

The Minister of Finance and Economic Planning Dr. Uzziel Ndagijimana on Tuesday presented to Parliament the Fiscal Year 2021/22 National Budget under the East African Community theme: *“Economic Recovery through industrialization and inclusive growth”*.

Addressing both chambers, Minister Ndagijimana pointed out that the fiscal policy of 2021/22 will prioritize spending to deliver on investments aimed at achieving National Strategy for Transformation (NST1) goals.

“Significant budget spending will focus on the needs under the Economic Recovery Plan and the National Strategy for Transformation with much attention to the key economic sectors, as well as the rollout of the Covid-19 vaccination program,” Minister Ndagijimana said.

## **Resources**

The total resources estimated for the fiscal year 2021/22 will amount to Frw 3,807 billion. This amount is made up of domestic revenues amounting to Frw 1,993.0 billion comprising of Frw 1,717.2 billion from tax revenue and Frw 275.8 billion from other revenue collection. External grants are estimated at Frw 612.2 billion whilst external loans of Frw 651.5 billion is envisaged for accrual to the Treasury.

## **Expenditure**

Equally to the projected resources, total expenditure in the fiscal year 2021/22 is projected at Frw 3,807 billion. This figure is made up of recurrent spending of Frw 2,431.7 while capital spending worth Frw 1,393.3 billion. Furthermore, projected spending include an amount of Frw 5.7 billion on inventory, Frw 43.8 billion under various equity investment and fund shares for government and loans spending amount of Frw 134.9 billion

## **NST-1 and Resources Allocation**

Government’s expenditure policies in fiscal year 2021/22 are guided by National Strategy for Transformation priorities and objectives. To this end, the Economic Transformation pillar takes the lion’s share of the resources at Frw 2,234 billion amounting to 58.7 % of the total budget. Social transformation will take up Frw 1,034 billion (27.2 %) while Transformational Governance is allocated Frw 538 billion representing 14.01% of the total budget.

In line with NST-1 strategic objectives, some of the priority areas agreed during planning and budgeting consultations formed the basis for resource allocation in 2021/22 fiscal year as shown below;

- Agriculture productivity will be increased through scaling up use of inputs;
- Increasing access to electricity;
- Increasing access to clean water through construction of water supply systems;
- Promoting urbanization will include execution of urban development project in secondary cities. Affordable housing projects will be supported with basic infrastructure.
- Accelerating transport projects and construction of national roads;
- Promoting innovation and increasing digital literacy;
- Strengthening the health system by increasing access to quality health;
- Improving the quality of education;
- Strengthening social protection programs by Scaling up the coverage of Social Protection programs;
- Support to businesses affected by Covid-19 through Economic recovery fund.

The 2021/22 draft finance bill is in line with the 2021/22–2023/24 Budget Framework Paper presented to Parliament on May 5<sup>th</sup> 2021 and was amended to reflect the recommendations from the Parliament as submitted on June 3<sup>rd</sup>, 2021.