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January 12, 2009

Rwanda: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

December 18, 2008

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The following item is a Letter of Intent of the government of Rwanda, which describes the policies that Rwanda intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Rwanda, is being made available on the IMF website by agreement with the member as a service to users of the [IMF](#) website.

Letter of Intent

Kigali, December 18, 2008

Mr. Dominique Strauss-Kahn
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

Dear Mr. Strauss-Kahn:

1. The fourth review of our financial and economic program supported by the Fund's Poverty Reduction and Growth Facility (PRGF) was completed on June 16, 2008. In the attached Memorandum of Economic and Financial Policies (MEFP), we review recent economic developments and progress in the implementation of our program through the third quarter of 2008; and set out policies the Government intends to pursue in 2009.
2. Program implementation under the PRGF arrangement has been broadly on track. All quantitative and structural performance criteria for the completion of the fifth review were met except for the performance criterion (PC) on publication of the PFM reform action plan for 2008-10. However, it is to be mentioned that the first¹ draft PFM action plan was published on the website of Ministry of Finance and Economic Planning in June 2008. As the nonobservance was temporary, we are requesting a waiver for the nonobservance of the structural PC on the publication of the PFM reform action plan.
3. In support of our policies as described in the MEFP, the Government of Rwanda requests the completion of the fifth review of the PRGF arrangement and the disbursement of the sixth loan of SDR 1.14 million.
4. The Government of Rwanda believes that the policies set forth in the attached MEFP are adequate to achieve the objectives of its program but will take any further measures that may become appropriate for this purpose. The Government will consult with the Fund on adoption of these measures and in advance of revisions to the policies contained in the MEFP, in accordance with the Fund's policies on such consultations.

¹ The first draft was not discussed with the development partners. A final version was published in September 2008 after thorough consultations with them.

5. The Government of Rwanda authorizes publication and distribution of this letter, the MEFP and the TMU together with the related staff report and debt sustainability analysis and the selected issues paper.

Sincerely yours,

/ s /
François Kanimba
Governor
National Bank of Rwanda

/ s /
James Musoni
Minister of Finance and
Economic Planning

Attachment I
Rwanda: Memorandum of Economic and Financial Policies (MEFP) of the Government of Rwanda

December 18, 2008

1. Rwanda's medium-term economic program is supported by the Poverty Reduction and Growth Facility arrangement for 2006–09. We are committed to reducing poverty through preserving macroeconomic stability, boosting economic growth, and implementing policies targeted at improving the livelihood of the poor. This memorandum is consistent with the goals established in the new Economic Development and Poverty Reduction Strategy (EDPRS), which was launched in November 2007. The memorandum reviews recent performance under the program through the third quarter of 2008 and describes policies for 2009.

I. RECENT ECONOMIC DEVELOPMENTS

2. **Growth remains strong, but inflation has accelerated.** GDP growth is expected to reach about 8½ percent in 2008, owing to buoyant activity in agriculture, construction, and services. Inflation, led by rising prices of food, transport, and housing and utilities, has accelerated from 6.6 percent at end-2007 to 21.9 percent in October. These developments partly reflect the pass-through from elevated international food and fuel prices amid higher local and regional demand for food products, which, despite the favorable harvest, led to rapid price increases for locally produced food. Domestic demand pressures also played a role. Average inflation in 2008 is expected to be about 15 percent.

3. **The fiscal program has remained broadly on track through September 2008.**

- *Fiscal policy in the first half of 2008 was tighter than programmed because of higher revenues and lower spending.* The larger revenues reflected an increase in collections from income and consumption taxes, as well as higher inflation and GDP growth. Given the build up of inflationary pressures, we made an effort to restrain spending across the board. Nevertheless, the target on priority spending was achieved. The tighter fiscal stance led to a larger than programmed reduction of credit to government and also made it possible to keep domestic debt below targeted levels.
- *Spending accelerated in the third quarter of the year and the strong revenue performance continued.* Spending through September was higher than programmed because of the purchase of seed and fertilizer and spending on food storage (largely financed by grants from IDA and AfDB) and maintenance of the road network. As a result, the target on priority spending was met by a wide margin. The end-September indicative targets on domestic fiscal balance and net credit to the government were met. Because of administrative delays associated with the general elections, the budget accumulated domestic arrears totaling about 1 percent of GDP in July–August. Even though about a third of this amount was already cleared in September, the end-September indicative target for arrears repayment was missed. The Government

continued to repay domestic arrears in the fourth quarter and is confident that the program target for arrears repayment for end-2008 will be reached.

- *Domestic petroleum prices have been adjusted periodically in response to world oil market developments.* From end-2007 through September 2008, the cumulative increase in retail petroleum prices amounted to 35 percent. However, the recent fall in world oil prices prompted us to reduce retail petroleum prices by 15 percent between September and November. Despite these price changes, we remain committed to generating stable revenues from petroleum taxes.
4. **The reserve money targets for end-June and end-September 2008 were met.** The National Bank of Rwanda (NBR) overhauled monetary operations in July when it introduced the key policy rate, which was set at 8 percent, and a new corridor structure for the interbank rate based on daily repo operations of 1–14 days maturity. This replaced weekly liquidity auctions (7-day deposits) and overnight deposits. The NBR has increased sales of foreign exchange relative to projections and is relying less on issuance of domestic instruments to meet the reserve money target. Broad money was consistent with program targets for end-June and marginally higher for end-September.
5. **The Rwandan franc depreciated somewhat against the U.S. dollar.** In July the NBR modified the mechanism for determining the weekly average reference rate at which it sells foreign exchange to commercial banks. The new mechanism sets the reference rate as the weighted average of the rate applied by the NBR and commercial banks in their foreign exchange transactions with clients during the week, but it excludes all transactions between banks. As a result, the exchange rate has become more flexible.
6. **The external current account has deteriorated somewhat relative to 2007.** During the first half of the year, exports and imports of goods grew faster than anticipated in the program due to significant increases in the prices of main commodities. Despite the strong increase in export receipts from coffee, tea, minerals and tourism, the widening of the trade deficit was caused by the surge in food and fuel prices, and is expected to persist for the rest of the year, causing an overall deterioration of the current account.
7. **Progress was made on the structural agenda:**
- *Our efforts in public financial management (PFM) reforms are beginning to show results, and we will be accelerating the pace of reforms as we address capacity constraints.* The operational manual for the Medium Term Expenditure Framework was produced and published on the MINECOFIN website in June (June 30 performance criterion). After consultations with development partners, the PFM reform strategy and action plan for 2008–12 (June 30 performance criterion) was published in September, and we initiated work to establish a new framework for strategic guidance, implementation, monitoring, and financing of the PFM reform strategy. This should guarantee more coherent implementation and reduce the risk of bottlenecks delaying progress in some areas. In line with identified needs, capacity building and training in PFM continued throughout the year.

- On tax administration, two structural benchmarks for end-June were completed on time: (i) a comprehensive compliance program--that identifies the main compliance risks associated with the large, medium, and small taxpayer segments, and describes planned Rwanda Revenue Authority (RRA) initiatives to address those risks based on risk analysis--was developed and published on the RRA website, and (ii) an expedited clearance scheme (super green/gold card) for compliant importers contributing a cumulative 40 percent of import value was implemented.
- Further progress was made in reforms to develop and strengthen the financial sector:
 - **Payment systems.** The Cabinet adopted a National Payments Strategy to improve the payments infrastructure and develop basic payment services in Rwanda before end-September 2008, although publication of the strategy on the NBR website (end-September benchmark) was delayed until October. A payment system bill that would establish a clear oversight framework for the NBR over key components of the Rwandan payment system and ensure settlement finality was submitted to Parliament in September 2008. The company operating the switch to national card-based payment changed management in August and 70 percent of the shares are now owned by a German-based company. The new management, fully supported by the NBR, should be able to develop a modern system for electronic payments.
 - **Legal reforms.** Parliament passed laws governing organization and supervision of the insurance industry in July and the Anti-Money Laundering and Combating the Financing of Terrorism Legislation in June 2008.
 - The NBR continued its work to prepare the implementation of consolidated banking and insurance supervision in conformity with international standards, and developed a comprehensive internal audit manual.
 - A private credit bureau that also operates in Tanzania and Uganda was granted a license in October.

8. **Rwanda is determined to build a culture of innovation and entrepreneurship, in which an expanded private sector can create jobs and increase opportunities for all Rwandans.** The Rwanda Development Board (RDB) was created to advance these goals by making Rwanda a compelling global hub for business and investment. The RDB is a new institution that is charged with leading the Government's efforts to accelerate Rwanda's strategic growth and development. The RDB will work to create a world-class business climate that will build on the country's assets, expand the private sector, create jobs, and increase opportunities for all Rwandans. The RDB incorporates elements of eight government agencies: Rwanda Investment and Export Promotion Agency (RIEPA); Rwanda Office of Tourism and National Parks (ORTPN); Privatization Secretariat; Rwanda Commercial Registration Services Agency; Rwanda Information and Technology Authority (RITA); Center for Support to Small and Medium Enterprises (CAPMER); Human Resource and Institutional Capacity Development Agency (HIDA); and the Environmental Impact Assessment Division of the Rwanda Environmental Management Authority (REMA).

Realignment of these agencies will allow the Government of Rwanda to gain greater efficiency and productivity. RDB will drive legal and regulatory reforms to eliminate inefficiencies and streamline bureaucracy that might hinder private sector development. RDB will also work to expand the infrastructure needed for economic growth, including transportation, information communications technology (ICT), conservation, and human and institutional capacity.

9. **In order to achieve effective and sustainable social protection for the poor and vulnerable, Rwanda began implementation of the Vision 2020 Umurenge Program (VUP program).** This is an integrated rural development program designed to eradicate extreme poverty in Rwanda by 2020. It is being piloted in 30 of the poorest sectors (imirenge) of the country (about 600,000 people). The program is organized around three components: (i) The first component (50 percent) revives planned public works using community-based participatory approaches (e.g., Ubudehe) to build community assets and create off-farm employment infrastructure. (ii) The second (30 percent) innovates with credit packages to tackle extreme poverty and foster entrepreneurship and off-farm employment opportunities. (iii) The third component (20 percent) includes direct supports to improve access to social services or to provide for landless households in which no members qualify for public works or credit packages; such unconditional support seeks to expand health and education coverage and encourage the development of skills, handicrafts, or social services activities. A number of donors (WorldBank, DFID, European Union, and Sweden) are supporting this program.

II. MEDIUM-TERM STRATEGY

10. **Our medium-term policy agenda will focus on reducing poverty by improving food security and creating social protection schemes, removing impediments to growth, and preserving macroeconomic stability.** The policies, which are based on the Vision 2020 development plan, are elaborated in the new EDPRS. The main elements seek to:

- *Address severe infrastructure bottlenecks*, including the insufficient and expensive energy supply, poor road network, shallow financial system, and the high costs of doing business.
- *Enhance agricultural development and trade* as vehicles to empower the poor by having them participate in economic activity.
- *Improve the delivery of public services* through better expenditure management and better analyses and monitoring of the links between policies, growth and poverty reduction. Through better monitoring we will identify worthy programs and projects that can be scaled up.
- *Remove obstacles to private sector development* to make it the engine of growth. To this end, we will continue building human capital through better health and education and address skill shortages.

- *Rely on sustainable financing sources* with an emphasis on grant financing and raising the revenue ratio in the long run.

11. **While our medium-term macroeconomic framework is based on prudent projections for growth and external assistance, we believe that steadfast implementation of our reform agenda is likely to lead to growth that is substantially higher than projected, and we hope it could facilitate higher levels of external assistance.** Moreover, to further improve the policy dialogue with stakeholders and development partners, we will maintain a rolling medium-term expenditure and macroeconomic framework.

III. POLICIES FOR THE REMAINDER OF 2008

12. **We expect to meet all end-2008 fiscal targets.** Revenue overperformance and higher budget support grants are expected to cover unanticipated spending for fertilizer, seeds, storage facilities, road maintenance, and water supply (Text Table 1). To limit the fiscal stimulus on domestic demand, the remaining revenue will be saved.

13. **The NBR will maintain a tight monetary policy.** It will continue to monitor inflation and private sector credit and be prepared to tighten the policy stance. The exchange rate will be sufficiently flexible to meet the reserve money target and ensure that foreign exchange reserves remain at or above their target. Furthermore, a committee comprising representatives of the various financial institutions has been established to monitor and assess financial sector trends and advise on measures to limit the impact of the global financial crises on Rwanda.

Text Table 1: Additional Budget Revenues and Spending, 2008
(Billions of Rwanda francs and percent of GDP)

	Billions of francs	Percent of GDP ¹
New resources	40.6	1.7
Higher revenue	35.6	1.5
Tax revenue	36.9	1.6
Direct taxes	17.7	0.8
Taxes on goods and services	11.3	0.5
Taxes on international trade	7.9	0.3
Non tax revenue	-1.3	-0.1
Lower privatization receipts	-3.5	-0.1
Higher budget grants	8.4	0.4
New spending	21.2	0.9
Current spending	-1.2	-0.1
<i>Of which:</i>		
Transfers	-4.2	-0.2
Peacekeeping operations	4.6	0.2
Domestic capital spending	9.3	0.4
<i>Of which:</i>		
Fertilizer imports	8.9	0.4
Food security storage	2.5	0.1
ICT project	0.8	0.0
Import of seeds	0.4	0.0
Nyabarongo project	-1.5	-0.1
Net lending	13.1	0.6
<i>Of which:</i>		
Financing to Rwandatel to clear tax arrears	7.6	0.3
Repayment of liabilities to CSR ³	2.4	0.1
Change in domestic balance excluding demobilization and peacekeeping expenditures ²	15.6	0.7
Adjustment for privatization receipts	3.5	0.1
Reduction of fiscal deficit	19.4	0.8

Source : Rwandese authorities.

¹ The changes in the program as a share of GDP are with respect to the new 2008 GDP of RF 2,333.1 billion.

² TMU definition of the domestic fiscal balance.

³ CSR = Caisse Sociale du Rwanda.

IV. THE PROGRAM FOR THE FIRST HALF OF 2009

14. **Our policies from January to June 2009 will continue to safeguard macroeconomic stability while laying the basis for stronger medium-term growth and poverty reduction.** We expect real economic growth of 5.5–6.5 percent.² We will focus our efforts on reducing inflation to single digits in the second half of 2009, which should be aided by the likely decline in world food and fuel prices. Nevertheless, average inflation is expected to remain at about 12 percent in 2009. As a precaution against possible balance of payments pressures arising from the global economic crises, we will target a level of international reserves of about 4½ months of imports. Structural policies will focus on improving public financial management, developing the financial sector, and making growth-enhancing investments and reforms.

A. Macroeconomic Program for January-June 2009

15. **Managing the domestic demand impact of fiscal policies will be at the heart of our macroeconomic policies.**³ While the domestic deficit (excluding spending on demobilization and peacekeeping) is projected to expand to 2.6 percent of GDP, the net liquidity impact will be reduced to 0.8 percent of GDP, compared with 1.2 percent of GDP in the first half of 2008. This will result from increasing allocation of budget resources to investment projects with high import component. The budget envisages an accumulation of government deposits in the NBR of nearly 0.9 percent of GDP in the first half of 2009, which should reduce inflationary pressures and contribute to the maintenance of adequate reserve levels. If grants or revenues in the first half of 2009 exceed program projections, they will be saved and allocated toward the 2009/10 budget for expenditures if a careful assessment of macroeconomic conditions suggests that such expenditures are prudent.

Fiscal policy for January–June 2009

16. **On the revenue front, we will increase the revenue-to-GDP ratio by 0.2 percentage points to 7.1 percent of GDP in the first half of 2009.** We will monitor government cash flow on monthly basis. Should unanticipated revenue losses arise, we will implement offsetting measures, such as increasing fees and charges and taxes on petroleum products, so that the revenue target can be attained. Furthermore, we will safeguard the agreed targets for domestic fiscal balance by cutting or postponing non-priority expenditure and adopting a more gradual approach to releasing the domestic component of the budget. Our measures to further widen the tax base are described in paragraph 19.

² The macroeconomic program is rebased using revisions to the national accounts data prepared by the National Institute of Statistics (NIS). The national accounts have been revised from 2006 to reflect omissions in the compilations of imports and corrections to VAT data.

³ To harmonize its budget cycle with that of other EAC countries, Rwanda is switching from a calendar to a fiscal year budget. Budget operations in January-June 2009 will be guided by minibudget for these six months only; and subsequently Rwanda will approve annual budgets covering periods from July to June.

17. **The focus of expenditure lies in increasing public investments.** The mini-budget allows for an increase in investment spending by 1 percent of GDP compared with the first half of 2008, largely financed by foreign grants and concessional loans. To mitigate the impact on domestic demand, we will cooperate with donors to postpone some spending from off-budget project accounts. In case of an unexpected build-up of pressures on the exchange rate or persistently high inflation, we will reduce government spending.

18. **The increase in investments will go alongside with maintaining priority spending and improving the quality of public services.** To strengthen private-sector-led growth, especially in rural areas, we will dedicate more resources to public infrastructure as well as to agriculture, education, health, electricity, and water supply. If expenditure cuts become necessary, we will safeguard priority spending while cutting or postponing outlays on non-priority items. The fiscal program will be reviewed at the time of the sixth review under the PRGF arrangement in light of developments in key macroeconomic indicators in late 2008 and early 2009. Should additional grants or regular revenues materialize, we will save them for future use and not do any additional spending in the first half of 2009. The main factors related to key spending areas are these:

- *Priority spending* will remain at about 6 percent of GDP in the first half of 2009 (Text Table 2). It will focus on agriculture, infrastructure, health, education, and energy.
 - *Agriculture.* We are currently in discussions with donors to initiate pilot projects for enhancing land husbandry, water harvesting, hillside irrigation and seeds improvement. We expect that these pilot projects will confirm the viability of the large three-year investment project in agriculture that is being prepared. The preliminary overall cost estimate is US\$200 million. We will proceed with the project only if the World Bank provides a favorable assessment of its economic and financial feasibility. We are exploring all possible sources of financing, including grants and concessional borrowing from our development partners.
 - *Information and communication technologies (ICT).* We will invest a portion of the proceeds from privatization of RwandaTel in the ICT sector. The objective of the project is to provide a robust nationwide broadband backbone using fiber optics. Over time it is expected that the availability of this ICT backbone will also provide a platform to induce new economic activity, especially in rural areas with little current service.
 - To address the issue of *limited and insufficient energy*, we have begun the construction of the Nyabarongo hydro dam and will support other microdam projects. We project that implementation of these projects will make it possible to reduce the electricity tariff by half after 2010 as well as cut the subsidy to Electrogaz by 0.5 percent of GDP in 2010-12.
 - We are planning a project on *upgrading and rehabilitating key road networks* in Kigali and the surroundings. To finance this project, the Government is

considering contracting a government interest-subsidized concessional loan from China Exim Bank of approximately US\$32.5 million. Negotiations on the terms of the loan are currently ongoing. At present it is estimated that the grant element may reach 40.7 percent. The World Bank will conduct an assessment of the financial viability of the project. If we decide to proceed with it, we intend to request a modification of the PRGF program to accommodate this borrowing at the time of the sixth review.

Text Table 2. Priority Spending, 2008-09
(Percent of GDP)

	2008				2009
	January - June		January - December		January - June
	Prog.	Act.	Prog.	Proj.	Proj.
Wages and salaries	1.1	0.9	2.2	2.0	1.0
Purchases of goods and services	0.9	0.8	2.1	2.0	0.7
Transfers	2.2	2.0	4.8	4.3	1.9
Exceptional expenditure	0.1	0.1	0.2	0.8	0.1
Net lending	0.06	0.06	0.13	0.12	0.04
Capital expenditure	1.8	1.6	3.8	3.9	2.0
Total	6.2	5.5	13.2	13.2	5.8

Sources : Rwandan authorities.

Other Spending

- *AU peace keeping in Darfur.* We will continue to monitor the costs associated with our peacekeeping activities. The Auditor General will publish by end-July 2009 an audit of spending in 2008.

Fiscal structural reforms for 2009

19. **We plan to continue improving the efficiency of tax administration to widen the tax base and further raise the tax-to-GDP ratio.** Our goal is to increase revenue to GDP ratio by at least 0.2 percent per year over the medium term. To achieve this, we focus our efforts on three broad areas:

- *Enhancing taxpayer compliance.* We will vigorously implement the measures envisaged in the Comprehensive Tax Payers Compliance Strategy adopted in mid-2008. To improve monitoring, we will refine taxpayer segmentation by allocating more companies to the groups of large and medium-sized companies subject to enhanced surveillance. From January 2009, we shall adopt a block management system to bring more businesses into the tax net and extend services closer to the businesses.
- *Increasing efficiency of operations and minimizing transaction costs.* To reduce congestion in the offices of the RRA, we plan to open two additional offices in Kigali

in 2009. We will also expand the network of payment points located in banks, so that taxpayers can make a payment directly from their bank without visiting the RRA office.

- *Facilitating trade.* In 2009 we will further refine the operations and eligibility criteria for using the expedited clearance scheme (blue channel) for compliant exporters, which accounted for about two-thirds of imports in September 2008. We have already extended the working hours of the customs offices and plan to switch to a 24 hour operating schedule in 2009, which would minimize cargo dwelling time.

20. **The government will begin implementing its new medium-term strategy for public financial management (PFM) reform.** An institutional framework for strategic guidance, implementation, monitoring, and financing of the PFM reform strategy will be finalized during the course of 2009. As part of our broader strategy, the PFM action plan for 2009 includes measures in the following areas:

- **Economic management and budgeting.** Build capacity for research and macroeconomic modeling and establish a macro database; align the budget calendar to practices within the East African Community (EAC); clarify reporting relationships and reporting formats for sub-national government units; and increase the efficiency of the tax appeal mechanism.
- **Financial management and reporting.** Reorganize and strengthen the Office of the Accountant General and the Office of the Director of Administration and Finance in ministries, departments, and agencies; develop a policy and strategy for government portfolio management and clear guidelines on borrowing; start introducing SmartGov (the new integrated financial management information system); and approve the software for the new integrated personnel and payroll information system.
- **Public procurement.** Adopt the new organizational structure for the Rwanda Public Procurement Authority, and conduct a capacity needs assessment in central government ministries and agencies and sub-national government units to ensure sufficient staffing.
- **Budget execution oversight.** Conduct an organizational review of the Office of the Government Chief Internal Auditor and internal audit units in ministries, departments, and agencies and sub-national government units; and prepare external audit regulations.

Monetary and exchange rate policy

21. **The NBR will maintain a tight monetary policy in 2009.** It will continue to monitor inflation, government spending and private sector credit and will stand ready to tighten the monetary stance by raising the key repo rate, if needed. With the current global financial crises and the onset of global recession, we will be more vigilant in monitoring credit expansion and the exposure of the banking sector to domestic sectors that may have benefited from rapid asset price increases in recent years (property market) or to the retail sector.

22. **The NBR will continue to use reserve money as the operational target to control inflation.** To reduce inflation to about 14 percent by mid-2009 and to single digits in the second half of 2009, it will limit reserve money growth (12-month) to 15 percent at end-June and 18 percent at end-2009. This should help create sufficient room for an expansion of credit to the private sector. The NBR will continue to follow inflationary developments closely and mop up excess liquidity, in particular through sales of foreign exchange.

23. **We will allow more flexibility in the exchange rate and increase the frequency of adjustments.** Exchange rate movements will be guided by developments in the retail market and will ensure that the targets on foreign currency reserves of the NBR are met. This will be necessary to reduce any pressures for appreciation of the franc and to ensure that Rwanda's exports remain competitive. We will be guided by the recommendations of the technical assistance mission from the IMF's Monetary and Capital Markets Department in our efforts to revitalize the foreign exchange market. Our interventions in the market will be orderly and focused on smoothing short-term market fluctuations.

24. **The NBR will improve liquidity management.** We are committed to gradually increasing the policy interest rates, with the intention of restoring real interest rates to positive levels once inflation has come down to a moderate level. Higher interest rates will also counteract the inflationary impact that higher import prices would have on the economy and sustain the reduction in inflation arising from declining world commodity prices. These changes will be done gradually and prudently so that private sector credit is not adversely affected. Additionally, we will communicate our intentions to the financial sector in a timely manner so as to avoid disruptions in the financial markets arising from asymmetric information.

25. **We will strengthen the Treasury Management Committee (TMC).** The TMC has been holding meetings with the MoF and NBR to coordinate fiscal and monetary policy weekly at the technical level and monthly between the Minister and the Governor.

External sector

26. **We expect the external current account deficit (excluding official transfers) to remain at about 18 percent of GDP in 2009.** Reflecting the reduction in international prices, receipts from export of goods and services are projected to grow by 11 percent in U.S. dollars, driven mainly by increased volumes of traditional exports and the strong performance of the tourism industry. However, there are considerable downside risks as a consequence of the projected slowdown in world economic growth. Given the reduction in the prices of oil, food, and other commodities imported by Rwanda, we project the value of imports of goods to increase by some 6 percent. At the same time, import volumes will increase by some 15 percent, buoyed by the robust economic growth and growing public investment. Despite the efforts of NBR to lower inflation, which would help reverse the current trend of real appreciation, real appreciation will continue until inflation in Rwanda is significantly reduced to a level close to that of inflation in trading partner countries. This appreciation will boost import volumes in 2009.

27. **Rwanda has received debt relief under the enhanced HIPC Initiative and benefited from MDRI.** In addition to IMF, IDA and AfDB, completion point and topping-up assistance have been provided by BADEA and the OPEC Fund. IFAD, the Kuwait Fund, the Saudi Fund and the EU have already provided completion point assistance. Bilateral agreements have been signed with all Paris Club creditors except France. China cancelled all outstanding loans, totaling about US\$32 million, in 2007. Debts owed to the Abu Dhabi Fund, France, Libya, Saudi Arabia and Kuwait are under negotiation.

28. **Preparations for joining the EAC Customs Union have intensified.** Rwanda became a member of the EAC on July 1, 2007. The necessary provisions for entrance into the Customs Union will be completed by June 2009. The list of sensitive products and raw materials exempted from the common external tariff has been compiled. Preliminary estimates suggest that the annual revenue loss from reduced external tariffs could amount to some 0.4 percent of GDP. Rwanda has signed an interim agreement with the European Union to continue negotiations on an Economic Partnership Agreement in line with the EAC common position.

B. Structural Policies

29. **The focus on the structural side will remain on enhancing the productivity of the agricultural and export sectors and improving conditions for the private sector.**

Export promotion

30. **Our export promotion strategy will continue to focus on enhancing the productivity in traditional sectors and diversifying our export base.**

- **Coffee.** To improve yields, use will be made of industrial fertilizers and pesticides, for which training will be provided to farmers. To increase value added, the number of washing stations will be further increased. Existing stations are being made more efficient through more training, an improved water supply, and an upgrade of feeder roads. A Coffee Marketing Alliance will be established to improve marketing.
- **Tea.** To increase export volume and quality, efforts aimed at improving harvesting methods and expanding nursery beds and tea plantations will be intensified. To increase value added, a blending industry will be established. Efforts at direct marketing will be intensified to improve market prices.
- **Tourism.** A tourism master plan is being developed with the assistance of the World Tourism organization.

Financial sector

31. **The agenda for medium-term financial sector reform is based on our Financial Sector Development Plan.** Our plans for 2009 include the following:

- **Modernizing the national payments system.** We anticipate that the Rwanda Integrated Payments System Processing System (RIPPS), which will integrate the Automated Clearing House, Real Time Gross Settlements and the Central Securities Depository, will become operational in 2009.
- **Developing long-term finance and capital markets.** We hope to enact legislation for securities exchange and regulator. Once that is passed we will transform the Capital Market Advisory Council (CMAC), which was established earlier in 2008, into the regulator of the securities industry and spin off its market operations into a privately owned securities exchange. We also anticipate that we can begin to integrate the trading platform and settlement systems with those in other EAC member countries.
- **Contractual savings and investments.**
 - By mid-2009, we plan to submit to Parliament legislation for private pension funds and collective investment schemes (mutual funds, unit trusts, and investment companies) to further strengthen the legal and regulatory framework to support development of a market for (a) the contractual savings industry and (b) long-term saving and investment instruments.
 - We also plan to enact an insurance contract law for consumer protection and a mandatory insurance law to protect the public.
- **Secondary mortgage facility.** We plan to transform the Rwanda Housing Bank (BHR) into a secondary mortgage facility by end-2009 to further develop the mortgage industry and providing liquidity to commercial banks. To this end we signed a Memorandum of Understanding with the International Finance Corporation in July 2008 and began receiving support to develop the market.
- **Financial stability.** To assist in the promotion of financial stability we plan to implement deposit insurance in 2010 to protect less financially sophisticated depositors of commercial banks and non-bank financial institutions.

Cost of doing business

32. **We will make further efforts to improve the business climate and remove obstacles to business development.** The Rwanda Commercial and Registry Services will be made operational. The agency will provide a comprehensive registration system aimed at improving business registration, securitization of assets, and registration of intellectual property rights. The office of the Registrar of Land Titles has been operational since the beginning of 2008, simplifying the land registration process.

V. PROGRAM MONITORING

33. **Conditionality and program reviews.** The sixth review of the PRGF arrangement, scheduled for completion by June 2009, will review quantitative performance as of end-December 2008.

34. **Technical memorandum of understanding (TMU).** The attached TMU lays out the details of program design and terminology. We have maintained the broad design of the program for 2008.

Att. 1. Table 1. Rwanda: Quantitative Performance Criteria and Benchmarks for 2008
(Billions of Rwandan francs, unless otherwise indicated)
(Quantitative benchmarks* and performance criteria on test dates**)

	2008			
	March*	June**	September*	December**
Benchmarks and performance criteria				
Net foreign assets of the NBR (floor on stock) ¹				
Actual (program exchange rate)	296.5	331.0	319.2	
Adjusted program	257.5	321.8	314.8	
Program	257.5	321.8	314.8	275.7
Reserve money (ceiling on stock) ²				
Actual	101.0	106.6	112.2	
Adjusted program	100.3	107.7	113.8	
Program	98.0	102.4	107.1	107.6
Net credit to the government (ceiling on flow) ³				
Actual	-29.0	-61.0	-41.5	
Adjusted program	47.5	-56.9	-32.4	
Program	47.5	-46.8	-35.4	-13.4
Domestic fiscal balance (floor on flow) ^{3, 4}				
Actual	-29.8	-49.2	-99.9	
Adjusted program	-42.4	-67.8	-110.9	
Program	-42.4	-67.8	-113.7	-148.6
Total priority spending (floor on flow) ^{3, 4}				
Actual	63.3	129.5	220.7	
Adjusted program	57.3	128.4	200.3	
Program	57.3	128.4	201.7	275.1
New nonconcessional external debt ⁵				
Actual	0.0	0.0	0.0	
Program	0.0	0.0	0.0	0.0
New external payment arrears (ceiling on stock) ^{5, 6}				
Actual	0.0	0.0	0.0	
Program	0.0	0.0	0.0	0.0
Short-term external debt (ceiling on stock) ⁷				
Actual	0.0	0.0	0.0	
Program	0.0	0.0	0.0	0.0
Net accumulation of domestic arrears (ceiling on flow) ³				
Actual	5.9	-4.5	12.5	
Program	-3.0	-4.0	-5.5	-7.0
Indicative targets				
Broad money (ceiling on stock) ¹				
Actual	363.6	371.3	399.0	
Program	365.9	389.5	394.3	422.3
Extended broad money (ceiling on stock) ¹				
Actual	422.8	431.8	463.9	
Program	425.5	453.7	459.3	491.1
Net Present Value of the Stock of Outstanding Debt (Millions of US\$) ⁸				
End-December 2007--Actual		240.9		240.9
End-December 2008--Actual				
End-December 2009--Actual				
End-December 2007--Program		200.4		200.4
End-December 2008--Program		286.4		286.4
End-December 2009--Program		405.6		405.6
Ceiling on stock of domestic debt ⁹				
Actual	172.0	159.1	149.1	
Adjusted program	208.6	189.7	187.6	
Program	208.6	189.7	187.6	198.6
Memorandum items:				
General budget support (Millions of US\$) ^{4, 10}				
Received	104.2	222.8	261.8	
Expected	104.1	219.3	289.1	317.5
Of which: budget support grants (received)	97.2	215.1	253.0	
Of which: budget support grants (expected)	97.1	212.3	282.1	310.5
Baseline privatization receipts (RF billion)	...	3.5	3.5	17.1

Sources: Rwandese authorities and IMF staff estimates and projections.

¹ At the program exchange rate of RF545/US\$ for 2008.

² Targets are calculated as an arithmetic average of the stock of reserve money on the last day of each calendar month in the quarter. Program projections are done quarterly.

³ Numbers are cumulative from December 31, 2007.

⁴ The domestic fiscal balance targets will be adjusted by the amount of grants exceeding or below programmed grants with the adjusters as specified in the TMU of February 12, 2008. Also the priority spending targets will be adjusted by the amount of grants exceeding or below programmed grants.

⁵ This is a continuous performance criterion. Excluded from the criterion are changes in indebtedness resulting from refinancing credits and rescheduling operations of existing debt, credits extended by the Fund, and US\$97.7 million in credit from the Exim Bank of India with concessionality of 40 percent for the construction of the hydro power plant at Nyabarongo.

⁶ Excludes arrears on obligations that are subject to rescheduling.

⁷ Ceiling on the stock of external debt (excluding normal imported-related credits) owed or guaranteed by the central governments, local government, or the NBR with original maturity of up to, and including one year.

⁸ Figures indicate the NPV projections based on debt contracted at the test date.

⁹ Numbers show end of period stocks. The stock of debt at end-2007 was revised from RF200.3 billion to RF236 billion, which prompted revision of the program numbers for September and December 2008.

¹⁰ Excluding external donor financing for demobilization and peacekeeping.

Att.1. Table 2. Rwanda: Quantitative Indicative Targets and Benchmarks for 2009
(Billions of Rwandan francs, unless otherwise indicated)

	2009	
	March	June
Net foreign assets of the NBR (floor on stock) ¹ Program	311.6	298.0
Reserve money (ceiling on stock) ² Program	123.2	128.3
Net credit to the government (ceiling on flow) Program	-15.6	-24.2
Domestic fiscal balance (floor on flow) Program	-35.8	-72.2
Total priority spending (floor on flow) Program	78.2	159.8
New nonconcessional external debt ³ Program	0.0	0.0
New external payment arrears (ceiling on stock) ^{3, 4} Program	0.0	0.0
Short-term external debt (ceiling on stock) ⁵ Program	0.0	0.0
Net accumulation of domestic arrears (ceiling on flow) Program	-1.6	-3.3
Broad money (ceiling on stock) ¹ Program	543.1	555.4
Net Present Value of the Stock of Outstanding Debt (Millions of US\$) ⁶		
End-December 2007--Actual		240.9
End-December 2007--Program		200.4
End-December 2008--Program		286.4
End-December 2009--Program		405.6
Ceiling on stock of domestic debt ⁷ Program	183.3	168.4
<i>Memorandum items:</i>		
Expected general budget support (Millions of US\$) ⁸	96.2	173.7
Of which: budget support grants	96.2	173.7
Baseline privatization receipts (RF billion)	0.0	0.0

Sources: Rwandese authorities and IMF staff estimates and projections.

¹ At the program exchange rate of RF555/US\$ for 2009.

² Targets are calculated as an arithmetic average of the stock of reserve money on the last day of each calendar month in the quarter.

³ This is a continuous indicative target.

⁴ Excludes arrears on obligations that are subject to rescheduling.

⁵ Ceiling on the stock of external debt (excluding normal imported-related credits) owed or guaranteed by the central governments, local government, or the NBR with original maturity of up to, and including one year.

⁶ Figures indicate the NPV projections based on debt contracted at the test date.

⁷ Numbers show end of period stocks.

⁸ Excluding external donor financing for demobilization and peacekeeping.

Att. 1. Table 3. Rwanda: Structural Conditionality, 2008

Public Expenditure Management	Target date	Type of condition	Status
Complete and publish on MINECOFIN website a revised PFM reform action plan for 2008–2010, as specified in paragraph 17 of the MEFP of February 12, 2008.	June 30, 2008	Performance criterion	<i>Not met, completed September 12, 2008</i>
Produce and publish on the MINECOFIN website the MTEF operational manual, as specified in paragraph 17 of the MEFP of February 12, 2008.	June 30, 2008	Performance criterion	<i>Met</i>
Develop and publish on the MINECOFIN website a debt management strategy (DMF) with clear limits for loans and guarantees that are consistent with the provisions in the Organic Budget Law.	November 30, 2008	Benchmark	<i>Met</i>
Tax Administration			
Develop and publish on the RRA website a comprehensive compliance program which identifies key compliance risks associated with the large, medium, and small taxpayer segments, together with a description of the planned RRA initiatives to address the identified risks based on risk analysis.	June 30, 2008	Benchmark	<i>Met</i>
Implement an expedited clearance scheme (super green/gold card) for <i>compliant</i> importers contributing a cumulative 40 percent of import value. ¹	June 30, 2008	Benchmark	<i>Met</i>
Financial Sector			
Publish on the NBR's website a national payments strategy to improve the payments infrastructure and address the development of basic payment services in Rwanda.	September 30, 2008	Benchmark	<i>Not met, completed with a delay in October, 2008.</i>

¹ This structural benchmark has been changed from "cumulative 60 percent of import taxes" to "cumulative 40 percent of import value", which is consistent with a FAD recommendation and the objective of trade facilitation.

Attachment II
Rwanda: Technical Memorandum of Understanding

December 18, 2008

1. This technical memorandum of understanding (TMU) supplements the TMU of June 16, 2008. It (a) sets the quantitative program targets for end-March 2009 and end-June 2009 (Table 2 of the MEFP) and (b) updates the definitions and adjusters of these targets. Unless an update is provided in this TMU, the definitions, adjusters and reporting requirements outlined in the TMU of June 16, 2008 apply to the program targets set for 2009.

A. Quantitative Program Targets

2. Indicative targets for March 31, 2009, and June 30, 2009 are proposed to be established with respect to:

- floors on the domestic fiscal balance of the central government (DFB)
- ceilings on the net credit to the central government (NCG)
- floors on priority spending
- ceilings on the net accumulation of domestic arrears of the central government
- floors on the net foreign assets (NFA) of the National Bank of Rwanda (NBR)
- ceilings on reserve money
- ceilings on the outstanding stock of external debt with original maturities of one year or less owed or guaranteed by the public sector
- ceilings on broad money
- ceilings on the consolidated domestic debt of the public sector.

3. Indicative target for end-June 2009 is proposed to be established with respect to the ceiling on the contracting or guaranteeing of concessional external debt.

4. Indicative targets that apply on a continuous basis are proposed to be established with respect to the ceilings on new external payment arrears of the public sector and new nonconcessional debt of the public sector.

B. Targets Related to Execution of the Fiscal Program

Domestic fiscal balance of the central government (DFB)

5. A floor applies to the DFB, which is measured cumulatively from December 31, 2008 for the end-March 2009 and end-June 2009 targets.

Net credit to the central government (NCG)

6. A ceiling applies to the NCG, which is measured cumulatively from December 31, 2008 for the end-March 2009 and end-June 2009 targets.

7. **Definition.** For program monitoring purposes, the NCG will be calculated as the change from end-December 2008 of net credit from the banking system and the change of holdings of treasury bills and other government securities by the nonbank sector.

Priority expenditure

8. A floor applies to priority spending of the central government, which is measured cumulatively from December 31, 2008 for the end-March 2009 and end-June 2009 targets.

9. **Definition.** Central government priority spending is defined as the sum of those recurrent expenditures, domestically financed capital expenditures, and net lending that the government has identified as priority in line with the PRSP process. The definition of priority expenditures is based on the program classification of the annual budget. Table 1 provides a summary of the SIBET output⁴ and a list of the main programs.

Net accumulation of domestic arrears of the central government

10. A ceiling applies to the net accumulation of domestic arrears of the central government, which is measured cumulatively from December 31, 2008 for the end-March 2009 and end-June 2009 targets.⁵

11. **Definition.** The net accumulation of arrears is defined as the difference between the gross accumulation of new domestic arrears (measured as the difference between payment orders and actual payments related to payment orders issued) and gross repayment of any arrears outstanding on December 31, 2008 (including repayment of float in 2008 and the repayment of older arrears).

⁴ The computerized SIBET expenditure management system tracks priority spending at the program level.

⁵ A negative target thus represents a floor on net repayment.

Domestic debt of the central government and the National Bank of Rwanda (DD)

12. A ceiling applies to the DD for the end-March 2009 and the end-June 2009 targets.

C. Targets for Monetary Aggregates

Net foreign assets of the National Bank of Rwanda (NFA)

13. A floor applies to the NFA of the NBR for the end-March 2009 and end-June 2009 targets.

14. **Definition.** NFA of the NBR in Rwanda francs are defined, consistent with the definition of the Special Data Dissemination Standards (SDDS) template, as external assets readily available to or controlled by the NBR net of its external liabilities. Pledged or otherwise encumbered reserve assets are to be excluded; such assets include, but are not limited to, reserve assets used as collateral or guarantee for third party external liabilities. Foreign assets and foreign liabilities in U.S. dollars are converted to Rwanda francs by using the U.S. dollar/Rwanda franc program exchange rate.⁶ Foreign assets and liabilities in other currencies are converted to U.S. dollars by using the actual end-of-period U.S. dollar/currency exchange rate. Foreign liabilities include, inter alia, use of IMF resources (CCFF and post-conflict emergency assistance purchases and SAF/ESAF/PRGF disbursements).

Reserve money

15. A ceiling applies to the stock of reserve money for the end-March 2009 and end-June 2009 targets.

16. **Adjuster:**

- The ceiling on the stock of reserve money will be adjusted symmetrically for a change in the required reserve ratio of commercial banks by the amount of (new reserve ratio - program baseline reserve ratio) multiplied by reservable deposit liabilities in commercial banks.

Broad money

17. A ceiling applies to the stock of broad money for the end-March 2009 and end-June 2009 targets.

18. **Definition.** Broad money is defined as the sum of currency in circulation, deposits in commercial banks, and nonbank deposits in the NBR.

⁶ The program exchange rate for January – June 2009 is projected at RF555 = US\$1.

D. Limits on External Debt

Limit on short-term external debt of the public sector

19. A zero ceiling applies to the outstanding stock of external debt with original maturities of one year or less owned or guaranteed by the public sector or other agencies on behalf of the central government. The ceiling is measured cumulatively from December 31, 2008 for the end-March 2009 and end-June 2009 targets.

Contracting or guaranteeing of concessional external debt

20. A ceiling applies to the contracting or guaranteeing of concessional external debt of the public sector or other agencies on behalf of the central government for the end-June 2009 target. The ceiling on contracted debt becomes binding through a disbursement profile over 2007-09.

Att.2. Table 1. Priority Spending, January-June 2009
(Billions of Rwandan francs)

1. EMPLOYEE COST	27,000,542,613
04 PRIMATURE	93,767,418
07 MININTER	68,521,219
0701 NATIONAL POLICE	3,585,588,738
09 MINAGRI	65,132,014
10 MINICOM	345,409,259
11 MINISTR	88,265,946
14 MINEDUC	594,234,531
140- DECENTRALISE EDUCATION	14,818,652,955
1401 NATIONAL CURRICULUM DEVELOPMENT CENTER (NCDC)	181,555,734
1402 GENERAL INSPECTION OF EDUCATION (IGE)	155,046,532
1403 RWANDA NATIONAL COMMISSION FOR UNESCO CNRU	40,426,300
1404 NATIONAL TEACHER SERVICE COMMISSION TSC	139,032,217
1405 NATIONAL EXAMINATION COUNCIL	172,694,423
1433 TUMBA COLLEGE OF TECHNOLOGY	101,423,603
1436 RUKARA NATIONAL COLLEGE OF EDUCATION	127,240,935
1437 KAVUMU NATIONAL COLLEGE OF EDUCATION	124,972,365
15 MINISPOC	19,361,073
1501 NATIONAL COMMISSION FOR THE FIGHT AGAINST GENOCIDE	8,009,027
1503 RWANDA NATIONAL MUSEUM	5,273,019
16 MINISANTE	188,977,921
160- DECENTRALISE SANTE	5,641,409,511
22 MINIRENA	127,028,490
23 MINALOC	123,473,697
230- DECENTRALISE MINALOC	185,045,686
2. GOODS AND SERVICES	11,161,818,784
04 PRIMATURE	299,627,736
040- DECENTRALISE MIGEPROF	41,881,788
07 MININTER	76,949,176
0701 NATIONAL POLICE	1,536,469,944
0702 NATIONAL PRISON SERVICE	37,994,476
09 MINAGRI	250,176,188
090- DECENTRALISE AGRICULTURE	15,830,440
0902 INSTITUT DES SCIENCES AGRONOMIQUES DU RWANDA (ISAR)	4,810,088
10 MINICOM	1,220,332,912
100- DECENTRALISE COMMERCE	30,975,312
11 MINISTR	486,190,920
1101 RWANDA INFORMATION TECHNOLOGY AUTHORITY (RITA)	157,327,380
14 MINEDUC	6,194,324,724
140- DECENTRALISE EDUCATION	325,928,112
1401 NATIONAL CURRICULUM DEVELOPMENT CENTER (NCDC)	94,999,136
1402 GENERAL INSPECTION OF EDUCATION (IGE)	244,263,636
1436 RUKARA NATIONAL COLLEGE OF EDUCATION	90,289,784
1437 KAVUMU NATIONAL COLLEGE OF EDUCATION	53,447,032

Att. 2 Table 1. Priority Spending, January-June 2009 (Continued)
(Billions of Rwandan francs)

15 MINISPOC	191,746,264
150- DECENTRALISE MIJESPOC	21,643,440
16 MINISANTE	1,340,217,748
160- DECENTRALISE SANTE	496,373,384
18 MININFRA	678,756,214
180- DECENTRALISE MININFRA	927,503,724
1801 ROAD MAINTENANCE FUND	3,412,531,911
19 MINICYOUTH	8,099,096
22 MINIRENA	469,532,096
220- DECENTRALISE MINITERRE	415,584,392
23 MINALOC	911,191,782
230- DECENTRALISE MINALOC	232,594,592
2320 NATIONAL DECENTRALIZATION IMPLEMENTATION SECRETARIAT	34,801,868
2321 NATIONAL REFUGEE COUNCIL	48,513,472
3. TRANSFER AND SUBSIDIES	0
04 PRIMATURE	106,788,130
07 MININTER	847,388
070- DECENTRALISE PRISON	636,097,031
0701 NATIONAL POLICE	16,947,753
0702 NATIONAL PRISON SERVICE	1,038,461,136
09 MINAGRI	580,039,733
090- DECENTRALISE AGRICULTURE	460,881,051
0902 INSTITUT DES SCIENCES AGRONOMIQUES DU RWANDA (ISAR)	1,243,772,305
10 MINICOM	62,045,345
100- DECENTRALISE COMMERCE	81,033,780
1002 RWANDA BUREAU OF STANDARDS	597,150,560
1003 RWANDA INVESTMENT AND EXPORT PROMOTION AGENCY	537,759,266
1019 RWANDA BUSINESS REGISTRATION AGENCY	171,585,169
1101 RWANDA INFORMATION TECHNOLOGY AUTHORITY (RITA)	1,299,139,180
1103 IRST (INSTITUTE OF SCIENTIFIC AND TECHNOLOGICAL RESEARCH)	666,427,624
14 MINEDUC	744,242,741
140- DECENTRALISE EDUCATION	13,667,328,162
1401 NATIONAL CURRICULUM DEVELOPMENT CENTER (NCDC)	127,512,810
1403 RWANDA NATIONAL COMMISSION FOR UNESCO CNRU	58,327,593
1404 NATIONAL TEACHER SERVICE COMMISSION TSC	40,821,616
1405 NATIONAL EXAMINATION COUNCIL	42,409,957
1406 NATIONAL COUNCIL FOR HIGHER EDUCATION (NCHE)	207,384,371
1407 SFAR (STUDENT FINANCING AGENCY OF RWANDA)	11,193,170,193
1433 TUMBA COLLEGE OF TECHNOLOGY	132,329,851
1436 RUKARA NATIONAL COLLEGE OF EDUCATION	1,797,350
15 MINISPOC	18,060,827
1501 NATIONAL COMMISSION FOR THE FIGHT AGAINST GENOCIDE	164,172,447
1503 RWANDA NATIONAL MUSEUM	105,016,240

Att. 2 Table 1. Priority Spending, January-June 2009 (Concluded)
(Billions of Rwandan francs)

16 MINISANTE	1,702,779,344
160- DECENTRALISE SANTE	6,375,846,349
1601 CENTRAL UNIVERSITY HOSPITAL OF KIGALI (CHUK)	261,006,238
1602 CENTRAL UNIVERSITY HOSPITAL OF BUTARE (CHUB)	212,737,697
1603 KING FAYCAL HOSPITAL (HRF)	605,173,789
1606 RESEARCH CENTER FOR AIDS, MALARIA AND TUBERCULOSIS TREATMENT (TRAC)	54,135,959
1607 NATIONAL REFERAL LABORATORY(LNR)	86,413,791
1611 NATIONAL BLOOD TRANSFUSION PROGRAMME (PNTS)	79,340,471
1612 NATIONAL COMMISSION FOR THE FIGHT AGAINST AIDS (CNLS)	42,887,967
1613 RWANDA PHARMACEUTICAL LABORATORY (LABOPHAR)	55,614,292
18 MININFRA	6,143,062,816
180- DECENTRALISE MININFRA	1,688,204,160
1901 PAN AFRICAN ORGANISATION OF YOUTH AGAINST AIDS	11,198,741
23 MINALOC	863,170,317
230- DECENTRALISE MINALOC	489,798,914
2302 POLITICAL CONSULTATIVE FORUM	262,640,979
2320 NATIONAL DECENTRALIZATION IMPLEMENTATION SECRETARIAT	57,842,126
2321 NATIONAL REFUGEE COUNCIL	25,826,538
7.1 DEVELOPMENT BUDGET	55,646,483,167
0701 NATIONAL POLICE	0
0702 NATIONAL PRISON SERVICE	600,000,000
09 MINAGRI	5,582,054,452
10 MINICOM	70,000,000
1101 RWANDA INFORMATION TECHNOLOGY AUTHORITY (RITA)	8,495,212,992
1103 IRST (INSTITUTE OF SCIENTIFIC AND TECHNOLOGICAL RESEARCH)	216,619,744
14 MINEDUC	2,900,000,000
1407 SFAR (STUDENT FINANCING AGENCYOF RWANDA)	3,095,825,128
15 MINISPOC	160,000,000
16 MINISANTE	5,424,300,000
18 MININFRA	20,739,972,276
23 MINALOC	8,362,498,575
7.2 NET LENDING	1,160,975,612
12 GAZ METHANE	1,160,975,612
9. EXCEPTIONAL EXPENDITURE	2,625,305,528
23 MINALOC	1,400,000,000
2301 ELECTORAL COMMISSION	1,225,305,528
TOTAL PRIORITY EXPENDITURES	97,595,125,704