



RWANDA

REQUEST FOR EXTENSIONS OF THE STANDBY CREDIT FACILITY ARRANGEMENT AND THE POLICY SUPPORT INSTRUMENT—PRESS RELEASE AND STAFF REPORT

November 2017

In the context of the Request for Extensions of the Standby Credit Facility Arrangement and the Policy Support Instrument, the following documents have been released and are included in this package:

- A **Press Release**.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on November 29, 2017, following discussions that ended on November 8, 2017, with the officials of Rwanda on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on November 17, 2017.

The documents listed below have been or will be separately released.

Letter of Intent sent to the IMF by the authorities of Rwanda*

*Also included in Staff Report

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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November 30, 2017

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IMF Executive Board Approves Extensions of the Standby Credit Facility Arrangement and the Policy Support Instrument for Rwanda

The Executive Board of the International Monetary Fund (IMF) approved on November 29, 2017—without an Executive Board meeting¹—extensions of the Standby Credit Facility (SCF) Arrangement and the Policy Support Instrument (PSI) to January 31, 2018. This extension will provide additional time to complete, review, and circulate the program documents for Executive Board consideration.

An 18-month arrangement under the [SCF](#) for SDR 144.2 million (about US\$204 million or 90 percent of Rwanda's quota), along with an extension of the existing [PSI](#) for Rwanda until December 31, 2017 was approved on June 8, 2016 (see [Press Release No. 16/270](#)). The SCF is aimed at complementing the authorities' efforts to address growing external imbalances, by boosting reserves. Both near and medium term adjustment policies to position Rwanda's external position on a sustainable basis are part of an overall strategy to support growth, support poverty reduction and improve the country's resilience to future uncertainties in the global economy.

¹ The Executive Board takes decisions under its lapse of time procedure when it is agreed by the Board that a proposal can be considered without convening formal discussions.



November 17, 2017

RWANDA

REQUEST FOR EXTENSIONS OF THE STANDBY CREDIT FACILITY ARRANGEMENT AND THE POLICY SUPPORT INSTRUMENT

Approved By
Michael Atingi-Ego
(AFR) and **Yan Sun** (SPR)

Prepared by the African Department, in consultation with other departments

- 1. The Rwandan authorities are requesting a short extension of the SCF arrangement and the PSI for Rwanda, currently scheduled to expire on December 7, 2017 and December 31, 2017, respectively.** On June 8, 2016, the Executive Board approved an 18-month arrangement under the Standby Credit Facility (SCF) for SDR 144.2 million (about US\$204 million or 90 percent of Rwanda's quota), along with an extension of the existing PSI for Rwanda until December 31, 2017. Following the completion of two reviews under the SCF arrangement, SDR 126.2 million (78.8 percent of quota) has been drawn.
- 2. Extensions through January 31, 2018 will allow sufficient time to complete and circulate the program documents to the Executive Board for its consideration of the final reviews under the SCF arrangement and PSI for Rwanda.** A mission to discuss the 8th review under the PSI and 3rd review under the SCF arrangement took place in Kigali from October 24–November 8. Ad referendum understanding was reached on all main issues, and staff anticipates recommending completion of the reviews. However, there is insufficient time between the mission and expiry of the SCF arrangement and PSI for Rwanda to complete, review, and circulate the program documents for Executive Board consideration. The short extension will allow sufficient time to complete the process in time for Executive Board consideration early in 2018, tentatively scheduled for January 12.
- 3. Program performance is on track.** All continuous and end-June 2017 quantitative assessment/performance criteria were met, as were almost all indicative targets. Most structural benchmarks have already been met or are in progress. At the time of the review in January 2018, the authorities are likely to request an additional extension of the PSI for Rwanda until end-2018, to allow additional time to consider successor program engagement. Thus, forward-looking quantitative targets and structural reforms will be set out in the program documents, to be issued before end-2017.

4. **Staff supports the authorities' request for the extensions through January 31, 2018.** Completion of the third and final review under the SCF arrangement will allow for the disbursement of SDR 18.0225 million, bringing total disbursement under the arrangement to SDR 144.18 million. The attached decisions are proposed for adoption by the Executive Board on a lapse-of-time basis.

Letter of Intent

Kigali, Rwanda
November 15, 2017

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

Dear Ms. Lagarde,

An 18-month arrangement under the Standby Credit Facility (SCF) for SDR 144.18 million (about US\$204 million or 90 percent of Rwanda's quota) was approved on June 8, 2016, along with an extension of the PSI for Rwanda until December 31, 2017. The SCF arrangement and the PSI for Rwanda are scheduled to expire on December 7th 2017 and December 31st, 2017, respectively.

To allow sufficient time to prepare the necessary documents to support consideration of the review by the IMF Executive Board, we wish to request a short extension of both the SCF arrangement and the PSI for Rwanda through January 31, 2018. In making this request, we can confirm that program performance is broadly on track and ad referendum understandings have been reached which could support completion of the reviews.

We consent to the publication of this letter, and the related staff report.

Yours sincerely,

/s/

Claver Gatete

Minister of Finance and Economic Planning

/s/

John Rwangombwa

Governor, National Bank of Rwanda