

REPUBLIC OF RWANDA



MINISTRY OF FINANCE AND ECONOMIC PLANNING

BUDGET EXECUTION REPORT

July - September 2024/25

November 15th, 2024

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EXECUTIVE SUMMARY

The budgetary performance for the July-September 2024/25 fiscal year was impacted by domestic and global economic environment. These events affected domestic resource mobilization and the pace of expenditure commitments by the sectors. In the case of the global economic pressures, geopolitical tensions have brought challenges in logistics which affected the source of imports.

The economy remains resilient as economic growth registered a good performance and reached 9.8 percent during the second quarter of the year 2024. This growth was mainly driven by continued good performance observed in the industry sector led by the construction and Manufacturing sectors. Growth in the services sector was led by trade and transport activities and other services such as Information communication technology as well as hotels and restaurants. Agriculture grew by 7% driven by food crops production reflecting a good harvest in season 2024 A.

Headline inflation stood at 3.8 percent in October 2024 from 2.5 percent observed in September 2024 mainly driven by slight uptick in prices of food and non-alcoholic beverages. Core inflation (excluding fresh products and energy) in annual change stood at 5.2 percent in October 2024 from 5.0 percent in the previous month.

Looking at the external sector, exports recorded a significant growth of 54 percent in value and 17.8 in volume from July to September 2024/25 compared to the same period in 2023/24. The increase was mainly driven by exports of Minerals 3Ts and Coffee reflecting a continuous rebound of domestic economic activities amidst the global shocks. Imports rose by 27.7 percent in value and 23.9 percent in volume respectively. The increase was mainly driven by the increase in imports of Energy products and Intermediate goods to sustain robust economic activities.

On the monetary side, the National Bank of Rwanda decided to reduce the Central Bank Rate (CBR) by 50 basis points to 6.5 percent in August 2024 following a decline in inflation which is anticipated to evolve around the target of 5 percent.

Regarding budgetary performance, total revenue accrued to the Treasury from July to September 2024/25 amounted to FRW 1,061.8 billion. This figure was 95.5 billion, higher than the estimated FRW 966.3 billion for the period under review. Excess under this category was attributed to Excess in all revenue

categories led by other revenues due to high PKO disbursement, followed by Grants and tax collections.

On the spending side; total outlays during the period under review amounted to FRW 1,238.1 billion and were FRW 15.8 billion higher than FRW 1,222.3 billion estimated for the period under review. The higher expenditure amount reflects higher than expected disbursement of PKO and excess revenue which led to an acceleration in the implementation of government development activities. The Net lending and borrowing for the period under review amounted to FRW 176.3 billion.

Regarding financing, the net incurrence of new liabilities was FRW 229 billion, FRW 92.4 billion lower than the amount of FRW 321.4 billion estimated for the period under review. The Net acquisition of financial assets was FRW 13.1 billion lower than FRW 65.4 billion estimated in the original budget.

I. INTRODUCTION

In May 2024, Parliament approved a budget totaling FRW 5,690.1 billion FRW for FY 2024/25. This budget was FRW 574.5 billion higher than the revised FY 2023/24 budget of FRW 5,115.6 billion.

Under the GFSM2014 Economic classification terms, the Budget of FY2024/25, total revenue was estimated at 4,192.8 billion FRW, made up of Taxes with FRW 3,017.9 billion, Grants with FRW 621.2 billion, and other revenues of FRW 553.6 billion. Total expense (recurrent expenditure) was also estimated at FRW 3,440.6 billion and Net investment in nonfinancial assets (capital expenditure) was projected at 1,719.2 billion FRW. The Net lending and borrowing (deficit GFSM2014/definition) was projected at 967.1 billion FRW.

This Net lending and borrowing figure was to be financed with net acquisition of financial assets of 300.6 billion FRW as well as the net incurrence of liabilities of 1,267.7 billion FRW.

Consistent with the flow of total resources and reflecting the pace of spending commitments, mid-year and quarterly projections for the accrual of total resources and corresponding spending totals were derived. Total revenue collection for the July-September 2024 period was therefore estimated at 966.3 billion FRW while total expense (recurrent spending) was also projected at 869.7 billion FRW. Net investment in nonfinancial assets (capital spending) for the July - September 2024 period was also estimated at 352.6 billion FRW. The Net lending and borrowing (deficit including grants) for the July-September 2024 period was estimated at 256 billion FRW which was to be financed with a net incurrence of liabilities of 321.4 billion FRW and Acquisition of financial assets of 65.4 billion FRW.

This report therefore assesses budgetary provisional performance during the July-September 2024/25 period compared with the derived projections. In some areas, the report used available provisional data, and these will be amended later when more accurate data become available.

After this short introduction, the report is organized as follows: Section two gives a brief summary of the domestic economic performance during July – September 2024. Section three discusses the performance of total revenue whilst section four discusses the details of expenditure both expenses and net investment in nonfinancial assets (capital expenditure). Section five will discuss the net lending/borrowing (deficit) and its financing from the net acquisition of financial

assets and incurrence of liabilities. Section six will discuss the sectoral performance during the period under review. The report as usual will close with a brief conclusion.

II. ECONOMIC PERFORMANCE

2.1 GDP

Real Gross Domestic Product increased by 9.8 percent year-on-year in the second quarter of 2024, following 9.7 percent growth in the previous quarter. Growth in the second quarter was mainly driven by strong performance in industry by 15 percent, boosted by growth in construction which grew by 18 percent supported by ongoing infrastructure projects, and solid growth in manufacturing which grew by 17 percent. Services grew by 10 percent, boosted by trade and Tourism-related activities such as hotels and restaurants, transport, and significant growth in information and communication. Agriculture grew by 7% driven by Food crop of 8 percent reflecting good harvest during 2024 agricultural season A.

In the Second quarter of 2024, total final consumption expenditure increased by 19 percent from 6 percent in Q1 2024. Government final consumption decelerated to 0% from a growth of 6% in 2024 Q1. However, household final consumption increased by 25 percent from 6% in Q1 2024. Gross capital formation increased by 26%, Imports increased by 49%, and exports by 14%.

Table 1: Real GDP Quarterly growth and contribution 2023Q2 to 2024Q2

Activity description	2023 Q2	2023 Q3	2023 Q4	2024Q1	2024Q2	2023 Q2	2023 Q3	2023 Q4	2024Q1	2024Q2
	Growth	Growth	Growth	Growth	Growth	Contrib	Contrib	Contrib	Contrib	Contrib
GROSS DOMESTIC PRODUCT (GDP)	6.3%	7.5%	10.0%	9.7%	9.8%	6.3	7.5	10.0	9.7	9.8
AGRICULTURE, FORESTRY & FISHING	0%	3%	3%	7%	7%	0.0	0.7	0.7	1.6	1.6
Food crops	-3%	3%	3%	8%	8%	-0.5	0.5	0.5	1.2	1.1
Export crops	2%	-15%	-13%	0%	-6%	0.0	-0.2	-0.2	0.0	-0.1
Forestry	6%	6%	6%	6%	6%	0.3	0.3	0.3	0.3	0.3
Fishing	4%	3%	3%	3%	3%	0.0	0.0	0.0	0.0	0.0
INDUSTRY	6%	14%	13%	11%	15%	1.1	2.3	2.3	2.0	2.8
Mining & quarrying	7%	14%	2%	22%	-2%	0.1	0.2	0.0	0.3	0.0
Manufacturing	8%	8%	11%	5%	17%	0.7	0.7	1.0	0.4	1.5
Construction	4%	24%	21%	16%	18%	0.2	1.3	1.2	1.1	1.1
SERVICES	10%	9%	13%	11%	10%	4.9	4.4	6.5	5.3	4.8
TRADE & TRANSPORT	7%	10%	7%	18%	9%	1.0	1.5	1.1	2.6	1.3
Wholesale & retail trade	6%	8%	5%	21%	10%	0.6	0.7	0.5	1.9	0.9
Transport	8%	16%	11%	13%	9%	0.4	0.8	0.6	0.6	0.4
OTHER SERVICES	12%	8%	16%	8%	10%	3.9	2.9	5.4	2.7	3.5
Hotels & restaurants	7%	5%	22%	13%	20%	0.2	0.1	0.5	0.3	0.5
Information & communication	37%	20%	43%	28%	33%	1.1	0.7	1.2	0.9	1.2
Financial services	7%	16%	1%	6%	10%	0.2	0.4	0.0	0.2	0.3
Professional, scientific & technical activities	1%	14%	8%	5%	6%	0.0	0.3	0.2	0.1	0.1
Administrative & support service activities	0%	2%	8%	1%	15%	0.0	0.0	0.2	0.0	0.4
Public administration & defense; compulsory social security	21%	2%	16%	5%	-1%	1.0	0.1	0.8	0.3	-0.1
Human health & social work activities	7%	-2%	-8%	14%	0%	0.2	0.0	-0.2	0.3	0.0

Source: NISR

Expenditure GDP

In the second quarter of 2024, **total final consumption expenditure** increased by 19 percent from 23 percent in Q1 2024. **Government final consumption** decelerated to 0% from a growth of 6% in 2024Q1, while household final consumption maintained a positive growth to 25 percent in Q2 2024 from 6 percent in the previous quarter. **Gross capital formation** grew by 34 percent in Q2 2024 from 77 percent in the previous quarter. Both **Exports and Imports of goods & services** increased: exports (14% vs 50% in Q1 2024) and Imports (49% vs 60% in Q1 2024).

2.2 Inflation

Monthly Headline inflation (year-on-year) slightly increased to 3.8 percent in October 2024 from 2.5 percent in the previous month mainly driven by an increase in Food and non-alcoholic beverages index (i.e., mainly from bread & cereals and vegetables) by 3.5 percentage points (to -1.0 percent from -4.5 percent), coupled with an increase in housing, water, electricity, gas, and other fuels index by 0.8 percentage points (to 4.8 percent from 4 percent)

Food and non-alcoholic beverages further accelerated by 3.5 percentage points to -1.0% for October 2024 compared to -4.5 percent recorded for September 2024 dominated by a rise in prices of some food items including bread & cereals, vegetables, and meat.

On a monthly basis (month-over-month), increased by 1.5% compared to September 2024 which was mainly due to an increase in the prices of food items including green peas, fresh beans, and vegetables.

Core inflation (excluding fresh products and energy) in annual change increased to 5.2 percent in October 2024 from 5.0 percent in the previous month.

Inflation for local products accelerated to 3.3 percent in October 2024 from 1.3 percent in September 2024 mainly due to increased local food and non-alcoholic beverages. **Inflation for imports slightly decelerated to 5.5 percent in October 2024 from 6.3 percent** in the previous month mainly due to an ease in imported food and non-alcoholic beverages, and transport prices.

Rural Inflation contracted by 1.5 percent in October 2024 from a contraction of 2.9 percent in the previous month explained by a decrease in

price for some items including food and non-alcoholic beverages (vegetables, bread & cereals).

2.3 High-Frequency Indicators (HFIs)

Table 2: HFIs July – September -2024

% Change Y-o-Y	July-Sept 2023	Q4 2023	Q1 2024	Q2 2024	July-Sept 2024
Real CIEA	4.9%	7.9%	8.5%	18.4%	21.1%
Total turnovers (Real)	12.0%	14.4%	8.0%	15.2%	10.2%
Industry	5.4%	6.9%	-1.2%	11.7%	14.3%
Services	14.3%	16.8%	11.1%	16.4%	8.9%
Total Turnovers (Nominal)	27.6%	25.3%	15.0%	21.9%	13.7%
Industry	27.2%	24.8%	10.5%	17.8%	12.5%
Services	27.8%	25.5%	16.6%	23.5%	14.1%

Source: BNR, RRA

During the July-September 2024 Period, the Real CIEA increased by 21.1 percent compared to the same period of the previous Year. Total turnover in real terms increased by 10.2 percent in July – September 2024 compared to the same period of the previous year, notably driven by continued good performance in the industry by 14.3 percent, boosted by solid growth in turnovers of manufacturing sectors and mining activities. Services grew by 8.9 percent, boosted by thriving in turnovers of Transport, information and communication, and trade. These performances reflect that the economy remains resilient amidst Global shock.

Total turnovers in nominal terms increased by 13.7 percent in July – September 2024 against the same period of the previous year. The industry sector recorded growth of 12.5 percent, boosted by solid growth in turnovers of the manufacturing sector; while the services sector performed better with 14.1 percent mainly driven by better performance of transport activities, ICT activities, and Trade.

2.4 External Sector

Rwanda’s formal trade deficit deteriorated by 8.6 percent in July-September 2024 compared to the same period in 2023. A deficit of USD 825 million was recorded during July – September 2024, compared to USD 760 million observed in the same period of 2023.

Total Exports incl. Gold had a growth of 54 percent in the July to September 2024 period compared to the same period in 2023 driven by growth

in Gold Exports 131.2 percent, followed by growth in Exports of Minerals 3Ts (83.3 percent), coffee (72.1 percent), Other Exports (11.5 percent), Re-exports (6.6 percent), and Exports Tea slightly grew by (0.8 percent).

Total imports rose by 27.7 percent in value and 23.9 percent in volume respectively. The increase was mainly driven by imports of Energy and lubricants (25.4 percent), intermediate goods (15 percent), consumer goods (8.6 percent), and Gold grew by 127.2 percent but this growth netted out contraction of 4.5 percent observed in imports of capital goods and non-fuel for re-exports (-2.4 percent). The high growth recorded in the above categories reflects the impact of rising global prices resulting in part from Geopolitical tension such as the Red Sea Crisis as well as the domestic economic recovery activities.

Table 3: Summary Trade balance as of July – September 2024

Trade	Jul-Sept 2023		Jul-Sept 2024		% change	
	Value mln USD	Volume	Value mln USD	Volume	Value	Volume
Exports	552.1	360,139	850.3	424,253	54.0% ▲	17.8% ▲
Export (Excl. Gold)	364.1	360,136	415.6	424,248	14.1% ▲	17.8% ▲
Gold	188.0	3	434.7	5	131.2% ▲	82.7% ▲
Imports	1,311.8	1,150,333	1,675.2	1,424,694	27.7% ▲	23.9% ▲
Imports (Excl. Gold)	1,100.9	1,150,330	1,196.1	1,424,688	8.6% ▲	23.9% ▲
Gold	210.9	3	479.1	6	127.2% ▲	74.9% ▲
Trade deficit (Excl. Gold)	- 737	- 790,193	- 781	- 1,000,441	5.9% ▲	26.6% ▲
Trade deficit	- 760	- 790,194	- 825	- 1,000,441	8.6% ▲	26.6% ▲

Source: MINECOFIN staff calculations based on BNR

2.5 Monetary Sector

On 21st August 2024, The Central Bank of Rwanda reduced the central bank rate by 50 basis points to 6.5% following a decline in inflation reached around the target of 5 percent. In 2024 and 2025, inflation is projected to evolve around 5 percent. Mainly driven by ease in food inflation reflecting continued good performance in domestic agricultural production and reduction in international food prices. However, risks related to adverse weather conditions due to climate change and global geopolitical tensions still exist.

Compared to December 2023 Broad money grew by 14.3 percent mainly due to growth in net credit to government by 71.6 percent reflecting the withdrawal of government deposits to finance government operations, credit to the private sector grew by 13.5 percent and Net Foreign Assets grew by 7.8 percent. The Rwandan Franc (FRW) depreciated by 6.5 percent against the US Dollar as of

End September 2024 Vis a Vis End of 2023, due to the continuous expansion of the trade deficit.

Table 4: Monetary indicators as of the end of September 2024

Monetary Statistics	23-Sep	23-Dec	24-Aug	24-Sep	% Change	
					Sept 24-Dec 23	Sept 24-Sept 23
Net Foreign Assets	1,914	2,428	2,617	2,618	7.8%	36.8%
Central Government (Net)	756	508	865	872	71.6%	15.4%
Private Sector Credit	3,519	3,682	4,045	4,178	13.5%	18.7%
Broad money (M3)	4,537	4,913	5,504	5,618	14.3%	23.8%

Source: MINECOFIN staff calculations based on BNR

III. PERFORMANCE OF REVENUE

Under the GFSM2014 presentation, revenue includes all taxes (including Local Government taxes), social contributions, grants, and other revenue. Currently, there are no collections under the social contributions category, therefore, this report excludes, this category (Social contribution) in the discussion of total revenue.

From July to September 2024/25, accrued total revenue amounted to FRW 1,061.8 billion and was higher by FRW 95.5 billion compared to FRW 966.3 billion estimated in the original budget. This good performance was observed in all revenue categories, including collection from both tax and other revenues as well as in external budget support disbursement.

3.1 Performance of Taxes

The performance of tax revenue collection during the July-September 2024/25 period, was positively affected by several factors, including macroeconomic factors, policy, and administrative measures. On the policy side, VAT rewards contributed positively to VAT collection. Voluntary disclosure, and ongoing enforcement of EBM (Electronic billing machines) usage also affected positively affected tax collection on goods and services. On the Macroeconomic side, the decline in inflation boosted collection of consumption taxes. Corresponding increases in turnover growth also boosted VAT collections, with increases in sales contributing positively to VAT and sales tax collections. Furthermore, the increase in finished goods imports from the rest of the world positively affected collection of taxes on international trade. Total tax revenue collection during the

July-September 2024/25 period therefore amounted to FRW 708.8 billion, which was higher by FRW 8.9 billion compared to FRW 699.9 billion projected amount in the original budget.

The table below shows the performance of revenue collections in the July-September 2024/25 period compared to the original budget estimates of the period under review.

Table 5: Revenue performance for July – September 2024/25

<i>Statement of Government Operations (in billion FRW)</i>	<i>FY 2024/25</i>	
	July-Sept Proj	July - Sept Prov. Actual
REVENUE	966.3	1061.8
Taxes	699.9	708.8
Taxes on income, profits, and capital gains	326.6	299.2
Of which Rental income Tax LG	3.7	0.4
Taxes on payroll and workforce	0.0	0.0
Taxes on property	8.8	6.9
Of which Property Tax and Fixed asset LG	7.2	4.4
Taxes on goods and services	316.4	343.6
Of which Trading License Tax (Pat	4.7	2.3
Of which Strategic petroleum reserve	4.1	4.4
Taxes on international trade and transactions	48.2	59.1
Of which Infrastructure development	7.1	8.4
Of which African Union import lev	0.9	1.1
Other taxes	0.0	0.0
Social contributions	0.0	0.0
Grants	149.6	158.1
From foreign governments	76.7	76.7
Current	0.0	0.0
Capital	76.7	76.7
From international organizations	72.9	81.4
Current	28.1	36.6
Capital	44.8	44.8
From other general government units	0.0	0.0
Other revenue	116.8	194.9
Property income	5.7	2.9
Sales of goods and services	102.3	128.9
Fines, penalties, and forfeits	8.8	11.1

Source: MINECOFIN

- ***Taxes on income, profit, and capital gains.***

Consistent with the GFSM2014 classification, taxes on income, profit, and capital gains in July-September 2024/25 amounted to FRW 299.2 billion and were lower by FRW 27.2 billion compared to FRW 326.6 billion projected for the period.

This underperformance of income and profit taxes is partially attributed to a shortfall in CIT payment due to several factors, including the heavy investment made by large companies mostly in manufacturing, construction, hotels, and other services sectors. The increased business expenses arising from the investment and other expenses not only reduced taxable income but, in some cases, led to losses that were carried forward from 2023. These factors therefore decreased corporate income tax payments in the period review.

Profit taxes, comprising CIT, PIT, and WHT fell below the target during July - September of 2024/25. The total collection of profit taxes amounted to FRW 155.5 billion slightly exceeding the target of FRW 154 billion. Whilst, income quarterly pre-payments contributed FRW 74.8 billion, and fell short of the target of FRW 84.5 billion by FRW 9.7 billion. Withholding taxes, profit tax collections still registered a shortfall as mentioned above. In case of withholding taxes a significant expansion of the private sector, particularly in arts activities contributed to the increase in collections.

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

This category of taxes includes VAT, Excise duties, road fund fuel levy collections, trading license for Local Government, and petroleum strategic reserves levy.

The total amount collected for taxes on goods and services during the period under review was FRW 343.6 billion and was higher by FRW 27.2 billion compared to the original budget estimated amount of FRW 316.4 billion for the period. Total VAT collections amounted to FRW 236.8 billion and showed an excess of FRW 24 billion compared to the estimated amount in the original budget of FRW 212.8 billion. This excess in VAT collection is attributed to the promotion of EBM usage and initiatives such as VAT rewards and voluntary disclosure which increased taxable sales. Furthermore, increased enforcement efforts and enhanced compliance resulting from stock analysis in collaboration with field monitoring officers also improved collections of VAT.

Regarding excise taxes (both domestic and external), total collections amounted to FRW 81.9 billion against the FRW 91.7 billion projected. There was therefore a shortfall in collections of FRW 9.8 billion. Beers, and soft drinks, as well as wines and liquor products excise taxes are the main contributors to the performance. However, collections from these products registered shortfalls during the period under review.

Collections under the fuel levy and strategic reserves levy yielded an amount of FRW 19.9 billion and came close to the estimated figure for the period under review.

▪ ***Taxes on International trade***

Taxes on international trade comprise customs and other duties including the infrastructure levy and the African Union Levy. Under this category, a total amount of FRW 59.1 billion was collected which was higher by FRW 10.9 billion compared to the estimated amount for the original budget.

This excess performance was mainly attributable to an increase in import CIF from the rest of the world notably consumer goods and energy, coupled with a decline in revenue forgone from exemptions on imported products. These factors accounted largely for the excess mentioned above.

3.2 External Grants Disbursement

The external grants category under GFSM2014 is made up of grants from foreign Governments, International organizations, and grants from other general government units. Currently, the Government of Rwanda does not receive any grants from other general Government units.

Total grants disbursement in the July-September 2024 period amounted to FRW 158.1 billion was higher by FRW 8.5 billion compared to the projected amount in the original budget of FRW 149.6 billion. The excess vis a vis the projected figure was mainly due to higher-than-anticipated disbursement from Global fund.

3.3 Other Revenue

Under the GFSM 2014 fiscal accounts definition; other revenues comprise property income, sales of goods and services (including PKO reimbursements), Local government fees collections, fines, penalties as well as other transfers. During July-September 2024 total collections under this category amounted to

FRW 194.9 billion and exceeded FRW 116.8 billion estimated in the original budget by FRW 78.2 billion.

Revenue from sales of goods and services, and Police collection under fines, Penalties, and forfeiture contributed to the excess collections in this category of other revenue. Proceeds from sales of goods and services amounted to FRW 128.9 billion and exceeded the projected figure of FRW 102.3 billion by FRW 26.6 billion partially due to excess in Reimbursements from the UN for peacekeeping operations linked to delayed disbursement from FY 2023/24. Police and other agencies' collections under fines, penalties, and forfeiture amounted to FRW 11.1 billion, while Property income amounted to FRW 2.9 billion.

IV. PERFORMANCE OF EXPENDITURE

4.1 Expense

As per the GFSM2014 classification, total expense is made of compensation of employees, use of goods and services, consumption of fixed capital, interest payments, subsidies, grants, social benefits, and other expenses. Currently, there is no spending under the consumption of fixed capital category.

In July – September 2024/25, available data indicate that total expenditure which refers to total expense plus net investment in nonfinancial assets (considered as capital/development spending) amounted to FRW 1,238.1 billion. This figure was FRW 15.8 billion higher than the estimated amount in the original budget of FRW 1,222.3 billion.

Under Expenses, provision data for July -September indicates that total outlay in recurrent expenses amounted to FRW 899.4 billion, higher by FRW 29.7 billion compared to the projected amount of FRW 869.7 billion. The excess is in line with excess in revenue collection and was observed mostly in use of goods and services as well as grants to other government entities.

The table below shows the details of total expenditure for the July - September 2024/25 period compared to the original budget estimates.

Table 6: Total Expenditure for July - September 2024/25

<i>Statement of Government Operations (in billion FRW)</i>	<i>FY 2024/25</i>	
	July-Sept Proj	July - Sept Prov. Actual
EXPENSE	869.7	899.4
Compensation of employees	137.5	137.8
Use of goods and services	207.3	237.5
Consumption of fixed capital	0.0	0.0
Interest	126.6	123.5
To non-residents	61.0	56.5
To residents other than the general government	65.6	67.0
Subsidies	80.6	80.3
of which Rwandair	40.4	40.3
Export Promotion	31.7	32.7
Grants	258.0	259.8
Social benefits	16.3	16.5
Other expense	43.3	44.0
NET OPERATING BALANCE		
including grants	96.6	162.4
excluding grants	-53.0	4.4
Net Investment in non-financial assets	352.6	338.8
Foreign financed	211.1	185.9
Domestically financed	141.5	152.8

Source: MINECOFIN

- **Compensation of employees**

During the July - September 2024/25 period, an amount of FRW 137.8 billion was paid as a total wage bill and this amount was largely in line with the original budget projections. The amount was used as payment to existing staff and for the ongoing allowable new recruitments in different institutions to implement new public service structures in government institutions as well as for the payment for promotions and bonuses.

- **Use of Goods and Services**

Spending under the Use of goods and services amounted to FRW 237.5 billion in the period under review and was higher than the projected amount in the original budget estimates of FRW 207.3 billion by FRW 30.2 billion. This category depends on needs related to administrative and other support services for the

various Ministries and public entities under the Central Government. The excess spending was mainly due to excess PKO expenditure during this period under review. A large portion of spending under this category was for the purchase of office and other materials.

- **Interest Payments**

In the July–September 2024/25 period an amount of FRW 126.6 billion was allocated for interest payments in the original Budget. This figure comprised of FRW 61 billion for interest payments to non-residents and FRW 65.6 billion to residents other than general Government. However, in the period, under review, a total amount of FRW 123.5 billion was spent on interest payments. This figure was FRW 3.1 billion lower than the estimated amount. Interest payments (including fees) to non-residents amounted to FRW 56.5 billion was lower by FRW 4.5 billion compared to FRW 61 billion projected in the original budget. The shortfall was mainly due to lower-than-expected depreciation of Rwandan francs compared to US Dollars during the period under review. Interest to residents other than general government amounted to FRW 67 billion and was in line with the projected amount in the original budget.

- **Subsidies**

During July to September 2024/25, the amount of subsidies paid to several beneficiaries amounted to FRW 80.3 billion which was slightly lower than the projected amount of FRW 80.6 billion in the original budget. Export promotion programs were financed with FRW 32.7 billion in line with original budget estimates. The subsidy to RwandAir amounted to FRW 40.3 billion, which was also in line with the projected figure for the period under review.

- **Grants**

Grant category is made of transfers from central government to Extra Budgetary Units (EBUs) and to Local Government Entities. During September 2024/25, the total amount transferred under this category was equivalent to FRW 259.8 billion and was slightly higher by FRW 1.8 billion compared to the original budget projections.

Out of this figure, EBUs received an amount of FRW 19.4 billion compared to the figure of FRW 21.2 billion projected in the original budget. There was therefore a shortfall in spending of only FRW 1.7 billion. On the side of Local government entities, an amount of FRW 240.3 billion was spent against the FRW 236.8 billion projected in the original budget. Wages and salaries for teachers and health workers as well as expenditure for school feeding programs took the largest share of this allocation. Furthermore, Capitation grants and block grants

as well as other local government activities were financed from this expenditure amount.

- ***Social Benefits***

This category of social benefits includes funds for Assistance to Orphans and vulnerable groups including the survivors of genocide as well as expenses for demobilization and reintegration programs. During the July-September 2024/25 period, the total amount spent under this category was equivalent to FRW 16.5 billion and was in line with the projected amount for the period under review.

- ***Other Expense***

Other expense categories include several miscellaneous items not elsewhere classified. The amount of FRW 44 billion spent was slightly higher than the figure of FRW 43.3 billion projected in the original budget. Expenditure for Scholarships is the main component of this category.

4.2 Net Investment in Non-financial Assets

The net investment in non-financial assets may be considered as capital expenditure in the old Government Finance Statistics Manual (GFSM1986)'s economic classification for the fiscal accounts.

The total amount spent under net investment in non-financial assets in the period under review was FRW 338.8 billion. This figure was FRW 13.8 billion lower compared to the original budget estimates of FRW 352.6 billion. The category of net investment in non-financial assets is composed of a foreign-financed component and a domestically financed component. Expenditure under the foreign-financed portion amounted to FRW 185.9 billion compared to the original budget estimate of FRW 211.1 billion. There was therefore a shortfall in spending of FRW 25.2 billion. This shortfall is attributed to lower-than-expected foreign loan disbursements for investment projects and are expected to catch up for the remaining period of the Fiscal Year.

Concerning the domestically financed portion, the amount spent was FRW 152.8 billion and was higher by FRW 11.3 billion, compared to the estimated amount of FRW 141.5 billion. This excess reflects a fast-track in the implementation of government infrastructure projects during the period under review.

The projects implemented during the period under review were largely in the priority areas which included; roads, energy, water and sanitation, as well as in the agriculture sector. The sectoral analysis portion of this report will present

key highlights of the programs and projects implemented during the period under review.

V. NET LENDING/BORROWING AND FINANCING

Following the GFSM 2014 presentation, net lending or borrowing is a balancing item that indicates the surplus or deficit resulting from all government operations other than financing. It therefore shows how the budgetary balance was arrived at.

As mentioned above, the total revenue that accrued during July – September 2024/25 amounted to FRW 1,061.8 billion. This figure was FRW 95.5 billion higher than the estimated amount of FRW 966.3 billion. Regarding expenditure, it was also mentioned above that total expenditures comprising total expense and net investment in nonfinancial assets amounted to FRW 1,238.1 billion for the period under review. This figure was FRW 15.8 billion higher than the estimated amount.

Therefore, in July – September of FY 2024/25, the net deficit (including grants) amounted to FRW 176.3 billion compared to the figure of FRW 256 billion in the original budget. This deficit was financed by net incurrence of liabilities of FRW 229 billion which also allowed the net acquisition of financial assets of FRW 13.1 billion. In the Original budget, the deficit of FRW 256 billion was to be financed with a net incurrence of liabilities of FRW 321.4 billion which would not only finance the deficit but also allow the net acquisition of assets of FRW 65.4 billion.

▪ *Net Incurrence of new Liabilities*

Regarding the net incurrence of new liabilities or new borrowing, the projection stood at FRW 321.4 billion in the original budget and was made of FRW 273.6 billion and FRW 47.8 billion from net domestic liabilities and net foreign liabilities respectively. At the end of September 2024, the provisional actual figure under net incurrence of liabilities amounted to FRW 229 billion comprising a net domestic component of FRW 186.1 billion and net foreign liabilities of FRW 42.9 billion. The amount of net incurrence of liabilities was therefore FRW 92.4 billion lower than the revised projected figure mentioned above.

The foreign financing component is made up of current/budgetary loans, capital/project loans, net debt securities, as well as principal repayments or reimbursement. Total loan disbursements projected in the original budget for the July-September 2024/25 period amounted to FRW 47.8 billion. However,

by the end of September 2024, the disbursed figure was FRW 42.9 billion showing a shortfall of FRW 4.9 billion.

The disbursed amount of project loans also includes disbursement related to the Economic Recovery Fund (ERF) totaling FRW 33.8 billion which was higher by FRW 20.7 billion compared to the FRW 13.1 billion projected in the original budget. The higher-than-projected disbursed amount reflects the acceleration in implementation of ERF-related projects.

External principal debt repayment during July – September 2024/25 amounted to FRW 55.3 billion and was in line with the projected figure under the original budget.

With regards to the domestic component, new issuances of domestic securities amounted to FRW 210.1 billion. Issuance to Banks was FRW 171.2 billion, whilst those to non-banks reached FRW 38.8 billion.

The table below shows the details of Net Lending/Borrowing for the July-September 2024/25 period.

Table 7: Net Lending/Borrowing and Financing for July - September 2024/25

<i>Statement of Government Operations (in billion FRW)</i>	<i>FY 2024/25</i>	
	July-Sept Proj	July - Sept Prov. Actual
NET LENDING (+) / BORROWING (-)		
including grants	-256.0	-176.3
excluding grants	-405.6	-334.4
Net acquisition of financial assets	65.4	13.1
Domestic	65.4	13.1
Currency and deposits	33.7	-95.1
Securities other than shares	0.0	0.0
Loans	21.7	97.6
of which KCC	8.6	8.6
Equity and investment fund shares	10.0	10.6
Foreign	0.0	0.0
Net incurrence of liabilities	321.4	229.0
Domestic	273.6	186.1
Debt Securities	295.1	210.1
Held by Banks	295.1	171.2
Held by non-Banks	35.0	38.8
Loans	-1.5	-9.0
Foreign	47.8	42.9
Loans	47.8	42.9
Disbursements	102.7	98.2
Current	0.0	0.0
Capital	102.7	98.2
Reimbursements	54.9	55.3

Source: MINECOFIN

▪ **Net Acquisition of Financial Assets**

As mentioned above, the revised budget projected a net acquisition of financial assets of FRW 65.4 billion. At the end of September, the net Acquisition figure was FRW 13.1 billion lower than the projected amount of FRW 52.3 billion. This performance was partially due to the drawdown of currency and deposits of FRW 95.1 billion at the end of September 2024.

VI. SECTORAL PERFORMANCE

6.1. ECONOMIC AFFAIRS SECTOR

In the **sub-sector of agriculture**, below are Q1 main achievements registered in the FY 2024/25 in line with PSTA4;

- In line with increasing area under irrigation, the development of Mahama I and Mahama II hillside irrigation Schemes is at 57.9% and 36.5%, respectively. Additionally, a total of 192.2 hectares of land has been developed under small-scale irrigation.
- Regarding animal health and production; 27,000 cows were inseminated against 26,857 MNBV cows planned and 9,870 AI Calves registered against 10,044 calves planned; 21,330 animals vaccinated (Brucellosis) against 19,129 planned and 4,100 animals vaccinated Rabies against 3,345 planned.
- In line with Agriculture insurance policy; 5,200 Cattle, 10,200 Chickens and 1,600 Pigs were insured while 7,698.67 ha of rice out of 5,390 ha targeted, 407.9 ha of maize, 15.8 ha of Irish Potatoes, 10 ha of Chili, and 1 ha of fresh beans were insured.
- To increase the production of export commodities; 7,484 MT of green coffee out of 9,523 MT targeted were produced and 5,987 MT out of 3,617 MT were fully washed. In addition, a total of 4,375 MT of made tea against target of 7,470 MT were produced while 22,512 MT of Fruits & Vegetables against target of 18,040 MT were exported and a total number of 26,000,000 Flower stems out of 20,700,000 targeted were produced for local and export markets.

In the sub-sector of Trade and Industry, the following achievements were accomplished in the first quarter of FY 2024/25, aligning with the prioritized policy actions agreed upon within the sector.

- In order to strengthen commodity value chain linkages, 18,626,380 liters of milk against a target of 19,645,858 liters were supplied to the milk processing plants.
- To support revenue growth from both traditional and non-traditional exports, the following revenues were generated:
 - o Revenue generated from coffee exports reached USD 27,278,413, close to the target of USD 27,300,000.
 - o USD 28,878,429 was generated from tea export against a target of USD 26,840,000.
 - o Revenue from refined pyrethrum exports totaled USD 695,922, surpassing the target of USD 640,000.
 - o Revenues generated from exported flowers were USD 764,499 against a target of USD 1,698,982.
 - o Generated revenues from exported horticulture products, and vegetables was USD 19,308,321 against a target of USD 12,836,395.
- To boost tourism revenue, the sector generated USD 15 million in MICE (Meetings, Incentives, Conferences, and Exhibitions) revenues by securing new business leads through participation in key international trade shows, exhibitions, and industry platforms. Key events included ICEF Africa, the International Association for Tropical Biology and Conservation Conference, the African Ophthalmology Council Scientific Congress, Ironman, the Africa Food Systems Forum, the Commonwealth Magistrates and Judges Association (CMJA) Conference, and the Science and Partnership for Agriculture Conference (SPAC2024).

In the sub-sector of **Information Communication Technology**, the following are achievements recorded in quarter 1 of the fiscal year 2024/25;

- To promote Rwanda's e-commerce ecosystem and support the development of a vibrant, competitive, and innovative ICT private sector;
 - o 50 businesses/companies were assisted in participating in e-commerce initiatives.
 - o 16 start-ups supported under Hanga Pitch Fest -CDAT Innovation Fund.
- Under the Digital Ambassadors Program, to empower and transform communities by enhancing access to information and services through ICT.
 - o 321 ambassadors were recruited and deployed.
 - o 369,754 citizens trained under the digital literacy program with basics digital literacy training.
 - o Internet subscriptions per 100 inhabitants (fixed and mobile) was estimated at 73.88%.
 - o Mobile broadband subscription rate (per 100 inhabitants) reached 46.76%.
- To enhance Government operational efficiency and improve citizen satisfaction;
 - o ID cards were produced and distributed on time (within 30 days) for both new applicants and replacements for lost cards. Out of 187,954 requested cards, 183,878 were produced and distributed on time based on received applications.
 - o 7,438 digital certificates were issued.

- 3,278 out of 3,084 biometric data capture sessions conducted at sector level per month.

6.2. INFRASTRUCTURE SECTOR

For FY 2024/25, the achievements recorded in Quarter One are observed across various sub-sectors, including Transport, Energy and Fuel, Water and Sanitation, and Housing. Below are the main achievements recorded:

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

- In line with the policy to improve and sustain the Quality of road network through the rehabilitation program of 79 km of National Paved Roads, Muhanga-Rubengera road Rambura-Nyange (22 Km) was rehabilitated at 85.7% against 85% targeted;
- With regards to upgrading of 234.45 km of National Paved Roads, various national paved roads were upgraded as follows;
 - Ngoma-Ramiro Road (52.8 km) was upgraded and overall average progress for both Lot 1 and Lot 2 was 51.1%, against a target of 60%.
 - Base-Butaro-Kidaho Road (63 km) progress was at 35.8%, surpassing the targeted 30%.
 - Nyagatare-Rwempasha Road (18 km) [Additional works to the Nyagatare-Rukomo Road (73 km)], progress reached 10%, against a target of 5%.
- Under the maintenance of 1,356.1 km of National paved roads & Bridges, Kicukiro-Nemba (61km) road (Multiyear), Tyazo-Karongi-Rubengera road (83 km) physical progress, Rusizi-Buhinga-Mwityazo road (50.4Km) (Multiyear), Kitabi-Crete-Congo-Nil (32 Km) (Multiyear), Kigali-Gatuna Road (78km)

(Multiyear), 83.1 km Kigali-Musanze road (Multiyear), Crete-Congo-Nil-Buhinga (31 Km) (Multiyear), Kigali-Kayonza Road (100 Km) (Multiyear) and Gabiro - Kagitumba Road (60 Km) & Nyagatare-Tabagwe- Karama Road (30.8 Km) (Multiyear) were at 96% as targeted; Rusizi- Bugarama-Ruhwa Road (61 km) (Multiyear) was at 75% as targeted, whereas Kigali-Muhanga-Huye-Akanyaru (157km) (Multiyear) and Muhanga-Ngororero-Mukamira (111 Km) were at 85% as targeted.

- With regards to rehabilitating of 215.95 km of feeder, Rutsiro Lot 1 works were completed at 30.7% against 25% targeted, the overall progress for 67 km in Kirehe and 43km in Karongi districts were rehabilitated and upgraded at 33% against 15% targeted whereas, Nyacyonga-Mukoto (36 km) was at 10% against 15% targeted.
- In order to improve regional transport and trade facilitation across the borders and in relation to the development of Maritime Transport infrastructures and services, the overall progress for the construction of Rusizi Port was completed at 50.04% against 40% targeted

In the **Energy and fuel sub-sector**, below are the achievements recorded under the policy to increase access to electricity, expansion of electricity transmission networks and electricity generation during the first quarter of the fiscal year 2024/25;

- With regard to the increased access to electricity from 76.6% to 83% by the end of June 2025, through the connection of 160,932 new households to grid electricity, a total of 29,277 households were connected in the first quarter, against a target of 32,764. Additionally, in line with connecting 231 new Productive Use Areas (PUAs), 236 PUAs were connected during the first quarter, surpassing the target of 40. Regarding the supply and installation of 100,000 solar home systems, 47,710 systems were installed in the first quarter, exceeding the target of 20,000.

- In order to increase electricity generation installed capacity, Nyabarongo II (43.5 MW) Hydro Power Plant construction progress was at 36.93% against 37% targeted whereas, Kore power plant (742kW) was at 68% against 50% targeted.
- To improve power transmission and distribution network for reliability of power supply; the overall progress for the construction of 220 KV Substations (Rubavu, Bwishyura and Kibuye) was at 90.4% against 92% targeted, whereas Distribution Management System (DMS) were implemented at 39.25% against 35% targeted.
- In line with the policy of enhancing efficiency of Energy use by disseminating 200,000 clean cooking stoves and inspecting 20,000 improved cooking stoves by 2025, a total of 59,339 clean cooking stoves were disseminated against 34,523 that were targeted, whereas 8,020 cooking stoves were inspected out of 4,503 that were targeted in quarter one.

In the **water and sanitation sub-sector**, the following achievements were realized under the policy of increased access to clean drinking water and improved sanitation during the first quarter of the fiscal year 2024/2025:

- Regarding the construction, extension and rehabilitation of 466 Km of WSS and 122 nonfunctional rural Water Supply Systems to serve 706,152 population; The construction of Water Supply System (203km) in Karongi District (Karongi WASH: Construction of 152km of WSS) Overall Project progress was at 30% as targeted, whereas, the overall progress for the rehabilitation and extension of 55 Water supply systems in 13 Districts through Stunting Prevention and Reduction Program (SPRP) was at 10.1% against 10% targeted.

- In line with the policy to increase access to clean drinking water; the overall progress of the Kivu Belt Water Supply System, Phase I (Musogoro WTP and distribution network with a capacity of 13,000 m³/day), stood at 50% as targeted, Construction of Lake Muhazi Water Supply System Phase I (12,000 m³/day) Project Progress was at 50.34% against 50% targeted, the construction of SAKE Water Supply System, Phase I (11,000 m³/day treatment plant and distribution system) was at 85.8% against 85% targeted Whereas, the construction of Ngororero WaterSupply System, 3084m³/day and Distribution networks was completed at 100% as targeted.
- For the policy of increasing access to sanitation services, the supply and installation of the Masaka faecal sludge treatment plant (Quick Fix Solution) reached 65% progress, exceeding the 60% target.

In the **housing sub-sector**, below are the achievements recorded in the first quarter of the Fiscal Year 2024/25:

- Aligned with efficient government asset management, workspace optimization, and public health initiatives, the construction of Masaka Hospital reached 73% completion, surpassing the 69% target.
- In the first quarter of FY 2024/2025, the following actions were taken to improve access to social and affordable housing:
 - o The construction and provision of basic infrastructure for GAHANGA Estates of 528 Units was completed at 61% against 60% targeted.
 - o Bumbogo Affordable Housing Project progress was at 29% against 30% targeted;
 - o MPAZI Rehousing Project of 688 Dus progress was at 87% against 75% targeted.

6.3. EDUCATION SECTOR

The achievements in the education sector align with the core mandate of enhancing access to quality education. Similarly, for the FY 2024/25, the accomplishments recorded by the end of Quarter 1 span from various sub-sectors, including pre-primary, primary, secondary, TVET, and higher education institutions. The key achievements are outlined below:

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

- To ensure sufficient numbers of competent teaching workforce across all levels of education;
 - A total of 4,164 new teachers have been recruited and placed in schools
 - 353 (295 REB and 68 RTB) in-service teachers from all districts have been received by HEC and the application process is ongoing to enhance teacher career path advancement through offering loans/grants to pursue Bachelors of Education at UR college of Education.
 - Additionally, Physical verification was conducted and 11,864 students are eligible across all TTCs.
- In order to enhance the quality of learning outcomes and relevance of education at all levels through comprehensive assessment;
 - For School Year 2023/24, 3,077,142 Primary, 648,220 Lower Secondary, 221,769 Upper Secondary students and 92,997 trainees were assessed.
 - To ensure education quality Assurance 63 pre-primary schools, 63 primary schools and 63 General and professional secondary schools were inspected.

- A total number of 760 NEET beneficiaries were trained, graduated and certified under the Industrial Based Training (IBT); 426 representing 56 % are female, while 334 representing 44 % are male under employable Skills Development Interventions for unemployed semi-skilled, unskilled, and youth neither in education, not in employment nor training (NEET).
- In line with the enrollment of students from East African Community in Post Graduate Programme in the Center of Excellence in Biomedical Engineering (CEBE), 89 candidates were admitted to CEBE Masters programs (24 in Biomedical Engineering, 34 in Rehabilitation and Mobility Sciences, and 34 in Health Informatics).
- With regards to increasing access to education through construction of modern school infrastructure;
 - The overall progress on upgrade works of 17 TTCs stands at 70.30% as per end Q1 FY 2024/2025. Whilst, the overall construction works for 16 Model schools was at 85%
 - The overall progress for the construction works of the retaining wall in schools stood at 99.66%.
- In line with strengthening Science, Technology, Engineering and Mathematics (STEM) across all levels of education;
 - 233 young Rwandans are currently studying rare skills locally, distributed as follows: 24 in Airline and Airport Management, 23 in Logistics and Supply Chain Management, 49 in Mechatronics Technology, 33 in Renewable Technology, 46 in E-Commerce, and 58 in Electrical Automation Technology.

- In line with the identification of schools to receive robotic kits, 105 schools have been identified to participate to the First Lego League (FLL), the integration of coding and robotics in the national curriculum have been piloted in 16 selected schools (6 primary schools, 5 lower secondary schools and 5 upper secondary schools) whereas 16 schools have been trained and received robotic kits under the Robotics National Program
- In order to enhance the use of ICT to transform teaching and learning and support the improvement of quality across all levels of education in Rwanda;
 - The SDMS been integrated with IFMIS to facilitate the payment funds to schools.
 - 139 schools have been identified and received laptops, 6,243 laptops were engraved and distributed to schools, Additional 5,197 laptops were purchased whereas readiness assessment is being carried out in additional 267 schools to identify more schools.

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

- To enhance innovative and responsive research and development addressing community challenges, the following achievements were recorded by the end of Quarter 1:
 - A total of 16 papers were published by the African Centers of Excellence (ACE) as follows:
 - ACE in Innovative Teaching Mathematics and Science: 7
 - ACE in the Internet of Things: 2

- ACE in Energy for Sustainable Development: 3
- ACE Data Science: 4.

With regards to TVET and HLI programme being responsive to both labor market needs and the social and economic development of Rwanda;

- 6 HLIs (KP, UGHE, EACC, ACT, UR-CASS and CUR) were identified for the institutional audit activities.
- Preparatory meetings with concerned HLIs (Kibogora Polytechnic (KP), Ruli Higher Institute of Health, Sainte Rose de Lima (RHIH), East African Christian College (EACC) and Catholic University of Rwanda (CUR) have been conducted.
- HLIs offering Midwifery programs have been requested to submit self-assessment reports.

6.4. HEALTH SECTOR

The **Health Sector** through several strategies continued to enhance demographic dividend by ensuring universal health coverage. The following are the key achievements registered by the health sector in quarter one of the 2024/2025 fiscal year through different health interventions:

- To reduce the burden of communicable diseases among Rwandan population, the following are key Q1 achievements;
 - In line with decreasing Malaria prevalence among people, 867,950 sachets of Fludora Fusion were procured and delivered, while 1,833 sprayer pump units were procured and their delivery is expected in Q2.
 - To ensure access to HIV, STI and Viral Hepatitis Prevention services, 107,279 male circumcisions were performed.

- To improve Management of TB, TB/HIV and Multi-Drug Resistance (MDR), for TB Patients, TB awareness messages were promoted at 10 bus stations and 4 markets across the country.
- In line with reducing the burden of non-communicable diseases among Rwandan population and promoting mental health, the following achievements were registered.
 - The integration of NCDs Awareness, screening, and early detection at all levels of the health care system, 408,977 out of 3,858,274 eligible people (35 years above) were screened during NCDs annual checkups.
 - 9,316 out of 23,351 screened positives were initiated on NCDs treatment at health centers and at Hospitals.
- To reduce Maternal, Child and Infant mortality, the achievements are as follows;
 - In line with increasing and reinforcing Family Planning (FP) and reproductive services at health facility and community level, outreaches for providing validation on FP Permanent methods were conducted in different hospitals where 17 Medical Doctors and 5 Anesthetist operated 50 clients (43 for Bilateral Tubal Ligation and 7 for Nonscalpel Vasectomy) under the supervision of FP Permanent methods master trainers.
 - To improve health services at community level, 1,725 CHWs were trained in Kibagabaga while 840 CHWs in Gakoma and 1,252 CHWs in Kibirizi.
- To improve geographical and financial accessibility to health services, the following achievements were registered during the first quarter;

- The construction of the high-level isolation unit was at 44% against a target of 40%.
- The construction works of Kibagabaga Maternity was at 49.4% against a target of 55%.
- To improve specialized clinical care services, 238 out of 286 policies (83.2%) were updated. All updated policies were scanned and uploaded into the Smart Admin system, and nine CPD sessions were conducted.

6.5. SOCIAL PROTECTION SECTOR

In the **social protection sector**, the main achievements registered were in line with the provision of support to vulnerable groups and assistance to disaster victims. Below are Q1 key achievements for the 2024/25 Fiscal year;

- In line with increasing access to social security and income support programs, particularly among vulnerable older people, people with disabilities, and households with low labor; 28,077 households(HHs) including 12,392 females and 15,685 males benefited from Classic public works, 37,540 HHs including 27,140 females and 10,400 males and 37,766 including 30,079 females and 7,687 males extremely poor and vulnerable HHs have benefited from Expanded public works (ePW) Labour based and ePW-H/CB ECDs respectively while 50,590 eligible HHs including 35,491 females and 15,099 males headed are benefiting from Direct Support.
- Concerning increasing access to complementary livelihood development services for economic empowerment for extremely poor households, a total of 612 cows were distributed to poor families through Girinka Program, 233 pigs were distributed to youth and women from poor households, and 20,827 chickens were distributed to youth and women cooperatives.
- Under the policy of reducing malnutrition among children under 5 years; 4,712 out of 5,221 children with moderate malnutrition were supported

through a milk support program. Additionally, 76,950 eligible children aged 6–24 months, against a target of 86,483, received Fortified Blended Food (FBF). Furthermore, 26,197 out of 31,836 pregnant and lactating women also received FBF.

- In line with protecting Child rights and welfare, a total of 614 street children were identified and reunified with families against a target of 626.
- To address human security issues, a total number of 30 houses were constructed for vulnerable households as planned, 126 out of 124 targeted houses in poor conditions were rehabilitated and 189 adequate toilets were constructed against 174 targeted while 1,137 toilets were rehabilitated out of a target of 1,112 targeted.

6.6. JUSTICE SECTOR

For the Justice sector and in line with the implementation of prioritized policy actions agreed within the sector, efforts made have led to the following key achievements in quarter one of FY 2024/2025.

- In line with enhanced digital transformation and innovations in the justice sector, at the end of September 2024, there was 41% of transformative digital solutions as planned. These included the E-Notary and E-Stamp System that were developed up to 10%. Also, the integration of Artificial Intelligence (AI) applications in the Justice systems was estimated at 2.5% as planned while the upgrade of IECMS was at 93.78% against the target of 95%.
- Regarding strengthening the capacity development of the justice sector in existing and emerging technologies strengthened, 185 trainers were trained to train others while 1,330 IECMS users were trained on new upgraded IECMS.
- To strengthen Gender Based Violence response and Child protection mechanisms, from July 2024 to end September 2024, all 2,771 GBV cases in

need of forensic evidence received were supported and all 2,039 reported GBV and child abuse cases were investigated. Also, all 21 reported cases related to abandoned children were investigated and all 4 registered child labour cases were investigated. Furthermore, all 4,479 victims of GBV and child abuse received were supported at Isange One Stop Centers (IOSCs).

- With regard to improving investigation of human trafficking, drug trafficking, environmental and cybercrimes cases, From July to end September 2024, all 1,004 illicit drug cases were investigated, all 10 recorded human trafficking cases were investigated, 815 (79%) out of 1,031 recorded cybercrimes were investigated and all 75 recorded environmental crime cases were investigated.
- In line with timely handling and delivery of forensic services to citizens, During Q1, RFI handled 2,870 forensic cases equivalent to 98.2% out of 2,922 cases received for forensic evidence.
- In line with establishing Alternative Dispute Resolutions (ADR) mechanisms to ensure citizen ownership and participation in quality justice, During Q1, Abunzi had 8,303 civil cases to handle. At the end of the quarter, Abunzi committees had handled 7,983 cases equivalent to 96% at both Cell and Sector levels while 320 cases equivalent to 4% were still pending.
- Concerning strengthening and coordinating legal aid to the community through access to Justice Bureaus (MAJ), MAJ staff have received 5,477 cases: 1,933 (35.3%) from males, 3,245 (59.2%) from females while 299 (5.5%) cases were received from minors. At the end of the quarter, 5,470 Cases equivalent to 99.9% were handled.
- In line with ensuring that court judgments and enforceable decisions are timely executed, during Q1, 14,772 judgement cases were available to be executed. At the end of September 2024, 10,586 cases equivalent to 72% were executed while 4,186 (28%) cases were still pending for execution.

- Concerning recovering embezzled funds for won cases, during Q1 of 2024/25, a total of Frw 113,193,175 was recovered against the planned target of Frw100,000,000.

6.7. ENVIRONMENTAL PROTECTION SECTOR

In the **Sector of environmental protection**, the following achievements were recorded during Q1 for fiscal year 2024/25;

- Three draft Ministerial Orders on Biodiversity and three draft Ministerial Orders on Parks and Nature Reserve law are available which are in line with Environment, Water, land and forestry Policy and legal framework developed, coherent and effectively implemented.
- To enhance environmental management, mitigation and adaptation to climate change, 43 approved Environmental Impact Assessment (EIA) certified capital projects was audited for compliance with EIAs Studies. Additionally, 16 inspections were conducted to monitor industries/companies issued with the special authorization to use, manufacture and recycling the single use.
- In line with mobilizing climate and nature finance to increase climate resilience for a sustainable development, USD 857,815 was mobilized from funding partners for different climate and environment programs.
- In order to increase the percentage of forest cover, 107,547 bamboo seedlings have been produced and are ready to be planted on 68 hectares of identified and planned land for bamboo planting.
- In order to increase Land under agro-forestry, 64,173 ha for agroforestry practices and sites were identified and also 1,931,605 fruit seedlings were produced and beneficiaries identified around the country.

- In order to rehabilitate degraded public forests, 3,784.95 ha were identified and mapped for rehabilitation as well as production of 3,784.95 ha seedlings to be planted.
- To continue reducing wood biomass energy through the use of improved efficient technologies, 50,021 improved cooking stoves (ICS) were distributed countrywide.
- To continue increasing annual employment created from the ENR sector, 8,910 Jobs were created including 4,376 for females and 4,534 for males.
- With regards to effective governance of water resources at catchment level where 149 hectares of degraded areas rehabilitated, 51 hectares of degraded areas were rehabilitated for Q1 in the project erosion and flood control in Nyamasheke (LATAWAMA Project).
- Catchment committees for Muvumba, Nyabarongo Upper, Nyabarongo Lower, Kivu, and Akagera Lower have been established and are now operational, supporting integrated and sustainable water resources management to optimize reliable, efficient, and productive investments.
- In order to ensure equitable water allocation and efficient utilization, 28 Water permit have been issued and 42 Water Users were inspected.
- In order to increase revenues generated through minerals value addition and diversification, support has been provided to gemstones dealers through identification, valuation of gemstones, sealing of packages and export certification services were provided to Mineral traders thus exported minerals in Q1 generated revenues of approximately 325 million USD.
- To promote sustainable mining by adopting environmentally friendly practices and standards, drilling is underway at two potential sites for gold and lithium. So far, 1,833.95 meters out of a planned 3,000 meters have been

drilled, achieving 61.13% of the target. This includes 1,027 meters from 13 boreholes at the Musenyi site and 806.95 meters from 8 boreholes at the Miyove site.

VII. CLIMATE RELATED EXPENDITURE

In alignment with the global commitments to mitigate climate change and transition toward a green economy, the Government of Rwanda has prioritized the integration and tracking of climate-related spending across various sectors. Budget execution for these interventions is essential for ensuring the effective implementation of programs that address climate change mitigation, adaptation, and resilience. This section presents an analysis of the financial allocation and expenditure in relation to climate-related interventions, assessing the efficiency of budget execution in achieving climate goals.

The fiscal year 2024/25, a dedicated budget of RWF 399.8 billion was allocated to climate-related development interventions across implementing sectors and agencies such as energy, agriculture, water resources, and environmental conservation. These allocations were aligned with the national strategic priorities outlined in the Nationally Determined Contributions (NDCs), focusing on reducing carbon emissions, enhancing climate resilience, and promoting sustainable development. For Quarter 1, a total of RWF 74.9 billion was spent on climate-specific projects, representing 19% of the total development expenditure.

Out of the total expenditure, 14% was spent on adaptation, 24% on mitigation, and 25% on interventions that contribute to both mitigation and adaptation goals. The table below summarizes quarter-one spending by category;

Table 8: Climate-related Expenditure for July - September 2024/25

Development	399,779,143,012	74,874,745,568	324,904,397,444	19%
1. Adaptation	205,561,167,098	27,823,925,023	177,737,242,075	14%
2. Mitigation	114,395,502,627	26,920,531,646	87,474,970,981	24%
3. Both (Mitigation and Adaption)	79,822,473,287	20,130,288,899	59,692,184,388	25%

VIII. CONCLUSION

As mentioned above, the rebound in economic activities observed since the beginning of the year 2024 continued in the July to September 2024 period. The improvement in economic activity together with the decline in inflation impacted positively on domestic resource mobilization. On the spending side, total expenditure was in line with the original projections. The budget for the fiscal year 24/25 has however been revised after negotiations with the IMF team.

On the resources side, these increased because of the frontloading of some loans from the World Bank as well as accelerated draw down of some project loans, among others.

On the expenditure side, total spending was adjusted upwards due to higher-than-expected disbursement of PKO and excess revenue which led to an acceleration in the implementation of activities. As a result of these revisions, the trajectory of the deficit was in line with projections.

The Government will endeavor to uphold its main policy objectives of promoting growth and welfare of the population whilst maintaining Macroeconomic stability.