

The Minister of State in Charge of National Treasury Richard Tusabe today virtually presented to both chambers of parliament, the Budget Framework Paper (BFP) and medium term budget estimates for fiscal years 2021/22-2023/24.

Addressing lawmakers, Minister Tusabe noted that policies and strategies over the medium term are guided by the National Strategy for Transformation (NST1) program. He however underscored that as Rwanda is still dealing with the effects of COVID-19 pandemic, Government will continue to accommodate COVID-19 spending and the cost of the vaccination rollout program core for economic recovery.

“Our outlook is for a gradual recovery in economic activity from the drop of 3.4 percent in 2020. The economy is projected to grow by 5.1 percent in 2021, 7.0 percent in 2022 and on average by 7.8 percent in 2023 and 2024. This growth projection reflects the actions already in place or that will be put in place by Government to mitigate the economic impact of COVID-19, by providing support to vulnerable households and stimulate employment by supporting investments from the private sector.” Minister Tusabe said.

Proposed 2020-21 Budget

Minister Tusabe told parliamentarians that the budget for fiscal year 2021/22 will reflect medium term fiscal path which allows for an increased spending to reach NST1 goals while maintaining public debt at sustainable levels.

The total resources projected for the fiscal year 2021/22 is Frw 3,806.9 billion, made up of domestic resources amounting to Frw 2,543.3 billion (comprising of Frw 1,717.2 billion from tax revenue) and Frw 1,263.7 billion from external resources.

On the expenditure side, key priorities will include; access to quality health, increasing agriculture and livestock productivity, scaling up social protection coverage, improving the quality of education, and supporting businesses (through the economic recovery fund and the manufacturing, build to recover program) to invest for recovery.

BFP is a document outlining government economic policies over the medium term that helps lay the foundations of the next fiscal budget. It is prepared in accordance with article 32 of the Organic Law on State Finances and outlines the Government’s macroeconomic and fiscal policy stance as well as the budget policy over a 3-year horizon. The 2021/22-2023/24 BFP provides basis for the preparation of the 2021-22

budget which will be read in June 2021.