

REPUBLIC OF RWANDA



**THE FY2024/25 SECOND BUDGET CALL
CIRCULAR**

A CITIZEN'S GUIDE VERSION

February 2024

I. INTRODUCTION

The Ministry of Finance and Economic Planning (MINECOFIN) issued the first Planning and Budget Call Circular in October, 2023 that provided Budget Agencies (BAs) with information to guide the planning process for the Fiscal Year (FY) 2024/25 and the Medium Term Expenditure Framework (MTEF), as well as the process for calculating a budget baseline.

The second Budget Call Circular on the other hand is meant to provide guidance to BAs on expenditure prioritization within expenditure ceilings, which were set in the Planning and Budget Outlook Paper (PBOP) that was approved by cabinet on the 25th of January 2024. It also guides them how to develop corrective measures in case the budget baseline results for the BA is above the provided expenditure ceiling. Finally, it instructs on drafting detailed budget estimates for the FY 2024/25 and the budget estimates for the MTEF which cover the fiscal years until 2026/27.

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[25_Second_Budget_Call_Circular%2F&cHash=2dd634a44dfd0b91fb8630f168b85f1b](https://www.minecofin.gov.rw/1/publications/reports?tx_filelist_filelist%5Baction%5D=list&tx_filelist_filelist%5Bcontroller%5D=File&tx_filelist_filelist%5Bpath%5D=%2Fuser_upload%2Fminecofin%2Fpublications%2FREPORTS%2FNational_Budget%2FBudget_Call_Circular%2F2024-25_Second_Budget_Call_Circular%2F&cHash=2dd634a44dfd0b91fb8630f168b85f1b)

II. THE MACROECONOMIC CONTEXT OF 2024/25 BUDGET PREPARATION

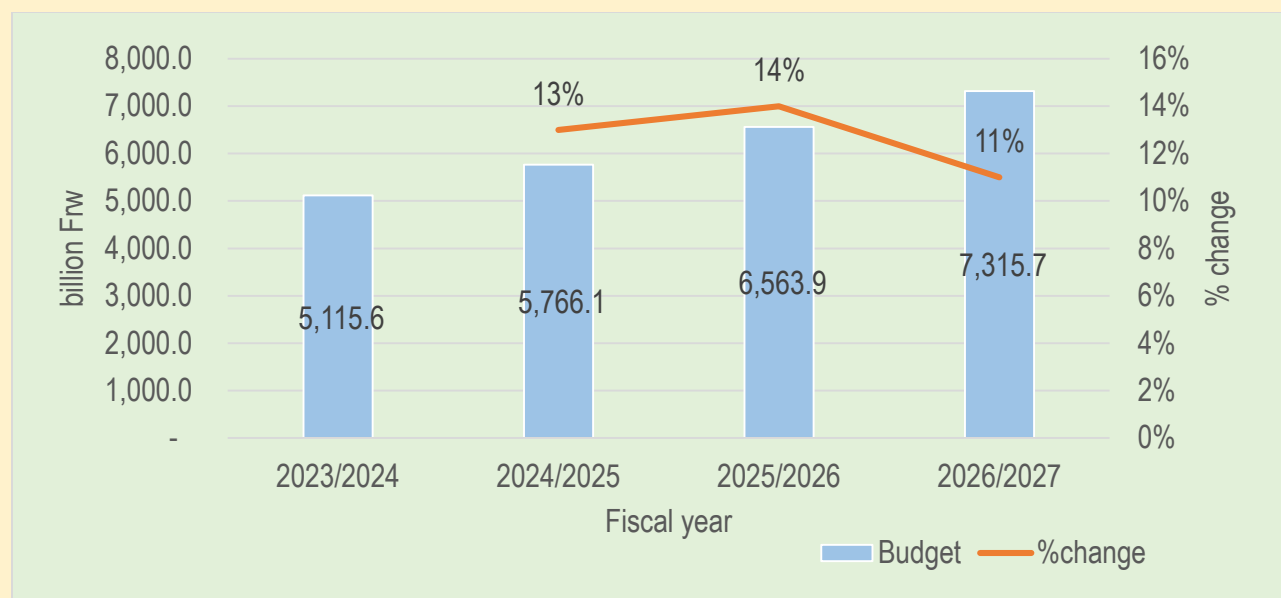
Rwanda's policies and strategies for FY 2024/25 and over the medium term are built on Government's ambition to raise Rwandans high living standards and reach the upper middle income status by 2035 and high income by 2050.

In the context of limited fiscal space, the government will continue to target expenditures that are most pressing which include among others the following;

- (1) Reducing the impact of rising prices on the population for food and fuel;
- (2) Supporting economic recovery from the impact of the COVID-19 pandemic;
- (3) Fast-tracking the completion of ongoing projects close to conclusion and which have shown good results in socio economic transformation;
- (4) Honoring existing legal and contractual commitments.

III. INITIAL BUDGET ESTIMATES FOR FY24/25 & MTEF

The revised budget of Frw 5,115.6 billion for the 2023/2024 fiscal year will register a net increase of Frw 650.5 billion to Frw 5,766.1 billion in the 2024/2025 fiscal year. Subsequently, the budget will rise to Frw 6,563.9 billion in 2025/2026 and further increase to Frw 7,315.7 billion in 2026/2027.



IV. INDICATIVE EXPENDITURE CEILINGS FOR THE MEDIUM TERM

Below are the aggregated total expenditure indicative ceilings per spending category, while detailed indicative ceilings for all Central Government Budget Agencies are provided in Annex 1 to the Second BCC.

Category	2023/24 Revised Budget	2024-2025 Ceiling	2025/26 Proj Ceiling	2026/27 Proj Ceiling
01 Wages And Salaries	889,078,519,139	1,055,960,315,400	1,236,921,051,205	1,320,704,490,853
02 Recurrent Non Wage	2,092,316,535,918	2,264,180,450,578	2,474,414,481,903	2,908,820,410,189
03 Capital Domestically Financed	966,058,314,328	1,330,363,857,389	1,464,789,566,063	1,611,565,860,451
04 External Grant	501,931,456,151	348,387,400,041	461,558,110,075	487,471,370,610
05 External Loan	510,336,402,097	673,688,557,675	827,402,923,412	902,020,462,578
06 Own Revenues	155,910,446,607	93,370,349,326	98,588,082,105	84,855,898,185
TOTAL	5,115,631,674,240	5,765,950,930,408	6,563,674,214,764	7,315,438,492,866

V. FY24/25 KEY PRIORITIES PER NST1 PILLARS

❖ ECONOMIC TRANSFORMATION

AGRICULTURE

- Availing affordable and timely inputs (seeds and fertilizers)
- Increasing the National Strategic Grain Reserves (Maize and Beans)
- Scaling up agriculture insurance for crops and livestock
- Replacement of old coffee trees and production of seedlings for coffee expansion

INFRASTRUCTURE

- Increasing water supply network both in urban and rural areas
- Increasing electricity connection to households and productive use areas
- Increasing the length of the National Feeder roads network and rehabilitation of key national roads
- Construction of Amahoro Stadium

❖ SOCIAL TRANSFORMATION

EDUCATION

- Scaling up the school feeding program in pre-primary, primary, and secondary schools to reduce dropout
- Improving quality of school infrastructure by constructing pre-primary and primary new classrooms
- Construction and equipping of TVET centers with teaching and learning materials,
- Providing Training consumables to TVET Public and Government Aided schools

HEALTH

- Provision of equipment to existing and new Health facilities
- Construction of Ruhengeri referral hospital
- 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 as well as provision of milk to malnourished children under 5 years

SOCIAL PROTECTION

- Continuing social protection programs aiming at eradicating extreme poverty(VUP), addressing human security and delinquency issues

- Mainstreaming eligible persons with disabilities in relevant programs
- Promoting socio-economic inclusion and welfare of refugees
- Preventing gender-based violence, child abuse and teenage pregnancy

❖ **TRANSFORMATIONAL GOVERNANCE**

JUSTICE, RECONCILIATION, LAW AND ORDER

- Upgrading the Integrated Electronic Case Management System Rwanda (IECMS) and hiring contractor judges and registrars to reduce backlog of cases
- Strengthening the recovery of embezzled public funds
- Full operationalization of Forensic laboratory
- Increasing the use of ICT in Justice by revamping the network for Sites of Courts, Prosecution Offices and Prisons

GOVERNANCE AND QUALITY SERVICE DELIVERY

- Upgrading e-Citizen complaint system to enhance its capacity and increase digitization of services,
- Enhancing capacities of local government leaders, capacitate the cell level
- Improving Citizens participation in development and engagement, this can be done in collaboration with stakeholders such as Civil Society Organizations, (CSOs) and through citizen engagement strategies, e.g. inteko z'Abaturage, and the community scorecard approach, among others.
- Ensuring adequate preparation of Presidential, Senate and Councilors' elections

VI. PRIORITIZATION OF RESOURCE ALLOCATION BY MINECOFIN

Resource allocation is based on national priorities identified and approved through various forums at both decentralized entities (such as Citizens' Forum, Community Work, and Councils including cells, sectors, and districts) and the Central government (Umushyikirano Council, Planning consultations, and Parliamentary budget hearings with sectors). Specifically, the following are the bases of resource allocation for each budget category:

Wages and Salaries	<ul style="list-style-type: none">• Approved Structure of Budget Agencies
Recurrent non-wages	<ul style="list-style-type: none">• Statutory and fixed cost of agencies• Planned one-off expenditures e.g hosting conferences
Development Budget	<ul style="list-style-type: none">• Approved projects from Public Investments Committee(PIC) at Central Government and Local Government Projects Advisory Committee (LGPAC)

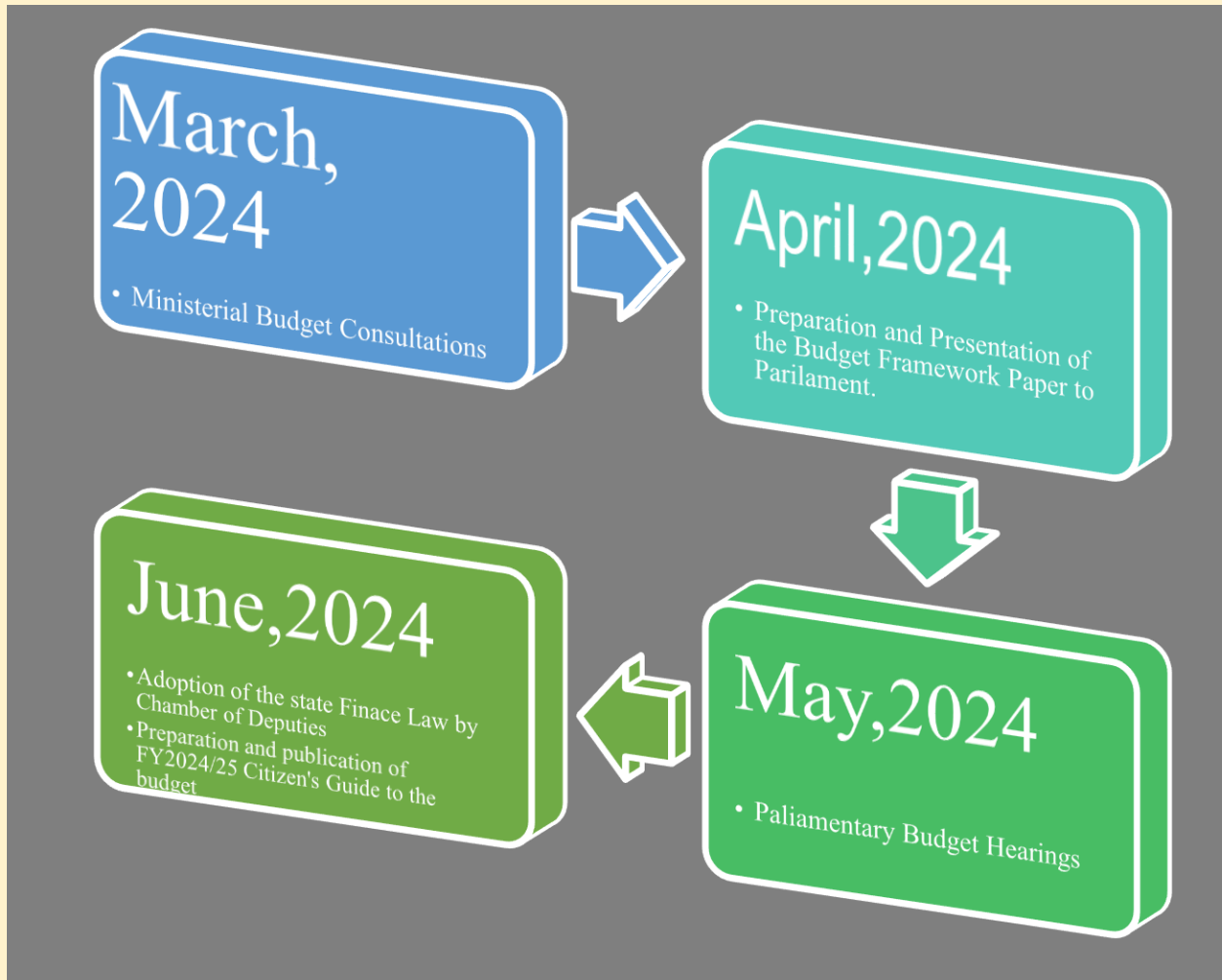
VII. KEY INSTRUCTIONS TO BUDGET AGENCIES WHEN DRAFTING THE BUDGET ESTIMATES

1. Budget Agencies (BAs) are requested to make proper allocation among different projects and ensure that the most impactful projects get adequate apportionment within the ceiling available.
2. During the preparation of MTEF that guide data entry into the Integrated Financial Management Information System (IFMIS), the indicative expenditure ceilings and their sub ceilings have to be complied with. The total amount for wages and salaries, recurrent non-wages, domestically financed capital, external grants and external loans should remain unchanged.
3. All BAs are required to prepare detailed expenditure estimates with relevant expenditure items in conformity with the updated Chart of Accounts classifications provided as an Annex to this BCC. BAs are reminded to ensure that all expenditure items are included in their action plans to avoid frequent requests to create new expenditure items during budget execution.
4. Each FY, all BAs are requested to submit a Gender Budget Statement (GBS) along with the Gender Distribution of Employment (GDE) showing how the budget intends to be gender-responsive. The GBS is not a stand-alone document thus it is derived from the action plan, gender related PBB examples and IMIHIGO. It therefore creates a linkage with the planning and budgeting documents.
5. Extra budgetary entities whose budget is adopted by their competent organs other than the Parliament like the Board of Directors should submit their approved budget to National Budget Department for consolidation by **June 30th, 2024**.
6. BAs are reminded that no inter-entity transfers are allowed during implementation of the FY 2024/25 budget for all expenditures committed through the treasury unless the transfer is a final expenditure in return for either services rendered or goods supplied.

7. MINECOFIN noticed that some BAs have foreign exchange related transactions (subscriptions, letters of credit, promissory notes etc...) and require exchange rates to derive local currency equivalent in the budget estimates. It is important to have a uniform basis for budget estimates from all BAs. Accordingly, the exchange rate to be used during the 2022/23 – 2025/26 budget preparation is shown in table below:

Exchange Rate Forecasts	2022/23	2023/24	2024/25	2025/26
Rwf/USD exchange rate (period average)	1096.2	1247.9	1393.6	1488.6

VIII. ROADMAP TO THE FY24/25 BUDGET PREPARATION



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