

SU/20/121

June 11, 2020

**The Acting Chair's Summing Up
Rwanda—Request for Disbursement Under the Rapid Credit Facility
Executive Board Meeting 20/70
June 11, 2020**

Executive Directors noted that the COVID-19 pandemic continues to severely impact Rwanda's economy and hamper growth prospects. The strict lockdown measures and deterioration in the global outlook since the first RCF request in April have heightened budget and balance of payments pressures. Directors noted that additional Fund emergency support would help address urgent financing needs, support economic relief efforts, shore up confidence, and catalyze additional concessional support.

Directors welcomed the initial package of economic measures already adopted by the authorities and the Economic Recovery Plan with its comprehensive and articulated set of fiscal measures to address the health and economic crisis. They welcomed the authorities' timely response to the spread of the virus, including use of digital technology and mobile money transactions, as well as the roll out of programs to support vulnerable households and small- and medium-sized businesses.

Directors considered that the accommodative fiscal and monetary stance was appropriate but, once the crisis abates, policy should be normalized to ensure debt sustainability, financial stability, and low inflation. With the recategorization of debt risk from "low" to "moderate," fiscal consolidation should resume once conditions allow. Monetary policy should remain data-driven and supervision should be stepped up to safeguard financial stability.

Directors strongly supported the authorities' commitment to transparency and accountability to ensure the appropriate use of emergency financing, building on their strong public financial management framework, including use of the e-procurement platform and audits.

Directors welcomed support from the World Bank and other development partners following the first RCF disbursement in April and called for expeditious additional support from development partners to close the remaining balance of payments gap and ease the adjustment burden.