

Rwanda : Private Sector Access to Finance for Post-COVID Recovery and Resilience

1. Project Information

Project ID:	P000483	Instrument ID:	L0483A
Member:	Rwanda	Region:	Eastern Africa
Sector:	Finance/Liquidity	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:83.30 Euro million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	FI	Borrowing Entity:	Ministry of Finance and Economic Planning, Rwanda
Implementing Entity:	Development Bank of Rwanda		
Project Team Leader:	Suzanne Shaw (DG: Supee Teravaninthorn; Responsible Department: INF2)		
Project Team Members:	Christopher Damandl, Project Counsel; Shodi Nazarov, OSD - Financial Management Specialist; Yang Shuai, OSD - Environment & Social Development Specialist; Bernadette Ndeda, OSD - Procurement Specialist;		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	Jun, 2022 Project implementation supervision mission led by World Bank, scheduled for June 27-30		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

2. Project Summary and Objectives

The objective of the Project is to facilitate economic recovery and resilience in Rwanda by addressing the financing constraints of private sector businesses post COVID-19.

The Project provides financial support to the government's Economic Recovery Fund (ERF), a Fund created to support businesses most significantly affected by COVID-19 in Rwanda, and is comprised of 4 components:

Component 1 – Liquidity and recovery facility

Component 2 – Risk-sharing facility, to provide partial credit guarantees and de-risking mechanisms to MSMEs, in support of Component 1

Component 3 – Institutional strengthening and implementation, in support of Component 1

Component 4 – Contingency Emergency Response Component

AIIB is financing sub-component 1c, which comprises a working capital and investment credit line. The Ministry of Finance and Economic Planning (MINECOFIN) is the coordinating entity of the Project. The Development Bank of Rwanda (BRD) is the implementing agency for sub-component 1c of the Project. Under component 1c, BRD will provide direct lending, and on-lending via commercial financial institutions, to large companies and SMEs, for working capital and investment financing in priority growth sectors of the economy.

3. Key Dates

Approval:	Jun. 24, 2021	Signing:	Jul. 29, 2021
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Effective:	Dec. 27, 2021	Restructured (if any):	
Orig. Closing:	Dec. 31, 2027	Rev. Closing (if any):	

4. Disbursement Summary (EUR million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	9.87	Most recent disbursement (amount/date):	9.87/Apr. 26, 2022
Undisbursed:	73.43	Disbursement Ratio (%) ¹ :	11.85

5. Project Implementation Update

The first disbursement for the project was April 26, 2022. There are no other notable project updates at this point.

Components	Physical Progress	Environmental & Social Compliance	Procurement
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Financial Management:

The financial management (FM) arrangements of the project are on track to being satisfactory. The Project Implementation Manual (PIM) contains the detailed FM guidelines. The FM capacity of BRD's Special Projects Implementation Unit (SPIU) is now adequate, with the recruitment of a Financial Management Specialist (FMS) and an accountant. AIIB released its first disbursement on April 26, 2022 in the amount of Euro 9,873,904. The first Interim Unaudited Financial Report (IUFR), covering AIIB's funds, will be prepared for 2Q2022 and is due on August 15, 2022.

6. Status of the Grievance Redress Mechanism (GRM)

The recipient through MINECOFIN requires all implementing agencies to ensure that GRM procedures are developed and adopted. BRD already has an existing institutional GRM in place which is being used for the Project and is functional.

7. Results Monitoring

The Loan has just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans, thus there are no results to report yet.

Project Objective Indicators #1

Businesses receiving sub-loans under sub-component 1c.

Year	Target	Actual	Comments, if any
Dec. 26, 2022	60	N/A	Loan just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans. No results to report yet.

Project Objective Indicators #2

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

Volume of loans provided under sub-component 1c. (MUSD)

Year	Target	Actual	Comments, if any
Dec. 26, 2022	20	N/A	Loan just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans. No results to report yet.

Intermediate Result Indicators #1

Non-performing loans in the BRD sub-loan portfolio (%)

Year	Target	Actual	Comments, if any
Dec. 26, 2022	5%	N/A	Loan just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans. No results to report yet.

Intermediate Result Indicators #2

Funds disbursed to priority (AIIB Group 1) sectors under sub-component 1c. (%)

Year	Target	Actual	Comments, if any
Dec. 26, 2022	60%	N/A	Loan just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans. No results to report yet.

Intermediate Result Indicators #3

Women-inclusive firms receiving sub-loans (%)

Year	Target	Actual	Comments, if any
Dec. 26, 2022	35%	N/A	Loan just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans. No results to report yet.

Intermediate Result Indicators #4

Average tenor for investment loans under sub-component 1c. (years)

Year	Target	Actual	Comments, if any
Dec. 26, 2022	10	N/A	Loan just started disbursing to BRD; no onward disbursement has yet been made by BRD for direct or indirect sub-loans. No results to report yet.

Remarks:

None.