HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

RWANDA

Fiscal Transparency Evaluation Update

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Rwanda: Fiscal Transparency Evaluation Update

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The ***High-Level Summary Technical Assistance Report*** series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: This report updates Rwanda's 2019 Fiscal Transparency Evaluation. Rwanda has advanced fiscal transparency notably since 2019, especially in fiscal risk analysis and management, supported by the 2022 Organic Law for Public Financial Management and accrual accounting transition. Budget documents better align with fiscal policies and national strategies, and Fiscal Risk Statements have improved risk disclosure. However, gaps persist, with fiscal reports still prepared on the general government level only and unreconciled fiscal data particularly due to classification differences. Public sector net worth declined over the period as the government increased borrowing to respond to successive shocks and support economic resilience, alongside rising pension liabilities. Recommendations focus on expanding fiscal data coverage, enhancing budget documents and the reconciliation of successive fiscal forecasts, and strengthening fiscal risk management to improve accountability and resilience.

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Background

Following a request from the Government of Rwanda, the FTE update for Rwanda was conducted by the IMF's Fiscal Affairs Department in September 2025. The evaluation builds on the 2019 FTE and is aligned with the IMF's Fiscal Transparency Code, focusing on the three pillars of fiscal reporting, fiscal forecasting and budgeting, and fiscal risk analysis and management. The mission engaged extensively with officials from the Ministry of Finance and Economic Planning, line ministries, parliamentary committees, the Auditor General, the National Bank of Rwanda, public corporations, and development partners to assess Rwanda's fiscal transparency practices and reforms.

The evaluation is important in the context of Rwanda's evolving fiscal landscape, marked by increased public debt, exposure to external shocks such as the COVID-19 pandemic, natural disasters, and ambitious public investment projects including large-scale PPPs. Enhancing fiscal transparency supports better policy formulation, execution, and monitoring, thereby strengthening fiscal discipline, accountability, and public trust.

Summary of Findings

Rwanda has made notable progress in fiscal transparency since 2019, particularly in fiscal risk analysis and management. The adoption of the Organic Law for Public Financial Management in 2022 and the ongoing transition to accrual accounting have improved fiscal reporting coverage and internal consistency. The budget documents now better reflect fiscal policy objectives and include performance budgeting linked to national development strategies. The publication of the Fiscal Risk Statement since 2020 has enhanced the disclosure and analysis of macroeconomic and specific fiscal risks, including from public corporations, climate change and natural disasters.

Despite substantial progress, gaps persist. Comparability remains limited, with discrepancies and unreconciled differences among fiscal reports, as well as the absence of reconciliations between successive forecasts—which are not compared to independent forecast—or historical revisions. Transparency beyond the budgetary central government is limited due to current data coverage with insufficient reporting on public corporations, public-private partnerships, and subnational governments, alongside minimal and non-transparent contingency provisions. Public investment is high, averaging above 10 percent of GDP in recent years, but cost-benefit analyses and total project costs are not yet reported.

The public sector's net worth has declined. From fiscal year 2017/18 to 2023/24, public sector net worth declined from 63 percent of GDP to 48 percent, reflecting the impact of successive global and domestic shocks that led to higher public borrowing and increased pension-related liabilities, while continued public asset accumulation helped partly offset these pressures. Public debt increased from 55.9 percent of GDP in 2019 to an estimated 73.6 percent by end-2025. Public corporations, which hold liabilities equivalent to 31.6 percent of GDP, pose substantial fiscal risks, with subsidies amounting to 15 percent of tax revenue. The portfolio of signed public private partnerships is large and expanding, notably with the New Kigali International Airport project representing 17.3 percent of GDP, yet fiscal exposure is not fully covered.

Summary of Recommendations

Expanding the coverage and consistency of fiscal data underpins transparency and accountability. This involves broadening the range of public sector entities included in fiscal statistics to comprehensively cover assets, liabilities, transactions, and economic flows related to public-private partnerships, civil service pensions, tax receivables, and natural resources. Strengthening internal data consistency through improved reconciliation between financing and debt stock changes, and reintroducing administrative classifications, as well as reconciliations of main fiscal aggregates and balances, will make fiscal reports more comparable and reliable.

Better budgeting and forecasting practices are critical for more informed fiscal decision-making and public debate. Adopting regulations to support the 2022 Organic Law on Public Financial Management will help formalize key areas such as budgetary contingencies and reporting on all internally generated revenues. Improvements in budget documentation should include clearer presentation and reporting on fiscal policy objectives, as well as reconciliation between successive fiscal forecasts to improve transparency on budget assumptions and revisions. Over time, enhanced information on public investment projects, including the publication of cost-benefit analyses and total project costs, will provide more insight into government spending priorities and investment efficiency.

Robust fiscal risk analysis and management are necessary to safeguard public finances against uncertainties. The Fiscal Risk Statement should be expanded to cover a wider range of risks, including those related to on-lending and investment projects, while improving the quantification of risks covered. Greater transparency is also needed regarding public corporations' financial performance through annual reporting, supported by internal oversight structures. Disclosure on public private partnerships and government guarantees should be strengthened through more comprehensive reporting of risks and better risk evaluation throughout their life cycle. Lastly, an identifiable budget contingency allocation should be established and its use regularly disclosed, enhancing fiscal resilience to unexpected shocks.

The recommended reforms provide a clear roadmap for Rwanda to enhance fiscal transparency, accountability, and resilience. Some reforms can deliver quick wins and others require more sustained improvements. In the near term, the government should prioritize adopting the public financial management regulations, consider reintroducing the administrative classification of expenditure in budget execution reports while taking into account the current focus of the National Strategy for Transformation, and update the Public Sector Institutional Table. Subsequently, enhancing the Budget Framework Paper and Fiscal Risk Statements will significantly improve budget credibility and risk preparedness.