



MINISTRY OF FINANCE AND ECONOMIC PLANNING

P.O. Box 158 Kigali

Tel: +250 252 575756 Fax: +250 252 577581

E-mail : mfin@minecofin.gov.rw

**To: Central Government Chief Budget Manager (All)
Local Government Chief Budget Manager (All)**

Re: Guidelines for preparation of budget estimates for FY 2024/25 and Medium Term Expenditure Framework for the period 2024/25 – 2026/27

A. Purpose:

The Ministry of Finance and Economic Planning (MINECOFIN) issued the first Planning and Budget Call Circular No:529/10/2023-2024/MIN. This Circular provided you with guidance on the calculation of (i) the planning process for central government and decentralized administrative entities and (ii) the budget baseline.

This 2nd Budget Call Circular is providing guidance on expenditure prioritization within expenditure ceilings, which were set in the Planning and Budget Outlook Paper (PBOP) as approved by cabinet on the 25th of January 2024 (see Annex 1). It also guides on developing corrective measures in case the budget baseline results for your Budget Agency (BA) are breaching any expenditure ceiling for your BA. Furthermore, this Circular 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.

B. 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 (i) reducing the impact of rising prices (food and fuel) and support vulnerable population through different social protection programs, (ii) address negative impacts of the May 2023 flood; (iii) fast-tracking the completion of ongoing projects close to conclusion and which have shown good results in socio economic transformation; (iv) honoring existing legal and contractual commitments.
- The global economic outlook has weakened with world economic growth revised down sharply. Starting 2022 inflation has been significantly stronger than expected due to higher energy and food prices, reflecting persistent supply constraints and the spillover effect from geopolitical tensions, and remains a major challenge for policymakers but at the actual trend indicates it to be manageable. In line with

domestic economic outlook which is stable, with expected moderate but less than historical economic growth for the current year of 2024, and a more subdued external environment. However, inflation is expected to be moderate and back with in the band.

- Domestic revenue collections have been broadly in line with expectations, despite the challenging economic environment predominantly with inflationary pressures which impacted the revenue collection in general. The forecast for medium-term revenue from FY24-25-2026/27 will follow the implementation of revenue raising reforms as committed to under the MTRS1 and inform the Budget Framework Paper (BFP) for the FY 2024-25 and the medium term
- The impact of inflation on food prices will require mitigating policies to reduce the impact on affected households especially the poor. The general increase in prices is also exerting pressure on budget expenditures. Savings will need to be found to fund ongoing and new expenditure priorities to address these issues, in order to maintain the fiscal deficit and debt levels at a sustainable level.
- The fiscal framework for 2024/25 and the medium term will prioritize key investments identified under the NST1 in order to ensure long-term development goals. Fiscal deficits will be kept at manageable levels in line with the policy on debt to remain low risk.

C. Key priority areas and projects planned for the FY2024/25

Overall policy priorities in the medium term objectives

In the context of limited fiscal space, expenditures will need to be targeted towards the most pressing needs which include:

- Continuing the recent trend of stable inflation and reduced prices
- Supporting economic growth and recovery
- Fast-tracking the implementation of projects for socio economic transformation;
- Honoring existing legal and contractual commitments including:
 - Disbursed linked Indicators (DLIs) and counterpart to trigger more resources
 - Project Contractual Payments and other GoR commitments
- High level decisions including Presidential Pledges, National Leadership Retreat Resolutions and National Umushyikirano Council.
- Mitigating impact of disasters and climate change.

More specifically, expenditures will be targeted towards **the following strategic priority areas**

- **Increasing agriculture productivity for food security and mitigation of increase of food prices:** availing affordable and timely inputs, operationalizing large and small scale irrigation projects, developing erosion control infrastructure, strategic reserves, supporting export crops, increasing livestock productivity including scale up production and development of milk value chain, increasing access to finance for farmers(CDAT)
- **Scaling up access to and quality of infrastructure:** roads (national, district and feeder roads), energy,urbanization, water and sanitation – fast tracking ongoing projects and clearing expropriation to speed up projects and improving public transport.

- **Promoting exports and private sector:** MICE tourism, mining, ongoing trade infrastructure projects (industrial parks, construction of New Bugesera International Airport, operationalization of cross border markets).
- **ICT:** ongoing projects (digital acceleration, connecting public institutions, digital literacy)
- **Environment and natural resources:** disaster management and mitigation, district land use master plans, integrating climate change into policies and programmes in line with RST commitments
- **Improving the quality of health:** maternal and child health, ongoing infrastructure projects, equipping new health facilities, development of human resources and increase sensitization on Non Communicable Diseases(NCDs) and alcohol/drug abuse.
- **Nutrition enhancement:** strengthening ECD and nutrition Centers, distribution of nutritional commodities
- **Improving quality of education:** school feeding, focus on improving learning outcomes, teacher retention and motivation, infrastructure to address overcrowding in schools, scaling up enrolment in TVET (including construction), providing TVET consumables and improving quality of tertiary education
- **Implementing social protection programmes** with focus on graduation from poverty and extreme poverty; strengthening social safety nets and improving resilience to shocks for poor households.
- Improving quality of **service delivery and governance:** scaling up delivery of services online, organizing Presidential and Parliamentary elections.
- **Justice, Rule of Law and Order:** ongoing infrastructure projects (Courts, RCS, RNP and RIB), upgrading IECMS, reducing backlog of cases in Judiciary (contractual Judges) and implementing alternative dispute resolution (ADR).
- **Gender and Family Promotion:** strengthening families as a foundation for sustainable development, fighting and addressing GBV
- **Unity and Reconciliation:** training Rwandans on culture, history, values under different forums.

D. Expenditure and policy prioritization

In the context of limited fiscal space, expenditures will be targeted towards the most pressing needs which include; (i) reducing the impact of rising prices on the population for food and fuel; (ii) supporting economic recovery from the impact of the COVID-19 pandemic; (iii) fast-tracking the completion of ongoing projects close to conclusion and which have shown good results in socio economic transformation and (iv) honouring existing legal and contractual commitments.

As part of the planning and budgeting cycle, Budget Agencies (BAs) will be instructed to provide corrective action plans to MINECOFIN for review, which identify savings to orient expenditures towards priority areas, whilst safeguarding ongoing commitments

E. Developing corrective measures

In case the budget baseline for your BA is above the indicative expenditure ceiling for your BA in the Planning and Budget Outlook Paper (PBOP) and 2nd BCC in at least one of the three upcoming FYs you have to prioritize and rationalize expenditure to ensure compliance with the set expenditure ceilings for each of the three upcoming FYs 2024/25 – 2026/27. To demonstrate this compliance, you have to develop a specific action plan with corrective measures in line with **annexes 14 & 15** elaborated by the conceptual deliberations outlined in Chapter E of the MTEF User Manual on MINECOFIN website link:

<https://www.minecofin.gov.rw/index.php?eID=dumpFile&t=f&f=62510&token=9895b74de495b8f9065d3938e5e06ca98cd71970>

Corrective actions are outlined in a BA specific action plan. You have to submit to MINECOFIN by **16th February 2024** (i) the summary template which includes all costed and proposed corrective measures (**Annex 14**) and (ii) for each corrective action a detailed template (**Annex15**). Each proposal for corrective action needs to be costed in line with the standardized costing methodology issued in the MTEF User Manual, Chapter D.2 and documented in the costing tool.

F. Drafting initial budget estimates

The total resource envelop is 5,766,134,586,088 for 2024/25; 6,563,894,601,580 for 2025/26 and 7,315,663,287,419 for 2026/27.

After prioritizing expenditure within the indicative expenditure ceilings set in the PBOP approved by the cabinet in their meeting of 25th January 2024 and also provided in this 2nd BCC, BAs are requested to draft initial budget estimates and submit to MINECOFIN by the **16th of February**. The draft initial budget estimates will be reviewed during budget consultations.

Inclusion of new programs, sub programs or projects in the draft budget estimates requires their expenditure to be covered within the expenditure ceilings set for your BA. New programs, sub programs or projects must have been submitted by chief budget managers and approved by MINECOFIN.

E.1 The following instructions apply when drafting the budget estimates:

- 1.1 **The allocation to capital domestically financed:** BAs are requested to make proper allocation among different projects and ensure that the most impactful projects get adequate apportionment within the ceiling available.
- 1.2. The total amount for wages and salaries, recurrent non-wages, domestically financed capital, external grants and external loans should remain unchanged. *The indicative expenditure ceilings for all districts under wages and recurrent non-wage, have been allocated, while the development portion is allocated under LODA for further consideration and guidance by the Local Government Project Advisory committee.*
- 1.3 The updated Chart of accounts is presented in **Annex 2** and requires all BAs to prepare detailed expenditure estimates with relevant expenditure items in **conformity with the updated Chart of Accounts classifications** provided in **Annex 2**. 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. Revenue estimates (for BAs that generate internal revenues) shall be prepared in accordance with revised Chart of Accounts. In case a BA is not sure of where to classify some of the budget items, it should seek

guidance from the focal person from National Budget department whose contacts are shown in **Annex 3**

- 1.4 The Organic Law N° 002/2022.OL of 12/12/2022 on Public Finance Management, especially in its article 4 concerning the fundamental principles of public finance management lays emphasis on **comprehensiveness and uniformity of the budget** among others.
- This implies that all own revenues to be spent by any government entity should be reflected in their approved budget to avoid any kind of discrepancies between approved budget and actual executed budget.
 - The same Organic Law provides for the use of the Treasury Single Account (TSA) whereby all central government agencies have to channel the revenues they collect to the TSA and get budgetary allocation for their operations. This is therefore a reminder to BAs that currently collect and spend revenues without being appropriated by competent organs (the parliament, district councils or Board of Directors where applicable) that this provision of the law still holds.
 - For genuine reasons some central government agencies have been allowed to directly use some of the revenues they collect without channeling them to the treasury. This should however not be executed off budget and compromise the fundamental principle of budget comprehensiveness. For 2024/25 fiscal year budgeting, the BAs are requested to use **Annex 4** and provide information about the projected revenue collection for inclusion in the macro framework and subsequently in the budget proposal for approval by the parliament.
 - Article 5 concerning the Extra budgetary requests all revenue of central Government entities, including internally generated revenue, grants, proceeds from loans and all their expenditure, regardless of financing sources, are included in the State Finance Law, the revenue of decentralized entities, including their own revenue, grants from the State budget and external sources, proceeds from loans, and all their expenditure, regardless of financing sources, are included in their respective budgets and a central Government entity, decentralized entity or subsidiary entity cannot incur extra budgetary expenditure unless authorized by competent authorities
 - 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.
- 1.5 All BAs are required to use the MTEF templates that are consistent with the IFMIS configuration to facilitate data entry exercise. Budget estimates for central government agencies shall be prepared in the format provided in **Annex 5** while new earmarked transfers by central government agencies to decentralized entities (DEs) shall be prepared in the format provided in **Annex 6**. The earmarking institutions should also attach to the Annex 6 the guidelines which clarify how, why, who and which items the earmarked envelope will be spent by DEs. For the outer years of the MTEF, projections should be informed by ongoing and new projects among other factors.
- 1.6 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. All BAs are therefore requested to have thorough consultations with their potential recipients of inter-entity transfers and indicate such resources as earmarked transfers that shall be captured under the budgets of those agencies.

- 1.7 The ceilings of wages and salaries for FY 2024/25 budget estimates have been prepared on the basis of each institution's current pay. MINECOFIN strongly requests all BAs to plan for recruitments in a financially sustainable manner. Therefore, Human Resource Managers should be involved in the budget process to provide adequate information on budget estimates related to the wages and salaries. Some BAs employ contractual staff to provide support in the routine business of the institutions or any other unforeseen activities. These employees should only be paid from the category of goods and services in the non-wage recurrent envelope provided for each BA. You are therefore required to provide information on all contractual personnel to be paid during the financial year 2024/25 to justify the allocation for this budget item. Justification should be in form of a letter from the Ministry of Public Service and Labour (MIFOTRA) approving those contractual staff in the format provided in **Annex 7** for your BA. Budget for contractual staff reflected in Annex 7 and included in the budget submission without approval from MIFOTRA as a supporting document will not be allowed.
- 1.8 Budget agencies are prohibited to pay salaries of the Single Project Implementation Unit (SPIU) staff using recurrent budget. The rules governing management of Single Project Implementation Units (SPIUs) require that all salaries paid to SPIU staff are budgeted under the development budget corresponding to the projects. The salaries related to SPIU staff shall not exceed the total gross salaries for the SPIU structure approved by the Ministry of Public Service and Labour.
- 1.9 MINECOFIN has provided indicative ceilings for externally financed projects to allow BAs to provide as much information as possible to ensure that all projects are captured on-budget. In capturing these projects in IFMIS BAs must clearly indicate their correct funding segment (funding type with regards to whether it is an external grant or external loan and specific donor). It is not appropriate to include funds for externally financed project in the budget submission without binding commitment from the donor. As a reminder, all external financing agreements have to be countersigned by MINECOFIN as provided in the Aid Policy.
- 1.10 For projects that require counterpart funds, this shall be deducted from the envelope provided for domestically financed projects and must be strictly recorded as counterpart and not as agency budget allocation. It is imperative to note that all government projects funded by donors should be captured in the budget as long as the project funds are spent using the national execution procedures and have an annual disbursement plan.
- 1.11 Public Enterprises should adhere to the principles of budget preparation provided in this circular. They are required to submit estimates of their revenues and expenditures for the period 2024/25-2026/27 to accompany the 2024/25 budget. The parent Ministry/Institution is required to provide a completed **Annex 8** from the relevant Public Enterprise(s) under its responsibility together with the substantive budget submission for 2024/25.
- 1.12 The Rwandan PBB approach links the budget to the National Strategy in place to enforce its consistent implementation and it has been designed to strengthen proper linkage between resource allocation and expected results to be delivered as well as strengthening the mechanism of transparency and accountability in the use of public resources. PBB has been automated in IFMIS.

In order to strengthen this reform, technical teams of planning and budget staff from BAs with the support of the Ministry of Finance and Economic Planning teams need to work together to carefully identify main challenges, main root causes and consequences (Challenge diagnosis approach) for implementation of NST1 priority areas and Cross Cutting Areas as precondition to select and allocate funds for each program.

Particular priority has expenditure for the selected Performance Based Budgeting (PBB) programs included in **Annex 10** of the budget estimates. All sectors are strongly encouraged to pay particular attention when costing the selected PBB programs in the medium-term during budget allocation in line with the available resources to be annexed to the finance law.

Decentralized entities as contributing agencies are requested to always follow up their PBB chosen sub-program from which the performance information was selected for performance based budgeting since such performance information is reflected in the finance law.

- 1.13 All Ministries and DEs are requested to submit a well prepared Gender Budget Statement (GBS) together with Gender Distribution of Employment (GDE) for the Fiscal Year 2024/25. **Annex 12** of this circular gives detailed guidelines on how to mainstream gender in the budget. While preparing the Gender Budget Statement, consider that it is not a stand-alone document instead it is derived from the action plan, gender related PBB examples and IMIHIGO. Therefore, this linkage will form part of the basis for the GBS analysis.
- 1.14 As required under article 168 of the Constitution, all international agreements that commit State Finances shall be ratified after authorization by Parliament. Accordingly, BAs shall be required to have ratified agreements. The annual membership fees should be payable both in foreign and local currency and be submitted to the Ministry of Foreign Affairs and International Cooperation which is responsible to settle these fees.
- 1.15 All BAs should continue to budget for payment of **customs duties, VAT and other relevant fees and charges** on all expected imports, local purchases and contracts. This therefore serves to remind all BAs that the amount allocated for payment of taxes, duties and fees is part of the envelope provided.
- 1.16 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 2024/25 – 2026/27 budget preparation is shown in table 1 below:

Table 1: Exchange rate forecasts of US dollar against the Rwanda Franc

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

Source: MINECOFIN

- 1.17 MINECOFIN in collaboration with Sector Ministries and other Agencies, developed guidelines for execution of 2024/25 earmarked transfers according to article 34 of the

Organic Law N° 002/2022. OL of 12/12/2022 on public finance management, MINECOFIN should submit these guidelines to the Parliament as part of the Budget Framework Paper (BFP) not later than 30th April 2024. Accordingly, you are required to update the activities to be earmarked to decentralized entities that are applicable to your institution and submit them together with budget estimates for the 2024/25 budget until the 16th of February 2024.

- 1.18 The 2024/25 **earmarked transfers to decentralized entities** are included in the Sector Ministries' ceilings whilst existing earmarked transfers are incorporated in the districts' ceilings. Accordingly, all existing earmarked transfers shall be mapped to their corresponding programs and sub-programs in decentralized entities. Similarly, in providing new earmarked transfers, special reference has to be made to the program and sub-program structure of decentralized entities as shown in **Annex 9**. Earmarking Institutions are reminded to share with LODA the detailed district earmarked budget and corresponding activities/projects to be financed in each district. It is recommended for earmarking institutions to closely work with district/CoK beneficiaries to define and agree on the decentralized projects as most of time the projects to be earmarked /decentralized and their related planning documents (Feasibility studies etc.) have been already submitted by districts/CoK through LODA MEIS during the planning phase, to avoid projects duplication and renaming.
- 1.19 Earmarked Transfers Guidelines are sent by earmarking institutions to MINECOFIN for consolidation and guiding the DEs during the budget preparation and implementation. Earmarking entities are not allowed to issue separate guidelines to DEs except the ones consolidated by MINECOFIN. The DEs that will receive separate instructions should refer the concerned institutions to MINECOFIN and the consolidated guidelines are the only official guidelines to follow during the budget preparation and implementation.
- 1.20 In accordance with Law No 62/2013 of 27/08/2013 establishing the Local Administrative Entities Development Agency (LODA) and determining its mission, organization and functioning, all development projects financed by the Central Government for implementation by DEs shall be funded through LODA. The envelope for all domestically financed projects in decentralized entities has therefore been allocated to LODA which will determine the ultimate ceiling of development projects for each district and City of Kigali. Therefore, line Ministries and other BAs that have earmarked capital projects to communicate to LODA the priority areas for investment with clear guidelines on outputs to be achieved as well as sectorial standards and norms that should be respected in the planning and budgeting processes of the decentralized capital projects.
- 1.21 Central government and DEs are requested to make proper allocation among different projects and ensure that the most impactful projects get adequate apportionment within the ceiling available. Additionally, it is imperative to provide for Operations and Maintenance (O+M) budget for capital projects at all times. Therefore, BAs are required to finalize the Maintenance Plan submitted in PBCC 1 as part of your budget documentation with the format shown in **Annex 11**.
- 1.22 Central government and decentralized entities are reminded for budgeting for expropriation costs for new and existing development projects whose execution affects assets, land or people. This is a priority for FY2024/25 as there are some cases where implementation starts with no consideration of expropriation costs and further it delays the implementation.

G. Special instructions for decentralized administrative entities (DEs)

1. General perspective

Widening local resource collection is required to reduce external dependency as well as prioritization of projects and interventions to generate the expected impact. DEs are therefore called upon to keep mobilizing citizens to pay taxes using existing rates from the Law n° 048/2023 of 05/09/2023 determining the sources of revenue and property of decentralized entities of DEs to widen their tax base.

DEs have also the responsibilities to develop strategies to harness existing local economic potentialities along with the local tax base. This will be achieved through investing in projects that promote business opportunities as well as improving the socio-economic welfare of the citizens. Maximizing the local revenue collection will remain also critical for the development agenda over the medium term.

There is a strong need for inter- and intra-sectoral coordination in order to promote synergy and eliminate duplication of activities where these exist. The Chief Budget Manager of the district or City of Kigali is expected to coordinate with Central Government and other stakeholders such as Civil Society Organizations (CSOs) during the budget preparation process.

2. Transfers to Decentralized Administrative Entities

As provided by the Law n° 048/2023 of 05/09/2023 determining the sources of revenue and property of decentralized entities of DEs, the decentralized sources of revenues are supported by transfers from the central government in terms of block grant and transfers for financing local investment projects. In addition, central government agencies with decentralized activities transfer money to DEs in form of earmarked transfers for implementation of the decentralized activities. The medium term estimates of Government transfers to DEs are estimated in Table 2 below

Table 2. 2024/25-2026/27 Medium Term Central Government transfers to the Decentralized Administrative Entities

Category	2023/24 Revised Budget	Ceiling 2024/25	Ceiling 2025/26	Ceiling 2026/27
Block Grant	72,837,306,903	75,837,306,903	88,955,984,198	90,786,505,667
Recurrent Earmarked Transfers	598,330,657,792	639,540,825,605	778,410,165,822	851,999,210,538
LG Capital Domestically Financed	206,018,725,385	100,000,000,000	110,000,000,000	121,000,000,000
Total Government Subsidies to Decentralized Entities	877,186,690,080	815,378,132,508	977,366,150,020	1,063,785,716,205



In addition to the government subsidy to DEs, their own generated revenues are also expected to increase as a result of ongoing resource mobilization measures and tax administration reforms. The total transfers from central government to DEs are classified into three broad expenditure components namely: wages and salaries, recurrent non-wage expenditures and domestic capital investments. The expenditure allocation to DEs by broad economic category is shown in Table 3 below:

Table 3. 2024/25-2026/27 Decentralized Administrative Entities expenditure on Government Subsidies by broad economic category

Category	2023/24 Revised Budget	Ceiling 2024/25	Ceiling 2025/26	Ceiling 2026/27
Wages and Salaries	514,394,128,782	547,015,852,102	688,485,755,594	760,327,713,890
Recurrent Non-Wage	156,773,835,913	168,362,280,405	178,880,394,426	182,458,002,315
Investment Projects Financing	206,018,725,392	100,000,000,000	110,000,000,000	121,000,000,000
Total Government Subsidies to Decentralized Entities	877,186,690,080	815,378,132,508	977,366,150,020	1,063,785,716,205

G. Specific instructions for the 2024/25 – 2025/26 budget preparation

1. The ceilings given to districts and the City of Kigali are for subsidies from central on block grant (except CoK), and recurrent earmarked transfers while ceilings for local investment projects shall be detailed per district and the City of Kigali by Local Administrative Entities Development Agency (LODA) in line with its mandate as per the law N° 62/2013 of 27/08/2013.
2. Following the revised law governing the City of Kigali and its districts, the ceiling will be allocated at the City level and there is need for coordination to ensure activities to be performed in every district are properly considered and allocated appropriate budget.
3. In developing the budget estimates to enter into the budget system (IFMIS), the DEs are required to use the usual MTEF templates that are consistent with the system configuration to facilitate data entry exercise. Budget estimates shall be prepared in the format provided in Annex 5.
4. and in line with the revised local government programme and sub-programme structure provided in Annex 9 that is consistent with the Chart of Accounts in use, which has been uploaded into the IFMIS. The data entered in IFMIS as activities should correspond to the PPDs (project titles) of approved projects of decentralized entities available in LODA

Monitoring and Evaluation Information System (MEIS) that will serve as the sole channel for reporting on the implementation of these projects. Districts and City of Kigali are also reminded that ongoing projects should remain with same codes and names as they are now in IFMIS in this current 2023/24 Fiscal Year and there is no need to duplicate them as new projects.

5. As highlighted in the Manual of Public Financial Management Policies and Procedure, DEs with legal personality shall ensure that their budgets include all budgets of non-budget agencies under their control including sectors, cells, villages, health centers, schools, district hospitals and provincial hospitals. Furthermore, districts and the City of Kigali are reminded and required to coordinate the budget preparation process of all the affiliated subsidiary entities entitled to a budget and ensure that the medium term estimates for their operational budgets are included in the budget of the district.
6. Districts and CoK are required to carefully prepare the budget for local development projects in line with the guidance provided by the Local Administrative Entities Development Agency (LODA). Please note also that the envelope for all domestically financed projects in decentralized Administrative Entities has been allocated to LODA which will determine the ultimate ceiling of development projects for each District and City of Kigali. Districts and CoK should submit a list of prioritized projects from those that shall be approved by the Local Government Project Advisory Committee (LGPAC) and district/City of Kigali Councils consistent with the format shown in Annex 10.
7. Earmarking institutions have the final say on which priorities will be funded and how much will be allocated to each district. Transfers provided in Annex 1 remains indicative until the corresponding earmarking institutions provide the final earmarked transfers guidelines with final ceilings. During the budget data entry of these earmarked transfers into the IFMIS, the decentralized entities should respect the allocations to the specific activities as proposed by the earmarking institution.

H. Conclusion

All BAs should ensure that the contents of these guidelines are strictly abided by and all issues therein addressed in their budget estimates. The table below provides a summary of annexes required to be submitted for a complete budget submission for 2024/25 FY:

S/N°	ANNEX N°.	DESCRIPTION	WHO TO SUBMIT IT	SUBMISSION MODALITY
1	Annex 4	Completed table of expected internally generated revenues and expenditures	All agencies that have internally generated revenues	IFMIS and Email
2	Annex 5	Completed table of 2024/25 budget estimates and MTEF	All budget agencies	IFMIS
3	Annex 6	Completed table on new earmarked transfers to decentralized entities for the FY 2024/25 and the medium term	Only agencies with New earmarked transfers	Email
4	Annex 7	Completed table of contractual staff	Only agencies with contractual personnel	Email
5	Annex 8	Completed table of budget estimates of Public Enterprises showing estimates of their revenues and expenditures for the period 2024/25-2026/27	All Ministries and agencies with Public Enterprises under them	Email
6	Annex 12	Gender Budget Statement for all Ministries and decentralized entities	All Ministries and their affiliated agencies plus districts	Email
7	Annex 13	Updated guidelines for the existing earmarked transfers and additional information for new earmarked transfers to districts for the FY 2024/25	All central government agencies with earmarked transfers	Email
8	Annex 14	Summary template per BA (action plan); numbers in the examples are virtual	All Ministries and their affiliated agencies plus districts	Email
9	Annex 15	Detailed template per corrective action; numbers in the example are virtual, the example refers to corrective action 1 from Annex 14	All Ministries and their affiliated agencies plus districts	Email

Coordination between Line Ministry, affiliated agencies, Single Project Implementation Units and DEs (on earmarked transfers and planned transfers from other government agencies) is very important to prepare a complete budget submission. It is worth noting that Ministries should undertake adequate consultations with all relevant BAs before Ministerial budget consultations convene.

In order to meet the constitutional obligation to submit the 2024/25 draft budget estimates and MTEF to parliament before commencement of the budget session, the draft estimates of BAs should reach MINECOFIN not later than, **16th February 2024** in soft copies on email of



the sector focal persons on **annex 3** and electronically through IFMIS. Based on the assessment of the submitted draft budget estimates MINECOFIN will organize budget consultations for all Sector Ministries and a calendar will be shared to all CBM.

Sincerely,



Dr. Uzziel NDAGIJIMANA
Minister



CC:

- H.E. The President of the Republic of Rwanda
- Right Hon Prime Minister
- Hon. Minister (All)
- Hon. Minister of State (All)
- Mayors (All)
- Hon. CEO and Cabinet member



Annex 14. Summary template per BA (action plan); numbers in the examples are virtual

BA				
Date				
	FY1	FY2	FY3	Affected sub programme
BA budget baseline expenditure from the budget baseline exercise	100	105	110	Not relevant for this part of the template, just for the lines below "Rationalization compared to budget baseline results")
BA total indicative expenditure ceiling MTEF from the PBOP	95	98	100	
<i>of which wages and salaries</i>	42	43	44	
<i>recurrent non-wage</i>	20	21	22	
<i>capital domestically financed</i>	11	11	12	
<i>externally financed grants</i>	8	8	7	
<i>externally financed loans</i>	4	5	5	
<i>own revenues</i>	10	10	10	
Gap between baseline and ceiling	5	7	10	
<i>of which wages and salaries</i>	0.5	0.8	0.9	
<i>recurrent non-wage</i>	2.0	0.9	3.0	
<i>capital domestically financed</i>	1.0	3.0	4.0	
<i>externally financed grants</i>	0.5	1.0	1.0	
<i>externally financed loans</i>	0	0.8	0.1	
<i>own revenues</i>	1.0	0.5	1.0	
Rationalization compared to budget baseline results				
Corrective action 1: brief description	2 ¹	2.5	3	Denotation of sub programme affected by corrective action
Corrective action 2: brief description	2	2	2	Denotation of sub programme affected by corrective action
Corrective action 3: brief description	1	1.5	2	Denotation of sub programme affected by corrective action
Corrective action 4: brief description		1	3	Denotation of sub programme affected by corrective action
Rationalization total	5	7	10	
<i>of which wages and salaries</i>	0.5	0.8	0.9	
<i>recurrent non-wage</i>	2.0	0.9	3.0	
<i>capital domestically financed</i>	1.0	3.0	4.0	
<i>externally financed grants</i>	0.5	1.0	1.0	
<i>externally financed loans</i>	0	0.8	0.1	
<i>own revenues</i>	1.0	0.5	1.0	

¹ See detailed explanation of this example in the subsequent Annex 15.



Annex 15. Detailed template per corrective action; numbers in the example are virtual, the example refers to corrective action 1 from Annex 14

BA										
Date										
Corrective action: Brief description										
Affected sub programme:										
Expenditure category	FY1 expenditure			FY2 expenditure			FY3 expenditure			Explanations on details of corrective action ²
	Base-line	Allo-cated ceiling	Rationa-lization	Base-line	Allo-cated ceiling	Rationa-lization	Base-line	Allo-cated ceiling	Rationaliz-ation	
wages and salaries	4.0	3.5	0.5	4.2	4.1	0.1	4.3	4.1	0.2	
recurrent non-wage	2.0	1.5	0.5	2.1	2.1	0	3.0	2.1	0.9	
capital domestically financed	1.0	0.8	0.2	2.5	1.0	1.5	3.0	1.3	1.7	
externally financed grants	3.0	2.2	0.8	3.0	2.5	0.5	3.0	2.9	0.1	
externally financed loans	1.0	1.0	0	1.2	1.0	0.2	1.0	1.0	0	
own revenues	2.0	2.0	0	2.0	1.8	0.2	2.0	1.9	0.1	
Total	13	11	2			2.5			3	

²Column for BAs to provide additional explanations on how these savings are generated (for instance, reducing specific staff numbers from x to y or reducing purchase of specific goods and services by x percent or reducing specific transfers by x percent).