



# Financing Rwanda's Vision 2050: The role of annual budgets in achieving national strategies for transformations and the overall aspirations of Vision 2050

## *From surviving to thriving: A blueprint for Rwanda's future*

In the aftermath of the 1994 Genocide against the Tutsi, Rwanda focused on recovery through Vision 2020. This vision was implemented through key mid-term strategies including the Poverty Reduction Strategy Paper (PRSP 2002–2006) and Economic Development and Poverty Reduction Strategies (EDPRS I 2008–2012 and II 2013–2018). These strategies targeted poverty reduction, reconciliation and institutional reforms.

The transition from Vision 2020 to Vision 2050 represents Rwanda's progression from recovery and resilience to long-term prosperity and development. The country aims to increase GDP per capita to USD 4,036 by 2035 and USD 12,476 by 2050. Notably, Rwanda has already made significant strides, boosting GDP per capita from just USD 111.94 in 1994 to USD 1,040 by 2024.

## *From vision to action: A pathway to Rwanda's success*

Vision 2050 outlines an ambitious path for transforming the country into a high-income economy by mid-century. National Strategies for Transformation (NST) serve as essential implementation tools of Rwanda's long-term ambitions. NST2 (2024–2029) follows NST1 (2017–2024) in translating Vision 2050 into actionable steps focused on national development.

Key pillars include Human Development, Competitiveness and Integration, Agriculture for Wealth Creation, Urbanization and Agglomeration and Accountable and Capable State Institutions. All these pillars were considered while developing NST2 goals

NST2's goals prioritise human development. It aims to quadruple the number of health workers and improve maternal and child health services. In education, NST2 targets increasing pre-primary enrolment from 35% to 65% and establishing vocational training centres to prepare a workforce for a digital economy.

For Competitiveness and Integration, NST2 supports economic diversification through initiatives like "Made in Rwanda", which promotes local products and aims to nearly double tourism revenue by investing in infrastructure and marketing.

In Agriculture for Wealth Creation, NST2 seeks to increase agricultural productivity by 50% through expanded irrigation and improved access to modern inputs, enhancing food security and job creation.

Urbanization goals under NST2 include ensuring universal access to clean water, electricity and sanitation, improving living standards as part of Rwanda's urbanization strategy.

It also emphasises building accountable state institutions, including the digitization of government services and the introduction of a Single Digital ID by 2029. Overall, NST2 aligns with Vision 2050, aiming for prosperity, inclusivity and global competitiveness through strategic planning and resource allocation.

### **Budget prioritisation: Aligning resources with National Strategies for Transformation**

The budget is distributed across three key pillars of the national strategy for transformation and transformational governance.

The largest portion of the budget (59.6%) was allocated to Economic Transformation. This reflects the importance of driving economic growth as Rwanda pushes toward its long-term development goals. Investments in agricultural productivity, private sector development, energy, urbanization and ICT align with the country's objectives to improve competitiveness, enhance infrastructure and boost productivity across various sectors.

Key interventions such as expanding irrigation, promoting local industries and improving transport infrastructure show a clear strategy aimed at fostering a dynamic and diversified economy.

Of the national budget, 26.6% was allocated to activities related to the Social Transformation pillar. This demonstrates a commitment to citizen welfare, focusing on education, healthcare and social protection to reduce inequalities and develop human capital.

Though the Transformational Governance pillar receives the smallest share (13.8%), it is crucial for creating a stable environment, with investments in governance, decentralisation and public finance management.

Overall, the budget aligns with NST1's strategic priorities, supporting equitable development and laying a foundation for NST2 and Vision 2050.

### **Paving the way: Transitioning from NST1 to NST2 and beyond**

Transitioning from NST1 to NST2 outlines Rwanda's commitment to sustainable development and climate action. As a signatory to the Paris Agreement, Rwanda integrates its Green Growth and Climate Resilience Strategy (GGCRS) into its development plans, including NST1, to achieve Vision 2050 in an environmentally sound manner. In the 2024/2025 fiscal year, Rwanda began implementing Climate Budget Tagging (CBT), a tool that tracks climate-related expenditures, fulfilling its Paris Agreement obligations, including the Enhanced Transparency Framework (ETF) for monitoring climate finance.

As per Budget Framework Paper 2024/2025–2026/2027 Rwanda will increase its focus on climate resilience, with over 60% of the national budget allocated to the Economic Transformation pillar. This will prioritise sectors impacted by climate change, such as agriculture, and invest in research and technology to mitigate climate risks. This budget allocation highlights Rwanda's commitment to sustainability and proactive climate measures.

Through initiatives like CBT and targeted investments, Rwanda is addressing immediate climate challenges while building a foundation for sustainable growth, climate resilience and global competitiveness. This approach ensures the nation remains on course to meet its Vision 2050 aspirations of long-term prosperity and sustainability.



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