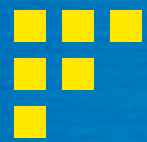




# Rwanda and the IMF

Catherine McAuliffe  
IMF Mission Chief for Rwanda

Parliament  
October 27, 2010



# Outline

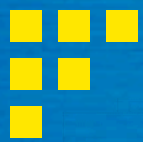
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- History of cooperation
- Previous IMF programs – objectives and achievements
- Remaining challenges
- Role of the Parliament



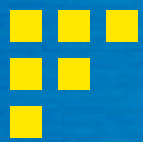
# History of close cooperation

- Financial assistance:
  - 1997: \$20 million in post-conflict assistance
  - 1998 – 2009: three consecutive IMF lending programs (PRGF) on concessional terms; total borrowing in excess of \$100 million
  - 2005 – debt relief from the IMF:
    - \$75 mil under HIPC initiative
    - \$29 mil under multilateral debt relief initiative (MDRI)



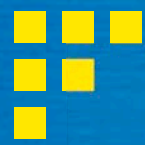
# History of close cooperation

- Policy dialogue:
  - Semi-annual reviews under the 1998-2009 PRGF
  - This year, Rwanda graduated to a non-borrowing IMF program (Policy Support Instrument or PSI)
  - All recent reports are available on the IMF's website



# History of close cooperation

- Technical assistance:
  - Technical advice provided by the short-term and resident experts from the IMF HQ and from AFRITAC – East to the NBR, MINECOFIN, RRA, and NISR
  - Areas of advice have included revenue administration, banking supervision, treasury management, monetary operations, and data compilation



# IMF programs – key objectives

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- Strong domestic revenue collection
- Sound management of public resources
- Maintenance of stable macroeconomic environment
- Structural reforms to support development of the private sector

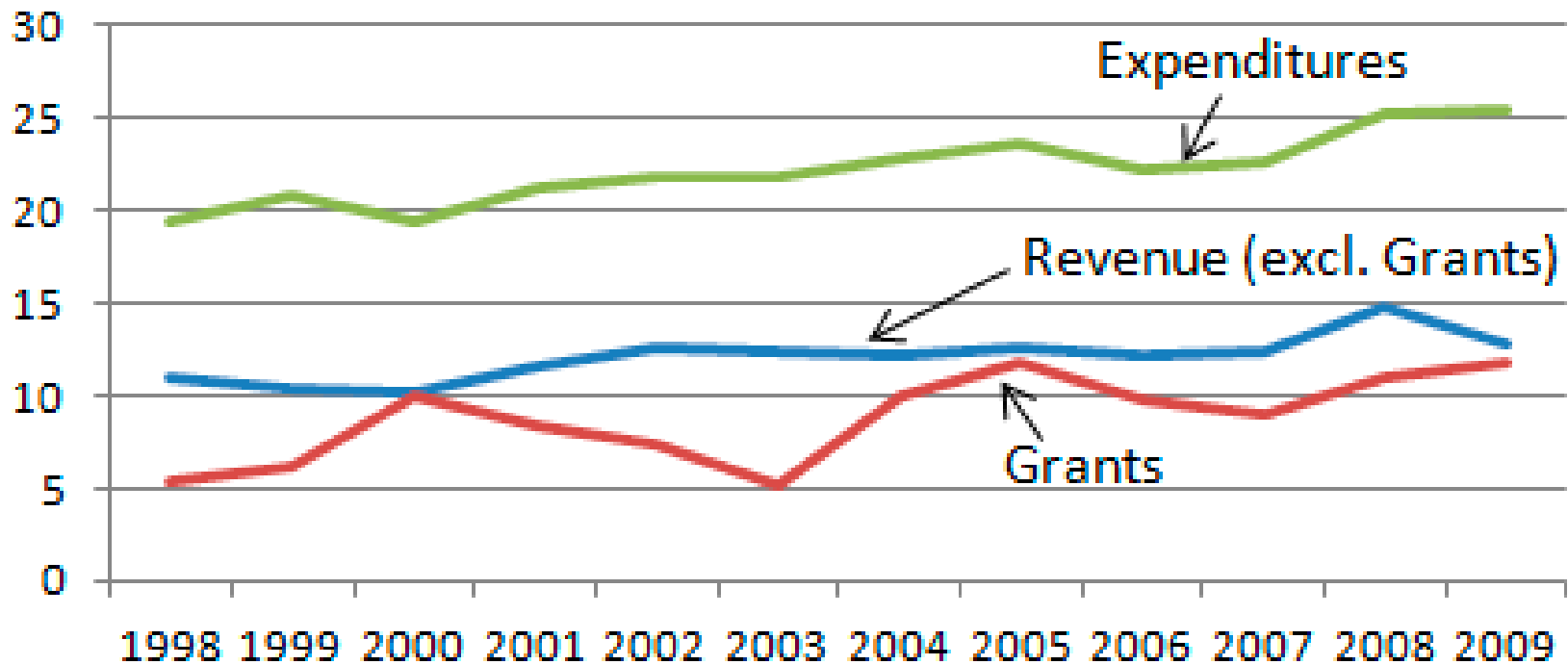


# IMF programs – main achievements

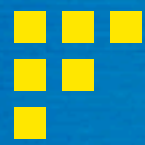
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- Successful mobilization of highly concessional donor assistance
- Strong economic growth
- Much-improved revenue mobilization and public financial management
- Moderate inflation
- Comfortable foreign reserves
- Sustainable external debt position

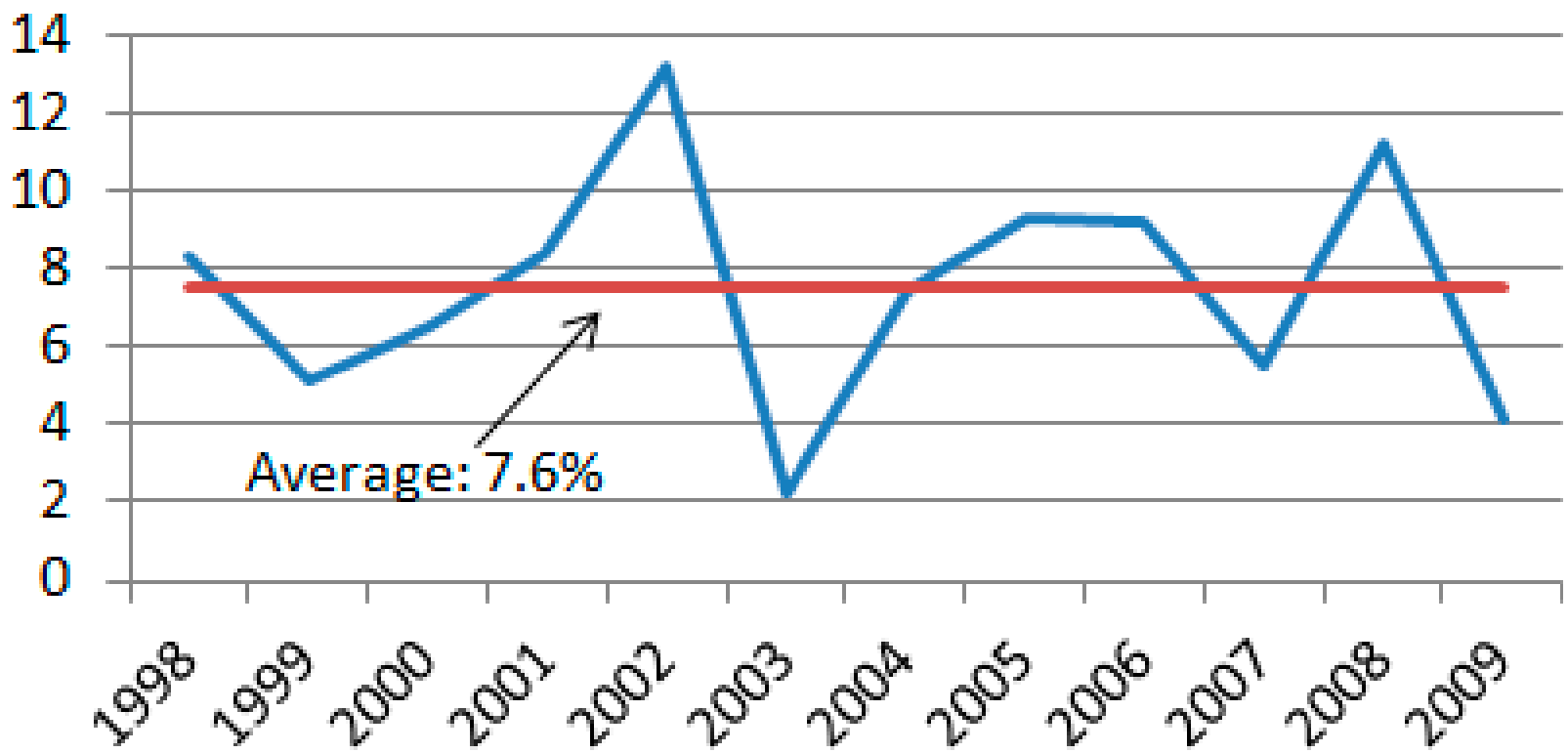
## Revenue and Expenditures, % of GDP

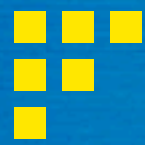




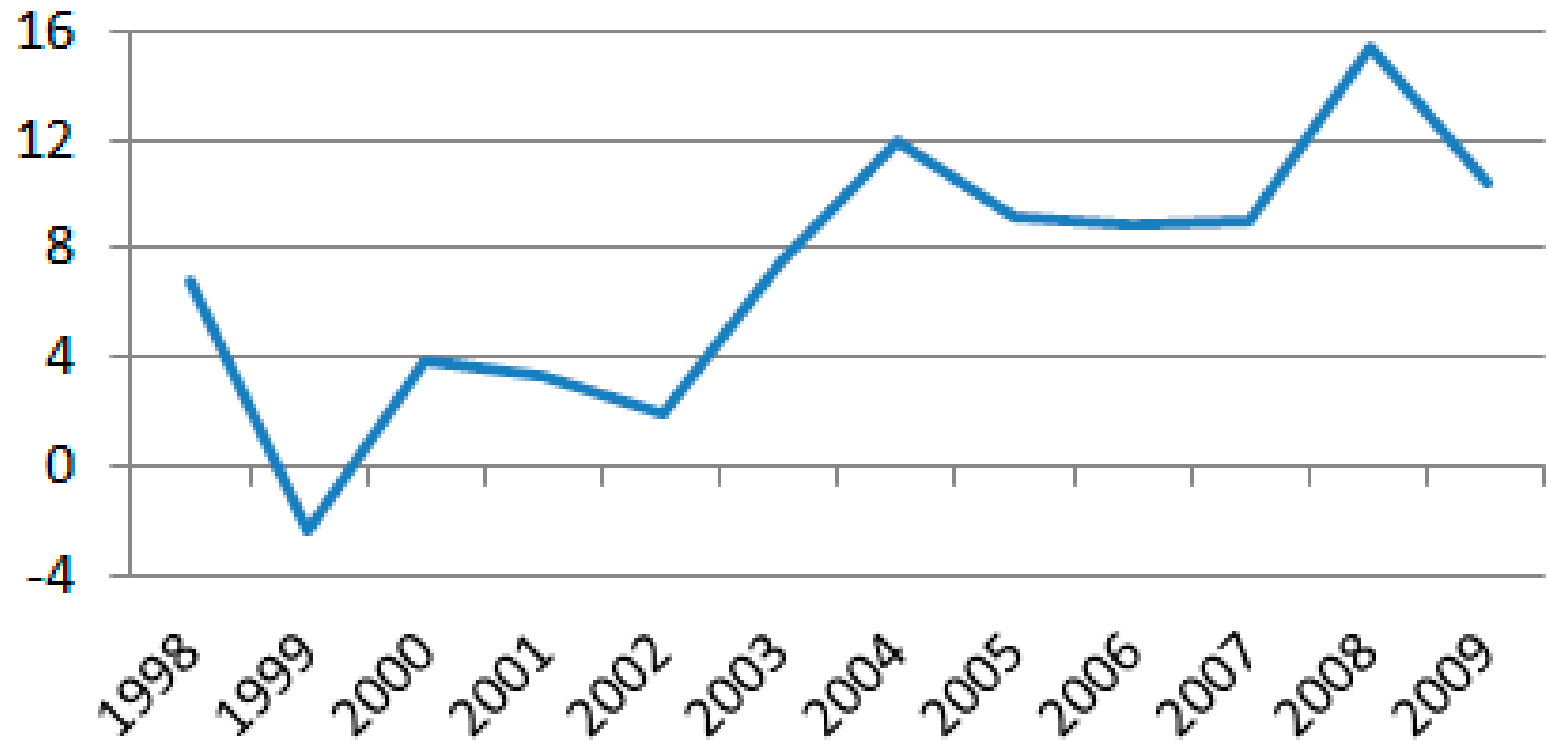


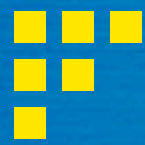
## Real GDP Growth, %



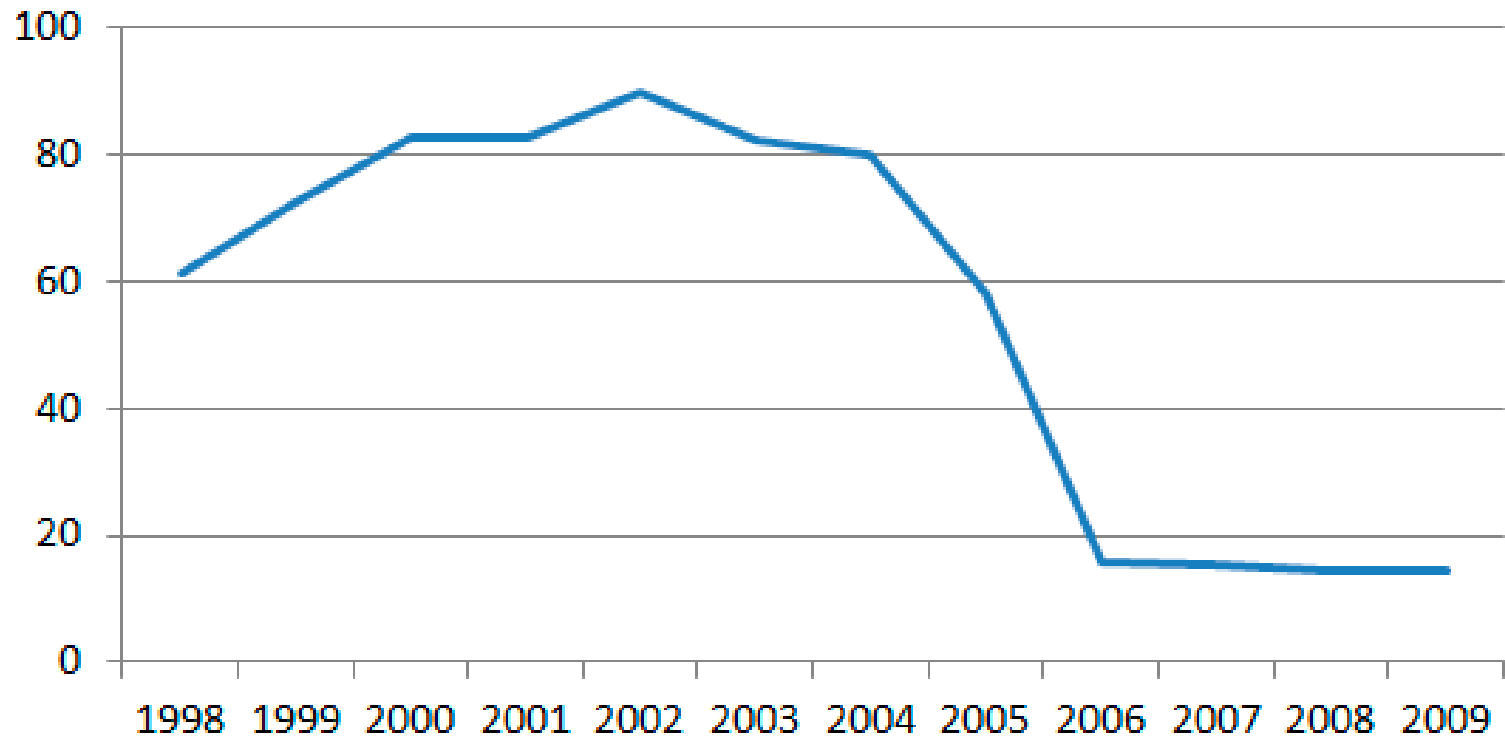


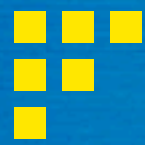
## Inflation (period average), %



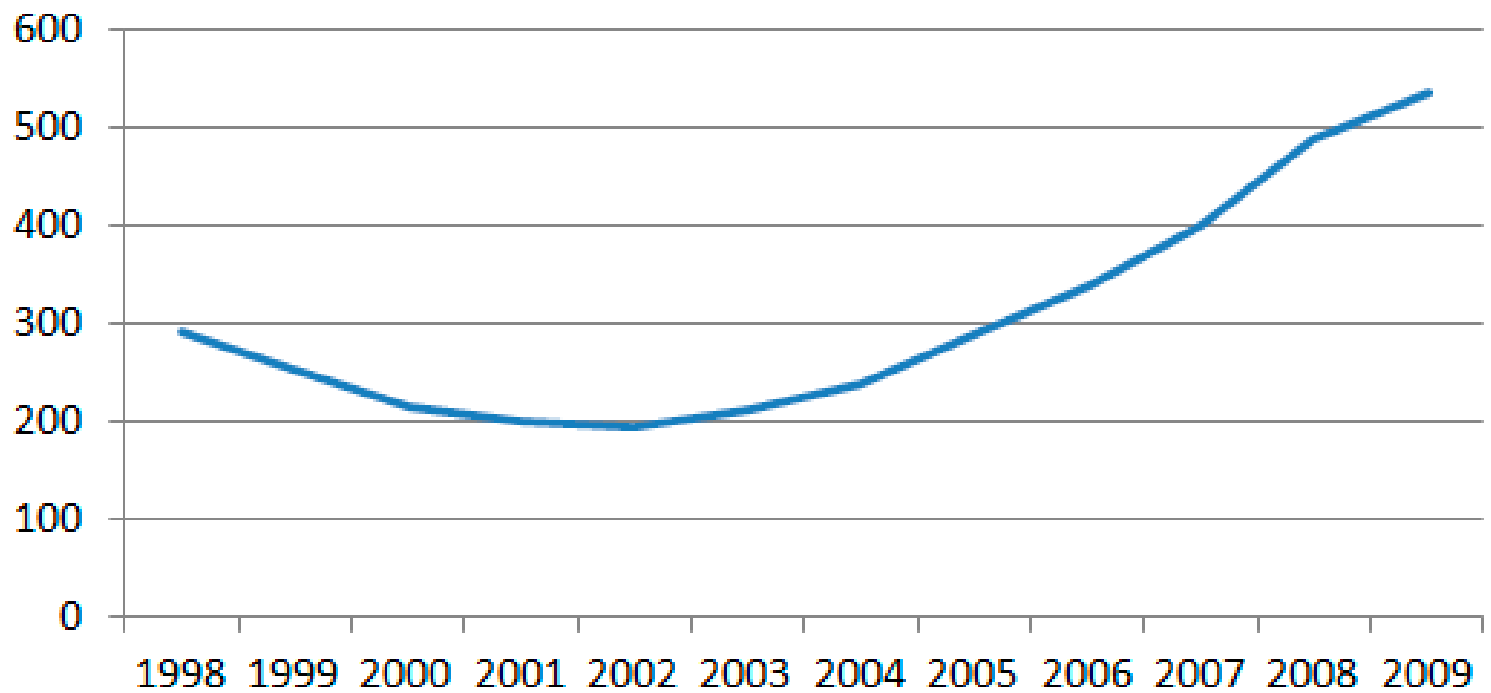


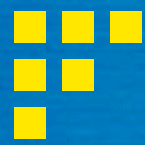
## External Debt, % of GDP





## GDP per Capita, US Dollars



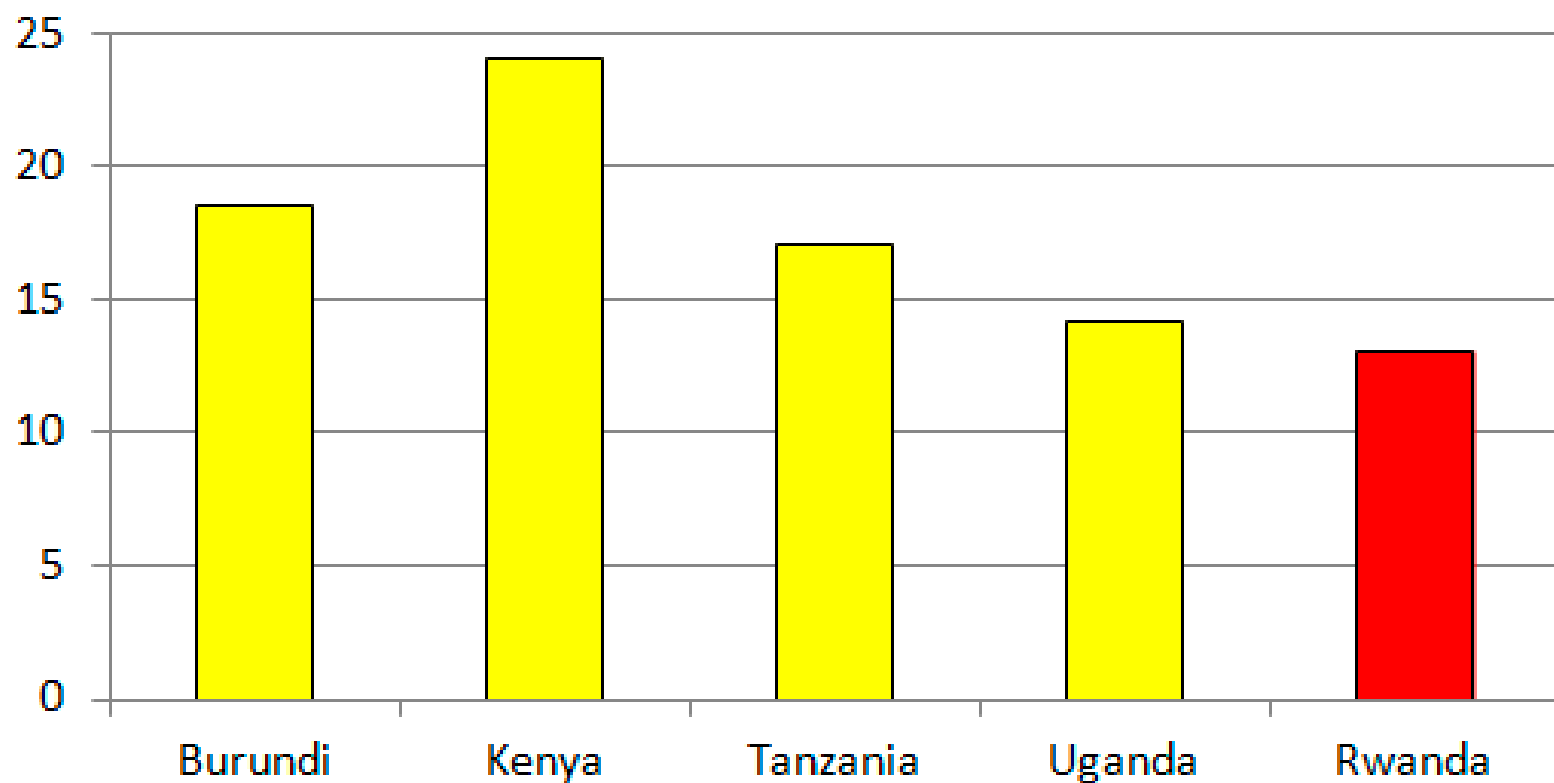


# Remaining challenges

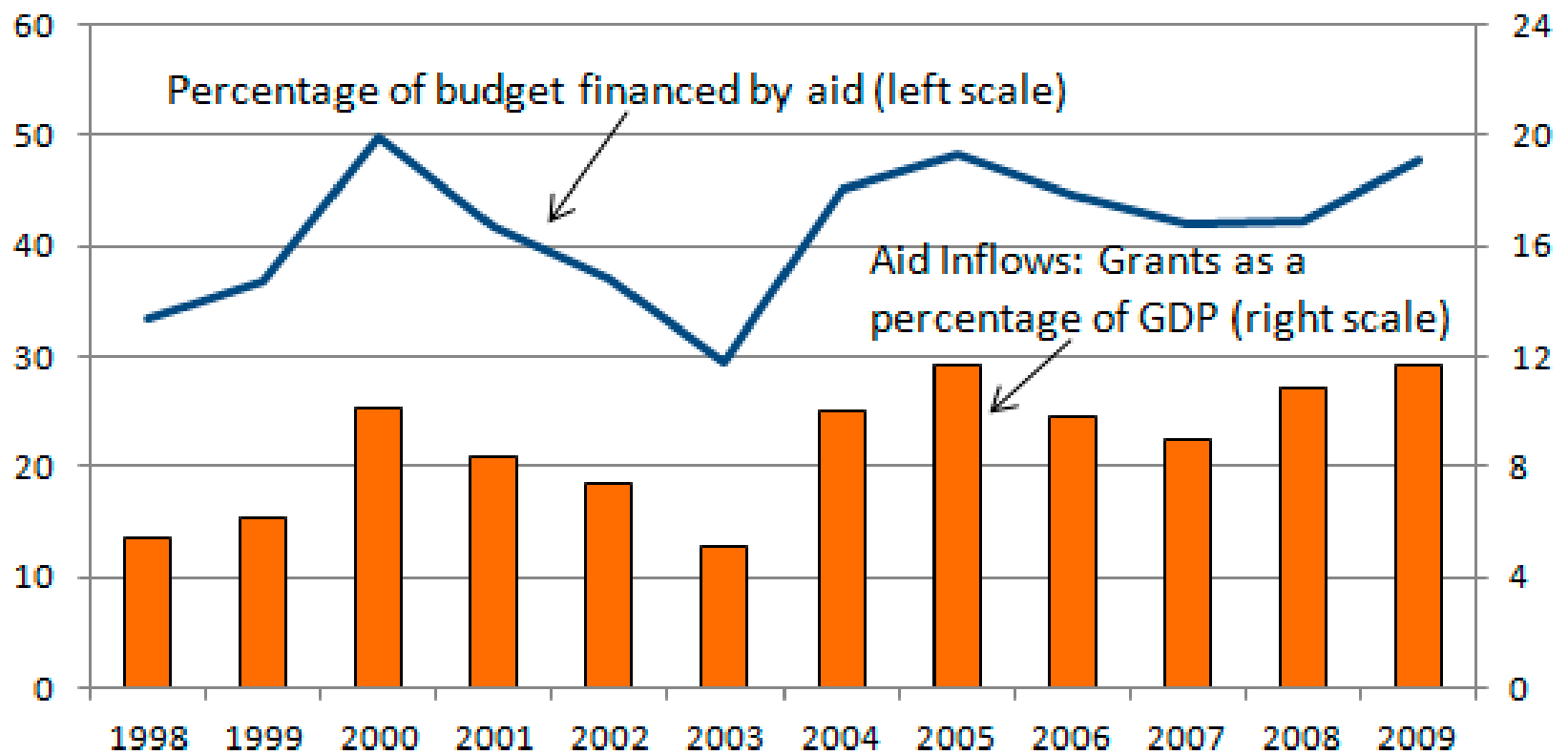
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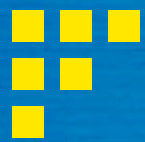
- Low domestic revenues and the corresponding dependence on donor assistance
- Persistent trade deficit
- High poverty rates

## Revenue (excl. Grants), % of GDP, 2009

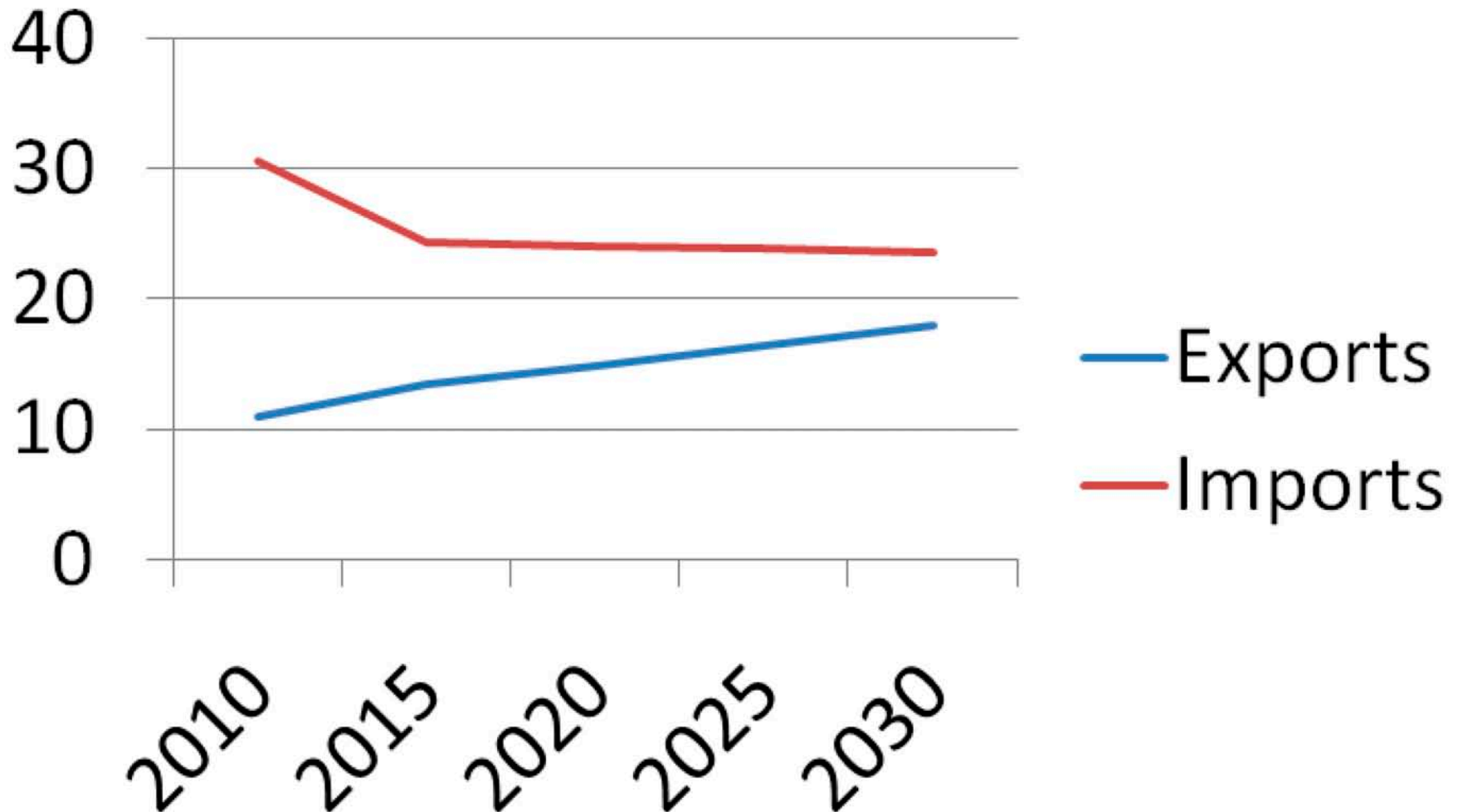


## Aid Dependency

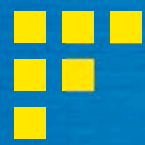




# Trade balance projections







# Role of Parliament in supporting the PSI

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- Discussion of the national economic priorities
- Review and approval of the national budget
- Analysis and oversight of budget execution