

REPUBLIC OF RWANDA



MINISTRY OF FINANCE AND
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06 FEB 2015
Kigali,
No. 687/10/15/NB

To: Central Government Chief Budget Manager (All)

Re: Guidelines for preparation of budget estimates for the 2015/16 FY and Medium Term Expenditure Framework for the period 2015/16 – 2017/18

A. Purpose:

1. The Ministry of Finance and Economic Planning issued the first Budget and planning Call Circular N° 2910/10/14/NDPR on September 18th, 2014. This circular provided advance information to facilitate the process of preparing the 2015/16 budget on time. This second circular is aimed at providing detailed guidelines including indicative budget ceilings and instructions to enable you to prepare and submit detailed budget estimates for the FY 2015/16 and 2015/16-2017/18 Medium Term Expenditure Framework.

B. The Macroeconomic Context of 2015/16 Budget Preparation

2. The Rwandan economy has continued to grow and we are committed to achieving sustained economic growth and poverty reduction. 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 2015/16 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 19.5 percent of GDP by 2017/18. This framework predicts a modest increase in total revenues over the period 2015/16-2017/18 of about 1.8 percent of GDP annually consistent with the projected economic performance. The medium term revenue and expenditure estimates by broad category are provided in the table below: