International Monetary Fund

Rwanda and the IMF

Press Release:
IMF Executive Board Approves US$204 Million Stand-by Credit Facility for Rwanda and Completes Fifth PSI Review

June 8, 2016

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Rwanda: Letter of Intent, Memorandum of Economic Financial Policies, and Technical Memorandum of Understanding

May 25, 2016

The following item is a Letter of Intent of the government of Rwanda, which describes the policies that Rwanda intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Rwanda, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.

Letter of Intent

May 25, 2016

Ms. Christine Lagarde
Managing Director
International Monetary Fund
700 19th Street, N.W.
Washington, D.C., 20431

Dear Ms. Lagarde,

In 2015 although growth was resilient, falling just shy of projections to 6.9 percent, an unanticipated external shock to Rwanda's main commodity export begun to unfold in the latter half of the year 2015, that has continued into 2016. A sharp drop in mineral prices and in global demand for those products has resulted in an unexpected significant loss of export receipts and this has posed a serious issue for international reserves of the banking system. Reserve assets fell for the second successive year in 2015, reaching only an estimated 3.6 months in next year's import and this is projected to fall to a low of 2.5 in 2017. In the face of these serious challenges, growth is expected to slow down to 6 percent in 2016 and 2017. Inflation is projected to stay well contained as the Government of Rwanda puts in place a series of policies to cope with these shocks, including monetary and fiscal tightening starting in the forthcoming fiscal year, as well as reforms to bolster the external position of the country in the medium-term. The combination of these strategies should mean that there is far less external strain on the Rwandan economy in the medium term.

To assist in this effort the Government of Rwanda requests an eighteen month arrangement under the Standby Credit Facility (SCF) with total access of 90 percent of Rwanda's IMF quota (SDR 144.18 million) which would work in conjunction with the Policy Support Instrument (PSI) to augment the reserves of the National Bank of Rwanda (BNR). This will enable the Government of Rwanda to continue to ensure macro-economic stability and thereby focus on its goals for sustainable growth and poverty reduction.

The Government of Rwanda requests the completion of the fifth review under the PSI program and the approval of the SCF arrangement. We also request extension of the current PSI program ending in November of this year to December 2017, so that potentially a successor PSI program could be negotiated after expiration of the SCF arrangement in December 2017. We also request minor changes to modify program conditionality to strengthen program monitoring.

Program performance under the new PSI has been strong. All end-December 2015 quantitative assessment criteria (QAC) and all but one end-December 2015 indicative targets (IT) were met. However, regarding the structural benchmarks (SB), all have been met but the publication of the quarterly report on budget execution was delayed. We reiterate our commitment to start publishing it within 60 days after the end of the quarter.

The government believes that the policies and measures set forth in the attached MEFP will deliver the objectives of the PSI and SCF-supported programs but we will take any further measures that may become appropriate for this purpose. The Government will consult with the IMF - at its own initiative or whenever the Managing Director of the IMF requests such a consultation - before the adoption of any such measures or changes to the main policies described in the attached MEFP.

The government will provide the IMF with such information as the IMF may request in connection with the progress made in implementing the economic and financial policies and achieving the objectives of the programs. The sixth review of the PSI and the first review of the SCF will take place before end-December 2016, and the seventh review of the PSI (second review of the SCF) is expected before end-June 2017.

The Government of Rwanda authorizes the publication and distribution of this letter, its attachments, and all reports prepared by the IMF staff.

Sincerely,

/s/	/s/
Claver Gatete	**John Rwangombwa**
Minister of Finance and Economic Planning	Governor, National Bank of Rwanda

Memorandum of Economic and Financial Policies

May 25, 2016

I. Introduction

This MEFP reviews performance under the PSI-supported program through end-December 2015 and discusses the macroeconomic outlook and policies of the Government as part of the request for an eighteen-month arrangement under the Standby Credit Facility (SCF). It also lays out proposed modified quantitative targets for end-June 2016, new targets for end-December 2016 and end-June 2017, and structural benchmarks through end-September 2017.

II. Recent Economic Developments and Performance Under the PSI through end-2015

Growth and Inflation

1. **GDP in 2015 grew by 6.9 percent,** propelled by manufacturing, construction, and services, which grew by 7.5, 9.9, and 7 percent respectively. In the agricultural sector, export crops performed strongly, while food crops stagnated, possibly as a result of last year's El Niño. The mining sector faced four consecutive quarters of decline and experienced a cumulative drop by 8.8 percent. On the expenditure side, final consumption increased by 6.7 percent.

2. **Inflation** continues to remain contained and has now been below the medium-term target of 5 percent for more than two years, averaging 2.5 percent for 2015. In recent months, inflation has increased, reaching a peak of 4.8 percent in November (y-o-y) before moderating to 4.6 percent in March. This mostly reflects higher food prices, particularly vegetables, where inflation reached 10.5 and 22.5 percent in November respectively. Though the exchange rate pass through is low in Rwanda, recent pressure on the FRW/US$ exchange rate has led to a small increase in imported inflation, rising from 1 percent in November 2015 to 2.3 percent in February 2016.

Budget execution

3. Tax revenue exceeded the end-December target by RWF 20.4 billion largely due to import taxes on account of higher imports from non-EAC countries and exchange rate depreciation against these countries. Higher domestic consumption of excisable products, notably beer and soft drinks, and improved VAT collections through increased use of the electronic billing machines also contributed to this good performance as well as some 'one-off' collections from arrears in excise taxes.

4. Concerning external financing, both budgetary loans and grants registered small shortfalls due to delayed disbursement of EU and AfDB budget support. Total expenditure and net lending in the first half of the 2015/16 Fiscal Year amounted to RWF 828.0 billion (14.2 percent of GDP), exceeding the target by 1.1 percent. This was due to the hiring of additional teachers for primary and secondary schools, new and vocational training staff as well as doctors and nurses for the health

sector. Expenditure on transfers was lower than expected due to lower outlays on local government which have been shifted into the first half of 2016. Exceptional expenditure of RWF 77 billion exceeded the target of RWF 34.1 billion as a result of front loading of spending on Peace Keeping Operations which was fully financed with reimbursements from the UN. Domestically financed projects recorded an amount of RWF 438.4 billion (7.5 percent of GDP), marginally higher than projected. Net lending was substantially lower due to slower project execution, but is expected to increase in the second half of the fiscal year. The overall fiscal deficit in the first half of the fiscal year was therefore slightly higher than projected, and net domestic financing was also slightly higher than envisaged.

Debt developments

5. Rwanda's total Public and Publicly Guaranteed debt stood at 35.2 per cent of GDP as of end 2015. Despite the adverse effect of the US dollar appreciation on debt to GDP ratios, Rwanda's external debt remains sustainable and its risk status remains low. External debt (both concessional and non-concessional) accounts for the largest share of debt at 26.2 per cent of GDP while domestic debt (including domestic guarantees) accounts for 8.7 per cent of GDP. The increase in external debt is mainly driven by budgetary loans (IDA and AfDB) and debt owed by RwandAir and Rwanda Energy Group.

External developments

6. The current account of the balance of payments deteriorated substantially from a deficit of USD 945.4 million in 2014 to USD 1,098.7 million in 2015 as the balances for services and income all worsened. The decline in minerals exports was partly offset by other export categories, in particular coffee and tea, and the decline of the international fuel price, which reduced import values for energy and lubricants. Capital grants declined, leading to a deterioration in the capital account balance by more than USD 100 million in 2015, while the financial account balance recorded a net borrowing of USD 719.7 due to higher external borrowing for both public and private projects as well as increasing in foreign direct investment.

7. Since 2012, the foreign exchange market has been under increased pressure from higher imports supporting high economic growth. In addition, the global strengthening of the US dollar and contagion from high depreciation of regional currencies has raised the annual depreciation in Rwanda to 7.6 percent, the highest level in the last 10 years. Pressures from the worsening current account balance have also led to a drop of international reserves for a second year in a row. By the end of 2015 reserves in months of imports of goods and services was down to 3.6 months from 4.8 months at the end of 2013. There was also substantial pressure on commercial banks who saw their net foreign assets decrease by 70.5 percent to 30.9 RWF billion at end December 2015.

Monetary and financial sector developments

8. Throughout 2015, the Monetary Policy Committee (MPC) kept the policy rate at 6.5 percent to support the financing of the private sector by the banking system and ensure positive real interest rates. Broad money grew by 20.9 percent at end-December 2015, compared to 19.0 percent during 2014, driven mainly by increases in credit to government and the private sector, with an offset from net foreign assets. The accommodative monetary policy and ample liquidity in the banking system helped credit to private sector to grow by 26.7percent in 2015.

9. The BNR continues its efforts to strengthen the channel of transmission whereby policy interest rates influence market interest rates and inflation. While significant progress has been achieved, there is still room for improvement, particularly as regard development of an interbank market and a secondary market for government securities. The flexibility introduced in the reserve money program (use of a reserve money band) in 2012 has contributed to improving liquidity management in the banking system and to the development of the interbank market. It has also created more flexibility in money market rates, which have started to move closer to the central bank rate (KRR) over the past year. This development is important and will need to be sustained as BNR is planning to move from reserve money to a more price based monetary policy by 2018, in line with EAC requirements.

Developments in financial sector soundness and stability indicators

10. Rwandan financial soundness indicators suggest a banking system in sound health at end December 2015.

a. Banks are well capitalized and liquid, and asset quality continues to improve, with CARs significantly above the prudential level of 15 percent. The ratio of liquid assets to total deposits stood at 45.9 percent as at December 2015, far above the regulatory minimum of 20 percent. The non-performing loan ratio (NPLs) of the banking industry, while increasing slightly in December 2015, remains on a downward trend, having declined from 8 percent in 2011 to 6 percent in 2015. Profits of the financial sector continued to grow in 2015 as reflected in the table below.

b. The BNR adopted more financial stability analytical tools in 2015. The CIHAK stress-testing framework was adopted in mid-March 2015. The results of this framework were discussed in the financial stability committee of March 2016. Other financial stability analytical tools include the composite financial stability index and identification of systemically important banks—using the Basel framework.

c. Between September and December 2015, the BNR board approved the regulation implementing the deposit guarantee fund and two pension regulations. BNR has also reviewed the insurance law as to focus on a risk based capital model. The implementing regulations are being worked on. Banks and MFIs are also being required to disclose key information on loans. In line with the Basel II/III implementation, a dedicated directive was issued in October 2015 and parallel use of the two systems started in November 2015.

Performance Indicators for the Banking System and Microfinance Sector

	Dec-14	Dec-15
Banks		
Capital / Risk Weighted Assets *(Min 15%)*	24%	22.5%
Liquid assets to total deposits *(Min 20%)*	48.7%	45.9%
Non-Performing Loans (NPLs)	6%	6.2%
ROA	1.9%	2.1%
ROE	10.5%	11.2%
Microfinance		
Capital / Risk Weighted Assets (Min 15%)	33.2 %	31.1 %
Quick liquidity ratio (liquid assets/current liabilities: with min 30%)	87%	89.6%
Non-Performing Loans (NPLs)	7%	7.9%
ROA	3.1%	3.3%
ROE	9.5%	10.5%

Program Performance

11. Performance against end-December 2015 quantitative targets under the PSI, Program performance under the new PSI has been strong. All end-December 2015 quantitative assessment criteria (QAC) and indicative targets (IT) were met, with exception of the indicative ceiling on net domestic financing, which was exceeded slightly due to higher than expected repayment of arrears. All structural benchmarks (SB) were met on time, except the publication of the quarterly report on budget execution which was met with a delay. We reiterate our commitment to start publishing it within 60 days after the end of the quarter.

III. Macroeconomic Outlook and Policies for 2016 and the Medium Term

12. Whilst economic growth in the medium term is expected to remain relatively stable, imbalances in the external sector are expected to be a drag on growth in the shorter term. The source of the external sector imbalance is a shock to the global prices of minerals, which accounted for 34 percent of Rwanda's exports in 2014. This shock, combined with increasing demand for imports are placing pressure on Rwanda's reserves position. As such Rwanda is requesting financing under the IMF's Standby-Credit Facility to ensure that reserves stay above the critical level of three months of imports. The external financing need is expected to only be temporary as Rwanda's exports transform from predominantly raw commodities to more manufacturing, processed commodities and meetings, incentives, conferences and events (MICE) tourism.

13. Rwanda is committed to make policy adjustments to mitigate the effects of external pressures:

a. The principal adjustment mechanism is expected to be the exchange rate which will be allowed to continue to depreciate in the coming years. In conjunction with the expected depreciation BNR will implement a more prudent monetary policy to address pressures on exchange rate;

b. BNR will continue improving the management of liquidity within the current monetary framework to ensure that money market rates are more aligned to the key policy rate (KRR) and the interbank market continues to be developed. These policies are key steps in preparation for the use of the interest rate as the operational tool for monetary policy planned for by end 2018;

c. Fiscal policy is also withdrawing stimulus substantially from the beginning of fiscal year 2016/17. The overall deficit is projected to decline by half a percentage point of GDP compared to the 4^{th} PSI review to stand at 3.9 percent of GDP in 2016/17 and 3.3 percent of GDP in FY2017/18, 1 percentage point of GDP lower than projected in the 4^{th} review. Since much of the government's spending has already been committed through contracts with international organisations, this is a significant fiscal adjustment;

d. The government is also implementing extensive medium term measures to address external imbalances as laid out in the latest national export strategy. These will focus on transforming and expanding tourism in Rwanda, broadening the manufacturing base and ensuring that more commodities exported from Rwanda are processed domestically.

Real sector

14. The Government expects the Rwandan economy to slow to 6 percent growth in 2016 and 2017, from 6.9 percent in 2015. The temporary moderation in growth reflects lower growth in agriculture (especially export crops), a small drop in the terms of trade, and the adjustment measures being undertaken to address external imbalances. Growth in 2018-19 is expected to return to 7 percent. Growth in construction, manufacturing industry, and services is projected to be in the 6½ -7 percent range, with utilities well above that. Construction remains buoyant due to private sector investment and new road construction. Manufacturing and utilities are boosted by recent investments (including in industrial zones and new utility operations). Services continue to be led by real estate activities, financial services, and ICT, while transport services are boosted by the expansion of the Rwanda Air fleet. Mining output will continue to drop in 2016 because of depressed international prices. Agricultural growth is projected at just 4.3 percent in 2016, as the increase in food crops is not enough to offset the decline in export crops in 2016. A pick-up in export crops should bring agricultural growth back to 5 percent in 2017.

Inflation

15. The monetary authorities intend to contain inflation (end-period CPI) at 4.7 percent in 2016 and at or below 5 percent for the next three years. The projected drop in import prices in foreign currency in 2016 should help mitigate inflation this year. But in later years, a pick-up in import prices combined with exchange rate flexibility should lead to somewhat higher CPI inflation, despite the NBR's very cautious monetary policy stance.

Fiscal policy

16. Total expenditure and net lending of RWF 1,785 billion (29 percent of GDP) in the revised budget for fiscal year 2015/16 was slightly higher than in fiscal year 2014/15. Similarly, total revenue and grants were also higher at RWF 1,478.9 billion (24.1 percent of GDP) than in fiscal year 2014/15. The revision of the fiscal year 2015/16 budget responded to the front loading of some donor budget support funds which increased available resources. Since implementation of the revised budget is far advanced, it is very difficult to change the fiscal policy stance before the end of this fiscal year. The overall deficit (on cash basis) of the revised 2015/16 budget of RWF 332.6 billion (5.4 percent of GDP) is only 0.1 percent of GDP higher than the deficit registered in fiscal year 2014/15.

a. Fiscal policy in 2016/17 and 2017/18 is guided by the need to address the external shocks hitting the Rwandan economy. The policy stance is based on reducing the foreign exchange component of the budget and thereby compressing imports and relieving the pressure on external reserves. The Government expects to achieve this objective through greater domestic revenue mobilization and prioritizing expenditures.

b. The limited revenue adjustment reflects the effects of lower economic growth in response to the external shocks. Tax revenue collections are projected to rise only modestly in 2016/17 to 16 percent of GDP from 15.9 percent in fiscal year 2015/16. Increased yield from the fuel levy is contributing to the projected improvement since the revenue from other sources, notably from taxes on international trade, is only projected to rise marginally as policies are put in place to reduce imports. The lower than previously projected tax to GDP ratio also reflects the delay in implementing the property tax reform as a study was commissioned to assess the merits of a 1 percent property value tax. We are incorporating recommendations from the study and expect to resubmit the draft law on property tax to cabinet for approval by end June 2016.

c. Total expenditure and net lending for 2016/17 is projected at RWF 27.1 percent of GDP compared to 29 percent of GDP in 2015/16. This amount is RWF 38.9 billion (equivalent to 0.6 percent of GDP) lower than projected in the 4th PSI review, reflecting prioritization of spending in response to the external shock.

d. The adjustment is achieved by compressing spending in areas where there are no prior commitments. With the exception of some priority projects in line with EDPRS 2, no new projects are being undertaken in this fiscal year. Regarding domestic capital expenditure, compression of spending excludes projects and programs being funded with Global Fund grants in the health sector (HIV Aids, Tuberculosis and Malaria). Spending under domestic capital (excluding Global Funds projects) declines sharply in 2016/17 showing a compression of RWF 102.1 billion equivalent to 1.5 percent of GDP.

e. The overall deficit, including grants and on a cash basis, is projected at 3.9 percent of GDP in 2016/17. This is down by 0.5 percentage points compared to the 4th PSI review projections and 1.5 percentage points compared to 2015/16 budget. This tighter fiscal policy stance is expected to reduce the import bill and reduce the pressure on external balances.

17. The Fiscal policy stance for FY 17/18 is expected to remain prudent. Total revenue and grants are projected at 23 percent of GDP, of which 4.9 percent of GDP) comprise grants. Tax revenue is projected to rise by RWF 126.2 billion compared to 2016/17. While the amount in RWF is lower by RWF 16.8 billion than in the 4th review, GDP is also lower due to the impact of adjustment policies, and the tax to GDP ratio, at 16.0 percent, is actually higher than projected in the 4th review.

18. Total expenditure and net lending for fiscal year 2017/18 is projected at 26.1 percent of GDP which in nominal terms is RWF 100.2 billion lower than the amount projected in the 4th review (26.6 percent of GDP). The projections for fiscal year 2017/18 will result in an overall cash deficit (including grants) of 3.3 percent of GDP compared to 4.2 percent of GDP projected in the 4th review.

19. Fiscal policy over the medium term will continue to aim at fiscal consolidation through revenue mobilization and expenditure prioritization to reduce the fiscal gap and reliance on external funds. Prudent management of the fiscal gap will also ensure prudent borrowing such that the total debt in the medium to long term continues to be sustainable.

Debt dynamic in the medium term

20. Although Rwanda's Public and publicly guaranteed debt remain at low risk of debt distress, lower exports and private inflows combined with still high public investment imports are leading to growing pressure on the balance of payments and foreign exchange reserves. To address the external imbalances and maintain a low risk status, the government is putting in place quick measures to promote export diversification and import substitution, in the near term. Meanwhile, debt policy going forward will maximize the contracting of concessional and semi-concessional loans. In addition, the government will ensure that it borrows prudently and with advantageous terms, while continuing to promote the domestic debt market, thereby reducing its forex risk exposure.

Summary Table on New External Borrowing Program for 2016	
PPG external debt contracted or guaranteed	Volume of new debt, US$ million 1/
Sources of debt financing	**303**
Commercial terms 2/	303
Uses of debt financing	**303**
RwandAir and KCC	303

1/ Contracting and guaranteeing of new debt in nominal terms. All multilateral and bilateral debt in the central government's budget for 2016 related to disbursements of previous contracted loans.
2/ All commercial debt is central government guaranteed debt related to RwandAir and the Kigali Convention Center (KCC).

Structural reforms

21. New structural measures proposed to support attainment of quantitative targets and improvement in the fiscal reporting include:

a. We are in the process of putting in place concrete monitoring systems to ensure periodic accurate reporting on project grants disbursements and utilization of proceeds from the project accounts. This will enable more timely fiscal reporting with reduced discrepancies between the fiscal and the monetary numbers. We will set up a framework for recording donor project support disbursement and use of funds in one sector (health or education), as an initial step. We will broaden the scope later to include all projects;

b. In line with the East African Monetary Union (EAMU) Protocol requirement to adopt the GFS2014 framework, we will establish a timeline, by end-September 2016, for the transition to the GFS14 framework;

c. We will also design a strategy to incorporate fiscal risks and foreign exchange needs into project planning assessments, starting with PPPs by end-June 2017; and

d. We will produce a detailed report on tax expenditures for FY15/167 and resubmit to parliament revised legislation on Fixed Asset Taxes, incorporating current discussions on refining underlying valuation methodologies.

Monetary and financial sector policies

22. The National Bank of Rwanda is finalizing the regulatory framework to shift from the simple interbank operations to a true Horizontal REPO. Moreover, efforts are underway to identify and

tackle factors that lead to high and rigid bank lending rates, as part of BNR's effort to improve the monetary policy transmission mechanism.

23. BNR and the government are also continuing efforts to deepen shallow financial markets. A fifteen-year bond will be issued in May 2016, to complement the 3, 5, 7 and 10-year bonds already in circulation. In addition, BNR and MINECOFIN's awareness campaigns have contributed to raising the share of participation of retail investors in government bonds from 1.0 percent in February 2014 to 10 percent in February 2016.

24. BNR is planning to move from reserve money targeting to a more price-based monetary policy framework. In addition to the progress in improving policy communication and liquidity management via having more flexible reserve money target ranges, BNR will conduct studies to define a relatively narrow range of excess reserves that will promote interbank market development and the proper use of Key Repo Rate as well as identify a policy interest rate range that is consistent with the identified range of excess reserves (SB).

25. To enhance the interbank market, BNR is also planning to introduce the true REPOs including transfer of collateral across banks (SB).

Developments in financial sector soundness and stability indicators

26. The BNR plans to issue a regulation on new capital requirements on Basel II/III by end of 2016. The new capital requirements will include minimum capital ratios plus a conservation buffer of 2.5 percent. The BNR plans to finalize a revised credit information sharing (CIS) law by June 2016, which will close gaps identified in the current law. With the support of the World Bank, the review process began in January 2016.

27. The BNR has benefited from the regional training programs (MEFMI and EAC) on banking supervision and risk management, and plans to implement new training programs as well. In addition to the new capital requirements, the following regulations are slated for review: loan classification & provisions; provisions for development banks; financial disclosure; publication of the financial statement. A review of the Banking law is also being fast tracked. To reduce NPLs of micro finance institutions (MFIs), BNR is intensifying the on-site inspection of all UMURENGE SACCOS, with greater focus on credit risk, and is training their staff on quality management of the loan portfolio.

28. To address external pressures and relieve pressure on foreign exchange reserves, BNR will implement a more cautious monetary policy in 2016 and continue to allow the exchange rate to adjust as necessary in line with the fundamentals of the economy. In addition, BNR will ensure that implementation of monetary policy will continue to contribute to maintain the stability of the financial sector. Thus, credit to the private sector is expected to growth by 16 percent, lower than the 26.7 percent achieved in 2015.

29. BNR is working to build technical capacity among foreign exchange dealers, with the objective of introducing a code of conduct. The objective is to facilitate an interbank foreign

exchange market that can provide better signals for adjusting official rates, as has been agreed at EAC level for the purposes of harmonizing market practises and methodology.

Exchange rate and external policies

30. The current account is projected to deteriorate in 2016 but improve in 2017, by about US$350 million or 4.4 percentage points of GDP. The decline in 2016 is the combination of an expected decline in exports as a result of continued depressed international mineral prices and lower projected private remittances linked to lower growth in source countries, coupled with a projected increase in imports mainly driven by RwandAir (new external borrowing to purchase two airbuses) and Kigali Convention Centre (KCC) imports.

31. Excluding RwandAir and Kigali Conventional Centre (KCC) imports which are fully financed in the financial account of the balance of payments, imports will be reduced as a share of GDP over the period 2015-2017. Even as import demand is reduced, continued reserve use will be necessary: the BNR is expected to draw down reserves to finance the balance of payments, bringing coverage in terms of months of imports (goods and services) from 3.6 in 2015 to 3.2 months in 2016.

32. **Medium term policies to reduce external imbalances**: addressing Rwanda's growing balance of payments pressures has been identified as one of the highest priority initiatives for the government in the coming fiscal year. To this effect, key priority projects should be focused on fostering economic activity and to either increase export revenues or to reduce import volumes. The identified key sectors for fostering economic activity are:

- Textiles, garments and leather industry
- Agriculture export crops
- Agri-business
- Construction
- Livestock
- Wood industry
- Minerals
- Tourism
- ICT
- Trade and investment facilitation

33. These policies include*:*

- **Import substitution efforts**. These are based on choosing a few key sectors (cement, sugar, rice and clothing) where local production can displace current imports. Regarding sugar, the government is looking for a new investor to take charge of sugar production and is offering land for sugar cane plantations; in the case of rice, the government is expanding acreage by 8,000 hectares with the objective of making the country self-sufficient in rice by 2018; with regard to cement, plans are in place to raise the production of the national cement company six fold to 600,000 tonnes per year;

- **Export promotion efforts**. These efforts are ongoing and supported by an export promotion fund. Targeted areas include processed food, and the development of textiles, garments and leather industry where an anchor firm has already started exporting. We envisage starting exports of flowers soon and will expand acreage to 85hectares; and there are plans to export laptops assembled in Rwanda; With a view to increasing the value of existing exports, we expect the proportion of fully washed coffee which increased to 50 percent in 2015 from 21 percent in 2010 to rise gradually and reach about 80 percent over the next two years).

- **MICE (Meetings, Incentives, Conferences, and Events) and tourism**; tourism is proving to be one of Rwanda's highest potential export-oriented service sector, generating about a third of the total export of goods and services earnings. It is a sector in which Rwanda's strengths are the safety, comfort and stability of the country. The government has adopted a MICE strategy aimed at making Kigali a hub for major regional and international conferences. The opening of the Kigali Convention Centre is scheduled for June 2016 and together with new upscale hotels being built, will provide high quality rooms for up to 6000 guests by end year. With their new routes to India and China, Rwandair is also part of these plans in bringing guests from afar as well as stimulating trade. Revenues from MICE tourism were US$39 million in 2015 and projected to increase significantly in 2016/2017 as more than 20 international events are expected to be hosted in Rwanda.

Revenue mobilization

34. Over the past three years, the Government has embarked on comprehensive tax reforms. A medium-term tax reform plan was developed and identified policies and administrative measures aimed at improving taxpayers' compliance, reducing exemptions, strengthening risk management, and broadening the tax base. Going forward, the strategy focuses on implementation and monitoring the anticipated outcomes. Relatedly, the RRA underwent the Tax Administration Diagnostic Assessment (TADAT) from the IMF Fiscal Affairs Department, which offered insights on reform priorities going forward. Actions to respond to the identified weaknesses will be incorporated into the RRA Three-year Strategic Plan and consequent annual action plans. RRA is also revising the Tax procedure Law which will, among other things:

- Improve use of the Electronic Billing Machines (EBMs). Some sectors will be made liable for VAT payments regardless of turnover levels, i.e. evolution to more sector-based rather than threshold-based approach;

- Allow taxpayers who never declared taxes but later declare voluntarily to be considered as voluntarily disclosure;

- Require tax litigation cases to pass through an administrative review by the Commissioner General prior to going to court, in order to reduce the number of cases that go to court; and

- Provide more comprehensive rules for handling false declarations or incomplete returns submitted to the tax administration.

IV. Request for SCF Arrangement, Extension of the PSI-supported Program, and Program Modifications

35. To assist in this effort the Government of Rwanda requests an eighteen month arrangement under the Standby Credit Facility (SCF) with total access of 90 percent of Rwanda's IMF quota (SDR 144.18 million) which would work in conjunction with the Policy Support Instrument (PSI) to augment the reserves of the National Bank of Rwanda (BNR).

36. The Government of Rwanda requests the completion of the fifth review under the PSI and the approval of the SCF arrangement. We also request extension of the current PSI program ending in November of this year to December 2017, and addition of two additional semi-annual reviews (7^{th} and 8^{th} reviews). The 6^{th} review of the PSI-supported program is expected to take place in December 2016, based on end-June 2016 quantitative targets and structural measures implemented through end-September 2016. The 7^{th} review is expected to take place in May-June 2017, based on end-December 2016 quantitative targets and structural measures through end-March 2017.

37. Program conditionality incorporates design changes. In light of implementation of the new debt limits policy during the 4th PSI review, we request to eliminate the indicative ceiling on public-sector domestic debt, which is largely redundant with the new ceiling on the fiscal deficit and retained ceilings on net domestic financing and external borrowing by public enterprises. We also request to modify the definition for the indicative target on domestic arrears accrual, and streamline program adjustors. Finally, we request minor revisions to end-June quantitative program targets for reserve money.

MEFP Table 1. Quantitative Assessment Criteria, Performance Criteria, and Indicative Targets[1]

	June 2016		December 2016	June 2017
	Prog. (4th PSI review)	Proposed program	Proposed program	Proposed program
(Billions of Rwandan francs, unless otherwise indicated)				
Assessment/Performance criteria				
Ceiling on the overall fiscal deficit, including grants[2, 3]	206.8	206.8	100.8	246.8
Net foreign assets of the NBR at program exchange rate (floor on stock)[3]	465.0	465.0	520.0	471.8
Reserve money (ceiling on stock) (upper bound)[4]	315.3	305.7	320.8	347.9
Reserve money (ceiling on stock)[4]	309.1	299.1	313.9	340.4
Reserve money (ceiling on stock) (lower bound)[4]	302.9	292.5	307.0	332.9
External payment arrears (US$ millions) (ceiling on stock)[5]	0.0	0.0	0.0	0.0
Indicative targets				
Net domestic financing (ceiling on flow)[2, 3]	203.0	203.0	-123.6	-50.3
Domestic revenue collection (floor on flow)[2, 6]	562.0	562.4	539.0	1157.1
Net accumulation of domestic arrears (ceiling on flow)[2]	-5.6	-5.6	-10.0	-20.0
Total priority spending (floor on flow)[2]	366.2	366.2	338.8	707.5
New external debt contracted or guaranteed by nonfinancial public enterprises (US$ millions) (ceiling on stock)[5]	500.0	500.0	500.0	500.0
Consolidated domestic debt of public sector (ceiling on stock, eop) [7]	522.9	…	…	…
Memorandum items:				
Total budget support (US$ millions) [2, 6]	97.5	151.5	309.0	439.1
Budget support grants (US$ millions)	97.5	130.3	131.0	261.1
Budget support loans (US$ millions)	0.0	21.1	178.0	178.0
RWF/US$ program exchange rate	746.5	807.2	807.2	807.2

Sources: Rwandan authorities and IMF staff estimates and projections.

[1] All items including adjusters are defined in the Technical Memorandum of Understanding (TMU).

[2] Numbers for June 2016 are cumulative from 12/31/2015; numbers for December 2016 and June 2017 are cumulative from 6/30/2016.

[3] Subject to adjustors. See TMU for details.

[4] Targets are calculated as an arithmetic average of the stock of reserve money for the 3 months in the quarter. AC and PC applies to upper bound only.

[5] Ceilings on external arrears and external borrowing are continuous.

[6] Excluding demobilization and African Union peace keeping operations, HIPC and COMESA grants.

[7] Eliminated under the new proposed conditionality.

MEFP Table 2. Proposed New Structural Benchmarks Under the PSI-Supported Program and Proposed SCF Arrangement

Policy Measure	Target Date
Monetary	
Issue 15-year government Treasury bond	End-May 2016
Establish the road map for secondary market development of Government debt securities. In addition, develop the capacity building plan for banks' treasurers on domestic securities.	End-September 2016
Define and target a range of excess reserves conducive to developing the interbank market.	End- December 2016
Introduce the real horizontal REPOs including transfer of collateral across banks in order to facilitate transactions between banks and boost the trading of debt securities.	End-March 2017
Develop a methodology to identify policy interest rate consistent with the identified range of excess reserves.	End- June 2017
Public Financial Management	
Provide quarterly revenues, expenditures, and financing estimates for the budgetary central government levels within 60 days of the end of each quarter.	Each quarter
Develop and implement IPSAS roadmap which includes government accounting policy for fixed assets.	End-June 2016
Submit revised National Investment Policy to Cabinet.	End-June 2016
Establish a timeline for the transition of fiscal reporting into the GFS14 framework.	End-September 2016
Operationalize IFMIS and E-procurement interface protocols.	End-December 2016
Design a strategy to incorporate fiscal risks and foreign exchange needs into project planning assessments, starting with PPPs.	End-June 2017
Set up framework for recording donor project support in one sector (e.g. health, education, infrastructure), as an initial step to establishing it more broadly.	End-December 2016
Fiscal Revenues	
Submit revised Law on Tax Procedures to Cabinet.	End-June 2016
Share draft study on new tax regime for agriculture.	End-September 2017
Produce detailed report on tax expenditures for FY15/16.	End December 2016
Submit to Parliament revised legislation on fixed asset tax.	End-March 2017

Technical Memorandum of Understanding

May 25, 2016

1. This memorandum defines the quantitative targets described in the memorandum of economic and financial policies (MEFP) for the period January 1, 2016–December 31, 2017 supported by the IMF Policy Support Instrument (PSI) and the Standby Credit Facility (SCF), and sets out the data reporting requirements. This TMU updates the one of December, 2015.

I. Quantitative Program Targets

2. The quantitative program will be assessed through assessment criteria/performance criteria (AC/PC) and indicative targets (IT) for the duration of the program.

3. AC and PC will apply to the following indicators for June 30, 2016 and December 31, 2016 (the test dates) throughout the program period:

- Floor on stock of net foreign assets (NFA) of the National Bank of Rwanda (NBR);
- Ceiling on stock of reserve money;
- Ceiling on the overall deficit, including grants as measured on a commitment basis[1]; and
- Ceiling on stock of external payment arrears of the public sector (assessed on a continuous basis).

4. IT will apply to the following indicators throughout the program period:

- Ceiling on flow of net domestic financing (NDF) of the central government;
- Floor on flow of domestic revenue collection of the central government;
- Ceiling on flow of net accumulation of domestic arrears of the central government;
- Ceiling on contracting or guaranteeing of new non-concessional external debt of nonfinancial public enterprises (assessed on a continuous basis); and
- Floor on flow of priority spending.

5. **Program exchange rates**. For accounting purposes, the program exchange rates in Table 1 will apply.

Table 1. Program Exchange Rates (US$ per currency unit, unless indicated otherwise)	
	from January 1, 2016
Rwanda Franc (per US$)	807.2
Euro	1.12
British Pound	1.44
Japanese Yen (per US$)	113.6
SDR	1.40

II. Institutional Coverage of the Fiscal Sector

6. The central government fiscal operation table comprises the treasury and line ministries, hereafter referred to as "the government" unless specified otherwise.

III. Targets Related to the Execution of the Fiscal Program

Ceiling on net domestic financing of the government (IT)

7. **A ceiling applies to NDF**. The ceiling for June 30, 2016 is measured from December 31, 2015, and the ceilings for December 31, 2016, and June 30, 2017, are cumulatively measured from June 30, 2016.

8. **Definition**. NDF of the government is defined as the change in the sum of (i) net banking sector credit to the government and (ii) non-bank holdings of government domestically issued debt.

9. Net banking sector credit to the government is defined as

- Consolidated credit to the government from the banking system (NBR and commercial banks, as recorded in the monetary survey), including credit to the government, provinces and districts. The outstanding consolidated government debt held by the banking system,[2] includes government debt to the NBR amounting to RWF 38.6 billion incurred as a result the

[2] Consisting of bank holdings of treasury bills, bonds (domestic), old development bonds (pre-1994 debt), new development bonds (including those used for recapitalization of banks), and other accounts receivable.

overdraft to the pre-war government and the 1995 devaluation [3], as well as the current overdraft with the NBR. Credit to the government will exclude treasury bills issued by the NBR for monetary policy purposes, the proceeds of which are sterilized in deposits held as other NBR liabilities.

- less total government deposits with the banking system (as recorded in the monetary survey), including in the main treasury account, the accounts of line ministries, the fund for assistance to genocide survivors, the Rwanda Revenue Authority, the electoral commission, the demobilization commission, fonds routier, the privatization account, and the accounts of any other autonomous public enterprises and public agencies over which the government has direct control over their deposits. Thus, this definition excludes any government deposits over which the central government does not have any direct control (i.e., for project accounts, Global Fund money meant for the private sector, counterpart funds, and *fonds publics affectés* as well as the portion of funds for Peace-keeping Operations (PKO) reserved for the payment of wages and other allowances to peace-keeping troops and police.)

10. Non-bank holdings of government domestically issued debt consist of non-bank holdings of treasury bills, bonds (domestic and non-resident), old development bonds (pre-1994 debt), new development bonds (including those used for recapitalization of banks), and other accounts receivable.

Adjusters to NDF:

- The ceiling on NDF will be adjusted *upward* by the amount of any shortfall between actual and programmed budgetary grants and loans (as defined in Table 1 of the MEFP), up to a maximum of RWF 65 billion. In the event that actual budgetary grants exceed programmed levels, the ceiling on NDF will not be adjusted. In the event that actual budgetary loans exceed programmed levels, the ceiling on NDF will be adjusted *downward*.

- The ceiling on NDF will be adjusted *upward* up to a maximum of RWF65 billion representing the amount of foreign financed capital expenditure financed with draw-down of accumulated government deposits as specified in the definition of NDF.

- The ceiling on NDF will be adjusted *upward*, up to a maximum of RWF65 billion, representing the amount of expenditure arising from pre-financing of Peace Keeping Operations.

[3] The authorities will inform Fund staff of any substantive changes in government accounts with the banking system, which may affect the calculation of net bank claims.

Overall Fiscal Deficit Including Grants (QAC/PC)

11. **A ceiling applies to the overall fiscal deficit including grants**. The ceiling for June 30, 2016, is measured from December 31, 2015, and the ceilings for December 31, 2016, and June 30, 2017, are cumulatively measured from June 30, 2016.

12. **Definition.** For the program, the overall deficit including grants is valued on a commitment basis. That is, the overall fiscal balance is the difference between the government's total revenue and grants and total expenditure and net lending (costs and acquisition net of nonfinancial assets). The definition of revenues and expenditures is consistent with that in the 2001 Government Financial Statistics Manual (GFSM). Government expenditure is defined on the basis of payment orders accepted by the Treasury, as well as those executed with external resources. This assessment criterion is set as a floor on the overall fiscal balance as of the beginning of the year.

Adjusters to the overall fiscal deficit including grants:

- The ceiling on the overall deficit will be adjusted *upward* by the amount of any shortfall between actual and programmed budgetary grants (as defined in Table 1 of the MEFP), up to a maximum of RWF 65 billion.
- The ceiling on the overall deficit will be adjusted *upward* up to a maximum of RWF65 billion representing the amount of foreign financed capital expenditure financed with draw-down of accumulated government deposits as specified in the definition of NDF.
- The ceiling on the overall deficit will be adjusted *upward* up to a maximum of RWF65 billion, representing the amount of expenditure arising from pre-financing of Peace Keeping Operations.

Floor on flow of domestic revenues (IT)

13. The floor for June 30, 2016, is measured from December 31, 2015, and the floors for December 31, 2016, and June 30, 2017, are cumulatively measured from June 30, 2016.

14. **Definition**. The floor on domestic government revenue is defined as total government revenue (tax and non-tax revenues), per the central government fiscal operation table, but excluding external grants, peace keeping operations, and privatization receipts**.**

Floor on priority expenditure

15. The floor applies to priority spending of the government. The floor for June 30, 2016, is measured from December 31, 2015, and the floors for December 31, 2016, and June 30, 2017, are cumulatively measured from June 30, 2016.

16. **Definition.** Priority expenditure is defined as the sum of those recurrent expenditures, domestically-financed capital expenditures, and net lending that the government has identified as priority in line with the EDPRS2. Priority expenditure is monitored through the Integrated Financial

Management Information System (IFMIS) which tracks priority spending of the annual budget at the program level.

Net accumulation of domestic expenditure arrears of the government (IT)

17. A ceiling applies to net accumulation of domestic expenditure arrears of the government.[4] The ceiling for June 30, 2016, is measured from December 31, 2015, and the ceilings for December 31, 2016, and June 30, 2017, are cumulatively measured from June 30, 2016.

18. **Definition.** Domestic expenditure arrears are defined as unpaid claims that are overdue by more than 90 days. These will include payments for tax refunds, employee expenses (wages and salaries, staff claims for travel, and other non-salary allowances), utilities, rents, recurrent goods and services, and construction works. Accumulation of domestic expenditure arrears of more than 90 days is calculated as a 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.

IV. Limits on Debt

Limit on new external debt of nonfinancial public enterprises (IT)

19. **A ceiling applies to the contracting and guaranteeing by nonfinancial public enterprises of new external borrowing with non-residents (see below for the definition of debt guarantee and debt).** The ceiling excludes external borrowing by two state-owned banks, the Bank of Kigali and Rwanda Development Bank (BRD), which are assumed not to seek or be granted a government guarantee. The ceiling also applies to private debt for which official guarantees have been extended, including future swaps involving foreign currency loans guaranteed by the public sector (see below for swaps), and which, therefore, constitute a contingent liability of the public sector. The ceiling 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.

20. Nonfinancial public enterprises are entities in which the government holds a controlling stake (owning more than 50 percent of shares), but which are not consolidated in the budget. This definition of the public sector excludes the Bank of Kigali and Rwanda Development Bank (BRD). For program purposes, the guarantee of a debt arises from any *explicit* legal obligation of the public sector to service a debt in the event of nonpayment by the debtor (involving payments in cash or in kind).

21. **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.

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

(a) 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 lesser retains the title to the property. The debt is the present value (at the inception 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. 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.

Limit on the stock of external payment arrears

22. A continuous assessment criterion applies to the non-accumulation of payment arrears on external debt contracted or guaranteed by the public sector. External payment arrears consist of external debt service obligations (principal and interest) that have not been paid at the time they are due, as specified in the contractual agreements, but shall exclude arrears on obligations that are subject to rescheduling.

V. Targets for Monetary Aggregates

Net foreign assets of the National Bank of Rwanda (QAC/PC)

23. A floor applies to the net foreign assets (NFA) of the NBR for June 30, 2016 and December 31, 2016.

24. **Definition.** NFA of the NBR in Rwandan francs is defined, consistent with the definition of the Special Data Dissemination Standard (SDDS) 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) are excluded; such assets include, but are not limited to, reserve assets used as collateral or guarantee for third party external liabilities. 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.

Adjusters:

- The floor on NFA will be adjusted *downward* by the amount of any shortfall between actual and programmed budgetary loans and grants per Table 1 of the MEFP. This adjustment will be capped at the equivalent of US$85 million, evaluated in Rwanda francs at the program exchange rate.

Reserve money (QAC, PC)

25. A ceiling applies to the stock of reserve money for June 30, 2016, and December 31, 2016 as indicated in Table 1. Quantitative Assessment Criteria and Indicative Targets of the MEFP. The ceiling is the upper bound of a reserve money band (set at+/- 2.2 percent) around a central reserve money target).

26. The stock of reserve money for a given quarter will be calculated as the arithmetic average of the stock of reserve money at the end of each calendar month in the quarter. Daily average of all the three months in the quarter will constitute the actual reserve money to be compared with the target.

27. **Reserve money** is defined as the sum of currency in circulation, commercial banks' reserves, and other nonbank deposits at the NBR.

Adjuster:

- The ceiling on the stock of reserve money will be adjusted symmetrically for a change in the required reserve ratio of commercial banks. The adjustor will be calculated as (new reserve ratio minus program baseline reserve ratio) multiplied by actual amount of liabilities (Rwanda Franc plus foreign-currency denominated) in commercial banks.

VI. Data Reporting Requirements

28. For the purposes of program monitoring, the Government of Rwanda will provide the data listed below and in Table 1. 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 of the end of each quarter; annual data as available.

29. Data on **NDF** (showing separately treasury bills and government bonds outstanding, other government debt, and central government deposits), each type of debt to be shown by debt holder, will be transmitted on a monthly basis. Deposits of the government with the NBR and with the commercial banks will be separated from the deposits of the public enterprises and autonomous public agencies and agencies that the government does not have any direct control over.

30. Detailed data on **domestic revenues** will be transmitted on a monthly basis. Data on **priority expenditure** will be transmitted on a quarterly basis. Data on accumulation and repayment of **domestic arrears** and the remaining previous year's stock of arrears will be transmitted on a quarterly basis.

31. Data on **foreign assets and foreign liabilities of the NBR** will be transmitted on a weekly basis, including breakdown of assets that are pledged or encumbered. This transmission will include daily and weekly data on the NBR's foreign exchange liabilities to commercial banks (including required reserves with the NBR) and the exchange rate used for their conversion into Rwanda francs will be shown separately.

32. Data on **reserve money** will be transmitted on a weekly basis. This transmission will include a daily and a weekly balance sheet of the NBR which will show all items listed above in the definitions of reserve money

33. 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 respect of continuous QACs and ITs. The authorities will furnish a description of program performance according to QACs and ITs as well as structural benchmarks within 8 weeks of a test date. The authorities engage to submit information to IMF staff with the frequency and submission time lag indicated in TMU Table 1. The information should be mailed electronically to the Fund. (email: afrrwa@imf.org).

TMU Table 1. Summary of Reporting Requirements

	Frequency of Data[9]	Frequency of Reporting[9]	Frequency of Publication[9]
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 and foreign exchange markets and sales of foreign currencies by NBR to commercial banks	D	W	W
Consumer Price Index[4]	M	M	M
Composite Index of Economic Activity (CIEA) and sub-components compiled by the NBR	M	M	M
Revenue, Expenditure, Balance and Composition of Financing[5] – General Government[6]	Q	Q	Q
Revenue, Expenditure, Balance and Composition of Financing[5]– Central Government	Q	Q	Q
Comprehensive list of tax and non tax revenues[7]	M	M	M
Comprehensive list of domestic arrears of the government	SA	SA	SA
Stocks of public sector and public-Guaranteed Debt as compiled by MINECOFIN and NBR[8]	Q	Q	Q
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
GDP/GNP	A, Q	Q, SA	Q

[1] Includes the official rate; Forex 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.
[3] Both market-based and officially-determined, including discount rates, money market rates, interbank money market rate, rates on treasury bills, notes and bonds.
[4] Includes General Index; Local Goods Index; Imported Goods Index; Fresh Products Index; Energy Index; General Index excluding Fresh Products and Energy; and their breakdowns as published by the NISR.
[5] Foreign, domestic bank, and domestic nonbank financing.
[6] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.
[7] Includes proceeds from privatization, accompanied by information on entities privatized, date of privatization, numbers and prices of equities sold to the private sector.
[8] Includes debts of the Bank of Kigali. Also includes currency and maturity composition.
[9] Daily (D); Weekly (W); Monthly (M); Quarterly (Q); Annually (A); Semi-annually (SA); Irregular (I).