Republic of Rwanda

Ministry of Finance and Economic Planning

ANNUAL BORROWING PLAN

2024/25

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1. Background

RWANDA is a fast-growing, dynamic economy with ambitious goals under Vision 2050 and the National Strategy for Transformation (NST2). These plans aim to transition Rwanda into an upper-middle-income country through industrialization, infrastructure modernization, and human capital development. However, like many developing nations, Rwanda faces the dual challenge of achieving these objectives while navigating constrained resources.

To bridge the financing gap and sustain its development agenda, Rwanda relies on strategic borrowing guided by its Medium-Term Debt Management Strategy (MTDS). The Annual Borrowing Plan (ABP) serves as a critical tool to operationalize this strategy, ensuring alignment with national priorities, cost-effectiveness, and debt sustainability.

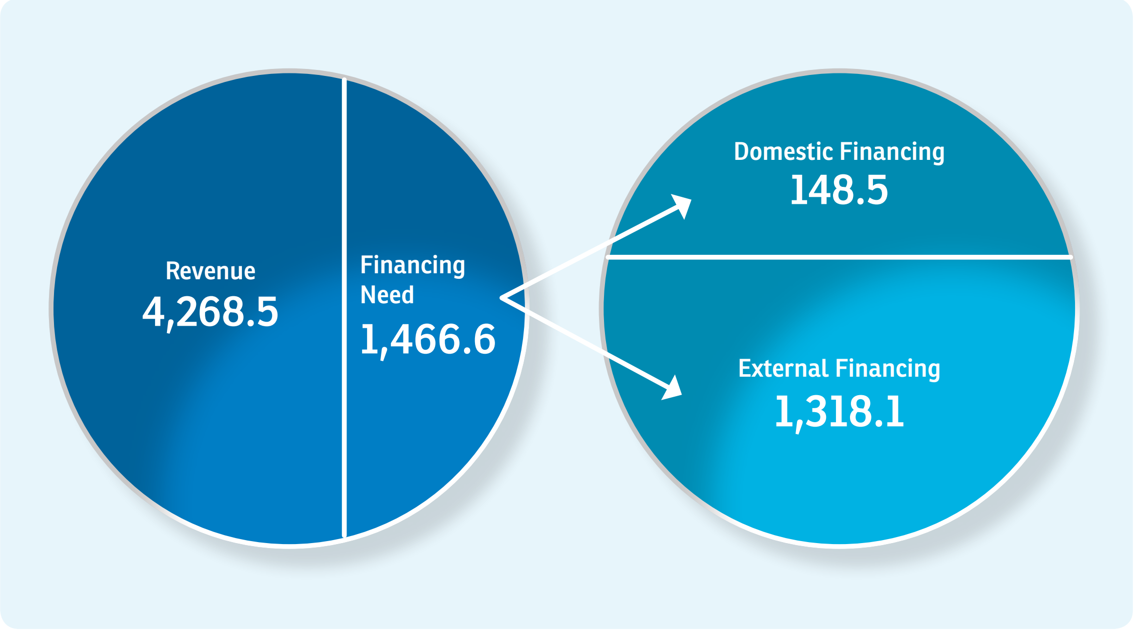
Going forward, an ABP will be published immediately following the approval of the state budget.

2.
Financing Need

RWANDA'S financing needs are strategically anchored in its comprehensive macroeconomic framework, which serves as the foundation for determining the government's financing requirements. This framework ensures that national development priorities are aligned with fiscal sustainability, striking a careful balance between ambition and prudence.

For the Fiscal year (FY) 2024/25, Rwanda plans to finance its budget deficit through borrowing Frw 1,318,134,284,462 expected from external sources and Frw 148,452,165,353 from domestic sources.

Chart 1: Financing Gap (in billion Frw)



3.

Financing Strategy

THE current medium-term debt management strategy - FY 2024/2025-2026/2027- 2027/2028 involves a reduction in the issuance of treasury bills to mitigate the burden of a large amount of debt maturing in a single year and maximizing external concessional and semi concessional funding to ensure a more manageable repayment schedule.

The financing strategy is guided by the overall objective of cost-risk minimization, while maintaining sustainable levels of debt. The planned gross financing in FY 2024/2025 will help achieve the objective of reducing the debt levels under the Policy Coordination Instrument Program between Government of Rwanda and the IMF to 65 percent of GDP by 2031 through a path of 72.5 percent of GDP in 2027.

The strategy also supports monetary policy objectives of maintaining stable inflation while safeguarding the economy against external shocks.

4.

Financing Sources

RWANDA will fund its budget gap through external and domestic sources.

4.1. EXTERNAL SOURCES

Multilateral Sources

These refer to development finance institutions such as the World Bank and the African Development Bank, which primarily focus on providing financing for development activities at concessional terms.

Bilateral Sources

These are government-to-government financing arrangements at concessional terms, often provided by individual countries to support development initiatives or specific projects aligned with mutual interests.

Commercial Sources

These involve borrowing from private sector entities, such as commercial banks or international financial markets, typically under market-based terms to meet financing needs that may not be covered by concessional financing in the budget for example infrastructure, health, education etc.

Table 1: Projected disbursements

External Disbursement by Creditor Type (in billions of Frw)	
Bilateral	299.9
Multilateral	1,018.2
Commercial	0
Total	**1,318.1**

4.2. DOMESTIC SOURCES

For domestic financing, the government can raise funds through debt securities and loans. In mobilizing domestic debt, the government takes into consideration development of the domestic debt market, which has demonstrated significant progress.

Domestic debt securities include:

Treasury Bills (T-Bills):

Short-term instruments designed to meet immediate liquidity needs, with tenors of 28, 91, 182, and 364 days.

Treasury Bonds:

Medium- to long-term instruments with maturities of 3, 5, 7, 10, 15, and 20 years.

The National Bank of Rwanda is responsible for issuing these securities on behalf of the government, adhering to the issuance calendar. While the domestic debt ceiling is determined at the beginning of the FY, the amounts issued per month are determined by funding needs.

Table 2: Annual issuance Calendar

Tenor	Announcement Date	Open book date	Closing book date	Settlement date	Maturity date
Reopen 20-year bond issued in January 2024	02-Jul-24	15-Jul-2024	17-Jul-2024	19-Jul-2024	25-Dec-2043
New 5 Year and New 15 Year Bond	01-Aug-24	12-Aug-2024	14-Aug-2024	16-Aug-2024	August 10, 2029 and July 29, 2039
Reopen 10 year Bond issued in May 2024	02-Sep-24	16-Sep-2024	18-Sep-2024	20-Sep-2024	5-May-2034
New 7 Year bond	02-Sep-24	21-Oct-2024	23-Oct-2024	25-Oct-2024	17-Oct-2031
New 3 Year Bond and Reopen 15 Year Bond issued in August 2024	01-Nov-24	11-Nov-2024	13-Nov-2024	15-Nov-2024	12-Nov-2027
New 20-year bond	02-Dec-24	16-Dec-2024	18-Dec-2024	20-Dec-2024	25-Nov-2044
Reopen 7-year bond issued in October, 2024	03-Jan-25	13-Jan-2025	15-Jan-2025	17-Jan-2025	17-Oct-2031
Reopen 15 Year Bond issued in August 2024	03-Feb-25	10-Feb-2025	12-Feb-2025	14-Feb-2025	29-Jul-2039
Reopen the 3 Year Bond issued in November 2024	03-Mar-25	17-Mar-2025	19-Mar-2025	21-Mar-2025	12-Nov-2027
New 10-Year T-Bond	01-Apr-25	21-Apr-2025	23-Apr-2025	25-Apr-2025	13-Apr-2035
Reopen 20 Year Bond issued in December 2024	02-May-25	12-May-2025	14-May-2025	16-May-2025	25-Nov-2044
New 5-Year T-Bond	02-Jun-25	16-Jun-2025	18-Jun-2025	20-Jun-2025	14-Jun-2030

Further information please refer to: https://www.bnr.rw/mminstruments

5.

Risks to ABP Implementation

RWANDA is vulnerable to various external shocks, such as fluctuations in international commodity prices, global pandemics, and geopolitical tensions, all of which can disrupt the macroeconomic stability. In addition, the country faces climate-related shocks and other fiscal risks.

The implementation of the Annual Borrowing Plan (ABP) may be impacted by these shocks, requiring the government to adapt its strategies to address emerging challenges effectively.

The majority of external funding is project-related and the disbursements from such loans are uncertain. Changes in disbursements will influence the volume of domestic borrowing.

Annex

PROJECTED DISBURSEMENT FY 2024- 2025 IN BILLION RWF	
Bilateral	**299.9**
ADFD	7.6
AFD	78.5
AUTRICHE	4.4
BGK	11.4
EXIMBANK HUNGARY	4.2
EXIMCHINA	27.0
EXIMINDIA	18.2
EXIMKOREA	39.6
FKWD	1.8
FSD	10.1
FRANCE	1.0
ICO	1.4
JICA	66.2
NDF	0.5
CDP Italy	28.0
Multilateral	**1,018.2**
AIIB	13.2
BADEA	42.1
EIB	14.8
ADF	117.4
ADB	156.1
FIDA	7.4
IDA	482.4
OPEC	25.5
IMF	159.3
Commercial	**-**
Total	**1,318.1**