade logistics centers were established, local investors were mobilized to invest in the construction of Rusumo, and Kagitumba Cross Border Markets.

- ✓ **The Fuel and Energy Sub Sector;**

Under the EDPRS II, the Energy Sector is expected to play an important role in increasing domestic interconnectivity of the Rwandan economy through increased investments in electricity generation and transmission infrastructures to meet the electricity demand from the private sector. Consequently, total primary expenditure allocated to this sector in the revised budget for 2014/15 fiscal year was RWF 90.9 billion. At the end of the fiscal year, actual primary expenditure amounted to RWF 69.2 billion, showing an execution rate of 76.1 percent.

In 2014/15 fiscal year, the following achievements were registered:

i) In the area of power production, the Nyabarongo Hydro project with an installed capacity of 27MW was completed and connected to the national grid. This project together with the completion of the 8.5MW solar energy project increased the installed capacity in the country to 160MW.

ii) Consistent with the plan to rehabilitate and maintain power plants and other energy infrastructure, on-going work on rehabilitating the Mukungwa 1 dam continued and is expected to be completed and fully operational by October 2015. Ongoing works to maintain Ntaruka and other small power plants continued as well.

iii) Maintenance of other energy related infrastructure networks also continued .These included replacement of transformers, battery chargers, switches gears, conductors, network cabins and defected meters to promote energy efficiency and effectiveness.

iv) In line with the Access to Electricity program, during 2014/15 fiscal year, 50,000 households were connected to the national grid representing an increase of 2 percent. In addition 6,400 households were electrified with off-Grid solutions (Mobisol and Ignite).

v) To improve quality of power supply, the focus was put on the construction of new transmission infrastructures. During the 2014/15 fiscal year, 9 km of high, 473 km of medium and 1,151 km low voltage lines were constructed and Nyabarongo-Kilinda 110 kV line was constructed to evacuate power from Nyabarongo Hydro Power Plant.

vi) To enhance road security and safety, 113.8 km of Kigali – Musanze – Rubavu Street lighting was completed and officially inaugurated in January 2015. Other street lighting activities were undertaken in different areas such as 6km in Gicumbi district; installation of public lighting in 6,000 MT silo for MINAGRI at Mayange and construction of public lighting of Kabarore center..

vii) For effective use of petroleum storage facilities, additional 40,000 m^3 of fuel storage was targeted during the Financial Year 2014/2015. Two investors have invested in the construction of the facilities and work is close to completion.

- ✓ **The Transport Sub Sector;**

Under EDPRS II, the transport sector is expected to play an important role in increasing the domestic and international interconnections. Total primary expenditure allocated to this sector in the revised budget for 2014/15 fiscal year was RWF90.2 billion . At the end of the fiscal year, actual primary expenditure amounted to RWF 68.6 billion; showing an execution rate of 76 percent.

The following achievements were registered in the transport sector;

i) Under road rehabilitation, at the end of 2014/15 fiscal year, Kitabi-Crete Congo/Nil (33km) road was almost completed with 95 percent work done. Likewise the 3.8km of Huye Urban roads were also almost completed with 95 percent of work done.

ii) Several unpaved national roads were upgraded. This work included the access road to Bushenge Hospital (3km).

iii) On-going work on Kivu Belt Lot 4&5 (66km) continued and 73 percent of work done. Kivu Belt Lot 6 (24.5km) and Lot 7 (48km) are still ongoing

iv) Base-Gicumbi-Rukomo (51 km), under contract negotiation

v) In June 2015, Kamembe airport resumed operations following the completion of resurfacing of the runway to enhance safe operations.

- ✓ **Health Sector**

Health is a key foundational sector of EDPRS 2. The actual primary expenditure in the sector amounted to RWF143 billion compared to budget allocation of RWF164.1 billion; which shows an execution rate of 87.1 percent.

During the 2014/15 fiscal year, the following key achievements were recorded in the health sector;

i) In line with continued intention to reduce maternal and neonatal death, Maternal Death surveillance and Response (MDSR) surveys were conducted in 42 districts Hospital, referral Hospitals and Private health facilities.

ii) A total of 22 Hospitals have been trained on how to conduct Stillbirths audits and how to report it in HMIS.

iii) In order to increase the capacity of health service providers at all levels of health services (public, community and private) in family planning, 42 health providers from 10 districts have been trained on permanent method (vasectomy), 24 providers from 8 districts were trained on Tubal Ligation, and 30 providers from 10 districts Hospital have been trained both for vasectomy and Tubal Ligation.

iv) In order to increase the number and capacity of health personnel in health facilities, medical practitioners of different levels have been deployed in various health facilities including the recently upgraded provincial and referral hospitals.

v) Consistent with the intention to reduce the waiting time for patients on appointments for surgical services, a total of 707 Surgeries were performed using community outreach approach, during the Army week, and international medical specialists through medical missions to Rwanda.

vi) The rehabilitation, upgrading and/or construction work of various health centers and hospital including Nyabikenke District Hospital,Byumba hospital, Rutare health center and Nyagatare hospital also continued during the 2014/15 fiscal year.

✓ Education Sector

Education is one of key priorities under skills development program. In 2014-2015, the focus was put in improving access to and quality of basic education and higher education, developing a skilled and motivated workforce, promoting Technical and Vocational Education and Training (TVET) and Enhancing IT skills in Education. The total primary expenditure in the education sector amounted to RWF 202.6 billion compared to total budget of RWF 203.2 which shows an execution rate of 99.7 percent. The following were key achievements in the sector:

i. In **the pre-primary education** the Government put more emphasis on the school readiness of children aged 3-6 years. In 2014-15, 416 new classrooms for pre-primary were built. The new Pre-Primary Competency Based Curricula to meet regional integration was developed and launched in January 2015. 1,260 ECD kits were distributed to 1,260 nursery schools countrywide and one teacher from each school was trained on the use of ECD Kits.

ii. In **primary education and secondary**, in order to reduce the drop-out rates specifically in 9 and 12 YBE schools, Government in partnership with parents established a School Feeding Program to help students to take meals at school. The program is currently being implemented at the rate of 76 percent countrywide. A total of 1,609 old classrooms were renovated and new 24,886 desks have been distributed while 12 new school laboratories were built countrywide.

iii. In TVET, the number of training centers increased from 306 in 2013 to 365 in 2014 and the number of trainers from 3,020 in 2013 to 4,419 in 2014. The number of TVET trainees increased from 83,893 in 2013 to 93,024. In order to shift from content-based curricula to competency-based and labor market oriented training, 30 TVET competency-based and labor market oriented curricula were developed and placed on Rwanda TVET Qualification Framework (RTQF).A Comprehensive web-based TVET Information System was developed and it is operational. Data were uploaded and they are accessed by all 365 TVET schools online.

iv. Kinihira VTC, Kirehe VTC, Musanze Polytechnic, Bumbogo VTC, Bushoki VTC, Nyarutarama BIC, Learning complex of IPRC-West, Administrative and academic blocks of IPRC-East, IPRC Kigali learning complex, Gishari Integrated Polytechnic learning complex (GIP), Motor vehicle Inspection Center in Southern Province were constructed in line with the construction, rehabilitation and equipment of TVET schools Countrywide.

v. For ICT in Education especially for OLPC 28,493 XO laptops were distributed in new schools. From 2008 up to date at least one primary school per administrative Sector has received 450 XO laptops in OLPC program. In total, as of 09/04/2015, Government has distributed 230.626 laptops to 621 public schools (pupils from P4-P6). Primary schools using the XO laptops have increased from 21 percent in 2013 to 23 percent in 2014. A total of 704 teachers were trained on how to use XO laptops and this process is still on-going.

vi. With regard to motivation of teachers, some incentive initiatives have been put in place and implemented yearly to motivate teachers. In this context, for 2014, UMWALIMU SACCO granted loans for income generating activities (IGA) and mortgages to 3,778 public teachers with an amount of almost RWF5 billion which is equivalent to 98 percent in terms of number of borrowers targeted.

- ✓ **General Public Services sector**

This sector comprises the executive and legislative organs, financial and fiscal affairs and general services ministries. The revised budget allocated an amount of RWF 496 billion to the sector. Total amount spent at the end of the fiscal year amounted to RWF 477 billion; which shows an execution rate of 96 percent.

i. A large share of funds amounting to RWF 356.3 billion was spent on Executive and legislative organs as well as financial and fiscal affairs ministries. A sizable portion of this amount was spent on public debt (interest and principal) and net lending.

ii. This sector also includes regional and international integration where Rwanda's trade with EAC Partner States was promoted through the construction of

KAGITUMBA OSBP. The construction works of two bridges (20 meters each) connecting the Uganda and Rwanda OSBP facilities are ongoing and expected to be completed by October 2015.

iii. The construction of the Rusumo OSBP was completed on both sides and the official opening of Rusumo International Bridge and One stop border post were launched in January, 2015.

✓ Public Order and Safety Sector

Regarding the spending on public order and safety, total primary expenditure of RWF 70.4 billion represents about 98 percent of the total revised budgeted amount of RWF 72 billion. The following were the achievements recorded in the sector;

i. The number of processed cases stood at 70,385 in 2014/15 which shows an achievement of 23 percent compared to the targeted cases.

ii. MINIJUST organized a regional conference of mediation during the 17th to 19th September. The conference gathered Mediation committees from Rwanda, Abashingantahe of Republic of Burundi and "les chefs coutumier" from the Democratic Republic of Congo; In addition to that, funds were made available for the celebration of the 10th Anniversary of the establishment of Abunzi system.

iii. From July 2014 to June 2015 4,352 cases were executed: 202 cases were executed by MAJ and 4,150 were executed by other court bailiffs: 59 cases have been executed by professional court bailiffs, and the remaining cases have been executed by non-professional court bailiffs;

iv. By the end of fiscal year 2014/2015, 746 new corruption and embezzlement cases were received. Among them 707 (94.7 percent) were handled (449 filed to courts, 255 closed and 3 transferred to Military Prosecution).

v. RNP trained 17,558 CPC's from different Districts and established 120 Anti-crime clubs in different Secondary Schools.

✓ Social protection sector

At the end of fiscal year 2014/2015, total primary expenditures in the sector amounted to RWF 54.9 billion against a budgetary allocation of RWF 55.8 billion. The following were the key achievements recorded in the sector;

i. Through Adolescent Girls Initiative (AGI), 2,074 young women and girls graduated in technical courses. 98 of these girls were offered scholarships to resume formal education.

ii. Through National Employment Program, 3,711 women and girls were mobilized to join massive short term trainings and 1,617 have started training in 14 Training Centers. In addition, in collaboration with partners, 2,890 groups including 84,594 women were mobilized into village saving schemes in 10 Districts.

iii. By end of June 2015, 17 Isange One stop centers had been rehabilitated and equipped with equipment and well trained staff. 7398 victims including 1,308 males and 5,677 females received comprehensive services from Isange One Stop Centers.

iv. 1,198 children (518 from orphanages, 655 from Streets Children Centers and 25 children of three years of age with their mothers in detention centers) were reintegrated into families. Furthermore 980 families were financially supported to carry out income generating activities in order to prevent reintegrated children from returning to orphanages or streets.

v. Under VUP program, 83,940 HHs (55,592 HHs and 28,348 HHs headed by females and males respectively) are benefiting from direct support. Districts reported implementation of 345 public works projects and 92,739 HHs including 43,394 HHs and 49,345 HHS headed by females and males respectively are the beneficiaries of Public Works.

vi. A total of 25,185 needy genocide survivors were provided with special medical treatments.

vii. 1,200 disabled ex- combatants received medical devices.

VI. CONCLUSION.

As indicated above, the implementation of the 2014/15 budget suffered on the resources side from delayed budget support disbursements and lower revenue flows on account sluggish exports and lower foreign exchange for imports. On the outlays side, delayed implementation of projects on account of some administrative impediments including timely processing of tender documents led to lower outlays on projects.

Government has noted these impediments and efforts are underway to solve those that can be solved in the short term. In the case of donor resources, Government is in consultation with various donors with a view to improve predictability of timely disbursements. RRA has also intensified its introduction of the EBM machines to increase VAT collections. However regarding exports and foreign exchange flows for imports significant risks exist as the on-going decline in commodity prices on the world market is expected to reduce severely export receipts particularly of minerals and in turn reduce the foreign exchange available for imports and tax collections.

On outlays steps are on-going to reduce the administrative impediments including the tendering processes that affect timely implementation of infrastructure projects. It is expected that solution of these issues that affected the implementation of the 2014/15 budget will help implement the 2015/16 budget fully.