CPIA Detailed Report

Country: Rwanda

Exercise Year: CPIA Exercise 2023

Currency: Rwandan Franc (RWF)

City: Kigali

Income Group: Low income

Lending Category: IDA

Final CPIA Score: 5.097

(A) Economic Management

Cluster Score: 5.167

01. Fiscal Policy

Criteria Score: 5.5

1. Fiscal Policy

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

In the fiscal year 2022/23, the Rwandan Government pursued a comprehensive fiscal strategy. This approach combined efforts in domestic revenue mobilization (DRM) with prudent spending rationalization measures. The ultimate goal was to achieve an overall fiscal deficit of 3.5% of GDP and to cap the debt at 64.5% of GDP by the fiscal year 2029/30. This Fiscal Consolidation Strategy (FCS) was carefully crafted in response to challenging global and domestic circumstances. These challenges included the repercussions of the conflict in Ukraine, persistent high inflation, diminishing concessional financial support, the impacts of climate change, and the enduring consequences of the Covid-19 pandemic.

To achieve these objectives, the FCS involved implementing judicious expenditure reductions and revenue-enhancing initiatives. The aim was to sustain economic recovery without incurring excessive public debt. For example, in May 2022, the Cabinet approved the Medium-Term Revenue Strategy (MTRS). Its goal was to annually increase additional revenue by 1% of GDP from FY 22/23 to 2023/24 through a combination of tax policy adjustments and enhanced administration measures. These actions included digitizing tax compliance procedures and encouraging taxpayers to use electronic billing systems to broaden the tax base. These measures significantly improved revenue administration efficiency. However, it's important to note that progress in tax policy reforms faced obstacles. Key legislative proposals designed to enhance revenue mobilization, such as amendments to corporate income tax to combat tax avoidance by small and medium-sized enterprises (SMEs) and revisions to the Value-Added Tax (VAT) Law to eliminate tax exemptions, experienced approval delays. Consequently, tax revenue for FY 2022/23 reached 15.8% of GDP, slightly below the 16% target.

This revenue deficit was offset through expenditure-side reforms, including prudent expenditure management. These reforms involved establishing strategic expenditure limits for line ministries in accordance with the revised Organic Budget Law, as well as reducing subsidies for fuel, energy, and state-owned enterprises. As a result, public expenditure decreased by 3.7% of GDP, surpassing the target of 3.4% of GDP for FY 22/23. This fiscal adjustment led to a reduction in total public expenditure from 32.6% of GDP in FY 2021/22 to 28.9% of GDP in FY 2022/23, resulting in a reduced fiscal deficit of 6.2% of GDP compared to 7.5% in 2021/22.Public expenditure cuts also supported a restrictive monetary policy to reduce aggregate demand and reverse the rising trend of inflation. Headline inflation which had peaked at 21.6 % in December 2022 was reversed to 19.3% in March 2023 and further to 12.3 in August 2023

The prudent path of fiscal consolidation contributed to a declining debt burden. The debt stock decreased from 73.3% of GDP in 2021 to 67.1% in 2022. Consequently, Moody's global rating agency upgraded Rwanda's credit rating from B negative in 2022 to B positive in 2023, affirming the country's creditworthiness and its ability to meet financial and debt obligations.

In an effort to enhance fiscal transparency, the government initiated the practice of publishing a fiscal risk statement in 2019. This statement encompasses various sources of fiscal risks, including government borrowing, contingent liabilities, and exposure to external and natural shocks.Fiscal policy management was however was complicated by significant pressures on the local unit exchange rate deprecation against other currencies of major trading partners. Between June 2022 and June 2023 the Rwandan Franc, lost value against the USD by 8.6 % to trade at 1: 1031 from 1: 1120 respectively. It also depreciated against the GBP by 13.9%, the Euro by 10.7% and the Ugandan shilling by 10% respectively. To mitigate the impacts of exchange rate depreciation, the NBR intervened in the market and sold USD 145 million in the market, in mopping up operations to restore market confidence and price stability of the local unit. Despite significant draw down in reserves to support forex market interventions during June 2022 to June 2023, Rwanda maintained sufficient reserves equivalent of 4.4 months of imports relative to the benchmark of 3 months of imports to support economic growth and cushion against other foreign risks.

02. Monetary Policy

Criteria Score: 5

2. Monetary Policy

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda's monetary policy aim to promote the National Bank of Rwanda(NBR) twin objectives of ensuring price stability and expansion in private sector credit to support economic recovery. Since 2019, BNR shifted from a historical money-based policy framework to an interest rate-based framework with a medium-term inflation target of 5% and an inflation corridor of ±3%, periodically adjusting the key repo rate to guide market expectations. In the recent past monetary policy orientation was more accommodative and the key repo rate(KRR) was kept unchanged at 4.5% from May 2020 until February 2022 to support the economic recovery efforts from the effects of COVID-19. Monetary policy was changed to a more aggressive monetary tightening when inflation rose sharply from 2% in 2020 to an all-time high of 21.7 % in November 2022. The recent rising inflation is attributed to domestic and external supply shocks due to the war in Ukraine and climate shocks which led to high food and energy prices. The NBR increased the KRR progressively by 300 basis points from 4.5% in December 2021 to 7.5% in August 2023.These actions have reversed annual average inflation to 19.3% in March 2023 and to 13.7% in June 2023 respectively and prevented adverse second round effects of high inflation on the economy. Despite some decline from the unprecedented high levels in 2022, inflation remains above the central bank's upper-bound inflation target of 8 percent. Consistent with a tight monetary policy; private sector credit growth (represented by broad money M3) decelerated from 12.5 percent in the first half of 2022 to 7.9 percent during the same period in 2023. However, In the first half of 2023, new authorized loans (NALs) increased by 40.4 percent, after contracting by 7.2 percent in the corresponding period of last year and this trend was observed across all sectors of the economy due to growing demand for loans as a result of gradual recovery of economic activities from the effects of COVID-19 pandemic. Money markets steered around the KRR underscoring the effectiveness of the monetary policy transmission. For example, in June 2022, the average inter-bank rate was (6.8%) reverse repo rate (6%) and the treasury bill rate of 28 days was (7%) relative to the KRR of (7.5%) respectively. During the same period the average lending rate increased from 7.8% to 9.5% while the average borrowing rate remained unchanged at 16.2% because of high competition within the Banking sector. The spread between the lending and deposit rate remains high due to systemic inefficiencies in the Banking sector as well efforts to offset the persistent non-performing loans. The relative success of Rwanda's monetary policy implementation is largely attributed to coordination between the Central Bank and the Ministry of Finance where fiscal and monetary policies are discussed and harmonized in fortnight treasury management committee meetings and forward looking forecasting which has benefited from data driven decision from improved capacity in modelling techniques in the research department of the Central Bank.In terms of the exchange rate management, the Rwandan Franc has endured significant pressures from forex deficits due to significant reduction in aid flows, a persistent structural trade deficit, and the global strengthening of the USD which resulted into a significant depreciation of the local currency against the currencies of major trading partners. Between June 2022 and June 2023 the local unit lost value against the USD by 8.6 to trade at 1: 1120 from 1: 1031 respectively. It also depreciated against the GBP by 13.9%, the Euro by 10.7% and the Ugandan shilling by 10% respectively. To mitigate the impacts of exchange rate depreciation the NBR intervened in the market and sold USD 145 million in the market, 13.2 % higher foreign exchange sales relative to the previous period (June 2021 and June 2022) to restore market confidence price stability of the local unit. Despite significant draw down in reserves to support forex market interventions during June 2022 to June 2023, Rwanda maintained sufficient reserves equivalent of 4.4 months of imports relative to the benchmark of 3 months of imports to support economic growth and cushion against other foreign risks.

Source: Monetary policy and financial stability report of the National Bank of Rwanda: September 2023.

03. Debt Policy

Criteria Score: 5

3. Debt Policy

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0

Final Score	5.0

Country Notes:

Rwanda's debt management policy serves as the foundation for effective debt governance. It is executed through the Organic Law no. 37/2006 on State Finances and Property Law (OBL) and Ministerial Order no. 002/07 of 09/02/2007, governing financial regulations. The Medium-Term Debt Strategy (MTDS) ensures cost-effective public financing and prudent risk assessment, promoting debt sustainability. Established in 2013, the Debt Management Unit supports MTDS implementation and aligns investment projects with available resources. Each budget framework paper submitted to Cabinet in April includes a projected annual public borrowing plan by the unit. Fiscal data, including public debt, is accessible on MINECOFIN and BNR websites, consistent with MTDS guidelines for annual updates. Effective data recording and regular reconciliation occur between MINECOFIN and the Central Bank.

Rwanda's total public debt increased from USD 802 million in June 2022 to USD 860.2 million in June 2023 but decreased from 71.3% to 66.6% of GDP in relative terms due to a higher nominal GDP post-COVID-19 recovery. In 2023, external debt dominates (53.7% of GDP), with 75.6% being concessional debt from multilateral development agencies. Structural shifts in aid flows and high investment in key infrastructure sectors have driven recent debt growth. The government launched a quarterly long-term issuance program of domestic debt in 2014 to develop the capital market, resulting in an 11.5% increase in domestic debt as a percentage of GDP to 18.2%. Public debt indicators project sustainability. Though external and overall debt distress risk increased from low to moderate due to global COVID-19 impacts, liquidity and solvency indicators are well below thresholds, with a present value (PV) of external debt to GDP at 33.6 below 55 thresholds in 2032. Despite recent debt increases, the high concessional composition keeps debt affordable. The average time to maturity stands at 13.3 years, exceeding the 10-year benchmark. Interest payments rose from 1.4% of GDP in 2020 to 2% in 2023 but remains low due to a concentration of concessional loans. Rwanda faces foreign exchange risk (79.4% of total debt is foreign currency denominated) but is diversifying with domestic borrowing. To ensure long-term sustainability, the government, monitored by the IMF, seeks a growth-friendly fiscal consolidation strategy to anchor debt at 65% of GDP by 2030. This strategy emphasizes maximizing concessional loans, careful project selection, using commercial loans sparingly for profitable projects, and lengthening maturity profiles. The AfDB is assisting the Government to mobilize concessional financing using ADF country allocation as a partial credit guarantee to leverage more financing from the markets and aim to replicate this pilot case across regional member countries (RMCS) to mobilize more financing for sustainable development.

(B) Structural Policy

Cluster Score: 5.111

04. Policies and Institutions for Economic Cooperation, RI and Trade

Criteria Score: 4.667

4.a. Regional Integration and Economic Cooperation

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda has demonstrated its commitment to regional economic integration and cooperation by signing and ratifying more than 90% of the protocols and agreements established by key regional institutions. The implementation of these agreed-upon protocols, agreements, policies, programs, and projects has been marked by remarkable efficiency, leading to noticeable progress in achieving policy harmonization with neighboring countries in the region.Rwanda is an active member of various regional integration agreements that grant it enhanced market access on preferential terms. These agreements encompass the East African Community (EAC), the Common Market of Eastern & Southern Africa (COMESA), and the Economic Community of Central African States (ECCAS). President Paul Kagame, during his leadership of the African Union (AU) since 2018, has taken substantial steps to advance a robust pan-African agenda. This includes advocating for reforms to attain financial independence and operationalize the African Continental Free Trade Area (AfCFTA). Rwanda was among the earliest countries to ratify the AfCFTA treaty in May 2018.In addition to its trade and economic endeavors, Rwanda has made significant contributions to peacekeeping efforts in Sudan, South Sudan, the Central African Republic, and Mozambique, thereby mitigating conflicts in the region. These contributions have enhanced Rwanda's reputation on the continent, leading to the expansion of Rwanda's air service connections to West, South, and Central Africa. Diplomatic engagements within the East African Community have played a pivotal role in restoring relations with Burundi and Uganda. However, challenges persist in relations with the Democratic Republic of the Congo (DRC) due to security concerns that have spilled across borders, impacting bilateral trade between the two countries.In June 2022, Rwanda implemented a national AfCFTA Implementation Strategy, which was validated through consultations with academics, the private sector, and media representatives (UNECA, 2022). The strategy underscores potential economic gains in agro-processing, mining, construction materials, and light manufacturing sectors within the context of AfCFTA. Rwanda has also developed a comprehensive Policy Guide for trade in services under the AfCFTA, emphasizing priority sectors such as business and financial services, transport, ICT, and travel and tourism.Despite these initiatives, it is worth noting that Rwanda, like many other AfCFTA signatories, has yet to realize substantial trade benefits since the launch of the agreement in January 2021. To address this, Rwanda participated in the Ninth Meeting of the AfCFTA Ministers of Councils in July 2022, which introduced the AfCFTA Secretariat Guided Trade Initiative (GTI) along with seven other countries. The GTI aims to enable meaningful trade under the AfCFTA, test the operational and institutional aspects, and send a positive message to African economic operators. The initial list of products earmarked for trade under the GTI includes various items aligned with the AfCFTA's focus on value chain development.Rwanda has made substantial investments in infrastructure, such as the Bugesera International Airport Project, set to be completed in 2026, which will significantly increase passenger capacity and enhance Rwanda's role as an African travel hub. The country is also building an aviation school to bolster its capacity in handling travel services. Rwanda's liberalized visa regime, ranking among the top 10 countries in the Open Visa Index in Africa, further facilitates continental and global trade.In 2022, Rwanda faced challenges in meeting the macroeconomic convergence criteria for the East African Community (EAC) common market. While it excelled in areas like high reserves and a favorable public debt ratio, it fell short of targets in inflation, fiscal deficit, and debt ratio. Despite these challenges, Rwanda holds a prominent position in regional integration, ranking second within COMESA, third in the EAC, and third in ECCAS, as per the 2022 Africa Regional Integration Index.The Africa Regional Integration Index (ARII) assesses countries' performance in five main areas: trade integration, macroeconomic convergence criteria, integration in productive sectors, regional infrastructure, and free movement of people.

Rwanda is a member of a number of regional integration agreements that provide it with improved market access on preferential terms. These include; The East African community (EAC), the Common Markets of Eastern & Southern Africa (COMESA); and the Economic Community of Central African States (ECCAS). President Paul Kagame was elected in 2018 to lead a vigorous reformist term as Chair of the African Union (AU) including championing reforms to attain financial independence and build a pan Africanist agenda. Rwanda has also been spearheading the operationalization of theAfricanthe African Continental Free Trade Area (AfCFTA) and pursuing market-driven economic and trade policies to position itself as a production hub to serve, not only domestic, but also regional markets. This culminated in the signature of the AfCFTA Agreement in Kigali in March 2018. Rwanda became one of the first countries to ratify the African Continental Free Trade Area (AfCFTA) in May 2018. The number of signatories rapidly rose to 54 of the 55 African Union Member States, representing a remarkable degree of consensus across the continent. Since then, 33 AU Member States have ratified the Agreement as of December 2020. Rwanda has the highest score in Africa of 67.8% in terms ofAfCFTA implementation readiness and is topranked top as the most AfCFTA committed member with a score of 83.93. . Its troop contributions in South Sudan and Central African Republic and Mozambique have allowed it to build good will on the continent and facilitated the extension of its air service links to West Africa, and South Africa . Rwanda ranks 3rd in regional integration performance as measured by the Africa Regional Integration Index (ARII) with a score of 0.434 which is higher than the continental average of 0.327[1] . Regionally as a member of the East African Community (EAC), Rwanda has been amongst the quick reformers by implementing policies taken by the EAC the community andcommunity and ensuring compliance with signed Protocols. For example, in 2021, Despite the negative impacts of COVID-19, Rwanda achieved three of 5 main macroeconomic convergence criteria for the EAC common market. These include keeping inflation below 5%, keeping the level of reserves above4.5 months of imports and the Net Present Value of gross debt stood at 48.2% against the convergence target of 50% but missed two targets on fiscal balances(balances (8.4% against 5%) and one debt to GDP ratio which increased to 70% against 50% for EAC benchmark. Since 2019 Rwanda has enjoyed good relationship with, DRC's which allowed Rwanda Air to open three new weekly flight routes from Kigali to Kinshasa, Goma and Lubumbashi which is good for both economies and indicates a step towards improved regional cooperation. Diplomatic relationships with Burundi which has been strained since 2015 show signs of improving following Rwanda's proactive engagement in facilitating the return of Burundian refugees and prisoners of war back home recently. However, relations with Uganda remain frosty and one of the main transit border posts to Burundi and DRC has been closed for over two years. This continues to negatively affect trade and regional [1] The ARII index assess countries performance on RI along five main areas including(Trade integration, meeting macroeconomic convergence criteria, integration in productive sectors, regional infrastructure, free movement of people and regional infrastrcture)

4.b. Trade restrictiveness

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

As part of the EAC, Rwanda has adoted a Common External Tariff (CET), featuring a three-band structure: 0% for raw materials and capital goods, 10% for intermediate goods, and a maximum tariff of 25% for finished goods. This results in an average tariff rate of 11.67%, below the 16% benchmark. Rwanda submits a list of Sensitive Items (SIs) to the EAC for evaluation and endorsement in line with the Customs Union protocol, with time-bound exemptions from CETs. Rwanda does not impose export taxes. According to the ODI–GIZ AfCFTA policy brief series (2023), Rwanda primarily imports goods from other African countries. In 2021, imports totaled $1.1 billion, while exports reached $341.2 million. On average from 2017 to 2021, 37% of Rwanda's imports came from Africa, with 15.4% of its exports directed to African countries. Rwanda's legislative improvements between 2011 and 2018, as per the World Trade Organization (WTO) Trade Policy Review, covered areas such as taxation, import duties, investment regulations, government procurement, and sanitary and phytosanitary standards (WTO, 2019). Rwanda actively seeks Foreign Direct Investment (FDI) by offering preferential tax rates for investments aligned with the Sustainable Development Goals, particularly in energy (UNCTAD, 2021a). Rwanda maintains an open services trade regime, with a focus on commercial banking, distribution, and road freight, albeit with restrictions on cross-border data transfer and processing (Djiofack and Niyibizi, 2022). In February 2021, Rwanda revised its Investment Code to introduce new priority sectors and activities, along with new tax incentives.

The International Finance Corporation (IFC) survey of Rwanda-based investors highlighted the country's stability and regulatory environment as the primary factors for investment. Rwanda received the highest investor perception scores for governance, reflecting government support and initiatives. However, investors noted challenges related to the small domestic market, limited access to skilled labor, and high production costs.

Rwanda is a signatory to the EAC Customs Union protocol and has along with the other EAC partner states, adopted the EAC Common External Tariff (CET). The CET is a three-band tariff (0% for raw materials and capital goods, 10% for intermediate goods and a maximum tariff band of 25% for finished goods) which yields an average tariff of 11.67%, below the benchmark 16%. In line with the provisions of the Customs Union protocol, Rwanda submits its list of Sensitive Items (SIs) to the EAC for adjudication and endorsement and any stay of application of CETs to the SIs is time-bound. Rwanda does not levy export taxes. Measures to improve the freedom of movement of goods: The most recent 2016 EAC Common Market Scorecard notes that Rwanda is the only EAC partner state that has not imposed measures – such as additional taxes and charges—with equivalent effect to tariffs on intra-regional trade since 2008. Measures to reduce non tariffs barriers are articulated in the CPIA for 2014 and are not repeated here in line with the drafting guidelines but in summary they include the implementations of the single customs territory between Kenya Rwanda and Uganda, the electronic single window, establishment of single border posts with neighboring countries and a bilateral agreement with Uganda to remove NTBs. In EAC Common Market Scorecard 2016, Rwanda scored above 90 points, indicating a positive trend towards elimination of tariffs on intraregional trade, as evidenced by the fewer number of reported problems related to non-recognition of Rules of Origin (RoO) certificates and application of tariff equivalent charges. But Rwanda also scores low on recognition of certificates of origin from exporters from other Partner States. While good progress has been made with eliminating many NTBs in the EAC, continued reform is needed to translate the transportation savings into sustained export and growth benefits for Rwanda. A recent ODI study (2017) found that tackling the remaining trade facilitation barriers along the Northern and Central trade corridors could result in additional cost savings of up to 23% per transported tonne. These include cross-border tensions and inefficient trade and transport facilitation systems covering transport logistics, administrative entry and exit procedures, processes, operations. , According to the 2020 Global Competitive Report, Rwanda scores 54 on trade openness, better than Tanzania (52) and Uganda (53.6). It scores 4.6 (1-7) on prevalence of non-tariff barrier and 6.3 (1-7) of the complexity of tariff, better than its peers in the region. These scores support the findings of the common market scorecard already discussed above.

4.c. Customs/trade facilitation

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

Rwanda’s ranking on the World Bank logistics performance index (LPI) which is the key measure of the efficiency of customs process and trade facilitation improved from 62 out of 160 countries in 2016 to 57 out of 160 countries in 2018 The significant improvements in the LPI is underpinned by a series of measures that have been implemented particularly since 2012 and enhanced in 2017 within the framework of the Northern corridor between Rwanda Uganda and the Maritime port of Mombasa in Kenya. The operationalization of the Single Customs territory since July 2014 ensures that goods destined for Kigali are cleared at the first port of entry in Mombasa and are not subjected to any further customs control till their final port of destination. The customs processes have been automated and are supported key systems such as the Customs data ++, Revenue Authorities Digital Data Exchange and the Electronic Single Window E-SW) to facilitate direct trader input of import/export declarations and payment of duties and taxes. For example in 2015 the E-SW was upgraded with new modules for (i) online submission and approval of the certificate of origin (ii), online licensing of trade operators such as clearing agents and transporters (iii) a module for reviewing customs ware house declarations under a single customs territory was also added. The E-SW has also been interfaced Interpol data base to enhance security controls during customs operations. The electronic cargo tracking system was implemented since 2014 to ensure the protection of cargo from source to destination and so far 97 trucks are monitored using COMESA electronic seals by 2016. The gold card system to reduce clearance time for compliant traders has been in use since 2014 and so far 130 tax payers are benefiting from the system. The E- Payment system has been implemented since 2012 and facilitates the efficient processing of declarations, duty assessments and control of transit goods. Treasury maintains a separate VAT refunds account to ensure timely payment of due VAT refunds. Effective 2019, VAT refund claims can now be submitted through the e-Tax Portal, which has significantly led to reductions in the time required to comply with VAT declarations and issuance of VAT refunds to taxpayers. The RRA is also implementing a single unified declaration form which combines Pay as You Earn (PAYE), Pension, and Maternity leave and Medical Insurance scheme contributions collectively. This will significantly reduce the time taxpayers spend making payments and declarations.The extensive use of IT systems as highlighted above significantly reduces physical interactions between traders and customs officers during customs process and minimizes any opportunities for corruption. In addition, it has significantly reduced transaction time and cost. For example, the Global competitiveCompetitive Index scores Rwanda on border clearance efficiency at 2.7 from a scale of 1-5, which is above average. On time to import, documentary compliance improved from 290 hours in 2016 to 48 hours in 2018 and border compliance from 282 hours in 2016 to 86 hours in 2018. Similar trend was also observed on cost of import with documentary compliance reducing from 366 US Dollars in 2016 to 121 US dollars in 2018.Laws, Rwanda Revenue Authority has compiled a book of all the 23 Tax Laws, Ministerial Orders and other Commissioner General guidelines and published it on its websites (www.rra.gov.rw). These regulations are presented in three official languages in Rwanda including English, French and Kinyarwanda to ensure that all taxpayers have information on their tax obligations in a simplified and rationalized manner. Tax appeals: RRA has a well-established administrative and Judicial tax appeals mechanism anchored on Articles 229 to 231 of the East African Community Customs Management Act 2004. The Law provides for the Commissioner General of the Revenue Authority to make a decision on the appeal within 30 days and is only provided 30 more maximum allowable days for an extension after which the plaintiff can resort to the Judicial review should he feel dissatisfied with the ruling. This tax dispute resolution mechanism is well implemented, and evidence indicates that its efficiency continues to improve. According to the PEFA assessment conducted in 2016, 198/ 265 appeal cases or 74.7% were concluded in 2013/14 compared to 169/265 or 63.7% in FY 2012/13. Moreover, out of 198 cases that got resolved; 142 were subjected to the judicial review and resulted in 80 favorable cases for RRA and 42 cases against RRA. Rwanda's position in the World Bank Logistics Performance Index (LPI), a crucial gauge of customs efficiency and trade facilitation, experienced a shift from 57th out of 160 nations in 2018 to 73rd out of 160 countries in 2023. Notably, advancements were witnessed in the realms of trade and transport infrastructure quality, encompassing ports, railways, road networks, information technology, consignment tracking capabilities, and the proficiency and quality of logistics services, including transport operators and customs brokers. Nevertheless, regressions were observed in the dimensions of clearance process efficiency, such as the speed, simplicity, and predictability of formalities conducted by border control agencies, notably customs. These regressions also extended to the ease of securing competitively priced shipments and the punctuality of deliveries reaching their destination as per the scheduled or anticipated delivery timeframe. These improvements can be attributed to the operationalization of the Single Customs Territory since July 2014, which streamlines the clearance of goods destined for Kigali, ensuring that they are cleared at the initial port of entry in Mombasa and are not subject to further customs controls until their ultimate destination. Furthermore, customs processes have been automated and are supported by key systems, such as the Customs Data++, Revenue Authorities Digital Data Exchange, and the Electronic Single Window (E-SW), which facilitate direct trader input of import/export declarations and the payment of duties and taxes. Since 2015, the E-SW has been enhanced with new modules for online submission and approval of certificates of origin, online licensing of trade operators like clearing agents and transporters, and a module for reviewing customs warehouse declarations under the Single Customs Territory. The E-SW has also been integrated with the Interpol database to bolster security controls during customs operations. Since 2014, an electronic cargo tracking system has been in place to ensure the security of cargo from its source to its destination, with 97 trucks monitored using COMESA electronic seals by 2016.

The gold card system, which reduces clearance time for compliant traders, has been operational since 2014, benefiting 130 taxpayers thus far. The E-Payment system, implemented since 2012, streamlines the processing of declarations, duty assessments, and the control of transit goods. To expedite VAT refunds, the Treasury maintains a separate VAT refunds account, and since 2019, VAT refund claims can be submitted through the e-Tax Portal, significantly reducing the time required for VAT declarations and refunds issuance. The Rwanda Revenue Authority (RRA) is also in the process of implementing a single unified declaration form that encompasses Pay as You Earn (PAYE), pension, maternity leave, and medical insurance scheme contributions. This consolidation will substantially reduce the time taxpayers spend on payments and declarations. The extensive use of information technology systems, as outlined above, substantially decreases physical interactions between traders and customs officers during the customs process, mitigating opportunities for corruption. Rwanda's strong stance on anti-corruption is evident in its low corruption levels, with a score of 51 out of 100 on the 2022 Corruption Perceptions Index, as reported by Transparency International in 2023.Regarding legal provisions, the Rwanda Revenue Authority has compiled a compendium of all 23 Tax Laws, Ministerial Orders, and Commissioner General guidelines, which is accessible on its website (www.rra.gov.rw). These regulations are presented in three official languages in Rwanda: English, French, and Kinyarwanda, ensuring that all taxpayers have access to information on their tax obligations in a simplified and rationalized manner. For tax appeals, RRA has established a well-defined administrative and judicial tax appeals mechanism based on Articles 229 to 231 of the East African Community Customs Management Act 2004. The law stipulates that the Commissioner General of the Revenue Authority must render a decision on the appeal within 30 days, with the provision for a 30-day extension in exceptional cases. Dissatisfied plaintiffs can then resort to judicial review if necessary. This tax dispute resolution mechanism has been effectively implemented, and evidence indicates that its efficiency continues to improve.

05. Financial Sector Development

Criteria Score: 5.167

5.a. Financial stability

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

As per the September 2023 Monetary and Financial Statement issued by the National Bank of Rwanda (BNR), the financial system has demonstrated continuous growth in terms of both its scale and the number of participants. This growth has been facilitated by a favorable regulatory and economic environment. Notably, this growth has translated into robust financial health indicators, including capitalization, profitability, and liquidity ratios for both the banking and non-banking sectors. In June 2023, the Capital Adequacy Ratio (CAR) for the entire banking sector registered a solid 20.2%, comfortably surpassing the minimum policy threshold of 15%. Simultaneously, the Liquidity Coverage Ratio (LCR) reached an impressive 224.3%, which is 2.23 times higher than the prudential requirement of 100%. This achievement can be attributed to a stable domestic funding base and a higher proportion of customer deposits in relation to loans. Moreover, the non-performing loans (NPL) ratio decreased to 3.6% in June 2023 from the previous 4.3% in June 2022, thereby remaining well below the prudential limit of 5%. This reduction was primarily due to increased write-offs of outstanding loans and the successful recovery of new loans. Similarly, the microfinance (MFI) sector exhibited remarkable financial strength with a CAR of 31.6%, substantially exceeding the prudential threshold of 15%. Additionally, the liquidity ratio stood at an impressive 90.3%, significantly surpassing the minimum requirement of 30%. Furthermore, the NPL ratio in the MFI sector declined from 4.7% to 3.7% during the same reporting period.

The insurance sector continued to display resilience, as evidenced by an aggregate solvency ratio of 256% and a liquidity ratio of 113%. These figures comfortably exceeded the respective prudential minimum requirements of 100% and 120%. These robust financial stability indicators were underpinned by rigorous supervisory oversight by the BNR and the implementation of improved regulatory frameworks, which were approved during the review period. These measures were aimed at fortifying the stability and resilience of the financial sector. In response to the robust growth of personal and commercial real estate sector loans in 2022, the BNR intensified its onsite inspections, with a particular focus on monitoring credit risks, loan classification, provisioning, and scrutinizing banks' assessments of borrowers. Furthermore, ongoing monitoring efforts were directed toward identifying potential systemic risk concentrations, given the interconnections within the financial subsectors. It is noteworthy that, according to the September 2023 Monetary and Financial Stability Statement, both banks and Microfinance Institutions (MFIs) have made commendable strides in augmenting their capital bases through retained earnings and capital injections, all while enhancing asset quality. The insurance sector has also experienced a significant boost in solvency, increasing from 180% in June 2022 to an impressive 256% in June 2023. This substantial improvement underscores the financial sector's robust capitalization and its ability to absorb risks. On the regulatory front, the fiscal year FY 2022/2023 witnessed significant developments with the enactment of a total of 20 Regulations, 6 Directives, and 2 Guidelines. These encompassed a wide range of areas, including banking organization, insurance business, deposit-taking microfinance institutions, consumer protection, payment systems, and the governance of service trusts and company service providers. These regulatory initiatives were instrumental in aligning the financial sector with international standards and enhancing its attractiveness for investment.

5.b. Sector's efficiency, depth, and resource mobilization strength

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda s Financial Sector comprise 16 Banks,457 Micro finance institutions and SACCOs and 13 pension schemes, 15 insurance companies78 foreign currency dealers, 18 payment service providers and 26 non deposit taking financial institutions. The sector is dominated by the banking sector which accounts for 67% of total assets of the entire industry followed by the pension sector 16%and the insurance sector 9% and others 1%. The Banking sector is concentrated with three of the biggest banks owning the majority of the banking sector assets, but recent trends show a gradual reduction in concentration due to increased competition.

Financial sector indicators, on aggregate, shows that despite the negative shocks from COVID-19 the financial sector is still resilient, and the scale of financial intermediation is strong.

The, the total assets of the entire financial sector have significantly increased from RWF 8145 billion (63% of GDP) in June 2022 to RWF 9635 billion (70% of GDP) surpassing the five-year average of 61.4 percent of GDP. The share of the banking assets increased 18 percent from 592 billion in June 2022 to RWF 6845 in June 2023 driven by increase in customer deposits and capitalization of the banking sector and MFIs. The assets of the pension schemes also so expended by 17 percent during the same period on account of growth in member contributions and pension investment incomes. Since June 201, Rwanda introduced Long-Term Savings Scheme (LTSS) Ejo Heza under the Law N° 29/2017 of 29th June 2017 to extend pension penetration to the previously underserved informal sector. LTSS-Ejo Heza operates as a voluntary Defined Contribution (DC) scheme, where participant’s open savings accounts with authorized financial institutions such as banks or mobile operators and is expected to serve close to 94 percent of the workforcewho are outside the scope of formal public social security and voluntary private pension schemes. The ratio of broad money(M2/GDP) which is a proxy for savings and credit intermediation increased from 23.7 percent of GDP in June 2022 to 26.3% of GDP in June 2023 in spite of significant monetary policy tightening. The growth in broad money was driven mainly by new authorized loans (NALs) which increased by 40.4 percent in June 2023, after contracting by 7.2 percent in the corresponding period of last year. The growing trend in NAL is observed across all sectors of the economy reflecting improvements in price signaling with increasing intermediation to support economic recovery. Rwanda’s financial sector continues to improve in efficiency to support economic development. According to the monetary and financial stability statement of September 2022, following a deterioration in the quality of loan portfolio due to adverse effects of COVID-19, credit risks have eased on account of write off of bad loans and loan recoveries. Non-performing loans(NPL) relative to total loans for the banking sector decreased from 4.3 percent in June 2022 to 3.6 percent in June 2023 on account of write offs and banks and recoveries. Furthermore, financial sector efficiency has been enhanced with wide spread adoption of digitalization and Technology upgrade to streamline financial services and reduce operational costs. Since 2014, government has implemented the Rwanda Integrated Payment Processing System (RIPPS), which operates as an Automated Transfer System (ATS and is comprised of the Real Time Gross Settlement (RTGS) and Automated Clearing House (ACH). The RIPPS processes and settles interbank payment transactions including credit transfers and

cheques as well as, various retail payments (Visa, Mastercards, Smartcash). The RTGS is also linked to the Central Securities Depository (CSD) to provide securities settlement service in form of delivery vs payment (DVP) model for both public and private securities. This has significantly improved the efficiency of the financial sector to process financial obligations and payments locally and internationally. For example, between June 2022 and June 2023, the number of transactions processed through RIPPS increased from 2.3 million worth 6.4 trillion Rwandan Francs to 2.5 million transactions worth 7.3 trillion Rwandan francs. The modernization of the central security depository increased both the volume and value of treasury bills and bonds traded on the secondary market from 5.1 billion Rwandan Francs to 22.4 billion in June 2023. Similarly, with increased digitization mobile money subscribers per 100.000 adult population has increased 372 percent from 669.84 in June 2022 to 3,156.5 in June 2023. Internet subscribers per 100,000 adult populations also by 162 percent to 162789 subscribers underscoring a sustained progress in using digital cashless payments.

In terms of resource mobilization capacity, the financial sector

In line with efforts to stimulate the development of the capital market the Government of Rwanda, through the National Bank of Rwanda, During the first half of 2023, successfully issued three new bonds and reopened four existing ones. The average subscription rate was 117.1 percent, up from 109.4 percent in the corresponding period year. This increase is dueto the ongoing recovery of the domestic economy post-COVID-19, as well as the rising awareness of the benefits of investing in government securities. However, bond yields have increased for most maturities during this period, mainly due to monetary policy tightening and high inflation levels.The market capitalization of Rwanda Stock Exchange (RSE) has doubled since 2005 from USD 1.9 billion to 3.39 in billion in 2022 but remains very small compared to the aggregate market capitalization of USD 61.6 billion for all other EAC countries. The 7 fixed income securities are currently traded in the RSE including two corporate bonds, one from the I&M Bank and an IFC local currency.

5.c. Access to financial services

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

In recent years, Rwanda has undertaken significant advancements in the modernization of its financial sector and the broadening of access to financial services. The 2020 Fin Scope survey revealed a remarkable transformation in this regard. It indicated a fivefold increase in the proportion of the adult population accessing financial products, rising from 21% in 2008 to an impressive 93% in 2020, covering approximately 7 million adult individuals. This substantial achievement in financial inclusion brings Rwanda closer to its goal of achieving 100% financial inclusion by 2024. Notably, the gender gap in financial inclusion has been steadily narrowing, with only 8% of women remaining excluded compared to 7% among their male counterparts. The notable growth in financial inclusion can be primarily attributed to the introduction of Umurenge Savings and Credit Cooperatives (U-SACCOs) and the widespread adoption of mobile money services. Presently, about 77% (equivalent to 5.5 million adults) in Rwanda avail themselves of formal financial products and services, encompassing both the banking sector and other formal financial products and services from insurance firms and mobile network operators. Approximately 87% (6.2 million adults) possess access to a mobile phone, albeit with slightly lower access among females (84%) compared to males (90%). However, when it comes to mobile money usage, around 3 in 5 (61%) adults employ mobile money services, with a higher adoption rate among males (68%) compared to females (56%). Key barriers to the uptake of mobile money appear to be linked to a lack of product knowledge and limited interest in the product. Vulnerable demographic groups such as the economically disadvantaged, residents of remote rural areas, youth, women, and the elderly population are more likely to experience financial exclusion. Impressively, 76% (5.4 million) of adults in Rwanda engage in various forms of borrowing, with a higher percentage among females (77%) compared to males (76%), indicating a notable increase in formal credit consumption. Formal borrowing activities in Rwanda are primarily driven by borrowing from mobile money and SACCOs, each boasting a 9% penetration rate. Insurance and risk mitigation remain relatively low, but there has been an uptick in insurance uptake since 2006, growing from 0.5 million to 1.2 million people, representing 17% of the population in 2020. This increase is primarily attributed to mandatory medical insurance, known as mutuelle de sante. According to the Fin Scope Rwanda 2020 survey, approximately 45% (3.2 million individuals) in Rwanda engaged in sending and/or receiving money through various remittance channels in the 12 months leading up to the survey. Furthermore, Rwanda's payment infrastructure has continuously evolved. In 2014, the Rwanda Integrated Payments Processing System (RIPPS) achieved full integration with the East African Payments System. This integration comprised three key components: the automated clearing house, real-time gross settlement system, transfer system, and central securities depository. The implementation of RIPPS has facilitated modern payment methods and fund transfers, including the utilization of electronic cards, mobile banking, internet banking, and enhanced interoperability among various financial institutions. As of the financial stability statement in September 2023, the volume of transactions processed through RIPPS had risen from 2.3 million in June 2022 to 2.5 million in June 2023, with the value of transactions surging from FRW 6,474 billion to FRW 7,373 billion during the same period. Notably, mobile technology has played a pivotal role in promoting electronic payments and creating an inclusive cashless society. During the review period, several financial indicators experienced significant growth with regard to financial access. The number of card-based Point of Sale (POS) machines increased by 7%, from 5,263 in June 2022 to 5,641 in June 2023. Mobile banking subscribers witnessed a 3% increase, rising from 2,444,652 to 2,529,108, while internet banking subscribers exhibited substantial growth of 16%, reaching 162,789 from 140,662. Similarly, the number of mobile payment agents grew by 19%, from 146,930 to 175,204, and agents offering banking services increased by 11%, going from 8,546 to 9,501. Retail payment transfers also displayed robust growth trends. The volume of funds transferred via mobile payments surged by an impressive 66%, escalating from 106 million to 176 million transactions. In terms of value, these mobile payment transfers increased by 57%, from FRW 2,487 billion to FRW 3,894 billion. Transfers through mobile banking witnessed a 50% increase in volume (from 2.9 million to 4.4 million) and a remarkable 189% surge in value (from FRW 209 billion to 606 billion). Similarly, transfers executed through internet banking exhibited a 58% increase in volume (from 819 million to 1.29 million) and a 47% rise in value (from FRW 1,605 billion to 2,359 billion). Regarding access to insurance and pension services, the government has played a pivotal role in shaping pension schemes. Public pension contributors increased by 8% to reach 635,716 in June 2023. Notably, since 2018, the government launched a voluntary private pension scheme for workers in the informal sector, known as the Ejo Heza Long-Term Saving Scheme

(LTSS). This LTSS has seen remarkable growth, with contributors increasing by 39% and beneficiaries growing by 152% during the review period, reflecting the government's commitment to ensuring long-term financial security for its citizens.

06. Business Regulatory Environment

Criteria Score: 5.5

6.a. Regulations affecting entry, exit, and competition

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda has made significant strides in enhancing its business regulatory environment, focusing particularly on entry, exit, and competition regulations. Initiatives to streamline business registration through the Rwanda Development Board (RDB) have yielded impressive results, making the process fast, efficient, and cost-effective, taking only 6 hours. Notably, in 2021, Rwanda expanded its business registration services to include Trusts, Partnerships, Private, and Mixed Benefit Foundations, which resulted in the registration of 377 projects valued at USD 1.6 billion in 2022, a 26% increase from 2020.

In terms of competition, Rwanda's efforts to ease movement restrictions and secure a prominent position in the Visa Openness Index for Africa have enhanced its competitiveness, attracting tourists and investors. To counter the effects of COVID-19, the Government initiated the "Manufacture and Build to Recover

Program" (MBRP) and conducted marketing campaigns to boost conservation tourism and the Meetings, Incentives, Conferences, and Exhibitions (MICE) sector. Collaborations with global entities like Paris Saint-Germain (PSG) and Arsenal football club, along with hosting major events, contributed to tourism revenue reaching US$ 445 million in 2022, a significant rebound from the impact of the pandemic.

However, Rwanda still grapples with high infrastructural costs in the energy and transport sectors, which affect its competitiveness. Consequently, it was ranked 58th out of 139 economies in the most recent Global Competitiveness Index for 2019.

Rwanda's development model is transitioning from a public sector-led growth approach to one driven by the private sector. This shift is supported by policies and legislation aimed at curbing state monopolies and ensuring consumer protection. Laws like LAW Nº 31/2017 and Law no22 of 30/05/2016 establish regulatory authorities to regulate anti-competitive behaviors and promote transparency in Public Private Partnerships (PPP). The government has divested its holdings in various sectors, engaged in strategic partnerships, and reformed or dissolved state-owned and party-owned enterprises to create an enabling environment for investment.

In terms of business exit, Rwandan law allows for the closure of businesses on both mandatory and voluntary bases. Exit options are determined by agreements between investors, and company law provides guidance for liquidation and insolvency proceedings. Amendments to the insolvency Law in 2021 introduced provisions for cross-border insolvency, defining cooperation between domestic and foreign courts. However, Rwanda faces challenges in improving its insolvency recovery rate, which stands at 19.2 cents per USD, with an average recovery rate of 40.7 cents on the dollar. The process takes an average of 2.0 years and costs 9.00% of the debtor's estate. Rwanda is ranked 48th out of 141 countries in domestic competition by the Global Competitiveness Index (2019).

6.b. Regulations of ongoing business operations

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda evaluates regulations across seven key dimensions, including taxation, trade across borders, construction permits, property registration, electricity connection, contract enforcement, and access to credit. Leveraging a robust national ICT backbone and National Identification System, Rwanda has implemented internet-based reforms that significantly streamline business regulations. For instance, the introduction of a unique taxpayer identification number linked to one's identification number has enabled most tax declarations and payments to be conducted online, reducing the time and costs involved. As a result, Rwanda ranks 34/ 19 economies in the effect of taxation on incentives to invest, 49/139 on the tax rate ratio to profits in the most recent available global competitiveness index for 2019. In property registration, Rwanda ranks 3rd globally out of 190 economies, thanks to a transparent land tenure system and efficient land administration supported by advanced ICT infrastructure. Obtaining construction permits has been streamlined through the online Building Permit Management Information System (BPMIS), reducing the processing time from one year in 2011 to a maximum of 30 days in 2020. The system consolidates multiple procedures into a single application, reducing compliance costs and the potential for corruption. Electricity connection procedures were simplified, reducing the time to 30 days in 2020, compared to 109 days in Sub-Saharan Africa. The cost, at USD 1923 per year, was lower than the regional average but higher than OECD countries. In contract enforcement, Rwanda introduced the Integrated Electronic Case Management System (IECMS) in 2016, enabling electronic case tracking across justice institutions. Virtual hearings and adjudication were added in 2021, enhancing contract enforcement and maintaining commercial arbitration during the COVID-19 pandemic. This reform has contributed to significant strides in Rwanda in the global rule of Law index 2021, ranking 42/139 global and the 1st in SSA. Rwanda ranks 4th globally in getting credit, supported by strong legislation and the establishment of a credit reference bureau. Despite this, firms cite limited access to affordable and long-term credit as a primary barrier to business expansion. Lending rates are around 16%, often for short tenures below 5 years, constraining firms' ability to expand.

6.c. Regulations of factor markets (labor and land)

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda's land market regulations have evolved in line with its development path. The 2004 land policy, 2005 organic land Law, and 2013 revised organic Land Law aligned with Vision 2020 objectives, fostering the initial wave of reforms, including systematic land registration and establishing the land administration system. Since 2018, Rwanda has completed land registration, securing tenure rights for 11.6 million land parcels, stored in a national digital archive. The government also established decentralized land administration offices, enhancing service delivery at the sector level. Remarkably, Rwanda is the sole African country to achieve systematic land registration and digitization of records for the entire nation. These reforms significantly improved land market functionality. For example, land transfer registration now takes only two days, compared to 371 days in 2008, propelling Rwanda to the 3rd global rank for ease of property registration in 2020. The DFID's 2018 land Tenure regularization report highlights the regulation's impact in addressing gender inequalities, empowering 6.6 million women as landowners, reducing boundary disputes, and leveraging land as collateral and an investment asset. Rwanda has adopted the 2019 land policy and 2020 land use master plan, reinforcing Vision 2050 objectives, focusing on land mapping, surveying, and land administration to boost agricultural productivity, urbanization, and agglomeration, aiming for 70% urban population by 2050.

Labor Market Regulations:

Labor market regulations rely on the Organic Labor Law ° 66/2018 of 30/08/2018, superseding Law N° 13/2009. This law governs worker hiring, firing, and fundamental rights, setting the minimum employment age at 16. According to the 2019 Global Competitiveness Index, Rwanda scores 63.6 out of 100 for labor market efficiency, ranking 45th among 141 countries. It records 63.2% flexibility in labor markets and a 4.50 out of 7 rating in hiring and firing practices, ranking 27th. Workers' rights receive an 80/100 score, ranked 40th globally. The ease of hiring foreign labor scores 4.5 out of 7, ranking 38th. Notably, permanent tasks do not have fixed-term contracts prohibited by law, and dismissals due to redundancy are legally permitted.

(C) Policies for Social Inclusion/Equity

Cluster Score: 5.033

07. Gender Equality

Criteria Score: 5.333

7.a. Promotion of equal access for men and women to human capital development opportunities

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

The government of Rwanda considers promoting gender equality and empowering women not only as a matter of human rights but also as essential for development. The country has made significant progress in promoting gender equality through various policies and institutions, backed by strong political commitment. These efforts have positioned Rwanda as a global leader in advancing gender equality. The Global Gender Gap Index, which tracks gender disparities in health, education, the economy, and politics, ranks Rwanda second in Sub-Saharan Africa and 12th globally in closing the gender gap, with an overall score of 79.4% in 2023 across all four dimensions. In the political sphere, Rwanda stands out as the only Sub-Saharan African country among the 12 globally that has achieved more than 50% gender parity. Rwanda has also nearly closed the gender gap in health and is just 4.3% away from achieving gender parity in education. This progress is attributed to initiatives like gender-responsive budgeting, improved access to finance, including microfinance schemes, and enhanced access to health and education services. These measures have contributed to improving the economic productivity of women and reducing income inequalities based on gender. Rwanda places a strong emphasis on family-centered development, considering the well-being of children and gender equality as prerequisites for achieving equitable and sustainable development. Policies for promoting gender equality in education and maternal and child healthcare are outlined in the Education Sector Strategic Plan (ESSP 2018-2024) and the Health Sector Strategic Plan (HSSP-IV), both approved in 2018. The ESSP aims to provide universal access to 9 and 12 years of basic education and increase access to higher education, particularly focusing on skills development for equal competition between men and women in the workforce. The Girls' Education Policy, derived from the National Gender Policy, seeks to improve girls' enrollment and retention across various education levels. Rwanda has achieved near-universal access to primary education with a net enrollment rate of 98%. While there are roughly equal numbers of boys and girls in pre-primary, primary, and secondary education, boys tend to outperform girls in national examinations. However, dropout rates at the secondary level show no significant gender differences. In 2022/23, the Rwandan government increased the budget for the education sector by nearly 20%, demonstrating its commitment to human capital development through education. The government has also established various policies, strategies, and regulatory frameworks to create an enabling environment for women and girls to attain digital equality and contribute equally to the country's development. Closing the digital technology gap involves ensuring girls have access to training and education in STEM and IT fields. Rwanda's Vision 2020 emphasizes the integration of gender across all development policies and strategies, prioritizing internet use and telephone penetration, especially in rural areas. The National Gender Policy (2021) recognizes the importance of ICT infrastructure to facilitate access to ICT facilities in both rural and urban areas, promoting ICT literacy for both men and women.

The fourth Health Sector Strategic Plan (2018-2024) outlines policy actions to achieve gender equality in healthcare, including antenatal care, delivery services, and maternal and reproductive health. Family planning is promoted to ensure economically sustainable women and provide them with the time to engage in economic activities, reducing gender inequalities. Rwanda has implemented community health insurance schemes known as 'mutuelle de sante' and performance-based health financing to improve maternal and child healthcare outcomes. In 2023, Rwanda's fertility rate stands at 3.731 births per woman, with high vaccine coverage for diseases like diphtheria, tetanus, and pertussis. The modernization of the civil registration and vital statistics system has led to a 91% birth registration rate in 2022.

To accelerate the implementation of the National Policy on Early Childhood Development (ECD), Rwanda has developed the National Strategic Plan for Early Childhood Development (2018-2024). This plan aligns with the national development objectives outlined in the National Strategy for Transformation (NST 2017-2024). It aims to increase access to ECD services and ensure their quality, with a focus on reducing the time caregivers, mostly women, spend on caregiving, allowing them to engage in income-generating activities. Key interventions include improving nutrition for pregnant women and infants through initiatives like the 1,000 days' nutrition window and the provision of supplements. The government has also invested significantly in constructing health centers and hospitals to reduce the distance to the nearest hospital, particularly benefiting maternal and child healthcare. Women represent 58.6% of civil servants in health centers.

7.b. Promotion of equal access for men and women to productive and economic resources

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda has made significant efforts to promote gender equality and empower women. These initiatives encompass both the public and private sectors and extend to key decision-making roles in middle and upper management positions. Additionally, strategic labor market interventions and programs have been implemented to specifically benefit women and youth. For instance, notable programs include the National Employment Program (NEP), the National Skills Development and Employment Promotion Strategy

(NSDEPS), and targeted financial access initiatives like the Women and Youth Access to Finance Program. These endeavors aim to enhance formal financial access for women and youth. Moreover, the Umurenge Saving and Credit Cooperatives (Umurenge SACCO) are operational across the nation, playing a pivotal role in facilitating financial access for both men and women. Commercial banks have also introduced special guarantee funds and tailored financial products to promote formal financial access for women. Over the years, the percentage of adult women engaging with licensed commercial banks, regulated by the central bank, has significantly risen—from 24% in 2016 to 34% in 2020. However, it's worth mentioning that there is still a slight gender gap, with 39% of men having access compared to 34% of women.

Furthermore, a significant portion of women (71% or 2.8 million) access services from non-bank financial institutions, regulated by law but distinct from commercial banks. This rise can be attributed to the growing popularity of mobile money services and the continued expansion of Umurenge SACCOs. While gender disparities in access to these institutions have decreased by 9% since 2016, they remain significant.

The female unemployment rate has experienced fluctuations over five years, reaching its peak of 24.1% in 2021. In comparison, male unemployment peaked at 18.5% in the same year. Female labor force participation was highest in 2020 at 58.2% but dipped to 41.9% in 2016. For men, the highest labor force participation rate occurred in 2020 at 65.6%. These variations can be attributed to factors such as the impact of COVID-19 on students returning home, affecting overall labor force participation.

Within workplaces, gender disparities are noticeable in managerial roles, with men occupying 66% of these positions, leaving women with a 34% share. A substantial number of women are primarily engaged in subsistence agriculture, although this trend is gradually decreasing. Between 2017 and 2021, the proportion of female workers involved in subsistence agriculture declined by nearly 12 percentage points, aligning with the government's focus on transitioning citizens from subsistence agriculture to market-oriented farming and off-farm employment. Interestingly, between 2017 and 2020, more women were involved in market-oriented agriculture, with a reversal observed in 2021.Rwanda continues to implement comprehensive policies and social protection programs aimed at reducing poverty, with a particular emphasis on uplifting women and girls. The national social protection policy recognizes the importance of supporting women's participation in productive activities, reducing vulnerability, and fostering sustainable economic and social development.To this end, various social protection programs have been initiated, including the Vision 2020 Umurenge Program (VUP), Ubudehe, One Cup of Milk per Child, One Cow per Poor Family (GIRINKA), the Genocide Survivors Support and Assistance Fund (FARG), and other social security initiatives. These programs provide direct assistance through cash transfers, access to financial and credit services, employment opportunities, and asset provision, particularly cows, for improved social welfare and production.Notably, these initiatives increasingly target women as beneficiaries. In 2020, 71.9% of female-headed households benefited from direct support schemes, compared to 28.1% of male-headed households. This signifies significant progress in promoting gender equity. The data also reveals improvements in public works participation and financial support among women, further contributing to gender parity.

Rwanda has a robust legal framework to promote equal access to economic resources, including constitutional provisions reserving at least 30% of public sector positions for women, ensuring women's land rights, equal inheritance, and equal land ownership, among other measures.

In terms of land ownership, nearly 60% of married couples, both men, and women, have land ownership. Additionally, over 30% of all businesses in Rwanda are owned and managed by women, spanning various scales from self-employed individuals to medium and large enterprises.

To further bolster gender equality, Rwanda has developed a "gender-sensitive citizens' guide" for participatory planning and budgeting, which is now mandated under the Organic Budget Law. These legislative measures have laid the foundation for the design and execution of programs dedicated to enhancing gender equality in accessing economic resources.

While Rwanda has made significant strides, there is still work to be done. The 2023 Gender Gap Index ranks Rwanda 61st out of 146 countries in terms of economic opportunities and participation. Tackling challenges such as achieving parity in off-farm employment remains a priority. Ongoing efforts to promote gender equality in education access and support women in entrepreneurship will be instrumental in achieving these objectives.

7.c. Men and women equal status and protection under the law

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Legislation and policies have been established to ensure that both men and women enjoy equal status and protection. These regulations are in accordance with international conventions and have been incorporated into national law. Oversight of these provisions is carried out by the Gender Monitoring Office (GMO). Additionally, the Ministry of Gender and Family Promotion plays a key role in shaping policies and strategies aimed at fostering a supportive environment for family stability, gender equality, and child protection to promote sustainable development.

The government of Rwanda has ratified various international agreements that champion gender equality, as elaborated in the 2018 CPIA report. These global conventions have been adapted to accommodate the unique cultural diversities of Rwandan society at the national level. For example, the 2003 Constitution includes several provisions addressing gender equality under the law. This includes Article 9, which mandates a minimum requirement of 30% female participation in decision-making at all levels, and Article 185, which establishes the Gender Observatory responsible for monitoring the implementation of gender-related indicators in all programs and at all levels. Rwanda's commitment to gender equality is internationally recognized, with women occupying 61 percent of the Rwandan Parliament and 50 percent of the President's cabinet. This outstanding performance is evident in Rwanda's 9th place global ranking in the Political Empowerment dimension of the Gender Equality Index.

Law enforcement agencies, particularly the Rwanda National Police (RNP), have been equipped to handle Gender-Based Violence (GBV). A Gender Desk at RNP headquarters, as well as Gender Desks at each of the 62 RNP stations across the country, offer legal advice and other services to GBV victims. Every RNP station has a Gender-trained officer responsible for implementing community awareness programs, including initiatives aimed at eliminating GBV and providing guidance on reporting GBV incidents. Rwanda has also made substantial strides in expanding the reach of Isange One Stop Centres (IOSCs) throughout the country, significantly contributing to addressing GBV and improving service delivery to GBV victims. Government efforts to extend IOSC services to health centers will enhance support for GBV victims and bolster prevention and response measures in this area. The presence of 44 IOSCs in district hospitals, coupled with community awareness campaigns on GBV, has a positive impact on combating GBV among both genders. Moreover, the government and its partners have increased their focus on engaging men through initiatives such as the MenEngage campaign and the HeForShe movement. They have also introduced the Gender Equality Seal Program for public and private enterprises and established the Rwanda Men's Resource Centre (RWAMREC), a civil society organization dedicated to promoting men's involvement in gender equality efforts.

08. Equity of Public Resource Use

Criteria Score: 4.833

8.a. Poverty Measurement

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

Rwanda aligns public spending with its National Strategy for Economic Transformation (NST-1), a key component of Vision 2050. NST-1 aims to accelerate economic growth, create 214,000 jobs yearly, and eradicate poverty by 2035. A recent UNICEF report highlights significant pro-poor spending, constituting 25% of the budget over five years, focusing on sectors like Education, Health (including Nutrition), and Social Protection, with the goal of long-term poverty reduction and supporting the vulnerable.

Rwanda's social protection program, the Vision 2020 Umurenge Programme (VUP), has expanded its coverage and precision. VUP aids vulnerable able-bodied households through public works and provides direct support, including nutrition assistance, to non-able-bodied and extremely poor households. It also addresses housing needs for Genocide survivors and other vulnerable households.

The government prioritizes evidence-based policymaking, collecting socio-economic data through surveys and censuses to identify and assist those in poverty or lacking essential services. The findings are published on the National Institute of statistics of Rwanda website and inform policies focusing on education, skills, entrepreneurship, job creation, urbanization, rural development, and malnutrition eradication. While measures have been taken to address these concerns, their impact requires evaluation through future surveys.

8.b. Public Expenditures: Priorities and strategies

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5

Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda has placed social protection at the forefront of its poverty reduction, inclusive economic growth, and national development efforts. This commitment is enshrined in a comprehensive social protection framework, which includes Vision 2050, the National Social Protection Policy (2020), and the Social Protection Sector Strategic Plan (2017-2024). This framework emphasizes universal lifecycle social protection and underscores the importance of inclusive, shock-responsive social protection to safeguard livelihoods and build resilience.

The recent introduction of the National Strategy for Sustainable Graduation (2022) further strengthens Rwanda's dedication to empowering vulnerable populations through integrated services. One noteworthy initiative, the Vision Umurenge Programme (VUP), launched in 2008, has evolved to play a pivotal role in reducing poverty and enhancing livelihoods. Data from the EICV surveys illustrates its positive impact, with a significant reduction in extreme poverty from 35.8% in 2005/6 to 16.3% in 2013 during EICV4, largely attributable to the VUP's efforts. However, the latest EICV5 data from 2017 reveals a persistent 16% extreme poverty rate, indicating a stagnation in progress. Moreover, the VUP faces financial challenges, with budget allocations declining in 2023/24. The shift towards increased external financing compared to domestic funding poses sustainability concerns. Additionally, the VUP's coverage among persons with disabilities is notably low, reaching only 9.7% of women and 8.3% of men with disabilities. Substantial coverage variations persist between predominantly rural and urban districts, ranging from over 20% in Burera, Nyamasheke, and Ngororero to under 5% in Nyarugenge, Gasabo, Kicukiro, and Rwamagana, reflecting varying poverty levels. Closing these coverage gaps is imperative to enhance inclusiveness and achieve the desired impact on poverty reduction. Complementary services are pivotal in promoting sustainable graduation. Rwanda's provision of Community-Based Health Insurance (CBHI) for all citizens is a crucial element to enhance resilience and support graduation from poverty. Other complementary services, such as school meal programs, also play a significant role in this regard. Research on education programs across 52 countries reveals that school feeding initiatives have a positive impact on school participation and learning outcomes, with a return of up to US$9 for every US$1 invested.

Given this context, the following recommendations are proposed within the framework of the National Strategy for Sustainable Graduation:

Expand Coverage: Ensure comprehensive coverage, bridging urban and rural gaps, and including vulnerable households.

Increase Benefit Levels: Regularly adjust benefit levels to keep pace with inflation, meeting the basic consumption needs of the poorest individuals.

Strengthen Targeting: Enhance the integrated functions of the dynamic social registry and link it with other government information systems to improve the identification of lifecycle risks.

Strengthen Institutional Capacity: Invest in institutional capacity at all levels to facilitate efficient and holistic service delivery.

Promote Household Resilience: Foster collaboration among government entities to provide a sequenced graduation package and enhance the system's shock responsiveness.

Ensure Programmatic Effectiveness: Redesign programs like public works to promote decent work and deliver reliable safety net support.

Improve Efficiency of Data Management Systems: Enhance system interoperability, digitization, and data quality to bridge coverage gaps and support improved delivery systems.

Address Financing Gaps: Develop a comprehensive financing strategy for sustainable domestic funding and strengthen linkages with climate and disaster risk financing.

Invest in Monitoring and Evidence Generation: Allocate resources for robust evidence generation, research, and feedback mechanisms to support informed decision-making and continuous improvement.

8.c. Regressive Tax

Score Type	Value

Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

Rwanda's tax system has undergone substantial transformation, with the tax-to-GDP ratio steadily increasing from 9.6% in 2000 to 15.8% in 2022/23. It now constitutes a significant portion, accounting for 68.3% of the 2023/24 budget, in contrast to the meager 43% recorded in 2000. This achievement can be attributed to deliberate tax policy adjustments and effective tax administration measures, bolstered by the establishment of the Rwanda Revenue Authority in 1998. Nevertheless, the tax structure leans predominantly towards indirect taxes on goods and services, a characteristic that can have regressive implications, with such taxes constituting 46-48% of total taxes in 2023/24.

Rwanda's tax system is structured to include progressive elements in earned income taxation, applies a flat taxation approach for investment income, and utilizes presumptive taxes for small businesses. The system actively employs a "pay as you earn" mechanism for collecting earned income and has successfully curtailed tax base erosion by eliminating blanket tax exemptions. Recent adjustments in tax policy, though aligned with national development objectives, warrant close scrutiny to ensure they do not disproportionately impact low-income individuals while remaining consistent with poverty reduction priorities.

The government's Medium-Term Revenue Strategy (MTRS-1) represents a concerted effort to strike a balance between stimulating economic recovery and mobilizing revenue. This strategy places a distinct focus on tax policy reforms aimed at enhancing compliance and augmenting revenue generation.

09. Building Human Resources

Criteria Score: 5

9.a. Health and nutrition services

Score Type	Value

Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

The pursuit of enhanced healthcare quality aligns with Rwanda's Vision 2050, specifically under the Human Development Pillar. This strategic approach is pivotal for achieving a higher standard of living for the Rwandan population and is intertwined with achieving global health targets by 2030. Rwanda's remarkable progress in Human Development (HD) over the past two decades, as measured by the global Human Development Index (HDI), reflects an impressive increase from 0.250 to 0.524 between 1990 and 2017. Notably, this represents a 109.6 percent surge, marking the highest average annual HDI growth ever recorded worldwide, at 2.78 percent. Rwanda’s HDI of 0.524 surpasses the average for countries in the low human development category (0.504) while being slightly below the sub-Saharan African average (0.537). This remarkable advancement places Rwanda ahead of its regional neighbors and fellow members of the East African Community. Significant improvements in healthcare indicators are evident, including the reduction in the total fertility rate and increased immunization coverage for children. Additionally, almost all Rwandan women who gave birth in the five years preceding the 2019-20 survey received antenatal care from skilled providers, while under-5 mortality rates continued to decline. The African SDG Index and Dashboards report for 2020 highlight positive trends in several health indicators, such as maternal mortality, neonatal mortality, under-5 mortalities, HIV prevalence, and tuberculosis incidence. These trends reflect the successful implementation of the Fourth Health Sector Strategic Plan (HSSP IV) from July 2018 to June 2024, in alignment with the National Strategy for Transformation (NST-1) 2018-2024. The Health Management Information System (HMIS) has played a crucial role in monitoring and evaluating HSSP-IV, providing accurate and timely administrative data for effective planning and budgeting. The Community-Based Health Insurance (CBHI) scheme, Mutuelles de Sante, has expanded significantly, covering 90% of the population by April 2023, up from 72% in 2017/18. This expansion has removed financial barriers, increasing access to healthcare services and positively influencing health-seeking behavior. Despite these achievements, challenges persist, particularly in addressing maternal and child mortality, often linked to health system limitations. These include inadequate capacity to prevent, detect, and manage complications during pregnancy and childbirth, resulting in preventable deaths and compromising healthcare quality. Furthermore, Rwanda faces the issue of stunting, which remains a significant national challenge, impacting nearly one-third of children. Non-communicable diseases (NCDs) pose an increasing concern, driven by risk factors such as poor nutrition, lifestyle changes, urbanization, and an aging population.

To address these challenges and further improve healthcare quality, several recommendations emerge:

Efficient Coordination: Streamlining investments through efficient coordination among partners, including a unified budget and plan, will optimize resource allocation and enhance the impact of healthcare investments. Increased Domestic Financing: Prioritizing increased domestic financing for healthcare, especially in primary healthcare, the community health program, and CBHI, is crucial for sustainability. This funding can facilitate equitable decentralization of basic services and improve access to specialized services. Addressing Critical Challenges: Focusing on key challenges, such as the health workforce, infrastructure and equipment, and affordability of services, will significantly reduce preventable deaths, especially maternal and child mortality. Additionally, addressing these challenges can help manage the rising rates of NCDs, ultimately enhancing the productivity of Rwanda's human capital. Investment in Data Systems: Prioritizing investment in data systems that promote data use by both service providers and decision-makers is essential. Building a culture of quality and accountability around data can enhance healthcare delivery and inform evidence-based decision-making.

Rwanda's decentralization program which was adopted in 2000 provides the institutionalframework for improving service delivery and operation efficiency in public sector. The third generation Fiscal Decentralization Strategy was adopted in May 2011 to among others provide resources for equitable development at the local government level and strengthen participatory planning and management capacity. The EDPRS-II thematic pillar of accountable governance is also aimed at improving service delivery and citizen participation in and satisfaction with delivery of development outcomes. Several initiatives are in place to promote efficiency in service delivery and accountability. For example, heads of central and local government agencies sign performance contracts (PC) annually with the President explicitly indicating their performance targets against which an annual evaluation is conducted to assess the achievement of the set goals. The Government has improved the modalities for setting and evaluating PCs through electronic means and engaging an independent think tank to provide and independent external opinion on PCs.Several ongoing reforms have been strengthened in the past two years to improve business processes with a view to enhancing service delivery and operational efficiency. In the Justice sector the Government implemented and integrated electronic case management system (IECMS) which allows several agencies responsible for Justice, Law and order to coordinate and monitor the progress of cases right from inception by agencies responsible for prosecution up to its final closure by the courts of Judicature thereby improving the efficiency and reliability of the Justice sector in the management of cases. In property registration, The Rwanda Revenue authority implemented included the e-tax refund module to in including filing for tax refund. The e-platform was also introduced to register property especially land thus significantly shortening the registration of land property from 30 days to just 1 day. The Rwanda Natural Resources Authority introduced a fast-track procedure for commercial property transfers and improved the transparency of the land registry by establishing a land administration services complaints mechanism and by publishing statistics on property transfers. .transfers. . Government has also introduced an online platform known as irembo which can be accessed at https://irembo.gov.rw/rolportal/web/ to improve service delivery on services. Irembo e-Government platform has revolutionized service delivery by providing citizens and businesses with seamless access to an extensive spectrum of government services. These services encompass permit and license applications, tax payments, certificates, and essential government information. Operating around the clock, Irembo ensures convenience, transparency, and efficiency, leading to reduced corruption and operational costs, aligning perfectly with Rwanda's broader digital transformation vision, aimed at becoming a knowledge-based economy and ultimately enhancing the scope and quality of public service delivery. Rwanda also has streamlines access to electricity by offering a convenient digital payment platform for Smart Cash Power which operates on a prepaid basis, reducing unpaid bills and ensuring a reliable electricity supply. The system promotes transparency and control over electricity consumption, encouraging energy efficiency, minimizing minimize revenue losses for utilities and aligns with Rwanda's electrification objectives, to increase access to electricity for both urban and rural communities.The government recognizes that corruption is a strong barrier to improved service delivery and as part of its long-term development vision has pursued vigorously a zero-tolerance approach to corruption. This approach has been fundamental to the strong growth and service delivery performance recorded over the past decade. Since 2018, efforts have been made to combat 'grand' corruption in governance by separating policy and operational roles, implementing digital systems, and dividing labor between political and managerial positions. Control measures have been established to prevent misuse of political power, with recent cases involving procurement-related corruption leading to convictions and sentences for individuals, including state ministry officials and permanent secretaries. Rwanda stands as one of Africa's least corrupt nations, with a 2021 Corruption Perceptions Index score of 53/100 from Transparency International, representing a slight decrease of one point compared to its 2020 score.

9.b. Education, ECD, training and literacy programs

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda's firm commitment to education as a catalyst for socio-economic transformation is evident through its Vision 2050, which places Human Capital Development at its core. Central to this vision, the Education Sector Strategic Plan (ESSP) for 2018/19–2023/24 defines the sector's priorities during the NST-1 period and underscores the aspiration to enhance the skills and competencies of the existing workforce, generating employment opportunities for the burgeoning youth population. The 2022 census reveals that a staggering 44.5% of Rwanda's population is under 18 years old, representing both potential for a future workforce and significant challenges if this demographic fails to access the quality education necessary for Rwanda to achieve its ambitions by 2035.

Developed through collaboration involving various stakeholders at both central and district levels, under the guidance of the Ministry of Education (MINEDUC), the ESSP reflects collective input. Working groups dedicated to Basic Education, Technical and Vocational Education and Training (TVET), and Higher Education identified key priorities, informing an iterative process that culminated in the ESSP document. Extensive consultations determined the priorities, outcomes, outputs, indicators, and targets, firmly underscoring the importance of aligning educational access progress with sustainable quality improvements, including enhancing the capacity and professional development of educators.

Over the past decade, Rwanda has made significant strides in expanding access to education, primarily through the introduction of fee-free primary and secondary education, resulting in a commendable net enrolment rate of 98.9% in 2020/21. However, recent learning assessments have raised grave concerns about the quality of education in the country. Despite the remarkable increase in access, learning outcomes remain a formidable challenge. Literacy and numeracy skills in basic education are subpar, and repetition rates persistently high. Completion rates across various education levels, from primary to secondary, technical/vocational, and higher education, remain unsatisfactory, accompanied by a persistent repetition problem. These issues stem from inadequate investments in teacher training and the insufficient supply of learning materials, with an alarming average pupil-textbook ratio of 5:1 and a teacher-pupil ratio of 1:61, resulting in "double shifting" in classrooms and limiting instructional time. Furthermore, limited proficiency among English teachers poses an additional barrier to literacy and communication skills, as English serves as the medium of instruction for various subjects, affecting subjects like math and science.

Stunted growth, currently affecting 38% of the population, also hampers educational outcomes at the basic level. To meet NST-1 objectives aimed at creating at least 120,000 non-farm jobs annually, the government has substantially increased investment in TVET to meet the future training needs of the youth, who constitute 40% of Rwanda's population. However, the 2022 labor force survey revealed that 34.2% of youth aged 16-30 are neither employed nor engaged in education or training (NEET). Moreover, only 6% of university students enroll in technical disciplines such as engineering, and just 9% pursue sciences, figures falling below international standards. Insufficient skills and capacity in engineering and ICT pose substantial obstacles to realizing Rwanda's vision of becoming an ICT and science hub.

The World Bank's future drivers of growth study indicates that tertiary-level graduates in Rwanda often lack the technical skills demanded by the job market. Many science, technology, engineering, and mathematics (STEM) and social science courses are criticized for being excessively theoretical and less aligned with market needs. Bridging the gap between academia and the job market remains a challenge, with teachers themselves often lacking practical experience. The tracer study of 2018-2019 underscored the deficiency of hands-on experience and practical skills among students graduating from ICT-related programs in 2019.

To address these quality issues in the education sector, Rwanda initiated a "partnership compact" for education in 2022, following extensive consultations with stakeholders, including the United States Agency for International Development (USAID), the United Kingdom’s Foreign, Commonwealth & Development Office (FCDO), and UNICEF. This compact embodies a sector-wide approach aimed at improving inclusive quality teaching and learning for all, with a particular focus on foundational literacy and numeracy, timely enrollment and progression in foundational grades and beyond. This effort has since evolved into the National Strategy for Foundational Learning (22/23-26/27).

Regenerate

9.c. Prevention and treatment of HIV/AIDS, tuberculosis, and malaria

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda has executed three Health Sector Strategic Plans (HSSP), yielding significant achievements across health indicators. The Rwanda Health Sector Performance Report (2018-2019) summarizes outcomes under HSSP III (2012-2018) and the first year of HSSP IV (2018-2024). Learning from HSSP III, the Ministry of Health developed HSSP IV, aligning with Vision 2050 and NST I pillars. HSSP IV also incorporates Rwanda's global and regional commitments, such as the SDGs. HSSP IV details strategies for addressing HIV/AIDS, TB, and malaria using a Health Sector Wide Approach (SWAp). Monitoring via the Rwanda Health Management Information System (HMIS), linked with the District Health Information System, ensures program effectiveness. Funding comes from the government budget and external sources (e.g., GAVI Alliance, Global Fund, U.S. Government). Progress includes a 95% rate of pregnant HIV-positive women receiving antiretroviral, reducing mother-to-child transmission to 2%. Adult HIV prevalence remains stable at 3% since 2005. Over 95% of health facilities now provide HIV prevention and treatment, aiding over 80% of HIV+ cases with low CD4 counts. Malaria mortality decreased from 33.6 (2018) to 26.8 (20), partly due to an emergency malaria plan adopted since FY 2015/16. The National TB

Control Program raised treatment success rates from 87.6% (2011) to 90% (2015) through better coordination and modern X-ray technology. TB prevalence remains low at 50-57/100,000 people (2018-2019).To sustain healthcare, Rwanda introduced measures like Community-Based Health Insurance (CBHI), performance-based funding, and efficient coordination of development partner support. A new Health Sector Financing Policy (2018-2024) aims to diversify funding sources and adopts innovative financing mechanisms.

10. Social Protection and Labor

Criteria Score: 4.5

10.a. Social safety net programs

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

Rwanda has placed social protection at the forefront of its poverty reduction, inclusive economic growth, and national development efforts. This commitment is enshrined in a comprehensive social protection framework, which includes Vision 2050, the National Social Protection Policy (2020), and the Social Protection Sector Strategic Plan (2017-2024). This framework emphasizes universal lifecycle social protection and underscores the importance of inclusive, shock-responsive social protection to safeguard livelihoods and build resilience.

The recent introduction of the National Strategy for Sustainable Graduation (2022) further strengthens Rwanda's dedication to empowering vulnerable populations through integrated services. One noteworthy initiative, the Vision Umurenge Programme (VUP), launched in 2008, has evolved to play a pivotal role in reducing poverty and enhancing livelihoods. Data from the EICV surveys illustrates its positive impact, with a significant reduction in extreme poverty from 35.8% in 2005/6 to 16.3% in 2013 during EICV4, largely attributable to the VUP's efforts. However, the latest EICV5 data from 2017 reveals a persistent 16% extreme poverty rate, indicating a stagnation in progress. Moreover, the VUP faces financial challenges, with budget allocations declining in 2023/24. The shift towards increased external financing compared to domestic funding poses sustainability concerns. Additionally, the VUP's coverage among persons with disabilities is notably low, reaching only 9.7% of women and 8.3% of men with disabilities. Substantial coverage variations persist between predominantly rural and urban districts, ranging from over 20% in Burera, Nyamasheke, and Ngororero to under 5% in Nyarugenge, Gasabo, Kicukiro, and Rwamagana, reflecting varying poverty levels. Closing these coverage gaps is imperative to enhance inclusiveness and achieve the desired impact on poverty reduction. Complementary services are pivotal in promoting sustainable graduation. Rwanda's provision of Community-Based Health Insurance (CBHI) for all citizens is a crucial element to enhance resilience and support graduation from poverty. Other complementary services, such as school meal programs, also play a significant role in this regard. Research on education programs across 52 countries reveals that school feeding initiatives have a positive impact on school participation and learning outcomes, with a return of up to US$9 for every US$1 invested.

Given this context, the following recommendations are proposed within the framework of the National Strategy for Sustainable Graduation:

Expand Coverage: Ensure comprehensive coverage, bridging urban and rural gaps, and including vulnerable households.

Increase Benefit Levels: Regularly adjust benefit levels to keep pace with inflation, meeting the basic consumption needs of the poorest individuals.

Strengthen Targeting: Enhance the integrated functions of the dynamic social registry and link it with other government information systems to improve the identification of lifecycle risks.

Strengthen Institutional Capacity: Invest in institutional capacity at all levels to facilitate efficient and holistic service delivery.

Promote Household Resilience: Foster collaboration among government entities to provide a sequenced graduation package and enhance the system's shock responsiveness.

Ensure Programmatic Effectiveness: Redesign programs like public works to promote decent work and deliver reliable safety net support.

Improve Efficiency of Data Management Systems: Enhance system interoperability, digitization, and data quality to bridge coverage gaps and support improved delivery systems.

Address Financing Gaps: Develop a comprehensive financing strategy for sustainable domestic funding and strengthen linkages with climate and disaster risk financing.

Invest in Monitoring and Evidence Generation: Allocate resources for robust evidence generation, research, and feedback mechanisms to support informed decision-making and continuous improvement.

10.b. Protection of basic labour standards

Score Type	Value
Draft Score	4.0
Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

Rwanda has ratified a total of 28 International Labour Organization (ILO) Conventions, including ILO Convention 182 on the Worst Forms of Child Labor. The legal framework and institutional arrangements related to these conventions have been previously detailed in CPIA reports.

To advance human development, especially among children, Rwanda has incorporated various approaches into the Education Sector Strategic Plan (ESSP) 2018-2024, derived from the National Strategy for Transformation (NST-1). The ESSP's policy priorities center on attaining universal, high-quality education with an emphasis on accessibility and equity across all education levels. This aligns with Rwanda's goal of transitioning from a 9-year basic education (9YBE) system to providing 12 years of equitable access to basic education (12YBE). The ESSP also outlines multiple complementary programs designed to ensure equal access to higher education, science, technology, innovation, and technical and vocational education and training (TVET) for both genders.

Under the oversight of the Ministry of Public Service and Labor (MIFOTRA), the Employment Ecosystem Policy and Strategy Department coordinates the implementation of the Revised National Employment Policy (2019) and various labor-related policies and strategies. The National Employment Policy serves as a guiding document for the execution of other policies, some of which contribute to promoting employment and generating income opportunities for Rwandans. Since its adoption in 2007, the National Employment Policy has led to progress in areas such as skills development, entrepreneurship promotion, business climate enhancement, and increased access to finance for small and medium enterprises, among other achievements.

The Government of Rwanda recognizes that achieving productive employment and decent work necessitates coordinated and sustained efforts across various stakeholders, including government, private sector, and civil society. This entails a paradigm shift wherein employment becomes integrated into all policy frameworks, including macroeconomic and sector-specific policies. The approach aims to provide a coherent and coordinated strategy, outlining supportive policies in two main areas: an integrated strategy for economic growth and job creation, and targeted interventions to assist the unemployed and underemployed in overcoming specific barriers to entering the labor market.

The primary objective of this policy is to promote fully productive, decent, and freely chosen employment, particularly for youth, women, and Persons With Disabilities, in alignment with economic growth and the respect of fundamental human rights. The policy also strives to create a conducive environment for private investment and employment generation, emphasizing economic stability through inflation management, liberalization, savings promotion, productivity enhancement, and investment promotion for rapid economic recovery.

In 2017, the ILO conducted an assessment titled "Assessment of public employment services and active labor market policies in Rwanda." This assessment examined the provision of employment services in Rwanda by analyzing institutional, policy, and legal frameworks. The report highlighted Rwanda's significant efforts to coordinate the implementation of Active Labor Market Programs through the establishment of the National Employment Program in 2014, featuring an elaborate institutional coordination framework involving seven ministers. However, it noted that the Public Employment Service was in its early stages, with only two operational centers and a need for a clearer conceptual and organizational framework to ensure system-wide coordination. The assessment provided specific recommendations to the government and constituents for improving the Public Employment Service.

10.c. Labour market regulations

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

Labor market regulation laws and institutional arrangements had been discussed in the 2018 CPIA report.

To support the implementation of the country's employment program, the government in 2019 revised its national employment policy. This employment policy provides a coherent and comprehensive approach to promoting decent and productive employment so essential to the eradication of poverty, in line with international, continental and East African frameworks and commitments. The National Employment Policy is a guiding document for the implementation of other policies in which some of the interventions have interfaces in promoting employment and income generating opportunities for Rwandans. Since the adoption of National Employment Policy in 2007, progress was registered in areas such as skills development, entrepreneurship promotion, improvement of the business climate and access to finance for small and medium enterprises, among others. Through this Policy, the Government of Rwanda recognizes that productive employment and decent work cannot be achieved through fragmented and isolated interventions which call for sustained, determined and concerted efforts by all stakeholders, from government, private sector and civil society among others. This will be achieved through strong coordination and cooperation across government institutions and agencies at both central and local levels. This entails a paradigm shift where employment is integrated in all policy frameworks, including macroeconomic and sectorial policies. It also seeks to provide the necessary coherent and coordinated approach that outlines supportive policies on two fronts, namely, an integrated strategy for growth and job creation, and targeted interventions to help the un- and underemployed overcome the specific barriers to their smooth entry into the labor market. To support the implementation of the new National Employment Policy, the Government prepared the National Skills Development and Employment Promotion Strategy 2019-2024. The strategy aims to support this long-term vision through five themes. The activities focus on demand-driven interventions, specifically skill development that fulfils the needs of current businesses and potential investors. To achieve this there must be strong private sector engagement and leadership. Monitoring and evaluation of this should be impact led, focusing on employment outcomes. Given the need to focus on what is most effective, there must be flexibility to ‘test and learn’ and adapt programming fast. These findings will support allocating resources to what works best, through performance-based management.

According to the NISR’s commissioned labor force survey of results 2019, the working age population (16 years and above) was 7,231,536 of which 3,862,799 persons (53.4 percent) were in the labor force, while 3,368,737 were outside the labor force. For those in the labor force, 3,273,921 were employed, while 588,878 were unemployed. Among those outside the labor force, 1,693,174 persons were engaged wholly or mostly in subsistence foodstuff production, not classified as employment according to the 2013 international standards on statistics of work, employment and labor underutilization. The annual unemployment rate stood at 15.2 percent, indicating that roughly for seven persons in the labor force there was one person unemployed. The unemployment rate was higher among women (17.0 percent) than among men (13.8 percent) and higher among young people 16-30 year (19.4) than among adults 31 years and above (12.0 percent). It was relatively the same in the urban and rural areas (15.3 and 15.2 percent respectively).

MIFOTRA leads monitoring of the implementation of the labor market programs in collaboration with other line ministries including the Ministry of Education, Ministry of Trade and Industry, and private sector agencies such as the Private Sector Federation as well as Rwanda Workers' Trade Union Confederation (CESTRAR). This institutional framework also includes two chief labor inspectors at MIFOTRA and one labor inspector at each of the 30 districts who monitor the enforcement of the relevant labor legislation. These inspectors conduct annual compliance inspections to assess compliance with the Labor Law and the findings are published in a Compliance Report that is also made available to the public.

An effective judicial system complements MIFOTRA and the other agencies to ensure that the provisions of the Labour Law N° 66/2018 of 30/08/2018 and corresponding Ministerial Orders are enforced. According to the 2016/17 and 2017/18 Global Competitive Index (GCI), Rwanda improved its ranking on the labour market efficiency pillar from 49/140 in 201 to 45/141 countries in 2019 report. Rwanda’s GCI ranking on active labor policy dropped from 81/140 countries in 2018 to 67/141 countries in 2019 report; workers right ranking also dropped from 24/140 to 40/141 countries over the same reporting period. However, Labour tax rate ranking improved from 22/140 countries in 2018 to 21/141 countries in 2019 report.

10.d. Community driven initiatives

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5
Second Draft Score	4.5
Final Score	4.5

Country Notes:

The National Strategy for Community Development and Local Economic Development (NSCD&LED) 2013-18 was adopted in 2013 to guide the mobilization of all stakeholders in a coordinated, inclusive, and systematic approach to achieve community development and local economic development. The NSCD&LED is in line with the NST-1 themes of economic transformation, rural development, youth employment and productivity, and accountable governance. In particular, NST-1 recognizes that inclusive local socio-economic development and poverty reduction in Rwanda are pre-requisites to the overarching goals of structural change and shared economic growth.

The NSCD&LED focuses on three pillars: (i) Community development to enhance community empowerment and citizen participation. Focus here is placed on deepening the decentralization process and increasing participation in and ownership of the national and local community development (CD) programs; (ii) Local economic development (LED) to improve local capacity for sustainable economic growth including through MSME growth and job creation. Emphasis here is placed on creating awareness across stakeholders, improving business enabling environments and other approaches such as value chains to promote LED, and increasing participation of women, youth and other socially marginalized groups in LED activities; (iii) Support Systems for CD and LED through improving human capital and skills, developing suitable economic infrastructure and ICT, improving service delivery in the public and private sector and promoting coordination in the design and implementation of the CD and LED policy, institutional and regulatory framework.

The NSCD&LED is implemented through an institutional framework that brings together the local stakeholders – the community, private sector, civil society, local authorities and the Joint Action District Forums – and national stakeholders – the Ministries of Local Government; Finance and Economic Planning; and other sector ministries including Trade and Industry; Agriculture; and Infrastructure. This framework ensures that the local communities at various administrative units such as Sectors and Cells are involved in the identification, planning, and budgeting for the programs and activities to promote CD and LED. This ensures ownership and buy-in and also the successful implementation and sustainability of these initiatives.

The NSCD&LED provides a holistic approach to CD and LED which also includes previous activities such as: (i) the community service (Umuganda) initiative that dedicates the last Saturday of each month to community efforts including cleaning the neighborhoods, constructing and maintaining some basic economic and socio-infrastructure and measures to support the elderly and vulnerable groups such as repairing and/or construction new housing; and (ii) the contributory Community-Based Health Insurance scheme whose coverage is estimated at 70% of the population in 2015.

CD and LED programs are monitored through various tools including the bi-annual Joint Sector Reviews (JSRs) and annual performance contracts (locally referred to as the Imihigo) evaluation exercise for both central and local government officers. The evaluation is conducted jointly by Government representatives, think-tanks, and Civil Society Organizations (CSOs), which further provides CSOs with access to information on public affairs. According to the Governance score card of 2017/18 report. citizen participation in decision making particularly in local government; planning budgeting and monitoring has reached 76.6% compared to the target of 80% in FY 2014/15. Consequently, the %age of citizens reporting satisfaction with the quality of service delivery at the community level has reached 85.6 % against 73.5% according to the same report. The Rwanda Governance Board also conducts an annual 'Governance month' which provides various stakeholders including citizens and CSOs with the opportunity to dialogues with their leaders at national and local government levels on topical development issues and to resolve any complaints raised by the local citizenry. Several initiatives have also been institutionalized to support the integration of local communities into local government process. These include the creation of pooled funds in all the 30 districts for local government capacity building and holding citizens consultative on local government performance contracts.

10.e. Pension and old age savings programs

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

The National Social Security Policy (NSSP),The National Social Security Policy (NSSP) developed in 2009 provided the framework for the development and implementation of pension and old age savings programs in Rwanda. The overarching goal of the NSSP is to guide the provision of sufficient protection to all Rwandans against the unintended negative outcomes resulting from different ‘life cycle events and risks.

The establishment of the Rwanda Social Security Board (RSSB) in 2010 following the enactment of Law no. 45/2010 of 14/12/2010 later revised under Law N° 009/2021 of 16/02/2021 Establishing Rwanda Social Security Board is part of the strategic actions taken to actualize the goal of the NSSP.

The Rwanda Social Security Board (RSSB) was established in December 2010 through the merger of the Social Security Fund of Rwanda (SSFR) and Rwandaise d'Assurance Maladie (RAMA). With the addition of the Community-Based Health Insurance Scheme, the Maternity Leave Benefit Scheme and EjoHeza, a new scheme for long-term savings, we now have a large and ambitious mandate. Today, RSSB manages six schemes: 1. Pension Scheme (PS) 2. Occupational Hazards Scheme (OH) 3. Maternity Leave Benefit Scheme (MLB) 4. Medical Scheme (commonly still called ‘RAMA’) 5. Community-Based Health Insurance Scheme (CBHI) 6. EjoHeza (EH)

RSSB currently covers pension, occupational risks and health insurance and offers benefits related to old age, invalidity, survivorship, work injuries and work-related diseases and health insurance. RSSB is supervised by Banking Law no. 55/2007 of 30/11/2007 and its activities are under the purview of the Ministry of Finance and Economic Planning. Rwanda has two social security branches: (i) mandatory insurance which covers all salaried workers regardless of nationality and active political representatives;

and (ii) voluntary insurance that caters for self-employed persons – including in the informal sector – under 45 years of age. Employee contributions to RSSB amount to 15% of their salary with the employee and employer each contributing 7.5%.

The number of employees contributing to the Pension Scheme and Medical Scheme has increased at an annual rate of 9.5% and 2.1% respectively, over the period of the 2015-20 Strategic Plan.

Old age pension is accessible to persons aged at least 55 years, persons that have been insured by RSSB for at least 15 years or any other pension age as determined by relevant statutory arrangements. Anticipated pension or early retirement pension caters for workers who are physically or mentally incapacitated and thus unable to work for payment before they attain retirement age. Invalidity pension covers accidents or diseases that are not occupational work related. Once a worker attains 55 years of age, their invalidity and early retirement pensions are replaced by old age pension. These three pensions (old age, invalidity, and early retirement) are computed based on a worker's average monthly remuneration for the past 3 or 5 months of their salaried employment. A worker has the option of drawing down their old age pension in lump sum (computed as the average monthly remuneration multiplied by the number of 12 month-periods of insurance) or monthly. Upon the death of a worker, their surviving spouse continues to receive the monthly pension until their death. The deceased worker's children who are under 18 years (under 25 years if students and no age limit if disabled and cannot work for a salary) are also eligible for 'survivor's benefits' at 50% and 25% of the deceased's pension respectively. RSSB services are decentralized and information is available online (www.rssb.rw), via SMS and at the RSSB district offices.

The merger of the merger of SSFR and RAMA yielded several benefits including improving geographical accessibility of health services both private and public at district level and national referral hospitals. Over 40 private health facilities and 69 pharmacies are partnering with RSSB in the implementation of its medical insurance branch of social security. To ensure fiscal sustainability, an agreed list of permissible medical treatments and medicines to be covered by all insurance companies including RSSB has been established by the Ministry of Health and reflects both the cost of treatment and the purchasing power of Rwandans. RSSB covers 85% of its member's health care costs with members contributing the remaining 15%. Pensioners are also covered in RSSB's medical insurance and a 7.5% contribution is deducted from their monthly pension.

A new pension Law no; 05/2015 of 30/03/2015 governing the organization of pension's schemes was promulgated in May 2015. The Law among other things has increased the retirement age from 55 years to 60 years and will contribute the financial sustainability of the country's pensions systems. One of the negative features of Rwanda's pension scheme however is its restricted coverage to less than 7% of the working population and 2.3% of the total population as the Majority of Rwandans are still employed in the informal sector.

The RSSB pension scheme currently barely covers 10% of Rwanda's workforce focusing largely on public and private sector salaried employees. The excluded 90% of the workforce is covered by neither a pension scheme nor a long-term savings scheme. To deal with this, a long-term savings policy proposal for all citizens was developed in 2016/2017. This scheme expands social security coverage by introducing pre-retirement benefits. The major benefits expected from the implementation of the long term savings scheme ought to be: (i) raising national savings levels, (ii) providing adequate resources for long term productive investments, (iii) providing a pension product for the informal sector (currently not provided for by RSSB), (iv)ensuring adequate housing and tertiary education for all. The proposed expanded scheme will cater for three population segments (i) public sector salaried employees, (ii) private sector salaried and self-employed business owners and (iii) people involved in the informal sectors (earning irregular and low income). This law has been endorsed by cabinet, the IT platform completed and the actual implementation and operationalization of the LTSS started in 2017/18.

As is the case across Africa and South Asia, formal pension arrangements in Rwanda are restricted largely to salaried public and private sector employees. The remaining 94% of its citizens, including farmers, workers in small and micro enterprises, daily wage earners, domestic help and other non-salaried individuals are excluded from formal retirement saving programs. To address this issue, Rwanda Launched Africa's First Universal Digital Pension Scheme for The Mass Market. In December 2018, His Excellency, Paul Kagame, President of the Republic of Rwanda launched the Long-Term Savings Scheme named EjoHeza (Kinyarwanda meaning for "Brighter Future") during the 16th National Umushyikirano Council (the National Dialogue). The launch was attended by over 2,000 participants that included members of the Cabinet and Parliament, representatives of the Rwandan community abroad, local government, Civil Society Organizations, media and the diplomatic community.

The EjoHeza Scheme was set up under Law N° 29/2017 of 29/06/2017 as a simple and secure, long-term savings scheme sponsored by the GoR to help all Rwandans and foreigners living in Rwanda have a pension saving scheme and retire with dignity. It was intended to encourage the culture of saving, to promote financial inclusion, achieve poverty alleviation and stimulate economic growth. EjoHeza is an entirely voluntary scheme. It operates in a marketplace in which private sector companies offer savings products both similar to and different from EjoHeza's. It sits alongside the informal, community- and family-based savings and transfer systems that have traditionally played a significant role in meeting the financial needs of individuals in Rwanda. It currently offers a single, undifferentiated savings product. It operates on a digital platform that aims to provide straightforward application processes for new joiners and ease of access for individual members to information about their savings. The use of electronic and automated systems allows transactions to be processed quickly and helps to minimise operational costs.

It offers opportunity and incentives for all Rwandan's to save a voluntary share of regular or irregular earnings to mitigate against the risk of old age poverty. In January 2019, the Scheme was pilot tested in a few districts. Over 30,000 citizens used their mobile phones to open digital EjoHeza accounts in less than a fortnight and have already contributed over Rwf 20 million in long-term savings using mobile money wallets.

11. Environmental Policies and Regulations

Criteria Score: 5.5

11. Environmental Policies and Regulations

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5

Second Draft Score	5.5
Final Score	5.5

Country Notes:

In 2023, Rwanda continues its determined efforts to address environmental challenges and strengthen its institutional capabilities. The nation's long-term vision for sustainable development, extending until 2050, relies on two key strategies: The Green Growth and Climate Resilience Strategy (GGCRS) and the National Strategy for Transformation (NST-1 2018-2024). These strategies provide a detailed plan for managing agricultural, industrial, and service sector activities sustainably, with a primary focus on achieving economic growth and reducing poverty. Importantly, they fully integrate environmental management and climate change considerations.

Rwanda recognizes that a significant portion of its population depends on agriculture for their livelihoods. Therefore, the sustainable use of land, water, biodiversity, and natural resources is crucial for reducing poverty. The Ministry has developed the Environment and Natural Resources (ENR) Sector Strategic Plan (SSP), covering the years 2018/19 to 2023/24. This plan aligns with NST-1, Vision 2020 goals, Vision 2050 priorities, Sustainable Development Goals (SDGs), and Rwanda's commitments to the Paris Agreement on Climate Change. Rwanda submitted an Updated Nationally Determined Contribution (NDC) to the UNFCCC in 2020, pledging to reduce greenhouse gas emissions by 38% by 2030, which is equivalent to mitigating around 4.6 million tons of carbon dioxide emissions. This ambitious plan involves a total investment of USD 11 billion, split between mitigation and adaptation measures. To ensure all policies, plans, and programs align with environmental goals, they undergo a Strategic Environmental Assessment (SEA) and are integrated into the Ministry of Finance and Economic Planning's Budget Call Circular. In 2022 the Government has agreed to adopt the IMF’s Green Public Financial Management (PFM) approach following the IMF-led Climate Public Investment Management assessment (C-PIMA) in 2022 to better integrate climate issues into public investment systems. Based on these, MINECOFIN is also looking to introduce a climate budget tagging system to better identify climate or environmental spending in national plans and budgets. In June 2023, Rwanda strengthened its commitment to sustainability by revising the Green Growth and Climate Resilience Strategy (GGCRS-II) to align with Vision 2050. This revised strategy prioritizes climate resilience and green economic innovation. It outlines four main areas of focus: Green Industrialization and Trade, Green Urban Transition and Integration, Sustainable Land Use and Natural Resource Management, and Vibrant Resilient Green Rural Livelihoods. Rwanda aims to secure an annual investment of USD 2 billion per annum from both the public and private sectors to fund these initiatives, with leadership from the Ministry of Finance and Economic Planning and the Rwanda Green Fund. To ensure efficient financing for these goals, Rwanda launched the Ireme Investment facility in September 2022, during the United Nations Climate Change Conference (COP27) in Egypt. This facility, supported by the Rwanda Green Fund and the Development Bank of Rwanda (BRD), serves as a one-stop center for mobilizing green and sustainable investment. It initially had USD 104 million in capital and has since attracted additional funding from international donors, showcasing the potential of public-private partnerships in addressing global challenges. In terms of sustainable land use and natural resource management, Rwanda's National Land Use and Development Master Plan (NLUDMP 2020-2050) is a top priority and aligns with Vision 2050. Notably, Rwanda has performed well in green growth, with an index higher than the regional averages for East Africa, Southern Africa, and West Africa, demonstrating its strong commitment to environmental sustainability and climate resilience between 2010 and 2021.

(D) Public Sector Management and Institutions

Cluster Score: 5.2

12. Property Rights and Rule-based Governance

Criteria Score: 5.25

12.a. Legal basis for secure property and contract rights

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Secure Property Rights:

Rwanda's legal framework governing secure property rights has adapted in alignment with its development trajectory. Key milestones include the 2000 constitution, the 2004 land policy, the 2005 organic land Law, and the 2013 revised organic Land Law, all strategically aligned with the Vision 2020 objectives. These regulations have ushered in the first generation of reforms, primarily focused on systematic land registration to safeguard tenure rights, particularly for women, thus transforming land into a long-term productive asset for investment. Since 2018, Rwanda has effectively registered and legally secured land rights for 11.6 million parcels, with 6.6 million owned by women. These rights are meticulously preserved in a digital archive, complemented by an efficient land administration system that facilitates property transactions free from disputes. Most recently, Rwanda has adopted the 2019 land policy and the 2020 land use master plan to reinforce Vision 2050 objectives. These new regulations form the basis for comprehensive land mapping, surveying, land use planning, and administration, aiming to leverage land as a catalyst for enhancing agricultural productivity, promoting commercialization, and supporting urbanization and agglomeration, with the target of 70% urban population by 2050.

Enforcement of Contracts:

The enforcement of secure property and contract rights is governed by various agencies, including the Judiciary (criminal and commercial courts), National Police, Rwanda Revenue Authority, ORG, and the Rwanda Bureau of Standards. The efficiency of these institutions in contract enforcement has been significantly bolstered by the implementation of the Integrated Electronic Case Management System (IECMS) in 2016. This system facilitates the tracking of case processing across multiple agencies, from the initial stage to case closure. Notably, Rwanda's ranking on property rights improved from 35th out of 139 in 2017 to 43rd out of 139 globally in 2019. Simultaneously, its ranking in the quality of land administration services surged from 5th out of 39 to 1st out of 139 in 2019. These advancements underscore the nation's commitment to fostering a robust legal framework for property and contract rights.

12.b. Predictability, transparency, and impartiality of laws affecting economic activity

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda’s 2003 Constitution provides the legal foundation that ensures independence of the Legislature and Judiciary from the Executive. To consolidate Judicial independence, the approach to constituting the Supreme Court bench is a two-step process, starting with nomination of qualified candidates by the President following consultations with Cabinet and the High Council of the Judiciary. The Senate then vets and selects the final line-up of Supreme Court judges. The Constitutional provision on separation of powers and selection process for Supreme Court judges ensure that all laws and regulations, including those affecting businesses and individuals are uniformly applied.

Legal and regulatory frameworks and their amendments, including those affecting businesses and individuals, are published in three languages (Kinyarwanda, English and French) to ensure access to the majority of the population. Access to legislation and regulatory frameworks is further enabled by their publication on the Ministry of Justice webpage (/www.minijust.gov.rw/bills-and-laws/), respective agency websites for instance www.minicom.gov.rw. Legislation is also published in the official gazette with hard copies available at the office of the Prime Minister. Regulations, both legal and administrative are uniformly applied as a result Rwanda’ Score, on the rule of law index improved from 0.61 in 2019 to 0.63 in 2022 and was the highest score in all 34 countries assessed in Sub Saharan Africa and ranked 42/140 economies globally. This remarkable performance was mainly driven by highest improvements in order and security, an effective civil justice system which is free of discrimination and corruption.

12.c. Difficulty in obtaining business licenses

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda Development Board (RDB) offers one of the fastest business registration processes in Africa. Initiatives to streamline business registration through the Rwanda Development Board (RDB) have yielded impressive results, making the process fast, efficient, and cost-effective, taking only 6 hours. Notably, in 2021, Rwanda expanded its business registration services to include Trusts, Partnerships, Private, and Mixed Benefit Foundations, which resulted in the registration of 377 projects valued at USD 1.6 billion in 2022, a 26% increase from 2020.According to the latest 2019 Global Competitive Indicator, Rwanda ranks 46/141 on Business dynamics. Complementary business registration services have also been streamlined. The electronic land registry has resulted in the abolition of the requirement to complete processes for obtaining occupation permits and freehold titles from 30 days to a single day.

12.d. Crime and violence as an impediment to economic activity

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda is known for its peace and relatively low crime rate, which doesn't hinder economic activities. In Sub-Saharan Africa, it ranks 1st out of 34 countries on the rule of law index and 24th out of 139 countries globally. According to the 2022 Global Peace Index, the economic cost of violence in Rwanda is quantified at just 5% of its GDP, one of the lowest rates globally.

To combat corruption and economic crimes, Rwanda has put in place various legal tools, including the Law on Money Laundering, the Law on Public Tenders, the Law on Public Officials' Conduct, and the Law on Prevention, Suppression, and Combating Corruption, among others. These laws are effectively enforced by the National Public Procurement Authority and the National Police. The police force is widely regarded as honest and efficient in addressing both economic and violent crimes.

In the latest World Internal Security and Police Index, Rwanda ranks 50th globally and second in Africa, with an overall score of 0.683 and a police capacity score of 0.876. This index assesses the performance of security providers in four domains: capacity, process, legitimacy, and outcome.

5.0

13. Quality of Budgetary and Financial Management

Criteria Score: 5.5

13.a. Comprehensive and credible budget

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

The Government of Rwanda has established robust capacities for formulating, executing, and overseeing annual budgets within a Medium-Term Expenditure Framework (MTEF). These efforts are aligned with the country's medium- and long-term strategies, particularly Vision 2050 and the National Strategy for Transformation 2017-2024 (NST-1). These strategies aim to propel Rwanda into an upper Middle-Income Country by 2035, emphasizing economic diversification, poverty reduction, and fostering private sector-led job creation.

The annual budget process operates within the framework of an MTEF, spanning the budget year and two subsequent years. It is complemented by a well-defined and consistently followed annual budget calendar. Budget consultations with spending ministries and the legislature systematically occur, beginning with the issuance of budget call circulars (BCC) and the elaboration of the budget framework paper. Recent reforms have enhanced the BCC by incorporating elements such as budget baseline costings, a gender budget statement, and the adoption of performance-based budgeting.

Budget allocations are made according to the NST-1 priority areas of economic transformation, social transition and accountable governance pillars in a balanced manner to achieve inclusive growth. According to the citizen’s guide to the budget for 2023/24, out of the total resource envelope equivalent FRW 5,030.1 billion, the social transformation was allocated the lion’s share of 56% while the economic transformation and accountable governance pillars received 14% and 30 % respectively. This is in line with the authority’s strategy to rebalance the economy and strengthen the growth poverty transmission mechanism appropriately.

Public budget transparency has significantly improved through the development of a Citizen's Guide, available in both English and local languages. This guide simplifies the explanation of government objectives, revenue sources, and spending priorities, making the budgetary process more accessible to citizens and reinforcing government accountability. The Open Budget Survey (OBS) for 2021 underscores Rwanda's commitment to transparent public finance management, with a transparency score rising to 45.39 in 2021 from 39.22 in 2019.

However, there is room for improvement in enhancing the capabilities of key personnel to effectively utilize the Integrated Financial Management Information System (IFMIS) and other Public Financial Management (PFM) databases and software for greater budget transparency and informed decision-making.

13.b. Effective financial management systems

Score Type	Value
Draft Score	5.5

Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Budget processes in Rwanda are governed by the Organic Budget Law on State Finances and Property (Organic Budget Law N°12/2013/OL of 12.09/2013, revised in 2022) and Financial Regulations (N°001/16/10/TC of 26/01/2016). These regulations cover various entities, including the central government, sub-national government, public enterprises (government business enterprises), and extra-budgetary funds. The Office of the Auditor General (OAG) operates under OAG Law N°79/2013 of 11/09/2013 and Article 183 of the Constitution. The OAG's responsibilities include annually auditing and reporting to Parliament on the previous year's budget, providing audit opinions (including financial, compliance, performance, IT, and special audits) on budget execution reports and consolidated financial statements, and submitting copies to key stakeholders such as the President, Cabinet, Supreme Court, and the Prosecutor General. The OAG is also obligated to undertake any audits as requested by the Chamber of Deputies and report on any other audits conducted within a specific timeframe. The relationship between Parliament, the OAG, and the executive is governed by constitutional provisions, the OAG law, and the Organic Budget Law.

A new Organic Law on Public Financial Management (PFM) was recently enacted (No. 002/2022.OL of 12/12/2022), aligning PFM with IPSAS reform and strengthening other areas. Other relevant PFM laws include the Law on Public Procurement (N°62/2018 of 25/08/2018), the Law Establishing the Rwanda Public Procurement Authority (N°63/2007 of 30/12/2007, amended by Law N°05/2013 of 13/02/2013), the Law Establishing the Value Added Tax (N°37/2012 of 09/11/2012 with amendments by law N°02/2015 of 25/02/2015), and the Law Determining the Source of Revenue and Property of Decentralized Entities (N°75/2018 of 07/08/2018). A new Public Procurement Law has been gazetted (No. 031/2022 of 21/11/2022). Budget monitoring takes place throughout the year, facilitated by the Integrated Financial Management Information System (IFMIS). IFMIS comprises functional modules for planning, budgeting, accounting, treasury management, and audit. It integrates with the Personnel and Payroll Information System (IPPIS), e-Procurement (Umucyo), and other national databases at the Rwanda Revenue Authority (RRA) and the National Bank of Rwanda (BNR). IFMIS covers all central and local government budget agencies, and its reach extends to non-budget agencies, including district hospitals, sectors, and health centers. This comprehensive coverage enhances budget monitoring and data integrity. The publication of budget execution reports has significantly improved since the last assessment in 2021, and the pre-budget statement is now available online. The government is committed to further enhancing transparency by publishing reports 45 days after each quarter. Budget implementation in Rwanda demonstrates strong fiscal discipline, with deviations between planned expenditure and outturns averaging less than 10%. According to the latest PEFA report in 2022, Rwanda has maintained a B score for the indicator of aggregate revenue outturn compared to the original approved budget, highlighting improved technical proficiency at the Rwanda Revenue Authority. The composition of expenditure outturn compared to the original approved budget also improved from a score of C in PEFA 2016 to C+ in PEFA 2022, reflecting fiscal discipline in budget formulation and execution. Aggregate expenditure outturn compared to the original budget remained unchanged at B in both PEFA 2016 and 2022, underscoring strong fiscal discipline.The legislature provides adequate oversight during the budget cycle, scoring 65/100 in the 2022

Open Budget Survey, a rating that has remained consistent since 2019. These improvements reflect the government's commitment to ensuring strong fiscal discipline during budget preparation and implementation.

13.c. Timely and accurate fiscal reporting

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda has made significant strides in fiscal reporting, aligning with international standards and enhancing transparency. Fiscal reporting is supported by an automated IFMIS system compliant with GFSM 2014. According to the PEFA 2022 report, annual consolidated financial statements are prepared and audited within three months of the fiscal year's end, following International Public Sector Accounting IPSAS) international standards. These statements are now more comprehensive, covering revenue, expenditure, financial assets, guarantees, long-term obligations, and reconciled cash flow. External audits, complying with INTOSAI standards, are submitted to Parliament within seven months, covering 87% of financial statements for various entities over the past three years. These audits encompass financial, compliance, performance, and IT aspects. The 2022 PEFA report indicates an improvement in the timeliness and regularity of fiscal reports, from a C in 2016 to a B in 2022. Financial data integrity (PI-27) improved to an A from a B due to IFMIS strengthening. In-year budget reports (PI-28) progressed from a D to a C, and annual financial reports (PI-29) advanced from a C+ to a B+ due to a gradual transition from modified cash to IPSAS accrual basis, enhancing both information completeness and compliance with higher accounting standards.The Open Budget Survey 2022 shows Rwanda's open budget index score rising to 45 out of 100 in 2022, from 39/100 in 2019. The country also improved budget information availability by enhancing in-year report content.

External audit reforms kept pace with the broader Public Financial Management (PFM) reform agenda by aligning the audit methodology with international standards and implementing INTOSAI-endorsed audit manuals, along with peer quality assurance reviews. Audit coverage expanded from 91% (in 2021) to 95% (in 2022), including auditing government business enterprises, up from 10 in 2021 to 24 in 2022. The PEFA rating for the scope, nature, and follow-up of external audit remained at D+ in 2022, as in 2016. This primarily relates to how the PEFA methodology measures the Office of the Auditor General's (OAG) independence and the timing of OAG report submissions to the legislature, both rated D and C, respectively. The OAG's independence aligns well with Rwanda's political system, although it is considered a main weakness in the recent PEFA assessment. Follow-up on audit findings and recommendations improved from B in 2016 to C in 2022.

13.d. Clear and balanced assignment of expenditures and revenues to each level of government

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

The third generation Fiscal Decentralization Strategy, adopted in May 2011, provides clear guidelines for revenue and expenditure assignments between central and local governments. Expenditure allocation from the central government to subnational governments follows a transparent, needs-based, and poverty-adjusted formula approved by Cabinet in 2010. Key parameters for this allocation formula include district poverty profiles, population size, and the number of sectors in each subnational entity.

Starting from FY 2012/13, inter-entity transfers were eliminated, and all resources destined for local governments are directly transferred to their accounts from the National Treasury. This change has enhanced the financial autonomy of decentralized entities and improved their planning and budget processes. In the interest of efficiency, in 2014/15, the government re-centralized the collection of local government taxes through the Rwanda Revenue Authority (RRA). Taxes collected by RRA are subsequently returned to local governments through transfers. However, local government revenue mobilization remains low, with collections averaging less than 20% of the estimated potential, while transfers from the Central Government typically finance up to 90% of the local government budget.

The planning and budgeting process for FY 2023/2024 aligns with the strategic objectives of the National Strategy for Transformation (NST1) and Vision 2050. The budget aims to expedite economic recovery by boosting production in various sectors, ensuring the welfare of the population, and incorporating climate change mitigation and adaptation measures to enhance citizen livelihoods. As a result, resource allocation for the review period is as follows: Economic transformation – 56.%; Social transformation – 30%; and Transformational governance – 14%. Central government transfers to local governments constitute 86.2% of the total local revenue, with local government's own revenue accounting for 16.8%.

14. Efficiency of Revenue Mobilization

Criteria Score: 5.25

14.a. Tax policy

Score Type	Value
Draft Score	5.5
Reviewed Score	5.5
Second Draft Score	5.5
Final Score	5.5

Country Notes:

Rwanda has significantly improved its capacity to collect domestic taxes. The tax-to-GDP ratio has risen from 9.6% in 2000 to 15.8% in 2022/23, funding 68.3% of the budget for 2023/24, up from 43% in 2000. This progress results from structured tax policies and administrative measures, including the establishment of the Rwanda Revenue Authority in 1998 and the implementation of modern tax laws like the VAT Law and regulations on electronic billing machines.The tax structure mainly comprises taxes on goods and services and direct taxes, totaling 89% of the total tax revenue. Taxes on goods and services, including VAT, exercise tax, and the fuel levy, made up 46% of total taxes in 2023/24, down from 48.2% in 2018/19 due to the economic contraction caused by COVID-19. Taxes on income, profits, and capital gains contributed 43% of the total tax revenue, which is consistent with the contribution in 2020/21. International trade taxes remain low at 10% due to the integration of the East African Community customs union, while property taxes contribute 2% of the total tax revenue.   Rwanda's tax system includes a progressive structure for earned income, flat taxation on investment income, presumptive taxes for small businesses, and a "pay as you earn" collection system. To combat tax avoidance, Rwanda maintains a single 30% corporate tax rate, aligning it with the maximum personal income tax rate. Efforts to reduce tax base erosion led to the revision of the investment code in 2015, replacing blanket tax exemptions with targeted incentives for priority sectors. The use of electronic registers for VAT expanded among most taxpayers since 2014/15, enhancing tax compliance.   In FY 2023/24, the Rwandan government introduced tax policy changes to support local manufacturing, control inflation, and promote a low-carbon transition. These reforms included reducing import duties on rice and sugar to boost food supply and mitigate inflation. Import taxes on large transport vehicles were also lowered to address the rising cost of living due to high transport expenses. To expedite the transition to electric vehicles and reduce emissions, import taxes on electric and hybrid vehicles were waived. Capital machinery and raw materials used in textile, garment, and footwear manufacturing now incur a 0% import duty, promoting recovery in the manufacturing sector.   In July 2021, the government approved the Medium-Term Revenue Strategy (MTRS-1), spanning three fiscal years (FY21/22 to FY23/24). MTRS-1 aims to balance economic recovery and revenue mobilization to finance Rwanda's development priorities under the National Strategy for Transformation (NST-1). The strategy includes measures to enhance tax compliance and yield by 1% of GDP. These measures encompass restructuring the Personal Income Tax (PIT) rate schedule, implementing corporate income tax (CIT) reforms like rate reductions and eliminating tax incentives, introducing a minimum alternative tax (MAT) with MAT credits, adopting specific rates of excise duties, and providing VAT incentives through rebates for increased usage of electronic billing machines (EBMs). Recognizing the importance of tax policy, the Cabinet approved the creation of a new tax policy directorate under the Ministry of Finance and Economic Planning in 2021. The number of staff dedicated to this function increased from two to six. The new directorate will provide tax policy advice to the Minister, oversee the implementation of MTRS-1, propose changes to tax legislation, and conduct research to inform policy decision.

14.b. Tax administration

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda Revenue Authority (RRA) is the custodian of tax administration in Rwanda and is   established by (Law No 15/97 of November 1997 to collect tax revenue on behalf of the Government of Rwanda. Since 1997, RRA continues to make reforms in trade logistics and tax administration to   improve its efficiency in revenue administration. The most recent reforms in customs administration have largely focused on the Electronic Single window (E-SW); The E-SW which was introduced in 2012 has been upgraded with new modules in 2019 to support improvements in customs clearance. Effective 2019, VAT refund claims can now be submitted through the e-Tax Portal, which has significantly led to reductions in the time required to comply with VAT declarations and issuance of VAT refunds to taxpayers. The RRA is also implementing a single unified declaration form which combines Pay as You Earn (PAYE), Pension, and Maternity leave and Medical Insurance scheme contributions collectively. This will significantly reduce the time taxpayers spend making payments and declarations. The improved functioning of the E-SW has particularly improved regional exchange of real time trade data amongst the revenue administration agencies of the EAC partner states and enhanced the functioning of the single customs territory. Despite impressive tax administration measures in the last two decades, tax yield remains below potential due to limited economic diversification, a small private sector that is dominated by microenterprises and a predominantly informal nontaxable economy. The Rwanda Revenue Authority (RRA) has continued to implement MTRS measures aimed at (i) taxing the shadow economy, (ii) improving voluntary compliance through better taxpayer services, and (iii) promoting compliance improvement plans (CIPs) targeted at the manufacturing sector, large businesses, customs, and to combat tax evasion by individuals. A revised draft law on VAT was approved by Cabinet on 20th April 2023 and provide for offering VAT rebates for consumers who claim electronic invoices, and a reward for consumers who denounce businesses that do not issue electronic invoices. The revised VAT law also provides a range of penalties for VAT taxpayers that do not issue receipts. These measures are expected to increase the use of our electronic billing system and VAT collection, reduce revenue leakages and contain the build-up of VAT refund arrears, The RRA also ended the implicit fuel subsidy since April 5. These tax administration measures which fall under the MTR-1 are expected to yield 1% of GDP in additional tax revenue.

15. Quality of Public Administration

Criteria Score: 5

15.a. Policy coordination and responsiveness

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda has an elaborate architecture for policy coordination and responsiveness both horizontally – across sectors – and vertically – from central government to district and community levels. Vertical coordination is spearheaded by the Office of the Prime Minister (OPM) which is tasked with coordinating the implementation of key national policies and strategies. The National Strategy for Transformation NST-1 is used as a guide by government agencies to development an action plan indicating the policy actions and underlying activities that will be implemented during a fiscal year to contribute to the NST-1NST-1objectives. These objectives are assessed annually thorough the forward and back-ward looking review processes normally done through the Joint Sector Working groups (JSR). Heads of Government institutions sign performance contracts with the President committing to deliver on the agreed targets in the action plans. The Office of Prime Minister consolidates the individual agency action plans into an Annual Action Plan that is used to monitor implementation of NST-1

At the sector level, Sector Working Groups provide a forum for sector planning, budgeting and dialogue on sector priorities that underpin the activities in the individual agency action plans. The Joint Sector Reviews (JSRs) are particularly used for this purpose, to identify priorities for an upcoming fiscal year (JSR is held in April/ May) and to review progress achieved for a completed fiscal year (JSR is held in October/ November). The sector priorities, policy actions and underlying activities are drawn from the sector strategic plans which are also linked to NST-1. This ensures that the sector activities are directly linked to the NST-1 results matrix, which makes a JSRs a useful tool for monitoring the implementation of NST-1.

The coordination structure at local government level mirrors the central government. The Ministry of Local Government coordinates the planning and budgeting processes with the Joint Action District Forum—a forum which, performs a function like the Sector Working Groups at the central government level, allows local government stakeholders both state and non-state actors to engage local economic development. A District Development Plan is the primary planning tool at local government level and is also linked with NST-1. In line with the accountability framework in place at the central government level, district heads (Mayors) annually sign performance contracts with the President on the basis of the annual DDP implementation plans. At these District level discussions, Civil Society representatives are normally in attendance to express their views and to also make sure that the District officials are representing them adequately.

15.b. Service delivery and operational efficiency

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda’s decentralization program which was adopted in 2000 provides the institutionalframework for improving service delivery and operation efficiency in public sector. The third generation Fiscal Decentralization Strategy was adopted in May 2011 to among others provide resources for equitable development at the local government level and strengthen participatory planning and management capacity.

The EDPRS-II thematic pillar of accountable governance is also aimed at improving service delivery and citizen participation in and satisfaction with delivery of development outcomes. Several initiatives are in place to promote efficiency in service delivery and accountability. For example, heads of central and local government agencies sign performance contracts (PC) annually with the President explicitly indicating their performance targets against which an annual evaluation is conducted to assess the achievement of the set goals. The Government has improved the modalities for setting and evaluating PCs through electronic means and engaging an independent think tank to provide and independent external opinion on PCs.

Several ongoing reforms have been strengthened in the past two years to improve business processes with a view to enhancing service delivery and operational efficiency. In the Justice sector the Government implemented and integrated electronic case management system (IECMS) which allows several agencies responsible for Justice, Law and order to coordinate and monitor the progress of cases right from inception by agencies responsible for prosecution up to its final closure by the courts of Judicature thereby improving the efficiency and reliability of the Justice sector in the management of cases. In property registration, The Rwanda Revenue authority implemented included the e-tax refund module to in including filing for tax refund. The e-platform was also introduced to register property especially land thus significantly shortening the registration of land property from 30 days to just 1 day. The Rwanda Natural Resources Authority introduced a fast-track procedure for commercial property transfers and improved the transparency of the land registry by establishing a land administration services complaints mechanism and by publishing statistics on property transfers. .transfers. . Government has also introduced an online platform known as irembo which can be accessed at https://irembo.gov.rw/rolportal/web/ to improve service delivery on services. Irembo e-Government platform has revolutionized service delivery by providing citizens and businesses with seamless access to an extensive spectrum of government services. These services encompass permit and license applications, tax payments, certificates, and essential government information. Operating around the clock, Irembo ensures convenience, transparency, and efficiency, leading to reduced corruption and operational costs, aligning perfectly with Rwanda's broader digital transformation vision, aimed at becoming a knowledge-based economy and ultimately enhancing the scope and quality of public service delivery.   Rwanda also has streamlines access to electricity by offering a convenient digital payment platform for Smart Cash Power which operates on a prepaid basis, reducing unpaid bills and ensuring a reliable electricity supply. The system promotes transparency and control over electricity consumption, encouraging energy efficiency, minimizing minimize revenue losses for utilities and aligns with Rwanda's electrification objectives, to increase access to electricity for both urban and rural communities.

The government recognizes that corruption is a strong barrier to improved service delivery and as part of its long-term development vision has pursued vigorously a zero-tolerance approach to corruption. This approach has been fundamental to the strong growth and service delivery performance recorded over the past decade. Since 2018, efforts have been made to combat 'grand' corruption in governance by separating policy and operational roles, implementing digital systems, and dividing labor between political and managerial positions. Control measures have been established to prevent misuse of political power, with recent cases involving procurement-related corruption leading to convictions and sentences for individuals, including state ministry officials and permanent secretaries. Rwanda stands as one of Africa's least corrupt nations, with a 2021 Corruption Perceptions Index score of 53/100 from Transparency International, representing a slight decrease of one point compared to its 2020 score.

15.c. Merit and ethics

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda's hiring and promotion procedures prioritize performance and ethical standards, as outlined in the 2018 CPIA report. The nation's anti-corruption legislation further reinforces a merit-based approach to employment and advancement, actively overseen by bodies like the Office of the Auditor General and the Office of the Ombudsman. In the Mo Ibrahim Index of Governance in Africa (2020), Rwanda ranked an impressive 11th out of 54 countries, demonstrating a strong commitment to good governance, accompanied by a noteworthy overall score of 60.5% that reflects the merit-based promotion system. According to the UK Foreign, Commonwealth and Development Office (FCDO) fiduciary risk assessment of national systems the risk of corruption in Rwanda is very low. Since 2018, number of mechanisms have been in place to minimize ‘grand’ corruption and up hold ethical standards including the segregation of policy and operational responsibilities of managers, and implementation of digital systems to enable merit based recruitment. Transparency International’s 2021 Corruption Perceptions Index score for Rwanda is 53/100, which is one-point lower compared to the 2020 Corruption Perceptions Index score.The majority of Rwandans (72%) commend the effectiveness of GoR’s efforts in the fight against corruption. Conversely, findings from the Bertelsmann Transformation Index (BTI 2020) indicate that intense competition for government positions in a job scarce market often result in favoring individuals from privileged backgrounds hence suggesting a susceptibility to patronage practices in job recruitments in some instances.

15.d. Pay adequacy and management of the wage bill

No score data available for this subcriteria.

16. Transparency, Accountability, and Corruption in the Public Sector

Criteria Score: 5

16.a. Accountability of the executive to oversight institutions

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda's 2003 Constitution provides the bedrock legal framework for accountability of the executive to oversight institutions including the Legislature and Judiciary. Several laws are in place to ensure that policy making, and resource utilization benefits much of the population and that these processes are not diverted through illicit and non-transparent approaches. These pieces of legislation include the 2006 Organic Budget Law which provides the legal framework for the accountability of public resources and the supporting institutions have been detailed in the previous CPIA reports including the 2018 report and need not be repeated here.

. The capacities of these institutions are regularly being strengthened for improved efficiency either through enhanced IT platforms or through additional regulations. Accountant General's report are current and detailed and audit recommendations largely addressed. The 202319 report is presently before the Parliamentary committee on public account. The 2020/2021 budget was presented to parliament for review and approval in May 2020. It must be stated however that Rwanda's Parliament provides limited oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage. The Judiciary is also doing it bits to hole people including the executive accountable in Rwanda. According to statistics, there were over 854 cases that were pending before the Supreme Court, and these included 619 criminal cases, 92 civil cases, 89 commercial cases, eight labor cases and 27 administrative cases.810 cases which were transferred to the Court of Appeal have been decided upon by the end 2019.Integrated Electronic Case Management System, a web-based application that integrates five main institutions of the justice sector, throughout Kigali's courts. Among other features, the system allows for the automatic registration of lawsuits, electronic organization and scheduling of cases and automated claims processing. Rwandan authorities expect the system to result in considerable cost and time savings along with increased transparency and more reliable statistical data on court operations. Consequently, Rwanda is ranked 20/141 countries on efficiency in legal framework and 29/141 in efficiency in challenging government regulations whist it was ranked 37/141 countries on judiciary independence. The Mo Ibrahim Index also ranks Rwanda's Anti-Corruption mechanism tat 5/54 countries in 2019 accountability of government and public employees at 13/54 countries in the same year

16.b. Access of civil society to information on public affairs

Score Type	Value
Draft Score	5.0

Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Country level information indicates that Rwanda is making progress in increasing civil society access to key information on public affairs. Three pieces of legislation were approved in 2013 which were detailed in the 2018 CPIA report. During the review period, the government's executive budget proposal, enacted budget, and end-of-year report were widely and easily accessible online to the general public within a reasonable period of time. Information on public debt obligations and publicly guaranteed debt figures were publicly available, however, detailed information on specific state-owned enterprise debt guaranteed by the government was unavailable. Allocations to and earnings from some significant state-owned enterprises were available in budget documents. The government made available detailed information for some state-owned enterprises but did not make detailed information regarding all allocations easily accessible to the public. Rwanda's supreme audit institution reviewed the government's accounts and made its reports publicly available. The criteria and procedures by which the national government awards contracts or licenses for natural resource extraction were outlined in law and appeared to be followed in practice. Basic information on natural resource extraction awards was public

Despite these developments, the specter of the 1994 genocide is still used to brand media critical of the government as "divisionist." For example, Internet freedom in Rwanda declined during the coverage period, as the government continued to limit space for online expression, including through a restrictive new cybersecurity law, the continued blocking of independent news sites, and surveillance of social media users. Self-censorship online remains common, particularly around politically sensitive periods such as the run-up to the 2018 parliamentary elections and the commemoration of the 25th anniversary of the genocide in April 2019.

The Government undertakes several outreach events which allow political and other leaders to dialogue with the citizenry to issues related to the country's development and governance. These events which include the President's country outreach programs and visits, Itorero (youth camp used to mobilize the youth to support national development objectives) and Umushyikirano (National Leadership Dialogue which provides a platform for self-assessment by leaders on progress made in achieving the Economic Development and Poverty Reduction-2 and Vision 2020 targets as well as obtain feedback from the public including Civil Society Organizations on their key development priorities).

The elaboration and evaluation of performance contracts also provides an important forum for dialogue and information exchange, in at least two ways. First, the performance contracts are developed in consultation with state and non-state actors including CSOs and private sector. Second, the annual evaluation of performance contracts is undertaken by an independent think-tank and the findings published on central and local government websites, launched on TV and Radio, and summarized in the print media. Given Rwanda's advancement in the use of ICTs (internet and mobile telephone access and penetration rates of over 25% and 70% respectively), social media is playing an increasing role in information exchange and public awareness of Government programs. That said, it must be stated here that the Civil society organizations complain of lack of capacity and adequate funding required to adequately represnt their constituent.

All administrative units (districts, sectors and cells) have service charters (see www.mifotra.gov.rw) which: (i) provide a basis for ensuring efficient business processes in service delivery; (ii) define service delivery standards and thereby empower the citizenry to hold their leaders to account. The media and other non-state actors such as Civil Society Organizations (CSOs) use these service charters to objectively execute their oversight roles. Rwanda ranks 155/ 180 countries in 2020 press freedom index, up from 156/180 in 2018. In terms of scores, Rwanda improved from 52,9 in 2018 to 50.34 in 2020 report (the lower the better). According to the Global Competitive Report 2019, Rwanda ranks 127/141 countries on Press Freedom down from 128/140 countries in 2018 The 2019 Open Budget Survey (OBS) shows that Rwanda's score on budget transparency has improved from 22 out of 100 in 2017 to 39 out of 100 in 2019Rwanda's score is moderately lower than the global average of 45. All the eight budget related documents that are considered in the OBS were published on the Ministry of Finance's website in 2019. However, Rwanda lags its regional peers- Uganda (58/100), Kenya (40/100) but performs better than Tanzania (17/100).

16.c. State captured by narrow vested interests

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

The 2003 constitution enshrines the principle of consensus based political system ensures that the ruling party does not dominate all the positions in all the organs of state to avoid conflict of interest. For example, the top political offices of the President of the country, President of the Senate, Prime Minister and Parliament Speaker cannot be occupied by persons from the same political party. Furthermore, independence of the Judiciary is ensured by the appointment process for Supreme Court Judges. This process is initiated by the President following consultations with Cabinet and the Judiciary High Council and concluded through vetting by the Senate.

The laws and institutions put in place to address the issue of capture of vested interest were addressed in earlier CPIA reports and need to be repeated here.The constitution and law provide for an independent judiciary, and the government generally respected judicial independence. There were no reports of direct government interference in the judiciary, and authorities generally respected court orders. Domestic and international observers noted, however, that outcomes in high-profile genocide, security, and politically sensitive cases appeared predetermined.

Rwanda has both Conflict of interest policy and a Ministerial order to support the implementation of the law. Both were developed in 2011. Rwanda's progress in eliminating conflict of interest and ensuring integrity and ethics in public service is confirmed by the 2019 Global Competitiveness Report notably on the quality of institutions pillar whose overall ranking deteriorated from 29out of 137 in 18 to 36/141 countries in 2019 report, down by 7places. Extent of conflict-of-interest regulation index (0-10) in Rwanda was reported at 6.3 % in 2016, according to the World Bank collection of development indicators. The ranking on the sub-indicators such as 'burden of government regulation'; 'efficiency of legal framework in challenging government regulation; judiciary independence and budgetary transparency presented mixed results. Whilst budget transparency and burden of government regulation rankings improved from 116/140 and 13/140 in 2018 respectively to 81/141 and 9/141 for budget transparency and burden of government regulation respectively in 20119, ranking on the judicial independence and efficiency in legal framework in challenging regulations deteriorated from 34/140 and 20/140 respectively in 2018 to 37/141 and 29/141 respectively in 2019.The world Bank governance index scored Rwanda on control on corruption at 70.1% in 2019 against 71.6% in 2017.

(E) Infrastructure and Regional Integration

Cluster Score: 4.875

17. Infrastructure Development

Criteria Score: 5

17.a. Sector strategy/policy

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Public investment to support economic transformation has been a high priority for the Rwandan government. The government's objective is for Rwanda to reach middle-income status by 2035 and high-income status by 2050, with public investment playing an important role in supporting this vision. The role of public investment in achieving these goals was initially elaborated on in Vision 2020 and later Vision 2050, which focused investment on human capital development, growth-enhancing infrastructure, and developing areas of higher value economic activity. In 2019 alone Rwanda committed 38 percent of total. According to the IMF report in 2019 alone Rwanda devoted 38 percent of public expenditure in public investments in energy water and transport sector during this period. This contribution is way above the median capital expenditure for low income countries. The central government undertakes most public investment, while districts and public corporations (PCs) have a lesser role. Between 2016?19 the central government accounted for almost 80 percent of total public investment, while PCs and districts each accounted for around 10 percent. Infrastructure development is largely funded through domestic financed resources as the country continues to pursue efforts to exit from foreign aid dependence where in a decade before more than 40 percent of public investments were funded by concessional loans and aid. The IMF country Report No. 23/300, indicates that on average over the past five years, domestic resources have accounted for around 55 percent of total investment. These resources have majorly been committed to complete large several large infrastructure projects, including the Kigali Convention Center, the Kigali Arena, and Bugesera International Airport aimed to diversify the source of growth from agriculture towards tourism services and manufacturing. Rwanda's level of public investment is now well above comparator countries and other low-income developing countries which average at 8% over the last 25 years. Since 2016 when the Law Governing Public Private Partnerships (PPP (2016) was approved, government has attracted a number ofartnerships (PPPs) particularly in the energy, water and aviation sector. According to the World Bank data base Rwanda's share of PPPs in capital stock has significantly increased from 1% of GDP in 2011 to 3.9 % of GDP in 2019 but remains lower than the average for SSA (4% of GDP). Rwanda scores 4.7 out of 7 on Infrastructure Quality Index in the most recent global competitiveness index, which is significantly above the average for average for Sub-Saharan Africa. Despite improvements in access rates in infrastructure for health, education, energy and water and transport. The measures of quality remain low. For example, increasing in student enrolment masks quality of teaching due to pervasive low teacher ratio, in health sector despite reduced distance to an accredited heath sector, doctor patient low remains. Similarly, despite increased access to electricity Rwanda remain comparatively a high cost for electricity access.

17.b. Legal and regulatory frameworks for infrastructure

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

legal and regulatory frameworks for infrastructure are comprehensive, covering all relevant areas of the infrastructure sector. These include legislation relating to the mandates and activities of statutory agencies for energy, water and sanitation utility companies, transport development as well as the regulatory authority (Rwanda Utility Regulatory Authority). The relevant pieces of legislation governing the infrastructure sector were presented in the 2014 CPIA and 2015 Note and are not repeated here in line with the drafting guidelines. The relevant Laws are easily accessible and as part of the 2003 Constitutional requirement, they are all published in the three languages including Kinyarwanda, English, and French and available to the general public at www.minijust.gov.rw/bills-and-laws/). Hard copies can also be accessed at the relevant government agencies or centrally from the Office of the Prime Minister. A new Law to support private sector investments in infrastructure was Promulgated in 2016.Law no 14/2016 of 02/05/2016 on public Private Partnerships (PPP) aims to primarily encourage the mobilization of private sector to participate in the financing and management of infrastructure projects. To encourage private sector participation in the management and financing of infrastructure projects; government has established a PPP unit since 2011 in Rwanda Development Board to identify opportunities for PPPS and provide financial and legal advice during PPP negotiations. The capacity of the unit to effectively perform its function is being enhanced through a capacity building program which involve hiring international experts and twining them with local exerts to ensure mentorship and skills transfer in PPP negotiations. The AfDB, through the African Legal Support Facility, is also providing technical assistance and other support to the RDB and MININFRA to improve their institutional and other competencies to implement infrastructure projects.

Institutional capacity to design and enforce the country's laws and regulations, including those that relate to the infrastructure sector is in place and is led by the Ministry of Justice, Ministry of Finance and Economic Planning and the relevant sector/ line ministry. However, the efficiency of the judiciary sector has declined over the past two years this is According to the Global Competitiveness Report (GCR) that quantifies the quality of institutions including the effectiveness of the legal system. The quality of institutions pillar deteriorated from 16/137 countries in 2017/18 reporting year to 36/141 economies in 2019/2020. This due to similar trend in the ranking on the sub-indicators such as 'burden of government regulation'; and 'efficiency of legal framework in settling disputes' from 11/138 and 13/137 respectively in 2017 and 201818 to 9/141 and 20/141 in 2019 and 2020 respectively.MININFRA continues to strengthen its human capacities for instance through short-term courses such as in project and contract management and longer-term training such as post-graduate training for staff at national and overseas universities within the framework of National Capacity Development Program (NCDP). The National Capacity Building Secretariat implements a comprehensive public sector capacity development program to generate the quality and volume of skills required to achieve the NST-1, the NST_1 (2017-2024) and Vision 2020 targets. For example, electricity users in Rwanda will now be getting more instant feedback after Rwanda Energy Group (REG), has developed online communication and customer service platforms in line with its endeavor to continuously improve service delivery and ensure that the public has easy access to services.

17.c. Public resource management and accountability in the infrastructure sector

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Rwanda’s Public procurement legal framework is based on the UNCITRAL model and covers most aspects of public procurement at all levels of Government. Public procurement is regulated by Rwanda Law No. 12/2007 which was enacted in 2007 and revised in 2013. This Law provides the legal basis for the establishment of the Rwanda Public Procurement Authority which is mandated to regulate public procurement. The implementation of the procurement activities is done at decentralized entities at both national and sub-national levels. Tender Committee and Procurement Unit for each procuring entity are also provided for by the amended law for the efficient management of public procurement. Procurement audits are undertaken by the National Independent Review Panel (NIRP) and Independent Review Panels at the District (DIRP) level in accordance with the amended law. These audits ensure transparency in the selection processes and the implementation of applicable sanctions in case of violation of the procurement law. The NIRP and DIRP also adjudicate complaints and rebuttals arising from the procurement process. The New revised Law emphasize open competitive bidding as the default method of public procurement for good, services and works, Non-competitive procurement is only allowed on exceptional cases of public interest and must be accompanied by a waiver from RPPA. Compliance to the revised Law has increased. The Office of the Auditor General (OAG) supports compliance with procurement procedures, notably by uncovering any public procurement mismanagement and violations.

Quality control/inspection to verify the conformity of infrastructure constructed is regulated by the building control regulations which was approved by cabinet in 2012. The legal framework operates as a standard reference for all the regulations for construction design, quality control and inspection in Rwanda. The manual conforms to International building standards and specifications of the United Kingdom standards Institute. Compliance to the key provisions of the building control regulations is enforced by Rwanda Transport Development Agency (RTDA) for transport and the one stop center for construction permits in the city of Kigali and one stop centers at districts for other construction activities. National public investment policy (PIP) has been in place since 2009 to guide the alignment of public and private investment in infrastructure to Rwanda’s medium-term development goals. All projects above one million USD must undergo a feasibility study and cost benefit analysis and a committee of Permanent Secretaries was set up in 2014 to increase the rigor of scrutiny during project approval and monitoring. The Organic Law N° 04/2005 of 08/04/2005 determining the modalities of protection, conservation and promotion of environment in Rwanda, and the Ministerial Order N° 003/2008 of 15/08/2008 relating to the requirements and procedure for environmental impact provides the basis for conducting the EIA to ensure that security and social safeguards are fully addressed. The EIA Law outlines the procedures for conducting public hearings to inform stakeholders from the civil society and the private sector about the projects development. Clear mechanisms of for compensation in case of expropriation or damage /injury are stipulated in the Land expropriation Law N0 18/2007 of 19/04/2007

Compensation resources are transparent, budgeted for and all matters related to compensation are handled by the Ministry of Finance and Economic Planning (MINECOFIN) in collaboration with the sector/ line ministries to enhance efficiency. Financiers including development partners often require that PAPs are compensated prior to declaring the project disbursement effective, an indication that compensation of PAPs is an integral element of infrastructure development.

The 2003 Constitution mandates the Office of the Auditor General (OAG) to undertake an audit of state finances including the infrastructure sector and table the findings in Parliament for follow-up by the relevant oversight bodies. In line with legislation on public access to information (Law no. 04/2013 of 08/02/2013), the OAG’s audit findings are published on the OAG’s website and other public information portals. Sectors, through the Sector Working Groups are required by MINECOFIN to draw-up and monitor the implementation of action plans explicitly indicating measures to address any shortfalls identified in the OAG’s reports. The OAG’s reports have informed reforms in the infrastructure sector, notably the 2014 unbundling of the former energy, water and sanitation utility into two companies—one in charge of energy and the other in charge of water and sanitation to improve efficiency and financial sustainability.

18. Regional Integration

Criteria Score: 4.75

18.a. Movement of persons and labor and right of establishment

Score Type	Value
Draft Score	5.0
Reviewed Score	5.0
Second Draft Score	5.0
Final Score	5.0

Country Notes:

Regional and international economic integration is Rwanda’s 6th Pillar of Vision 2020. The NST-1NST-1 2017-2024 mainstream’s regional integration across all the sectors as a way to overcome the barriers of being a landlocked country with a small market and limited supply of energy and human capital. Rwanda is particularly active in regional integration initiatives in the framework of the East African Community (ECA) and the Common Market for Eastern and Southern Africa (COMESA) and has signed and ratified most regional economic integration and cooperation protocols and agreements in these two blocks. Rwanda is also signatory to the COMESA-EAC-SADC (CES) Tripartite Free Trade Area agreement whose objective is to promote deeper economic integration to facilitate strong trade performance and economic growth in Africa.

Rwanda continues to spearhead the implementation of key commitments under the Northern corridor Integration Projects Framework including (i) the use of national identification cards as travel documents for EAC residents which was launched in February 2014; the single tourist visa to facilitate movement of tourists across Kenya, Rwanda and Uganda, inaugurated in April 2014; and (iii) the Single Customs Territory (SCT) along the northern corridor from Mombasa through Nairobi, Kampala to Kigali, operationalized in July 2014. Others include the joint mobilization of resources for transformative regional infrastructure projects such as the northern corridor railway and the operationalization of the One Network Voice and Short Messaging Service (SMS) to ease communication and trade. A search and rescue air services agreement to enhance aviation services has also been adopted. Rwanda started issuing East African Community Biometric Passport also known as E-Passport(With which entry to all east African countries is visa-free) in June 2019 replacing the old ones which expired in June 2021. The new passports ten years.

These measures are contributing to easier movement of persons and goods between Rwanda and its EAC partner states Rwanda’s intra-Africa trade has been increasing over the years. Total export to Africa has increased by around 50% over the last five years, from   Rwf 108 billion in 2015 to Rwf 160 billion in 2019[1], before seeing a sharp decline following the covid-19 outbreak in 2020. DRC accounts for more than 70% of Rwanda’s total exports to Africa over last five years. Exports to the EAC has averaged 25% of total export with the rest of African accounting for the remaining 5%. The services sector has also continued to perform well especially in tourism, ICT and financial services. Trends in intra-Africa trade (exports and imports) suggest that EAC, DRC, South Africa, Egypt, and Ethiopia are Rwanda’s key trade partners.

Rwanda continues to spearhead several initiatives at a continental level to ease the free movement of people across Africa. These include the introduction of visa free travel for Africans since January 2018, which has inspired other 13 African countries to remove visa restrictions for Africans. That same policy was extended to a number of West African countries in 2019. Rwanda is also currently spearheading the creation of one Africa network following the successful launch of the one area regional network for EAC. According to the AfDB Africa visa openness report of 2019, the relaxation and simplification of visa procedures and requirements has brought significant economic benefits to Rwanda. It ranks 4th in Africa on the AfDB Visa Openness Index. EAC citizens no longer require work permits, leading to people moving to Rwanda to work. Cross-border trade between Uganda, Kenya and Rwanda has increased 50% after citizens are allowed to travel on their ID cards. The introduction of the East African Tourist visa among the same countries has led to a 25% increase in tourist arrivals in Rwanda in 2019. The introduction of visa-on-arrival has led to a 27% average increase in arrivals from other African nations, boosting trade, investment and trade.

Rwanda's open visa policy and its Immigration Law No O4/2011 of 21/03/2011 guides the functioning of the immigration department and ensures that that all the necessary resources; human, technology and other capacities are in place to ensure efficiency in service delivery. The Law for example, has reduced visa charges for non-Africans by 100 basis points from USD 60 to USD 30 and it can be obtained on arrival at legal entry points to encourage people to move freely in and explore opportunities for trade investment and tourism. Alongside the country’s relaxation of visa requirements for visitors, Rwandans can get a passport in 3 days, down from 30 days. This is supported by a robust technology platform which is backed by National identification system that has profiles for all the nationals and provides sufficient security safeguard against any threat. Moreover, Rwanda is working with Kenya and Uganda to integrate their national ID data bases to support their citizens to travel freely across the three countries.

18.b. Regional financial integration

Score Type	Value
Draft Score	4.5
Reviewed Score	4.5

Second Draft Score	4.5
Final Score	4.5

Country Notes:

A sound legal and regulatory framework is in place to guide the establishment and integration of financial and payment systems. This framework comprises the payment systems law (2010), a law on negotiable instruments (2009), a security holding law (2010), an electronic transactions law (2010) and an AML/ CFT law (2008).

Rwanda Integrated Payment Processing System (RIPPS) has since 2014 integrated with the payment systems for COMESA (Regional Payment and Processing System, REPSS) and EAC (East Africa Payment Systems, EAPs). The EAPs provides real time gross settlement (RTGS and multicurrency options in the EAC region allowing transactions to be conducted in any of the EAC currencies, thus reducing costs associated with foreign exchange transactions, and consequently contributing to improved efficiency in cross border transactions and intra-regional trade. The National Bank of Rwanda has embarked on sensitization programs to promote the usage of the EAPS platform by Rwandans.

Rwanda is also a member of the East African Stock Exchange Association and in line with the country's fully liberalized capital account, three regional companies are cross-listed on the Rwanda Stock Exchange (RSE) – Nation Media Group, Kenya Commercial Bank and Uchumi Super Market Limited.

Law governing public private partnerships Nº 14/2016 du 02/05/2016 was approved and the Investment code amended in 2015 to attract foreign investments. The approval of these two critical Laws demonstrates the country's commitment to free movement of capital in the region and globally.

The East Africa Commodities Exchange was inaugurated by the EAC Heads of State in Kigali in July 2014 and Uganda and Kenya are benchmarking on the legal and regulatory framework developed by Rwanda to complete their national trading platforms in 2015. This platform facilitates the trading of standardized contracts, thus eliminating the costs and risks associated with contract negotiations and helps to, increase market liquidity and improve the price discovery process.

Rwanda, along with the four other EAC partner states, signed the protocol on the establishment of the EAC Monetary Union on 30th November 2013, paving the way for the adoption of a single EAC currency by 2024. An assessment of progress toward achieving the primary convergence criteria shows that Rwanda and most Partner States have achieved some of the convergence targets ahead of the year 2021 and are making steady progress in achieving the remaining targets.

Since 2017Since 2017, The Law No 47/2017 of 23/9/2017 governing the organization of banking was published in the Official Gazette No 42 of 16/10/2017 to support Rwanda to be fully compliant with the Basel Core Principles on prudential financial stability requirements. The Law in addition enhances licensing procedures for financial institutions and aligns well the financial sector legal framework to that of EAC.

Most recently in February 2021 in a bid to promote its strategic position as a regional financial hub, Rwanda approved a new law n° 006/2021 of 05/02/2021 on investment promotion with a set of new incentives to enhance Rwanda's competitiveness to attract, cross-border investments, new businesses, and encourage financial institutions to operate across the African continent and beyond through the newly set up Kigali International Financial Centre(KIFC). The New Law provides an attractive package of tax and non-tax incentives to encourage collective investment schemes, angel investors, trading of foreign loans and dividends, innovation park developers etc to set up shop and transact through the KIFC. Rwanda has takes alot of strides in harmonising customs procedures with those of the EAC. The details are exhaustively discussed under section 5C. Financial inclusion increased FiIt Finc fivefold with increase in the proportion of the adult population accessing financial products, rising from 21% in 2008 to an impressive 93% in 2020, covering approximately 7 million adult individuals. This substantial achievement in financial inclusion brings Rwanda closer to its goal of achieving 100% financial inclusion by 2024. Details are discussed under section 13.C.