

## Rwanda presents National Budget for financial year 2020/2021

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### Executive summary

The Rwanda National Budget, whose theme is "Stimulating the economy to safeguard livelihoods, jobs, businesses and industrial recovery," was presented by the Minister of Finance and Economic Planning on 22 June 2020.

The focus of the national budget is economic recovery from the COVID-19 pandemic as well as safeguarding lives, jobs, business and industrial recovery.

### Detailed discussion

#### Economic forecast

Due to the COVID-19 pandemic, the economy is expected to only register growth of 2% in 2020, a sharp decline from the growth of 9.4% registered in 2019. The economic growth is expected to rebound to 6.3% in 2021 and 8% in 2022.

## Budget summary

The budget:

Details	2020/2021	2019/2020	% change
Total budget (FRW)	3,246 billion	3,017 billion	7.5%
Total budget (US\$)	3.42 billion	3.18 billion	

Financing of the budget:

Details	Amount (FRW)	Amount (US\$)	% of budget
Domestic resources	1,963 billion	2.07 billion	61%
External grants	493 billion	0.52 billion	15%
External loans	783 billion	0.82 billion	24%
Net lending repayments	7 billion	0.01 billion	0%
<b>Total</b>	<b>3,246 billion</b>	<b>3.42 billion</b>	<b>100%</b>

Budget expenditures:

Details	Amount (FRW)	Amount (US\$)	% of budget
Recurrent expenditure	1,583 billion	1.67 billion	49%
Development budget	1,299 billion	1.37 billion	40%
Net lending	307 billion	0.32 billion	9%

## Key expenditure priorities in line with NST-1 and resources allocation

The allocation of resources in the national budget were guided by the strategic objectives of the National Strategy for Transformation (NST). The NST is Rwanda's long-term plan to achieve the middle-income status by 2050.

NST-1 has three-pillars namely:

- Economic transformation** - to accelerate inclusive economic growth and development founded on the private sector, knowledge-based economy and Rwanda's natural resources.
- Social transformation** - to develop the Rwandans into a capable and skilled work force with quality standards of living and a stable and secure society.
- Transformational governance** - to consolidate good governance and justice as building blocks for equitable and sustainable national development.

**Budgetary allocation under NST-1 pillar:**

<b>NST-1 pillar</b>	<b>% of the 2020/2021 National Budget</b>	<b>% of the 2021/2022 National Budget</b>	<b>% of the 2022/2023 National Budget</b>
Economic transformation	55%	58%	61%
Social transformation	30%	27%	25%
Transformational governance	15%	15%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**In line with NST-1, the key priorities under the National Budget are:**

1. Strengthening of the health system by increasing accessibility to quality health services for all
2. Supporting the Made in Rwanda policy to reduce the trade deficit and build economic resilience
3. Strengthening of social protection programs by increasing their coverage
4. Increasing agriculture and livestock productivity
5. Promoting employment through investment in public infrastructures
6. Developing a smart society by promoting digital infrastructure and digital technologies to improve service delivery
7. Supporting the recovery of Micro, Small, Medium and Large Enterprises affected by COVID-19
8. Improving access to quality education through construction and rehabilitation of classrooms
9. Continuing to eradicate malnutrition and stunting by improving screenings at early age
10. Strengthening of disaster preparedness and management

The Minister of Finance and Economic Planning did not propose any changes to the current taxation system.

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