Rwanda’s government plans to spend an estimated 11.2% more in the upcoming fiscal year, with a focus on key sectors like health, education, and agriculture.

Finance Minister Uzziel Ndagijimana said this week, the total budget will be Rwf5,690 trillion (approximately $4.43 billion), aiming to boost the economy and deliver on the National Strategy for Transformation (NST).

Without giving details on what kind of borrowing the government was considering he noted that 3.86 trillion francs would come from domestic revenues and another 725.3 billion francs from external grants.

The budget will be allocated based on three key pillars: economic transformation, social transformation, and transformational governance.

Economic Transformation: This includes improving digital literacy, increasing exports in mining and tourism, and supporting RwandAir. Additionally, the government aims to boost agricultural productivity and reduce reliance on biomass for cooking.

Social Transformation: This pillar targets to reduce child stunting and mortality rates, increasing healthcare access, and improving education quality and enrollment.

Transformational Governance: This focuses on reducing case backlogs and recovering embezzled public funds.

The government plans to source 60% of the budget from domestic resources, primarily tax revenue collection. This strategy, termed “budget self-sufficiency” by the Finance Minister, aims to reduce reliance on external financing.

Experts believe raising 60% domestically could be challenging due to global economic disruptions and the lingering effects of COVID-19. However, Rwanda is implementing measures like tax automation and amnesty programs to improve compliance. Additionally, the reduction in corporate income tax is expected to attract investment.

While the overall budget increases, some argue the allocation for agriculture, a sector employing nearly 80% of the workforce, is insufficient. Experts suggest increasing investment in areas like youth training, mechanization, irrigation, and commercial seeding. Additionally, building infrastructure like dikes and levees is

seen as crucial for mitigating extreme weather events.

Rwanda’s increasing budget has put pressure on finances. To address this, the government plans to prioritize ongoing projects and explore alternative funding sources such as capital markets and green financing. This approach aims to ensure sustainable development while delivering essential services to Rwandans.