ISSN No:-2456-2165

Comparative Study Between Fiscal and Non-Fiscal Incentives on the Execution of Selected Foreign-Owned Projects in the ICT Sector of Rwanda

Washington René Didier BIMENYIMANA (MBA)
MBA-Project Management
University of Kigali

Dr. Sanja Michael MUTONG'WA (Ph.D.)
DVC in charge of Institutional Development
Research and Innovation
University of Kigali

Abstract:-The comparative study between fiscal and non-fiscal incentives on the execution of selected foreign-owned projects in the ICT sector of Rwanda analyzed the relationship between fiscal/none- fiscal incentives and the project execution. The specific objectives were to examine the influence of fiscal incentives, non-fiscal incentives on the execution of selected foreign-owned projects in the ICT sector of Rwanda. The theoretical framework conveyed most prominent theories about the Government, control of incentives vis-à-vis the project execution. The neo-classical, agency's fiscal incentives, fiscal incentives, and project performance theories backed up this study by relating the investment project incentives vis-à-vis the project execution, the economic proposition of fiscal waiver for projects to stimulate project execution in the short term, and benefit society in the long term. To achieve objectives of this study, different methods and techniques were used. This study was carried on a sample size of 36 selected foreign-owned projects from targeted population of 39. Primary and secondary sources of data were utilized with the application of various tools. The regression analysis was used for testing if (fiscal and non-fiscal) related incentives were statistically significant to the execution of selected foreign-owned projects in the ICT sector of Rwanda. Before conducting the final data collection on the field, reliability and validity of the research instruments were used for measuring the degree at which this study was researchable in terms of measuring intended variables, and the consistency of results from the repeatability measurements. The SPSS software was used for cleaning and analyzing collected data, and for performing statistical techniques, for instance "degree of freedom, sum of squared errors, standard-error, beta, statistics, and so forth". As the summary of findings, the overall regression model was significance at F (3, 32) = .303 or 30.3%, P<.825[b], R^2=.027. As the outcome indicated, fiscal incentives were not statistically significant since resulted to (.942 or 0.9) which is greater (>) than p-value alpha (.05) that the researcher failedto reject the null hypothesis. Non-fiscal incentives were statically significant at a 5% level where the outcome was (.384 or 0.3) and the researcher rejected the null hypothesis, as the result was less than alpha (0.05). The researcher concluded that the government subsidy and incentive packages made for attracting and quickening projects throughout the execution process are not only key factors in the execution process of a project. As shown by statistics, foreign-owned projects in the ICT sector of Rwanda are operating at 38.4% compared to 86% of other projects. The cause of feeble level of execution is also related to other variability such as poor project planning, poor project funding, and poor government service delivery and so forth.

Keywords:- *Fiscal Incentives, Non-Fiscal Incentives, Project Execution, ICT Sector.*

I. INTODUCTION

Theodore (2014) stated that governments see the incentives as a necessary measure to compete with other host countries, and to signal government commitment to an open investment environment support for incentives could also arise from agency problems and the comparative ease with which incentives can measure are overestimated while the costs remain hidden. UNCTAD (2022) defines fiscal incentives as instruments that reduce the tax burden of any party in order to induce them to invest in particular projects or to attract project managers to priority sectors or regions. According to the ImpactDataSource (2022), the non-fiscal incentive is generic term for none monetary motivation or any additional cash or near cash incentive that you would like to evaluate. Foreign owned project is a project within the sort of controlling ownership during a business in one country by an entity based in another country.

China Edges (2012), China reportedly surpassed the US to become the world's largest assets acquirer, measured by the worth of corporate takeovers. The European Union in 2014 and 2015 was estimated to be the foremost important marketplace for Chinese acquisitions, in terms useful. The rapid increase in Chinese takeovers of European companies has fueled concerns among political observers and policymakers over an honest range of issues. These issues include potential

ISSN No:-2456-2165

negative strategic implications for individual EU member states and thus before the EU as a whole link between the Chinese Communist Party and therefore the investing enterprises, and thus the shortage of reciprocity in terms of limited access for European investors to the Chinese market (Hailstorm &Jerker, 2016). Foreign owned projects totaled US$ 194 billion in 2010, 84%of FOP within the US in 2010 came from or through eight countries: Switzerland, the UK, Japan, France, Germany, Luxembourg, and thus Netherlands, and Canada.

In Canada, statistics Canada tracks foreign projects by country and by industry where foreign projects accounted for Canadian dollars 634 billion in 2012, eclipsing the use during this economic measure (John &Pitelis, 2008). The UK features a very free-market economy and is hospitable international project. During 2006-2011, the African experienced the absolute best rateof return on FOP 11.4% compared to 9.1% in Asia or 8.9% in Latin America and thus the Caribbean. The world's average was 7.1% yet Africa's share of the worldwide net FOP has been very low over the past decade. As an example, sub-Saharan Africa's share of worldwide net FOP between 2010 and 2016 stood at 1.87% compared to 30.40% for Europe, 26.45% for East Asia and Pacific, 17.334% for North Africa, and 13.25% for Latin America and thus the Caribbean. (UNDP, 2018).

Regionally, the East Africa Community (EAC) region Kenya's fast-growing technology sector,nicknamed "Silicon Savannah", continued to draw foreign investor interest. Technology media and telecommunication (TMT) FOP in Kenya increased by 44 percent compared with 2016, largely because of a conducive environment, including a pool of well-resourced IT developers and a high Smartphone penetration rate. Ethiopia, which was Africa's second-fastest-growing economy in2017, saw its consumer products and retail (primarily textiles), real estate, hospitality, and construction sectors collectively responsible for the surge in FOP to the country in 2018. Tanzania also posted a sharp rise in FOPs, attracting nine projects, mostly infrastructure, as wellas private investment in the development of the regional hydrocarbons sector. Rwanda ranked as first Africa's most business-friendly destinations that received 1.5 FOPs for US$ 1billion (Growth Domestic Product) GDP. Measured by the same criterion, South Africa receives only 0.32 projects attracting only 20 percent of what Rwanda does, given its relative size. This is because Rwandahas pursued a long-term economic reform agenda over the years and hence, continues tooutperform other countries in attracting FOPs (World Investment Report, 2018).

In Rwanda, according to the Ministry of ICT and Innovation report "ICT sector profile, 2018" where it indicates how Rwanda continued to witness a steady up took of ICT in society, by the end of 2018, almost 4 million people subscribed to the internet, up from 3.7 million at the end of 2018. According to the World Bank Report (2018), the mobile cellular subscriptions in 2018 saw a 10% increase (9,665,544 from 8,819,217 people) in the same year but the pace of growth is slowing; Indicating the fact that the market may be reaching saturation point. Internet penetration, on the opposite hand, remains bullish because the fastest growing market segment. It has garnered a continuous double-digit growth rate in 2018 which pushed the national penetration rate to 52 %, where the figures indicate that more than three times increase in the penetrationin a mere five years.

- *Statement of the Problem*

Fiscal and none-fiscal incentives are government policies implemented to attract and promote the establishment of new projects and to encourage existing project managers to re-initiate new projects or not to relocate elsewhere. They may also be provided to shape the benefits from FOP by stimulating international affiliates to operate in desired ways or to direct them into regions or industries considered in need of a project (James, Spencer 2009). The general aim of incentives is to influence the location decisions of project and thus to reap the positive effects of FOP.

The Government of Rwanda made efforts to put in place infrastructures and macroeconomic stability to drive the national economy forward to a better future. To achieve this objective, there is a need of private capital to enable the private sector to lead this growth, effective regulations and a supportive government commitment to provide project opportunities and protection. The Government of Rwanda also has put in place incentives to attract and motivate project managers to implement their projects in the domestic market. ICT as a strategic sector was given subsidies and attractive incentives to facilitate and quicken the execution of projects initiated under the mentioned sector.

However, the number of projects implemented in the ICT sector is still very small compared to the number of projects implemented in other economic sectors. It has become a problematic issue where in this prioritized ICT sector, initiated projects are abruptly terminated during the execution process or even sometimes never took off whereas they are the among most given preferential treatments on tax holidays, allowances, and credits. Therefore, the above-mentioned problem has drawn attention of the researcher and motivated him to conduct this study entitled "comparative study between fiscal and non-fiscal incentives on the execution of selected foreign-owned projects in the ICT sector of Rwanda" to assess the influence of fiscal and none-fiscal incentives on the execution of selected ICT projects in Rwanda.

- *General Objective*

The general objective of the study was to assess the influence of fiscal and none-fiscal incentives on the project execution of selected foreign owned projects in the ICT sector of Rwanda.

ISSN No:-2456-2165

➢ *Specific Objectives*

- To examine the extent at which fiscal incentives influence the execution of selected foreign-owned projects in the ICT sector of Rwanda.
- To examine the extent at which non-fiscal incentives influence the execution of selected foreign-owned projects in the ICT sector of Rwanda.

➢ *Hypothesis*

- H11. Fiscal incentives have a statistical significant influence on the execution of selected foreign-owned projects in the ICT sector of Rwanda.
- H01. Fiscal incentives have no statistical significant influence on the execution of selected foreign-owned projects in the ICT sector of Rwanda.
- H12. Non-Fiscal incentives have a statistical significant influence on the execution of selected foreign-owned projects in the ICT sector of Rwanda.
- H02. Non-Fiscal incentives have no statistical significant influence on the execution of selected foreign-owned projects in the ICT sector of Rwanda.

II. THEORETICAL AND CONCEPTUAL FRAMEWORK

This theoretical framework introduces and describes the theory that explains why the research problem under the study exists, and described the most prominent theories of internal control on government incentives on the project execution (Gabriel, 2008).

➢ *Agency Theory of Fiscal Incentives*

According to Zee et al. (2002), despite the lack of evidence to support the efficacy or efficiency of fiscal incentives, governments continue to offer them. Tax incentives offer an easy way to compensate for other government-created obstacles in the business environment. In other words, fiscal incentives respond to government failure as much as market failure. It is far harder, and takes far longer, to tackle the investment impediments themselves like low skills base, regulatory and compliance cost than to put in place a grant or tax regime to help counterbalance these impediments. Although it is a second-best solution to provide a subsidy to counteract an existing distortion, this is what often happens in practice. Agency problems also exist between government agencies responsible for attracting investment and those responsible for the more generic business environment. Whilst investment-promotion agencies can play an important role in coordinating government activities to attract investment, they also often argue for incentives without taking account of the costs borne by the economy as a whole (Zee et al., 2002).

➢ *Fiscal Incentives Theory*

UNCTAD (2022) defines tax incentives as instruments that reduce the tax burden of any party in order to induce them to invest in particular projects or sectors. They are exceptions to the general tax regime and may include, reduced tax rates on profits, tax holidays, accounting rules that allow accelerated depreciation and loss carry forwards for tax purposes, and reduced tariffs on imported equipment, components, and raw materials, or increased tariffs to protect the domestic market. The Rwanda Revenue Authority (RRA) defines tax incentive as a provision that grants any person or activity favorable conditions that deviate from the normal provisions of the tax legislation. Tax expenditures refer to revenue losses that a government incurs by providing tax exemptions, deductions or allowances, tax credits, preferential tax rates or deferral of tax payments legally to any party in the economy (Gravelle, 2013). The budget deficit of a government is a form of a negative saving and a reduction in the deficit can positively influence the net national savings more than any feasible changes in tax policies and encourage savings within an economy, which will then stimulate investments (Goolsbee, 2004).

Keen (2013) defines tax incentives as all measures and strategies which provide for more favorable tax treatment to a certain activities or sector, and he went on to describe the following to be typical tax incentives: first tax holidays is defined as the temporal exemption of business investment from certain specified taxes, typically at least corporate income tax. Partial tax holidays offer the reduced obligations rather than full exemption. Second special zones are placed in geographically limited areas where qualified companies can locate and hence benefit from the exemption of various scopes of taxes or administrative requirements. Third investment tax creditis the deduction of some fraction of an investment from the tax liability. Fourth investments allowance/accelerated depreciation is the deduction of some fraction of an investment from taxable profits (in addition to depreciation). Fifth reduced tax rates/preferential tax rates are the reductions in a tax rate, specifically the corporate income tax rate. Sixth exemptions from various taxes are the exemptions from certain taxes, most of the time those collected at the border such as tariffs, excises and value addition on imported inputs. Seventh fiscal incentives are the reductions in tax rates for the funds‟ providers for example the reduced withholding taxes on dividends. Eighth loss-carried-forward is when the business makes a loss; the loss can be carried forward to offset the future profits of the business.

➢ *Growth Theory of Project*

Robert the founder growth theory capital flows in developing countries “state that why doesn’t capital flow from rich to poor countries” where foreign projects capital is in principle beneficial for a developing economy whose capital require exceeds saving capacity. However, several dangers are connected with the external capital, at the same time, one needs to recognize the short-term benefits from capital inflows international project. The models of capital mobility come to our aid here as they act as an instrument for the allocation of resources to the most productive investment opportunities. The neoclassical growth framework postulates that an exogenous productivity path drives the dynamics of

growth. In this section we derive the implications of this view for capital flows, i.e., we show the capital flows to developing countries are determined by their productivity paths relative to the world technology frontier. For simplicity, we assume that each developing country can be viewed as a small open economy taking the world interest rate as given. Countries that have tax incentives for projects claim that preferential tax treatment creates a large number of jobs and enhances the level of entrepreneurship that is associated with flexibility, speed, risk taking and innovation (Chen et al., 2002). Berger and Udell (1998) emphasize the fact that projects are key drivers of economic success, because they are job creators, sales generators and the source of tax revenue. According to Berger and Udell (1998), foreign owned projects representfertile ground for the development of large, profitable, tax-paying employers and projects experience high growth rates in comparison to large enterprises. However, tax policies that are aimed at promoting the economic growth of small businesses should be evaluated judiciously, because the inherent characteristics of small businesses can make a specific differentiated tax policy undesirable. The theory stresses various aspects of capital market efficiency, risk-return relationship, stock prices and rates of return.

➢ *Conceptual Framework*

A conceptual framework is an analytical tool with several variations and contexts. It can be applied to different categories of work, where the overall pictures needed. It is used to make conceptual contrast and organized Ideas. Influential conceptual framework capture something real and make this in a way that it is easy to remember and implement (Rodman, 1980).

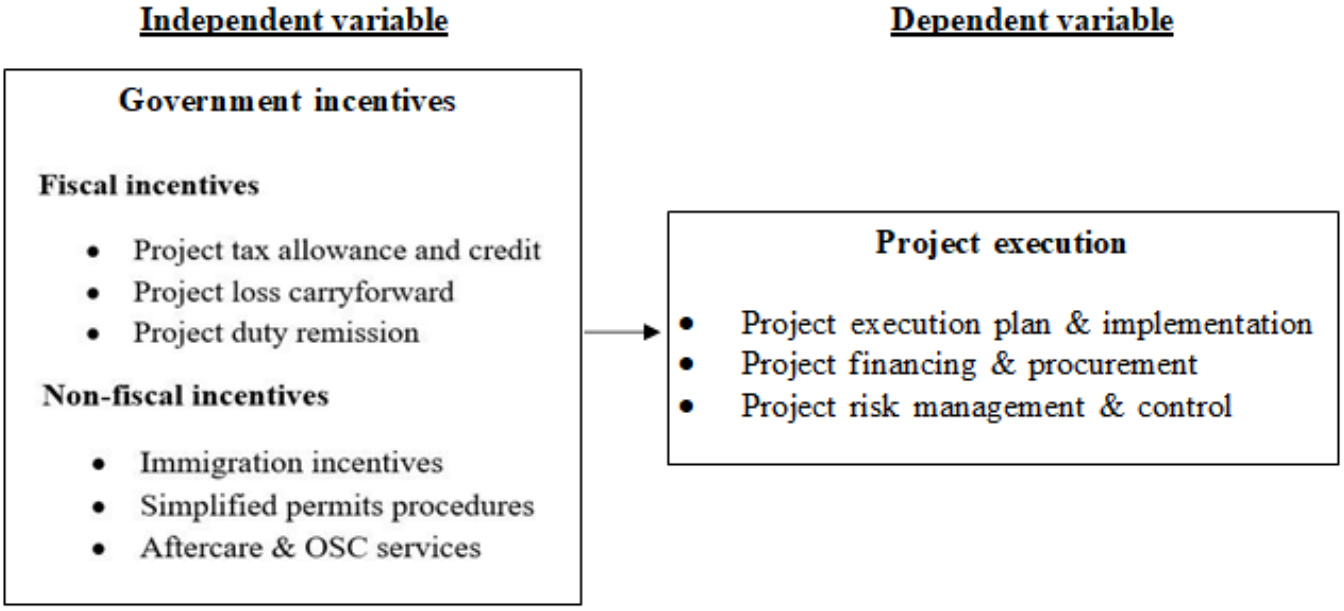

Fig 1 Conceptual Framework
Source: Researcher 2022

III. METHODOLOGY

The research methodology adopted in the study is discussed here. It shows the description of the research methods and instruments that was employed in the study. It covers the research design, survey population, sample size, sampling procedures, sources of data, data collection instruments, validity and reliability of the research instrument, measure of research variables, and measure of research instruments. It also shows how the research was processed, analyzed and presented.

➢ *Research Design*

According to Kumar (2011) research design is the set of methods and procedures used in the collection and analyzing measures of the variables specified in the research problem. The researcher used quantitative design, descriptive statistic, data collection methods, and SPSS as statistical tools to analyses data collected. Quantitative data analysis is a systematic process of both collecting and evaluating measurable and verifiable data. It contains a statistical mechanism of assessing or analyzing quantitative data (Creswell, 2007).

➢ *Study Population*

Accord to O'Leary (2004) population is the aggregated membership of a distinct class of people, objects, or event. William (2005) also argues that "population is a combined word used to defied the total quantity of cases of the type which are subject of your study". While Burns (2000) a population is an entire group of people or objects or events that have at least one characteristic in common such as age, sex, health condition or profession. The researcher selected thirty-nine foreign-owned projects registered with RDB from 2001 to 2022 as the total population of the study. These selected thirty-nine foreign-owned projects were selected from the list of ninety-seven ICT projects registered with RDB up to the date the researcher was conducting the study.

ISSN No:-2456-2165

➢ *Sample Size and Sampling Techniques*

The researcher used Probability Sampling method because of its category of sample selection procedures in which one can state the probability or likelihood of each member of the population being selected for the sample and in which there is a constant probability of selection for each member of the population. The sample size made of only projects managers was also defined using the Yamane formula. A selected population of 39 project managers representing 39 foreign-owned projects under ICT sector generated the sample size of 36 respondents, which were then split into two stratums (as per the execution stage of the represented projects) to create homogeneity of project execution process. Yamane (1967) provides a simplified formula: 95% confidence level and P=5 is assumed for equation below:

$$\boldsymbol{n = \frac{N}{1 + N(e)^2}}$$

With n: the sample size required. N: the number of people in the population. e: the allowable error (%). Hence, N = 39 Project managersof foreign-owned projects, e = 5% = 0.05, by substituting the values of N and e in the formula we therefore obtain:

$$\boldsymbol{n = \frac{39}{1+39(0.05)^2}} = 35.5353075171 \sim 36$$

Where the required sample size were 36, where n=36 project managers of foreign-owned projects in the ICT sector.

➢ *Source of Data and Research Instruments*

Both primary and secondary data were used in this study. The primary data were sourced by using a questionnaire and documentary techniques were utilized to collect secondary data. The questionnaires were closed ended and self-administered. The closed ended questionnaires have been recommended in social science research due to its advantages over open-ended questionnaires (Sekaran and Bougie, 2016).

➢ *Data Processing and Analysis*

The data collected from fieldwork (using questionnaires) has been analyzed with the aim of describing foreign project issues as accurately as possible and in a bid to shed more light into possible incentives loopholes and possible improvements needed for the betterment of foreign owned projects under execution phase in Rwanda. ANOVA model and regression analysis used to predict a continuous outcome based on one or more continuous outcome predictor variables in regression analysis. Moreover, statistical model that will be used to predict a continuous outcome based on one or more categorical predictor variables in ANOVA model (Thayer, 2001).

IV. DATA ANALYSIS, FINDINGS AND DISCUSSION

This study focused on its two specific objectives namely fiscal and non-fiscal incentives on the project execution of selected foreign-owned projects in the ICT sector in Rwanda; and hypothesis were verified according to the aforementioned specific objectives. The consequence from the above are as follow:

Fiscal incentives on the execution of selected foreign-owned projects in the ICT sector in Rwanda were measured and the result was not statistically significant since it was (.942) or 0.9, which is greater (>) than the p-value alpha (.05). Therefore, the test found that data sample was normal, and the researcher failed to reject the null hypothesis at a 5% significant level. According to African development bank and IMF (2016), show that tax incentives in the East Africa do not attract foreign-owned projects. The study further shows that most countries that have been successful in attracting foreign-owned projects do not use tax incentives. Member states in East Africa provide a range of tax incentives to projects to attract greater levels of FOP into the country and in total, Kenya, Uganda, Tanzania and Rwanda are losing up to US$2.8 billion a year from tax incentives and exemptions.

Non-fiscal incentives on the execution of selected foreign-owned projects in the ICT sector in Rwanda were also measured and the result showed up a statistical significance of 5% where the outcome attained (.384) or 0.3. The researcher decided to reject the null hypothesis since is less than (<) alpha (.05). Offering non- fiscal incentives can be an effective way for governments to motivate project execution, particularly because rigid civil service pay scales may limit their ability to offer financial incentives.

Table 1 Classification of Selected ICT Foreign-Owned Project Registered in Rwanda

Valid	1 ="Selected ICT project with foreign-localventure"	13	36.1
	2= "Selected ICT projects 100% foreign-owned"	23	63.9
	Total	**36**	**100.0**

Source: Primary data, 2022.

The above table shows a big number of foreign projects invested in ICT projects sector in Rwanda are foreign ICT project 100% foreign owned with 63.9%. While foreign ICT projects with joint ventures are 36.1% that are less number compared to the results of foreign ICT projects that are active in Rwanda, know days. To focus on the purely aspects of a joint venture the researcher departed from the convention of treating a joint venture as a potential collusive FDI (Creane & Miyagiwa, 2007).

Table 2 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0%ConfidenceInterval for B	
		B	**Std. Error**	**Beta**	**T**	**Sig.**	**Lower Bound**	**Upper Bound**
1	(Constant)	3.401	.866		3.925	.000	1.636	5.166
	Fiscal incentives	-.004	.049	-.014	-.074	.942	-.104	.096
	Non-Fiscalincentives	-.144	.164	-.162	-.882	.384	-.478	.189

Dependent Variable: Project Execution

Overhead Coefficients[a] Table, describes the size and direction of the relationship between apredictor and the response variable, where **B** symbol is the unstandardized beta, are values for regression equation for predicting the dependent variable from independent variables, which were;1- cosntant equal to (3.401) of B, Fiscal incentives (-.004), Non-fiscal incentives (-.144). The standard- Error **(Std. Error)** within coefficients[a] for the unstandardized beta constant equal (.866), Fiscal incentives(.049), Non-Financial (.164), This value from Std.Error is similar to the standard deviation for the mean that we saw in the previous tables and this indicate that the more is a large number results, the more spread out of points from the regression line.

Then as the more spread out the numbers are, the less likely that significance will be found to the line of X and Y. Briefly, the standard-error used for testing whether the parameter is significant different from 0 by dividing the parameters estimate by standard error for obtained a t-value. The standardized **Beta(β)** works closely with the correlation coefficient and range from 0 to 1 or -0 to -1 and as you can see it in the above table, results fit the rules because it is closely -0 and -1. This indicate that standardizing variables well fitted in when the researcher review data before running the regression, he has put all of the variables on the same scale, and compare the magnitude of the coefficients[a] for assessing which one has more effect than others, and researcher concludes that as the larger betas, are also associated with the lager t-values.

The t-test statistic **(t)** in the coefficients[a] table found the fiscal incentives with -.074, non-fiscal incentives with (-.882). Since calculating the t-test requires key values, hence they may include the difference between the mean values as it indicates in the column of **(t)** which indicated the difference between data values from each data set, in other term called mean difference. This test the statistic calculated for individual predictor variable by using p-value alpha (.05), and the last in table founded in column was **(Sing)** which indicate statistic significant, it clarifies probability levels by chance where p-value indicate whether are statistically significant or not. According to Karen (2018), when p-value is below than (α) alpha of (.05) this mean that data value fails to reject the null hypothesis, and when p-value is greater than (α) alpha of (.05) meaning that data value fails to reject null hypothesis. This indicate that; p-value is less than or equal to alpha (α) it indicates the significance level where the researcher rejects null hypothesis, and when p-value is greater than alpha (α) to significance level, the researcher accepts the null hypothesis or the researcher fail to reject the null hypothesis.

- Null hypothesis Testing

The table below summarizes the statistically significant column (Sing) in coefficient[a], which indicate the level of statistic significant whether it is accepted or reject null hypothesis. If there is less than (.05) the chance of a result as extreme as the sample result were true, then the null hypothesis is rejected; and if the result were greater than (.05) then the null hypothesis was accepted.

Table 3 Summary of Coefficientsa in Statistically Significant (Sign) Column

ModelSig.	
(Constant)	**.000**
Fiscal incentives	**.942**
Non-fiscal incentives	**.384**

Dependent Variable: Project Execution
Source: Research Findings, 2022.

Overhead table indicate the summary of coefficient[a] table but accurately statistically significant column where the results are the following; Model 1(constant) equal (.001) instead of p (.000) which means the results are highly significant. However, reporting p as .000 is generally frowned upon, because it suggests there was no (zero) chance of getting these results if the null hypothesis was true. Nevertheless, there is always some chance, but small. This is why researcher report ".001" instead of p equal to .000. Fiscal incentives were not statistically significant since p-value equal to (.942), and is greater than α of .05 that fail to reject null hypothesis. Non-Fiscal incentives is statistically significant as p-value is (.384), this is less than α of .05 which indicate that the researcher rejected null hypothesis.

V. CONCLUSION

The specific objectives of the study was to assess the influence of fiscal and non-fiscal incentives all provided by the GoR on the execution of selected 36 foreign-owned projects in the ICT sectorof Rwanda. The results of the study showed that there was a negative relationship between fiscal incentives, and the project execution.

The results concluded that fiscal incentives are negatively correlated with the project execution, because factors that affect the execution of the project do not only rely on fiscal incentives already in place to streamline the execution of ICT projects in Rwanda. Several other factors play key roles in the execution of selected foreign-owned ICT projects such as better project planning itself, project procurement, limited and delay project funding, and poor monitoring and risks mitigation strategy. These negative factors that lead to the failure and the premature termination of the FOP in the ICT sector of Rwanda, have no relationship with fiscal incentives in place. On the other hand, these government fiscal incentives in place cannot only influence the execution of selected FOP because they are not among key factors in the project execution.

Although non-fiscal incentives among others are positively influencing the project execution of FOP in the ICT sector of Rwanda because of their nature and structure. It has also found that conducive environment is also necessary for economic development. As far the as environment is concerned, it is composed of macroeconomic variables, the social and legal frameworks including the resources, the market, the countries location, the hospitality, the political stability and security, the incentives system, different regulations contribute to the attractiveness of Rwanda towards the FOPs. However, the determinants of FOP differ from country to country depending upon other government incentives available in the country. The economic parameters have to be in order as well, so that Rwandan economy can compete with EAC member states and worldwide with competitive strengths and increase of share in the regional foreign-owned projects. More incentivizing practices to trigger the execution of projects helped improving strategically the attraction of FOP to Rwanda but only the non-fiscal incentives by the GoR showed up to be important rather than fiscal incentives which most of people thought were necessary needs to execute a project.

The study concludes that only non-financial incentives revealed to be the only one influencing the project execution at certain level, and this is the reason why inflows of ICT-FOP in Rwanda was less than inflows of other projects in other business sectors of Rwanda.

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