

The contents of this document are preliminary and subject to change.

GRAY/21/490

February 18, 2021

**Statement by Mr. Moreno and Mr. Rojas Ramirez on Mali
(Preliminary)
Executive Board Meeting
February 22, 2021**

We thank staff for its report and Mr. Andrianarivelo, Mr. Sylla, and Mr. Diakite for their insightful Buff statement. We support the completion of Mali's Second and Third Reviews Under the ECF and the requested waivers and modification of performance criterion.

Mali faces extraordinary challenges in restoring growth and stability. After a prolonged strong economic growth and the completion of the first program review in January 2020, Mali's economic activity has been hindered by the twofold shock triggered by the COVID-19 pandemic and the coup d'état in late August 2020 rendering the program off-track.

Fund's engagement is important for Mali to face the pandemic shock and to promote a more robust inclusive recovery going forward. The IMF has swiftly responded through the RCF (78.6 percent of quota, 1.2 percent of GDP, April 30, 2020) and a first tranche of debt service relief under the CCRT (0.06 percent of GDP on April 13). The New Transitional Authorities are committed to the previous government's international obligations and the ECF) arrangement previously approved, while calling for elections in 18 months. The security, political, and pandemic situation remain volatile with downside risks. *Could staff elaborate on the present risk situation that could affect program performance?*

Program recalibration is necessary while ensuring fiscal sustainability and structural reforms. In light of the new macroeconomic conditions, higher fiscal and financing pressures related to the pandemic, the coup, and the social unrest earlier in the year, we agree with staff on the need of fostering revenue mobilization, a more efficient use of public resources and promoting more robust rules of law and governance to reach program objectives. We commend authorities' work towards a gradual return to WAEMU's regional fiscal deficits and encourage authorities to enhance fiscal transparency and conduct financial management reforms to strengthen budget execution, controls over budgetary float and arrears and the oversight of public entities outside the central government. We support integrating public accounts into the Treasury Single Account (TSA), and the digitalizing of all public administration.

On structural reforms, we underscore the importance of governance, transparency, strengthening the AML/CFT regime, and the electricity supply. We commend authorities for implementing the medium-term recovery plan for the electricity sector agreed with the World Bank.