

**EXECUTIVE  
BOARD  
MEETING**

EBS/20/29  
Correction 1

April 10, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Rwanda—Request for Disbursement Under the Rapid Credit Facility**

Board Action:

The attached corrections to EBS/20/29 (3/27/20) have been provided by the staff:

**Factual Errors Not  
Affecting the  
Presentation of Staff's  
Analysis or Views**

**Pages 5, 7, 10, 13, 14, 15, 16, 17, 19, 20**

Questions:

Ms. Teferra, AFR (ext. 37301)  
Mr. Duarte Lledo, AFR (ext. 36748)  
Ms. Woldemichael, AFR (ext. 38909)



recovery is also predicated on the sustained implementation of public and private investment projects and the timely start of the construction of a new international airport.<sup>2</sup>

Revised Macroeconomic Framework							
	2019	2020		2021		2022	
		1 <sup>st</sup> Rev.	Proj.	1 <sup>st</sup> Rev.	Proj.	1 <sup>st</sup> Rev.	Proj.
Real GDP (percent change)	10.1	8.0	5.1	8.0	6.7	<del>8.0</del>	8.0
GDP deflator (percent change)	1.2	5.6	6.5	5.0	5.4	<del>5.0</del>	5.0
CPI inflation, average (percent)	2.4	5.4	6.9	5.0	5.4	<del>5.0</del>	5.0
CPI inflation, eop (percent)	6.7	5.0	5.0	5.0	5.0	<del>5.0</del>	5.0
Current account deficit (% GDP)	9.2	9.9	16.0	9.1	10.2	<del>8.3</del>	9.8
Gross international reserves (months of imports)	5.4	4.6	2.9	4.6	3.0	<del>4.6</del>	3.3

Sources: Rwandan Authorities, and IMF staff estimates and projections.

**8. The fiscal deficit is expected to deteriorate considerably (Table 2a–b).** The significant, but temporary increase in the fiscal deficit under the program—the debt-creating fiscal deficit, excluding peace-keeping operations (PKO)—is driven by revenue losses and health-related expenses.<sup>3</sup> Its impact will be felt and fully accommodated in the current fiscal year ending in June and the next. The headline and debt-creating budget balance are only expected to conform to the current fiscal rule by FY 21/22, and the end-June deficit target under the program is expected to be missed by a large margin. Debt is projected to remain above 60 percent of GDP through 2021 and to decline afterwards. The severity of the adverse shock will require a recalibration of the PCI-supported program.

**9. The external accounts will deteriorate markedly (Table 3).** Notwithstanding the significant increase in health-related import goods and services to combat the Pandemic, total imports are projected to decline, driven by lower import prices, particularly of fuel, and disruption in global trade. The decline in imports is expected to be more than outweighed by a severe slump on services receipts, especially tourism receipts on the back of the travel bans, and a marked decline in traditional exports (tea, coffee, and minerals) and remittances owing to the weak global economy. Depressed investment sentiment is expected to temporarily halt FDI and other capital inflows.

**10. Downside risks dominate.** In the current environment, projections are subject to high uncertainty given the fluid and rapidly evolving situation. The economic outlook is grounded on the temporary nature of the Pandemic and the normalization of the global economic outlook by the second half of 2020. A more protracted or recurrent pattern of the Pandemic at the global or regional level will further deepen and delay the economic recovery with negative implications for growth, the external sector and government finances. Domestically, key downside risks are related

<sup>2</sup> In December 2019, the Government of Rwanda and Qatar Airways signed agreements to build, own, and operate the new international airport currently being constructed in the Bugesera District. Construction was to take place from 2020–24 at a cost of US\$ 1.3 billion, almost twice the size of the original project, and was expected to contribute to growth at least 2 percentage points.

<sup>3</sup> The headline deficit in FY 19/20 had already increased by 1 ppt under a recently approved revised budget to accommodate additional foreign-financed capital spending (0.8 ppt) owing to the accelerated implementation of projects and appropriate domestically-financed disaster management outlays (0.3 ppt) to address the damage caused by the heavy rains in the beginning of the year.

<b>Rwanda: Covid-19 Fiscal Impact and Financing Gap, FY 2019/20-2020/21<sup>1</sup></b> (Percent of GDP)					
	2019/20			2020/21	
	1st Review	Rev. Budget	Proj.	1st Review	Proj.
<b>Revenue and grants</b>	<b>23.3</b>	<b>23.5</b>	<b>22.1</b>	<b>23.2</b>	<b>22.7</b>
Total revenue	19.1	19.3	18.0	18.8	18.2
Tax revenue	16.4	16.5	15.2	16.6	16.2
Nontax revenue	2.6	2.8	2.8	2.2	2.1
<b>Total expenditure and net lending</b>	<b>30.4</b>	<b>31.7</b>	<b>32.5</b>	<b>28.8</b>	<b>29.9</b>
Current expenditure	15.0	15.5	16.0	14.8	15.4
<b>of which: Coronavirus-related spending</b>	0.0	0.0	0.5	0.0	0.4
Capital expenditure	12.0	12.8	13.1	12.0	12.4
<b>of which: Coronavirus-related spending</b>	0.0	0.0	0.3	0.0	0.2
<b>Overall balance (incl. grants, commitment basis)</b>	<b>-7.1</b>	<b>-8.2</b>	<b>-10.4</b>	<b>-5.6</b>	<b>-7.2</b>
<b>of which: Debt-creating overall bal. (exc. PKO)<sup>2</sup></b>	<b>-6.2</b>	<b>-7.2</b>	<b>-9.4</b>	<b>-5.7</b>	<b>-7.2</b>
<b>of which Debt-creating overall balance (excl. PKO, shocks)<sup>3</sup></b>	<b>-5.2</b>	<b>-6.9</b>	<b>-8.6</b>	<b>-5.7</b>	<b>-6.8</b>
Change in float/arrears <sup>4</sup>	-0.6	-0.6	-0.6	-0.3	-0.3
<b>Overall balance (incl. grants, cash basis)</b>	<b>-7.7</b>	<b>-8.8</b>	<b>-11.0</b>	<b>-5.9</b>	<b>-7.5</b>
<b>Financing</b>	<b>7.7</b>	<b>8.8</b>	<b>8.8</b>	<b>5.9</b>	<b>6.0</b>
<b>Financing Gap</b>	--	--	2.2	--	1.5
Prospective RCF	--	--	1.0	--	0.0
Prospective financing from World Bank	--	--	0.7	--	0.0
Residual financing gap	--	--	0.5	--	1.5
<b>Memorandum items:</b>	--	--	--	--	--
<b>Debt-creating ov. balance (exc. PKO, 5-yr avg, com.basis)</b>	<b>-5.5</b>	<b>-5.5</b>	<b>-6.8</b>	<b>-5.5</b>	<b>-6.7</b>

Sources: Rwandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July to June.

<sup>2</sup> Overall deficit excluding spending on materialized contingent liabilities and other items already included in the DSA.

<sup>3</sup> Debt creating overall balance as previously defined excluding revenue losses and spending related to natural disasters and the Coronavirus outbreak.

<sup>4</sup> A negative sign indicates a reduction.

**13. Preliminary analysis indicates a fiscal financing gap of about 3.7 percent of GDP over the current fiscal year and the next.** Absent additional financing, the impact of the Pandemic on revenues and the response it necessitates would create a fiscal financing gap. RCF financing would help reduce the FY 19/20 gap by 1.1 percent of GDP and prospective World Bank financing by 0.7 percent of GDP leaving residual gaps for FY 19/20 and FY 20/21 of 0.5 and 1.5 percent of GDP, respectively.

**14. The authorities are working on a plan to support affected households and firms.** Public health and social spending initiatives will be further prioritized in the current and FY 20/21 budget. Financial support in the form of subsidized loans and debt restructuring to the hospitality and other hard-hit sectors, small and medium enterprises (SMEs), and individuals are currently under consideration.

**15. Staff supports the authorities' decision to accommodate the impact of the Pandemic on the budget.** Given the extraordinary nature of the Pandemic and in order to timely address the

downward should the confinement period be prolonged, and the recovery delayed. They also agreed with the assessment of debt sustainability based on a customized stress test approximating the impact of the Pandemic.

**24. The authorities reiterated their commitment to supporting the economy.** The Ministry of Finance and Economic Planning and BNR are working closely to devise measures to mitigate the impact of the Pandemic on SMEs and the financial sector. Disbursement under the RCF would provide much needed support as the authorities step up efforts to mobilize resources from the international community.

## ACCESS AND CAPACITY TO REPAY

### A. Access Level and Modalities

**25. The authorities are requesting a disbursement under the RCF “exogenous shock” window equivalent to 50 percent of quota (SDR 80.1 million or ~~about US\$111109.4~~ million).** The authorities are also requesting that this financing be made available in its entirety as budget support. The disbursement would provide timely support to address the urgent fiscal needs emerging from efforts to address the impact of the Pandemic and provide additional foreign exchange to avoid a sharp drop in international reserves (Table 6). The balance of payments difficulties that necessitated the RCF request are caused primarily by a sudden exogenous shock and not by a withdrawal of financial support by donors. The balance of payments’ difficulties are expected to be resolved within the next 12 months without major policy adjustments.

### B. Capacity to Repay and Safeguards Assessment

**26. Rwanda’s capacity to repay its obligations to the Fund is adequate (Table 7).** The total amount of outstanding credit from the Fund, once the RCF is disbursed, will amount to 130 percent of quota. The associated servicing risks are mitigated by the country’s low indebtedness and the availability of concessional financing. Given that the financing under the RCF will be used in its entirety to provide budget support, the authorities have signed a framework agreement between the government of Rwanda and BNR on their respective roles and responsibilities for servicing financial obligations to the Fund. Total obligations to the Fund would remain below 1.5 percent of exports of goods and services, 1.9 percent of government revenue, and up to 3.4 percent of gross international reserves.

**27. The authorities are committed to undertaking an update of the safeguards assessment before Board approval of any subsequent arrangement to which the safeguards policy applies.** This would include an authorization for Fund staff to hold discussions with the central bank’s external auditors, and to have access to the central bank’s most recent external audit reports. The last safeguards assessment was undertaken in 2016 and since, authorities have implemented all safeguards recommendations and BNR continues to publish its audited financial statements.

Table 1. Rwanda: Selected Economic Indicators, 2018–22

	2018	2019		2020		2021		2022
	Prel.	1 <sup>st</sup> Rev.	Proj.	1 <sup>st</sup> Rev.	Proj.	1 <sup>st</sup> Rev.	Proj.	Proj.
(Annual percentage change, unless otherwise indicated)								
<b>Output and prices</b>								
Real GDP	8.6	8.5	10.1	8.0	5.1	8.0	6.7	8.0
GDP deflator	-0.8	1.8	1.2	5.6	6.5	5.0	5.4	5.0
CPI (period average)	1.4	2.3	2.4	5.4	6.9	5.0	5.4	5.0
CPI (end period)	1.1	5.7	6.7	5.0	5.0	5.0	5.0	5.0
Terms of trade (deterioration, -)	-0.7	-1.8	-1.8	-0.1	0.9	0.0	-0.6	0.0
<b>Money and credit</b>								
Broad money (M3)	15.6	21.8	15.4	21.9	11.0	17.4	18.6	13.4
Reserve money	16.1	21.5	17.2	22.1	10.9	17.8	18.6	17.6
Credit to non-government sector	10.8	17.6	12.6	14.8	9.1	7.9	11.4	13.4
M3/GDP (percent)	25.3	27.9	26.2	29.8	26.0	30.9	27.4	27.4
NPLs (percent of total gross loans)	6.4	...	...	...	...	...	...	...
(Percent of GDP, unless otherwise indicated)								
<b>Budgetary central government</b>								
Total revenue and grants	24.1	23.6	23.6	23.1	21.3	22.9	23.3	23.0
<i>of which</i> : tax revenue	16.2	16.6	16.7	16.9	14.9	16.5	16.8	17.0
<i>of which</i> : grants	4.9	4.5	4.2	4.1	4.4	4.3	4.3	4.1
Expenditure	28.8	31.9	31.7	29.0	31.9	29.2	29.7	27.8
Current	15.3	15.9	15.6	14.5	16.1	14.6	14.9	13.3
Capital	11.5	12.7	13.2	12.1	13.0	12.7	12.9	12.7
Primary balance	-3.5	-6.9	-6.8	-4.2	-8.9	-4.9	-5.0	-3.3
Overall balance	-4.7	-8.2	-8.1	-5.9	-10.6	-6.3	-6.5	-4.8
excluding grants	-9.6	-12.7	-12.3	-10.0	-15.0	-10.6	-10.8	-8.9
Debt-creating overall bal. (excl. PKO) <sup>1</sup>		-6.7	-6.6	-5.7	-10.4	-6.4	-6.5	-5.3
Net domestic borrowing	0.0	2.7	0.8	0.7	2.8	2.0	2.0	-0.8
<b>Public debt</b>								
Total public debt incl. guarantees	53.1	59.0	58.4	58.9	64.5	59.8	66.4	65.7
<i>of which</i> : external public debt	41.6	46.0	46.2	48.1	48.0	49.8	48.7	49.1
PV of total public debt incl. guarar	40.9	44.5	42.6	43.1	47.5	42.9	48.4	47.5
<b>Investment and savings</b>								
Investment	24.4	28.4	28.9	28.2	23.6	28.8	25.0	27.7
Government	11.5	12.7	13.2	12.1	13.0	12.7	12.9	12.7
Nongovernment	12.9	15.7	15.7	16.1	10.6	16.1	12.1	15.1
Savings	12.8	14.6	17.1	15.5	5.7	16.6	12.2	15.1
Government	4.0	3.3	3.8	4.5	0.8	4.0	4.0	5.6
Nongovernment	8.8	11.2	13.3	11.1	4.9	12.6	8.2	9.5
<b>External sector</b>								
Exports (goods and services)	21.5	21.5	21.3	21.8	13.6	22.6	22.9	24.6
Imports (goods and services)	33.1	34.9	33.1	34.1	29.4	34.3	35.1	36.5
Current account balance (incl gran	-8.0	-10.6	-9.2	-9.9	-16.0	-9.1	-10.2	-9.8
Current account balance (excl gran	-11.6	-13.9	-11.7	-12.7	-18.0	-12.2	-12.8	-12.6
Current account balance (excl. larg	-7.6	-10.4	-9.0	-8.9	-15.0	-8.2	-9.4	-7.7
Gross international reserves								
In millions of US\$	1,319	1,367	1,440	1,553	1,000	1,654	1,160	1,330
In months of next year's imports	4.7	4.4	5.4	4.6	2.9	4.6	3.0	3.3
<b>Memorandum items:</b>								
GDP at current market prices								
Rwanda francs (billion)	8,189	9,045	9,121	10,313	10,210	11,688	11,476	13,012
Population (million)	12.1	12.4	12.4	12.7	12.7	13.0	13.0	13.3

Sources: Rwandan authorities and IMF staff estimates.

<sup>1</sup> Overall deficit excl. spending on materialized contingent liabilities and other items already incl. in the DSA.

**Table 2a. Rwanda: Budgetary Central Government Flows, GFSM 1986 Presentation, FY17/18–21/22<sup>1</sup>**  
(Billions of Rwandan francs)

	2017/18	2018/19	2019/20			2020/21		2021/22	
	Act.	Act.	1st Review	Rev. Budget	Proj.	1st Review	Proj.	1st Review	Proj.
<b>Revenue and grants</b>	<b>1,820</b>	<b>2,065</b>	<b>2,250</b>	<b>2,272</b>	<b>2,139</b>	<b>2,551</b>	<b>2,463</b>	<b>2,848</b>	<b>2,848</b>
Total revenue	1,462	1,670	1,847	1,869	1,736	2,065	1,977	2,342	2,342
Tax revenue	1,253	1,419	1,591	1,601	1,468	1,828	1,752	2,090	2,090
Direct taxes	539	617	698	703	637	767	730	915	915
Taxes on goods and services	616	690	771	776	723	906	874	1,015	1,015
Taxes on international trade	98	112	122	122	108	155	148	161	161
Non-tax revenue	209	251	256	268	268	237	225	252	252
of which : PKO	150	151	169	169	169	142	142	143	143
Grants	359	395	403	403	403	486	486	506	506
Budget grants	190	162	143	143	143	197	197	234	234
Project grants	169	233	260	260	260	289	289	272	272
<b>Total expenditure and net lending</b>	<b>2,188</b>	<b>2,611</b>	<b>2,942</b>	<b>3,065</b>	<b>3,145</b>	<b>3,169</b>	<b>3,239</b>	<b>3,516</b>	<b>3,516</b>
Current expenditure	1,177	1,343	1,455	1,498	1,548	1,626	1,670	1,793	1,793
Wages and salaries	324	366	423	423	423	491	491	552	552
Purchases of goods and services	216	230	235	268	318	312	356	355	355
of which: Coronavirus-related spending			--	--	50	--	44	--	--
of which: Disaster-Management spending			--	33	33	--	--	--	--
Interest payments	92	102	156	156	156	165	165	185	185
Domestic debt	49	55	101	101	101	99	99	105	105
External debt	43	48	54	54	54	66	66	79	79
Transfers	363	407	411	420	420	473	473	513	513
Local government taxes	34	61	67	67	67	85	85	99	99
PKO and demobilization	182	238	230	230	230	185	185	189	189
of which: PKO	146	213	184	184	184	136	136	132	132
Capital expenditure	850	1,072	1,160	1,236	1,266	1,322	1,348	1,492	1,492
Domestic	463	624	702	702	732	785	811	925	925
of which: Coronavirus-related spending			--	--	30	--	26	--	--
Foreign	387	448	458	534	534	537	537	567	567
Net lending and privatization receipts	160	196	326	331	331	221	221	231	231
of which : Export promotion	35	40	99	104	104	79	79	72	72
of which : Assumption of loan guarantee	--	--	80	80	80	--	--	--	--
<b>Overall balance (incl. grants, commitment basis)</b>	<b>-367</b>	<b>-546</b>	<b>-691</b>	<b>-792</b>	<b>-1,006</b>	<b>-618</b>	<b>-777</b>	<b>-668</b>	<b>-668</b>
of which Debt-creating overall balance (excl. PKO) <sup>2</sup>	<b>-371</b>	<b>-485</b>	<b>-596</b>	<b>-697</b>	<b>-911</b>	<b>-624</b>	<b>-783</b>	<b>-679</b>	<b>-679</b>
of which Debt-creating overall balance (excl. PKO, shocks) <sup>3</sup>	-371	-485	-596	-664	-827	-624	-739	-679	-679
Change in float/arrear <sup>4</sup>	-25	55	-55	-55	-55	-35	-35	-40	-40
<b>Overall balance (incl. grants, cash basis)</b>	<b>-392</b>	<b>-491</b>	<b>-746</b>	<b>-848</b>	<b>-1,061</b>	<b>-653</b>	<b>-812</b>	<b>-708</b>	<b>-708</b>
<b>Financing</b>	<b>392</b>	<b>491</b>	<b>746</b>	<b>848</b>	<b>848</b>	<b>653</b>	<b>653</b>	<b>708</b>	<b>708</b>
Foreign financing (net)	356	448	571	647	647	547	547	516	516
Drawings	382	477	628	703	703	624	624	611	611
Budgetary loans	211	262	429	429	429	377	377	317	317
Required Loans	--	--	--	--	--	94	94	101	101
Assumption of loan guarantee	--	--	54	54	54	--	--	--	--
Additional financing to be determined <sup>5</sup>	--	--	55	55	55	--	--	--	--
Project loans	170	215	198	274	274	247	247	295	295
Amortization	-26	-29	-56	-56	-56	-77	-77	-95	-95
Net domestic financing	43	54	175	201	201	106	106	192	192
Net credit from banking system	49	-13	175	201	201	106	106	192	192
Amortization of loan guarantee	--	--	-7	-7	-8	-8	-8	-10	-10
Assumption of loan guarantee	--	--	26	26	26	--	--	--	--
Nonbank sector	-6	67	--	--	--	--	--	--	--
Errors and omissions <sup>6</sup>	-7	-11	--	--	--	--	--	--	--
<b>Financing Gap</b>	--	--	--	--	213	--	158	--	--
Prospective RCF	--	--	--	--	101	--	--	--	--
Prospective financing from World Bank	--	--	--	--	68	--	--	--	--
Budget Support	--	--	--	--	54	--	--	--	--
Project Financing	--	--	--	--	13	--	--	--	--
Residual financing gap	--	--	--	--	45	--	158	--	--

Sources: Rwandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July to June.

<sup>2</sup> Overall deficit excluding spending on materialized contingent liabilities and other items already included in the DSA.

<sup>3</sup> Debt creating overall balance as previously defined excluding revenue losses and spending related to natural disasters and Coronavirus outbreak.

<sup>4</sup> A negative sign indicates a reduction.

<sup>5</sup> Commercial borrowing to finance budget.

<sup>6</sup> A negative number implies an overestimate of financing.

**Table 2b. Rwanda: Budgetary Central Government Flows, GFSM 1986 Presentation, FY17/18–21/22<sup>1</sup>**  
(Percent of GDP)

	2017/18	2018/19	2019/20		2020/21		2021/22		
	Act.	Act.	1st Review	Rev. Budget	Proj.	1st Review	Proj.	1st Review	Proj.
<b>Revenue and grants</b>	<b>23.1</b>	<b>23.9</b>	<b>23.3</b>	<b>23.5</b>	<b>22.1</b>	<b>23.2</b>	<b>22.7</b>	<b>22.8</b>	<b>23.3</b>
Total revenue	18.5	19.3	19.1	19.3	18.0	18.8	18.2	18.8	19.1
Tax revenue	15.9	16.4	16.4	16.5	15.2	16.6	16.2	16.8	17.1
Direct taxes	6.8	7.1	7.2	7.3	6.6	7.0	6.7	7.3	7.5
Taxes on goods and services	7.8	8.0	8.0	8.0	7.5	8.2	8.1	8.1	8.3
Taxes on international trade	1.2	1.3	1.3	1.3	1.1	1.4	1.4	1.3	1.3
Nontax revenue	2.6	2.9	2.6	2.8	2.8	2.2	2.1	2.0	2.1
<i>of which</i> : PKO	1.9	1.7	1.7	1.7	1.8	1.3	1.3	1.1	1.2
Grants	4.5	4.6	4.2	4.2	4.2	4.4	4.5	4.1	4.1
Budget grants	2.4	1.9	1.5	1.5	1.5	1.8	1.8	1.9	1.9
Project grants	2.1	2.7	2.7	2.7	2.7	2.6	2.7	2.2	2.2
<b>Total expenditure and net lending</b>	<b>27.7</b>	<b>30.2</b>	<b>30.4</b>	<b>31.7</b>	<b>32.5</b>	<b>28.8</b>	<b>29.9</b>	<b>28.2</b>	<b>28.7</b>
Current expenditure	14.9	15.5	15.0	15.5	16.0	14.8	15.4	14.4	14.6
Wages and salaries	4.1	4.2	4.4	4.4	4.4	4.5	4.5	4.4	4.5
Purchases of goods and services	2.7	2.7	2.4	2.8	3.3	2.8	3.3	2.8	2.9
<i>of which</i> : Coronavirus-related spending	0.0	0.0	0.0	0.0	0.5	0.0	0.4	2.8	0.0
<i>of which</i> : Disaster-Management spending	0.0	0.0	0.0	0.3	0.3	0.0	0.0	2.8	0.0
Interest payments	1.2	1.2	1.6	1.6	1.6	1.5	1.5	1.5	1.5
Domestic debt	0.6	0.6	1.0	1.0	1.0	0.9	0.9	0.8	0.9
External debt	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Transfers	4.6	4.7	4.2	4.3	4.4	4.3	4.4	4.1	4.2
PKO and demobilization	2.3	2.7	1.9	1.9	1.9	1.7	1.7	1.5	1.5
<i>of which</i> : PKO	1.8	2.5	1.9	1.9	1.9	1.2	1.3	1.1	1.1
Capital expenditure	10.8	12.4	12.0	12.8	13.1	12.0	12.4	12.0	12.2
Domestic	5.9	7.2	7.3	7.3	7.6	7.1	7.5	7.4	7.6
<i>of which</i> : Coronavirus-related spending	0.0	0.0	0.0	0.0	0.3	0.0	0.2	0.0	0.0
Foreign	4.9	5.2	4.7	5.5	5.5	4.9	4.9	4.5	4.6
Net lending and privatization receipts	2.0	2.3	3.4	3.4	3.4	2.0	2.0	1.8	1.9
<i>Of which</i> : Assumption of loan guarantee	0.0	0.0	0.8	0.8	0.8	0.0	0.0	0.0	0.0
<b>Overall balance (incl. grants, commitment basis)</b>	<b>-4.7</b>	<b>-6.3</b>	<b>-7.1</b>	<b>-8.2</b>	<b>-10.4</b>	<b>-5.6</b>	<b>-7.2</b>	<b>-5.4</b>	<b>-5.5</b>
<i>of which</i> : Debt-creating overall bal. (exc. PKO) <sup>2</sup>	<b>-4.7</b>	<b>-5.6</b>	<b>-6.2</b>	<b>-7.2</b>	<b>-9.4</b>	<b>-5.7</b>	<b>-7.2</b>	<b>-5.4</b>	<b>-5.5</b>
<i>of which</i> : Debt-creating overall balance (excl. PKO, shocks) <sup>3</sup>	<b>-4.7</b>	<b>-5.6</b>	<b>-5.2</b>	<b>-6.9</b>	<b>-8.6</b>	<b>-5.7</b>	<b>-6.8</b>	<b>-5.4</b>	<b>-5.5</b>
Change in float/arrears <sup>4</sup>	-0.3	0.6	-0.6	-0.6	-0.6	-0.3	-0.3	-0.3	-0.3
<b>Overall balance (incl. grants, cash basis)</b>	<b>-5.0</b>	<b>-5.7</b>	<b>-7.7</b>	<b>-8.8</b>	<b>-11.0</b>	<b>-5.9</b>	<b>-7.5</b>	<b>-5.7</b>	<b>-5.8</b>
<b>Financing</b>	<b>5.0</b>	<b>5.7</b>	<b>7.7</b>	<b>8.8</b>	<b>8.8</b>	<b>5.9</b>	<b>6.0</b>	<b>5.7</b>	<b>5.8</b>
Foreign financing (net)	4.5	5.2	5.9	6.7	6.7	5.0	5.0	4.1	4.2
Drawings	4.8	5.5	6.5	7.3	7.3	5.7	5.8	4.9	5.0
Budgetary loans	2.7	3.0	4.4	4.4	4.4	3.4	3.5	2.5	2.6
Required Loans	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.8	0.8
Assumption of loan guarantee	0.0	0.0	0.6	0.6	0.6	0.0	0.0	0.0	0.0
Additional financing to be determined <sup>5</sup>	0.0	0.0	0.6	0.6	0.6	0.0	0.0	0.0	0.0
Project loans	2.2	2.5	2.0	2.8	2.8	2.2	2.3	2.4	2.4
Amortization	-0.3	-0.3	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8
Net domestic financing	0.5	0.6	1.8	2.1	2.1	1.0	1.0	1.5	1.6
Net credit from banking system	0.6	-0.1	1.8	2.1	2.1	1.0	1.0	1.5	1.6
Amortization loan guarantee	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Assumption of loan guarantee	0.0	0.0	0.3	0.3	0.3	0.0	0.0	0.0	0.0
Nonbank sector	-0.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions <sup>6</sup>	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financing Gap</b>	--	--	--	--	2.2	--	1.5	--	--
Prospective RCF	--	--	--	--	1.0	--	0.0	--	--
Prospective financing from World Bank	--	--	--	--	0.7	--	0.0	--	--
Budget Support	--	--	--	--	0.6	--	0.0	--	--
Project Financing	--	--	--	--	0.1	--	0.0	--	--
Residual financing gap	--	--	--	--	0.5	--	1.5	--	--
<b>Memorandum items:</b>	--	--	--	--	--	--	--	--	--
<b>Debt-creating ov. balance (exc. PKO, 5-yr avg, com.basis)</b>	<b>-5.5</b>	<b>-6.3</b>	<b>-5.5</b>	<b>-5.5</b>	<b>-6.8</b>	<b>-5.5</b>	<b>-6.7</b>	<b>-5.3</b>	<b>-6.7</b>
GDP (Billions of Rwf), FY basis	7,895	8,655	9,679	9,679	9,665	11,001	10,843	12,471	12,244

Sources: Rwandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July to June.

<sup>2</sup> Overall deficit excluding spending on materialized contingent liabilities and other items already included in the DSA.

<sup>3</sup> Debt creating overall balance as previously defined excluding revenue losses and spending related to natural disasters and Coronavirus outbreak.

<sup>4</sup> A negative sign indicates a reduction.

<sup>5</sup> Commercial borrowing to finance the budget.

<sup>6</sup> A negative number implies an overestimate of financing.

**Table 3. Rwanda: Balance of Payments, 2018–22**  
(Millions of U.S. Dollars, unless otherwise indicated)

	2018		2019		2020		2021		2022
	Act.	1st Review	Act.	1st Review	Proj.	1st Review	Proj.	Proj.	
<b>Current account balance (incl. official transfers)</b>	<b>-756</b>	<b>-1,068</b>	<b>-935</b>	<b>-1,077</b>	<b>-1,728</b>	<b>-1,077</b>	<b>-1,191</b>	<b>-1,243</b>	
Trade balance	-915	-1,154	-1,072	-1,202	-1,165	-1,286	-1,359	-1,479	
Exports (f.o.b.)	1,126	1,171	1,167	1,298	1,028	1,458	1,370	1,645	
<i>Of which: coffee and tea</i>	159	152	156	163	140	196	198	229	
<i>Of which: minerals</i>	142	103	98	122	60	144	115	129	
Imports (f.o.b.)	2,041	2,325	2,239	2,499	2,193	2,744	2,728	3,124	
<i>Of which: capital goods</i>	548	678	645	695	432	796	929	1,113	
<i>Of which: Energy goods</i>	246	257	254	277	174	294	196	238	
Services (net)	-186	-187	-123	-141	-538	-94	-59	-31	
Credit	917	992	993	1,086	443	1,223	1,293	1,482	
<i>Of which: tourism receipts</i>	375	405	411	445	82	512	509	535	
Debit	1,103	1,180	1,115	1,227	981	1,317	1,353	1,513	
Income	-312	-368	-325	-397	-347	-438	-404	-454	
<i>Of which: interest on public debt<sup>1,2</sup></i>	89	-92	-92	-100	-96	-113	-87	-86	
Current transfers (net)	657	642	585	663	322	741	631	721	
Private	311	320	331	354	109	376	328	363	
Public	346	322	254	309	214	364	303	358	
<b>Capital and financial account balance</b>	<b>891</b>	<b>1,116</b>	<b>1,232</b>	<b>1,286</b>	<b>1,097</b>	<b>1,214</b>	<b>1,387</b>	<b>1,458</b>	
Capital account	245	260	260	285	285	291	290	286	
Financial account	647	856	972	1,001	813	923	1,097	1,172	
Direct investment	284	300	331	367	186	368	518	425	
Public sector capital <sup>3</sup>	482	527	599	609	638	542	559	672	
Long-term borrowing <sup>2</sup>	550	597	669	862	890	701	704	794	
Scheduled amortization, excl IMF	-68	-70	-70	-252	-252	-159	-146	-122	
Other capital <sup>4</sup>	-119	29	42	25	-11	13	20	75	
<i>Of which: commercial banks NFA (increase -)</i>	-126	104	123	0	0	0	0	0	
<b>Net errors and omissions</b>	<b>-2</b>	<b>0</b>	<b>-178</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Overall balance</b>	<b>133</b>	<b>48</b>	<b>120</b>	<b>209</b>	<b>-630</b>	<b>138</b>	<b>197</b>	<b>214</b>	
<b>Financing</b>	<b>-133</b>	<b>-48</b>	<b>-120</b>	<b>-209</b>	<b>417</b>	<b>-138</b>	<b>-197</b>	<b>-214</b>	
Reserve assets (increase -)	-158	-48	-120	-186	439	-101	-160	-170	
Net credit from the IMF	24	0	0	-23	-22	-37	-36	-45	
<b>Financing gap</b>	...	...	...	...	<b>213</b>	...	0	0	
in percent of GDP	...	...	...	...	2.0	...	0.0	0.0	
Prospective RCF from the IMF	...	...	...	...	<b>109</b>	...	0	0	
Prospective financing from the World Bank	...	...	...	...	73	...	0	0	
Residual financing gap	...	...	...	...	<b>31</b>	...	0	0	
<b>Memorandum items:</b>									
Current account deficit (percent of GDP) <sup>5</sup>	-8.0	-10.6	-9.2	-9.9	-16.0	-9.1	-10.2	-9.8	
Trade balance (percent of GDP)	-9.6	-11.5	-10.6	-11.0	-10.8	-10.8	-11.7	-11.6	
<b>Gross official reserves</b>	<b>1,319</b>	<b>1,367</b>	<b>1,440</b>	<b>1,553</b>	<b>1,000</b>	<b>1,654</b>	<b>1,160</b>	<b>1,330</b>	
in months of prospective imports of G&S	4.7	4.4	5.4	4.6	2.9	4.6	3.0	3.3	
<b>Financing gap (for adequate reserves)<sup>6</sup></b>	...	...	...	...	360	...	385	268	
in percent of GDP	...	...	...	...	3.3	...	3.3	2.1	

Sources: Rwandan authorities and IMF staff estimates and projections.

<sup>1</sup> Including interest due to the IMF.

<sup>2</sup> Includes central government project and budget loans, and borrowing by KCC, Rwandair, and Bugesera.

<sup>3</sup> Financial account excludes debt assumption for Marriott included in the fiscal sector.

<sup>4</sup> Other capital includes long-term private capital, commercial credit, change in NFA of commercial banks, and unrecorded imports.

<sup>5</sup> Including official transfers.

<sup>6</sup> The amount of additional reserves needed to bring import cover to 4 months, which is a minimum level of reserves to be adequate. See Country Report No. 19/211.

**Table 4. Rwanda: Monetary Survey, 2018–22**  
(Billions of Rwandan francs, unless otherwise indicated)

	2018		2019			2020				2021			2022
	Dec.	Jun.	Dec.	Jun.	Dec.	Jun.	Dec.	Jun.	Dec.	Jun.	Dec.	Dec.	
	Act.	Act.	1st Review	Act.	1st Review	Proj.	1st Review	Proj.	Proj.	1st Review	Proj.	Proj.	
<b>Monetary authorities</b>													
Net Foreign Assets <sup>1</sup>	902	843	972	1,041	910	848	1,164	655	746	1,291	837	1,035	
<i>Of which: Foreign assets</i>	1,160	1,126	1,262	1,329	1,190	1,126	1,434	923	997	1,527	1,071	1,228	
<i>Foreign liabilities</i>	258	283	290	288	280	278	269	268	251	236	234	193	
Net domestic assets	-519	-413	-508	-593	-394	-377	-597	-158	-209	-623	-248	-342	
Domestic credit	-326	-199	-268	-372	-156	-152	-362	71	14	-396	-31	-146	
Other items (net; asset +)	-194	-214	-240	-220	-238	-225	-236	-229	-223	-227	-217	-195	
Reserve money <sup>2</sup>	382	429	465	448	516	471	567	497	537	668	589	693	
<b>Commercial banks</b>													
Net foreign assets	167	81	79	121	79	121	79	121	121	79	121	121	
Reserves	197	216	233	218	256	231	279	244	265	322	292	346	
Net credit to BNR	56	8	123	2	204	124	291	107	162	265	280	301	
Domestic credit	1,984	2,249	2,360	2,371	2,432	2,347	2,639	2,480	2,550	3,097	2,708	3,006	
Government (net)	290	393	374	440	291	450	376	450	450	667	450	450	
Public enterprises	95	126	90	129	88	62	85	62	62	80	62	62	
Private sector	1,599	1,730	1,895	1,802	2,053	1,835	2,177	1,968	2,038	2,350	2,196	2,494	
Other items (net; asset +)	-518	-548	-503	-551	-503	-551	-503	-551	-551	-503	-551	-551	
Deposits	1,886	2,006	2,292	2,162	2,469	2,272	2,785	2,401	2,547	3,260	2,850	3,223	
<b>Monetary survey</b>													
Net foreign assets	1,069	923	1,052	1,162	989	969	1,244	777	867	1,371	958	1,156	
Net domestic assets	1,003	1,296	1,471	1,229	1,739	1,543	1,831	1,877	1,951	2,237	2,189	2,414	
Domestic credit	1,714	2,058	2,214	2,001	2,506	2,299	2,567	2,405	2,609	2,964	2,867	3,128	
Government	-2.9	178	216	46	353	378	292	351	484	521	584	548	
Public enterprises	95	126	90	129	88	62	85	62	62	80	62	62	
Private sector	1,622	1,754	1,907	1,826	2,065	1,859	2,189	1,992	2,062	2,362	2,220	2,518	
Other items (net; asset +)	-711	-762	-743	-772	-741	-776	-738	-781	-774	-730	-768	-747	
Broad money	2,072	2,220	2,523	2,391	2,729	2,512	3,074	2,654	2,819	3,608	3,147	3,570	
<b>Year on Year Growth</b> (Percent)													
Broad money	15.6	14.3	21.8	15.4	22.9	13.2	21.9	11.0	12.2	17.4	18.6	13.4	
Reserve money	16.1	15.3	21.5	17.2	20.2	9.7	22.1	10.9	13.9	17.8	18.6	17.6	
Net foreign assets	33.0	15.3	-1.6	8.7	7.1	5.0	18.3	-33.2	-10.5	10.2	23.4	20.7	
Credit to the private sector	10.8	17.6	17.6	12.6	17.7	5.9	14.8	9.1	10.9	7.9	11.4	13.4	
<b>Memorandum items:</b>													
Velocity (eop)	4.0	3.9	3.6	3.8	3.5	3.8	3.4	3.8	3.8	3.2	3.6	3.6	
Money multiplier	5.4	5.2	5.4	5.3	5.5	5.3	5.4	5.3	5.3	5.4	5.3	5.2	

Sources: National Bank of Rwanda (NBR) and IMF staff estimates and projections.

<sup>1</sup> For program purposes NFA are shown at program exchange rates.

<sup>2</sup> Reserve money as an assessment criteria is measured as the average of the months in the quarter. The actual reserve money is measured as the daily average of the three months in the quarter.

	2018	2019	2020	2021	2022
	Act.	Act.	Proj.	Proj.	Proj.
<b>Financing needs</b>	<b>890</b>	<b>1,054</b>	<b>1,311</b>	<b>1,387</b>	<b>1,458</b>
Current account deficit	756	935	1,728	1,191	1,243
Net payment to the IMF	-24	0	22	36	45
Reserve accumulation (+ =increase)	158	120	-439	160	170
<b>Financing sources<sup>1</sup></b>	<b>891</b>	<b>1,232</b>	<b>1,097</b>	<b>1,387</b>	<b>1,458</b>
Capital account	245	260	285	290	286
Financial account	647	972	813	1,097	1,172
<b>Net errors and omissions</b>	<b>-2</b>	<b>-178</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing gap</b>	<b>0</b>	<b>0</b>	<b>213</b>	<b>0</b>	<b>0</b>
<b>Additional financing sources</b>	<b>0</b>	<b>0</b>	<b>183</b>	<b>0</b>	<b>0</b>
Financing from the IMF (RCF) <sup>2</sup>	0	0	109	0	0
Financing from the World Bank	0	0	73	0	0
<b>Remaining financing gap</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>0</b>

Source: Rwandan authorities, and IMF staff estimates and projections.  
1/ Excluding changes in public and private transfers related to the COVID-19 pandemic.  
2/ Assumes access of 50.0 percent of the quota in April 2020 as one-time disbursement.

Table 7. Rwanda: Indicators of Capacity to Repay the Fund, 2020–30<sup>1</sup>

		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
IMF obligations based on existing credit (in millions of SDRs)												
Principal	Projected	16.0	26.0	32.0	32.0	24.0	12.0	2.0	0.0	0.0	0.0	0.0
Charges and interest	Projected	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
IMF obligations based on existing and prospective credit (in millions of SDRs)												
Principal	Projected	16.0	26.0	32.0	32.0	24.0	20.0	18.0	16.0	16.0	16.0	8.0
Charges and interest	Projected	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total IMF obligations based on existing and prospective credit												
In millions of SDRs	Projected	16.2	26.2	32.2	32.2	24.2	20.2	18.2	16.2	16.2	16.2	8.2
In millions of U.S. dollars	Projected	22.3	36.4	44.8	45.0	33.9	28.4	25.6	22.7	22.7	22.7	11.5
In percent of GDP	Projected	0.2	0.3	0.4	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.0
In percent of exports of goods and services	Projected	1.5	1.4	1.4	1.4	0.9	0.7	0.6	0.4	0.4	0.4	0.2
In percent of government revenue	Projected	1.2	1.7	1.9	1.7	1.2	0.9	0.7	0.6	0.5	0.5	0.2
In percent of gross international reserves	Projected	2.2	3.1	3.4	3.1	1.6	1.2	0.9	0.7	0.7	0.6	0.3
In percent of IMF quota	Projected	10.1	16.4	20.1	20.1	15.1	12.6	11.4	10.1	10.1	10.1	5.1
IMF credit outstanding (end-of-period)												
In millions of SDRs	Projected	208.3	182.2	150.2	118.2	94.1	74.1	56.1	40.1	24.0	8.0	0.0
In millions of U.S. dollars	Projected	288.4	253.2	209.4	165.1	132.0	104.3	78.9	56.4	33.8	11.3	0.0
In percent of GDP	Projected	2.7	2.2	1.6	1.2	0.9	0.6	0.4	0.3	0.2	0.0	0.0
In percent of exports of goods and services	Projected	19.6	9.5	6.7	5.1	3.7	2.6	1.7	1.1	0.6	0.2	0.0
In percent of government revenue	Projected	15.7	11.5	8.7	6.2	4.5	3.2	2.2	1.5	0.8	0.2	0.0
In percent of gross international reserves	Projected	28.8	21.8	15.7	11.4	6.1	4.3	2.9	1.8	1.0	0.3	0.0
In percent of IMF quota	Projected	130.0	113.8	93.8	73.8	58.8	46.2	35.0	25.0	15.0	5.0	0.0
Memorandum items												
Nominal GDP (in millions of U.S. dollars)	Projected	10,815	11,633	12,717	14,083	15,383	16,626	17,976	19,466	21,224	23,212	25,384
Exports of goods and services (in millions of U.S. dollars)	Projected	1,471	2,663	3,127	3,239	3,581	4,021	4,538	5,121	5,747	6,443	7,198
Government revenue (in millions of U.S. dollars)	Projected	1,831	2,201	2,406	2,668	2,945	3,217	3,513	3,842	4,230	4,671	5,157
Gross international reserves (in millions of U.S. dollars)	Projected	1,000	1,160	1,330	1,445	2,175	2,442	2,737	3,071	3,401	3,767	4,154
IMF quota (in millions of SDRs)	Projected	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2
SDRs per U.S. dollars	Projected	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Source: Rwandan authorities, and IMF staff estimates and projections.

1/ Assumes access of 50.0 percent of the quota in April 2020 as one-time disbursement.