

SU/21/25

February 23, 2021

**The Acting Chair's Summing Up
Mali—Second and Third Reviews Under the Extended Credit Facility Arrangement,
Requests for Waivers of Nonobservance of Performance Criteria and Modification of
Performance Criterion Executive Board Meeting 21/19
February 22, 2021**

Executive Directors noted the challenging economic, socio-political, and security environment under which the program is being implemented. The COVID-19 pandemic has exacerbated existing fragilities, and the economic outlook remains subject to significant uncertainty. Directors welcomed the authorities' strong policy response to mitigate the health and economic crisis, and their commitment to safeguard fiscal discipline and step up structural reforms.

Directors supported the temporary accommodation of the pandemic response. They also concurred that the planned gradual return to the regional fiscal deficit ceiling strikes the right balance between supporting the recovery and preserving fiscal sustainability. They encouraged the authorities to seek additional grant and concessional financing to finance the higher near-term deficits, and protect priority social and capital spending.

Directors emphasized the importance of improving the quality of fiscal policy and reforms to strengthen revenue mobilization and public financial management. They considered it a priority to anchor the upcoming fiscal adjustment on tax policy reforms, while addressing emerging pressures on the wage bill and subsidies to public enterprises. Directors also saw a need to accelerate the delivery of cash support to the most vulnerable households and broaden the social safety nets. They encouraged the consolidation of the treasury single account, digitalization of tax payments and public services, and broader reforms of tax exemptions and revenue administration.

Directors encouraged resolute action to strengthen governance and combat corruption. They welcomed planned reforms of the anti-corruption framework, and called on the authorities to step up efforts to ensure enforcement and compliance, especially on asset declarations. Directors also welcomed the publication and planned audit of pandemic-related spending. They looked forward to strengthened reporting on procurement contracts and beneficial ownership. Directors highlighted the importance of addressing AML/CFT deficiencies and welcomed the authorities' initiation of the Governance Assessment to identify future reform needs.