INTERNATIONAL MONETARY FUND

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RWANDA

December 2025

2025 ARTICLE IV CONSULTATION AND SIXTH REVIEW UNDER THE POLICY COORDINATION INSTRUMENT—PRESS RELEASE; AND STAFF REPORT

In the context under the 2025 Article IV Consultation with Rwanda and the Sixth Review Under the Policy Coordination Instrument, the following documents have been released and are included in this package:

- A **Press Release.**
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse-of-time basis, following discussions that ended on October 10, 2025, with the officials of Rwanda on economic developments and policies underpinning the IMF arrangement under the Policy Coordination Instrument program. Based on information available at the time of these discussions, the Staff Report was completed on November 14, 2025.
- An **Informational Annex** prepared by IMF staff.
- A **Debt Sustainability Analysis** prepared by staffs of the World Bank and the IMF.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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Washington, D.C.

PRESS RELEASE

PR25/405

IMF Executive Board Concludes the 2025 Article IV Consultation and Completes the Sixth Review Under the Policy Coordination Instrument with Rwanda

FOR IMMEDIATE RELEASE

- The IMF Executive Board today concluded the 2025 Article IV consultation and completed the sixth and final review of Rwanda's Policy Coordination Instrument (PCI). The PCI has supported Rwanda's reform agenda aimed to safeguard macroeconomic stability, promote sustainable and inclusive growth, and advance climate-resilient development.
- Rwanda's economy remains strong and resilient, though higher fiscal and external pressures have challenged authorities' effort to rebuild policy buffers. Credible fiscal consolidation—anchored in stronger domestic revenue mobilization, and spending efficiency—together with data-driven monetary policy and continued exchange rate flexibility are essential to safeguard macroeconomic stability and debt sustainability.
- Program performance under the PCI has been strong, with all quantitative targets met and reforms implemented. As the PCI comes to a successful completion, the policy focus remains on implementing priorities under the Second National Strategy for Transformation, including advancing inclusive, climate-resilient growth and major infrastructure projects.

Washington, DC: On December 4, 2025, the Executive Board of the International Monetary Fund (IMF) concluded the 2025 Article IV consultation with Rwanda and completed the sixth review of Rwanda's performance under the Policy Coordination Instrument[1] and considered and endorsed the staff appraisal without a meeting on a lapse-of-time basis.[2] The authorities have consented to the publication of the Staff Report prepared for the consultation and the review.

Despite repeated shocks, Rwanda's economy has remained strong and resilient. Real GDP grew by 7.2 percent in 2024 and the first half of 2025—based on rebased GDP series—driven by robust activity in the services and construction sectors, and coffee exports. Inflation remained within the National Bank of Rwanda's 2–8 percent target band, despite pressures from recently implemented tax measures. The current account deficit widened in the first half of 2025 due to strong consumer and capital goods imports, but international reserves remained adequate at 4.8 months of imports as of end-June 2025.

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[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board. The PCI arrangement was approved on December 12, 2022.

[2] The Executive Board takes decisions under its lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

700 19th Street NW
Washington, DC 20431
USA

Going forward, Rwanda's policy agenda should focus on sustaining macroeconomic stability and rebuilding buffers. Continued fiscal consolidation—supported by stronger revenue mobilization, spending efficiency, and improved SOE risk management—is essential to maintain debt sustainability and fund priority investments. A proactive, data-driven monetary policy and greater exchange rate flexibility will be critical to contain inflation and better absorb external shocks.

Program performance has been strong, with all quantitative targets met and reforms implemented. Since 2022, the PCI has supported Rwanda's post-COVID recovery by anchoring the fiscal framework, advancing the forward-looking monetary policy, and preserving space for development priorities. Complemented by RSF and SCF financing, it strengthened resilience and helped safeguard macroeconomic stability. However, successive shocks and subsequent reconstruction needs, along with the financing of priority projects, have raised borrowing and kept pressure on external balances and buffers.

Executive Board Assessment

In concluding the 2025 Article IV Consultation with Rwanda, Executive Directors endorsed staff's appraisal, as follows:

Rwanda is moving forward with its ambitious development plans, supported by a robust economy, despite constrained policy buffers and protracted external imbalances. The economy has maintained a strong performance and exhibited resilience despite encountering multiple shocks in recent years. Inflation remains within the NBR's target band despite a temporary increase since April 2025. The construction of the New Kigali International Airport and the expansion of RwandAir, combined with increased foreign-financed capital spending and higher pension contributions, will result in a reduction of fiscal policy buffers even with higher revenues from the new tax package. In turn, the current account deficit is projected to increase due to higher imports associated with the construction of NKIA. Recent GDP rebasing has lessened the reported debt deterioration versus the fifth review.

Program performance has been strong, heralding a strong track record of policy implementation and structural reforms under the 2022–25 PCI. Except for one reform target, all the quantitative and reform targets under the sixth and final review were met. Notably, progress was made in both critical fiscal reforms and advancements within the monetary and financial sectors, which are expected to strengthen the foundation of macroeconomic policy in Rwanda moving forward. The PCI has served an essential role during consecutive shocks over the past three years, including navigating the post-COVID-19 pandemic era, the 2023 floods, the 2024 Marburg disease outbreak, and other global disruptions. As a result, the PCI has facilitated greater access to financing, particularly as the program nears completion with a rise in project loans, although these are increasingly offered on less concessional terms.

Fiscal pressures persist, indicating a need for increased revenue mobilization and stricter oversight of foreign-financed capital spending. The implementation of the new tax package will help sustain the tax-to-GDP ratio. Additionally, public sector efforts to improve investment management and public financial management reforms are underway to enhance spending efficiency and maximize returns on public investment. Nevertheless, borrowing for the NKIA project is expected to push public debt near 80 percent of GDP by 2027. Thus, sustained consolidation anchored in domestic revenue mobilization including identifying new revenue measures under MTRS-2, careful expenditure prioritization of capital spending, and expanded monitoring of fiscal risks will be essential to mitigate debt risks.

Against this backdrop, monetary policy should remain appropriately tight while the exchange rate should be used to absorb external shocks and facilitate necessary adjustments. Recent monetary policy tightening is appropriate, but further action may be needed if inflationary pressures intensify. The external adjustment should continue to be facilitated by greater exchange rate flexibility and price discovery given that Rwanda's external position is substantially weaker than the level implied by fundamentals and desirable policies. Financial sector risks linked to strong credit growth require close monitoring. Potential asset quality issues and overleveraging should be managed through detailed risk assessments and targeted macroprudential measures.

The authorities' initiative to align the NBR law with leading practices has been commendable though important shortcomings remain. The draft amendments submitted to Cabinet incorporate strong improvements in critical areas, including to strengthen provisions on the mandate, aspects of financial and personal autonomy, and transparency and accountability. However, the important remaining shortcomings with respect to central bank personal and institutional autonomy warrant further work and enhancements to better align with leading practices, including minimizing the scope for potential government influence over NBR policymaking.

Structural reforms should continue to aim at unlocking inclusive and durable growth. Reforms to support external balance can facilitate the development of a competitive and dynamic export sector. Policy priorities include supporting private sector development by reducing barriers to entry, strengthening regional trade integration to expand markets, improving infrastructure and interconnectivity to lower transport costs, and leveraging services such as travel and ICT for more sustainable export growth. Priorities also include raising export competitiveness with stronger regional integration. Continued efforts to advance climate projects will help attract further climate financing and strengthen resilience to climate shocks. Expanding women's access to education and skills training is critical to broaden their participation in higher-productivity sectors and foster inclusive growth.

Staff support the completion of the sixth review of the PCI. The authorities have shown strong commitment to reforms, proven ability to implement difficult measures, and a solid track record of prudent policymaking.

Staff recommends the next Article IV consultation with Rwanda to be held on the 12-month cycle. Given that outstanding credit to the Fund exceeds the 200 percent of quota threshold, staff recommend initiation of a Post Financing Assessment (PFA).

Table 1. Rwanda: Selected Economic Indicators, 2024–30

	2024 Act.	2025 Est.	2026 Proj.	2027 Proj.	2028 Proj.	2029 Proj.	2030 Proj.
Output							
Real GDP Growth (%)	7.2	7.0	7.2	7.6	6.8	6.8	6.8
Prices							
Inflation - Average (%)	4.8	7.1	5.6	5.0	5.0	5.0	5.0
Central Government Finances (Fiscal Year) [1]							
Revenue (% GDP) [2]	20.7	19.5	20.3	20.6	21.1	21.2	21.4
Expense (% GDP) [2]	17.3	16.0	15.8	15.7	15.8	15.6	15.8
Fiscal Balance (% GDP) [3]	-6.7	-5.5	-5.8	-4.9	-4.3	-3.0	-3.0
Public Debt (% GDP)	74.2	75.0	77.7	79.1	78.8	77.0	73.8
External Public Debt (% GDP)	59.5	58.1	62.0	63.8	64.4	62.3	59.5
Money and Credit							
Broad Money (% change)	18.8	18.3	16.2	16.3	13.8	12.5	12.0
Credit to Private Sector (% change)	14.3	15.3	15.7	19.1	14.4	11.2	12.6
Policy Rate, End-of-Period (%)	6.5	…	…	…	…	…	…
Balance of Payments							
Current Account (% GDP)	-12.1	-12.9	-13.4	-11.7	-8.6	-7.9	-6.8
Reserves (in Months of Imports)	5.2	3.6	4.2	4.7	4.8	4.6	4.6
Exchange Rate							
REER (% change)	-8.3	…	…	…	…	…	

[1] Based on fiscal year (i.e. 2024 represents 2023/24).

[2] Revenue and expenditure use GFSM 2014 presentation.

[3] For purposes of the PCI, the overall balance (GFSM 1986 definition, incl. policy lending) is used for monitoring.

INTERNATIONAL MONETARY FUND

RWANDA

November 14, 2025

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION AND SIXTH REVIEW UNDER THE POLICY COORDINATION INSTRUMENT

EXECUTIVE SUMMARY

Context. Rwanda's strong transformation over the past two decades has been underpinned by sustained economic growth and improved living standards. Growth has averaged 6–9 percent, driven by exports and infrastructure investment, and supported by improvements in health and education outcomes, though structural challenges and fiscal pressures from successive shocks persist amid reduced policy buffers. Close engagement with the IMF through the Policy Coordination Instrument (PCI), Resilience and Sustainability Facility (RSF), and Standby Credit Facility (SCF) has helped preserve macroeconomic stability and resilience amid natural disasters and global headwinds. As the PCI finalizes, focus now shifts to financing priorities under the Second National Strategy for Transformation, including large infrastructure projects such as the New Kigali International Airport, while safeguarding debt sustainability, strengthening domestic revenue mobilization, and advancing inclusive, climate-resilient growth.

Policy recommendations. The policy agenda must balance sustaining Rwanda's strong growth with preserving macroeconomic stability and rebuilding buffers. Continued fiscal consolidation—anchored in revenue mobilization, expenditure rationalization, and better SOE risk management—remains key to maintaining debt sustainability while financing priority investments. A proactive, data-driven monetary policy and greater exchange rate flexibility are essential to contain inflation and absorb external shocks.

Program performance. Program performance has been strong. All quantitative targets were met. The National Bank of Rwanda (NBR) conducted competitive auctions to enhance price discovery meeting the end-September reform target, while the target on the draft amendment to strengthen the NBR Law was implemented with delay though some shortcomings with respect to NBR autonomy were not fully addressed.

Article IV. The Article IV consultation focused on (i) safeguarding fiscal and external sustainability through stronger revenues, SOE oversight, and PFM reforms; (ii) monetary and exchange rate policies to maintain price stability and resilience; and (iii) structural reforms to enhance women's economic participation, strengthen resilience to natural disasters, promote export competitiveness, and address climate-related financial risks.

Staff support the completion of the sixth PCI review. The authorities' strong reform commitment—including maintaining fiscal and external sustainability while rebuilding policy buffers—warrants continued Fund support.

Approved By
Costas Christou (AFR) and Tokhir Mirzoev (SPR)

The mission comprised Albert Touna Mama (Mission Chief), Maria Gelrud, Irena Jankulov Suljagić, Marina Marinkov (all AFR), Karim Foda (SPR), Tumer Kapan (MCM), Habtamu Fuje (Resident Representative), and Priscille Mikebanyi (Local Economist). Loy Nankunda (OEDAF) also attended mission meetings. The mission was facilitated by Patience Mugishakazi (local office). Xingyu Pu, Sandhya Rajyam Garimella, and Juan Fernando Morán Arce (AFR) assisted in the preparation of this report. Discussions were held in Kigali, Rwanda from September 29 thru October 10, 2025. The team met with the Minister of Finance and Economic Planning, Yusuf Murangwa, Governor of the National Bank of Rwanda, Soraya Hakuziyaremye, and other senior government officials. Staff also had productive discussions with Rwanda's Parliament Budget Committee, development partners, and heads of commercial banks.

CONTENTS

TABLES

ANNEXES

APPENDIX

CONTEXT AND RECENT DEVELOPMENTS

1. **Rwanda's economic transformation over the past two decades has been remarkable.** Growth averaged between 6–9 percent, accompanied by increasing exports, infrastructure investments, and expanded access to health and education. Over the years, close engagement with the IMF has supported the country's development journey by anchoring macroeconomic stability and structural reforms (Box 1). Looking ahead, Rwanda's second National Strategy for Transformation (NST-2, 2024–29) emphasizes investment in strategic infrastructures—most notably construction of the New Kigali International Airport (NKIA) and expansion of RwandAir in partnership with Qatar Investment Authority—to enhance connectivity, boost tourism and trade, and catalyze private sector investment. Delivering on NST-2 priorities will require substantial resources, reflecting the scale of Rwanda's ambitions, along with measures to safeguard macroeconomic stability.

2. **Since 2022, the Policy Coordination Instrument (PCI) has supported the formulation and implementation of a strong macroeconomic policy program in the post-COVID period.** The PCI has provided a platform to strengthen macroeconomic management and socio-economic resilience and signal the authorities' commitment to reforms (Text Figure 1), while catalyzing financing from official creditors or private investors. In this context, the PCI helped by (i) ensuring the fiscal framework remains anchored and supported by a credible fiscal consolidation that preserves fiscal space for development priorities, (ii) maintaining steady progress in implementing the forward-looking monetary framework, and (iii) mitigating pandemic scars, while building resilience to shocks. It has been complemented by financing from the Resilience and Sustainability Facility in 2022-23 to support reforms in climate PFM, public investment, and disaster risk management, while financing from the Standby Credit Facility in 2023 provided a temporary cushion following natural disasters. While the PCI has been effective in enhancing macroeconomic stability and preventing crises, it had limited success at correcting external imbalances or preserving buffers. External and climate-related shocks increased borrowing to finance reconstruction efforts and pushed up the debt trajectory relative to expectations at the start of the PCI. The recent expansion in large priority projects have further elevated the debt burden. In parallel, sustained investment, consumption, and external food prices increased pressure on imports and the external balance. Buffers are expected to come under pressure from financing needs and imports caused by commitments to invest in strategic infrastructure and increased pension contributions until 2030.

3. **The final PCI review performance was strong, though contingency planning to address eroding buffers has yielded mixed results so far.** All end-June 2025 quantitative targets were met. One of two reform targets was also met while the second one (on strengthening the NBR law) has been implemented with delay. However, important shortcomings with respect to central bank autonomy were preserved in the revised draft NBR law and would warrant further work and enhancements to align with leading practices (see ¶19). At the same time, better-than-expected performance of the tax package has helped expand the revenue base to cover rising financing needs. On the other hand, delays in reprioritizing foreign-funded capital spending will lead to clustered investment initiatives, as development needs remain high and funding is readily available.

This underscores the need to strengthen domestic revenue mobilization and implement more effective controls over capital expenditures and fiscal risks, and to limit the accumulation of foreign exchange reserves through concessional debt.

4. Article IV. Implementation of the recommendations from the 2023 Article IV Consultation has been satisfactory (Annex I). This year's consultation discussions focused on: (i) safeguarding fiscal and external sustainability through stronger revenues, SOE oversight, and PFM reforms; (ii) monetary and exchange rate policies to maintain price stability and resilience; and (iii) structural reforms to enhance women's economic participation, strengthen resilience to natural disasters, promote export competitiveness, and address climate-related financial risks.

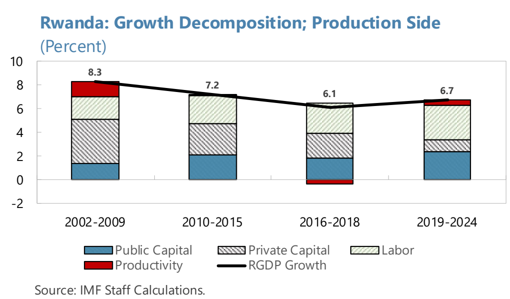
Text Figure 1. Rwanda: Achievements Under the 2022–2025 PCI

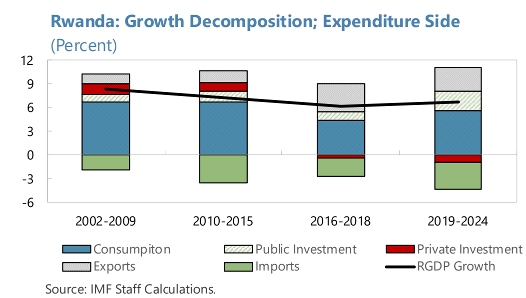
Fiscal Reforms	Approve a **revenue package** to broaden the tax base and streamline tax holidays/exemptions Review **RSSB asset allocation** and report to management Publish **consolidated fiscal statistics** Submit and implement the FY24/25 **spending rationalization strategy** Produce **quarterly budget execution reports** in GFS 2014 format Publish a **pipeline of appraised major projects** (over RWF 15bn) with clear selection criteria
Managing Fiscal Risks & Strengthening PFM	Conduct **stress tests for high-risk SOEs** and submit to the Fiscal Risk Committee Undertake **forward-looking financial assessments of five SOEs** with mitigation measures Carry out **SOE fiscal risk health-checks** Approve and implement an **SOE governance code** aligned with OECD 2024 standards Establish a **framework for SOE boards**, ownership, and performance monitoring Develop a **PFM digitalization strategy** to support data-driven PFM (incl. AI adoption)
Monetary & Financial Sector Reforms	Publish a **Monetary Policy Strategy** approved by the MPC Strengthen **MPC communication** and publish macroeconomic projections Expand market and **expectation surveys** (incl. PMI index) Approve and roll out a **GMRA roadmap**, with full signing by all banks Finalize a **diagnostic study of FX markets** Revise **exchange rate calculation methodology** to reflect actual market transactions Launch a mobile platform for **government securities issuance** Expand **monetary and financial statistics** Conduct supplementary **competitive FX auctions** **Amend the NBR Law** to reinforce mandate, autonomy, and accountability. *
Resilience & Social Protection	Finalize the roll-out of a **dynamic social registry** to cover all VUP beneficiaries and subsidized CBHI enrollees

* However, important shortcomings with respect to central bank autonomy were preserved in the revised draft NBR law.

Box 1. Growth Analysis and IMF Engagement

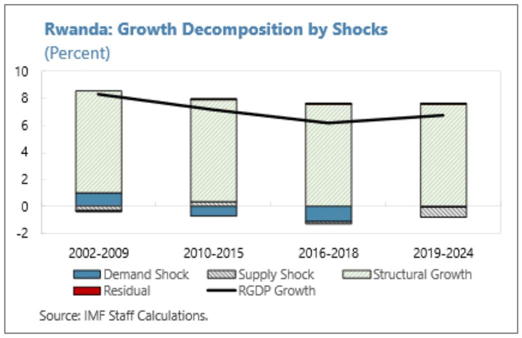
Rwanda's growth has remained strong over the past two decades. Distinct growth periods reflect evolving policy priorities and economic structures, underpinned by sustained engagement with the IMF.





- ***Period I (2002–2009):*** *Poverty Reduction and Growth Facility (PRGF) and Heavily Indebted Poor Countries Initiative (HIPC)*. Under the PRGF and the HIPC debt relief initiative, IMF support focused on poverty reduction and macroeconomic stabilization. Growth was driven by productivity gains and private investment spurred by FDI and privatization, particularly in ICT, while debt relief and foreign grants eased constraints on fiscal space. However, these inflows also fueled domestic demand pressures, contributing to inflation and a gradual widening of the current account deficit.

- ***Period II (2010–2015):*** *Policy Support Instrument (PSI)*. The PSI provided a framework for sustaining reforms in domestic revenue mobilization, export diversification, and private sector development, while managing large public investment plans. Growth eased as productivity gains waned, public investment increasingly substituted for private activity, particularly in the construction sector. The decline in grants and higher import demand from large infrastructure projects weighed on aggregate demand, widened fiscal and external imbalances, and eroded policy buffers.



- ***Period III (2016–2018):*** *PSI and Standby Credit Facility (SCF).* The SCF was introduced alongside the PSI to address the external imbalances. Although both demand and supply shocks caused a recession and slowed growth, structural reforms under the PSI began to bear fruit. Exports strengthened, driven by the "Made in Rwanda" policy, efforts to become a regional re-export hub, and the rise of new products such as gemstones and horticulture. Although public investment remained resilient, a slowdown in private investment tempered the overall recovery momentum.

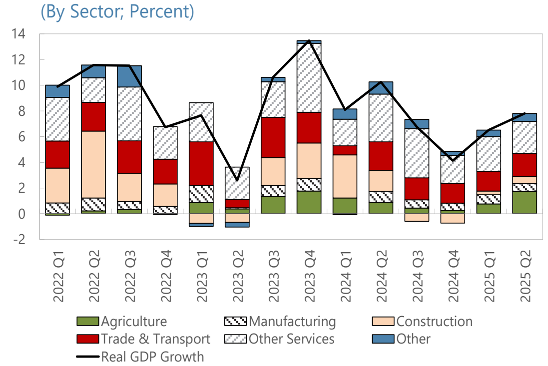
- ***Period IV (2019–2024):*** *PCI, SCF, and Resilience and Sustainability Facility (RSF).* The PCI was launched to sustain reform momentum and support the National Strategy for Transformation (NST-1). Subsequent SCF and RSF arrangements helped rebuild buffers eroded by supply shocks from the COVID-19 pandemic and natural disasters. Growth recovered despite the challenges with a small rebound in productivity, expansion of the labor force, and construction-driven public investments, although the contribution of private investment continued to decline.

Rwanda's experience underscores the central role of productivity and private investment for sustainable growth. Crowding out private investment risks resource misallocation, weaker productivity and higher debt. Strengthening fiscal and external buffers remains key to mitigating shocks and maintaining macroeconomic stability.

5. Recent economic outcomes have been favorable.

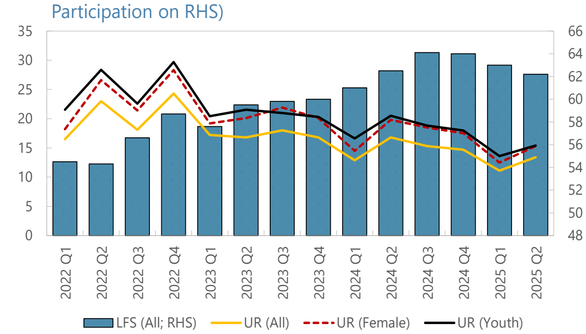
- *Economic growth remains robust.* Based on the rebased GDP series (Box 2), real GDP grew by 7.2 percent in 2024 and the first half of 2025. This performance was driven by robust growth in services, construction, and coffee exports. On the expenditure side, consumption, public investment, and traditional exports contributed positively to growth, while a contraction in private investment dampened activity. The unemployment rate continued to decline, reaching 13.4 percent in Q2 2025—a 3.4 percentage points improvement year-on-year (y/y). Despite overall gains, unemployment remains elevated among women and youth, at 15.3 percent and 15.4 percent, respectively, underscoring labor market challenges.

Rwanda: Contributions to RGDP Growth
(By Sector; Percent)



Sources: Rwandan Authorities and IMF Staff Calculations.

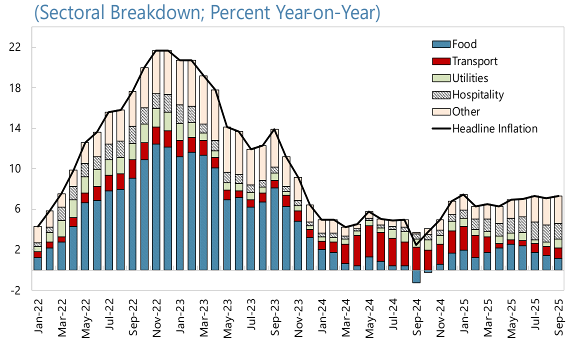
Rwanda: Labor Dynamics
(Percent; Unemployment Rate on LHS; Labor Force Participation on RHS)



Sources: Rwandan Authorities and IMF Staff Calculations.

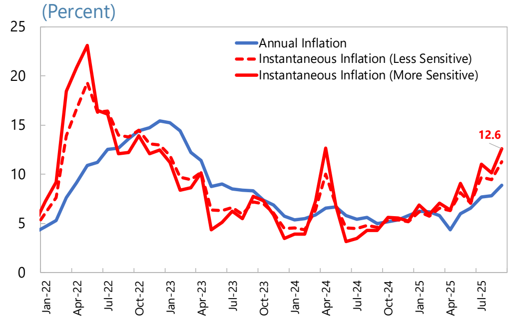
- *Inflation remains within the National Bank of Rwanda's (NBR) 5±3 percent target range, despite recent pressures.* Headline inflation edged up to 7.3 percent y/y in September 2025 (from 7.1 percent in August), while core inflation increased to 8.9 percent y/y (from 7.8 percent in August), reflecting the impact of recently implemented tax measures on alcohol, tobacco and imported transport. Instantaneous headline inflation—which emphasizes recent months—increased to 9.6 percent y/y in September (from 8.4 percent a year earlier), while instantaneous core inflation increased to 12.6 percent y/y (from 4.3 percent a year earlier). Quarterly headline inflation averaged 7.2 percent in 2025Q3, lower than projected given the tax reforms introduced earlier in the year.

Rwanda: Drivers of Headline Inflation
(Sectoral Breakdown; Percent Year-on-Year)



Sources: Rwandan Authorities and IMF Staff Calculations.

Rwanda: Core Inflation
(Percent)



Sources: IMF Staff Calculations.
Note: More sensitive instantaneous inflation places higher weight on recent months observations.

- *The FY24/25 fiscal deficit was higher than anticipated, mainly due to stronger-than-expected capital spending.* Revenue underperformance—driven by delays in the implementation of the compensatory tax package, lower peacekeeping operations reimbursements, and shortfalls in fees and grants—was largely offset by restrained current spending. The main deviation came from higher execution of foreign-financed investment projects, as disbursements accelerated despite government efforts to slow implementation. This acceleration reflects both a structural shift in development partner support—from budget support toward project support—and sustained improvements in procurement processes. On the financing side, the deficit was covered through higher net acquisition of financial assets—reflecting a buildup of deposits from development partner disbursements—and higher net incurrence of liabilities. Within liabilities, stronger project loan disbursements were partly offset by delays in budget support, necessitating higher domestic borrowing. Overall, the FY24/25 fiscal deficit was RWF 84 billion higher than expected at the fifth review, but GDP rebasing kept it unchanged in relative terms at 5.5 percent of GDP.

Rwanda: Operations of the Central Government, FY24/25, GFSM 2014 [/1]

	PCI 5th Rev.		Actual	
	RWF bn	% of GDP	RWF bn	% of GDP
Revenue	**4,285**	**21.4**	**4,174**	**19.4**
Taxes	3,106	15.5	3,065	14.2
Taxes on income, profits, and capital gains	1,372	6.9	1,357	6.3
Taxes on property	43	0.2	46	0.2
Taxes on goods and services	1,468	7.3	1,419	6.6
Taxes on international trade and transactions	223	1.1	242	1.1
Grants	626	3.1	615	2.9
Other revenue	553	2.8	494	2.3
Expense	**3,550**	**17.7**	**3,417**	**15.9**
o/w Compensation of employees	569	2.8	569	2.6
o/w Purchases of goods and services	866	4.3	804	3.7
o/w Subsidies	323	1.6	322	1.5
o/w Interest	503	2.5	486	2.3
o/w Grants	1,077	5.4	1,025	4.8
Net acquisition of nonfin. assets	**1,674**	**8.4**	**1,772**	**8.2**
Net lending (+) / borrowing (-)	**-939**	**-4.7**	**-1,014**	**-4.7**
Net acquisition of financial assets	**325**	**1.6**	**365**	**1.7**
Net incurrence of liabilities	**1,264**	**6.3**	**1,390**	**6.5**
Domestic	-21	-0.1	34	0.2
Foreign	1,285	6.4	1,355	6.3
Overall fiscal balance [/2]	**-1,094**	**-5.5**	**-1,178**	**-5.5**
Memorandum item:				
Fiscal year GDP	20,025		21,512	

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

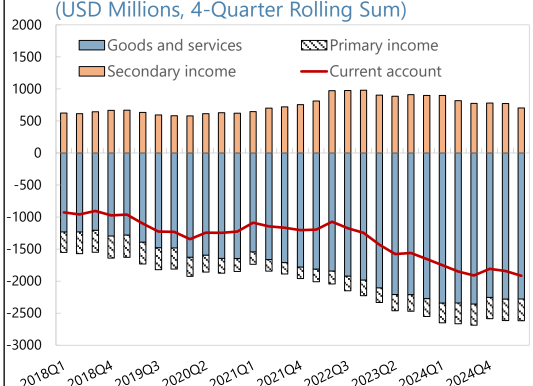
[1] Fiscal year runs from July to June.

[2] Debt-creating overall balance excluding Peacekeeping Operations (PKO) and spending on materialized contingent liabilities in the DSA, GFSM 1986.

- *The financial sector remains stable amid continued strong credit growth.* Private credit grew robustly in 2024 and 2025H1, especially in trade, construction, manufacturing, and mortgages, bolstering economic momentum. As of 2025H1, the banking sector registered loan growth of 15.4 percent while remaining highly profitable, with regulatory capital well above minimum requirements. The microfinance sector continued to expand rapidly, with loan growth somewhat moderating in 2025H1 (20.8 percent vs. 23.5 percent in 2024), while maintaining strong capitalization. The non-performing loan (NPL) ratio of banks declined to 2.6 percent in 2025H1 from 3.1 percent at end-2024 while the NPL ratio of MFIs remained largely stable at 3.4 percent in 2025H1. Large exposures of the banking sector continue to be significant with moderate declines in their share in 2025H1.

- *The current account deficit widened in 2025H1, reflecting robust import demand.* Demand for Rwanda's traditional and non-traditional exports remained generally supportive, with coffee exports supported by higher prices and production volumes, and minerals exports

Rwanda: Current Account Balance
(USD Millions, 4-Quarter Rolling Sum)



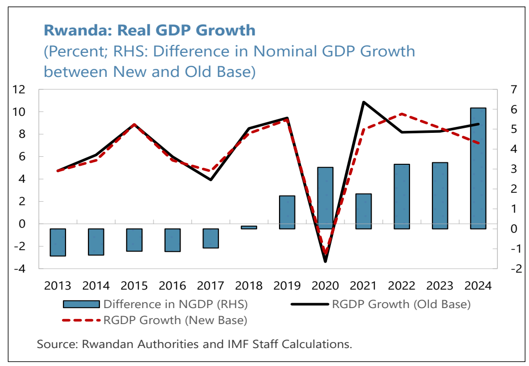
Sources: Rwandan Authorities and IMF Staff Calculations.

benefitting from higher prices. At the same time, imports were driven by strong domestic demand for machinery and raw materials to support local industries in line with increased economic activity, as well as higher consumer goods imports including processed food. The Rwandan franc depreciated by about 3 percent against the US dollar through end-June 2025, compared to a depreciation of 3.7 percent over the same period in 2024. Supported by private and public forex inflows, international reserves rose to 4.8 months of prospective imports at end-June 2025.

Box 2. Rebasing of GDP to 2024 Prices

In late September, the National Institute of Statistics (NISR) rebased the GDP to 2024 prices. This is the first GDP rebasing since 2017, following a disruption of the standard three-year cycle due to the COVID-19 pandemic. Supply and Use (SUT) tables for 2024 were prepared, and the previously published series were brought in line with the revised estimates for that year. To ensure continuity of the series, this led to revisions extending back to 2017. To date, only the production approach has been released, with publication of the expenditure-based estimates anticipated in early 2026.

Improvements in the methodology and reporting of the National Production and Expenditure Accounts were introduced. In addition, the methodology for estimation of the quarterly series was also strengthened; in particular, the approach for estimating agricultural crop output has been enhanced to take account of seasonal patterns and retroactively applied backward to 2013.



Rebasing led to the upward revision of nominal GDP and deflators. The nominal GDP in 2024 was revised upward by 6.1 percent compared to the previously published estimates which were estimated by extrapolation of the 2017 base using indicators of output and value added. Deflators were also predominantly revised upward over 2017–2024, with the most pronounced adjustment occurring in 2024—rising from 3.7 percent under the previous base to 8.2 percent following the rebasing. Accordingly, and notwithstanding the simultaneous upward revision to nominal GDP, real GDP growth for 2024 was revised downward, from 8.9 percent in the previous series to 7.2 percent in the new base.

PROGRAM PERFORMANCE

6. Implementation of the PCI is on track (Program Statement, Tables 1-3).

- *Quantitative targets (QTs).* All end-June 2025 QTs, continuous, and standard continuous targets were met. Although the headline fiscal deficit for FY24/25 was higher than projected due to faster implementation of foreign-financed capital expenditure, the adjusted QT for the debt-creating overall fiscal deficit was met after accounting for the adjustor on foreign-financed net acquisition of non-financial assets financed by the drawdown of accumulated government deposits from previously disbursed capital grants and loans. Net foreign assets of the NBR were strengthened by front-loaded disbursements from development partners. Despite the recent increase in inflation, the 3-month average headline inflation—as defined by the MPCC under the program—was 6.7 percent, comfortably within the MPCC inner-bound values of 2.0 to 8.0 percent for end-June 2025.

Rwanda: PCI Quantitative Targets, 2022-2025

	2022	2023		2024		2025
	Dec [1]	June [1]	Dec [2]	June [2]	Dec [2]	June [1]
Quantitative Targets						
Ceiling on the debt-creating overall balance, including grants	Met	Not Met	Met	Met	Met	Met
Floor on stock of Net Foreign Assets	Met	Met	Met	Met	Met	Met
Ceiling on net accumulation of domestic arrears	Met	Met	Met	Met	Met	Met
Ceiling on PV of new public and publicly guaranteed external debt	Met	Met	Met	Met	Met	Met
Continuous Targets						
Ceiling on stock of external payment arrears	Met	Met	Met	Met	Met	Met
Monetary Policy Consultation Band						
CPI inflation target	Met	Not Met	Met	Met	Met	Met

Sources: Rwandan authorities; and IMF Staff Calculations.
Symbols: Met; Not Met; Missing information.
[1] Test date covers PCI.
[2] Test date covers PCI and SCF.

- *Reform targets (RTs).* The NBR successfully conducted competitive foreign exchange auctions to enhance price discovery (**end-September RT, met**), and the draft amendments to strengthen the NBR Law (**end-September RT, not met**) were implemented with a delay, having been submitted to Cabinet on October 15, 2025, and did not fully align with leading practices (see ¶19).

OUTLOOK AND RISKS

7. The economic outlook remains favorable. Economic growth is projected at 7.0 percent in 2025, driven by sustained momentum in non-agricultural sectors and coffee exports. Growth is expected to accelerate to 7.2 and 7.6 percent in the following two years, owing to NKIA construction before moderating to 6.8 percent in line with the economy's growth potential. Inflation is expected to temporarily increase to 7.1 percent in 2025, while remaining within the NBR's target band. Current account is projected to widen, reaching 13.4 percent of GDP by 2026 due to increased imports related to NKIA construction. This would be partially mitigated by improving export performance, good agricultural output, and real effective exchange rate adjustment. The revised timing of NKIA/RwandAir financing assumptions relative to the fifth review (see ¶21) aligns financing needs to the project implementation schedule, resulting in more gradual financing and a temporary decline in the 2025 reserve coverage of prospective imports before rising again in 2026 as project-related inflows begin to accumulate (Tables 1 and 5). Over the medium-term, the balance of payments will benefit from continued fiscal consolidation and increased FDI inflows, with international reserves reaching around 4.6 months of imports by 2030, helping manage external debt repayments.

8. The balance of risks to the outlook remains tilted to the downside (Annex II). Key downside risks include global commodity price volatility, escalating trade and geopolitical tensions, weaker global demand, reduced aid flows, and tighter global financing conditions. Domestically, slower revenue mobilization, delays in fiscal consolidation, and risks from large priority projects could weaken the fiscal position, delay growth prospects, and intensify debt vulnerabilities. Climate shocks or health emergencies may strain fiscal space further and accelerate inflation. The reescalation of conflict in the DRC may complicate concessional financing, while a durable peace agreement would improve trade, investment, and financing prospects. Upside risks to economic growth stem from the authorities' ability to attract external concessional financing and to expedite industrialization efforts under NST-2.

Authorities' Views

9. The authorities highlighted that Rwanda's economy remains strong, and inflation contained within target range. They acknowledged certain challenges, climate change and external uncertainties, which require careful management. Despite domestic and global risks, the authorities remain confident in their policy framework and continued progress toward sustainable and inclusive growth.

Rwanda: Macroeconomic Framework, 2024–2030[1]

	2024	2025		2026		2027		2028		2029		2030	
	Act.	5th Review	Est.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.
	(Annual percentage change, unless otherwis indicated)												
Output and prices													
Real GDP growth (percent)	7.2	7.1	7.0	7.5	7.2	7.4	7.6	7.0	6.8	7.0	6.8	7.0	6.8
CPI, period average (percent)	4.8	7.0	7.1	4.7	5.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CPI, end period (percent)	6.8	6.3	7.2	4.1	4.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Overall fiscal balance, incl. grants, policy lending (percent of GDP)[2,3]	-6.7	-5.5	-5.5	-7.4	-5.8	-5.4	-4.9	-3.6	-4.3	-3.2	-3.0	-2.9	-3.0
Total public debt incl. guarantees (percent of GDP)	74.2	84.7	75.0	86.3	77.7	86.3	79.1	84.6	78.8	81.1	77.0	76.2	73.8
Current account balance, incl grants (percent of GDP)	-12.1	-13.8	-12.9	-15.9	-13.4	-13.4	-11.7	-9.9	-8.6	-8.8	-7.9	-7.6	-6.8
Gross international reserves, excl. RSF (months of imports)[4]	4.5	4.6	3.0	4.6	3.5	4.9	4.1	4.7	4.1	4.5	4.0	4.4	4.0

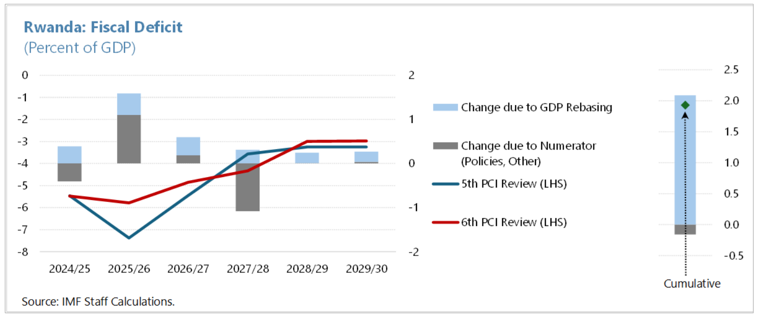
Sources: Rwandan Authorities and IMF Staff Calculations.
Note: The 5th Review column shows values before GDP rebasing, while the actual 2024 values and projections are rebased. See Table 1 for the Selected Issues Indicators including the non-rebased projections.
[1] From FY 23/24 (2024) to FY 29/30 (2030). Fiscal year runs from July to June. FY23/24 and FY24/25 are actual.
[2] For the purposes of the PCI, the overall balance (GFSM 1986, incl. policy lending) is used for monitoring.
[3] Overall deficit excluding spending on materialized contingent liabilities and other items is already included in the DSA.
[4] Based on prospective import of goods (excluding gold) and services.

POLICY DISCUSSIONS

The policy agenda will need to balance sustaining Rwanda's robust growth momentum with safeguarding macroeconomic stability and rebuilding buffers. Continued fiscal consolidation remains essential to safeguard debt sustainability while accommodating priority investment needs. A proactive monetary policy continues to be needed to keep inflation within the target range, and the exchange rate fully to play its role of shock-absorber and to address external imbalances. Discussions under the Article IV consultation supported program objectives and focused on: (i) policies to safeguard fiscal and external sustainability, including mobilizing additional revenues, containing fiscal risks from SOEs, and advancing public financial management reforms; (ii) monetary and exchange rate policies to maintain price stability, strengthen transmission, and enhance external resilience; and (iii) structural reforms to address Rwanda's longer-term challenges and unlock inclusive, resilient growth. On the latter, discussions centered around resilience to natural disasters, enhancing women's economic participation, strengthening export competitiveness, improving regional integration and infrastructure connectivity.

A. Fiscal Policy

10. The FY25/26 fiscal deficit is projected to be lower than expected at 5.8 percent of GDP, due to changes in policies (1.1 percent of GDP) and revisions to GDP (0.5 percent of GDP). Higher expected VAT collections—reflecting strong early-year performance and anticipated seasonal gains later in the year—and increased capital grants related to foreign-financed projects, together with lower spending on (i) goods and services, (ii) interest payments, (iii) subsidies related to RwandAir's loan repayment, and (iv) domestically financed capital investments, are expected to more than offset higher execution of foreign-financed investment spending.



11. Despite initial delays, implementation of compensatory and comprehensive tax packages is underway. The delays reflected the authorities' commitment to thorough consultations with stakeholders and Parliament to ensure the reforms were well understood. Both packages were gazetted on May 29. The implementation of measures under the compensatory package started gradually in June, with most taking effect in July and all now in place.[1] Implementation of the comprehensive package in FY25/26 is proceeding as planned, though the VAT on fossil fuels has been partly offset by a temporary fuel subsidy, introduced to cushion the impact of rising international oil prices (Annex IV).

Rwanda: Timeline for the Implementation of Tax Reform Measures /1

		June 2025	July 2025	Sept. 2025	Dec. 2025	FY 26/27
	Compensatory Package					
1	Cosmetics and beauty products (15 percent of CIF)					
2	Excise tax on cigarettes (FRW 230 per pack + 36 percent of retail price)					
3	Increase the tax on GGR for gambling operators (from 13 percent to 40 percent)					
4	Increase withholding on gambling winnings (from 15 percent to 25 percent)					
5	Registration fees for imported vehicles					
6	Road maintenance and strategic fuel reserve levies					
7	VAT on mobile telephones					
8	Excise tax on beer (65 percent)					
9	Excise tax on airtime (implemented gradually: 12 percent, 14 percent, 15 percent)					
10	VAT on ICT equipment					
11	Reinstate tax on hybrid vehicles					
	Comprehensive Package					
1	Introduce an environmental levy (0.2 percent of CIF)					
2	Revise the capital gains tax on sale of shares, debt, licenses, and guarantees (from 5 percent to 10 percent)					
3	Introduce a tourism tax on accommodation (3 percent)					
4	Introduce an annual motor vehicle road user charge					
5	VAT on fee-based financial services					
6	Reinstate the VAT on fossil fuels					
7	Reinstate the VAT on transport services of goods by road					
8	Investment Code revision (repeal corporate income tax holidays)					
9	Repeal VAT exemptions on business inputs (machinery and capital assets, raw materials)					
10	Introduce a digital services tax (VAT and income)					
11	Excise of 15 percent on fees charged for financial transactions					
12	Sunset close on VAT exemptions for zero-emission vehicles (EVs)					
13	Sunset close for energy equipment (solar panels, etc.)					

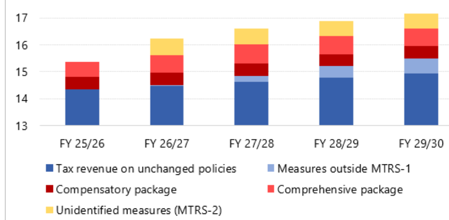
Source: MINECOFIN.
[1] Measures in green have been implemented, while measures in yellow have yet to be implemented.

[1] Implementation of most measures in the compensatory package was initially planned for May, See Box 2, CR 25/127.

Medium-Term Issues

12. A credible medium-term fiscal consolidation path is critical to ensure fiscal sustainability and rebuild policy buffers.

Rwanda: Tax Revenues to GDP
(Percent)



Source: MINECOFIN.
Note: Measures outside MTRS-1 include estimated revenue gains from voluntary disclosure mechanism, customs controls, integration of invoicing systems in the hospitality sector, and enforcement of the EBM usage.

- Over the medium term, the fiscal deficit path is broadly unchanged despite the rebasing of the GDP and the slower pace of project re-prioritization. The compensatory and comprehensive tax packages will support revenues, but further measures (both tax policy and administration) will be needed under the forthcoming medium-term revenue strategy to sustain momentum from FY26/27 onward.[2] Delays or weaker-than-expected implementation of these measures would pose risks to the fiscal consolidation path. On the expenditure side, the pension reform launched in January 2025 addresses long-standing gaps in contributions and benefits, but its rapid implementation and steep path of contribution increases adds to medium-term fiscal pressures. Ensuring the long-term sustainability of the pension system and managing related fiscal risks will remain essential as Rwanda's Social Security Board (RSSB) expands its investment activities.
- Strengthening control over foreign-financed capital spending and enhancing public investment management, in line with recommendations from the 2022 Public Investment Management Assessment (PIMA), will further reinforce fiscal credibility. The new Integrated Financial Management Information System (IFMIS) project module will centralize oversight of project loans and grants by linking project planning, approval, and disbursement to the national investment framework under the NST-2. This integration—anchored in approval workflows through the project monitoring and implementation team at the Ministry of Finance—will improve transparency, ensure consistency between reported and actual disbursements, and allow spending controls directly through IFMIS to safeguard fiscal discipline.
- The authorities will maintain a contingency plan within the medium-term fiscal framework to safeguard the fiscal trajectory in the event of shocks or policy implementation challenges. The plan allows for adjustments in recurrent and capital spending, while protecting vulnerable and poor segments of the population, with any residual financing needs to be met through grants and concessional borrowing.

13. Lower, less expensive, and more gradual external borrowing for the priority projects have marginally improved the debt outlook, with debt risks still contained at moderate.

- Compared to assumptions at the time of the fifth review, projected financing flows from the NKIA/RwandAir expansion are now more gradual with financing flows now aligned with the project execution schedule. While the total project cost and timeline remain unchanged, the smoother disbursement profile slows the pace of debt accumulation. In addition, external

[2] Including measures such as broadening the base for property taxation and expanding e-invoicing coverage beyond the hospitality sector.

borrowing needs for the project have been revised down to cover only the anticipated import-related content for the construction of NKIA, with domestic financing assumed to cover locally sourced project inputs. With discussions ongoing to identify cost-effective sources for external financing, the baseline continues to assume external commercial borrowing for the project, though at slightly more favorable terms compared to earlier this year due to lower market rates along with the prospect for some credit enhancements. Separately, an increase in capital spending on other projects over the medium-term offsets the lower external borrowing needs from the NKIA/RwandAir project.

- Though overall public debt is now expected to peak near 80 percent of GDP in 2027 primarily as a result of a smoother financing profile related to the project along a higher re-based GDP, it continues to reach the nominal debt anchor of 65 percent of GDP by 2033 mainly due to the slower pace of project re-prioritization compared to the fifth review. The improving debt trajectory is reinforced by continued fiscal adjustment anchored in domestic revenue mobilization, and Rwanda's public debt remains at a moderate risk of debt distress (see DSA).

14. Efforts to strengthen fiscal risk management, fiscal transparency, and public financial management continue. Enhanced monitoring and management of fiscal risks, especially those related to SOEs and the large priority investment projects, will be important to maintain fiscal discipline and ensure policies remain aligned with sustainability objectives. The implementation of the new SOE legal framework is underway, while forward-looking financial assessments of five SOEs have been completed. A PFM digitalization and fiscal data strategy was adopted in April to support more data-driven fiscal policies. To enhance fiscal transparency and data dissemination, the authorities are continuing efforts to transition from the e-GDDS to the Special Data Dissemination Standard (SDDS) and to update the action plan in line with IMF TA discussions later this year. A fiscal transparency evaluation (FTE) was conducted in August 2025. Findings highlight improvements in fiscal reporting, budgeting, and risk management—supported by PCI and RSF reforms such as enhanced budget execution reports, the publication of the project pipeline, and the new Fiscal Risk Statement that expands coverage to include natural disaster risks—though transparency was downgraded mainly due to the discontinuation of administrative classification in fiscal reporting.

Authorities' Views

15. The authorities agreed on the medium-term consolidation path, while noting that the near-term fiscal strategy appropriately prioritizes execution of the major infrastructure project. They emphasized that a strong commitment to domestic revenue mobilization, along with rightsizing foreign-financed investment spending, will ensure fiscal consolidation, while safeguarding hard-won social gains. Ongoing public financial management reforms are expected to help mitigate fiscal risks. The authorities noted a positive momentum for the priority investment project citing better financing terms to closer alignment of financing terms, reduced foreign currency risk exposure, and better alignment of financing with project's FTE.

B. Monetary and Exchange Rate Policies

16. With inflation on an upward trend since the spring—driven by tax policy measures—the monetary policy stance may need to remain tight for longer to firmly anchor inflation. In line with the Quarterly Projection Model, the NBR raised the policy rate by 25 basis points to 6.75 percent in August 2025—consistent with the fifth review—to offset pressures from lower agricultural output, price adjustments, and revenue measures, keeping inflation near the target midpoint.[3] A proactive, data-driven monetary policy continues to be needed to keep inflation within the target range, supported by a more flexible exchange rate to absorb external shocks and address imbalances.

17. The authorities continue to strengthen the implementation of the interest rate-based monetary policy framework. With IMF Technical Assistance (TA), they have improved their forecast and modelling capabilities, recently incorporating climate risks. With IFC assistance, the authorities identified gaps in insolvency, payment system, and banking laws, and have created a roadmap for implementing the Global Master Repurchase Agreement (GMRA). The new Central Securities Depository law, key to enabling the GMRA implementation, was adopted by Parliament on May 26th which facilitates the full rollout of the GMRA and its signing by all banks. The GMRA enables banks to efficiently conduct repo transactions domestically and with cross-border counterparties, providing an additional liquidity management tool.

18. Progress has been made to strengthen the foreign exchange interbank market, but it remains shallow with limited liquidity. In response, the authorities conducted and adopted a diagnostic assessment of the foreign exchange (FX) market in November 2023, supported by IMF TA, which identified key pillars to enhance the FX intervention framework.

- ***Revise the Official Exchange Rate Calculation.*** The NBR revised its official exchange rate calculation methodology to improve price discovery and better reflect prevailing market conditions. The gradual transition began in July 2024, aiming to align the official selling rate to the simple average of buying and selling rates from the previous day's market transactions. The transition was completed by end-July 2025, three months ahead of the initially planned schedule. The adjustment has contributed to increased exchange rate volatility.
- ***Implement Competitive FX Auctions.*** To improve FX market efficiency and foster transparent price discovery, the NBR conducted two supplementary, smaller-scale competitive auctions for banks to source foreign exchange (**end-September 2025 RT, met**). The auctions featured a fixed preannounced amount of US$1 million with variable rates, and with 9 out of 11 commercial banks participating each day. The NBR's preferred initial approach included bid amount caps to prevent market cornering. Building on this experience, it is critical to integrate competitive auctions into the NBR's FX intervention toolkit. The NBR should review the auction design parameters to gradually move towards the fully competitive market-based allocation mechanism

[3] Rwanda has an operational quarterly projection macroeconomic model that serves as the core of the central bank's Forecasting and Policy Analysis Systems (FPAS). This model has benefited from extensive technical assistance provided by the Fund. For additional details see WP/20/295 and January 2025 TA report.

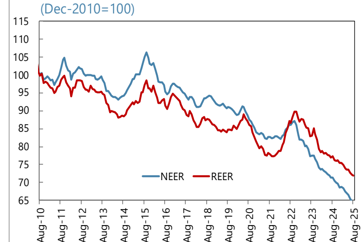
and remove the bid amount caps, in line with leading practices and consistent with the 2023 IMF MCP policy.[4]

19. The 2024 safeguards assessment concluded that the NBR's safeguards framework is generally strong, and operational autonomy is maintained in practice. However, gaps were identified in the legal framework relative to the leading practices. In response, and in consultation with IMF staff, the authorities drafted amendments to the NBR Law for Cabinet submission to strengthen provisions on the mandate, aspects of financial and personal autonomy, and transparency and accountability (**end-September RT, implemented with delay**). While these amendments, tailored to Rwanda's specific context, strengthen the NBR's mandate and emergency liquidity assistance provisions, its financial autonomy as well as accountability and transparency, important gaps remained compared to leading practices in some key aspects related to central bank personal and institutional autonomy. Specifically, the draft preserved the potential for government influence of the central bank's policy making and oversight by retaining public officials' participation (albeit making it more limited) and voting rights in the Board and their membership in various committees, including the MPC and the audit committee. Future reforms should seek to address these issues and minimize the scope for potential government influence over NBR policymaking.

Medium-Term Issues

20. Continued real effective exchange rate adjustment is needed to support external adjustment. The pace of real effective exchange rate depreciation in 2025 has been mitigated by a slower pace of nominal depreciation, in part due to global developments and a weaker US dollar, as well as higher inflation in Rwanda relative to trading partners. Going forward, external adjustment should continue to be facilitated by real effective exchange rate depreciation towards a level more consistent with economic fundamentals and policies.

Rwanda: Nominal and Real Effective Exchange Rates
(Dec-2010=100)



Sources: Rwandan Authorities and IMF Staff Calculations.

21. As of 2024, Rwanda's external position is assessed as substantially weaker than the level implied by fundamentals and desirable policies (see Annex V), reflecting the notable increase in the current account deficit which was exacerbated by external shocks over 2023–24. Going forward, the external adjustment should continue to be facilitated by greater exchange rate flexibility and price discovery. The level of gross international reserves is assessed to be near the midpoint of the minimum adequacy range. At the same time, the balance of risks warrants prudency with NBR's foreign currency interventions to mitigate pressures from external shocks, including tighter financial conditions and costlier external financing flows.

Authorities' Views

22. The authorities reaffirmed their commitment to taking necessary measures to maintain inflation within the NBR's target range. They underscored their vigilance in monitoring

[4] In line with Guidance Note for the Fund's Policy on Multiple Currency Practices.

price developments and emphasized their continued support for a flexible exchange rate regime as a cornerstone of monetary policy and a mechanism for safeguarding external buffers. The authorities highlighted the recent FX auctions, offering banks an additional mechanism for sourcing foreign exchange.

C. Financial Sector Policies

23. Persistent rapid credit growth warrants close monitoring of household and small business credit to detect potential future deterioration in lender asset quality. In recent years, the macroprudential policy stance has not kept pace with strong credit expansion, especially in retail credit. Based on enhanced monitoring through granular data on underwriting standards, a more proactive use of macroprudential tools would also be warranted to mitigate the risk of excessive leverage by retail borrowers. Macroprudential tools to consider would include tightening loan-to-value (LTV) limits and introducing debt-service-to-income (DSTI) limits.

24. Continuous oversight and borrower-level stress test of large exposures in the banking sector would be beneficial.[5] SOEs account for a significant share of banks' largest exposures, establishing a considerable bank-sovereign nexus. The NBR has stepped up monitoring of borrower-level financial metrics to detect risks, but stress testing of these metrics would further strengthen the monitoring of these exposures. Given such vulnerability, additional capital buffers, including those required under Pillar 2, would help bolster banking system resilience.

Medium-Term Issues

25. The NBR's guidelines on management of climate-related and environmental financial risks went into effect in late November 2023, with a phased-in implementation timeline. The guidelines are broadly in line with the Basel Committee's "Principles for the Effective Management & Supervision of Climate-related Financial Risks." Financial institutions are still at the early stages of capacity building and data collection given that the majority had not yet incorporated climate-related risks into their governance structures, strategies, risk management as well as internal control framework. As part of the phased-in implementation of the guidelines, most banks have submitted initial self-assessments focusing on exposures to relevant risks, materiality assessment, mitigating controls, and identifying data needs for monitoring and managing risks (Annex VIII).

26. A comprehensive climate risk analysis covering all major climate hazards is needed to assess and monitor the exposure of the banking sector. Heavy rainfall, floods, and landslides have been the most damaging hazards, with droughts also having significant effects locally.[6] An exposure analysis for the banking sector indicates that, while riverine flood events are likely to become more extreme under future climate scenarios, potential losses from a 1-in-100 return riverine flood event are likely to be manageable for banks (Annex VIII). With changing climate and

[5] See Box 1 in CR 24/141 and CR 24/341.

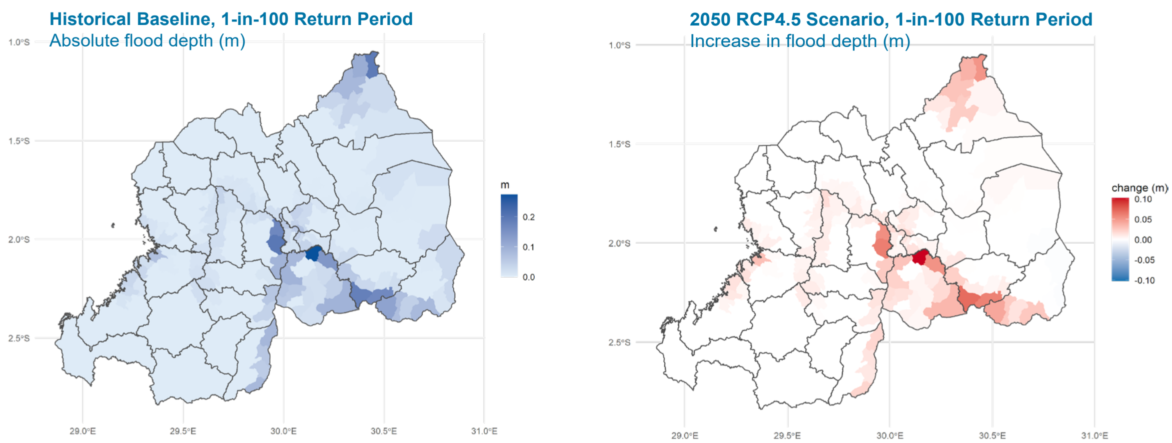
[6] For a detailed discussion of main climate risks facing Rwanda, see World Bank's Rwanda Country Climate Risk Profile (2021) and CCDR (2022).

socioeconomic conditions, flood-prone exposures of the banking system are likely to increase in the future, which highlights the importance of building forward-looking methodologies and scenario analysis capabilities. The NBR would benefit from collaborating with the climate authorities and facilitating banking sector's access to standardized climate hazard data.

Rwanda: Increasing Flood Risk

Higher riverine flood risk areas are largely in the southern part of Rwanda outside of Kigali City.

By mid-century, under RCP 4.5, flood depths are expected to increase in already higher-risk areas.



Sources: IMF Staff, World Resource Institute (WRI), Database of Global Administrative Areas (GADM).

27. A review of banks' self-assessments indicates moderate progress in adopting the NBR's climate-related financial risk management guidelines. While banks made progress in embedding climate risks into their governance, additional efforts are needed to formalize the governance processes. Banks are at early stages of systematically incorporating climate risks and opportunities into their business models, decision-making, and risk management processes. Strengthening data infrastructure and advancing forward-looking risk evaluation would be essential to improve the banking system's resilience to climate shocks.

Authorities' Views

28. On financial stability, the authorities highlighted their ongoing monitoring, supervision and quarterly stress testing, along with active engagement through the Financial Stability Committee meetings. They expressed a strong commitment to bolstering the robustness and transparency of the NBR's safeguards framework as per the recommendations of the 2024 safeguards assessment. The authorities affirmed their intent to expand and deploy macroprudential tools as needed to safeguard financial stability. They acknowledged the potential risks of large exposures and emphasized ongoing prudent management of exposures to mitigate vulnerabilities. They also underscored the importance of recent climate risk assessments, which provide insights into vulnerabilities within the financial sector, in guiding targeted resilience-building measures.

D. Advancing Structural Reforms and Policy Priorities

29. Rwanda has made significant progress in advancing its climate agenda following the RSF-supported program, but adaptation and mitigation challenges remain substantial.[7] Rwanda remains highly vulnerable to floods, landslides, and droughts, which pose risks to livelihoods and fiscal stability. Policy efforts have centered on scaling up green investment and strengthening climate risk management frameworks. Under the RSF, Rwanda introduced Climate Budget Tagging (CBT), adopted a green taxonomy, and operationalized the green investment facility, Ireme Invest, to catalyze private climate finance. As of mid-2025, the Credit Facility arm of Ireme Invest has approved loans totaling over US$22 million, which will facilitate total investments of about US$100 million over time. While disbursements remain modest relative to pledges, the government's US$40 million commitment—including a US$20 million equity injection into the Development Bank in FY26/27—underscores strong ownership. Continued progress in building a pipeline of bankable projects and expanding adaptation investments will be critical to attract concessional and private financing and reinforce Rwanda's green growth strategy.

30. Rwanda remains committed to enhancing beneficial ownership transparency and implementing priority actions from the July 2024 ESAAMLG Mutual Evaluation Report. Since April 2023, companies are required to submit accurate and up-to-date beneficial ownership (BO) information, with sanctions for non-compliance and ongoing verification efforts. At the same time, the authorities are encouraged to harmonize legal definitions of BO, especially in the public procurement law, and improve timely access to BO data for competent authorities. Progress has been acknowledged in Rwanda's institutional reforms, while ongoing efforts focus on better understanding money laundering and terrorist financing risks, and strengthening risk-based AML/CFT supervision. The updated National ML/TF Risk Assessment from November 2024 also triggered a comprehensive review of the National AML/CFT Strategy, which is expected to be finalized in 2026.

Medium-Term Issues

31. Despite Rwanda's growing export dynamism, the country's trade deficit remains persistently high, reflecting both "sticky" imports and brittle services exports. Goods exports have increased in recent years, but this expansion has been driven largely by gold and re-exports, which simultaneously raised import demand, while export product and market concentration increases external vulnerability. Services exports have stagnated, with losses in ICT and transport offsetting gains in travel, despite potential from the MICE sector (Meetings, Incentives, Conferences, and Exhibitions). Price competitiveness is broadly adequate, but structural impediments—including high transport costs, limited connectivity, skill gaps, and the prominence of SOEs—continue to undermine diversification. Going forward, policy priorities include supporting private sector development by reducing barriers to entry, strengthening regional trade integration to expand markets, improving infrastructure and interconnectivity to lower transport costs, and leveraging services such as travel and ICT for more sustainable export growth, supported by the new airport.

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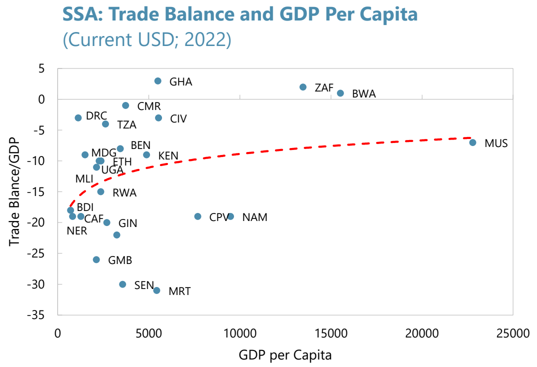
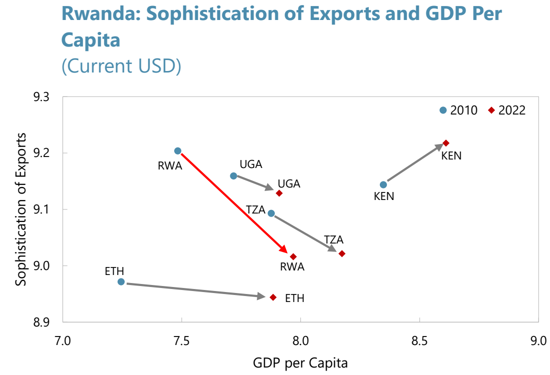
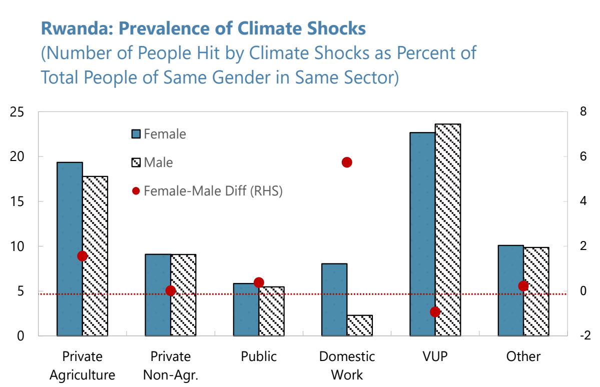
[7] For a detailed discussion of RSF reforms in Rwanda, please see Annex II of the 4th Review of the PCI.



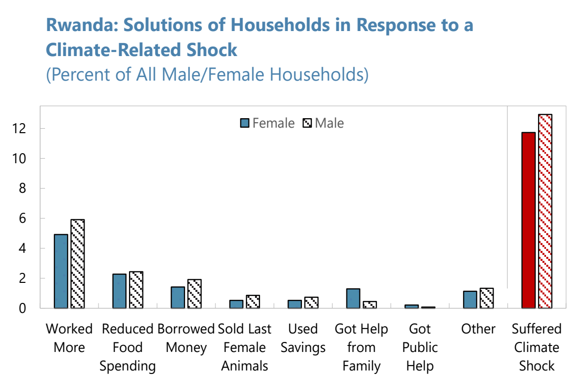


Sources: UNCOMTRADE, WTI, and IMF Staff Calculations.

32. Broadening Rwanda's gender policies beyond representation to promote women's economic participation could strengthen resilience to climate shocks. Rwanda leads globally in women's political representation, with over two-thirds of parliamentary seats and half of cabinet positions held by women, supported by a constitutional gender quota. In economic activity, however, women remain concentrated in agriculture, informal sectors, and generally low-productivity sectors that are more exposed to climate risks. With lower earnings and limited asset ownership, women have weaker financial buffers, leaving them both more exposed to climate shocks and less able to absorb their impacts. While women have been central to Rwanda's economic transformation—contributing nearly half of labor force growth over the past two decades—they earn less on average than men, and their job security is limited. Household survey evidence shows that climate shocks reduce wages, weaken consumption smoothing, and amplify poverty risks, though female-headed households tend to benefit more from government and community support. Model simulations suggest that policies enhancing women's participation in higher-productivity sectors can mitigate output losses, accelerate recovery, and increase tax revenue. Key priorities include expanding access to credit, land, and training for women, improving early warning systems linked to the dynamic social registry, and ensuring gender-disaggregated analysis in major fiscal decisions, while leveraging Rwanda's advanced data-driven tools—Climate Budget Tagging (CBT) and Gender Budget Tagging (GBT)—to prioritize resilience-enhancing investment.



Sources: Rwandan Authorities and IMF Staff Calculations.



Sources: Rwanda Household Survey (EICV7) and IMF Staff Calculations.
Note: Survey allowed to list up to three different shocks that occured within 12 months.

Authorities' Views

33. **The authorities appreciated the analysis on export competitiveness, the climate-gender nexus, and climate risk assessments.** They concurred that Rwanda's persistent trade deficit in goods reflects sustained import demand outweighing exports. Growth in tourism and air transport is supporting services credits, while structural challenges such as limited connectivity and high transport costs continue to weigh on services debits. The authorities prioritize private sector-led growth, regional integration, and improvements in logistics to foster sustainable export growth and diversification. They noted that staff's assessment of the climate–gender nexus underscores the importance of continuing to expand educational opportunities for women and strengthening their capacity to build personal buffers against economic and disaster-related shocks. They also reiterated their strong commitment to closing gaps in the AML/CFT framework and enhancing technical compliance with FATF standards.

PROGRAM MODALITIES

34. **Capacity to Repay.** Rwanda's capacity to repay the Fund remains adequate. Outstanding credit peaked at 383.8 percent of quota as of December 31, 2024, following full disbursement of the RSF and SCF arrangements (Table 7). Although the peak for credit outstanding is high—33.6 percent of gross international reserves or 5.3 percent GDP—a significant portion is long-term due to RSF financing, and debt service to the Fund is projected to remain modest at 3.0 percent of revenues excluding grants in 2029. While the priority infrastructure project will heighten debt vulnerabilities and constrain policy space to react to shocks, Rwanda has a strong repayment record, with external and overall risk of debt distress still assessed to remain moderate (see DSA).

35. **While progress has been made in national accounts and price statistics, other data provision has some shortcomings that somewhat hamper surveillance (Annex VI).** The National Institute of Statistics of Rwanda, supported by IMF TA, rebased the GDP to 2024 (Box 2). A new Producer Price Index compilation system has been introduced to update weights and coverage. Fiscal reporting has been affected by staff turnover, slowing GFS improvements and timeliness. Expanding fiscal reporting under GFS 2014, including the timely publication of quarterly budget execution reports within 60 days of quarter-end, remains a priority. An IMF TA-supported GFS Action Plan has been developed to address data delays, update public debt statistics, and maintain e-GDDS updates.

36. **Financing assurances and risks to program implementation.** The program remains fully financed, with firm commitments secured for its remainder. Most financing assurances come from concessional grants provided by the World Bank, Global Fund, and bilateral development partners, and concessional loans from the World Bank, AfDB, and other multilateral and bilateral development partners. Although uncertainties and risks to program implementation persist, these are mitigated by the authorities' strong ownership of the program.

STAFF APPRAISAL

37. Rwanda is moving forward with its ambitious development plans, supported by a robust economy, despite constrained policy buffers and protracted external imbalances. The economy has maintained a strong performance and exhibited resilience despite encountering multiple shocks in recent years. Inflation remains within the NBR's target band despite a temporary increase since April 2025. The construction of the New Kigali International Airport and the expansion of RwandAir, combined with increased foreign-financed capital spending and higher pension contributions, will result in a reduction of fiscal policy buffers even with higher revenues from the new tax package. In turn, the current account deficit is projected to increase due to higher imports associated with the construction of NKIA. Recent GDP rebasing has lessened the reported debt deterioration versus the fifth review.

38. Program performance has been strong, heralding a strong track record of policy implementation and structural reforms under the 2022-25 PCI. Except for one reform target, all the quantitative and reform targets under the sixth and final review were met. Notably, progress was made in both critical fiscal reforms and advancements within the monetary and financial sectors, which are expected to strengthen the foundation of macroeconomic policy in Rwanda moving forward. The PCI has served an essential role during consecutive shocks over the past three years, including navigating the post-COVID-19 pandemic era, the 2023 floods, the 2024 Marburg disease outbreak, and other global disruptions. As a result, the PCI has facilitated greater access to financing, particularly as the program nears completion with a rise in project loans, although these are increasingly offered on less concessional terms.

39. Fiscal pressures persist, indicating a need for increased revenue mobilization and stricter oversight of foreign-financed capital spending. The implementation of the new tax package will help sustain the tax-to-GDP ratio. Additionally, public sector efforts to improve investment management and public financial management reforms are underway to enhance spending efficiency and maximize returns on public investment. Nevertheless, borrowing for the NKIA project is expected to push public debt near 80 percent of GDP by 2027. Thus, sustained consolidation anchored in domestic revenue mobilization including identifying new revenue measures under MTRS-2, careful expenditure prioritization of capital spending, and expanded monitoring of fiscal risks will be essential to mitigate debt risks.

40. Against this backdrop, monetary policy should remain appropriately tight while the exchange rate should be used to absorb external shocks and facilitate necessary adjustments. Recent monetary policy tightening is appropriate, but further action may be needed if inflationary pressures intensify. The external adjustment should continue to be facilitated by greater exchange rate flexibility and price discovery given that Rwanda's external position is substantially weaker than the level implied by fundamentals and desirable policies. Financial sector risks linked to strong credit growth require close monitoring. Potential asset quality issues and overleveraging should be managed through detailed risk assessments and targeted macroprudential measures.

41. The authorities' initiative to align the NBR law with leading practices has been commendable though important shortcomings remain. The draft amendments submitted to Cabinet incorporate strong improvements in critical areas, including to strengthen provisions on the mandate, aspects of financial and personal autonomy, and transparency and accountability. However, the important remaining shortcomings with respect to central bank personal and institutional autonomy warrant further work and enhancements to better align with leading practices, including minimizing the scope for potential government influence over NBR policymaking.

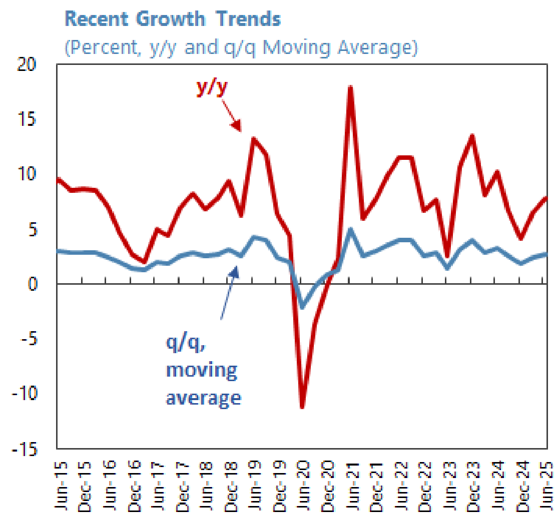
42. Structural reforms should continue to aim at unlocking inclusive and durable growth. Reforms to support external balance can facilitate the development of a competitive and dynamic export sector. Policy priorities include supporting private sector development by reducing barriers to entry, strengthening regional trade integration to expand markets, improving infrastructure and interconnectivity to lower transport costs, and leveraging services such as travel and ICT for more sustainable export growth. Priorities also include raising export competitiveness with stronger regional integration. Continued efforts to advance climate projects will help attract further climate financing and strengthen resilience to climate shocks. Expanding women's access to education and skills training is critical to broaden their participation in higher-productivity sectors and foster inclusive growth.

43. Staff support the completion of the sixth review of the PCI. The authorities have shown strong commitment to reforms, proven ability to implement difficult measures, and a solid track record of prudent policymaking.

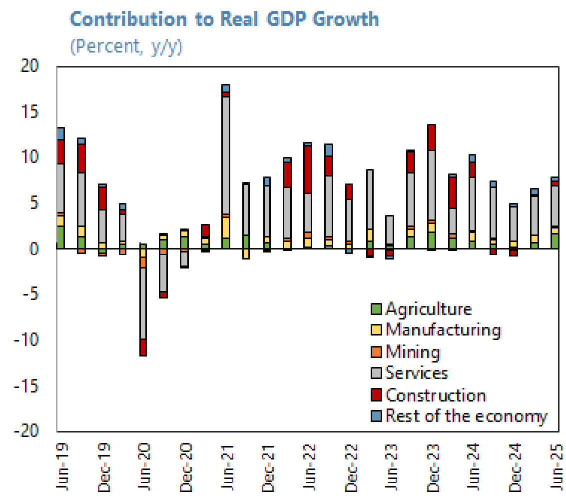
44. Staff recommends the next Article IV consultation with Rwanda to be held on the 12-month cycle. Given that outstanding credit to the Fund exceeds the 200 percent of quota threshold, staff recommend initiation of a Post Financing Assessment (PFA).

Figure 1. Rwanda: Overview of Recent Economic Developments

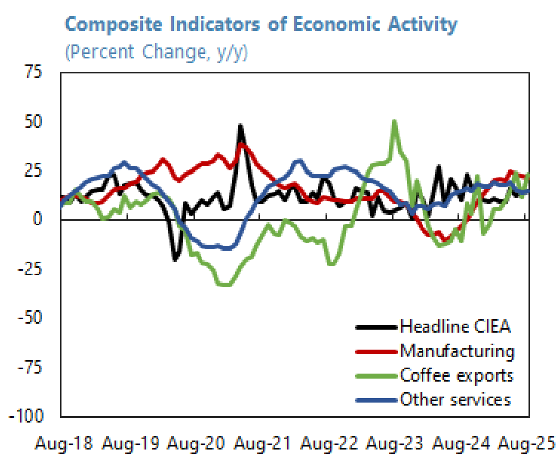
Economic activities continue to remain strong in 2025Q2…



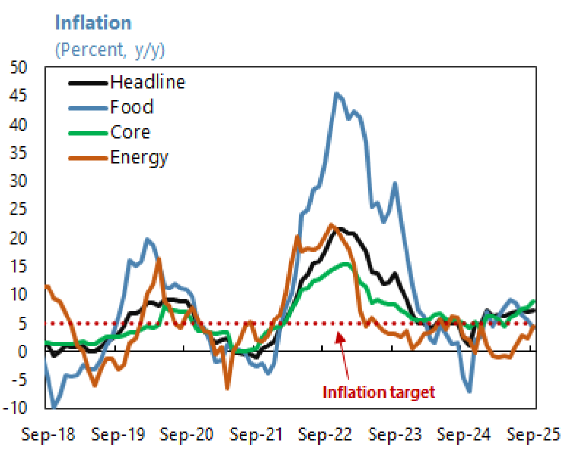
…. due to strong performance in services and agriculture.



High regional demand for manufactured exports and increased coffee prices led to an uptick in exports in 2025H1.



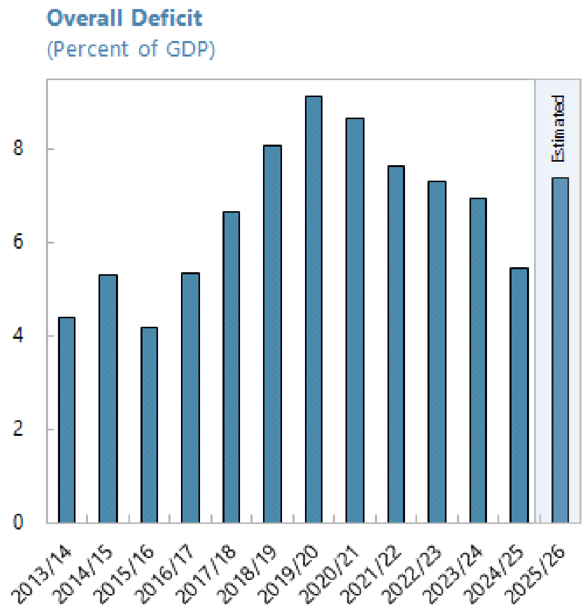
Inflation started to pick up but remains within the NBR's inflation target range.



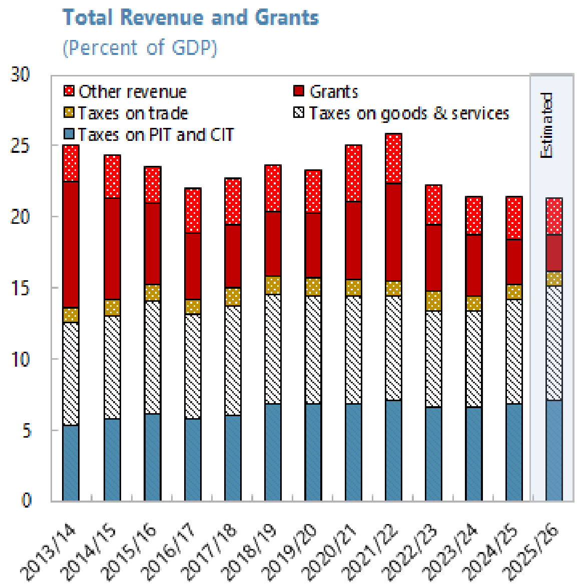
Sources: Rwandan Authorities and IMF Staff Calculations.

Figure 2. Rwanda: Fiscal Developments

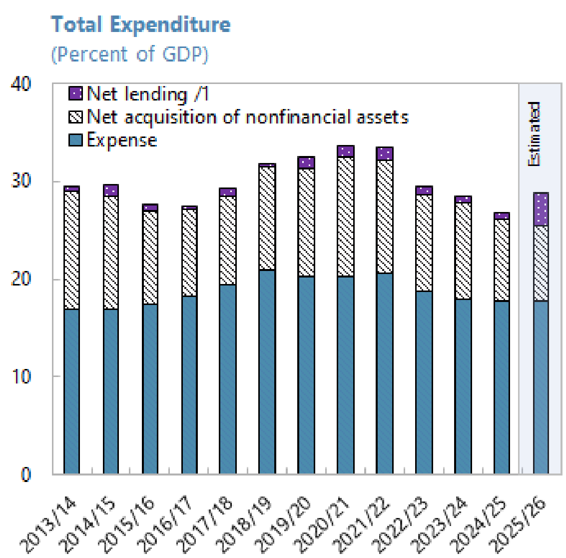
The fiscal deficit is expected to widen in 2025/26…



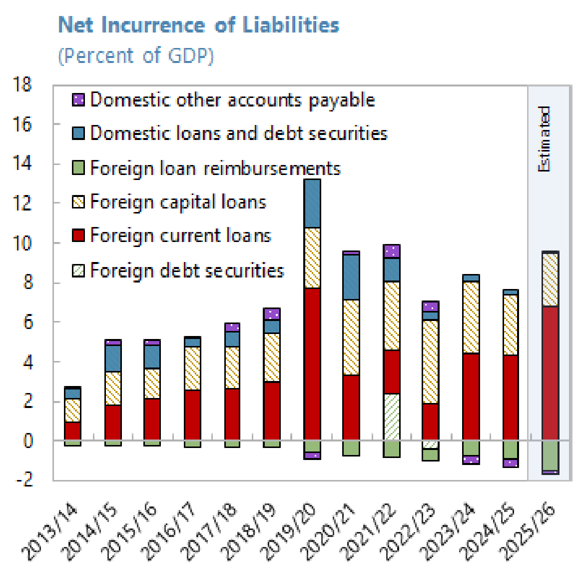
…. with tax revenues gradually starting to reflect the implementation of new tax package…



…. while expenditures, especially capital spending, are expected to pick up…



…. influenced by trends in foreign capital and current loans.

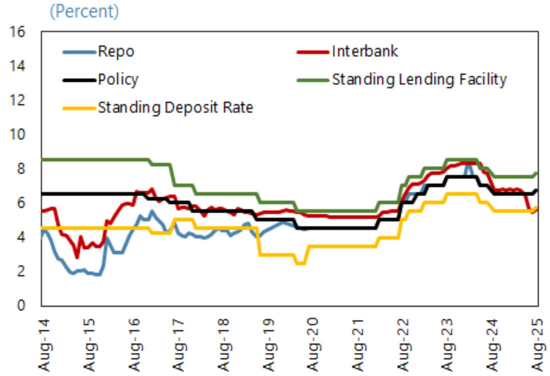


Sources: Rwandan Authorities and IMF Staff Calculations.
[1] Net lending is presented in the overall balance in accordance with the PCI definition.

Figure 3. Rwanda: Monetary and Financial Sector Developments

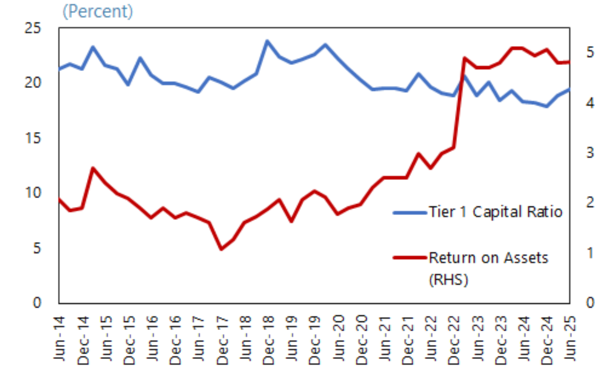
The NBR tightened its monetary stance in August 2025.

Policy and Short Term Rates
(Percent)



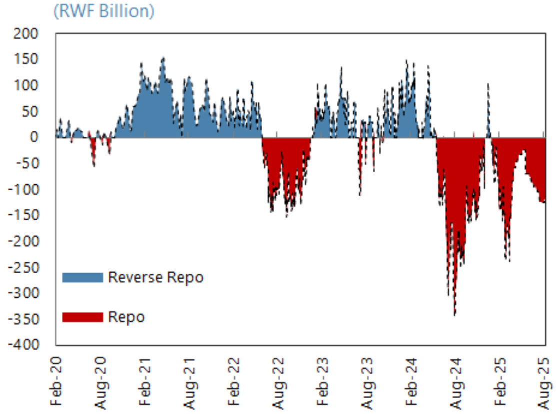
The banking sector continues to be profitable, and regulatory capital is well above minimum requirements.

Rwanda Banking System - Profitability and Capitalization
(Percent)



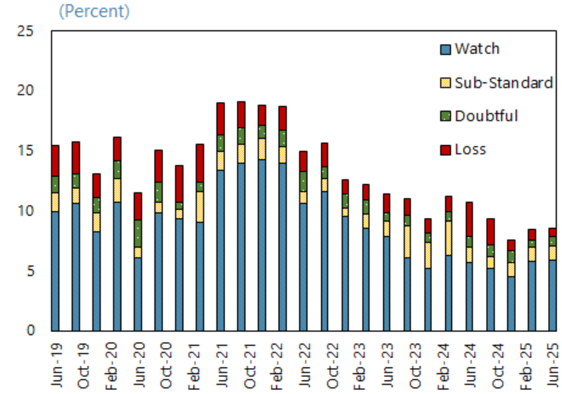
There is ongoing demand for repos from NBR with ample liquidity in the interbank market.

Liquidity Management from Open Market Operations[1,2]
(RWF Billion)



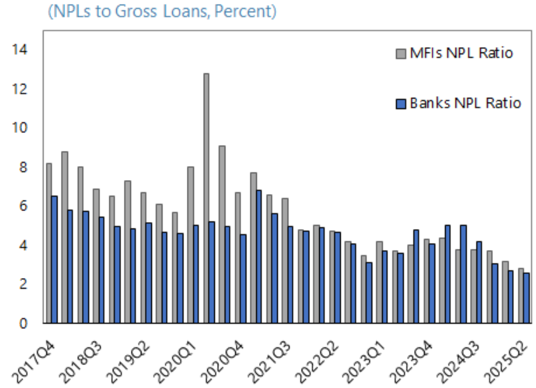
Loans under Watch category have plateaued in recent period.

Risk Status of Loan Stock
(Percent)



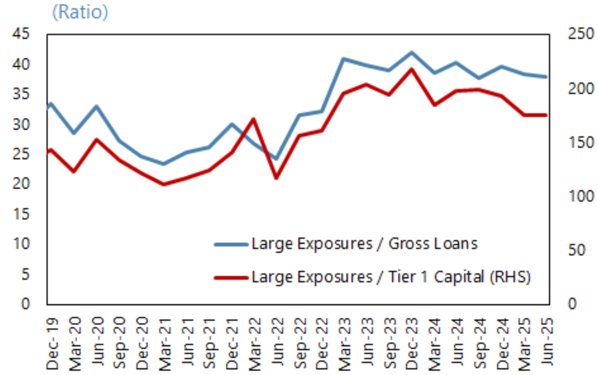
NPL levels remained broadly stable recently, following the COVID-related spike during 2020–21....

Rwanda Banking System - Non-performing Loans
(NPLs to Gross Loans, Percent)



... but large exposures of banks remain high.

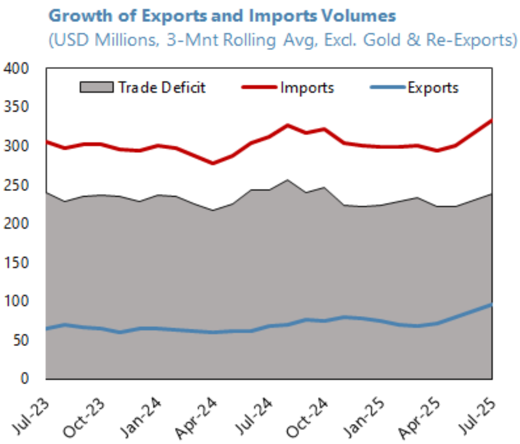
Rwanda Banking Sytem - Large Exposures
(Ratio)



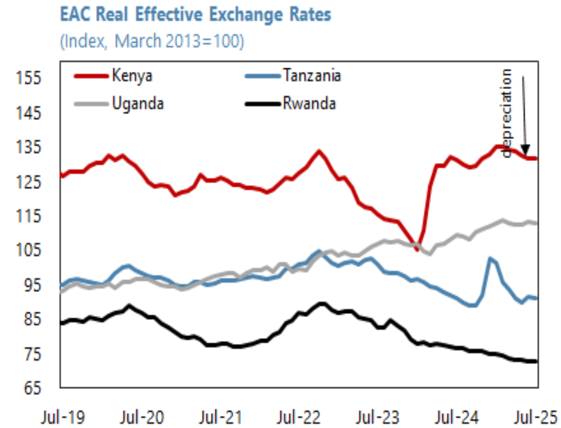
Sources: Rwandan Authorities, and IMF Staff Calculations.
[1] Real Interest rate is calculated from the average nominal lending rate and the year-on-year inflation rate.
[2] Positive sign means net injection and negative sign means net absorption of liquidity.

Figure 4. Rwanda: External Developments

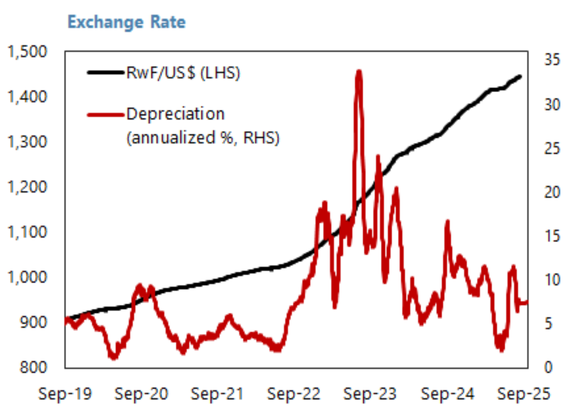
The trade deficit widened, with a pickup in imports more than offsetting that of exports.



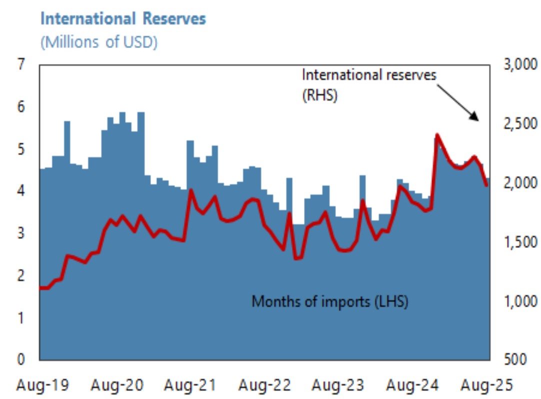
The REER depreciation slowed in recent months…



… driven by smaller nominal exchange rate depreciation…

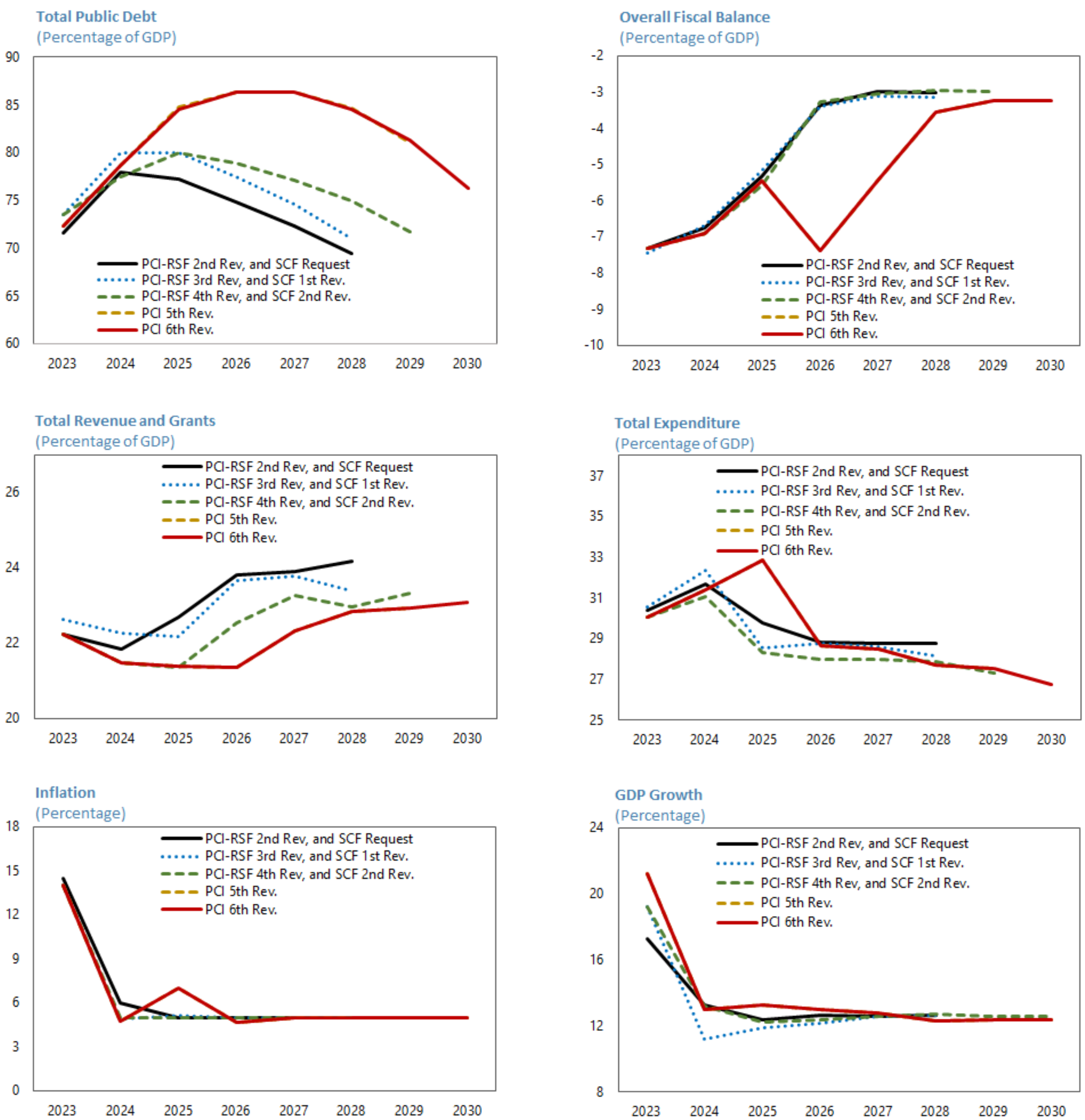


… while international reserves increased following earlier disbursements in official financing support.



Sources: Rwandan Authorities and IMF Staff Calculations.

Figure 5. Rwanda: Selected Program Indicators[1]



Source: IMF Staff Calculations.

[1] PCI 6th Review incorporates GDP rebasing.

Table 1. Rwanda: Selected Economic Indicators, 2024–30

	2024		2025			2026			2027			2028			2029			2030		
	Act. (Old Base)	Act.	5th Review	Est. (Old Base)	Est.	5th Review	Proj. (Old Base)	Proj.	5th Review	Proj. (Old Base)	Proj.	5th Review	Proj. (Old Base)	Proj.	5th Review	Proj. (Old Base)	Proj.	5th Review	Proj. (Old Base)	Proj.
	(Annual percentage change, unless otherwis indicated)																			
Output and prices																				
Real GDP	8.9	7.2	7.1	...	7.0	7.5	...	7.2	7.4	...	7.6	7.0	...	6.8	7.0	...	6.8	7.0	...	6.8
GDP deflator	3.8	8.2	5.7	5.7	7.1	5.1	5.1	6.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CPI (period average)	4.8	4.8	7.0	7.1	7.1	4.7	5.6	5.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CPI (end period)	6.8	6.8	6.3	7.2	7.2	4.1	4.1	4.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Terms of trade (deterioration, -)	2.4	2.4	0.1	20.6	20.6	-0.1	1.6	1.6	-0.6	0.4	0.4	-0.4	-0.1	-0.1	-0.5	-0.2	-0.2	0.7	0.7	0.7
Exchange rate (Rwanda franc/US$) (e.o.p.)	...	1,383	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Rwanda franc y/y depreciation rate (e.o.p.)	...	9.4	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Exchange rate (Rwanda franc/US$) (p. avg.)	...	1,318	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Rwanda franc y/y depreciation rate (p. avg.)	...	13.6	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Real effective exchange rate (depreciation, -)(p.avg.)	...	-8.3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Money and credit																				
Broad money (M3)	18.8	18.8	10.8	18.3	18.3	7.6	16.2	16.2	16.2	16.3	16.3	12.3	13.8	13.8	11.7	12.5	12.5	16.5	12.0	12.0
Reserve money	11.0	11.0	0.4	5.0	5.0	20.5	14.6	14.6	15.3	14.6	14.6	12.1	10.5	10.5	-0.1	13.2	13.2	14.0	10.9	10.9
Credit to non-government sector	14.3	14.3	17.6	15.3	15.3	10.8	15.7	15.7	19.4	19.1	19.1	11.4	14.4	14.4	18.7	11.2	11.2	18.7	12.6	12.6
M3/GDP (percent)	26.1	26.1	30.9	26.9	26.9	29.4	27.5	27.5	30.3	28.3	28.3	30.3	28.7	28.7	30.1	28.8	28.8	31.3	28.8	28.8
	(Percent of GDP, unless otherwise indicated)																			
Budgetary central government, FY basis[1]																				
Revenue	21.5	20.7	21.4	20.8	19.5	21.4	21.8	20.3	22.3	22.2	20.6	22.8	22.6	21.1	22.9	22.7	21.2	20.4	22.9	21.4
Taxes	14.6	14.1	15.5	15.3	14.3	16.4	16.5	15.3	17.4	17.5	16.2	17.9	17.8	16.6	18.1	18.0	16.8	16.1	18.2	17.0
Grants	4.3	4.1	3.1	3.1	2.9	2.6	2.9	2.7	2.6	2.4	2.2	2.6	2.4	2.3	2.5	2.3	2.2	2.2	2.3	2.1
Other revenue	2.6	2.5	2.8	2.5	2.3	2.4	2.5	2.3	2.4	2.3	2.2	2.4	2.4	2.2	2.4	2.3	2.2	2.1	2.4	2.2
Expense	17.9	17.3	17.7	17.0	16.0	17.8	17.0	15.8	17.1	16.9	15.7	17.3	17.0	15.8	17.0	16.7	15.6	15.2	16.9	15.8
Net acquisition of nonfin. assets	9.9	9.6	8.4	8.8	8.3	7.5	8.4	7.9	8.3	8.5	7.9	8.7	8.9	8.3	8.9	9.0	8.4	7.9	9.0	8.4
Net lending (+) / borrowing (-) (NLB)	-6.3	-6.1	-4.7	-5.1	-4.7	-4.0	-3.6	-3.4	-3.0	-3.2	-3.0	-3.1	-3.2	-3.0	-3.0	-3.0	-2.8	-2.6	-3.0	-2.8
excluding grants	-10.6	-10.2	-7.8	-8.1	-7.6	-6.6	-6.5	-6.0	-5.6	-5.6	-5.2	-5.7	-5.7	-5.3	-5.4	-5.4	-5.0	-4.8	-5.3	-4.9
Net acquisition of financial assets	0.5	0.4	1.6	1.8	1.7	3.8	3.1	2.9	2.9	2.5	2.3	1.0	1.9	1.7	0.6	0.6	0.6	0.5	0.5	0.5
Currency and deposits	-0.2	-0.2	0.8	1.0	0.9	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Loans	0.5	0.5	0.6	0.6	0.5	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Equity and investment fund shares	0.2	0.2	0.2	0.2	0.2	3.1	2.3	2.2	2.7	2.1	1.9	2.4	1.8	1.7	2.2	1.6	1.5	1.9	0.1	0.1
Net incurrence of liabilities	7.2	7.0	6.3	6.9	6.5	7.9	6.7	6.2	5.9	5.8	5.4	4.0	5.1	4.7	3.5	3.6	3.3	3.2	3.5	3.3
Domestic	-0.1	-0.1	-0.1	0.1	0.1	-0.1	1.0	0.9	-0.5	-0.1	-0.1	0.6	0.6	0.6	1.2	0.7	0.7	1.0	2.2	2.1
Foreign	7.4	7.1	6.4	6.8	6.3	8.0	5.7	5.3	6.4	5.8	5.4	3.4	4.5	4.1	2.4	2.9	2.7	2.1	1.3	1.2
Overall fiscal balance (incl. grants, policy lending)[2]	-6.9	-6.7	-5.5	-5.9	-5.5	-7.4	-6.2	-5.8	-5.4	-5.2	-4.9	-3.6	-4.7	-4.3	-3.2	-3.2	-3.0	-2.9	-3.2	-3.0
Debt-creating overall balance (excl. PKO)[3]	-6.9	-6.7	-5.5	-5.9	-5.5	-7.4	-6.2	-5.8	-5.4	-5.2	-4.9	-3.6	-4.7	-4.3	-3.2	-3.2	-3.0	-2.9	-3.2	-3.0
Primary balance (excl grants)	-8.8	-8.5	-7.1	-6.5	-6.1	-8.3	-6.7	-6.3	-6.0	-5.2	-4.8	-3.7	-4.8	-4.5	-3.3	-3.5	-3.2	-2.9	-3.6	-3.3
Public debt																				
Total public debt incl. guarantees	78.7	74.2	84.7	80.1	75.0	86.3	83.8	77.7	86.3	85.2	79.1	84.6	84.6	78.8	81.1	82.6	77.0	76.2	79.0	73.8
of which : external public debt	63.1	59.5	73.0	62.1	58.1	78.2	66.9	62.0	80.6	68.7	63.8	79.7	69.1	64.3	76.4	66.7	62.3	73.2	63.6	59.4
Total public debt excluding guarantees	76.5	72.1	81.8	77.3	72.3	83.6	81.2	75.3	83.8	82.7	76.8	82.2	82.3	76.6	78.8	80.5	75.0	74.1	77.1	72.0
External public debt incl. guarantees, PV	41.0	38.7	46.1	40.9	38.3	49.1	43.8	40.6	50.7	45.2	42.0	49.9	45.2	42.1	47.8	43.7	40.7	45.4	41.5	38.8
Gross domestic debt	15.6	14.7	11.7	18.0	16.8	8.1	16.9	15.7	5.8	16.4	15.3	4.9	15.5	14.4	4.7	15.8	14.8	3.0	15.4	14.4
Total public debt incl. guarantees, PV	58.7	55.3	59.6	60.0	56.1	59.0	62.1	57.6	58.1	62.9	58.4	56.2	61.9	57.6	53.5	60.4	56.3	49.1	57.5	53.8
Investment and savings																				
Investment	27.5	25.9	25.2	30.0	28.1	30.0	30.9	28.6	27.7	29.9	27.7	24.6	26.9	25.1	24.8	26.7	24.9	23.4	26.5	24.8
Government	11.7	11.0	12.8	11.0	10.3	10.9	12.5	11.6	11.1	12.0	11.2	10.3	10.8	10.1	10.4	10.5	9.8	10.1	10.3	9.6
Nongovernment	15.8	14.9	12.4	19.0	17.8	19.0	18.4	17.1	16.7	17.8	16.6	14.3	16.1	15.0	14.5	16.2	15.1	13.4	16.2	15.1
Savings (excl. grants)	13.7	12.9	11.7	16.6	15.5	17.1	18.1	16.8	16.7	19.0	17.6	15.0	17.4	16.2	15.2	17.2	16.1	13.1	16.3	15.2
Government	0.9	0.9	0.5	2.3	2.1	3.4	3.0	2.7	4.3	4.6	4.2	4.6	4.8	4.5	5.1	4.9	4.6	5.7	6.3	5.8
Nongovernment	12.8	12.0	11.2	14.3	13.4	13.7	15.1	14.0	12.4	14.4	13.4	10.4	12.6	11.7	10.2	12.3	11.5	7.4	10.0	9.3
External sector																				
Exports (goods and services)	30.1	28.4	34.4	28.1	26.3	37.9	30.0	27.8	39.9	30.9	28.7	42.8	31.4	29.3	44.6	30.9	28.9	44.5	29.3	27.3
Imports (goods and services)	-46.0	-43.4	-50.1	-44.3	-41.5	-54.9	-46.1	-42.7	-54.2	-44.7	-41.5	-53.2	-41.6	-38.7	-53.9	-39.9	-37.2	-52.3	-37.4	-34.9
Current account balance (incl grants)	-12.8	-12.1	-13.8	-13.7	-12.9	-15.9	-14.4	-13.4	-13.4	-12.6	-11.7	-9.9	-9.2	-8.6	-8.8	-8.5	-7.9	-7.6	-7.2	-6.8
Gross official reserves																				
In millions of US$	2,405	2,405	2,578	1,788	1,788	2,599	2,076	2,076	2,649	2,293	2,293	2,658	2,387	2,387	2,549	2,327	2,327	2,561	2,351	2,351
In months of next year's imports[4]	5.2	5.2	5.2	3.6	3.6	5.3	4.2	4.2	5.6	4.7	4.7	5.4	4.8	4.8	5.1	4.6	4.6	5.1	4.6	4.6
In millions of US$ (excl RSF)	2,083	2,083	2,256	1,466	1,466	2,277	1,754	1,754	2,327	1,971	1,971	2,336	2,065	2,065	2,227	2,005	2,005	2,239	2,029	2,029
In months of next year's imports[4] (excl RSF)	4.5	4.5	4.6	3.0	3.0	4.6	3.5	3.5	4.9	4.1	4.1	4.7	4.1	4.1	4.5	4.0	4.0	4.4	4.0	4.0
Memorandum items:																				
GDP at current market prices																				
Rwanda francs (billion), CY basis	...	19,918	21,276	...	22,817	24,032	...	26,010	27,106	...	29,374	30,447	...	32,919	34,210	...	36,909	38,428	...	41,400
nominal growth	...	16.0	13.3	...	14.6	13.0	...	14.0	12.8	...	12.9	12.3	...	12.1	12.4	...	12.1	12.3	...	12.2
Rwanda francs (billion), FY basis[1]	...	18,370	20,031	...	21,368	22,654	...	24,413	25,569	...	27,692	28,776	...	31,146	32,328	...	34,914	36,319	...	39,155
Population (million)	13.9	13.9	14.2	14.2	14.2	14.5	14.5	14.5	14.8	14.8	14.8	15.1	15.1	15.1	15.3	15.3	15.3	15.6	15.6	15.6

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

[1] From FY 23/24 (2024) to FY 29/30 (2030). Fiscal year runs from July to June.

[2] For purposes of the PCI the overall balance (GFSM 1986, incl. policy lending) is used for monitoring.

[3] Overall deficit excl. spending on materialized contingent liabilities and other items already incl. in the DSA.

[4] Based on prospective import of goods (excluding gold) and services.

Table 2a. Rwanda: Budgetary Central Government Flows, GFSM 2014 Presentation, FY22/23–29/30[1]

(Billions of Rwandan francs)

	2022/23	2023/24	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30	
	Act	Act.	5th Review	Est.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.
Revenue	**3,400**	**3,811**	**4,285**	**4,174**	**4,838**	**4,953**	**5,706**	**5,707**	**6,570**	**6,560**	**7,415**	**7,393**	**8,378**	**8,362**
Taxes	2,287	2,593	3,106	3,065	3,708	3,745	4,438	4,491	5,138	5,168	5,850	5,869	6,618	6,661
Taxes on income, profits, and capital gains	1,023	1,179	1,372	1,357	1,611	1,584	1,935	1,932	2,226	2,222	2,523	2,535	2,892	2,855
Taxes on property	23	31	43	46	48	59	55	69	61	79	63	89	71	99
Taxes on goods and services	1,030	1,190	1,468	1,419	1,811	1,850	2,172	2,183	2,517	2,515	2,879	2,840	3,230	3,248
Taxes on international trade and transactions	212	194	223	242	239	252	276	307	333	353	384	404	425	459
Grants	711	758	626	615	585	650	660	616	740	709	794	765	869	823
Other revenue	401	460	553	494	544	558	608	600	693	683	771	760	891	878
of which: PKO	146	210	210	196	197	192	212	204	226	216	239	228	250	237
Expense	**2,857**	**3,173**	**3,550**	**3,417**	**4,040**	**3,854**	**4,361**	**4,344**	**4,968**	**4,912**	**5,509**	**5,446**	**6,285**	**6,170**
Compensation of employees	368	467	569	569	673	673	757	758	857	858	969	969	1,092	1,093
of which: RSSB reform	--	--	18	18	37	37	43	43	55	55	68	68	80	80
Use of goods and services	743	799	866	804	889	870	1,000	986	1,135	1,173	1,275	1,318	1,348	1,515
of which: Marburg virus response	--	--	83	83	--	--	--	--	--	--	--	--	--	--
of which: VAT refunds	--	--	50	50	--	--	--	--	--	--	--	--	--	--
Interest	304	418	503	486	604	536	696	621	772	663	820	683	1,148	681
To nonresidents	101	183	239	224	328	251	430	291	511	349	572	385	908	400
of which: Bugesera and RwandAir	--	--	--	--	58	--	147	33	197	74	226	92	233	96
of which: Eurobond fees	--	--	--	--	18	--	--	--	--	--	--	--	--	--
To residents other than general government	203	234	264	262	276	285	266	330	260	315	248	298	240	281
Subsidies	299	307	323	322	490	385	313	378	345	352	362	383	362	391
of which: RwandAir loan repayment	--	--	--	--	122	--	--	--	--	--	--	--	--	--
of which: RwandAir working capital	177	177	162	162	169	185	90	154	85	93	68	98	39	75
Grants	970	994	1,077	1,024	1,156	1,156	1,350	1,350	1,582	1,582	1,774	1,774	1,984	2,132
Of which: RSSB reform	--	--	26	26	53	53	62	62	79	79	97	97	115	115
To Local Government	917	925	986	937	1,052	1,052	1,234	1,234	1,465	1,465	1,655	1,655	1,863	2,011
Current	671	704	767	749	813	813	950	950	1,097	1,097	1,240	1,240	1,396	1,507
of which: Compensation of employees	410	503	580	580	700	700	789	789	896	896	1,015	1,015	1,090	1,090
Capital	246	221	219	189	239	239	284	284	368	368	415	415	467	504
Social benefits	46	49	67	67	75	81	77	83	86	93	97	105	109	117
Other expense	128	139	144	145	153	153	169	169	190	190	214	214	241	241
Net Operating Balance														
including grants	543	638	736	757	798	1,099	1,344	1,363	1,602	1,648	1,906	1,947	2,094	2,192
excluding grants	-168	-120	110	143	213	449	684	747	862	939	1,112	1,183	1,225	1,369
Net acquisition of nonfin. assets	**1,518**	**1,755**	**1,674**	**1,772**	**1,709**	**1,920**	**2,122**	**2,195**	**2,490**	**2,582**	**2,862**	**2,924**	**3,208**	**3,292**
Foreign financed	771	1,098	1,008	1,148	1,037	1,287	1,163	1,253	1,261	1,333	1,399	1,436	1,541	1,494
of which: Flood spending	--	24	80	80	24	24	3	3	--	--	--	--	--	--
Domestically financed	747	657	667	624	672	632	959	942	1,229	1,248	1,464	1,488	1,667	1,798
of which: Flood spending	--	44	--	--	--	--	--	--	--	--	--	--	--	--
of which: Marburg virus response	--	--	20	20	--	--	--	--	--	--	--	--	--	--
Net lending (+) / borrowing (-)														
including grants	**-976**	**-1117**	**-939**	**-1014**	**-911**	**-821**	**-778**	**-833**	**-888**	**-934**	**-956**	**-977**	**-1115**	**-1100**
excluding grants	-1,687	-1,875	-1,565	-1,629	-1,496	-1,470	-1,438	-1,448	-1,628	-1,643	-1,751	-1,742	-1,984	-1,923
Net acquisition of financial assets	**-73**	**81**	**325**	**365**	**871**	**699**	**739**	**650**	**278**	**540**	**190**	**192**	**174**	**183**
Domestic	-5	81	325	365	871	699	739	650	278	540	190	192	174	183
Currency and deposits	-78	-30	170	201	110	106	124	138	139	125	97	122	109	117
Debt Securities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans	92	83	115	114	59	59	33	33	30	30	30	30	29	29
Equity and investment fund shares	49	29	40	50	702	534	583	479	108	385	63	40	36	37
of which: Bugesera	36	36	36	36	699	531	583	479	108	385	63	40	36	37
Foreign	-68	--	--	--	--	--	--	--	--	--	--	--	--	--
Net incurrence of liabilities	**951**	**1,282**	**1,264**	**1,390**	**1,781**	**1,519**	**1,517**	**1,482**	**1,155**	**1,474**	**1,147**	**1,169**	**1,288**	**1,283**
Domestic	142	-26	-21	34	-30	227	-116	-21	175	184	375	234	954	810
Debt securities	295	154	155	205	137	395	13	108	309	308	431	340	1,064	946
Held by Banks	42	36	-11	121	-10	174	-96	47	125	135	313	150	891	416
Held by Non-Banks	252	119	149	84	147	222	109	60	185	172	118	191	172	530
Loans (debt securitites repayments)	-222	-96	-96	-96	-127	-129	-89	-89	-175	-164	-96	-146	-149	-175
Other accounts payable[3]	70	-84	-80	-75	-40	-40	-40	-40	40	40	40	40	40	40
Foreign	809	1,307	1,285	1,355	1,812	1,293	1,633	1,503	980	1,290	772	935	334	473
Debt securities	-68	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans	877	1,307.2	1,285	1,355	1,812	1,293	1,633	1,503	980	1,290	772	935	334	473
Disbursements	962	1,432	1,473	1,527	2,152	1,640	2,119	1,976	1,589	1,917	1,561	1,739	1,345	1,438
Current	535	792	864	788	1,530	884	1,428	1,178	831	1,066	694	809	361	473
of which: IMF RSF	106	157	133	132	--	--	--	--	--	--	--	--	--	--
of which: IMF SCF	--	44	25	25	--	--	--	--	--	--	--	--	--	--
Capital	426	640	609	739	622	756	691	799	758	851	867	929	984	966
Reimbursements	85	125	188	172	340	347	486	473	609	627	789	804	1,011	965
Statistical discrepancy	-48	-83	--	-10	--	--	--	--	11	--	--	--	--	--
Memorandum items:														
Domestic revenue (incl. local government)	2,542	2,844	3,449	3,363	4,055	4,111	4,834	4,887	5,604	5,635	6,382	6,401	7,259	7,302
Wage bill (incl. local government)	805	1,005	1,190	1,191	1,422	1,422	1,602	1,602	1,814	1,814	2,048	2,049	2,251	2,252
Primary balance excl. grants	-1,525	-1,568	-1,217	-1,307	-1,652	-1,526	-1,358	-1,339	-994	-1,395	-1,024	-1,129	-901	-1,307
Domestic financing with RSF	147	-107	-346	-331	-901	-472	-855	-671	-103	-356	185	42	780	627
Domestic financing without RSF	253	50	-213	-198	-901	-472	-855	-671	-103	-356	185	42	780	627
Overall fiscal balance (incl. grants, policy loans)[2]	-1,117	-1,228	-1,094	-1,178	-1,671	-1,413	-1,393	-1,344	-1,026	-1,349	-1,050	-1,047	-1,179	-1,166
Debt creating overall bal. (excl. PKO)[3]	-1,117	-1,228	-1,094	-1,178	-1,671	-1,413	-1,393	-1,344	-1,026	-1,349	-1,050	-1,047	-1,179	-1,166
Excluding Bugesera	--	--	--	--	-790	-872	-776	-834	-851	-937	--	--	--	--

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

[1]Fiscal year runs from July to June.

[2] For purposes of the PCI the overall balance (GFSM 1986 definition, incl. policy lending) is used for monitoring.

[3] Includes unpaid obligations under 90 days.

Table 2b. Rwanda: Budgetary Central Government Flows, GFSM 2014 Presentation, FY22/23–29/30[1]

(Percent of GDP, unless otherwise indicated)

	2022/23	2023/24	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30	
	Act.	Act.	5th Review	Prel.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.
Revenue	**21.5**	**20.7**	**21.4**	**19.4**	**21.4**	**20.3**	**22.3**	**20.6**	**22.8**	**21.1**	**22.9**	**21.2**	**23.1**	**21.4**
Taxes	14.5	14.1	15.5	14.2	16.4	15.3	17.4	16.2	17.9	16.6	18.1	16.8	18.2	17.0
Taxes on income, profits, and capital gains	6.5	6.4	6.9	6.3	7.1	6.5	7.6	7.0	7.7	7.1	7.8	7.3	8.0	7.3
Taxes on property	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.3
Taxes on goods and services	6.5	6.5	7.3	6.6	8.0	7.6	8.5	7.9	8.7	8.1	8.9	8.1	8.9	8.3
Taxes on international trade and transactions	1.3	1.1	1.1	1.1	1.1	1.0	1.1	1.1	1.2	1.1	1.2	1.2	1.2	1.2
Grants	4.5	4.1	3.1	2.9	2.6	2.7	2.6	2.2	2.6	2.3	2.5	2.2	2.4	2.1
Other revenue	2.5	2.5	2.8	2.3	2.4	2.3	2.4	2.2	2.4	2.2	2.4	2.2	2.5	2.2
of which: PKO	0.9	1.1	1.0	0.9	0.9	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.6
Expense	**18.1**	**17.3**	**17.7**	**15.9**	**17.8**	**15.8**	**17.1**	**15.7**	**17.3**	**15.8**	**17.0**	**15.6**	**17.3**	**15.8**
Compensation of employees	2.3	2.5	2.8	2.6	3.0	2.8	3.0	2.7	3.0	2.8	3.0	2.8	3.0	2.8
of which: RSSB reform	--	--	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Use of goods and services	4.7	4.3	4.3	3.7	3.9	3.6	3.9	3.6	3.9	3.8	3.9	3.8	3.7	3.9
of which: Marburg virus response	--	--	0.4	0.4	--	--	--	--	--	--	--	--	--	--
of which: VAT refunds	--	--	0.2	0.2	--	--	--	--	--	--	--	--	--	--
Interest	1.9	2.3	2.5	2.3	2.7	2.2	2.7	2.2	2.7	2.1	2.5	2.0	3.2	1.7
To nonresidents	0.6	1.0	1.2	1.0	1.4	1.0	1.7	1.1	1.8	1.1	1.8	1.1	2.5	1.0
of which: Bugesera and RwandAir	--	--	--	--	0.3	--	0.6	0.1	0.7	0.2	0.7	0.3	0.6	0.2
of which: Eurobond fees	--	--	--	--	0.1	--	--	--	--	--	--	--	--	--
To residents other than general government	1.3	1.3	1.3	1.2	1.2	1.2	1.0	1.2	0.9	1.0	0.8	0.9	0.7	0.7
Subsidies	1.9	1.7	1.6	1.5	2.2	1.6	1.2	1.4	1.2	1.1	1.1	1.1	1.0	1.0
of which: RwandAir loan repayment	--	--	--	--	0.5	0.0	--	--	--	--	--	--	--	--
of which: RwandAir working capital	1.1	1.0	0.8	0.8	0.7	0.8	0.4	0.6	0.3	0.3	0.2	0.3	0.1	0.2
Grants	6.1	5.4	5.4	4.8	5.1	4.7	5.3	4.9	5.5	5.1	5.5	5.1	5.5	5.4
Of which: RSSB reform	--	--	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
To Local Government	5.8	5.0	4.9	4.4	4.6	4.3	4.8	4.5	5.1	4.7	5.1	4.7	5.1	5.1
Current	4.2	3.8	3.8	3.5	3.6	3.3	3.7	3.4	3.8	3.5	3.8	3.6	3.8	3.8
of which: Compensation of employees	2.6	2.7	2.9	2.7	3.1	2.9	3.1	2.8	3.1	2.9	3.1	2.9	3.0	2.8
Capital	1.6	1.2	1.1	0.9	1.1	1.0	1.1	1.0	1.3	1.2	1.3	1.2	1.3	1.3
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	0.3	0.3
Other expense	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.7	0.6	0.7	0.6	0.7	0.6
Net acquisition of nonfin. assets	**9.6**	**9.6**	**8.4**	**8.2**	**7.5**	**7.9**	**8.3**	**7.9**	**8.7**	**8.3**	**8.9**	**8.4**	**8.8**	**8.4**
Foreign financed	4.9	6.0	5.0	5.3	4.6	5.3	4.6	4.5	4.4	4.3	4.3	4.1	4.2	3.8
of which: Flood spending	--	0.1	0.4	0.4	0.1	0.1	--	--	--	--	--	--	--	--
Domestically financed	4.7	3.6	3.3	2.9	3.0	2.6	3.8	3.4	4.3	4.0	4.5	4.3	4.6	4.6
of which: Flood spending	--	0.2	--	--	--	--	--	--	--	--	--	--	--	--
of which: Marburg virus response	--	--	0.1	0.1	--	--	--	--	--	--	--	--	--	--
Net lending (+) / borrowing (-)														
including grants	**-6.2**	**-6.1**	**-4.7**	**-4.7**	**-4.0**	**-3.4**	**-3.0**	**-3.0**	**-3.1**	**-3.0**	**-3.0**	**-2.8**	**-3.1**	**-2.8**
excluding grants	-10.7	-10.2	-7.8	-7.6	-6.6	-6.0	-5.6	-5.2	-5.7	-5.3	-5.4	-5.0	-5.5	-4.9
Net acquisition of financial assets	**-0.5**	**0.4**	**1.6**	**1.7**	**3.8**	**2.9**	**2.9**	**2.3**	**1.0**	**1.7**	**0.6**	**0.6**	**0.5**	**0.5**
Domestic	--	0.4	1.6	1.7	3.8	2.9	2.9	2.3	1.0	1.7	0.6	0.6	0.5	0.5
Currency and deposits	-0.5	-0.2	0.8	0.9	0.5	0.4	0.5	0.5	0.5	0.4	0.3	0.4	0.3	0.3
Debt securities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans	0.6	0.5	0.6	0.5	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Equity and investment fund shares	0.3	0.2	0.2	0.2	3.1	2.2	2.3	1.7	0.4	1.2	0.2	0.1	0.1	0.1
of which: Bugesera	0.2	0.2	0.2	0.2	3.1	2.2	2.3	1.7	0.4	1.2	0.2	0.1	0.1	0.1
Foreign	-0.4	--	--	--	--	--	--	--	--	--	--	--	--	--
Net incurrence of liabilities	**6.0**	**7.0**	**6.3**	**6.5**	**7.9**	**6.2**	**5.9**	**5.4**	**4.0**	**4.7**	**3.5**	**3.3**	**3.5**	**3.3**
Domestic	0.9	-0.1	-0.1	0.2	-0.1	0.9	-0.5	-0.1	0.6	0.6	1.2	0.7	2.6	2.1
Debt securities	1.9	0.8	0.8	1.0	0.6	1.6	0.1	0.4	1.1	1.0	1.3	1.0	2.9	2.4
Held by Banks	0.3	0.2	-0.1	0.6	--	0.7	-0.4	0.2	0.4	0.4	1.0	0.4	2.5	1.1
Held by Non-Banks	1.6	0.6	0.7	0.4	0.6	0.9	0.4	0.2	0.6	0.6	0.4	0.5	0.5	1.4
T-bills	0.1	0.1	0.5	-0.4	0.6	0.1	0.3	--	0.6	--	0.3	--	0.3	--
T-bonds	1.5	0.5	0.3	0.8	0.1	0.8	0.1	0.2	0.1	0.5	0.1	0.5	0.1	0.5
Loans (debt securitites repayments)	-1.4	-0.5	-0.5	-0.4	-0.6	-0.5	-0.3	-0.3	-0.6	-0.5	-0.3	-0.4	-0.4	-0.4
Other accounts payable[4]	0.4	-0.5	-0.4	-0.3	-0.2	-0.2	-0.2	-0.1	0.1	0.1	0.1	0.1	0.1	0.1
Foreign	5.1	7.1	6.4	6.3	8.0	5.3	6.4	5.4	3.4	4.1	2.4	2.7	0.9	1.2
Special Drawing Rights (SDRs)	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Debt securities	-0.4	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans	5.5	7.1	6.4	6.3	8.0	5.3	6.4	5.4	3.4	4.1	2.4	2.7	0.9	1.2
Disbursements	6.1	7.8	7.4	7.1	9.5	6.7	8.3	7.1	5.5	6.2	4.8	5.0	3.7	3.7
Current	3.4	4.3	4.3	3.7	6.8	3.6	5.6	4.3	2.9	3.4	2.1	2.3	1.0	1.2
of which: IMF RSF	0.7	0.9	0.7	0.6	--	--	--	--	--	--	--	--	--	--
of which: IMF SCF	--	0.2	0.1	0.1	--	--	--	--	--	--	--	--	--	--
Capital	2.7	3.5	3.0	3.4	2.7	3.1	2.7	2.9	2.6	2.7	2.7	2.7	2.7	2.5
Reimbursements	0.5	0.7	0.9	0.8	1.5	1.4	1.9	1.7	2.1	2.0	2.4	2.3	2.8	2.5
Statistical discrepancy	-0.3	-0.5	--	--	--	--	--	--	--	--	--	--	--	--
Memorandum item:														
Domestic revenue (incl. local government)	16.1	15.5	17.2	15.6	17.9	16.8	18.9	17.6	19.5	18.1	19.7	18.3	20.0	18.6
Wage bill (incl. local government)	5.1	5.5	5.9	5.5	6.3	5.8	6.3	5.8	6.3	5.8	6.3	5.9	6.2	5.8
Total expenditure	28.6	27.4	26.9	24.9	28.7	26.1	27.8	25.5	26.4	25.4	26.2	24.2	26.3	24.3
Primary balance excl. grants	-9.7	-8.5	-6.1	-6.1	-7.3	-6.3	-5.3	-4.8	-3.5	-4.5	-3.2	-3.2	-2.5	-3.3
Domestic financing with RSF	0.9	-0.6	-1.7	-1.5	-4.0	-1.9	-3.3	-2.4	-0.4	-1.1	0.6	0.1	2.1	1.6
Domestic financing without RSF	1.6	0.3	-1.1	-0.9	-4.0	-1.9	-3.3	-2.4	-0.4	-1.1	0.6	0.1	2.1	1.6
Overall fiscal balance (incl. grants, policy loans)[2]	-7.1	-6.7	-5.5	-5.5	-7.4	-5.8	-5.4	-4.9	-3.6	-4.3	-3.2	-3.0	-3.2	-3.0
Debt creating overall bal. (excl. PKO, comm.)[3]	-7.1	-6.7	-5.5	-5.5	-7.4	-5.8	-5.4	-4.9	-3.6	-4.3	-3.2	-3.0	-3.2	-3.0
Excluding Bugesera	--	--	--	--	-6.5	-3.6	-4.9	-3.0	-2.9	-3.0	--	--	--	--
GDP (Billions of RwF), FY basis	15,800	18,370	20,025	21,512	22,646	24,413	25,560	27,692	28,768	31,146	32,320	34,914	36,312	39,155

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

[1] Fiscal years runs from July to June.

[2] For purposes of the PCI, the overall balance (GFSM 1986 definition, incl. policy lending) is used for monitoring.

[3] Overall deficit excluding spending on materialized contingent liabilities and other items already included in the DSA.

[4] Includes unpaid obligations under 90 days.

Table 3. Rwanda: Monetary Survey, 2023–30

(Billions of Rwandan francs, unless otherwise indicated)

	2023	2024	2025		2026		2027		2028		2029		2030	
	Dec.	Dec	Dec		Dec		Dec		Dec		Dec		Dec	
	Act.	Act.	5th Review	Est.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.	5th Review	Proj.
Monetary authorities survey[1]														
Net Foreign Assets	1,265	1,792	2,255	1,682	2,527	1,519	2,870	1,442	3,220	1,393	3,344	1,461	3,623	1,530
Foreign assets	2,342	3,337	3,873	3,225	4,194	3,082	4,559	3,031	4,843	3,019	4,848	3,099	5,017	3,246
Foreign liabilities	1,077	1,545	1,618	1,544	1,666	1,563	1,689	1,588	1,624	1,627	1,504	1,638	1,395	1,716
Net domestic assets	-252	-667	-1,126	-501	-1,168	-166	-1,303	108	-1,462	321	-1,588	478	-1,705	621
Domestic credit	354	119	-362	208	-406	482	-543	678	-704	800	-859	843	-1,045	860
Other items (net; asset +)	-606	-786	-765	-709	-762	-649	-760	-570	-759	-479	-730	-365	-660	-239
Reserve money	1,013	1,124	1,128	1,181	1,359	1,353	1,568	1,550	1,757	1,713	1,755	1,939	1,918	2,151
Commercial banks survey														
Net foreign assets	421	842	842	1,050	842	1,118	842	1,185	842	1,251	842	1,301	842	1,340
Net domestic assets	3,620	4,005	5,372	4,729	5,802	5,605	6,883	6,639	7,837	7,668	8,915	8,726	10,066	9,897
Reserves	677	772	775	811	935	930	1,078	1,066	1,209	1,179	1,208	1,335	1,320	1,481
Net credit to NBR	-150	-32	507	507	333	333	193	193	103	103	-7	-7	-205	-205
Domestic credit	4,717	5,364	6,060	5,575	6,554	6,557	7,680	7,642	8,632	8,689	9,858	9,736	11,135	11,000
Government (net)	739	779	712	326	658	522	689	502	871	557	693	724	720	881
Public enterprises	297	357	357	357	357	357	357	357	357	357	357	357	357	357
Private sector	3,682	4,228	4,990	4,892	5,538	5,677	6,634	6,783	7,403	7,775	8,808	8,655	10,058	9,761
Other items (net; asset +)	-1,624	-2,100	-1,970	-2,165	-2,020	-2,215	-2,068	-2,263	-2,108	-2,303	-2,144	-2,339	-2,184	-2,379
Deposits	4,041	4,847	6,213	5,779	6,643	6,723	7,725	7,824	8,678	8,919	9,757	10,027	10,908	11,237
Monetary survey														
Net foreign assets	1,686	2,633	3,096	2,732	3,369	2,637	3,712	2,627	4,061	2,644	4,185	2,762	4,464	2,870
Net domestic assets	2,691	2,565	3,470	3,416	3,699	4,509	4,502	5,680	5,165	6,810	6,119	7,869	7,041	9,037
Domestic credit	4,922	5,451	6,667	6,182	6,972	6,975	7,966	7,929	8,800	8,852	9,923	9,801	11,146	10,920
Government	828	756	1,209	823	966	830	865	678	929	610	648	679	621	692
Public enterprises	297	357	357	357	357	357	357	357	357	357	357	357	357	357
Private sector	3,797	4,338	5,100	5,002	5,648	5,787	6,744	6,893	7,513	7,885	8,918	8,765	10,168	9,871
Other items (net; asset +)	-2,230	-2,886	-2,735	-2,874	-2,782	-2,863	-2,828	-2,833	-2,867	-2,782	-2,874	-2,704	-2,844	-2,617
Broad money	4,377	5,199	6,567	6,148	7,068	7,146	8,214	8,307	9,226	9,454	10,304	10,631	11,505	11,907
Year on Year Growth							(Percentage change)							
Broad money	24.8	18.8	10.8	18.3	7.6	16.2	16.2	16.3	12.3	13.8	11.7	12.5	11.7	12.0
Reserve money	10.1	11.0	0.4	5.0	20.5	14.6	15.3	14.6	12.1	10.5	-0.1	13.2	9.2	10.9
Net credit to Government	14.0	-8.7	-6.1	8.9	-20.1	0.9	-10.5	-18.3	7.4	-10.1	-30.2	11.3	-4.2	1.9
Net foreign assets	33.4	56.2	17.6	3.7	8.8	-3.5	10.2	-0.4	9.4	0.6	3.1	4.5	6.7	3.9
Credit to non-government sector	19.9	14.3	17.6	15.3	10.8	15.7	19.4	19.1	11.4	14.4	18.7	11.2	14.0	12.6
Memorandum items:														
Velocity (eop)	3.9	3.8	3.2	3.7	3.4	3.6	3.3	3.5	3.3	3.5	3.3	3.5	3.3	3.5
Money multiplier	4.3	4.6	5.8	5.2	5.2	5.3	5.2	5.4	5.3	5.5	5.9	5.5	6.0	5.5
Net Foreign Assets[2]	1,040	…	…	…	…	…	…	…	…	…	…	…	…	…

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

[1] The monetary table displays the monetary authorities accounts, and thus includes central banking functions (such as the holding of international reserves and the conducting of transactions with the IMF) performed by the central government.

[2] For program purposes NFA are shown at program exchange rates.

Table 4. Rwanda: Financial Soundness Indicators, March 2022–June 2025[1]

(Percent, unless otherwise indicated)

	2022				2023				2024				2025	
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
Capital Adequacy														
Core capital to risk-weighted assets	22.8	22.1	21.3	20.9	22.9	20.2	22.3	20.3	21.1	20.3	20.0	19.2	20.8	20.5
Regulatory capital to risk-weighted assets	23.9	23.1	22.3	21.7	23.8	21.1	23.2	21.5	22.3	21.5	21.2	20.5	22.0	21.6
Off balance sheet items/total qualifying capital	136.9	84.8	89.1	96.6	111.1	115.3	100.3	97.7	100.6	96.6	110.0	129.4	105.7	108.8
Insider loans/core capital	23.5	17.1	65.7	9.2	9.8	9.7	8.9	11.3	11.2	7.0	7.2	6.8	14.8	9.5
Large exposure/core capital	171.7	117.4	156.5	160.7	195.8	204.1	193.9	217.6	185.1	197.9	199.0	193.3	175.5	174.7
Asset Quality														
NPLs/ on and off balance sheet gross loans	4.7	4.3	4.1	3.1	3.7	3.6	4.8	4.1	5.0	5.0	4.2	3.1	2.7	2.6
NPLs / on balance sheet gross loans	...	...	...	...	...	...	...	5.2	6.1	5.9	5.1	3.7	3.2	2.8
NPLs net of suspended interest/gross loans	4.3	3.8	3.6	2.8	3.4	3.2	4.5	3.8	4.7	4.7	3.9	2.9	2.5	2.4
Provisions/NPLs	108.1	114.4	112.9	141.9	115.4	120.9	92.0	99.1	89.3	90.6	101.8	102.6	113.1	110.8
Earning assets/total asset	85.5	85.1	77.8	81.1	80.1	79.8	80.2	78.9	77.5	79.8	79.5	74.6	72.2	72.8
Large exposures/gross loans	26.8	24.3	31.6	32.0	40.9	39.9	39.0	40.5	38.6	40.3	37.8	39.6	38.4	37.8
Profitability and Earnings														
Return on average assets	3.1	2.8	3.0	3.0	4.7	4.3	4.5	4.8	4.9	4.9	4.7	4.9	4.8	4.8
Return on average equity	17.0	16.5	18.0	17.8	19.2	19.0	19.7	20.7	22.1	21.8	20.0	20.8	19.0	18.9
Net interest margin (percentage points)	9.3	9.1	8.8	8.7	9.2	9.5	9.1	9.6	9.4	9.3	9.2	9.2	9.3	9.7
Cost of deposits	3.2	3.3	5.0	3.3	3.3	3.3	3.1	3.8	3.6	3.2	3.3	3.2	3.3	3.5
Cost to income	67.0	69.7	67.1	66.7	66.5	67.7	65.6	65.8	62.5	63.4	64.8	63.7	61.4	61.4
Overhead to income	36.8	37.5	37.0	37.8	37.3	38.7	36.1	36.6	30.1	33.4	33.6	33.9	31.1	33.1
Liquidity														
Liquidity coverage ratio	365.4	224.7	250.5	215.9	227.5	274.1	273.6	234.0	290.5	305.9	354.5	333.8	337.4	289.1
Net stable funding ratio	154.6	130.9	154.8	136.8	154.5	129.8	127.6	114.6	136.3	135.6	149.6	148.4	147.0	150.5
Liquid assets/total deposits	40.7	40.7	40.7	42.3	43.4	41.0	38.4	37.4	37.7	38.7	37.2	34.5	...	...
Interbank borrowings/total deposits	25.9	26.9	26.8	30.0	26.9	28.1	24.4	20.3	20.1	28.0	17.0	20.7	...	...
NBR borrowings/total deposits	0.5	0.5	0.6	0.6	1.0	1.9	0.8	0.6	0.7	1.0	0.4	0.2	0.6	0.5
Gross loans/total deposits	89.3	93.8	90.5	91.8	96.6	95.9	93.1	82.6	83.5	89.8	80.1	105.0	...	...
Liquid assets to short-term liability	144.8	128.7	130.4	119.2	123.0	97.8	...	...	...	...	...	...	...	...
Market Sensitivity														
Forex exposure/core capital	-1.8	-4.4	-4.4	-0.6	-4.5	-5.5	-1.5	1.0	-0.1	1.6	1.3	2.5	...	...
Forex loans/Forex deposits	26.5	31.5	33.3	34.9	33.6	31.8	34.3	35.7	62.8	60.5	52.7	52.5	...	...
Forex assets/Forex liabilities	87.4	86.7	88.2	89.1	98.1	92.2	93.1	94.4	92.2	95.9	97.6	96.6	97.3	92.9

Source: National Bank of Rwanda.

[1] The FSIs cover the banking sector.

Table 5a. Rwanda: Balance of Payments, 2023–30

(Millions of U.S. Dollars, unless otherwise indicated)

	2023	2024	2025		2026		2027		2028		2029		2030	
	Act.	Act.	5th review	Proj.	5th review	Proj.	5th review	Proj.	5th review	Proj.	5th review	Proj.	5th review	Proj.
Current account balance	**-1,684**	**-1,828**	**-2,039**	**-2,069**	**-2,454**	**-2,320**	**-2,185**	**-2,155**	**-1,701**	**-1,673**	**-1,622**	**-1,651**	**-1,517**	**-1,528**
Current account balance ex. Bugesera	*-1,310*	*-1,734*	*-1,826*	*-1,822*	*-1,820*	*-1,743*	*-1,743*	*-1,570*	*-1,662*	*-1,522*	*-1,617*	*-1,650*	*-1,517*	*-1,528*
Trade balance	-2,369	-2,344	-2,401	-2,480	-2,600	-2,576	-2,379	-2,419	-1,997	-2,009	-1,929	-1,953	-1,772	-1,898
Trade balance ex. Bugesera	*-2,010*	*-2,273*	*-2,239*	*-2,295*	*-2,118*	*-2,143*	*-2,043*	*-1,980*	*-1,967*	*-1,897*	*-1,929*	*-1,953*	*-1,772*	*-1,898*
Exports (f.o.b.)	2,466	3,201	3,953	3,072	4,667	3,595	5,231	3,968	6,012	4,313	6,764	4,535	7,411	4,707
Of which: gold	884	1,509	2,099	1,207	2,627	1,542	2,979	1,699	3,502	1,812	4,023	1,812	4,426	1,812
Exports (f.o.b.) excl. gold	1,582	1,692	1,854	1,865	2,040	2,053	2,252	2,269	2,510	2,500	2,741	2,723	2,985	2,895
Imports (f.o.b.)	4,835	5,545	6,354	5,553	7,267	6,171	7,610	6,387	8,009	6,322	8,693	6,489	9,183	6,605
Of which: gold	929	1,478	2,052	1,155	2,578	1,485	2,931	1,641	3,452	1,754	3,972	1,754	4,369	1,754
Imports (f.o.b.) excl. gold	3,905	4,068	4,303	4,398	4,689	4,685	4,680	4,746	4,557	4,568	4,721	4,735	4,814	4,851
Services (net)	101	90	93	42	-31	-2	51	51	193	159	218	209	209	183
Services ex. Bugesera	*117*	*112*	*144*	*104*	*121*	*142*	*157*	*197*	*202*	*197*	*223*	*209*	*209*	*183*
Credit	1,057	1,096	1,134	1,157	1,198	1,226	1,277	1,307	1,362	1,395	1,453	1,490	1,468	1,483
Of which: tourism receipts	564	579	632	632	688	688	750	750	818	818	892	892	926	911
Debit	956	1,005	1,042	1,115	1,229	1,228	1,227	1,257	1,169	1,236	1,235	1,281	1,259	1,300
Income	-314	-354	-386	-372	-501	-438	-560	-536	-628	-626	-667	-712	-697	-611
Of which: interest on public debt[1,2]	-85	-134	-172	-131	-251	-151	-310	-193	-352	-221	-358	-228	-355	-275
Current transfers (net)	898	780	656	741	678	696	703	749	731	804	756	805	743	798
Private	521	517	524	579	550	541	576	565	600	586	624	608	632	604
Of which: remittance inflows	505	502	525	564	550	550	575	575	599	599	622	622	613	604
Public	377	263	132	162	128	155	127	184	131	217	132	197	111	194
Capital and financial account balance	**1,590**	**2,257**	**2,249**	**1,490**	**2,520**	**2,655**	**2,287**	**2,427**	**1,801**	**1,861**	**1,613**	**1,697**	**1,609**	**1,636**
Capital account	398	383	294	337	294	337	294	294	294	294	294	294	294	294
Financial account	1,192	1,874	1,955	1,152	2,226	2,317	1,994	2,133	1,507	1,568	1,320	1,404	1,315	1,342
Direct investment	445	560	777	567	1,262	1,071	1,175	1,172	918	923	930	885	817	810
FDIs ex. Bugesera	*107*	*452*	*550*	*393*	*721*	*686*	*767*	*733*	*847*	*810*	*879*	*882*	*817*	*810*
o/w Bugesera	339	107	228	174	540	385	408	439	71	113	51	3	0	0
Public sector capital	890	1,341	1,173	557	993	1,261	822	1,013	561	722	291	478	442	519
Long-term borrowing[2]	1,066	1,472	1,322	699	1,229	1,483	1,075	1,267	871	1,058	700	796	825	800
o/w budget financing and commercial loans	715	916	937	184	824	963	625	761	403	524	219	273	272	260
o/w project loans	411	556	385	515	405	520	450	506	468	534	481	522	553	540
Scheduled amortization, excl IMF	-175	-132	-149	-142	-236	-221	-253	-254	-310	-336	-409	-317	-383	-280
SDR allocation	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other capital[3]	-143	-27	5	29	-28	-15	-3	-51	29	-77	99	41	55	13
Net errors and omissions	**-53**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Overall balance	**-148**	**427**	**210**	**-579**	**66**	**335**	**102**	**272**	**100**	**189**	**-9**	**46**	**92**	**108**
Financing	**148**	**-427**	**-210**	**579**	**-66**	**-335**	**-102**	**-272**	**-100**	**-189**	**9**	**-46**	**-92**	**-108**
Reserve assets (increase -)	-107	-559	-173	617	-21	-288	-50	-217	-9	-93	109	60	-12	-24
of which: SCF impact	-149	9	...	...	...	...	...	...	...	...	...	...	...	...
Net credit from the IMF	194	317	-37	-38	-44	-47	-52	-54	-91	-95	-100	-106	-79	-84
IMF disbursement (+)	237	349	0	0	0	0	0	0	0	0	0	0	0	0
of which: SCF impact	149	-9	...	...	...	...	...	...	...	...	...	...	...	...
of which: RSF impact	149	173	0	0	0	0	0	0	0	0	0	0	0.0	0
Repayments to IMF (-)	-43	-32	-37	-38	-44	-47	-52	-54	-91	-95	-100	-106	-79	-84
Memorandum items:														
Current account balance (percent of GDP)[4]	-11.4	-12.1	-13.8	-12.9	-15.9	-13.4	-13.4	-11.7	-9.9	-8.6	-8.8	-7.9	-7.6	-6.8
Current account excl. Bugesera (percent of GDP)	*-8.8*	*-11.5*	*-12.4*	*-11.3*	*-11.8*	*-10.1*	*-10.7*	*-8.5*	*-9.6*	*-7.8*	*-8.8*	*-7.9*	*-7.6*	*-6.8*
Trade balance (percent of GDP)	-16.0	-15.5	-16.3	-15.4	-16.8	-14.9	-14.6	-13.1	-11.6	-10.3	-10.5	-9.4	-8.9	-8.4
Trade balance excl. Bugesera (percent of GDP)	*-13.6*	*-15.0*	*-15.2*	*-14.3*	*-13.7*	*-12.4*	*-12.5*	*-10.8*	*-11.4*	*-9.7*	*-10.5*	*-9.4*	*-8.9*	*-8.4*
Foreign assets of monetary authorities	**1,853**	**2,413**	**2,586**	**1,796**	**2,607**	**2,084**	**2,657**	**2,301**	**2,666**	**2,394**	**2,557**	**2,335**	**2,569**	**2,359**
in months of prospective imports of G&S[5]	4.4	5.3	5.2	3.6	5.3	4.2	5.6	4.8	5.4	4.8	5.2	4.7	5.1	4.6
Of which: SCF	149	140	71.5	...	...	...	...	...	...	...	...	...	...	...
Of which: RSF	149	322	322	322	322	322	322	322	322	322	322	322	322	322
Of which: excluding RSF	1,705	2,091	2,264	1,474	2,285	1,762	2,335	1,979	2,344	2,072	2,235	2,013	2,247	2,037
Of which: excluding RSF, in months of imports	4.0	4.6	4.6	3.0	4.6	3.5	4.9	4.1	4.7	4.1	4.5	4.0	4.4	4.0
Gross official reserves	**1,833**	**2,405**	**2,578**	**1,788**	**2,599**	**2,076**	**2,649**	**2,293**	**2,658**	**2,387**	**2,549**	**2,327**	**2,561**	**2,351**
in months of prospective imports of G&S[5]	4.3	5.2	5.2	3.6	5.3	4.2	5.6	4.7	5.4	4.8	5.1	4.6	5.1	4.6
Of which: SCF	149	140	71	140	71	140	71	140	71	140	71	140	71	140
Of which: excluding RSF	1,684	2,083	2,256	1,466	2,277	1,754	2,327	1,971	2,336	2,065	2,227	2,005	2,239	2,029
Of which: excluding RSF, in months of imports	4.0	4.5	4.6	3.0	4.6	3.5	4.9	4.1	4.7	4.1	4.5	4.0	4.4	4.0

Sources: Rwandan authorities and IMF staff estimates and projections.

[1] Including interest due to the IMF.

[2] Includes central government project and budget loans, and borrowing by KCC, RwandAir, and Bugesera.

[3] Other capital includes long-term private capital, commercial credit, change in NFA of commercial banks, and unrecorded imports.

[4] Including official transfers.

[5] Based on the prospective imports of goods (excl. gold) and services in the next year.

Table 5b. Rwanda: Balance of Payments, 2023–30

(Percent of GDP, unless otherwise indicated)

	2023	2024		2025		2026		2027		2028		2029		2030	
	Act.	5th review	Act.	5th review	Proj.	5th review	Proj.	5th review	Proj.	5th review	Proj.	5th review	Proj.	5th review	Proj.
Current account balance	**-11.4**	**-12.7**	**-12.1**	**-13.8**	**-12.9**	**-15.9**	**-13.4**	**-13.4**	**-11.7**	**-9.9**	**-8.6**	**-8.8**	**-7.9**	**-7.6**	**-6.8**
Current account balance ex. Bugesera	-8.8	-11.4	-11.5	-12.4	-11.3	-11.8	-10.1	-10.7	-8.5	-9.6	-7.8	-8.8	-7.9	-7.6	-6.8
Trade balance	-16.0	-16.5	-15.5	-16.3	-15.4	-16.8	-14.9	-14.6	-13.1	-11.6	-10.3	-10.5	-9.4	-8.9	-8.4
Trade balance ex. Bugesera	-13.6	-15.2	-15.0	-15.2	-14.3	-13.7	-12.4	-12.5	-10.8	-11.4	-9.7	-10.5	-9.4	-8.9	-8.4
Exports (f.o.b.)	16.7	22.5	21.2	26.8	19.1	30.2	20.8	32.1	21.6	34.9	22.1	36.7	21.7	37.1	20.8
Of which: gold	6.0	10.6	10.0	14.2	7.5	17.0	8.9	18.3	9.2	20.3	9.3	21.8	8.7	22.2	8.0
Exports (f.o.b.) excl. gold	10.7	11.9	11.2	12.6	11.6	13.2	11.9	13.8	12.3	14.6	12.8	14.9	13.0	14.9	12.8
Imports (f.o.b.)	32.7	38.9	36.7	43.0	34.5	47.0	35.6	46.7	34.7	46.5	32.4	47.2	31.1	46.0	29.2
Of which: gold	6.3	10.4	9.8	13.9	7.2	16.7	8.6	18.0	8.9	20.0	9.0	21.6	8.4	21.9	7.7
Imports (f.o.b.) excl. gold	26.4	28.5	26.9	29.1	27.3	30.3	27.1	28.7	25.8	26.4	23.4	25.6	22.7	24.1	21.4
Services (net)	0.7	0.6	0.6	0.6	0.3	-0.2	0.0	0.3	0.3	1.1	0.8	1.2	1.0	1.0	0.8
Services ex. Bugesera	0.8	0.7	0.7	1.0	0.6	0.8	0.8	1.0	1.1	1.2	1.0	1.2	1.0	1.0	0.8
Credit	7.1	7.6	7.3	7.7	7.2	7.7	7.1	7.8	7.1	7.9	7.2	7.9	7.1	7.3	6.6
Of which: tourism receipts	3.8	4.1	3.8	4.3	3.9	4.4	4.0	4.6	4.1	4.7	4.2	4.8	4.3	4.6	4.0
Debit	6.5	6.9	6.7	7.1	6.9	7.9	7.1	7.5	6.8	6.8	6.3	6.7	6.1	6.3	5.7
Income	-2.1	-2.3	-2.3	-2.6	-2.3	-3.2	-2.5	-3.4	-2.9	-3.6	-3.2	-3.6	-3.4	-3.5	-2.7
Of which: interest on public debt[1,2]	-0.6	-0.9	-0.9	-1.2	-0.8	-1.6	-0.9	-1.9	-1.0	-2.0	-1.1	-1.9	-1.1	-1.8	-1.2
Current transfers (net)	6.1	5.5	5.2	4.4	4.6	4.4	4.0	4.3	4.1	4.2	4.1	4.1	3.9	3.7	3.5
Private	3.5	3.6	3.4	3.5	3.6	3.6	3.1	3.5	3.1	3.5	3.0	3.4	2.9	3.2	2.7
Of which: remittance inflows	3.4	3.5	3.3	3.6	3.5	3.6	3.2	3.5	3.1	3.5	3.1	3.4	3.0	3.1	2.7
Public	2.5	1.8	1.7	0.9	1.0	0.8	0.9	0.8	1.0	0.8	1.1	0.7	0.9	0.6	0.9
Capital and financial account balance	**10.7**	**14.9**	**14.9**	**15.2**	**9.3**	**16.3**	**15.3**	**14.0**	**13.2**	**10.4**	**9.5**	**8.8**	**8.1**	**8.1**	**7.2**
Capital account	2.7	2.7	2.5	2.0	2.1	1.9	1.9	1.8	1.6	1.7	1.5	1.6	1.4	1.5	1.3
Financial account	8.1	12.2	12.4	13.2	7.2	14.4	13.4	12.2	11.6	8.7	8.0	7.2	6.7	6.6	5.9
Direct investment	3.0	4.0	3.7	5.3	3.5	8.2	6.2	7.2	6.4	5.3	4.7	5.0	4.2	4.1	3.6
FDIs ex. Bugesera	0.7	2.6	3.0	3.7	2.4	4.7	4.0	4.7	4.0	4.9	4.2	4.8	4.2	4.1	3.6
Public sector capital	6.0	8.5	8.9	7.9	3.5	6.4	7.3	5.0	5.5	3.3	3.7	1.6	2.3	2.2	2.3
Long-term borrowing[2]	7.2	9.4	9.7	9.0	4.3	7.9	8.6	6.6	6.9	5.1	5.4	3.8	3.8	4.1	3.5
o/w budget financing and commercial loans	4.8	5.0	6.1	6.3	1.1	5.3	5.6	3.8	4.1	2.3	2.7	1.2	1.3	1.4	1.1
o/w project loans	2.8	3.9	3.7	2.6	3.2	2.6	3.0	2.8	2.7	2.7	2.7	2.6	2.5	2.8	2.4
Scheduled amortization, excl IMF	-1.2	-0.9	-0.9	-1.0	-0.9	-1.5	-1.3	-1.5	-1.4	-1.8	-1.7	-2.2	-1.5	-1.9	-1.2
SDR allocation	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other capital[3]	-1.0	-0.2	-0.2	0.0	0.2	-0.2	-0.1	0.0	-0.3	0.2	-0.4	0.5	0.2	0.3	0.1
Net errors and omissions	**-0.4**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance	**-1.0**	**3.5**	**2.8**	**1.4**	**-3.6**	**0.4**	**1.9**	**0.6**	**1.5**	**0.6**	**1.0**	**0.0**	**0.2**	**0.5**	**0.5**
Financing	**1.0**	**-3.5**	**-2.8**	**-1.4**	**3.6**	**-0.4**	**-1.9**	**-0.6**	**-1.5**	**-0.6**	**-1.0**	**0.0**	**-0.2**	**-0.5**	**-0.5**
Reserve assets (increase -)	-0.7	-3.9	-3.7	-1.2	3.8	-0.1	-1.7	-0.3	-1.2	-0.1	-0.5	0.6	0.3	-0.1	-0.1
of which: RSF impact	-1.0	-1.2	-1.1	0.0	0.0	...	...	...	...	...	...	...	...	...	...
Net credit from the IMF	1.3	2.2	2.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4
IMF disbursement (+)	1.6	2.4	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: RSF	1.0	1.2	1.1	0.0	0.0	...	...	...	...	...	...	...	...	...	...
Repayments to IMF (-)	-0.3	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grant for debt relief under CCRT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:															
Current account balance [4]	-11.4	-12.7	-12.1	-13.8	-12.9	-15.9	-13.4	-13.4	-11.7	-9.9	-8.6	-8.8	-7.9	-7.6	-6.8
Current account excl. Bugesera	-8.8	-11.4	-11.5	-12.4	-11.3	-11.8	-10.1	-10.7	-8.5	-9.6	-7.8	-8.8	-7.9	-7.6	-6.8
Trade balance	-16.0	-16.5	-15.5	-16.3	-15.4	-16.8	-14.9	-14.6	-13.1	-11.6	-10.3	-10.5	-9.4	-8.9	-8.4
Trade balance excl. Bugesera	-13.6	-15.2	-15.0	-15.2	-14.3	-13.7	-12.4	-12.5	-10.8	-11.4	-9.7	-10.5	-9.4	-8.9	-8.4
Foreign assets of monetary authorities	**12.5**	**16.9**	**16.0**	**17.5**	**11.2**	**16.8**	**12.0**	**16.3**	**12.5**	**15.5**	**12.3**	**13.9**	**11.2**	**12.9**	**10.4**
in months of prospective imports of G&S[5]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: RSF	1.0	2.3	2.1	2.2	2.0	2.1	1.9	2.0	1.7	1.9	1.7	1.7	1.5	1.6	1.4
Of which: excluding RSF	11.5	14.7	13.8	15.3	9.2	14.8	10.2	14.3	10.8	13.6	10.6	12.1	9.6	11.3	9.0
Of which: excluding RSF, in months of imports	4.0	4.7	4.6	4.6	3.0	4.6	3.5	4.9	4.1	4.7	4.1	4.5	4.0	4.4	4.0
Gross official reserves	**12.4**	**16.9**	**15.9**	**17.5**	**11.1**	**16.8**	**12.0**	**16.2**	**12.5**	**15.4**	**12.2**	**13.8**	**11.1**	**12.8**	**10.4**
in months of prospective imports of G&S[5]	4.3	5.4	5.2	5.2	3.6	5.3	4.2	5.6	4.7	5.4	4.8	5.1	4.6	5.1	4.6
Of which: RSF	1.0	2.3	2.1	2.2	2.0	2.1	1.9	2.0	1.7	1.9	1.7	1.7	1.5	1.6	1.4
Of which: excluding RSF	11.4	14.6	13.8	15.3	9.1	14.7	10.1	14.3	10.7	13.6	10.6	12.1	9.6	11.2	9.0
Of which: excluding RSF, in months of imports	4.0	4.7	4.5	4.6	3.0	4.6	3.5	4.9	4.1	4.7	4.1	4.5	4.0	4.4	4.0

Sources: Rwandan authorities and IMF staff estimates and projections.

[1] Including interest due to the IMF.

[2] Includes central government project and budget loans, and borrowing by KCC, RwandAir, and Bugesera.

[3] Other capital includes long-term private capital, commercial credit, change in NFA of commercial banks, and unrecorded imports.

[4] Including official transfers.

[5] Based on the prospective imports of goods (excl. gold) and services in the next year.

Table 6. Rwanda: Gross External Financing Needs and Sources

(Millions of U.S. Dollars, unless otherwise indicated)

	2023	2024	2025	2026	2027	2028	2029	2030
	Act.	Act.	Est.	Proj.	Proj.	Proj.	Proj.	Proj.
Gross external financing needs	**1,902**	**1,991**	**2,249**	**2,588**	**2,464**	**2,104**	**2,074**	**1,892**
Current account deficit	1,684	1,828	2,069	2,320	2,155	1,673	1,651	1,528
of which: RSF reform costs	0	0	0	0	0	0	0	0
Public debt amortization (excl. IMF)	175	132	142	221	254	336	317	280
Repayments to IMF	43	32	38	47	54	95	106	84
External financing sources[1]	**1,807**	**2,003**	**2,249**	**2,588**	**2,464**	**2,104**	**2,074**	**1,892**
Capital transfers	398	383	337	337	294	294	294	294
Direct investment	445	560	567	1,071	1,172	923	885	810
Public sector borrowing	1,066	1,472	699	1,483	1,267	1,058	796	800
Other inflows[2]	-143	-27	29	-15	-51	-77	41	13
Reserve assets excl. RSF (increase -)	42	-386	617	-288	-217	-93	60	-24
Net errors and omissions	**-53**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**
BoP gap	**-149**	**9**	**0**	**0**	**0**	**0**	**0**	**0**
SCF financing	**149**	**-9**	**0**	**0**	**0**	**0**	**0**	**0**
Residual Gap	0	0	0	0	0	0	0	0
RSF disbursements (not linked to RM costs)	149	173	0	0	0	0	0	0
Reserve assets, incl. RSF (increase -)	-107	-559	617	-288	-217	-93	60	-24

[1] Includes approved exceptional financing (CCRT debt relief).

[2] Reflects private capital inflows, 2021 SDR allocation, and CCRT debt relief.

Table 7. Rwanda: Indicators of Capacity to Repay the Fund, 2024–44

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
IMF debt service based on existing credit (SDR millions)																					
Principal	24.0	28.0	34.0	39.5	69.1	76.5	60.5	44.5	22.3	3.7	14.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	20.3	10.1
Charges and interest	7.9	10.5	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	10.9	10.6	10.0	9.5	9.0	8.4	7.9	7.3	6.8	6.2	5.8
IMF debt service based on existing and prospective credit (SDR millions)																					
Principal	24.0	28.0	34.0	39.5	69.1	76.5	60.5	44.5	22.3	3.7	14.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	20.3	10.1
Charges and interest	7.9	10.5	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	10.9	10.6	10.0	9.5	9.0	8.4	7.9	7.3	6.8	6.2	5.8
IMF debt service based on existing and prospective credit (SDR millions)																					
In millions of SDRs	31.9	38.5	45.1	50.5	80.2	87.6	71.6	55.6	33.3	14.7	24.9	34.6	34.1	33.5	33.0	32.4	31.9	31.4	30.8	26.6	15.9
In millions of U.S. dollars	42.3	52.1	61.9	69.5	110.6	121.0	98.9	76.7	46.0	20.4	34.4	47.8	47.1	46.3	45.6	44.8	44.1	43.3	42.6	36.7	22.0
In percent of GDP	0.3	0.3	0.4	0.4	0.6	0.6	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
In percent of exports of goods and services	1.0	1.2	1.3	1.3	1.9	2.0	1.6	1.2	0.7	0.3	0.4	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.1
In percent of government revenue (excl. grants)	1.6	1.9	2.0	2.0	3.0	3.0	2.3	1.5	0.8	0.3	0.5	0.6	0.6	0.5	0.4	0.4	0.4	0.3	0.3	0.2	0.1
In percent of gross international reserves	1.8	2.9	3.0	3.0	4.6	5.2	4.2	3.2	1.9	0.8	1.3	1.8	1.7	1.6	1.6	1.5	1.5	1.4	1.3	1.1	0.7
In percent of PPG external debt service	17.1	14.3	14.6	13.9	19.8	20.0	16.3	6.3	7.6	3.3	4.9	6.1	5.6	5.1	4.6	4.4	4.2	4.0	3.9	3.3	1.9
In percent of IMF quota	19.9	24.1	28.2	31.5	50.1	54.7	44.7	34.7	20.8	9.2	15.5	21.6	21.3	20.9	20.6	20.3	19.9	19.6	19.2	16.6	9.9
IMF credit outstanding (end-of-period)																					
In millions of SDRs	614.8	586.7	552.7	513.2	444.1	367.6	307.1	262.6	240.3	236.6	222.6	198.6	174.6	150.5	126.5	102.5	78.5	54.4	30.4	10.1	0.0
In millions of U.S. dollars	806.6	803.7	759.7	706.9	613.0	508.1	424.4	362.9	332.2	327.1	307.8	274.5	241.3	208.1	174.9	141.7	108.4	75.2	42.0	13.9	0.0
In percent of GDP	5.3	5.0	4.4	3.8	3.1	2.4	1.9	1.5	1.2	1.1	1.0	0.8	0.6	0.5	0.4	0.3	0.2	0.1	0.1	0.0	0.0
In percent of exports of goods and services	18.8	19.0	15.8	13.4	10.7	8.4	6.9	5.5	4.7	4.3	3.7	3.1	2.5	2.0	1.5	1.1	0.8	0.5	0.3	0.1	0.0
In percent of government revenue (excl. grants)	31.4	29.3	24.5	20.6	16.6	12.7	9.7	7.3	6.0	5.3	4.5	3.6	2.9	2.3	1.7	1.3	0.9	0.6	0.3	0.1	0.0
In percent of gross international reserves	33.4	44.1	36.6	30.7	25.5	21.7	18.0	15.0	13.4	12.9	11.8	10.3	8.8	7.4	6.1	4.8	3.6	2.4	1.3	0.4	0.0
In percent of PPG external debt	9.4	8.8	7.3	6.2	5.0	4.0	3.2	2.8	2.5	2.4	2.2	1.9	1.6	1.4	1.1	0.9	0.7	0.5	0.2	0.1	0.0
In percent of IMF quota	383.8	366.3	345.0	320.4	277.2	229.4	191.7	163.9	150.0	147.7	139.0	124.0	109.0	94.0	79.0	64.0	49.0	34.0	19.0	6.3	0.0
Net use of IMF credit (SDR millions)	238.8	-28.0	-34.0	-39.5	-69.1	-76.5	-60.5	-44.5	-22.3	-3.7	-14.0	-24.0	-24.0	-24.0	-24.0	-24.0	-24.0	-24.0	-24.0	-20.3	-10.1
Disbursements	262.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and repurchases	24.0	28.0	34.0	39.5	69.1	76.5	60.5	44.5	22.3	3.7	14.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	20.3	10.1
Memorandum items																					
Nominal GDP (USD millions)	15,111	16,080	17,315	18,405	19,506	20,883	22,634	24,649	26,837	29,210	31,784	34,576	37,602	40,881	44,433	48,281	52,447	56,973	61,890	67,230	73,031
Exports of goods and services (USD millions)	4,297	4,230	4,821	5,275	5,707	6,025	6,190	6,548	7,071	7,640	8,263	8,947	9,701	10,535	11,457	12,480	13,625	14,897	16,316	17,898	19,665
Government revenues excl. grants (USD millions)	2,569	2,741	3,097	3,424	3,690	3,998	4,390	4,960	5,505	6,166	6,821	7,559	8,359	9,221	10,128	11,121	12,208	13,402	14,656	16,050	17,512
Gross international reserves (USD millions)	2,413	1,821	2,078	2,305	2,400	2,339	2,362	2,421	2,481	2,543	2,607	2,672	2,739	2,807	2,878	2,950	3,023	3,099	3,176	3,256	3,337
PPG external debt (USD millions)	8,567	9,115	10,410	11,417	12,227	12,752	13,257	13,115	13,515	13,887	14,190	14,485	14,779	15,067	15,340	15,651	16,006	16,413	16,907	17,487	18,136
PPG external debt service (USD millions)	246.9	364.3	423.3	499.1	558.0	604.5	604.9	1,216.6	602.3	613.7	706.0	783.3	843.2	910.2	990.8	1,022.9	1,056.3	1,090.8	1,099.2	1,114.9	1,152.0
IMF quota (SDR millions)	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2	160.2

Source: Rwandan Authorties and IMF Staff Calculations.

Table 8. Rwanda: Review Schedule Under the PCI

Program Review	Test Date	Review Date
Board discussion of a PCI request		December 12, 2022
First PCI Review	December 31, 2022	By May 15, 2023
Second PCI Review / SCF Approval	June 30, 2023	By November 15, 2023
Third PCI Review / First SCF Review	December 31, 2023	By May 15, 2024
Fourth PCI Review / Second SCF Review	June 30, 2024	By November 15, 2024
Fifth PCI Review	December 31, 2024	By May 15, 2025
Sixth PCI Review	June 30, 2025	By November 15, 2025

Source: IMF Staff.

Annex I. Implementation of Past IMF Policy Recommendations

2023 Article IV Recommendations	Policy Actions
Fiscal Policy	
Take additional measures for credible fiscal consolidation: • Mobilize domestic revenues. • Monitor the impact of tax exemptions, consider accelerating their withdrawal. • Legislate and adopt revenue and spending efficiency measures beyond the annual budget process before the end of the program. • Rebuild policy buffers to reduce debt vulnerabilities and bring debt down timely to its anchor. • Secure concessional financing.	Rwanda continues to advance its fiscal consolidation at a measured pace, but additional progress remains necessary. • *Domestic revenue mobilization*. In February 2025, authorities implemented a comprehensive tax revenue package designed to expand the tax base through the rationalization of tax holidays and expenditures. This package will be gradually introduced between FY25/26 and FY29/30, with anticipated revenue gains amounting to approximately 1 percent of GDP by the end of FY29/30. • *Tax exemptions*. As part of the tax package, most VAT exemptions will be repealed. • *Revenue and spending efficiency measures*. Ongoing efforts to improve public financial management systems and rationalize spending reflect Rwanda's commitment to enhancing both revenue collection and expenditure efficiency. • *Debt vulnerabilities*. Heightened financing requirements for a priority investment project have exacerbated debt vulnerabilities. To address rising borrowing needs, authorities plan to reassess other development projects, continue bolstering revenue, and seek strategies to lower borrowing costs, leveraging a mix of domestic, external commercial, and semi-concessional funding sources. • *Concessional financing*. The availability of concessional financing has declined, influenced by ongoing geopolitical tensions and prevailing global uncertainty.
Monitor fiscal risks from SOEs and PPPs, implement mitigating measures.	The authorities are implementing a new SOE legal framework, approved SOE governance code, and is enhancing board selection and performance monitoring. The Portfolio Oversight Unit was strengthened and assessed five SOEs for fiscal risks. A PFM digitalization and fiscal data strategy using AI was developed to improve fiscal management. Fiscal Transparency Evaluation is scheduled for August 2025 to identify further reforms.
Monetary, Exchange Rate, and Financial Sector Policies	
Enhance monetary policy operations, deepen financial markets; maintain a data-dependent approach to monetary policy.	The authorities are advancing the interest rate-based monetary policy framework. • *Operations*. NBR's forecasting and modelling capabilities have improved. While short-term rates generally track the policy rate and the interest rate channel works, banking system frictions still limit passthrough to lending rates. • *GMRA*. The full implementation of the Global Master Repurchase Agreement (GMRA) in June 2025 has strengthened liquidity management and monetary policy transmission.
Improve exchange rate flexibility to strengthen external competitiveness and ensure sustainability.	NBR has updated its official exchange rate calculation method to better capture market dynamics and enable more accurate price discovery. Nevertheless, liquidity in the foreign exchange interbank market continues to be limited and shallow.

2023 Article IV Recommendations	Policy Actions
Maintain supervisory oversight: • Ensure regulations on credit classification and provisioning are not misused by banks to mask asset quality issues, including the recognition of low performing/quality assets. • Deploy targeted, time-bound interventions to hard-hit sectors to contain credit risks. • Maintain regulatory limits, prudential standards, and supervisory and reporting efforts.	NBR reinforced loan classification rules and reminded banks to accurately report non-performing loans. Targeted liquidity support was extended to sectors still recovering from recent shocks. Key prudential standards, including capital and liquidity ratios, were enforced, and the Supervisory Reporting System (SRS) was upgraded in 2024 for real-time risk tracking. Mid-2024 stress tests ensured banks maintained adequate buffers in line with Basel III.
Structural Policies	
Align the legal framework with FATF standards, ensure effective implementation of targeted financial sanctions and AML/CFT measures by designated non-financial businesses and professions (DNFBPs), strengthen FIC's capacities (including staffing and training).	Authorities updated AML/CFT laws to clarify customer due diligence, beneficial ownership transparency, and mandatory reporting for DNFBPs. The FIC has expanded staffing, improved analytics, and provided targeted training. Enforcement of financial sanctions and oversight of high-risk sectors have also been strengthened.
Enhance governance and institutional frameworks for inclusive and sustainable growth: • Accelerate human capital accumulation; boost female employment and entrepreneurship; narrow the digital gap; improve health, education, and early childhood development services. • Introduce structural reforms to improve the business climate and boost competitiveness; promote regional integration to attract private investment. • Advance climate risk management.	Authorities have accelerated human capital development through expanded health and education services, supported female employment and entrepreneurship, and narrowed the digital gap with ICT initiatives. Structural reforms have improved the business climate and regional integration, attracting private investment. Climate risk management policies have been advanced thanks to the recently completed RSF program.

Annex II. Risk Assessment Matrix[1]

Sources of Risks	Relative Likelihood	Expected Impact if Realized	Policy Response
Geopolitical Tensions. Intensification of conflicts, coupled with the weakening of multilateralism, may trigger commodity price volatility, increase migration pressures, reignite inflation, and weigh on growth by undermining confidence, investment, tourism, trade, and supply chains.	High	**High** Higher and volatile commodity prices due to uncertainty. External balance worsens with higher import prices and lower export demand. Shortages of intermediate and final consumer goods. High fertilizer costs affect domestic food production.	Targeted support to protect vulnerable population from rising food prices. In the event of energy price hikes, fuel subsidies could be only a temporary solution as it is regressive and has adverse environmental effects. Ensure strategic fuel and grain reserves are adequate.
Potential fallout from conflict with the Democratic Republic of Congo or border closures with Burundi could lead to disruptions in regional trade and impact aid funding.	Medium	**Medium** Reduced availability of concessional financing from development partners.	Prioritization of current and development spending.
Fiscal Vulnerabilities and Higher Long-Term Interest Rates. Rising public debt and deficit levels may put upward pressure on long-term interest rates and increase the risk of sovereign bond market disruptions. These developments could amplify capital flow volatility, tighten financial conditions, threaten sovereign debt sustainability, and trigger global spillovers.	High	**High** Tighter financial conditions and higher country risk premium. Capital outflows due to risk aversion. Lower exports due to slower global demand. Diversion of budget resources to support aid programs previously funded by foreign organizations.	Diversify the structure of the economy and export sources. Deepen financial markets. Pursue tax reforms to broaden tax base.
Commodity price volatility. Shifts in supply and demand—driven by geopolitical tensions and conflicts, OPEC+ actions, or the green transition—may fuel commodity price swings, intensifying external and fiscal pressures, social unrest, and macroeconomic instability.	High	**High** Bouts of price and real sector volatility. Shortages of intermediate and final consumer goods. High fertilizer costs affect domestic food production.	Ensure strategic fuel and grain reserves are adequate. Secure social protection for vulnerable households.
Decline in International Aid. A further sharp reduction in international financial assistance, including development aid and humanitarian support, could severely affect low-income and fragile countries. Such an additional aid withdrawal would strain public finances, worsen current accounts, increase debt vulnerabilities, and lead to a further deterioration in living conditions and food security.	High	**High** Fiscal deficit widens. External balance worsens with less availability of hard currency. Debt vulnerabilities increase with less concessional financing options available.	Diversify the structure of the economy and export sources. Maintain exchange rate flexibility but avoid excess volatility. Implement fiscal consolidation. Strengthen debt management.
Escalating Trade Measures and Prolonged Uncertainty. Rising trade barriers and prolonged policy uncertainty could reduce trade, investment, and growth. Inflationary pressures may re-emerge. These effects can be amplified by strategic complementarities or bottlenecks in global value chains or inventory overhang.	High	**High** External balance worsens with higher import prices and lower export demand. Slower economic growth due to lower export demand. Lesser financial market access.	Diversify the structure of the economy and export sources. Build financial buffers and increase self reliance.
Financial Market Volatility and Correction. Easy financial conditions and subdued volatility in key markets could be significantly affected by a sudden and disruptive shift in investor sentiment or policy stance, triggering market corrections, exchange rate turbulence, spikes in sovereign bond yields, and capital flow volatility.	High	**Medium** Financial conditions become tighter with higher country risk premium. Capital outflow due to risk aversion. Lesser financial market access.	Continue monitoring the financial sector to ensure risks remain contained. Take appropriate and timely micro and macroprudential interventions to ensure the stability. Deepen financial markets.
New Trade Agreements. A breakthrough in trade talks could reduce uncertainty and protectionism, boost investment and productivity, and support broader reforms to lift medium-term growth.	Low	**Medium** Higher global demand. Lower borrowing cost. Capital inflow.	Maintain exchange rate flexibility but avoid excess volatility. Facilitate exports.
Cyberthreats. Cyberattacks on physical or digital infrastructure, technical failures, or misuse of AI technologies could trigger financial and economic instability.	High	**Medium/Low** Financial services interruption, data theft or deletion, loss of sensitive data or intellectual property.	Ensure that financial service providers frequently upgrade their IT systems.
Climate change. Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions, and heighten economic and financial instability.	Medium	**High** Reduced output in the agricultural sector, job loss, higher contingency spending to repair damages to infrastructure, and higher social spending to mitigate impact on vulnerable.	Include contingency spending plans in fiscal framework and strengthen food security programs. Fast-track efforts to build resilience to climate shocks.
Social discontent. High living costs, weak growth, and inequality may fuel social unrest, hinder necessary reforms, and weaken countries' capacity to address domestic and external shocks.	Medium	**Low** Economic uncertainty would deepen and policymaking would be affected resulting in a negative impact on domestic growth, higher poverty levels, and pressure on external and fiscal balances.	Increase access and benefits, improve targeting of existing social safety nets. Bring forward measures to create jobs and promote vocational training. Pursue tax reforms to broaden tax base.

[1] The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concerns as of time of discussion with the authorities. Non-mutually exclusive risks may interact and materialize jointly.

Annex III. Illustrative Impact of a Global Adverse Scenario on Rwanda

1. Rwanda's economy remains relatively insulated from external shocks, with limited exposure to global trade tensions. This reflects the relatively low share of exports to the United States, low effective tariff rates, and the current exclusion of Rwandan apparel from the African Growth and Opportunity Act (AGOA) program. The main transmission channels are concessional financing and key commodity prices—oil on the import side, and coffee and tea on the export side. Risks from concessional financing are incorporated in the baseline of the fifth PCI review, with fiscal risks treated as downside risks (Box 1, CR 25/127). This box therefore focuses on the macroeconomic implications of a sharp rise in oil prices combined with declines in coffee and tea prices.

2. Oil price shock. As a net fuel importer, Rwanda is vulnerable to rising oil prices. The scenario assumes increases of US$20 and US$30 per barrel in 2025 and 2026, respectively, relative to the baseline. This would raise the import bills and, to a lesser extent, fuel re-exports, weighing on growth. A temporary energy subsidy is assumed to mitigate the impact, modestly widening the fiscal deficit while supporting a smoother adjustment.

3. Coffee and tea price shocks. Coffee and tea remain important exports, with diversified markets and relatively inelastic demand. A 20 percent price decline would reduce export earnings and growth only modestly. Moreover, downside risks from these commodities may be partly offset by higher gold prices—the largest export earner—helping to cushion the overall impact.

4. Assuming simultaneous adverse shocks, Rwanda's real GDP growth and external position would weaken moderately, with only limited fiscal impact. Real GDP growth could fall by 1.6 and 2.2 percentage points below the baseline in 2025 and 2026, respectively. The current account deficit would widen by about 1.5 and 2.0 percent of GDP, while the fiscal deficit would increase only marginally by 0.07 and 0.12 percent of GDP.

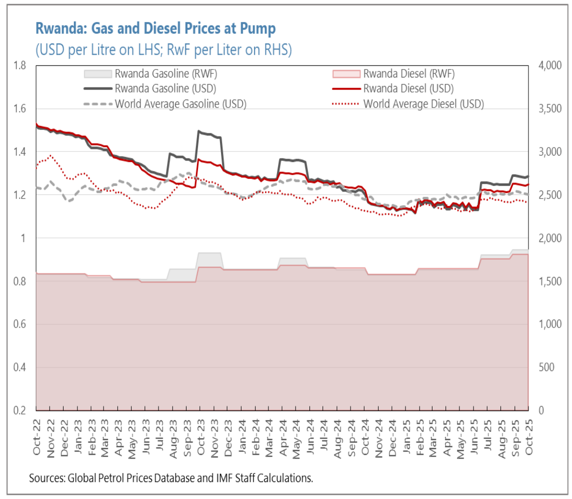
Rwanda: Illustrative Qualification of Downside Risks

	2025	2026
Assumed shocks (relative to baseline)		
Oil price increase (USD per barrel)	20	30
Coffee price decrease (percent)	-20	-20
Tea price decrease (percent)	-20	-20
Estimated transmission of shocks		
Oil price increase:		
Change in imports (percent of GDP)	1.2	1.7
Change in exports (percent of GDP)	0.0	0.0
Change in fiscal spending (percent of GDP)	0.07	0.12
Change in real GDP growth (percent y/y)	-1.4	-2.0
Coffee and tea price decrease:		
Change in exports (percent of GDP)	-0.2	-0.2
Change in real GDP growth (percent y/y)	-0.2	-0.2
Combined impact on macro aggregates (relative to baseline)		
Real GDP growth (percent y/y)	-1.6	-2.2
Fiscal balance (percent of GDP)	0.07	0.12
Current account balance (percent of GDP)	-1.5	-2.0

Annex IV. Implementation of VAT on Fossil Fuels and Temporary Fuel Subsidy

1. A key measure in the 2025 tax package. As part of the comprehensive compensatory tax package adopted in January 2025, the authorities legislated several measures to broaden the tax base and streamline exemptions. The VAT on fossil fuels was identified as the single largest source of additional revenue (about 0.4 percent of GDP in FY24/25).

2. Implementation coincided with rising international oil prices. The fuel VAT took effect on July 1, 2025, at a time of significant increases in global oil prices, leading to the sharpest recorded rise in domestic pump prices for diesel and gasoline.



3. Fuel prices are set under a regulated cost-plus model with smoothing features. Retail pump prices are reviewed every two months under a cost-plus formula administered by the Rwanda Utilities Regulatory Authority (RURA). The formula builds up costs from the port of import to the retail pump, covering:

- *Port-related costs*—including the landed CIF import price, freight and insurance, and port handling, storage, and inspection fees;
- *Inland logistics*—covering clearing-agent fees, border charges, insurance, and transport costs from ports (Dar es Salaam and Mombasa) to Kigali, weighted by import volumes and exchange-rate movements; and
- *Domestic charges*—including excise duties, VAT, the road-maintenance levy, strategic-reserve contribution, regulatory and health fees, a stabilization adjustment, and regulated margins for wholesalers and retailers.

Rwanda: Fuel Price Stabilization

	Gasoline (RWF/L)	Diesel (RWF/L)	Change in price: Gasoline	Change in price: Diesel	
April - May	1,633	1,647			
June 2025 without stabilization fee	1,571	1,565			
Stabilization fee	62	82			
June 2025 approved price	1,633	1,647	62	82	Government gain
July-August 2025 price without subsidy (VAT introduced)	1,935	1,873	302	226	Price increase without subsidy
Subsidy	-132	-116	-132	-116	Cost to the Government
July-August 2025 approved price	1,803	1,757	170	110	Cost to the consumer
September-October 2025 price without subsidy	1,942	1,948	139	191	Price increase without subsidy
Subsidy	-80	-140	-80	-140	Cost to the Government
September-October 2025 approved price	1,862	1,808	59	51	Cost to the consumer

Because imported shipments take about two months to reach Kigali, the formula uses a two-month lag in international reference prices (PLATTS) and averages cost parameters across ports. This approach smooths short-term volatility and ensures more predictable retail prices while maintaining cost recovery. When international prices fall, the stabilization adjustment can turn positive—creating a stabilization fee paid to the Treasury—allowing partial recovery of earlier subsidy costs and helping balance price and fiscal effects over the year.

4. Price-setting involves interministerial and public coordination. A technical committee—comprising representatives from the Ministry of Finance and Economic Planning (MINECOFIN), NBR, Rwanda Utilities Regulatory Authority (RURA), Rwanda Revenue Authority (RRA), and the Ministries of Trade and Infrastructure—reviews model parameters and assesses implications for inflation, fiscal revenues, and social indicators such as transport costs and household welfare. Its recommendations are submitted for ministerial endorsement, and final prices are approved at a high-level meeting chaired by the Prime Minister. Broader public consultations are held with importers, distributors, and consumer representatives before publication of the official prices by RURA.

5. Temporary fuel subsidy cushioned the price increase. To mitigate the combined impact of the VAT introduction and higher global oil prices, the authorities introduced a temporary fuel subsidy in July 2025. Rather than adjusting statutory tax rates, the government set the official retail price slightly below the formula-implied level and compensated importers and distributors for the gap between their full costs (including taxes) and the regulated pump price. This approach shielded consumers while maintaining cost recovery for suppliers.

6. Fiscal implications remain contained. Initially planned for two months, the subsidy was extended through October 2025 as the formula continued to reflect earlier high import costs. The measure is estimated to cost about 0.1 percent of GDP in foregone revenues over July–October, partly offsetting VAT gains. The subsidy will be phased out as global prices stabilize and is transparently recorded as a budgetary expenditure. Over the medium term, gradual measures such as annual excise indexation could be considered to help secure revenues over the medium term.

7. Inflationary effects appear limited so far. Higher fuel prices typically transmit to transport and food distribution costs, with potential second-round effects on broader prices. So far, the temporary subsidy and ongoing moderation in global oil prices have helped contain inflationary pressures, and overall inflation remains within the NBR’s target band.

Annex V. External Sector Assessment

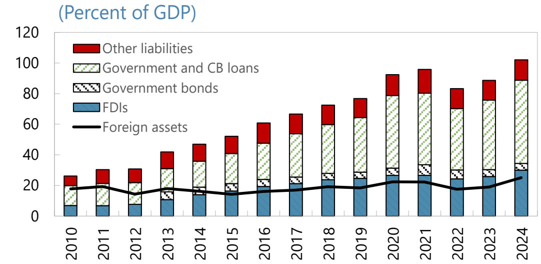
Overall Assessment: *The external position of Rwanda in 2024 was substantially weaker than the level implied by fundamentals and desirable policies. The level of gross international reserves is assessed to be near the midpoint of the minimum adequacy range.*

Potential Policy Responses: *Allowing exchange rate flexibility within a forward-looking monetary policy framework remains critical to absorb external shocks and to reduce external imbalances. Accumulation of international reserves toward the higher end of the adequacy range would provide further cushion to the economy. Fiscal consolidation and structural reforms to improve the business climate and boost competitiveness remain essential to bring the current account balance to a level consistent with fundamentals.*

Foreign Assets and Liabilities: Position and Trajectory

Background. Following a temporary improvement in 2022, Rwanda's net international investment position (NIIP) deteriorated in 2024. At -77.6 percent of GDP at end-2024, the NIIP remains much weaker than 5 years ago (-58.1 percent in 2019). The deterioration was driven by the significant increase in foreign liabilities due to the financial account inflows, while the foreign assets remained broadly stable as a share of GDP. In 2025–27, the NIIP is expected to deteriorate further before stabilizing and starting to improve as a result of the current account adjustment.

Rwanda: Foreign Assets and Liabilities
(Percent of GDP)



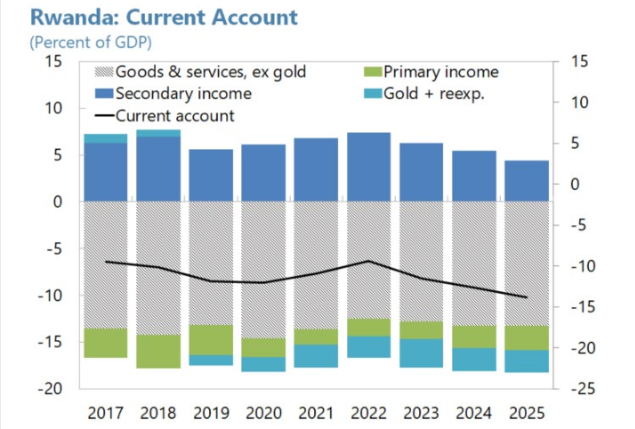
Assessment. The sustainability of the NIIP is not an immediate concern, given the dominant share of concessional loans and foreign direct investments in foreign liabilities. The accompanying debt sustainability analysis suggests that Rwanda faces a moderate risk of debt distress.

2024 (% GDP) NIIP: -77.6 Gross Assets: 25.1 Debt Assets: 8.2 Gross Liab.: 102.1 Debt Liab.: 72.2

Current Account

Background. Rwanda's current account (CA) deficit widened to 12.8 percent of GDP in 2024, from 11.5 percent GDP in 2023.[1] Following the GDP re-basing exercise completed in 2025, the 2024 CA deficit in percent of GDP narrowed to 12.1 percent. The CA deficit was driven by sustained momentum in food and consumer goods imports as well as elevated capital goods imports over the first three quarters—both reflecting strong consumer and investment demand, due to high food imports, and post-flood reconstruction efforts. A narrowing of the trade deficit in Q4 provided partial relief, supported by higher exports due to a rise in international coffee prices, stronger regional demand for manufactured exports, and a temporary moderation in capital goods imports linked to project implementation schedules.

The CA deficit remained high over the last five years, driven by government's significant access to concessional loans and multiple domestic and external shocks. From a saving-investment perspective, the CA deficit is mainly driven by the public sector. In terms of the structure, the CA balance is dominated by the trade deficit, with budget grants and remittances providing and offsetting positive impact. In 2025, the CA deficit is projected to deteriorate to 13.4 percent due to imports related to the infrastructure project.



Sources: Rwandan Authorities and IMF Staff Calculations.

Over the medium-term, the trade deficit is expected to widen as project implementation accelerates while project-related FX inflows are expected to meet financing needs for imports and boost international reserves. The overall balance of payments is expected to improve due to ongoing fiscal consolidation and rising FDI inflows.

Assessment. The CA approach of the IMF's EBA-lite methodology compares a cyclically adjusted value of the CA deficit in 2024 to a CA norm predicted by the regression model. To remain consistent with model estimates of the CA-norm in percent of GDP, the assessment uses the same GDP series at the time of model estimation. The EBA-lite CA model estimates a CA gap of -4.8 percent of GDP in 2024—relative to -2.1 percent of GDP gap in 2022—with a cyclically-adjusted CA balance of -13.5 percent of GDP and cyclically-adjusted CA norm of -8.6 percent of GDP. Staff assesses the CA in 2024 to be substantially weaker than the level implied by fundamentals and desirable policies. In a partial exercise comparing the model CA-norm with the CA-actual in percent of the re-based GDP, the improvement of nearly 0.7 percentage points of GDP in the CA ratio to GDP would not alter the assessment.

Rwanda: EBA-lite Model Results, 2024

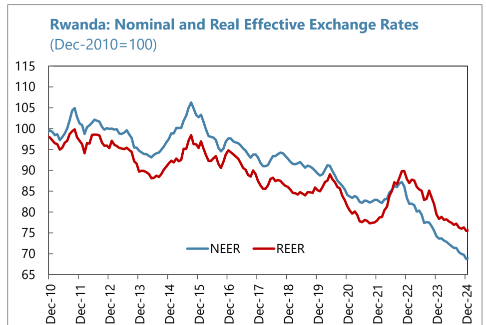
	CA model 1/	**REER model**
	(in percent of GDP)	
CA-Actual	**-12.8**	
Cyclical contributions (from model) (-)	0.1	
Natural disasters and conflicts (-)	0.6	
Adjusted CA	**-13.5**	
CA Norm (from model) 2/	**-8.6**	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	**-8.6**	
CA Gap	**-4.8**	**-3.3**
o/w Relative policy gap	1.5	
Elasticity	-0.2	
REER Gap (in percent)	**25.2**	**16.9**

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

Background. In 2024, the Rwandan franc depreciated against the US dollar by 9.4 percent—significantly less than the 18 percent depreciation recorded in 2023—helped by larger-than-expected multilateral lending. At the same time, the Rwandan franc real effective exchange rate (REER) depreciated by 8.3 percent in 2024 relative to 0.8 percent depreciation in 2023 on the back of favorable inflation differential with trading partners. In the medium term, the REER is projected to return to the depreciation trajectory observed over the last five years.

Assessment. The EBA-lite CA model implies a REER overvaluation of 25.2 percent in 2024. The projected deterioration of the current account deficit in 2025 and the limited real exchange rate depreciation year-to-date suggest that the EBA-lite model is likely to yield a larger REER overvaluation at end-2025. The REER model also indicates an overvaluation, reinforcing the results of the CA-model. Though the REER model suggests a slightly smaller overvaluation of 16.9 percent, staff continue to rely on the CA model as the primary model. The authorities are advised to sustain their reform agenda to enhance external competitiveness.



Sources: Rwandan Authorities and IMF Staff Calculations.

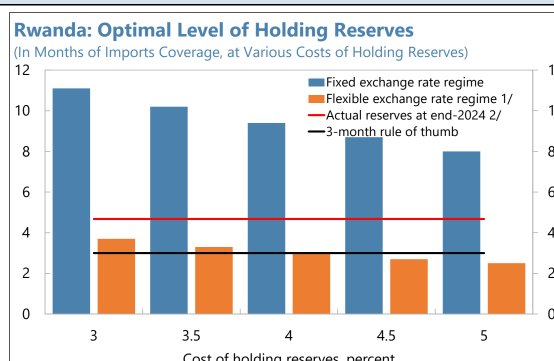
Capital and Financial Accounts: Flows and Policy Measures

Background. In 2024, Rwanda's current account deficit was primarily financed through public sector borrowing, which accounted for 9.4 percent of GDP, and FDI inflows, which contributed 4.0 percent of GDP. Weather-related shocks in 2023, including devastating floods, led to increased borrowing to meet reconstruction needs. Financial inflows are expected to increase supported by medium- and long-term external borrowing and higher FDI inflows for the construction of New Kigali International Airport and the expansion of the national airline.

Assessment. As financial flows continue to be dominated by external concessional financing, risks and vulnerabilities related to capital flows are mainly related to prospects for donor financing.

FX Intervention and Reserves Level

Background. In 2024 gross official reserves increased to US$2.1 billion or 4.7 months of prospective imports up from US$1.7 billion at the end of 2023.[2] The increase in international reserves was particularly supported by front-loaded disbursements in official financial support. Facing an increase in demand, the National Bank of Rwanda continued sales on the shallow FX market while allowing for some exchange rate flexibility, as the pace of exchange rate depreciation against US dollar picked up in 2024.



Source: IMF Staff Estimates.
1/ Includes floating or freely floating *de jure* regimes.
2/ Excludes RSF disbursements.

Assessment. At end-2024, the level of international reserves is assessed to be near the midpoint of the minimum adequacy range. The Fund's approach to Assessing Reserve Adequacy in Credit-Constrained Economies (ARA-CC) indicates the optimal range of 2.54.0 months of imports under the flexible exchange rate classification, and between 8.0-11.0 months of imports under the fixed exchange rate regime depending on cost of holding reserves. Given limitations to exchange rate flexibility on the shallow FX market, staff continues to consider international reserves in the 4–5 months range of to be the minimum adequate level for Rwanda. Maintaining exchange rate flexibility remains crucial to cushion the economy against external shocks. While net sales of FX on the market amid strong inflow of external budget support remained an essential feature of the central bank's FX operations over the last years, the size of these operations should be well calibrated to the size of such inflows.
[1] Prior to 2023 floods, the 2024 current account deficit was projected at 10.5 percent of GDP. [2] International reserves stood at 5.4 months of import, including RSF-related disbursements.

Annex VI. Data Issues

Table 1. Rwanda: Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating 1/							
C							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	C	B	C	B	B	C	C
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	B	C	C	B	B		
Granularity 3/	C		C	B	B		
			B		B		
Consistency			C	B		C	
Frequency and Timeliness	C	A	C	C	B		

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.
1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.
2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance*, January 2024, Appendix I).
3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund are adequate for surveillance.
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. Data weaknesses somewhat hamper staff's analysis of macroeconomic and financial risks. In the real sector, limited timeliness and weak granularity of national accounts complicate near-term growth assessments. In fiscal statistics, delays in general government reporting, incomplete coverage of EBUs, PPPs, and the social security fund constrain fiscal risk analysis. External sector data are broadly comprehensive, but timeliness and weak survey response rates limit real-time monitoring. Monetary and financial statistics are strong but with gaps on non-bank coverage. For prices, while CPI is published regularly, outdated weights reduce its representativeness and complicate analysis of consumption trends. Inter-sectoral consistency also remains a challenge, with discrepancies between trade data in the national accounts and the balance of payments, and between capital spending in fiscal accounts and investment in the national accounts.

Changes since the last Article IV consultation. Progress has been made on national accounts and price statistics. The National Institute of Statistics of Rwanda (NISR) is advancing work to rebase GDP to 2024, supported by AFRITAC East, with rebased production-side GDP published in October 2025, and the expenditure side estimates expected in early 2026. A new compilation system for the PPI has been introduced, addressing outdated weights and sample coverage. On the fiscal side, staff turnover slowed GFS improvements and weakened timeliness, though new realistic targets have now been set. Inconsistencies between external sector data in the national accounts and the balance of payments were identified, the NISR and National Bank of Rwanda (NBR) plans to harmonize these in 2026.

Corrective actions and capacity development priorities. Discussions with the authorities emphasized completing the GDP rebasing, updating CPI and PPI weights, and institutionalizing more flexible price compilation. Fiscal priorities include integrating the social security fund into general government coverage, resuming quarterly debt statistics submissions, and updating the National Summary Data Page (NSDP). Continued TA from AFRITAC East and resumption of the GFS technical working group are critical to sustaining improvements.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. Staff does not use any data and/or estimates in the staff report in lieu of official statistics.

Other data gaps. Important gaps remain in areas central to Rwanda's policy agenda. Climate-related data (e.g., disaster losses, adaptation spending, emissions) are limited, hampering analysis of climate risks. Gender-disaggregated labor and financial statistics are not systematically available, constraining analysis of inclusion. Labor and social statistics would also benefit from more frequent and detailed data on informality and youth employment, which are critical given Rwanda's development strategy. Better data on digitalization (e.g., fintech use, e-commerce activity) would also strengthen surveillance in line with Rwanda's ambition to become a regional digital hub.

Table 2. Rwanda: Data Standard Initiatives

Rwanda participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since September 2017. The authorities are working on subscribing to the Special Data Dissemination Standard (SDDS).

Table 3. Rwanda: Common Indicators Required for Surveillance, October 22 – November 5, 2025

	Date of Latest Observation	Date Received	Frequency of Data [7/]	Frequency of Reporting [7/]	Frequency of Publication [7/]
Exchange Rate	10/15/25	10/19/25	D, M	D, M	D, M
International Reserve Assets and Reserve Liabilities of the Monetary Authorities [1/]	10/15/25	10/19/25	D, M	D, M	M
Reserve/Base Money	10/15/25	10/19/25	D, M	D, M	M
Broad Money	9/30/25	11/7/25	M	M	M
Central Bank Balance Sheet	10/15/25	10/19/25	D	D	D
Consolidated Balance Sheet of the Banking System	9/30/25	11/7/25	M	M	M
Interest Rates [2/]	9/30/25	10/28/25	M	M	M
Consumer Price Index	09/30/25	10/10/25	M	M	M
Revenue, Expenditure, Balance and Composition of Financing [3/]—General Government[4/]	6/30/25	10/06/25	Q	Q	Q
Revenue, Expenditure, Balance and Composition of Financing [3/]—Central Government	6/30/25	10/06/25	Q	Q	Q
Stocks of Central Government and Central Government—Guaranteed Debt [5/]	Q2-2025	10/10/25	Q	Q	Q
External Current Account Balance	Q2-2025	10/10/25	Q	Q	Q
Exports and Imports of Goods and Services	8/31/25	10/20/25	M	M	M

Table 3. Rwanda: Common Indicators Required for Surveillance, October 22 – November 5, 2025 (Concluded)

	Date of Latest Observation	Date Received	Frequency of Data [7/]	Frequency of Reporting [7/]	Frequency of Publication [7/]
GDP/GNP	Q2-2025	9/17/25	Q, A	Q, A	Q, A
Gross External Debt	Q2-2025	10/10/25	Q	Q	Q
International Investment Position [6/]	Q2-2025	10/10/25	Q	Q	Q

[1/] Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

[2/] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

[3/] Foreign, domestic bank, and domestic nonbank financing.

[4/] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

[5/] Including currency and maturity composition.

[6/] Includes external gross financial asset and liability positions vis-à-vis nonresidents.

[7/] Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).

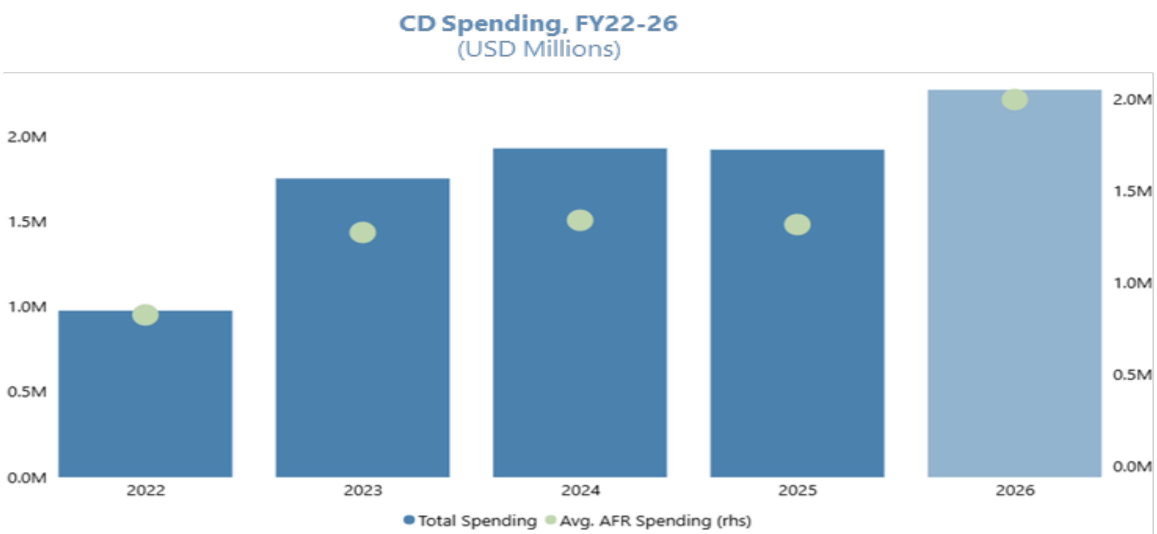
Annex VII. Capacity Development Strategy [1]

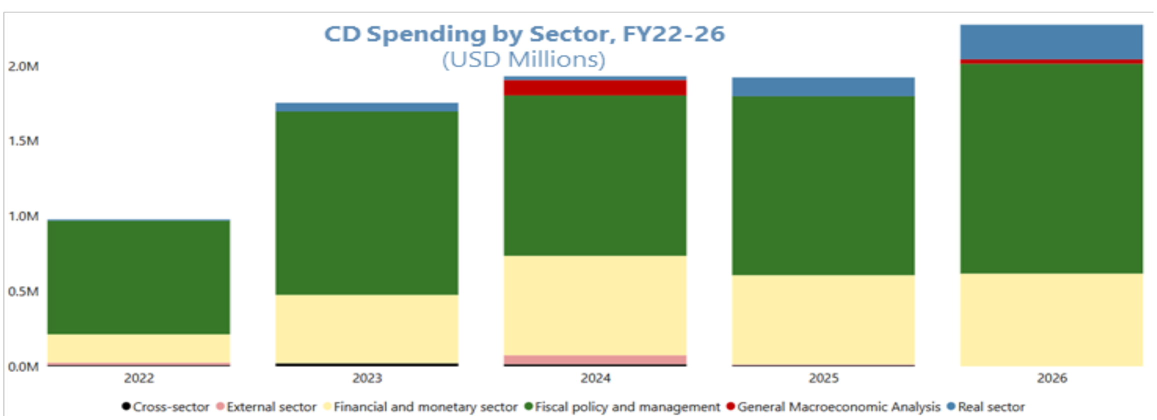
Rwanda is a high-intensity user of capacity development (CD) support. With robust institutional capacity, Rwanda has demonstrated a strong track record in implementing CD recommendations. These capacity development efforts are closely aligned with the Fund's policy engagement, particularly in supporting the implementation of the country's National Strategy for Transformation (NST-1 and NST-2), while also safeguarding macroeconomic stability. Key CD areas include fiscal transparency, domestic resource mobilization (DRM), the rollout of the new forward-looking monetary policy framework, and financial stability.

Rwanda consistently ranks as a top recipient of CD support, receiving approximately 9–10 percent of total allocations across several regional and programmatic groupings (EAC, oil importers, RSF). This high share reflects both Rwanda's strategic importance and strong demand for CD support. As overall CD spending increases and remains broadly aligned with national priorities, maintaining a balanced allocation across sectors will be vital to sustaining its effectiveness and impact.

Total Spending: **$8.9m**	Total Projects1: **46**	Completed: **4**	FY26 Total Projects: **15**

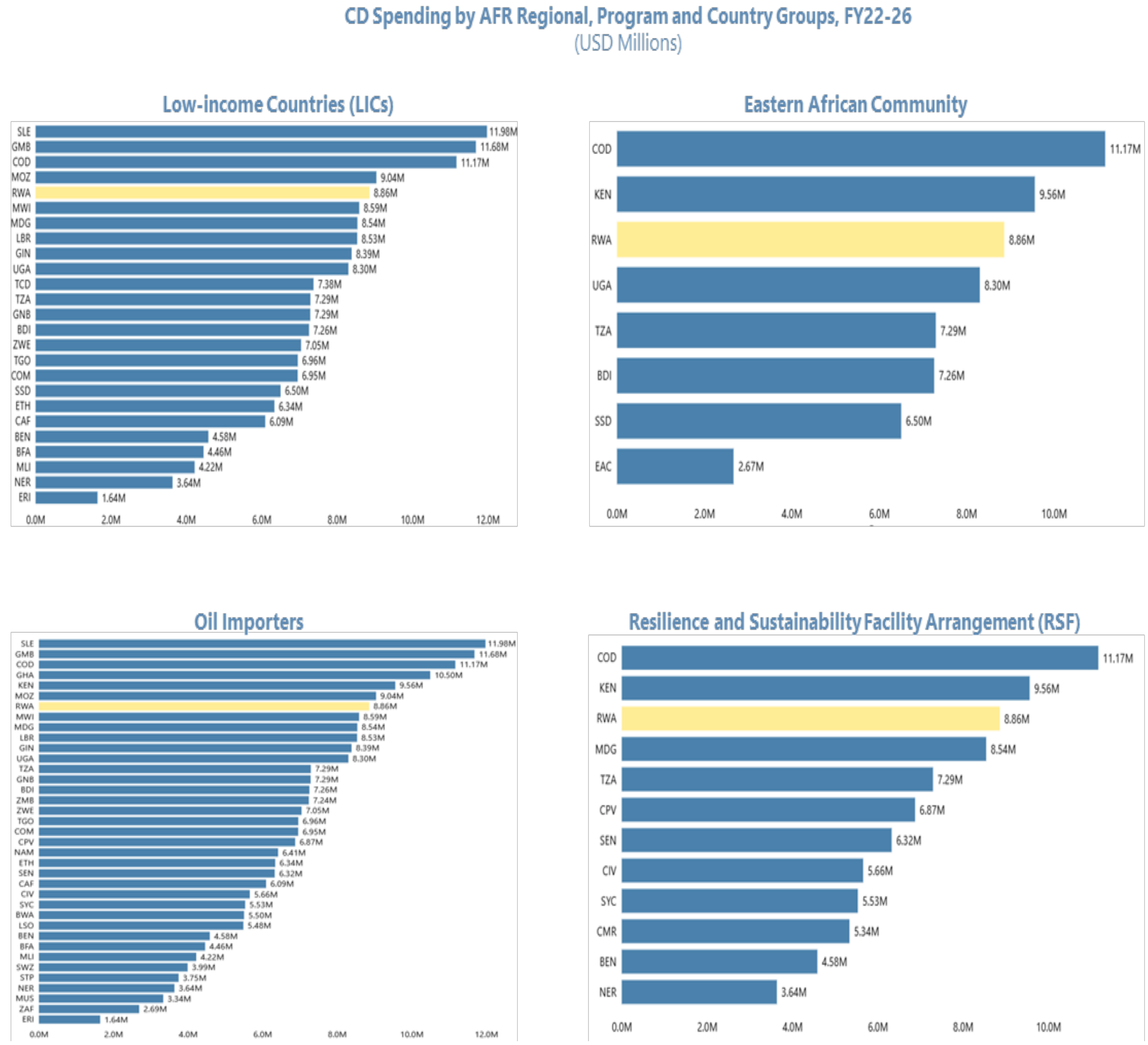
Figure 1. Rwanda: Capacity Development Spending in Rwanda, FY22–26





[1] Prepared by Haya Abu Sharar.

Figure 1. Rwanda: Capacity Development Spending in Rwanda, FY22–26 (Concluded)



An analysis of FY26 project objectives across workstreams is combined with actual capacity development (CD) spending in Rwanda and the FY25 AFR survey priorities. Project objectives are organized across ten core workstreams, including revenue administration, debt management, monetary and macroprudential policies, macroeconomic frameworks, public financial management, tax policy, financial supervision, and government finance. These objectives focus on strengthening fiscal governance, enhancing forecasting and policy frameworks, building capacity in debt and financial supervision, and ensuring effective macroeconomic policy implementation. CD spending in Rwanda has primarily concentrated on key areas such as public financial management (USD 3.12M), revenue administration (USD 1.64M), and financial supervision and regulation (USD 1.52M).

The survey ranking highlights the top ten priorities identified by country teams, led by tax policy, revenue administration, and public financial management. Notably, despite being among the top priorities, support for the External Sector is currently not provided in Rwanda. Overall, the analysis demonstrates strong alignment between CD spending and country-identified priorities, while also highlighting gaps in areas of unmet demand, such as the External Sector.

Figure 2. Rwanda: Workstream Priorities, Objectives, and Spending

Projects Objectives by Workstream, FY26

Revenue Administration
- Strengthened revenue administration management and governance arrangements (SDG 17.1)
- Strengthened core tax administration functions
- Improved customs administration functions

Tax Policy
- Improve Tax Policy Design (TPD)

Monetary and Macroprudential Policies
- Improve analytical and forecasting capabilities for monetary policy decision-making (FPAS)
- Strengthen capacity of the central bank to implement monetary policy effectively

Financial Supervision and Regulations
- Improve accounting and prudential provisioning regulatory guidelines

Public Financial Management
- Improved coverage and quality of fiscal reporting
- Improved public investment management (Green PFM)
- Improved PFM laws and effective institutions

Government Finance
- Strengthen compilation and dissemination of Public Sector Debt Statistics (PSDS)

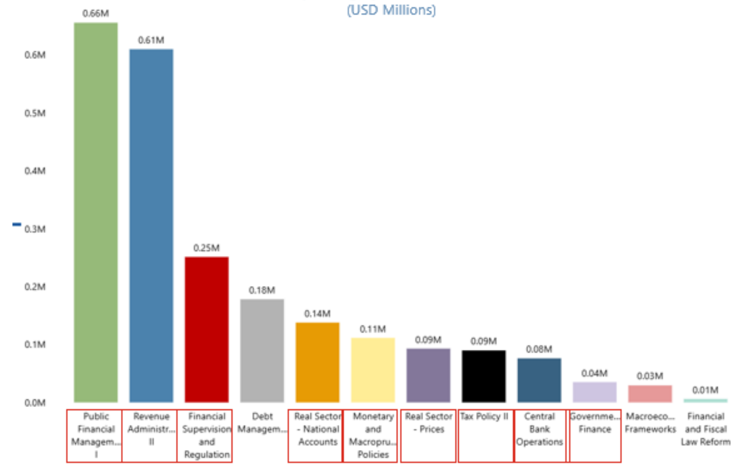
Debt Management
- Develop/enhance staff capacity to conduct debt sustainability analyses (DSA)
- Develop market infrastructure and capacity for cost-effective financing (CCF)

Macroeconomic Frameworks
- Develop capacity in macroeconomic forecasting and policy analysis to support policy decision-making and communications

AFR CD Survey Top 10 Workstream Priorities, FY25

Workstream	Rank
FAD Tax Policy	1
FAD Revenue Administration	2
FAD Public Financial Management	3
MCM Monetary and Macroprudential Policies	4
MCM Financial Supervision and Regulations	5
MCM Central Bank Operations	6
STA Real Sector – Prices	7
STA Real Sector – National Accounts	8
STA Government Finance	9
STA External Sector	10

CD Spending by Workstreams, FY26
(USD Millions)

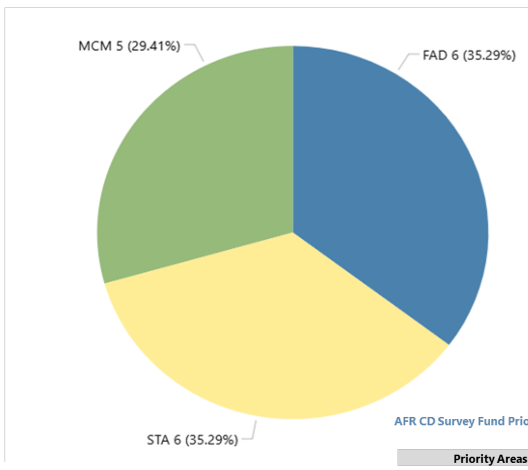


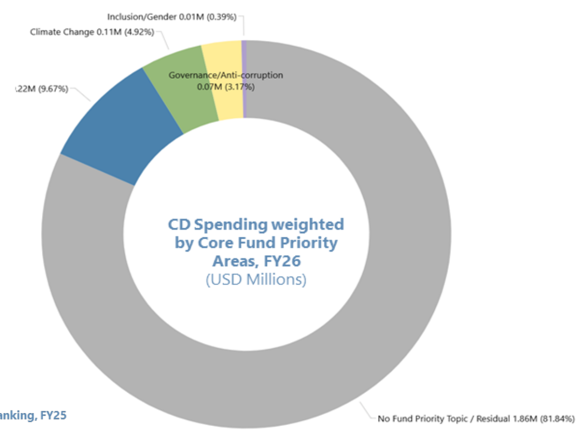
The FY26 mission initial plan reflects a balanced distribution across key workstreams, with FAD, MCM, and STA each accounting for roughly one-third of the missions. While most CD spending is not yet directly mapped into the Fund's core priority areas, targeted support is beginning to emerge in critical fields such as domestic revenue mobilization, debt sustainability, governance, gender inclusion, and climate change.

This focus is particularly timely given evolving global commitments to resilience and sustainability, including integrating climate considerations into economic planning. Notably, Rwanda is the first country in Sub-Saharan Africa to successfully complete an RSF arrangement, highlighting its leadership in linking climate resilience with macroeconomic stability. Rwanda's experience offers valuable lessons for scaling CD support across the region.

Figure 3. Rwanda: Capacity Development Missions[1]

Number of Missions by Department, FY26

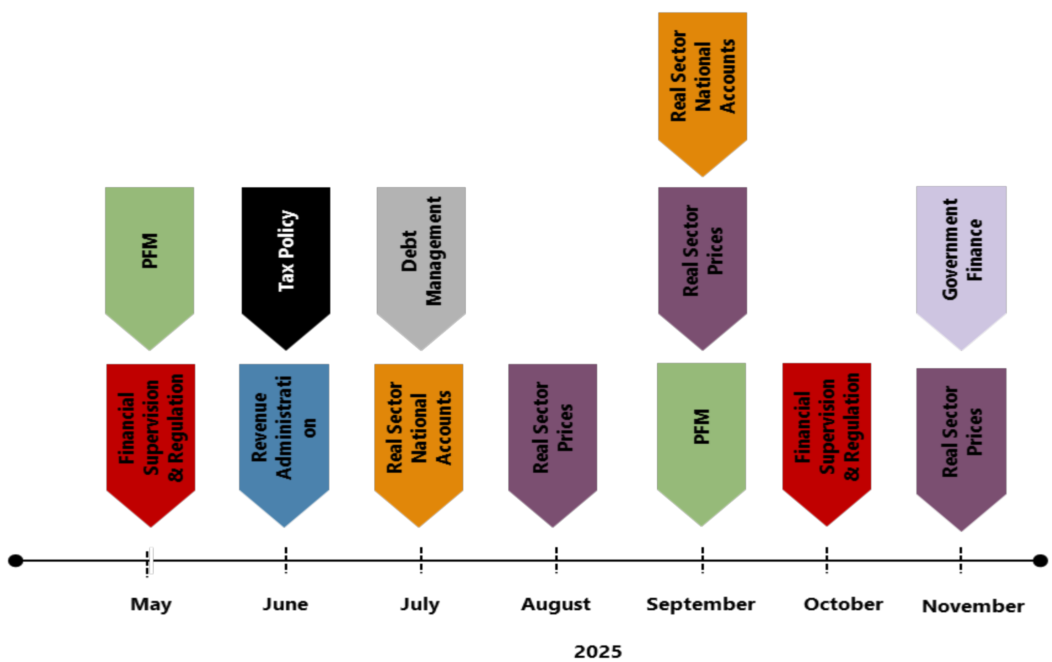




AFR CD Survey Fund Priorities Ranking, FY25

Priority Areas	Rank
Climate Change	1
Debt	2
Gender	3
Fragile and Conflict States (FCS)	4
Digital Money	5
Governance/Anti-Corruption	6

Planned Missions Timeline, FY26



Sources: IMF Staff Calculation, AFR CD Dashboard.

[1] Includes projects in "Approval", "Execution", and "Complete" stages and Single CD Country. Sector was defined by CD departments, each CD workstream was categorized into Economic and Financial Topic. Current FY and onward data is projection and subject to change.

Annex VIII. Management of Climate-Related Financial Risks in the Rwanda Banking Sector [1]

A. Background

1. **Rwanda faces multitude of climate hazards, which vary across its regions, with a potential impact on the banking sector.** Heavy rainfall, floods, and landslides have been the most damaging hazards, with droughts also having significant effects locally.[2] The World Bank reports that the adverse effects of flood events had worsened in Rwanda with recent population growth and land scarcity pushing people to settle in flood-prone areas. Combined with continued improving financial inclusion, these factors are likely to lead to larger exposure for the banking sector in higher risk locations.

2. **Rwandan authorities are advancing on their goal of enhancing climate-related financial risk management for the financial sector.** In this endeavor, a major milestone was NBR's issuance of the Guidelines on Management of Climate-related and Environmental Financial Risks for Financial Institutions ("NBR Guidelines") in November 2023. Prior to the publishing of the guidelines, the NBR conducted a diagnostic review, which revealed that a majority of financial institutions (FIs) had not yet incorporated climate-related risks into their governance structures, strategies, and risk management frameworks. The NBR noted guidance of issuance by standard-setting bodies and other international networks of regulators and supervisors, including the Basel Committee on Banking Supervision (BCBS), and issued the November 2023 which was broadly aligned with the June 2022 BCBS Principles for the Effective Management & Supervision of Climate-related Financial Risks, while being customized to Rwanda's financial system.

3. **The NBR Guidelines set out principles that would guide FIs to manage climate-related and environmental financial risks while setting expectations for the financial sector.** The NBR Guidelines outlines NBR's guiding principles and expectations across the following pillars: (i) Materiality Assessment, (ii) Business Model and Strategy, (iii) Governance, (iv) Risk Management, (v) Scenario Analysis and Stress Testing, (vi) Disclosures and Reporting. In addition to providing guiding principles, the NBR Guidelines also clarified that NBR would ensure the compliance of FIs to the Guidelines' provisions through its supervisory tools and that non-compliance may lead to supervisory actions. The NBR adopted a four-year phased-in implementation roadmap that would conclude with the full implementation of the Guidelines at end-2027. An early step in this roadmap was the requirement for the Tier 1 FIs, including the banks, to conduct and submit self-assessments to the NBR by 2024-Q4. The NBR identified the self-assessment process as a critical tool for FIs to evaluate their exposures to climate-related and environmental financial risks and develop effective risk management strategies.

[1] Prepared by Tumer Kapan and Javier Uruñuela Lopez.

[2] For a detailed discussion of main climate risks facing Rwanda, see World Bank's Rwanda Country Climate Risk Profile (2021), and CCDR (2022).

B. Taking Stock of Rwandan Banks' Progress

4. The mission took stock of banks' progress on management of climate-related financial risks through an evaluation of their self-assessments. Most banks submitted their self-assessments by year-end 2024. The NBR was continuing its supervisory dialogue with the remaining few banks to complete the submission of their self-assessment. The mission assessed the overall banking sector's progress across the NBR Guidelines' pillars: (i) Materiality Assessment, (ii) Business Model and Strategy, (iii) Governance, (iv) Risk Management, (v) Scenario Analysis and Stress Testing, and (vi) Disclosures and Reporting.

5. The mission's evaluation of self-assessments indicates that the banking system made moderate progress in adopting the NBR Guidelines. Progress is broadly even across the pillars with the banking sector having made relatively more progress in the governance pillar. On the materiality assessment, banks have carried out an initial assessment, however, the extent to which banks factored in their exposures' geographic locations and sectoral allocations in their assessments could be improved. As the materiality assessments are expected to be updated regularly, banks could be encouraged to improve their assessments of the impact of climate risks on financial performance while considering the granular information (locations and sectors) outlined in the NBR Guidelines. In the area of Governance, the banking sector made relatively more progress in embedding climate risks into their governance frameworks, however additional efforts are needed to formalize the governance processes. The remaining gaps could be closed relatively easily by more broadly formalizing the duties and responsibilities of the senior management and the board.

6. Banks are at early stages of systematically incorporating climate-related financial risks and opportunities into their business models and strategies. The Guidelines require that FIs understand both the opportunities and the potential effects of significant climate-related financial risks, and take these into account in internal operations, strategies, business model, risk appetites, and other decision-making processes. Most banks have not developed formal risk appetites on climate-related financial risks, and they are at the early stages of incorporating these risks into the decision-making processes, most importantly, underwriting and credit portfolio management activities. At the same time, several banks initiated their planning of new business strategies based on potential opportunities related to the priority sectors identified in Rwanda's Green Taxonomy.

7. The banking sector made moderate progress in incorporating climate risks into risk management frameworks. A number of individual banks adopted specific measures to manage climate risks. These measures include adjusting the bank's credit policy to set standards and requirements for acceptable collaterals considering the collateral's climate risk exposures, adopting climate-related risks checklists in the underwriting process, conducting enhanced due diligence for clients with higher risk exposures, adopting sectoral concentration limits for both on-balance sheet and off-balance sheet exposures, among others. However, at the aggregate level, the banking sector is still in the early stages of adopting effective risk management processes. Systematic data collection of exposures and hazards, a foundational step of the risk management process, is an area that needs broad improvement across the sector. In order to support robust risk management processes more evenly across banks, the authorities should facilitate FIs' access to standardized public climate data.

8. **Banks could be encouraged to adopt risk measurement and monitoring processes that leverage metrics and analytical tools and establish a link between the monitoring and decision-making processes.** In terms of risk mitigation, banks could adopt concrete risk mitigation measures, such as thresholds, limits, diversification, and pricing measures as outlined by the Guidelines, customizing these measures at the sector and counterparty level.

9. **Scenario Analysis and Stress Testing remains the least developed pillar across the banking sector.** This is not surprising as the required data and analysis methodologies are expected to mature over time. Accordingly, banks would be expected to develop their scenario analysis and stress testing capabilities progressively. Finally, on the Disclosures and Reporting pillar, banks' approaches remains generally qualitative due to their limited data collection and less-developed climate strategies. More systematic data collection by banks would be critical for being able to prepare effective disclosures. Banks could also be encouraged to better align with the Task Force on Climate-Related Financial Disclosures (TCFD) pillars as indicated in the NBR Guidelines. Banks would also benefit from linking their disclosures to the Rwanda Green Taxonomy.

C. Riverine Flood Risk Exposure Analysis

10. **The mission also carried out an independent assessment of one of the main physical risks of Rwanda: riverine floods.** The assessment focused on carrying an exposure analysis for riverine floods, demonstrating potential quantitative approaches, and enhancing awareness of climate risks for the banking sector and associated challenges in climate risk assessment. The findings of this assessment should be interpreted with caution, given various data and modeling limitations such as the simplified methodology for exposure assessment and lack of Rwanda-specific damage functions. The mission did not carry out a comprehensive climate risk analysis covering all major climate hazards in Rwanda.

11. **Historically heavy rainfall, floods, and landslides have been the most damaging hazards in Rwanda.** While riverine floods are a significant risk near rivers and lakes, flash floods were particularly damaging during the May 2023 flood disaster. From late April to early May 2023, Rwanda experience rainfall significantly above historical averages across most of the country, which was followed by record-breaking rainfall on May 2, 2023.[3] As a result from the heavy rainfall, Rwanda experienced catastrophic flash floods, landslides, debris and mudflows from May 2 to 3, leading to loss of life and significant infrastructure damage. MINEMA reported 135 fatalities and one missing as of May 13, 2023. Nearly 6,000 houses were destroyed, and several school buildings, health centers, roads, and bridges were severely damaged. Economic damages and losses were estimated at USD 193 million. Such extreme climate events are expected to become more severe

[3] Source: 2023 Floods and Landslides Rapid Damage and Needs Assessment Report (May 2023) by MINEMA & MINECOFIN.

under future climate scenarios with changing climate conditions. Accordingly, the mission assessed the potential impacts of a severe riverine flood event (1-in-100 return period) under both historical baseline and the 2050 Representation concentration pathway (RCP) 4.5 scenario.[4]

Methodology

12. Physical risks materialize through the interaction of three components: hazard, exposure, and vulnerability. For banks' exposures, the mission utilized a confidential aggregate loan amount dataset provided by the NBR. The loan amounts were allocated across loan types (corporate, SME, retail) and 416 geographic units. The geographic units utilized are at the Administrative Unit Level 3, or "Sector," level.[5] The Sector information captures the location of the headquarters of the borrower entity/firm, or in the case of retail loans, the address of the borrower. The analysis included all 11 banks that were active in Rwanda as of end-2024 and utilized their loan portfolios as of that date. These loan exposures and their allocation across loan types and geographic units are assumed to stay fixed throughout the timespan of the future climate scenario.

13. There is significant variation in loan portfolio shares across banks, with some banks having larger shares of corporate credit, while others being almost exclusively focused on retail credit. At the banking system level, retail loans constitute the largest share, closely followed by corporate loans.

	Loan Share (system-level, in %)
Corporate	42.7
SME	12.5
Retail	44.8

Province	District	Sector	Loan Share
Kigali City	Gasabo	Remera	12.6
Kigali City	Nyarugenge	Gitega	10.4
Southern Province	Ruhango	Kabagali	8.1
Kigali City	Nyarugenge	Nyarugenge	7.3
Kigali City	Gasabo	Kimihurura	6.8
Top 5 Total			**45.2**

14. The reported bank loan exposures are highly concentrated across geographic units, driven by the concentration of corporate and SME loans. At the aggregate system level, the share of total loans in the top 5 Sectors (Level 3) is just over 45 percent with the share of top 5 rising to close to 52 percent within the corporate loan books. A large majority of these loans are located in the Kigali City Province. Note this geographic concentration around Kigali City is partially driven by the practice of recording the location of the headquarters of the borrower entity/firm for the loan exposures and is not fully representative of the true geographic footprint of the borrower's economic activities. At the bank level, loan books are again highly concentrated, even for the Retail books for a subset of banks.

15. For the second component of the analysis, hazard data the mission utilized publicly available riverine flood data from the World Resource institute (WRI). WRI provides flood depth data for various return periods (1-in-50, 1-in-100, etc.) for the historical baseline and various climate scenarios. The analysis focused on a 1-in-100 riverine flood event, based on flood hazard maps, both under the historical baseline and the 2050 (mid-century) RCP 4.5 scenario, representing a scenario of intermediate level emissions. The flood depth data has a resolution of 1 kilometer by

[4] RCP 4.5 represents an intermediate GHG emissions scenario (IPCC 2023). Often times, climate risk analyses use the more tail scenario of RCP 8.5, which corresponds to very high GHG emissions.

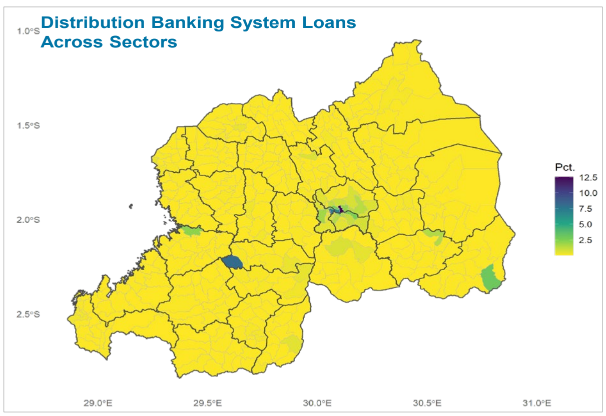
[5] Rwanda consists of five "Provinces" (Administrative Unit Level 1), which are divided into 30 "Districts" (Administrative Unit Level 2), and further divided into 416 "Sectors" (Administrative Unit Level 3).

1 kilometer,[6] accordingly, the mission aggregated the raw flood depth data to the Sector (Level 3) level.

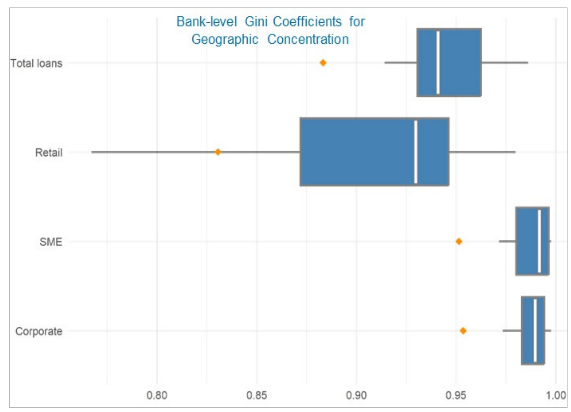
16. Under the 2050 RCP 4.5 scenario, flood depths in a 1-in-100 return period flood event are generally expected to increase compared to a similar event under the baseline. The Sectors that are already prone to experience higher flood depths in the baseline are expected to experience even higher flood depths in the RCP 4.5 scenario (figure below). Most of the rest of the country, which is expected to experience lower flood depths in the baseline scenario, does not experience significant increases in expected flood depths in the RCP 4.5 scenario; however, other related hazards, such as flash floods and landslides, might still become more severe in the mid-century RCP 4.5 scenario.

Rwanda: Banking Sector Concentration and Increasing Flood Risk

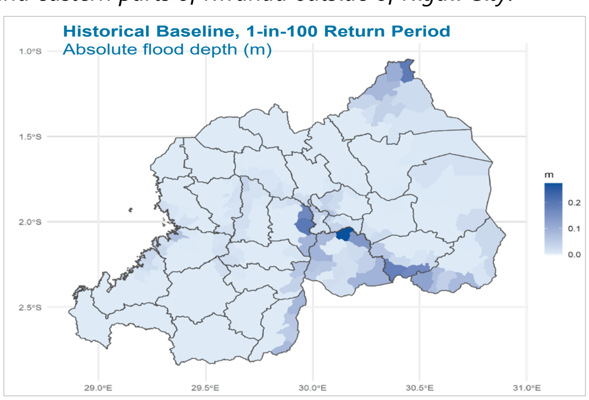
System level loan exposures are highly concentrated in Kigali City and a few Sectors outside of Kigali.



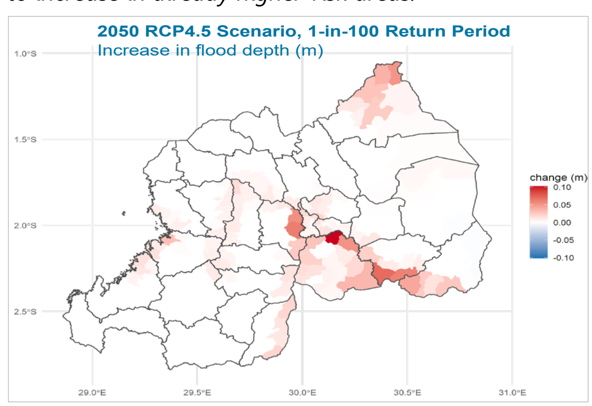
Bank-level concentrations are high across all banks.



Higher riverine flood risk areas are largely in the southern and eastern parts of Rwanda outside of Kigali City.



By mid-century, under RCP 4.5, flood depths are expected to increase in already higher-risk areas.



Sources: IMF Staff, World Resource Institute (WRI), Database of Global Administrative Areas (GADM).

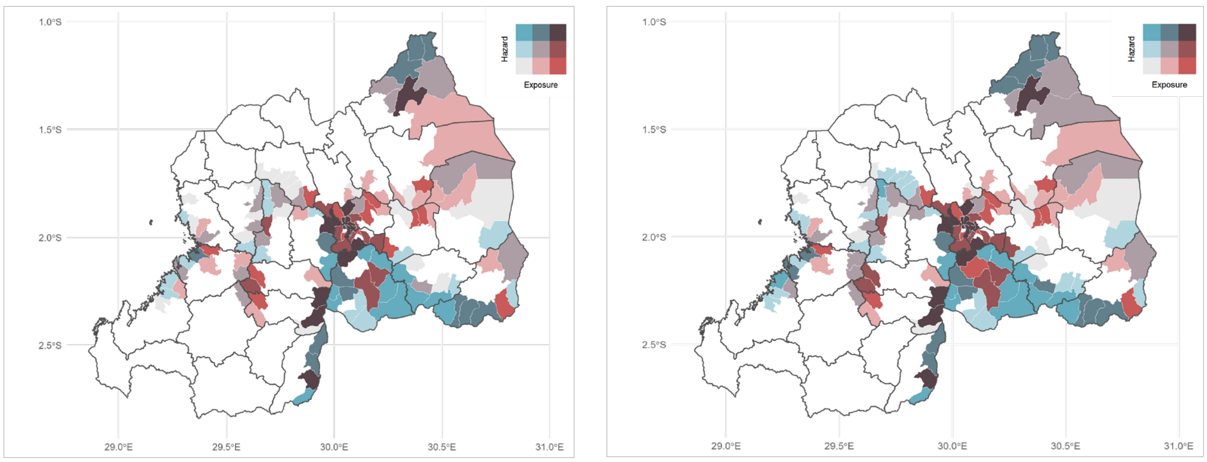
17. The mission analyzed banks' exposures to riverine flood risks by contrasting their loan exposures to riverine flood depth data. Once the raw flood depth data was aggregated to the

[6] The exact resolution is 30 arcseconds, which at the equator is around 1 kilometer by 1 kilometer.

Sector (Level 3) level, it was matched by loan exposures data at the Sector level for all 416 sectors in Rwanda. The flood depth variable was allocated to tree risk buckets (low, medium, high) based on the quintiles of the depth distribution across the Sectors. Similarly, banks' loan exposures were allocated to tree exposure buckets (low, medium, high) based on the exposure distribution across the Sectors. Based on these two dimensions, the 416 Sectors are allocated to nine buckets depending on their loan amounts and flood risk indicators. This bivariate allocation enables the investigation of whether banks' loans are concentrated in areas with high flood risk, and whether this concentration will change under the future climate scenario (figure below).

Rwanda: Bivariate Distribution of Flood Depth and Loan Exposures

Historical Baseline, 1-in-100 Return Period | RCP 4.5 Scenario, 1-in-100 Return Period



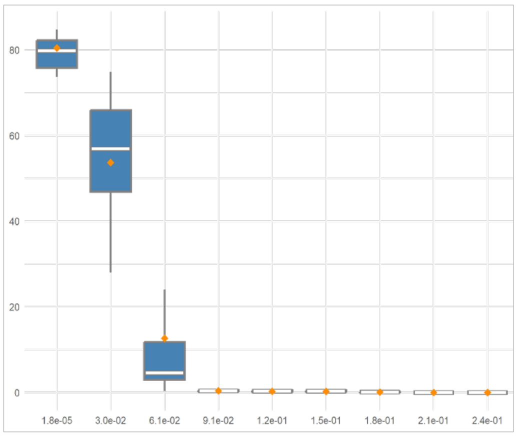
Sources: NBR, IMF Staff, World Resource Institute (WRI), Database of Global Administrative Areas (GADM).

18. The bivariate distribution indicates that a small share of total loan exposures are located in high flood depth risk areas in the historical baseline. Additionally, the increase in the share of loans that move to higher risk buckets under the RCP 4.5 scenario increases is minimal. This is in line with the previously discussed feature that Sectors that experience lower flood depths in the baseline scenario, do not experience significant increases in their expected flood depths. However, despite this minimal movement across risk buckets of low, medium, and high (movement along the extensive margin), the risks of a large majority of loans are increasing with each risk bucket (movement along the intensive margin), as these loans' flood depth is increasing while still staying within the initial risk bucket. This is demonstrated in the below figure, which shows that the flood depth distribution across a large majority of loans is shifting to the right (higher depth), covering higher tail values, as we move from the historical baseline to the RCP 4.5 scenario.

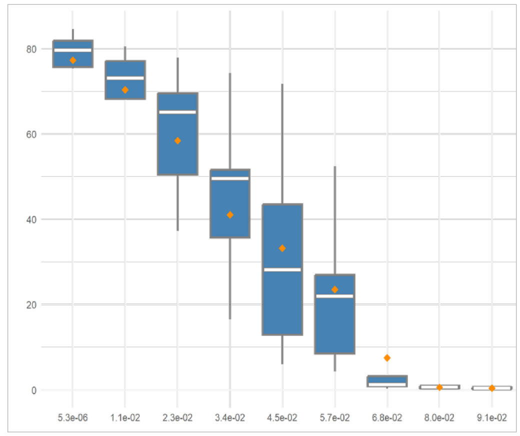
19. With the flood depth distribution shifting to the right, the average flood expected to be experienced for each bank increases. As we move from the historical baseline to the RCP 4.5 scenario, the range of bank-level average loan portfolio flood depth compresses as more banks move out of lower average depths to somewhat higher average depths. At the aggregate system level, the average expected flood depth increases by about 25 percent as we move to the RCP 4.5 scenario.

Rwanda: Bank-Level Flood Depth Distribution

Historical Baseline, 1-in-100 Return Period



RCP 4.5, 1-in-100 Return Period

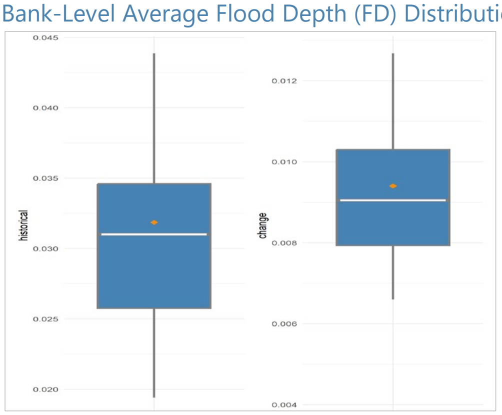


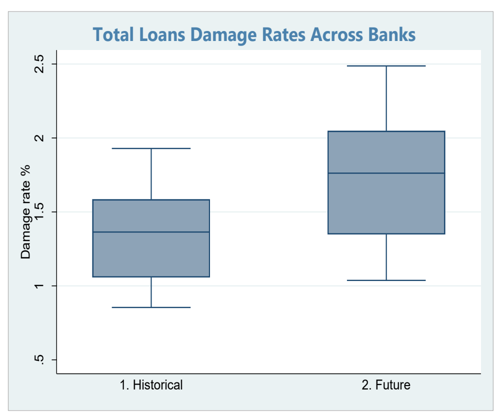
Sources: NB, IMF Staff, World Resource Institute (WRI), Database of Global Administrative Areas (GADM).

20. Finally, for the third component of physical risk analysis, vulnerability, the mission utilized a damage function and estimated potential damages *conditional on a flood event*. In the absence of damage functions for calibrated for Rwanda, the mission utilized the damage functions from Huizinga et al (2017) calibrated to Africa. Conditional on a 1-in-100 return riverine flood event, total damages would likely to be manageable for banks. In the historical baseline, total expected damages at the bank level ranges between 1 percent to 2 percent of total loan books. As we move from the historical baseline to the 2050 RCP4.5 scenario, the average total damage rate at the banking system level would increase by close to 30 percent.

Rwanda: Potential Damages from Floods

Historical Baseline, 1-in-100 Return Period
Bank-Level Average Flood Depth (FD) Distribution





Sources: NB, IMF Staff, World Resource Institute (WRI), Database of Global Administrative Areas (GADM).

Recommendations

21. Potential losses from a severe riverine flood event are likely to be manageable for banks both under the historical baseline and the RCP 4.5 climate scenario. However, Rwanda faces multitude climate hazards and flash floods have been more damaging in Rwanda. The authorities would benefit from carrying out a comprehensive climate risk analysis covering all major climate hazards (landslides, riverine and flash floods, droughts). Relatedly, the mission's assessment only focused on the direct physical damages resulting from a riverine flood event, ignoring indirect effects from the overall economic disruption caused by severe climate events. During the May 2023 disaster, floods and landslides led to widespread damage to infrastructure (roads, bridges, water supply systems, power infrastructure, etc.), as well as crops and livestock. In these conditions, there is likely to be a significant increase in non-performing loans (NPLs) as people lose their livelihoods, and infrastructure damages lead to further decline in economic activity. The authorities could leverage the May 2023 event to obtain valuable data on realized loss rates as well as other riskiness measures, such as delinquency or NPL ratios, to develop a more comprehensive impact assessment severe climate events on the banking system.

22. Granular data collection is critical for the detailed climate-related financial risk analysis. Banks' current data collection mechanism for location of exposures reduces the informativeness of the location data. With the full loan exposure assigned to the headquarters of the borrower entity/firm, the true geographic footprint of the loan exposure might be distorted. To the extent that Kigali City is less prone to certain types of climate hazards, the loss estimates based on headquarter location may lead to underestimation of potential losses from a severe climate event. The banks could use information on the share of sales or employment data across geographic units to allocate the total loan exposure to geographic units outside the firm headquarters. This approach would allow them to obtain more geographically representative exposures and to refine their impact assessment methodologies. In addition to exposure data, climate data is an essential component of climate risk analysis. The authorities could facilitate banks' access to standardized public climate data. As data collection and analysis methodologies mature over time, the authorities could ensure that these capabilities are leveraged to incorporate climate-related financial risks into their decision making and risk management processes.

23. Finally, the authorities would benefit from investigating the interlinkages between banks' credit supply decisions and existence of insurance coverage in certain sectors (e.g., agriculture). With increasing frequency and severity of extreme weather events, insurance companies might start pulling out from certain markets or substantially increase their premium leaving borrowers without ongoing coverage. If the banking sector relies on the availability of insurance for its credit decisions in certain sectors, increased protection gaps would lead to a decline in credit supply to those sectors.

Appendix I. Program Statement

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

Kigali, November 14, 2025

Dear Ms. Georgieva:

The Government of Rwanda is approaching the completion of the three-year Policy Coordination Instrument (PCI), which provided a framework for maintaining macroeconomic stability, advancing reforms, and strengthening resilience. Together with the Resilience and Sustainability Facility (RSF) and the Standby Credit Facility (SCF), the PCI anchored Rwanda's policy response to successive shocks and supported progress toward sustained, inclusive, and climate-resilient growth. Our economy continues to show remarkable strength and resilience in the face of recurrent shocks. The outlook remains positive despite global and domestic risks, and we remain committed to rebuilding policy buffers to reduce the vulnerability of our economy to shocks in an increasingly volatile environment.

However, Rwanda's policy space to advance important developmental objectives continues to face challenges due to recurring and overlapping shocks. Over the past five years, public debt rose to 74.2 percent of GDP in 2024 due to spending on the development agenda and efforts to mitigate the impacts of the pandemic, cost of living crisis, 2023 floods, the 2024 Marburg disease, and global trade tensions. Rwanda has managed external imbalances, securing FX reserves at 4.8 months of import coverage by end-June 2025.

To advance our infrastructure development agenda, we have started implementing the second phase of the New Kigali International Airport project and the expansion of RwandAir, in partnership with the Qatar Investment Authority. We are confident in the importance of these projects for our long-term economic growth and development. While debt servicing costs are projected to increase with the needs of the project, the impact is expected to be mitigated by the full implementation of the recently adopted tax measures and identifying additional revenue measures in the context of the follow-up medium-term revenue strategy, various derisking instruments the government is actively pursuing, a commitment to prudently reprioritize our portfolio of investment projects, and strengthen mitigation of fiscal risks, including from SOEs.

We request the completion of the final review under the PCI. Program performance under the PCI has been strong. End-June 2025 quantitative targets under the PCI on the ceiling on debt-creating overall deficit (including grants), the floor on the stock of net foreign assets, the ceiling on net accumulation of domestic arrears, the ceiling on the present value of new public and publicly guaranteed external debt, and continuous target on the ceiling on stock of external payment arrears;

and all standard continuous targets were met. The 3-month average headline inflation of 6.7 percent remained within the inner bound of our target by end-June 2025. Regarding the PCI reform targets: (i) executing a competitive FX auction to offer banks an additional mechanism for sourcing foreign exchange was met, and (ii) draft amendments to the central bank law to strengthen provisions for its mandate, financial and personal autonomy, and transparency and accountability were submitted to the Cabinet on October 15, 2025.

We believe that the policies and measures set forth in this Program Statement (PS) are appropriate for achieving the objectives of the PCI and we remain fully committed to continue advancing these objectives. We will consult with the IMF on the adoption of new measures and in advance of any revisions to policies included in this PS and will take any additional measures needed to achieve the program objectives. Timely information needed to monitor the economic situation and implementation of policies relevant to the program will be provided, as set out in the attached Technical Memorandum of Understanding, or at the IMF's request. We will adhere to the Memorandum of Understanding between the National Bank of Rwanda (NBR) and Ministry of Finance and Economic Planning (MINECOFIN) that clarifies the responsibilities for timely servicing of the financial commitments to the IMF in relation to the RSF and SCF arrangements. In line with our commitment to transparency, we agree to the publication of this PS and its attachment, as well as the related Staff Report, on the IMF's website.

Sincerely yours,

/s/	/s/
Murangwa, Yusuf	Nick Barigye
Minister of Finance and Economic Planning	Deputy Governor and Acting Governor, National Bank of Rwanda

Attachments (1)

I. Technical Memorandum of Understanding

I. CONTEXT

As we successfully conclude the Policy Coordination Instrument (PCI), this Program Statement describes recent economic developments and our policy objectives and priorities under the PCI and going forward.

1. **The Rwandan economy remains resilient despite consecutive shocks, and the outlook remains broadly positive.** Notwithstanding significant progress towards achieving our socio-economic objectives, development needs remain large. Recurrent and overlapping shocks in recent years, including Covid, the cost-of-living crisis, the 2023 floods, and the 2024 Marburg disease, resulted in internal and external imbalances, posing additional challenges to rebuild policy buffers. To advance our ambitious infrastructure development agenda, we have started implementing the second phase of the New Kigali International Airport (NKIA) project and the expansion of the national airline (RwandAir), in partnership with the Qatar Investment Authority. We remain confident in the importance of these projects for our economic growth and development. The significant financing needs of this priority project will be covered by foreign direct investment and a mix of semi-concessional external resources, de-risking mechanisms, and domestic instruments. Despite the expected upward shift in debt to GDP ratio and the associated debt service pressures in the coming years it will be mitigated by (i) the full and timely implementation of the newly adopted tax measures, (ii) continued spending rationalization, including reprioritization of investment projects, and (iii) strengthened capacity to mitigate fiscal risks from SOEs. The PCI, which focused on the recalibration of the near-term policy mix, has been the main policy framework to support our policy objectives.

II. RECENT DEVELOPMENTS

2. **Growth momentum remained strong.** Real GDP—based on the rebased GDP series—increased by 7.2 percent year-on-year in 2025H1. The contribution of the agricultural sector was robust, reflecting strong performance in coffee exports and notwithstanding subdued food crop production. The services sector experienced strong growth, driven by trade, telecommunications, and public administration. The performance of the industrial sector remains elevated, supported by construction activity, albeit at a moderately slower pace. The unemployment rate continued its downward trend, reaching 13.4 percent in 2025Q2—a significant improvement of 3.4 percentage points from the same period last year. Despite the overall decline in unemployment across all demographic groups in 2025Q2, rates remain high among women and youth, at 15.3 percent and 24.6 percent, respectively. Our working-age population as well as the labor force continue to expand, and we are striving to ramp up our job creating opportunities and narrow the gender gap.

3. **We rebased the GDP and enhanced the methodology.** Supported by IMF TA, the National Institute of Statistics of Rwanda (NISR) has rebased the GDP series to 2024 prices. This marks the first GDP rebasing exercise since 2017, as the standard three-year cycle was disrupted by the COVID-19 pandemic. The update entailed significant enhancements to the compilation and dissemination of the National Production and Expenditure Accounts. The revised Supply and Use

tables were applied retrospectively back to 2017. In addition, the methodology for estimating agricultural output was refined and applied backward to 2013, enabling more accurate quarterly output measurement. These methodological improvements resulted in an upward revision of nominal GDP by 6.1 percent in 2024 compared to the previous base.

4. **Inflation remains within the NBR's target range.** On a quarterly basis, headline inflation averaged 7.2 percent in 2025Q3, an increase from 4.1 percent in 2024Q3, driven by higher core and food inflation. The rise in core inflation was driven by increasing input costs and food inflation, which was adversely affected by weaker supply of food crops on the market. In September 2025, headline inflation stood at 7.3 percent year-on-year, up from 7.1 percent in August while remaining within NBR's 5±3 range. Core inflation increased by 1.1 percentage points to 8.9 percent in the same period.

5. **The FY24/25 fiscal deficit exceeded expectations, mainly on account of stronger foreign-financed capital spending.** Revenue underperformance—mainly reflecting delays in implementing the compensatory tax package and weaker other revenues, including lower reimbursements for peacekeeping operations—was largely offset by restraint in current spending and domestically financed capital spending. The key deviation came from higher-than-expected execution of foreign-financed investment projects, as disbursements accelerated despite our efforts to moderate implementation in the last three months of FY24/25. On the financing side, the deficit was covered through deposits from development partner inflows and borrowing. Overall, the FY24/25 fiscal deficit was FRW 84 billion higher than expected at the time of the fifth review. However, due to GDP rebasing, the deficit remained unchanged in relative terms at 5.5 percent of GDP.

6. **The financial sector continues to experience strong credit growth.** Private credit demonstrated robust growth in 2025H1, led by trade, construction, and manufacturing sectors, along with mortgages, and bolstering economic momentum. As of 2025Q2, the banking sector continues to report strong profitability, and the regulatory capital is well above minimum requirements. The microfinance sector continued to expand rapidly while maintaining robust capitalization rates. The combined loans of banks and microfinance institutions (MFIs) grew by 16 percent in 2025H1, exceeding its growth pace of 13.4 percent in 2024. The non-performing loan (NPL) ratio in the banking sector declined, from 3.1 percent at end-2024 to 2.6 percent in 2025H1, which was driven by the growth in loans and partly by write-offs of NPLs, including some large exposures. The NPL ratio of the MFI sector was 3.4 percent, largely unchanged from end-2024. We accelerated the process of merging smaller Savings and Credit Cooperatives (U-SACCOs) into larger district SACCOs to enhance the operational efficiency of these institutions.

7. **Our external position remains under pressure.** In 2024, the current account deficit remained high, widening to 12.1 percent of GDP, led by continued momentum in food and consumer goods imports and elevated capital goods imports over the first three quarters, offsetting an improvement in coffee exports in the fourth quarter. Import pressures persisted through the first quarter of 2025 while an increase in coffee production as well as prices of coffee and minerals supported exports in the second quarter, on net driving a modest improvement in the trade balance

in 2025H1 compared to 2024H1. At the same time, the Rwandan franc depreciated by 3.0 percent through June-2025, compared to 3.7 percent over the same period in 2024. With continued support from development partners, international reserves stood at 4.8 months of prospective imports as of end-June 2025 (excluding RSF disbursements).

III. PERFORMANCE UNDER THE POLICY COORDINATION INSTRUMENT

8. Our program implementation under the PCI is on track for successful completion.

- *PCI Quantitative Targets (QTs).* All end-June 2025 quantitative targets, and both continuous and standard continuous targets were met. Headline fiscal deficit for FY24/25 was met with an application of the adjustors on budgetary grants and the foreign-financed net acquisition of non-financial assets. The 3-month average headline inflation of 6.7 percent came within the inner-bound values (5±3 percent) of the Monetary Policy Consultation Band for end-June 2025, in line with the trajectory envisaged under the program. Net foreign assets of the NBR were boosted by frontloaded disbursements from development partners.
- *PCI Reform Targets (RTs).* The NBR has prepared and submitted to Cabinet draft amendments to the NBR Law to strengthen, in consultation with IMF staff, provisions for mandate, aspects of financial and personal autonomy, and transparency and accountability in line with safeguards assessment recommendations (**end-September 2025 RT**, implemented with delay on October 15, 2025). On September 24 and 25, 2025, the NBR conducted supplementary, smaller-scale (US$ 1 million each) competitive auctions to offer banks an additional mechanism for sourcing foreign exchange (**end-September 2025 RT, met**).

IV. OUTLOOK AND POLICIES

A. Outlook

9. Economic growth outlook reflects an interplay of several developments, notably the priority infrastructure project and the reprioritization of other development projects. Rwanda's economy is projected to maintain its strong performance throughout 2025 with a projected growth rate of 7.0 percent, driven by sustained momentum in non-agricultural sectors and coffee exports. Growth is expected to accelerate to 7.2 and 7.6 percent in the following two years, owing to NKIA construction more than offsetting the slowdown in other public investments. Net exports are expected to improve gradually, supported by real effective exchange rate depreciation. From 2028, GDP growth is expected to moderate to 6.8 percent in line with the economy's growth potential.

10. Inflation is expected to temporarily increase in 2025, while remaining within the NBR's 5±3 percent target band. Average inflation is estimated to reach 7.1 percent in 2025 due to the pass-through of the higher input costs while the effect of the approved tax policy measures is expected to be limited. Our inflation projections are conditional on the limited extent of the exchange rate depreciation pass-through and the absence of heightened volatility in international commodity prices.

11. Our current account is projected to deteriorate in the medium term due to higher imports related to construction of the airport. While robust exports, good agricultural production and continued adjustment in the real effective exchange rate will help support the trade balance going forward, NKIA-related imports will temporarily widen the trade deficit and push the current account deficit up to 13.4 percent of GDP by 2026 as project implementation accelerates in 2026–27 financed by project-related FX inflows. Higher interest payments from commercial borrowing will also add to current account pressures (see paragraph 14), albeit lower than previously anticipated due to lower and less costly projected external borrowing. In the medium-term, the balance of payments will benefit from the continued fiscal consolidation and increased FDI inflows, with international reserves reaching around 4.6 months of imports by 2030. This will also help manage rising principal repayments on external debt over the medium-term.

12. We see our outlook clouded by several downside risks. Global commodity price volatility, geopolitical fragmentation weakening external demand, broader aid flow decline, increasing global trade fragmentation, and extreme weather events, could all weigh on the outlook. Global financial market developments might adversely affect the availability and cost of external financing. Domestically, slower progress on domestic revenue mobilization, delayed fiscal consolidation due to increased development and NKIA and RwandAir spending, and prolonged external adjustment could adversely affect the debt path and raise debt service pressures amidst declining concessional financing over the medium term. Upside risks to growth stem from a higher-than-expected stimulus of the NKIA construction on economic activity, our ability to attract external concessional and semi-concessional financing as well as better results of the country's current industrialization efforts in line with NST-2.

B. Fiscal Policies and Fiscal Structural Reforms

13. We remain committed to raising revenues over the medium term by broadening the tax base, streamlining expenditures, and enhancing compliance, enforcement, and tax collection efficiency. Towards this goal, we are implementing a set of tax policy and revenue administration measures. Collectively, these measures will contribute towards achieving the objective of a tax-to-GDP ratio of 17.0 percent by FY29/30, and comprise two components:

- *A compensatory tax package, amounting to 0.4 percent of GDP*. The package was gazetted on May 29. with most measures taking effect from July 2025. The measures include VAT on mobile phones and selected telecommunication equipment, increases in the fuel levy and registration fees for imported vehicles, (implemented in June), excise tax increases on beer, tobacco, and telecommunication services, import duty on cosmetics (implemented in June), reinstatement of the VAT on hybrid vehicles, and the gambling tax (implemented in September).
- *A comprehensive tax revenue package, amounting to 0.5 percent of GDP*. Designed to broaden the tax base by streamlining tax holidays and expenditures, this package includes VAT on fuels

and transportation services, an environmental levy, higher capital gains tax, a tourism tax on accommodations, a motor vehicle user charge, VAT on select financial services, digital services tax, sunset clauses on VAT exemptions for zero-emission vehicles and energy equipment, as well as the repeal of corporate income tax holidays and VAT exemptions on business inputs. These measures, aligned with IMF TA recommendations, designed with distributional implications in mind, and supported by strong stakeholder engagement will be implemented in stages over FY25/26 to FY29/30. Implementation began in FY25/26 and is proceeding as planned. However, the VAT on fossil fuels—the measure with the largest expected revenue gains—has been temporarily adjusted by a four-month fuel subsidy introduced in July to cushion the mid-June international oil price surge. Without this intervention, pump prices would have increased by 7.7 percent for gasoline and 10.9 percent for diesel with significant second-round effects on inflation. This measure, while mitigating immediate pump price pressures, will result in an estimated foregone revenue of 0.1 percent of GDP. Importantly, the subsidy is temporary and will be phased out as global prices stabilize. Going forward, we will continue implementing the VAT on fossil fuels as legislated, while ensuring that any temporary measures do not undermine fiscal effort.

- *We continue to strengthen revenue administration by enhancing tax compliance, improving enforcement, and ensuring a more efficient and transparent tax system.* Key measures include the Electronic Billing Machine reward system (10 percent VAT rebate per invoice), tighter customs valuation controls, deployment of scanners, and integration of hospitality sector invoices with the Rwanda Revenue Authority (RRA) system. Under the Medium-Term Revenue Strategy (MTRS-1), progress has been made on the New Operating Model launched in January 2023, publication of Compliance Improvement Plans, rollout of the MyRRA online platform in December 2023 to improve VAT and income tax reporting, and the use of dynamic risk management tools. To reinforce compliance, the RRA also issued Ministerial Orders on voluntary disclosure and VAT rebates to support implementation of the new Tax Procedure and VAT laws. The RRA will continue to rely on the existing monitoring and enforcement framework to assess the implementation of these measures, while considering opportunities to further strengthen it.
- *We will continue to raise further revenues in the context of our follow-up Medium-Term Revenue Strategy (MTRS-2).* Through the support of our development partners, we will conduct a full evaluation of the MTRS-1 implementation. Drawing on this exercise, we will complete our MTRS-2 strategy by end-2026. This will allow us to accelerate work on the MTRS-1 successor reforms, which will aim to raise the tax-to-GDP ratio by a further 0.6 percentage points through both tax policy and revenue administration measures. Possible areas include broadening the base for property taxation and expanding e-invoicing coverage beyond the hospitality sector.

14. Fiscal pressures are expected to persist, reflecting recent policy changes and continued strong implementation of the foreign-financed investment projects.

- *To ensure the sustainability of our pension system, we introduced a pension reform effective on January 1, 2025.* Contribution rates were doubled to 12 percent, shared equally between employer and employee, and are scheduled to increase by two percentage points each year from 2027, reaching 20 percent by 2030. The base was also broadened from basic to gross salary, and pension benefits were raised for the first time since 2018, benefiting lower-income pensioners. While the reform will increase the public wage bill, the wage bill remains consistent with the Cabinet-approved rationalization strategy and is kept at 2.8 percent of GDP over the medium term. To protect the take-home pay of public servants, the direct cost to the budget is estimated at 0.2 percent of GDP in FY24/25 and 0.4 percent in FY25/26, rising to around 0.5 percent once contributions reach 20 percent. As the reform places additional pressure on already tight fiscal space, we will continue to strengthen the long-term sustainability of the pension system managed by the Rwanda Social Security Board (RSSB). We will also ensure that RSSB's investment strategy remains consistent with prudential considerations and generating competitive risk adjusted returns.

- *We are implementing the second phase of the NKIA construction and the expansion of RwandAir, with the support of Qatar Investment Authority*. Our financing profile is now more in line with the project schedule, resulting in significantly less front-loaded financing compared to the fifth review. Overall, Government of Rwanda will provide financing estimated at US$1.2 billion (around 8 percent of GDP) over five years, with US$1.12 billion in equity contributions and US$80 million to clear existing debts of RwandAir. Another US$1.4 billion will be provided by Qatar Investment Authority in FDI. We are actively structuring this financing to incorporate a balanced mix of semi-concessional external resources, de-risking mechanisms, and domestic instruments, with the explicit aim of minimizing pressure on our debt stock.
- *The overperformance in the execution of foreign-financed investment projects is expected to continue in FY25/26.* This reflects both a structural shift in development partner support—from budget support toward project support—to advance important development projects, and sustained improvements in procurement processes. In particular, the ongoing rollout of e-procurement systems, as well as the enhanced coordination between MINECOFIN and line ministries, have contributed to reversing the historical under-execution of foreign-financed projects. In FY25/26, higher-than-expected project loans are expected to drive the continued strong execution of foreign-financed capital spending. Over the medium term, we expect this trend to moderate as we strengthen selection, monitoring and coordination with development partners, enhancing predictability and ensuring closer alignment of project execution and financing with fiscal policy objectives.

15. We will maintain a prudent fiscal stance and a credible fiscal consolidation path consistent with the fifth PCI review. Our substantial efforts to raise domestic revenues and reprioritize investment spending will help partially offset the increased expenditures related to the pension reform, the implementation of the NKIA/RwandAir priority project, and stronger-than-expected execution of foreign-financed investment projects.

- *The FY25/26 fiscal deficit is projected at 5.8 percent of GDP.* This is lower than expected at the time of the fifth review, due to less front-loaded financing of the NKIA/RwandAir priority investment project 1.2 percent of GDP and revisions to GDP 0.4 percent of GDP. Nevertheless, the fiscal position remains under strain from higher pension spending, stronger foreign-financed capital spending, and a significant decline in grant inflows. These pressures will be mostly offset by lower goods and services and domestic-financed capital spending, helping contain the overall deficit.

- *We remain fully committed to preserving fiscal sustainability.* To this end, we plan to continue the needed fiscal consolidation supported by (i) the full implementation of the recently approved tax package and identifying additional revenue measures in the context of MTRS-2, and (ii) spending rationalization measures, including containing current expenditure on goods and services and domestic-financed investments, as well as reprioritization of foreign-financed investments. To mitigate pressures on the deficit from foreign-financed capital spending, we will: (i) we are developing tools that strengthen the monitoring and disbursement processes, with the aim of enhancing coordination and alignment with fiscal and cash management frameworks. In this regard, the Government is developing (i) a project monitoring system and (ii) a loan and grant management cycle, which will enhance MINECOFIN's involvement and ensure that disbursements remain within approved ceilings. Consistent with our medium-term budget framework, we will reduce the deficit from 5.8 percent of GDP in FY25/26 to 3.0 in FY29/30.

16. Our fiscal path ensures convergence to our debt anchor and mitigates heightened debt pressures. We will maintain the fiscal consolidation path discussed at the time of the PCI approval with convergence to our 65 percent of GDP debt anchor achieved by 2033, two years later than originally envisaged, and with higher debt service to revenue ratio over the medium-term. This path, which will be backed by a credible medium-term fiscal consolidation, including domestic revenue mobilization and spending rationalization measures, will ensure that Rwanda remains at moderate risk of debt distress with buffers to absorb shocks.

17. Our medium-term fiscal framework has also identified a contingency plan. In case of unexpected shocks and policy implementation challenges, we will take appropriate actions to broadly preserve the fiscal trajectory. To this end, we would cut spending by the appropriate amount in both recurrent (goods and services and transfers to local governments) and capital spending, while protecting vulnerable and poor segments of the population. We will seek to cover any residual financing need through grants and concessional sources of financing.

18. Our debt management strategy that prioritizes concessional resources, including climate change related financing to support Rwanda's adaptation and mitigation efforts. To contain the debt service burden and solvency risks, and to keep debt aligned with the agreed path, we would pursue any opportunity to contract additional highly concessional financing for development priorities by giving these projects precedence over those financed domestically or commercially With regard to the US$789.3 million external financing of the NKIA/RwandAir priority project in the FY25/26-FY30/31 period, we are pursuing more concessional financing options and various derisking instruments to reduce the financing costs and forex risk exposure. We will continue to strengthen our debt management capacity, which should also benefit from our ongoing efforts to enhance fiscal risk monitoring, strengthen debt reporting and develop domestic capital markets.

Fiscal Structural Reforms

19. The implementation of the Organic Law on Public Finance Management (OPFM) is proceeding as planned. The Ministerial Order required for the full implementation of the OPFM is awaiting Cabinet approval—expected in December—following the review by the Rwanda Law Reform Commission. The implementation of the OPFM enhances the budget and medium-term expenditure framework (MTEF), institutionalizes the fiscal risk management practices and structures, and facilitates the adoption of best practices in fiscal reporting. In terms of fiscal reporting, reporting periods for most public sector entities are now aligned to the fiscal year from the calendar year. However, there is still some delay in receiving the data.

20. We continue to strengthen our public financial management system (PFM).

- *Medium Term Expenditure Framework*. To instill greater prioritization and a top-down orientation in our planning and budgeting process, we have developed the MTEF user manual and published it on the website to guide budget agencies in effectively applying the MTEF. Budget baseline costing has been strengthened to improve the predictability of the MTEF, and we are evaluating how best it can be embedded into the Integrated Financial Management Information System (IFMIS). The Performance-Based Budgeting (PBB) framework has also been enhanced to align with NST-2 objectives, sector strategic plans (SSPs), and the MTEF.
- *Accrual Accounting Migration*. We continue to expand the coverage of accrual financial reporting in the public sector. The valuation and recognition of non-financial government assets and liabilities are progressing well, with the valuation of government-owned land, road infrastructure, transport equipment, and other machinery now completed. From June 2024, public debt is also included in the government balance sheet. Following an audit of the consolidated accounts, the consolidated financial statements containing values of non-financial public assets and liabilities were published in May 2025. The production of a consolidated annual financial statement for the public sector, including SOEs, and contingent liabilities, was finalized by end-June 2025 and expected to be published after April 2026. The financial information related to PPPs will be disclosed in the annual financial statements by end-June 2027.
- *IFMIS Rollout*. Following the incorporation of central and local governments, and hospitals, we continued the IFMIS rollout to primary and secondary schools. Secondary schools are now integrated into IFMIS via the subsidiary accounting system named SDMS (Schools Data Management System). The full rollout has been completed, except for remaining primary schools which has been rescheduled to June 2027 primarily due to technical challenges such as limited IT infrastructure in certain schools and the shortage of qualified accountants to manage financial transactions. That said, the rollout to primary schools is steadily progressing in primary schools that meet these two key requirements.
- *Fiscal data digitalization*. While a substantial amount of fiscal data is housed in IFMIS, efforts are needed to utilize it effectively for data-driven fiscal policy operations. To bridge this gap, with support from IMF TA, we developed and approved a PFM digitalization strategy to support

data-driven PFM, including by adopting Artificial Intelligence. The strategy aims to enhance the environment for data-driven decision-making using advanced digital technologies.

21. We continue our efforts to strengthen the institutional framework and technical capacity to oversee and manage fiscal risks from SOEs and strengthen SOE corporate governance.

- *Review of the SOE governance legal framework*. The Presidential Order (PO), prepared in consultation with the World Bank, defining the prerequisites for establishing an SOE, its management rules, and key Board oversight functions, was *gazetted* on August 28, 2024. Its operationalization is currently underway. To this end, with support from the IFC, MINECOFIN approved the SOE corporate governance code and its implementation plan, consistent with the 2024 OECD Guidelines on Corporate Governance of SOEs to ensure their operational independence, external audits, and the management of environmental and social risks.
- *Triage*. We have conducted a triage exercise, with the aim of scaling down the size of our SOE portfolio, particularly in the more competitive sectors of the economy. Out of the 34 state-owned companies, three have been fully privatized (Prime Cement, Bella Flowers, and Cogebanque), Huye Animal Feeds will be fully privatized, pending Cabinet approval, and thirty others will be retained under state management
- *Managing and mitigating SOE fiscal risks*. In 2024, government subsidies to REG, WASAC and RwandAir amounted to 1.2 percent of GDP, and the guaranteed loans in RwandAir, NKIA Company, REG, WASAC, and ULC (Ultimate Concepts Ltd.) were about 1.7 percent of GDP. We are strengthening the capacity of MINECOFIN's Portfolio Oversight Department to manage and mitigate SOE fiscal risks through a multi-pronged strategy. In line with our commitment to conduct SOE health-checks for all SOEs and stress tests for at least two high-risk SOEs every quarter, we completed the stress tests of Bella Flowers and King Faisal Hospital by end-2023, REG and WASAC by end-March 2024, Rwanda Medical Supply Ltd. (RMS) and AfriPrecast by end-June 2024, Kivu Marina Bay and Horizon Construction by end-September 2024, MMC and King Faisal by end-December 2024, Horizon Sopirwa and Gasabo 3D by end-March 2025, and Horizon Logistics and Rwanda Medical Supply Ltd. (RMS) by end-June 2025. With support from IMF TA, we conducted in-depth forward-looking financial assessments of five SOEs, including identification of credible mitigation measures to address any identified key vulnerabilities. This exercise allowed us to better understand the fiscal risks related to REG, WASAC, Muhabura Multichoice company, AfriPrecast, and King Faisal Hospital. We will also explore if any strengthening of the institutional framework is needed to efficiently enforce the identified mitigation measures. We will conduct an analysis of fiscal risks related to RwandAir. We scaled up the MINECOFIN's Portfolio Oversight Unit by 4 technical staff and plan to hire 3 additional specialists to strengthen capacity to perform financial risk analysis.

22. Strengthening transparency in fiscal reporting remains a key priority. To highlight the progress since the 2019 Fiscal Transparency Evaluation (im), we collaborated with the IMF's FAD on a follow-up assessment in August 2025. The assessment showed significant improvements since 2019, and we will explore options to publish the report. We remain committed to expanding the coverage of our fiscal reports in line with Government Finance Statistics (GFS) 2014. In April 2023, we started publishing quarterly budget execution reports under GFS 2014 for the general government and we will continue to do so 60 days after the end of each quarter. With IMF technical assistance, we have developed a GFS Action Plan to (i) address delays in reporting annual general government data, (ii) update and disseminate quarterly public sector debt statistics to the joint IMF/World Bank database, and (iii) regularly update government finance data on the national data page for e-GDDS purposes. To enhance our commitment to data transparency, we will resume efforts to consider transitioning from the e-GDDS to the Special Data Dissemination Standards (SDDS) and update the action plan in line with IMF TA discussions planned for November 2025.

23. We continue to enhance our public investment management practices.

- We published the 2022 PIMA in August 2023 and continue to implement recommendations from the assessment. We published a pipeline of appraised major projects (over RWF 15 billion, as defined in Section 4.3 of the National Investment Policy), and project selection criteria annually alongside budget documentation. We are also committed to continuing the implementation of other recommendations from the PIMA that support further transparency and value for money in project selection including: (i) improving reporting of contingent liabilities from public corporations, PPPs, and districts; (ii) making all project appraisal documents public; and (iii) publishing multi-year project costs using existing data stored in the IFMIS.
- Going forward, greater control over the planning and execution of foreign-financed capital projects will be achieved through the ongoing digital integration of the public investment management cycle. The IFMIS project module is currently being developed by the IFMIS team. This module will link project selection, appraisal, budgeting, and execution stages, and enable real-time tracking of disbursements—including externally-financed projects. This enhanced digital framework will support quarterly portfolio reviews, strengthen commitment and cash-planning controls, and facilitate timely in-year adjustments to maintain fiscal discipline.

24. We remain committed to ensuring beneficial ownership transparency and implementing the priority actions from the July 2024 Mutual Evaluation Report by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

- *Beneficial ownership (BO).* Since April 2023, companies have started submitting BO information to the Registrar General. Registration of new companies now requires BO disclosures and, for existing companies, sanctions apply in case of non-compliance. We will continue our efforts to ensure accurate, adequate, and up-to-date BO information is available applying proportionate dissuasive and deterrent sanctions for non-compliance while also undertaking awareness-raising activities. We will continue cross-checking company information updates with the tax and revenue authorities to ensure that we have up-to-date and accurate information, including by removing dormant companies from our register, together with conducting on-site inspections to verify and validate the information companies submit through their self-declaration. We will amend the definition of BO in the Public Procurement law with the provisions of the AML/CFT law to have one harmonized understanding of BO to ensure the BO refers to natural persons.

The law governing companies currently grants competent authorities' access to BO information in the central register and Rwanda will work towards ensuring this access is direct and timely in practice.

- *Mutual Evaluation Report.* We continue to implement the priority actions and address the deficiencies identified in Rwanda's second round of Mutual Evaluation (2024 Mutual Evaluation Report). ESAAMLG's 2nd Enhanced Follow-up Report and the 1st Technical Compliance Re-rating—finalized in August 2025—for Rwanda acknowledged the progress while noting areas requiring further improvements. These include: (i) improve understanding of money-laundering/terrorist financing (ML/TF) risks by supervisors, financial institutions, and designated non-financial businesses and professions, (ii) conduct regular sectoral risk assessments for virtual assets/virtual asset service providers (VA/VASPs), legal persons and non-profit organizations, and (iii) improve the application of AML/CFT risk-based supervision. To further strengthen our framework and align with evolving standards, Rwanda updated its National ML/TF Risk Assessment (NRA) in November 2024 and its dissemination to all reporting institutions is ongoing. The NRA also triggered the review of the National AML/CFT Strategy, which is being implemented until 2029.

C. Monetary, Exchange Rate, and Financial Sector Policies

25. We will continue to strengthen the implementation of our forward-looking monetary policy framework and advance reforms to promote financial market development, stability, and inclusion. Our strategy rests on two pillars: (i) deepening the use of data, analysis, and forecasts to inform monetary policy formulation and communication, and (ii) strengthening monetary policy and exchange rate operations while further developing money, domestic debt, and foreign exchange markets.

Monetary Policy

26. Containing inflationary pressures remains a key priority for our monetary policy. The 3-month moving average of inflation reached 6.7 percent in June 2025, staying within the MPCC inner bound of 5±3 percent. At its monetary policy meeting on August 20, 2025, the NBR raised the policy rate by 25 basis points to 6.75 percent, reflecting the recent uptick in inflation and our updated inflation forecasts indicating continuous pressures. This was the first decision by the NBR to increase the rate since August 2024. We remain committed to monitoring and adjusting our policy stance to effectively steer inflation back to the mid-target range if core inflation rises or signs of persistent second-round effects from tax policy changes. Further upward inflationary risks include global commodity price shocks and adverse weather conditions affecting food prices.

27. We remain committed to strengthening monetary policy formulation and communications to ensure an effective implementation of the forward-looking, interest rate-based monetary policy framework.

- We have continued to strengthen the use of the Forecasting Policy and Analysis System (FPAS), including steps to enhance economic analysis, and forecasting capabilities at the NBR and better integrate it with monetary policy decision-making. Going forward, we will continue relying on the NBR's FPAS as the key input to guide monetary policy stance and steer inflation towards the NBR's inflation target. In addition, we are actively strengthening our nowcasting and near-term forecasting tools, having recently incorporated weather risks into these forecasting tools. The upcoming rebasing of CPI will provide an opportunity to revisit the use of All Rwanda CPI as the principal measure of inflation.

- We developed a consumer price expectations survey to improve the quality of forecasts. We conducted the first survey in January 2025 and continue to conduct monthly surveys. The survey covers around 2,600 households located in the 5 provinces, both in urban and rural areas. The response rate is 99.3 percent on average. The survey covers various topics including perceptions and expectations about inflation, but also consumption, income, savings and the labor market.

Monetary Policy Operations and Market Development

28. We continue to focus on developing money, bond, and foreign-exchange markets to strengthen our monetary policy transmission. With the assistance of the IFC, we identified and analyzed the legal gaps in insolvency, payment system and banking laws and formulated a roadmap endorsed by all stakeholders to implement for Global Master Repurchase Agreement (GMRA). A key milestone was reached with the adoption of the Central Securities Depository law by Parliament on May 26, 2025, which was followed by the GMRA rollout and signing of the GMRA by all banks. The GMRA allows banks to carry out repo transactions domestically as well with cross-border counterparties in an efficient manner, providing the banking system with another liquidity management tool. We expect the banks to start carrying out transactions leveraging the GMRA framework.

29. We remain committed to a flexible exchange rate and proactive liquidity management to support our monetary policy framework and maintain external buffers. We consider the exchange rate as our first line of defense against external shocks and will limit our interventions in the foreign exchange (FX) market to minimize excessive exchange rate volatility. FX pressures stabilized in the first half of 2025 and are expected to continue easing throughout the medium term as the policy adjustment takes place. Net FX inflows due to the NKIA project are no longer expected to be positive but will be neutral as the domestic project costs are planned to be financed locally. The reserve coverage by end-2025 is expected to temporarily fall below 4 months of prospective imports, before rebounding with development partner inflows in 2026Q1 and project financing inflows that are now aligned with the project schedule. We will continue to regularly assess and align our foreign exchange market for consistency with our monetary policy framework. In particular:

- Supported by the IMF TA mission, the NBR finalized and adopted a *diagnostic study of foreign exchange markets* in November 2023 to further improve our FX market operations in line with the monetary policy framework.
- The NBR adopted *revisions to its official exchange rate calculation methodology* to allow for greater price discovery by better reflecting market conditions. The gradual transition to the new methodology commenced in July 2024, with the aim of having the official selling rate fully reflect

the simple average of buying and selling rates from the previous day's market transactions. The transition was fully completed by end-July 2025, three months earlier than originally expected.

- In an effort to strengthen our FX intervention framework, we have conducted two supplementary, smaller-scale competitive FX auctions to offer banks an additional mechanism for sourcing foreign exchange (**end-September 2025 RT**). These competitive auctions, with bid caps in place to prevent market abuse by dominant banks, were conducted on September 24 and 25 with fixed preannounced amounts (US$ 1 million each) and variable rates to promote robust price discovery. Based on this experience, we will work towards augmenting the existing bilateral FXI framework with a competitive auction mechanism.
- We are committed to *strengthening the liquidity management component of the framework* to improve the transmission mechanism and the implementation of the interest rate based monetary policy.
- Based on IMF TA recommendations, we will continue regular, formal, and transparent *consultation with FX market participants* as part of a communication strategy to facilitate market functioning and development.

30. We strengthened the NBR's safeguards and accountability framework. To this end, we have submitted to Cabinet draft amendments to the NBR Law to strengthen, in consultation with IMF staff, provisions for mandate, aspects of financial and personal autonomy, and transparency and accountability in line with safeguards assessment recommendations (**end-September 2025 RT, implemented with delay on October 15, 2025**).

31. We expanded the coverage of monetary and financial statistics (MFS). We have been publishing sectoral balance sheets for both the Central Bank (1SR) and Other Depository Corporations (2SR). We compiled the sectoral balance sheet for Other Financial Corporations (4SR) in line with the expansion of NBR's MFS coverage and commit to publishing them on a quarterly basis. To this end, supported by the IMF TA, starting in March 2025, we have expanded the coverage of Monetary and Financial Statistics to include, as part of Other Financial Corporations Survey, insurance companies, Rwanda Development Bank, and private pension institutions; and started publishing on quarterly basis in the OpenData website.

Financial Sector Policies

32. We will continue fine-tuning our standards and processes to maintain financial stability. Safeguarding the resilience of the banking sector to shocks remains a top supervisory priority of the NBR. Onsite examinations will continue to focus on credit risks, large exposures, adequate loan classification and provisioning, and scrutinizing banks' assessment of borrowers' creditworthiness. This will be complemented by continued offsite surveillance to ensure the key risks are managed and to monitor any emerging risks. Further, we will continue to conduct credit surveys of the private sector to inform additional policy measures to be taken. The NBR continues to conduct macro stress tests on a quarterly basis, and the banks submitted the seventh annual Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment

Process (ILAAP) in March 2025. The ICAAP includes banks' risk appetite and projected capital positions for the calendar year 2025, while ILAAP assesses liquidity risk and provides contingency plans on liquidity. The NBR will focus its policy actions to ensure that supervised institutions adequately manage risks and comply with regulatory requirements. The NBR will also continue to monitor closely the global financial conditions and domestic financial institutions and put in place appropriate macroprudential policies to contain potential risks.

33. The financial sector remains stable amid continued strong credit growth supporting the robust economic momentum. As of 2025Q2, the banking sector remains profitable, and the regulatory capital is above the minimum requirements. The microfinance sector's credit growth has somewhat moderated in 2025H1, following several years of fast credit growth. The NPL ratio in the banking sector declined in 2025H1, which was driven by growth in loans and write-offs of NPLs, including some large exposures, while the NPL ratio of the MFIs remained largely stable.

- We are committed to continuing to monitor financial stability risks through intensive supervision including monitoring of granular risk metrics and quarterly stress tests. The quarterly Financial Stability Committee meetings ensure that risks are adequately managed and regulatory requirements are implemented.
- We are committed to enhancing the NBR's risk monitoring and stress testing capacity through more granular data collection, analysis, and developing stress test models with longer term horizons. Given the continued growth in household and SME loans, we will monitor the developments in retail credit more closely to explore the scope for active use of macroprudential policies to contain emerging financial stability risks. We will continue the process of consolidating smaller U-SACCOs into larger district SACCOs, which will enhance the operational efficiency of SACCOs and enhance our monitoring and supervision of this segment of the MFI sector.
- In light of the non-performance of a few large exposures in 2024, we are committed to intensifying our monitoring of large exposures of banks, which could pose significant risks to the banking sector. Large exposures are monitored under Pillar II risks assessment and the related capital add-ons are required as per the bank exposures. The NBR has recently enhanced its stress testing of large exposures carrying out cash flow analysis at the borrower level. These efforts are complemented by surveys on corporate indebtedness, sectoral assessment, and credit surveys. If associated risks increase, we are committed to tightening the regulatory limits on large exposures.

34. Expanding access to digital financial services remains instrumental to implementing our financial inclusion strategy. Financial inclusion is one of the main priority areas in achieving Rwanda's National Strategy for Transformation. We consider financial inclusion as an integral enabler for achieving our development and poverty reduction objectives.

D. Structural Policies

35. We continue our efforts to make our economy and society more resilient. We have improved the design and delivery of our social safety nets, improving the access and quality of health and education among vulnerable groups, and promoting economic diversification.

- The dynamic social registry—Imibereho—was rolled out in February 2024 and currently the system has 3,465,792 households registered (96.6 percent of total as of 2022). The Imibereho system has undergone nationwide data analysis, producing provisional targeting lists for Vision Umurenge Programme (VUP) and Community Based Health Insurance (CBHI). Going forward, we continue relying on proxy-means testing (PMT) to improve targeting of our social programs using data from the Integrated Household Living Conditions Survey (EICV). We will undertake annual updates and the recalibration of targeting, complemented by the integration of social registry and delivery management information systems (SRIS, DMIS), to strengthen the accuracy and efficiency of social program administration. In addition, there is an increased focus on improving shock-adaptability especially in implementation of climate-smart public works in areas more prone to disasters and increasing the coverage of emergency cash transfers to vulnerable and/or poor households affected by shocks, both lifecycle and environmental shocks.
- We continue to strengthen our economic resilience by advancing policies that support regional integration. To implement our trade-logistics strategy and attract private investments in trade logistics and export-oriented activities, we are prioritizing flagship projects such as Kigali Logistic Platform (a large-scale inland container depot) and the NKIA. With support from the World Bank and other development partners, we are working to reduce tariff and non-tariff barriers and leveraging the AfCFTA preferential market access to create opportunities for Rwandan exporters. At the same time, we are stepping up our efforts to build a more skilled labor force to sustain competitiveness.

36. The Government of Rwanda has taken a significant step forward in its development agenda with the Cabinet approval of the high-level objectives of the Second National Strategy for Transformation (NST-2) in August 2024. This five-year plan builds on the achievements of NST-1, focusing on key areas such as job creation, export growth, education quality, public service delivery, and the reduction of stunting and malnutrition. NST-2 is designed to solidify the foundation for sustained economic growth, moving Rwanda closer to its goal of higher living standards for all.

E. Building Resilience to Climate Change

37. While we successfully completed our RSF commitments, ahead of the initial timeline, we continue with our efforts to ensure that RSF-related institutional improvements are durable and well-integrated in decision making.

- We remain committed to enhancing the climate budget tagging framework by ensuring its continued implementation and working towards its harmonization with the Rwanda green taxonomy by May 2026.

- We continued with the implementation of the disaster risk reduction management action plan. The final report on the Disaster Risk Financing (DRF) diagnosis and strategy is publicly available and was validated by stakeholders. The draft Ministerial order on emergency procurement was developed and is now with MINECOFIN for final approval. Sector-based mitigation plans have been developed and are submitted to MINECOFIN for approval by September 2025. The process of developing guidelines for effective risk governance across sectors has been completed by June 2025.
- We are working towards the implementation of the recently adopted green taxonomy (RGT). We adopted the taxonomy in April 2025 and announced a detailed implementation roadmap in September 2025 to be led by MINECOFIN, with the Rwanda Finance Limited (RFL) serving as co-lead.
- Most Tier 1 banks submitted their risk self-assessment of climate-related financial risks to the NBR by end-2024. For their self-assessment, banks carried out gap analysis to assess their progress in governance, risk management frameworks, and strategies. They are also in the process of identifying data needs to incorporate climate-related risks into their risk management frameworks and their overall strategy.

38. We remain committed to exploring further options, including with international partners, to scale up climate financing. Our near-term focus is to scale up Rwanda's already established Green Investment Facility ("Ireme Invest"). The scaling up will occur via a combination of blending non-concessional and concessional resources, and de-risking. The Government of Rwanda also committed to contribute US$40 million to support Ireme Invest. However, disbursements will be phased to align with BRD's absorption capacity and project implementation progress. Work is well underway on our commitments at COP28 regarding investment in the priority sectors, including clean energy, climate-smart agriculture, smart mobility, and sustainable urbanization. We are also committed to ensure that any fiscal risks stemming from government's financial exposure through equity contributions or guarantees are well-identified, transparently reported, and mitigated. Complementary reforms—such as the adoption of Rwanda's green taxonomy and the Climate and Nature Finance Strategy (CNFS) launched in October 2024—are under implementation and expected to further unlock private sector finance and align public and private flows with the country's NDC targets.

39. We will continue developing bankable projects for green financing. The Ireme Invest Credit Facility has started its lending operations with a total value of its green projects pipeline estimated at about US$ 110 million over the 2024-25 period, with the total committed loans amounting to $50 million while the total disbursement remaining at US$ 5 million until September 2025. Scaling up the pipeline remains challenging, as both the Rwanda Development Bank and businesses need time to deepen their understanding of the technical requirements for green investments. Bottlenecks are most pronounced in sectors with significant climate adaptation projects, such as climate-smart agriculture and the waste and circular economy. Development partners are providing technical assistance to BRD to strengthen its capacity to assess and manage the pipeline. Ireme Invest has also established a Project Preparation Facility managed by the Rwanda

Green Fund, with US$ 5.8 million of approved investments so far, 50 businesses have already began receiving funding to develop their green ventures. The public sector facility ("Intego") at the Rwanda Green Fund has identified a first cohort of 10 bankable public investment projects at the total value of about US$ 34 million. Implementation started in 2025 and will continue over a 5-year period.

V. PROGRAM MONITORING UNDER THE PCI

40. Progress in the implementation of the policies under this PCI has been monitored through quantitative targets, including a monetary policy consultation clause, continuous and standard continuous targets, and reform targets. These are detailed in Tables 1a–3, with definitions provided in the attached Technical Memorandum of Understanding.

Table 1a. Rwanda: PCI Quantitative Targets, (June 2024–June 2025)

	2024										2025				
	end-June[7]					end-December[6]					end-June[6]				
	Prog. CR 24/141	Adjustors	Adj. Prog.	Actual.	Status	Prog. CR 24/341	Adjustors	Adj. Prog.	Actual.	Status	Prog. CR 25/127	Adjustors	Adj. Prog.	Actual.	Preliminary Status
(Billions of Rwandan francs, unless otherwise indicated)															
PCI Quantitative Targets / SCF Arrangement Performance Criteria[1]															
1. Ceiling on the debt-creating overall deficit, including grants[2]	1,159	81	1,241	1,228	Met	698	21	719	578	Met	1,098	88	1,186	1,178	Met
2. Floor on stock of Net Foreign Assets	923	0	923	1,136	Met	998	0	998	1,486	Met	1,163	0	1,163	1,213	Met
3. Ceiling on net accumulation of domestic arrears	0	...	...	0	Met	0	...	...	0	Met	0	...	...	0	Met
4. Ceiling on present value (PV) of new public and publicly guaranteed external debt (US$ million)[3]	537	...	...	521	Met	1,163	...	...	988	Met	917	...	...	70	Met
PCI Continuous Targets / SCF Arrangement Continuous Performance Criteria															
5. Ceiling on stock of external payment arrears (US$ million)	0	...	...	0	Met	0	...	...	0	Met	0	...	...	0	Met
PCI / SCF Arrangement Monetary Policy Consultation Band[1, 4, 7]															
Inflation, upper bound, percent	9.0	...	...	...		9.0	...	...	...		9.0	...	...	...	
Inflation, upper inner-bound, percent	8.0	...	...	...		8.0	...	...	...		8.0	...	...	...	
CPI Inflation target	5.0	...	...	5.1	Met	5.0	...	...	5.2	Met	5.0	...	...	6.7	Met
Inflation, lower inner-bound, percent	2.0	...	...	...		2.0	...	...	...		2.0	...	...	...	
Inflation, lower bound, percent	1.0	...	...	...		1.0	...	...	...		1.0	...	...	...	
Memorandum items:															
Total priority spending[2]	1,700	...	...	1,710		850	...	...	855		1,750	...	...	1,754	
Floor on domestic revenue collection[2, 5]	2,855	...	...	2,844		1,606	...	...	1,648		3,363	...	...	3,423	
Stock of new external debt contracted or guaranteed by nonfinancial public enterprises (US$ million)[3]	23	...	...	23		17	...	...	67		13	...	...	52	
Total budget support (US$ million) [2]	747	...	...	821		604	...	...	654		786	...	...	818	
Budget support grants (US$ million)	161	...	...	218		67	...	...	103		155	...	...	141	
Budget support loans (US$ million)	586	...	...	603		536	...	...	551		631	...	...	677	
Foreign financed net acquisition of non financial assets financed by the drawdown of accumulated government deposits	559	81	640	640		542	21	563	563		1,076	72	1,148	1,148	
RSF Disbursements (US$ million)	77	...	...	77		96	...	...	96		0	...	...	0	
RWF/US$ program exchange rate	1,165	...	...	1,165		1,165	...	...	1,165		1,165	...	...	1,165	

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

[1] All items including adjustors are defined in the Technical Memorandum of Understanding (TMU) for PCI/RSF third reviews and SCF first review (IMF CR 24/341).

[2] Numbers are cumulative from 1 July of the current year to 30 June of the following year.

[3] Ceiling is cumulative from the beginning of a calendar year. At the time of the 5th PCI review, converted from continuous quantitative target to period quantitative target with end-June 2025 as the test date.

[4] When the year-on-year inflation, averaged for the past 3-months, is above/below the outer band of the upper/lower bound, a formal consultation

[5] Floor is adjusted to exclude UN peace keeping operations, in line with the TMU.

[6] Test date covers PCI.

[7] Test date covers PCI and SCF.

Table 1b. Rwanda: Standard Continuous Targets Under PCI

- Not to impose or intensify restrictions on the making of payments and transfers for current international transactions.
- Not to introduce or modify multiple currency practices.
- Not to conclude bilateral payment agreements which are inconsistent with Article VIII.
- Not to impose or intensify import restrictions for balance of payment reasons.

Table 2. Rwanda: Reform Targets Under the PCI, (December 2024–June 2025)

Actions	Target Date	Status	Objective	Depth
Monetary and Financial Pillar				
Submit to Cabinet draft amendments to the NBR Law to strengthen, in consultation with IMF staff, provisions for mandate, financial and personal autonomy, and transparency and accountability in line with safeguards assessment recommendations.	end-September 2025	Not met, implemented on October 15, 2025	Strengthen central bank independence	
Conduct a supplementary, smaller-scale competitive auction to offer banks an additional mechanism for sourcing foreign exchange.	end-September 2025	Met	Improve functioning of the FX market	High

Table 3. Rwanda: Summary of the External Borrowing Program[1]

	Jan-June 2024				Jan-Dec 2024				Jan-June 2025			
	Program		Actual		Program		Actual		Program		Actual	
	Nominal	PV	Nominal	PV	Nominal	PV	Nominal	PV	Nominal	PV	Nominal	PV
(Millions of USD)												
By sources of debt financing	**1160**	**537**	**987**	**521**	**1651**	**1163**	**1967**	**988**	**1600**	**917**	**139**	**70**
Concessional debt, of which [2]	**925**	**340**	**529**	**156**	**1163**	**445**	**1261**	**429**	**820**	**304**	**111**	**50**
Multilateral debt	735	277	262	70	973	382	928	326	120	32	79	33
Bilateral debt	190	64	267	85	190	64	332	103	700	272	32	17
Other	0	0	0	0	0	0	0	0	0	0	0	0
Non-concessional debt, of which	**235**	**197**	**458**	**365**	**488**	**718**	**707**	**559**	**780**	**613**	**28**	**20**
Semi-concessional[3]	235	197	458	365	488	418	707	559	780	613	28	20
Commercial terms[4]	0	0	0	0	0	300	0	0	0	0	0	0
By Creditor Type	**1160**	**537**	**987**	**521**	**1651**	**1163**	**1967**	**988**	**1600**	**917**	**139**	**70**
Multilateral	820	340	448	200	1311	666	1363	649	719	507	107	53
Bilateral - Paris Club	340	197	301	111	340	197	366	129	791	345	32	17
Bilateral - Non-Paris Club	0	0	20	13	0	0	20	13	90	65	0	0
Other	0	0	217	197	0	300	217	197	0	0	0	0
Uses of debt financing	**1160**	**537**	**987**	**521**	**1651**	**1163**	**1967**	**988**	**1600**	**917**	**139**	**70**
Infrastructure	825	381	478	212	1281	697	978	482	931	587	107	53
Social Spending	150	70	0	0	185	79	200	89	378	121	0	0
Budget Financing	185	86	368	267	185	386	623	358	200	164	0	0
Other	0	0	141	42	0	0	166	58	91	45	32	17

Sources: Rwandan Authorities and IMF Staff Estimates and Projections.

[1] Contracting and guaranteeing of new debt. The present value of debt is calculated using the terms of individual loans and applying 5 percent program discount rate.

[2] Debt with a grant element that exceeds a minimum threshold of 35 percent.

[3] Debt with a positive grant element which does not meet the minimum grant element.

[4] Debt without a positive grant element.

Attachment I. Technical Memorandum of Understanding

Kigali, Rwanda, November 14, 2025

1. This memorandum defines the quantitative targets under the IMF-supported Policy Coordination Instrument (PCI) described in the Program Statement. It applies until the end of the program and sets out the data reporting requirements.

2. Program exchange rates. For program purposes, the exchange rates for end-June 2023 in the IMF's International Financial Statistics database will apply (see Attachment I, Table 1 for major currencies).

Attachment I. Table I. Rwanda: Program Exchange Rates from June 30, 2023
(US$ per Currency Unit, Unless Indicated Otherwise)

Rwanda Franc (per US$)	1,164.6
Euro	1.087
Japanese Yen (per US$)	144.9
SDR	1.330

A. PCI Quantitative Program Targets

Ceiling on Debt-Creating Overall Fiscal Deficit

3. A ceiling applies to the debt-creating overall fiscal deficit of the budgetary central government, excluding Peace-Keeping Operations and including grants. The ceiling for June 30, 2025, is cumulatively measured from July 1, 2024.

4. Definition. For the program, the debt-creating overall fiscal deficit is defined by the overall fiscal deficit, valued on a commitment basis including grants and excluding the following items: (i) any transaction in expense and/or financial assets added to the budgetary central government arising from debt assumption of called loan guarantees for which the corresponding guaranteed loan had already been included in the Debt Sustainability Analysis of the IMF and World Bank (DSA); and (ii) all expenses in UN peace-keeping operations (PKO) and disbursed PKO financing. The overall fiscal deficit is defined according to the GFSM 2014 as net lending/net borrowing after transactions in assets and liabilities are adjusted for transactions deemed to be for public policy purposes (policy lending). Budgetary central government expenditure (i.e., expenses plus net acquisition of non-financial assets) is defined based on payment orders accepted by the Treasury, as well as those executed with external resources. This QT is set as a ceiling on the debt-creating overall fiscal deficit as of the beginning of the fiscal year.

Qualified MVD expenditures related to managing the Marburg virus outbreak are divided into two main categories: current and capital. Current expenditures cover operational costs for activities such as leadership and coordination, epidemiology and surveillance, laboratory and diagnostic services, case management, infection control, risk communication and community engagement, psychosocial care, and operational support. Capital expenditures involve investments in assets, infrastructure, or essential resources to support these health initiatives.

Adjustors to the Debt-Creating Overall Fiscal Deficit

- The ceiling on the debt-creating overall deficit will be adjusted upward:
    - by the amount of any shortfall between actual and programmed budgetary grants (as defined in Table 1a of the PS) evaluated at program exchange rate.
    - by the amount of unexpected budgetary central government expenditure on cereals imports in the case of a food emergency and in spending relative to the programmed amount on fertilizer subsidy in the case of significant increases in fertilizer import price.

Rwanda: Foreign Financed Capital Expenditure Adjustor[1]

(Billions of Rwandan francs)

	Jun-24			Dec-24			Jun-25		
	Program	Actual	Adjustor	Program	Actual	Adjustor	Program	Actual	Adjustor
Net acquisition of non financial assets									
Foreign financed	1,017	1,098	81	583	563	21	1,076	1,148	72
Memorandum items									
Net incurrence of liabilities	Program	Actual	Difference	Program	Actual	Difference	Program	Actual	Difference
Foreign loans: capital disbursements	559	640	81	313	358	45 [2]	656	739	83
Improve energy access	14	31	17	...	...	...	10	21	11
Energy access and quality improvement	14	21	7	...	...	...	21	30	10
Social protection transformation II	6	64	58	...	...	...	7	18	11
Basic education human capital	17	31	15	...	...	...	...	...	...
Multipurpose (Nyabarongo) project II	...	...	...	13	40	27	...	...	...
Access to finance for recovery	...	...	...	17	38	21	...	...	...
Lake Victoria Transport program	...	...	...	0	3	3	...	...	...
Rwanda housing finance project	...	...	...	...	...	...	16	32	16
Digital acceleration project	...	...	...	...	...	...	13	41	29
Social protection transformation	...	...	...	...	...	...	7	18	11
Sustainable and clean energy access							3	13	10
Sustainable and clean energy							6	27	21
Kigali Logistics platform							5	15	10
Other foreign financed projects	508	493	-15	283	277	-6	570	523	-46

Source: Rwandan authorities

[1] Numbers are cumulative from 1 July of the current year to 30 June of the following year.

[2] The difference between capital disbursements and foreign financed capital spending is due to the economic Recovery Fund earmarked disbursements reported under project loans.

- The ceiling on the debt-creating overall deficit will be adjusted upward to a maximum of RWF 137 billion, representing the amount of foreign financed net acquisition of non-financial assets (foreign financed capital expenditure) financed with a drawdown of accumulated government deposits from previously disbursed capital grants and loans (as defined in Table 1a of the PS).

Rwanda: Marburg Virus Disease Adjustor[1]

(Billions of Rwandan francs)

	Dec-24		Jun-25	
	Program	Actual	Program	Actual
Use of goods and services				
MVD response	83	83	83	83
Net acquisition of nonfinancial assets				
MVD response	20	20	20	20

Source: Rwandan authorities

[1] Numbers are cumulative from 1 July of the current year to 30 June of the following year.

- The ceiling on the debt-creating overall deficit will be adjusted downward/upward by the amount of any shortfall/excess between actual and programmed qualified spending (i) directly related to the cost of Marburg Virus Disease (MVD) pandemic rapid response; and (ii) not financed by earmarked budget grants/in kind contributions dedicated to MVD pandemic rapid response. The upward adjustment will be up to a maximum of RWF 39 billion.

Floor on Net Foreign Assets of the National Bank of Rwanda (NBR)

5. A floor applies to the net foreign assets (NFA) of the NBR for June 30, 2025.

6. Definition. NFA of the NBR in Rwandan francs is defined, consistent with the definition of the enhanced General Data Dissemination Standard (e-GDDS) template, as external assets readily available to, or controlled by, the NBR net of its external liabilities. Pledged or otherwise encumbered reserve assets (including swaps with resident and non-resident institutions with original maturity of one year or less) are excluded; such assets include, but are not limited to, reserve assets used as collateral or guarantee for third party external liabilities. Reserve assets corresponding to undisbursed project accounts are also considered encumbered assets and are excluded from the measurement of NFA. Holdings of Eurobonds issued by the Government of Rwanda are excluded from the measurement of NFA. Foreign assets and foreign liabilities in U.S. dollars are converted to Rwandan francs by using the U.S. dollar/Rwanda franc program exchange rate. Foreign assets and liabilities in other currencies are converted to U.S. dollars by using the actual end-of-period U.S. dollar/currency exchange rate. Foreign liabilities include, inter alia, use of IMF resources (by both the central government and the NBR). RSF disbursements are excluded from both the foreign assets and the foreign liabilities side.

Adjustors

- The floor on NFA will be adjusted downward by the amount of any shortfall between actual and programmed budgetary loans (excluding RSF disbursements) and grants per Table 1a of the PS.
- The floor on NFA will be adjusted downward by the amount of unexpected public expenditures on cereal imports in the case of a food emergency and/or on fertilizer imports in the case of significant fertilizer import price increases.

Ceiling on the Stock of External Payment Arrears

7. A continuous ceiling applies to the non-accumulation of payment arrears on external debt contracted or guaranteed by the budgetary central government and entities that form part of the budgetary process.

8. Definition. External payment arrears are defined as the amount of overdue external debt service obligations (principal and interest) arising in respect of obligations incurred directly or guaranteed by the budgetary central government and entities that form part of the budgetary process. A payment is overdue when it has not been paid in accordance with the contractual date (considering any contractual grace periods). Arrears resulting from the nonpayment of debt service for which a clearance framework has been agreed or a rescheduling agreement is sought are excluded from this definition.

Ceiling on Net Accumulation of Domestic Expenditure Arrears of the Budgetary Central Government

9. A ceiling applies to the net accumulation of domestic expenditure arrears of the budgetary central government.[1]

10. Definition. Domestic expenditure arrears are defined as unpaid claims that are overdue by more than 90 days. The accumulation of domestic expenditure arrears of more than 90 days is calculated as the cumulative change in the stock of expenditure arrears of more than 90 days at each test date from the stock at the end of the previous fiscal year (June 30). Arrears related to claims preceding 1994 will not be counted in the calculation.

Ceiling on the Present Value of New External Debt Contracted or Guaranteed by the Government

11. Definition. For program purposes, the definition of debt is set out in paragraph 8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements attached to Executive Board Decision No. 15688-(14/107), adopted December 5, 2014.

(a) For the purpose of this guideline, the term "debt" will be understood to mean a current, (i.e., not contingent) liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

  i. Loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

  ii. Suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

  iii. Leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception

[1] A negative target thus represents a floor on net repayment.

of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.

(b) Under the definition of debt set out in this paragraph, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

12. External debt is defined as debt contracted or serviced in a currency other than the Rwandan Franc.

13. A ceiling is applied to the present value (PV) of all new external debt (concessional or non-concessional) contracted or guaranteed by the central government, including commitments contracted or guaranteed for which no value has been received. The ceiling for June 30, 2025, is cumulative from January 1, 2025. This QT does not apply to:

- Normal import-related commercial debts having a maturity of less than one year;
- Rescheduling agreements;
- External borrowing which is for the sole purpose of refinancing existing public-sector external debt and which helps to improve the profile of the repayment schedule; and
- IMF disbursements.

14. For program monitoring purposes, a debt is considered contracted when all conditions for its entrance into effect have been met, including approval by the Government of Rwanda.

15. For program purposes, the value in U.S. dollars of new external debt is calculated using the program exchange rates.

16. The PV of new external debt is calculated by discounting all future debt service payments (principal and interest) based on a program discount rate of 5 percent and taking account of all loan conditions, including the maturity, grace period, payment schedule, front-end fees and management fees. The PV is calculated using the IMF model for this type of calculation [1] based on the amount of the loan. A debt is considered concessional if on the date on which it is contracted the ratio of its present value to its face value is less than 65 percent (equivalent to a grant element of at least 35 percent). In the case of loans for which the grant element is zero or less than zero, the PV is set at an amount equal to the face value.

17. For debts carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the debt would be calculated using a program reference rate plus the fixed spread (in basis points) specified in the debt contract. The program reference rate for the six-month USD LIBOR is 3.34 percent. The spread of six-month Euro LIBOR over six-month USD

[1] http://www.imf.org/external/np/spr/2015/conc/index.htm.

LIBOR is -150 basis points. The spread of six-month JPY LIBOR over six-month USD LIBOR is -350 basis points. The spread of six-month GBP LIBOR over six-month USD LIBOR is -250 basis points. For interest rates on currencies other than Euro, JPY, and GBP, the spread over six-month USD LIBOR is -150 basis points. Where the variable rate is linked to a benchmark interest rate other than the six-month USD LIBOR, a spread reflecting the difference between the benchmark rate and the six-month USD LIBOR (rounded to the nearest 50 bps) will be added. The program reference rate and spreads will remain fixed for the duration of the program. Given the anticipated global transition away from LIBOR, this TMU can be updated to reflect the relevant benchmark replacements (U.S. Secured Overnight Financing Rate (SOFR); U.K. Sterling Overnight Index Average (SONIA); EURIBOR; and Tokyo Overnight Average Rate (TONAR)) prior to the complete phase out, once operationally feasible.

18. An adjustor of up to 5 percent of the external debt ceiling set in PV terms applies to this ceiling, in case deviations from the QT on the PV of new external debt are prompted by a change in the financing terms (interest, maturity, grace period, payment schedule, upfront commissions, management fees) of a debt or debts. The adjustor cannot be applied when deviations are prompted by an increase in the nominal amount of total debt contracted or guaranteed.

19. Reporting Requirement. The authorities will inform IMF staff of any planned external borrowing and the conditions on such borrowing before the loans are either contracted or guaranteed by the government.

Monetary Policy Consultation Clause (MPCC)

20. Definition. MPCC headline inflation is defined as the year-on-year rate of change in the monthly Consumer Price Index (CPI), averaged for the past 3-months, as measured by National Institute of Statistics of Rwanda (NISR).

- If the observed headline inflation falls outside the ±3 percentage point range around the mid-point of the target band value for end-June 2025 as specified in Table 1a in the PS, the authorities will conduct discussions with the Fund staff.
- If the observed headline inflation falls outside the ±4 percentage point range around mid-point of the target band value for end-June 2025 test dates as specified in Table 1a in the PS, the authorities will complete a consultation with the Executive Board which would focus on: (i) the stance of monetary policy and whether the Fund-supported program remains on track; (ii) the reasons for program deviation, taking into account compensating factors; and (iii) proposed remedial actions if deemed necessary.

Memorandum Items and Data Reporting Requirements

21. For the purposes of program monitoring, the Government of Rwanda will provide the data listed below and in Table 2. Unless specified otherwise, weekly data will be provided within seven days of the end of each week; monthly data within five weeks of the end of each month; quarterly data within eight weeks.

22. Data on priority expenditure will be transmitted on a quarterly basis. Priority expenditure is defined as the sum of those recurrent expenditures, domestically financed capital expenditures, and policy lending that the government has identified as priority in line with Rwanda's National Strategy for Transformation (NST-2). Priority expenditure is monitored through the Integrated Financial Management System (IFMS) which tracks priority spending of the annual budget at the program level of the end of each quarter.

23. Detailed data on domestic revenues will be transmitted monthly. The domestic revenue is defined according to GFSM 2014 taxes and other revenues, per the budgetary central government statement of operations table, but including: (a) local government taxes (comprised of business licenses, property tax, and rental income tax); and (b) local government fees; and excluding and receipts from Peace Keeping Operations.

24. Data on the contracting and guaranteeing of new non-concessional external borrowing with non-residents will be transmitted on test dates. The data excludes external borrowing by two state-owned banks, the Bank of Kigali and Rwanda Development Bank (RDB), which are assumed not to seek or be granted a government guarantee. The data also applies to private debt for which official guarantees have been extended, including future swaps involving foreign currency loans guaranteed by the public sector, and which, therefore, constitute a contingent liability of the public sector. The data will exclude external borrowing which is for the sole purpose of refinancing existing public-sector debt, and which helps to improve the profile of public sector debt. The data will also exclude on-lending agreement between Government of Rwanda and public-sector enterprises.

25. The authorities will inform the IMF staff in writing prior to making any changes in economic and financial policies that could affect the outcome of the financial program. Such policies include, but are not limited to, customs and tax laws, wage policy, and financial support to public and private enterprises. The authorities will inform the IMF staff of changes affecting with respect to continuous QTs. The authorities will furnish a description of program performance for the QTs as well as reform targets within 8 weeks of a test date. The authorities commit to submit information to IMF staff with the frequency and submission time lag indicated in Attachment I, Table 2 of the TMU. The information should be mailed electronically to the Fund (email to the Resident Representative and the Mission Chief).

Attachment I. Table 2. Rwanda: Summary of Reporting Requirements

	Frequency of Data[8]	Frequency of Reporting[8]	Frequency of Publication[8]
Exchange Rates[1]	D	W	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[2]	W	W	M
Reserve/Base Money	W	W	M
Broad Money	M	M	M
Central Bank Balance Sheet	W	W	M
Consolidated Balance Sheet of the Banking System	M	M	M
Interest Rates[3]	M	M	M
Volume of transactions in the interbank money market, repo and reverse repo operations, standing lending facility, and foreign exchange markets, sales of foreign currencies by NBR to commercial banks and other foreign currency interventions by NBR.	D	W	W
Composite Index of Economic Activity (CIEA) and sub-components compiled by the NBR	M	M	M
Revenue, Expenditure, Balance and Composition of Financing[4] — General Government[5]	A	A	A
Revenue, Expenditure, Balance and Composition of Financing[4]— Budgetary Central Government	Q	Q	Q
Financial balance sheet – Budgetary Central Government	A	A	A
Comprehensive list of tax and other revenues[6]	M	Q	Q
Budget tables	Submitted to Parliament		
Revised budget tables	Submitted to Parliament		
Disposal of non-financial assets and policy lending[6]	Q	Q	Q
Comprehensive list of domestic arrears of the government	SA	SA	SA
Planned external borrowing and the conditions	SA	SA	SA
Stocks of public sector and public-Guaranteed Debt as compiled by MINECOFIN and NBR[7]	SA	SA	SA
External Current Account Balance	A	SA	A
Exports and Imports of Goods and subcomponents.	M	M	Q
Exports and Imports of Goods and Services and subcomponents	A	A	A

[1] Includes the official rate; Foreign Exchange Bureau Associations rate; weighted average of the interbank money market rates; and weighted average of the intervention rate by the NBR.
[2] Includes reserve assets pledged or otherwise encumbered as well as net derivative positions. Balances for project accounts and swaps with original maturity less than one year should be indicated.
[3] Both market-based and officially determined, including discount rates, money market rates, key repo rate (KRR), rates for standing facilities, rates in repo transactions of the NBR with banks, interbank money market rate, rates on treasury bills, notes and bonds.
[4] Foreign, domestic bank, and domestic nonbank financing.
[5] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.
[6] Includes proceeds from privatization, accompanied by information on entities privatized, date of privatization, numbers and prices of equities sold to the private sector.
[7] Excludes debts of the Bank of Kigali and Rwanda Development Bank (BRD). Also includes currency and maturity composition.
[8] Daily (D); Weekly (W); Monthly (M); Quarterly (Q); Annually (A); Semi-annually (SA); Irregular (I).

INTERNATIONAL MONETARY FUND

RWANDA

November 19, 2025

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION AND SIXTH REVIEW UNDER THE POLICY COORDINATION INSTRUMENT—INFORMATIONAL ANNEX

Prepared By	The African Department in consultation with other departments.

CONTENTS

FUND RELATIONS

Membership Status

Joined on September 30, 1963.

General Resources Account

	SDR Million	Percent Quota
Quota	160.20	100.00
IMF's Holdings of Currency	140.17	87.50
Reserve Position	20.03	12.50

SDR Department

	SDR Million	Percent Allocation
Net Cumulative Allocation	230.37	100.00
Holdings	34.64	15.04

Outstanding Purchases and Loans

	SDR Million	Percent Quota
RSF Arrangements	240.30	150.00
SCF Arrangements	202.25	126.25
RCF Loans	160.20	100.00

Latest Financial Commitments

Arrangements				
Type	**Date of Arrangement**	**Expiration Date**	**Amount Approved (SDR Million)**	**Amount Drawn (SDR Million)**
RSF	Dec 12, 2022	Dec 17, 2024	240.30	240.30
SCF	Dec 14, 2023	Dec 17, 2024	200.25	200.25
RCF	Jun 08, 2016	Jan 22, 2018	144.18	144.18

Outright Loans				
Type	**Date of Commitment**	**Date Drawn/Expired**	**Amount Approved (SDR Million)**	**Amount Drawn (SDR Million)**
RCF	Jun 11, 2020	Jun 15, 2020	80.10	80.10
RCF	Apr 02, 2020	Apr 06, 2020	80.10	80.10

Overdue Obligations and Projected Payments to Fund[1]

	Forthcoming (SDR Million)				
	2025	**2026**	**2027**	**2028**	**2029**
Principal	16.02	34.04	39.46	69.12	76.54
Changes/Interest	2.70	10.93	10.93	10.93	10.92
Total	**18.72**	**44.97**	**50.38**	**80.05**	**87.46**

Implementation of HIPC Initiative

Commitment of HIPC assistance	Enhanced Framework
Decision point made	Dec 2000
Assistance committed	
by all creditors (US$ million)[2]	695.50
of which: IMF assistance (US$ million)	46.79
Completion point date	Apr 2005

Disbursement of IMF assistance (SDR million)	
Assistance disbursed to the member	46.79
Interim assistance	14.45
Completion point balance	32.34
Additional disbursement of interest income[3]	3.77
Total disbursements	**50.56**

Implementation of Multilateral Debt Relief Initiative (MDRI)

MDRI-eligible debt (SDR million)[4]	52.74
Financed by MDRI Trust	20.19
Remaining HIPC resource	32.55

	Eligible Debt Relief (SDR Million)		
Delivery Date	**GRA**	**PRGT**	**Total**
January 2006	N/A	52.74	52.74

[1] When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

[2] Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

[3] Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

[4] The MDRI provides 100 percent debt relief to eligible member countries that qualified for the assistance. Grant assistance from the MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

Implementation of Catastrophe Containment and Relief (CCR)

Date of Catastrophe	Board Decision Date	Amount Committed (SDR Million)	Amount Disbursed (SDR Million)
N/A	Apr 13, 2020	8.01	8.01
N/A	Oct 02, 2020	12.02	12.02
N/A	Apr 01, 2021	14.02	14.02
N/A	Oct 06, 2021	8.01	8.01
N/A	Dec 15, 2021	8.01	8.01

Exchange Rate Arrangements

The currency of Rwanda is the Rwandan franc. The de jure exchange rate arrangement is floating while the de facto exchange rate arrangement is classified as crawl-like. Rwanda accepted the obligations under Article VIII, Section 2(a), 3, and 4 of the IMF's Articles of Agreement and maintains a system free of multiple currency practices and restrictions on the making of payments and transfers for current international transactions. As of end-September 2025, the exchange rate against the US dollar was RWF 1,448. The National Bank of Rwanda (BNR) has intervened directly to prevent undue fluctuations in the exchange rate.

Safeguards Assessment

An update safeguards assessment of the National Bank of Rwanda was completed in April 2024, conducted in connection with the SCF arrangement approved by the IMF Executive Board in December 2023. The assessment found generally sound internal controls, external audit, and financial reporting practices. The NBR is making progress in reforming the NBR Law to align with leading central banks practices particularly for the mandate, financial and personal autonomy, and transparency and accountability. Additionally, the NBR is making progress in strengthening its internal audit function as recommended by the assessment.

Article IV Consultation

The last Article IV consultation was concluded on December 14, 2023.

Resident Representative

Habtamu Fuje was appointed as IMF Resident Representative to Rwanda in August 2025.

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

A. Rwanda and the World Bank:

http://www.worldbank.org/en/country/rwanda.

B. World Bank Projects:

http://projects.worldbank.org/search?lang=en&searchTerm=&countrycode_exact=RW.

C. Rwanda and the African Development Bank:

https://www.afdb.org/en/countries/east-africa/rwanda/.

INTERNATIONAL MONETARY FUND

RWANDA

November 18, 2025

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION AND SIXTH REVIEW UNDER THE POLICY COORDINATION INSTRUMENT—DEBT SUSTAINABILITY ANALYSIS[1]

Approved By
Costas Christou and Tokhir Mirzoev (IMF), Manuela Francisco and Hassan Zaman (IDA)

The Debt Sustainability Analysis was prepared jointly by the staffs of the International Monetary Fund and the International Development Association.

Rwanda: Joint Bank-Fund Debt Sustainability Analysis	
Risk of external debt distress	*Moderate*
Overall risk of debt distress	*Moderate*
Granularity in the risk rating	*Limited space to absorb shocks*
Application of judgment	*No*

The updated Bank/Fund debt sustainability analysis (DSA) for Rwanda continues to indicate a moderate risk of external and overall public debt distress, though space to absorb shocks without breaching high-risk thresholds has narrowed. The debt-carrying capacity classification remains 'strong'.[2] Rwanda's financing strategy assumes continued support from official development partners over the medium term, with highly concessional loans for new external borrowing under IDA20 and IDA21, and an increasing share of domestic financing in the long term. Compared to the June 2025 DSA, revised baseline assumptions include more gradual external commercial financing of the large priority project, improved revenues from implementation of recent measures, and larger nominal GDP from the recent re-basing. As a result, the pace of near-term debt accumulation has slowed and to lower levels in percent of GDP. Debt indicators classify debt sustainability risks as moderate with limited space to absorb shocks, with near-term standard stress test breaches of the benchmark for PV public debt-to-GDP and the threshold for PV external debt-to-GDP highlighting vulnerability to external and climate shocks. Baseline external debt service-to-revenue rises over the medium-term, with stress test breaches highlighting mounting liquidity pressures and vulnerability to external financing conditions. The baseline relies on continued consolidation, underpinned by implementation of the authorities' medium-term revenue strategy. Heightened uncertainty around key external risks to concessional financing over the medium-term, underperformance risks to domestic resource mobilization, and sustained exchange rate pressures could intensify debt sustainability risks. The authorities are encouraged to progress on fiscal consolidation, reprioritize investment projects to mitigate external financing needs, and support the external adjustment with real effective exchange rate adjustment.

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[1] This debt sustainability analysis was conducted using the Bank-Fund Debt Sustainability Framework for Low-Income Countries (LICDSF) that was approved in 2017. The fiscal year for Rwanda is from July to June; however, this DSA is prepared on a calendar year basis.

[2] Rwanda has a debt carrying capacity indicator score of 3.17.

BACKGROUND ON DEBT

1. The DSA covers the central government, guarantees, and state-owned enterprises (Text Table 1). The Ministry of Finance and Economic Planning (MINECOFIN) publishes annual debt data in a semi-annual statistical bulletin, covering domestic and external debt of the central government, broken down by multilateral, bilateral and commercial debt, as well as information on guaranteed and non-guaranteed debt held by all state-owned enterprises (SOEs).[3] Public guarantees are only extended to SOEs. There is no debt stemming from extra budgetary funds, long term central bank financing of the government, nor the state-owned social security fund. The local government debt is also covered but the existing stock to date is marginal,[4] and its contracting is subject to approval by MINECOFIN. The contingent liabilities shock (6.0 percent of GDP) accounts for potential fiscal costs associated with a theoretical banking crisis, and fiscal risks of existing public-private partnerships (PPPs). All SOE guaranteed and non-guaranteed debt is included in the baseline.

Text Table 1. Rwanda: Coverage of Public and Publicly-Guaranteed Debt and Parameters for Contingent Liability Shocks for the Tailored Stress Test

	Subsectors of the public sector	Check box
1	Central government	X
2	State and local government	X
3	Other elements in the general government	X
4	o/w: Social security fund	X
5	o/w: Extra budgetary funds (EBFs)	X
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	X

1	The country's coverage of public debt	The entire public sector, including SOEs		
		Default	Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0 percent of GDP	0	
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	0	SOE debt is covered in PPG debt
4	PPP	35 percent of PPP stock	1.0	default, i.e. 35 percent of PPP stock
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5	
	Total (2+3+4+5) (in percent of GDP)		6.0	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

2. Rwanda's public and publicly-guaranteed (PPG) external debt-to-GDP ratio increased by 44.0 percentage points over the last decade, driven by loans to meet the development needs envisaged in the National Strategy for Transformation (NST), but also to respond to the fallout from the COVID-19 pandemic. The development needs have been supported by a comprehensive public investment strategy, including three large projects to support trade and tourism through a series of public-private partnerships and external guarantees outside the budgetary central government (construction of the Kigali Convention Center completed in 2016, the expansion of the national airline RwandAir, and the ongoing construction of the New Kigali International Airport (NKIA)). These

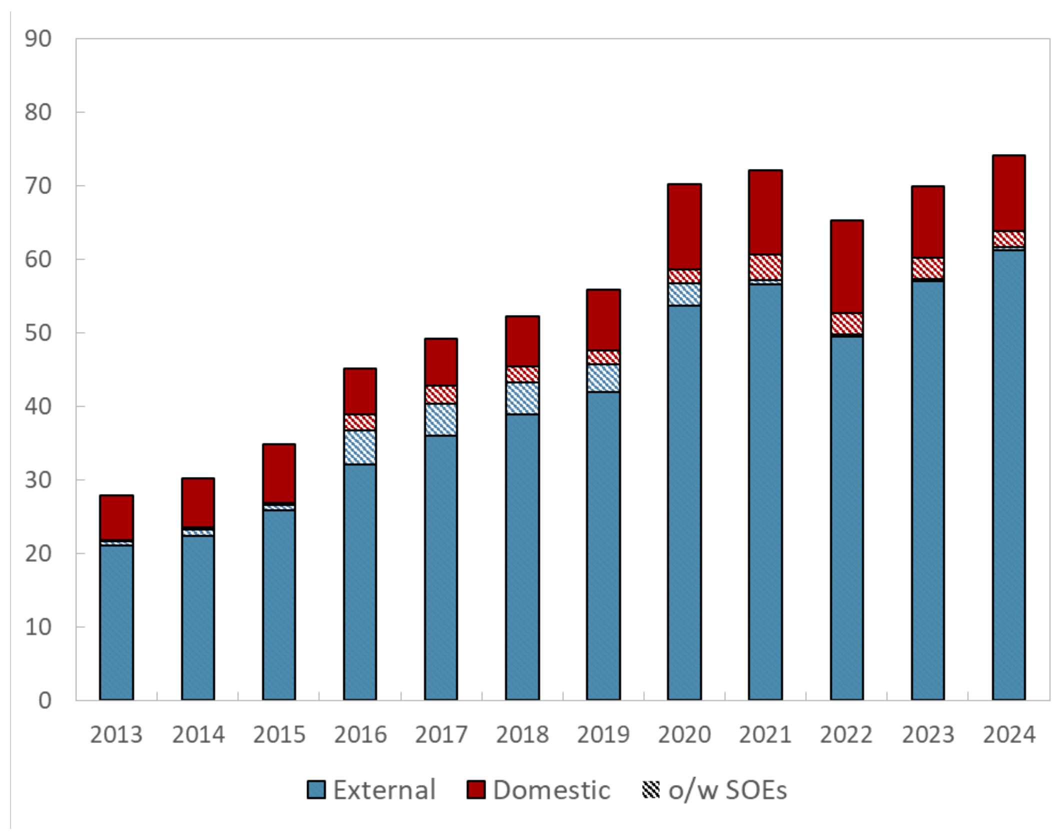
[3] Operational leases on RwandAir (SOE) aircrafts and existing public-private partnerships (power purchase agreements, water purchase agreements, etc.) are not part of the PPG debt.

[4] Local government debt stood at RwF 29 billion or 0.18 percent GDP at end-2023.

developments contributed to an increase in PPG external debt by 25.7 percentage points in the five years preceding the COVID-19 shock. At the same time, the increase in the fiscal deficit due to revenue shortfalls and a scaling up in spending to address the COVID-19 crisis led to a sharp debt increase by an additional 14.4 percentage points in 2020. Following the economic recovery, external and domestic inflationary pressures helped reduce the nominal PPG debt ratio in 2022. Weather-related shocks in 2023, including devastating floods, led to increased borrowing to meet reconstruction needs. Together with nominal exchange rate pressures from higher imports, PPG debt rose again in 2023 and 2024 to 74.2 percent of GDP (Text Figure 1).

Text Figure 1. Rwanda: Total PPG Debt

(Percent of GDP)



Sources: Rwandan authorities and IMF Staff Calculations

3. **Rwanda benefits from a high share of concessional external debt, mostly to official multilateral creditors (Text Table 2).** About 80 percent of Rwanda's total PPG debt is owed to external creditors, three-quarters of which is to multilateral creditors, with highly concessional World Bank financing accounting for the majority. Rwanda issued a US$620 million Eurobond in 2021 with a 10-year maturity, its second issuance on external markets since its debut issuance in 2013 (a US$400 million 10-year bond that matured in 2023). Over 2021–22, the government facilitated SOE's buyout of US$104 million in external debt with domestic debt financed with domestic bank loans.

Text Table 2. Rwanda: Decomposition of Public and Publicly-Guaranteed Debt and Debt Service by Creditor, 2024–26[1]

	Debt Stock (end of period)			Debt Service					
	2024			2024	2025	2026	2024	2025	2026
	(In US$ mn)	*(Percent total debt)*	*(Percent GDP)* [5]	*(In US$ mn)*			*(Percent GDP)*		
Total	10,687.8	100.0	74.2	1,008.9	1,153.7	687.1	6.7	7.2	3.9
External	8,564.9	80.1	59.5	280.0	401.7	381.1	1.9	2.5	2.2
Multilateral creditors[2]	6,424.8	60.1	44.6	158.5	220.0	238.5	1.1	1.4	1.4
IMF	939.8	8.8	6.5	12.7	53.8	48.8	0.1	0.3	0.3
World Bank	3,739.2	35.0	26.0	80.3	95.8	108.1	0.5	0.6	0.6
ADB/AfDB/IADB	1,237.1	11.6	8.6	43.6	48.2	58.3	0.3	0.3	0.3
Other Multilaterals	122.0	1.1	0.8	21.9	22.2	23.3	0.1	0.1	0.1
o/w: IFAD	190.8	1.8	1.3	5.9	5.9	5.9	0.0	0.0	0.0
BADEA	97.5	0.9	0.7	0.2	0.4	0.7	0.0	0.0	0.0
Bilateral Creditors	1,089.0	10.2	7.6	49.4	49.8	59.8	0.3	0.3	0.3
Paris Club	491.8	4.6	3.4	14.8	13.1	19.0	0.1	0.1	0.1
o/w: JICA	197.1	1.8	1.4	0.0	0.1	0.9	0.0	0.0	0.0
AFD	204.9	1.9	1.4	4.3	2.9	7.5	0.0	0.0	0.0
Non-Paris Club	518.9	4.9	3.6	34.6	36.8	40.9	0.2	0.2	0.2
o/w: EXIM-CHINA	361.5	3.4	2.5	27.5	26.6	29.8	0.2	0.2	0.2
SFD	76.1	0.7	0.5	5.0	4.8	5.4	0.0	0.0	0.0
Bonds	620.0	5.8	4.3	34.1	34.1	34.1	0.2	0.2	0.2
Commercial creditors	66.8	0.6	0.5	12.9	74.4	0.0	0.1	0.5	0.0
o/w: Trade Development Bank	27.9	0.3	0.2	12.9	20.0	0.0	0.1	0.1	0.0
o/w: EDC	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0/w: Banks	37.4	0.3	0.3	0.0	54.4	0.0	0.0	0.3	0.0
Other international creditors	364.2	3.4	2.5	25.2	23.4	48.7	0.2	0.1	0.3
o/w: AFREXIM	156.1	1.5	1.1	12.5	12.3	34.1	0.1	0.1	0.2
o/w: JP MORGAN	208.1	1.9	1.4	12.6	11.1	14.6	0.1	0.1	0.1
list of additional large creditors									
Domestic	2,122.9	19.9	14.7	728.9	752.0	306.0	4.8	4.7	1.7
Held by residents, total	2,122.9	19.9	14.7	728.9	752.0	306.0	4.8	4.7	1.7
Held by non-residents, total									
T-Bills	428.6	4.0	3.0	366.1	438.8	0.0	2.4	2.7	0.0
Bonds	1,221.1	11.4	8.5	234.5	194.0	211.1	1.6	1.2	1.2
Loans	473.2	4.4	3.3	128.3	119.2	94.9	0.9	0.7	0.5
Memo items:	-	-	-	-	-	-			
Collateralized debt[3]	-	-	-	-	-	-	…	…	…
Contingent liabilities[4]		-	-	-	-	-	…	…	…
Nominal GDP (US$ million)	…	…	…	15,058	16,080	17,499	…	…	…

[1]As reported by country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.

[2]"Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

[3]Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

[4]Guaranteed debt is included in public debt.

[5]Data is reported by the authorities based on calculations in national currency, deviates from U.S. dollar-based calculations due to the difference between end-of-period exchange rate (applied for nominator) and period-average exchange rate (applied for denominator).

Sources: Rwandan authorities and IMF Staff Calculations.

4. **The depth and capacity of the domestic market have grown in recent years, though higher external financing and fiscal consolidation efforts have reduced domestic Treasury issuances.** The authorities' primary financing strategy is to maximize external concessional financing before turning to non-concessional or domestic financing. In response to heightened spending needs due to the shock from the pandemic and limited external financing, domestic PPG debt jumped by over 6 percent of GDP between 2019 and 2022, and has since declined as external financing recovered, and is expected to continue declining over the medium-term towards its pre-pandemic average under baseline external financing assumption and fiscal consolidation efforts (see ¶5). The main domestic creditors are banks and a pension fund providing financing through loans and Treasuries. The domestic bond market has grown, from about RwF 60 billion to RwF 300 billion annually in recent years, reflecting heightened financing needs

from the pandemic shock and increased bank holdings of T-bonds as collateral. However, with an increase in external financing over 2023–24 and fiscal consolidation efforts, Treasury issuances have declined despite strong demand from banks and are expected to remain slow over the medium-term, albeit with some increase in gross issuances to provide financing for part of NKIA construction (see ¶5, ¶8, and Text Figure 2). While past issuances have predominantly been short-term T-bills, the government focused on shifting towards T-bonds, with success in extending maturities to 20-year bonds. In 2019, the government began implementing a bond "re-opening" strategy which aims to identify benchmark market rates by re-issuing previously issued bonds to determine market pricing for remaining maturities. This strategy seeks to develop a market yield curve and reduce domestic portfolio refinancing risks by increasing average maturities. In 2023, the Development Bank of Rwanda (BRD) successfully issued its first Sustainability Linked Bond (SLB) for RwF 30 billion (0.15 percent of GDP) with support from the World Bank. It issued a second SLB in October 2024 for RwF 33.5 billion (0.17 percent of GDP).[5] Both SLB's have a seven-year maturity with an annual coupon rate of around 12.9 percent, broadly on par with treasuries. Strong demand for these bonds appears to have encouraged interest in greater corporate bond activity as well, with one issuance by a hydropower energy firm in October 2024 and further interest from other potential issuers. As of September 2025, average T-bill rates stood at about 6.72 percent and 5-year T-bonds at 11.0 percent. Longer term 20 year T-bonds stood at 13.0 percent.

UNDERLYING ASSUMPTIONS

5. The macroeconomic assumptions underlying the baseline scenario reflect recent economic developments and policies (Text Table 3), including newly rebased GDP data and assumptions on the construction of the New Kigali International Airport. In late September 2025, the National Institute of Statistics (NISR) rebased GDP to 2024 prices. This is the first GDP rebasing since 2017, following a disruption of the standard three-year cycle due to the COVID-19 pandemic. Rebasing led to the upward revision of nominal GDP and deflators, resulting in a 6.1 percent increase in the 2024 nominal GDP level. Accordingly, real GDP growth for 2024 was revised downward, from 8.9 percent in the previous series to 7.2 percent in the new base. The upward revision to nominal GDP also resulted in a lower overall PPG debt-to-GDP ratio, declining by 4.5 percentage points to 74.2 percent at end-2024. Looking ahead, near-term developments remain influenced by the impact of the priority investment project on New Kigali International Airport and RwandAir (Box 1).

- *Growth:* Following broad-based growth in 2024, growth is expected to modestly soften to 7.0 percent in 2025 due to the contractionary effects of the projected fiscal consolidation. The direct impact of changes to US tariffs on Rwanda's GDP growth is estimated to be minimal in the near term, with a projected effect of -0.03 percent of GDP in 2025, given limited direct trade with the US. Positive contributions from the increased activity in the construction of New Kigali International Airport will temporarily raise GDP growth to 7.6 percent in 2027 (see Box 1), before decelerating again in line with the project fiscal consolidation as the project closes. Over the medium term, growth projections remain unchanged (albeit slightly mechanically lower due to

[5] As a state-owned bank, BRD is not included in the DSA perimeter. For each SLB issuance, the government received a US$10 million loan from the World Bank (included in DSA perimeter), that was on-lent to BRD which used the funds to purchase Treasuries that served as a credit enhancement for the SLB issuance.

base effects from revised GDP series) and economic activity is expected to be buoyed by private sector-led economic diversification and the subsequent boost to the services sector. Private consumption and investment are the main growth drivers in the medium term as fiscal consolidation proceeds. Headline inflation declined to 5.0 percent in 2024, reflecting easing food inflation, but is projected to rise to about 7 percent in 2025 due to exchange rate pass-through and tax reforms on fuel and transport. Over the long term (Box 2), growth from the supply-side is expected to be supported by a dynamic service sector, gradual industrialization, and continued significant contributions from agriculture for some period. Upside risks to long-term growth could come from an expanded capacity of the new airport. On the demand side, robust and steady private consumption and investment will support the rebalancing of the economy from public sector-led towards private sector-led growth.

- *Fiscal:* Rwanda's fiscal consolidation efforts have slowed, but the medium-term fiscal path remains ambitious. The general government fiscal deficit for FY2024/25 is estimated at 5.5 percent of GDP,[6] slightly above expectations in nominal terms reflecting higher execution of foreign-financed investment projects as disbursements accelerated despite efforts to slow implementation, but unchanged as a percent of GDP due to the higher re-based GDP level. The FY25/26 fiscal deficit is projected at 5.8 percent of GDP, lower than expected compared to the previous DSA due to changes in policies (1.1 percent of GDP) and revisions to GDP (0.5 percent of GDP), most notably the revised financing assumptions for NKIA/RwandAir which no longer assumes large pre-financing in late-2025 (see ¶6 and Box 1). On the other hand, higher execution of other foreign-financed projects is expected to be more than offset by higher expected VAT collections—reflecting strong early-year performance and anticipated seasonal gains later in the year—and increased capital grants related to foreign-financed projects, together with lower spending on goods and services, interest payments, and domestically financed capital investments, are expected to more than offset higher execution of other foreign-financed investment spending. Over the medium-term, deficits reflect increasing pension contributions, which are set to reach 20 percent by 2030, costs related to the airport and airline priority project, and an increase in other capital spending. The medium-term budget framework envisages a reduction of the fiscal deficit from 5.8 to 3.0 percent of GDP over the FY2025/26–FY2029/30 period. The adjustment will require efforts to mobilize domestic revenues and considerable expenditure adjustment, which limits room for further cuts amid substantial development challenges. A comprehensive package, primarily focusing on broadening the tax base by streamlining tax holidays and tax expenditures, is being implemented in stages over FY25/26 to FY29/30. The package includes VAT on fuels and transportation services, an environmental levy, higher capital gains tax, a tourism tax on accommodations, VAT on select financial services, and the repeal of corporate income tax holidays. Medium-term contingency plans involve spending reprioritization while safeguarding essential spending, in particular on investment and social assistance, and preventing budget overruns and financing risks. Potential measures include curbing new hires, further reducing non-essential recurrent spending, and halting underperforming domestically financed projects. Overall, the projections continue to

[6] The 2025 calendar year fiscal deficit is projected at 5.9 percent of GDP as shown in Text Table 3.

assume strong fiscal policy consolidation that is aligned with the diversifying, private sector led drivers of growth, builds buffers, and ensures convergence to the nominal debt anchor of 65 percent of GDP by 2033.

- *External:* The current account deficit in 2024 reached 12.1 percent of GDP, reflecting strong import growth exceeding improving export performance. This momentum continued into 2025, with global developments and a weaker US dollar somewhat mitigating the value of import costs relative to expectations. The revised timing of NKIA/RwandAir financing assumptions (see ¶6 and Box 1) aligns financing needs to the project implementation schedule, resulting in less front-loaded financing and a temporary decline in 2025 reserve coverage of prospective imports before rising again in 2026 as project-related inflows begin to accumulate Going forward, the current account is expected to widen as imports increase with the expansion in the construction of the NKIA and capital injection into RwandAir, the national airline. Higher FDI inflows and external borrowing will support reserves, though this will be partly offset by higher external debt service outflows. The authorities' plans at the time of the previous DSA to re-prioritize US$511 million in other external project loans over the next five years are delayed to due faster than anticipated near-term project execution, and a greater amount of new project needs taking place of lower than anticipated external borrowing projections for NKIA (see ¶6 and Box 1). Overall, the policy-mix underpinning the PCI assumes greater real effective exchange rate depreciation. Over the medium term, the trade balance and current account deficit are projected to gradually improve, supported by continued real effective exchange rate adjustment, higher domestic savings from fiscal consolidation efforts, and improving exports from higher FDI.

Text Table 3. Rwanda: Key Macroeconomic and Debt Assumptions—Comparison with the Previous Debt Sustainability Analysis

Calendar year	2024	2025	2030	2035	2040	2044	2031-44
	Actual			Projections			
Selected indicators from the macro-framework and debt data							
(Percent, unless otherwise indicated)							
				PV of PPG External Debt to GDP Ratio			
2025 DSA (previous)	39.4	44.0	41.0	28.3	21.5	17.0	25.8
2025 DSA (current)	38.7	38.3	38.8	29.3	21.0	16.1	25.4
				PV of Public Debt to GDP Ratio			
2025 DSA (previous)	56.9	61.9	52.9	43.3	39.5	38.8	42.2
2025 DSA (current)	55.3	56.1	53.8	45.9	41.5	38.9	44.0
				Grant Element of New External Borrowing			
2025 DSA (previous)	...	25.8	49.7	38.0	35.8	34.0	35.4
2025 DSA (current)	...	46.1	43.5	36.5	34.4	32.7	34.0
				Real GDP Growth (annual percent change)			
2025 DSA (previous)	8.9	7.1	7.0	6.9	6.5	6.5	6.7
2025 DSA (current)	7.2	7.0	6.8	6.7	6.5	6.5	6.6
				Current Account Balance (percent of GDP)			
2025 DSA (previous)	-12.7	-13.8	-7.6	-11.0	-10.8	-10.6	-10.6
2025 DSA (current)	-12.1	-12.9	-6.8	-11.0	-10.8	-10.6	-10.6
				Exports of goods and services (percent of GDP)			
2025 DSA (previous)	30.0	34.4	44.5	36.6	33.1	31.9	35.3
2025 DSA (current)	28.4	26.3	27.3	25.9	26.0	26.9	26.2
				Fiscal balance, calendar year (percent of GDP)			
2025 DSA (previous)	-7.5	-9.9	-2.5	-2.5	-2.3	-1.7	-2.4
2025 DSA (current)	-7.1	-5.9	-2.2	-2.1	-1.6	-0.8	-1.8
				CPI, period average (percent)			
2025 DSA (previous)	4.8	7.0	5.0	5.0	5.0	5.0	5.0
2025 DSA (current)	4.8	7.1	5.0	5.0	5.0	5.0	5.0

Note: Previous DSA was completed in June 2025.
Sources: Rwandan authorities; IMF and World Bank staff estimates and projections.

6. Financing needs for the construction of New Kigali International Airport and the expansion of the national airline are expected to raise external commercial borrowing and FDI inflows. Costs related to the construction of New Kigali International Airport are estimated at US$2.6 billion through 2029, with a capital increase of RwandAir, the national airline, calling for an additional US$550 million over the same period. In partnership with the Qatari Investment Authority (QIA), the government of Rwanda has a 40 percent share in the national airport and 51 percent share in the national airline, requiring a total of US$1.12 billion in equity contributions and US$80 million to clear existing debts (around 8 percent of GDP in total), included in the baseline. To meet these obligations, the authorities are pursuing a range of options, including a mix of commercial and semi-concessional financing options to mitigate the debt burden. Discussions with the World Bank are advancing on the possibility of leveraging IDA allocations for scaled-up mobilization of external financing. Compared to the previous DSA, projected financing flows for the project are now aligned with the project implementation schedule. The conservative assumption of large upfront financing in 2025 is now no longer in the baseline, reflecting the authorities' ongoing efforts to pursue more cost-effective instruments. The smoother disbursement profile in the current baseline slows the pace of debt accumulation. In addition, external borrowing needs for the project have been revised down to cover only the anticipated import-related content for the construction of NKIA (around 80 percent of total construction costs) along with the capital injection to RwandAir. Domestic financing is assumed to cover locally sourced inputs for NKIA construction. With discussions ongoing to identify cost-effective sources for external financing, the baseline continues to assume external commercial borrowing for the project, though at slightly more favorable terms compared to earlier this year due to lower market rates along with the prospect for some credit enhancements. As the authorities pursue different options, staff's baseline assumptions continue to incorporate a conservative financing mix, consisting of nearly US$800 million in external commercial borrowing over the project period, with around US$1.4 billion in FDI inflows fulfilling QIA's commitments over the same period.

7. The government's mitigating measures partially offset the increase in public debt due to the priority projects. To mitigate the increase in borrowing, the authorities planned to reprioritize other development projects (Box 1), continue to advance on revenue measures (including under its forthcoming MTRS-2), and pursue cost-mitigation options through IFI involvement. Since the previous DSA, higher nominal GDP from the re-basing exercise, a lower volume of external borrowing needs for the priority project, and a smoother profile in the near-term result in a lower peak of overall public debt to 79.1 percent of GDP by 2026, and with debt servicing needs benefitting from higher revenues due to the implementation of recent measures (see ¶15). However, the more gradual pace of debt accumulation is largely offset over the medium-term through an increase in other capital spending, resulting in the program debt anchor of 65 percent of GDP still expected to be reached in 2033. The precise timing of reaching the debt anchor remains subject to risks, including the financing terms, actual project implementation costs, and the strength of the overall fiscal reform momentum.

Box 1. Rwanda: Financing Costs for New Kigali International Airport and RwandAir

Total expected costs related the construction of New Kigali International Airport are estimated at US$2.6 billion until 2029 with plans to expand the national airline set to cost an additional US$550 million. Costs for the second phase of airport construction reflect project scaling up, while RwandAir's expansion is planned on a parallel timeline through around 2030. In partnership with the Qatar Investment Authority (QIA), the government of Rwanda has a 40 percent share in the national airport and 51 percent share in the national airline.

Baseline assumptions include an increase in external commercial financing, domestic financing, and FDI to meet the project's financing needs. Financing the government's shares in both the airport and airline requires a total of US$1.12 billion in equity contributions through 2029 and US$80 million to clear existing debts of RwandAir (around 8 percent of GDP). To meet these obligations, baseline assumptions include external commercial borrowing aligned with the project timeline to cover import-related content in the construction of NKIA (around 80 percent of expected costs, with domestic financing to cover locally sourced inputs) and the financing needs for RwandAir's expansion. As the authorities advance their efforts to identify cost-effective financing options, staff's current baseline now assumes less front-loaded and more gradual financing flows (compared to the previous DSA) that are aligned to project implementation needs, with external commercial financing of nearly US$800 million over 2026–30, broadly in line with Rwanda's current costs and maturities and with some cost reduction from de-risking instruments. Prior to the increase in expected costs, baseline assumptions had included US$400 million in external commercial loans over 2025–29. In parallel, FDI inflows of over US$1.4 billion by QIA cover the remaining shares over the next five years.

The associated increase in public debt over the medium-term is partially offset by a reprioritization of other development projects, albeit at a slower pace than previously anticipated. To help make some fiscal space for the increase in financing needs from the airport and airline projects, earlier this year the authorities had reduced expectations on previously planned external yet concessional borrowing for development projects by US$511 million over five years (FY25/26–FY29/30). However, faster than expected disbursements in foreign-financed projects are resulting in less near-term re-prioritization on net, and an increase in new project capital spending over the medium-term has largely offset the reduction in external borrowing expectations for NKIA construction.

8. **Baseline financing assumptions reflect Rwanda's financing strategy, which assumes continued support from official development partners over the medium-term and increased commercial borrowing to finance priority investment projects.** Excluding financing needs due to increased costs related to the construction of New Kigali International Airport and expansion of RwandAir, gross financing needs are expected to continue declining over the medium-term in the context of fiscal consolidation and growth-promoting structural reforms supported by the PCI and World Bank development policy financing.

- *External official financing*.
    - Besides financing from the World Bank and the IMF (prior to the recent completion of the disbursing SCF and RSF arrangements in 2024), baseline projections assume disbursements of external financing from the African Development Bank and several other multilateral and official bilateral partners. Under the IDA20 and IDA21 financing terms, the volume of loans is projected to increase given the shift from 50-50 grant-loan financing under IDA19 to 100 percent loans, hence, the fiscal deficit and the nominal debt will increase as well, but given the high concessional terms of IDA20 loans, the expected impact on the present value

of debt is marginal.[7] IDA financing signed after 2024 is assumed to be in the form of 100 percent credit on regular IDA terms.

- Rwanda is experienced a decline in external assistance in the form of grants and donor-funded programs. In FY25/26, US$110 million of required grants will not materialize, while an additional US$5 million in bilateral support from Belgium was cancelled. These developments were reflected in the previous DSA. A significant portion of Rwanda's external assistance also came from the United States, with total US support amounting to US$178 million in FY22/23, of which USAID accounts for US$127 million. Approximately 57 percent of this assistance has historically supported the health sector. Importantly, the USAID funding constitutes off-budget assistance, meaning it does not directly finance the government's budget but supports sectoral programs and service delivery through implementing partners.

- *External market financing*. The share of market-based external financing is projected to increase starting 2030, although slowly under the baseline. Staff assumes that Rwanda's existing US$620 million Eurobond is projected to roll-over in 2031 (see ¶13). Against the broader trend of declining concessional financing over the medium-term, recent declines in official financing support, and coupled with the authorities' development spending needs and prospects for scaling up market-based climate- and development spending, risks are such that the share of market-based external financing may need to increase faster than envisaged. To finance the US$1.2 billion required for increased costs related to the construction of New Kigali International Airport and capital increase for RwandAir, staff's baseline assumes an increase in external commercial financing (see ¶6 and Box 1). As the authorities pursue different financing options, staff's current baseline assumes nearly US$800 million in external commercial financing over 2026–30, broadly in line with Rwanda's current costs and maturities and benefitting from potential de-risking instruments. The authorities are currently pursuing a mix of domestic, external commercial, and semi-concessional financing through IFIs to mitigate the increase in the overall debt burden.

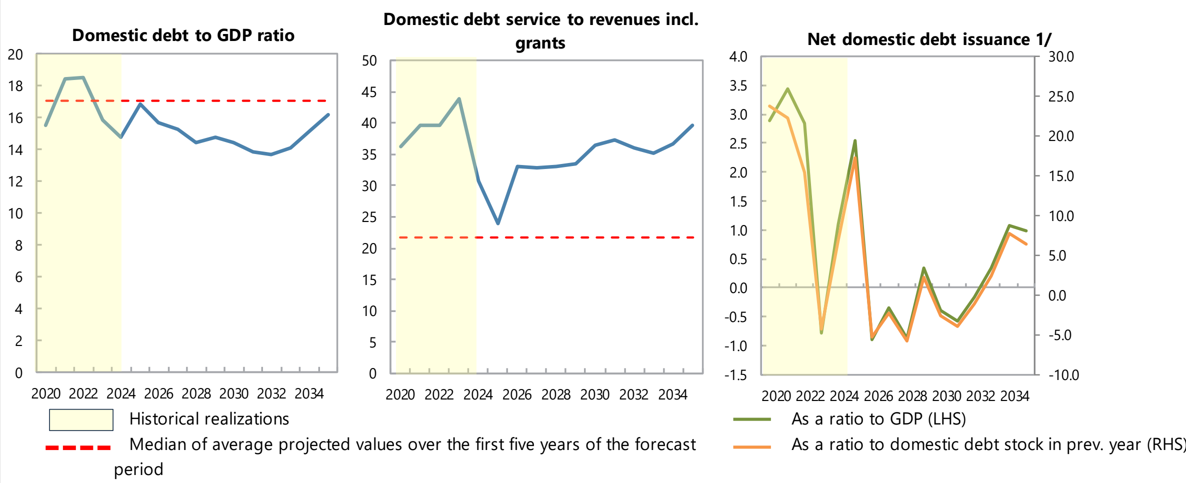
- *Domestic financing*. With declining financing needs under the baseline led by fiscal consolidation and negotiated new external resources, the share of domestic financing is projected to decline through 2030 to its pre-pandemic average and pick up thereafter. Compared to the previous DSA, domestic debt levels are expected to be slightly higher over the medium-term, reflecting higher reliance on the domestic market to cover domestically sourced inputs to NKIA project construction. In parallel, domestic debt service continues to fall in the near-term and remain stable over the medium-term at levels slightly higher than peer countries; but lower than in recent years. Gross issuances will continue to decline and net issuances are projected to be negative in the medium-term (see Text Figure 2). The declining supply of Treasuries may potentially slow the deepening of the domestic financial system, which has grown in recent years and demonstrated capacity to provide liquidity in times of stress as during the pandemic shock. Without information on SOE borrowing plans, domestic financing needs under the baseline are

[7] 50-year loans under IDA20 have grant element of about 74 percent, while 50-50 grant-loan financing that prevailed under IDA19 has grant element of about 77 percent. With 3 percentage points difference, if cumulative disbursements under IDA20 reach 3.2 percent GDP, the effect on PV of external debt would increase by about 0.1 percent GDP.

modestly underestimated. Risks are broadly balanced given relatively low debt levels and steady demand from banks who hold Treasuries as collateral. Key downside risks emanate from fiscal exposures to large development projects, including potential cost overruns related to NKIA, and concentrated banking sector exposures to rapidly growing mortgage- and construction-related activities.

Text Figure 2. Rwanda: Indicators of Public Domestic Debt 2020–2035

(Percent)



Borrowing Assumptions (average over 10-year	Value
Shares in new domestic debt issuance	
Medium and long-term	35%
Short-term	65%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	8.3%
Avg. maturity (incl. grace period)	3
Avg. grace period	2
Domestic short-term debt	
Avg. real interest rate	4.9%

Sources: Rwandan authorities and staff estimates and projections.

[1/] Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

9. Realism tools indicate that the planned fiscal adjustment is ambitious in comparison with cross-country experiences (Figure 4). A 3-year fiscal consolidation in the primary balance is expected to peak at 4.0 percentage points of GDP from 2025 to 2028, just below the top quartile of the distribution of past adjustments for a sample of low-income countries (LICs). The pace of this adjustment reflects the sizeable impact of the airport construction project on capital expenditures, for which the peak of activity will occur over 2025–27 before nearing completion (see ¶5). Excluding the impact of this project, the pace of fiscal adjustment remains reasonably ambitious and depends on the successful implementation of recently approved revenue measures, continued progress on domestic revenue mobilization covered under the PCI, and building on spending rationalization achieved under the PCI approved in 2022 and the SCF approved in 2023. While the reprioritization of previously planned or ongoing projects helped support the fiscal adjustment, recent pension reforms add to expenditures and support the need to adhere to planned revenue measures. Underperformance in domestic resource mobilization could be offset by further spending rationalization and preserving the planned fiscal adjustment, although with downside risks to growth and underlying debt dynamics. Other realism tools suggest that projections are broadly in line with historical debt drivers, with some improvements relative to historical trends reflecting a tighter yet growth-friendly policy mix to reign in domestic and external imbalances.

Box 2. Rwanda: Long-Term Macroeconomic Assumptions[1/]

Growth. According to World Bank analysis, long term growth projections of 6.5–7 percent are driven by four broad group of fundamentals: investment (public and private), human capital, total factor productivity (TFP) and demographics. The baseline assumptions for each growth driver are designed to capture a plausible path for the variable if present trends continue, taking into account both Rwanda's own history, as well as reasonable values among other peer countries. Given the government's strong historical record on implementing reforms, the baseline also includes "typical" levels of reforms that might be achieved by a typical country in Rwanda's situation. Thus, the baseline assumes that TFP growth in the long run is 1.8 percent, which is between the averages 2000-19 and 2000–14 averages. The productivity projection is based on assumption of continued increase in FDI and trade openness. The baseline also assumes the government will continue its reform efforts to improve human capital indicators. To calculate this human capital path, the analysis identifies 12 countries that in 1980 had the same years of schooling of 20–24-year-olds as Rwanda in 2020 (6.5 years ± 0.5 years)—Rwanda's "schooling peers"—and then trace out the gains in education of the schooling peers over the next 10 years. In terms of investments, the baseline assumption is that investment continues at 28 percent of GDP for the whole projection period. While this represents a slowing of the increase in the 2000s, and a less optimistic assumption than in Rwanda's Vision 2050 document, sustaining investment at or above 30 percent of GDP is very difficult among peer countries or even among growth miracle economies. Finally, the population growth is projected to slow from around 2.3 percent currently to about 1.4 percent over the next 30 years, as Rwanda goes through a "demographic transition" with lower fertility rates. Other things equal the around 1ppt slowdown in population growth will slow GDP growth by around half a percentage point in the medium term but boost GDP per capita slightly.

Exports. There is potential for Rwandan exports to increase substantially in medium to long term. First, regional integration via AfCFTA presents an enormous opportunity to boost exports in coming years. To capture this benefit, Rwanda has been a leader driving negotiations of a series of protocols to the AfCFTA Treaty with clear, ambitious, and enforceable rules and disciplines, adopting legislative changes, and building implementation and enforcement capacity. Second, Rwanda has achieved considerable growth in exports of minerals and metals (minerals exports increased more than 10 times from 2010 to 2020), and further growth is expected with recent investments in the sector. Rwanda's low labor cost could help achieve further increases in exports of textiles and clothing, supported by investments made in recent years. The potential for increasing services exports is also significant. Rwanda has revealed comparative advantage indices of greater than one for government goods and services, construction, travel and transport services. Construction companies in Rwanda have the skills required to operate in other regional countries, for example in building and operating power plants. Rwanda's booming tourism sector have already recovered from the decline during the pandemic and is expected continue its expansion, as the country maintains a strong focus on the MICE strategy.

[1/] Based on World Bank analysis from the Rwanda Country Economic Memorandum, November 2024.

10. In the past, PPG debt dynamics have been strongly affected by the materialization of fiscal risks (Figure 3). Changes in total public debt over the past five years have been driven by higher-than-anticipated primary deficits due to the pandemic response and unanticipated developments of the debt outside the budgetary central government, leading to a higher-than-expected debt accumulation of over 20 percentage points of GDP—well in excess of the 75 percent quartile of other LICs. The ongoing efforts to mitigate unanticipated fiscal developments outside the central government, supported by IMF TA, remain a key pillar of the PCI. Going forward, the evolution of public debt will continue to be dominated by the path of the primary fiscal deficit, real GDP growth, real effective exchange rate adjustment, and the availability of concessional financing.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

11. Rwanda's debt-carrying capacity continues to be assessed as "strong", unchanged from the previous DSA (Text Tables 4a and 4b). The composite index (CI) for Rwanda, which measures the debt-carrying capacity in the new LIC-DSF, stands at 3.17, based on macroeconomic data from the April 2025 World Economic Outlook and from the 2023 Country Policy and Institutional Assessment (CPIA) of the World Bank. This score is above the cut-off value of 3.05 for strong capacity countries.

Text Table 4a. Rwanda: Debt-Carrying Capacity

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	4.094	1.58	50%
Real growth rate (in percent)	2.719	6.875	0.19	6%
Import coverage of reserves (in percent)	4.052	35.132	1.42	45%
Import coverage of reserves^2 (in percent)	-3.990	12.343	-0.49	-16%
Remittances (in percent)	2.022	3.411	0.07	2%
World economic growth (in percent)	13.520	2.973	0.40	13%
CI Score			3.17	100%
CI rating			Strong	

New framework			
	Cut-off values		
Weak	CI <	2.69	
Medium	2.69	≤ CI ≤	3.05
Strong	CI >	3.05	

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Strong	Strong 3.17	Strong 3.19	Strong 3.17

Text Table 4b. Rwanda: Applicable Thresholds and Benchmarks

Reference: Thresholds by Classiciation

EXTERNAL debt burden thresholds	Weak	Medium	Strong
PV of debt in % of			
Exports	140	180	240
GDP	30	40	55
Debt service in % of			
Exports	10	15	21
Revenue	14	18	23

TOTAL public debt benchmark	Weak	Medium	Strong
PV of total public debt in percent of GDP	35	55	70

12. The full range of standard stress tests are conducted in addition to tailored natural disaster and contingent liability stress tests. Standard stress tests on real GDP growth, the primary balance, current transfers, foreign exchange depreciation, and the combination are conducted at their default settings. The contingent liability stress test assumes the materialization of liabilities in Text Table 1. In line with the previous DSA, the natural disaster stress test is informed by the once-in-100-years flooding scenario discussed in the World Bank's (2022) Country Climate and Development Report and significantly more severe by recent flooding events in the second quarter of 2023. Damages are assumed to reach 11.2 percent of the physical capital, requiring 17.9 percent of GDP in external financing to be replaced (with capital-to-GDP estimation at 1.6 based on the perpetual inventory method). GDP and exports would each be expected to decline by 4.4 percent. Given Rwanda's outstanding Eurobond, the default market-financing stress test was applied, indicating significant gross financing needs and risks from higher sovereign spreads globally compared to when Rwanda last accessed markets in 2021.

DEBT SUSTAINABILITY ANALYSIS

External Debt

13. External debt indicators under the baseline remain below some of their respective thresholds, and with breaches under stress test scenarios (Tables 1 and 3; Figure 1). Compared to the previous DSA, debt burden indicators are improved on account of higher re-based GDP, lower near-term external borrowing assumptions, stronger revenues and improved near-term debt dynamics. The PV of external debt-to-GDP ratio remains below its threshold, rising through 2027 before declining again as external borrowing slows with favorable debt dynamics and declining financing needs due to completion of airport and airline projects (Box 1) and fiscal consolidation efforts. Near- and medium-term breaches of the threshold for PV of external debt-to-GDP under the primary balance standard stress test scenario and approaching the threshold under the natural disaster stress scenario (Table 3) highlight Rwanda's vulnerabilities to shocks. The PV of external debt-to-export ratio remains below its indicative thresholds under the baseline and shock scenarios. Liquidity indicators reflect higher borrowing and financing costs in coming years, with baseline debt service-to-revenue rising in the medium-term. One-time breaches of liquidity indicators in 2031 reflect the repayment of the outstanding Eurobond at maturity. Liquidity risks underscore that a reprioritization of investment projects and fiscal consolidation are critical to mitigate risks, and a prudent debt management strategy is needed to mitigate repayment risks, in particular with respect to bullet amortizations in 2031. Market financing risk indicators (Figure 6) indicate that elevated gross financing needs heighten risks to market financing conditions.

14. A customized alternative scenario illustrates risks to external debt distress stemming from the current uncertain and difficult external environment for Rwanda and key baseline risks not fully captured in standard stress tests, with external debt service-to-revenue breaching its threshold in the medium- and long-term (Figure 1, Table 1). Key baseline risks for Rwanda include, among others: a decline in the availability of concessional financing over the medium-term, slow progress on crucial domestic revenue mobilization efforts over the coming years, and sustained pressure on the exchange rate as a result of imbalances and resultant risks to the credibility of the nominal debt anchor of 65 percent of GDP. The alternative scenario illustrates the combined risk of not mobilizing revenues to the extent envisaged and relying on external borrowing with increasingly non-concessional terms over the medium-term, which in turn would be at less favorable terms in light of higher elevated public financing needs. In the scenario, the wider fiscal deficit is financed with more expensive external borrowing and less grant support over the medium-term, reflecting the risks around availability of concessional financing, some of which are partially materializing (¶8). The impulse from the wider deficit and sustained investment spending needs adds to external pressures through higher imports, pressure on reserves, and more sustained exchange rate depreciation. Under this alternative scenario, the external debt service ratios steadily rise, with external debt service-to-revenue reaching its threshold by 2029 and remaining above it thereafter, with even larger deviations from the threshold at the time of the bullet amortization in 2031.

15. The PV of external debt-to-GDP ratio increases steadily under the historical scenario since the latter assumes large external shock and imbalance reflecting averages of several large shocks and imbalances observed in the past (Table 3 and Figure 1). This is primarily due to the large current account deficit and negative US$ GDP deflator calibrated using historical averages, which covered a period including several large shocks (commodity prices and drought) and large external imbalances corrected over 2015–17. Thus, policy adjustment to ensure a steady narrowing of the current account deficit, as envisaged under the baseline scenario (Text Table 3), is key to strengthening robustness of the debt dynamics.

Public Debt

16. The public debt dynamics are shaped by high financing needs, notwithstanding efforts to create fiscal space through fiscal consolidation and investment reprioritization. Heightened gross financing needs have shifted to market-based sources largely on account of the airport and airline projects (Box 1). While investment reprioritization, fiscal consolidation efforts and favorable debt dynamics have partially mitigated the higher debt trajectory, the sizeable increase in non-concessional external borrowing pushes the overall public debt level to 79.1 percent of GDP by 2027 under the baseline scenario. The debt path remains elevated for an extended period, with the program debt anchor under the PCI of 65 percent of GDP reached in 2033, supported by a large, but growth-friendly fiscal consolidation and strong economic activity (Table 2).[8] The PV of PPG debt is projected to remain above the East African Community debt convergence criterion of 50 percent until 2031.

17. Contingent on the projected growth trajectory and ambitious medium-term fiscal consolidation, the PV of PPG debt stays below the indicative benchmark of 70 percent of GDP but would breach the benchmark under GDP growth and natural disaster shock scenarios in the near-term (Tables 2 and 4; Figure 2). In the baseline scenario, the PV of PPG debt peaks at 56.1 percent in 2025 and declines to 45.6 percent in 2035. In the most severe scenario—the natural disaster shock—the PV of PPG debt breaches the 70 percent benchmark over 2026-31, peaking at 77 percent before baseline debt dynamics place it on a declining path. The authorities' climate-related reform measures, including under the RSF, and priorities in climate-related investment should help reduce variability to climate shocks and strengthen resilience (see illustrative climate scenario reference below).

Climate-Related Risks

18. Rwanda is vulnerable to the consequences of climate change through various channels, which might affect the debt dynamics. World Bank's (2022) Country Climate and Development Report (CCDR) for Rwanda identified that climate change might increase variability of crop yields, reduce labor productivity, and affect tourism through changing patterns of rainfall, extreme heat, increased incidents of illnesses, while extreme flooding events might become more frequent and damaging. This might reduce the long-term growth, affecting debt sustainability indicators in the long run, and increase risks of damage to infrastructure and other built-up capital requiring strong fiscal response. As illustrated in the DSA attached to IMF Country Report No. 2024/341, Rwanda could substantially improve its resilience to climate-related shocks and

[8] For discussion of the debt anchor see Country Report No. 2021/1 and the accompanying staff report for new PCI and RSF request (EBM/22).

safeguard debt sustainability with higher adaptation investment in line with Rwanda's NDCs, full RSF implementation, and policy adjustments. [9]

ASSESSMENT

19. Rwanda's debt is assessed to be sustainable with a moderate risk of external and public debt distress, which is in line with the previous DSA assessment. Mechanical external and overall risk signals suggest moderate risk of debt distress with limited space to absorb shocks. Liquidity and solvency baseline debt indicators under the current baseline have improved compared to the previous DSA but have deteriorated prior to the incorporation of the large priority project in the baseline. Medium-term liquidity risks have risen as debt service-to-revenue is vulnerable to policy slippage, and the materialization of downside risks as illustrated in the alternative scenario. Even modest deviations from the planned adjustment path could push baseline debt burden indicators closer to high-risk thresholds, with adverse implications for concessional financing and market financing costs. This trajectory reinforces the need for a sustained, credible commitment to strong policies to safeguard debt sustainability and macroeconomic stability. The authorities' fiscal consolidation efforts, in particular through its revenue mobilization efforts, plans to reprioritize planned investment projects, and support the external adjustment with real effective exchange rate adjustment will be important to rebuild fiscal space and external buffers, and to mitigate intensifying debt vulnerabilities. Recent performance in more robust fiscal revenues from the implementation of recent measures is positive in this regard.

Authorities' Views

20. The authorities broadly agree with the results of the DSA and the overall assessment of a moderate risk of external and overall debt distress. The authorities are committed to preserving the moderate risk of external and overall debt distress assessment. They recognize the importance of fulfilling key mitigating measures to build fiscal and external buffers and policy space to absorb shocks and unforeseen developments. In this regard, the authorities remain committed to ongoing implementation of fiscal consolidation measures (improve revenues mobilization, prudent spending rationalization, and fiscal risk mitigation) to avoid higher debt accumulation and reach their target to bring debt to the anchor of 65 percent of GDP by 2033. The authorities' debt management strategy will continue to focus on maximizing opportunities for concessional financing in line with the medium-term debt strategy. With respective to financing options for NKIA/RwandAir, the government is actively exploring different de-risking instruments and blend finance options to achieve a favorable mix of cost – risk tradeoff. They remain committed to safeguarding debt sustainability and building their sustainability and climate resilience agenda in support of climate adaptation and mitigation measures.

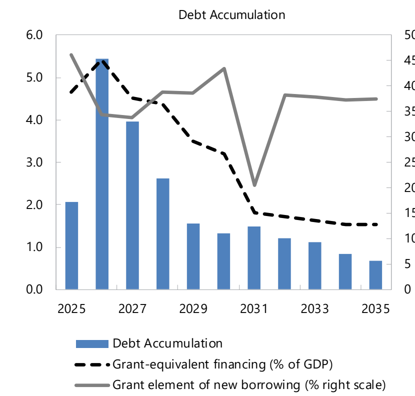
[9] The government has adopted a series of measures to create fiscal space to address climate-related fiscal risks, either under the IMF's Resilience and Sustainability Trust (RST) program or as PPAs under the IDA Sustainable Development Finance Policy (SDFP). Notably, these include the adoption of the Climate and Nature Finance Strategy (CNFS) and the Green Taxonomy.

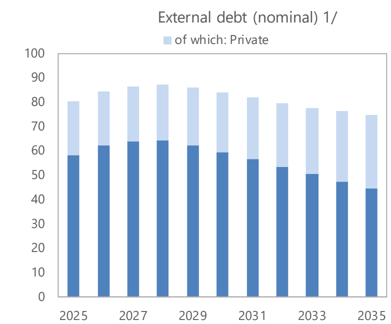
Table 1. Rwanda: External Debt Sustainability Framework, Baseline Scenario, 2024–45

(In Percent of GDP, Unless Otherwise Indicated)

	Actual	Projections								Average 8/	
	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
External debt (nominal) 1/	**81.0**	**80.5**	**84.3**	**86.4**	**87.2**	**85.8**	**84.0**	**74.9**	**59.4**	**63.0**	**81.7**
of which: public and publicly guaranteed (PPG)	**59.5**	**58.1**	**62.0**	**63.8**	**64.4**	**62.3**	**59.5**	**44.4**	**24.6**	**45.2**	**56.6**
Change in external debt	7.1	-0.5	3.8	2.1	0.8	-1.4	-1.9	-1.3	-2.0		
Identified net debt-creating flows	**6.9**	**4.0**	**1.8**	**-0.7**	**-1.7**	**-1.9**	**-2.2**	**1.0**	**-2.1**	**5.1**	**0.0**
Non-interest current account deficit	**10.5**	**11.1**	**11.7**	**9.8**	**6.4**	**5.7**	**4.7**	**8.4**	**5.3**	**10.1**	**8.0**
Deficit in balance of goods and services	14.9	15.2	14.9	12.9	9.5	8.4	7.6	5.9	-0.9	**15.2**	**9.0**
Exports	28.4	26.3	27.8	28.7	29.3	28.9	27.3	25.9	27.3		
Imports	43.4	41.5	42.7	41.5	38.7	37.2	34.9	31.7	26.4		
Net current transfers (negative = inflow)	-5.2	-4.6	-4.0	-4.1	-4.1	-3.9	-3.5	-2.8	-1.9	**-6.2**	**-3.7**
of which: official	-4.3	-3.2	-2.9	-2.7	-2.7	-2.4	-2.2	-0.9	-0.1		
Other current account flows (negative = net inflow)	0.8	0.6	0.8	1.0	1.1	1.2	0.7	5.3	8.1	**1.2**	**2.7**
Net FDI (negative = inflow)	**-3.7**	**-3.5**	**-6.2**	**-6.4**	**-4.7**	**-4.2**	**-3.6**	**-4.3**	**-4.9**	**-2.6**	**-4.5**
Endogenous debt dynamics 2/	**0.1**	**-3.6**	**-3.7**	**-4.2**	**-3.3**	**-3.4**	**-3.4**	**-3.1**	**-2.6**		
Contribution from nominal interest rate	1.6	1.7	1.7	1.9	2.2	2.2	2.0	1.6	1.1		
Contribution from real GDP growth	-5.2	-5.3	-5.4	-6.0	-5.5	-5.5	-5.4	-4.7	-3.7		
Contribution from price and exchange rate changes	3.7	...	...	...	...	...	...	...	...		
Residual 3/	**0.2**	**-4.5**	**2.0**	**2.8**	**2.5**	**0.5**	**0.4**	**-2.3**	**0.1**	**0.3**	**-0.6**
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators											
PV of PPG external debt-to-GDP ratio	**38.7**	**38.3**	**40.6**	**42.0**	**42.1**	**40.7**	**38.8**	**29.4**	**16.1**		
PV of PPG external debt-to-exports ratio	**136.1**	**145.6**	**145.9**	**146.4**	**143.7**	**141.2**	**141.9**	**113.8**	**59.1**		
PPG debt service-to-exports ratio	**5.7**	**8.6**	**8.8**	**9.5**	**9.9**	**10.2**	**10.0**	**9.3**	**5.2**		
PPG debt service-to-revenue ratio	**9.6**	**13.3**	**13.7**	**14.7**	**15.3**	**15.4**	**14.1**	**11.0**	**6.6**		
Gross external financing need (Billion of U.S. dollars)	1.7	2.0	1.8	1.6	1.4	1.4	1.4	3.3	4.4		
Key macroeconomic assumptions											
Real GDP growth (in percent)	7.2	7.0	7.2	7.6	6.8	6.8	6.8	6.7	6.5	**6.8**	**6.9**
GDP deflator in US dollar terms (change in percent)	-4.8	-0.5	0.4	-1.2	-0.7	0.2	1.4	2.0	2.0	**-0.2**	**0.9**
Effective interest rate (percent) 4/	2.1	2.3	2.3	2.4	2.6	2.7	2.5	2.3	2.0	**2.7**	**2.4**
Growth of exports of G&S (US dollar terms, in percent)	22.0	-1.6	14.0	9.4	8.2	5.6	2.7	8.3	10.0	**13.3**	**7.0**
Growth of imports of G&S (US dollar terms, in percent)	13.1	1.8	11.0	3.3	-1.1	2.8	1.7	8.3	-3.4	**9.8**	**4.9**
Grant element of new public sector borrowing (in percent)	...	46.2	34.3	33.9	38.9	38.5	43.5	37.5	32.5	**...**	**36.9**
Government revenues (excluding grants, in percent of GDP)	17.0	17.0	17.9	18.6	18.9	19.1	19.4	21.9	21.4	**18.0**	**19.6**
Aid flows (in Billion of US dollars) 5/	0.6	1.0	1.2	0.9	0.9	0.8	0.8	0.7	1.2		
Grant-equivalent financing (in percent of GDP) 6/	...	4.7	5.4	4.5	4.4	3.5	3.2	1.5	1.3	**...**	**3.1**
Grant-equivalent financing (in percent of external financing) 6/	...	66.0	48.5	50.1	57.0	60.1	61.9	51.4	50.5	**...**	**52.3**
Nominal GDP (Billion of US dollars)	15	...	...	...	...	...	...	... ...	...		
Nominal dollar GDP growth	2.1	6.4	7.7	6.3	6.0	7.1	8.4	8.8	8.6	**6.6**	**7.8**
Memorandum items:											
PV of external debt 7/	60.2	60.7	62.9	64.5	64.9	64.3	63.3	59.9	50.9		
In percent of exports	211.7	230.7	225.8	225.2	221.9	222.9	231.5	231.6	186.7		
Total external debt service-to-exports ratio	14.7	19.3	18.3	18.4	18.2	18.2	19.1	20.9	18.8		
PV of PPG external debt (in Billion of US dollars)	5.8	6.2	7.0	7.7	8.2	8.5	8.8	10.2	12.8		
(PVt-PVt-1)/GDPt-1 (in percent)		2.1	5.4	4.0	2.6	1.6	1.3	0.7	0.7		
Non-interest current account deficit that stabilizes debt ratio	3.5	11.6	7.9	7.7	5.6	7.1	6.6	9.7	7.3		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**No**





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

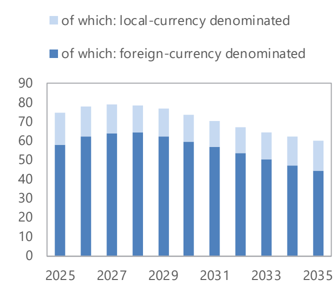
Table 2. Rwanda: Public Sector Debt Sustainability Framework, Baseline Scenario, 2024–45

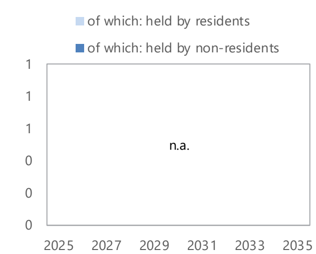
(In Percent of GDP, Unless Otherwise Indicated)

	Actual	Projections								Average 6/	
	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
Public sector debt 1/	74.2	75.0	77.7	79.1	78.8	77.0	73.8	60.1	45.4	**58.9**	**71.4**
of which: external debt	59.5	58.1	62.0	63.8	64.4	62.3	59.5	44.4	24.6	**45.2**	**56.6**
Change in public sector debt	4.2	0.7	2.7	1.4	-0.3	-1.7	-3.2	-2.1	-0.9		
Identified debt-creating flows	0.7	-0.9	1.1	-0.7	-1.8	-2.1	-2.7	-1.9	-0.9	**2.7**	**-1.7**
Primary deficit	4.8	3.5	5.0	3.5	1.7	1.4	0.8	0.9	0.5	**5.4**	**1.9**
Revenue and grants	21.0	19.6	20.3	20.8	21.2	21.2	21.1	22.5	22.1	**22.9**	**21.1**
of which: grants	3.9	2.6	2.4	2.2	2.3	2.0	1.7	0.7	0.7		
Primary (noninterest) expenditure	25.8	23.2	25.3	24.3	22.9	22.6	21.9	23.4	22.6	**28.3**	**23.0**
Automatic debt dynamics	-4.1	-4.4	-3.9	-4.1	-3.5	-3.5	-3.5	-2.8	-1.4		
Contribution from interest rate/growth differential	-6.6	-4.4	-3.9	-4.1	-3.5	-3.5	-3.5	-2.8	-1.4		
of which: contribution from average real interest rate	-1.8	0.4	1.2	1.4	1.6	1.5	1.4	1.1	1.4		
of which: contribution from real GDP growth	-4.7	-4.8	-5.1	-5.5	-5.0	-5.0	-4.9	-3.9	-2.8		
Contribution from real exchange rate depreciation	2.4	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0**
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	3.5	1.6	1.6	2.0	1.5	0.3	-0.5	-0.1	0.0	**1.7**	**0.4**
Sustainability indicators											
PV of public debt-to-GDP ratio 2/	55.3	56.1	57.6	58.4	57.6	56.3	53.7	45.6	37.2		
PV of public debt-to-revenue and grants ratio	264.1	285.6	283.6	280.7	271.7	265.6	254.9	202.5	168.3		
Debt service-to-revenue and grants ratio 3/	38.5	35.5	45.1	46.0	46.7	47.2	49.2	49.5	44.6		
Gross financing need 4/	12.9	10.5	14.1	13.0	11.5	11.4	11.2	12.0	10.4		
Key macroeconomic and fiscal assumptions											
Real GDP growth (in percent)	7.2	7.0	7.2	7.6	6.8	6.8	6.8	6.7	6.5	**6.8**	**6.9**
Average nominal interest rate on external debt (in percent)	2.1	2.3	2.3	2.4	2.8	2.9	2.7	2.3	1.5	**2.2**	**2.4**
Average real interest rate on domestic debt (in percent)	-7.6	3.7	5.6	7.2	6.9	7.0	6.9	6.9	8.1	**0.0**	**6.5**
Real exchange rate depreciation (in percent, + indicates depreciation)	4.8	...	...	...	...	...	...	...	...	**3.3**	**...**
Inflation rate (GDP deflator, in percent)	8.2	7.1	6.3	5.0	5.0	5.0	5.0	5.0	5.0	**6.6**	**5.3**
Growth of real primary spending (deflated by GDP deflator, in percent)	11.9	-3.9	17.1	3.3	0.5	5.6	3.7	7.9	-4.8	**5.6**	**6.1**
Primary deficit that stabilizes the debt-to-GDP ratio 5/	0.6	2.8	2.2	2.1	2.0	3.1	4.0	3.0	1.4	**3.8**	**3.1**
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**No**

Public sector debt 1/





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The entire public sector, including SOEs . Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

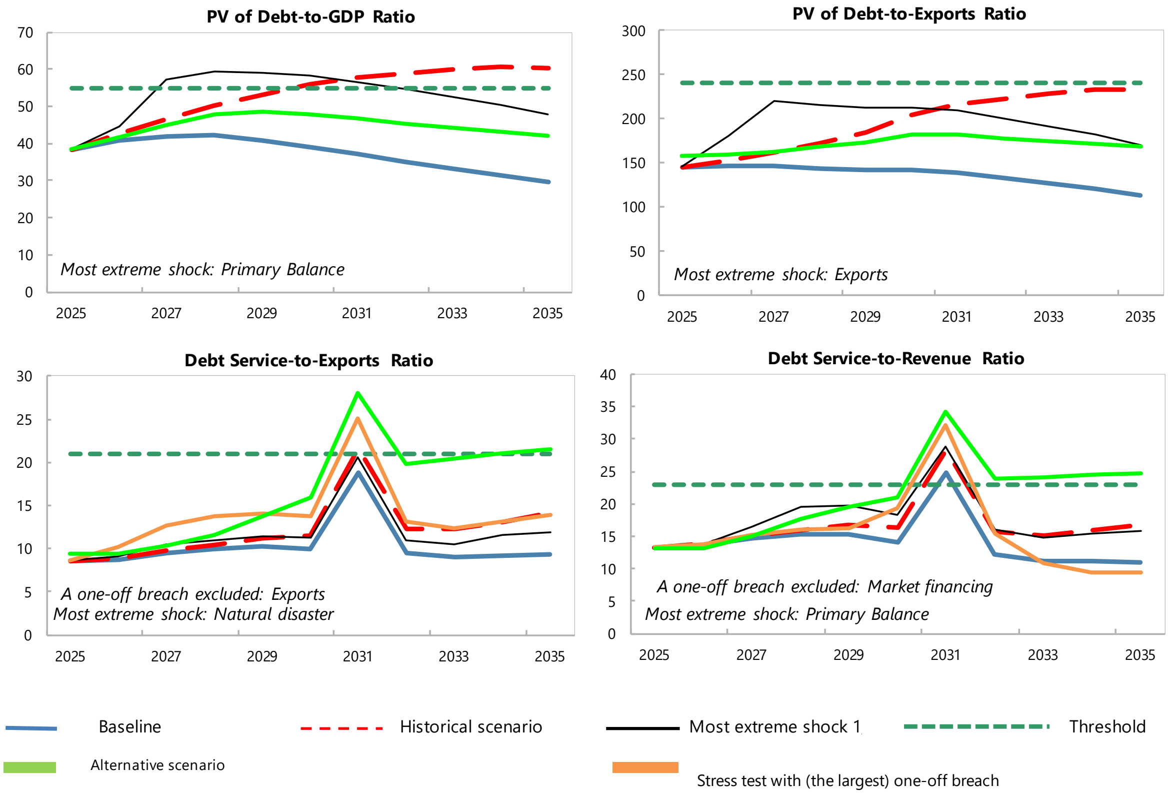
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Figure 1. Rwanda: Indicators of Public and Publicly-Guaranteed External Debt Under Alternative Scenarios, 2025–35 1/ 2/



Customization of Default Settings

Tailored Stress	Size	Interactions
Combined CL	Yes	
Natural disaster	Yes	Yes
Commodity price	n.a.	n.a.
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*

	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	2.3%	2.3%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	27	27
Avg. grace period	7	7

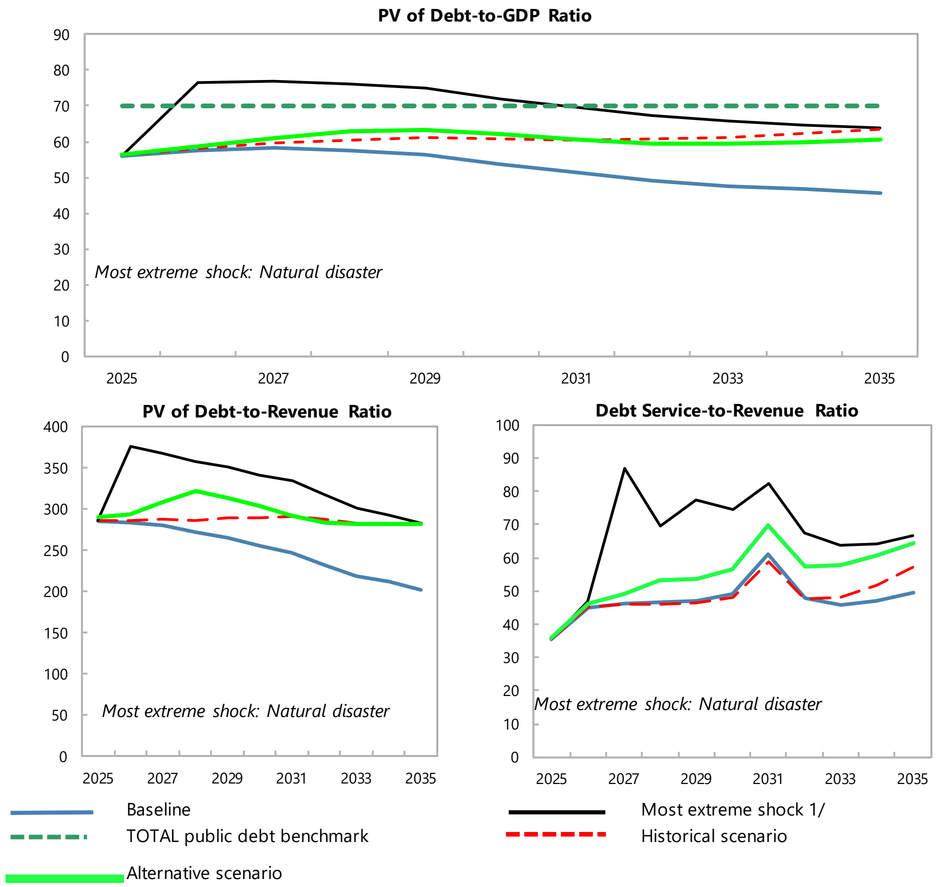
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 2. Rwanda: Indicators of Public Debt Under Alternative Scenarios, 2025–35 1/



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	36%	36%
Domestic medium and long-term	22%	22%
Domestic short-term	41%	41%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	2.3%	2.3%
Avg. maturity (incl. grace period)	27	27
Avg. grace period	7	7
Domestic MLT debt		
Avg. real interest rate on new borrowing	8.3%	8.3%
Avg. maturity (incl. grace period)	3	3
Avg. grace period	2	2
Domestic short-term debt		
Avg. real interest rate	4.9%	4.9%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Table 3. Rwanda: Sensitivity Analysis for Key Indicators of Public and Publicly-Guaranteed External Debt, 2025–35

(In Percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of debt-to GDP ratio											
Baseline	38	41	42	42	41	39	37	35	33	31	29
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	38	42	46	50	53	**56**	**58**	**59**	**60**	**60**	**60**
Alternative scenario	39	42	45	48	48	48	47	45	44	43	42
B. Bound Tests											
B1. Real GDP growth	38	43	48	48	47	44	42	40	38	36	34
B2. Primary balance	38	44	**57**	**59**	**59**	**58**	**57**	55	53	50	48
B3. Exports	38	43	49	49	48	46	43	41	39	37	34
B4. Other flows 3/	38	44	49	49	47	45	43	41	39	37	34
B5. Depreciation	38	51	49	49	48	45	43	41	39	37	35
B6. Combination of B1-B5	38	48	54	54	52	50	48	46	43	41	38
C. Tailored Tests											
C1. Combined contingent liabilities	38	42	44	44	43	42	40	38	36	34	32
C2. Natural disaster	38	47	51	52	52	51	49	48	46	44	43
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	38	45	47	47	46	44	41	39	36	34	32
Threshold	55	55	55	55	55	55	55	55	55	55	55
PV of debt-to-exports ratio											
Baseline	146	146	146	144	141	142	139	133	127	121	114
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	146	152	162	172	184	205	217	223	229	233	233
Alternative scenario	159	159	162	169	174	181	182	178	175	172	168
B. Bound Tests											
B1. Real GDP growth	146	146	146	144	141	142	139	133	127	121	114
B2. Primary balance	146	160	200	203	205	213	213	208	201	193	184
B3. Exports	146	180	220	216	212	213	209	200	192	181	170
B4. Other flows 3/	146	158	171	167	164	165	162	155	148	140	132
B5. Depreciation	146	146	136	133	131	132	129	123	118	112	106
B6. Combination of B1-B5	146	175	169	185	182	183	180	173	166	157	147
C. Tailored Tests											
C1. Combined contingent liabilities	146	151	154	152	151	153	151	145	139	132	125
C2. Natural disaster	146	169	176	176	179	185	185	181	177	171	164
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	146	146	147	145	143	143	139	131	125	118	112
Threshold	240	240	240	240	240	240	240	240	240	240	240
Debt service-to-exports ratio											
Baseline	9	9	10	10	10	10	19	9	9	9	9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	9	9	10	10	11	12	**22**	12	12	13	14
Alternative scenario	9	9	10	12	14	16	**28**	20	20	**21**	**21**
B. Bound Tests											
B1. Real GDP growth	9	9	10	10	10	10	19	9	9	9	9
B2. Primary balance	9	9	11	13	13	13	**22**	13	12	13	13
B3. Exports	9	10	13	14	14	14	**25**	13	12	13	14
B4. Other flows 3/	9	9	10	11	11	11	19	10	10	10	11
B5. Depreciation	9	9	10	10	10	10	19	9	9	9	9
B6. Combination of B1-B5	9	9	11	12	13	12	**22**	12	11	12	12
C. Tailored Tests											
C1. Combined contingent liabilities	9	9	10	10	10	10	19	10	9	10	10
C2. Natural disaster	9	9	10	11	11	11	21	11	11	12	12
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	9	9	10	10	11	14	**24**	12	9	8	8
Threshold	21	21	21	21	21	21	21	21	21	21	21
Debt service-to-revenue ratio											
Baseline	13	14	15	15	15	14	**25**	12	11	11	11
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	13	14	15	16	17	16	**28**	16	15	16	17
Alternative scenario	13	13	15	18	19	21	**34**	**24**	**24**	**25**	**25**
B. Bound Tests											
B1. Real GDP growth	13	15	17	18	18	16	**28**	14	13	13	13
B2. Primary balance	13	14	16	19	20	18	**29**	16	15	15	16
B3. Exports	13	14	15	17	17	15	**26**	13	12	12	13
B4. Other flows 3/	13	14	15	16	16	15	**26**	13	12	12	13
B5. Depreciation	13	17	19	19	19	17	**31**	15	14	14	13
B6. Combination of B1-B5	13	15	18	19	19	17	**29**	15	14	15	15
C. Tailored Tests											
C1. Combined contingent liabilities	13	14	15	16	16	14	**25**	13	12	12	12
C2. Natural disaster	13	14	16	17	17	16	**27**	14	13	14	14
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	13	14	15	16	16	19	**32**	15	11	9	10
Threshold	23	23	23	23	23	23	23	23	23	23	23

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Rwanda: Sensitivity Analysis for Key Indicators of Public Debt, 2025–35

(In Percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	56	58	58	58	56	54	51	49	48	47	46
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	56	58	60	61	61	61	60	61	61	62	64
Alternative scenario	56	59	61	63	63	62	61	59	59	60	60
B. Bound Tests											
B1. Real GDP growth	56	62	**70**	**71**	**72**	**71**	**70**	70	**70**	**71**	**71**
B2. Primary balance	56	59	65	63	62	59	56	54	52	51	50
B3. Exports	56	60	66	65	63	60	58	55	53	52	50
B4. Other flows 3/	56	61	66	65	63	60	57	55	53	52	50
B5. Depreciation	56	64	62	60	57	54	50	47	44	42	40
B6. Combination of B1-B5	56	57	62	61	60	58	56	54	52	51	50
C. Tailored Tests											
C1. Combined contingent liabilities	56	63	63	62	61	58	55	53	51	50	49
C2. Natural disaster	56	**77**	**77**	**76**	**75**	**72**	69	67	66	65	64
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	56	58	59	58	57	54	51	49	47	46	45
TOTAL public debt benchmark	70	70	70	70	70	70	70	70	70	70	70
PV of Debt-to-Revenue Ratio											
Baseline	286	284	281	272	266	255	247	232	219	211	203
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	286	285	287	286	289	289	291	287	282	283	283
Alternative scenario	290	293	308	322	314	304	291	284	281	282	281
B. Bound Tests											
B1. Real GDP growth	286	305	332	332	335	333	337	328	320	319	316
B2. Primary balance	286	293	310	299	292	280	271	255	240	231	221
B3. Exports	286	297	316	305	298	286	277	261	245	235	224
B4. Other flows 3/	286	301	315	305	297	285	276	260	245	235	224
B5. Depreciation	286	316	302	285	272	255	239	221	203	191	179
B6. Combination of B1-B5	286	283	297	289	284	275	268	254	240	232	224
C. Tailored Tests											
C1. Combined contingent liabilities	286	310	305	294	287	275	267	251	236	227	218
C2. Natural disaster	286	375	368	358	352	340	334	317	302	292	282
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	286	284	282	273	268	256	246	230	216	209	200
Debt Service-to-Revenue Ratio											
Baseline	36	45	46	47	47	49	61	48	46	47	49
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	36	45	46	46	46	48	59	47	48	52	57
Alternative scenario	36	46	49	53	54	57	70	58	58	61	64
B. Bound Tests											
B1. Real GDP growth	36	48	54	59	63	69	86	73	72	75	79
B2. Primary balance	36	45	51	57	55	57	68	53	50	51	53
B3. Exports	36	45	46	48	48	50	62	48	47	48	51
B4. Other flows 3/	36	45	47	48	48	50	62	48	47	48	51
B5. Depreciation	36	44	47	46	48	49	64	47	45	46	48
B6. Combination of B1-B5	36	44	48	49	50	53	66	52	50	52	55
C. Tailored Tests											
C1. Combined contingent liabilities	36	45	59	53	56	56	66	52	49	50	52
C2. Natural disaster	36	47	87	70	78	75	83	67	64	64	67
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	36	45	46	47	48	54	68	51	45	45	48

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

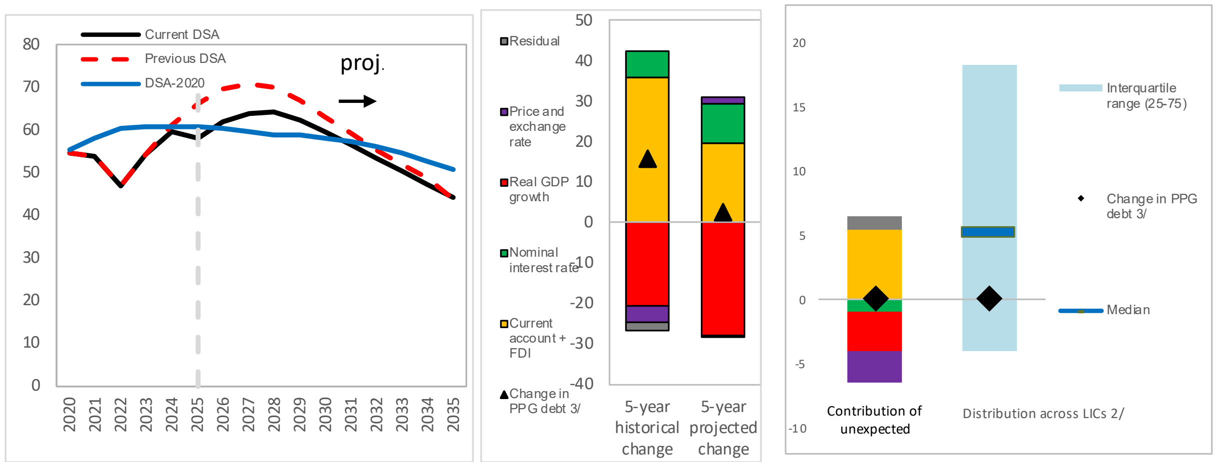
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Figure 3. Rwanda: Drivers of Debt Dynamics—Baseline Scenario[1/]

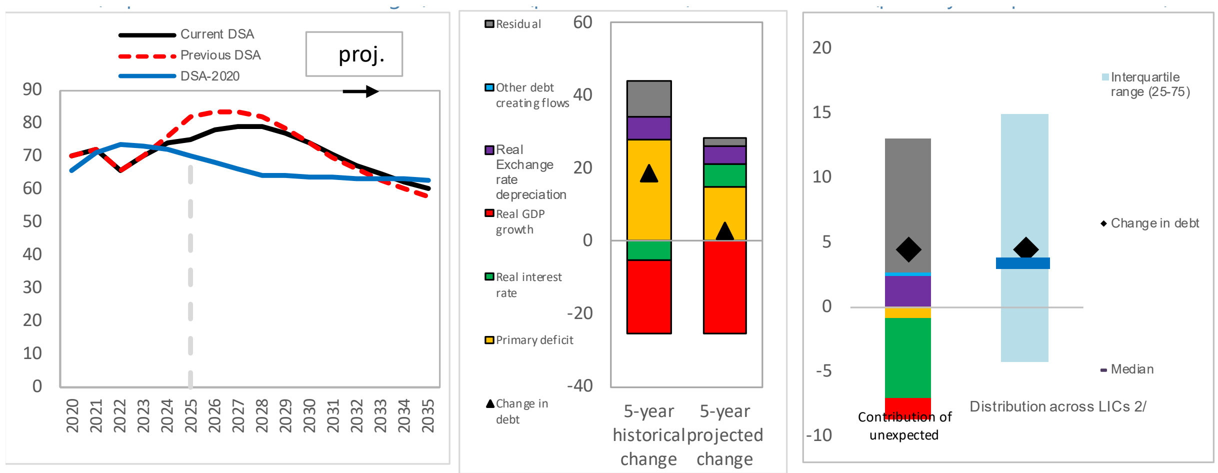
External Debt

Gross Nominal PPG External Debt (in percent of GDP; DSA vintages) | Debt-Creating Flows (percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



Public Debt

Gross Nominal Public Debt (in percent of GDP; DSA vintages) | Debt-Creating Flows (percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



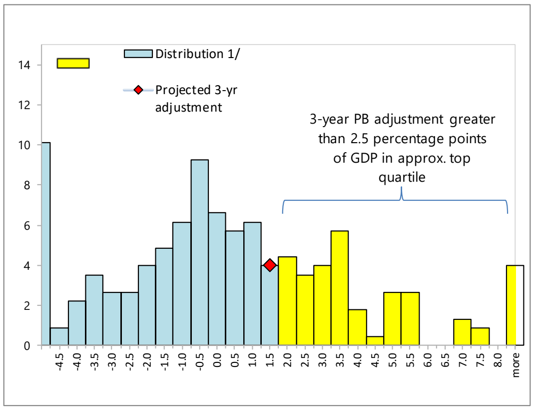
1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

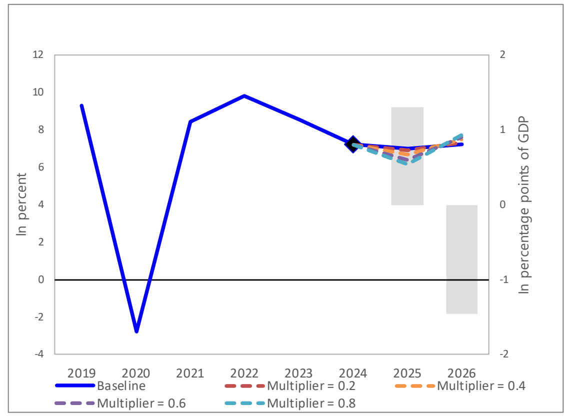
Figure 4. Rwanda: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



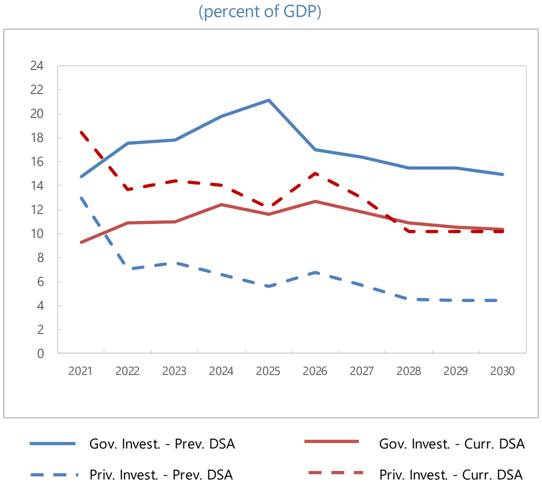
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP Growth
(percent, 5-year average)

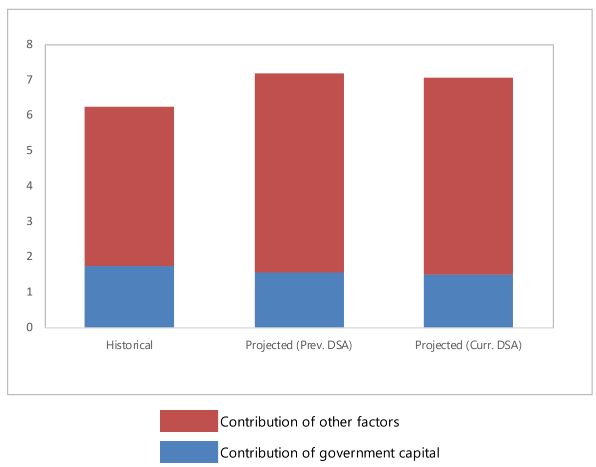
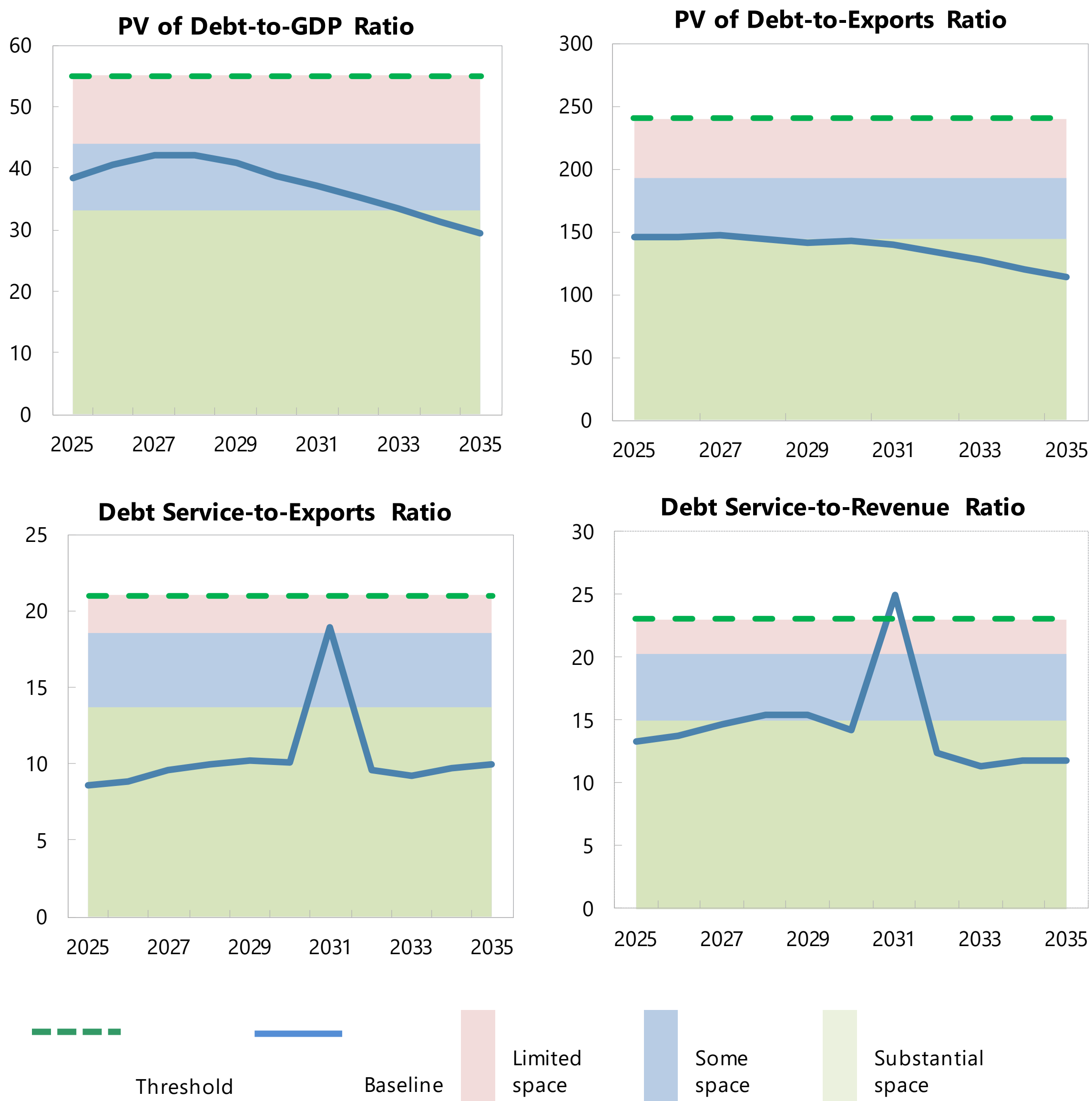


Figure 5. Rwanda: Qualification of the Moderate Category, 2025-2035 [1/]



Sources: Country authorities; and staff estimates and projections.

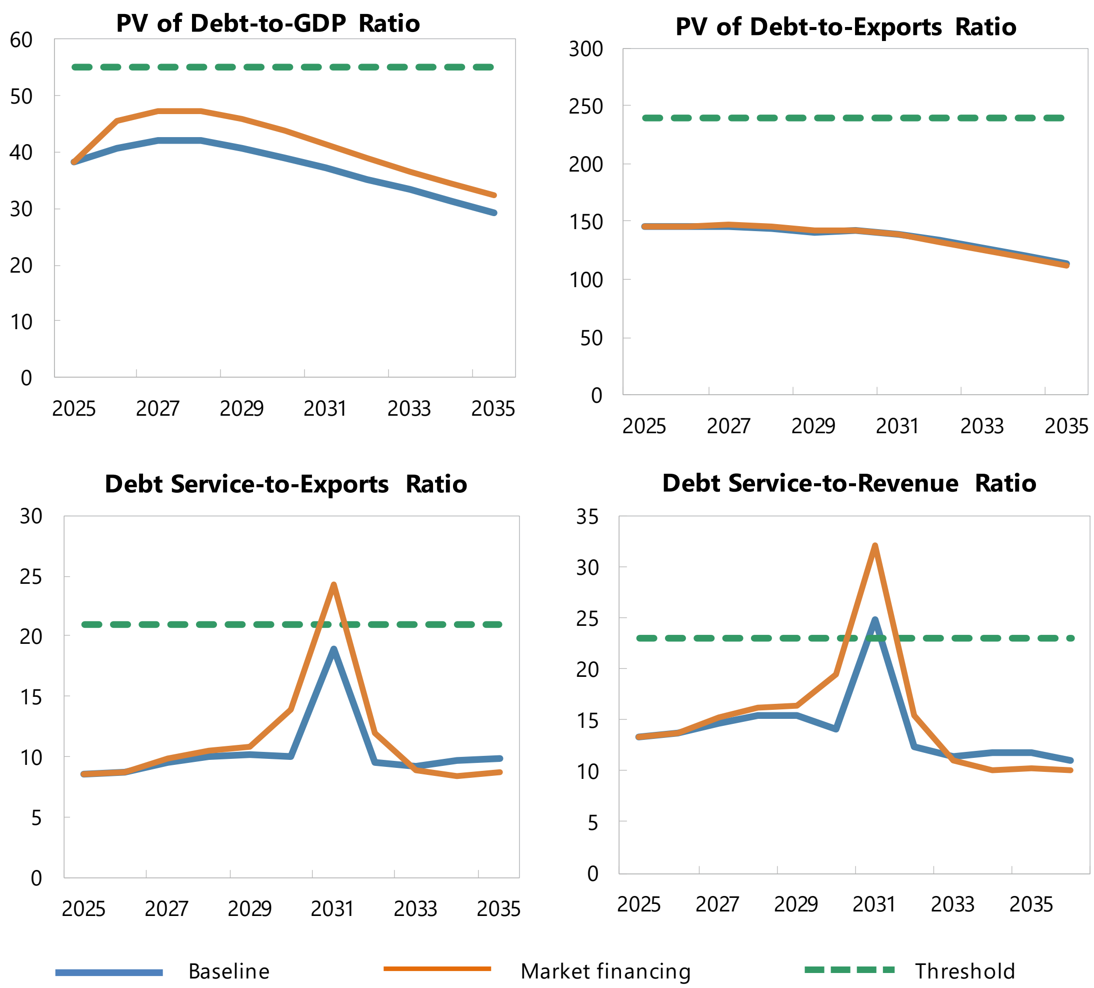
1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Figure 6. Rwanda: Market-Financing Risk Indicators

	GFN 1/	EMBI 2/
Benchmarks	14	570
Values	14	400
Breach of benchmark	Yes	No
Potential heightened liquidity needs	Moderate	

1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.

2/ EMBI spreads correspond to the latest available data.



Sources: Country authorities; and staff estimates and projections.

Table 5. Rwanda: Public Debt Decomposition, 2024–45

	Actual	*Projections*																				
Creditor profile	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Total, US$ mn	**10,689**	**11,566**	**12,909**	**14,072**	**14,883**	**15,682**	**16,363**	**16,973**	**17,615**	**18,381**	**19,331**	**20,322**	**21,407**	**22,564**	**23,787**	**25,048**	**26,414**	**27,817**	**29,441**	**31,220**	**33,318**	**35,138**
External, US$ mn	**8,567**	**9,115**	**10,410**	**11,417**	**12,227**	**12,752**	**13,257**	**13,115**	**13,515**	**13,887**	**14,190**	**14,485**	**14,779**	**15,067**	**15,340**	**15,651**	**16,006**	**16,413**	**16,907**	**17,487**	**18,136**	**17,231**
Multilateral creditors	*6,499*	*6,862*	*7,886*	*8,573*	*9,108*	*9,443*	*9,792*	*10,061*	*10,295*	*10,496*	*10,666*	*10,852*	*11,048*	*11,240*	*11,422*	*11,603*	*11,797*	*12,013*	*12,273*	*12,569*	*12,899*	*12,083*
IMF	807	804	760	707	613	508	424	363	332	327	308	275	241	208	175	142	108	75	42	14	0	0
World Bank	3,739	3,941	4,575	4,832	5,014	4,997	4,997	5,127	5,225	5,296	5,346	5,401	5,470	5,556	5,649	5,753	5,868	5,998	6,163	6,345	6,542	6,119
AfDB	1,237	1,354	1,542	1,719	1,945	2,157	2,451	2,531	2,610	2,686	2,754	2,830	2,902	2,962	3,016	3,061	3,110	3,161	3,219	3,293	3,380	3,150
Other Multilaterals	717	763	1,009	1,316	1,536	1,781	1,919	2,039	2,128	2,187	2,258	2,346	2,434	2,514	2,582	2,648	2,711	2,779	2,849	2,918	2,976	2,814
Bilateral Creditors	*1,083*	*1,261*	*1,403*	*1,524*	*1,736*	*1,913*	*2,075*	*2,173*	*2,265*	*2,354*	*2,430*	*2,505*	*2,584*	*2,671*	*2,762*	*2,865*	*2,975*	*3,100*	*3,237*	*3,388*	*3,548*	*3,276*
Paris Club	427	587	731	867	1,068	1,252	1,404	1,466	1,519	1,564	1,599	1,627	1,652	1,682	1,714	1,749	1,789	1,840	1,895	1,955	2,020	1,885
Non-Paris Club	655	674	672	657	668	661	671	707	746	790	831	878	932	989	1,048	1,116	1,186	1,260	1,342	1,433	1,528	1,391
Private Creditors	*984*	*993*	*1,121*	*1,320*	*1,384*	*1,397*	*1,389*	*881*	*954*	*1,038*	*1,094*	*1,128*	*1,147*	*1,156*	*1,156*	*1,182*	*1,233*	*1,300*	*1,396*	*1,530*	*1,689*	*1,872*
Bonds	620	620	620	620	620	620	620	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans	364	373	501	700	764	777	769	881	954	1,038	1,094	1,128	1,147	1,156	1,156	1,182	1,233	1,300	1,396	1,530	1,689	1,872
Domestic, US$ mn	**2,123**	**2,451**	**2,499**	**2,655**	**2,655**	**2,930**	**3,106**	**3,859**	**4,100**	**4,494**	**5,141**	**5,837**	**6,628**	**7,497**	**8,448**	**9,397**	**10,408**	**11,404**	**12,534**	**13,733**	**15,182**	**17,907**
Memo items:																						
Collateralized debt (US$ million)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral and collateralized debt																						
Multilateral debt, US$ mn	**6,499**	**6,862**	**7,886**	**8,573**	**9,108**	**9,443**	**9,792**	**10,061**	**10,295**	**10,496**	**10,666**	**10,852**	**11,048**	**11,240**	**11,422**	**11,603**	**11,797**	**12,013**	**12,273**	**12,569**	**12,899**	**12,083**
percent of external debt	75.9	75.3	75.8	75.1	74.5	74.0	73.9	76.7	76.2	75.6	75.2	74.9	74.8	74.6	74.5	74.1	73.7	73.2	72.6	71.9	71.1	70.1
percent of GDP[1]	45.1	43.8	47.0	47.9	47.9	46.1	43.9	41.4	38.9	36.5	34.1	31.9	29.8	27.9	26.1	24.4	22.8	21.4	20.1	19.0	17.9	15.5
IMF and World Bank	*4,546*	*4,744*	*5,335*	*5,539*	*5,627*	*5,505*	*5,421*	*5,490*	*5,557*	*5,623*	*5,654*	*5,676*	*5,711*	*5,764*	*5,824*	*5,894*	*5,976*	*6,073*	*6,205*	*6,358*	*6,542*	*6,119*
percent of external debt	53.1	52.0	51.2	48.5	46.0	43.2	40.9	41.9	41.1	40.5	39.8	39.2	38.6	38.3	38.0	37.7	37.3	37.0	36.7	36.4	36.1	35.5
percent of GDP[1]	31.6	30.3	31.8	31.0	29.6	26.9	24.3	22.6	21.0	19.5	18.1	16.7	15.4	14.3	13.3	12.4	11.6	10.8	10.2	9.6	9.1	7.8
AfDB	*1,237*	*1,354*	*1,542*	*1,719*	*1,945*	*2,157*	*2,451*	*2,531*	*2,610*	*2,686*	*2,754*	*2,830*	*2,902*	*2,962*	*3,016*	*3,061*	*3,110*	*3,161*	*3,219*	*3,293*	*3,380*	*3,150*
percent of external debt	14.4	14.9	14.8	15.1	15.9	16.9	18.5	19.3	19.3	19.3	19.4	19.5	19.6	19.7	19.7	19.6	19.4	19.3	19.0	18.8	18.6	18.3
percent of GDP[1]	8.6	8.6	9.2	9.6	10.2	10.5	11.0	10.4	9.9	9.3	8.8	8.3	7.8	7.4	6.9	6.4	6.0	5.6	5.3	5.0	4.7	4.0
Other Multilateral	*717*	*763*	*1,009*	*1,316*	*1,536*	*1,781*	*1,919*	*2,039*	*2,128*	*2,187*	*2,258*	*2,346*	*2,434*	*2,514*	*2,582*	*2,648*	*2,711*	*2,779*	*2,849*	*2,918*	*2,976*	*2,814*
percent of external debt	8.4	8.4	9.7	11.5	12.6	14.0	14.5	15.6	15.7	15.7	15.9	16.2	16.5	16.7	16.8	16.9	16.9	16.9	16.9	16.7	16.4	16.3
percent of GDP[1]	5.0	4.9	6.0	7.4	8.1	8.7	8.6	8.4	8.0	7.6	7.2	6.9	6.6	6.2	5.9	5.6	5.2	4.9	4.7	4.4	4.1	3.6
Collateralized debt, US$ mn	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*

1/ debt as percent of GDP is calculated by authorities based on debt and GDP values in RwF