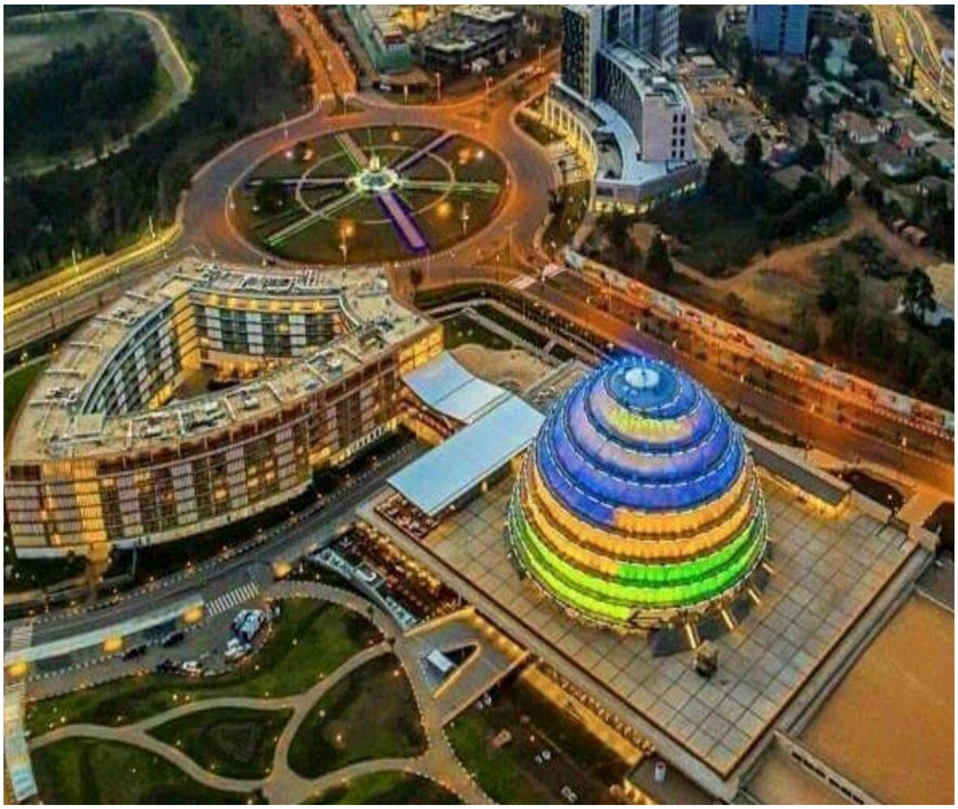

RWANDA MEDIUM TERM DEBT STRATEGY

Fiscal Year
2022/23- 2024/25

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LIST OF ACRONYMS

ADF	African Development Fund
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
AfDB	African Development Bank
BNR	Banque Nationale du Rwanda
CNY	Chinese Yuan
DSA	Debt Sustainability Analysis
EDPRS	Economic Development and Poverty Reduction Strategy
EAC	East African Community
EUR	European Euro
EU	European Union
FY	Fiscal Year
GoR	Government of Rwanda
GBP	Great Britain Pound
GDP	Gross Domestic Product
GDF	Gross Domestic Financing
GE	Grant Element
GEF	Gross External Financing
KCC	Kigali Convention Center
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IR	Implied Rate
JPY	Japanese Yen
KWD	Kuwait Dinar
MTDS	Medium Term Debt Strategy
MINECOFIN	Ministry of Finance and Economic Planning
PV	Present Value
TZS	Tanzanian Shillings
OBL	Organic Budget Law
OPEC	Organization of the Petroleum Exporting Countries
PSI	Policy Support Instrument
RSSB	Rwanda Social Security Board
RWF	Rwandan Franc
SAR	Saudi Riyal
SDR	Special Drawing Rights
USD	United States Dollar
XR	Exchange Rate

EXECUTIVE SUMMARY

The purpose of Rwanda's Medium Term Debt Management Strategy (MTDS) is to strategize how Government can fund its budget at minimal cost and mitigate high risk of debt distress. As such, Rwanda will every year rollout a three-year plan entailing the level and composition of its budget financing that is in line with the domestic and global macroeconomic environment while developing its domestic market. With the current global hikes in energy prices and uncertainties surrounding recovery from the pandemic, this year's MTDS has been designed with granularity to hedge for any shocks that could lead to a deviation from its debt management objectives. Taking into account the financial constraints brought by COVID-19 pandemic, the MTDS has been designed to suit the borrowing needs for Rwanda. The focus will remain on minimizing the risk exposure embedded in the debt portfolio, particularly the variations in the cost of debt servicing and its impact on the budget and the size of the debt.

Public and Publicly guaranteed debt is envisioned to amount to Frw 8404.7 billion by end June 2022 compared respectively to 7687.3 Frw and 7373.2 billion projected and actual June 2021. The upward growth of Rwanda's public debt in nominal terms is attributed to financing of investment projects for economic recovery from the covid-19 pandemic and its scars. However, the economic rebound with nominal GDP growth of 15.9 percent (FY 2021/22 compared to FY 2022/23 Projection) as a signal for the economic recovery have contributed to the overall reduced magnitude of debt to GDP ratio from Actual 71.7 percent of GDP by end June 2021 to 71.2 percent of GDP by end June 2022.

Consequently, external loans are projected to settle to 53.7 percent of GDP by end June 2022 as opposed to actual 54.4 percent of GDP in June 2021. The downward trend of 0.8 percent of GDP in public and publicly guaranteed external debt mainly stems from liability management mechanism applied in 2021 and the more than projected performance in economic growth.

Rwanda's accelerated economic recovery from the pandemic is attributed to the Government's rollout of mass vaccination program which has seen full opening of businesses both in private and Public Sectors. Rwanda's commitment to Debt management objectives, is the anchor to which its three-year debt strategy hinges. Concessional funding prioritization will continue to be at the forefront of the country's financing sources while non-concessional funding may be considered for projects with high economic and financial returns that cannot get concessional funding. The covid-19 pandemic measures put in place by government of Rwanda, contributed to keep Rwanda's risk of spreading corona virus infections low, however the macroeconomic variables were disrupted and as such the debt level surpassed the projected increase. Thus, Rwanda's prioritization of concessional funding, overall cost and risk indicators will remain stable.

On the medium term outlook, Rwanda will continue to be vigilant while proactively laying out measures to reduce the level of uncertainty in its debt portfolio. In August 2021, Rwanda utilized the prevailing favourable market conditions and issued a $620 Eurobond which reduced the refinancing and interest rate risks that were underlying the portfolio at the time. Such kind of cost-risk tradeoff measures will Continue to be the guiding principles of Rwanda's medium term debt strategy.

The MTDS framework has generated three different strategies based on the sensitivity analysis and the Government's medium term objectives of debt management. The selected strategy is dominated by concessional financing sources (multilateral and bilateral donors) while the remaining funding source will come from domestic sources (debt securities). The strategy accounts for prudent risk in borrowing and development of domestic bond market. The financing strategy is weighed against the cost-risk indicators to ensure liquidity and solvency risks are restrained beforehand. Four alternative financing strategies have been developed and evaluated against costs and risks trade-offs to select a strategy meeting Government's medium-term debt objectives. The chosen strategy, constitute of a large share of concessional funding (mostly from Bilateral creditors) in the medium-term on one hand, and on the other the medium-term objectives for the development of the Government's domestic securities market focusing on issuance of long term debt instruments (Treasury bonds) as a proportion of the net domestic financing.

Strategy two(S2) has been found most efficient and cost effective and thus chosen for this year's MTDS. It enhances Rwanda's medium term debt management objectives by ranking financing sources from the most to the least cheapest and accounts for the variance in the macroeconomic indicators. The strategy will continue to prioritize concessional funding from both bilateral and multilateral creditors while the residual financing will be raised domestically through issuance of treasury securities to facilitate development of domestic market. With the share of Rwanda's debt portfolio being external, the strategy mitigates the interest rate risks by not only prioritizing fixed over variable rate but also considering the effective interest rate of borrowing. In a period of three years, the strategy will achieve a high average time to maturity and refixing of 14.9 and 14.7 years respectively by end June 2025Short-term domestic notes are not favored in this strategy, which reduces the risk of refinancing (debt maturing in the coming year) and achieves the set benchmarks. This strategy however, increases the cost of domestic borrowing (long term instruments are costly).

Even though strategy 2 has been found feasible, the uncertainty surrounding global energy prices coupled with a higher than expected depreciation would imply higher debt service and debt ratios which makes Rwanda's debt portfolio more vulnerable to external shocks. Fiscal discipline and a sound macroeconomic policy will play a leading role in the successful implementation of the selected strategy(S2).

1. INTRODUCTION.

The Medium-Term Debt Management Strategy (MTDS), is a framework that guides the borrowing decision of the Government. With granularity assessment, the MTDS will lay a benchmarked strategy for debt management based on the country's capacity to carry debt and the global macroeconomic environment. Rwanda's MTDS for FY2022/23 -2024/25 will be risk mitigating while underpinning the sustainability indicators that preserve debt management objectives. The strategy will establish an optimal strategy consistent with Government's cost-risk preferences.

In their World Economic Outlook, the International Monetary Fund projects a lower global growth of 4.4 as opposed to 5.9 in 2021. This lower growth is owing to elevated inflation as a result of high energy prices and disruptions in the supply chain. Stemming from this outlook, Rwanda's MTDS has been prudently designed to cater for any shocks that could arise from the aforementioned slower growth and uncertainties surrounding the variation in Covid-19 virus. The model's sensitivity analysis has conservatively scrutinized the possibility of disparities in the independent variables like the interest rates, exchange rates to accommodate any unpredictability in the medium term outlook.

In 2021, Rwanda has had accelerated economic recovery from the pandemic, attributed to the Government's rollout of mass vaccination program which has seen full opening of businesses both in private and Public sectors. Rwanda is optimistic with 62% of the population fully vaccinated as of end March 2022 and low rate of covid-19 infections., the growth may rebound stronger than projected.

2. OBJECTIVES AND SCOPE OF THE FY2021/22 -2023/24-2024-25 STRATEGY.

The objectives of debt management in Rwanda have always been:

(i) To ensure that the Government's financing needs and settling of obligations meet the medium term objective of low borrowing costs

(ii) To keep a prudent risk exposure

(iii) To promote an active domestic debt market

The above objectives are elaborated in the January 2016 Ministerial order establishing revised financial regulations in its article 49.

3. DEVELOPMENT OF THE DEBT PORTFOLIO.

Rwanda's Public and Publicly guaranteed debt is envisioned to amount to Frw 8404.7 billion by end June 2022, or 71.2 percent of GDP. This is in contrast to 71.7 percent realized as actual in June 2021, the downward growth of Rwanda's public debt is attributed to the economic recovery in 2021 with a Real GDP growth of 10.9 percent after the contracting by 3.4 percent in 2020. Consequently, external loans are projected to settle to 53.7 percent of GDP by end June 2022 as opposed to 54.4 percent of GDP in June 2021.

The composition of Rwanda's External Public debt is of development loans, budget loans and guarantees. The structure forms Rwanda current 17 development partner profile, made up of 7 bilateral donors, 9 multilateral donors and some commercial loans which are all purposed to support various sectors of the economy such as Construction, Transport and Communication, Health, Energy, Agricultural and Rural development, Education and Human Resources Development. Most specifically, the year 2020 and 2021, are characterized by new development partners who have expressed their willingness to support Rwanda in fight against COVID-19, the purchase of vaccines, and the economic recovery.

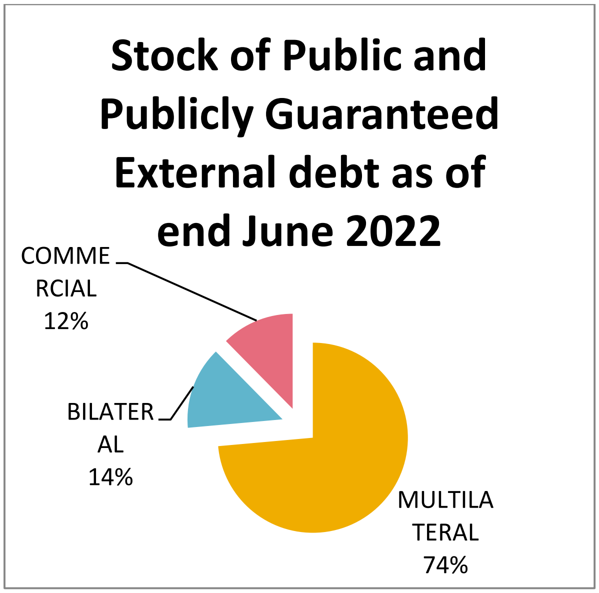
Domestic Public debt is composed of loans and debt securities owed by Government of Rwanda to national and nonresidents.

3.1 EXTERNAL PUBLIC AND PUBLICLY GUARANTEED DEBT PORTFOLIO ANALYSIS

3.1.1.STRUCTURE OF PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT.

Rwanda's total external public debt is estimated at Frw 6,339.9 billion at the end of June 2022 from actual Frw 5,594.3 billion at the end of June 2021, an increase of 13.3% explained by a high disbursement from concessional source. The external debt stock is currently dominated by the multilateral debt, which comprises 73.6 percent followed by bilateral debt with 14.0 percent and Commercial debt with 11.2 percent of the total stock.

Figure 1: External Public Debt composition by Creditor projected for End June 2022



SOURCE: MINECOFIN, JUNE 2022.

3.1.2.EVOLUTION OF EXTERNAL PUBLIC AND PUBLICLY GUARANTEED DEBT STOCK BY CREDITOR TYPE.

Out of the total external debt stock, the largest portion is made of concessional loans with 87.6 percent against commercial loans of 12.4 percent.

The concessional loan portion is estimated to be increased by 12.8 percent compared the same period last year, while commercial loans have will be increased by 17.2 percent compared to last fiscal year.

The increase in concessional loans continues to be driven by World Bank loans through the IDA window, for sectors like Infrastructure, education and social. This is followed by African Development Bank (AfDB) loans through ADF window for the Infrastructure sector mainly energy.

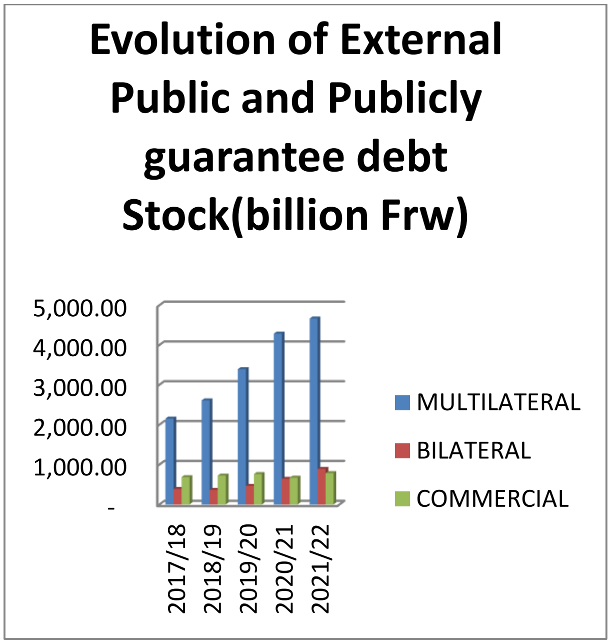
The table below shows how government borrowing needs continues to be dominated by multilateral creditors mostly IDA and AFDB, which represent respectively 50.8% and 25.3% of total disbursed during FY20/21 and estimated at 29.1% and 8.8 % of total to be disbursed during FY21/22. Meanwhile, bilateral creditors like JICA, AFD are also increasing significantly in the portfolio.

Table 1: External Creditors and Sectors of Financing (USD Million)

Creditor	Sector	FY20/21	FY21/22
IDA	Education	124.65	30.903
	Social	141.44	48.909
	Infrastructure	90.72	88.870
	Others	24.37	38.856
AFDB	Infrastructure	85.28	58.268
	Education	2.73	4.231
	Social	102.01	-

SOURCE:MINECOFIN,JUNE2022

Figure 2: External Public Debt composition by Creditor as at End June 2019/20-2021/22



***SOURCE*: MINECOFIN, JUNE 2022**

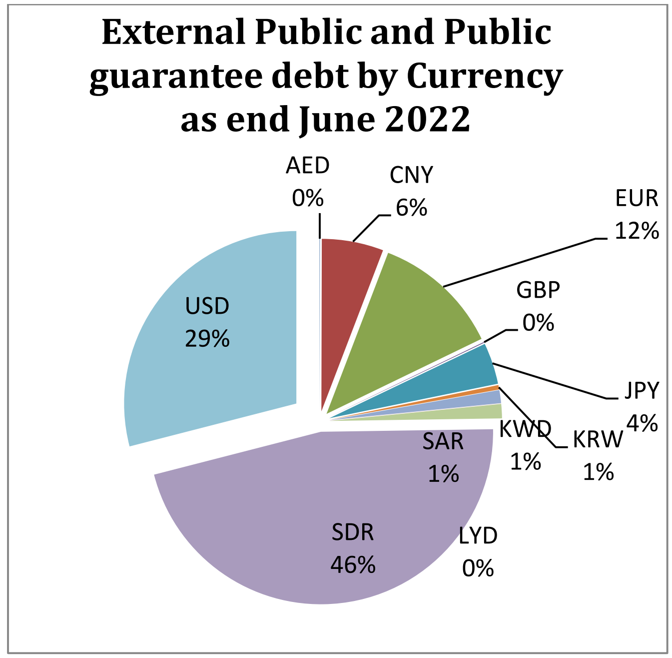
3.1.3. EXTERNAL PUBLIC AND PUBLICLY GUARANTEED DEBT COMPOSITION BY CURRENCY

In terms of currency, 46.2 percent of total outstanding debt estimated as of end June 2022 will be held in SDR implying that a significant portion was coming from multilateral institutions (IMF, IDA and IFAD) which provided their loans in SDR denomination.

When SDR is split in its different currencies composition (USD, EUR, GBP, CNY, and JPY), we realize that there is a predominance of USD and EUR, which represent 48.3 percent and 26.3 percent of the total Public and Publicly Guaranteed external outstanding debt respectively as of End June 2022.

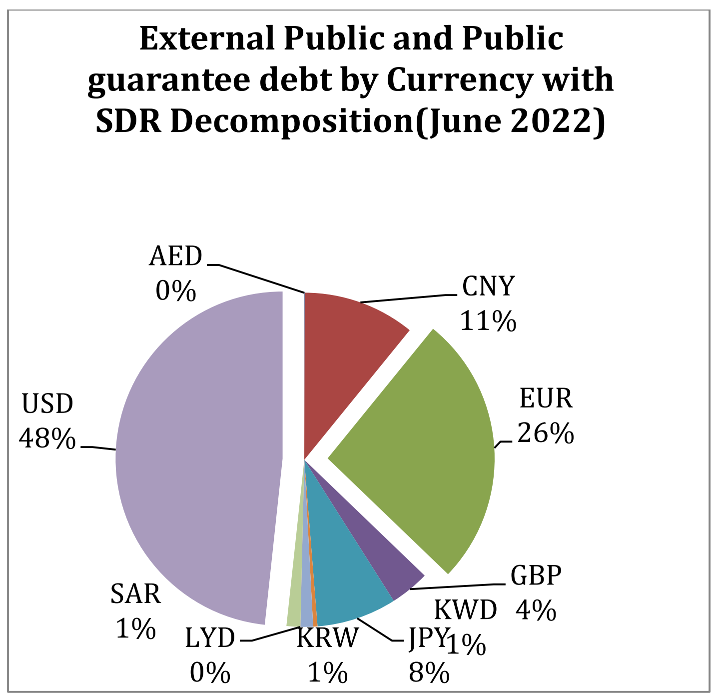
This suggests that the country's debt portfolio is more exposed to USD and EUR fluctuations. Need more local currency in our treasury account to be able to repay our debt.

Figure 3: External Public Debt composition by Currency as at End June 2022



***SOURCE*: MINECOFIN, JUNE 2022.**

Figure 4: External public Debt composition by Currency with SDR decomposition as at End June 2022

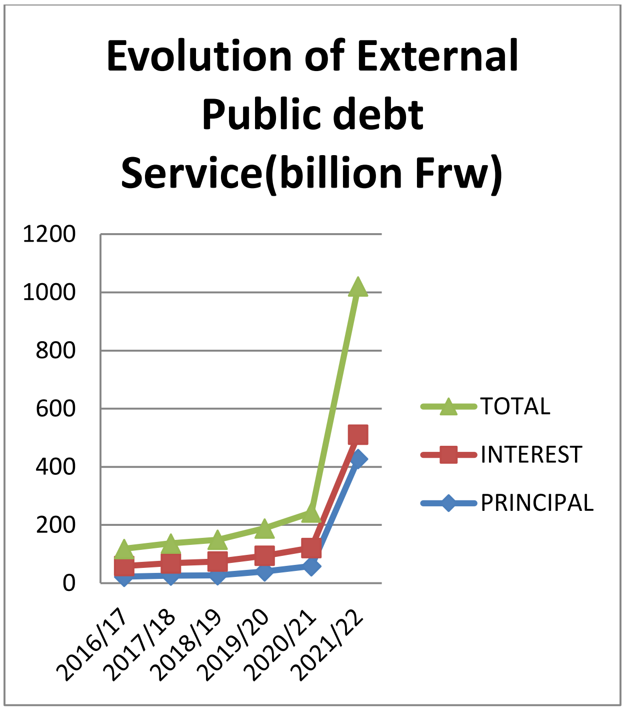


***SOURCE*: MINECOFIN, JUNE 2022**

3.1.4. EVOLUTION OF EXTERNAL PUBLIC DEBT SERVICE.

By end of the FY 2021/22 Central Government External Public Debt Service is expected to increase by 319.8 percent compared to the previous FY 2020/21, mainly as a result of Eurobond buyback, issuance of new Eurobond in August 2021 and the depreciation of the Rwandan franc vis-à-vis foreign currencies.

Figure 5: Evolution of External debt Service (billion Frw)



SOURCE: MINECOFIN, JUNE 2022

3.2. DOMESTIC PUBLIC AND PUBLICLY GUARANTEED DEBT PORTFOLIO ANALYSIS

3.2.1. EVOLUTION OF DOMESTIC PUBLIC AND PUBLICLY GUARANTEED DEBT STOCK

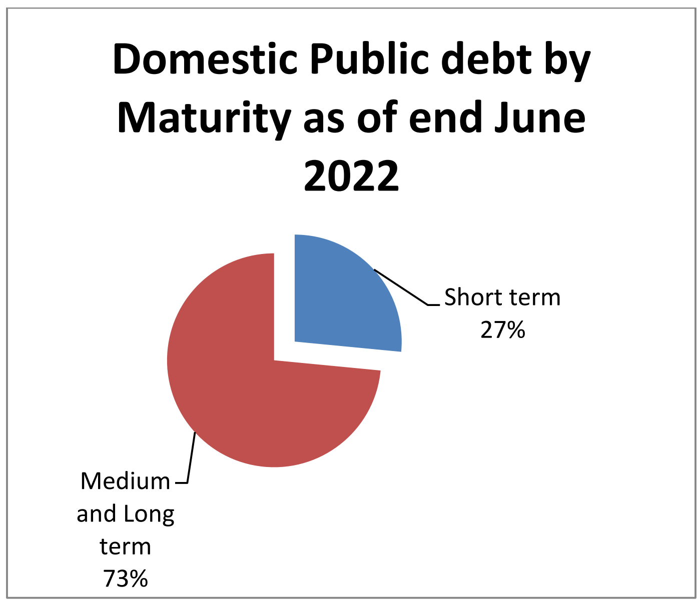
Domestic public and publicly guaranteed debt is also expected to increase by 43.3 percent from Frw 1,778.9 billion as of end June 2021 to 2,548.6 as end June 2022.

This is largely due to government response to COVID-19 pandemic, development of the domestic capital market

Over the last three years (FY 19/20 to FY 21/22), domestic public and publicly guaranteed debt is projected to increase by 55.3 percent, of which increase of 90.6 percent is for debt securities (T-bills and T-bonds

In terms of central Government domestic debt compositions between short, medium and long-term maturity as of end June 2022, there is a predominance of long-term debt (73 percent against 27 percent) which is in line with Government debt policy of issuing long term securities in replacement of short in order to lengthen the maturity profile of the debt portfolio.

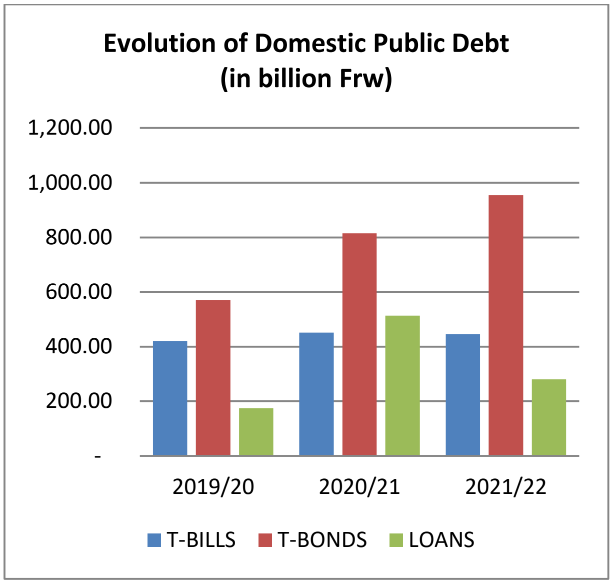
Figure 6: Evolution of External debt Service (billion Frw)



SOURCE: MINECOFIN, JUNE 2022.

The graph below shows the comparison between the projected domestic debt level as of end June 2022, compared to the pre-pandemic period.

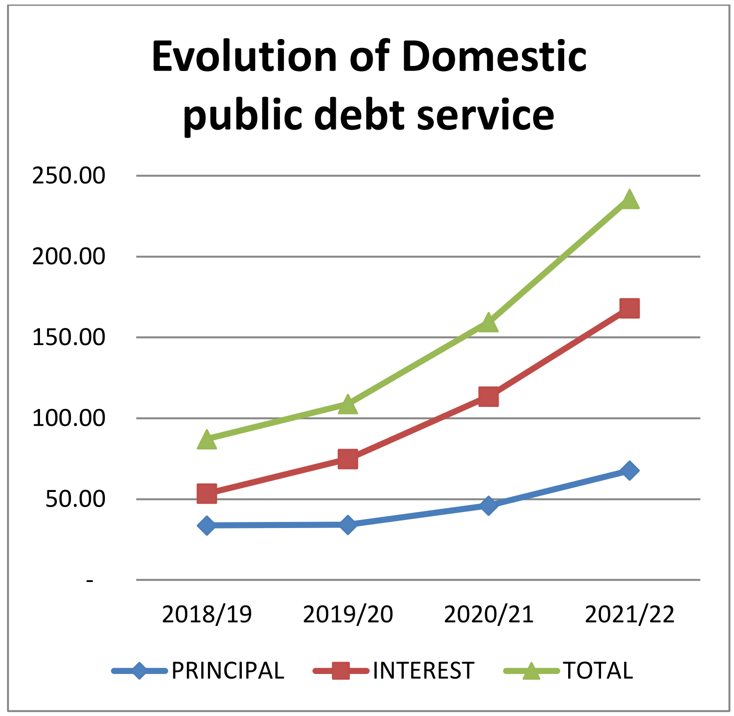
Figure 7: Domestic Public and Publicly Guaranteed Debt (billion Frw) _End June 2022



3.2.2. EVOLUTION OF PUBLIC DOMESTIC DEBT SERVICE.

The Central Government domestic debt service is estimated to be increased by 116.6 percent in three years from Frw 108.9 billion in the FY 19/20 to Frw 235.8 billion in FY 21/22 as a result of higher new issuance, and reopening of domestic securities to cover higher government financing needs in COVID-19 period.

Figure 8: Public Domestic Debt Service FY 19/20-FY 21/22



SOURCE: MINECOFIN, JUNE 2022

4. DEBT SUSTAINABILITY ANALYSIS, MACRO AND MARKET ENVIRONMENT

4.1. DEBT SUSTAINABILITY ANALYSIS.

A. BACKGROUND.

The debt sustainability analysis assesses the levels of government debt over the medium term and its ability to service that debt without disrupting its budget implementation.

Overall, Rwanda's Public debt remains sustainable with a moderate risk of debt distress, with the debt carrying capacity consistent under classification of Strong performer, thanks to a transparent, accountable and prudent debt management. According to the debt sustainability analysis (DSA) of March 2022, Rwanda's debt sustainability has improved compared to March 2021 which was significantly affected by negative effect of the COVID-19 pandemic on growth, exports, and revenues, while external and domestic financing needs in 2020 increased to cope with the crisis.

B. DEBT ASSUMPTIONS.

Rwanda's current DSA covers external and domestic central government debt and State Owned Enterprises (guaranteed and non-guaranteed) external and domestic loans.

Going forward, the assessment assumes that external financing will remain supported by official bilateral and multilateral partners in the medium term, but gradually shift to more market-based financing, as income levels of the economy rise. Furthermore, as domestic capital market develops the debt sustainability framework assumes that the financing structure will change from a predominance of external debt to a predominance of domestic debt. Overall, it is important to mention that government will keep prioritizing concessional funding in its borrowing plan, and ensure it is cost effective.

C. MACRO ASSUMPTIONS.

Economic Growth:
According to the IMF's April 2022 World Economic Outlook (WEO), Global growth is estimated to grow at 6.1 percent in 2021, and projected to decline to 3.6 percent in both 2022 and 2023, which is -0.8 and -0.2 percentage points lower for 2022 and 2023 than in the January 2022 World Economic Outlook projections. The decline reflects the negative impacts of ongoing Russia-Ukraine war and sanctions on Russia in form of rising energy and food prices and supply disruptions that fuel higher inflation all over the world.

After contracting by 3.4 percent in 2020, the Rwandan economy has been undergoing a recovery in 2021 with a Real GDP growth of 10.9 percent. Most economic activities gradually reopened following country wide mass vaccination and government support. Services contributed 48% to GDP, Agriculture contributed 24% while Industry contributed 20%. In 2021, inflation rate remained low during the first nine months with an average of 0.7 percent driven by low food inflation and base effect. Inflation however, started to increase in the last quarter (2021Q4) as well as in 2022Q1.

In addition, The Rwandan economy is projected to grow by 6.0 percent in 2022, 6.7 percent in 2023 and 7.0 and 7.5 percent in 2024 and 2025 respectively. This growth projection reflects the actions already in place or that will be put in place to simultaneously fully recover from the economic impact of the COVID-19 and contain inflationary pressures mainly coming from the global environment.

Fiscal Sector:

The overall Fiscal deficits will be carefully monitored to keep the public debt at sustainable levels in the medium term. FY2022 /23 fiscal deficit is projected at 5.7 percent of GDP and will decline to 4.9 percent in 2023/24 and 4.7 percent of GDP in 2024/25.

Fiscal policies in the medium term will continue to be largely influenced by the COVID-19 pandemic through the impact on the economy (increases in spending, declines in revenues and in output growth) and the Government's measures to support the recovery (COVID-19 responses, fiscal injections etc.). As a result of the COVID-19 pandemic, the Government is facing fiscal outlook of large deficits and increasing levels of debt, which call for fiscal consolidation starting from FY 2022/23 to avoid large debt accumulation in the future leading to unsustainable debt level.

External Sector:

The overall balance of payment had a surplus of USD 154.4 million at end 2021, showing a decrease from a surplus of USD 327.9 million at the end of 2020.

The current account deficit is expected to amplify provisionally in 2022 driven by a pickup in imports, before starting to decline in the medium term. It is projected to widen to 12.2 percent of GDP in 2022, mainly due to high imports prices of energy products and consumer goods (specifically food) as their prices skyrockets due to ongoing Ukraine-Russia crisis.

Monetary Sector:

In 2022, the monetary policy stance is expected to be less accommodative due to heightened inflationary pressures. Monetary aggregates will grow at a lower rate than the previous year, affected by the global economic environment conditions. In 2022, exchange rate pressures is expected to be relatively high considering the Balance of Payments forecast.

The table below summarizes the macroeconomic assumptions applied in the debt sustainability analysis framework:

Table 2: Macroeconomic Indicators in the Medium Term

	2022	***2023***	***2024***	***2025***	***M&LT AVERAGE***
	FY 21/22	***FY 22/23***	***FY 23/24***	***FY 24/25***	
KEY MACRO PROJECTIONS (Percent of GDP unless otherwise indicated)					
Real GDP (CY)	6.0%	6.7%	7.0%	7.5%	6.8%
Revenues and Grants (FY)	25.3	24.6	22.9	23.2	24.0
Total Expenditures (FY)	34.0	31.5	29.0	28.2	30.7
Overall Deficit (%GDP) FY	-7.6	-5.7	-4.9	-4.7	-5.7
Exports of goods and services (CY)	22.7	24.5	26.3	28.0	25.4
Memorandum Items					
Exchange rate EOP (Depreciation) CY	7.5%	6.5%	5.0%	4.5%	
Norminal GDP (Billion Frw) FY	11,808	13,685	15,642	17,693	

SOURCE: MINECOFIN, 2022

D. DEBT SUSTAINABILITY RESULTS.

The results of the debt sustainability analysis reveal that Rwanda's debt risk to default on its obligations remain moderate, as the country recovers from the impact of COVID-19.

The debt sustainability analysis (DSA) conducted as of March,2022 shows that the year 2021 concluded with a Present value (PV) level of total Public and Publicly Guaranteed debt of 54 percent of GDP of which 34.6 percent of GDP (less than 37.4 percent of GDP projected) is external, the PV of external debt to exports of 181.0 percent and a respective PV of debt service to exports of 22.2 percent and PV of debt service to revenues of 22.2 Percent.

To keep the debt sustainable, Rwanda took advantage of good market conditions and issued another Eurobond (USD 620m) which was used to buyback 84.9% (USD 339.6m) of the existing Eurobond (USD 400 million), that is due to mature in 2023 in addition to prepayment of expensive Rwandair Airbuses loans (USD 101m). This smoothened the refinancing risks as well reduced the overall Loans attributed to State Owned Enterprises (Guaranteed and Non-guaranteed) by 1.6 percent of GDP from 5.9 percent to GDP to 4.3 percent of GDP. In addition, the debt restructuring mechanism applied on KCC external loan payment using domestic debt instrument, has improved the overall liquidity indicators with mitigation of the refinancing risk which was associated with the bullet payment in 2023.

Finally, the debt sustainability analysis suggests the below measures that Government will maintain as policy to ensure that debt levels remain manageable:

1. To continue being guided by the debt path (limit to which the debt to GDP should not exceed).

2. Prioritize concessional funding in its borrowing plan (with lower and fixed interest rate, longer maturity and grace period) while taking into account the currency denomination.

3. To consider non-concessional borrowing only: (i) where grants or concessional resources are unavailable, (ii) where the project generates a high economic rate of return (ERR), (iii) and where the borrowing do not result in a significant and persistent increase in debt vulnerabilities.

4. To develop a domestic capital market that can support the needs of the Rwandan economy while it favors the issuance of long-term securities in replacement of short-term securities in order to increase the maturity profile of the domestic debt portfolio.

5. To be guided by the overall objective of cost-risk minimization of new contracted and guaranteed loans.

Table 3: Debt Sustainability Indicators, per March 2022 DSA

Indicators	**2021**	**2022**	**2023**	**2024**	**2025**	***Threshold***
PV Public Debt to GDP	54.0	52.0	52.9	52.1	50.5	***70***
PV External Debt to GDP	34.6	34.9	36.3	37.5	37.1	***55***
PV External Debt to exports	181.0	149.1	143.3	138.6	130.3	***240***
PV External Debt service to Exports	22.2	7.7	8.7	8.0	8.7	***21***
PV External Debt service to Revenues	22.2	9.5	12.1	11.4	12.4	***23***

SOURCE: MINECOFIN, JUNE 2022

4.2.MARKET ENVIRONMENT IN THE MEDIUM TERM.

While assessing the best borrowing option for the government it is important to review the market environment (interest rate, and exchange rate developments), in the domestic and international financial market.

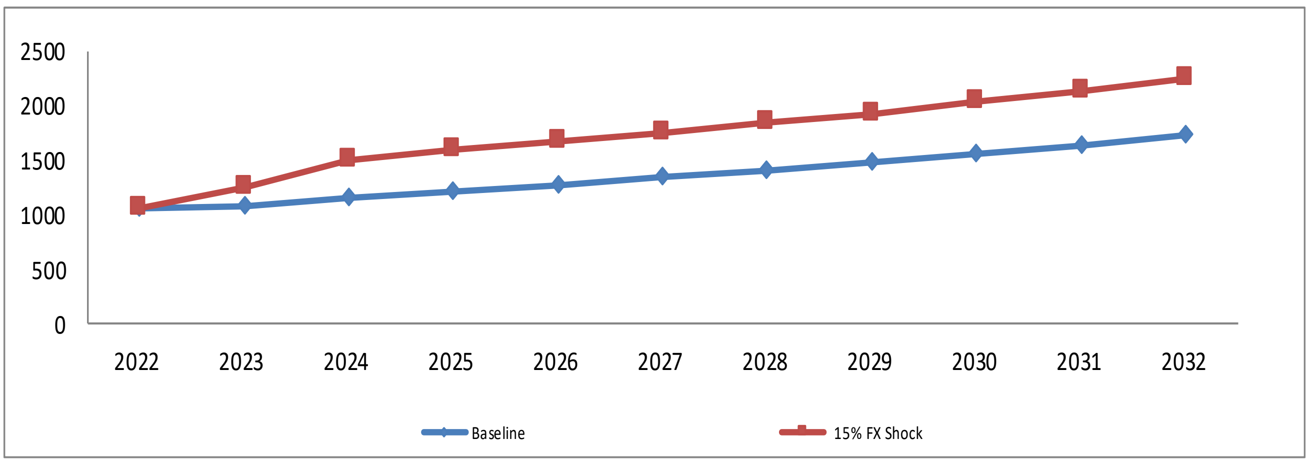
A. Exchange Rate Developments in the medium term.

During calendar year 2021, the Rwandan franc depreciated by 3.8 percent as a result of the rise in foreign currency demand especially in the second half of the year, to support the resumption of economic activities. This is the fastest depreciation rate since 2017. Going forward the National Bank of Rwanda continue to implement an accommodative monetary policy to support the economy during and after the COVID-19 period. In the medium term, Exchange rate policies will focus on a market driven exchange rate, which enables to adjust freely the shocks of external trade balance deficit.

For the purpose of government borrowing strategy going forward two possible depreciation shocks are assumed, in order to assess the impact that a faster than anticipated exchange rate depreciation could have on the selected borrowing strategy by GoR:

Scenario 1: a depreciation shock, of 10 percent.
Scenario 2: a depreciation shock of 15 percent on top of the baseline depreciation rate of 3.1 percent.

Figure 9: Exchange rate projection, Baseline and Shocks (15%)



SOURCE:MINECOFIN,JUNE2022

B. Interest Rate Developments in the medium term.

Over the past years, interest rate for domestic securities has been stable given the decision of the Central Bank Monetary Policy Committee (MPC) that revised down the central bank rate from 6.0 percent to 5.0 percent to 4.5 percent then to 5 percent again; this is also expected going forward to have an implication on interest rates of government securities, (T-bills and T-bonds).
However, the interest rate for external debt portfolio is increasing with new semi-concessional instruments being introduced by multilateral donors like IDA Scale up, ADB Window etc.
The table below sets out the trend observed on the interest rates from June 2015 to March 2022.

Table 4: Interest Rate 2015-2022

	Jun-15	Jun-1	Dec-16	Jun-17	Dec-17	Apr-18	May-19	Oct-19	Mar-22
Key Repo Rate (%)	6.5	6.5	6.24	6.0	5.5	5.5	5.5	5.0	5.0
T-Bills Rate (Weighted avg %)	4.1	7.3	9.0	8.8	7.1	5.8	6.1	6.05	7.27
Deposit Rate (%)	8.8	7.9	8.0	7.9	8.7	8.2	7.8	7.8	7.39
Lending Rate (%)	17.3	17.0	17.2	16.8	17.2	16.8	16.9	16.2	16.53

SOURCE: BNR, JUNE 2021

5. ANALYSIS OF COSTS AND RISKS IN THE PUBLIC DEBT PORTFOLIO.

Another important aspect to consider before a borrowing strategy is selected is to assess the costs and risks associated with the current debt portfolio.

Table 5 below presents standard risks indicators, which are normally included in the MTDS framework. This includes interest rate risks, exchange rate risks, and refinancing risks.

Table 5: Cost and Risk Indicators for Existing Debt as at End-June 2022

		June, 2021 (Proj)			June, 2022 (Proj)			
Risk Indicators		External Debt	Domestic Debt	Total Debt	External Debt	Domestic Debt	Total Debt	2020/21 Benchmarks
Amount (in millions of RWF)		5933.2	1754.1	7687.3	6339.9	2064.8	8404.7	
Amount (in millions of USD)		5909.1	1747.0	7656.1	6052.7	1971.2	8023.9	
Nominal debt as % GDP		58.8	17.4	76.2	53.7	17.5	71.2	Max. 80
PV as % of GDP		37.4	14.2	51.7	34.8	13.9	48.7	Max.70
Cost of debt	Interest payment as % GDP	1.0	2.1	3.1	0.9	2.1	3.0	Max.5.0
	Weighted Av. IR (%)	1.7	14.5	4.7	1.6	14.9	4.9	
Refinancing risk	ATM (years)	14.6	3.6	12.4	14.2	3.8	12.1	Min. 10
	Debt maturing in 1yr (% of total)	3.3	40.6	10.6	3.2	38.8	10.6	Max. 15.0
	Debt maturing in 1yr (% of GDP)	1.9	5.8	7.7	1.7	5.4	7.1	
Interest rate risk	ATR (years)	13.9	3.6	11.9	13.6	3.8	11.6	Min. 10
	Debt refixing in 1yr (% of total)	10.1	40.6	16.0	9.5	38.8	15.5	Max. 25
	Fixed rate debt (% of total)	91.7	92.6	91.9	93.4	90.3	92.7	Min. 85
FX risk	FX debt (% of total debt)			80.5			79.3	Max. 90
	ST FX debt (% of reserves)			11.2			10.0	Max. 15

SOURCE: MINECOFIN, Medium-Term Debt Strategy Tool, JUNE 2022

5.1.ANALYSIS OF COSTS OF EXISTING PUBLIC DEBT PORTFOLIO.

Rwanda's Public and Publicly guaranteed debt is projected to reach the level of Frw 8404.7 billion by end June 2022, an increase from Frw 7684.3 billion that was projected for 2021. However, the economic rebound resulted from the economic recovery is projected to smoothen the debt ratios expressed in percent of GDP from 76.2 percent of GDP that was projected for June,2021 to 71.2 percent of GDP that is projected for June,2022. This is a sign of reduced sustainability risks.

As of End-June 2022, total public debt interest payments as a share of GDP decreased by 0.1 percent compared to end June 2021 from 3.1 percent of GDP to 3.0 percent of GDP. This decrease is mostly attributed to external debt interest payments.

Domestic debt interest payments account for 2.1 percent of GDP and have increased from 2.07 percent of GDP at end- June 2021 as a result of regular new issuance and reopening of treasury bills and treasury bonds to cater for the Government budget needs but also to support the development of the domestic capital market. In addition, domestic interest payments have increased as result of the restructuring of some external debt owned by State owned enterprises using domestic debt.

On the other hand, external interest payments have reduced by 0.2 percent of GDP, thanks to the Government liability management strategy where expensive foreign debt were refinanced and converted with domestic debt as well as prepaid to reduce external debt vulnerabilities. This has significantly improved the implied weighted average interest rate by 0.22% lower than the previous year and overall 1.22 improvement since 2020 when liability management implementation initiated.

5.2. ANALYSIS OF RISKS OF EXISTING PUBLIC DEBT PORTFOLIO

5.2.1. REFINANCING RISK.

The key indicators for refinancing risk are Debt maturing in one year as a percentage of total debt, Average Time to Maturity (ATM) and Debt maturing in one year as a percent of GDP.

The total debt maturing in one year as percentage of GDP is projected to decrease by 0.6 percent of GDP due to the retirement of treasury bills equivalent to Frw 122.3 billion during the calendar year 2021 (given the lower market demand in short term securities impacted by Covid 19). However, this is a positive development, which is in line with Government plan of issuing long-term domestic debt securities in replacement of short-term domestic debt securities.

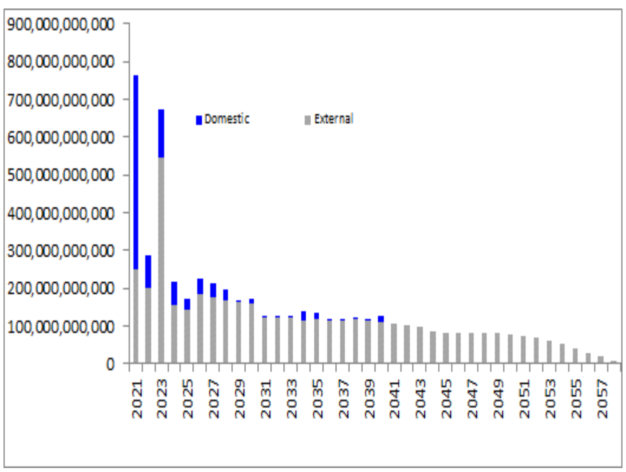
To keep the debt sustainable, Rwanda took advantage of good market conditions and issued another Eurobond (USD 620m) which with proceeds distributed to buyback 84.9% (USD 339.6m) of the existing Eurobond (USD 400 million), that was due in FY 2022/23, prepayment of expensive Rwandair Airbuses loans (USD 101m) and financing new development projects. This is in addition to the debt restructuring mechanism applied on KCC external loan payment using long term domestic debt instrument. Therefore, the above stated liability management indeed contributed to the reduction in the overall magnitude of debt maturing in year. Indeed, economic rebound with nominal GDP growth of 15.9 percent (FY 2021/22 compared to FY 2022/23) as a reason of the economic recovery is contributing significantly to the overall reduced magnitude of debt maturing in 1 year as percent of GDP.

The average time to maturity (ATM) of the entire portfolio is projected as at end June 2022 to reach the level of 12.1 years from the level of 12.4 years the previous year due to the increase of higher external debt (Eurobond of USD 620m) and domestic treasury bonds.

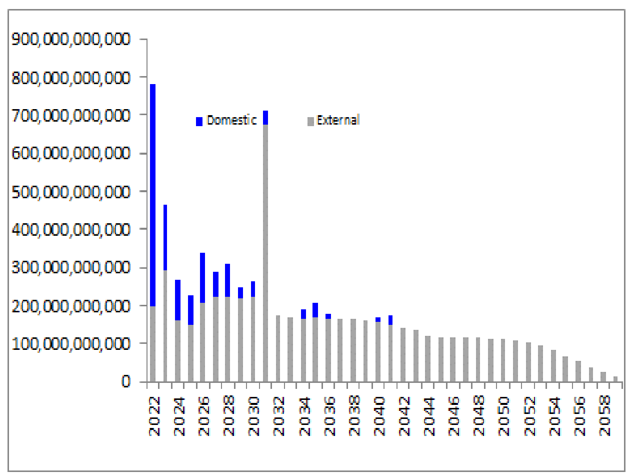
The Figure 9 describes the magnitude of the total principal external and domestic debt payments associated with the current debt portfolio comparing with the profile before issuing new Eurobond as of June 2020 and June 2021. Overall, it shows a smooth overall redemption profile of the debt portfolio. The figure indicates how the repayment vulnerabilities under external debt shifted from the Fiscal year 2022/2023 to 2031/2032. Thanks to better liability management by the Government of Rwanda.
The total principal repayment for the next FY 2022/23 amounts to Frw 842.8 billion higher than 779.4 billion that was projected to mature in the following 1 year (FY 2021/22) showing increase in refinancing risk of debt maturing in 1 year. Domestic debt will account for Frw 643.0 billion or 76.3 percent of the total amortization profile, while external debt will amount to Frw 199.8 (23.7 percent).This is mostly attributed to the repayment of the remaining amount (USD 60.4m) on the 2013 Eurobond in addition to the large amount of treasury bonds set to mature (Frw 133.6 billion).

Figure 10: Redemption Profile, End-FY 2021/22 VS FY 2019/20-FY 2020/21 (Frw billion)

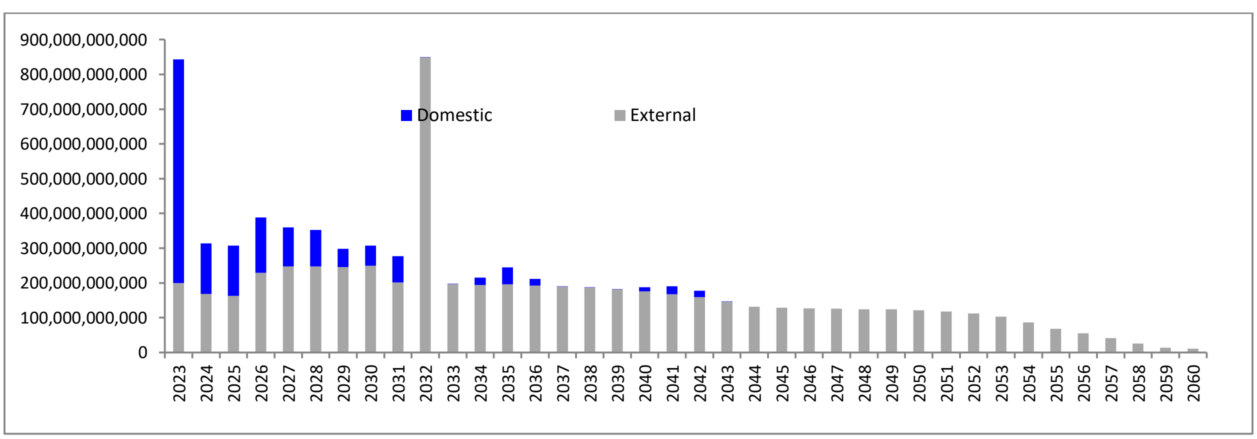
Redemption Profile June 20



Redemption Profile End June, 2021



Redemption Profile End June, 2022



***SOURCE*: MINECOFIN, MEDIUM-TERM DEBT STRATEGY TOOL, JUNE 2020, 2021 and 2022**

5.2.2. INTEREST RATE RISK.

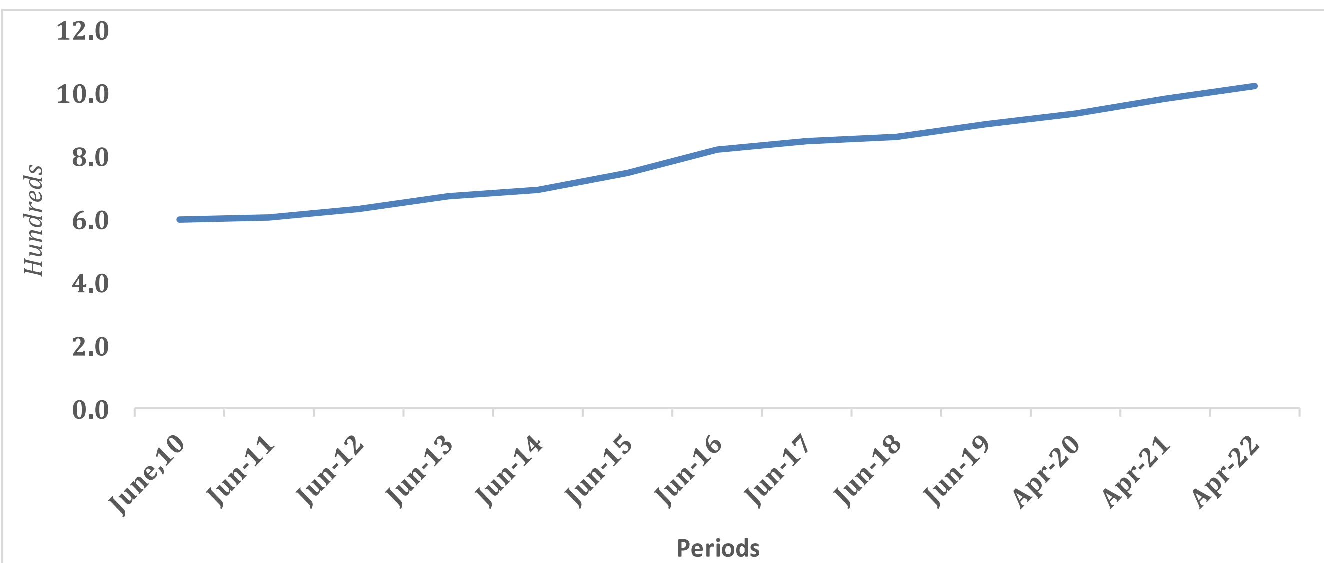
The average time to re-fixing (ATR) is closely linked to the average time to maturity (ATM) and it shows an improvement from 11.9 years in June 2021 to 11.6 years in June 2022. However, the ATR reflect a lower number of years compared to the ATM because it considers total debt repayments (both fixed and variable) while ATR considers future total repayments (notably variable short-term domestic debt) to be re-fixed within the first year of projection.

In addition, this decrease is mainly attributed to the settlement of expensive variable foreign debt using fixed debt instrument especially repayment of Aflexim (KCC) and Rwandair Airbuses loans using respectively domestic financing and Eurobond proceeds. This is in line with the Government borrowing strategy during the FY 20/21 designed to prioritize fixed rate debt over variable rate debts.

5.2.3. EXCHANGE RATE RISK.

By end June 2022, foreign currency denominated debt as percentage of the overall public debt portfolio has reduced compared to the last fiscal year 2021/22 from 80.5 percent in June 2021 to 79.3 percent as of end June 2022, indicating an increase in the share of domestic debt in the public debt portfolio. This is due to the liability management done in CY 2020 and 2021 for the repayment of closer to maturity expensive external debt using domestic debt. this is deemed a good policy given that the continuous depreciation of the local currency against foreign currencies may reduce exchange rate risks going forward.

Figure 11: FRW/USD Foreign Currency Trends from June 2010 to April 2022



SOURCE: NATIONAL BANK OF RWANDA, APRIL 2022

5.3. COST AND RISK INDICATORS EVALUATION AGAINST 2020/21 BENCHMARKS.

The table 5 shows comparison of the current cost and risk indicators as end June2022 against the medium term benchmarks set during the FY 2020/2021, in order assess the achievement of each cost and risk indicator.

Rwanda's overall medium term cost and risk indicators, remain stable and well below the benchmarks set during the last Fiscal year, despite the increase of debt stock in nominal terms. This is explained by the predominance of concessional external loans whose characteristics are fixed with lower interest rates, longer grace period and maturities.

The refinancing risk is still below the benchmarks with the Average time to maturity (ATM) of 12.1 years lower than the medium term target of 10 years. Even though, the debt maturing in 1 year is still higher with 10.6 percentage of total, it is still far from the medium term benchmark of 15 percent of total public debt.

On the other hand, interest rate risk and Exchange rate risk are still below the benchmarks with the Average time to Refixing (ATR) stalling at11.6 years and foreign debt as percentage of total debt at 79.3 as of end June 2022 against respective benchmarks of 10 years and 90 percent.

6. FINANCING ASSUMPTIONS AND STRATEGY SELECTION.

6.1. FINANCING ASSUMPTION.

External source of funds (largely concessional), will continue to be prioritized among different financing options available to the Government. These include multilateral, and bilateral, among them nontraditional lenders like JICA and EXIM KOREA, European Investment Bank (EIB) (who have extremely favorable terms) and more recent creditors like the Asian Investment Bank (AIIB), the IDA SUF and Agence Française de Développement (AFD). This trend however, is projected togradually shift to more market-based financing, as income levels of the economy rise.

With regards to domestic financing structure, the government will continue to use domestic debt securities, as the main financing instrument, while focusing on mitigating the refinancing risk (associated with more issuance of treasury bills), but also develop the domestic capital market. The main holders of Government domestic securities include Commercial Banks, non-bank institutions, insurance companies, pension funds and retailers (both foreign and local).

The table below sets out the type of loans/securities considered for the design of four alternative borrowing strategies.

Table 6: Financing Assumptions.

Loan Type / Name	Fix / Var	Maturity (y)	Grace (y)	Currency Type	Scope
Concessional					
1. Multilateral					
o/w IDA	Fix	38	6	USD	Although tied to specific projects, and a number of conditionality attached to it, this instrument has the most favorable terms with interest rate below 2 percent. However, nontraditional lender like AIIB have variable instruments.
ADF	Fix	40.0	10.0	USD	
AIIB	Var	35.0	10.0	USD	
2. Bilateral					
o/w JICA_EXIMKOREA	Fix	40.0	10.0	USD	
AFD	Var	20.0	6.0	EUR	
Non- Concessional					
1.debt securities					
o/w EURO BOND	Fix	10.0	9.0	USD	This instrument is costly, but not tied to specific projects. The interest rate is market based and takes into account the country's credit worthiness rate. GoR would only consider this instrument to refinance expensive loan and/or high revenue generating projects.
TBILLS< 1 Year	Fix	1.0	0.0	Frw	This instrument is costly, but not exposed to forex risk and contributes to domestic capital market development.
TBONDS > 1 Year	Fix	4.0	3.0	Frw	
2. Guarantees					Sovereign guarantees, may involve fiscal and debt risks, but could be used to support government strategic projects, which are profitable for the Economy.
o/w EXT GUARANTEES	Var	8.0	2.0	USD	
DOM GUARANTEES	Fix	8.2	2.0	Frw	

SOURCE: MINECOFIN, JUNE 2022

6.2. STRATEGY DESIGN AND DESCRIPTION OF COSTS AND RISKS ASSOCIATED.

The analysis of the current debt portfolio suggests four options in terms of borrowing options that the Government of Rwanda can consider to achieve its debt management objectives; (i) ensure that the Government's financing needs and settling of obligations meet the medium term objective of low borrowing costs (ii) keep a prudent risk exposure, (iii) promote an active domestic debt market.

Strategy 1 (S1): "Status quo:

The status quo as its name indicate, is unchanged from the current debt borrowing plan that GoR has been implementing for number of years.

It is essentially composed of external concessional financing of 58.9 percent of total gross external financing for the first year of the strategy (due to the refinancing of Eurobond done in 2021), but gradually increases to 90.2 percent and 97.6 percent for the FY 2023/24 and FY 2024/25 respectively.

Domestic borrowing represents a lower share of total gross financing in FY 2022/23 compared to previous fiscal year 2021/22 (16.6 percent against 44.0 percent last year).

Cost and risk analysis of S1 reveals that it has a relatively higher refinancing risk compared to S2 but lower to S3 and S4. This is mainly attributed to the dominance level of short term securities (treasury bills) financing which is higher compared to S2.

Strategy 2 (S2):

This strategy is designed to maximize external bilateral concessional while developing domestic capital market.

This strategy is the cheapest, as it assumes a larger share of concessional external debt compared to S1, S3 and S4. This is addition, to the change in the composition of external debt disbursements in favor of bilateral non-traditional lenders like JICA and Exim Korea, with extremely favorable financing terms.

The volume and composition effect of S2 design led to lower refinancing risk with portfolio longer Average Time to Maturity (ATM) of 14.9 years compared to S1 (14.1 years), S3 (13.9 years) and S4 (12.4 years). However, the dominance of more external debt (91.1 percent foreign debt as percentage of total debt) result to higher forex risk exposure.

Strategy 3 (S3):

This strategy intends to develop the domestic debt market with assumption of a larger share of local currency bond in replacement of treasury bills (no issuance assumed for less than 1-year Treasury bills in this strategy) in order to deepen the domestic debt market.

This makes this strategy, the second highest costly of all strategies at 4.3 percentage implied interest rate compared to 4.0 percent and 3.5 percent respectively for S1 and S2. However, with higher domestic financing compared to external, it has lower exchange rate risk compared to all other strategies.

Strategy 4 (S4):

This strategy intends to issue commercial instruments where external concessional financing is in shortage to cover the whole financing gap which is also beyond the domestic market capacity. Indeed, this strategy intends to develop the domestic market at same time.

This makes this strategy, the most costly of all strategies at 4.7 percentage implied interest rate compared to 4.0 percent, 3.5 percent and 4.3 percent respectively for S1, S2 and S3. Given its higher external commercial debt composition, this strategy is more exposed to forex risk vulnerabilities with 89.2 percent of Foreign debt as percentage of total debt. The table below sets out the cost and risks indicators associated to the design of the above four strategies.

Table 10: Cost and Risk Analysis of Strategies as of End June 2025

Risk Indicators		2022	As at end 2025			
		Current	S1	S2	S3	S4
Nominal debt as % of GDP		71.2	68.6	68.7	68.7	69.3
Present value debt as % of GDP		48.7	46.9	43.1	48.0	52.4
Interest payment as % of GDP		3.0	2.4	2.1	2.6	2.9
Implied interest rate (%)		4.9	4.0	3.5	4.3	4.7
Refinancing risk	Debt maturing in 1yr (% of total)	10.6	3.8	3.6	3.7	4.0
	Debt maturing in 1yr (% of GDP)	7.1	2.6	2.5	2.5	2.8
	ATM External Portfolio (years)	14.2	14.9	15.7	14.7	12.9
	ATM Domestic Portfolio (years)	3.7	5.9	6.2	8.0	7.0
	ATM Total Portfolio (years)	12.1	14.1	14.9	13.9	12.4
Interest rate risk	ATR (years)	11.6	13.2	14.7	13.1	11.1
	Debt refixing in 1yr (% of total)	15.6	11.1	7.1	9.8	17.0
	Fixed rate debt (% of total)	92.7	92.5	96.4	93.7	86.4
FX risk	FX debt as % of total	79.4	88.3	91.1	85.3	89.2
	ST FX debt as % of reserves	10.0	9.8	9.8	9.8	11.5

SOURCE: MINECOFIN, MEDIUM-TERM DEBT STRATEGY TOOL, JUNE 2022.

6.3. STRATEGY SELECTION.

The choice of the best strategy will be guided by the overall objective of cost-risk minimization of new contracted and guaranteed loans, while maintaining sustainable levels of debt. The best strategy shall also support monetary policy objectives of maintaining a stable inflation while protecting the economy against external shocks.

In this perspective, S2 stands out among all designed strategies, as it is the cheapest and more realistic option to implement. S2 also assumes lower new issuance of treasury bills as an effort to reduce the amount of debt maturing in one year and achieve a smoother repayment profile. S1 is similar to S2, in terms of cost effectiveness but with higher interest rate risk. On the other hand, S3 and S4 implementation may not be logically feasible, given the high cost level that it may have on the treasury. The table below shows a set of medium term targets that were designed by the Debt Directorate to monitor the implementation of S2.

Table 8: Benchmarks-End June 2024

Risk Indicators		S2	**Benchmark**
		2022	**End June 2024**
Nominal debt as % of GDP		68.7	Max. 80
Present value debt as % of GDP		43.1	Max.70
Interest payment as % of GDP		2.1	Max.5.0
Refinancing risk	Debt maturing in 1yr (% of total)	3.6	Max. 15.0
	ATM External Portfolio (years)	15.7	Min. 12
	ATM Domestic Portfolio (years)	6.2	Min. 2.5
	ATM Total Portfolio (years)	14.9	Min. 10
Interest rate risk	ATR (years)	14.7	Min. 10
	Debt refixing in 1yr (% of total)	7.1	Max. 25
	Fixed rate debt (% of total)	96.4	Min. 85
FX risk	FX debt as % of total	91.1	Max. 90
	ST FX debt as % of reserves	9.8	Max. 15

SOURCE: MINECOFIN, MEDIUM-TERM DEBT STRATEGY TOOL, JUNE 2022

6.4. THREATS TO STRATEGY IMPLEMENTATION.

The main threats to the implementation of the selected strategy amid COVID-19 pandemic recovery and Ukraine Crisis, will be primarily connected with:

1. A weaker than expected macroeconomic performance with a lower GDP growth, a lower export performance, and a higher-than-expected depreciation of the Rwf against major currencies (US dollar primarily). This could adversely impact on the financing needs, contribute to a depletion of existing reserves buffers and would raise the cost of servicing the existing and forthcoming external debt stock.

2. Liquidity constraints on local currency market may be a hindrance to further develop the domestic market for Government securities.

3. The execution of guarantees granted to Public enterprises, has a major fiscal risk that government owned enterprises may default on their debt obligations.

6.3. RECOMMENDATION & STRATEGY IMPLEMENTATION.

The consultative committee on debt management (DMC) will continue to act as a forum for the exchange of opinions on the position and prospects of financial markets, and the Treasury management and borrowing plans, both domestically and abroad.

The committee will propose a monthly issuance plan for the FY 2022-23 that will be consistent with the selected strategy S2, and submits the proposals to the Treasury Management Committee. Once approved, the issuance plan will be communicated to the market. The DMC will meet once every quarter or more frequently as needed to monitor the implementation of the issuance plan, selected strategy and propose amendments as necessary.

The government will continue to favor external concessional loans while non-concessional loans will be for profitable and forex generating projects. Hence, the Debt Directorate is focused on helping reveal the real cost of new borrowing proposals using Cost Benefit Analysis methodology.

With regards to domestic debt, the government will continue working closely with the National Bank of Rwanda to improve awareness and access to primary market of government securities in order to ensure well-functioning primary market.

The Central Bank will continue to act as front office in implementing the government domestic debt issuance plan, while decision on the final market results or cut-off rates will be approved after prior communication with the Debt Directorate.

In the medium term, BNR in collaboration with the Ministry of Finance and other stakeholders plans to put in place the Market Makers framework to boost liquidity in the secondary market, facilitate the price discovery mechanism of government bonds in order to build a stable and dependable demand for government securities, broadening the customer base for bonds, thereby reducing the government's market and refinancing risk.

Table 9: Selected MTDS Macro-Market Indicators, FY 2022/23-2024/25

	FY 2022/2023	FY 2023/2024	FY 2024/2025
RWF UNITS			
Revenues and grants	3,365,385,615,741	3,582,730,114,675	4,111,432,904,170
Total primary expenditures	4,015,085,041,838	4,200,640,759,826	4,603,340,897,506
Total expenditures	4,311,244,798,769	4,541,032,721,355	4,985,448,824,965
Total interest expenditure	296,159,756,930	340,391,961,529	382,107,927,459
International reserves (USD million)	1,945,957,261	2,139,476,600	2,341,876,180
GDP	13,685,233,947,159	15,641,825,335,246	17,692,572,333,681
Baseline exchange rate, RWF per USD	1,084.03	1,152.68	1,212.88
Primary Deficit	649,699,426,097	617,910,645,151	491,907,993,336
Interest Payments	349,849,979,840	326,037,340,315	306,963,594,763
Interest on Existing Debt	349,849,979,840	326,037,340,315	306,963,594,763
Interest on New Debt	0	0	0
Amortization	849,768,424,079	330,260,829,129	332,862,222,788
Amortization on Existing Debt	849,768,424,079	330,260,829,129	332,862,222,788
Amortization on New Debt	0	0	0
Gross Financing Need	1,849,317,830,015	1,274,208,814,595	1,131,733,810,887
Gross Financing Need in USD millions	1,705,971,132.0	1,105,433,760.9	933,097,913.5
Gross Financing Need to GDP (%)	13.5	8.1	6.4
Primary Deficit (in % of GDP)	4.7	4.0	2.8
Fiscal Deficit (in % of GDP)	7.3	6.0	4.5

Table 10: Key Potential Sources of Funding and Financing Strategies

Instrument Nr.	Instrument Type / Name	Fix / Var	For PV calculation, apply discount rate?	Maturity (y)	Grace (y)	Currency Type	Currency (3-letter code)
USD_1	IDA	Fix	Yes	38	6	FX	USD
USD_2	ADF	Fix	Yes	40.0	10.0	FX	USD
USD_3	ARAB FUNDS	Fix	Yes	31.0	10.0	FX	USD
USD_4	EURO BOND	Fix	No	10.0	9.0	FX	USD
USD_5	ADB_IBRD	Var	Yes	26.0	15.0	FX	USD
USD_6	CHINA_OPEC	Fix	Yes	23.0	5.0	FX	USD
USD_7	JICA_EXIMKOREA	Fix	Yes	33.0	10.0	FX	USD
RWF_8	TBILLS-6MONTHS	Var	No	0.5	0.0	DX	RWF
RWF_9	TBILLS-1 YEAR	Fix	No	1.0	0.0	DX	RWF
RWF_10	BNR / BK/ Corporate Loans	Fix	No	15.0	3.0	DX	RWF
RWF_11	TBONDS 7-10YRS	Fix	No	9.0	8.0	DX	RWF
RWF_12	TBONDS 15YRS PLUS	Fix	No	15.0	14.0	DX	RWF
RWF_13	TBONDS 3-5YRS	Fix	No	4.0	3.0	DX	RWF
USD_14	EXT GUARANTEES	Var	No	8.0	2.0	FX	USD
RWF_15	DOM GUARANTEES	Fix	No	8.2	2.0	DX	RWF

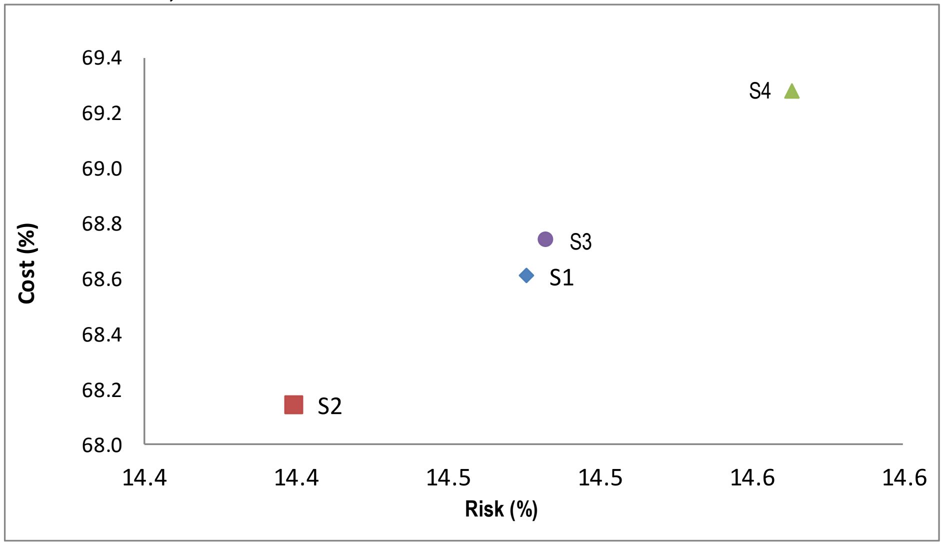
Table 11: New Gross Borrowing Debt by Instrument, as of end 2024 (Percentage & Millions USD)

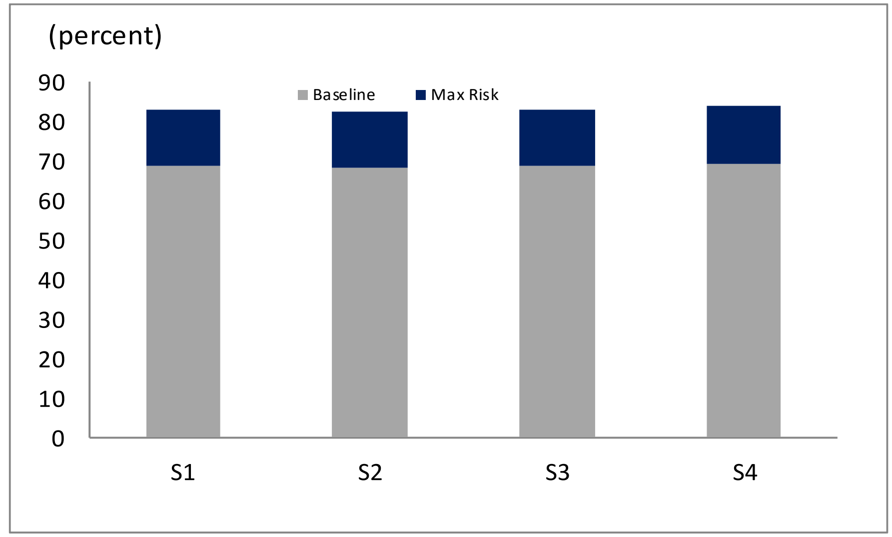
New debt		S1	S2	S3	S4
IDA	FX	32%	45%	28%	13%
ADF	FX	5%	5%	4%	3%
ARAB FUNDS	FX	9%	13%	8%	5%
EURO BOND	FX	17%	0%	17%	35%
ADB_IBRD	FX	8%	0%	7%	12%
CHINA_OPEC	FX	7%	13%	7%	2%
JICA_EXIMKOREA	FX	5%	14%	4%	2%
TBILLS-6MONTHS	DX	2%	0%	0%	0%
TBILLS-1 YEAR	DX	2%	0%	1%	0%
BNR / BK/ Corporate Loans	DX	0%	0%	0%	0%
TBONDS 7-10YRS	DX	7%	4%	11%	6%
TBONDS 15YRS PLUS	DX	3%	4%	12%	7%
TBONDS 3-5YRS	DX	2%	1%	1%	0%
EXT GUARANTEES	FX	0%	0%	0%	14%
DOM GUARANTEES	DX	0%	0%	0%	0%
External		83%	90%	76%	86%
Domestic		17%	10%	24%	14%
		100%	**100%**	**100%**	**100%**

In millions of U!	FY2022	As at end FY2025			
Outstanding by	Current	S1	S2	S3	S4
IDA	2,671,278,430	3,780,945,368	3,817,221,100	3,633,419,215	3,038,051,154
ADF	1,270,827,616	1,319,703,699	1,324,171,955	1,303,599,611	1,260,824,459
ARAB FUNDS	420,854,561	724,960,701	803,202,623	693,473,756	577,017,711
EURO BOND	680,565,000	1,325,565,205	620,000,000	1,304,611,684	2,057,597,007
ADB_IBRD	331,437,672	628,866,089	319,314,168	603,826,229	786,677,311
CHINA_OPEC	436,749,573	658,567,286	976,392,073	632,792,545	467,934,870
JICA_EXIMKORE/	172,640,163	366,131,054	1,020,422,816	349,297,337	239,872,546
TBILLS-6MONTH	153,239,168	89,228,776	14,265,547	0	0
TBILLS-1 YEAR	260,920,745	21,417,742	4,188,131	10,267,785	4,232,175
BNR / BK/ Corpo	230,976,220	77,482,784	77,482,784	77,482,784	77,482,784
TBONDS 7-10YR!	253,630,456	458,630,158	394,696,515	603,724,639	427,445,597
TBONDS 15YRS F	144,006,353	244,207,349	290,483,359	570,078,378	380,084,793
TBONDS 3-5YRS	239,035,829	124,985,875	91,049,954	56,456,778	46,844,292
EXT GUARANTEE!	68,325,075	29,292,518	29,292,518	29,292,518	583,778,757
DOM GUARANTE	285,022,800	158,078,097	158,078,097	158,078,097	158,078,097
External	6,052,678,089	8,834,031,920	8,910,017,254	8,550,312,895	9,011,753,815
Domestic	1,566,831,571	1,174,030,780	1,030,244,385	1,476,088,460	1,094,167,737
Total	**7,619,509,659**	**10,008,062,699**	**9,940,261,639**	**10,026,401,355**	**10,105,921,552**

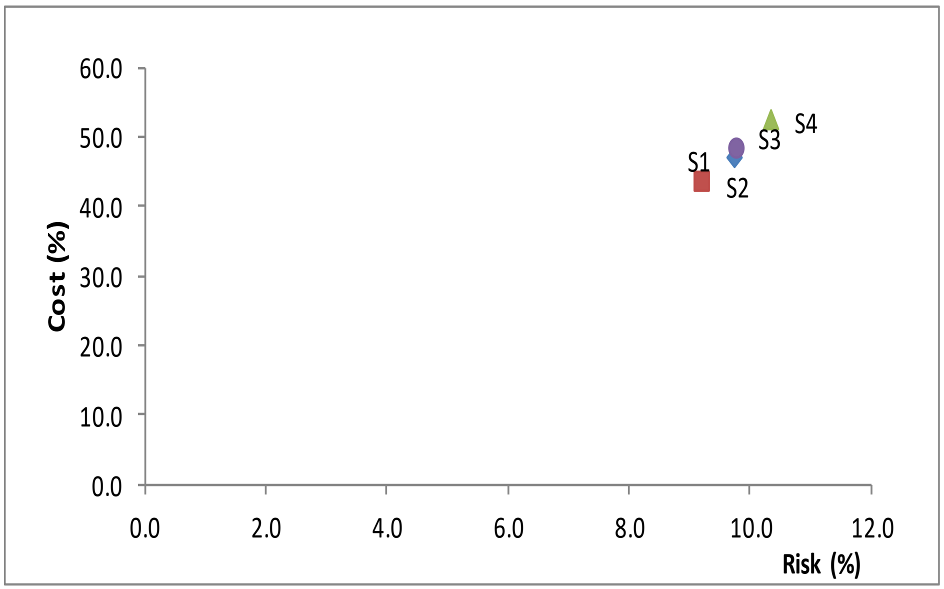
Figure 11: Key Cost and Risk Indicators by Strategy (as of end-2025, %)

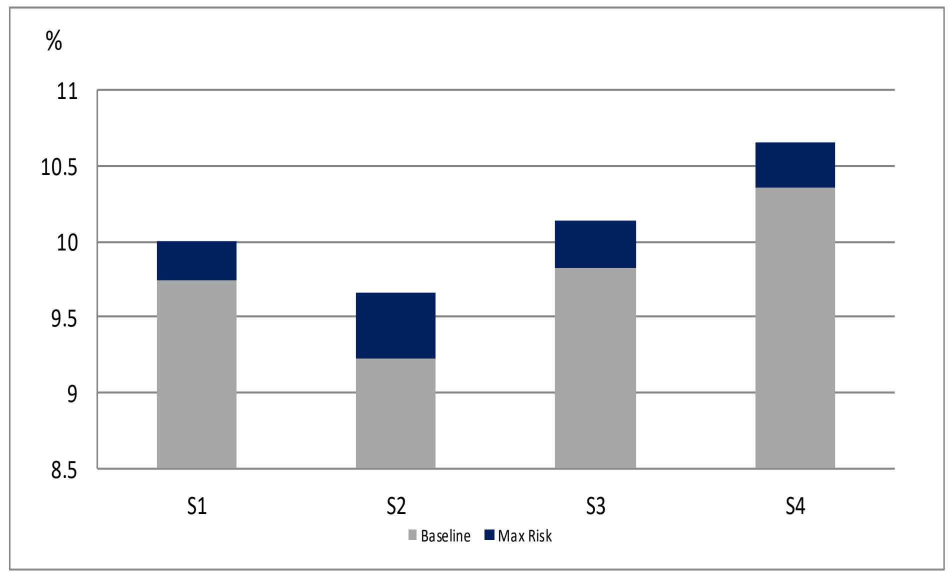
DEBT TO GDP, 2025



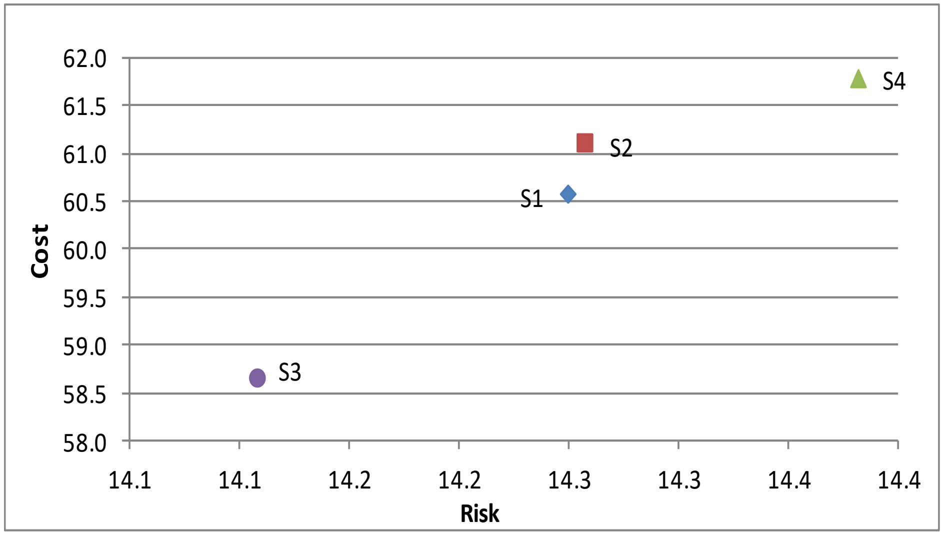


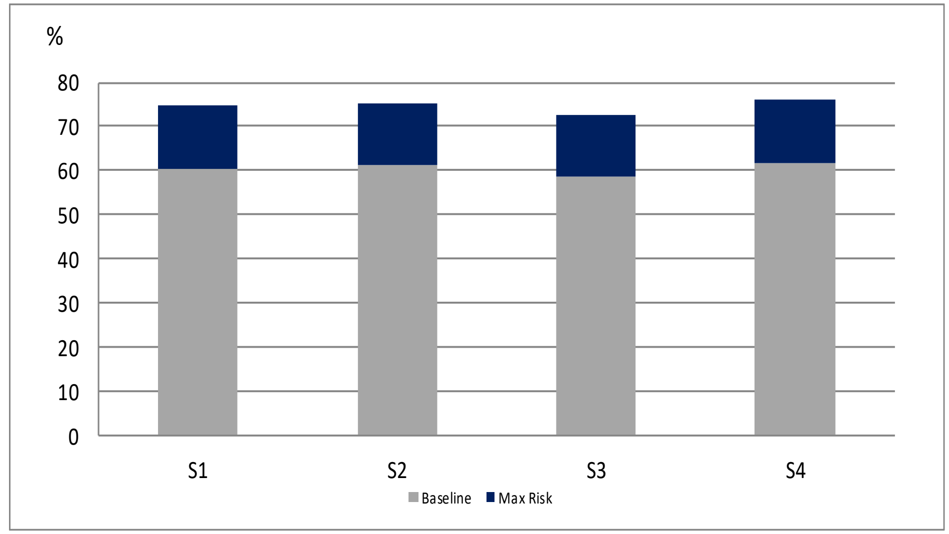
PV OF DEBT TO GDP, AS OF END 2025



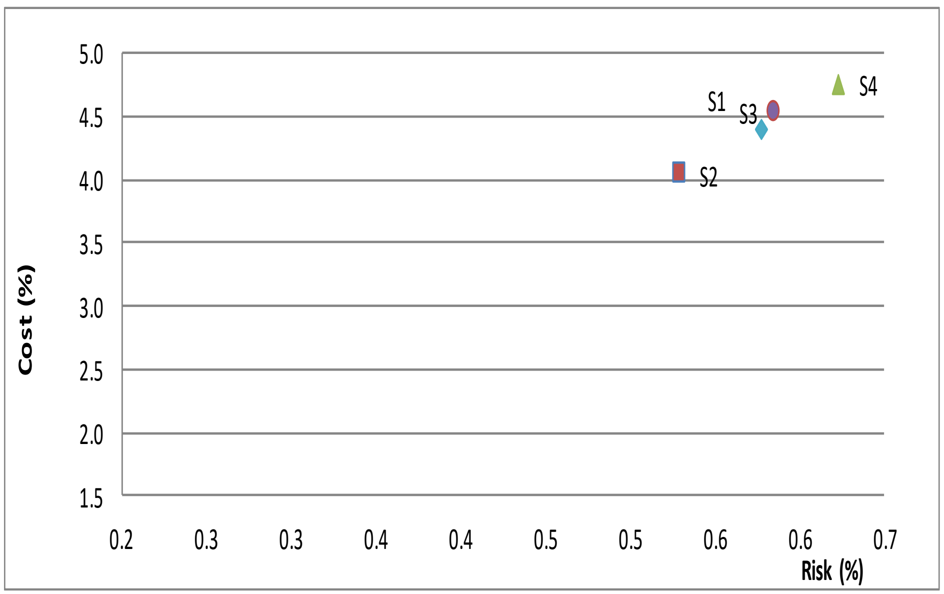


EXTERNAL DEBT TO GDP, AS AT END 2025





TOTAL DEBT SERVICE TO GDP, AS OF END 2025



INTEREST TO REVENUES, AS OF END 2025

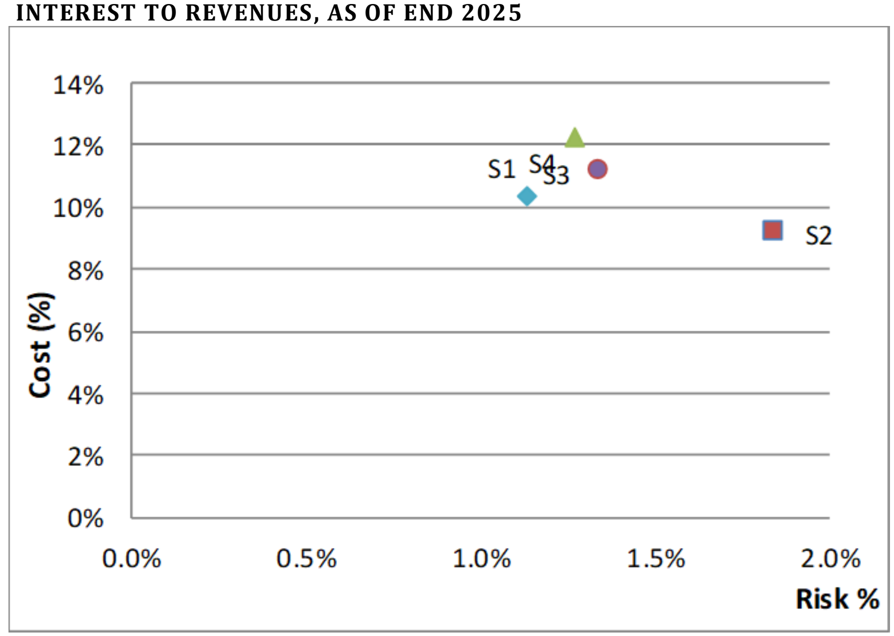


Figure 12: Redemption Profile of Strategies