

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

GRAY/20/2298

June 4, 2020

**Joint Statement by Mr. Psalidopoulos, Mr. Rashkovan, Mr. Cools, and Mr. Persico on  
Liberia  
(Preliminary)  
Executive Board Meeting 20/67  
June 5, 2020**

We thank staff for the insightful report and Messrs. Mahlinza and Jappah for the helpful Buff statement and endorse the authorities' request for a Rapid Credit Facility.

***Program Modalities***

We approve staff's choice for a staggered approach, with a potential new disbursement when there is more clarity about the 2021 fiscal plans. In case a further widening of the financing gap emerges, we would *prima facie* prefer an augmentation of access under the existing ECF when concluding the first review. This would send a reassuring signal to donors and help catalyze resources. *Any rough indication on timing of the first ECF review would be welcome.* We also welcome the authorities' intention to apply for the Debt Service Suspension Initiative, which will further fill the financing gap.

***COVID-19 Response***

We commend the authorities for their swift reaction to the COVID-19 outbreak, including the COVID-19 Household Food Support Program. We invite the authorities to swiftly finalize the COVID-19 preparedness plan which will help catalyze donor resources.

***Revenue Mobilization***

While we welcome the efforts by the authorities to mobilize revenues in crisis times, we also regret that revenue mobilization was already underperforming prior to the COVID-19 outbreak. We would urge staff and the authorities to use the four-year ECF period to further strengthen revenue mobilization efforts once the crisis has subsided.

***Monitoring of RCF Resources***

We commend the authorities for strengthening fiscal transparency, including through a consolidated fiscal account, and improvements in cash management and expenditure control.

We commend staff's approach on monitoring RCF resources. That said, *can staff elaborate why crisis related expenditures will be audited by the General Audit Commission rather than by an external auditor? Does the General Audit Commission meet the necessary independence standards?*

In light of the increased governance concerns noted in the 2019 update to the Safeguards Assessment, we are concerned about staff's intention to disburse the funds to the CBL, rather than e.g. on a CBL account at the Bank of International Settlements. *Staff's comments are welcome.*