



Republic of Rwanda
**Ministry of Finance and
Economic Planning**

THE FY2025/26 SECOND BUDGET CALL CIRCULAR

A Citizen's Guide Version

March 2025





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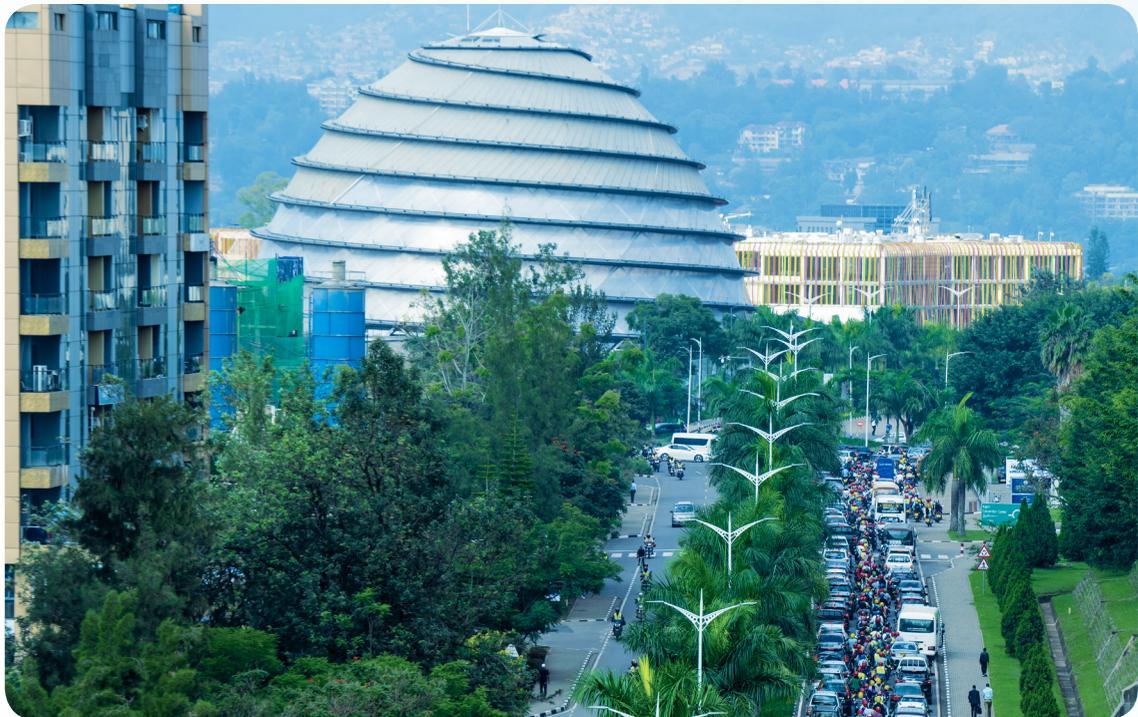
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Introduction

The Ministry of Finance and Economic Planning (MINECOFIN) issued the first Planning and Budget Call Circular in October, 2024 that provided Budget Agencies (BAs) with information to guide the planning process for the Fiscal Year (FY) 2025/26 and the Medium-Term Expenditure Framework (MTEF), as well as the process for calculating a budget baseline.

The second Budget Call Circular on the other hand is meant to provide guidance to BAs on expenditure prioritization within expenditure ceilings, which were set in the Planning and Budget Outlook Paper (PBOP). It also guides them how to develop corrective measures in case the budget baseline results for the BA is above the provided expenditure ceiling. Finally, it instructs on drafting detailed budget estimates for the FY 2025/26 and the MTEF until 2027/28.

The second budget call circular can be access through the link [here](#)



The Macroeconomic context of 2025/26 budget preparation

Rwanda's policies and strategies for FY 2025/26 and over the medium term are built on Government's ambition to raise Rwandans high living standards and reach the upper middle-income status by 2035 and high income by 2050.

In the context of limited fiscal space, the government will continue to prioritize efficiency and direct spending toward interventions that deliver high returns. include among others the following;

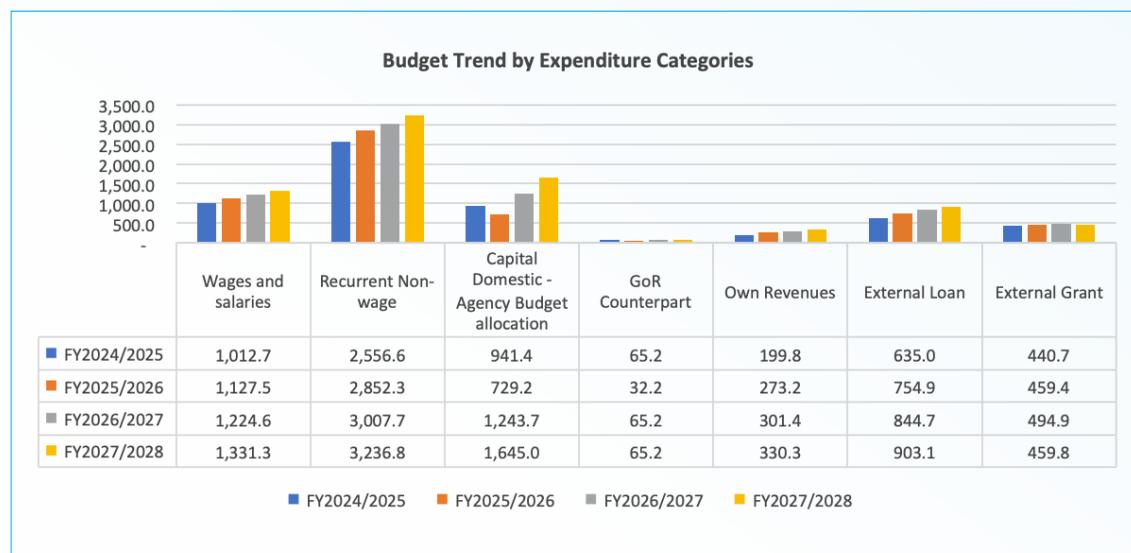
- (1) Supporting economic growth and recovery
- (2) Fast-tracking the completion of ongoing projects for socio economic transformation
- (3) Honoring existing legal and contractual commitments.



Initial budget estimates for FY25/26 with indicative expenditure ceilings for the medium term

The revised budget of Frw 5,816.4 billion for the fiscal year 2024/2025 will register a net increase of Frw 126.3 billion. Subsequently, the budget will rise to Frw 6,228.7 billion in 2025/2026 and further increase to Frw 7,182.3 billion in 2026/2027.

Below are total expenditure indicative ceilings per spending category, while detailed indicative ceilings for all Central Government Budget Agencies are provided in Annex 1 to the Second BCC.



FY2025/2026 key priorities per NST1 pillars

ECONOMIC TRANSFORMATION

AGRICULTURE

- Increase productivity of priority crops, by increasing area under irrigation and availing affordable and timely inputs (seeds and fertilizers)
- Improve Animal health and genetics (Liquid Nitrogen plants, Animal breeding centers, Insemination of cows and pigs)
- Expand national storage capacity of food crops and equip them with modern preservation technologies
- Scale up insurance coverage on crops and livestock (crops, cattle, Pig and Poultry)
- Increase the area under export crops production and increase value addition as well as rejuvenating aging coffee trees

INFRASTRUCTURE

- Scaling up access to and quality of infrastructure through;
- Enhanced road transport connectivity (national, district and feeder roads),
- Increasing energy generation and electricity access
- Increasing water supply network both in urban and rural areas
- Accelerated urbanization
- Fast tracking ongoing projects and clearing expropriation to speed up projects and improving public transport services

SOCIAL TRANSFORMATION

EDUCATION

- Improving quality of education through;
- Sustaining the school feeding program in pre-primary, primary, and secondary schools to reduce dropout
- Increasing enrolment in pre-primary education,
- Improving learning outcomes and efficiency as well as teacher retention and motivation,
- Improving quality of school infrastructure to address overcrowding in schools
Provide relevant STEM related infrastructure and teaching and learning materials

HEALTH

- Improving maternal and child health
- Strengthening health systems
- Fast-tracking the ongoing infrastructure projects and equipping existing and new health facilities
- Development of human resources and increase sensitization on both Communicable and Non-Communicable Diseases (NCDs)
- Provision of fortified blended food to children (6-23 months), pregnant and lactating women as well as provision of milk to malnourished children under 5 years

SOCIAL PROTECTION

- Implementing social protection programs with focus on graduation from poverty and extreme poverty
- Strengthening social safety nets and improving resilience to shocks for vulnerable households.
- Provide nutrition commodities to eligible population
- Promoting socio-economic inclusion and welfare of refugees
- Preventing gender-based violence, child abuse and teenage pregnancy

TRANSFORMATIONAL GOVERNANCE

JUSTICE, RECONCILIATION, LAW AND ORDER

- Reducing backlog of cases in Judiciary through implementing alternative dispute resolution (ADR) and criminal justice policies, reducing corruption.
- Fast-tracking ongoing infrastructure projects (Courts, RCS, RNP and RIB)
- Upgrading the Integrated Electronic Case Management System Rwanda (IECMS)
- Full operationalization of Forensic laboratory
- Increasing the use of ICT in Justice by revamping the network for Sites of Courts, Prosecution Offices and Prisons

GOVERNANCE AND QUALITY SERVICE DELIVERY

- Improving quality of service delivery and governance with focus on scaling up delivery of services online
- Strengthening local government institutions capacities as well as fostering stronger citizens' engagement.
- Improving Citizens participation in development and engagement, this can be done in collaboration with stakeholders such as Civil Society Organizations, (CSOs) and through citizen engagement strategies, e.g. inteko z'Abaturage, and the community scorecard approach, among others.



Prioritization of Resource Allocation by MINECOFIN

Resource allocation is based on national priorities identified and approved through various forums at both decentralized entities (such as Citizens' Forum, Community Work, and Councils including cells, sectors, and districts) and the Central government (Umushyikirano Council and Parliamentary budget hearings with sectors). Specifically, the following are the bases of resource allocation for each budget category:

Wages and Salaries

- Approved Structure of Budget Agencies

Recurrent non-wages

- Statutory and fixed cost of agencies
- Planned one-off expenditures e.g hosting conferences

Development Budget

- Approved projects from Public Investments Committee(PIC) at Central Government and Local Government Projects Advisory Committee (LGPAC)

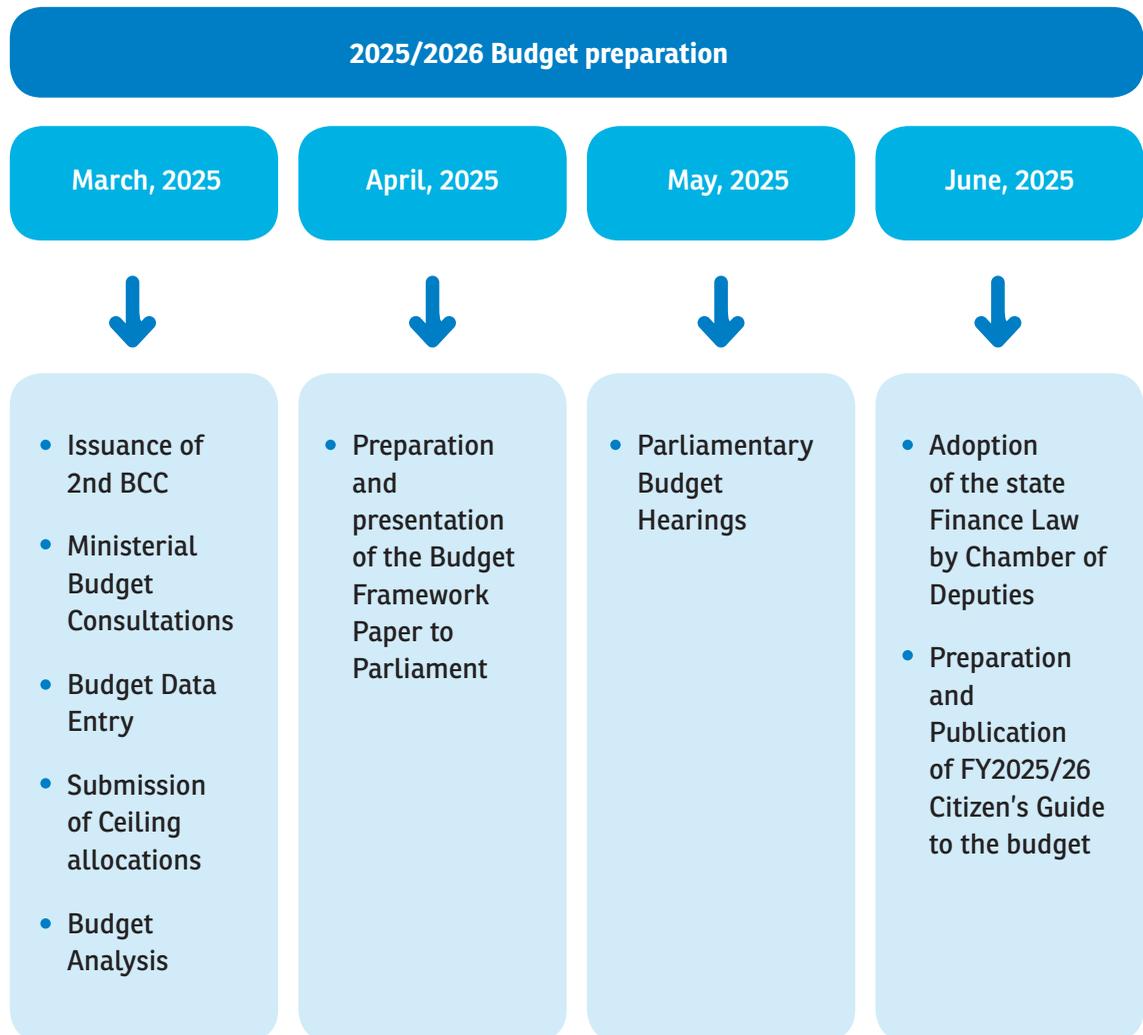
Key instructions to Budget Agencies when drafting the Budget estimates

1. Budget Agencies (BAs) are requested to make proper allocation among different projects and ensure that the most impactful projects get adequate apportionment within the ceiling available.
2. During the preparation of MTEF that guide data entry into the Integrated Financial Management Information System (IFMIS), the indicative expenditure ceilings and their sub ceilings have to be complied with. The total amount for wages and salaries, recurrent non-wages, domestically financed capital, external grants and external loans should remain unchanged.
3. All BAs are required to prepare detailed expenditure estimates with relevant expenditure items in conformity with the updated Chart of Accounts classifications provided as an Annex to the BCC. BAs are reminded to ensure that all expenditure items are included in their action plans to avoid frequent requests to create new expenditure items during budget execution.
4. Each FY, all BAs are requested to submit a well-prepared Gender Budget Statement (GBS) along with the Gender Distribution of Employment (GDE) showing how the budget intends to be gender-responsive. The GBS is not a stand-alone document thus it is derived from the action plan, gender related PBB examples and IMIHIGO. It therefore creates a linkage with the planning and budgeting documents.
5. Extra budgetary entities whose budget is adopted by their competent organs other than the Parliament like the Board of Directors should submit their approved budget to National Budget Department for consolidation by **June 30th, 2025**.
6. BAs are reminded that no inter-entity transfers are allowed during implementation of the FY 2025/26 budget for all expenditures committed through the treasury unless the transfer is a final expenditure in return for either services rendered or goods supplied.
7. MINECOFIN noticed that some BAs have foreign exchange related transactions (subscriptions, letters of credit, promissory notes etc...) and require exchange rates to derive local currency equivalent in the budget estimates. It is important to have a uniform basis for budget estimates from all BAs. Accordingly, the exchange rate to be used during the 2025/26 – 2027/28 budget preparation is shown in table below:

Exchange Rate Forecasts	2024/25	2025/26	2026/27	2027/28
Rwf/USD exchange rate (period average)	1374.9	1481.8	1581.3	1673.8

VII.

Roadmap to the FY 2025/2026 Budget preparation





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