

**EXECUTIVE  
BOARD  
MEETING**

EBS/20/179  
Correction 1

December 8, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Rwanda—Third Review Under the Policy Coordination Instrument**

Board Action:

The attached corrections to EBS/20/179 (12/2/20) have been provided by the staff:

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

**Pages 28 and 29**

Questions:

Ms. Teferra, AFR (ext. 37301)  
Mr. Duarte Lledo, AFR (ext. 36748)  
Mr. Gyesaw, AFR (ext. 35544)



**Table 2a. Rwanda: Budgetary Central Government Flows, GFSM 2014 Presentation, FY19/20–24/25<sup>1</sup>**  
(billions of Rwandan Francs)

	2019/20			2020/21			2021/22			2022/23	2023/24	2024/25
	1st Review	RCF-2	Prel.	1st Review	RCF-2	Proj.	1st Review	RCF-2	Proj.	Proj.	Proj.	Proj.
<b>Revenue</b>	<b>2,250</b>	<b>2,082</b>	<b>2,193</b>	<b>2,551</b>	<b>2,116</b>	<b>2,423</b>	<b>2,848</b>	<b>2,386</b>	<b>2,607</b>	<b>2,963</b>	<b>3,336</b>	<b>3,807</b>
Taxes	1,553	1,374	1,476	1,786	1,424	1,560	2,040	1,571	1,687	1,957	2,249	2,588
Taxes on income, profits, and capital gains	659	586	641	725	615	655	864	652	679	816	925	1,045
Taxes on payroll and workforce	0	0	0	0	0	0	0	0	0	0	0	0
Taxes on property	0	0	5	0	0	4	0	0	0	0	0	0
Taxes on goods and services	772	679	712	906	701	777	1,015	798	870	985	1,145	1,330
Taxes on international trade and transactions	122	108	117	155	108	124	161	121	137	156	179	213
Other taxes	0	0	0	0	0	0	0	0	0	0	0	0
Grants	403	422	427	486	437	592	506	524	604	696	734	802
Current	143	162	168	197	148	300	234	247	327	411	432	455
Capital	260	260	260	289	289	292	272	277	277	285	301	348
Other revenue	295	286	290	279	255	271	302	291	316	309	354	417
<i>of which CCRT</i>	--	10	10	--	--	16	--	--	--	--	--	--
<b>Expense (Current exp.)</b>	<b>1,854</b>	<b>1,981</b>	<b>1,901</b>	<b>2,033</b>	<b>2,012</b>	<b>1,936</b>	<b>2,251</b>	<b>2,159</b>	<b>2,231</b>	<b>2,460</b>	<b>2,678</b>	<b>2,782</b>
Compensation of employees	301	301	266	353	376	304	410	443	236	256	283	305
Use of goods and services	508	620	572	549	514	470	600	508	694	736	850	797
<i>of which: Covid-19 spending</i>	--	60	65	--	60	60	--	--	11	--	--	--
<i>of which: Disaster-management spending</i>	--	33	33	--	--	--	--	--	--	--	--	--
Interest	156	152	139	165	168	197	185	211	206	224	203	213
To nonresidents	54	50	61	66	59	60	79	66	67	77	53	62
To residents other than general government	101	101	78	99	109	137	105	145	139	147	150	151
Subsidies	222	236	252	202	229	269	217	219	259	339	367	396
<i>of which: Covid-19 spending<sup>2</sup></i>	--	18	12	--	15	--	--	--	--	--	--	--
Grants	497	508	500	571	547	502	619	582	623	665	704	764
To EBUs	34	35	31	39	38	42	43	40	52	55	58	63
Current	22	22	17	26	28	31	27	30	42	43	45	49
<i>of which compensation of employees</i>	17	17	16	19	18	26	21	19	32	34	36	39
Capital	12	13	14	13	9	10	16	10	10	12	13	14
To Local Government	463	473	469	532	510	460	577	542	571	610	646	701
Current	298	298	279	348	382	298	360	400	420	431	446	480
<i>of which compensation of employees</i>	202	202	171	232	218	229	252	231	284	304	322	349
Capital	165	175	128	184	128	162	217	142	151	179	201	221
Social benefits	29	28	27	33	30	33	37	34	36	41	46	52
<i>of which: Covid-19 spending</i>	--	--	5	--	--	11	--	--	5	5	--	--
Other expense	142	136	144	161	147	161	183	163	177	199	225	254
<b>Gross Operating Balance (Current balance)</b>	<b>397</b>	<b>101</b>	<b>292</b>	<b>518</b>	<b>104</b>	<b>487</b>	<b>596</b>	<b>228</b>	<b>377</b>	<b>503</b>	<b>658</b>	<b>1,025</b>
including grants	-6	-321	-136	32	-333	-105	90	-296	-227	-194	-75	223
<b>Net acquisition of nonfin. assets (Capital exp.)</b>	<b>984</b>	<b>1,108</b>	<b>1,033</b>	<b>1,124</b>	<b>1,007</b>	<b>1,143</b>	<b>1,260</b>	<b>1,084</b>	<b>1,135</b>	<b>1,262</b>	<b>1,390</b>	<b>1,540</b>
Foreign financed	458	548	548	537	598	601	567	631	631	662	719	801
Domestically financed	526	559	485	588	408	541	693	454	505	600	671	739
<i>of which: Covid-19 spending</i>	--	40	27	--	40	40	--	--	127	100	--	--
<b>Net lending (+) / borrowing (-) (Overall balance)</b>	<b>-587</b>	<b>-1,006</b>	<b>-741</b>	<b>-606</b>	<b>-903</b>	<b>-656</b>	<b>-663</b>	<b>-857</b>	<b>-758</b>	<b>-759</b>	<b>-731</b>	<b>-515</b>
including grants	-990	-1,428	-1,169	-1,092	-1,340	-1,248	-1,169	-1,381	-1,363	-1,455	-1,465	-1,318
<b>Net acquisition of financial assets</b>	<b>-71</b>	<b>79</b>	<b>423</b>	<b>-94</b>	<b>-111</b>	<b>0</b>	<b>-187</b>	<b>-187</b>	<b>-76</b>	<b>-95</b>	<b>-195</b>	<b>-10</b>
Domestic	-71	79	423	-94	-111	0	-187	-187	-76	-95	-195	-10
Currency and deposits	-175	-87	309	-106	-181	-220	-192	-202	-185	-163	-195	-110
Equity and investment fund shares	10	10	10	7	8	7	5	--	5	5	--	--
Loans	94	155	104	5	62	212	--	16	104	63	--	100
<i>of which: Covid-19 spending<sup>3</sup></i>	--	56	--	--	39	183	--	--	25	--	--	--
<b>Net incurrence of liabilities</b>	<b>516</b>	<b>1,085</b>	<b>1,160</b>	<b>512</b>	<b>792</b>	<b>655</b>	<b>476</b>	<b>670</b>	<b>682</b>	<b>664</b>	<b>537</b>	<b>506</b>
Currency and deposits	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities	50	50	271	57	57	57	66	66	73	83	0	0
Loans	521	1,090	915	490	766	633	451	645	649	621	577	546
Other accounts payable	-55	-55	-27	-35	-32	-35	-40	-40	-40	-40	-40	-40
Statistical discrepancy	0.0	0.0	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Memorandum items:</b>												
Domestic revenue (incl. Local government)	1,553	1,374	1,476	1,786	1,424	1,560	2,040	1,571	1,687	1,957	2,249	2,588
Wage bill	520	520	453	605	612	558	683	694	552	594	641	693
Total Covid-19 related spending	--	174	109	--	153	294	--	--	168	105	--	--
Overall fiscal balance (incl. grants, comm. basis)	-691	-1,172	-855	-618	-972	-875	-668	-872	-867	-827	-731	-615
Debt creating overall bal. (excl. PKO) <sup>4</sup>	-596	-1,077	-729	-624	-979	-883	-679	-885	-867	-827	-731	-615

Sources: Rwandan authorities and IMF staff estimates and projections.

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

<sup>2</sup> Additional support to Rwandair.

<sup>3</sup> Economic Recovery Fund.

<sup>4</sup> Overall deficit excluding spending on materialized contingent liabilities and other items already included in the DSA.

<sup>5</sup> Debt creating overall balance as previously defined excluding spending related to natural disasters and Coronavirus outbreak.

**Table 2b. Rwanda: Budgetary Central Government Flows, GFSM 2014 Presentation, FY19/20–24/25<sup>1</sup>**  
(percent of GDP)

	2019/20			2020/21			2021/22			2022/23	2023/24	2024/25
	1st Review	RCF-2	Prel.	1st Review	RCF-2	Proj.	1st Review	RCF-2	Proj.	Proj.	Proj.	Proj.
<b>Revenue</b>	<b>23.3</b>	<b>21.9</b>	<b>23.3</b>	<b>23.2</b>	<b>20.6</b>	<b>23.7</b>	<b>22.8</b>	<b>21.1</b>	<b>23.2</b>	<b>23.4</b>	<b>23.3</b>	<b>23.6</b>
Taxes	16.0	14.5	15.7	16.2	13.9	15.2	16.4	13.9	15.0	15.5	15.7	16.0
Taxes on income, profits, and capital gains	6.8	6.2	6.8	6.6	6.0	6.4	6.9	5.8	6.0	6.4	6.5	6.5
Taxes on property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on goods and services	8.0	7.2	7.6	8.2	6.8	7.6	8.1	7.0	7.7	7.8	8.0	8.2
Taxes on international trade and transactions	1.3	1.1	1.2	1.4	1.1	1.2	1.3	1.1	1.2	1.2	1.3	1.3
Other taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	4.2	4.4	4.5	4.4	4.3	5.8	4.1	4.6	5.4	5.5	5.1	5.0
Current	1.5	1.7	1.8	1.8	1.4	2.9	1.9	2.2	2.9	3.2	3.0	2.8
Capital	2.7	2.7	2.8	2.6	2.8	2.9	2.2	2.4	2.5	2.3	2.1	2.2
Other revenue	3.0	3.0	3.1	2.5	2.5	2.6	2.4	2.6	2.8	2.4	2.5	2.6
of which CCRT	--	0.1	0.1	--	--	0	--	--	--	--	--	--
<b>Expense (Current exp.)</b>	<b>19.2</b>	<b>20.9</b>	<b>20.2</b>	<b>18.5</b>	<b>19.6</b>	<b>18.9</b>	<b>18.1</b>	<b>19.0</b>	<b>19.8</b>	<b>19.4</b>	<b>18.7</b>	<b>17.2</b>
Compensation of employees	3.1	3.2	2.8	3.2	3.7	3.0	3.3	3.9	2.1	2.0	2.0	1.9
Use of goods and services	5.2	6.5	6.1	5.0	5.0	4.6	4.8	4.5	6.2	5.8	5.9	4.9
of which: Covid-19 spending	--	0.6	0.7	--	0.6	0.6	--	--	0.1	--	--	--
of which: Disaster-management spending	--	0.4	0.3	--	--	--	--	--	--	--	--	--
Interest	1.6	1.6	1.5	1.5	1.6	1.9	1.5	1.9	1.8	1.8	1.4	1.3
To nonresidents	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.4	0.4
To residents other than general government	1.0	1.1	0.8	0.9	1.1	1.3	0.8	1.3	1.2	1.2	1.0	0.9
Subsidies	2.3	2.5	2.7	1.8	2.2	2.6	1.7	1.9	2.3	2.7	2.6	2.5
of which: Covid-19 spending <sup>4</sup>	--	0.2	0.1	--	0.1	0.0	--	0.0	0.0	0.0	0.0	0.0
Grants	5.1	5.3	5.3	5.2	5.3	4.9	5.0	5.1	5.5	5.3	4.9	4.7
To EBUs	0.4	0.4	0.3	0.4	0.4	0.4	0.3	0.4	0.5	0.4	0.4	0.4
Current	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.4	0.3	0.3	0.3
of which compensation of employees	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.2
Capital	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
To Local Government	4.8	5.0	5.0	4.8	5.0	4.5	4.6	4.8	5.1	4.8	4.5	4.3
Current	3.1	3.1	3.0	3.2	3.7	2.9	2.9	3.5	3.7	3.4	3.1	3.0
of which compensation of employees	2.1	2.1	1.8	2.1	2.1	2.2	2.0	2.0	2.5	2.4	2.2	2.2
Capital	1.7	1.8	1.4	1.7	1.2	1.6	1.7	1.3	1.3	1.4	1.4	1.4
Social benefits	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
of which: Covid-19 spending	--	--	0.1	--	--	0.1	--	--	--	--	--	--
Other expense	1.5	1.4	1.5	1.5	1.4	1.6	1.5	1.4	1.6	1.6	1.6	1.6
<b>Net Operating Balance (Current balance)</b>	<b>4.1</b>	<b>1.1</b>	<b>3.1</b>	<b>4.7</b>	<b>1.0</b>	<b>4.8</b>	<b>4.8</b>	<b>2.0</b>	<b>3.3</b>	<b>4.0</b>	<b>4.6</b>	<b>6.3</b>
including grants	--	--	--	--	--	--	--	--	--	--	--	--
excluding grants	-0.1	-3.4	-1.4	0.3	-3.2	-1.0	0.7	-2.6	-2.0	-1.5	-0.5	1.4
<b>Net acquisition of nonfin. assets (Capital exp.)</b>	<b>10.2</b>	<b>11.7</b>	<b>11.0</b>	<b>10.2</b>	<b>9.8</b>	<b>11.2</b>	<b>10.1</b>	<b>9.6</b>	<b>10.1</b>	<b>10.0</b>	<b>9.7</b>	<b>9.5</b>
Foreign financed	4.7	5.8	5.8	4.9	5.8	5.9	4.5	5.6	5.6	5.2	5.0	5.0
Domestically financed	5.4	5.9	5.2	5.3	4.0	5.3	5.6	4.0	4.5	4.7	4.7	4.6
of which: Covid-19 spending	--	0.4	0.3	--	0	0.4	--	--	1.1	0.8	--	--
<b>Net lending (+) / borrowing (-) (Overall balance)</b>	<b>-6.1</b>	<b>-10.6</b>	<b>-7.9</b>	<b>-5.5</b>	<b>-8.8</b>	<b>-6.4</b>	<b>-5.3</b>	<b>-7.6</b>	<b>-6.7</b>	<b>-6.0</b>	<b>-5.1</b>	<b>-3.2</b>
including grants	--	--	--	--	--	--	--	--	--	--	--	--
excluding grants	-10.2	-15.0	-12.4	-9.9	-13.1	-12.2	-9.4	-12.2	-12.1	-11.5	-10.2	-8.2
<b>Net acquisition of financial assets</b>	<b>-0.7</b>	<b>0.8</b>	<b>4.5</b>	<b>-0.9</b>	<b>-1.1</b>	<b>0.0</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-1.4</b>	<b>-0.1</b>
Currency and deposits	-1.8	-0.9	3.3	-1.0	-1.8	-2.1	-1.5	-1.8	-1.6	-1.3	-1.4	-0.7
Equity and investment fund shares	0.1	0.1	0.1	0.1	0.1	0.1	--	--	--	--	--	--
Loans	1.0	1.6	1.1	0.0	0.6	2.1	0.0	0.1	0.9	0.5	0.0	0.6
of which: Covid-19 spending <sup>5</sup>	--	0.6	--	--	0.4	1.8	--	--	0.2	--	--	--
<b>Net incurrence of liabilities</b>	<b>5.3</b>	<b>11.4</b>	<b>12.3</b>	<b>4.7</b>	<b>7.7</b>	<b>6.4</b>	<b>3.8</b>	<b>5.9</b>	<b>6.1</b>	<b>5.2</b>	<b>3.7</b>	<b>3.1</b>
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.5	0.5	2.9	0.5	0.6	0.6	0.5	0.6	0.6	0.7	0.0	0.0
Loans	5.4	11.5	9.7	4.5	7.5	6.2	3.6	5.7	5.8	4.9	4.0	3.4
Other accounts payable	-0.6	-0.6	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.3	-0.3	-0.2
Statistical discrepancy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Memorandum items:</b>												
Domestic revenue (incl. Local government)	16.0	14.5	15.7	16.2	13.9	15.2	16.4	13.9	15.0	15.5	15.7	16.0
Wage bill	5.4	5.5	4.8	5.5	6.0	5.5	5.5	6.1	4.9	4.7	4.5	4.3
Total Covid-19 related spending	--	1.8	1.2	--	1.5	2.9	--	--	1.5	0.8	--	--
Overall fiscal balance (incl. grants, comm. basis)	-7.1	-12.3	-9.1	-5.6	-9.5	-8.5	-5.4	-7.7	-7.7	-6.5	-5.1	-3.8
Debt creating overall bal. (excl. PKO, comm.) <sup>2</sup>	-6.2	-11.3	-7.8	-5.7	-9.5	-8.6	-5.4	-7.8	-7.7	-6.5	-5.1	-3.8
Unidentified adjustment measures <sup>3</sup>	--	--	--	--	--	--	--	--	--	0.4	1.0	1.2
GDP (Billions of Rwf), FY basis	9,679	9,499	9,399	11,001	10,261	10,241	12,471	11,336	11,251	12,655	14,317	16,157

Sources: Rwandan authorities and IMF staff estimates and projections.

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

<sup>2</sup> Additional support to Rwanda.

<sup>3</sup> Economic Recovery Fund.

<sup>4</sup> Overall deficit excluding spending on materialized contingent liabilities and other items already included in the DSA.

<sup>5</sup> Combined revenue and expenditure measures required for the projected fiscal consolidated path. To be clarified following the forthcoming MTRS and the PER/PIMA exercises.