

The Rwandan government and OPEC Fund for International Development (OFID) signed a financing agreement worth US\$ 18 million (estimate of Rwf.18 Billion) to rehabilitate 36 km Nyacyonga-Mukoto road.

The road will connect two important national paved roads from northern part of the City of Kigali to Northern Province. It will start at the junction of Kigali-Gatuna in Gasabo District and will end in the junction of Kigali - Musanze Road in Rulindo District.

Once complete, the road will improve safety of road users including pedestrian and other non-motorized traffic; promote trade, increase mobility and reduce transport costs by facilitating regional mobility of both goods and people. It will also act as a diversion to reduce traffic congestion on the national road network especially to and from the Northern Province and DRC.

The financing agreement is concessional. It carries a 1.75% interest rate payment over 20 years including a grace period of 5 years. The entire project cost is estimated at US\$ 41 Million. The Arab Bank for Economic Development in Africa (BADEA) has committed a financing of US\$ 18 Million to this project while Government of Rwanda contribution is estimated at US\$ 5 Million which will mainly cater for payment of taxes and expropriation budget.

Speaking after the signing event, the Minister of Finance and Economic Planning Dr. Uzziel Ndagijimana said: “The rehabilitation of Nyacyonga-Mukoto road will support Rwanda’s National Strategy for Transformation through accelerating sustainable urbanization with a focus on improvement of rural and urban transportation services through the establishment of 14,100km of scheduled bus routes countrywide. We thank the OFID for the longstanding partnership in different priority areas of our economy.”

OPEC Fund Director-General Abdulhamid Alkhalifa said: “We are proud to have partnered with Rwanda for decades, promoting socio-economic development and support key sectors as infrastructure, agriculture and the financial sector. Our new loan will further contribute to Rwanda’s sustainable development agenda and its efforts to achieve its ambitious 2050 Vision, which sets a strategic direction to lead the country to the living standards of high income countries by 2050.”

Government of Rwanda and OFID have over the years established development partnerships in various sectors including energy, transport, as well as water and

sanitation to the estimate of US\$ 165 million and support to private sector through lines of credit.