

REPUBLIC OF RWANDA



Ministry of Finance and Economic Planning

BUDGET SPEECH

FINANCIAL YEAR 2024/25

Theme: "Sustainable Economic Transformation through Fiscal Consolidation and Investment in Climate Change Mitigation and Adaptation for Improved Livelihoods"

PRESENTED TO BOTH CHAMBERS OF THE PARLIAMENT OF THE REPUBLIC
OF RWANDA ON MAY 24th, 2024

BY

Dr Uzziel NDAGIJIMANA

MINISTER

I. INTRODUCTION

*Honourable President of Senate,
Honourable Speaker of Chamber of Deputies,
Honourable Vice Presidents of both Chambers,
Honourable Members of Parliament,*

1. As provided under article 163 of the Rwanda constitution of 2003 as revised in 2023 as well as articles 37 of the Organic Law N° 002/2022.OL of 12/12/2022 on public finance management, I have the honour to present to you on behalf of the Government, the Budget for the fiscal year 2024/25 and Economic Policy for the medium term.
2. The budget framework paper for 2024/25 and the medium term was presented to you on 6th May this year upon which I take this opportunity to thank you for your valuable comments which were very instrumental during the preparation of this 2024/25 draft finance law.
3. The theme for 2024/25 budget is “***Sustainable Economic Transformation through Fiscal Consolidation and Investment in Climate Change Mitigation and Adaptation for Improved Livelihoods***”. This theme was chosen by all EAC Finance Ministers to reinforce strategies aimed at economic recovery, addressing the impacts of climate change, and reducing greenhouse gas emissions with the goal of improving the well-being of citizens. This also aligns with the National Strategy for Transformation (NST1). In the 2024/25 budget and the medium term, we intend to increase the production in different sectors, safeguarding the welfare of the population, continue to enforce climate change mitigation and adaptation policies and enhancement of productive sectors for improved livelihood.

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4. This budget policy statement for fiscal year 2024/25 is organised as follows;
- a) First, I will provide a brief summary of the global and domestic economic performance and outlook in 2024/2025;
 - b) Secondly, I will be providing a brief summary of the budget execution for 2023/24 and the key results in some priority sectors as of end April 2024;
 - c) In the third section, I will present the Government's medium term macro-economic framework covering the period of 2024/25 and the medium term.
 - d) In the fourth section, I will present to you the budget for the Fiscal Year 2024/2025, how resources will be generated, tax reforms and how the resources were distributed to priorities.
 - e) In the fifth section, I will present key priorities planned in the Fiscal Year 2024/2025.
 - f) The sixth section will focus on key projects to be financed in the Fiscal Year 2024/2025

II. GLOBAL AND DOMESTIC ECONOMIC PERFORMANCE AND OUTLOOK FOR 2024/25

*Honourable President of Senate,
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Allow me to present to you the current global and domestic economic performance and outlook for Fiscal Year 2024/25:

5. According to International Monetary Fund's (IMF) World Economic Outlook April, 2024, **Global growth** was estimated at 3.2% in 2023, and is projected to continue at the same pace in 2024 and 2025.
6. **For advanced economies**, growth is projected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Growth in the Euro area is projected to recover from its low rate of an estimated 0.4% in 2023, to 0.8% in 2024 and 1.5% in 2025. In the United States, growth is projected to increase from 2.5% in 2023 to 2.7% in 2024, before slowing to 1.9% in 2025.
7. **In emerging market and developing economies**, growth is expected to be stable at 4.2% in 2024 and 2025 after registering a 4.3% growth in 2023.
8. **In sub-Saharan Africa**, growth is projected to rise from an estimated 3.4% in 2023 to 3.8% in 2024 and 4% in 2025.
9. Domestic Economic growth in 2023 maintained a robust growth of 8.2%, higher than 6.2% projected. GDP growth is projected at 6.6%, 6.5%, 6.8% in 2024, 2025, and 2026 respectively, before reaching 7.2% in 2027.

Growth in different sectors in 2024 is projected as follows:

- a. Agriculture sector performance is projected at 5% in 2024 down from 1.7% registered in 2023.
- b. Industry sector performance is projected at 8.9% in 2024 compared to 10.2% growth in 2023.
- c. The service sector that had recorded 11.2% in 2023 is expected slowdown to 6.8% in 2024.

10. Headline inflation is projected to decline to 5% in 2024 from 14% observed in 2023, reflecting easing food prices.
11. Regarding international trade, our exports increased from USD 1,556 million in 2022 to USD 1,582 million in 2023, which represents a growth of 1.7%. This was mainly due to the decrease in prices on international markets for coffee, tea, and minerals. On the other hand, imports increased from USD 3,590 million in 2022 to USD 3,905 million in 2023, representing an increase of 8.8%.
12. Trade deficit in Goods deteriorated by 19.1% USD 2,368.8 million compared to USD 1,988.5 million in the previous year 2022.
13. The trade balance in services continued to show a surplus of USD 94.8 million in 2023 compared to a surplus of USD 3.5 million in 2022. This was due to imported services increasing by 8.1%, while the exported services increased by 18.4%. This was mainly driven by travel services, which increased by 41% in 2023, reaching USD 563.9 million from USD 400.2 million in 2022.
14. The trade deficit on goods and services increased by 14.6%, reaching USD 2,274 million from USD 1.985 million in 2022.
15. While, reserve money is expected to improve to 4.7 months of 2024 imports of goods & services compared to 4.5 months that was projected in 2023.
16. Our public debt is remains sustainably well-managed and currently at a moderate level, remaining below all critical thresholds used to assess the burden of public debt on the economy. Notably, 88.9% of the national debt consists of concessional loans, which are repaid at low-interest rates and over a long period.

III. THE 2023/2024 FISCAL PERFORMANCE

Honourable President of Senate,

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After giving highlights of the global and domestic economic performance, allow me to present to you the fiscal performance for 2023/2024 fiscal year.

17. In June 2023, the parliament approved the budget for 2023/2024 amounting to **Frw 5,030 billion**. In February 2024, the budget was revised to **Frw 5,115.6 billion** showing an increase of **Frw 85.6 billion**.
18. By the end of March 2024, a total of **Frw 2,628.1 billion** against **Frw 3,637 billion** projected for the FY2023-24 accrued to national treasury indicating 72%.
19. Total domestic collections amounted to **Frw 2,141.9 billion** compared to **Frw 2,947.2 billion** projected indicating 73%.
20. Total grants of **Frw 486.2 billion** were registered compared to **FRW 689.8 billion** projected indicating 70%.
21. Regarding the outlay performance by end March 2024, total expenditure amounted **Frw 3,469.5 billion** compared to **Frw 4891.5 billion** projected for that period, indicating 71%
22. Based on the tentative status as of May, the 2023/2024 Fiscal Year revised budget has been executed at 95%, a good status that the approved budget will be fully utilized.

Honourable President of Senate,

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23. After giving the highlights of the implementation of the budget for 2023/2024 fiscal year, I would like to bring to your attention some key sector achievements by the end of April 2024.

a) Agriculture sector

24. The following are key achievements in agriculture sector:

- ✓ In line with increasing yield of major crops on consolidated sites, in the preparation of season A 2024; a total of 764,448 ha of land have been consolidated and planted per priority crops as follows: Maize: 253,030 ha planted; Beans: 367,366 ha planted, Cassava: 52,001 ha, Soybean: 5,212 ha, rice: 15,160 ha, Irish Potato: 59,119 ha, Wheat: 6,467 ha and vegetables: 6,093 ha.
- ✓ In season B 2024, a total of 576,044 ha of land were consolidated and planted per priority crops as follows: Maize: 70,498 ha planted; Beans: 375,714 ha planted, Cassava: 41,202 ha, Soybean: 5,053 ha, rice: 14,573 ha, Irish Potato: 44,879 ha, Wheat: 20,631 ha and vegetables: 3,495 ha.
- ✓ With regards to increasing crop production, fertilisers were purchased and supplied to farmers in time. During Season A, 2024, 67,172.6 tons were supplied against a target of 33,188, this included 27,467.8 tons of DAP, 18,040.3 tons of Urea and 18,041 tons of NPK. Also, 3,593 tons of fertilizers was supplied to coffee and tea farmers. During season B, 2024, 4,228.8 tons of improved seeds and 38,364.63 tons of fertilizers were purchased and supplied to agro dealers for easy access by farmers.
- ✓ In the season A&B of 2024, In order to reduce the quantity of seeds imported, a total of 6,909.2 metrics tons of improved seeds were produced composed of 5,989.2 metrics tons of Maize; 161.5 metrics tons of Wheat; 220.5 metrics tons of Soybean, 227.9 metric tons of beans and 309.9 metric tons of rice
- ✓ Regarding animal health and production; 60,427 cows were inseminated; 25,421 Artificial Inseminated Calves registered; 935,214 Animals were vaccinated against black quarter; 262,217 animals were vaccinated against Foot and Mouth Disease; 1,299,306 animals were vaccinated Lumpy skin disease; 1,651,627 animals vaccinated Rift Valley fever and 71,050 animals vaccinated (Brucellosis).
- ✓ In line with Agriculture insurance policy, live animals were insured as follows: 31,964 cattle, 214,487 chicken insured, 8,211 pigs insured. On the other hand, a total of

26,299.7 ha of crops were insured including; 19,835.2 ha of rice, 4,984.6 ha of Maize, 984.4 ha of Irish Potatoes and 22 ha of Chili, 384 ha of beans and 436.7 ha of soybeans.

b) Trade and industry

25. The following are key achievements registered by the trade and industry sector:

- ✓ In order to strengthen commodity value chain linkages, 29,169,137 litres of milk against a target of 13,000,000 litres were supplied to the milk processing plants.
- ✓ In line with increased growth of traditional and horticulture exports, the amount of revenues generated from exported coffee was USD 147 million against a target of USD 39.4 million while the amount of revenues generated from tea export was USD 33 million against a target of USD 37 million. The amount of revenues generated from exported flowers were USD 1.685 million while the amount of revenues generated from exported horticulture products was USD 20 million against a target of USD 12 million.

c) Energy sector

26. The energy sector focused on increasing access to electricity, expansion of electricity transmission networks and electricity generation. The following are the key achievements:

- ✓ With regards to connecting new households to grid electricity; 78,102 households were connected, additionally, 393 productive users were connected against 478 targeted whereas regarding the supply of solar home systems, 167,586 households were connected to off-grid electricity.
- ✓ In order to increase electricity generation installed capacity, the overall construction progress at Nyabarongo II (43.5 MW) Hydro Power Plant is at 31%.
- ✓ The construction works at Shema power lake Kivu plant (50MW) were completed.
- ✓ Rusumo Hydro Power Plant was completed.

d) Water and Sanitation Sector

27. The following are key achievements in Water & Sanitation sector:

- ✓ With regards to the construction, extension and rehabilitation of 750 Km of Water Supply systems (WSS) in Rural Areas, and rehabilitation of non-functional rural WSS, the construction of Water Supply System (203km) in Karongi District is at 82% against 80% targeted, Construction of 319.8 km of WSS in Gisagara District is at 29.6% against 20% targeted, Ngororero Water Supply System is at 88% against 90% targeted;

e) Transport Sector

28. The following are key achievements realized by the transport sector:

- ✓ Regarding the policy to improve the Quality of road network through the rehabilitation program of 101 km of National Paved Roads, various national paved roads were rehabilitated as follows; Nyange-Rambura (22 Km) is at 77% while Rambura-Rubengera (15km) was completed;
- ✓ With regards to upgrading of 377.8 km of National Paved Roads, Ngoma-Ramiro Road (52.8km) overall average of both lot 1&2 is at 44%, the overall progress for the Upgrading of Base-Butaro-Kidaho (63km) is at 20%, Asphalt Road Pindura- Bweyeye (32 km) was upgraded at 96% of works completed, whereas upgrading Nyacyonga-Mukoto (36 km) was at 9% while Kibugabuga- Shinga-Gasoro road (66km) (LVTP) is at 84%.
- ✓ With regards to rehabilitating of 450km of feeder roads in districts of Gatsibo, Nyaruguru, Gakenke and Nyabihu Nyagatare, Nyabihu, Rutsiro, Gakenke and Nyaruguru, the feeder roads were rehabilitated as follows; In Nyagatare and Gatsibo, the works were completed, the overall progress of Nyaruguru, Gakenke and Nyabihu is at 95% while in Rutsiro district, the rehabilitation works for 38km connecting the sectors of Ruhango, Murunda, Rusebeya, Manihira and Gihango were completed. The rehabilitation works at the 41km road connecting the sectors of Mushubati, Musasa, Boneza, Mushonyi and Kigeyo is at 15%.

- ✓ The construction works for Rubavu port was completed and the handover was done in October 2023.

f) Urbanization and Human Settlement Sector

29. The following are key achievements in urbanization and human settlement sector:

- ✓ The progress for the construction and provision of basic infrastructure for GAHANGA Estates of 528 Units was completed at 27.4% against 75% targeted.
- ✓ The progress of the upgrade of Amahoro stadium is at 96%
- ✓ Master plans for 13 districts have been completed and approved; the plans for another 8 districts have been completed and are in the process of being approved.

g) Education Sector

30. The following are key achievements in Education sector:

- ✓ To ensure sufficient numbers of competent teaching workforce across all levels of education; a total of 7,260 teachers were recruited and placed in schools.
- ✓ The construction works of Huye Learning Center is at 83.2%.
- ✓ The construction works of TVET wings and new TVET wings stands in 114 schools in sectors without TVETs is at 85.8% countrywide.
- ✓ The overall progress on upgrade works of 16 TTCs stands at 37.3%

h) Health Sector

31. The following are key achievements registered by the Health sector:

- ✓ To strengthen the prevention and control of malaria, Indoor Residual Spraying activities were conducted in 1,218,800 households in 9 Districts of Nyagatare, Kirehe, Ngoma, Nyanza, Gisagara, Kayonza, Rwamagana, kamonyi and Bugesera.
- ✓ The construction works for the new Masaka hospital where CHUK will relocate to is at 60%.

- ✓ The construction works for Kibagabaga maternity ward is at 50%.

i) Social Protection Sector

32. The following are key achievements in Social Protection sector:

- ✓ A total number of 65,858 households benefited from VUP Classic Public Works(Cpw), while a total number of 81,170 households (HHs) including 39,273 caregivers benefited from Expanded public works (ePW) in 416 sectors.
- ✓ 104,425 HHs benefited from direct support and 95,835 HHs benefited from Nutrition sensitive direct support(NSDS).
- ✓ Under the policy of reducing malnutrition among children under 5 Years; 63,814 children below 5 years of age with acute malnutrition were supported and 24,285 pregnant and lactating women received Fortified Blended Food (FBF).

j) Justice Sector

33. The following are key achievements in Justice sector:

- ✓ In line with establishing Alternative Dispute Resolutions mechanisms to ensure citizen ownership and participation in quality justice, Abunzi committees handled 8,577 cases equivalent to 97.8% at both Cell and Sector levels while 185 cases equivalent to 2.2% were still pending.
- ✓ With regard to strengthening and coordinating legal aid to the community through access to Justice Bureaus (MAJ), MAJ staff received 4,926 cases and handled 4,922 (99.9%) Only 4 cases were still pending.
- ✓ With regard to recovering embezzled funds for won cases, a total of Frw 201,943,029 against a target of Frw 500,000,000 was recovered.

k) Environment protection sector

34. In the environment protection sector, the following were the main key achievements;

- ✓ To increase land under agroforestry, 3,117 ha were planted, 59,008 ha were planted trees and crops, 1,017,536 ha were planted fruit trees while 148 ha were planted nursery beds.
- ✓ To continue reducing wood biomass energy through use of improved efficient technologies, 35,737 improved cook stoves were distributed.

IV. 2024 ECONOMIC POLICIES AND MEDIUM TERM OUTLOOK

Honourable President of Senate,

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After the updates on the domestic economic performance and key programs and projects implemented in the fiscal year 2023/24, this section focuses on the Government's macroeconomic objectives and policies for the fiscal year 2024 and the medium term.

35. The policies and strategies over the medium term are by and large guided by the National Strategy for Transformation (NST1) ending this year. The Government will continue to consolidate the public finances to reduce fiscal deficits and stabilize debt levels while responding to the impacts of global unrests and the effects of climate change.

36. In the medium term, the economic policy will focus on the following;

- 1) Increasing domestic revenue mobilization, this includes revision of tax laws, improving tax revenue collection especially through rolling out the use ICT and rewarding consumers on every electronic invoice (EBM) requested.
- 2) Reducing fiscal deficit from 6.7% of GDP in 2023/24 to 5.2% of GDP in 2024/25, 3.4% of GDP in 2025/26 and 3.1% of GDP in 2026/27. Our public debt to GDP stood at 73.5% in 2023 and is expected to rise to 78% in 2024 before decreasing to 77.2% in

- 2025, 74.8% in 2026 and 73.9% in 2027. This will require rationalization of spending such as adoption of online meetings and reduction in travel expenses.
- 3) The monetary policy stance will continue to focus on stabilization of inflationary pressures.
 - 4) Strengthening measures to protect the value of our currency by focusing on increasing foreign exchange earnings through increasing exports, promoting tourism; encouraging Rwandans living abroad to increase their remittances and invest in Rwanda; intensifying efforts to attract foreign investors; and promoting the Kigali International Financial Center.
37. The medium-term budget policy was guided with prioritization of the following critical elements and considerations
- a. Priorities for enhanced delivery of NST1 and Vision 2050
 - b. Consideration of interventions of the Economic Recovery Plan and NST 1 lagging interventions
 - c. Prioritization of ongoing projects including Disbursement Linked Indicators (DLIs), Counterpart Fund for externally Funded Projects, Pre-financing and other GoR Commitments
 - d. Prioritizing Presidential Pledges and decisions from high level forums i.e. National Umushyikirano Council.
 - e. Enhanced Private Sector & Civil Society Engagement
 - f. Leveraging use of ICT and promoting Research & Development/Innovation
 - g. Renewing efforts towards tapping into opportunities to mobilize climate finance in order to prevent and mitigate impact of disasters and climate change.
 - h. Preventing malnutrition among children through early childhood development and nutrition sensitive interventions

V. THE BUDGET FOR FISCAL YEAR 2024/2025: PROJECTED RESOURCES, AND EXPENDITURE PROJECTIONS

*Honourable President of Senate,
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After giving highlights of key priorities considered in next year's budget, allow me to present to you the components of the 2024/2025 budget and the medium-term fiscal policies:

A. PROJECTED RESOURCES

38. The budget envelope for fiscal year 2024/2025 is **FRW 5,690.1 billion** with an increase of **FRW 574.5 billion** which is **11.2%** higher compared to the revised Budget of **FRW 5,115.6 billion** for fiscal year 2023/2024.
39. Domestic resources including the acquisition of financial assets are **FRW 3,414.4 billion**, which is **60%** of the total budget for the fiscal year 2024/2025. This shows a good step towards budget self-reliance.
40. External grants are projected at **FRW 725.3 billion**, which is **12.7 %** of the total budget while external loans are estimated at **FRW 1,318.1 billion**, which is **23.2 %** of the total budget.
41. The total domestic resources and external loans combined account for **83.2%** of the entire budget of 2024/2025 fiscal year.

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B. PROJECTED EXPENDITURES

After giving the key tax policy reforms expected in the next fiscal year, allow me to present to you the projected expenditures in the FY2024/25:

42. The 2024/2025 budget will be made up of recurrent spending of **FRW 3,466.3 billion** representing **60.9%** of the total budget.

43. Capital spending is projected at **FRW 2,223.8 billion** representing **39.1%** of the total budget.

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VI. KEY PRIORITIES FOR 2024/25 FISCAL YEAR BUDGET

44. Policy priorities for the MTEF period are guided by Vision 2050 objectives and priorities embedded in the National Strategy for Transformation (NST1 2017-2024) and economic recovery policies from both COVID-19, Russia-Ukraine war, China and Taiwan conflict.

45. Again, priorities and projects were informed by Ministerial planning and budget consultations between the ministry of finance and economic planning and budget agencies for 2024/2025 and in the medium term prior to their approval by cabinet.

The budget allocation in 2024/2025 fiscal year based on the key pillars of NST1 as follows;

A. ECONOMIC TRANSFORMATION PILLAR

*Honourable President of Senate,
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46. The overarching objective of the Economic Transformation pillar is to accelerate inclusive economic growth and development founded on the Private Sector, knowledge-based economy and Rwanda's Natural Resources. **This pillar was allocated FRW 3,393.6 billion that makes 59.6% of the total budget for 2024/2025.** The main interventions planned under this pillar include:

47. Agriculture productivity will be increased through the following interventions:

- ✓ Availing affordable inputs (seeds and fertilizers) on time;
- ✓ Increasing local production and multiplication of seeds for key crops (maize, wheat, soybean, Irish potato, rice, cassava and beans)
- ✓ Increasing crop climate resilience through scaling up the area under irrigation including Gabiro Agribusiness Hub
- ✓ Improving animal health and productivity through vaccination and artificial insemination
- ✓ Increasing fish production through developing aquaculture and fisheries
- ✓ Provision of fertilizers and pesticides for export crops (tea and coffee),
- ✓ Developing post-harvest facilities such as drying shelters
- ✓ Scale up animal and crop insurance and increase access to agriculture credit.
- ✓ Increasing the National Strategic Grain Reserves (Maize and Beans)

48. Private Sector Development & Youth Employment will be achieved through the following interventions:

- ✓ Supporting local industries in technology acquisition to increase their competitiveness
- ✓ Provision of basic infrastructure (in Huye Industrial Parks) and expropriation (E.g: Bugesera additional land, Muhanga Industrial Park)
- ✓ Organizing Rwanda international Trade Fair, Intra Africa Trade Fair and Made in Rwanda Expo
- ✓ Supporting MICE to increase tourism revenues

49. Environmental protection and Natural resources will be developed through:

- ✓ Supporting public and private projects to access climate finance through NDC Facility and IREME Invest
- ✓ Promoting efficient land use through development and enforcement District Land Use Masterplans
- ✓ Enhancing management of water resources and Restoration of degraded forests and catchments
- ✓ Allocating public forests to private operators for efficient management
- ✓ Managing water flows from the volcano region as well as implementing catchment restoration measures
- ✓ Increasing land under biodiversity conservation
- ✓ Construction and landscaping works for wetlands rehabilitation
- ✓ Improving the quality of meteorological services

50. In Energy sector the focus will be on increasing access to electricity through:

- ✓ Increasing electricity connection to households and productive use areas,
- ✓ Increase the storage capacity of the oil strategic reserve
- ✓ Increase electricity generation capacity and improve electricity network reliability through strengthening national grid transmissions and network rehabilitation.
- ✓ Increasing and maintaining street lighting
- ✓ Increasing electricity generation capacity

51. Promoting urbanization, the focus will be on urban development project in Kigali and in secondary cities through

- ✓ Providing basic Infrastructure support to affordable housing projects
- ✓ Construction of affordable housing in urban areas
- ✓ Promoting efficient land use masterplans through elaboration of District and Use Masterplans.

52. Accelerating transport projects through:

- ✓ Scaling up the National Paved Road Network;

- ✓ Increasing the length of the National Feeder roads network
- ✓ Rehabilitation of key national roads
- ✓ Development of Rusizi port along Lake Kivu
- ✓ Expanding the operations of the aviation sector and Resurfacing Kigali International Runway, Taxiway and Apron.
- ✓ Establishing of the Center of Excellence for Aviation Skills Project

53. Information Communication and Technologies will focus on:

- ✓ Connecting Public Institutions to Internet (Schools and Health centers);
- ✓ Installation, Maintenance and Control of all public CCTV cameras
- ✓ Promoting cybersecurity resilience and data protection across all sectors
- ✓ Promoting E-Commerce Ecosystem in Rwanda and scaling up the adoption of ICT for all and
- ✓ Increasing government services delivered online through the Irembo platform
- ✓ Construction of the Drone Operation Center (DOC)

B. SOCIAL TRANSFORMATION PILLAR

54. The overarching goal for the Social Transformation Pillar is to develop Rwandans into a capable and skilled people with quality standards of living and a stable and secure society. **The interventions under this pillar were allocated FRW 1,511.7 billion which is equal to 26.6 % of the total budget for 2024/2025.** Key priority interventions under this pillar include the following:

55. Water and Sanitation sector will focus on:

- ✓ Increasing daily water production capacity (e.g. through upgrading of Karengwe Water treatment plant);
- ✓ Improvement of water supply and sanitation in urban and rural areas
- ✓ Rehabilitation of non-functional water supply systems/networks and
- ✓ Implementation of Rwanda Sustainable Water Supply and Sanitation Program.

56. Access to quality Health will be increased through:

- ✓ Construction of Muhororo District Hospital, Kabgayi District Hospital, Ruhengeri Referral Hospital and Kibagabaga maternity block;
- ✓ Upgrading Masaka hospital into a University Teaching Hospital
- ✓ Provision of equipment to existing and new Health facilities
- ✓ Strengthening the national health system capacity to address communicable diseases including pandemics
- ✓ Strengthening the Testing Capacity of Rwanda FDA Laboratory

57. Improving the quality of education will involve

- ✓ School feeding program will be strengthened;
- ✓ Increasing qualified teachers by recruiting new qualified teachers for primary and secondary
- ✓ Increasing school infrastructures: classrooms, TVET infrastructure and teaching and learning materials;
- ✓ Increasing the use of ICT in teaching and learning through smart education;
- ✓ Constructing and equipping TVET centers with teaching and learning materials
- ✓ Improving quality of school infrastructure by constructing new pre-primary and primary classrooms
- ✓ Facilitating the implementation of the University of Rwanda reforms to improve the quality of higher learning education

58. Social protection interventions will be achieved through:

- ✓ Continue to provide employment to eligible households through VUP Public Works
- ✓ Continue to support vulnerable people through support to eligible vulnerable households with VUP direct support,
- ✓ Supporting reintegration of delinquents and reunification of Street children with their families
- ✓ Providing subsistence allowance, medical and psychosocial support to disabled and vulnerable ex-combatants
- ✓ Finalizing identification and categorization Persons with Disabilities.

- ✓ Promotion of entrepreneurship in refugees' and neighboring communities through by providing access to loans and matching grants.

59. Malnutrition interventions will be achieved through:

- ✓ Promoting adequate early childhood development through early detection/screening of children for malnutrition and antenatal care promotion;
- ✓ Provision of fortified blended food to children (6-23 months), pregnant and lactating women;
- ✓ Provision of Milk to malnourished children under 5 years and
- ✓ Improving the quality of ECD services through capacitating care givers.

60. Family and gender promotion interventions will be achieved through:

- ✓ Preventing gender-based violence;
- ✓ Prevention of Child abuse and teenage pregnancy
- ✓ Ensuring reintegration of street and orphan children into families
- ✓ Strengthening Umugoroba w'Imiryango and Inshuti z'Umuryango as well as mainstreaming gender in relevant plans

61. Sports and culture interventions will be achieved through:

- ✓ Upgrading basic sport facilities at school and Cell level;
- ✓ Developing big sports infrastructure development
- ✓ Supporting ISONGA program Center at National and Regional level to promote youth talent
- ✓ Organize and participate in the regional and continental sports competitions/events

62. Disaster Management interventions will be achieved through:

- ✓ promoting community-based disaster risk mitigation and adaptation measures,
- ✓ Providing relief and recovery assistance to people affected by disaster
- ✓ Enhancing the capacity of early warning system including producing and disseminating warning messages to the population at risk

C. TRANSFORMATIONAL GOVERNANCE PILLAR

*Honourable President of Senate,
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63. The overarching goal for the Transformational Governance Pillar is to consolidate Good Governance and Justice as building blocks for equitable and sustainable National Development. **This pillar has been allocated FRW 784.7 billion, which makes 13.8% of the total budget for 2024/2025.** The following are key priorities under this pillar:

64. Governance and Decentralization will be strengthened by:

- ✓ Promoting quality service delivery in public, private and Civil Society Organizations (CSOs);
- ✓ Enhancing capacities of local government leaders
- ✓ Improving Citizens participation and engagement in development
- ✓ Ensure adequate preparation of Presidential and Parliamentary elections
- ✓ Scaling up digital identification and authentication

65. Justice, Reconciliation, Law and order will be strengthened

- ✓ Strengthening Justice, Law and Order through reducing backlog cases in courts,
- ✓ Strengthening the recovery of embezzled public funds
- ✓ Increasing access to Legal Aid by capacitating MAJ and increase its outreach activities at sector level
- ✓ Increasing the use of ICT in Justice by revamping the internet network in Courts,
- ✓ Intensifying control of corruption, transparency and accountability through investigation and prosecution of cyber and emerging crimes

66. Public Finance Management will be enhanced through

- ✓ Reinforce capacity development of PFM staff in both central and local government entities,

- ✓ Conduct research on Public Procurement issues that lead to loss of Public funds and
- ✓ Roll out EBM version 2 to more VAT registered tax payers.
- ✓ Monitoring how institutions implement the recommendations of the Auditor General's report

67. Financial sector development priorities include:

- ✓ Promote Long-term saving through Ejo Heza and other long term saving schemes
- ✓ Supporting the implementation of agriculture de-risking and financing facility and
- ✓ support businesses affected by the Covid-19 through Economic Recovery Fund 2

68. Foreign affairs and International Cooperation:

- ✓ Strengthening diplomatic relations through bilateral and multi-lateral cooperation with other countries;
- ✓ Ensuring coordination and acceleration of relevant regional programmes and projects i.e. EAC projects
- ✓ Mobilizing Rwandan Community Abroad (Diaspora) to participate in the socio-economic development programs including CBHI and Ejo Heza and

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VII. KEY PROJECTS FOR FY2024/25

After presenting the key priorities areas under NST1, allow me to highlight the related key projects for each pillar:

69. Under Economic Transformation Pillar, the following are key projects:

- ✓ GLC Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) Frw 69.7 billion
- ✓ Rwanda Universal Energy Access Program (AfDB) Frw 32.1 billion
- ✓ Nyabarongo II Hydro Power Plant Frw 12.6 billion
- ✓ Development of 60 million Liters for GoR fuel strategic reserves (RUSORORO) Frw 15.2 billion
- ✓ Muvumba Multipurpose Dam Development Frw 30 billion
- ✓ Export Targeted Modern Irrigation (ETI) Frw 24.6 billion
- ✓ Second sustainable Agriculture Intensification and Food Security Project (SAIP II) Frw 8.4 billion
- ✓ Kayonza Irrigation and Integrated Watershed Management Project (KIIWP2), Phase II Frw 12.2 billion
- ✓ Promoting Smallholder Agro-export Competitiveness Project (PSAC) Frw 14.9 billion
- ✓ Crop intensification program through Provision of subsidy for seeds and fertilizer to the farmers Frw 36.4 billion
- ✓ Commercialization and De-Risking for Agricultural Transformation Project (CDAT) Frw 45 billion
- ✓ Upgrading of Nyabugogo-Jabana-Mukoto Road Frw 8.2 billion
- ✓ Feeder Roads Development Project Frw 19 billion
- ✓ Upgrading Ngoma-Nyanza road Lot 2: Kibugabuga-Gasoro (66.55km) Frw 10.6 billion
- ✓ Rehabilitation of Kigali-Muhanga-Akanyaru (157Km) Frw 18.6 billion
- ✓ Ngoma-Ramiro Road (52.8 KM) Upgrading Project Frw 15.9 billion
- ✓ Base-Butaro-Kidaho 63 Km road upgrading Frw 30 billion
- ✓ Development of Maritime Transport Infrastructures and Services Frw 5.7 billion
- ✓ Rwanda Urban Development Project -Phase II (RUDPII) Frw 58.7 billion
- ✓ Strengthening climate resilience of rural communities in Northern Rwanda (SCRNRP) Frw 4.5 billion
- ✓ Volcanoes Community Resilience Project Frw 28.8 billion

- ✓ Second Rwanda Urban Development Project Frw 14.3 billion
- ✓ Transforming Eastern Province through Adaptation(TREPA) Frw 1.7 billion

70. The following are key projects under the Social Transformation Pillar:

- ✓ Rwanda Sustainable Water Supply and Sanitation Program (AfDB Program) Frw 36.2 billion
- ✓ Upgrading of Karengye Water Treatment Plant Frw 9.3 billion
- ✓ Construction of schools' infrastructures and equipments Project Frw 7.9 billion
- ✓ TVET Schools Infrastructure Development Project Frw 14.6 billion
- ✓ Rwanda Quality Basic Education for Human Capital Development Project Frw 46.5 billion
- ✓ Stunting Prevention and Reduction Project Frw 19.6 billion
- ✓ Nutrition Support Services (Fortified Blended Food) Frw 15.5 billion
- ✓ Rwanda Social Protection Transformation Project Frw 27.3 billion
- ✓ Health Equipment Frw 7 billion
- ✓ National Strategic Funding Project- RBF Model/Tb/Hiv/Malaria Frw 77.7 billion

71. Under Transformational Governance Pillar, the following are key projects:

- ✓ Public CCTV (Closed-Circuit Television) project to strengthen public security: Frw 2.9 billion
- ✓ Digital Identification and Authentication Frw 8.9 billion
- ✓ E-Service in key sectors Frw 4.8 billion
- ✓ Digital Ambassador's Project Frw 3.1 billion
- ✓ Building satellite Teleport in Rwanda Frw 3.0 billion
- ✓ Construction of a Drone Operations Center (DOC) Frw 2.3 billion

VIII. CONCLUSION

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72. In conclusion, allow me to appreciate what was done by the parliament in the preparation of FY 2024/2025 Budget. The recommendations were considered in the draft finance law were considered based on the available limited resource envelope.

73. The outlook is highly uncertain and could affect projected economic growth both global and Rwanda's economy. Whilst implementation of economic programs in the budget could be affected by both external and domestic shocks.

74. The domestic front, our economy's performance could be affected by bad weather conditions affecting agriculture production and disasters. On the external side, our economy could be affected by the pandemic and global conflicts.

75. To minimize this impact, the government will continue, to closely monitor these factors and take all the necessary measures to ensure full implementation of our economic program.

76. I would like to take this opportunity to thank you for the time accorded to me to present to you on behalf of the Government the draft finance law for the fiscal year 2024/25 and hereby request for your approval in a timeframe prescribed by the law to allow timely implementation.

I thank you!