

APPENDIX IV. RWANDA: MILLENNIUM DEVELOPMENT GOALS ¹

	1990	1995	2000	2005	2010
Goal 1: Eradicate extreme poverty and hunger					
Employment to population ratio, 15+, total (%)	87	87	84	84	85
Employment to population ratio, ages 15-24, total (%)	79	80	73	73	73
Income share held by lowest 20%	..	..	5	..	..
Malnutrition prevalence, weight for age (% of children under 5)	24	..	20	18	11
Poverty gap at \$1.25 a day (PPP) (%)	..	..	38	..	..
Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	..	78	77	57	45
Goal 2: Achieve universal primary education					
Literacy rate, youth female (% of females ages 15-24)	..	..	77	..	..
Literacy rate, youth male (% of males ages 15-24)	..	..	79	..	..
Primary completion rate, total (% of relevant age group)	0	..	22	40	70
Total enrollment, primary (% net)	66	70	76	82	99
Goal 3: Promote gender equality and empower women					
Proportion of seats held by women in national parliaments (%)	17	17	17	49	56
Ratio of female to male primary enrollment (%)	97	..	97	103	102
Ratio of female to male secondary enrollment (%)	71	..	94	88	102
Ratio of female to male tertiary enrollment (%)	22	..	48	62	77
Goal 4: Reduce child mortality					
Immunization, measles (% of children ages 12-23 months)	83	84	74	89	82
Mortality rate, infant (per 1,000 live births)	103	122	68	46	42
Mortality rate, under-5 (per 1,000)	171	241	180	108	60
Goal 5: Improve maternal health					
Births attended by skilled health staff (% of total)	26	..	31	39	69
Contraceptive prevalence (% of women ages 15-49)	21	14	13	17	52
Maternal mortality ratio (modeled estimate, per 100,000 live births)	1,100	1,400	1,100	720	476
Pregnant women receiving prenatal care (%)	94	..	92	94	98
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)	..	..	13	12	11
Incidence of tuberculosis (per 100,000 people)	170	240	350	420	106
Prevalence of HIV, total (% of population ages 15-49)	9	7	5	3	..
Tuberculosis case detection rate (all forms)	54	23	22	19	..
Goal 7: Ensure environmental sustainability					
Forest area (% of land area)	13	13	14	20	18
Improved sanitation facilities (% of population with access)	23	32	40	49	55
Improved water source (% of population with access)	68	67	67	66	75
Terrestrial protected areas (% of total surface area)	..	..	..	8	10
Goal 8: Develop a global partnership for development					
Net ODA received per capita (current US\$)	40	128	40	64	97
Debt service (PPG and IMF only, % of exports, excluding workers' remittances)	10	20	25	4	3
Internet users (per 100 people)	0	0	0	1	8
Mobile cellular subscriptions (per 100 people)	0	0	0	2	33
Other					
Fertility rate, total (births per woman)	7	6	6	6	5
GNI per capita, Atlas method (current US\$)	360	230	250	250	520
GNI, Atlas method (current US\$) (billions)	3	1	2	2	..
Life expectancy at birth, total (years)	33	29	43	48	55
Literacy rate, adult total (% of people ages 15 and above)	58	..	65	..	..
Trade (% of GDP)	20	31	34	37	41

Source: World Development Indicators

¹ Figures in italics refer to periods other than those specified.



RWANDA

November 20, 2012

**STAFF REPORT FOR THE 2012 ARTICLE IV CONSULTATION,
FIFTH REVIEW UNDER THE POLICY SUPPORT INSTRUMENT,
AND REQUEST FOR MODIFICATION OF ASSESSMENT
CRITERIA—INFORMATIONAL ANNEX**

Prepared By

The African Department

CONTENTS

RELATIONS WITH THE FUND	2
JOINT BANK-FUND WORK PROGRAM	6

RELATIONS WITH THE FUND

I. Membership Status: Joined: September 30, 1963; Article VIII

II. General Resources Account:	SDR Million	%Quota
<u>Quota</u>	80.10	100.00
<u>Fund holdings of currency</u>	80.11	100.02
<u>Reserve Tranche Position</u>	0.00	0.00

III. SDR Department:	SDR Million	%Allocation
<u>Net cumulative allocation</u>	76.82	100.00
<u>Holdings</u>	82.59	107.51

IV. Outstanding Purchases and Loans:	SDR Million	%Quota
PRGF Arrangements ¹¹	8.75	10.93

V. Latest Financial Arrangements:

<u>Type</u>	<u>Date of Arrangement</u>	<u>Expiration Date</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
PRGF	June 12, 2006	August 07, 2009 ¹²	8.01	8.01
PRGF	August 12, 2002	June 11, 2006	4.00	4.00
PRGF	June 24, 1998	April 30, 2002	71.40	61.88

VI. Projected Payments to Fund¹³

(SDR Million; based on existing use of resources and present holdings of SDRs):

	<u>Forthcoming</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Principal	0.17	1.14	1.60	1.89	1.55
Charges/Interest	0.00	0.00	0.02	0.01	0.01
Total	<u>0.17</u>	<u>1.14</u>	<u>1.61</u>	<u>1.90</u>	<u>1.55</u>

¹¹ Now known as Extended Credit Facility (ECF).

² On June 4, the PRGF was extended from June 11, 2009 to August 14, 2009, to allow time for the completion of the sixth and final review, and for making the final disbursement under the PRGT arrangement.

¹³ When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

VII. Implementation of HIPC Initiative:	Enhanced framework
I. Commitment of HIPC assistance	
Decision point date	December 2000
Assistance committed by all creditors (US\$ million) ¹⁴	695.50
<i>Of which:</i> IMF assistance (US\$ million)	63.40
(SDR equivalent in millions)	46.79
Completion point date	April 2005
II. Disbursement of IMF assistance (SDR million)	
Assistance disbursed	46.79
Interim assistance	14.45
Completion point balance	32.34
Additional disbursement of interest income ¹⁵	3.77
Total disbursements	50.56

Decision point—point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

Interim assistance—amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

Completion point—point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 4 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

¹⁴ Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

¹⁵ Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

VIII. Implementation of Multilateral Debt Relief Initiative (MDRI)

I. MDRI -eligible debt (SDR Million) ¹	52.74
Financed by: MDRI Trust	20.19
Remaining HIPC resources	32.55

II. Debt Relief by Facility (SDR million)

Delivery Date	GRA	PRGT	Total
January 2006	N/A	52.74	
52.74			

IX. Implementation of Post-Catastrophe Debt Relief (PCDR): Not Applicable**X. Safeguards Assessments:**

The 2007 safeguards update assessment noted that since 2003, the National Bank of Rwanda (NBR) strengthened its own safeguards: External audits were completed on time, the Committee of Auditors became operational, and the Internal Audit Department helped in the strengthening of controls over monetary program data. The update assessment's priority recommendations concerned timely publication of the audited financial statements, further improving external audit arrangements, and conformity with of IFRS. Safeguards policy does not require an update safeguards assessment in the case of the non-financial arrangement with the Fund. However, such assessment may be voluntary requested by the country, and the NBR has made a formal request for the update assessment.

XI. Exchange System:

The currency of Rwanda is the Rwandan franc. On December 1998, Rwanda accepted the obligations under Article VIII, Sections 2, 3 and 4 of the IMF and maintains a system free of restrictions on the making of payments and transfers for current international transactions. As of October 31, 2012, the official exchange rate was RWF 627.2 per U.S. dollar. The exchange rate has depreciated slightly since end-2011. The de facto exchange rate regime is currently classified as **crawl like** and the de jure as **floating**. With effect from December 27, 2010, the official exchange rate is the weighted average computed from a previous foreign exchange interbank market transaction and an intervention transaction by the National Bank of Rwanda (NBR). The Average Reference Rate, formerly used for the official exchange rate, was eliminated. The NBR applies a margin of +/-0.8 percent to the official rate to derive a customer rate. With a view to introducing more flexibility in its exchange rate policy, since March 24, 2010, NBR introduced an exchange rate corridor framework.

XII. Article IV Consultation:

¹ The Multilateral Debt Relief Initiative (MDRI) provides 100 percent debt relief to eligible member countries that are qualified for the assistance. The debt relief covers the full stock of debt owed to the Fund as of end-2004 which remains outstanding at the time the member qualifies for such debt relief. The MDRI is financed by bilateral contributions and the Fund's own resources, as well as the resources already disbursed to the member under the HIPC Initiative (see Section VII above).

Rwanda is on the revised 24-month consultation cycle. The Executive Board discussed the staff report for the 2010 Article IV consultation (IMF Country Report No. 11/19) on December 20, 2010.

XIII. FSAP Participation, ROSCs, and OFC Assessments:

A Report on Observance of Standards and Codes on Fiscal Transparency (ROSC) was issued in July 2003. A Financial Sector Assessment Program (FSAP) took place in February 2005, and a FSAP update was completed in June 2011. Rwanda has not had an Offshore Financial Center (OFC) assessment.

XIV. Policy Support Instrument (PSI):

A three-year PSI program was approved on June 16, 2010, with an effective date of June 30, 2010. The second review and the third review under the PSI were completed on June 23, 2011 and January 9, 2012, respectively, while the fourth review was completed on June 6, 2012^{XV}.

Technical Assistance and Future Priorities:

List of Technical Assistance Missions (2011–2012)

- 2011 STA/AFRITAC East mission on national accounts statistics.
- 2011 MCM mission on payment systems oversight.
- 2011 STA mission on improving quality of fiscal data.
- 2011 FAD mission on improving customs administrative efficiency
- 2011 FAD mission on financial manual-legal requirements alignment
- 2011 STA mission on national accounts statistics
- 2011 MCM mission on strengthening regulatory framework
- 2011 FAD mission on strengthening HQ functions and customs risks management
- 2011 FAD mission on improving consistency of microeconomic databases
- 2011 FAD mission on tax administrative reform priorities for tax compliance
- 2011 FAD mission on regional workshop on strengthening systems and structures
- 2011 FAD mission on gaps and options of public financial aid
- 2011 FAD mission on tax administration capacity for auditing
- 2011 FAC mission on TSA project
- 2011 MCM mission on developing a medium term debt management strategy
- 2011 MCM mission on enhancing monetary operations, foreign exchange operations and markets, and banking supervision
- 2011 FAD mission on review of Organic Budget Law
- 2012 STA mission on trade price indices
- 2012 MCM mission on developing AML/CFT offsite tools
- 2012 STA mission on quarterly national accounts
- 2012 FAD mission on TSA project follow-up
- 2012 STA mission on developing a framework for market risk
- 2012 FAD mission on development of TSA project
- 2012 STA mission on balance of payment statistics follow-up
- 2012 FAD mission on program budgeting
- 2012 FAD mission on establishment of tax administration reform priorities
- 2012 FAD mission on smart IFMIS follow-up
- 2012 FAD mission on macroeconomic framework capacity

- 2012 mission on development of reporting guidelines for annual reports
 2012 STA mission on consumer price index
 2012 MCM mission on monetary operations, liquidity management and money markets development
 2012 FAD mission on enhancing revenue mobilization through tax policy and revenue administration reform

Future priorities

The priorities for the Fund's technical assistance will remain in the area of monetary and exchange rate management, supervision of bank and nonbank financial institutions, public finance management, tax policy and administration, and compilation of national account statistics.

XVI. Resident Representative:

Ms. Farahbaksh Mitra assumed her duties as Resident Representative in August 2012.

XVII. Management Visit:

The Director of the African Department, Ms Antoinette M Sayeh, visited Rwanda during July 19 – 20, 2012.

RWANDA: JOINT BANK-FUND WORK PROGRAM

JUNE 2012–JULY 2013

Title	Products/Activity	Timing of mission (if relevant)	Expected delivery date
I. Mutual Information on Relevant Work Program			
Bank Work Program	<u>A. Strategy and Analytical Work</u>		
		Country Assistance Strategy	May 2013
		Rwanda Economic Updates	Ongoing
		Employment and Growth Policy	May 2013
		Rwanda Land Sector Study	June 2013
	<u>B. Ongoing and New Projects</u>		
		Poverty Reduction Support Financing (PRSG 9)	Pending
		Electricity Access (Additional Financing)	December 2012
		Second Support to Social Protection Systems	March 2013

Title	Products/Activity	Timing of mission (if relevant)	Expected delivery date
	Feeder Roads Development Project		May 2013
	Third Rural Sector Support Project		Ongoing
	Statistics for Results Project		Ongoing
	Governance and Competitiveness TA Project		Ongoing
	Economic Empowerment of Young Women		Ongoing
	Skills Development Project		Ongoing
	Second Emergency Demobilization and Reintegration Project		Ongoing
	Land Husbandry, Water Harvesting, and Hillside Irrigation		Ongoing
	Rwanda Electricity Access Scale-up and Sector-wide approach Project		Ongoing
	Sustainable Energy Development Project (GEF)		July 2013
	Transport Sector Development Project		Ongoing
	Regional Rusumo Hydroelectricity Project		Ongoing
	L.Victoria Environment Management Project (Ph. 2)		Ongoing
	EAC Financial Sector Development and Regionalization Project		Ongoing
	East Africa Public Health Laboratories Networking Project		Ongoing
	Regional Communications Infrastructure Project		Ongoing
	East Africa Trade and Transport Facilitation Project		Ongoing

IMF Work Program

A. Missions

Fourth Review Under the Policy Support Instrument	March 2012	June 2012
Article IV and Fifth Review Under the Policy Support Instrument	October 2012	December 2012
Sixth Review Under the Policy Support Instrument	March 2013	June 2013

Title	Products/Activity	Timing of mission (if relevant)	Expected delivery date
	Instrument		
		<u>B. Analytical Work</u>	
	Review of Relevant Country Experiences in Transitioning from Monetary to Inflation Targeting		November 2012
	Assessing Shock Spillovers in EAC Foreign Exchange Markets		November 2012
	The Investment-Financing-Growth Nexus		November 2012
		<u>B. Analytical Work</u>	
	Developing a Forecasting and Policy Analysis Tool for Rwanda		March 2013
		<u>C. Technical Assistance</u>	
	<i>Fiscal: Enhancing Revenue Mobilization Through Tax Policy and Revenue Administration Reform</i>		October 2012
	<i>Monetary: Monetary operations; liquidity management and money markets development</i>		September 2012
	<i>Statistics: Consumer Price Index</i>		September 2012
II. Request for Work Program Inputs			
Bank Request to Fund	Impact of the global economic crisis on key macro indicators and growth in Rwanda		Ongoing
	Sharing macro-framework updates		As needed
Fund Request	Assessment of key infrastructure projects undertaken by the government.		As needed