



MINISTRY OF FINANCE AND ECONOMIC PLANNING
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To: Chief Budget Manager of the City of Kigali and District (All)

Re: Guidelines for preparation of Decentralized Entities budget estimates for the 2017/18 FY and Medium Term Expenditure Framework for the period 2017/18 – 2019/20

A. Introduction

1. The Ministry of Finance and Economic Planning issued the first planning Budget Call Circular N° 5623/10/16/NDPR on October 13th, 2016. The circular provided advance information to facilitate the process of preparing the 2017/18 budget on time. This second Budget Call Circular is intended to provide detailed guidelines and instructions to facilitate decentralized entities to prepare and submit detailed budget estimates for the FY 2017/2018, 2018/2019 and 2019/2020 Medium Term Expenditure Framework.

B. The Macroeconomic Context of 2017/18 Budget Preparation

2. The Rwandan economy has continued to grow and we are committed to achieving sustained economic growth and poverty reduction. GDP growth in 2017 is estimated at 6.2 percent and is projected to average 6.5% to 7% over the medium term on the back of Government's commitment to promote domestic production and add value to exports. Inflation is expected to remain contained below 5% in the medium term.

The strategies to achieve these goals are set out in the Economic Development and Poverty Reduction Strategy Two (EDPRS II) and Rwanda's vision 2020. In this regard, the 2017/18 fiscal strategy will continue to focus on ensuring growth for exports and incomes, investment in hard and soft infrastructures, developing human resources and living conditions and ensuring good governance and improved public service delivery. The total revenue to GDP ratio is expected to reach about 26.6% of GDP by 2019/20.