

Republic of Rwanda



2012 Year end achievements

Kigali, July 2013

FOREWORD BY THE CEO

We are very pleased to publish our first edition of the Annual Report. This report highlights RDB's achievements since its inception with an emphasis on the most recent accomplishments in 2012. As we enter the implementation of EDPRS II, this report will help us evaluate where we stand against our goals and targets as we continue to pursue our vision to transform Rwanda into a dynamic global hub for business, investment and innovation. In 2012, the value of investments registered hit an all-time high of \$1.136 Billion, the highest it has been since 2000, surpassing the 2012 target by \$301m. The expected job creation from these registered investments is approximately 22,000 jobs, a 140% increase compared to jobs registered in 2011.

In order for us to realize the economic impact of these registered investments both in monetary value and job creation, we must track how these investments evolve to implementation and finally operation where we see the impact on the economy. It takes around 2-3 years for large investments to move into the implementation phase and to finally become operational. For the projects that were registered in 2010, those worth 88% of the registered value were in implementation and those worth 58% were operational by the end of December 2012.

Beyond registered investments, with data from the National Institute of Statistics of Rwanda, we continue to track actual private investments. Over the last five years, we have seen private investments contribution to GDP fluctuate between 10.9% and 13.1%. The value of actual private investments has steadily risen to \$775 million in 2012, a value that is 47% of the total actual investments in Rwanda. Another important metric that we are very keen on tracking is the growth in our exports; a key indicator of private sector growth. We have seen exports grow by 80% over the last five years to reach \$483 million in 2012, and by 24% between 2011 and 2012, with the agriculture and mining sectors dominating.

I believe that RDB is on the right track to achieve its goals, notwithstanding the global economic challenges that trickle down and impact the private sector. The private sector has a vital role to play in fostering rapid economic growth of Rwanda to achieve the 11.5% average growth target over the next five years. RDB is committed to remaining agile and flexible in pursuing and facilitating investors to ensure that more investments come into Rwanda and established investments flourish to allow private investments to reach 20% of Rwanda's GDP.

Clare Akamanzi
Ag. CEO, Rwanda Development Board

TABLE OF CONTENTS

FOREWORD BY THE CEO	i
TABLE OF CONTENTS.....	ii
LIST OF TABLES.....	iii
LIST OF FIGURES.....	iv
1. GENERAL INTRODUCTION.....	1
2. PERFORMANCE OF INVESTMENT AND BUSINESS REGISTRATION.....	3
2.1 Investment registration	3
2.1.1 Overview	3
2.1.2 Investments registered and Jobs to be created in 2012 by sector	4
2.1.3 Value of top 10 projects versus the rest.....	5
2.1.4 2012 Registered Investments by origin	6
2.1.5 Project conversion	8
2.2 Business registration.....	10
2.3 Issuance of Environmental Impact Assessment Certificate (EIA)	10
2.4 Real investments in 2012.....	12
3. EXPORTS.....	14
4. TOURISM.....	15
5. STRUCTURAL AND MANAGERIAL IMPROVEMENTS.....	17
6. OTHER KEY INITIATIVES.....	18
7. STRATEGIC PROJECTS UNDERWAY	20
7.1 Bugesera International Airport	20
7.2 Kigali Convention Center (KCC).....	20
7.3 Special Economic Zones program	20

7.4 Technopole	21
8. CONCLUSION.....	21
Thank you note	22

LIST OF TABLES

Table 1: Registered investments and jobs to be created per sector; 2011 - 2012	4
Table 2: Jobs attached to projects registered between 2008 and 2012	5
Table 3: Top 10 investments registered in 2012.....	6
Table 4: 2012 Investments registered by origin	7
Table 5: Projects conversion 2010 – 2011	9
Table 6: Business registration and re-registration in 2010, 2011 and 2012	10
Table 7: Rwanda Ranking in World Bank Doing Business index 2012 & 2013.....	12

LIST OF FIGURES

Figure 1: Registered private investments from 2000 to 2012	3
Figure 2: 2012 Registered investments per sector in 2012	5
Figure 3: 2012 Share of registered investments by origin	7
Figure 4: Registered Investments by origin 2009 - 2012	8
Figure 5: Value (million US \$) of projects registered in 2010 and 2011 at their current different stages of conversion.....	9
Figure 6: EIA Certificates issued from 2009 to 2012.....	11
Figure 7: Actual private investments from 2008 to 2012 in millions of US\$	13
Figure 8: Registered And actual investments in million USD.....	13
Figure 9: Value of exports in million US\$ from 2008 - 2012	14
Figure 10: Tourism revenues in USD million from the year of 2008 to 2012	15
Figure 11: Evolution of exports (commodity and tourism combined) from 2008 to 2012	16

1. GENERAL INTRODUCTION

Genesis of RDB

Rwanda Development Board was created in accordance to Organic Law No 53/2008 of 02/09/2008. This law was recently repealed by the Organic Law n° 06/2013/OL.

RDB was created to improve the well-being of all Rwandans by fast-tracking development, catalyzing sustainable economic growth, and creating prosperity for all. Rwanda Development Board was formed by bringing together the following Agencies and/or Authorities: Rwanda Investment & Export Promotion Agency (RIEPA), Rwanda Information and Communication Technology Authority (RITA), Rwanda Office of Tourism and National Parks (ORTPN), Centre for Support to Small and Medium Enterprises (CAPMER), Rwanda Commercial Registration of Service Agencies (RCRSA), a Unit of Human Resource and Institutional Capacity Development Agency (HIDA), a Unit of Rwanda Environmental Management Authority (REMA), and Privatization Secretariat. RDB is now located at Gishushu, Kigali.

RDB Mission

RDB's mission is to fast track economic development in Rwanda by enabling private sector growth. The scope of work includes all aspects related to the development of the private sector. This involves working with and addressing the needs of companies of all sizes (large, SMEs) and both local and foreign investors

RDB Vision

RDB's Vision is to transform Rwanda into a dynamic global hub for business, investment, and innovation. This vision is derived from the National vision to transform Rwanda into a middle income country by 2020.

Metrics

To measure the progress, Rwanda Development Board uses the following metrics:

- Share of private sector contribution to GDP
- Jobs created in the private sector and
- Level of private investments

Departments and supporting Units

Rwanda Development Board has 3 cross cutting departments, 5 economic cluster departments and 12 supporting units:

- ***Cross cutting departments:*** Investment Promotion and Implementation (IPI), Assets and Business Management (ABM), and Human Capital and Institutional Development (HCID)
- ***Economic cluster departments:*** Agriculture development (AD), Services Development (SD), Tourism and Conservation (T&C), ICT, and Trade and Manufacturing (T&M).
- ***Supporting Units:*** Strategy and Competitiveness Unit (SCU), Strategic Investment Unit (SIU), Communications and Public Relations Unit (PR), Customer Care unit (CCU), Human Resources Unit, Legal Unit, Procurement Unit, Planning Unit, Audit Unit, Finance Unit, Administration Unit and the Special Economic Zones Authority of Rwanda (SEZAR).

2. PERFORMANCE OF INVESTMENT AND BUSINESS REGISTRATION

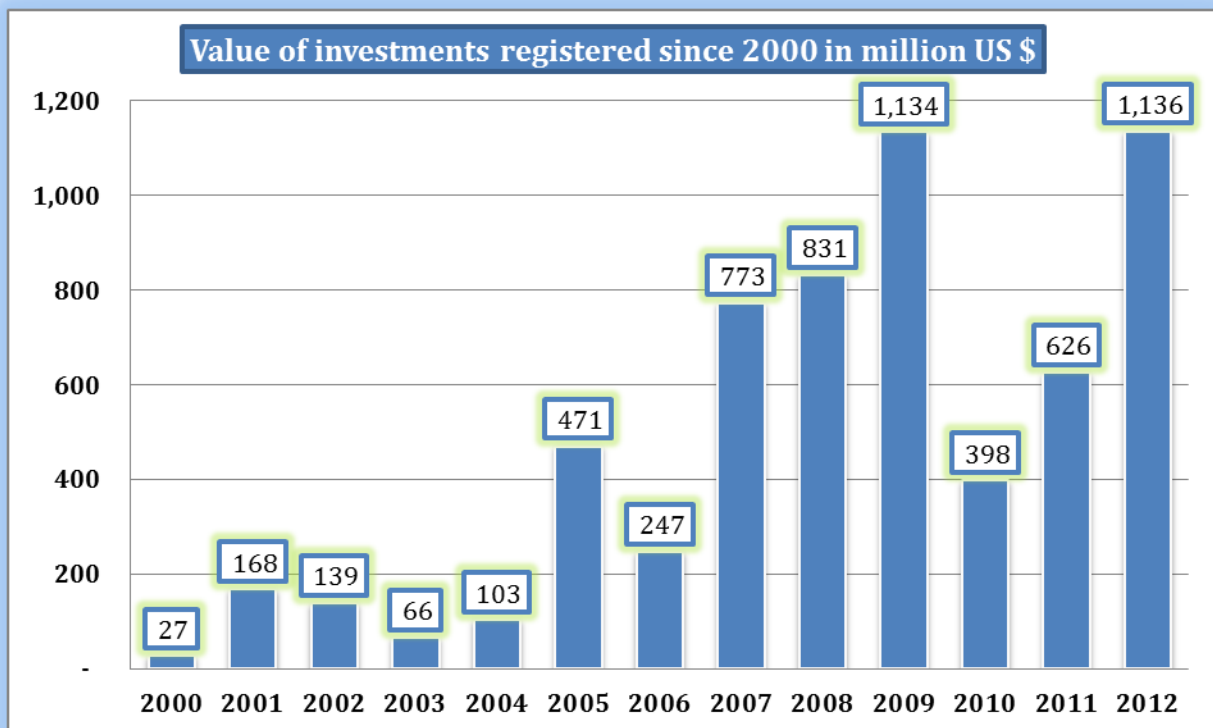
2.1 Investment registration

2.1.1 Overview

The category of “investment” captures all projects where promoters write to One stop Center of Rwanda Development Board (RDB) applying for investment certificate. As provided for by the investment code, these projects are supposed to have an investment worth at least \$100,000 when owned by local investors (Rwanda) and \$250,000 when owned by foreign investors.

2012 has been an excellent year in terms of investment registration as RDB has registered the largest amount of investment ever. In a context of global economic difficulty, Rwanda has managed to create its own opportunities in 2012. 2011 was a good year with \$626m registered, but 2012 was a record year with investments reaching \$1.136 billion, an increase of \$510m from 2011. When comparing to 2012 initial target of \$835m, RDB surpassed its 2012 target by \$301m.

Figure 1: Registered private investments from 2000 to 2012



Important to note, investment registered is the commitment of an investor who acquires an investment certificate at RDB. It is therefore the value committed to be invested as well as the number of jobs to be created over the period of the submitted business plan, which can be up to 5 years.

Over the last 13 years, the value of registered investments has increased significantly from \$27m in 2000 to \$1,136m in 2012. The Compound Annual Growth Rate (CAGR) over those 13 years has been 37. Investments started increasing dramatically in 2005 where they reached \$471m from \$103m in 2004. 2012 has been the record year with \$1,136; the second time investments are hitting over a billion dollar. The only other time was in 2009 when they reached \$1.34 billion.

2.1.2 Investments registered and Jobs to be created in 2012 by sector

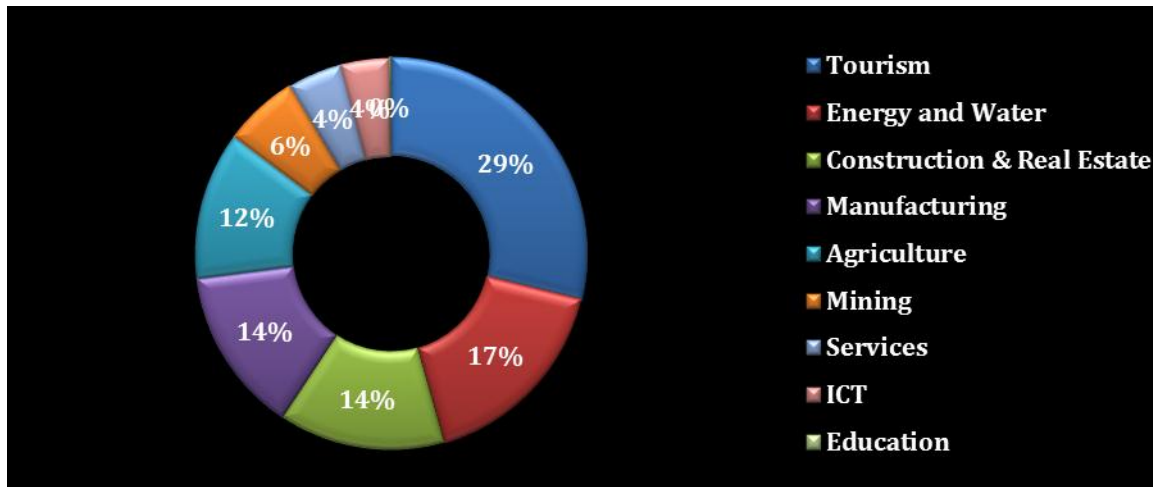
In 2012, out of 185 projects that were registered, the three sectors that attracted the highest value of investments are: Tourism, Energy & Water, and construction & Real Estate. However, the three sectors that contributed to the largest amount of job creation in the same year were Mining, ICT and Services respectively.

Table 1: Registered investments and jobs to be created per sector; 2011 - 2012

Sectors	2011		2012	
	Value of investments (US \$ millions)	Jobs to be created	Value of investments (US \$ millions)	Jobs to be created
Tourism	117	1,393	327	2,042
Energy & Water	85	21	191	427
Construction & Real Estate	75	803	156	759
Manufacturing	44	1,731	155	2,061
Agriculture	78	2,087	139	1,469
Mining	24	60	70	7,231
Services	32	1,623	51	3,898
ICT	110	164	45	4,034
Education	3	109	2	75
Others	58	1,065	0	0
Total	626	9,056	1,136	21,996

Source: RDB, One stop Center

Figure 2: 2012 Registered investments per sector in 2012



In 2012, tourism sector maintained its first position in attracting the highest level of investment worth \$327m from \$117m in 2011. This was a 279% increase. Same as 2011, projects with lowest value were recorded in Education sector; \$2m in 2012 from \$3m in 2011.

In 2012, we see a 12,940 increase in regards to expected job creation, from 9,056 in 2011 to 21,996. We also see a shift in sectors with Mining taking over from Agriculture as the sector expected to create most jobs in 2012.

2012 was also a record year for jobs to be created, as shown in the figure below:

Table 2: Jobs attached to projects registered between 2008 and 2012

	Value of investments in US \$ m	Jobs to be created
2008	831	9,329
2009	1,134	11,901
2010	398	12,736
2011	626	9,047
2012	1,136	21,996

2.1.3 Value of top 10 projects versus the rest

Out of a total of 185 projects registered in 2012, the top 10 accounted for \$695m which equals to 61% of total investments value of \$1,136m. In 2011, the top 10 projects had contributed 56% to the total value of \$626m. In 2011, the largest project was registered in ICT for \$102m, whereas in 2012 the largest project was registered in tourism for \$162m.

Table 3: Top 10 investments registered in 2012

#	Company	USD	SECTOR	ORIGIN
1	EAGLE ON THE LAKE LTD	162,000,000	Tourism	JV with China
2	NGALI ENERGY (Digitech)	146,000,000	Energy (10 hydro)	Local
3	CIMERWA LTD	99,000,000	Manufacturing	JV with South-Africa
4	CENTURY PARK HOTEL	92,000,000	Tourism	Foreign (China)
5	NANDAN AGRO PROCESSING INDUSTRIES LTD	48,000,000	Agro-business	JV with Singapore
6	PROPERTYMODE RWANDA LTD	40,000,000	ICT	JV with Australia
7	PRECIOUS MINING LTD	28,000,000	Mining	Foreign (India)
8	CHAMPIONS INVESTMENT CORPORATION LTD	27,000,000	Real Estate	Local
9	BRALIRWA	27,000,000	Agro-business	JV Netherland
10	GIGAWATT	26,000,000	Energy	Foreign (Israel)
	TOTAL	695,000,000		

Source: RDB, One stop Center

Additional projects registered in 2012 that deserve mentioning due to their strategic importance include:

- **East Africa Exchange Ltd:** Project to establish and operate the first commodity exchange platform in Rwanda;
- **Mobicash Ltd:** A new player in the financial market to provide a mobile payment and mobile banking scheme and create 3,000 jobs;
- **Rwanda Grains and Cereals Corporation Ltd. (RGCC):** Establishment of Rwanda's first grain & cereals value chain management (buying, selling, handling, sorting, bagging, labeling and handling national reserves);
- **Sahasra Electronics PVT Ltd:** A manufacturer of LED light recently established in the Kigali Special Economic Zone, whose investment will help reduce imports of such products;
- **Agarwal Eye Hospital:** A strategic project that will promote growth of the health sector;
- **Premier Animal Feeds Industry Ltd:** A manufacturer of animal feeds. It is expected will help reduce imports;
- **Hakan:** A 100 MW Peat power generation project for which a Power Purchase Agreement (PPA) was signed in 2012;
- **Privatization of Government Assets:** 1 dairy factory, 2 tea factories, and 3 rice mills were privatized in 2012.

2.1.4 2012 Registered Investments by origin

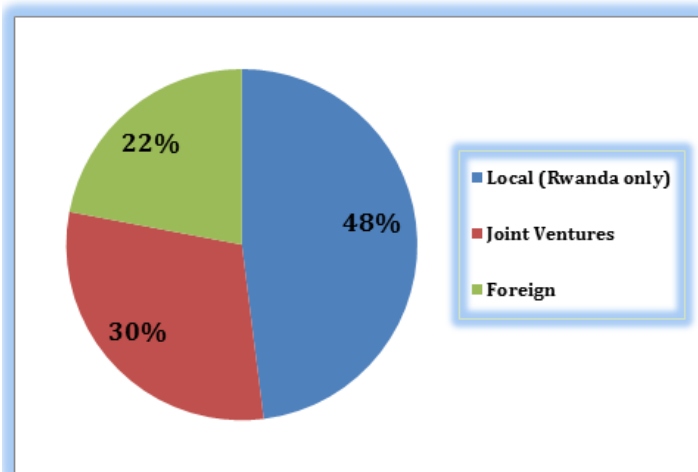
Local investments registered in 2012 accounted for 48% of total value, but 60% of number of projects, while foreign investments and Joint venture accounted for 52% of value, but only 40% of number of projects.

Table 4: 2012 Investments registered by origin

Indicator	Total	Local (Rwanda only)	Joint Ventures (Rwanda and foreign)	Foreign (Foreign only)
Value	\$1,136m	\$546m	\$339m	\$251m
Percentage of value	100%	48%	30%	22%
# of projects	185	111	20	54
Percentage of projects	100%	60%	11%	29%

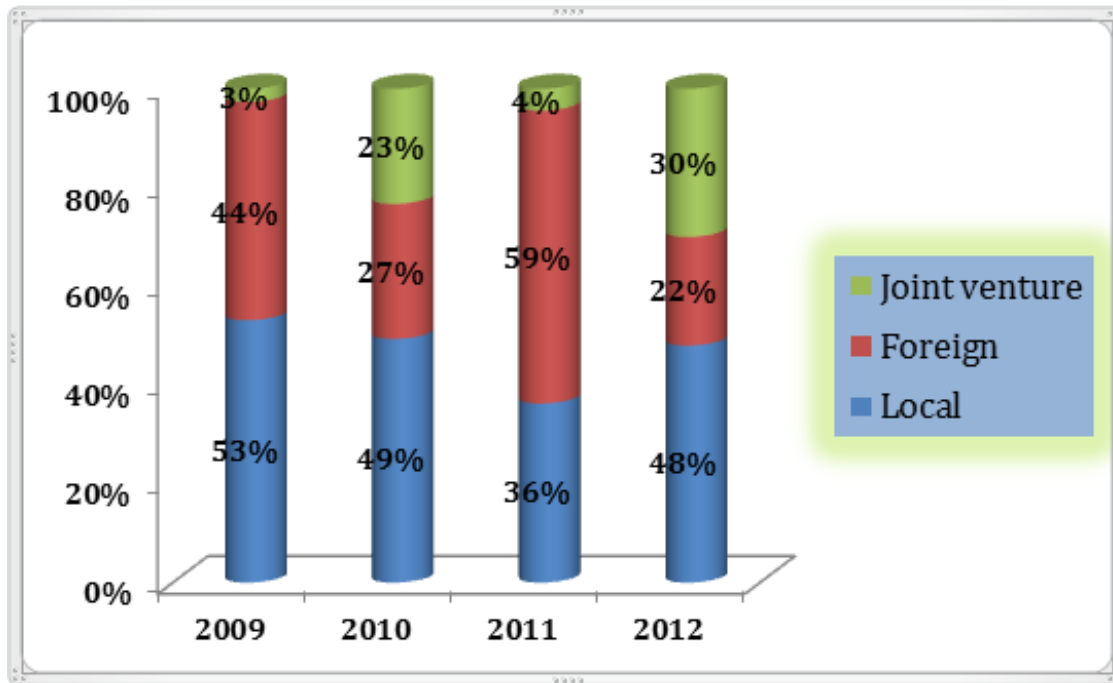
Source: RDB, One stop Center

Figure 3: 2012 Share of registered investments by origin



The structure of investments by origin in 2012 is similar to previous years; local represent close to half of total, where foreign combined with joint ventures represent the other half, as shown in the following figure

Figure 4: Registered Investments by origin 2009 - 2012



2.1.5 Project conversion

As initially highlighted, investment registered is the commitment to be invested as well as the number of jobs to be created over the period of the submitted business plan, which can be up to 5 years. To effectively monitor and ensure that registered projects are implemented, projects are classified in 3 categories: projects at **“Commitment”** stages are those where an investor has acquired the investment certificate but yet to start construction or any other activity related to establishing or starting up operations. The second category dubbed **“implementation”** is composed of projects whereby their promoters have started initial activities to establish their business. These activities may include acquisition of land, construction of the site, and import of raw materials among others. The third category known as **“operational”** is composed of projects where operations have started and promoters are already selling their goods and/or services.

Looking at projects that were registered between 2010 and 2011, their conversion status as of December 31st 2012 was as follows:

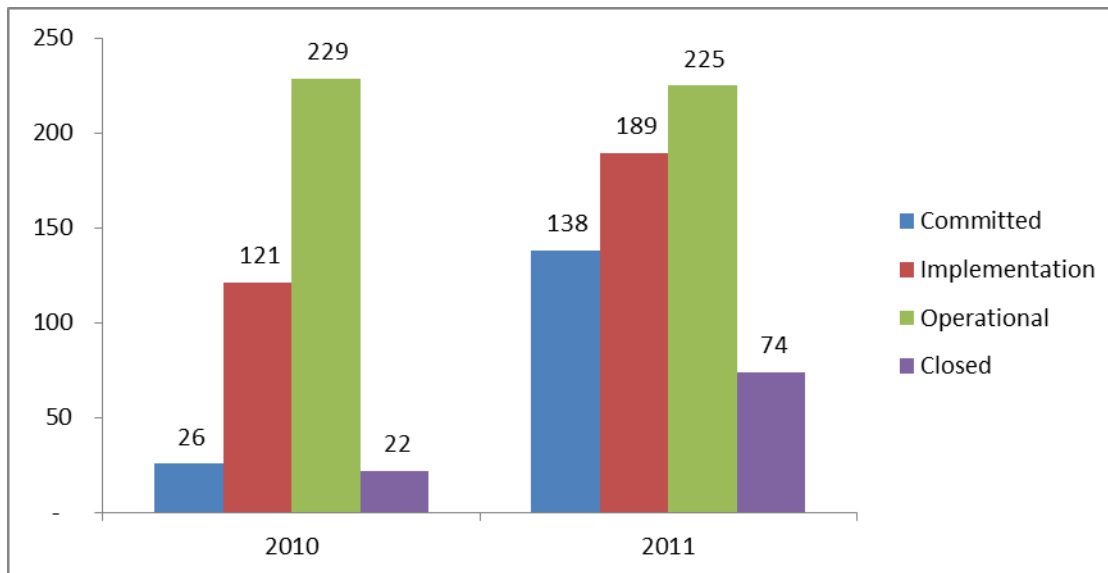
Table 5: Projects conversion 2010 – 2011

	2010		2011	
	Number of projects	Value (\$)	Number of projects	Value (\$)
Committed	7	25,540,542	19	138,208,603
Implementation	16	121,454,344	58	189,392,688
Operational	76	228,731,342	59	224,803,015
Closed	6	22,195,242	3	73,699,482
Total	105	397,921,469	139	626,103,788

Source: RDB, Aftercare

Out of projects worth \$398 registered in 2010, those worth \$350 are at least at the implementation state and the majority of them (\$229) are now operational. However, projects worth \$26m are still at commitment stages and those worth \$22m were closed completely.

Figure 5: Value (million US \$) of projects registered in 2010 and 2011 at their current different stages of conversion



For the year 2011, projects that have at reached implementation stage are worth \$189m and those worth \$225 are operational. Looking at the distribution above, at least 88% of the total value of projects registered in 2010 are at implementation and operation stage while the same category stands at 66% for projects registered in 2011.

2.2 Business registration

Business registration consists of 5 categories; Intellectual property right registration, Secured transactions registration, Sole traders registered, domestic companies, and foreign companies. The following table shows number of registrations, re- registration and amendments that were undertaken in each category from 2010 to 2012.

Table 6: Business registration and re-registration in 2010, 2011 and 2012

Category	2010	2011	2012
Intellectual property right	551	773	641
Secured transactions	5,078	11,498	13,425
Sole traders	672	6,397	1,857
Domestic companies	3,067	9,564	10,972
Foreign companies	29	96	93
TOTAL	9,397	28,328	26,988

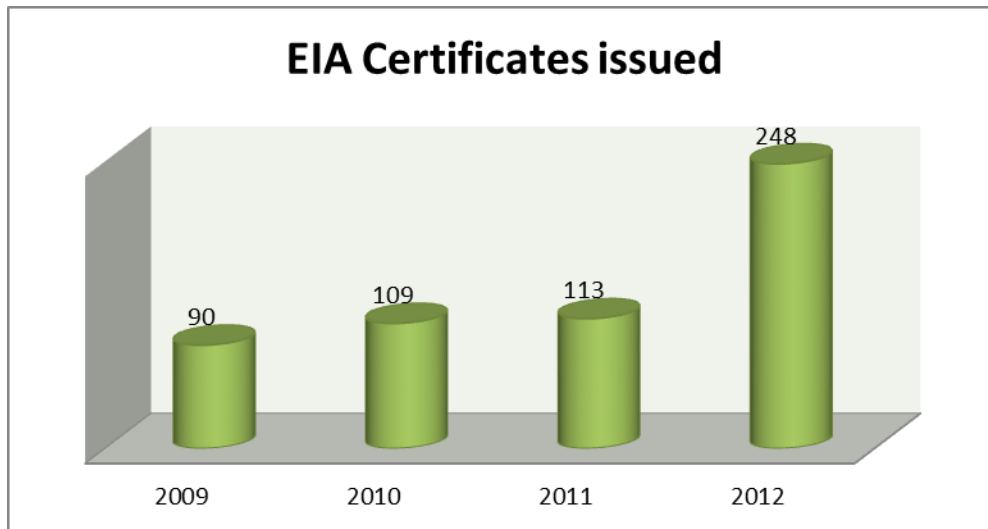
Source: RDB, Office of Registrar General

For the last three years, more business registration took place in 2011 as companies had a deadline to comply with the new company act which was requiring them to re-register. In this regard, in 2011 alone, for the categories on sole traders, 4300 business came to re-register while the number went down to 713 in 2012, this shows that most of traders complied with the new company act in time. Looking at the registration of new business in categories of sole traders and companies (domestic and foreign), there has been an increase of 19% in 2012 compared to 2011 as the number of registered business moved from 6,345 in 2011 to 7,519 in 2012. Looking at the category of companies registration alone, there has been an increase of 44% from the year of 2011 to 2012 as the number of registered companies moved from 4, 627 in 2011 to 6,655 in 2012.

2.3 Issuance of Environmental Impact Assessment Certificate (EIA)

In line with Rwanda's commitment to effectively manage environmental challenges, RDB conducts Environmental Impact Assessment on projects before their implementation. The graph below shows the number of EIA certificates issued for the last 4 years. The increasing number of certificates each year shows that Rwanda is pursuing socio economic development together with a sustainable environment.

Figure 6: EIA Certificates issued from 2009 to 2012



2.3 Doing Business 2012

The 2013 World Bank Doing Business Report has ranked Rwanda 52nd out of 185 countries. In the overall performance, Rwanda is still the best performing country in the East African region as well as 3rd easiest place to do business in Sub-Saharan Africa, after Mauritius which ranked 19th globally, and South Africa which ranked 39th globally. Looking at Africa more generally, Tunisia came in 50th globally. In 2012 report, Rwanda was ranked 45th globally.

The following table shows how Rwanda performed for each indicator in 2013 compared to 2012:

Table 7: Rwanda Ranking in World Bank Doing Business index 2012 & 2013

No	Indicator	Doing Business rank 2013	Doing Business rank 2012	Change in Rank
	Overall Rwanda Ranking	52 nd	48 th	↓ -4
1	Starting a business	8	8	No change
2	Dealing with construction Permits	98	90	↓ -8
3	Getting electricity	49	50	↑ 1
4	Registering Property	63	62	↓ -1
5	Getting Credit	23	23	No Change
6	Protecting investors	32	29	↓ -3
7	Paying taxes	25	29	↑ 4
8	Trading Across Borders	158	159	↑ 1
9	Enforcing Contracts	39	40	↑ 1
10	Resolving Insolvency	167	168	↑ 1

Source: Rwanda Development Board, Doing Business Unit

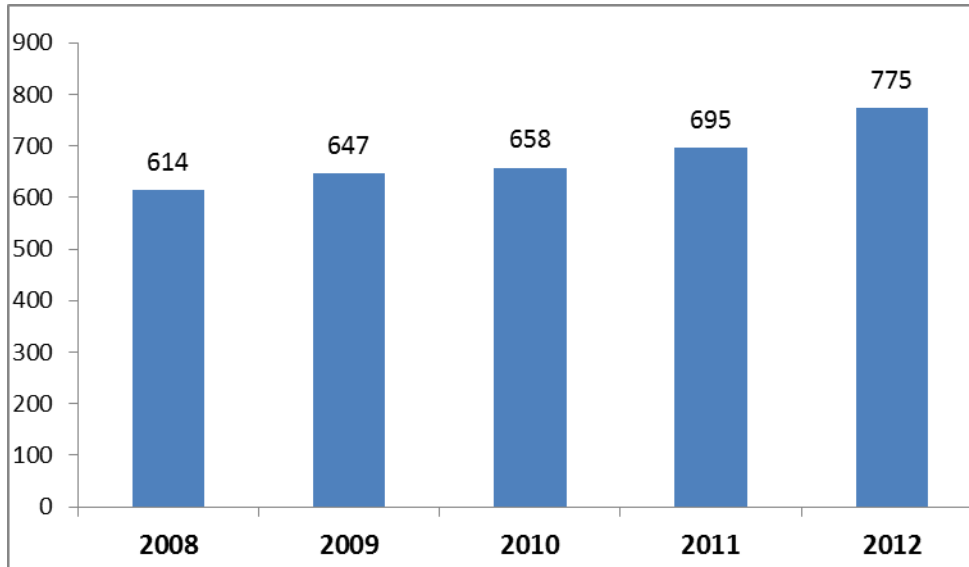
Reforms which were implemented in 2011 include: 6 hour business registration, Credit reference bureau and online transactions which include e-registration of companies, e-filing of judiciary cases, electronic single window for customs declarations, online application for visa and work permits, land registration digitized countrywide and e-filing and e-payment of taxes. In addition, over 21 business laws passed from 2008-2011. Furthermore, over 36 reforms in administrative sector of business related services and soon, offering paperless services of all government services.

2.4 Real investments in 2012

Actual investments are measured as part of the Gross Domestic Product (GDP). Data on capital formation from the National Institute of Statistics of Rwanda shows that total investments (public and private) contributed 23% to the GDP in 2012. Out of total actual investments, private investments had 51% 2011. Over the last five years, private investments contribution to

GDP fluctuated between 10.9% and 13.1%. The figure below shows total actual private investments for the last 5 years:

Figure 7: Actual private investments from 2008 to 2012 in millions of US\$



Source: NISR

Over the last five years, on average, actual private investments grew by 6% from US\$ 614 in 2008 to reach US\$ 775 in 2012. From 2011 to 2012, the growth rate was at 11%. The figure below compares registered investments and actual investments from 2008 to 2012.

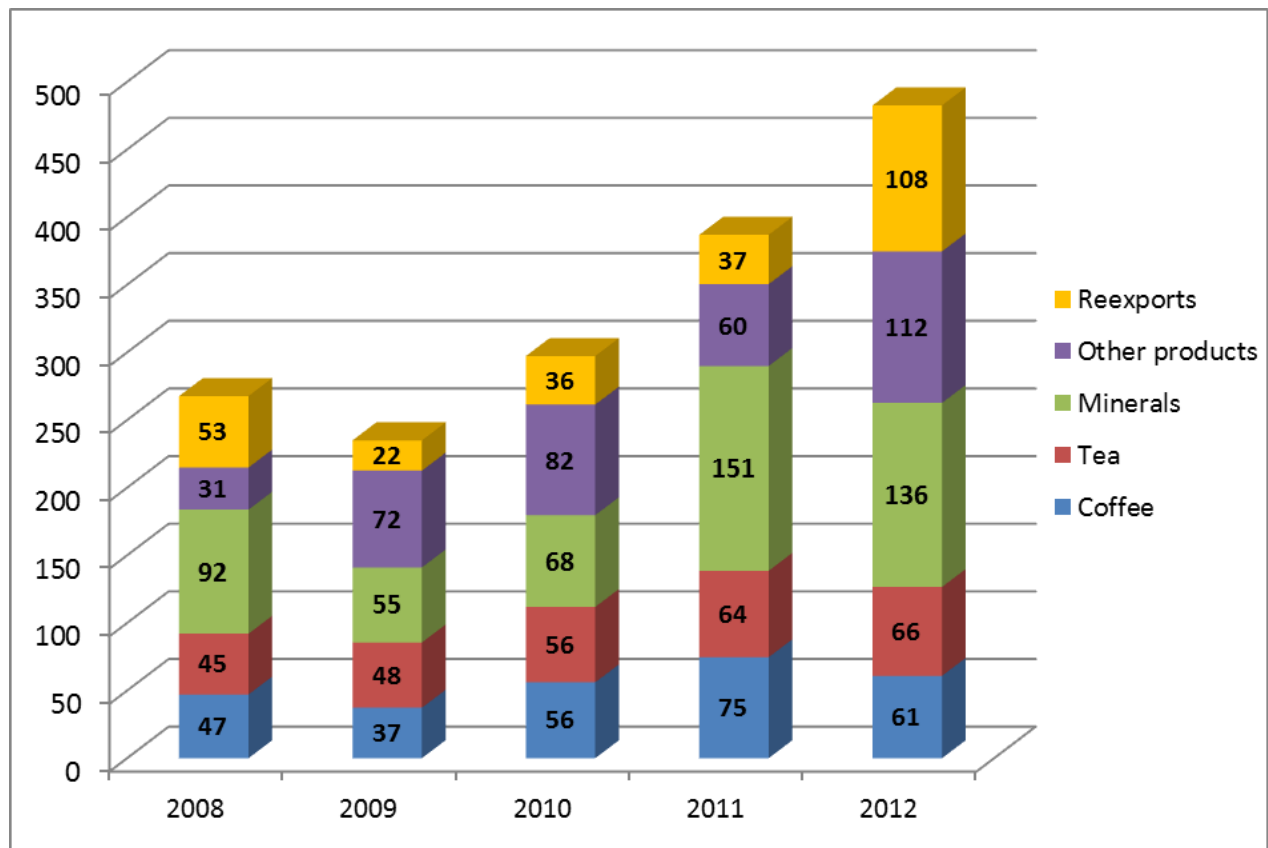
Figure 8: Registered And actual investments in million USD



3. EXPORTS

Rwanda's exports increased over the last 5 years from US\$ 268 million in 2008 to US\$ 483 million in 2012. Compared to last year, there has been an increase of 24.8% in exports as they moved from \$387million in 2011 to \$483million in 2012. Some of the major reasons attributed to this increase of \$96 million are programs which were put in place to boost exports. These programs include market linked program, trade exhibitions, cross border traders capacity development (with the support of International Trade Center) program and export coaching program.

Figure 9: Value of exports in million US\$ from 2008 - 2012



The traditional products (coffee, tea, minerals – cassiterite, Coltan, Wolfram) dominated Rwanda's exports. Total export value for each of these commodities was above \$ 60 million in 2012. Despite the dominance in overall exports, both minerals and coffee experienced a drop compared to previous year. For coffee, the decrease was associated to a drop in world prices where the price per Kilogram dropped to US\$ 3.58 from US\$ 4.78 in 2011. That being the case,

despite the increase in total production from 15,596,618 kg in 2011 to 16,989,730kg in 2012, the -25.1% change in price resulted into overall decrease of \$14 million between 2011 and 2012.

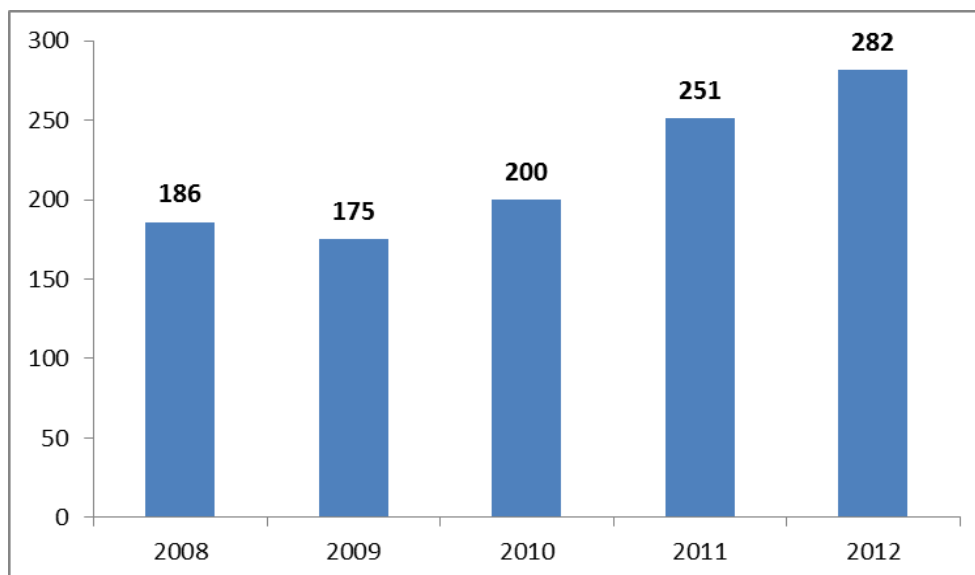
Another drop was also experienced in minerals. Same as coffee, the drop in value of exported minerals was mainly due to drop in world prices. Starting with cassiterite, the price was at US\$ 13.93 per Kg in 2011, and it dropped to US\$ 11.41 in 2012. The same happened to Wolfram where the average price was at US\$ 15.93 in 2011 and dropped to US\$ 15.00 in 2012.

Re-exports moved from US\$ 37million in 2011 to US\$ 108 million in 2012. Other exports which include pyrethrum, hides and skins, livestock, meat, mineral water, beer, construction materials among others hiked from US\$ 60million to US\$ 112million in 2012. This increase was attributed to the increase in the production from milling industry, more live animals and meat which were exported to DRC, and new investments in construction materials – case of SteelRwa which explored new markets including Burundi and DRC.

4. TOURISM

After the worldwide financial crisis of 2009, revenues from tourism sector has been increasing from US \$175 in 2009 to US\$ 281.8 in 2012. Comparing 2012 and 2011, total revenues which were at US\$ 251.3 million in 2011 increased to US\$ 281.8 million in 2012. This corresponds to a 12% increase.

Figure 10: Tourism revenues in USD million from the year of 2008 to 2012

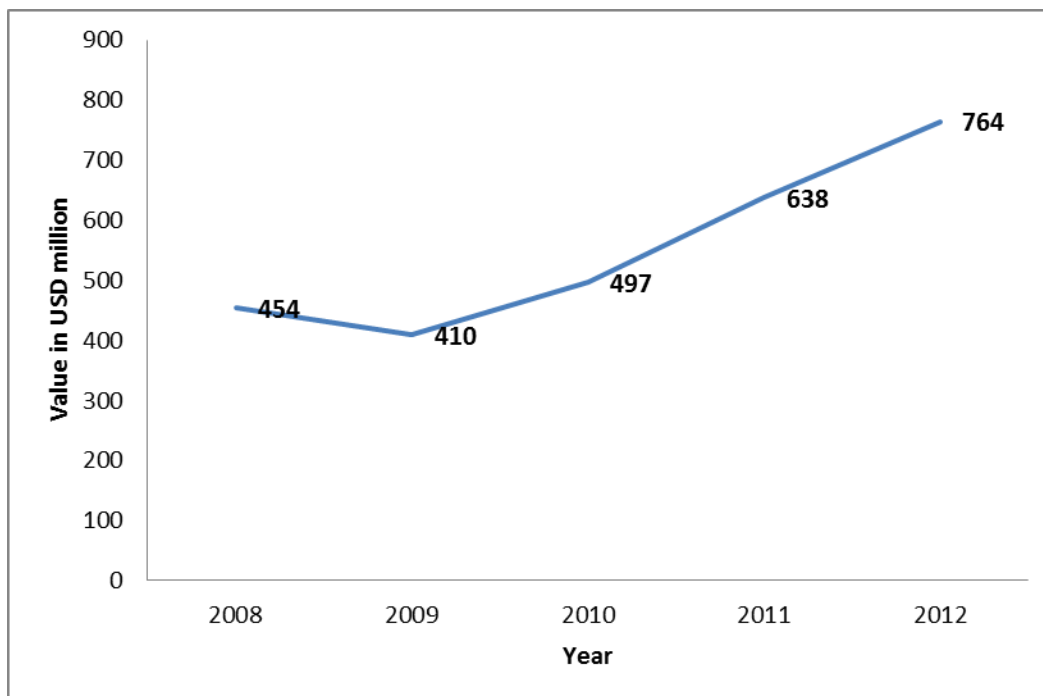


The increase in revenues from tourism was mainly attributed to the increase in visitors. They increased by 18% to reach 1.07 million in 2012 from 908,000 in 2011. Regional visitors increased by 22% while non -regional increased by only 1%. For the same period, visitors from Europe decreased by 1% while visitors from Americas decreased by 8% and those from Asia increased by 15%.

Concerning the purpose of visits, those coming for the purpose of leisure increased by 18%, those coming to visit friends and relatives went up by 5% and those coming for business purpose increased by 7%.

Combining revenues from tourism and those from commodity exports, total revenues that Rwanda generated in exports reach USD 764 million in 2012 compared to USD 638million which were generated in 2011. This represents an increase of 20%.

Figure 11: Evolution of exports (commodity and tourism combined) from 2008 to 2012



For the last five year (2008 – 2012), total revenues from exports (commodity export and tourism) increased from US\$ 454million in 2008 to US\$ 764 million in 2012 and this corresponds to a Compound Annual Growth Rate (CAGR) of 14%.

5. STRUCTURAL AND MANAGERIAL IMPROVEMENTS

These results demonstrate that Rwanda's easiness of Doing Business is having a real impact. In 2012, RDB has pursued its journey toward rapid economic transformation by further implementing changes that brought strong results:

- Improved after care service to investors; Over 25 dedicated Key Account Managers (KAMs) were appointed to look after all projects registered since 2000. KAMs are creating personal relationships with investors to promote investments and most importantly provide after care services to support them in converting projects from commitment (registered) to operation. The KAMs are sector specific with in-depth knowledge of sector specific issues (e.g. land availability for agriculture, etc.).
- Faster and stronger deal negotiation and closing; RDB has greatly strengthened its Strategic Investment Unit acquiring expertise both from national and international legal and financial experts. The team is now comprised of 7 staff overseeing a pipeline of about 30 projects.
- Improved forecasting and planning; RDB has developed a 5-year investment plan, broken-down by sector to proactively attract investors and continuously monitor performance. A full strategic plan is, covering the same period and also in line with EDPRS II, is currently being formulated as well.
- Management by results, not activity: RDB is monitoring investment registration as well as project conversion on a monthly basis, each sector has its own target, and performance contracts are based on achieving the targets.
- Of great importance to RDB is to ensure that the policies and reforms designed to provide the private sector with the best environment to grow, while catering for government's interest. Through the Rwanda Private Public Dialogue mechanism, efficient forums for discussion, resolving issues and policy advocacy representing the voice of all stakeholders concerned are provided.

As per EDPRS 2 strategy recently developed, it is clear that all Ministries will be actively involved in promoting private sector investments in their respective area of interest, and therefore RDB will be working in even closer collaboration with all of them going forward.

RDB will also strengthen its core marketing function to increase investment proactive targeting in strategic sectors of interest (e.g. financial services, logistics, BPO and light weight manufacturing / assembly).

6. OTHER KEY INITIATIVES

Small and Medium Enterprise (SME) Development: RDB has established over 30 Business Development Centers to offer Business Development services that improve performance of enterprises, their access to markets and ability to compete. These offer services to SMEs such as training, coaching, consultancies, marketing, information, technology development and transfer and business linkages.

Customer Care: A series of strategic activities were set in motion on customer care to ensure that the country addresses the challenges facing it as a result of poor customer care approaches. A campaign, entitled *Na Yombi*, was initiated and over 2,029,000 adult Rwandans have been exposed to best practices on service delivery through communication activities, several trainings of trainers in private sector companies. Other initiatives include suggestion boxes in classified hotels and establishment of service standards in hospitality, finance, transport and health sectors.

An analysis of trip-advisor reviews of Rwanda conducted by the customer care unit revealed that international tourists perceptions on customer care in Rwanda has improved from 71% in 2009 to 79% satisfaction level in 2012.

Review of the investment code: In order to enhance excellent regulatory framework that would lead to the attraction of higher investments, Rwanda decided to revisit and review its investment code in 2012. Throughout the year, consultations were held with different stakeholders in both public and private sector to amend the code. Recommended changes include those in areas related to preferential tax rate, capital gains tax, export incentives, facilitation for construction projects, to mention but a few. Further steps going to be undertaken in 2013 include high level consultation on available draft, further consultation with stakeholders, validation and adoption through both the cabinet and parliament.

Internship program: This 6 months' program aims at developing skills of interns but also helping them to gain practical experience. Since the program started in 2009, a total number of 2,632 graduates benefited from it. In 2012 only, 765 got internships and 400 graduates were trained on employability skills.

Achievements in entrepreneurship program: The program aims at promoting the development of micro and small enterprises through creation of self-employment opportunities and upgrading relevant skills of existing and potential entrepreneurs. Through 2012, at least 3,580 youth and women from 8 districts benefited from this program.

Sector Skills Councils (SSCs) achievements: The Gako retreat in March 2012 tasked RDB to setup SSCs with the objective of bringing together all stakeholders in workforce development—industry, labour and the training providers in order to create adequate skill base in Rwanda to meet local, regional and international demand.

So far the Sector Skills Council Framework has been developed for all 8 sectors and 5 SSCs have been established. The remaining 3 councils are on track to be established in Q2 2013.

Lastly, in collaboration with the Prime Minister's office, a national taskforce was established in November 2012 and inspections were being carried out in both public and private institutions to make sure issues related to customer care and service delivery are addressed.

Other Key achievements in the ICT sector: In 2012, BSC Ltd was launched to manage ICT infrastructure including optic fiber connecting all districts, nine main border posts and several other public and private institutions such as schools and health centers. By the end 2012, 416 institutions had been migrated to the network and have access to broadband connectivity. In addition, Wibro Technology has been deployed covering 80% of Kigali City. The technology has been launched with 656 subscribers.

In collaboration with the World Bank through the Regional Communication Infrastructure Project (RCIP), long-term international connectivity has been purchased equivalent to 2.4 Gb/s (Gigabit per Second) of bandwidth for 10 years at full redundancy on both Tanzania and Uganda route. This has increased the total Internet bandwidth to 3.5 Gbps in the country. As a result, internet wholesale bandwidth cost reduced from a range between US\$ 500 and US\$ 700 to US\$ 125 during the day and US\$ 60 during night hours. Rwanda was also ranked as the country with fastest Internet connectivity in Africa.

National Data Center project was completed and operational with a new cloud-computing platform. This provides a secure, reliable and highly available physical infrastructure for effective data processing. This development positions the country to offer stable online services.

The document tracking and workflow management system has been deployed in 17 Ministries, 30 Districts and 5 provinces. This automation will enhance service delivery in Government institutions and reduction of paper usage.

63 Service Access Points (serves as BDCs) were deployed (2 per district) in collaboration with districts. Access points are being operated by sector authorities to provide services such as ICT training, business plan formulation, access online services and information.

The Carnegie Mellon University (CMU – Rwanda) was launched and is now operating. The first intake of 24 students for Masters Programs has enrolled.

Klab (Knowledge lab), an ICT innovation Center has been established and operation in the Country. This has helped to bring together innovators and give them the resources they need to explore their ideas, learn from each other and develop innovative ICT solutions.

In 2012, over 1,568 ICT professionals from public and private sector were trained in ICT professional courses and 8,716 business community in rural areas benefited from ICT basic training.

7. STRATEGIC PROJECTS UNDERWAY

Some strategic projects which have already been initiated will be given priority in 2013 since they are crucial for rapid economic growth going forward. These projects include, but not restricted to:

7.1 Bugesera International Airport

The new Bugesera airport will replace the existing Kigali International Airport connecting Rwanda to the region and the rest of the world. With an expected traffic of over 3 million passengers a year, the airport will provide the basis for Rwanda to be a transportation hub in East Africa. The total investment is estimated at \$635m for Phase I, and the airport is expected to commence operations in 2017.

7.2 Kigali Convention Center (KCC)

The Kigali Convention Center will be a world class convention center. It is expected to catalyse the development of Rwanda and East Africa's business tourism sector. The total capital expenditure requirement is \$300 million. Over 50% of capital cost has already been incurred. The promoter is currently busy finalizing remaining construction activities.

7.3 Special Economic Zones program

During the year of 2012, more activities were undertaken in order to move forward the Special Economic Zones program. These activities were related to regulatory framework and also establishment of zones. At the regulatory framework level, the Special Economic Zones Authority of Rwanda (SEZAR) has been established to regulate, coordinate, administer, and provide strategic planning and monitoring for Special Economic Zones in Rwanda in accordance with the Zones Law and Regulations. This Authority is based at the Rwanda Development Board. In addition, further regulations were formulated including those related to

establishment of one stop shops in zones, users and operators' rights, licensing procedures, among others. These regulations are expected to be gazette in 2013. Other regulations that were drafted include those related to land and fiscal incentives. They are also expected to be completed in 2013.

Looking at the implementation, Kigali Special Economic Zone has been set up through the merger of Kigali Free Trade Zone and Kigali Industrial Park projects. In this zone, infrastructure in phase I is almost complete (approximately 95%) and those in Phase II are at approximately 30%. Furthermore, most of plots in Phase I (more than 98%) have been booked by investors and those in Phase II are being booked. In the latter phase, one investment project is operational.

Finally, activities related to establishment of other zones intensified in 2012. These include the flower park in Gishari and also planned provincial industrial parks and the initial studies to fully implement these projects have been completed.

7.4 Technopole

The Kigali Technopole is planned to be an area that will house different facilities including Research & Development institutions, ICT training centers, software build and test labs, specialized institutions of higher learning and a business incubation centre. The estimated investment required for this project is \$103.5 million. While the land for the location of this project has been secured in Kigali Special Economic Zones, Final Business Plan, Master plan, and Architectural design study are expected to be finalized in the first quarter of 2013/2014.

8. CONCLUSION

In a context of global economic difficulty, Rwanda has managed to create its own opportunities in 2012 and attracted a significant amount of new investments. 2011 was a good year with \$626m, but 2012 has been a record year with the value of registered investments reaching \$1.136 billion, an increase of \$510m from 2011. Looking ahead at 2013, RDB is aiming even higher at \$1.3 billion. With a strong support and commitment from the RDB staff members, stakeholders and the leadership of Rwanda, Rwanda Development Board looks forward to achieving and surpassing investments, exports, tourism revenues and job creations targets hence achieving objectives of the EDPRS II.

Thank you note

Appreciations go to the technical team that worked hard to compile this report highlighting achievements of the Rwanda Development Board in 2012. Under the guidance of the Acting Chief Operating Officer, Tony Nsanganira and the Acting Chief Executive Officer, Clare Akamanzi, the technical team that compiled this report includes:

1. Denyse Akayezu, Economic Analyst, Strategy and Competitiveness Unit
2. Helene Cyr, Institutional Development Advisor
3. Sheila Kyarisiima, Special Projects Advisor, CEO's Office
4. Viateur Nzabanita, Senior Strategy Officer, Strategy and Competitiveness Unit
5. Zephania Niyonkuru, Strategy Expert and Ag. Head of Planning Division