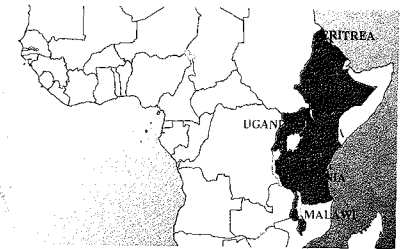


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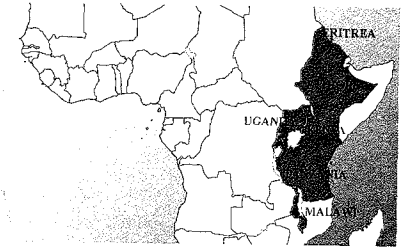
IMF Technical Assistance and Rwanda

**Presentation by Xavier Maret
East AFRITAC Coordinator**

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IMF mandate is to ensure stability of international monetary system in order to promote sustainable economic growth, facilitate trade expansion, increase living standards, and reduce poverty.

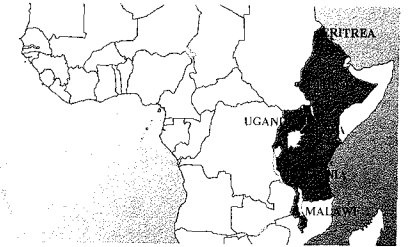
To this effect, IMF core functions are:

- Surveillance
- Policy advice and program lending
- Technical assistance (1/5 of budget)

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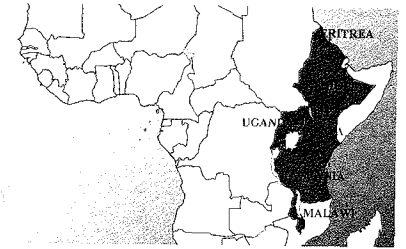
Technical assistance helps member countries
to:

- Strengthen capacity of human and institutional resources
- Design appropriate macroeconomic, financial and structural reforms in an ever-changing world environment

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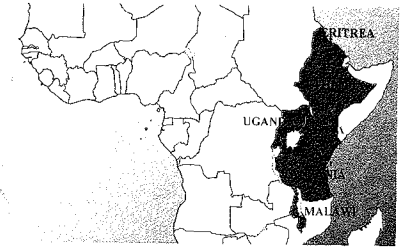
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IMF technical assistance is focused in core areas of expertise:

- Revenue administration and policy
- Public financial management
- Monetary and exchange rate policies
- Banking and financial sector regulation and supervision
- Legislative frameworks
- Statistics and macro-fiscal training



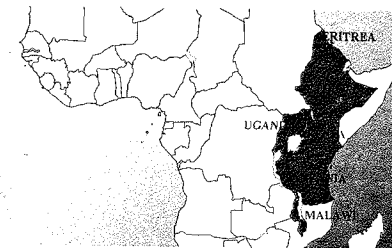
IMF technical assistance delivery:

- TA missions from headquarters
- Resident experts in member countries
- Training through IMF Institute
- Topical Trust Funds
- Regional technical assistance centers (7 RTACs of which 3 in Africa)

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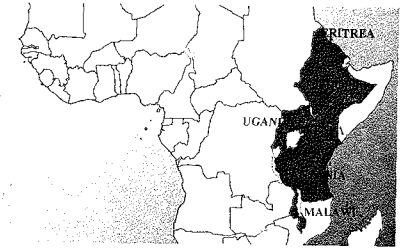
African Regional Technical Assistance Centers (AFRITACs) are part of IMF's Africa Capacity Building Initiative launched in 2002:

- East AFRITAC (2002) in Dar es Salaam covering Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania and Uganda
- West AFRITAC (2003) in Bamako covering WAEMU countries
- Central AFRITAC (2009) in Libreville covering CEMAC, Burundi, and DRC.
- Upcoming South AFRITAC and West 2 AFRITAC

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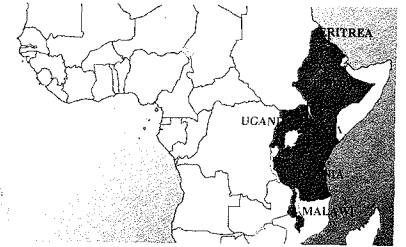
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What is the East AFRITAC?

- **A collaborative venture between recipient countries, the IMF and donors with a view to ensuring financing and coordination of TA activities.**
- **An effort to promote closeness and strengthen field presence for effective technical assistance implementation.**
- **A result-oriented approach fully integrated in IMF TA framework and an enhanced governance structure.**
- **Good track record of performance as reported by external reviews, members, and steering committee**
- **Third financing phase (2010-14)**



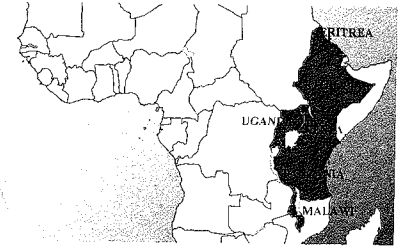
Mainstreaming Technical Assistance

- **Integrated framework for technical assistance**
 - Millennium Development Goals.
 - Poverty reduction and growth strategies.
 - Regional integration initiatives
- **Enhanced donor coordination**
 - Participation in Development Partner Groups.
 - Conducting joint capacity-building initiatives.

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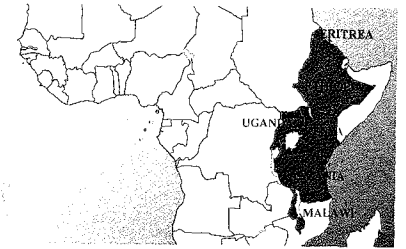
Assistance Delivery Modalities

- **Eight full-time resident advisors.**
- **Short-term experts.**
- **Professional attachment program.**
- **Regional workshops and seminars.**
- **“Second opinion” provision.**

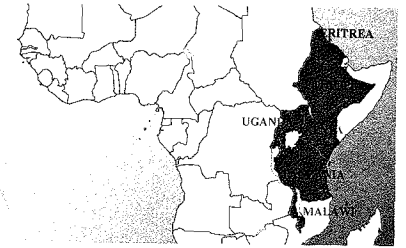
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How Does East AFRITAC Assist in Building Capacity in Rwanda?

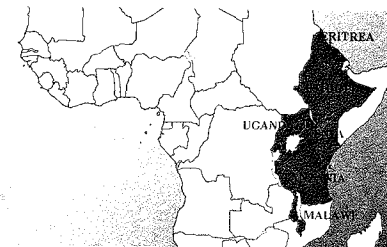


Background in Revenue Administration

Fundamentals of a good revenue administration are in place, including:

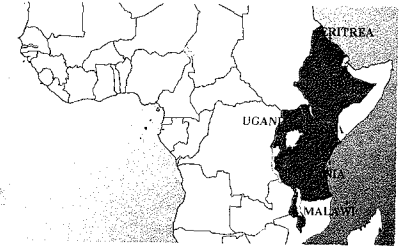
- **An integrated function-based administration**
- **A basic self-assessment system**
- **Automated tax and customs process**
- **Segmented large, and small and medium taxpayer offices.**

However, still at an early stage for implementation of risk-based compliance and enforcement strategies; and relatively low revenue-to-GDP ratio



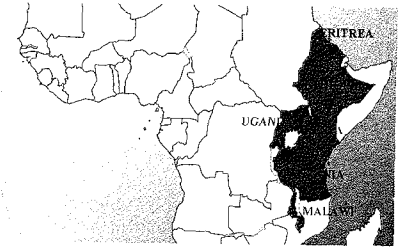
TA objectives for revenue administration are to increase tax-to-GDP ratio through:

- Implementing improved risk-based compliance strategies and investigation approaches
- Refining tax laws and regulations
- Implementing efficient transfer of social contribution collections to the revenue agency.



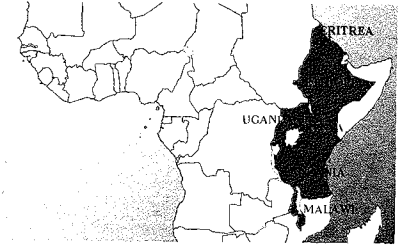
Background in PFM

- TA contributed to design and implementation of the Organic Budget Law (OBL) in 2006 and financial regulations in 2007
- PFM reform strategy 2008-12 formulated by the government



TA objectives in PFM are to improve quality and transparency of budgetary process by:

- Introducing new budget classification and charts of accounts
- Introducing program-based budgeting
- Ensuring the capturing of foreign financing in budget process
- Strengthening cash management
- Strengthening banking arrangements



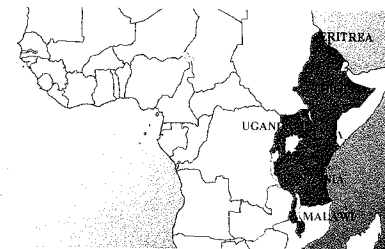
Background in Bank Supervision and Monetary Operations

- **Risk-based supervision of banking sector and off-site surveillance systems are being implemented by BNR**
- **Strengthening of the capital-adequacy framework is under way**
- **Modernization of national payment system**
- **Implementation of 2005 Financial Sector Assessment Program recommendations to improve access to finance and enhance stability of financial system**

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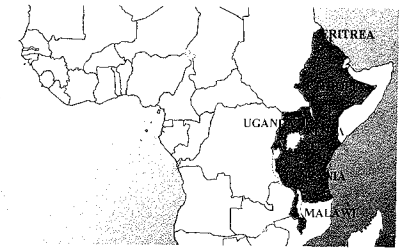
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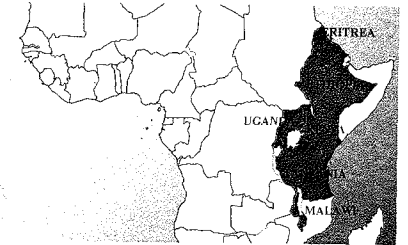
TA in bank supervision and monetary operations will focus on:

- Facilitating participation in regional integration initiatives
- Strengthening further capital-adequacy framework and national payment system
- Undertaking financial stability analysis
- Reinforcing risk-based supervision



Macro-Statistics Background

- **Implement the 1993 System of National Accounts (SNA 93).**
- **TA provided for government finance statistics, producer price index, national accounts and balance of payments statistics**
- **Creation of independent National Institute of Statistics of Rwanda (NISR) and training of staff**



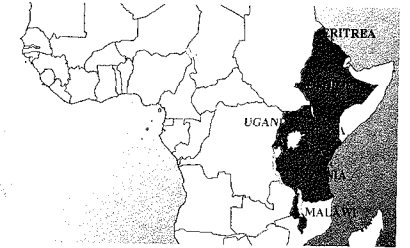
TA in statistics will focus on:

- Strengthening institutional capacity of NISR
- Improving production of annual GDP data and introducing quarterly GDP data
- Improving price statistics
- Introducing a comprehensive macroeconomic database

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Thank You!