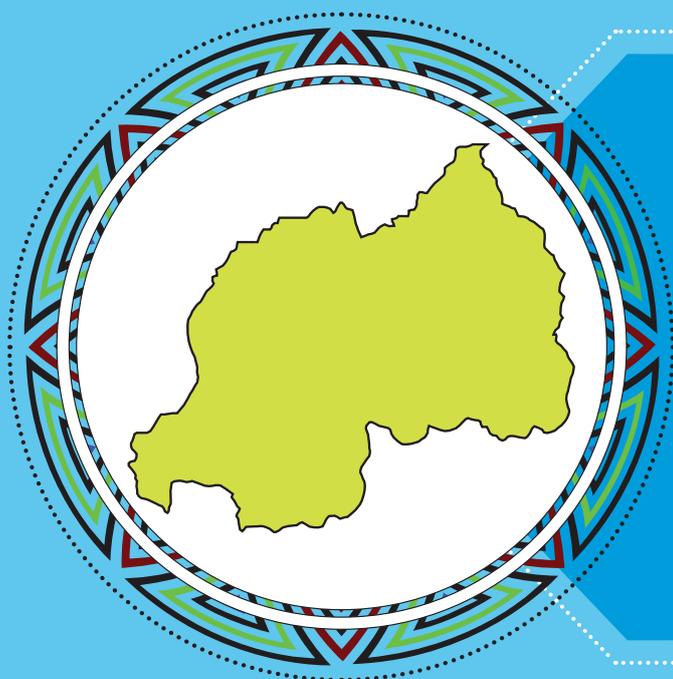




# REPUBLIC OF RWANDA

MINISTRY OF FINANCE AND ECONOMIC PLANNING



## External Development Finance Report 2021/2022 Fiscal Year

May 2023  
Final Report



## FOREWORD

We are pleased to present to you the Rwanda External Development Finance Report (EDFR) for Fiscal Year 2021/22. This report analyzes key characteristics and trends of external development finance to Rwanda, including finance to the public sector, civil society, and the private sector.

The primary objective of this report is to provide an overview of the external development finance landscape in Rwanda – analysing key characteristics and trends of external development finance flows. This analysis intends to inform ongoing dialogue within Government and between Government and development partners and other financiers on how development finance can be most effectively allocated and delivered in order to contribute to the achievement of national development objectives.

External development finance to Rwanda is comprised of inflows from bilateral and multilateral DPs (OECD and non-OECD), UN Agencies, INGOs, foundations, funds, partnerships, DFIs and other financial institutions, and private citizens, and these resources are directed to the public sector, civil society, and the private sector.

In 2021/22, external development finance to the public sector continued to be the largest source of finance – at USD 1.246 billion or 52% of 2.403 billion in total inflows. Disbursements to civil society through INGOs were USD 219.8 million, or about 9% of the total finance. Total FPI inflows are USD 518.5 million (29%), with about USD 21.5 million in investment specifically from DFIs, other financial institutions and bilateral DPs. Remittances continue to increase and totalled USD 418.8 million or 24% of total inflows.

Overall, trends in external development finance continue to move in a positive direction, with higher resource mobilization and a significant increase in diversification in sources of finance. For finance to the public sector, non-OECD bilaterals are playing an increasingly significant role, leading to an increasing use of loans and counteracting the fall in finance provided by multilaterals and OECD bilaterals. For finance to civil society, spending continues to increase, with a substantial increase in support to social protection this year. And for the private sector, overall inflows significantly increased this year, regaining the trend of increasing investment by the private sector in previous years.

The indicators of the DPAF are not assessed in this year's report, as work to revise and update the framework is currently ongoing. In 2022, a study was undertaken, including a thorough desk review, interviews with stakeholders from Government, Development Partners, private sector and Civil Society. On the basis of this, a draft assessment report for the new indicators was developed and presented during the DPR 2023 and was endorsed. A workshop later this year will collect a final set of inputs from stakeholders, to ensure that the DPAF continues to effectively contribute to ongoing dialogue between the Government and its partners.

Approved by

**Richard TUSABE**

Minister of State in Charge of National Treasury

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## ACRONYMS

AFD	Agence Française de Développement
AfDB	African Development Bank
AFREXIM	African Export-Import Bank
AIIB	Asian Infrastructure Investment Bank
BADEA	Arab Bank for Economic Development in Africa
BDEGL	Development Bank of the Great Lakes States
BIO-Invest	Belgian Investment Company for Developing Countries
BK	Bank of Kigali
BNR	National Bank of Rwanda
BPR	Banque Populaire du Rwanda
BRD	Development Bank of Rwanda
CDC	Centers for Disease Control and Prevention
CDKN	Climate and Development Knowledge Network
COVAX	COVID-19 Vaccines Global Access
DAD	Development Assistance Database
DEG	German Investment Corporation
DFI	Development Finance Institution
DMFAS	Debt Management and Financial Analysis System
DP	Development Partner
DPAF	Donor Performance Assessment Framework
EADB	East Africa Development Bank
EC	European Commission
EDFR	External Development Finance Report
EDPRS	Economic Development and Poverty Reduction Strategy
EIB	European Investment Bank
ERP	Economic Recovery Plan
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FMO	Netherlands Development Finance Company
FONERWA	Rwanda's Green Fund
FPC	Foreign Private Capital
FPI	Foreign Private Investment

GCF	Green Climate Fund
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GoR	Government of Rwanda
GPEDC	Global Partnership for Effective Development Cooperation
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFI	International Financial Institution
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
ISIC	International Standard Industrial Classification
JRLO	Justice, Reconciliation, Law and Order
KFAED	Kuwait Fund for Arab Economic Development
KfW	German Development Bank
LDCF	Least Development Countries Fund
MIGA	Multilateral Investment Guarantee Agency
MINAGRI	Ministry of Agriculture
MINECOFIN	Ministry of Finance and Economic Planning
MNO	Mobile Network Operators
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTO	Money Transfer Operators
ODA	Official Development Assistance
OECD-DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee
OFID	OPEC Fund for International Development
OPEC	Organization of the Petroleum Exporting Countries
OPIC	Overseas Private Investment Corporation
PFM	Public Finance Management
PPP	Public Private Partnership
PSD & YE	Private Sector Development & Youth Employment
PTA	Preferential Trade Area
RBC	Rwanda Biomedical Center
RGB	Rwanda Governance Board
RICA	Rwanda Institute for Conservation Agriculture
RTDA	Rwanda Transport Development Agency

RWF	Rwandese Franc
SBS	Sector Budget Support
SFD	Saudi Fund for Development
TDB	Trade and Development Bank
UAE	United Arab Emirates
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WATSAN	Water and Sanitation
WFP	World Food Programme
WHO	World Health Organization

## INTRODUCTION

### Objectives

The primary objective of this report is to provide an overview of the external development finance landscape in Rwanda – analysing key characteristics and trends of external development finance flows. This analysis intends to inform ongoing dialogue within Government and between Government and development partners and other financiers on how development finance can be most effectively allocated and delivered in order to contribute to the achievement of national development objectives.

### Background

The sources of external development finance to Rwanda continue to expand, and development finance is increasingly being used to support the growth of the private sector. Since 2017/18, this report has attempted to capture these ongoing changes by structuring the analysis and report according to the type and category of finance and the sector to which the finance is intended, including sections on external development finance to the public sector, to civil society, to the private sector, and a section on other financial flows that captures remittances.

### Methodology

From December 2022 to February 2023, data was collected for analysis from multiple GoR systems and directly from institutions when data on the resources provided by these institutions was not available in GoR systems. Key considerations for each dataset can be found in the respective sections, but a summary table is provided below. All financial figures are in USD and if currency conversion was required, the official exchange rates from the National Bank of Rwanda (BNR) have been used.

Dataset	Data Source	Institution Providing Data	Year Type
<b>External Development Finance to the Public Sector</b>			
Finance from Bilateral DPs, Multilateral DPs, UN Agencies	Development Assistance Database (DAD)	Ministry of Finance and Economic Planning (MINECOFIN)	GoR fiscal year
Finance from AIIB, BADEA, China, India, KFAED, OFID and SFD	Debt Management and Financial Analysis System (DMFAS)	MINECOFIN	GoR fiscal year
Finance from AFD, GAVI, Global Fund and IMF	Treasury Management Department	MINECOFIN	GoR fiscal year
<b>External Development Finance to Civil Society</b>			
Finance from international organizations to INGOs in Rwanda	INGO Database	Rwanda Governance Board (RGB)	GoR fiscal year
<b>External Development Finance to the Private Sector</b>			
Foreign private investment (FPI) inflows	Foreign Private Capital (FPC) in Rwanda Annual Census (2020)	National Bank of Rwanda (BNR)	Calendar year

Finance from DFIs and other financial institutions	Institution provided records or institution website	DFIs and other financial institutions	GoR fiscal year
Finance from Bilateral DPs	DP records	DPs	GoR fiscal year
<b>Other Financial Flows</b>			
Remittances	BNR records	BNR	GoR fiscal year

## EXTERNAL DEVELOPMENT FINANCE ASSESSMENT

### Key Findings

Overall, trends in external development finance continue to move in a positive direction, with higher resource mobilization and a significant increase in diversification in sources of finance. For finance to the public sector, non-OECD bilaterals are playing an increasingly significant role, leading to an increasing use of loans and counteracting the fall in finance provided by multilaterals and OECD bilaterals. For finance to civil society, spending continues to increase, with a substantial increase in support to social protection this year. And for the private sector, overall inflows significantly increased this year, regaining the trend of increasing investment by the private sector in previous years.

### External Development Finance to the Public Sector

Finance to the public sector fell (-13%) in 2021/22, but continued to be the largest source of external development finance. Decreases from multilaterals (-15%), bilaterals (-9%), and the UN and vertical funds (-42%) were offset by an increase from non-OECD bilaterals (30%). The overall decrease can largely be attributed to falls in disbursements by multilaterals, particularly the African Development Bank, though this was offset by a large new operation from the Asian Infrastructure Investment Bank (AIIB). Increases for non-OECD bilaterals can be attributed to a range of sources, including China, India, and OFID.

Composition of finance has steadily shifted over the past six years, with the proportion of finance provided by multilaterals increasing and the proportion of finance provided by bilaterals decreasing. It has shifted from 44% provided by multilaterals in 2015/16 to 60% in 2021/22. Some of this shift can likely be attributed to the increased confidence of MDBs and IFIs in lending to Rwanda, due to prudent macro-economic, fiscal, and debt sustainability practices.

World Bank continues to be the top provider of resources to the public sector in 2021/22. Although the World Bank showed a significant decrease in total disbursements in the last year, the amount provided is still more than that provided in any of the previous six years except for 2020/21. The drop may be attributable to the significant amounts of funding provided in 2020/21 in response to the outbreak of the COVID-19 pandemic.

Loans slightly reduced as a proportion of total finance, from 61.2% in 2020/21 to 54.7% in 2021/22. However, loans still represent a significantly greater proportion of total finance than in any year except for the previous two years. The shift in finance type can largely be attributed to the World Bank providing a larger share of their finance as grants through IDA-19, which is 50:50 grant/loan.

Sector Budget Support (SBS) and Flexible Funding as a proportion of total finance slightly reduced as a proportion of total finance in 2021/22, from 45.9 to 43.9%. This reflects the fact that much of the support provided in the COVID-19 response was provided as SBS and Flexible Funding. However, this share is consistent with fiscal years prior to COVID-19.

Disbursements in the Social Protection sector increased substantially in 2021/22 while disbursements in the Energy sector have decreased for the third year. Following gradual increases over the previous four years, Private Sector Development and Youth Employment became the 5th largest sector. This reflects support provided to business recovery channelled in the Economic Recovery Fund (ERF), mainly through the Asian Infrastructure Investment Bank and the World Bank.

## External Development Finance to Civil Society

Finance to civil society, channelled through 169 INGOs, slightly decreased in 2021/22, with USD 219.8 million disbursed compared to 229.8 million in 2020/21. However, this is still significantly higher than any of the previous years. The vast majority of these INGOs originate from the US and the UK. Finance spent by INGOs comes from their headquarters, bilateral and multilateral DPs, UN agencies, foundations, and other international organizations, with the largest proportion (52.1%) coming from their headquarters. This is a significant increase from the 36.8% provided by INGO headquarters in 2020/21.

Social Protection/Welfare remains the top domain of intervention by INGOs in 2021/22, with 38% of the total spending, a significant increase from the 25% provided in 2020/21. The top 5 domains of intervention include Social Protection/Welfare (38%), Health (17%), Mixed (10%), Education (9%) and Agriculture (5%). All of these domains, except for Mixed, were also in the top 5 in 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21.

## External Development Finance to the Private Sector

### Findings based on data collected in the FPC in Rwanda Annual Census

FPI inflows significantly increased by 34.2% in 2021, with FDI continuing to account for the majority of FPI. This reversed the trend of a steep decline in 2020, which can likely be attributed to the COVID-19 pandemic. The increase can largely be attributed to a significant increase in FDI, including USD 68.7 million from India, USD 41.5 from China, and USD 41.3 million from Kenya.

Top 10 sources of FPI fluctuate from year to year but Mauritius is consistently the largest source of FPI inflows, with key DFIs moving in and out of the top 10 each year. In 2021, the other largest sources of FPI inflows were India, China and Kenya.

Investment in the Private Sector Development & Youth Employment sector more than tripled from 2020 to 2021, becoming the largest sector for investments (35.8%). This was closely followed by the proportion targeting the Financial Sector, which dropped to the second position. There was also a significant increase in the resources targeting Urbanisation and Rural Settlements.

### ***Findings based on data collected directly from DFIs and other IFIs or from their websites***

11 institutions had 111 active investments in the private sector at the end of the 2021/22 fiscal year. This is an increase from 76 investments that were active as of the end of 2020/21. These 14 institutions committed to invest at least USD 239.3 million as of the end of 2021/22.

At least USD 21.5 million was invested in 2021/22, but as most institutions do not disclose this information, the real amount is likely to be significantly higher.

Majority of investments are debt and were split evenly in 2021/22 between loans and lines of credit. And while data on actual investments is incomplete, the actual investments for 2020/21 were largely loans.

Investments are being made to at least 11 banks and 79 non-banks. About two thirds of committed investments were to be made to banks and about one third to non-banks. While 100% of reported actual investments were made to non-banks, this is likely due to the limited data provided on actual investments.

### ***Findings based on data collected from bilateral DPs***

At least one bilateral DP, FCDO, provided finance to the private sector (in addition to providing finance to the public sector). FCDO has committed USD 90.5 million in cooperation with the private sector and has disbursed 69.9 million, including USD 9.0 million disbursed in 2021/22.

## Other Financial Flows

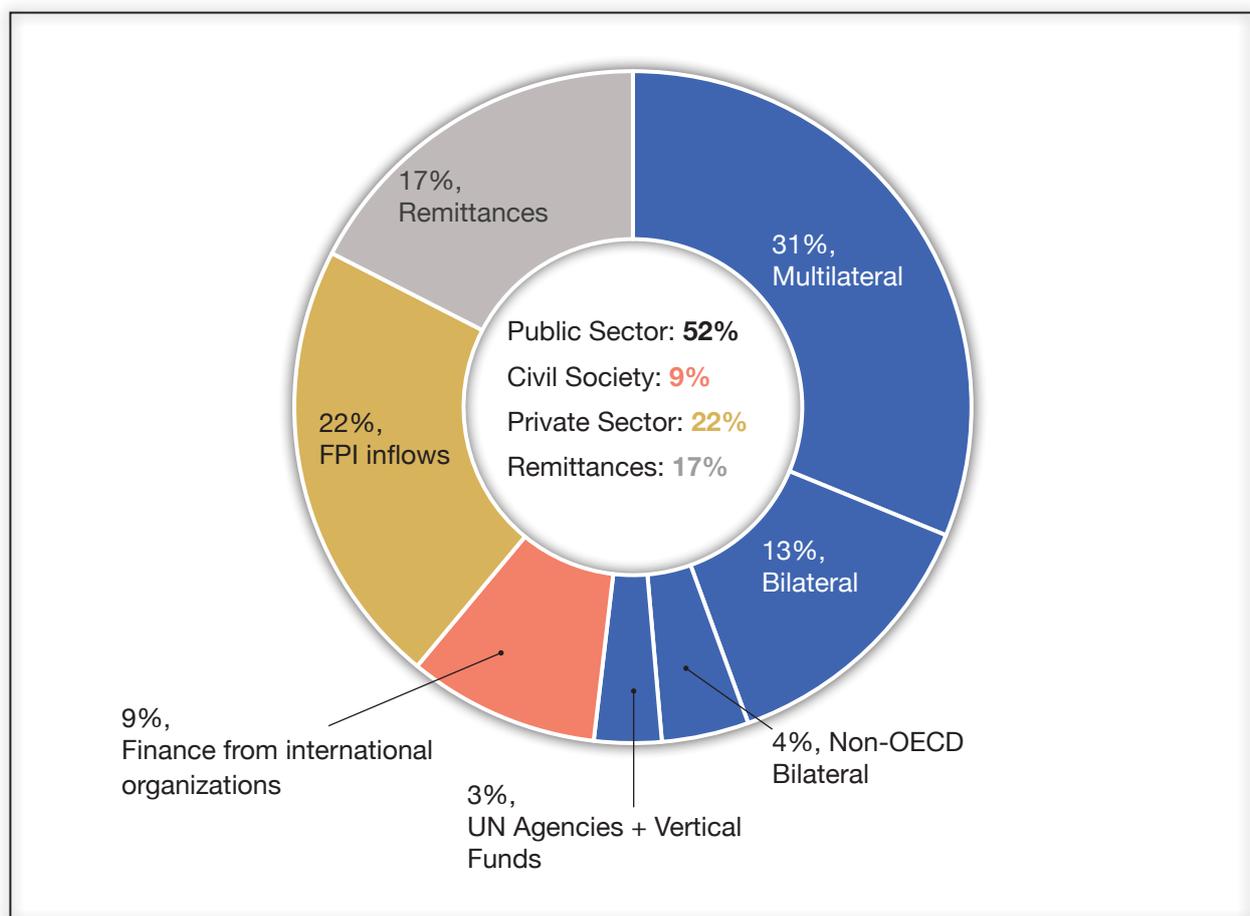
Remittances are on an upward trend and have increased three years in a row. They increased from USD 211.00 million in 2018/19 to USD 333.83 million in 2020/21, to USD 418.81 in 2021/22. This is an increase of 25.5% from 2020/21.

## External Development Finance Landscape

External development finance to Rwanda is comprised of inflows from bilateral and multilateral DPs (OECD and non-OECD), UN Agencies, INGOs, foundations, funds, partnerships, DFIs and other financial institutions, and private citizens, and these resources are directed to the public sector, civil society, and the private sector.

In 2021/22, external development finance to the public sector continued to be the largest source of finance – at USD 1.246 billion or 52% of 2.403 billion in total inflows. Disbursements to civil society through INGOs were USD 219.8 million, or about 9% of the total finance. Total FPI inflows are USD 518.5 million (29%), with about USD 21.5 million in investment specifically from DFIs, other financial institutions and bilateral DPs. Remittances continue to increase and totalled USD 418.8 million or 24% of total inflows.

**Figure 1:** Allocation of External development finance inflows in 2021/22 (%)



**Table 1: Volume of External development finance inflows (USD)**

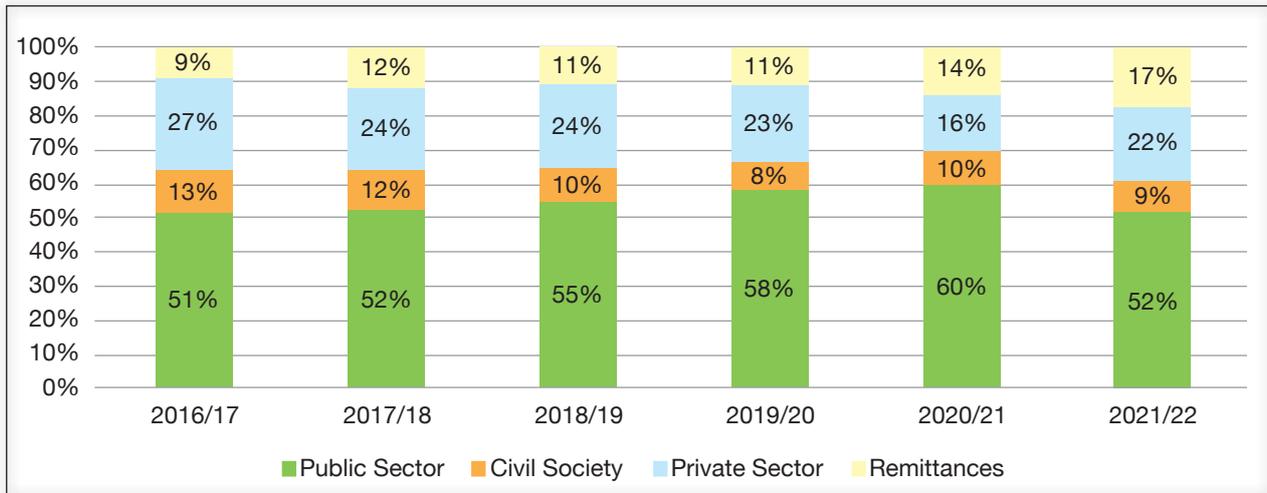
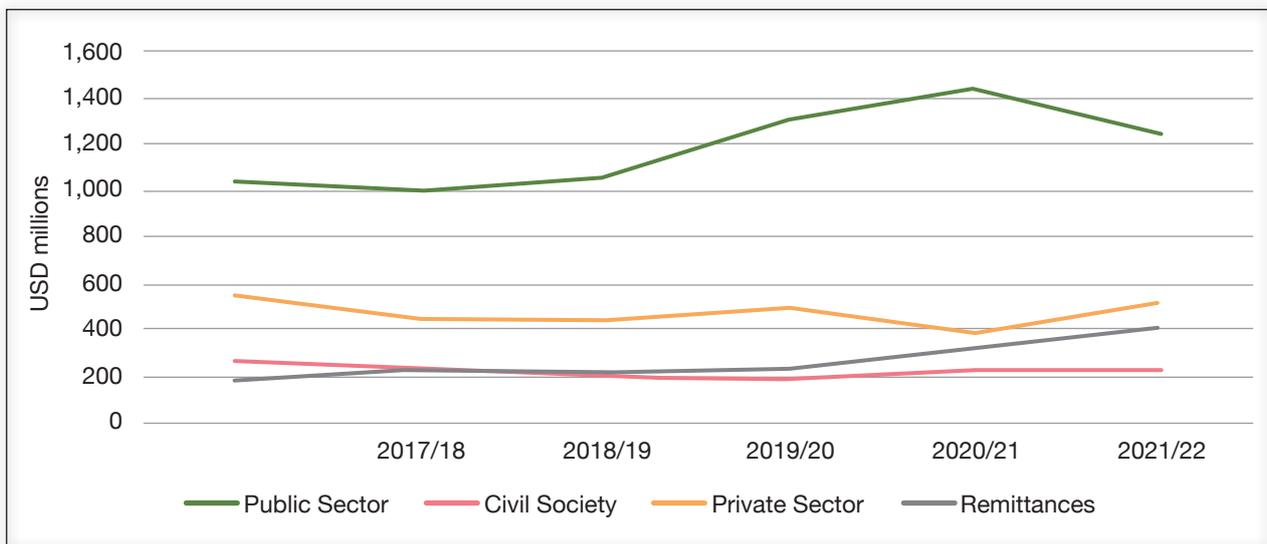
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>External Development Finance to the Public Sector</b>							
Multilateral	434,635,583	506,773,960	489,056,738	524,436,024	764,900,743	877,637,533	750,308,096
Bilateral	400,424,478	356,456,493	295,482,697	327,450,771	320,743,402	350,098,915	318,282,566
Non-OECD Bilateral	36,718,401	39,233,941	39,194,920	31,955,615	62,269,652	77,240,766	100,068,000
UN Agencies + Vertical Funds	113,088,471	138,779,825	182,206,744	172,540,426	154,310,727	134,335,451	77,290,433
<b>External Development Finance to Civil Society</b>							
Finance from international organizations (INGO HQs, Foundations, Multilateral / Bilateral DPs, etc.)*	Not assessed in this FY	257,919,356	229,030,878	199,675,489	180,938,243	229,765,490	219,754,973
<b>External Development Finance to the Private Sector</b>							
Total FPI inflows**	476,251,574	541,157,932	452,195,787	463,007,214	505,025,685	386,356,042	518,490,412
Finance from DFIs, other financial institutions, Bilateral DPs***	Not assessed in this FY	Not assessed in this FY	60,729,587	Not assessed in this FY	Not assessed in this FY	55,778,817	21,500,000
<b>Other Financial Flows</b>							
Remittances	155,390,000	181,910,000	232,166,459	210,829,361	244,554,635	333,830,000	418,810,854
<b>TOTAL External Development Finance (billions)****</b>	1.617	2.022	1.919	1.930	2.233	2.389	2.403

\*These resources are Planned Budgets for 2016/17 as this was the only data available in this FY, but they are Used Budgets (i.e. disbursements) for 2017/18, 2018/19, 2019/20, and 2020/21.

\*\*Data for FPI inflows are for the calendar year (e.g. 2021 for 2021/22) and include all FPI inflows to Rwanda. As noted in the Methodology section, this data is from the FPC in Rwanda Annual Census.

\*\*\*This is calculated based on data sourced directly from the DFIs and bilateral DPs and is excluded from the TOTAL External Development to avoid duplication with Total FPI inflows.

The share of finance provided to the public sector increased significantly in absolute and relative terms in the previous two years (2019/20; 2020/21). This provided a form of counter-cyclical fiscal stimulus to combat the effects of the COVID-19 pandemic. Support to the public sector remains by far the largest source of finance. Private sector investment is showing a small positive trend over time. Remittances have increased substantially over time, both in absolute and relative terms. The destination and sectors affected by this support merit further investigation.

**Figure 2: Changing composition of External Development Finance (percentage)****Figure 3: Changing composition of External Development Finance (USD millions)**

## External Development Finance to the Public Sector

### Multilaterals, Bilaterals, UN Agencies, and Vertical Funds Providing Finance to the Public Sector

This section provides an overview of development finance provided to the public sector by Multilaterals, Bilaterals (OECD and non-OECD), UN Agencies, and Vertical Funds.

The ODA data analysed in this section is only the ODA provided to the public sector by the organizations that report data into the DAD. For a project to be included in the DAD it must be supported by a formal engagement document between the GoR and the DP. This document may be a financing agreement, a Memorandum of Understanding (MoU), or a similar document that outlines the GoR-DP engagement in the implementation of a development activity.

Data on development finance to the public sector provided by China, India, the Saudi Fund for Development (SFD), the Arab Bank for Economic Development in Africa (BADEA), the Asian Infrastructure Investment Bank (AIIB), the Kuwait Fund for Arab Economic Development (KFAED), and the OPEC Fund for International Development (OFID), is recorded in the Debt Management and Financial Analysis System (DMFAS).

## Total Disbursements

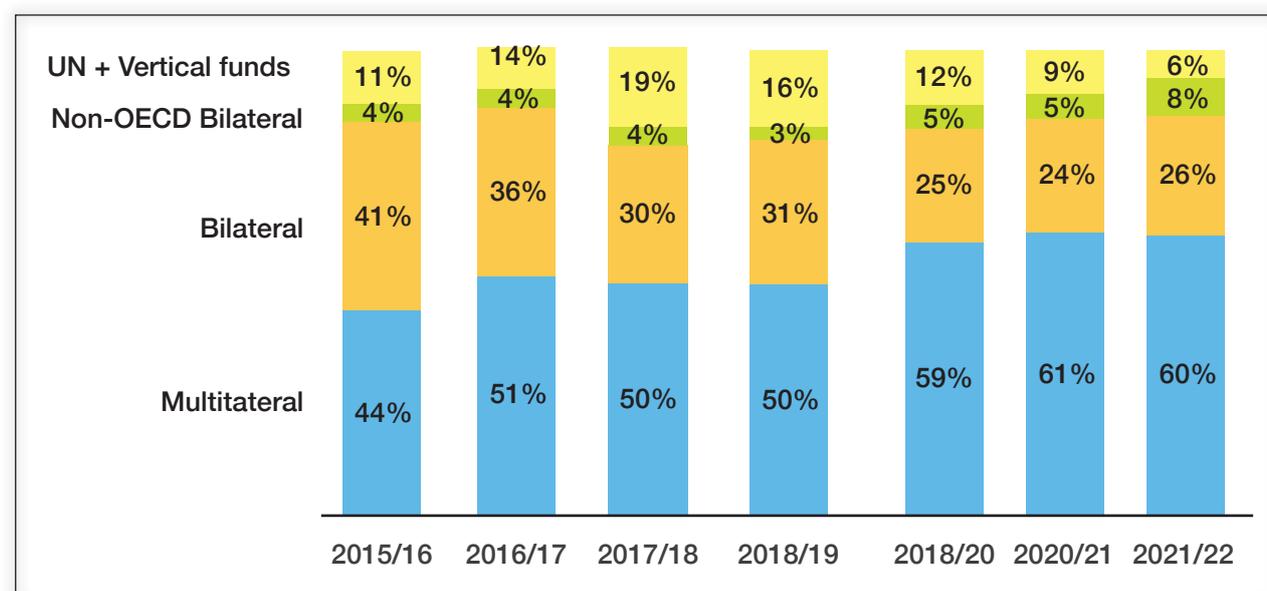
- Overall, finance to the public sector reduced by 13% from 2020/21 to 2021/22, with decreases from all but one type of funding source. The amount of funding from non-OECD bilateral providers, by contrast, increased by 30%. The total amount of disbursements in 2021/22 is 18% higher than the last fiscal year entirely before the COVID-19 pandemic, when the total disbursements were USD 1.056 billion.
- Finance from the UN and Vertical Funds showed the largest decrease, falling three years in a row, by 13% in 2020/21 and 42% in 2021/22. Multilaterals saw a significant drop of 15% in 2021/22 after substantial increases in the previous two years.
- The composition of finance over the past six years has steadily shifted, showing an increase in the proportion of support provided by multilaterals. While the amount of support provided by bilaterals has also continued to fall, the share slightly increased. In previous years, some of this shift could be attributed to Rwanda's ongoing transition towards middle income status, resulting in the provision of more loans, which are typically provided by multilaterals. The increase in funding to non-OECD bilaterals could also be related to this trend.

**Table 2: Percent change in total disbursements**

	2019/20	% change	2020/21	% change	2021/22
Multilateral	764,900,743	15%	877,637,533	-15%	750,308,096
Bilateral	320,743,402	9%	350,098,915	-9%	318,282,566
Non-OECD Bilateral*	62,269,652	24%	77,240,766	30%	100,068,000
UN + Vertical Funds	154,310,727	-13%	134,335,451	-42%	77,290,433
<b>Total</b>	<b>1,302,224,525</b>	<b>11%</b>	<b>1,439,312,666</b>	<b>-13%</b>	<b>1,245,949,095</b>

\* Analysis for Non-OECD Bilateral for 2021/22 is forthcoming, pending outstanding data requests.

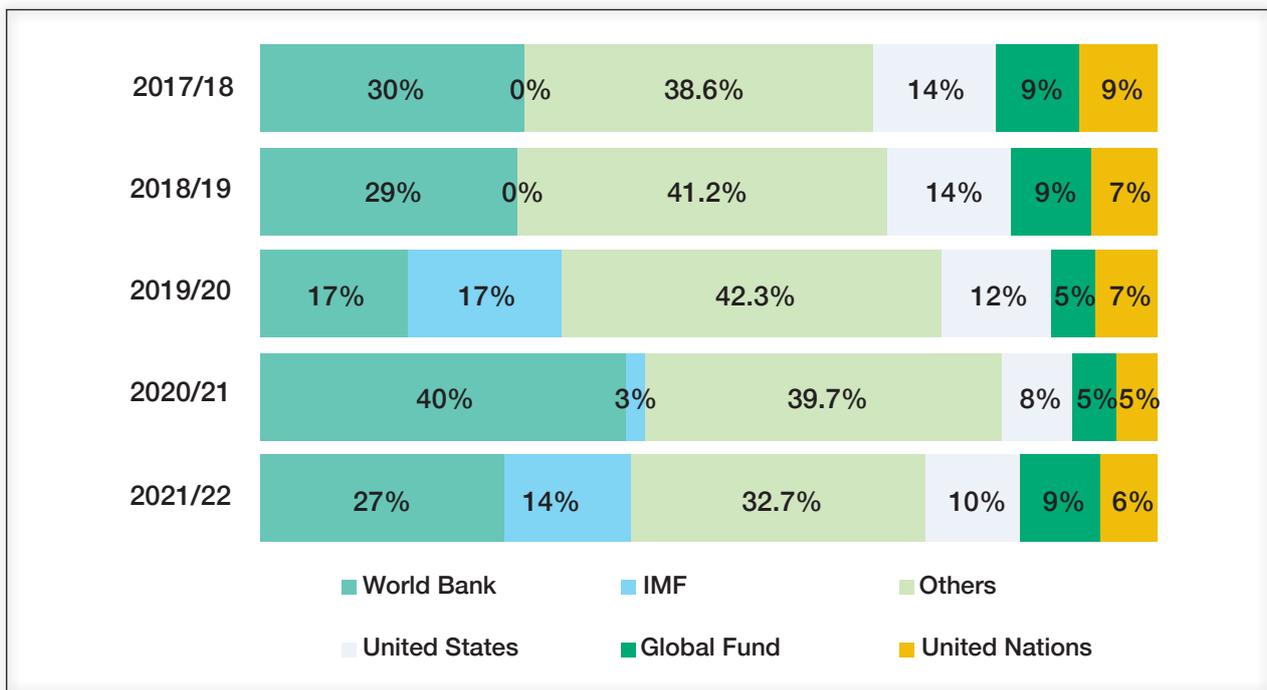
**Figure 4: Composition of external development finance to the public sector**



## Disbursements by Funding Source

4. The World Bank (27.3%) continued to be the largest single provider of resources to the public sector. The IMF became the second-largest provider in this year, a result of its budget support operations. The United States (15.6%) remained the third largest provider after overtaking the African Development Bank, which dropped from 2nd to 8th place and saw its share of resources provided more than halved. After dropping out of the top 5 in 2020/21, the European Union (1.2%) continued to see a significant decline in the share of resources it provided.

**Figure 5: Top 5 funding sources (% of total disbursements)**



5. Although the amount of funding provided by the World Bank fell by 41% from 2020/21 to 2021/22, the amount provided is still larger than any of the other previous years. The drop may be attributable to the significant amounts of funding provided in 2020/21 in response to the outbreak of the COVID-19 pandemic. Others showing steady increases are the Global Fund, South Korea, and the United Nations. The support provided by the Global Fund reached an all-time high in 2021/22, at USD 113.3 million, or 13.6% of the total. More recent rapid increases were seen in the amount of support provided by India, OFID, and AFD.
6. Disbursements have decreased for most partners. Following the end of its sector budget support, disbursements from the European Union have fallen by almost 85%. Funding from the African Development Bank fell to less than a quarter of the amount in 2020/21. For example, the COVID-19 Crisis Response Budget Support Program completed disbursement, while the Scaling Up Energy Access Program continued to be restructured.

**Table 3: Disbursements by funding source and percent change from 2020/21 to 2021/22**

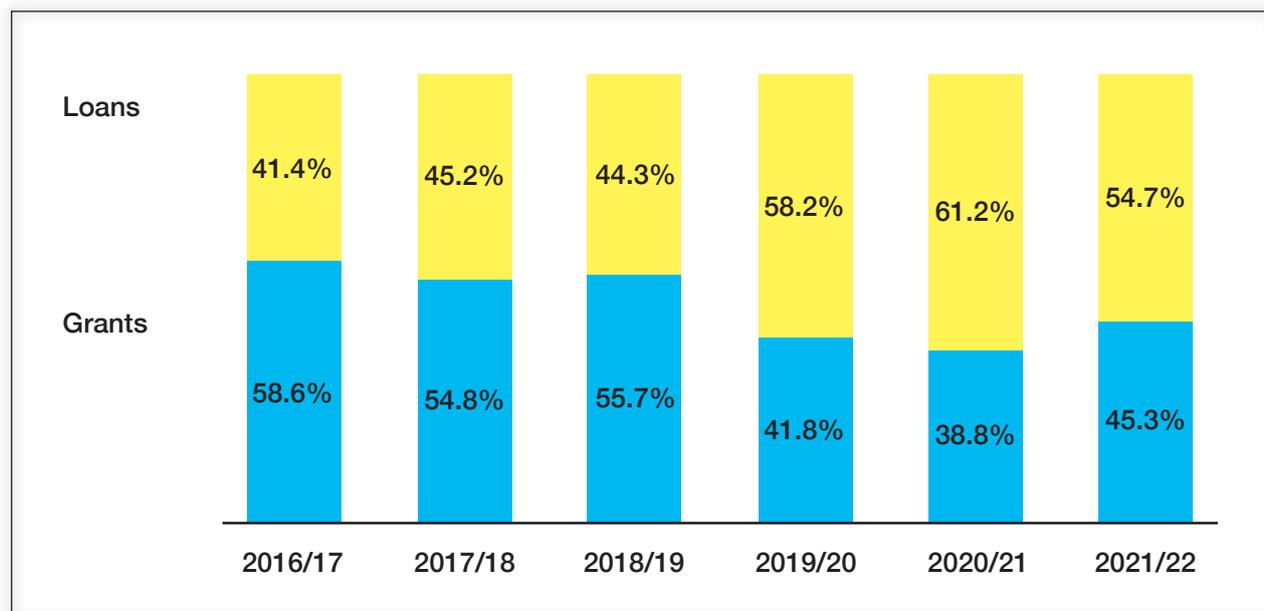
Funding Source	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
AFD	0	0	0	0	46,700,400	78,374,980
AfDB Group	135,299,819	87,939,026	113,346,812	209,967,040	191,193,800	44,063,754
AiIB						39,235,195
BADEA	3,150,820	6,987,650	12,810,886	9,711,298	2,596,798	1,742,678
Belgium	30,147,549	24,495,984	24,014,683	28,505,864	38,074,721	20,939,455
China	25,478,092	21,969,160	14,844,791	45,711,368	57,849,357	75,399,386
European Union	94,538,828	88,483,453	81,509,413	99,147,440	61,542,403	9,860,255
GAVI						4,024,803
Germany	34,671,527	32,827,142	32,827,121	38,864,093	56,619,089	39,759,052
Global Fund	77,879,735	94,979,237	94,331,129	66,644,273	67,833,079	113,290,220
IMF	0	0	0	220,363,660	36,514,006	176,575,200
India	4,682,500	6,182,187	2,274,046	3,623,702	3,173,539	13,769,622
Japan	24,953,117	4,934,450	39,218,543	30,920,417	49,321,309	17,030,995
KFAED	3,709,364	4,501,004	5,915,909	3,126,254	6,074,375	6,561,913
Netherlands	24,388,528	20,017,669	19,473,980	18,955,173	7,801,466	8,209,902
OFID	5,576,957	6,820,285	12,404,288	9,870,295	4,962,343	18,983,867
SFD	5,363,985	6,542,568	8,920,869	9,808,329	10,143,495	4,337,079
South Korea	19,080,141	19,378,975	22,235,427	11,382,140	10,929,623	13,465,987
Sweden	6,925,789	6,242,515	7,302,307	2,060,125	2,782,902	2,374,230
Switzerland	10,101,573	8,731,487	2,500,000	3,446,539	1,627,100	245,788
United Kingdom	40,969,445	41,961,862	35,852,506	25,197,729	20,586,636	8,534,274
United Nations	60,900,090	87,227,507	78,209,297	87,666,454	66,502,372	79,312,832
United States	165,218,823	136,892,613	144,026,203	161,411,322	115,655,669	129,347,902
World Bank	268,207,536	298,826,324	304,364,627	215,841,011	580,828,183	340,509,725
<b>TOTAL</b>	<b>1,041,244,219</b>	<b>1,005,941,099</b>	<b>1,056,382,836</b>	<b>1,302,224,525</b>	<b>1,439,312,666</b>	<b>1,245,949,095</b>

\*The disbursement total for UN agencies includes core funding and funds received from donor agencies.

\*\*The resources reported by the United States in DAD include disbursements to the public sector, civil society, and the private sector as they report at the programme level in the system. As a result, some of the resources recorded in DAD could also be captured in the resources reported by INGOs in the INGO database.

## Type of Finance

- This year saw a reversal of the trend of previous years, with loans falling from 61.2% of disbursements in 2020/21 to 54.7% in 2021/22. This was driven in particular by the World Bank shifting from providing 17.1% of its funding as loans in 2020/21 to 39.9% in 2021/22. This reflects the share of World Bank resources provided through IDA-19, which is 50:50 grant/loan. The United Nations also reduced the share of its financing provided as loans (through IFAD), from 14% in 2020/21 to 9% in 2021/22.

**Figure 6: Composition of disbursements by finance type****Table 4: Percent of finance provided as grants vs loans by funding source**

Funding Source	2017/18		2018/19		2019/20		2020/21		2021/22	
	Grant	Loan								
AfDB Group	3%	97%	18%	82%	0%	100%	0%	100%	1%	99%
United Nations*	75%	25%	79%	21%	76%	24%	86%	14%	91%	9%
Republic of Korea	100%	0%	64%	36%	56%	44%	100%	0%	100%	0%
World Bank	1%	99%	8%	92%	6%	94%	17%	83%	40%	60%
Japan	100%	0%	66%	34%	43%	57%	37%	63%	34%	66%
Belgium, European Union, GAVI****, Germany, Global Fund, Netherlands, Sweden, Switzerland, United Kingdom, United States	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
AFD***, BADEA, China, IMF**, India, KFAED, OFID, SFD	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%

\*Loans under the UN are from IFAD.

\*\*IMF data only for 2019/20, 2020/21, and 2021/22.

\*\*\*AFD data only for 2020/21 and 2021/22.

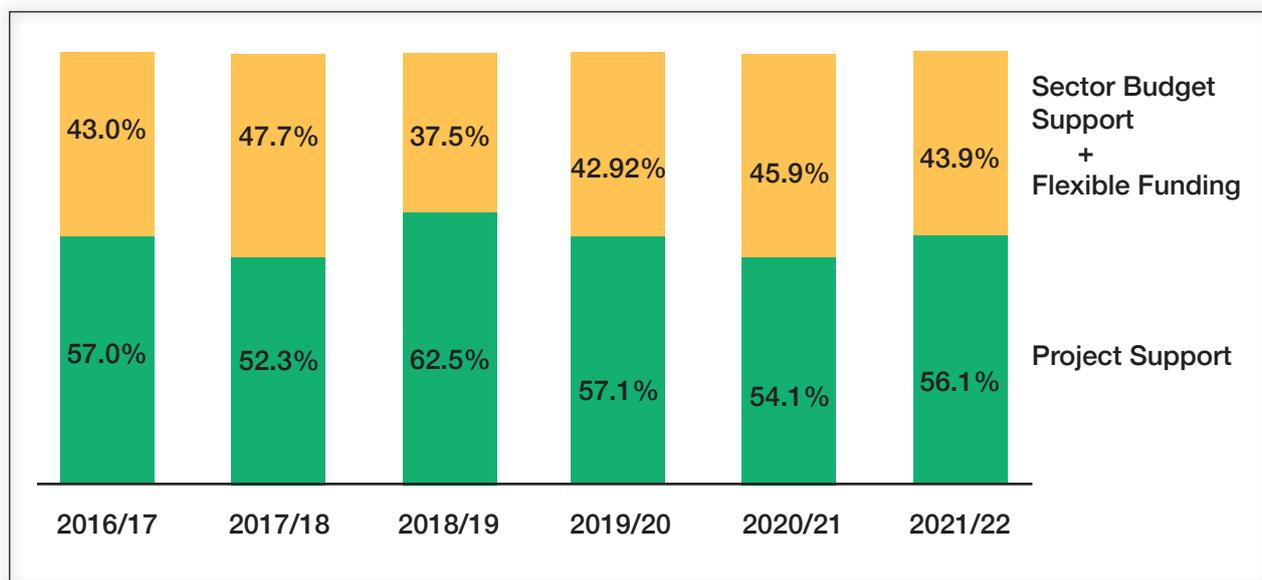
\*\*\*\* GAVI data only for 2021/22

## Modality

- After a steady increase in the previous three years, Sector Budget Support (SBS) and Flexible Funding as a proportion of total finance slightly reduced in 2021/22, from 45.9% to 43.9%. This can in part be attributed to the end of a number of large sector budget support

operations. The increasing use of these preferred modalities helped to enable the quick and flexible response by DPs to the COVID-19 pandemic. This report's finding that there has been a reversal on progress is therefore concerning.

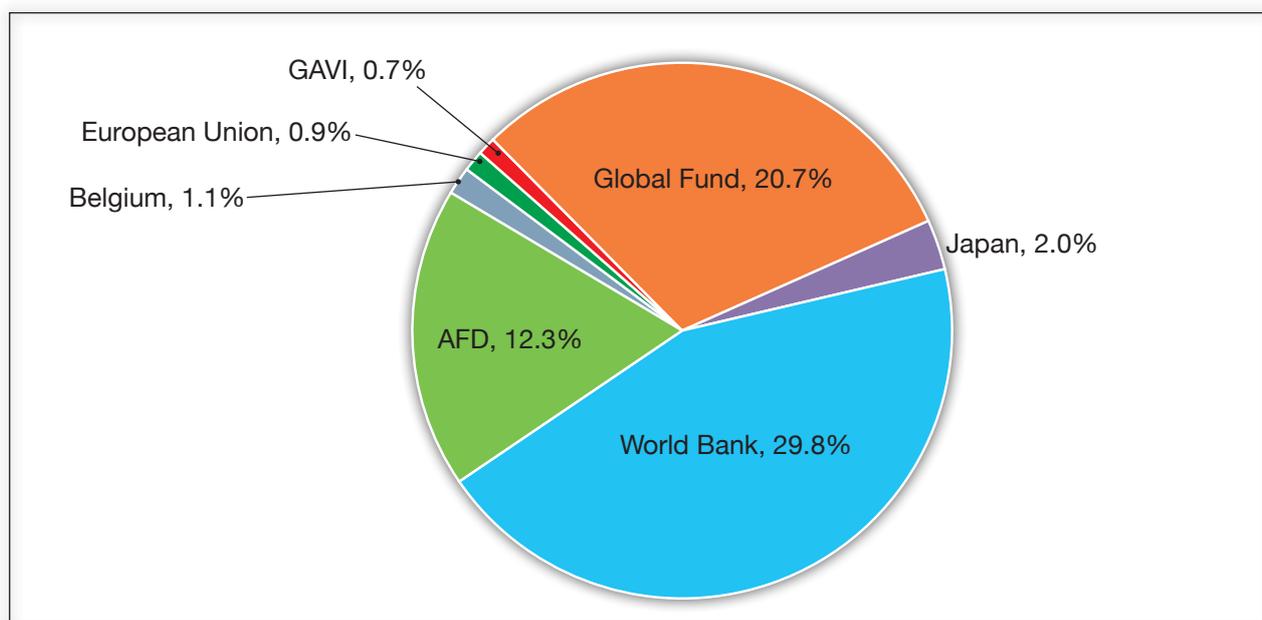
**Figure 7: Disbursements by modality**



*\*In 2015/16, some of the resources now categorized as flexible funding are included under budget support and some are included under project support. Budget support and flexible funding combined in 2015/16 is actually close to 40%, which means that the amount of resources disbursed under these modalities did not change significantly between 2015/16 and 2016/17.*

9. Sector budget support or flexible funding is provided by 7 development partners, with the World Bank (29.8%) providing the largest proportion of this finance. The share provided by the Global Fund significantly increased in 2021/22, to 20.7%.

**Figure 8: Sector budget support + flexible funding: distribution by funding source in 2021/22**



## Sector Alignment

10. Disbursements in the Social Protection sector increased by 22.8% from the 2020/21 to the 2021/22 fiscal year, reflecting ongoing investments to mitigate the impacts of the COVID-19 pandemic. Education and Energy saw marked declines but still remained in the top 5 sectors. Meanwhile, Agriculture dropped out of the top five for the first time. The Health sector was supported in particular by a USD 98 million disbursement from the USAID “Improved Health and Well-being of Rwandans” project, while in the Social Protection sector, the World Bank “Second Programmatic Human Capital for Inclusive Growth DPF” project saw disbursements of USD 145 million.
11. Disbursements in the Multisector category significantly increased, with IMF budget support supplemented by USD 67.0 millions of budget support from AFD.

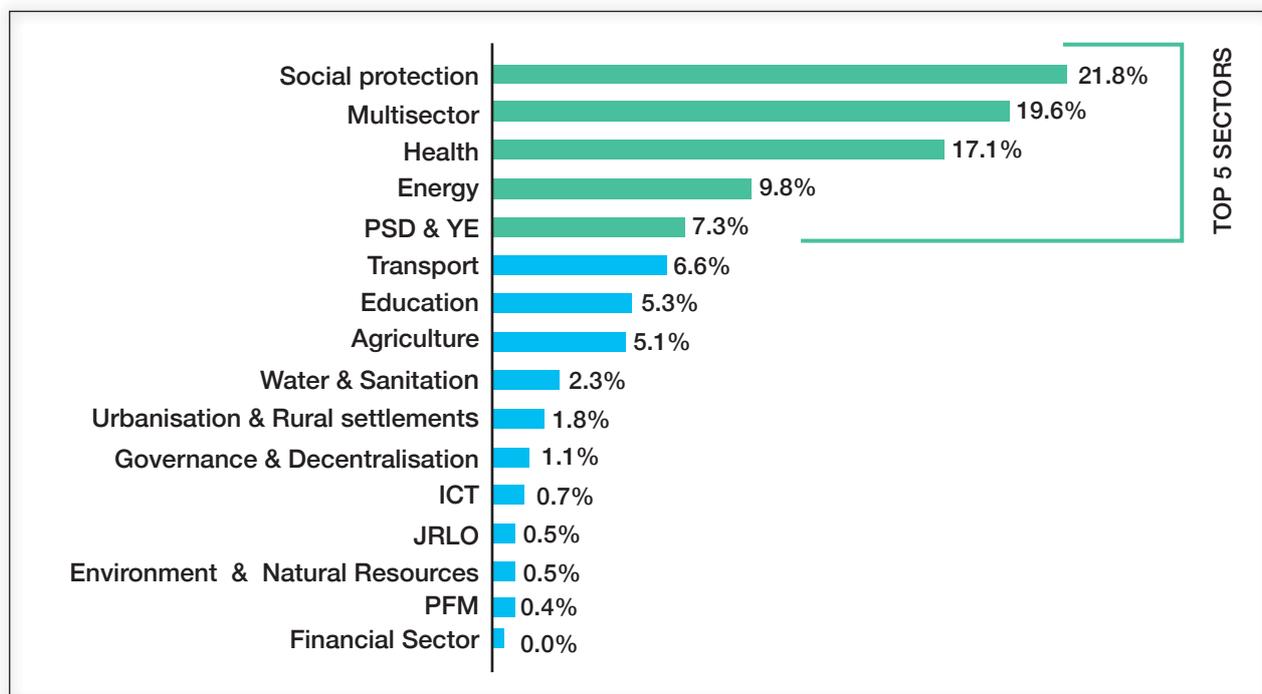
**Table 5: Distribution of disbursements across sectors and top 5 sectors**

Sector	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Social Protection	127,707,830	53,556,923	65,088,149	57,343,386	221,135,732	271,621,296
Multisector	0	0	123,460	249,716,375	167,523,642	244,608,909
Health	220,369,407	201,214,143	230,083,838	205,412,332	251,404,801	213,246,470
Energy	112,618,133	210,544,533	276,079,895	162,466,175	121,330,787	122,091,280
PSD & YE	64,543,834	15,845,119	37,546,711	36,797,104	30,280,160	91,158,693
Transport	105,247,216	86,029,712	109,076,499	120,922,542	105,766,530	82,075,441
Education	74,413,793	118,103,608	91,790,844	134,969,455	231,558,748	65,722,265
Agriculture	166,441,244	178,547,867	112,809,131	200,511,349	160,247,651	62,999,578
Water and Sanitation	18,981,880	5,007,226	38,654,459	64,503,814	36,512,292	28,829,477
Urbanisation and Rural Settlements	9,115,270	19,735,207	21,690,181	1,977,981	61,786,321	22,463,052
Governance and Decentralisation	58,813,334	34,177,507	35,116,270	25,785,410	20,382,545	13,499,168
ICT	3,976,057	43,657,963	6,129,929	10,116,988	5,594,654	8,962,577
JRLO	9,932,302	9,539,271	5,324,912	11,241,950	5,283,753	6,693,281
Environment and Natural Resources	28,452,807	16,922,656	15,136,284	6,418,462	6,192,900	6,584,185
PFM	38,605,549	11,210,930	11,732,272	13,871,075	13,358,019	4,860,425
Financial Sector	2,025,562	1,848,434	0	170,127	954,131	533,000
<b>Total</b>	<b>1,041,244,219</b>	<b>1,005,941,099</b>	<b>1,056,382,836</b>	<b>1,302,224,525</b>	<b>1,439,312,666</b>	<b>1,245,949,095</b>

12. Support for the Social Protection sector (21.8%) accounted for the largest proportion of disbursements in 2021/22, followed by Multisector (19.6%) and Social Protection (25.7%). Following gradual increases over the previous four years, Private Sector Development and Youth Employment became the 5th largest sector. Support for business recovery through the

Economic Recovery Fund (ERF) was provided mainly by the AfDB's Private Sector Access to Finance for Post-COVID Recovery and Resilience Project (USD 39m) and the World Bank's Access to Finance for Recovery and Resilience Project (USD 24m).

**Figure 9:** *Distribution of disbursements across sectors in 2021/2*



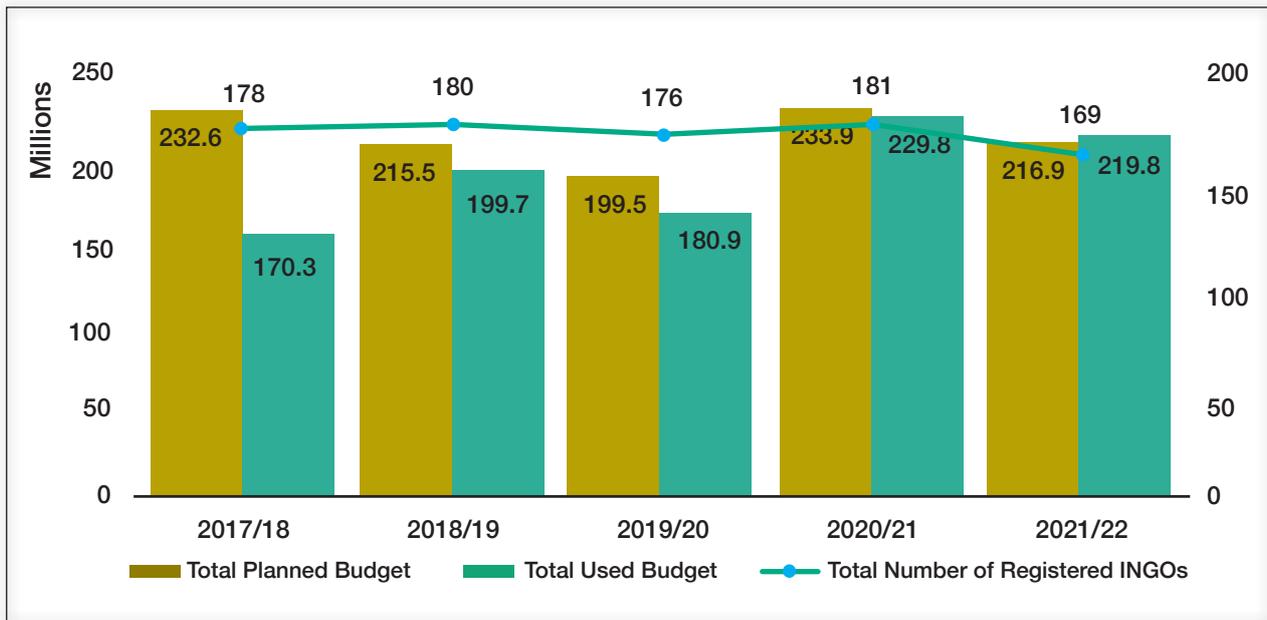
## External Development Finance to Civil Society

### International Organizations Providing Finance to Civil Society

This section provides an overview of development finance that is provided to civil society by the INGOs that are registered with RGB. As detailed in this section, the sources of these resources are the INGO headquarters, bilateral and multilateral DPs (resident and non-resident in Rwanda), UN agencies, foundations, and other international organizations. The data on these resources is sourced from the INGO database managed by RGB, data which is reported into the database by the INGOs registered in Rwanda.

#### **Total Planned and Used Budgets**

1. The total number of INGOs registered with RGB fell from 181 in 2020/21 to 169 in 2021/22, a fall of 7%.
2. The combined planned budgets for these INGOs in 2021/22 was USD 233.9 million, a fall of 4% from 2020/21. In 2021/22, USD 219.8 million was disbursed.

**Figure 10: INGO Total Planned and Used Budgets and Number of Registered INGOs**

### **Funding Source**

3. INGOs typically receive resources from multiple sources, to include resources from their headquarters, bilateral and multilateral DPs, UN agencies, foundations, and other international organizations. The data below shows that USD 114.4 million (52.05%) of spent resources were provided by INGO headquarters in 2021/22, a significant increase from the 36.8% of INGO resources provided by INGO headquarters in 2020/21. Bilateral and multilateral DPs and UN agencies (e.g. USAID, FCDO, UNICEF, EU) provided USD 70.8 million (32.2%), USD 2.8m (1.3%) was provided by foundations (e.g. IKEA Foundation) and USD 0.1m was provided by other NGOs (e.g. Compassion International, IDRC). However, it also shows that while an improvement from previous years, INGOs failed to disaggregate the funding sources for 14% of spending.

**Table 6: INGO funding sources in 2021/22**

Funding Source	Total Spend	% of Spend
INGO HQ	112,506,925	51.20%
Bilateral and Multilateral DPs + UN Agencies	70,779,398	32.21%
Funding Source not disaggregated - mix of INGO HQ, Bilateral and Multilateral Donors, UN Agencies, Foundations, and other international organisations	31,636,892	14.40%
Foundation	2,824,452	1.29%
Other NGO	2,007,306	0.91%
<b>TOTAL</b>	<b>219,754,973</b>	

### **Country of Origin**

4. As was the case in the prior four years, the vast majority (85%) of the 181 INGOs registered in Rwanda in 2020/21 originate from the United States (77) and the United Kingdom (27).

**Table 7: INGO country of origin in 2021/22**

INGO Country of Origin	Number of INGOs	Total Spend	Percentage Total Spend
USA	77	159,195,930	72%
UK	27	27,336,800	12%
South Korea	8	2,540,377	1%
Netherlands	8	3,271,662	1%
Canada	8	3,303,974	2%
Germany	5	1,621,403	1%
Switzerland	4	3,822,491	2%
Italy	4	987,771	0%
Belgium	4	2,114,402	1%
Sweden	3	2,873,478	1%
Burundi, Ireland, Japan	2 INGOs each	3,255,382	1%
Austria, DRC, Ethiopia, Kenya, Kuwait, Libya, Malawi, Mauritius, Norway, Rwanda, South Africa, Spain, Uganda, United Arab Emirates	1 INGO each	9,431,304	4%
<b>Total</b>	<b>168</b>	<b>219,754,973</b>	<b>100%</b>

**Domains of Intervention**

5. Social Protection/Welfare (38%), Health (17%), Mixed (10%), Education (9%) and Agriculture (5%) were the top 5 domains of intervention for INGOs in 2021/22. Social Protection / Welfare saw a particularly significant increase in the share of spending, from 25% in 2020/21. All of these domains, except for Mixed, were also in the top 5 from 2016/17 to 2020/21.

**Table 8: Distribution of INGO planned budgets across top 10 domains of intervention**

Domain of Intervention	2021/22	
	% of Spend	Total Spend
Social Protection / Welfare	38%	84,118,407
Health	17%	38,368,374
Mixed	10%	22,909,873
Education	9%	20,630,891
Agriculture	5%	10,856,319
Women Empowerment / Gender Equality	4%	9,205,907
Environment / Conservation	3%	6,945,116
Refugee Affairs	3%	6,427,609
Infrastructure	2%	4,005,785
Governance	1%	3,275,928
Private Sector Development	1%	2,241,386
Disaster Management	1%	2,218,707
Water and Sanitation	1%	2,161,027
Economic development	1%	1,887,111
Youth	1%	1,862,036
Other	1%	2,640,498
<b>TOTAL</b>		<b>229,765,490</b>

### ***Foundations Funding INGOs in Rwanda***

6. INGOs recorded receiving resources from 13 international foundations in 2021/22 (an increase from 10 in 2020/21). This means that the INGOs were at least partially funded by these foundations. An additional 16 international foundations are registered with RGB and receive some of their resources from their respective headquarters. It is not currently possible to assess precisely how much money these foundations are either providing to INGOs or disbursing in Rwanda due to a lack of disaggregation of funding sources in the INGO database, but the following list gives a snapshot of the foundations and the INGOs they are supporting.

**Table 9: *International foundations funding INGOs or registered with RGB in 2021/22***

<b>Foundation</b>	<b>INGO Receiving Funding (and registered with RGB)</b>
<b>International Foundations Funding INGOs in Rwanda</b>	
Achmea Foundation	European Cooperative for Rural Development (EUCORD)
Caterpillar Foundation	Partners in Health
Fondation Bridderlech Deelen	Love Alive
Fondation du Grand Duc et de la Grande Duchesse	Love Alive
Fondation Jean Francois Peterbroeck	Love Alive
Fondation Partage Luxembourg	Maison Shalom
Howard G. Buffett Foundation	Conflict Development Foundation
IKEA	Kepler
KBF Canada	Maison Shalom
MasterCard Foundation	Direct Aid
	Education Development Centre
	Human in Love
	Maison Shalom
NIKE Foundation	Partners in Health
Segal Family Foundation	Love Alive
Shooting Touch Foundation	Shooting touch
<b>International Foundations Registered with RGB in Rwanda</b>	
Africa Development Education Foundation (ADEF)	
African Institute for Mathematical Sciences – Next Einstein Initiative Foundation (AIMS-NEI)	
Aids Healthcare Foundation (AHF)	
AL Maktoum Foundation	
Clinton Foundation	
Conflict Development Foundation (funding from Howard G. Buffett Foundation)*	
International Transformation Foundation	
Kurumbuka Leadership Solutions Foundation (Kurumbuka)	
Rafiki Foundation	
Saemaul Globalization Foundation	
Shooting Touch Foundation	
The Fred Hollows Foundation	
The Legacy of War Foundation (LOWF)	
The Musingo Foundation	
Wellspring Foundation	
Westerwelle Foundation	

*\*The Conflict and Development Foundation disburses most of their resources to the public sector (not to civil society), but as they register with and report to RGB, they are included in this list.*

## External Development Finance to the Private Sector

### Overview of Foreign Private Investment

This section provides an overview of FPI inflows to Rwanda in 2021 (calendar year). BNR, in coordination with the Rwanda Development Board (RDB), the National Institute of Statistics of Rwanda (NISR), and the Private Sector Federation (PSF), conducts an annual census of FPC in Rwanda where data is collected from companies on foreign investments. The dataset on FPI inflows analysed in this section is from the 2021 census.

In the census dataset, investments are disaggregated by source. Among these sources are 2 IFIs (EIB, IFC) whose investments could potentially be categorized as development finance (in previous years additional sources such as AfDB, EADB, etc. were also present). However, additional bilateral DFIs (e.g. FMO) and other financial institutions that are not listed as sources in the dataset are investing in Rwanda. And while it is possible that these investments are recorded under the source country – for example, the investments of FMO could be recorded under the Netherlands – it is not yet possible to specifically identify these investments as these institutions are not yet listed separately (i.e. coded) in the system in which the data from the census is entered. In addition, due to confidentiality issues, it is not possible for all of the data from the census to be shared/made public (e.g. the name of the companies in which these institutions are investing).

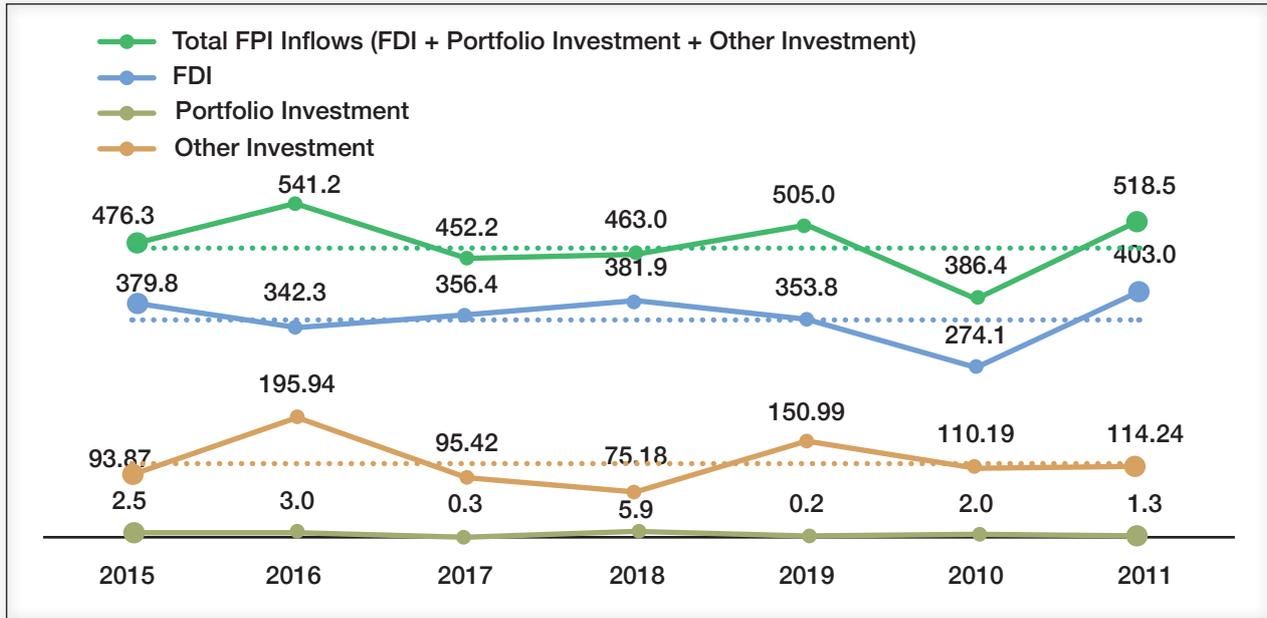
As a result of this data gap, there are two sets of analysis on external development finance to the private sector. The first set in this section analyses the data collected in the *FPC in Rwanda Annual Census*. The second set in the next section analyses data that was collected directly from DFIs, other financial institutions, bilateral DPs, or from their websites. The second set of analysis is intended to provide a more detailed picture of the institutions that are providing development finance to the private sector, the instruments they are using, and the recipients of these investments. Recommendations on how to eliminate the need for this parallel analysis have been provided in previous reports and are yet to be implemented.

### FPI Trends

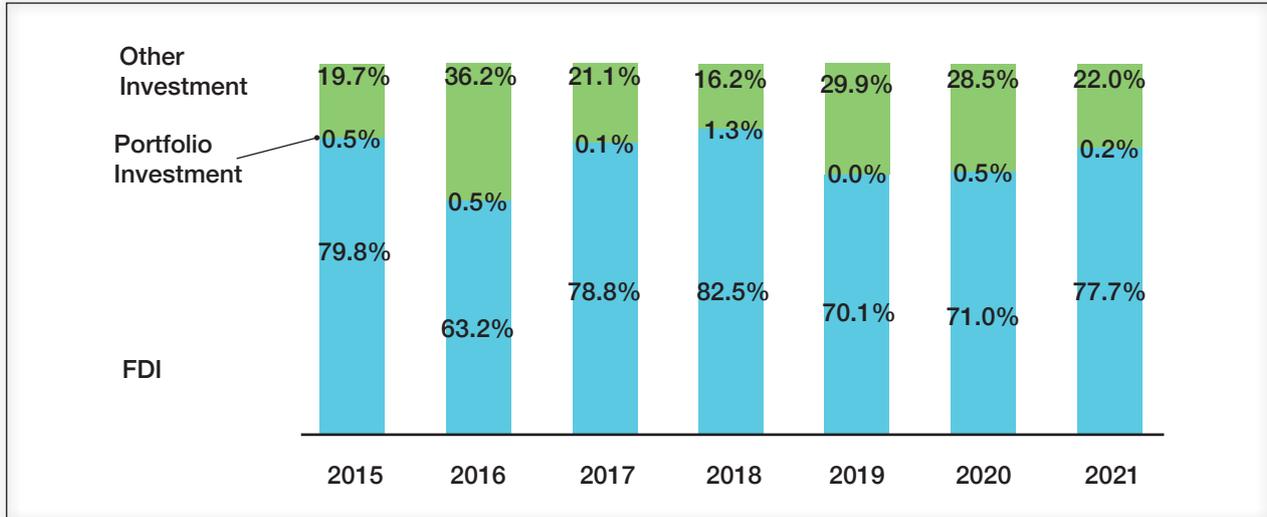
1. After experiencing a downward trend for six years between 2015 and 2020, FPI inflows increased 34.2% from 2020 to 2021. This increase can largely be attributed to a significant increase in FDI, including USD 68.7 million from India, USD 41.5 from China, and USD 41.3 million from Kenya. Over 85% of the FPI from these three countries was came as FDI.

*1 While the census collects data on inflows and stocks, only inflows are analyzed in this report.*

*2 FPI = FDI + Portfolio Investments + Other Investments; FDI = investments of nonresidents in resident companies with a shareholding of at least 10% of the company's total capital; and debt from related enterprises, but excludes debt among related financial intermediaries; Portfolio Investment = investments in tradable instruments; Other investments = borrowings from outside as well as non-tradable shareholding of less than 10% of total capital of the company.*

**Figure 11: Volume of FPI inflows from 2008 to 2021 (millions USD)**

- FDI continues to account for the majority of FPI (77.7%), but Other Investments continue to fluctuate from year to year, with their proportion decreasing for the third year in a row.

**Figure 12: Composition of FPI inflows**

### Investment Source

- As in the past six fiscal years, Mauritius is recorded as the largest source of FPI inflows, followed by India, China, and Kenya. Overall, there are significant differences in the list of top 10 sources between years.

**Table 10: Distribution of FPI inflows by source**

Source	2015	Source	2016	Source	2017
Mauritius	155,621,794	Mauritius	167,171,978	Mauritius	116,824,114
US	70,153,244	IFC	66,695,766	China	83,946,913
Kenya	51,518,350	PTA Bank/TDB	41,297,598	India	31,435,622
China	23,093,799	Netherlands	33,381,627	UK	28,302,203
Luxembourg	19,230,394	UAE	33,377,088	EIB	21,623,163
Switzerland	14,201,346	Kenya	26,601,751	Kenya	17,118,478
EIB	13,506,646	US	24,655,201	Austria	15,475,255
IFC	13,491,710	Luxembourg	22,430,830	South Africa	11,839,684
Belgium	11,704,860	Sudan	18,205,856	UAE	11,111,011
India	10,886,829	Egypt	11,711,151	Hong Kong	10,623,655
Others	92,842,600	Others	95,629,086	Others	103,895,689
<b>TOTAL</b>	<b>476,251,574</b>	<b>TOTAL</b>	<b>541,157,932</b>	<b>TOTAL</b>	<b>452,195,787</b>

Source	2018	Source	2019	Source	2020
Mauritius	200,311,154	Mauritius	168,655,019	Mauritius	135,952,652
Netherlands	70,503,163	UK	76,025,783	US	49,139,046
Kenya	33,506,650	Kenya	73,624,742	Kenya	33,296,107
US	22,905,906	Belgium	29,725,708	Netherlands	22,452,257
Belgium	17,824,106	Nigeria	23,307,189	UK	19,618,961
UAE	17,393,453	EADB	16,513,174	Nigeria	19,584,351
UK	14,406,208	France	15,718,959	Belgium	11,792,485
EXIM Bank	11,013,116	Republic of Korea	15,279,658	UAE	11,305,797
China	8,504,574	United Arab Emirates	14,521,162	IFC	10,525,358
Republic of Korea	6,813,470	PTA Bank	12,392,061	ADB	6,999,253
Others	59,496,453	Others	59,262,230	Others	65,689,776
<b>TOTAL</b>	<b>462,678,253</b>	<b>TOTAL</b>	<b>505,025,685</b>	<b>TOTAL</b>	<b>386,356,042</b>

Source	2021
Mauritius	167,928,255
India	70,469,167
Kenya	47,813,809
China	44,007,167
Hong Kong	38,602,864
United States	30,314,465
EIB	29,717,473
Netherlands	14,539,224
UAE	12,590,649
South Africa	10,162,357
Others	52,344,983
<b>TOTAL</b>	<b>518,490,412</b>

## Investment Sector

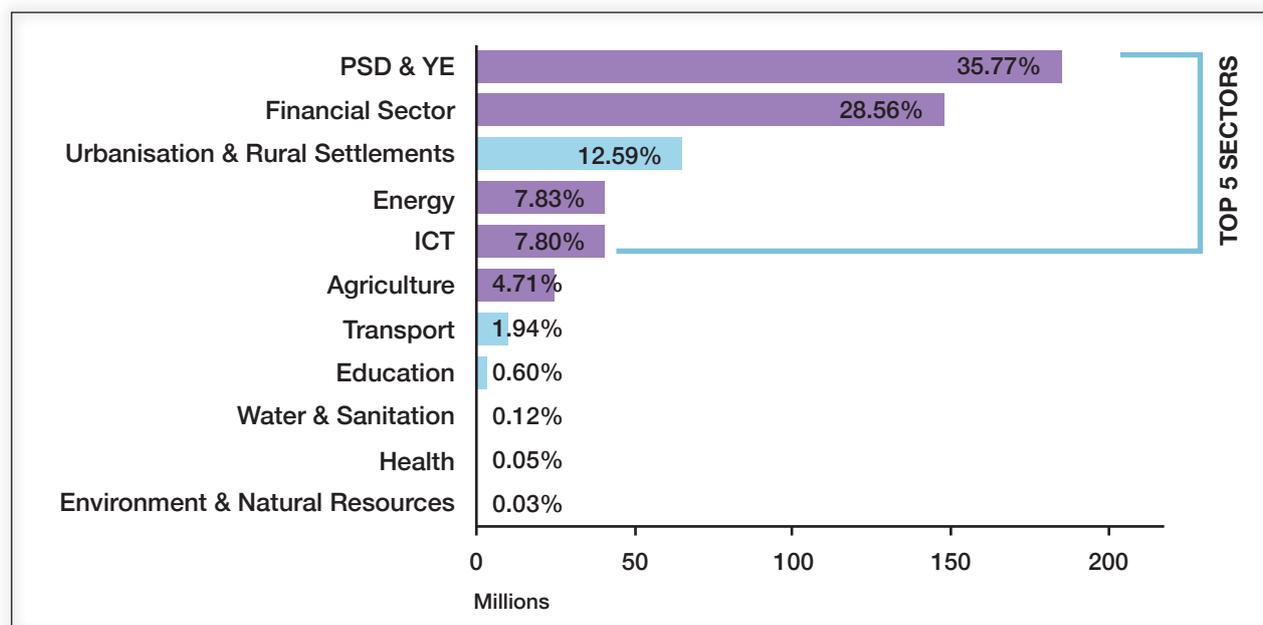
4. After a steady decline in investments in PSD & YE over the past five years, the investment in this sector more than tripled from 2020 to 2021 to account for the largest proportion of investments (35.8%). The largest increases were in the Tourism and Wholesale and retail trade subsectors. This was closely followed by the proportion targeting the Financial Sector, which dropped to the second position. It is also worth noting a significant increase in the resources targeting Urbanisation and Rural Settlements, jumping from USD 3.0 million to USD 65.3 million.

**Table 11: Top 5 sectors**

Sector	2016	2017	2018	2019	2020	2021
<b>PSD &amp; YE</b>	<b>170,950,648</b>	<b>210,899,539</b>	<b>99,981,047</b>	<b>140,864,827</b>	<b>56,072,240</b>	<b>185,487,478</b>
<i>Manufacturing</i>	75,180,692	111,476,490	62,748,017	53,385,120	41,774,901	60,862,662
<i>Wholesale and retail trade</i>	57,419,583	51,580,839	27,115,229	80,504,082	7,177,154	38,701,781
<i>Tourism</i>	16,946,308	37,448,568	2,462,957	4,859,016	4,734,599	83,785,528
<i>Real estate activities</i>	19,862,484	7,987,843	2,835,899	178,102	1,560,553	274,691
<i>Administrative and support service activities</i>	615,617	1,429,942	495,414	963,378	23,618	345,746
<i>Professional, scientific and technical activities</i>	412,144	706,215	4,221,693	848,238	696,116	1,305,055
<i>Other</i>	513,819	269,641	101,837	126,891	105,299	212,015
Financial Sector	184,731,967	105,970,592	81,226,244	151,854,995	179,330,906	148,098,934
ICT	113,571,187	50,227,584	82,608,086	121,774,261	50,062,295	40,449,014
Energy	32,777,816	45,760,697	165,180,438	57,351,001	46,236,266	40,592,150
Agriculture	5,729,192	26,515,499	15,213,045	18,096,748	38,345,181	24,406,044
Environment & Natural Resources	7,250,358	4,317,698	2,660,993	1,992,100	367,873	179,080
Transport	4,817,318	3,297,582	11,136,746	8,614,680	9,311,210	10,061,404
Health	1,279,270	2,180,690	821,996	0	235,727	238,561
Urbanisation & Rural Settlements	20,047,639	1,522,262	1,961,133	1,114,229	3,024,769	65,255,811
Education	2,537	1,503,643	1,888,526	3,127,034	3,347,576	3,117,935
Water & Sanitation	0	0	0	235,808	21,999	604,000
<b>TOTAL</b>	<b>541,157,932</b>	<b>452,195,787</b>	<b>462,678,254</b>	<b>505,025,685</b>	<b>386,356,042</b>	<b>518,490,412</b>

\*The FPC in Rwanda Annual Census uses the International Standard Industrial Classification of All Economic Activities (ISIC). This classification was matched to the sectors in the EDPRS 2 in order to calculate the percent allocated to the EDPRS 2 sectors. For example, PSD & YE includes the following ISIC activities: Manufacturing; Wholesale and retail trade; Accommodation and food service activities; Professional, scientific and technical activities; Real estate activities; Administrative and support service activities; Other service activities; Tourism.

\*\*The ISIC sectors are listed under PSD & YE to give a more detailed picture of changes in this sector.

**Figure 13: Distribution of FPI inflows by sector in 2021****FPI by DFIs and other financial institutions (Data collected in the FPC in Rwanda Annual Census)**

5. Three multilateral DFIs, one bilateral DFI, two other financial institutions are listed separately as sources of investment in the dataset from the FPC in Rwanda Annual Census. Investment by these institutions has fluctuated significantly over the past six years. In 2021, only two of these institutions made investments. Similarly, the percentage of FPI from these institutions has also fluctuated, from 9.3% in 2015 to 22.4% in 2016 to 6.0% in 2017.

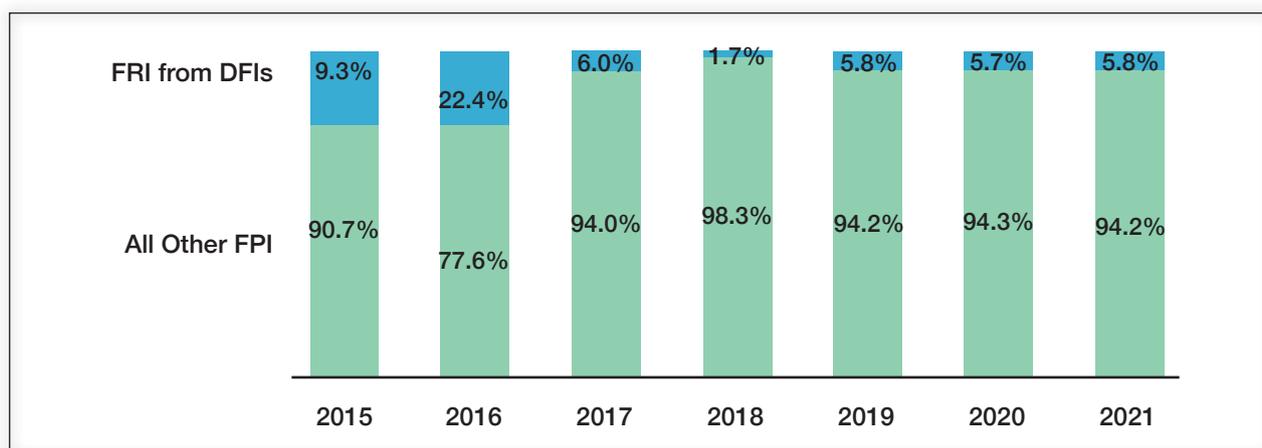
**Table 12: FPI inflows from IFIs**

Source	2015	Source	2016	Source	2017
EIB	13,506,646	IFC	66,695,766	EIB	21,623,163
IFC	13,491,710	PTA Bank/TDB	41,297,598	AfDB	1,863,205
PTA Bank/TDB	7,523,672	EIB	9,976,497	EADB	1,426,986
EADB	6,439,158	AfDB	2,966,945	PTA Bank/TDB	1,190,946
AfDB	3,193,178	KfW	314,408	IFC	486,939
KfW	0	EADB	0	KfW	408,169
<b>TOTAL</b>	<b>44,154,364</b>	<b>TOTAL</b>	<b>121,251,214</b>	<b>TOTAL</b>	<b>26,999,409</b>

Source	2018	Source	2019	Source	2020
EADB	6,197,571	EADB	16,513,174	IFC	10,525,358
PTA Bank/TDB	1,275,153	PTA Bank/TDB	12,392,061	AfDB	6,999,253
AfDB	577,838	AfDB	141,605	PTA Bank/TDB	4,517,989
IFC	0	IFC	0	EADB	0
EIB	0	EIB	0	EIB	0
KfW	0	KfW	0	KfW	0
<b>TOTAL</b>	<b>8,050,561</b>	<b>TOTAL</b>	<b>29,046,840</b>	<b>TOTAL</b>	<b>22,042,600</b>

Source	2021
EIB	29,717,473
IFC	358,538
AfDB	0
PTA Bank/TDB	0
EADB	0
KfW	0
<b>TOTAL</b>	<b>30,076,011</b>

**Figure 14: Percentage of FPI inflows from DFIs and other financial institutions**



### DFIs & Other Financial Institutions Providing Finance to the Private Sector

The previous section gives an overview of all FPI inflows in Rwanda but the analysis is limited by the data available in the dataset from the *FPC in Rwanda Annual Census*. To provide a more detailed picture of external development finance to the private sector from DFIs, other financial institutions, and bilateral DPs, data was collected directly from the institutions or from their websites. While there are also data gaps in this section, particularly on actual investment, as some institutions did not or were not able to provide this data (due to confidentiality agreements with the companies in which they are investing), the objective is to provide an overview of which institutions are actively investing, the type of the investments that are being made, and the recipients of these investments.

The institutions assessed in this section fall into 3 categories: 1) Multilateral DFIs, 2) Bilateral DFIs, 3) Other financial institutions. The OECD categorization of Multilateral and Bilateral DFIs is used to define which institutions fit under these categories, and all other institutions are categorized under Other financial institutions. It should also be noted that while efforts were made to include as many of the major providers of development finance to the private sector as possible, the list is not exhaustive.

Data in this section was obtained directly from the respective financial institutions, or if it was not possible to obtain data directly from the institution, data was obtained from the institution's website. The data source for each institution is recorded in the table below:

Institution	Data Source
AfDB	AfDB
BIO-Invest (Belgium)	BIO-Invest
British Intl Investment (UK)	British Intl Investment
DFC (United States)	DFC Website
EIB	EIB
Finnfund (Finland)	Finnfund

Institution	Data Source
FMO (Netherlands)	FMO Website
IFC	IFC Website
KfW/DEG (Germany)	DEG
MIGA	MIGA
Norfund (Norway)	Norfund Website

Investment Types include: 1) Debt (with subcategories for Loans and Lines of Credit (LoC)), 2) Equity, 3) Grant, 4) Guarantee, 5) Unspecified.

Total Committed Investment = the total amount that the investor committed to invest.

Actual Investment – in FY 2021/22 = the actual investment amount made during the 2021/22 fiscal year.

Total Actual Investment = the total cumulative investment as of the end of the 2021/22 fiscal year.

### **Total Investment and Investment by Institution**

6. During 2021/22, at least 11 DFIs had 111 active investments (as categorized by the institution) in the private sector in Rwanda, an increase from the 76 that were active as of the end of 2020/21. This increase is largely attributable to the additional information now available on Norfund investments, which include 48 in Rwanda. These 11 institutions committed to invest USD 500.7 million in these activities. 66% of committed investments were provided by multilateral DFIs.
7. Actual investment totals during 2021/22 and to date are incomplete as most institutions do not disclose this information. However, at least USD 21.5 million was invested in 2021/22, and at least USD 239.3 million was invested as of the end of 2021/22. The limited actual investment amount is also due to the fact that most of the AfDB and EIB investments are fully drawn down/disbursed.

**Table 13: Investments by institution**

Institution	Number of Active Investments	Total Committed Investment	Actual Investment in FY 2021/22	Total Actual Investment as of 30 June 2022
<b>Multilateral DFIs (per OECD)</b>				
AfDB	4	73,000,000	0	73,000,000
EIB	12	177,717,212	0	131,170,445
IFC	10	55,380,000	No data	No data
MIGA	3	24,760,000	N/A	N/A
<b>Bilateral DFIs (per OECD)</b>				
BIO-Invest (Belgium)	2	13,625,426	0	13,625,426
British Intl Investments (UK)	8	No data	No data	No data
DEG (Germany)	1	6,500,000	5,500,000	5,500,000
DFC (United States)	8	39,038,179	No data	No data
Finnfund (Finland)	2	16,000,000	16,000,000	16,000,000
FMO (Netherlands)	13	90,322,607	No data	No data
Norfund (Norway)	48	4,403,980	No data	No data

\*DEG is a subsidiary of KfW.

3 Development finance institutions and private sector development, <http://www.oecd.org/dac/stats/development-finance-institutions-private-sector-development.htm>

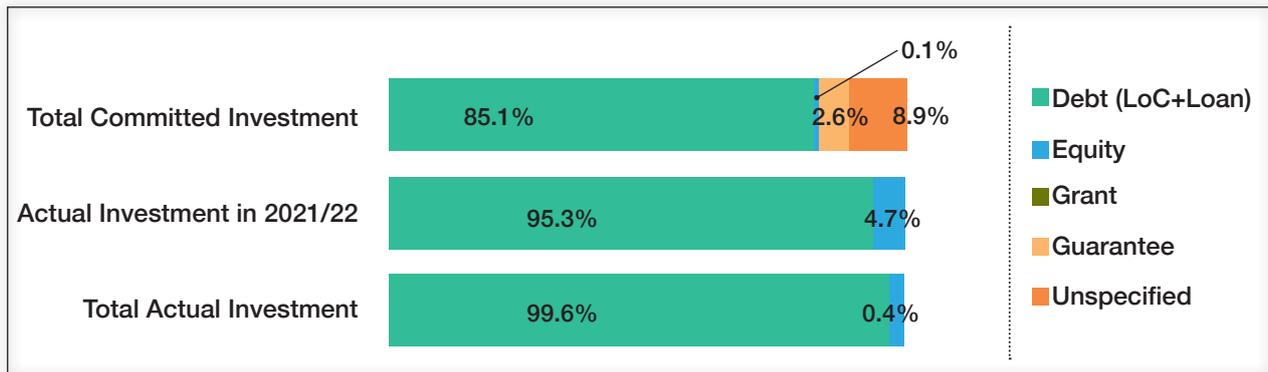
### Investment Type

8. Debt continues to account for the vast majority (85%) of investments, with debt evenly split between lines of credit and loans. And while data on actual investments is incomplete, the actual investments for 2021/22 were largely loans.

**Table 14: Distribution of investments by investment type**

Investment Type	Total Committed Investment	Actual Investment in FY 2021/22	Total Actual Investment*
Debt (LoC + Loan)	425,960,824	20,500,000	238,295,872
Line of Credit	204,216,831	0	159,170,445
Loan	221,743,993	20,500,000	79,125,426
Equity	13,160,381	1,000,000	1,000,000
Grant	563,080	0	0
Guarantee	44,600,308	N/A	N/A
Unspecified	16,462,811	0	0
<b>TOTAL</b>	<b>500,747,404</b>	<b>21,500,000</b>	<b>239,295,872</b>

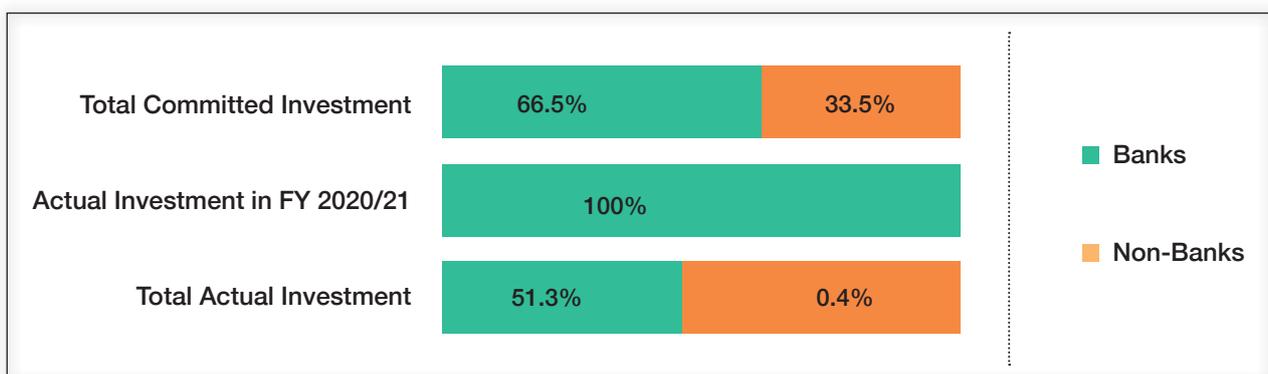
**Figure 15: Distribution of investments by investment type**



### Implementing Agency

about two thirds of committed investments were to be made to banks and about a third to non-banks. While 100% of reported actual investments were made to non-banks, this is likely due to the limited data provided on actual investments.

**Figure 16: Investment in Banks vs Non-Banks**



10. Investors indicated that 11 banks and 79 non-banks were to be the recipients of their investments. For non-banks, this is an increase from the 33 that were listed in 2020/21, and this is largely due to the additional information now provided by Norfund on the recipients of their investments, which are largely SMEs.

**Table 15: *Implementing agencies and investors***

Implementing Agency	Investor(s)
<b>Banks</b>	
AB Bank Rwanda Limited	Norfund, IFC
Access Bank Rwanda	British Intl Investment
Bank of Kigali	EIB
Banque Populaire du Rwanda (BPR)	FMO, DFC
Compagnie Générale de Banque	DFC
Development Bank of Rwanda (BRD)	AfDB, EIB
East African Development Bank	EIB
I&M Bank	FMO, Norfund, IFC, EIB
KCB Bank	EIB
Trade and Development Bank	EIB
Unguka Bank Limited	British Intl Investment
<b>Non-Banks</b>	
3B Group of Hotels	IFC
A.P.A.E.T.A PLC	Norfund
Africa Improved Foods	FMO
Addax Petroleum Ltd	Norfund
ADIYA LTD	Norfund
African Business Ltd	Norfund
African Hotel Development Rwanda Ltd	DEG
Africana Guest House Ltd	Norfund
AGASARO ORGANIC LTD	Norfund
Ages-Immo Ltd	Norfund
AIIF3 Clean Energy	MIGA
Air Rwanda	British International Investment
Ampersand Rwanda Ltd, Ampersand E-Mobility Ltd	DFC
ARCH COLD CHAIN SOLUTIONS EAST AFRICA FUND (SA) PARTNERSHIP	EIB
BABC	Norfund
Baha Properties Ltd	Norfund
Barrow Education Consult Ltd	Norfund
Beri Clinic Ltd	Norfund
Bihongora Hydropower Ltd	British International Investment
Bralirwa S.R.L.	IFC
CDEN Rwanda	FMO
CHANCEN International	DFC
CONCRETE PLANT SOLUTIONS LTD	Norfund
DC Frontier Energy Ltd	British International Investment
ECOPLASTIC LTD	Norfund

EDECOR Consultants Ltd	Norfund
ETS FURAHA EUGENE	Norfund
FANTASTIC INVESTMENT GROUP LTD	Norfund
GAF Rwanda Portfolio	British International Investment
Garage ATECAR Ltd	Norfund
Gigawatt Global Rwanda Ltd	FMO
Heaven Holdings Ltd	DFC
High Tech Limited	Norfund
Highlands school Ltd	Norfund
IBC GROUP LTD	Norfund
IHS Rwanda	FMO
Ikwim Petrolgate Ltd	Norfund
Imprimerie Papeterie Moderne Limited	Norfund
Ingabire Joy	Norfund
Intraspeed Ltd	IFC
IRAMIRO CLINIC LTD	Norfund
ISIMBI FARM LTD	Norfund
Izuba City	British International Investment
Kagarama Emile & Mahoro Claudine	Norfund
Kasha	Finnfund
Kigali Water Limited	AfDB
Kigali Water Mauritius	MIGA
KINYINYA SPV	IFC
KivuWatt Ltd	AfDB, BIO-Invest
La Polyclinique de L'etoile Ltd	Norfund
Lava Hotel	Norfund
M.Line Petro Station Ltd	Norfund
Market Shopping Center Limited	IFC
Milan Innovincy	FMO
Minimex	Norfund
Mother Mary School Complex Ltd	Norfund
Mount Carmel School Ltd	Norfund
Munyemana Eric and Uwangabe Jeanne	Norfund
New Forests Rwanda (NFR)	FMO
Newco	FMO
Off Grid Solutions B.V.	FMO
Precious Dishes Ltd	Norfund
Rubaya Nyabihu Tea Company Ltd	BIO-Invest
Rudasingwa Musiime Eugene	Norfund
Rwanda Building And Construction Company Ltd	Norfund
Rwanda Events Group Ltd	Norfund
Rwanda Garden & Landscaping Co. Ltd	Norfund
RWANDA TEXTILE IMPORTERS AND TRADERS LTD	Norfund
Rwaza Hydro Power Ltd	Norfund, British International Investment
Scatec Solar	Norfund
Sebunyana Geoffrey	Norfund

Sorwathe S.A.R.L.	DFC
The Rise Fund II Aurora, S.A.R.L	MIGA
Touch Media Design Limited	Norfund
UBUZIMA POLYCLINIC LTD	Norfund
Uwimana Ruth	Norfund
Westrock Coffee Holdings LLC	DFC
YAK FAIR TRADE LTD	Norfund
Yumn Ltd	Finnfund

### Actual Investment in 2021/22

11. Data on actual investment in 2021/22 was not reported by most institutions, but investments were at least USD 21.5 million.

**Table 16: Investments made in 2021/22**

Activity/Investment Name	Investment Type/ Instrument	Institution	Actual Investment in FY 2021/22
African Hotel Development Rwanda Ltd.	Loan	DEG	5,500,000
Hakan-Quantum Power Plant	Debt	Finnfund	15,000,000
Kasha	Equity	Finnfund	1,000,000
<b>TOTAL</b>			<b>21,500,000</b>

### Bilateral DPs Providing Finance to the Private Sector

In addition to providing finance to the public sector, some bilateral DPs also support the private sector. As these resources are not captured in the DAD (or any other GoR database), the DPs were asked to provide this data in an Excel template for this report. Only one bilateral DP provided this data, with KfW confirming that they had no activities beyond the ones for DEG.

12. In addition to providing finance to the public sector, FCDO has committed USD 90.5 million in cooperation with the private sector and has disbursed 69.9 million, including USD 9.0 million disbursed in 2021/22.

**Table 17: Finance by Bilateral DPs to the private sector**

Investment Type	Number of Activities	Total Committed Investment	Actual Investment in FY 2021/22	Total Actual Investment
<b>FCDO</b>				
Grants	7	90,537,535	8,952,145	69,868,821
Trademark		33,236,006	1,994,160	19,276,884
Access to Finance Rwanda		13,560,291	957,353	12,903,871
Funds are disbursed to Tea Wood Foundation which then provides funding to Rugabano Out-growers Services (ROS) Company and Service Company Nyaruguru Outgrowers (SCON).		15,721,939	1,732,342	9,979,488
CARDNO EMERGING MARKETS (UK) LTD (34209)		5,551,759	466,973	5,551,759
AgDevCo		11,964,962	547,811	11,942,408
Palladium		9,970,802	2,721,731	9,682,634
Access to Finance Rwanda		531,776	531,776	531,776

## Other Financial Flows

### Remittances

This section gives an overview of trends in remittances, including remittance inflows for 2021/22. It is still not possible to assess what portion of remittances is contributing to development. The data for remittances is obtained from BNR and no further disaggregation or details on the destination of these resources are currently available.

13. After a drop in remittances between 2018/19, they have now increased for three years in a row, from USD 211.00 million in 2018/19 to USD 333.83 million in 2020/21 to USD 418.81 in 2021/22. This is an increase of 25.5% from 2020/21.
14. This may be attributed to the COVID-19 pandemic and the contribution of the diaspora towards supporting relatives in Rwanda. It could also be related to the diaspora making increasing investments in Rwanda.

**Figure 17:** *Volume of remittances from 2012/13 to 2021/22 (USD millions)*

