

REPUBLIC OF RWANDA



MINISTRY OF INFRASTRUCTURE

I, the undersigned, Girma Wake, the Chairperson of RWANDAIR's Board of Directors, on behalf of RWANDAIR hereby commit myself to achieve all targets hereon attached to this performance contract, during the financial year 2016/17.

I also assure you that this achievement will be made in collaboration with RWANDAIR Management and all its stakeholders.

A handwritten signature in blue ink, appearing to read 'Girma Wake'.

Girma Wake
Chairperson - Board of Directors
RWANDAIR



Hon. James MUSAZI
Minister of Infrastructure

MININFRA CONSOLIDATED DRAFT IMIHIGO 2016/2017 LV

Output	Indicator	Baseline	Targets/Milestones				Activities to deliver output	Budget/Rwf
			Q1	Q2	Q3	Q4		

RWANDAIR

Outcome 1: RwandAir Business and Operations expanded

Output 1: Revenue forecast increased to USD 145,398,334	Revenue in USD.	Revenue of 2015-16 is USD 91,383,529.	USD 29,342,639	USD 36,407,999	USD 38,882,781	USD 40,764,915	Implementation of Network Strategy; - Launching 7 additional routes Additional frequencies; - Increase market Share; Implementation of the marketing strategy; - Implementation of strategies aimed at improving financing and mobilization of more resources for the airline (Ancillary revenues)	
Output 2: Passenger Numbers Forecast increased 775,178 Passengers (passenger growth by 36%)	Number of Passengers.	583,049 Passengers during fiscal year 2015/16	163,220 Passengers	179,153 Passengers.	206,893 Passengers.	225,912 Passengers.	-Undertake market and sales promotions -Opening new routes to increase market share. -Create partnerships with other carriers to increase network.	

Output 3: 4 more Aircraft (two B737-800 leased & two brand new A330s purchased)	Indicator: Number of acquired aircraft.	Baseline: 8 Aircraft in the current fleet.	Q1: Delivery of 1 A330-200	Q2: Delivery of A330-300 and one B737-800	Q3 – Q4: Delivery of the next B737-800	-Completion of Pre-Delivery Payments - Conclusion of Entry - Info-Service (EIS) Process	
Output 4: Routes expanded Opening of 7 new destinations.	Number of new routes created.	17 destinations.	2 destinations to be opened. (Benin and Abidjan)	3 Destinations to be opened (Cotonou, Abidjan and Harare)	4 destinations to be opened (Guinea Conakry, Khartoum, Guangzhou and Mumbai)	Negotiation of BASAs ; - Fleet planning; - Sales & marketing initiatives; Logistics	
Output 5: Increased overall average load factor.	Load factor.	Average annual load factor of 63% with introduction of more huge capacity.	60% quarterly	52% quarterly	47% quarterly 49% quarterly with average annual load factor at 52%.	Implementation of Network Strategy; - Introduction of 6 New Markets; - Implementation of the marketing strategy; - Sales promotion; - Seeking mutually beneficial partnerships with other airlines e.g. code-sharing	

Outcome 2: Increased RwandAir Technical and Human Capacity

<p>Output 6: Ground Handling Support enhanced</p>	<p>New Equipment purchased for the year 2016-17.</p>	<p>The following equipment were purchased in 2015-16; 2 Executive Co-buses, Engine bore scope Equipment, Lowe deck loader, 2 Conveyer belt, 1 high loader, 12 pallet dollies, 15 Container Dollies.</p>	<p>- 3 Ground Power units - 2 Passenger Stairs</p>	<p>2 Baggage tractors; - 10 feet Pallet dollies (30 items); - Container dollies (20)</p>	<p>- Lavatory truck - Potable Water - 2 Pallet Transporter</p>	<p>Wheels and Battery shop; - MRO</p>	<p>Budget approval; - Procurement process; - Delivery process</p>
<p>Output 7: Capacity Building initiatives implemented</p>	<p>Number of staff trained</p>	<p>18 Rwandan Pilots already flying; - 9 Cadet pilots doing OJT; - 6 Cadet pilots undergoing training; - 32 Rwandan Engineers already trained; -10 Rwandan Engineers are undergoing training.</p>	<p>To send 10 Rwandan Aircraft technicians and Cadet pilots each to an external aviation training school through REB approved budgets. Internal general training including type rating and upgrade.</p>	<p>To send 10 Rwandan Aircraft technicians and Cadet pilots each to an external aviation training school through REB approved budgets. Internal general training including type rating and upgrade.</p>	<p>Staff to follow training; - Knowledge transfer from expatriate pilots to Rwandan pilots through Management and on-job training.</p>		

Outcome 3: RwandAir compliance to Operational Safety Standards sustained

<p>Output 8: IOSA Renewal Audit (IATA Operational Safety Audit)</p>	<p>Safety compliance with IOSA Standards</p>	<p>RwandAir already IOSA Certified.</p>	<p>Maintaining safety standards to maintain IOSA certification. Incorporation of all editions from the IOSA standard manual (ISM).</p>	<p>- Keeping safety best practices; Carrying out annual Internal audits; - Carrying out regular Inspections; - Carrying out spot checks in passenger services, ramp handling and engineering.</p>	
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<p>Output 9: ISAGO (IATA Safety Audit for Ground Operations)</p>	<p>Ground safety compliance.</p>	<p>Audit for ground operations.</p>	<p>To undergo the initial ISAGO Audit for Ground Operations</p>	<p>ISAGO awareness; - ISAGO trainings; -Audit preparation and facilitation.</p>	
<p>Outcome 4: RwandAir Operational and Financial Efficiency improved</p>					
<p>Output 11: Aircrafts optimally Utilized.</p>	<p>Level of Aircraft fleet utilization</p>	<p>Average daily Aircraft Utilization A330 – 11:00; B738 - 10.67; B737 – 7.67; CRJ – 7.83; Q400 – 4.58 Total 41.75</p>	<p>Increase average daily Aircraft Utilization to: A330 - 12:13; B738 – 9:55; B737 – 10:40; CRJ – 10:55; Q400 – 7:30; Total 51.22</p>	<p>Implementation of Network Strategy; - Additional frequencies; - 6 [New Markets; - Increase market Share; -Sourcing additional charter flights.</p>	
<p>Output 12: Customer satisfaction increased.</p>	<p><u>Indicator:</u> Number of customer complaints.</p>	<p><u>Baseline:</u> Number of baggage complaints per 1000 passengers is 7.</p>	<p>Reduce the number of complaints per 1000 passengers to 5 or less - Baggage irregularities per 1000 bags to 10 or less; - Cargo irregularities per AWB to 10 or less; - Growth in frequent flyer program (FFP) membership by 30%.</p>	<p>Proper service delivery standards development; - Recurrent customer service training; - Effective implementation of customer's comments collection and feedback; - Periodic monitoring of FFP membership and satisfaction levels; - Enforcement of better security and discipline to reduce baggage mishandling.</p>	

<p>Output 13: Financial performance improved</p>	<p>Availability of financial reports complying with international financial Reporting Standards.</p>	<p>Unqualified report from the Auditors.</p>	<p>Timely preparation and review of monthly and quarterly financial statements.</p>	<p>Month end financial closing procedures to be followed; - Reconciliation of accounts.</p>	
<p>Output 14: Cost Control.</p>	<p>Improved cost control measures.</p>	<p>Costs maintained within budget.</p>	<p>10% savings on total cost compared to budget.</p>	<p>Maintain cost control initiatives e.g. centralizing printing facilities; Monthly monitoring of costs and documenting explanations for any overruns.</p>	

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