Government approves $11B green investment plan, reports major poverty reduction, and adopts key reforms in road safety and budget planning

Rwanda's Cabinet on Thursday approved a series of far-reaching policy and legislative measures, including the adoption of a landmark Green Taxonomy framework designed to accelerate climate-aligned investments. The Cabinet meeting, chaired by President Paul Kagame at Village Urugwiro, also reviewed promising new data showing a significant decline in national poverty levels.

The Cabinet meeting was briefed on findings from the Seventh Integrated Household Living Conditions Survey (EICV7), which tracks national poverty levels and socio-economic indicators. According to the survey, an estimated 1.5 million Rwandans were lifted out of poverty between 2017 and 2024. The national poverty rate fell from 34.8% to 27.4% over the seven-year period, while the rate of extreme poverty dropped from 11.3% to 5.4%.

The report also highlighted significant improvements in energy access. Nationwide, 72% of households had access to electricity in 2024, up from just 34% in 2017, with much of the progress recorded in rural communities.

In line with these gains, the Cabinet approved the Budget Framework Paper and the Medium-Term Expenditure Framework covering fiscal years 2025/2026 to 2027/2028. The upcoming budget will focus on inclusive and sustainable economic growth. Key priorities include increasing domestic revenue mobilization, empowering the private sector, and investing in critical sectors such as food security, healthcare, education, road infrastructure, water, and electricity.

In a major step toward climate-resilient development, the Cabinet also approved Rwanda's Green Taxonomy, a new classification framework designed to guide public and private sector investment toward environmentally sustainable projects. The taxonomy, expected to unlock $11 billion in climate finance by 2030, provides a clear set of standards to define green investments and reduce greenwashing, while aligning with the country's broader climate goals.

Developed in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Climate Bonds Initiative, and Ambire Global, the taxonomy builds on Rwanda's commitments under the Paris Agreement and forms a central part of the country's National Climate and Nature Finance Strategy and the Ireme Invest facility.

In its first phase, the taxonomy will target four key sectors: agriculture, construction, transport, and energy. These areas are central to Rwanda's goals of reducing carbon emissions and strengthening climate resilience. The initiative, first introduced at COP28 in Dubai, positions Rwanda as a regional leader in sustainable finance.

The Cabinet also approved a draft law introducing a point-based road traffic penalty system intended to curb reckless driving and enhance road safety. Under the proposed system, drivers will earn or lose points annually based on their behavior. Accumulating too many violations could result in the suspension or revocation of a driver's license. The Ministry of Infrastructure, which initially proposed the reform in 2023, noted that the system would apply to all licensed drivers and encourage safer behavior through transparent, tech-enabled monitoring. Specific penalties and operational guidelines will be detailed in a forthcoming ministerial order.

The road traffic bill also includes provisions to strengthen the driving sector, including new standards for the establishment and operation of driving schools. Additional measures address the automation of driving tests and licensing procedures to improve efficiency and oversight.

In addition to the traffic bill, the Cabinet approved a draft law concerning compensation for victims of traffic accidents. It also adopted a series of presidential and prime ministerial orders concerning national defense and atomic energy. These include regulations outlining categories within the Rwanda Defence Force (RDF), the structure of RDF decision-making councils, and guidelines on classified military equipment. The Cabinet further approved an order granting special employment status to staff of the Rwanda Atomic Energy Board, as part of the country's nuclear energy development strategy.

Several upcoming national and international events were also announced during the meeting. Labour Day will be officially celebrated on May 1. Rwanda will host the fifth edition of the Basketball Africa League (BAL), with Nile Conference games scheduled to take place in Kigali from May 17 to 25. The country will also host the inaugural African Continental Security Summit from May 19 to 21, and the Africa AgriTech Conference from June 9 to 13.

As Rwanda advances with its agenda of inclusive growth, digital transformation, and environmental sustainability, the Cabinet's decisions on Thursday signal a strong commitment to aligning economic development with long-term social and

environmental goals.