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June 4, 2020

**Statement by Mr. Mouminah, Mr. Alkhareif, and Mr. Rawah on Liberia
(Preliminary)
Executive Board Meeting 20/67
June 5, 2020**

We thank staff for the well-focused report and Mr. Mahlinza and Mr. Jappah for their helpful Buff statement. We are in broad agreement with the staff appraisal and would limit our remarks to a few issues.

1. **We support the authorities' request for disbursement under the RCF.** The Liberian economy is facing a pronounced near-term decline in economic activity due to the COVID-19 pandemic. It is unfortunate that the first review under the ECF has been postponed in light of the currently challenging context and we encourage the authorities to bring the program back on track as soon as conditions permit. In this vein, we agree that Fund support will be critical to help address the urgent financing needs and support the authorities' efforts to fight the pandemic, which have been appropriately focused on containment measures and providing food aid. That said, more needs to be done, including with regard to ensuring sufficient protection to the poorest segment of the population. To strengthen the authorities' emergency response, we join staff in urging the authorities, in collaboration with development partners, to finalize the comprehensive COVID 19 response plan expeditiously to unlock much-needed external support. Also, we positively note the authorities' intention to request support under the G20 DSSI. In addition, we welcome the steps taken to reinforce emergency resources through gathering available domestic resources and the reallocation of non-priority spending. Indeed, the launch of the COVID-19 Household Food Support Program (COHFSP) is a welcome step, but we would underscore the importance of strengthening social safety net programs going forward. *Staff's elaboration on the authorities' further plans is welcome.* We take note that a second RCF request is possible, pending the finalization of the fiscal plans for FY21.

2. **We note that Liberia is assessed as having sustainable debt burden with moderate risk of external debt distress and that Liberia's capacity to repay the Fund**

remains adequate. We welcome the authorities' commitment to timely monitoring and further improving spending controls with a view to ensuring effective use of crisis resources. Requiring all institutions to use the IFMIS for all purchases going forward is an important reform, that we encourage the authorities to stick with to ensure transparency and accountability of fiscal resources.

3. **Safeguarding financial stability is critical during this difficult time.** Here, we echo staff's views regarding the importance of maintaining adequate capital and liquidity levels. Also, strengthening supervisory framework and banks' balance sheets, including through arrears clearance, are important, especially given the elevated level of NPLs.

4. **Further efforts are needed to improve Liberia's resilience to external shocks, including through protecting reserves.** We encourage further efforts to safeguard remaining reserves and rebuild buffers to help bring the ECF program back on track and ensure the BoP is fully financed. To further improve Liberia's capacity to respond to external shocks and preserve debt sustainability, strengthening revenue mobilization efforts should remain a priority going forward.

With these remarks, we wish the authorities further success.