



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

PRESS RELEASE

**THE AFRICAN DEVELOPMENT BANK RENEWED SUPPORT TO RWANDA
THROUGH BUDGET SUPPORT**

The African Development Fund (ADF), the concessional window of the African Development Bank (AfDB) Group and the Government of Rwanda, represented by Dr. Donald Kaberuka and Honorable Minister James Musoni have signed a grant agreement of UA 33 million (US\$ 50 million, equivalent to 27.5 Billions FRW) to help finance the second phase of the Poverty Reduction Strategy Support Program (PRSSP II) in Rwanda. This budget support programme signed on October 30th 2007, will cover a period of two years (2007-2008). It is warmly welcomed by the Government as budget support has been proven to be more efficient in reducing transaction costs for the Government and in strengthening its planning, budgeting and monitoring systems.

The Rwandan Government has finalized the “*Economic Development and Poverty Reduction Strategy*” (EDPRS) for 2008-2012, following the implementation of the 2002-2006 PRSP. The Government has embarked on the second generation PRSP that is more growth-oriented and focusing on employment-generating sectors, namely; agriculture, private sector development, as well as investment in both infrastructures and human capital.

The overall program goal is to promote economic growth for sustainable poverty reduction. The specific program objectives are to:

- improve public finance management by improving budget programming and execution, and strengthening the fiduciary and transparency framework;
- help create an enabling environment for business development and export promotion by improving the legal and institutional framework as well as strengthening financial intermediation and consolidating the banking system.

Through PRSSP-II, the ADF grant will support the implementation of the Government's PRSP program, in close collaboration with the other partners in the Budget Support Group (World Bank, European Union, DFID, Sweden, and Germany). Steady progress has been made so far by the Government in the implementation of reforms to promote good governance, notably through the improvement of public finance management, enhancement of the population's participation in the design and implementation of development policies, and fiduciary reform efforts such as the overhaul of the procurement system.

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