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IMF, Rwanda Co-host a Conference on Rwanda's New Policy Support Instrument

The International Monetary Fund (IMF) and the Government of Rwanda co-hosted a conference on March 31, 2014 in Kigali to discuss the new Policy Support Instrument (PSI) that was approved in December 2013. The event brought together participants from government, the private sector, civil society, and the development community with the goal of broadening the dialogue on the vision of Rwanda's future.

The conference highlighted the macroeconomic progress made in recent years and the role of IMF in Rwanda. It took stock of key challenges that are addressed in the context of the new PSI, and provided an opportunity to open the discussion to all stakeholders.

The new PSI is in line with the authorities' Economic Development and Poverty Reduction Strategy (EDPRS 2), and aims to maintain macroeconomic stability and rapid inclusive growth, while gradually reducing Rwanda's aid dependency. Implementation of the reforms agreed within the context of the new PSI is expected to underpin the transition toward private sector-led growth. These reforms include the government's objectives of enhancing revenue mobilization by broadening tax bases, removing exemptions, and improving tax administration. Other reforms include strengthening public financial management, improving the effectiveness of monetary policy, increasing financial access, diversifying exports, and prioritizing the public investment program, while pursuing a prudent debt management strategy.

"Rwanda has undertaken far-reaching economic and structural reforms over the years," said Paulo Drummond, the IMF mission chief for Rwanda. "The conference addressed the priorities of the government under the new PSI aimed at maintaining macroeconomic stability and sustaining the inclusive growth"