On Monday, Rwanda and Germany signed a €18 million (about Rwf 30.5 billion) grant agreement to support inclusive development programs aimed at improving the welfare of vulnerable citizens.

The agreement, signed in Kigali, was witnessed by Finance and Economic Planning Minister Yusuf Murangwa and Germany's Ambassador to Rwanda, Heike Uta Dettmann.

According to officials, the funding will be implemented through the Local Administrative Entities Development Agency (LODA) and will back projects under the Vision 2020 Umurenge Program (VUP), one of Rwanda's key social protection initiatives.

Murangwa said the support will reinforce Rwanda's efforts to fight poverty and promote equitable growth.

"This support from Germany, through the KfW Development Bank, reaffirms our shared commitment to investing in the welfare of Rwandan citizens," Murangwa said. "The funds will help vulnerable households, including the elderly and people with disabilities, access essential services and income-generating opportunities."

The minister noted that the grant would also be used to finance public works projects that create jobs, assist families facing emergencies, and strengthen household nutrition.

Ambassador Dettmann said Germany remains committed to partnering with Rwanda in advancing inclusive development.

"We are proud to support Rwanda's impressive progress in poverty reduction and social protection," she said. "This cooperation underscores our shared vision of sustainable and equitable growth."

LODA's Director of Community Development, Maurice Nsabibaruta, said the funding will help extend the reach of poverty eradication programs and accelerate implementation.

"This grant gives us additional capacity to reach more households and move faster toward the national target of eliminating extreme poverty within five years," Nsabibaruta said.

Rwanda’s poverty rate fell from 39.8 percent in 2017 to 27.4 percent in 2024, according to government figures.

The new partnership builds on long-standing cooperation between the two countries. In July 2023, Germany and Rwanda launched a €16 million “Pro Poor Basket Fund” to support poor households across 16 districts, while in 2022, Germany pledged €98.1 million to strengthen education, healthcare, and environmental programs.

Through such collaborations, Rwanda says it has lifted more than 1.5 million citizens out of poverty over the past seven years.