



RWANDA AND THE IMF

POLICY SUPPORT INSTRUMENT

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- Role of IMF in Rwanda

- The new Policy Support Instrument (PSI)

Role of IMF in Rwanda



Objective:

Help Rwanda maintain economic growth, reduce poverty, while preserving financial stability.

Role of IMF in Rwanda



How these objectives are achieved:

- 1) Continuous dialogue with the government on the selection and implementation of macroeconomic policies.
- 2) Training and capacity building.



Role of IMF in Rwanda

Since 2010, Rwanda has received support from the IMF in the form of the Policy Support Instrument (PSI).

- ✓ PSI is a non-financial instrument, meaning no borrowing from the IMF;
- ✓ Policies are presented to the IMF Board twice a year.

The IMF and Rwanda



The PSI signals to donors, creditors, and citizens that the Government is committed to policies that focus on:

- growth, poverty reduction, and macroeconomic stability;
- structural reforms and debt sustainability.

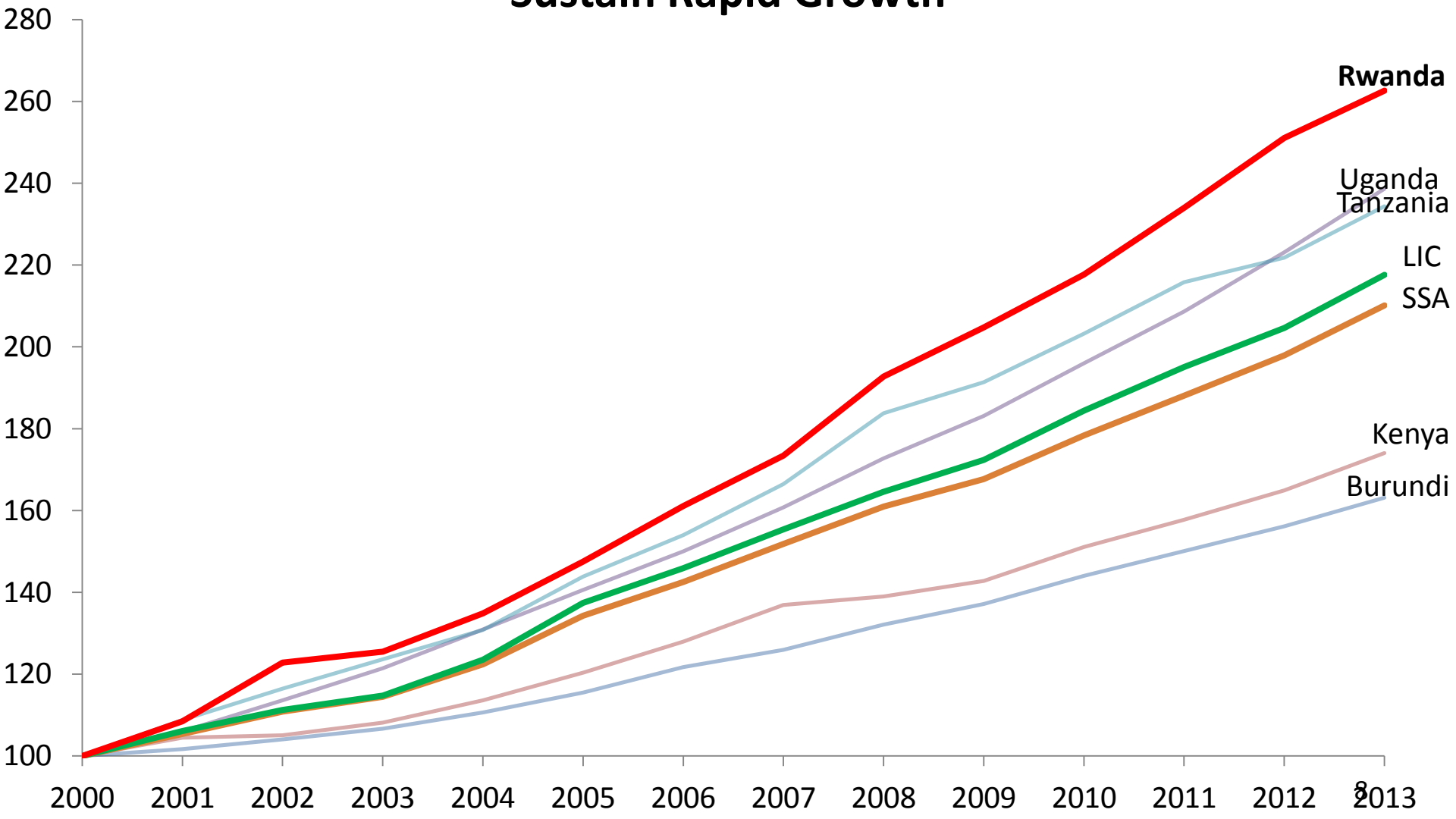


The New PSI:
Approved by the Board of IMF in
December 2013



Objectives of the PSI:

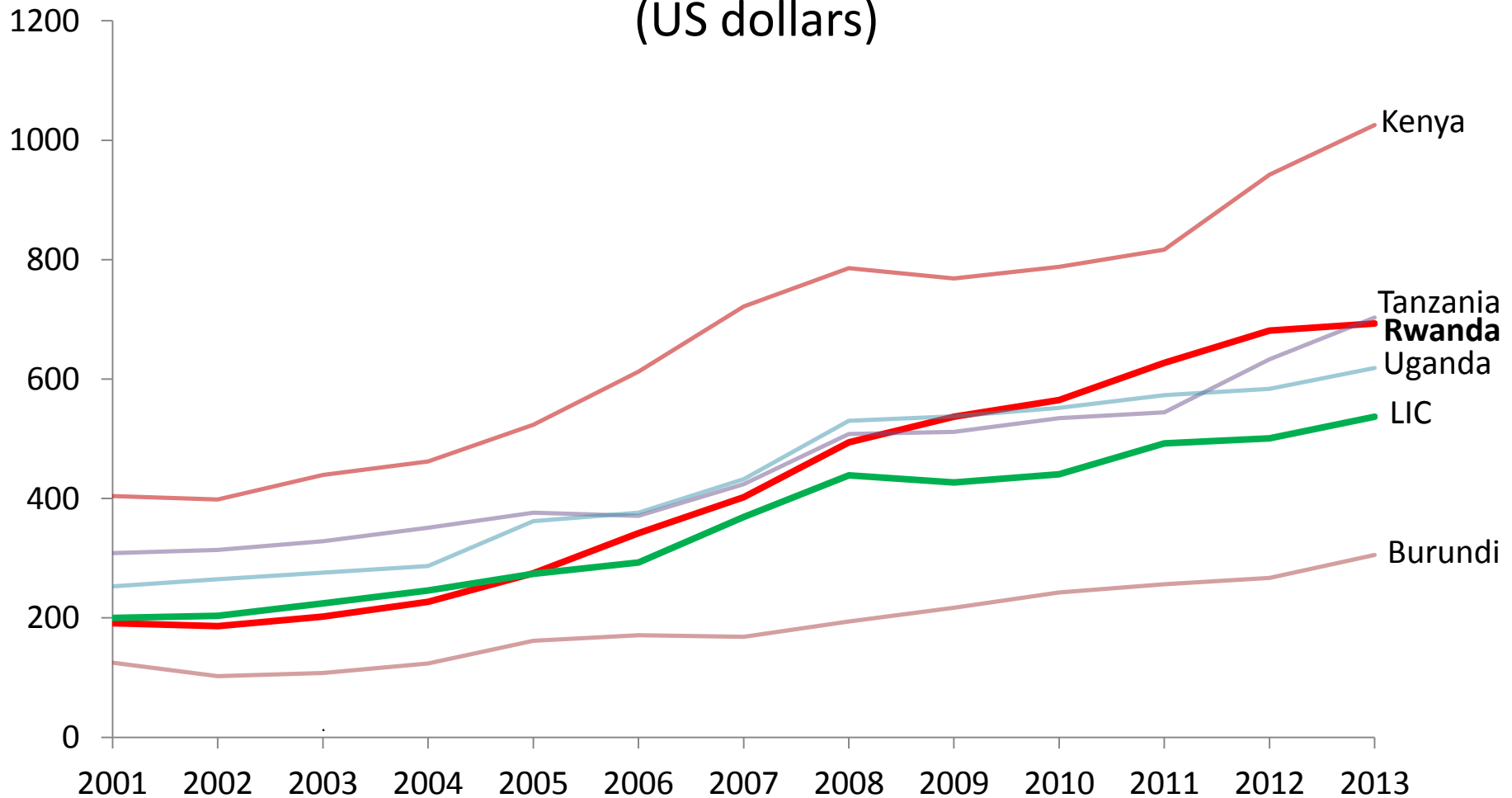
Sustain Rapid Growth



Objectives of the PSI:



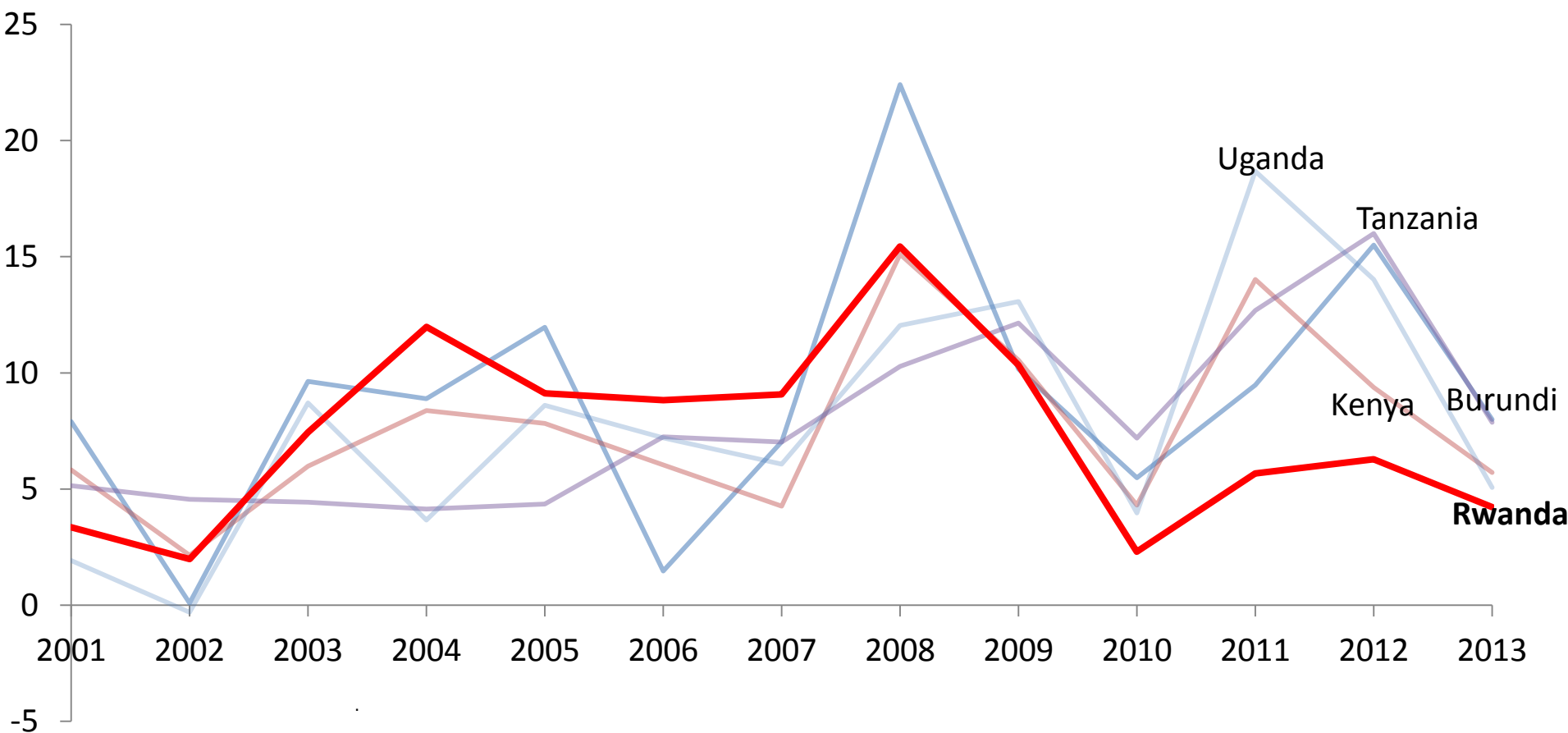
Increase GDP per capita (US dollars)





Objectives of the PSI:

Maintain Low Inflation

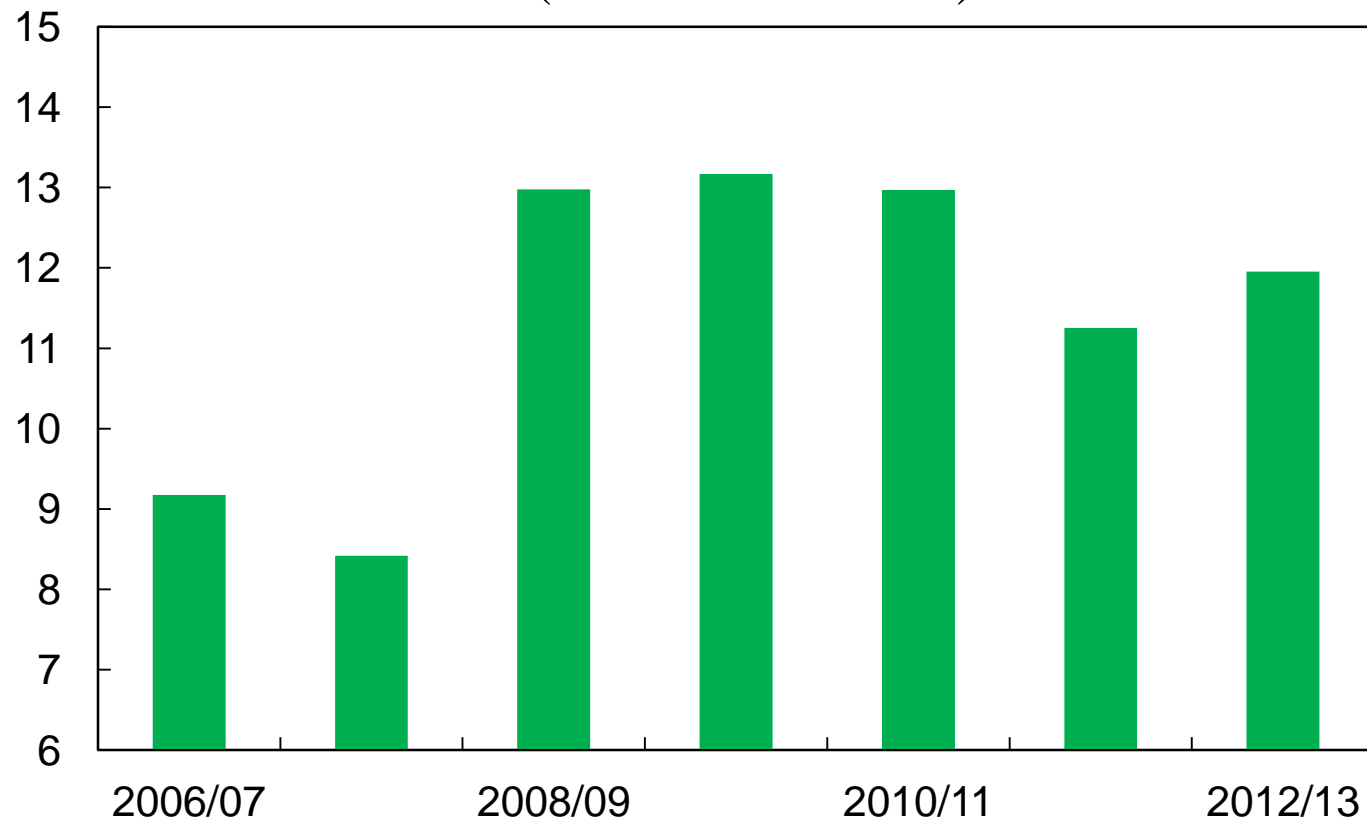


SSA (weighted by population) excludes South Africa, Nigeria, and the EAC.
LIC (weighted by population) excludes the EAC.

Objectives of the PSI:



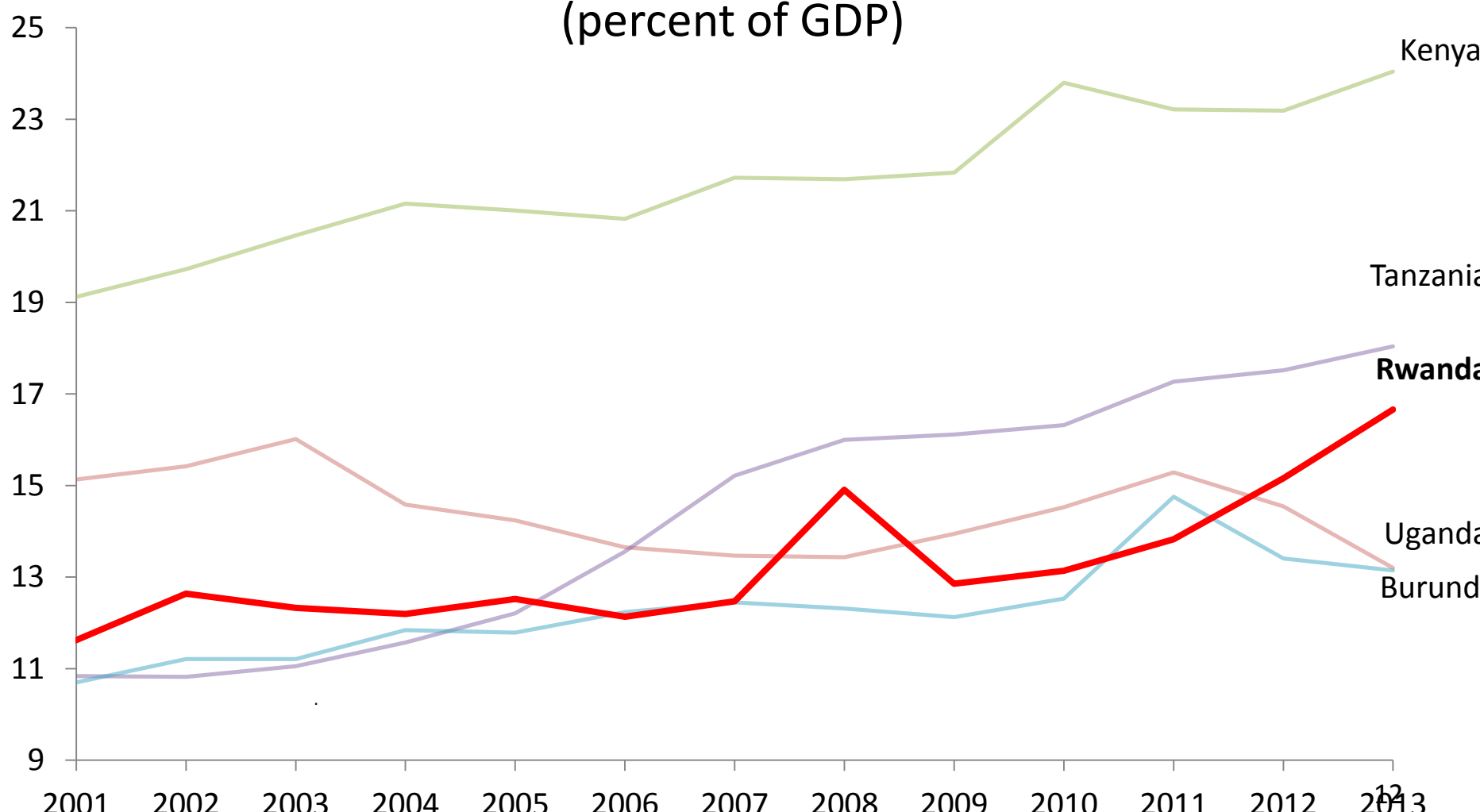
Maintain Priority Spending (Percent of GDP)





Objectives of the PSI: Increase Domestic Revenue

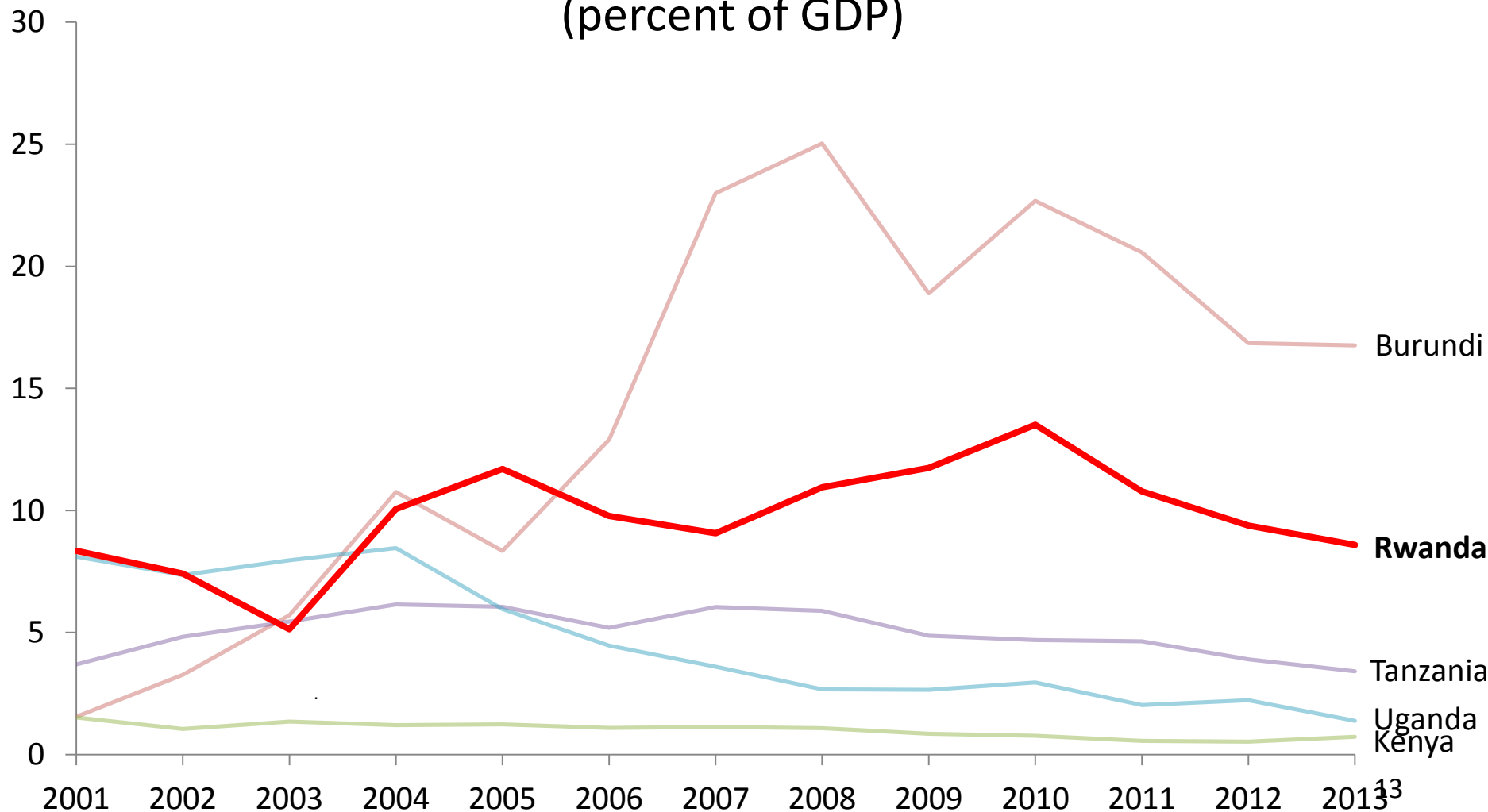
Total Revenue (Excluding Grants) (percent of GDP)



Objectives of the PSI: Increase Domestic Revenue



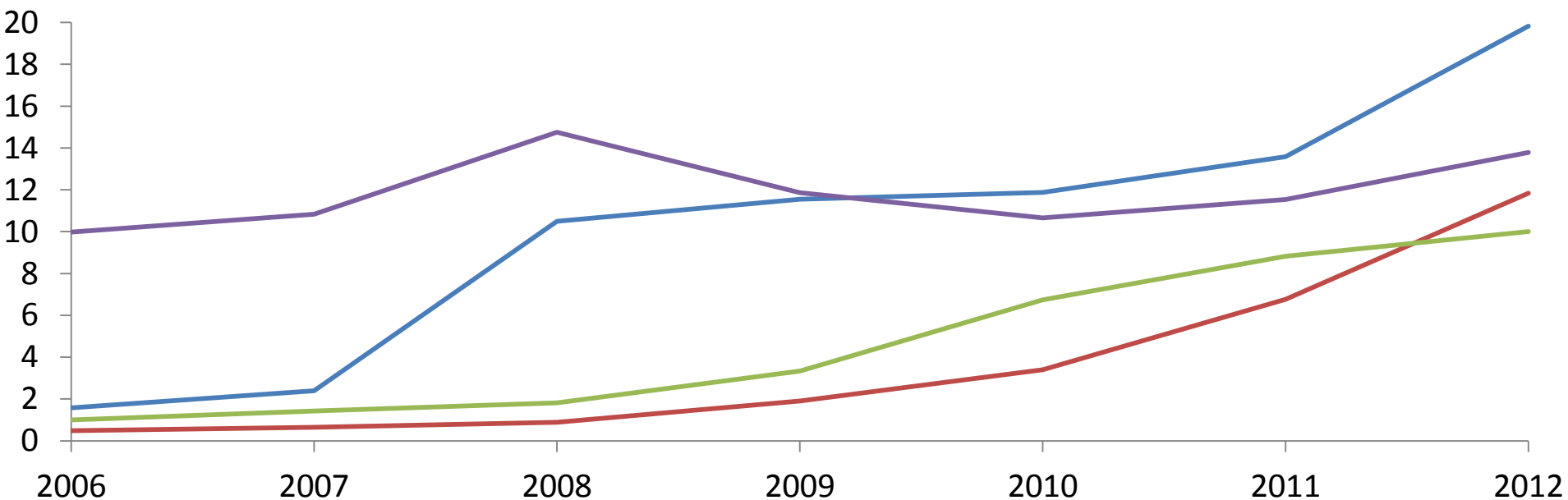
Grants
(percent of GDP)



Objectives of the PSI:

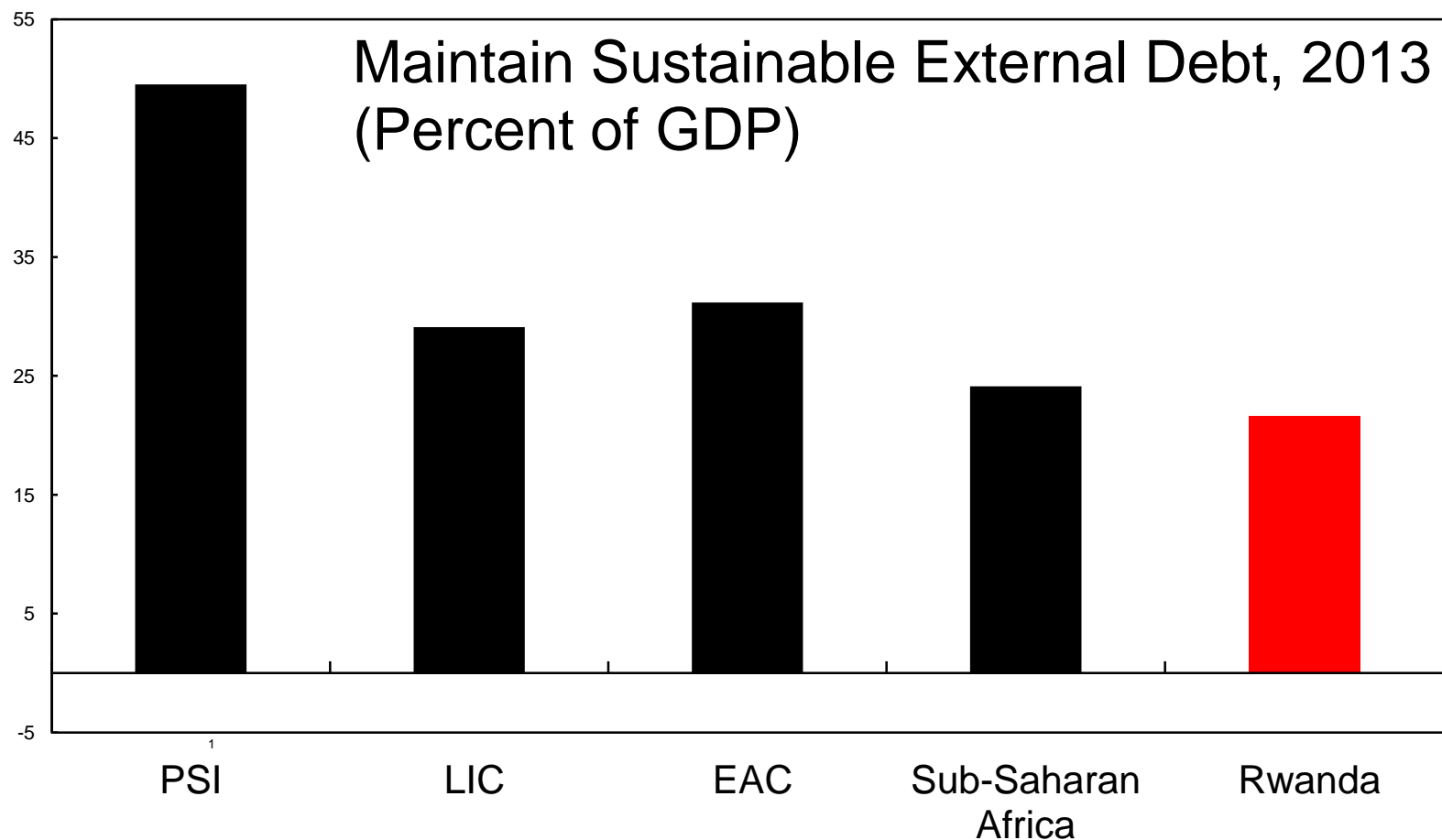


Develop Financial Markets and Increase Access to Credit



- Commercial bank branches per 1,000 sq. km
- ATMs per 1,000 sq. km
- Loan accounts with commercial banks per 1,000 adults
- Outstanding loans from commercial banks (% of GDP)

Objectives of the PSI:





Priorities:

- 1) prioritize investment projects;
- 2) make sure spending is in line with available resources, while protecting priority spending;
- 3) take advantage of opportunities provided by regional integration, particularly through the EAC;
- 4) ensure that the pace of reforms is in line with implementation capacity.



Thank You!

Website:

<http://www.imf.org/external/country/rwa/rr/>