



Experience with circular economy in the transport sector

October 30, 2024



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- Introduction
- Actions to minimize pollution and waste in Transport
- Actions to extend product lifecycles, and promote the repurposing of physical and natural assets.



1. Transport Overview

- Transportation is a critical sector for the Rwanda economy
- Transport in Rwanda primarily refers to three modes: (i) land (roads); (ii) air; and (iii) maritime (inland waterways)
- Road transport is the predominant subsector in the country, while the aviation sector is also witnessing steady growth in line with the government's aim of transforming Kigali into an aviation hub.



1. Transport Overview (Cont'd)

- The transport sector in Rwanda is currently dominated by internal combustion engine (ICE) road transportation, both for passengers and cargo
- However, between January and September 2024, a quick adoption of electric vehicles was observed where 31.8 % of newly registered vehicles were EVs thus quick adoption of electric vehicles
- Electrification of transport is expected to contribute to the reduction of GHG emissions and promote use of renewable energy



2. Experience with circular economy in the transport sector

2.1. Introduction

- Similarly to other countries, transport is among leading sources of greenhouse gas emissions, together with agriculture, industry, and the built environment
- In Rwanda, road transport accounts for around 30% of the emissions in urban areas from the sector and its impact is set to grow
- Electrifying transport can solve part of the problem of emissions from vehicles on average, but still, emissions from vehicle manufacturing can only be addressed by transitioning to a circular economy for vehicles



2. Experience with circular economy in the transport sector

2.2. Actions to minimize pollution and waste in Transport

1. Adoption and incentivization of electric mobility (April 2021)

Fiscal Incentives

- a) Electric vehicles, spare parts, batteries and charging station equipment treated as VAT zero rated products;
- b) Electricity tariff capped at the industrial tariff level (large industry category);
- c) The electric vehicles to benefit from a reduced tariff during the off-peak time;
- d) Exemption of import and excise duties on electric vehicles, spare parts, batteries and charging station equipment;
- e) Exemption of withholding tax of 5% at customs



2. Experience with circular economy in the transport sector

2.2. Actions to minimize pollution and waste in Transport (Cont'd)

2. Adoption Emission limits standards for imported vehicles (RS 407-1: 2019)

The Standards set maximum allowed emissions limits for:

- ✓ Part 1: Road vehicles (Adoption of EURO IV for imported vehs)
- ✓ Part 2: Non-road mobile machinery
- ✓ Part 3: Thermal power plants

3. Vehicle Emissions Testing during vehicle inspection

- ✓ Twice a year for commercial vehicles
- ✓ Once a year for private vehicles

4. Successful testing of motorcycle retrofitting (80 motorcycles successfully retrofitted)

5. Promotion of mass transport



2. Experience with circular economy in the transport sector

2.3. Actions to extend product lifecycles, and promote the repurposing of physical and natural assets.

1. Partnership with Enviroserve in e-waste management including vehicle batteries
2. Adoption of soil stabilization to minimize road construction materials from borrow pits
3. Nature-based solutions for resilient road infrastructure (RoW greening, etc.)



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