

The Chamber of Deputies on Thursday, February 20, 2025, approved a revised national budget for the 2024/2025 fiscal year. The budget increased from 5.69 trillion to 5.82 trillion Rwandan francs, with an additional 126.3 billion.

The government explained that the extra funds are necessary to ensure that all planned projects can be completed. The additional money will be allocated across various sectors to fill gaps in both the regular and development budgets.

Among the key changes, 44.9 billion francs will go to institutions to cover pension contributions for employees. The agriculture sector will receive 10 billion francs to support subsidies for fertilizers and improved seeds. Sports activities will be allocated 5 billion francs.

The Rwanda Correctional Service (RCS) will also receive 3 billion francs to provide food for inmates. Another 1.1 billion francs will go to the National Rehabilitation Service (NRS) to care for children in rehabilitation centers. Additionally, 3.5 billion francs will be used for road maintenance, specifically for the Base-Butaro-Kidaho road. Social contributions will be supported with 5.8 billion francs.

So far, 65% of the budget for 2024/2025 has already been spent, with many activities already in progress.

While the budget has grown, it also reflects changes in revenue sources. Foreign aid and tax revenues are expected to decrease. The government adjusted tax expectations, reducing the projected income from 2.97 trillion francs to 2.95 trillion francs, a decrease of 20 billion francs. This change is due to the government's decision to raise the tax exemption for low-income workers from 30,000 to 60,000 Rwandan francs.

However, non-tax revenue sources will rise by 48.4 billion francs. This increase is partly due to the privatization of state-owned businesses and a reduction in funding for peacekeeping missions abroad.

Foreign aid will also decrease, dropping from 725.3 billion francs to 621.2 billion francs. Despite these reductions, the government will rely more on loans to cover the gap.

Loans are expected to rise significantly, with foreign loans increasing by 184.3%. The World Bank will contribute an additional 121.1 billion francs. However, domestic

loans will decrease by 38 billion francs.

These changes are designed to fill funding gaps and ensure that Rwanda can meet its development goals. The government remains focused on managing the country's finances carefully while continuing to invest in key sectors like infrastructure, agriculture, and social welfare.