**Behind the Numbers**
**A Dataset on Spending, Accountability, and Recovery Measures included in IMF COVID-19 Loans**

***What is this dataset?***

To respond to the outbreak of the COVID-19 pandemic, the International Monetary Fund (IMF) has committed its $1 trillion lending capacity and as of March 15, 2021, had provided $107 billion worth of financial assistance to 85 countries around the world. Oxfam has reviewed the publicly available IMF COVID-19 loan documents associated with 107 loans to these countries, extracting and collating select data from each loan document relevant to spending, accountability, and proposed recovery measures. Under its surveillance mandate, the IMF has conducted several virtual Article IV Consultations in the aftermath of the COVID-19 crisis. Oxfam has reviewed the Article IV reports, published between September 2020 and March 2021, of countries which received loans from the Fund. The inclusion of Article IV reports is meant to shed further light and details on the direction of the Fund's country-specific policy recommendations as the crisis has evolved since the disbursement of the loan.

***Why did we create this dataset?***

There is an overwhelming amount of information available on the IMF's website and associated with each loan. This particular dataset has been compiled for the benefit of persons and institutions wanting a snapshot view of what governments are borrowing, what they intend to do with these funds, and what policy measures the IMF is encouraging countries to take during the pandemic and in the recovery period. The intention is to shine more light on these agreements, find trends, provide citizens and civil society with a starter-kit to understand these loans better, and be able to hold governments and the IMF more accountable.

***How is this dataset organized?***

The dataset is organized alphabetically within region, and contains the following information:

**Basic loan information**: Columns 1 and 2 provide the date of loan approval, amount committed, and type of financing instrument used. See explanation on various loan types here and on the Catastrophe Containment and Relief Trust (CCRT) here.

**Debt information**: Column 3 provides the borrowing country's debt situation at the time of publication, and links to the World Bank's Debtor Reporting System for easy access to debt data for each country.

**Spending measures**: Column 4 provides extracts of select text related to fiscal policy measures governments intend to take or IMF advises them to take, particularly social spending aimed at responding to the COVID-19 crisis.

**Accountability measures**: Column 5 provides extracts of select text related to the transparency and anti-corruption measures countries have committed to undertake when receiving the loan.

**Recovery measures**: Column 6 provides extracts of select text related to proposed fiscal measures for the recovery period, including language related to proposed austerity, often manifested in fiscal consolidation measures, budgetary surplus targets, deficit targets, cuts to subsidies and public wage bills, etc. Here you will also find policies related to proposed tax measures with a focus on Value Added Tax (VAT) measures in particular.

*All text provided in this tracker are direct excerpts manually selected and extracted from publicly available official IMF reports including IMF press releases, staff reports, Article IV reports, letters of intent, debt sustainability analyses, IMF Executive Director Statements, and Memorandums of Economic and Financial Policies where relevant. For more details or clarity, please refer to the original sources referenced for each respective country. This dataset is not intended to replace official IMF reports. The original IMF publications include further information on the issues covered in this dataset, cover a wider range of issues than is covered in this dataset, and remain the primary source of information on IMF COVID-19 financing and borrowing countries' fiscal policy measures. Every effort has been made to verify the accuracy of the information contained in this dataset and all information is believed to be correct as of March 15, 2021. Nevertheless, Oxfam cannot accept responsibility for the consequences of its use for other purposes or in other contexts.*

*This dataset was commissioned by Oxfam and compiled by Nona Tamale.*

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***(Click on the country below to find the relevant information)***

| Country | Type of Financing, Amount Disbursed, & Purpose of Financing | Outstanding external debt | Fiscal Measures adopted during the Pandemic (particularly health spending and social protection measures) | Transparency & Accountability | Proposed Fiscal Measures for Recovery (incl. austerity, domestic resource mobilization) |
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| **Sub-Saharan Africa** | | | | | |
| Angola<br><br>Approved on September 16, 2020 | Augmentation of ongoing Extended Fund Facility (EFF) SDR 540 million (equiv. to $765 million, 72%)<br><br>Immediate disbursement of SDR 731.7 million (equiv. to $1billion) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-AGO.htm | **Staff Report**<br>The main spending measures include : (i) a 30 percent freeze on goods and services, except for essential health expenditure; (ii) reduction in the number of ministries from 28 to 21; (iii) suspension of selected capital expenditure; (iv) suspension of non-priority social support programs; (v) suspension of "additional credits" with few exceptions; (vi) hiring freeze in the civil service, except for essential staff; (vii) enhanced expenditure processing and reporting; (viii) reduced travel and real estate investments; (ix) reclassification of vehicles for senior officials' business transportation; (x) suspension of purchase of new vehicles for personal use and reprioritization of vehicles whose | **Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>… we commit to publishing on the Ministry of Finance's website the results of an audit of crisis-related spending (including ex post validation of delivery) by the Court of Audit soon after year-end. | **Press Release**<br>Despite the crisis, fiscal consolidation will continue, while creating space for adequate spending on health and social safety nets.<br><br>**Staff Report**<br>Despite the shock, the authorities remain strongly committed to the program. They submitted a conservative supplementary budget to the National Assembly in July, with additional non-oil revenue measures and stringent expenditure management, while preserving critical social and health outlays…<br><br>In the medium term, fiscal consolidation will be largely achieved through increased non- |

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| | | | acquisition has started; (xi) suspension of exports of essential goods for 30 days; (xii) regulated prices for an approved list of medical goods related to COVID-19.<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>Revenue and expenditure measures in the supplementary budget are as follows:<br><br>• *Non-oil revenue*. We are implementing non-oil revenue measures to bolster yield from the VAT (net of reimbursements), excise taxes, and PIT. Specifically, we reduced the amount of VAT remitted to the refund account. We introduced additional excise taxes on imported luxury cars and other revenue enhancing measures, such as increasing rates for cigarettes.<br>• *Wage bill*. We issued a Presidential decree to freeze hiring (except for essential social services) and practice | | oil revenue, in particular through enhanced VAT collection.<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>To achieve our medium-term central government public debt target of 60 percent of GDP, we will continue non-oil revenue mobilization and limit growth in current expenditure, while preserving priority public investment and scaling up the cash-transfer program for the most vulnerable…<br><br>Notwithstanding the economic headwinds, we remain committed to implementing new fiscal measures to restore fiscal and debt sustainability. Specifically, we introduced revenue and expenditure measures in order to mitigate the impact of the sharp fall in oil prices and economic growth, and to provide some fiscal space for COVID-19- related |

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| | | | attrition-based employment reduction, in order to achieve the wage ceiling of Kz 2.218 trillion in 2020.<br>• *Goods and services*. We are containing payments on goods and services, mostly through a freeze on non-priority expenses, such as travel, hotel, and real estate related spending, while creating space for higher COVID-19-related spending.<br>• *Transfers and subsidies*. Transfers and subsidies will be kept under tight control, while targeted social spending floors will be preserved. We are committed to increasing the efficiency and effectiveness of delivery of transfers, including subsidies, and intend to recoup substantial savings over and above the initial 2020 budget… | | healthcare spending…<br><br>Building on tax reforms introduced in 2019 and 2020, we will continue to mobilize non-oil revenue through expanding the base of VAT; increasing the rates and progressivity of the PIT; reforming investment incentives for the corporate income tax (CIT); strengthening transfer pricing rules; improving property registration; and starting to integrate the informal sector. These reforms will be part of the 2021 budget…<br><br>After finishing the first phase of the subsidy reform in 2019, we started the pilot cash-transfer program in May 2020, with a view to reaching several hundreds of thousands of low-income households by end-2020. In all, the program targets 1.6 million households nationwide. After the COVID-19 crisis abates, we intend to launch the second phase of subsidy reform in 2021, by starting to raise public transportation |

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| | | | | | tariffs and the prices of gasoline and diesel, with an ultimate objective of introducing an automatic fuel- pricing mechanism. We will evaluate the program of special subsidies for the purchase of fuel products by enterprises in the agriculture and fishing sectors in late 2020.<br><br>**Angola IMF ED Statement**<br>The authorities are determined to pursue their structural reform agenda. Once the pandemic subsides, they plan to remove fuel subsidies and increase public transport tariffs to ensure cost recovery. |

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| Benin (1 of 2)<br><br>Approved on May 15, 2020<br><br><br><br><br><br><br><br><br><br><br>Approved on April 13, 2020 | Augmentation of ongoing Extended Credit Facility (ECF) SDR 76.01 million (equiv. to $103.3 million, 61.4% of quota)<br><br>Purpose of augmentation of ECF: to meet Benin's fiscal financing needs and related Balance of payments needs.<br><br><br>CCRT Grant SDR 7.43 million (equiv. to $10.17 million) | Moderate risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-BEN.htm | **Staff Report**<br>The authorities have prepared an emergency package of new measures equivalent to 1.7 percent of GDP to address the emerging health crisis, provide relief to households, and support the economy. Within the budget envelope, the authorities have already reallocated some funds towards prevention measures.<br><br>Their new plan is based on a three-pronged strategy:<br>*Health response*. The budget envelope for public health expenditure will be increased by 0.7 percent of GDP to allow for the purchase of medical equipment and the construction of temporary health facilities and retention areas for quarantined people.<br><br>*Transfers to households*. One third of the plan will consist of transfers to vulnerable households representing above one quarter of the population. A system of cash wires through mobile banking building on ARCH (the new health | **Staff Report (reiterated in the Letter of Intent)**<br>Sound public finance management is paramount in times of reprioritization of public policies. Once the size of the COVID-19 spending is fully assessed, the authorities will, most likely, need to prepare a supplementary budget to maintain budget transparency and ensure that all the new priorities are appropriated in 2020. This will mitigate the risks of off-budget spending and pressures on next year's budget. Moreover, quarterly budget execution reports should highlight the state of implementation of the COVID-19 measures, their main outcomes, and the difficulties encountered.<br><br>The authorities are also committed to conducting an audit of their response plan next year, which will be independently carried out by the Accounting Chamber and | **Staff Report**<br>From 2021 onwards, the authorities plan to revert to the medium-term fiscal path. To preserve fiscal sustainability, the increase in the fiscal deficit should be temporary and reversed after the shocks dissipate. The projections presented in the staff report assume that both shocks (pandemic and border closure with Nigeria) will wear off later this year. Under this assumption, the fiscal deficit should revert to the previous path and remain within the regional deficit ceiling of 3 percent of GDP. Staff also reemphasized the importance of making further progress on revenue mobilization in the medium term, given that Benin lags comparator countries in this area…<br><br>**Letter of Intent**<br>The increase in the fiscal deficit in 2020 in response to the COVID-19 pandemic is temporary and does not call into question our objective of keeping the fiscal |

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| | | | insurance system) or channeled through the safety nets component of the World Bank ACCESS project is being considered. If technical constraints prevent its use, the authorities will resort to more traditional forms of transfer, such as food distribution programs and utility bill subsidies. Both cash transfers and subsidies are expected to benefit the formal and informal sectors.<br><br>*Support to impacted businesses*. In addition to some flexibility with tax payment deadlines, targeted and temporary tax exemptions will be provided to businesses most affected by the crisis.<br><br>In the short term, the authorities could contemplate additional measures to support economic activity if the situation deteriorates relative to the baseline… in this case, further measures could be contemplated, such as (i) increasing the size or expanding the coverage of transfers to vulnerable households; (ii) improving access to | made available to the public on its website. The authorities will also publish the procurement contracts of the main projects, indicating their amount and beneficiaries. | deficit below the convergence criterion of the West African Economic and Monetary Union (WAEMU) of 3 percent of GDP from 2021 onwards.<br><br>The government is determined to continue its efforts aimed at strengthening tax administration and revenue mobilization, as well as those related to public financial management…<br><br>**Debt Sustainability Analysis**<br>The authorities concur broadly with staff's assessment. The authorities remain committed to strengthening debt sustainability by adhering to medium-term fiscal consolidation, conducting sound public investment management, and enhancing debt management capacity. |

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| | | | credit for cash-constrained businesses through guarantees or subsidized loans; (iii) broadening the range of inputs or production factors concerned by cost-based tax incentives; (iv) accelerating government payments to private sector suppliers; and (v) reducing the turnover tax for micro and small enterprises.<br><br>**Letter of Intent**<br>Our response plan is organized around three core areas:<br>(i) an increase in health spending by CFAF 60 billion to cover the cost of purchasing medical equipment, the construction of temporary centers to care for people who are sick, and quarantine arrangements for at-risk populations;<br>(ii) a total of CFAF 50 billion to help the most vulnerable segments of the population through the strengthening of the ARCH program (*Assurance pour Renforcement du Capital Humain,* or Insurance for Strengthening Human Capital) and the ACCESS program (*Appui aux Communes et Communautés pour* | | |

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| | | | *l'Expansion des Services Sociaux,* or Community and Local Government Basic Social Services) and various social transfers (covering more than 550,000 households) carried out by means of mobile banking services or, failing that, through the payment of water and electricity bills or the distribution of foodstuffs for these households; and<br><br>(iii) a CFAF 40 billion package to support struggling businesses through targeted and temporary tax exemptions and a relaxation of certain payment rules.<br><br>In order to finance this ambitious plan and address the revenue shortfall related to the economic shock, we are planning to raise additional resources in the domestic market as well as from donors. We anticipate an increase in domestic funding in the amount of CFAF 65 billion (0.7 percent of GDP) … At the same time, we will also take steps to reallocate CFAF 51 billion in non-priority spending in the budget (equal to 0.6 percent of GDP). | | |

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| Benin (2 of 2)<br><br>Approved on December 21, 2020<br><br><br><br><br><br><br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 41.30 million (equiv. to $59.35 million, 33.33% of quota)<br><br>Rapid Financing Instrument (RFI)<br>SDR 82.54 million (equiv. to $118.61 million, 66.67 % of quota)<br>(direct budget support)<br><br>CCRT Grant<br>SDR 6.37 million (equiv. to $8.98 million) | Moderate risk of external and overall debt distress | **Press Release**<br>The IMF emergency support will finance the scaling up of the health and economic relief, shore up confidence, and help catalyze donor support…<br><br>The authorities are taking actions to address the human and economic implications of the COVID-19 pandemic while safeguarding their hard-won fiscal achievements… The authorities are implementing a plan aimed at raising healthcare spending and providing assistance to vulnerable households and support to impacted businesses.<br><br>**Staff Report**<br>To contain the economic impact of the health crisis, they have boosted health care spending, expanded assistance to vulnerable households, and provided support to impacted business…<br><br>The COVID-19 pandemic has had a more severe impact on economic activity than anticipated, despite numerous measures taken to | **Staff Report**<br>The authorities are implementing a range of governance safeguards aiming at mitigating risks associated with the measures taken in response to the COVID-19 shock. The commitments under the prospective RCF/RFI will build on the commitments taken in the context of the augmentation under the ECF-supported arrangement and relate to the publication and audit of COVID-related expenditures.<br><br>Since the program augmentation, the authorities have enacted a revised 2020 budget law in October 2020, incorporating COVID-19 related expenditures.<br><br>Furthermore, ongoing audits are conducted by the General Inspectorate of Finance, the Accounting Chamber, the Economic and Financial Unit, and other private and | **Staff Report**<br>The RCF/RFI request is justified by urgent financing need and difficulties in developing a reform program that can be supported a UCT-program given continued elevated uncertainty. The authorities indicated their intention to request a new program based on the priorities and medium-term plan of the new government following the presidential election (April/May 2021).<br><br>It is also important that the authorities prioritize external financing with longer maturities and on concessional terms to reduce the debt service burden. Medium-term fiscal consolidation and improved debt management are needed to maintain debt sustainability…<br><br>The authorities remain committed to strengthening debt sustainability by adhering to medium-term fiscal consolidation, conducting sound public |

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| | | | contain the spread of the virus and support affected households and businesses…<br><br>The Beninese authorities acted swiftly to contain the spread and mitigate the economic impact of the virus… Cognizant that the impact of the virus will spill over into 2021, they have adopted a set of measures in 2020 amounting to CFAF 323 billion or 3.7 percent of GDP, and extending over multiple years (2020-22).<br><br>These measures are<br>(i) a health preparedness and response plan of CFAF 80 billion for 2020 (0.9 percent of GDP) and CFAF 66 billion for 2021 (0.7 percent of GDP), and<br>(ii) a socio-economic response plan to support formal sector companies (CFAF 82 billion or 0.9 percent of GDP) and vulnerable households—for the latter, through cash transfers, | reputable external auditors. The authorities have published key information on the procurement contracts relating to major projects linked to the COVID-19 response, including information on beneficial ownership and validation of delivery, on the government's website in December 2020.<br><br>Finally, the budgetary execution process for COVID-19 programs is monitored both by the Ministry of Finance and the Ministry of Health, and the authorities commit to produce and to publish online monthly budget execution reports for the expenditure related to COVID-19.<br><br>**Letter of Intent**<br>We reiterate our firm commitment to an effective and transparent implementation of the COVID-19 related spending. In line with our commitments at the time of the ECF augmentation, | investment management, and enhancing debt management capacity...<br><br>As a result of these (covid-19 response) measures, fiscal deficit is expected to widen to 5.1 percent of GDP. The authorities are committed to returning to the WAEMU convergence criterion of 3 percent of GDP by 2022.<br><br>From 2021 onwards, the authorities plan to revert to their medium-term fiscal path, bringing the fiscal deficit under 3 percent of GDP by 2022.Given Benin's limited fiscal space, additional spending to strengthen the health sector and provide support to vulnerable households and affected businesses, beyond what is already incorporated in the baseline, would mainly need to be financed by a reduction in nonpriority spending or the introduction of new revenue measures. Some potential revenue measures have been discussed with the authorities, |

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| | | | electricity and water bills subsidies, and urgent social projects (CFAF 16 billion or 0.2 percent of GDP).<br><br>A public guarantee plan of CFAF 85 billion (1.0 percent of GDP) and credit lines and refinancing measures of CFAF 60 billion (0.7 percent of GDP) were established to foster access to finance for micro, small, and medium enterprises. The authorities intend to finance 74 percent of the response plan (CFAF 238 billion or 2.7 percent of GDP) in 2020 as most measures have been executed in 2020 and the remainder will start being implemented in December 2020- early 2021…<br><br>While much of the COVID-19 response plan has been implemented in 2020, a significant share will be implemented in early 2021 to support the economic recovery and bolster the next agricultural campaign…<br><br>Given Benin's limited fiscal space, additional spending to strengthen | we have published the list of the major contracts awarded in the context of the fight against the pandemic. We have also published the key information on these contracts, including the beneficial owners of awarded companies, as well as the validation of delivery. We will continue to make sure that spending is properly budgeted and that its execution is in line with the international rules of fiscal credibility and transparency.<br>In this context, we are committed to<br><br>(i) publishing online on a monthly basis the procurement documents and key contract information relating to the major projects implemented under the response plan, indicating the amounts and the names of the beneficial owners of the awarded | including related to exemptions.<br><br>On the expenditure side, the authorities have classified capital projects that are already ongoing and/or are high priority (including those that aim at protecting the most vulnerable segments of the population) and projects that can be postponed and/or have not yet started…<br><br>**Benin IMF ED Statement**<br>Our Beninese authorities have swiftly acted to respond to the COVID-19 pandemic crisis with measures to contain the spread of the pandemic and an economic package to dampen the impact on the economy. They give assurance to maintain prudent macroeconomic policies needed to support a swift recovery and achieve sustained inclusive growth, once the pandemic abates. |

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| | | | the health sector and provide support to vulnerable households and affected businesses, beyond what is already incorporated in the baseline, would mainly need to be financed by a reduction in nonpriority spending or the introduction of new revenue measures.<br><br>**Letter of Intent**<br>The government intends to continue its efforts to foster inclusive growth and achieve a significant reduction in the poverty rate. In particular, the government is planning to accelerate, with support of the World Bank, the implementation of the insurance component of the government social protection project (ARCH). The program will be extended to the entire population in 2021. Priorities include also the generalization of access to water, the extension of the school feeding programs, the promotion of girls' education, and the improvement of access to maternal health services. | companies, as well as the validation of delivery,<br>(ii) ensuring that adequate expenditure controls are in place;<br>(iii) ensuring that the execution of expenditure related to COVID-19 is officially accounted for through monthly budget execution reports that will be published online.<br><br>In addition, we will entrust the Accounting Chamber (*Cour des comptes*) with the audit of the use and effectiveness of the funds committed. This audit will be published by the Accounting Chamber by end-June 2021 and made available on its internet website. | |

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| Burkina Faso<br><br>Approved on April 14, 2020<br><br><br><br>Approved on April 13, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 84.28 million (equiv. to $115.3 million, 70% of quota)<br><br><br><br>CCRT Grant (1)<br>SDR 8.74 million (equiv. to $11.96 million)<br><br>CCRT Grant (2)<br>SDR 10.30 million (equiv. to $14.52 million) | Moderate risk of external debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-BFA.htm | **Staff report**<br>The government response plan is evolving along with severity of the local outbreak of COVID-19. The authorities are committed to ramp up public health and economic support measures depending on the evolution of the pandemic. Staff underlined that the priority is to limit the spread of the disease and to urgently care for those who contract it. Quick action will help reduce the risk of Burkina Faso's health system becoming overwhelmed and will save lives both in Burkina Faso and abroad.<br><br>*Potential Fiscal Measures to Mitigate the Impact of the Pandemic*<br>Increased health and social spending to protect the most vulnerable households. This includes the provision of free testing, care for the infected and preventive care in all regions of the country.<br><br>Cash transfer, particularly through the strong existing programs, local small businesses and household associations, and time-tested | **Staff Report**<br>The authorities have already taken measures to transparently track resources and expenditures related to the pandemic, including by opening new accounts at the central bank specific for COVID-related accounts. Periodic report on these accounts will be produced.<br><br>**Letter of intent**<br>The government also commits to a transparent and accountable use of the funds disbursed under the RCF, including by enhancing transparency of health-related expenditures. | **Staff report**<br>Given the magnitude of spending needs and the budgetary constraints, staff and the authorities agree that steps would be taken to:<br><br>Stay the course with the commitment not to grant any new benefits to the non-security public service personnel that would result in the public sector's wage bill returning to unsustainable level. The government adopted measures to support health workers, frontline agents and impacted public sector's employees, as part of the overall national emergency response plan. These measures will be implemented as long as the COVID-19 emergency remains active, and be phased out once the pandemic has abated.<br><br>Take necessary steps to ensure that expansionary measures will be targeted and temporary. Once the impact of the shock has abated, the fiscal policy will be |

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| | | | channels of the World Food Program.<br><br>Finally, special attention will be paid to IDPs, to ensure that their leave in conditions that do not facilitate the spread of the disease.<br><br>**Burkina Faso IMF ED Statement**<br>… the authorities will focus on the containment, mitigation and treatment of the coronavirus disease, in this context, expenditures in the health system will increase considerably to protect the population, provide adequate health care, including through appropriate incentives to healthcare workers…The authorities are committed to ensure that the expansionary fiscal measures to alleviate the impact of the disease will be not only targeted but also temporary. | | rebalanced toward a more growth friendly composition, including rising domestically financed development spending back to the pre-epidemic path and scaling down elevated current transfers. The authorities confirmed that any fiscal measures will include a sunset date that will would be revisited as the pandemic evolves. |
| Burundi | CCRT Grant (1) | https://datatopics.worldbank.org/debt/ids/DSSI | N/A | **Letter of Intent**<br>We will ensure that the best possible use will be made of | N/A |

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| Approved on July 20, 2020<br><br>Approved on October 2, 2020 | SDR 5.48 million (equiv. to 7.63 million)<br><br>CCRT Grant (2) SDR 4.82 million (equiv. to $6.80 million) | MTables/M-DSSI-BDI.htm | | the funds provided in the context of COVID-19. The Court of Auditors, in consultation with the development partners concerned, will undertake and publish an ex post audit of expenses related to COVID on the government's website within 9 months after the end of the fiscal year. | |
| Cabo Verde<br><br>Approved on April 22, 2020 | Rapid Credit Facility (RCF)<br>SDR 23.7 million (equiv. to $32.3 million, 100% of SDR quota)<br>(direct budget support) | High risk of external debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-CPV.htm | **Staff Report**<br>Healthcare measures: They comprise the preparation of a National Contingency Plan and the activation of an emergency plan as well as a response team with initial funding of CVE 76 million (0.04 percent of GDP) from the reallocation of budgetary appropriations to cover additional expenses for personnel, training and medical equipment.<br><br>Social protection actions: For the most vulnerable, mitigating measures… comprise:<br>(i) income compensation to provide financial support to individuals operating in the informal sector; | N/A | **Letter of intent**<br>While government revenues have declined significantly, the government intends to undertake tax policy reforms and strengthen revenue administration to reverse the decline in revenue collection in the immediate aftermath of the crisis. On the expenditure side, the government will continue to reallocate non-priority current expenditures to help meet some of the additional spending needs arising from the pandemic while ensuring that our public investment program is not disrupted.<br><br>The government remains fully committed to the objectives set |

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| | | | (ii) social inclusion emergency measures for vulnerable people without income;<br>(iii) social inclusion income, with support from the World Bank;<br>(iv) support to microfinance institutions to support interest-free loans to vulnerable households and;<br>(v) care for the elderly with food assistance and other financial support. Similar actions were carried out in the past in response to natural disasters.<br><br>Therefore, staff expects the selected measures to be well-targeted and effectively implemented. The authorities indicated that these measures… are temporary.<br><br>**Cabo Verde IMF ED Statement**<br>Health care spending, including the purchase of medical supplies and equipment, together with social protection are expected to increase by more than 1 percent of GDP.<br><br>Social protection measures include support to informal sector workers and the population with no income, | | out in the Policy Coordination Instrument program, even though some quantitative targets will need to be reassessed in the context of the next review. As soon as the crisis abates, we will continue to implement policies and reforms to increase domestic revenues and contain public spending to help strengthen the fiscal position, protect the peg, and reduce the debt burden. |

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| | | | as well as the elderly—in many cases, these groups were previously supported by remittances sent by relatives living abroad, but this source of income has now become uncertain.<br>The increase in healthcare and social expenditure will partially be compensated by reprioritizing capital spending and containing non-essential current spending. | | |
| Cameroon (1 of 2)<br><br>Approved on May 4, 2020 | Rapid Credit Facility (RCF)<br>SDR 165.6 million ($226 million, 60% of quota) | High overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-CMR.htm | **Staff Report**<br>The authorities' immediate priority is to boost health and social protection spending and use counter-cyclical fiscal policy measures to limit the spread of the disease in Cameroon and its humanitarian, economic and financial impact. The government's preparedness and response plan envisages scaling up health spending to ensure infection prevention and control, improve case management, upgrade health facilities, train and increase health personnel...<br><br>Measures to mitigate the negative financial impact of the COVID-19 pandemic on the private sector are | **Letter of Intent**<br>We will ensure that the financial assistance received is used for the intended purposes, in strict compliance with the provisions of the Law on the Code for Transparency and Good Governance in Public Finance Management in Cameroon and the Law on the Financial Regime for the Government and Other Public Entities, all adopted in July 2018.<br><br>For this purpose, the funds linked to COVID-19 will be subject to the strict application of the budgetary procedures | **Press Release**<br>Given the sudden and pressing nature of the shocks, accommodative fiscal and monetary policies are warranted to mitigate the human and economic impact of the outbreak. However, the authorities remain committed to their reform agenda under the ECF [Extended Credit Facility] arrangement. They plan to undertake adjustments to return to the fiscal consolidation path once the crisis abates to safeguard debt sustainability and ensure a strong recovery.<br><br>**Staff Report**<br>Cameroon remains committed to |

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| | | | also being considered, including strengthening social safety nets, subsidizing basic medications, and providing support to affected companies…<br><br>A Preparedness and Response Plan envisages increased health spending to ensure adequate infection prevention and control and improved case management. The plan aims to (i) strengthen epidemiological surveillance through mass screening; (ii) improve the provision of medical care to positive cases by upgrading hospitals' technical capacities and supply of medications; (iii) mitigate the community spread of Covid-19 through social distancing; (iv) improve the coordination of Covid-19 measures. The plan's total cost is estimated at CFAF 58 billion.<br><br>Measures to mitigate the negative financial impact of the COVID-19 pandemic on the most vulnerable include strengthening existing social safety nets and providing support to affected businesses and households. | and controls provided for by the above Laws. In addition, we commit to issue a semi-annual report on COVID-19 related spending and to commission an independent audit of this spending at the end of the 2020 fiscal year and publish the results. We also commit to publishing documents relating to the results of public procurement awarded by the government and the beneficial ownership of companies receiving procurement contracts on COVID-19 related expenditures. In the meantime, such COVID-19 related expenditures are being incorporated in a supplementary budget in preparation and expected to be presented to the Parliament in June 2020. | its medium-term reform agenda and the authorities expressed their interest in a successor arrangement following completion of the 6th and final ECF Review.<br><br>**Letter of intent**<br>We remain firmly determined in fulfilling our commitments made in our January 7, 2020 Letter of Intent for the fifth review and committed to the ECF-supported program. However, the impact of the pandemic on the economic outlook and the accompanying restrictions make completing the sixth review of the ECF arrangement difficult at this juncture. Maintaining macroeconomic stability, strengthening the fiscal revenue base, improving spending efficiency, fostering good governance, and promoting the formal private sector are still key goals. The government will ensure that the support and assistance measures taken as part of the response to COVID-19 do not prejudice the mobilization of tax |

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| | | | The measures will be spelled out in a global response plan that is currently under preparation. | | revenues in the medium and long term.<br><br>**Cameroon IMF ED Statement**<br>They plan to alleviate the large revenue losses in 2020 through strengthening the tax and customs administrations. Actions in this regard include… scaling up collection in 2021 as the crisis wanes. |
| [Cameroon (2 of 2)]<br><br>Approved on October 21, 2020 | Rapid Credit Facility (RCF)<br>SDR 110.4 million (equiv. $156 million, 40% of quota) | High risk of external and overall debt distress | **Staff Report**<br>They [the authorities] are stepping up their efforts to contain the spread of the disease, boost health and social protection spending, and provide temporary support to affected businesses and households. They adopted a three-year preparedness and response plan presenting a total financing cost close to US$ 825 million (2 percent of GDP), of which about US$ 750 million have been identified or made available…<br><br>The plan, expected to cost US$ 825 million (2 percent of GDP), includes five pillars, namely: (i) a health | **Press Release**<br>Public funds and to ensure that RCF financing and resources freed up by the DSSI are efficiently spent on addressing the pandemic crisis. In this context, steps taken by the authorities to publish the beneficial ownership of companies receiving COVID-19 procurement related contracts are important.<br><br>**Staff Report**<br>The authorities have reiterated their commitment to ensure a proper use of COVID-19 | **Press Release**<br>Once the crisis abates, it is important that the authorities reinvigorate reforms and policy adjustment in line with Cameroon's medium-term reform agenda, to support strong recovery and protect the poor, while safeguarding debt sustainability.<br><br>**Staff Report**<br>The authorities have reiterated their interest for a successor arrangement with the Fund, which would support the authorities' economic reform strategy towards sustained, more inclusive and |

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| | | | strategy to prevent the spread of the pandemic and take care of infected persons; (ii) mitigation of economic and financial repercussions of the pandemic; (iii) supply of essential products; (iv) local development of innovative solutions; and (v) social resilience to alleviate the repercussions of the COVID-19 pandemic on vulnerable people and households. These pillars include tax relief to affected businesses estimated at about US$ 200 million…<br><br>The authorities are implementing several measures to contain the spread of the disease, boost health and social protection spending, and provide support to affected businesses and households. A package of containment measures (social distancing and partial confinement) and a set of measures to provide tax relief to businesses were adopted in March… Some containment measures have been softened since May and efforts to raise awareness among the population, intensify infection | emergency resources.<br><br>In the Letter of Intent of the RCF-1, the authorities committed to the strict application of the budgetary procedures and controls provided for by the Cameroonian Laws for the received financial assistance; to issue a semi-annual report on COVID-19 related spending and to commission an independent audit of this spending at the end of the 2020 fiscal year and publish the results. They also committed to publishing documents relating to the results of public procurement awarded by the government and the beneficial ownership of companies receiving procurement contracts on COVID-19 related expenditures. Finally, they committed to incorporate COVID-19 related expenditures in a revised finance law to be presented to the Parliament in June 2020. | diversified growth, and help catalyze private investment and donor financial support. The authorities agreed on the importance of undertaking the needed adjustments to return to the fiscal consolidation path once the crisis abates to safeguard debt sustainability and ensure a strong and inclusive recovery…<br><br>Staff supports also the temporary loosening of macroeconomic and financial policies to accommodate the measures undertaken to address the impact of the pandemic. However, the authorities should monitor closely potential fiscal risks, to limit further revenue loses.<br><br>The authorities should develop additional contingency plans in case downside risks materialize, including considering additional expenditure reprioritization in areas that will least affect the mitigation of the outbreak, such as further postponement of non-priority goods and services or |

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| | | | testing, and strengthen capacity of health facilities have been stepped up…<br><br>Some progress has been achieved in the implementation of COVID-related measures. The revised finance law, enacted in June 2020, increased social spending by 19.3 percent (CFAF 156 billion) to CFAF 966 billion relative to the initial budget law and allocated CFAF 180 billion to the COVID-19 special account – of which 76 percent is funded by resources released by the participation to the debt service suspension initiative (DSSI: providing CFAF 123.5 billion) and external budgetary support. Data through July shows an overall social spending execution rate of 47 percent. COVID-related expenditures reached 18.6 percent of the budget allocated to social spending and were executed at around 38 percent. Additionally, 49 percent of the remaining social spending were executed...<br><br>The authorities adopted a realistic Revised Finance Law (RFL)with a | Since RCF-1 the authorities have enacted a realistic revised finance law incorporating COVID-19 related expenditures. They also created a special COVID-19 account dedicated to finance the national response plan to the pandemic. This account is governed by a circular issued by the Minister of Finance, which specifies the modalities of organization, operation, and monitoring-evaluation mechanisms of the account. The functioning mechanisms of the account makes it possible to monitor the use of the resources mobilized in order to meet the requirements of transparency and accountability, in accordance with the provisions of the law on transparency and good governance in public finance management and the law on the financial regime of the State and other public entities both adopted in July 2018. | capital expenditure, while protecting expenditure that benefits the most vulnerable. Staff supports the authorities' strategy to return to the fiscal consolidation path once the crisis abates to safeguard debt sustainability and ensure a strong and inclusive recovery in line with Cameroon's medium-term reform agenda.<br><br>**Cameroon IMF ED Statement**<br>As the crisis wanes, fiscal consolidation will resume, with the aim to preserve fiscal and debt sustainability. The authorities also intend to negotiate a successor arrangement with the Fund, to support their reform agenda towards robust, sustained and inclusive growth, with emphasis on economic diversification, in line with the resolution of CEMAC Heads of State in favor of second-generation programs. |

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| | | | larger deficit to accommodate automatic stabilizers and crisis-related emergency spending.<br><br>Revenues are expected in the RFL to decline by CFAF 772 bn to CFAF 2,777 bn, compared to the initial Budget Law, reflecting the deterioration of the economic outlook due to the pandemic and the fiscal response announced by the authorities in April 2020. These measures provide temporary tax accommodation to businesses directly affected by the crisis through tax moratoria and deferred payments, notably (i) exemptions from the tourist tax in the hotel and catering sectors for the rest of the 2020 financial year; (ii) exemption from the withholding tax for taxis and motorbikes and petty traders for the second quarter; (iii) the allocation of a special envelope of CFAF 25 billion for the expedited clearance of VAT credits awaiting reimbursement, and (iv) the postponement of the deadline to pay land taxes for the 2020 financial | The authorities are committed to i) issuing before the RCF-2 Board date a circular implementing Article 90 of the Public Procurement Code, to modify the standard procurement forms in particular with regard to documents providing information on the identification of the beneficial ownership of companies receiving procurement contracts related to COVID-19 (a ***prior action***); ii) publishing after the RCF-2 Board date, on the website of the Public Procurement Regulatory Agency and within 30 days of the award on any contract, the results of public procurement awarded by the government and the beneficial ownership of companies receiving procurement contracts on COVID-19 related expenditures; and to iii) publishing before the RCF-2 Board date the backlog of all COVID-19 related contracts | |

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| | | | year, to 30 September 2020.<br><br>The RFL establishes expenditure reprioritization in areas that will least affect the mitigation of the outbreak, with the postponement of non-priority goods and services and capital expenditure, while protecting social spending benefiting the most vulnerable.<br><br>Additionally, the RFL allocates about US$ 310 million to the special COVID-19 account financed at 76 percent by resources released by debt service suspension and external budgetary support...<br><br>The authorities have also strengthened their efforts to alleviate the impact on households. Family allowance has been increased permanently from CFAF 2,800 to CFAF 4,500; pensions that did not benefit from the 2016 reform have been raised permanently by 20 percent; payment of family allowances to staff of companies continued; social security contributions for the | awarded since May 4, 2020, including the beneficial ownership (a ***prior action***).<br><br>**Statement by Staff Representative on Cameron**<br>Prior actions have been met. Prior actions on issuing a circular allowing the publication of the beneficial ownership of companies receiving COVID-19 procurement related contracts; and publishing the backlog of the results of all COVID-19 related contracts awarded since May 4, 2020, including the beneficial ownership were completed. | |

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| | | | second quarter have been spread, and late fees canceled. In addition, budget allocations to the social safety net program have been increased from CFAF 9 to 25 billion to benefit it to a larger population.<br><br>**Cameroon IMF ED Statement**<br>At this juncture, the authorities continue to put priority on increasing health and social protection spending and providing policy support to contain the humanitarian, economic and financial effects of the pandemic. | | |
| [Central African Republic](#)<br><br>Approved on April 20, 2020<br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 27.85 (equiv. to $38 million, 25% of quota)<br>(direct budget support)<br><br>CCRT Grant (1)<br>SDR 2.96 million (equiv. to $4.05 million) | High risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-CAF.htm | **Staff report**<br>… the authorities have adopted a number of measures to contain its spread and a response plan to strengthen the capacity of the country to cope with its impact. The response plan, costing about CFAF 27 billion (2 percent of GDP), was prepared in collaboration with the World Health Organization (WHO), and aims at addressing some of the national health system's main weaknesses in a more durable way. | **Letter of Intent**<br>… we will ensure that the additional external financing we are receiving is used effectively to address crisis-related needs and will undertake an independent audit of the crisis-mitigation spending after the crisis abates, whose results we will publish. | **Staff report**<br>The authorities intend to allow the fiscal deficit to increase to accommodate most of the fiscal impact of the pandemic, which will comprise a significant shortfall in revenue and additional outlays as part of the response plan. While they intend to streamline non-priority expenditures, this accommodative stance will allow them to continue meeting pressing social, infrastructure, and security spending needs. |

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| Approved on October 2, 2020 | CCRT Grant (2) SDR 2.92 million (equiv. to $4.12 million) | | In the short term, the primary objective of the response plan is to ensure that the C.A.R. health system is ready to face a domestic major outbreak of the Covid-19. To do so, the plan rolls out five strategic pillars. There are designed to strengthen the coordination and collaboration between the various sectors, improve the management and lab capacities, step up the prevention measures, improve the medical treatment of confirmed cases and, finally, improve the communication and promote health…<br><br>The plan notably aims at:<br>(i) providing medical care of confirmed cases;<br>(ii) improving the monitoring system at the country's main points of entry and;<br>(iii) improving the capacity of medical staff and facilities. This plan goes beyond an immediate response plan and includes measures to strengthen the capacity of the | | The authorities have also reiterated their intention to pursue the policies and structural reforms to which they committed under the ECF arrangement approved last December… To ensure macroeconomic stability and debt sustainability while promoting sustained inclusive growth, they intend, as conditions permit, to pursue their efforts to enhance domestic revenue mobilization… |

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| | | | healthcare system to deal with such pandemics in the future. | | |
| Chad (1 of 2)<br><br>Approved on April 14, 2020<br><br><br><br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 84.12 million (equiv. to $115.1 million, 60% of quota)<br>(indirect budget support)<br><br><br><br>CCRT Grant<br>SDR 2.00 million (equiv. to 2.82 million) | High risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-TCD.htm | **Staff Report**<br>The COVID-19 pandemic is closing in on Chad, putting pressure on an already weak and seriously under-resourced health system… Beyond preventive measures, additional efforts will be needed to contain the spread of a potential outbreak of the virus, which will require appropriate equipment, the mobilization of health personnel and an extension of health services in remote regions that are not covered. These efforts will put pressure not only on government resources but also on an already weak health system.<br><br>Chad has a weak and fragile public health system. Public health capacities are generally constrained, with deficient medical equipment and trained personnel, as well as limited territorial coverage. Urgent upgrades to the healthcare system will be needed to respond to a pandemic. Accordingly, increased | **Letter of intent**<br>We also undertake, under Decree N ° 0374 of March 24, 2020 creating a special allocation account entitled "Special Fund for the fight against the Coronavirus" to keep separate accounts for COVID-19 expenses and provide separate reporting for the transparent management and in accordance with the best budget management practices to which we have always adhered. | **Staff report**<br>Staff welcomes the authorities' continuing commitment to the broad objectives under the current ECF arrangement. Staff supports the temporary relaxation of the fiscal deficit to allow for the scaling up of health care spending and the impact of the sharp drop in oil prices. It welcomes the authorities' resolve to return to the medium-term fiscal path and implement the needed adjustment measures as soon as the current crisis abates. |

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| | | | demand for health-related services would require substantial donor financial and technical support…<br><br>In their efforts to contain the pandemic, the authorities will increase health-related spending by about 0.3 percent of non-oil GDP (CFAF 15 billion) of which 60 percent is expected to be financed by donors. A detailed contingency plan was put in place by the ministry of health in mid-March, to mitigate the impact of the pandemic. It includes training of medical and technical staff, purchase of necessary medical equipment, the construction of seven health centers in remote areas, the construction of three mobile hospitals, and securely managing entry points.<br><br>Measures will also be taken to alleviate the hardship on households, including temporary suspension of payments of electricity and water bills, and the establishment of a Youth Entrepreneurship Fund. | | |

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| Chad (2 of 2)<br><br>Approved on July 22, 2020 | Rapid Credit Facility (RCF)<br>SDR 49.07 million (equiv. to $68.49 million, 35% of quota)<br><br>ECF arrangement which was due to expire in September 2020 is cancelled.<br><br>The RCF disbursement of SDR 49.07 million, is expected to fill 10.9 percent of the estimated BOP financing gap through indirect budget support. | High risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-TCD.htm | **Press Release**<br>The second RCF will provide a timely support for the implementation of the authorities' additional measures, to address the COVID-19 crisis and mitigate its severe impact.<br><br>**Staff Report**<br>A national contingency plan was put in place in March to contain the impact of the pandemic at a current estimated cost of CFAF 37.0 billion… of which CFAF32.4 billion were executed.<br><br>The authorities have also stepped up their efforts to support households. Measures approved at the time of RCF-1 included:<br>(i) the temporary suspension of payments of electricity and water bills,<br>(ii) clearance of arrears on death benefits due to deceased civil and military agents, indemnities and ancillary wages owed to retirees, and medical expenses for civilian agents and defense and security forces. | **Staff Report (reiterated in Letter of Intent)**<br>The authorities will strengthen transparency around all COVID-related expenditures, which will help ensure that the financial assistance received is efficiently spent. A trust fund, in the form of a dedicated Treasury account, was established to mobilize financial contributions to fight the pandemic.<br><br>To ensure transparency, the authorities will report all COVID-19 related spending in the supplementary budget. In addition, the authorities will publish the full text of procurement contracts on the website of the Ministry of Finance and Budget, including the names of the beneficial owners of awarded legal persons, within 30 days of their conclusion.<br><br>They will also subject all emergency spending | **Staff Report**<br>Given the negative impact of the twin shocks, the authorities will temporarily loosen fiscal policy to accommodate the significant revenue loss and the temporary emergency spending measures. As the crisis abates, fiscal adjustment will be needed, particularly since oil prices are expected to remain low, including by allowing temporary expenditure measures to expire. This would necessitate strengthening domestic revenue mobilization and rationalizing spending while protecting poverty reducing expenditure…<br><br>**Chad IMF ED Statement**<br>Over the medium-term, they will pursue fiscal consolidation, including through unwinding the temporary COVID-19-related measures and step up domestic revenue mobilization, with a view to preserving fiscal and debt sustainability consistent with the related CEMAC convergence criteria. |

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| | | | Since RCF-1, the authorities adopted the following additional measures:<br>(i) introduction of a food distribution program with the help of UN agencies,<br>(ii) tax exemptions and simplification of the import process for food and necessity items, including health equipment,<br>(iii) the creation of a solidarity fund for the vulnerable population amounting to CFAF 100 billion, and<br>(iv) the adoption in early May by the National Assembly of a new law that establishes a Youth Entrepreneurship Fund.<br><br>**Chad IMF ED Statement**<br>The government's COVID-19 contingency plan focused on supporting vulnerable populations, as well as businesses and affected sectors such as agriculture, since then progress has been encouraging. However, the implementation of the plan has proved to be more difficult and costlier than expected thereby exerting strong pressures on public finances. The execution of | procurement procedures to the health and other sectors to an ex-post compliance audit by a reputable international auditing firm, which will be conducted with the support of the Inspectorate of Public Finances within six months of the end of the fiscal year. The audit will also cover all COVID-related expenditures. Delivery reports for goods and services will be published on the website of the Ministry of Finance and Budget within three months of the end of the execution period for each contract. | |

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| | | | agreements with unions and backpay for 2018 and 2019, and new hiring in health sector have also weighed on public finances. | | |
| Comoros<br><br>Approved on April 22, 2020 | Rapid Credit Facility (RCF)<br>SDR 2.97 million (equiv. to $4.05 million, 16.7% of quota) | http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-COM_files/sheet001.htm | **Staff Report**<br>The COVID-19 shock comes on the heels of two difficult years for Comoros, and less than a year after Cyclone Kenneth, which necessitated emergency Fund financial support in 2019…<br><br>The authorities have prepared a | **Letter of Intent**<br>We are keen to ensure that the best possible use will be made of the funds provided by the IMF and to that effect, we will enhance mechanisms of reporting and controls for the disbursement of funds… | **Staff Report**<br>To the extent possible, the authorities should ensure that fiscal policy cushions the adverse effects [of] the COVID-19 shock before bringing the fiscal position back in line with medium- term paths once the crisis has passed. |

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| Approved on April 13, 2020<br><br>Approved on October 2, 2020 | Rapid Financing Instrument (RFI) SDR 5.93 (equiv. to $8.08 million, 33.3% of quota)<br><br>CCRT Grant (1) SDR 0.97 million (equiv. to $1.33 million)<br><br>CCRT Grants (2) SDR 0.81 million (equiv. $1.14 million) | Medium overall risk of debt distress | plan that describes the measures to be taken to minimize the risk of the pandemic, drawing on WHO recommendations. The cost of the plan is estimated at US$2.2 million, and two donors have indicated that they will provide this financing. However, implementation appears to be proceeding only slowly, for example as concerns the identification and preparation of centers for the quarantine and treatment of infected persons…<br><br>The authorities intend to fully implement their pandemic preparedness plan, including for example by creating and equipping quarantine centers. Implementation currently suffers from lack of funds, as promised aid has not yet been disbursed. Beyond this, financing sources permitting, the authorities' priority will be to substantially expand spending on health care in line with pandemic-related needs, trying to overcome to the greatest extent possible the health care system's capacity constraints… | We commit to report quarterly on the spending of these funds and to commission an independent and robust third-party audit of this spending in about a year's time and publish its results.<br><br>The Government will also publish regularly on its website dedicated to public procurement documentation on large public procurement projects, together with ex-post validation of delivery along with the name of awarded companies and the name of their beneficial owner(s). The Government expects that this website will be operational within six months. The Government will start publishing the information on its general website in case the website dedicated to procurement should become operational only with a delay. | **Comoros IMF ED Statement**<br>Once the effects of the global pandemic recede, the authorities will resume their policies aimed at enhancing macroeconomic stability and creating the necessary conditions for higher, sustainable and more inclusive growth. |

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| | | | On the spending side in 2020, key measures include the following: the authorities intend to raise spending on health care by 2 percent of GDP (reflected in higher current spending). Further, the authorities intend to provide income support to SOE workers who have seen their hours reduced (at a cost of 0.1 percent of GDP, to be saved elsewhere in current spending, for example through civil service hiring restraint). To the extent possible within financing and implementation constraints, the authorities may also provide support to the poor through direct cash transfers (not factored into projections as this measure is not firmly planned). If impossible due to implementation constraints, the authorities may instead support poor communities through free water or electricity supplies…<br><br>In addition to expanding healthcare resources, the authorities could consider giving targeted and temporary support for affected | | |

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| | | | households, particularly among the most vulnerable, through direct cash transfer or other feasible instruments. This would help contain the risk of lasting economic and social costs without compromising fiscal sustainability. | | |
| Congo, Democratic Republic of the<br><br>Approved on April 22, 2020<br><br><br><br><br><br><br><br><br><br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 266.5 million (equiv. to $363.27 million, 25% of quota)<br>(direct budget support)<br><br>This is the 2nd disbursement under the RCF (the first 25% of quota was disbursed in December 2019)<br><br><br>CCRT Grant (1)<br>SDR 14.85 million (equiv. to $20.32 million) | http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-COD.htm<br><br>Moderate risk of debt distress | **Staff Report (reiterated in the Letter of Intent)**<br>The government has also prepared a COVID-19 national response plan aimed at strengthening the medical response that includes the creation of a COVID-19 response team, setting up specialized wards in public hospitals to cater for COVID-19 patients, procurement of essential medical supplies, and training of medical personnel. The national plan and its associated measures are estimated to cost US$138 million (0.3 percent of GDP).<br><br>The international community has pledged support to DRC. The World Bank is expected to provide US$47.2 million in extra-budgetary support to the national response plan and to reallocate its resource envelope (specifically from a planned | **Staff report**<br>Staff highlighted the need to closely monitor and manage very scarce resources. To that effect, the authorities committed to produce a revised 2020 treasury plan reflecting the expected impact of the pandemic and the additional resources from development partners and to publish budget execution figures contained in the treasury plan on a monthly basis to enhance financial transparency, including in the use of RCF funds.<br><br>**Letter of Intent (reiterated in the Staff Report)**<br>The proper use of those resources will be guaranteed through the implementation of | **Staff report**<br>Staff plans to continue discussions on the timeline of the appropriate fiscal adjustment path to address specific shocks in the context of the forthcoming Staff-monitored program (SMP) review.<br><br>**Letter of intent**<br>On fiscal policy, the government has tried to fulfill its SMP commitments despite increasing challenges. Under the SMP, the government has committed to reduce the fiscal deficit… The government's objective was to increase revenue, better control expenditures, and issue T-bills to meet any financing gap. However, the COVID-19 has upended these plans as the decline in mining production and overall activity will lessen revenue |

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| Approved on October 2, 2020 | CCRT Grant (2) SDR 9.90 million (equiv. 13.96 million) | | education project) to disburse US$200 million in direct budget support through an emergency DPO.<br><br>… given spending pressures from the free education initiative and delays in revenue reforms, the authorities intend to contain spending to limit the projected financing gap in 2020 to the impact of the COVID- 19... To that effect, current spending excluding wages would fall by about 2 percent of GDP relative to 2019, supported by the reallocation of expenditures and a 30 percent cut in the operating budget of ministries and public institutions. This will not affect the budget contribution to vaccination programs, which will continue to be supported by the government.<br><br>Given the impending health crisis and the sizeable economic fallout, staff supports the relaxation of the fiscal stance… If the crisis and its economic fallout worsen further, additional relaxation could be envisaged given the availability of suitable financing. | our public financial management legislation, but also through the publication of budget execution figures contained in the treasury plan on a monthly basis to enhance financial transparency. Moreover, we commit to publish online all COVID-19 related procurement contracts that exceed US$12,000 and, for the contracts exceeding USD 1 million, to disclose the beneficial ownership information of contracted companies. We will also undertake a monthly internal audit as well as a specific audit of COVID19 related expenditures as part of the annual control of audit of the Audit Court, which should be published. | and the placement of T-bills, while spending is increasing owing to our response plan. Still, the government remains committed to the spirit and the implementation of the SMP…<br><br>The government will continue to implement reforms that could boost fiscal revenue mobilization, especially those linked to the VAT… when the situation normalizes. Of course, after the SMP, we are still committed to transition to an Extended Credit Facility (ECF).<br><br>Our authorities have responded swiftly with measures to contain the spread of the pandemic and dampen its impact on the economy. They remain committed to resuming their macroeconomic adjustment efforts once the crisis subsides.<br><br>**DRC IMF ED Statement**<br>…the authorities are taking preparatory steps to implement revenue-enhancing measures by |

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| | | | The authorities are committed to raising additional resources to close the residual fiscal gap. They noted that the proposed relaxation of the fiscal stance will still imply a sizable (across the board) adjustment in discretionary spending, a practice adopted in previous crises… The authorities intend also to request transfers from unused revenue of extra budgetary funds to the central government's budget and to review the composition of expenditures to reallocate resources to priority sectors.<br><br>**DRC IMF ED Statement**<br>The authorities' main policy action is the relaxation of the 2020 fiscal stance to accommodate the impact of the COVID-19. The fiscal cost of the pandemic amounts to 1.2 percent of GDP and includes revenue losses, budget-financed outlays in the national response plan and shortfalls in treasury bills issuance. | | the end of the year, should the pandemic recede. This include digitalization of tax procedures, VAT collection, and enhanced controls at the borders. |

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| | | | Domestic adjustment efforts were also made to prioritize COVID-19 related spending. In this regard, the government cut current spending excluding wages by about 2 percent of GDP. As well, the operating budget of ministries and public institutions was reduced drastically by 30 percent. Spending in key programs like free basic education was preserved alongside expenditures in health care. | | |
| Cote d'Ivoire<br><br>Approved on April 17, 2020 | Rapid Credit Facility (RCF)<br>SDR 216.8 million (equiv. to $295.4 million, 33.3% of quota)<br><br>Rapid Financing Instrument (RFI)<br>SDR 433.6 million (equiv. to $590.8 | http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-CIV.htm | **Staff Report**<br>The authorities have taken swift measures to contain the spread of COVID-19 and have prepared an emergency health response plan as well as an economic support package targeted at vulnerable households and sectors affected by the pandemic. Staff supports the authorities' decision to accommodate the fiscal costs | **Letter of Intent**<br>We are committed to preparing a revised budgetary framework by end April so as to amend the 2020 budget and we are setting up specific procedures to track in a transparent manner crisis-mitigation exceptional expenditures, including to ensure that the support reaches the most vulnerable | **Staff Report**<br>The authorities should return to the pre-crisis deficit from 2021 onwards once the crisis abates to preserve the gains achieved during the ECF/EFF-supported program and ensure debt sustainability…<br><br>The authorities had delivered significant fiscal consolidation |

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| | million, 66.7% of quota) | | associated with the projected growth slowdown and health and economic emergency plans…<br><br>With the support of the World Health Organization (WHO), the authorities adopted an emergency health plan aiming at providing free care for infected people and equipping intensive care units, strengthening epidemiological and biological surveillance (virus testing; creation of a free call center; rehabilitating and equipping laboratories) and reinforcing capacities of pharmaceutical industries. Finally, they announced an ambitious economic support plan to prop the income of the most vulnerable segments of the population through agricultural input support and expanded cash transfers, provide relief to hard-hit sectors and firms…<br><br>The authorities intend to allow the fiscal deficit to increase to accommodate the impact of the pandemic. The total cost of the pandemic is projected to amount to | segments of the population…<br><br>**Cote d'Ivoire IMF ED Statement**<br>The authorities also pay a high regard to accountability and transparency in the management of the pandemic-related expenditures. In this vein, they are working on specific procedures to track these expenditures and make sure they are effectively targeted to the response to the COVID-19. | under the ECF and EFF-supported program. The fiscal deficit declined from 3.3 percent of GDP in 2017 to 2.3 percent of GDP in 2019, with consolidation underpinned by spending compression, as tax policy reforms proved more difficult to implement…<br><br>Beyond the crisis period, the authorities remain committed to sustainable fiscal policies. From 2021 onwards, and as the effects of the crisis are assumed to recede both globally and domestically, growth to resume and the need for exceptional spending to subside, the authorities are committed to returning to the pre-crisis deficit path of 2.3 percent of GDP, so as to maintain the gains realized during the ECF/EFF-supported program and to preserve debt sustainability.<br><br>**Cote d'Ivoire IMF ED Statement**<br>Going forward, the authorities are also committed to returning to their WAEMU fiscal deficit target |

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| | | | 2 3⁄4 percent of GDP in 2020… the authorities' public health response and their economic support package accounting for 1, 1⁄4 and 1 1⁄2 percent of GDP, respectively…<br><br>Staff supports the authorities' decision to accommodate the temporary impact of the pandemic on the budget. Given the extraordinary nature of the pandemic and in order to timely address the impending health crisis and mitigate its severe economic impact, staff supports the relaxation of the fiscal stance, even if the fiscal deficit temporarily breaches the regional convergence criteria of 3 percent of GDP. | | when the pandemic fades out. |
| Eswatini, Kingdom of<br><br>Approved on July 29, 2020 | Rapid Financing Instrument (RFI) SDR 78.5 million (equiv. to $110.4 million, 100% of quota)<br>(direct budget support) | N/A | **Staff Report**<br>The authorities' immediate priority is to cope with the impact of the pandemic while preserving macroeconomic stability. They have increased health spending, and introduced measures to protect the most vulnerable members of society and support the private sector…<br><br>The authorities' immediate response | **Staff Report**<br>The authorities have committed to publish bi-monthly reports on emergency-response spending, procurement contracts, and to undertake and publish the result of an independent audit of crisis-mitigation spending and procurement processes. | **Staff Report**<br>Going forward, despite the ambitious fiscal adjustment plans to preserve debt sustainability, financing needs remain large and the authorities need to develop a financing strategy that can support their gradual adjustment path or stand ready for a more front-loaded adjustment to cope |

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| | | | to contain the social and economic impact of the crisis has been multi-pronged. To reduce the spread of the virus, the authorities have implemented a partial lockdown across the country and authorized additional health spending to improve the capacity of the health care system. To contain the impact on vulnerable households, they ramped up food assistance programs, increased social protection transfers, and accelerated the delivery of water and sanitation facilities to the most vulnerable with a cost of about 1 1⁄2 percent of GDP.<br><br>They have also implemented policies to mitigate the effects on firms' cash flow, through temporary tax payment deferrals.<br><br>Moreover, the authorities have taken fiscal, monetary, and financial measures to contain the economic impact of the pandemic and support jobs and businesses. | To enhance transparency and accountability of all COVID-19-related spending, they are using specific budget lines for such spending, and will publish on the website of the National Disaster Management Agency (NDMA) bi-monthly reports on spending execution. They will also publish procurement contracts for pandemic-related spending, including amount, awarded legal persons and beneficial owners, and ex-post validation of delivery. In addition, they will undertake and publish the result of independent ex-post audits of such spending and procurement processes… | with financing constraints…<br><br>**Letter of Intent**<br>… we have developed a detailed medium-term fiscal consolidation plan to stabilize public debt and bolster external buffers, while protecting the most vulnerable. Cabinet has approved a plan to adopt consolidation measures of 6 1⁄2 percent of GDP over the next three years starting in FY21/22, which are part of the government's Medium-Term Recovery Strategy.<br><br>The current economic recession and the expected slow recovery will require us to implement the adjustment gradually, back loading some measures… about 40 percent of our adjustment plan relies on boosting our domestic revenue by broadening tax bases, increasing some tax rates such as personal taxation and VAT, and continuing strengthening tax administration. To protect revenue collection, we also commit not to introduce measures |

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| | | | Fiscal measures:<br>• Additional spending of E100 million (0.14 percent of GDP) in FY19/20 to improve crisis preparedness.<br>• In FY20/21, additional E1 billion (11⁄2 percent of GDP) spending on drugs, health equipment and other health spending, and improved access to food, water, and sanitation to vulnerable households.<br>• Increases in electricity and water tariffs have been postponed.<br>• Tax relief to businesses…<br>• About E90 million (0.13 percent of GDP) in tax refunds have been budgeted for SMEs that are tax compliant, retain employees, and continue to pay them during the pandemic…<br><br>Given Eswatini's limited fiscal space, it is important to identify possible spending, including low-priority public investment projects, to be curtailed in case the need for additional crisis-mitigating spending in health and programs to support | | that would reduce corporate income tax revenue…<br><br>**Eswatini IMF ED Statement**<br>The consolidation plan, recently approved by cabinet, aims to restore debt sustainability, while protecting the most vulnerable through a combination of spending and revenue measures. The plan will be implemented in the context of the future annual budget cycles and is centered around four pillars: reducing public wage spending, through gradual employment reduction and below inflation salary adjustments; rationalizing transfers and expenditure of state-owned entities; reducing operational expenditures and improving the targeting of the main social assistance programs; and, increasing domestic revenue through rate increases of some major taxes and base broadening measures, while suspending plans to introduce reforms that would reduce corporate income revenue… |

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| Ethiopia<br><br>Approved on April 30, 2020<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br>Approved on April 30, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Financing Facility (RFI)<br>SDR 300.7 million (equiv. to $411 million, 100% of quota)<br>(direct budget support)<br><br>Rephasing of disbursements under existing Extended Credit Facility (ECF) and Extended Financing Facility (EFF) arrangement<br><br><br><br>CCRT Grant (1)<br>SDR 8.56 million (equiv. to $12 million)<br><br>CCRT Grant (2)<br>SDR 4.49 million (equiv. to $6.33 million) | High overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-ETH.htm | **Staff report**<br>The authorities are loosening the fiscal stance temporarily to combat the pandemic and support the most vulnerable. The initial response included a health sector support package— including to fund medical supplies, facilities, and to cut trade taxes for medical goods—amounting to 5 billion birr (US$154 million; 0.15 percent of GDP) in spending. The package is expected to be funded by reallocating budgetary funds away from uncommitted investment projects. On April 3, the authorities announced that additional spending needs during the remainder of the fiscal year would total $1.64 billion (1.6 percent of GDP)…<br><br>*Initial healthcare measures.* The authorities announced a 300-million-birr package to bolster healthcare spending (funding for health facilities, trade tax cuts for medical imports) in early March. On March 23, the package was augmented to 5 billion birr (US$154 million or 0.15 percent of GDP), to | **Letter of intent**<br>We commit to a transparent and accountable delivery of policy measures to respond to COVID-19 health and economic challenges and to effectively mitigate corruption concerns.<br><br>Targeted measures will include: (i) publishing all public contracts related to the COVID-19 response, using open and competitive bidding and strictly limiting the use of emergency non-competitive processes to the extent possible;<br>(ii) publishing online eligibility criteria and budgeted limits for the various relief measures as soon as they are adopted;<br>(iii) channeling donor funding through the budget with full transparency on its utilization;<br>(iv) frequent monitoring of spending on crisis mitigation measures at the end of each month for the duration of the crisis; and | **Staff report**<br>Fiscal consolidation is expected to resume in 2021/22. The authorities remain committed to introducing measures to raise tax revenues for 2020/21 by 1 percentage point of GDP. In the event that the pandemic renders this difficult, staff would support delaying implementation until the crisis abates and then introducing them in a supplementary budget law.<br><br>**Letter of intent**<br>The policies we are undertaking to address the crisis will make it necessary to delay our ambitious multi-year fiscal consolidation plan for the general government… We would like to highlight, however, that we see the spending increases as strictly temporary and remain committed to the multi-year fiscal adjustment plan under the ECF-EFF arrangements. |

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| | | | be funded largely through reallocations within the budget…<br><br>*Spending measures for the remainder of 2019/20.* On April 3, the authorities announced that the multisector emergency response plan to be implemented over the next three months will require US$1.64 billion in funding (about 1.6 percent of GDP). The funds are expected to be allocated as follows:<br>• US$635 million (0.6 percent of GDP) for emergency food distribution to 15 million individuals vulnerable to food insecurity and not currently covered by the rural and urban PSNPs.<br>• US$430 million (0.4 percent of GDP) for health sector response under a worst-case scenario of community spread with over 100,000 Covid-19 cases of infection in the country, primarily in urban areas.<br>• US$282 million (0.3 percent of GDP) for provision of emergency shelter and non-food items.<br>• The remainder (US$293 million, 0.3 percent of GDP) would be | (v) making information on how emergency relief funds are spent available to internal auditors and, as soon as practicable, to independent auditors to conduct ex-post audits over COVID-19 related spending and revenue collection. | |

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| | | | allocated to agricultural sector support, nutrition, the protection of vulnerable groups, additional education outlays, logistics, refugee support and site management support. | | |
| Gabon (1 of 2)<br><br>Approved on April 9, 2020 | Rapid Financing Instrument (RFI) SDR 108 million (equiv. to $147 million, 50% of quota)<br>(indirect budget support) | N/A | **Staff Report**<br>The immediate health-related spending will amount to about CFAF 42 bn (0.5 percent of GDP) and social transfers will increase by CFAF 23 bn (0.2 percent of GDP)…<br><br>The immediate priorities are to accommodate necessary health-related spending to protect people's wellbeing, take care of the sick, slow the spread of the virus, and ensure the production of medical supplies. This requires additional spending of about CFAF 65bn (0.7 percent of GDP) in the context of a sharp decline in revenues. The government is taking steps to control non-priority expenditure and redirect savings (CFAF 17 billion; 0.2 percent of GDP) to COVID-19 related spending…<br><br>The financing needs may be even | **Letter of Intent**<br>The government will continue to publish information on revenue and expenditure performance on a regular basis, and to provide a separate reporting mechanism for COVID-19 expenditures in order to assure transparent accounting of all the funding received to combat the pandemic.<br><br>We commit to report quarterly on the spending of emergency funds and to commission an independent, third-party audit of this spending within six months of disbursement and publish the results. The published results will include the full text of all related procurement contracts, along with the beneficial ownership | **Staff Report**<br>The authorities remain committed to pursuing the planned medium-term growth- friendly fiscal consolidation... They intend to revert to the fiscal consolidation path set out in the Staff Report for the Fourth and Fifth Reviews under the extended arrangement once the fallout from the pandemic subsides. Most spending increases in 2020 are expected to be one-off and revenues should return to trend once growth rebounds from 2021...<br><br>The fiscal loosening in 2020 is appropriate, but the authorities should be ready to undo all emergency measures, especially to reverse temporary revenue losses and transfers and subsidies. Stronger fiscal adjustment will be |

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| | | | larger, given that the authorities are still contemplating measures, including emergency tax relief and well- targeted subsidies to support affected firms and households. However, the authorities must carefully assess the merits of any proposed tax policy measure. For medical equipment and supplies (e.g., ventilators, testing kits, masks, etc.), targeted policies such as the reduction or repeal of any customs duties or reduction in VAT rates could play a role, but these should be temporary in nature (introduced with sunset clauses).<br><br>To help businesses deal with cash flow constraints, the delay of tax payments is appropriate, but more aggressive or permanent tax policy measures should be avoided. Measures targeting both businesses and households still need to be costed, and their impacts carefully assessed to avoid any 'deadweight' effect. They also should remain temporary… | information for the companies receiving those contracts. | required in the medium term and the authorities are committed to taking the steps needed to increase domestic revenue and rationalize spending while protecting the poor. |

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| Gabon (2 of 2)<br><br>Approved on July 31, 2020 | Rapid Financing Instrument (RFI)<br>SDR 108 million (equiv. to $152 million, 50% of quota)<br>(indirect budget support) | N/A | **Staff Report**<br>The authorities are taking steps to counter COVID-19. The strategy aims at strengthening healthcare facilities, protecting the most vulnerable households and supporting the private sector, notably small businesses, through the reduction of licensing fees and tax relief…<br><br>**Letter of Intent**<br>Since the approval of our request for a purchase under the RFI on April 9, 2020, Gabon's economic outlook has deteriorated… This financial support from the IMF would help to address our balance of payments needs and thereby ease the pressure on our fiscal position while providing the fiscal space necessary to fight the spread of the virus and meet the needs of the population.<br><br>Our Parliament has adopted an amended 2020 Budget Law, which redefines the priorities that were set in the 2020 budget. The revised budget… accounts for the impact of COVID-19, including tax relief to | **Staff Report**<br>The authorities have reiterated their commitment to ensure a proper use of COVID-19 emergency resources. To safeguard the quality of emergency spending in the health and other sectors, they committed to<br>(i) report quarterly on the spending of emergency funds;<br>(ii) commission an independent, third-party audit of this spending within six months of disbursement and publish the results online within nine months of the end of each relevant fiscal year; and<br>(iii) publish online the related procurement contracts within 30 days of being awarded, along with and the beneficial ownership information for the legal persons receiving those contracts and ex-post-delivery reports.<br><br>The involvement of the Court of Accounts and of the National Commission to Combat Illegal | **Staff Report**<br>The authorities'… intend to revert to the fiscal consolidation path set out in the Staff Report for the Fourth and Fifth Reviews under the extended arrangement once the COVID-19 crisis has subsided. Most crisis- related spending and tax relief introduced in 2020 are expected to be rolled back in 2021, although COVID-related constraints to tax compliance and restrictions on the work of revenue administrations will continue somewhat in the first half of 2021…<br><br>This would require a credible fiscal consolidation anchored on bolstering fiscal revenues and enhancing the efficiency of public spending and possibly implemented in the context of a new IMF-supported arrangement…<br><br>To reduce risks to debt sustainability and support inclusive growth, the authorities are strongly committed to request |

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| | | | affected households and businesses, and higher health and social spending.<br><br>**Gabon IMF ED Statement**<br>The authorities are implementing health and economic policies to cope with the pandemic and limit its effects on the economy, as committed in their April 2020 Letter of Intent. The health system's response capacity has been increased, with notably the set-up of a new testing laboratory. In addition, support to households affected by the pandemic has been provided through a food distribution program, assistance with payments of electricity bills and rentals, and various tax deferrals and other relief measures as well as the setup of a solidarity fund…<br><br>Preserving the health of the Gabonese people and limit the impact of the pandemic on the businesses and the most vulnerable population remain the main priorities going forward. The Parliament adopted a revised | Enrichment (CNLCEI), an anti-corruption body, in the process is also encouraging. In May 2020, the former Prime Minister made a first public presentation to the Parliament about the implemented sanitary and economic measures and how the country's health infrastructure had been improved to combat Covid-19 (including details about purchase of equipment, testing material, and PPEs).<br><br>In early June, the members of the committee charged with monitoring and responding to the COVID-19 pandemic (Copil) and several ministers implicated on the COVID-19 response met with the CNLCEI to provide an overview of its use of the COVID-19 emergency stimulus package. All members of Copil are expected to submit asset declaration forms to the CNLCEI to ensure transparent use of the COVID-19 funds and | a new IMF-supported program. The requested RFI purchase would help mitigate immediate risks and contribute to covering urgent financing needs related to COVID-19. A new IMF arrangement could then build on this short-term response and support the authorities' medium-term policy agenda to resume the fiscal consolidation started over 2017−19, as well as the economic recovery and the regional strategy. Negotiation of a possible new IMF-supported arrangement could start in the fall. |

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| | | | budget law for 2020 reflecting a more accommodative fiscal stance to address those priorities, and the updated macroeconomic framework. The reallocation of resources towards health-related and social spending has reduced fiscal space for capital spending which has been revised downwards. | facilitate the financial assessment process once the pandemic subside. | |
| Gambia, The (1 of 3)<br><br>Approved on March 23, 2020<br><br>Approved on April 13, 2020 | Extended Credit Facility (ECF) SDR 35 million (equiv. to $47.1 million, 56.3% of quota)<br><br>CCRT Grant (1) SDR 2.10 (equiv. to 2.87 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-GMB.htm<br><br>High overall risk of debt distress | **Press Release**<br>The ECF-supported program aims to anchor macroeconomic stability and progress on structural reforms achieved under the 2019 Staff Monitored Program (SMP) and would provide a framework to assist the authorities in developing and implementing effective policy responses to address the COVID-19 challenges…<br><br>**Staff Report**<br>The cost of immediate measures to strengthen The Gambia's preparedness to contain COVID- 19, including actions to strengthen security and other logistic costs is estimated at about1.5 percent of GDP (about US$30 million), with an | N/A | **Memorandum of Economic and Financial Policies (Attachment to Letter of Intent)**<br>Fiscal consolidation in the medium-term will ensure debt sustainability while protecting critical social and infrastructure needs. We aim to improve the primary balance by 1-11⁄2 percent of GDP between 2019 and 2025, consistent with the need to accommodate the rising amortization of external debt starting 2025. This medium-term fiscal profile features a gradual increase in domestic revenue to around 15.2 percent of GDP by end-2025, supported by growing taxable activity and strengthened revenue administration. The bulk |

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| | | | estimated import component ofUS$20 million…<br><br>The authorities are responding to ongoing developments by re-directing domestic spending to the COVID-19 action plan and requesting grants from other development partners to support this and other emergency spending, including social protection programs for the most vulnerable that will be affected by the loss of income from tourism and other affected sources… | | of the expected increase will come from taxes on income and corporate profits, and domestic taxes on goods and services, as our medium-term structural reforms support private sector activity and income growth. |
| Gambia, The (2 of 3)<br><br>Approved on April 15, 2020 | Rapid Credit Facility (RCF)<br>SDR 15.55 million (equiv. to $21.3 million, 25% of quota) | High overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-GMB.htm | **Staff Report**<br>The authorities recognize that aggressive containment measures are critical to nip the COVID-19 incidence in the bud, as the local health care system will not be able to cope with numerous cases. In parallel, to ensure food security and availability of other critical supplies, the authorities temporarily prohibited exports and froze prices of essential food…<br><br>… the gross fiscal needs related to | **Staff Report**<br>The authorities are mindful of the need to ensure transparency in managing the impact of COVID-19 on public finances. With temporary closure of the National Assembly and the situation of public finances being too fluid to prepare a credible supplementary budget, the authorities can use two options provided in The Gambia Public Finance Act to accommodate | **Letter of Intent**<br>While we remain committed to the implementation of the ECF-supported program, we request that quarterly targets under the program in the remainder of 2020 be relaxed to reflect worsened economic outlook and financial conditions…<br><br>**Gambia IMF ED Statement**<br>They remain committed to pursuing sound policies articulated under the ECF |

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| | | | COVID-19 emergency are estimated at about2.8 percent of GDP. This reflects a domestic revenue shortfall of about 1.0 percent of GDP during the next three months and 1.8 percent of GDP reflecting additional spending on health (under the Ministry of Health action plan prepared in collaboration with WHO and UNDP), logistics, security, and social interventions, including distribution of basic foodstuffs to the needy. An added challenge is that the existing programs (such as, school feeding) rely on institutions that are currently closed.<br><br>**Letter of Intent**<br>We also anticipate additional fiscal needs of about 2.5 percent of GDP reflecting:<br>(i) an expected domestic revenue shortfall of about 1 percent of GDP during the next three months;<br><br>(ii) emergency health expenditures of at least 0.5 percent of GDP as per the action plan by the Ministry of Health; and | new spending priorities during a fiscal year on a provisional basis. These are:<br><br>(i) budget reallocation; and<br><br>(ii) creation of an emergency fund (capped at 1 percent of current budget) as a dedicated spending line within the treasury single account.<br><br>The authorities have, so far, been re-allocating spending from the existing 2020 budget to accommodate the COVID-19 spending.<br><br>Once the situation normalizes and the size of the COVID-19 spending can be fully assessed, the authorities will need to prepare a supplementary budget to maintain budget transparency and ensure that all the 2020 priorities are appropriated and executed in 2020 to the extent of the financing available. This will prevent creating spending | arrangement, to strengthen macroeconomic stability and fiscal sustainability, strengthen governance and accountability and attain inclusive growth supported by private sector development. In addition, they intend to gradually unwind temporary measures, once the pandemic recedes and economic activity normalizes… |

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| | | | (iii) other emergency spending (on logistics, security, and social protection) estimated currently at another 1.0 percent of GDP…<br><br>The Government has taken several measures to contain the COVID-19 outbreak and to address its economic impact. These include: Fiscal measures:<br><br>(i) a US$9 million COVID-19 action plan, for which we are seeking grant financing given the country's debt situation;<br><br>(ii) reallocation of 500 million dalasi (0.6 percent of GDP) from the current budget to the Ministry of Health and other relevant public entities to complement the support already received from partners to prevent and control the spread of the COVID-19 outbreak…<br><br>These measures have allowed us to narrow the immediate financing needs to just over US$20 million (about 1.0 percent of GDP), for which we intend to use the | pressures in the 2021 budget. The authorities are also working to ensure transparency in crisis-related procurement and contracting to mitigate the risk of corruption in public expenditure. | |

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| | | | requested RCF disbursement, primarily to meet the government demand for emergency imports of essential medical equipment, sanitary supplies, and basic foodstuffs to support our containment efforts and mitigate the impact of disruption in economic activity and income (including remittances) on the poor. | | |
| Gambia, The (3 of 3)<br><br>Approved on January 15, 2021<br><br>Approved on October 2, 2020 | Augmentation of Extended Credit Facility (ECF) SDR 20 million ($28.8 million, 32.15% of quota)<br><br>CCRT Grant (2) SDR 2.10 million (equiv. to $2.96 million) | High risk of external and overall external distress | **Staff Report**<br>At the onset of the pandemic, they made provisional arrangements for procurement and distribution of food support and implementation of a health plan. On July 22, 2020, the National Assembly (NA) approved a supplementary appropriation (SAP) totaling GMD 2.85 billion (nearly 3 percent of GDP), including additional provisions (0.5 percent of GDP allocated to a further possible emergency spending on health and food distribution) and an economic stimulus package comprising financial relief for the tourism sector and state-owned enterprises, and targeted public investment outlays to fill critical infrastructure gaps… | **Staff Report and Letter of Intent**<br>The authorities are ensuring transparency in the use of COVID-19-related support…<br><br>The authorities have published all COVID-19-related procurement contracts on the website of the Gambia Public Procurement Authority (GPPA), with details on the nature and amounts of the contracts as well as the owners of the beneficiary companies, and strengthened internal audit at the Ministry of Health. They are also committed an *ex-post* audit of all COVID-19 spending by the National Audit Office | **Staff Report**<br>Prudent policies and orderly execution of the budget are critical in the uncertain economic recovery phase. The 2021 budget fits within the medium-term fiscal framework and provides a sound basis for the program, while creating room for a stimulus to support the post- pandemic recovery, albeit, to ensure debt sustainability, fiscal policy will need to be tightened once the economic recovery takes hold.<br><br>To ensure the attainment of the macroeconomic objectives set out in the 2021 program, the authorities should keep within the agreed fiscal envelope, including |

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| | | | Discussions focused on addressing the short-term needs to mitigate the impact of the pandemic and support the economic recovery within a medium-term budget framework geared toward ensuring debt sustainability…<br><br>The stimulus is intended to be frontloaded in 2021 to counteract the sluggish activity in the tourism sector and create alternative temporary employment opportunities. The impulse relies primarily on one-off increases in public spending and is expected to be withdrawn, starting in 2022, consistent with the agreed medium-term fiscal framework. The one-off spending includes 0.5 percent of GDP on compensation in health and education (to strengthen first response and ensure distancing); 0.7 percent of GDP in transfers (on pandemic-related social interventions); and 0.8 percent of GDP in local capital spending. At the same time, the 2021 budget features measures to tighten tax loopholes, rationalize exemptions, | (NAO), which will also include a validation of delivery for all contracts…<br><br>The authorities are enhancing transparency in public procurement, use of public funds, and financial flows. A bill has been sent to the NA, seeking to revise the GPPA Act to curtail executive interference in procurement and tighten emergency procedures. Soon after the GPPA Act is approved, in early 2021, the authorities will extend the GPPA's authority to all SOEs and publish all procurement contracts online, including details of all COVID-19-related contracts and owners of beneficiary companies…<br><br>Transparency in the use of pandemic-related support will be ensured through: (i) a sub-account in the Treasury Single Account (TSA) and a committee dedicated to this effort; (ii) | the budgeted spending on the planned presidential election and public projects. Given the fragile economic recovery, and with domestic tax collection still below potential, any excesses could constrain essential social spending, which may be needed should the global pandemic prove more protracted than anticipated, impeding the much-desired economic rebound…<br><br>There is considerable downside risk if the pandemic is prolonged… The associated higher health spending and financing costs, in the context of lower revenue and export receipts, would widen the fiscal deficit and the external current account deficit, spurring additional financing and macro-economic adjustment needs.<br><br>The PV of public debt-to-GDP ratio would rise to about 70.3 percent of GDP in 2021 before regaining a downward sloping path; however, the attainment of the 55 percent of GDP threshold within the |

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| | | | and tighten the exemption granting process. | strengthened internal audit at the Ministry of Health, which helped transparency of the recent food distribution exercise; and (iii) an independent *ex-post* audit by the NAO of all COVID-19-related spending, the first phase of which was launched in September.<br><br>The enactment of an anti-corruption bill currently in parliament will strengthen the authorities' fight against rent seeking by public officials. | medium-term horizon would likely require additional fiscal adjustment.<br><br>In the near term, however, an active policy response would be called for to meet the emergency needs and stimulate the economy by focusing on actions with a high growth multiplier, while relying to a largest possible extent on foreign financing in the form of grants. Subsequently, once the economic recovery takes hold, the policy focus should shift towards appropriate fiscal consolidation, to ensure sustainability and crowd-in the private sector.<br><br>**Gambia IMF ED Statement**<br>While the budget aims to deliver a strong stimulus to support the recovery, the authorities plan to tighten fiscal policy once the economic recovery takes hold in order to safeguard debt sustainability. |

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| Ghana<br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 738 million (equiv. to $1 billion, 100% of quota) (direct budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-GHA_files/sheet001.htm<br><br>High overall risk of debt distress | **Staff Report**<br>In response to the unfolding pandemic, the authorities have announced: (i) a US$100 million allocation earmarked to health spending… a $166 million Coronavirus Alleviation Program (CAP) to support the economy…<br><br>COVID-19 spending is expected to amount to 0.4 percent of GDP, composed of higher health and social expenditures (0.2 percent of GDP), and the CAP fiscal stimulus package (0.2 percent of GDP)<br><br>The authorities stand ready to introduce further health and economic measures in line with the evolution of the pandemic. Staff proposed further measures such as an expansion of targeted relief and support for SMEs, vulnerable households, and informal sector, scaling up of cash transfer programs, further prioritization of health spending, and clearance of existing arrears and avoidance of new ones to alleviate cash flow constraints…. | **Staff Report**<br>COVID-19- related funds should be channeled through the budget following the strict application of budgetary procedures and controls, including audits. | **Staff Report**<br>The increase in government deficit is expected to be temporary, as most spending increase would be one-off (including for financial sector restructuring) and revenues should return to trend once growth rebounds next year, in line with a projected recovery in global growth and commodity prices.<br><br>In line with staff recommendations, the fiscal measures in the CAP and other interventions are timely, targeted to support the most affected households and firms, and temporary to allow the fiscal stance to improve as the economy recovers.<br><br>**Ghana IMF ED Statement**<br>The government remain fully committed to maintaining macroeconomic stability and will pursue medium-term policies consistent with fiscal consolidation and safeguarding priority spending to create jobs |

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| | | | Following the first cases of COVID-19, the government committed funding for additional health expenditures and launched the Coronavirus Alleviation Program to support the most affected households and firms. If the crisis deepens, the government may need to scale up its response, ensuring that support measures remain timely, temporary, and targeted so as to safeguard fairness and public finances. | | and alleviate poverty. |
| Guinea<br><br>Approved on June 19, 2020<br><br><br><br><br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 107.1 million (equiv. to $148 million, 50% of quota)<br>(budget support)<br><br><br>CCRT Grant (1)<br>SDR 16.37 million (equiv. to $22.4 million)<br><br><br>CCRT Grant (2) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-GIN_files/sheet001.htm<br><br>Moderate overall risk of debt distress | **Staff Report**<br>The authorities have adopted a comprehensive response plan to address the COVID-19 emergency and mitigate its severe impact. Fiscal policy is being oriented towards scaling-up health spending, protecting the most vulnerable, and supporting the private sector…<br><br>Key measures focus on scaling-up health spending, protecting the most vulnerable from the impact of the crisis, and supporting the private sector.<br><br>The additional budgetary cost of the | **Staff Report**<br>Public finance governance mechanisms will be strengthened to ensure the appropriate use and monitoring of resources to address the COVID-19 crisis…<br><br>In this vein, to ensure that all COVID-19 resources can be traced, the authorities will create a budgetary fund that will account for all earmarked external and domestic resources to address the pandemic. Furthermore, a dedicated account will be | **Staff Report**<br>The authorities have indicated their commitment to continue the ECF arrangement and program discussions will resume as soon as feasible…<br><br>As the impact of the crisis subsides, the authorities will orient fiscal policy to preserve debt sustainability and target a lower-than-previously-programmed primary fiscal deficit path. |

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| Approved October 2, 2020 | SDR 16.37 million (equiv. to $23.08 million) | | COVID-19response plan is estimated at 1.5 percent of GDP. Health spending will be scaled-up by0.8 percent of GDP to respond and mitigate the outbreak. This will support reinforcing COVID-19 diagnostics, providing appropriate treatment, acquiring medical equipment and expanding health infrastructure.<br><br>Targeted measures will protect the most vulnerable. Cash transfers to poor households will be initiated in urban and rural areas, with the support of the World Bank.<br><br>Electricity and water charges will be temporarily waived for the most vulnerable, and a reserve stock will be built-up to mitigate food security risks. A range of measures will support firms in the most affected sectors and SMEs, including temporary tax relief...<br><br>In view of the COVID-19 shock, staff supports a temporary widening of the fiscal deficit to allow the authorities to address the health | established, as part of the Treasury Single Account at the central bank, to receive and disburse COVID-19 funds.<br><br>The authorities will publish monthly reports on the execution of COVID-19 related spending and timely ex-post control of high-risk expenditures will be conducted by the inspectorate-general for finance, with the involvement of civil society. The authorities will publish online, on the websites of the Ministry of Economy and Finance and the Ministry of Budget, all awarded procurement contracts for COVID-19 related projects, including the names of the entities and their beneficial owners. A full audit of COVID-19 spending (including ex-post validation of goods and services procured) will also be conducted by the Court of Accounts and published online by June 2021. | |

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| | | | crisis and mitigate its severe economic impact. The impact of the COVID-19 pandemic and the needed policy response will lead to a basic fiscal deficit of 2 percent of GDP in 2020, against a programmed surplus of 0.6 percent of GDP. | | |
| Guinea-Bissau<br><br>Approved on January 25, 2021<br><br>Approved on April 13, 2020<br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 14.2 million (equiv. to $20.47 million, 50% of quota)<br><br>CCRT Grant (1)<br>SDR 1.08 million (equiv. to $1.48 million)<br><br>CCRT Grant (2)<br>SDR 1.36 million (equiv. to $1.92 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-GNB.htm<br><br>High risk of external and overall debt distress | **Staff Report**<br>High spending pressures related to health and social measures, combined with lower revenues, generated a significant increase in the fiscal deficit in 2020…<br><br>To mitigate the immediate impact of the pandemic the government made emergency allocations of: (i) CFAF 222 million (US$ 0.4 million) to provide medicine, food, and medical equipment; and (ii) CFAF 580 million (US$ 1.0 million) to distribute 20,000 bags of rice and 10,000 bags of sugar throughout the country, including in distant areas…<br><br>Additional actions were needed to deal effectively with the health and economic fallout of the pandemic. The authorities have targeted | **Staff Report**<br>The authorities are committed to reinforce fiscal governance and transparency and to ensure COVID-19 related budgetary allocations are spent appropriately.<br><br>***Expenditure control.*** In line with the recommendations in the 2019 IMF Technical Report on Governance and Anti-Corruption, the authorities reestablished the Treasury Committee. All expenditure, including those related to COVID-19 will be approved by the Committee. COVID-19 related funds will be managed using a dedicated account at the BCEAO to facilitate traceability and accountability | **Press Release**<br>As the pandemic eases, the authorities are committed to put in place a fiscal consolidation program to ensure debt sustainability while addressing the country's vast developmental needs…<br><br>The authorities are also committed to pursuing their reform agenda and their engagement with the IMF through a staff- monitored program to build a sound track record toward a possible Extended Credit Facility arrangement.<br><br>**Staff Report**<br>In 2021, the authorities will initiate an ambitious fiscal consolidation program to ensure |

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| | | | additional spending needs of about CFAF 43.1 billion (5.2 percent of GDP) for the health sector, assistance to vulnerable households, and support for the hard-hit cashew nut sector.<br><br>***Health expenditure***. The authorities are upgrading the existing hospital capacity and equipment, which is estimated to require CFAF 21.3 billion (2.6 percent of GDP). They have increased compensation of hospital staff by a monthly CFAF 53 million, and rehabilitated the main hospital for CFAF 100 million.<br><br>***Assistance to households***. The government has increased its targeted number of families to benefit from food supply from an initial 3,000 to 20,000 and provided other family support (CFAF 100 million). A cash transfer program, possibly channeled through the WFP, is also contemplated for 10,000 families in need, in the form of a single payment of CFAF 40,000 (about US$70). Additional payments would be contingent on securing | of the funds and will be subject to an ex-post independent audit by a reputable third-party who will carry out jointly with the audit court (Tribunal de Contas) (with the terms of reference to be agreed in consultation with the IMF staff), and published on www.govgb.gw within 9 months after the end of the fiscal year. All COVID-19 expenditure will be reflected in the budget submitted to Parliament and the authorities will publish bimonthly reports on COVID-19 expenditures drawn from the dedicated account at the BCEAO. An emergency decree will allow for a streamlined but transparent procurement process.<br><br>***Transparency***. COVID-19 related procurement contracts will be published on the government's website within one week of procurement with the name of the awarded | medium-term sustainability while continuing to provide support for economic recovery. Based on the 2021 draft budget—discussed with the IMF staff—the fiscal cash deficit is projected to fall to 7.6 percent of GDP…<br><br>To sustain the recovery, the budget includes COVID-19- related investments in healthcare and other investments to support food security of 1.5 percent of GDP while protecting transfers to vulnerable families. The joint fiscal consolidation efforts from revenue measures, wage consolidation and reduced transfers to SOEs on the back of better management amount to 2.2 percent of GDP.<br><br>In 2020, despite the pandemic, the authorities started to rebuild track record by adopting prudent fiscal policies that foster reengagement with the donor community. The authorities have implemented and are planning to implement measures to |

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| | | | financial resources. The overall financial envelope that has been in place to assist households by the government amount to CFAF 0.7 billion (0.1 percent of GDP).<br><br>***Support to the cashew nut sector.*** The government has provided direct support to the agricultural campaign for CFAF 790 million. It has used the BCEAO special refinancing window for "Covid-19 T-Bills" issued by the State for an amount of about US$27 million (CFAF 15 billion or 1.8 percent of GDP) for on-lending by domestic commercial banks to the cashew nut sector. This facilitated the purchase and storage of about half of this year's cashew production; and helped secure continued employment in this critical sector. | companies, their beneficial owners, the specific nature of the goods or services procured, their price per unit, the overall contract amount. In addition, ex-post validation of delivery reports will be published on the same website within three months of the end of the execution period for each contract.<br><br>Earmarking procedures will be used for dedicated funds (e.g. donor grants) to cash transfers. Transparent criteria for selecting beneficiaries of in-kind and cash transfers will be specified. Resources on lent to the banks to support the cashew nut sector will be subject to transparent approval and reporting processes. Staff will advise to tag COVID-19 related expenditures in the budget.<br><br>. | strengthen revenue mobilization, rationalize the wage bill and improve the debt maturity profile to underpin fiscal consolidation and debt sustainability.<br><br>**Guinea Bissau IMF ED Statement** Looking ahead, the authorities are committed to resuming fiscal consolidation once the crisis recedes and bringing the deficit to 3 percent of GDP in 2024, consistent with the WAEMU convergence criterion and the debt-to-GDP ratio ceiling of 70 percent by 2025. Meanwhile, they plan to embark on a pro-growth fiscal adjustment, starting with the parliament's approved 2021 budget in December…<br><br>Furthermore, in case of a shortfall in donor support, the authorities will redouble their efforts to rationalize non-priority spending and scale back non-urgent public investments to help meet their fiscal targets. |

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| Kenya<br><br>Approved on May 6, 2020 | Rapid Credit Facility (RCF)<br>SDR 542.8 million (equiv. to $739 million, 100% of quota)<br>(budget support) | High overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-KEN_files/sheet001.htm | **Staff Report (reiterated in the Letter of Intent)**<br>The authorities have set up an inter-ministerial National Emergency Response Committee in February 2020 to lead the country's response to COVID-19. The Committee has successfully undertaken a wide range of measures to prevent the spread of COVID-19 and protect the population's health…<br><br>The economic impact, however, has been large, and the authorities have taken significant steps to mitigate the impact of the shock on businesses and vulnerable households prone to poverty. Parliament was set to pass in late-April a supplementary budget for 2019/20 that reflects additional COVID-19 related expenditure in health and other areas of about 0.4 percent of GDP in 2019/20 and tax relief of a similar magnitude. The authorities are also reprogramming previously planned health expenditure to support their COVID-19 response. | **Staff Report**<br>Safeguarding Fund and other financial assistance should ensure that such assistance is used for the very urgent purpose of resolving the current crisis.<br><br>To that end -<br>- the authorities should undertake independent audits of samples of crisis mitigation spending and publish the results of these audits.<br>- They should publish documentation on related procurement contracts on the government's website, together with ex-post validation of delivery along with the name of awarded companies and the name of their beneficial owners. - Once the crisis abates, the authorities should introduce legislation to improve their capacity to detect illicit enrichment and to address conflicts of interest in line with international best practices and | **Press release**<br>A pause in the authorities' fiscal consolidation plans to accommodate COVID-19-related measures is appropriate. These measures should be temporary and well-targeted. Once the crisis abates, it is critical that the authorities resume their pursuit of a growth-friendly medium-term fiscal adjustment, including raising revenues as a share of GDP, to reduce debt vulnerabilities.<br><br>**Staff report (reiterated in the Letter of intent)**<br>Staff supports the authorities' plan to pause fiscal adjustment in the near term to accommodate COVID-related fiscal measures. Staff recommends that tax relief measures in response to the shock be made temporary and reversed once the crisis has passed…<br><br>A mission took place during February 19–March 3, 2020 to conduct combined Article IV discussions and discussions for a new precautionary Fund-support |

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| | | | Nevertheless, staff estimates that an additional 0.6 percent of GDP in spending could be required above what has allocated so far, including to protect livelihoods of those whose incomes have suffered from the economic disruption….<br><br>The CBK transferred financial gains of KES 7.4 billion from the recent currency exchange to the Treasury to support the budget….<br><br>The new supplementary budget reflects accommodation of additional expenditure relative to the previous budget and fiscal measures to protect vulnerable groups:<br>• COVID-19 spending interventions of KES 40 billion (0.4 percent of GDP) in 2019/20. Includes KES 5 billion in the health sector, as well as reallocation of previously planned expenditure, most of which will be covered by a USD 60 million support package from the World Bank that also covers 2020/21; KES 13 billion to expedite clearance of unpaid bills with suppliers; KES 10 billion to fast- | Fund advice; and improve fiscal transparency by expanding the quality and coverage of government finance statistics and commencing quarterly reporting on government fiscal outturns and annual reporting for the consolidated non-financial public sector, including public corporations. | arrangement. Good progress was made towards such an arrangement and the authorities continue to view such a program as critical…<br><br>For 2021/22 and beyond, the authorities envisage further fiscal adjustment based on improvements in public procurement and public expenditure management that would allow for reductions in spending as a share of GDP without adversely affecting the quality of public services or achievement of their Big 4 Agenda for universal health care, agriculture, housing, and manufacturing. Staff recommend that revenue measures also be part of the medium-term fiscal consolidation strategy, with the aim of restoring and then raising the revenue-to-GDP ratio above that prevailing before the COVID crisis.<br><br>Staff supports the authorities' plan to pause fiscal adjustment in order |

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| | | | track VAT refunds; and KES 10 billion for cash transfers to the elderly, disabled, and low-income households.<br><br>• A package of tax measures that includes full income tax relief for persons earning below the equivalent of $225 per month; reduction of the top pay-as-you-earn rate from 30 to 25 percent; reduction of the standard corporate income tax rate from 30 to 25 percent; reduction of the turnover tax rate on small businesses from 3 to 1 percent; reduction of the standard VAT rate from 16 to 14 percent; and elimination of a long list of exemptions in the VAT and corporate income tax. The annual cost of these tax relief measures is estimated at 1.7 percent of GDP. The elimination of tax exemptions is not expected to produce significant additional revenue in 2019/20 but is intended to over time make the package largely revenue neutral.<br><br>• Relaxation of the fiscal deficit from the previously targeted 6.3 percent | | to mount a strong response to the COVID-19 crisis; but urges that tax relief measures be made temporary. The authorities remain committed to fiscal consolidation in 2020/21 and over the medium term to reduce macroeconomic vulnerabilities….<br><br>Staff and the authorities continue discussions, initiated in February-March 2020, on the outlook for 2021 and beyond on policies that could further strengthen economic performance over the medium term and form the basis for an agreement under a potential Fund-supported arrangement. To help achieve the objective of consolidation, staff advise implementing measures to raise revenues as a share of GDP over the medium term.<br><br>**Letter of Intent**<br>We also plan to subsequently resume our discussions on a potential precautionary Stand-By Arrangement/Standby Credit Facility to support our economic |

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| | | | of GDP to 7.8 percent of GDP. The new deficit target reflects the measures above as well as reduced revenue…<br><br>Staff recommends that the authorities prepare a contingency plan to address a potential deepening of the shock. Given Kenya's limited fiscal space, additional spending for health and social protection in 2020/21 and beyond what is incorporated in the baseline would need to be financed by a reduction in nonpriority spending or the introduction of revenue measures. A list of lower-priority public investment projects should be identified in case that need arises. | | program, which were initiated in February this year. Our reforms seek to support our continued objective of a growth-friendly fiscal adjustment that protects public investment and priority social spending, boosts revenue performance, and reduces public debt as a share of GDP. |
| Lesotho<br><br>Approved on July 29, 2020 | Rapid Credit Facility (RCF)<br>SDR $11.7 million (equiv. to $16.5 million, 16.7% of quota)<br><br>Rapid Financing Instrument (RFI) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-LSO.htm<br><br>Moderate overall risk of debt distress | **Staff Report**<br>The health and economic crisis stemming from COVID will worsen the fiscal deficit and create pressure on the BOP. Domestic revenues are expected to fall by 7 1⁄4 percent of GDP compared to the pre-COVID scenario, while additional expenditures on healthcare and | **Staff Report**<br>The authorities are committed to enhancing budget transparency and accountability. They have committed to consistent reporting on budget implementation through a quarterly budget outturn | **Staff Report**<br>The authorities have begun setting out plan for post-pandemic adjustment, and announced their intention to seek Fund support in this regard. Staff and the authorities agree on the need to reduce the wage-to-GDP ratio |

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| | SDR 23.2 million (equiv. to $32.6 million, 33.3% of quota) | | mitigation measures in response to the economic consequences of the virus are expected to exceed 5 percent of GDP…<br><br>The authorities have prepared a plan to respond to the health and economic consequences of the pandemic. An initial M700 million (about 2 percent of GDP) was allocated for the National Emergency Budget for COVID-19, to finance additional health care personnel, purchase of critical goods and services… In addition, the authorities are in the process of implementing a package of economic relief and social protection measures including the following:<br>• Expanding social protection: Existing cash transfers, such as the Child Grant Program will be topped-up. Public assistance will be expanded for 3 months, at a cost of M900 million, to add vulnerable groups such as children, elderly disabled, and those working in the informal sector. The authorities are | document, including a full accounting of all COVID-related expenditures.<br><br>Internal audits will be conducted of the spending on a quarterly basis, with ex-post audit by the Auditor General which will be submitted to the Ministry of Finance and the Public Accounts Committee of Parliament.<br><br>To ensure enhanced transparency and accountability of COVID-19 related spending, the government will also publish COVID-related procurement documentation (including tenders, bids, and names of awarded companies and their beneficial ownership) on their website. | over the medium term…<br><br>Careful prioritization of expenditures could deliver a growth-friendly consolidation while still protecting the vulnerable. In this regard, the medium-term measures set out in the LOI [Letter of Intent] are a good foundation, and close engagement with the IMF through a Fund-supported program could help to further specify and implement the adjustment…<br><br>Ensuring sustainability in the post-COVID world will require strong efforts to control recurrent expenditure, particularly on the wage bill.<br><br>**Letter of Intent**<br>We are wishing to reiterate our interest in exploring and pursuing a medium-term program with the IMF after the immediate crisis is resolved, with the intention to anchor the necessary adjustments and ensure sustainability. |

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| | | | providing a three-month stipend to industrial workers furloughed as a result of the COVID crisis.<br>• Supporting food production: M100 million in subsidies to support production and increase uptake of M100 million in matching grants<br>• Supporting businesses: The authorities intend to clear M800 millions of arrears to MSMEs… They are expanding credit guarantee facilities by M450 million, while shifting risk exposure towards the government and loosening collateral requirements. They are also offering grants and rent subsidies to MSMEs and rent holidays to firms renting from the Lesotho National Development Corporation and local and municipal governments.<br>• Tax relief measures: The Lesotho Revenue Agency will defer CIT for the first two quarters for all businesses and provide tax | | |

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| | | | deferrals for the Pay as You Earn (PAYE), VAT, and Simplified Business Taxes for non-essential service providers.<br><br>The key priority is to meet all urgent health-related spending. Secondly, the authorities should ensure that fiscal policy cushions the most vulnerable from the effects the COVID-19 shock. A revised budget would be the preferred way to ensure these priorities are met, and staff encourage the authorities to pursue this option as the situation allows. | | |

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| Liberia<br><br>Approved on June 5, 2020<br><br><br><br><br>Approved on April 13, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 36.17 million (equiv. of $50 million, 14% of quota)<br>(budget support)<br><br><br>CCRT Grant (1)<br>SDR 11.63 million (equiv. to 15.92 million)<br><br>CCRT Grant (2)<br>SDR 11.19 million (equiv. to $15.78 million) | High risk of overall debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-LBR.htm | **Press Release**<br>The authorities remain committed to protecting the most vulnerable amidst a significant revenue shortfall. The initial response to the pandemic, including the emergency food aid program, is welcome, but more remains to be done.<br><br>**Staff Report**<br>The impact will hit the poorest as there is little or no social safety net and the food security of those relying on uncertain daily income is a pressing concern. The full scale of the COVID spread is unknown, but the health care system is underdeveloped and likely to be overwhelmed should cases rise.<br><br>The authorities' policies to address the pandemic include direct measures (quarantine requirements and a nation-wide lockdown announced on March 22; and fiscal measures, including securing a US$3 million emergency response budget. More policy responses are however needed, requiring close cooperation between the authorities and | **Staff Report**<br>The authorities are determined that timely monitoring and control of spending improves, including to ensure that crisis spending reaches the intended population…<br><br>However, a central weakness remains—in that some institutions are not required to spend through the Integrated Financial Management and Information System (IFMIS). The Public Finance Management Act (PFMA) requires autonomous agencies and special funds receiving advance funding from the central government to report their monthly spending to the Ministry of Finance each month.<br><br>The Ministry of Finance's guidance is that they should report their spending in the IFMIS before the next funding is disbursed. However, some non-compliant institutions | **Letter of Intent**<br>Looking ahead to FY2021, increasing revenue shortfalls and the need for some additional COVID-19-related spending will likely produce a cumulative fiscal gap of about 3 1⁄2 percent of GDP across both fiscal years…<br><br>On the fiscal side, in FY2021 we expect a combination of IMF disbursements, generous additional budget support from our major donors, and moderate cuts to wages, subsidies and capital spending to largely compensate for lost revenue, allowing health and social safety net spending in our FY2021 budget to approximate the level anticipated under our ECF-supported program…<br><br>We remain committed to the goals and policies contained in **our ECF-supported program**, and look forward to completing the first review once the COVID-19 situation eases. Our focus over the few months will need to be on |

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| | | | development partners, including: procuring and distributing medical supplies; ensuring households have access to food throughout the lockdown; and funding and executing the budget—including paying wages to health workers even in the face of anticipated revenue shortfalls.<br><br>The Liberian authorities are enhancing their response including by: putting all available domestic resources into the government consolidated account; reallocating non-essential spending to emergency food aid; improving monitoring and control of spending; and safeguarding scarce foreign exchange reserves.<br><br>The authorities are hoping to finalize a COVID-19 preparedness plan in conjunction with the donor community together with its financing. External support to Liberia in response to COVID-19 is likely to be firmed up once the comprehensive plan has been finalized. Areas of concentration | continue to receive advances, especially if deemed to provide important social services.<br><br>The authorities have therefore imposed the requirement, beginning July 1, 2020, that all budgetary spending entities utilize the IFMIS for all their expenditure. Combined with the advances in expenditure monitoring and control made to date and further advances in cash management, this should be sufficient to ensure that all government revenue, commitment spending and cash spending is reconciled with government bank statements and monitorable on a weekly basis.<br><br>The Ministry of Finance will begin publishing weekly spending reports including non-compliant institutions' unreconciled spending amount on its website effective immediately. This measure should help ensure that crisis- | short-term macroeconomic and fiscal stability and crisis response.<br><br>However, looking ahead, in consultation with IMF staff, we have already clearly identified the actions necessary to bring our ECF-supported program back on track. We want to return quickly to the growth and macroeconomic trajectory outlined in our ECF-supported program, as we continue to regard this framework as both appropriate and necessary for the underpinning of our medium-term development plan, the Pro-Poor Agenda for Prosperity and Development, and will continue to seek donor assistance in support of this plan.<br><br>**Liberia IMF ED Statement**<br>The authorities reiterate their commitment to reforms under the ECF arrangement to stabilize macroeconomic conditions and lay the foundation for inclusive and durable growth. Once the crisis subsides, they will resume fiscal consolidation to support debt |

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| | | | under the plan include support to health care workers, purchase and rehabilitation of health care equipment, procurement of drugs and other medical supplies, and deployment of surge staff to contact tracing activities, border areas, rapid response teams, training of responders, planning, communications and information sharing, staffing and equipping of laboratories, and logistical and supply support…<br><br>The COVID-19 Household Food Support Program (COHFSP) was conceived in early April. The COHFSP, initially started as a support to the poor during a planned total lockdown, has since evolved into a nation-wide feeding program to provide social protection to those living in poverty and to further food security. To make this program inclusive, a Steering Committee (SC) was formed on April 18, composed of political party leaders, civil society, religious leaders, cabinet members, as well as development partners, to oversee | mitigation funds are used for their intended purpose.<br><br>The authorities have committed to the General Audit Commission conducting a post- crisis audit of crisis spending within a year of the date of approval of the RCF disbursement. This action will not only ensure that the crisis spending is not wasted, but will also provide lessons that will be needed to further strengthen existing systems—not only to effectively respond to crisis situations, but to improve public sector spending more broadly in the post-crisis period.<br><br>For transparency, the authorities will publish the results of the audit within two weeks of its finalization. They will also publish on the government's website all procurement contracts paid from the budget in the remainder of FY2020 and all of | sustainability, including domestic revenue mobilization and rationalization of expenditures. |

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| | | | the program. The SC weighed need against available resources and decided that the program will cover a total of 2.5 million people, cover all 15 counties, and feed the targeted population for 30 days… | FY2021 above a value of US$200,000 for goods, above US$400,000 for public works, and above $100,000 for services along with the names of the companies awarded the contract, their beneficial owners, and validation of delivery of the goods and services specified in the contracts. | |
| Madagascar (1 of 2)<br><br>Approved on April 3, 2020<br><br>Approved on April 13, 2020<br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 122.2 million (equiv. to $165.99 million, 50% of quota)<br>(budget support)<br><br>CCRT Grant (1)<br>SDR 3.06 million (equiv. to $4.19 million)<br><br>CCRT Grant (2) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-MDG_files/sheet001.htm<br><br>Moderate overall risk of debt distress | **Staff Report**<br>In an effort to mitigate the impact of the pandemic on Madagascar, the President of the Republic of Madagascar declared on March 21 a state of health emergency and the government has started to implement the following measures:<br>• Increasing health spending, with the prioritization and reorientation of spending, and through targeted investments to strengthen the health system, following the activation | N/A | **Staff Report**<br>They [the authorities] remain committed to promote stronger, more inclusive, and sustained growth, and reiterated their interest in beginning discussions on a successor ECF as soon as the current crisis has stabilized…<br><br>Beyond the immediate response to the current shock, the authorities are committed to continue reforms, as outlined in the recent Article IV/6th ECF |

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| | SDR 3.06 million (equiv. to 4.31 million) | | of the national contingency plan to fight the pandemic and with the support of development partners. For example, on March 12, 2020 the World Bank, provided a grant of $3.7 million to strengthen prevention against the Covid-19 pandemic, purchase materials and equipment, and train health workers. This grant is expected to be increased up to $13.9 million in coming days. The Government also announced that it will cover individual health expenses related to the pandemic.<br>• Strengthening social protection by supporting the most vulnerable, to contain the epidemic while mitigating its negative financial consequences. First measures include government donations (notably rice, sugar, dry peas, soap, and oil) to the most vulnerable, notably the homeless and the elderly, as well as some workers in the | | Review Staff Report, including: On fiscal policy, the main objective remains creating fiscal space to finance investment and raise social spending based on a sustained and well-sequenced strategy covering both revenue administration and tax policies…<br><br>The authorities must focus on immediate measures to mitigate short- term economic and financial impacts and to preserve macroeconomic stability. While discussions on a new multi-year successor arrangement are planned, they cannot be concluded immediately…<br><br>Beyond this much-needed immediate financial assistance, the authorities have reaffirmed their willingness to remain engaged with the IMF, to benefit from its policy advice and its technical assistance. They have also reiterated their interest in initiating discussions for a successor arrangement that would support their economic reform |

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| | | | informal sector particularly affected (such as taxi and other public transport drivers and street vendors). In addition, workers temporarily out of work can postpone repayment of their mortgage or consumer credit for the next three months.<br>• Supporting the private sector to safeguard the financial viability of companies and limit the impact of the crisis caused by this external shock, especially on employment. After meetings with the private sector (including the banking sector), the government announced a number of tax measures, including some deadline extensions for certain declarations and payments, and some tax exemptions on social and health spending related to the Covid-19 pandemic. In addition, in case of temporary impediments to work ("chomage technique"), employees can benefit from a government allowance while | | strategy. |

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| | | | the employer social contributions are suspended. | | |
| Madagascar (2 of 2)<br><br>Approved on July 30, 2020 | Rapid Credit Facility (RCF)<br>SDR 122.2 million (equiv. to $171.9 million, 50% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-MDG_files/sheet001.htm<br><br>Moderate overall risk of debt distress | **Press Release**<br>The additional disbursement under the RCF will help finance health and economic relief spending under the government's national contingency plan to fight the pandemic and continue to catalyze further support from donors.<br><br>**Staff Report**<br>The authorities are continuing to implement priority measures to strengthen the health system and preserve macroeconomic stability, while the President has extended the state of health emergency until end-July. These measures include<br><br>(i) targeted investments to strengthen the health system following the activation of the national contingency plan to fight the pandemic with the support of development partners;<br><br>(ii) the implementation of a social emergency plan to support the most | **Staff Report (reiterated in the Letter of Intent)**<br>The IMF and other development partners have jointly stressed that the challenges for public financial management (notably the lack of transparency), which existed prior to the pandemic, are even more acute in current circumstances.<br><br>In response, the government has committed to ensuring that the financial assistance received is used for the intended purposes, including with the publication of the list of financial transfers, the full text of procurement contracts related to the response to the pandemic and their beneficiaries, and post-crisis audits of pandemic-related procurement contracts and of the Pandemic Response Fund…<br><br>To improve the transparency | **Staff report**<br>Beyond 2020 and once the crisis abates, the authorities are committed to continuing reforms as outlined in IMF Country Report No 20/100. An appropriate fiscal adjustment path will need to be determined to maintain public debt at prudent levels. Strengthening custom and tax revenue mobilization will therefore be crucial to create enough space for needed priority investment and social spending…<br><br>The authorities have reiterated their interest in initiating discussions for a successor arrangement that would support their economic reform strategy toward sustained, more inclusive and diversified growth, and help catalyze private investment and donor financial support.<br><br>**Madagascar IMF ED Statement**<br>Going forward, the authorities will pursue prudent policies to |

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| | | | vulnerable;<br><br>(iii) support to the private sector (including some tax exemptions, deadline extensions for certain declarations and payments, and a moratorium on bank credits for companies facing temporary difficulties) …<br><br>To strengthen and coordinate these mitigation measures, a multi-sectoral response plan has been developed. The management of the pandemic in Madagascar is conducted at three distinct levels:<br><br>(i) the *political level* under the lead of the presidency in collaboration with the prime minister and the ministries;<br><br>(ii) the *strategic level* under the lead of the prime minister with the ministries in charge of essential sectors defining the Multi-sectoral National Response (MNR); and<br><br>(iii) the *operational level* with the COVID-19 Operational Command | and traceability of COVID-19-related spending, the government adopted a decree on July 1 establishing a dedicated COVID-19 Pandemic Response Fund and defining the associated control and accountability framework. An IMF remote technical assistance mission requested by the Ministry of Economy and Finance reviewed the draft decree and provided practical advice and guidance on adapting the budget nomenclature to ensure appropriate tracking of COVID-19 related expenditure.<br><br>Information on legal entities that received pandemic-related procurement contracts, including the names of their beneficial owners, will be published on-line along with ex post-delivery reports, and the contracts will be subject to an independent, third-party audit. To enhance transparency, staff recommended to channel all | preserve fiscal and debt sustainability over the medium-term in line with the objectives of the *Plan Emergence Madagascar* (PEM). They will shift the fiscal policy stance to consolidation by unwinding temporary measures related to the pandemic once the health crisis abates. Ongoing reforms to improve revenue mobilization, enhance public financial management, and strengthen the financial situation of some public enterprises would be sustained…<br><br>The authorities reiterate their interest in a successor arrangement under the Extended Credit Facility to support their development strategy under the PEM. |

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| | | | Center (CCOC) ensuring the implementation of actions and coordination, chaired by the minister of the Interior and Decentralization.<br><br>The MNR covers health, social protection, water and sanitation, food security, gender violence, and the private sector. According to World Bank estimates, the support to social sectors and the private sector mitigation plan would reach respectively 1.1 and 1.6 percent of GDP:<br><br>• Several social safety net measures have been launched to support vulnerable households, notably with government in-kind donations and an unconditional cash transfer program…<br><br>• The support to the private sector is centered around the following measures: (i) tax relief measures and the extension of tax filling and payment deadlines; (ii) job | emergency financing through the fund.<br><br>**Letter of Intent**<br>… we have finalized a decree establishing the “COVID-19 Pandemic Response Fund”, with technical assistance from the Fund, defining its resources, and the associated framework for operational management, for control and accountability…<br><br>… the “Cour des Comptes”, in consultation with external/third-party auditors, will proceed to an independent audit of the emergency fund for 2020 and produce a report, which will be also published on-line by end-December 2021. | |

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| | | | preservation through temporary salary subsidies, capacity building, and support to remote working;(iii) support to private firms through credit easing or partial guarantee schemes, and technical assistance to SMEs… | | |
| Malawi (1 of 2)<br><br>Approved on May 1, 2020<br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 66.44 million (equiv. to $91 million, 47.9% of quota)<br>(not budget support – see below)<br><br>CCRT Grant (1)<br>SDR 7.20 million (equiv. to $9.85 million)<br><br>The [RCF] disbursement would be provided to the RBM and would meet 53 percent of the urgent balance of | High risk of overall debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MWI.htm | **Staff report**<br>To mitigate the impact of the pandemic on Malawi, the government is implementing the following measures, which staff broadly support:<br>• Increase health sector outlays related to containing and managing COVID-19— including developing testing capabilities, equipping treatment centers, importing medical equipment and supplies, hiring 2000 additional medical staff, and raising public awareness—by 0.3 percent of GDP in FY 2019/20 and at least 0.3 percent of GDP in FY 2020/21. Beyond this, development partners, who finance and administer nearly half of total health care provision in Malawi (mostly off- | **Staff report**<br>To ensure enhanced transparency and accountability of COVID-19 related spending, the PPDA will also publish the names of the beneficial owners of the awarded companies and conduct and publish a thorough ex-post validation of delivery; and the Ministry of Finance will publish quarterly statements on commitments and payments of COVID-19 related activities, specify COVID-19 related costs in the published monthly salary report and in their budget funding and cash management analysis. | **Press release**<br>Once the crisis abates, it will be important to safeguard medium-term debt sustainability by boosting domestic revenue mobilization and enhancing public financial management.<br><br>**Staff report**<br>Discussions on the 4th review under the Extended Credit Facility (ECF) arrangement will be continued when there is greater clarity on the outlook—necessary for developing or modifying future performance criteria and setting timelines for structural reforms under the arrangement—which is clouded by the evolving nature of the pandemic. |

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| | payments needs caused by the sudden exogenous shock from the COVID-19 pandemic—budget support is not being proposed at this time given sufficient domestic liquidity to finance the larger deficits and that a substantial portion of health care and social assistance programs are off-budget programs financed and operated by development partners. | | budget), are also in the process of increasing their outlays.<br><br>• Increase social assistance spending under the social cash transfer program (SCTP) to help the most vulnerable households mitigate the economic impact of the virus. Government spending on SCTP covers only one district and less than 10 percent of total SCTP spending; development partners directly finance and administer the rest of the SCTP program (on-budget). In response to COVID19, during FY 2019/20, under the foreign financed portion of the SCTP, the number of beneficiaries—especially in urban areas—has been expanded through universal transfers to all residents of vulnerable urban neighborhoods (identified from census data). In FY 2020/21, the transfers provided to each recipient of the SCTP will be permanently raised by 40 percent (for both the government and foreign-financed portions). | The National Audit Office will submit quarterly audits of COVID-19 related spending to the Minister of Finance (for submission to Cabinet) and, once the pandemic abates, will publish and submit to Parliament a comprehensive audit of COVID-19-related spending by the government and ADMARC (Agricultural Development and Marketing Corporation). | … the authorities are committed to advancing their medium-term economic reform program, supported by the ECF arrangement, which seeks to entrench macroeconomic stability and enhance poverty-reducing and resilient growth.<br><br>Key measures include:<br>• To strengthen medium-term public debt sustainability and ensure sufficient fiscal space for critical resilience building and social and development spending, a domestic revenue mobilization strategy will be implemented as soon as the pandemic passes—including comprehensive VAT reforms—as well as continued improvements in spending efficiency…<br><br>Performance under the Extended Credit Facility (ECF) arrangement has been broadly satisfactory… |

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| | | | • Purchase and storage of maize by the Agricultural Development and Market Corporation (ADMARC, a state-owned enterprise), financed by borrowing from banks and 0.1 percent of GDP from the budget for each of FY 2019/20 and FY 2020/21. This measure is intended to mitigate the impact of partial market closures on farmers' incomes and ensure food security for the second half of the year—especially for the most vulnerable.<br><br>• Granted tax waivers on imports of medical equipment, medicine and other supplies directly needed to counter the pandemic.<br><br>• To free resources to fight the pandemic, temporarily reduced salaries of high-ranking government officials and will delay spending on goods and services and development projects (in non-health areas)—including through review of on-going and planned projects—that are not essential to tackling the immediate crisis. | | |

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| Malawi (2 of 2)<br><br>Approved on October 2, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 72.31 million (equiv. to $101.96 million, 52.1% of quota)<br><br><br>CCRT Grant (2)<br>SDR 7.2 million (equiv. to $ 10.15 million) | Moderate risk of external debt distress<br><br>High overall risk of debt distress | **Staff Report**<br>The authorities continue actively implementing measures to mitigate the impact of the pandemic and preserve macroeconomic stability. These measures include:<br><br>*Strengthening the health system*. Key investments already underway include developing testing capabilities, equipping treatment centers, importing medical equipment and supplies, continued payment of risk allowances and salaries for additional medical staff, and raising public awareness—requiring at least 0.4 percent of GDP in FY 2020/21. Development partners, who finance and administer nearly half of total health care provision in Malawi (mostly off-budget), have also increased their outlays.<br><br>*Stepping-up social spending.* Social assistance under the social cash transfer program (SCTP) has been increased to help the most vulnerable. This program—administered by the government—is | **Staff Report**<br>The authorities are committed to ensuring that all government spending to manage and contain the impact of the COVID-19 pandemic is transparent and efficient…<br><br>Regular publication of procurement documentation (tenders, bids, and names of awarded companies, products or services procured and their costs) on the Public Procurement and Disposal of Assets (PPDA) website (https://www.ppda.mw/#) has been expanded to include the names of the beneficial owners of the awarded companies. The PPDA conducts and publishes an ex-post validation of delivery on a contract-by-contract basis.<br><br>The Ministry of Finance is on-track to (i) publish quarterly statements on commitments and payments of COVID-19 related activities within 90 days | **Press Release**<br>A widening of the budget deficit is appropriate in the near term, given the fiscal costs associated with the economic slowdown and critical pandemic-related spending, which should be executed transparently and targeted at the most affected segments of society.<br><br>To safeguard medium-term debt sustainability and fiscal space for development initiatives, it will be important to formulate medium-term measures now—such as policies that strengthen debt management and boost domestic revenue mobilization—and implement them once the pandemic abates.<br><br>They [the authorities] have expressed their strong interest in a new Extended Credit Facility arrangement that is aligned with the long-term growth strategy currently under development.<br><br>**Staff Report** |

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| | | | financed by development partners (on-budget) except for one district that is financed by the government.<br><br>The new Affordable Input Program (AIP, a key element in the FY 2020/21 budget), replacing the Farm Input Subsidy Program (FISP), is expected to reach four times as many smallholder farmers. This measure is intended to provide additional support for rural households (especially given the high incidence of poverty in rural areas) and to ensure future food security (where the likelihood of climate shocks is very high), which will in turn help contain inflation.<br><br>Education outlays and transfers to universities have been increased (in the FY 2020/21 budget) to facilitate their re-opening—largely providing access to clean water (for washing hands) and facilitating e-learning—recognizing the fundamental role productive youth will play in the near and long term economic recovery from the pandemic. | after the end of each quarter, beginning with FY 2019/20Q4; (ii) publish specifics of COVID-19 related salary costs in the monthly salary report (within 3 weeks after the end of each month, beginning with the September 2020 report, includes costs of hiring additional medical staff and risk allowances); (iii) include COVID-related spending in their budget funding and cash management analysis; and (iv) publish funding earmarked for COVID-19 related spending, including revenues from any new taxes and disbursements of development partner grants and loans (within 3 weeks after the end of each month, beginning with revenues for September).<br><br>The National Audit Office (NAO) is preparing for its first quarterly audit of COVID-19 related spending (to be completed within 180 days after the end of each quarter, | Staff and the authorities agreed on a temporary relaxation of the FY 2020/21 stance to accommodate the deteriorated economic outlook as well as the need for fiscal consolidation over the medium-term. The new government is still formulating medium-term measures that would be consistent with the new long-term growth strategy under development…<br><br>Staff welcomes the authorities' continued efforts to contain and manage the spread of the pandemic. The relaxation of the FY 2020/21 stance is appropriate to accommodate the deteriorated economic outlook and critical measures to address the impact of the pandemic— including increased spending on health care, social assistance, and measures to ensure future food security.<br><br>While the risk of external debt distress remains moderate, with high overall risk of debt distress, the new government is committed |

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| | | | *Supporting the private sector*. Measures to provide relief to households and businesses (all in place since Spring 2020 and relevant items reflected in the FY 2020/21 budget), include certain tax waivers, reduced waiting time for pension gratuity payments, loan restructuring, a moratorium on debt service for SMEs… and waiving fees on mobile money transactions to encourage cashless transactions.<br><br>For FY 2020/21, the draft budget (presented in mid-September) continues to be discussed by Parliament. Until the budget is approved, a provisional budget (approved by Parliament on June 30, 2020), which allows for essential spending, is in effect.<br><br>In fiscal policy discussions centered around:<br><br>*Doubling of the PIT threshold.* Staff strongly advised against this regressive measure, which disproportionately benefits the wealthy; and encouraged the | beginning with FY 2019/20Q4), which will be provided to the Minister of Finance for submission to Cabinet. The NAO also plans to conduct a comprehensive post-COVID-19 audit of relevant spending by the government and the Agricultural Development and Marketing Corporation (ADMARC) that will be published and submitted to Parliament (within 180 days of the pandemic's conclusion). | to formulating medium-term measures—including strengthening domestic debt management and implementation of a comprehensive domestic revenue mobilization strategy soon after the pandemic passes—to preserve debt sustainability and reduce debt over time. These measures will be aligned with the new long-term growth strategy under development. This said, staff is concerned about the recent decision to grant a large public-sector salary increase that will likely be permanent and could constrain the fiscal space available going forward for important development initiatives…<br><br>The authorities are committed to pursuing reforms in support of higher, more resilient, and broad-based medium-term growth and governance reforms while preserving macroeconomic stability; and have expressed their intent to request a new multi-year ECF arrangement that is aligned with their new long-term |

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| | | | authorities to consider (i) adjustments to the PIT rate schedule that increase progressivity of income taxation and partially recoup the intended revenue loss and (ii) broader use of tax deferrals and less frequent filing with a view to support businesses…<br><br>*Implementing the AIP.* Staff supports the objective of supporting vulnerable rural households to alleviate poverty and food insecurity. Administration of the AIP using e-vouchers based on a farmer registry that is linked to the National ID system provides a transparent targeting mechanism and measures to ensure good governance of the program... However, staff stressed that targeted cash transfers (e.g., the SCTP) are more effective in supporting rural households… | | economic reform program. However, the accelerating spread of the pandemic and urgent nature of the current balance of payments needs makes it difficult to discuss design of a new ECF arrangement at this time.<br><br>**ED statement:**<br><br>Further, progress is being made in rationalizing the wage bill by reviewing the existing payroll to eliminate ghost workers and other fraudulent claims. The savings realized from this exercise will mitigate the revenue loss from the doubling of the personal income tax (PIT) threshold. |
| Mali<br><br>Approved on April 30, 2020 | Rapid Credit Facility (RCF)<br>SDR 146.66 million (equiv. to $200.4 | Moderate overall risk of debt distress | **Staff Report**<br>Emergency budget spending to contain the outbreak and mitigate its economic and social impact is estimated at 2.2 percent of GDP for | **Staff Report (reiterated in Letter of Intent)**<br>… the authorities recognize the importance of safeguarding donors' financial assistance | **Staff Report**<br>The authorities have been implementing a reform program supported by the IMF's Extended Credit Facility (ECF). The main |

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| Approved on April 13, 2020<br><br>Approved on October 30, 2020 | million, 78.6% of quota)<br>(direct budget support)<br><br>CCRT Grant (1)<br>SDR 7.30 million (equiv. to $9.9 million)<br><br>CCRT Grant (2)<br>SDR 7.50 million (equiv. to $10.58 million) | http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MLI.htm | 2020, accompanied by accelerated payments to the private sector. Announced measures focus on strengthening medical care capacity and income support for the most affected households and firms…<br><br>To support the healthcare response, the government is strengthening testing capacities, expanding quarantine and hospitalization facilities, and improving medical care capacities through a planned support to the health sector (including bonuses to health workers).<br><br>*Social measures in support of poorest households.* These measures include the setup of a special fund to provide targeted income support to the poorest households, a mass distribution of grains and food for livestock to poorest households, the supply of electricity and water free of charge to the poorest consumers for the months of April and May 2020 (which will increase subsidies to state-owned suppliers), a 3-month exemption from VAT on | towards this crisis to ensure it is used for its intended purpose and, toward that end, have committed to undertaking and publishing an independent and robust third-party audit of this spending in about a year's time; report quarterly on the spending of the emergency funds; and publish regularly on its website documentation on large public procurement projects, together with ex-post validation of delivery along with the name of awarded companies and the name of their beneficial owner(s).<br><br>**Letter of Intent**<br>We will incorporate all COVID-related spending into a supplementary 2020 budget in due time and will continue publishing information on revenue and expenditure performance…<br><br>The Government has created a special fund to receive contributions from the private | objective of the program is to support strong and inclusive growth, create fiscal space to safeguard social and infrastructure spending in the face of mounting security expenditures, and support reforms to improve governance. The first review under the ECF arrangement was completed on January 8, 2020. Discussions under the second review—to assess the end-2019 fiscal outcomes and recalibrate the program going forward—are infeasible in light of the existing pandemic-related restrictions, the magnitude of the shock, and the uncertainty around the macroeconomic outlook, and will resume when circumstances allow…<br><br>The authorities are committed to returning to the ECF program fiscal objectives when the pandemic's effects have abated. They are confident that the extra resources from international donors will preserve the economic fabric of the country and allow for |

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| | | | electricity and water tariffs, and a 3-month exemption from customs duties on the import of basic food…<br><br>*Support to firms hit by the economic slowdown from the preventive containment measures.* These measures include an SMEs-support guarantee fund of 0.2 percent of GDP; support to the public electricity and water utilities; clearing budget arrears accumulated during this year; and granting tax deferral and relief to ease liquidity constraints on the hardest-hit companies, especially in the hospitality sector (hotels, restaurants, transportation). In addition, the government urged commercial banks to restructure ailing firms' debt, building on the framework set up by the regional central bank (BCEAO) to support firms with repayment difficulties…<br><br>Staff encourages the authorities to ensure that the measures taken are temporary and aimed at addressing the crisis, in order to safeguard the integrity of the tax base and the | sector and citizens, which will be executed in line with budgetary and accounting procedures provided for this purpose under the law.<br><br>In line with our commitment to strengthening institutions and promoting good governance, we are keen to ensure that the best possible use will be made of the funds provided by the developmental partners, the international finance institutions, the private sector and Malian citizens and, to that effect, we will enhance mechanisms of reporting and controls for the disbursement of funds. | a quick recovery, a significant reduction of the fiscal deficit in 2021 and a steady increase of the tax-to-GDP ratio…<br><br>**Letter of Intent**<br>We greatly appreciated the fiscal space exceptionally allowed under the first review of the Fund-supported Extended Credit Facility (ECF) program to safeguard the space for such priority spending…<br><br>The government will continue to be guided by the ongoing reform agenda agreed under the Fund-supported ECF and look forward to having further discussions with the IMF staff on how best to safeguard the objectives of the program in light of Mali's current situation. In particular, we remain committed to taking any further measures that may prove necessary to this end and will consult with the IMF prior to the adoption of any such measures. |

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| | | | medium-term stability of the public finances.<br><br>**Letter of Intent**<br>The COVID-19 pandemic has hit the economy at a time when the country is facing an unprecedented security crisis. The spiral of terrorist attacks and intercommunal clashes have given rise to significant loss of life and to a jump in the insecurity-afflicted populations in need of humanitarian assistance. In response, the government has been forced to allocate steadily increasing budget resources to military and security spending (including for the ongoing recruitment of 12,500 additional soldiers) at the expense, unfortunately, of social and development spending… | | |
| Mozambique<br><br>Approved on April 24, 2020 | Rapid Credit Facility (RCF)<br>SDR 227.2 million (equiv. to $309 million, 100% of quota)<br><br>CCRT Grant (1)<br>SDR 10.89 million | In debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MOZ_files/sheet001.htm | **Staff report**<br>The authorities' immediate priority is to limit the impact of the pandemic and preserve macroeconomic stability. Health spending is being increased and measures to protect the most vulnerable members of society and | **Staff report (reiterated in the Letter of Intent and the Mozambique IMF ED Statement)**<br>The authorities will undertake independent audits of crisis-mitigation spending and related procurement processes once the pandemic abates and | **Staff report (reiterated in the Mozambique IMF ED Statement)**<br>Beyond this short-term objective, the government remains fully committed to medium-term fiscal consolidation and its structural reform agenda to support inclusive and sustainable growth… |

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| Approved on April 13, 2020<br><br><br><br>Approved on October 2, 2020 | (equiv. to $14.9 million)<br><br>CCRT Grant<br>SDR 9.47 million<br>(equiv. to $13.35 million) | | support the private sector are being implemented…<br><br>On March 27, the government increased the budget allocation for the health sector, from about MT2 billion (0.2 percent of GDP) to about MT3.3 billion (0.3 percent of GDP). Revenue measures to ease pressures on families and the health sector are being implemented. Simplifying or postponing tax payments could also be envisaged, together with monitoring tax compliance of large taxpayers.<br><br>These measures will need to be well targeted, timely and temporary. If the economic situation were to worsen, the government should prepare a contingency plan, including notably<br>(i) further increases as needed of health spending by reallocating non-essential expenditure and limiting public wage increases and hiring of nonessential workers, and<br>(ii) additional tax relief… | will publish the audited results. In the meantime, they will publish the related large public procurement contracts and their beneficiaries…<br><br>Transparency, governance and corruption: Legislative and institutional reforms were adopted a few years ago and the country has a national plan and an adequate anti-corruption legal framework. However, a lack of effective implementation attributable in part to low technical capacity, inadequate budgets, insufficient institutional autonomy and poor oversight undermine efforts to fight corruption.<br><br>The authorities are strongly committed to implementing the recommendations of the Government's Diagnostic Report prepared with IMF TA [technical assistance] and will undertake independent audits of crisis-mitigation health | Over the medium term, once the crisis is resolved, the authorities will implement a VAT reform, aiming at widening the VAT base by reducing exemptions and zero-ratings to increase VAT revenue collections by about ½ percent of GDP in 2021 and an additional ¾ percent of GDP in 2022. Also, the government will implement a domestic financing strategy aimed at gradually reducing domestic debt and rebuilding government deposits...<br><br>Going forward, to help ensure that public debt indicators remain sustainable the authorities are committed to fiscal consolidation once the temporary shock has passed and confidence has been restored...<br><br>Discussions on a medium-term ECF arrangement are expected to take place later in the year when the current crisis has stabilized. The authorities have reiterated their strong interest in such discussions. In the meantime, they |

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| | | | During the crisis, the authorities are committed to create additional fiscal space and to increase health spending and social programs, through prioritization and reallocation. This will require, for example, a freeze of wage increases in 2020, expected to generate about ½ percent of GDP in savings, although temporary increases in benefits for health care workers could be envisaged…<br><br>In the current volatile and uncertain environment, the government will focus on immediate measures and prioritize social spending, including in the health sector...<br><br>Staff encourages the authorities to take additional measures to mitigate the immediate impact of COVID-19. Timely, temporary and well-targeted fiscal measures to support health spending and provide additional tax relief should be considered.<br><br>**Mozambique IMF ED Statement**<br>On the fiscal front, the authorities have re-allocated resources from | spending and related procurement processes once the pandemic abates and to publish the results.<br>Staff strongly recommends the Government to prevent corruption and the misuse of emergency financing, by strengthening transparency and accountability while putting in place effective mechanisms for the disbursement of funds. | will stay engaged with staff to help them shape their medium- term fiscal consolidation strategy and structural reform agenda, with particular emphasis on governance reform.<br><br>**Letter of intent**<br>We remain committed to safeguard macroeconomic stability and foster inclusive growth. To help ensure that public debt indicators remain sustainable, we are committed to eliminate the primary fiscal deficit after grants by 2023 through a combination of revenue-enhancing measures (i.e., eliminating VAT exemptions except for basic goods) and spending rationalization (i.e., review and reform of wage and hiring policies in the public sector).<br><br>While following this gradual fiscal consolidation, budget allocations for education, health, social protection, and basic infrastructure will be increased to |

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| | | | the current budget to finance increased health sector spending. Measures adopted thus far include: i) increased spending on epidemic prevention and treatment; and ii) investments in new hospitals.<br><br>In addition, to provide relief to local businesses they are offering tax relief, suspending government fees and waiving social contributions. They are also supporting households through cash transfers to the most vulnerable segments of the population and providing financial support to micro, small and medium enterprises. | | advance Mozambique's poverty reduction and growth. |
| Niger<br><br>Approved on April 14, 2020 | Rapid Credit Facility (RCF) SDR 83.66 million (equiv. to $114.49 million, 63.6% of quota, 0.9% of GDP)<br><br>Rephasing of access under the existing ECF arrangement – SDR 118.44 million, 90% of quota (to allow more time for | Moderate overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-NER.htm | **Staff report (reiterated in the Letter of Intent)**<br>It (the plan) comprises not only health policy measures but also steps to contain the social and economic fallout from the crisis. Full implementation would cost CFAF 597 billion (7.6 percent of GDP) and require large grants from the international community to be affordable… | **Letter of intent**<br>The government will… maintain fiscal transparency by enshrining fiscal crisis measures in a supplementary budget, centralize the costing and the keeping count of crisis measures at the Ministry of Finance, recognizes the importance of ensuring that financial assistance received is used for its intended purposes… | **Staff report**<br>Assuming that the economy will rebound next year, the authorities are determined to bring the deficit close to the WAEMU norm of 3 percent of GDP…<br><br>Additional revenues of between 1 and 2 percent of GDP thanks to the start of crude-oil exports in 2022 should facilitate further consolidation and compensate for the 2020 deficit overrun. Staff |

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| Approved on April 13, 2020<br><br>Approved on October 2, 2020 | completion of the next review while maximizing financial support under the RCF)<br><br>CCRT Grant (1) SDR 5.64 million (equiv. to $7.72 million)<br><br>CCRT Grant (2) SDR 5.64 million (equiv. $7.95 million) | | Regarding the government's first plank of the response plan, health policy is immediately focused on prevention and containment, to be followed by a more general strengthening of health care capabilities. In the face of limited health care resources, the focus remains on containing the spread of the virus, through restrictions on domestic movements, suspension of international travel except for trade, awareness campaigns, and case tracing. Additional costs relate to the purchase of test kits, protective and other equipment, and the setup of isolation centers. Training would be largely covered through technical assistance by development partners. Niger also plans to hire 1,500 additional health workers, bringing total staff to some 10,500. Broader upgrades to the health care system remain contingent on funding availability.<br><br>Regarding the second plank, the government is keenly aware of the social hardship the crisis is inflicting. It arises from the pronounced | | encourages the authorities to reach understanding with the WAEMU authorities on a temporary deviation from the fiscal deficit convergence criterion…<br><br>The authorities' medium-term macroeconomic policies will remain guided by the objectives of the ECF-supported program. Maintaining macroeconomic stability is the core goal, with prudent fiscal policy making the final consolidation push in 2021 and 2022, underpinned by reforms to mobilize domestic revenues and improve spending quality…<br><br>Fiscal consolidation once the COVID-19 pandemic will have passed, underpinned by revenue mobilization and spending quality improvements, should preserve public debt sustainability and macroeconomic stability. |

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| | | | downturn in certain sectors, such as the hospitality, transport, and construction sectors, but above all from the restrictions on movement for the self-employed and informal workers that can no longer fully pursue their trade. Staff welcomed plans to distribute food at reduced prices or for free from the strategic food reserve and plans to waive utility payments for poor households for two months. It suggested that the government also look into expanding cash-transfer programs and providing financial incentives for the opening of mobile money accounts, while targeting all measures as well as practicably possible to those in need…<br><br>Public spending is bound to rise due to additional health care spending, as well as economic and social mitigation measures. The authorities have called for an increase of health and health-related spending by up to 2 percent of GDP and economic and social mitigation measures will further add to outlays, to the extent that they are not in the form of tax | | |

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| | | | relief. However, the authorities plan to limit the rise of domestically-financed public expenditure to 0.3 percent of GDP compared to what was envisaged in the last ECF review by re-prioritizing existing budget allocations and as donors reshuffle project aid and the international community provides in-kind support, notably for stocking the strategic food reserve. | | |
| Nigeria<br><br>Approved on April 28, 2020<br><br><br><br><br>Published in February 2021<br><br>Consultations with government officials, members of parliament, | Rapid Financing Instrument (RFI) SDR 2,454.5 million (equiv. to $3.4 billion, 100% of quota) (direct budget support)<br><br><br>2020 Article IV Consultation | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-NGA.htm | **Staff Report (reiterated in Nigeria IMF ED Statement)**<br>A N500bn COVID-19 crisis intervention Fund has been set up on budget to help cover costs of much needed health equipment (including respirators) and medicine, as well as shore up the economy through public works programs. A temporary fiscal support package—not yet fully costed—is expected to provide relief for taxpayers and incentivize employers to retain and recruit staff during the downturn, through measures such as income tax relief equal to a50 | **Staff Report** (**reiterated in the Letter of Intent**)<br>To ensure financial assistance received as part of the COVID-19 response is used for intended purposes, the Nigerian authorities committed to undertake an independent audit of crisis-mitigation spending and related procurement processes and to publish procurement plans and notices for all emergency-response activities, including names of awarded companies and beneficial owners.<br><br>Anti-corruption and governance efforts should | **Staff Report (reiterated in the Letter of Intent)**<br>Once the COVID-19 crisis passes, they intend to resume their revenue-based fiscal consolidation program—which they started this year by increasing the VAT rate and introducing an automatic fuel pricing mechanism— while creating fiscal space for priority spending and avoiding recourse to central bank financing…<br><br>The authorities (in their letter of intent) have indicated that they are committed to ensuring debt remains sustainable by pursuing revenue-based fiscal consolidation. In this regard, they |

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| financial institutions, private sector, development partners and civil society. | | | percent rebate on pay roll tax for their employees. Tax policy measures—such as import duty waivers for medicine and medical goods —are also announced. Electricity tariff increases – planned for April 2020 – have been postponed to July…<br><br>Staff encourages the authorities to urgently present a supplementary budget to parliament reflecting the oil revenue shortfall, higher health spending, and an additional targeted and temporary package to protect the businesses and households impacted, particularly in view of the large size of the informal sector (60 percent) …<br><br>**Nigeria IMF ED Statement**<br>While reviewing the 2020 budget, the government intends to reduce non-essential capital spending by about 1 percent of GDP to accommodate increased healthcare spending. | continue to be strengthened, including by strengthening the role of the Federal Audit Board, increasing resources available to anti-corruption agencies, strengthening the asset declaration framework, implementing the risk-based approach to AML/CFT supervision and ensuring the transparency of beneficial ownership of legal persons. To ensure financial assistance received as part of the COVID-19 response is used for intended purposes, staff supports the authorities' commitments to:<br>(i) undertake an independent audit of crisis-mitigation spending and related procurement processes once the crisis abates and publish the results; and<br>(ii) publish procurement plans and notices for all emergency-response activities, including names of awarded companies and beneficial owners. | emphasize that their Economic Recovery and Growth Plan (ERGP) will include additional transformative measures that will help them achieve their 15 percent of GDP revenue objective within five years. Such steps—both through tax policy and administration reforms—would help ensure the interest payments to revenue ratio remain sustainable, even at the federal government level…<br>Staff supports the authorities' immediate actions to respond to the crisis and their commitment to medium-term macroeconomic stability once the COVID-19 crisis passes. The short-term focus on fiscal accommodation and the removal of fuel subsidies are welcome… Once the crisis passes, it is important that these reforms be sustained and that revenue-based fiscal consolidation resumes.<br><br>**Nigeria IMF ED Statement**<br>Our authorities remain committed to safeguarding macroeconomic |

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| | | | | The authorities reiterated their commitment to governance reform. They noted they are planning to take all the necessary steps to ensure that crisis funding is used for its intended purpose. In particular, they assured that adequate resources will be provided to relevant governance institutions, including the Auditor General of the Federation—which will spearhead an independent audit of COVID-19 emergency response expenditures. They were confident that the audit can be completed expeditiously as this is a special accounting exercise for only a few budget lines, which will be created specifically for these spending and will be posted contemporaneously in the treasury online portal.<br><br>**2021 Article IV Consultation**<br>The authorities have introduced transparency | stability and foster economic growth in line with the Economic Recovery and Growth Plan (ERGP). In this regard, fiscal policy will be driven by the government's planned medium-term fiscal consolidation path, which entails increasing revenue to 15 percent of GDP through further VAT reforms, increasing excise taxes, and removing tax exemptions once the crisis abates. The authorities are committed to resume revenue-based fiscal consolidation to eliminate central bank financing and create space for priority spending.<br><br>**2021 Article IV Consultation**<br>With economic recovery taking root, the authorities should pursue the following policy mix in the medium term: (i) a revenue-based fiscal consolidation through tax policy and revenue administration measures…<br><br>To ensure sustainability, staff emphasized the need for |

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| | | | | measures to facilitate tracking and reporting of emergency spending. New budget lines have been created with monthly expenditure information on emergency funding posted on the Ministry of Finance’s Transparency Portal, although users have found it difficult to access the data on the portal. The Bureau of Public Procurement has issued guidelines on COVID-19 emergency fund use, and the Nigeria Open Contracting Portal has been publishing related procurement contracts, although some contract details on beneficiary ownership are yet to be completed. | additional revenue-based fiscal consolidation. In light of high poverty, staff recommended revenue measures that are progressive and efficiency-enhancing, drawing on previous IMF technical assistance recommendations. These include increasing the VAT rate to at least 10 percent by 2022 and 15 percent by 2025, rationalizing the pioneer status system and other tax exemptions and customs duty waivers, increasing rates for excises and broadening the base, developing a high-integrity taxpayer register, and improving on-time filing and payment…<br><br>The combined gains from these measures could increase revenues by 7 percent of GDP during 2021-25. Staff recommended using part of the additional revenues, up to 2 percent of GDP, for well-targeted social spending leaving overall cumulative fiscal consolidation to be around 5 percent of GDP…<br><br>Staff stressed the importance of |

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| | | | | | well-targeted and adequate social policies to protect the poor from negative impacts of ongoing and recommended reforms. Nigeria's social safety net suffers from limited coverage, poor targeting and inadequate monitoring. While the fuel and electricity subsidies were untargeted, largely benefiting the well-off, some negative impacts on the poor from the removal of energy subsidies can be expected. It is essential to improve targeting under the existing social safety nets and increase coverage, including from future VAT increases. Staff's previous analysis shows that any negative impact on the poor from subsidy removal and VAT increases can be countered by additional social spending that would cost a fraction of the fiscal savings from these measures… |

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| Rwanda (1 of 2)<br><br>Approved on April 2, 2020<br><br><br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 80.1 million ($109.4 million, 50% of quota)<br>(direct budget support)<br><br>CCRT Grant<br>SDR 8.01 million (equiv. to $10.96 million) | Low risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-RWA.htm | **Staff report**<br>Government response to the Pandemic has been swift. Based on a national contingency health plan, early measures emphasized containment and preparedness, with the government rolling out a communication campaign to sensitize the population… Intensive care units were upgraded…<br><br>The Pandemic creates an urgent balance of payments need… The government also faces the difficult and costly task of mitigating the health impact of the Pandemic, and supporting affected communities and local businesses, while sustaining its public investment and SDG-spending. Not addressing the balance of payments need could hamper public health response, jeopardize the recovery, and severely undermine the formidable development gains over the last two decades… | N/A | **Press release**<br>Once the crisis abates, the fiscal adjustment path should be adjusted to preserve debt sustainability in the medium-term.<br><br><br>**Staff report**<br>The authorities intend to allow the fiscal deficit to increase to accommodate the impact of the Pandemic… Authorities intend to revert to the program fiscal rule once the fallout from the Pandemic subsides. (The program fiscal rule was set under a 3-year Policy Coordination Instrument (PCI) in July 2019. While the PCI involves no use of IMF financial resources, successful completion of program reviews will help signal Rwanda's commitment to continued strong macroeconomic policies and structural reforms.) |

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| | | | The authorities intend to allow the fiscal deficit to increase to accommodate the impact of the Pandemic. Based on preliminary information, staff and the authorities project the total cost of the Pandemic to amount to 3.4 percent of GDP over the next two years, including both revenue losses and increases in public spending—1.9 and 1.5 percent of GDP, respectively. Public spending is expected to be equally allocated between measures to mitigate the health and economic impact of the Pandemic…<br><br>The authorities are working on a plan to support affected households and firms. Public health and social spending initiatives will be further prioritized in the current and FY 20/21 budget. Financial support in the form of subsidized loans and debt restructuring to the hospitality and other hard-hit sectors, small and medium enterprises (SMEs), and individuals are currently under consideration. | | Staff supports the relaxation of the fiscal stance and the temporary suspension of the program fiscal rule (a fiscal deficit limit of 5.5% of GDP on average over a rolling 5-year window from FY19-20 under the PCI).<br><br>Staff will work with the authorities to identify a timeline for the appropriate fiscal adjustment path and on how to refine the program fiscal rule through the introduction of an escape clause to address specific shocks in the context of the forthcoming PCI review.<br><br>**Letter of intent**<br>Significant uncertainty about the economic outlook due to the evolving nature of the Pandemic makes completing the second review of the PCI arrangement difficult at this time. Even as we contemplate an increase in public spending to carry out emergency response, we are aware of the need to ensure that this would not jeopardize macroeconomic |

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| | | | Staff supports the authorities' decision to accommodate the impact of the Pandemic on the budget. Given the extraordinary nature of the Pandemic and in order to timely address the impending health crisis and mitigate its severe economic impact, staff supports the relaxation of the fiscal stance and the temporary suspension of the program fiscal rule. If the crisis and its economic fallout worsen further, additional relaxation could be envisaged provided the availability of financing.<br><br>Authorities' initial commitments to prioritize health initiatives and support vulnerable sectors and firms are encouraging. Staff plans to continue discussions with the authorities on how to support affected households and firms to ensure that they are well-targeted, cost-effective, and do not crowd-out other priority areas, as well as to advise them on the preparation of a contingency plan if the situation deteriorates further… | | stability and ensure that public debt-to-GDP ratios remain sustainable.<br><br>Once the crisis subsides, we will stand ready to undertake fiscal consolidation over the medium-term to achieve the PCI objectives. The fiscal cost associated with the Pandemic and torrential rains has also prompted a discussion in the government on the need for an escape clause in our fiscal rule to allow for emergency spending associate with such catastrophic events, which we plan to discuss with IMF staff in the context of the next PCI review. |

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| | | | **Letter of Intent**<br>On the spending side, the uncertainties about the duration and potential spread of the Pandemic are complicating a full assessment of the impact and its cost to the budget. Currently, the estimated total cost of our emergency response plan, including COVID-19 health-related spending, is estimated at RWF150 billion over two years (or 0.8 percent of GDP in FY2019/20 and 0.6 percent of GDP in FY 2020/21). | | |
| Rwanda (2 of 2)<br><br>Approved on June 11, 2020<br><br><br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 80.1 million (equiv. to $111.06 million, 50% of quota)<br>(budget support)<br><br><br>CCRT Grant (2)<br>SDR 12.02 million (equiv. to $16.95 million) | Moderate overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-RWA.htm | **Staff Report**<br>COVID-19 has had a severe economic impact on Rwanda through the implementation of strict domestic measures to contain the spread of the virus and related global spillovers.<br><br>The authorities have responded by deploying health and economic measures totaling USD 311 million (3.3 percent of GDP). They have also set up an economic recovery fund to support firms affected by the pandemic… | **Staff Report**<br>The authorities are committed to transparency as required by the Organic Budget Law and to report all COVID-19-related expenditures. Proper monitoring of expenditures will be ensured through the creation of the financing item “COVID-19 response” under the chart of accounts. A separate bank account under the treasury single account system has also been created to receive all contributions related to the pandemic. | **Staff Report**<br>The authorities’ decision to further relax the fiscal stance is warranted given the deteriorated economic outlook and their successful efforts in mobilizing concessional financing…The identification of a credible adjustment path to bring public debt to prudent levels should start without delay. To be credible, this path should be designed now and implemented soon after the crisis abates. It should include measures to step up revenue mobilization efforts and to better prioritize |

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| | | | … the authorities have taken steps to support households affected by the pandemic, including by rolling out a food distribution program, cash transfers to casual workers, subsidized access to agricultural inputs, and measures to ensure poor households' access to basic health and education.<br><br>Such measures are articulated as part of a broad government strategy in the recently announced Economic Recovery Plan (ERP). The ERP includes allocating public resources through the Economic Recovery Fund (ERF) to support firms in the sectors hardest hit by the pandemic by providing subsidized loans to eligible businesses through banks and microfinance institutions (MFIs)…<br><br>Credit guarantees will also be extended to SMEs and micro businesses in the informal sector to help them sustain operations and safeguard jobs… The total cost of the government response in the plan stands at about USD 311 | Information on all awarded government contracts—including the name of competing companies, each initial bid, the company name and price of the winning bid, and the total contract amount—is publicly available from the government's e-Procurement system.<br><br>Moreover, pandemic-related expenditures, along with other government spending, will be audited by the Office of the Auditor General whose independence is granted by the constitution and the outcome made publicly available… | public investment, also critical for contingency planning…<br><br>They (the authorities) are also committed to a growth-friendly fiscal consolidation as soon as the COVID-19 crisis abates to keep debt sustainable, and to assess and mitigate emerging fiscal risks. To this end, they plan to formulate and discuss the desirable polices in the context of the next PCI review. |

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| | | | million or 3.3 percent of GDP over the current fiscal year and the next…<br><br>… the government's response plan – the national Social Protection Response and Recovery Plan (SP-RRP) – aims at providing emergency relief and supporting the economic recovery, while ensuring access to basic services for populations affected by COVID-19.<br><br>(a) Emergency relief response. The authorities have been providing door-to-door food distribution to vulnerable households whose activities have been halted by lockdown restrictions. They have also increased the coverage and amount of support under existing schemes. Additional eligible households are identified based on existing social protection databases, civil registers, and grassroots organizations at the village level.<br><br>(b) Support for economic recovery. Eligible households will benefit from casual employment opportunities in labor-intensive projects (e.g. road | | |

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| | | | rehabilitation programs), subsidized access to agricultural inputs (e.g. fertilizers and seeds), pro-poor credit schemes for investing in income- generating activities, and basic equipment to start new businesses with a view to restoring livelihoods disrupted by the pandemic.<br><br>(c) Access to basic services. Measures to ensure poor households' access to basic health and education amid COVID-19 include a reduction of contributions to the community-based health system, subsidized tuition fees and school material for children, and the construction of shelters and sanitation facilities.<br><br>The total cost of scaling up existing social safety net programs under the SP-RRP is estimated at RWF 133.6 billion (1.4 percent of GDP) over the next 18 months. The government aims at raising the share of beneficiary households from 26 percent in March 2020 to 70 percent by December 2020, with the | | |

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| | | | proportion of the poorest households covered by the VUP income support programs increasing from 64 to 90 percent…<br><br>Announced fiscal measures have been timely and well-articulated but warrant further clarifications. Initial measures to support the health sector and vulnerable households have been timely. The Economic Recovery Plan (ERP) provides a comprehensive and articulated set of fiscal measures to address the health and economic crisis. The plan could clarify some aspects of the targeting and adequacy of the proposed social protection programs, and of the economic impact and efficiency of the proposed infrastructure spending. The authorities should ensure the ERF is well-targeted, and its risks appropriately assessed, managed, and reported. Tax relief measures need to be temporary, costed, and closely monitored. | | |

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| Sao Tome and Principe (1 of 2)<br><br>Approved on April 21, 2020<br><br>(Documentation not yet available online)<br><br>Approved on April 13, 2020<br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 9.03 million (equiv. to $12.29 million)<br><br>CCRT Grant (1)<br>SDR 0.11 million (equiv. to $0.15 million)<br><br>CCRT Grant (2)<br>SDR 0.17 million (equiv. to $0.24 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-STP.htm | **Press Release**<br>The authorities of São Tomé and Príncipe have moved swiftly to develop a plan to address the major challenges posed by the COVID-19 pandemic. In addition to posing a major health risk, the pandemic exerts strong fiscal and balance of payments pressures. Emergency support under the Rapid Credit Facility will help prevent a much more severe and prolonged economic contraction and provide space for critical health and social spending…<br><br>The authorities plan to increase well-targeted health and social spending to assist the most vulnerable, support the unemployed, incentivize private businesses to retain workers… | **Press Release**<br>The authorities plan… enhance fiscal transparency and good governance. These steps would help cushion the economic impact while ensuring that public funds are spent appropriately. | **Press Release**<br>The IMF continues to monitor São Tomé and Príncipe's situation closely and stands ready to provide policy advice and further support as needed. In particular, the IMF will work with the authorities to complete the first review of the program supported by the IMF's Extended Credit Facility once the current crisis stabilizes…<br><br>The authorities' commitment to the reform program supported by the Extended Credit Facility is welcome. Over the medium term, continued fiscal reforms and redoubled efforts to expedite energy sector reforms will be essential to reduce debt vulnerability, unleash the country's growth potential, and enhance macroeconomic stability. |
| Sao Tome and Principe (2 of 2)<br><br>Approved on July 27, 2020 | Augmentation of existing Extended Credit Facility (ECF)<br>SDR 1.48 million (equiv. to $2.08 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-STP.htm | **Press Release**<br>Performance under the ECF-supported program was off to a good start in late 2019. However, the COVID-19 pandemic impacted São Tomé and Príncipe hard. The | **Press Release**<br>The authorities are also committed to improving public financial management by publishing public procurement contracts and a monthly | **Press Release**<br>The authorities are committed to resuming fiscal consolidation once the crisis abates to improve internal and external balances. In this context, it is essential to keep |

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| (Documentation not yet available online) | Immediate disbursement of SDR 1.90 million (equiv. to $2.67 million)<br><br>Total disbursements under the arrangement is SDR 5.29 million (about US$7.35 million) | | authorities responded by raising health spending and providing targeted and temporary support to households and the most affected sectors. This has temporarily raised the fiscal deficit. | COVID-19-related spending report… | the wage bill under control and complete the transition to the VAT by mid-2021 to increase revenue and create space for social spending and public investment…<br><br>It will also be crucial to redouble efforts to reform the energy sector to reduce debt vulnerabilities, strengthen energy security, and support economic growth. Enhancing efforts to implement the recently adopted national strategy on gender equality, continuing to adapt to climate change, and developing a plan to remove the country from the EU air safety blacklist are also important. |
| Senegal<br><br>Approved on April 13, 2020 | Rapid Financing Instrument (RFI) SDR 215.7 million (equiv. to $294.7 million, 67% of quota)<br><br>Rapid Credit Facility (RCF)<br>$147.4 million | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-SEN.htm<br><br>Moderate overall risk of debt distress | **Staff Report (reiterated in the Senegal IMF ED Statement)**<br>The authorities… are implementing a comprehensive plan to upgrade the health system and contain the economic impact, including by setting up a national solidarity fund and providing targeted support to vulnerable households and firms… | **Press release**<br>Ensuring that disbursed funds are used in a well-targeted, cost-effective and transparent manner remains imperative. | **Press release**<br>A temporary widening of the budget deficit is appropriate to mitigate the health and economic impact of the pandemic. It is also advisable that macroeconomic policies continue to be guided by the objectives of the current Policy Coordination Instrument (PCI) (3-year instrument approved |

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| | (SDR 107.9 million, 33% of quota) (budget support) | | A strategic plan to fight against COVID-19 is being implemented to:<br>i) enhance testing and treatment capacity,<br>ii) strengthen preventive measures, and<br>iii) intensify communication. Its implementation is costed at about FCFA 70 billion (0.5 percent of GDP)...<br><br>The authorities' preliminary fiscal plans to confront the COVID-19 pandemic are costed at about 1.7 percent of GDP. This is the sum of the direct measures to support the health sector (0.5 percent of GDP), tax measures (0.15 percent of GDP), and spending measures (1.05 percent of GDP) …<br><br>The authorities intend to allow the fiscal deficit to increase to accommodate the impact of the pandemic while reprioritizing spending. The authorities are prioritizing expenditures to the health sector and the most vulnerable households and sectors… | | in January 2020) to the extent possible. Once the crisis abates, a gradual return to the budget deficit target of 3 percent of GDP, in line with regional fiscal rules, is necessary to preserve external and debt sustainability.<br><br>**Senegal IMF ED Statement**<br>The Senegalese authorities need to address urgently the substantial financing gaps stemming from the public health shock while remaining determined to achieve the objectives of the program supported by the PCI. In this regard, as soon as the situation normalizes, they will continue to pursue the WAEMU convergence criteria and implement the structural reforms aimed at achieving strong and inclusive economic growth. |

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| | | | The authorities have announced a package of measures to support the most vulnerable segments of the population and the most affected sectors. A first set of measures to combat the direct effects of COVID-19, notably linked to the needs of the health sector and estimated at CFAF 73 billion (0.5 percent of GDP) was announced mid-March…<br><br>Beyond health, the authorities' priorities are first to enhance resilience and social cohesion by implementing fiscal measures targeting the most vulnerable and affected households and firms, with in particular an amount of CFAF 69 billion allocated to provide urgent food aid, and, second, to ensure availability and distribution of essential goods and medical supplies, while maintaining macroeconomic stability…<br><br>On the expenditure side, expenditure reallocation and savings on fuel subsidies will allow to support particularly hard-hit sectors of the economy and households, | | |

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| | | | including through food aid and cash transfers to vulnerable households, and expediting payments of unmet obligations. On cash transfers, the authorities plan to leverage the existing "bourses familiales" program by first extending support beyond the current 300,000 beneficiary households to the full 580,000 households registered as vulnerable, and, with World Bank support, to further extend this support to a total of 1 million households including those newly affected by the pandemic.... The government will set up a national solidarity fund (fonds de riposte et de solidarité— Fonds FORCE COVID-19) of up to FCFA 1,000 billion (7 percent of GDP), financed by a mix of donor contributions, voluntary donations from the private sector, and the budget. The Fund will be used to support vulnerable households and firms.<br><br>The national solidarity fund would additionally be used to support the most affected sectors of the | | |

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| | | | economy in a transparent manner by taking over some operating costs of companies in difficult situation such as social security fees, or utility bills, with the aim of preserving jobs…<br><br>**Senegal IMF ED Statement**<br>The authorities have prepared a health response plan against the Covid-19 pandemic whose first phase enabled the establishment of an operational emergency system financed exclusively from domestic resources up to CFA 6.4 billion.<br><br>The second phase estimated at CFA 64.7 billion aims to strengthen Senegal's capacities to deal with the pandemic through the detection of suspicious and confirmed cases, the rapid isolation of patients, and the strengthening of prevention and control of the infection in health facilities and in the community. | | |
| Seychelles<br><br>Approved on May 8, 2020 | Rapid Financing Instrument (RFI) SDR 22.9 million (equiv. 31.2 million, 100% of quota) | N/A | **Staff Report**<br>The government has presented a revised budget at the National Assembly, reflecting substantial increases in spending to tackle the | **Staff Report**<br>To ensure transparency of these emergency fiscal spending, the government will submit monthly reports of the | **Staff Report**<br>… the government is committed to implementing fiscal saving measures to bring back the public debt ratio on a downward path |

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| | (budget support) | | COVID crisis, including a 3-month wage subsidy estimated to cost up to SCR 1.1 billion (5.1 percent of GDP in 2020) …<br><br>The government will allocate about SCR110 million (0.5 percent of GDP in 2020) to additional health-related contingency spending and about SCR50 million (1⁄4 percent of GDP) to social protection spending for the vulnerable groups.<br><br>**Letter of Intent**<br>We have also taken economic measures, including wage subsidies to all companies affected by the COVID-19 pandemic for 3 months to protect employment and household income, and to prevent further supply disruptions. We remain committed to fiscal sustainability and will review the impact and cost of this measure limiting its budgetary impact to no more than SCR1.1 billion. | emergency spending on wage subsidies, health, and social spending to the Finance and Public Accounts Committee of the National Assembly and made such reports public within three months.<br><br>Furthermore, an independent audit on emergency spending and related procurement processes will be conducted and the audit report will also be published…<br><br>The government is encouraged to pursue its efforts to improve its public finance management (PFM) and notably set up transparent mechanisms for tracking, accounting, and reporting of COVID-19 related emergency spending. | once the impact of the pandemic dissipates and confidence is restored, by steadily improving the primary balance from 2021 onwards to reach a surplus of 2 1⁄2 percent of GDP by 2025 and by actively continuing to seek external budget support after 2021. In staff's view, medium term consolidation measures could include reduction of non-priority current expenditures.<br><br>**Letter of Intent**<br>Despite the temporary deterioration in the fiscal and external positions caused by the COVID-19 pandemic, we are still committed to the broad objectives of prudent policies underlying the Policy Coordination Instrument (PCI).<br><br>**Debt Sustainability Analysis**<br>The authorities are urged to steadfastly implement fiscal consolidation to reduce public debt vulnerability... significant vulnerabilities arise from the large gross financing needs resulting |

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| | | | | | from the high level of public debt and the short maturity of domestic debt. |
| Sierra Leone (1 of 2)<br><br>Approved on June 3, 2020<br><br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 103.7 million (equiv. to $143 million, 50% of quota)<br>(budget support)<br><br><br>CCRT Grant (1)<br>SDR 13.36 million (equiv. to $18.28 million) | High overall and external risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-SLE.htm | **Staff Report**<br>The immediate priority is to address the health and socio-economic fallout of the pandemic. The authorities swiftly introduced containment measures, with immediate fiscal costs. The Government is working closely with development partners, within a dedicated COVID-response governance structure. Measures include: increasing health spending to contain the spread, expanding social protection to support the most vulnerable, securing the supply of critical goods to address food insecurity, and supporting the private sector…<br><br>The authorities are addressing urgent health needs through their *Health Response Plan*, and their *Quick Action Economic Response Programme* (QAERP) seeks to mitigate the impact on the | **Staff Report**<br>The authorities are committed to effective governance and accountability in their COVID-19 response, consistent with the emphasis on improving governance in their NDP. The Anti-Corruption Commission (ACC) has launched a COVID-19 response task force on transparency to watch over the use of funds during this crisis. The Audit Service Sierra Leone (ASSL) issued a public notice in March reiterating the main legal procedures in the use of public funds and its role in safeguarding the integrity of public finances in Sierra Leone…<br><br>The Government has set up the COVID-19 Fund (CF), an extra budgetary account at the BSL, to pool funds with a | **Staff Report**<br>The Government has signaled its continued commitment to the medium-term objectives of its ECF-supported program. However, that requires first stemming the impact of the crisis on people's health and livelihoods…<br><br>**Letter of Intent**<br>Though our revenue mobilization momentum has been interrupted by this crisis, we continue to emphasize the vital role of revenue-mobilization and plan to re-start reform implementation as quickly as possible.<br><br>**Sierra Leone IMF ED Statement**<br>The authorities remain committed to the medium-term policy objectives of the ECF- supported program. In this regard, they are determined to resume growth-friendly fiscal consolidation efforts |

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| | | | economy, businesses and households. It addresses several interlinked priority areas: ensuring a stable supply of essential commodities and energizing local food production; providing support to affected small and medium enterprises; and improved social protection and planned public works…<br><br>Notwithstanding efforts to reprioritize 2020 budget spending and scaled-up financing from other development partners, a significant financing gap remains. The total fiscal impact of the COVID-19 related shock, both to revenue and expenditure, is approximately US$230 million. While the authorities have identified elements of the 2020 budget that will be reallocated to address crisis needs (US$18.7 million), there will be a substantial fiscal financing gap in excess of Le 2 trillion (around US$210 million or around 5.4 percent of GDP…<br><br>Staff supports widening the fiscal | counterpart account at a commercial bank to execute the emergency spending. This represents an improvement over the multitude of makeshift funds and agencies during the Ebola response. The authorities plan for regular reporting and the ex post audit by the ASSL of COVID-related interventions in line with their Public Financial Management Act (2016), and to publish online the names and beneficial owners of companies winning large COVID-19-related contracts. IMF TA is underway to ensure good practices, particularly on the management and oversight of the CF, the process for approving emergency spending, and increased use of electronic transactions. Timely disbursement of resources to ASSL and empowering ASSL to audit all resources spent will be important. | to restore fiscal and debt sustainability once the crisis abates. |

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| | | | deficit to create room for urgent health spending, and measures to mitigate the economic impact, including boosting social safety nets (especially for the most vulnerable) and ensuring access to credit for affected businesses... | | |
| Sierra Leone (2 of 2)<br><br>Approved on March 15, 2021<br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF) SDR 35.26 million (equiv. to $50.37 million, 17% of quota<br><br>CCRT Grant (2 of 2) SDR 12.22 million (equiv. to $17.23 million) | High overall and external risk of debt distress | **Staff Report Staff Report**<br>The authorities' policy response to COVID-19 has hinged on saving lives and supporting livelihoods:<br><br>*Main economic and social response:* The supplementary budget passed in July was largely in line with RCF1 forecasts (Box 1). It includes spending on the direct COVID-19 response—health supplies, additional health care workers, quarantine expenditures, and an awareness campaign—as well as measures to stimulate economic recovery in line with the goals of the *Quick Action Economic Response Programme (QAERP)*, including spending to support farmers and labor-intensive public works.<br><br>*Cash transfers:* One-time transfers | **Staff Report**<br>Following early rapid progress to improve the governance of its emergency response in line with commitments under RCF1, the authorities' efforts stalled. They moved quickly to set up the National COVID-19 Emergency Response Center (NaCOVERC), and subsequently put in place sound processes to deliver and track health and containment measures.<br><br>In parallel, the Audit Service of Sierra Leone (ASSL) successfully completed a real-time audit of NaCOVERC's activities and recently submitted its report to Parliament and is well-positioned to undertake an ex- | **Staff Report**<br>To signal their commitment to sustainable policies, the authorities have completed two prior actions to support better debt management and domestic revenue mobilization...<br><br>The 2021 fiscal stance strikes a delicate balance—addressing COVID-19 needs and supporting the recovery within a serious financing constraint. While domestic revenue is expected to increase, the lingering impact of COVID-19 is slowing the recovery of revenue mobilization (now projected to be 13.4 percent of GDP in 2021, compared to 13.8 percent in the RCF1). This, together with lower-than- |

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| | | | were made to 29,000 households with informal workers deemed most vulnerable to the pandemic, while persons with disabilities also received cash and in-kind support during the lockdown.<br><br>Building on ongoing World Bank support to widen social protection nets, the targeting and enrollment of a further 35,000 extremely poor households has been completed, and cash transfers to beneficiaries commenced in December 2020. Coverage will be extended to an additional 36,000 beneficiary households in Freetown, starting February 2021, funded by the European Union.<br><br>*Arrears clearance:* To help cushion the impact of the pandemic on the private sector, the Government reprioritized some actions under its arrears clearance plan, paying down arrears (including unpaid checks) in the order of 21⁄2 percent of GDP. This prioritized small- and medium-sized suppliers expected to have | post audit per the RCF1 commitment. However, the authorities have made limited progress in terms of publishing information on some procurement contracts, and publishing reports covering only part of NaCOVERC's spending, which has so far amounted to Le 250 billion (US$25 million) and in some instances in limited details. The authorities cited earlier challenges associated with the evolution of NaCOVERC's financial management as a source of the delay.<br>The authorities have recently taken steps to recover lost ground and are working to broaden their approach to include the wider economic response to the crisis.<br><br>As of mid-February 2021, they had published the unaudited financial reports for NaCOVERC's operations through end-December 2020 (**prior action**), and have | expected external support, has necessitated a substantial adjustment, with the 2021 budget set to deliver a contraction of the domestic primary balance of some 2 1⁄2 percent of GDP. Faced with a necessarily smaller expenditure envelope, the authorities have prioritized spending on health, food security, and labor-intensive public works, in line with their QAERP/COVID-19 response priorities. As even deeper expenditure cuts would be counterproductive and undermine the recovery, the remaining fiscal financing gap is about 2 percent of GDP in 2021…<br><br>While additional support can help avoid a larger disruptive adjustment in 2021, concerted revenue-led medium-term adjustment will be vital to ensuring debt sustainability. In this regard, the authorities remain firmly committed to the goals articulated in their National Development Plan and ECF-supported program |

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| | | | fewest buffers and be hardest hit.<br><br>*Special Credit Facility (SCF):* The Bank of Sierra Leone (BSL) introduced a loan facility for importers to ensure that the supply of food and essential goods was not disrupted. Since the SCF was introduced, the BSL has disbursed about Le 495 billion of the Le 500 billion (US$50 million) available. This helped to prevent shortages of essential goods and keep inflationary pressures in check…<br><br>Against strained domestic revenues and a tight financing envelope, Sierra Leone's 2021 budget aims to prioritize and safeguard expenditures that help to strengthen the health sector and sustain the COVID-19 health response, protect livelihoods and support the post-pandemic economic recovery…<br><br>Even though operations of the National COVID-19 Emergency Response Center (NaCOVERC) are scaled back as the immediate | committed to continue regular quarterly reporting in line with cycle for reporting quarterly fiscal data as long as NaCOVERC remains operational.<br><br>Similarly, by mid-February, the authorities had published all large procurement contracts through end-December 2020 on the website of the National Public Procurement Authority (**prior action**).<br><br>Given the relative importance and size of the broader economic response beyond NaCOVERC activities, staff encouraged the authorities to also transparently report on these activities.<br><br>To this end, the authorities' 2020 Q3 budget outturn (published on the MoF website) includes an overview table, detailing budget spending related to the containment, health, and | notwithstanding delays associated with the COVID-19 shock. However, domestic revenue is now expected to recover its pre-crisis peak (about 14 1⁄2 percent of non-iron ore GDP) only in 2023…<br><br>The sustainability of the overall fiscal strategy will require strong commitment to three broad principles.<br><br>*1) Resume bold revenue mobilization efforts, grounded in a more comprehensive and strategic approach* that couples continued revenue administration measures with increased focus on tax policy reforms… sustained progress in boosting revenue collection beyond 2021 will be grounded in plans to prepare a comprehensive medium-term revenue strategy. This is an ambitious endeavor that the authorities hope to have in place ahead of the 2023 budget…<br><br>*2) Containing current spending and cautiously scaling up capital* |

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| | | | COVID-19 health crisis in Sierra Leone abates, it will use allocations (0.2 percent of GDP) to cover purchases of medical supplies, testing kits, personal protective equipment, and to implement the ongoing awareness strategy. It could require further funding in case of a resurgence. The rise in malaria infections and maternal deaths during the Ebola health crisis highlighted the risk of emergency spending crowding out other areas of an already weak health system. Thus, the health budget, at 11 percent of domestic primary expenditure in 2021, remains well above pre-crisis levels (7.5 percent in 2019) and allocates an additional Le 677 billion to bolster the health sector, including to hire 1000 additional health sector workers and to continue incentives for medical staff combatting COVID-19.<br><br>Supporting the economic recovery and protecting livelihoods. Capital expenditures prioritize food security and economic diversification in the following areas: agriculture and | socioeconomic elements of their COVID-19-response. Based on an ongoing technical dialogue with staff, the MoF is enhancing its current budget monitoring framework to better track the implementation of COVID-19-related measures in the context of their regular budget reporting, starting with the 2020 budget outturn. This will position the authorities to report regularly on COVID-19-related spending in 2021. | *spending conditional on progress in mobilizing revenue and/or additional grant financing.* The baseline assumes continued rationalization of the wage bill, in line with the authorities' goal to reduce wage costs to 6 percent of GDP in the medium term, through limiting real wage increases, natural attrition, and effective payroll management and control. It will be crucial to carefully balance the need to maintain—and increase—development expenditure against the tight budget financing envelope.<br><br>*3) Prioritizing highly concessional financing.* Limiting recourse to expensive domestic debt while avoiding detrimental spending cuts will also require continued support from the development community…<br><br>**Letter of Intent**<br>Post-COVID, the Government will re-embark on its pre-COVID efforts to preserve debt sustainability, which will require it |

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| | | | fisheries to promote local food production; repair and construction of roads—particularly “feeder” and “trunk” roads—to ensure more reliable food transport; support the hard-hit tourism sector; and sustainable energy. The labor-intensive nature of road construction simultaneously aims at creating jobs, while the Munafa Fund would support micro to medium-sized enterprises. Social transfers continue to be financed mainly through development partners. Regular transfers to local councils will be particularly important to ensure their day-to-day operations and local service delivery, including critical work on sanitation. | | to redouble its efforts to ensure steady fiscal adjustment and further enhance debt management.<br><br>**Sierra Leone IMF ED Statement**<br>In line with the ECF, they remain committed to pursuing revenue enhancing measures and growth-friendly fiscal adjustment as the crisis abates. For 2022 they will identify a targeted set of tax policy measures to support the budget, while they develop a comprehensive medium-term revenue strategy to help inform the 2023 budget… The revised National Revenue Authority Act tabled in Parliament on January 26, 2021 backs these reforms, enabling the agency’s governance, accountability, and enforcement of revenue laws. |

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| South Africa<br><br>Approved on July 27, 2020 | Rapid Financing Facility (RFI)<br>SDR 3,051.2 million (equiv. to $4,286.5 million, 100% of quota)<br>(budget support) | N/A | **Press Release**<br>Fiscal tightening and rising unemployment, if not mitigated through timely and well-targeted COVID-19 relief first, and policies that promote investment and employment later, would jeopardize growth revival and increase poverty and inequality…<br><br>The Supplementary Budget Review appropriates health and COVID-19 mitigation spending, pushing up the FY2020/21 fiscal deficit. The supplementary budget amended the FY2020/21 budget to:<br><br>(i) reprioritize resources away primarily from non-essential acquisition of goods and services and delay investment projects (about R100 billion); and<br><br>(ii) provide temporary tax relief and funds to limit the impact of the recession on the most vulnerable, ensure functioning of basic services, and support the private sector's financial viability (about R155 billion). About 30 percent of the | **Staff Report (reiterated in the Letter of Intent)**<br>… the authorities will transparently plan, use, monitor, and report all COVID-19-related spending to ensure it reaches the targeted objectives, notably by:<br><br>Regularly publishing the execution of COVID-19-related expenditures vis-à-vis the adjustment budget by type of spending.<br><br>Auditing all COVID-19-related expenditure, including ex-post evaluation of delivery, within 12 months and publishing the audit report on the Auditor General's website.<br><br>Publicly disseminating all COVID-19-related procurement contracts and allocation (with details about awarded companies and their beneficial owners) … | **Press Release**<br>The RFI will… complement the authorities' strong policy response to the crisis and their planned post-COVID-19 fiscal consolidation and reforms to promote growth that benefits all South Africans.<br><br>**Staff Report (reiterated in South Africa IMF ED Statement)**<br>Once the health crisis subsides, the authorities intend to address long-standing fiscal and structural issues to drive the recovery, boost potential growth, reverse the rising trend in public debt, and foster greater inclusion…<br><br>Staff recommended a gradual and growth-friendly but sizable reduction of the consolidated government deficit. This consolidation will require implementation of fiscal measures of about 5–5 1⁄2 percent of GDP over the next five years, which alongside the impact of the growth recovery would allow the deficit to decline to average levels of about 4 1⁄2 percent of GDP in |

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| | | | announced package (3.2 percent points of GDP) will add to the deficit…<br><br>In line with their supplementary budget, the authorities described their fiscal priorities as follows:<br><br>*The wage bill* has been rising at a faster pace than the cost of living due to automatic increases unrelated to productivity. Given the health emergency and benign inflation, the authorities plan to implement their policy (announced in the FY2020/21 budget) to rationalize compensation by renegotiating the final year of the current wage agreement with unions. Savings in the wage bill of about 0.7 percent of GDP facilitate the needed increase in transfers to low-income households. If the decision is overturned by the court, implementation risks would increase, as additional savings would be needed.<br><br>*Compensation to the unemployed and provision of social grants* will be | | the medium term. Needed measures include limiting increases in recurrent expenditure, mainly compensation, transfers to SOEs, and ill-targeted subsidies, while pursuing a recovery of productive public investment and protecting outlays for health and education and well-targeted social assistance.<br><br>The authorities intend to pursue policies to that end. They will let the temporary relief package lapse as the pandemic subsides; make permanent some of the COVID-19 related cuts in non-essential outlays and take any additional measures to restore fiscal and debt sustainability in line with their reform scenario…<br><br>Should the pandemic produce further economic damage or other risks to the outlook materialize, post-COVID-19 fiscal consolidation would need to be larger and reforms deeper, given the absence of fiscal space and the high debt |

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| | | | carried out transparently. The authorities are committed to efficiently target the temporary expansion of grants to unemployed youths in addition to existent recipients—mostly children and old adults—using the country's well-established national ID and means testing system. The authorities will ensure grants are received by legitimate beneficiaries maintaining continued transparency and accountability.<br><br>**Letter of Intent**<br>We decided to implement a strong relief package amounting to R500 billion or more than 10 percent of GDP in response to the crisis. It is part of a set of interventions divided into three phases. In the first phase, we have reprioritized disaster relief already allocated in the budget towards the health sector; phase two relates to the fiscal support package; while the third phase will take place over the medium term and will be directed toward structural reforms to achieve higher | | level. The authorities are confident that the planned expenditure streamlining will be complemented by enhanced tax revenue from the economic recovery aided by better tax administration (including leveraging anti-money laundering tools to investigate tax crimes) and other measures. |

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| | | | and more durable economic growth. Given the profound uncertainty around the evolution of the pandemic and health-related conditions, it is likely that these phases will overlap.<br><br>As part of the relief package, we are implementing measures that include support to vulnerable groups through six-month top-ups of social security grants, food security, and other forms of distress relief; temporary employment relief support through the unemployment insurance fund; additions to health services; funding for municipal services such as cleaning, sanitizing and provision of clean water to poor and rural communities; school sanitization and preparedness; support to small businesses and workers and to critical public entities; and tax deferral measures and payment holidays. We have also launched a credit guarantee scheme for small and medium- sized firms. The scheme will be implemented in phases, over a minimum of 2 years. The Southern African Reserve Bank | | |

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| | | | (SARB) will provide the initial funding, but the fiscus will ultimately backstop and guarantee credits for an initial amount of R100 billion, up to a limit of R200 billion.<br><br>The direct impact of the fiscal package on the consolidated budget amounts to R185 billion while R101 billion of existing expenditure commitments will be reprioritized and shifted towards COVID-19-related interventions. The rest of the spending will be financed through the use of cash balances and borrowing from multilateral institutions (around US$7–7.5 billion). | | |
| South Sudan<br><br>Approved on November 11, 2020 | Rapid Credit Facility (RCF) SDR 36.9 million (equiv. to $52.3 million, 15% of quota) | High risk of external and overall debt distress | **Staff Report**<br>Oil revenue losses have narrowed fiscal space to an extreme, and disbursement under the RCF will help limit the extent of fiscal consolidation, which would otherwise lead to cuts to priority spending, given the restricted access of the country to external | **Staff Report**<br>The authorities have committed to take measures to ensure that financial assistance under the RCF is used transparently for growth and poverty reduction.<br><br>The RCF disbursement will be kept on a dedicated account at | **Staff Report**<br>**(reiterated in Press Release)**<br>The authorities are committed to pursuing macroeconomic stability by implementing fiscal consolidation, limiting the use of monetary financing of the deficit and containing reliance on non-concessional debt. They intend to safeguard poverty-reducing and |

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| | | | financing…<br><br>Fiscal policy in response to the pandemic will be a combination of spending reallocation and fiscal consolidation made necessary by the contraction in domestic revenue and the limited access of the country to concessional borrowing and grants.<br><br>The measures taken in the early days of the pandemic to limit the spread of the virus were appropriate, and continued efforts to enforce social distancing and meet hygiene requirements are welcome. However, the impact of the pandemic goes beyond health, and is affecting the economy and the budget deeply, creating immediate and large external financing needs. In light of South Sudan's very limited fiscal space, and restricted access to concessional financing and on-budget donor support, the prospective RCF disbursement is expected to help safeguard priority spending that would need to be cut | the BSS, and the funds will support the authorities' plans to prioritize health-related, poverty-reducing and growth-enhancing spending. All such pandemic- related spending will be recorded in the Integrated Financial Management Information System (IFMIS).<br><br>The authorities will adhere to best practices in procuring and awarding contracts related to the pandemic, including publishing all procurement contracts and other related documentation on the Ministry of Finance's website along with the names of awarded companies and their beneficial ownership information; within three months after the contract signing. They will also publish the ex-post validation of delivery of the contracts within one year after the contract signing.<br><br>Finally, the authorities will | growth-enhancing spending.<br><br>Fiscal consolidation, which is unavoidable even in FY20/21, given the large size of the external shock and limited access to financing, will aim at preserving peace and pro-growth expenditure…<br><br>Further fiscal consolidation will come from cuts to investment expenditures, which are expected to decline from 3.2 percent of GDP in FY19/20 to 2 percent of GDP for FY20/21. The immediate growth impact of such cuts will be contained given the large import content of investment projects. The payment of wages, which suffer regular delays and arrears, will be prioritized, notably as it is the main poverty-reducing instrument currently available to the authorities, in the absence of budget-funded transfer mechanisms…<br><br>A second RCF disbursement could be considered (possibly coupled |

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| | | | otherwise.<br><br>**Letter of Intent**<br>We have allocated additional resources to the health sector and spent about US$8 million to purchase necessary medical equipment, repatriate South Sudanese students from abroad and provide food support to the most vulnerable in the population...<br><br>The BSS [Bank of South Sudan] also encouraged commercial banks to allow loan moratoria and debt restructuring for distressed customers, by extending maturities and reducing monthly payments. | publish monthly reports on their pandemic-related spending, which will be audited by the Auditor General on a quarterly basis. The audit will provide lessons for strengthening expenditure control systems in the post-crisis period. | with a Staff Monitored Program (SMP)) should further urgent BOP needs arise. Failing to secure additional financing would require painful further fiscal adjustment…<br><br>In light of South Sudan's very limited fiscal space, and restricted access to concessional financing and on-budget donor support, the prospective RCF disbursement is expected to help safeguard priority spending that would need to be cut otherwise. Containing the economic impact of the COVID-19 crisis will also require prudent fiscal policies while making sufficient room, to the extent possible, for COVID-19-related needs and growth-enhancing spending, especially in the health and education sectors.<br><br>**Letter of Intent**<br>In support of our request for an RCF, we have prepared a set of policies which would mitigate the effects of the pandemic and ensure orderly economic adjustment to the oil price shock. |

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| | | | | | We are committed to implement fiscal consolidation, while working on restoring economic growth, reducing poverty, and supporting the peace process.<br><br>We are committed to contain the fiscal deficit in FY20/21 at 2.5 percent of GDP. We are planning to close the FY20/21 balance of payments gap through a combination of IMF support and additional external financing, including donor support. We stand ready to undertake further fiscal adjustment, if expected financing does not materialize or revenue shortfalls occur, which we would achieve by delaying non-essential public-sector investment. While rationalizing expenditures, we will protect expenditure on salaries, peace- and nation- building.... |
| Tanzania<br><br>Approved on June 10, 2020 | CCRT Grant (1) $14.3 million (equiv. to SDR 10.28 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-TZA.htm | N/A | **Letter of Intent (Reiterated in Staff Report and Tanzania IMF ED Statement)**<br>To ensure the appropriate use of funds spent on fighting | N/A |

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| Approved on October 2, 2020 | CCRT Grant (2) $11.69 million (equiv. to SDR 8.29 million) | | | COVID-19, the office of the Auditor General in consultation with the relevant partners providing funding will undertake and publish an ex-post audit of COVID-19 related spending. | |
| Togo<br><br>Approved on April 3, 2020<br><br>Approved on April 13, 2020<br><br>Approved on October 2, 2020 | Augmentation of Extended Credit Facility (ECF) SDR 71.49 million (equiv. to $97.1 million, 48.7% of quota)<br><br>CCRT Grant (1) SDR 3.74 million (equiv. to $5.12 million)<br><br>CCRT Grant (2) SDR 2.31 million (equiv. to $3.26 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-TGO.htm High risk of overall debt distress | **Staff Report** The authorities have developed an action plan against COVID-19 and are seeking support from development partners. The authorities' plan comprises three main pillars: prevention, detection, and treatment. Prevention includes controls at airport/port/borders, communication, training, and social distancing. Detection consists of tests and identification of potential cases. Treatment covers confinement, dedicated hospitals, mobile clinics, and special equipment.<br><br>The immediate and direct costs of this plan is estimated at CFAF 21 billion (about $35 million or 0.6 percent of GDP). Beyond this near-term plan, the authorities also | N/A | **Staff Report** Beyond 2020, the medium-term fiscal framework aims at continuing debt reduction to preserve long-term fiscal and external sustainability… the combination of continued fiscal consolidation and sustained GDP growth is expected to substantially reduce total public debt, which would decline below the benchmark for countries with medium debt carrying capacity starting in 2022.<br><br>**Letter of Intent** We remain committed to continue reducing public debt level and bolster permanent revenues while stepping up health spending to address the effects of the ongoing COVID-19 pandemic. Furthermore, |

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| | | | intend to improve key health infrastructure to strengthen resilience against pandemics and chronic diseases.<br><br>The overall financing need is estimated at about CFAF 70 billion (about $130 million or 2 percent of GDP). The authorities are in discussions with development partners to cover some items under this plan and has currently secured financing of about CFAF 7 billion; they also plan to partly cover the costs of this plan with own resources…<br><br>Measures to improve the execution of social protection programs are advancing, which will also help protect the vulnerable population against the implications of COVID-19. The recent overhaul in the management of a key social program is expected to accelerate its implementation. The deployment of a monitoring system for social expenditure is being accelerated and the data processing capacity strengthened. A coordination | | we will continue to focus our policies on sustainable and inclusive growth, including the protection of social spending despite the fiscal consolidation…<br><br>We remain committed to decisively advance the structural reform agenda… we will pursue measures to improve further revenue collection, modernize core customs procedures, and reduce vulnerabilities to corruption. We will continue to broaden the tax base, encourage voluntary compliance, and improve taxpayer services…<br><br>**Debt Sustainability Analysis**<br>The authorities broadly agreed with staff's assessment of Togo's public debt situation and recommendations. They concurred with staff's assessment of risk ratings and distress level. Given that Togo's overall risk of debt distress remains high, they recognize that the fiscal consolidation must continue in order to bring public debt down |

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| | | | process was initiated among various stakeholders (i.e. ministry of finance, line ministries, development partners). A manager is being appointed at the ministry of finance to monitor the execution of social spending.<br><br>Monthly coordination is underway between the sectoral ministries and the ministry of finance on commitment plan, procurement plan, and cash plan, including on social spending.<br><br>The execution of social spending is being prioritized among investment spending. Those measures will also cushion the fall in income and consumption for the vulnerable population due to the COVID-19. | | below the relevant benchmark. |
| Uganda<br><br>Approved on May 6, 2020 | Rapid Credit Facility (RCF)<br>SDR 361 million ($491.5 million, 100% of quota) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-UGA.htm | **Staff report**<br>The authorities should strengthen the existing social protection tools to protect the most vulnerable during the crisis and continue increasing health spending over the medium term. The authorities have | **Letter of Intent**<br>We also agree to monitor this expenditure and identify it in budget monitoring reports. We commit to disclose all public sector financial commitments (debt), respecting commercially | **Staff report**<br>Staff encourage the authorities to continue to step up social protection programs, which can cushion the impact on the vulnerable population both during the current emergency and the |

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| | The authorities plan to devote 70 percent of the Fund's support to support the central bank's reserve position, with the rest for budget support. | Low risk of debt distress | agreed to revisit and postpone some of the planned lower-priority expenditure if they do not mobilize sufficient financing…<br><br>As a first immediate emergency response, the authorities are prioritizing health spending to fight the pandemic… The Ministry of Health, working jointly with key development partners, has prepared a plan to respond to COVID, with an initial cost of about US$125 million over the next six months. The plan includes measures such as the urgent recruitment of additional health personnel, the upgrading of equipment, and the mobilization of medical supplies and key health commodities such as test kits, personal protective equipment, oxygen, ventilators and ICU beds.<br><br>To finance the plan, the authorities have already used US$1.3 million from their Contingency Fund in the FY2019/20 budget and passed a supplementary budget. Furthermore, since funds are being reallocated from other health | sensitive information, within 3 months, and not later than September 1, and are willing to request technical assistance from the IFIs to achieve this...<br><br>To foster transparency of accounting and management of resources, we will provide a separate reporting mechanism for COVID-19 expenditures in the context of our Program Based Budgeting that will allow for clear tracking of the support received by partners. UDB will also report on the use of the funds received. We are also committed to continuing to adhere to the best fiscal management practices and to ensuring that the best possible use is made of the funds provided by the IMF, and we commit to anti-corruption safeguards.<br><br>To that effect, we commit to (i) publishing, once they are signed, documentation on the government's website of large | recovery phase, and to continue protecting health allocations over the medium term…<br><br>**Letter of intent**<br>Our policy intentions for the medium-term remain guided by the need to maintain this stability, underpinned by fiscal sustainability and inclusive economic growth. In particular, we are working to adjust our FY2020/21 budget by September 2020, since the version just endorsed by Parliament does not include the impact of the COVID-related crisis. We are however mindful that projections show a large residual financing gap in the expected revised budget for FY2020/21. If we fail in mobilizing sufficient external financing, we commit to readjust expenditures and consider additional revenue measures. We are also committed to ensure that the health sector continues to receive adequate financing going forward. |

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| | | | programs to the COVID response, essential health services are also under strain and require financing.<br><br>The authorities are taking measures to mitigate the impact of the pandemic on the economy and to support the most vulnerable groups. **Key measures include**<br>(i) shielding the most vulnerable affected by the lockdown and containment measures via a food distribution campaign; and<br>(ii) introducing an economic stimulus package to support the severely affected private sector.<br><br>The details of the package are still under discussion, but there is already agreement that key measures will include expedited repayment of domestic government arrears to private sector suppliers; boosting the lending capacity of the state-owned Uganda Development Bank (UDB) to provide affordable credit to support private sector companies to reorient their production towards COVID response related items; the deferment of tax | procurement contracts—defined as contracts above Ush500 million for works contracts, and above Ush200 million for goods and services—of COVID-19 expenditures, together with the names of awarded companies and their beneficial owners and<br><br>(ii) undertaking an independent audit of COVID-19 expenditures in about a year's time, which will include an ex-post validation of delivery of the large procurement contracts, and publishing the results. | |

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| | | | payment obligations for the most affected sectors; the introduction of tax exemptions for items used for medical use; the support with water and electricity utilities; and the expansion of labor-intensive public works programs…<br><br>COVID-related expenditure is expected to be 1.7 percent of GDP for the calendar year 2020, of which 0.6 percent of GDP in FY2019/20 and 1.1 percent in FY2020/21…<br><br>Staff also emphasized the usefulness of social protection packages to cushion the impact of the shock on the most vulnerable; Uganda could strengthen some of the existing social protection mechanisms, considering a temporary expansion to reach vulnerable people in need, as the interventions under consideration so far could be insufficient….<br><br>There was agreement that budget allocations for health need to continue to be increased and sustained over the medium term— | | |

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| | | | the pandemic has shown in the hard way how important it is to ensure that the health sector gets sufficient allocations.<br><br>**Letter of intent**<br>We need significant budget resources to address critical spending, including health spending and increased social assistance to the most vulnerable, to help contain, manage, and handle the pandemic while mitigating its negative financial consequences. As a result, we have immediate fiscal needs for the remainder of FY2019/20 estimated at US$565.5 million or 1.5 percent of GDP, and at close to US$1.5 billion for FY2020/21.<br><br>To support such vulnerable population… we are working closely with the Ministry of Gender, Labor and Social Development and our development partners to strengthen existing social protection mechanisms and, provide one-off targeted cash transfers and cash for work aimed at shortening the | | |

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| | | | window of economic vulnerability swung wide open by the pandemic. Work is on-going to define the key parameters and operational modalities to roll out this mitigation mechanism across the most vulnerable groups. | | |
| **Middle East, North Africa & Central Asia** | | | | | |
| Afghanistan (1 of 2)<br><br>Approved on April 29, 2020<br><br><br><br><br><br><br><br>Approved on April 13, 2020 | Rapid Credit Facility (RCF)<br>SDR 161.9 million (equiv. to $220 million, 50% of quota)<br>(direct budget support)<br><br><br><br><br><br>CCRT Grant (1 of 2)<br>SDR 2.40 million (equiv. to $3.28 million) | High overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-AFG.htm | **Staff Report**<br>The authorities… shared staff's main policy recommendations, namely:<br>(i) accommodate emergency health spending and social relief to affected households by allowing a higher fiscal deficit and mobilizing donor grants;<br>(ii) cut non-essential spending and, where possible, take revenue measures to contain the fiscal deficit at 3.5 percent of GDP…<br><br>With 54 percent of the population below the national poverty line there is a pressing need for wide coverage. Preliminary estimates put the cost of such a nationwide scheme for two months at $300 | **Staff Report (reiterated in the Letter of Intent)**<br>Staff urged the authorities to ensure full transparency and good governance in managing pandemic-related spending**.** Staff cautioned about corruption risks associated with a rapid execution of unplanned spending and encouraged the authorities to put in place robust measures to ensure transparency and suppress corruption opportunities.<br><br>To that end, the authorities have committed to publish quarterly reports on pandemic-related spending, including | **Staff report**<br>The authorities are committed to reverse the fiscal deterioration after the crisis. As the pandemic abates and the economy recovers, tax revenue should rebound and pandemic-related spending will phase out, improving the fiscal balance. The authorities aim to bring the fiscal deficit down to about 1 percent by 2022, aided by VAT introduction planned for 2021…<br><br>The authorities have reiterated their interest in an Extended Credit Facility, which they and donors would like to have in place before the next pledging |

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| | | | million (1.5 percent of GDP), potentially up to $400 million with greater coverage and size of assistance. Total pandemic-related spending therefore would conservatively amount to 3.5 percent of GDP in 2020, of which nearly half is expected to be funded by donors…<br><br>The authorities' immediate priorities are appropriately focused on mitigating the social and economic fallout of the pandemic. A temporary fiscal loosening and substantial donor support are needed to fund critical health and social mitigation spending and accommodate a revenue shortfall. Limiting the widening of the fiscal deficit to 3.5 percent of GDP by taking one-off revenue measures and cutting non-essential outlays will also help contain the deterioration of the balance of payments…<br><br>**Letter of Intent**<br>We cautiously estimate that COVID-related outlays to cover the cost of | information on beneficial ownership of companies awarded procurement contracts. In addition, the Supreme Audit Office will undertake audits of selected spending and publish reports by end-December. The authorities indicated that close involvement and oversight of donors provides additional comfort about the quality of spending. | conference currently scheduled for November…<br><br>Discussions on a new arrangement could start soon subject to how the pandemic evolves. The authorities have reiterated their request for a new IMF arrangement to support their economic reforms. They informed staff that should the pandemic's shock prove worse than expected, they will seek additional resources from development partners and also from the Fund in the context of a prospective program or through a request for another RCF disbursement…<br><br>Beyond the immediate response, the authorities remain committed to safeguarding macroeconomic stability, advancing governance and structural reforms, and promoting inclusive growth.<br><br>**Letter of intent**<br>Should the fiscal cost of the pandemic be larger than anticipated currently, we will seek |

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| | | | health, containment, and basic mitigation will amount to Af 30.8 billion (2 percent of GDP), of which we expect to spend about Af 9.6 billion on social mitigation. We have already allocated Af 1.9 billion for emergency health spending, which is funding key actions underway, such as (i) establishing testing labs; and (ii) setting up dedicated hospital wards; and iii) procuring the critical medical supplies. But more is needed. Initial estimates by the WHO put the required number of beds at 23,400; masks at almost seven million just for healthcare workers; and 52,000 healthcare professionals. To meet those needs, over the course of 2020, health expenditure will grow by some 0.6 percent of GDP or 57 percent relative to the budget.<br><br>With the support of the World Bank, other development partners, and humanitarian agencies, we are developing a social relief package to be provided to the needy via the most effective means—including through cash transfers, initially to | | more financing from donors and cut low-priority spending. We will also ensure that current extraordinary measures will not become permanent by reviewing them monthly and phasing them out as soon as possible.<br><br>We commit to bring our fiscal deficit to within 1 percent of GDP by 2022. As the pandemic wanes, with pandemic-related spending phasing out and tax revenues recovering, the fiscal position should improve. Over the medium term, we will keep the operating deficit excluding grants on a declining path to reduce aid dependence. To meet these fiscal objectives, we aim to mobilize domestic revenue and further optimize our spending, while preserving priority social outlays. We continue our preparatory work to introduce a value-added tax (VAT) in January 2021, but may have to reassess our plans, in consultation with IMF staff and other stakeholders, if the pandemic lasts longer than |

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| | | | the most vulnerable households. The size of the package will be calibrated to assure food security. Where cash transfer is not practical, a basic foodstuffs package, comprising flour, cooking oil, rice, soap, and sugar, may be used instead. Depending on the coverage and its size, such a package delivered nationwide could cost about \$300–400 million (1.5–2 percent of GDP).<br><br>We intend to meet pandemic-related spending needs while keeping the overall fiscal deficit under 3.5 percent of GDP in 2020. This will help contain our balance of payment gap at its estimated level. To this end, the DAB transferred Af 12.7 billion of its 2019 profits to the budget in line with the existing framework, and we are considering further one-time revenue measures. We have also identified savings of about 1.3 percent of GDP in security-related and non-priority spending. Our mid-year budget revision will fully reflect the updated revenue projections, priority health | | currently expected. |

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| | | | and social outlays, and the required expenditure revisions. | | |
| Afghanistan (2 of 2)<br><br>Approved on November 6, 2020<br><br><br><br><br><br>Approved on October 2, 2020 | Extended Credit Facility (ECF)<br>SDR 259.04 million (equiv. to $370 million)<br><br>Immediate disbursement: SDR 80.95 million ($115 million)<br><br><br>CCRT Grant (2 of 2)<br>SDR 2.40 million (equiv. to $3.38 million) | High overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-AFG.htm | **Staff Report (reiterated in the Letter of Intent)**<br>The program accommodates spending to mitigate the pandemic and its socioeconomic impact. The authorities' response to the crisis has been bolstered by substantial new and reallocated grants. The draft mid-year budget submitted to parliament envisages about 3.0 percent of GDP spending on COVID-19 in 2020, with about 60 percent directed to healthcare and social protection. To support the vulnerable, the authorities are rolling out a 1.5 percent of GDP social relief package financed by the WB, of which two-thirds will be executed this year. Targeting households with incomes of $2 per day or lower (twice the national poverty line), the package entails a near universal coverage as about 90 percent of households fall under this cut-off. The budget also includes outlays for agriculture to boost domestic food security and | **Staff Report (reiterated in the Letter of Intent)**<br>Execution of emergency pandemic spending has raised concerns about its soundness and efficiency. Per its commitment in the context of the RCF, the government intends to publish its first quarterly report on pandemic spending by end-October. The other related RCF commitment—audit of select pandemic spending by the SAO and publication of audit reports— will be completed by June 2021 to allow time to conclude audits after the fiscal year ends in December. The audit will focus on large domestically financed items given that most donors require a third-party audit of their programs.<br><br>As the program's prior action | **Staff Report (reiterated in the Letter of Intent)**<br>*Program policies.* The program will provide a macroeconomic framework to exit the crisis and create conditions for a recovery, with the focus shifting in the recovery stage to addressing fragilities that hinder sustainable growth and equitable social outcomes. It aims to preserve macro-financial stability, reverse the fiscal deterioration caused by the pandemic, protect development and social spending as aid declines…<br><br>*The program's objectives—restoring and preserving macro-financial stability and supporting sustainable growth and poverty reduction—rest on two pillars.* Under the first pillar, the ECF arrangement will provide a macroeconomic framework to navigate the crisis and create |

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| | | | compensate for the loss of exports…<br><br>In 2020–21, ECF disbursements will be directed to the budget to ease the financing constraint to more adequately source health and social sectors and support the economy during the pandemic. Without the ECF disbursements, the government would have to tighten the fiscal stance—ill-advised given critical needs and the state of the economy—or risk exhausting the Treasury cash balances, the only source of domestic financing.<br><br>The crisis has reinforced the need for stronger social protection… The authorities are increasing pro-poor spending from 3.7 percent of GDP in 2019 to 5.3 percent of GDP in 2020 and 4.7 percent of GDP in 2021 (indicative targets). To protect the level and improve the efficiency of social spending over the medium term, the authorities plan to build a targeted social safety net for which they intend to seek donor technical and financial assistance. The program will aid these efforts by | (PA), on September 30, 2020, the authorities amended public procurement procedures to require that, starting November, all entities bidding for public contracts submit information about their beneficial owners to the National Procurement Agency, which will publish on its website beneficial ownership information of winning bidders within 30 days of contract signing. | conditions for a recovery.<br><br>Under the second pillar, it will focus on addressing structural fragilities that obstruct sustainable and inclusive growth and equitable social outcomes. The program will aim to mobilize domestic revenue, improve the quality of public spending, bolster the financial sector, and support anti-corruption efforts, cementing gains and continuing reforms initiated under the 2016–19 ECF arrangement.<br><br>Landmark reforms include VAT implementation, strengthening the anti-corruption regime, and, subject to fiscal space and donor support, building a social safety net over the medium term…<br><br>In line with their intent to reverse the pandemic-induced fiscal loosening, the authorities will cap the FY2021 deficit at 2.2 percent of GDP… This will be supported by a projected rebound in tax revenue on the back of economic |

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| | | | creating fiscal space…<br><br>Continued realism in program design, agility in response to shocks, and capacity development will be essential for ensuring that program continues to meet its objectives…<br><br>The program allows a temporary fiscal loosening to boost pandemic spending and accommodate revenue shortfalls. The authorities have rightly prioritized mitigating the social and economic impact of the pandemic in their revised 2020 budget targeting a 3.0 percent of GDP deficit. As the recovery gets underway, the program aims to gradually bring the deficit down and rebuild government deposits. With grants projected to decline over the medium term, increasing much needed development and social spending will require mobilizing domestic revenue. These efforts are also essential considering the need to decisively tackle poverty, including by establishing a social safety net in step with gaining | | recovery and renewed revenue mobilization efforts. While spending is projected to decline, the budget needs to carefully balance preserving resilience and supporting the recovery, while continuing with pandemic spending projected at about 2 percent of GDP, including the WB-financed social support program…<br><br>Revenue mobilization under the program will be underpinned by the post-pandemic recovery in compliance, VAT introduction in 2022, and, starting in 2023, fees from pipeline and power transmission projects…<br><br>*VAT adoption will be a crowning achievement of tax policy reforms…* In view of the pandemic and in consultation with the IMF, WB, and EU, the authorities postponed the VAT implementation from 2021 to 2022. The 10 percent VAT, which would replace the cascading business receipt tax (BRT), could yield 1.2 percent of GDP net |

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| | | | ground on self-reliance…<br><br>**Letter of Intent (Memorandum of Economic and Financial Policies)** COVID-19 relief and recovery are our most urgent priorities. None of our other objectives can be achieved without first addressing the threat to lives and livelihoods posed by COVID-19. We have cancelled some lower-performing projects, including those financed by donors, to create fiscal space for urgent spending to mitigate the health and social impact of COVID-19 and limit economic scarring. With the support of the World Bank, we will roll out a social relief package, amounting to 1.5 percent of GDP, to Afghan households with incomes of $2 per day or lower (twice the national poverty line). With its broad coverage, about 90 percent of all households, the program will be near universal in scope and delivered in 2020-21. Households in rural areas will receive an equivalent of $50 in essential food staples and hygiene products, while those in urban areas a combination of cash | | revenue while eliminating BRT's distortions. The authorities requested the IMF TA to update the VAT's yield estimate and will consider introducing a simple tax scheme for taxpayers below the VAT threshold to maintain them under the tax net when the BRT is abolished.<br><br>To mitigate the impact on the poor, the authorities have exempted a number of basic goods and will study the need for compensatory spending measures…<br><br>The outlook hinges on the evolution of the pandemic, security situation, and reform progress. Should the pandemic intensify, the incipient recovery would come to a halt and the fiscal and external financing needs increase sharply…<br><br>*Fiscal policy* would aim to preserve sustainability and protect development spending amid declining aid. This requires |

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| | | | and in-kind equivalent to $100, in two tranches…<br><br>Poverty reduction and social inclusion are at the top of our agenda. The harmful social impact of COVID-19—according to World Bank estimates, poverty could rise to 61–72 percent from 55 percent in 2016-17—has reinforced the need to implement economic policies that are equitable and inclusive. Going forward, we will take a holistic approach to poverty reduction, strengthen protection of the most vulnerable, and enhance resilience of the population by expanding access to basic services, especially for the poor, women, youth, disadvantaged, and displaced people. We are boosting pro-poor spending (indicative target) to 5.3 percent of GDP this year and 4.7 percent of GDP in 2021 and intend to put in place a targeted social safety net program over the medium term.<br><br>To that end, we will create fiscal space under the ECF arrangement | | revenue mobilization, strengthening fiscal governance, and boosting the level and effectiveness of pro-growth and pro-poor spending, including to finance infrastructure that could facilitate regional integration.<br><br>Strengthening social protection, by creating fiscal space for a new targeted social safety net, would help ensure a more equitable sharing of growth dividends, contribute to an improved social cohesion, and better prepare Afghanistan for future shocks like the COVID-19 pandemic.<br><br>**Technical Memorandum of Understanding**<br><br>The program includes the following indicative targets for December 2020, March 2021, June 2021, September 2021, and December 2021:<br>- Ceiling on the operating budget deficit of the central government excluding grants; |

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| | | | and engage our development partners to provide co-financing and help us design the program. We will continue to invest in education to advance gender equity and access for all disadvantaged groups, and encourage more women to work in the education, health care, and other sectors where they are underrepresented. | | and<br>- Floors on revenue of the central government; Treasury discretionary cash balance, and social and other priority spending…. *Social and other priority spending is* defined as the sum of pro-poor spending identified in accordance with the Afghanistan National Development Strategy poverty profile by the Ministry of Education, Ministry of Public Health, and Ministry of Labor, Social Affairs, Martyrs, and Disabled within the central government's operating budget for a particular fiscal year. |
| Armenia<br><br>Approved on May 18, 2020 | Augmentation of Stand-By Arrangement (SBA) SDR 128.80 million (equiv. to $175 million, 139.75% of quota) | N/A | **Staff Report**<br>… the government equipped the Ministry of Health with additional resources and legislative powers to expeditiously acquire medical supplies and necessary health equipment, including testing kits. Additionally, to support the | **Staff Report**<br>Given the significance of the crisis-related measures, the authorities are committed to ensure strong governance and transparency around the implementation of these programs. This includes, | **Letter of Intent**<br>We will review the implementation of these measures on a monthly basis, with the objective of phasing them once are no longer needed, cognizant of their fiscal |

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| | (All drawings may be used for budget support) | | economy, the government has announced three types of near-term support:<br><br>(i) direct social assistance transfers to the vulnerable;<br>(ii) labor subsidies to help SME employers maintain core employees; and<br>(iii) subsidized government-sponsored 2–3-year loans to provide short-term support to selected agricultural enterprises and SMEs in heavily affected sectors…<br><br>Current spending increases, reflecting additional spending on healthcare and economic support to vulnerable firms and households. In 2020, additional health spending is estimated at around 1⁄2 percent of GDP, while the near-term economic support measures are estimated to involve above- the-line costs (subsidies and interest) of almost 1 percent of GDP. Taken together, these factors will result in a widening of the deficit to around 5 percent of GDP… | transparent public procurement, regular reporting of program implementation, and inclusion of fiscal risks in budget documents…<br><br>The authorities are committed to ensuring strong governance and transparency in implementation of these programs, and staff encourage them to continuously monitor the implementation of these measures to ensure their ongoing need, effectiveness and evenhanded coverage.<br><br>The authorities should also transparently report realized losses, and contingent risks, associated with their support programs with a multi-year impact.<br><br>When contemplating post-crisis support, the authorities should consider the pros and cons of various alternatives. For measures that include direct investment in companies, they | implications.<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>We remain committed to our medium-term fiscal goals of debt sustainability, while maintaining space for investment and social spending. The 2021–23 Medium-Term Expenditure Framework (MTEF) will underpin our commitment to the objective of reducing public debt once the pandemic shock dissipates. We will implement gradual fiscal consolidation to bring government debt to GDP ratio to below 50 percent, in line with our fiscal rule. This would require lowering fiscal deficit to about 1 1⁄2 percent of GDP over the medium-term. This adjustment will be achieved by mobilizing revenue and containing current expenditure, while creating space for additional capital spending over the medium term. We will work to raise the revenue to GDP ratio over the medium term to the levels |

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| | | | **Letter of Intent**<br>Our immediate policy focus is on measures to contain the spread of the COVID-19 virus and ensure that our health system ready to meet the coming needs of the Armenia people. Our economic response is framed around a set of measures estimated at about AMD150 billion, which will provide targeted and temporary assistance to businesses and our vulnerable population in order to prevent this shock doing more permanent and generalized economic damage. | should enact sufficient transparency and safeguards to limit risks to the public-sector balance sheet, and the potential for distorting competition or creating opening for corruption.<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>We will arrange for an ex-post audit of the on-lending business support schemes in the COVID-19 package and publish the results of the audit. The audit will be conducted by a top 10 internationally known independent audit company. | suggested by a study identifying tax potential (October 2020 SB) by exploring scope to reduce tax expenditures, reform the turnover tax regime, and increase excises while implementing reforms to boost tax compliance…<br><br>*Tax reform*. From January 2020, our tax reforms have simplified and flattened personal income tax (PIT) rates, reduced the corporate income tax (CIT) rate, and paved the way for a legislated increase in the social contribution rate in January 2021. We are also on track to introduce individual income tax declarations from January 2022.<br><br>*Property taxation*. We are in the final stage of deciding the taxation parameters across different types of property… We remain committed to start tax collections under this new regime in 2021, with a transition period allowing for a gradual increase in the taxation burden through 2024. |

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| | | | | | **Armenia IMF ED Statement**<br>Looking ahead, the authorities remain committed to preserving medium-term debt sustainability while protecting investment and social spending. They are strongly determined to bring the government debt down to below 50 percent of GDP through gradual fiscal consolidation, in line with the fiscal rule, once the crisis dissipates. This assumes mobilizing additional tax revenue and containing current expenditures over the medium-term, while creating space for additional capital spending. |
| Djibouti<br><br>Approved on May 8, 2020 | Rapid Credit Facility (RCF)<br>SDR 31.8 million (equiv. to $43.4 million, 100% of quota)<br>(budget support)<br><br><br><br>CCRT Grant (1) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-DJI.htm<br><br>High overall risk of debt distress | **Staff Report**<br>The immediate priority is to ramp up emergency spending to contain the virus and protect lives. Extra spending will also be needed to protect households and firms hit by the crisis, and a higher fiscal deficit should be accommodated this year…<br><br>Additional health and other priority expenditures of about 2.4 percent of GDP will be necessary this year to | **Letter of Intent (reiterated in the Staff Report)**<br>To foster transparency of accounting and management of resources, we will outline the new measures in a supplementary budget expected to be submitted to Parliament in May. We are also committed to continuing to adhere to the best fiscal management practices and to | **Letter of Intent**<br>The increase in the deficit is expected to be temporary and, as the impact of the crisis eases, we are committed to take steps to underpin debt sustainability while creating space for poverty-reducing spending. In particular, we will ramp up the operations of several key projects to generate the revenues necessary for debt |

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| Approved on May 8, 2020<br><br><br>Approved on October 2, 2020 | SDR 1.69 million (equiv. to $2.3 million)<br><br>CCRT Grant (2)<br>SDR 1.69 million (equiv. to $2.38 million) | | address the pandemic and its economic and social consequences. The shocks are also projected to reduce government revenue in 2020, by about 0.9 percent of GDP…<br><br>The authorities are committed to ensure that these additional expenditures are well-targeted and cost-effective. They are using a combination of social registry data and community targeting to identify beneficiaries and are engaging with METAC technical assistance experts on designing cash transfers…<br><br>Temporary measures should be unwound once the virus is contained, with policies refocusing on promoting a strong and inclusive recovery and preserving debt sustainability… | ensuring that the best possible use is made of the resources provided by the IMF and our other partners.<br><br>To do so, we will<br>(i) publish on the Ministry of Budget's website, once they are signed, procurement contracts of COVID-19 expenditures in excess of US$ 100,000 as well as the beneficial ownership of the selected companies, and<br><br>(ii) commission an independent ex-post audit of COVID-19-related spending in about a year's time and publish the results… | service...<br><br>We are committed to increase domestic revenue mobilization, notably by reducing tax exemptions and streamlining special regimes. |

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| Egypt (1 of 2)<br><br>Approved on May 11, 2020 | Rapid Financing Instrument (RFI) SDR 2037.1 million (equiv. to $2.772 billion, 100% of quota) (budget support) | N/A | **Staff Report**<br>The authorities have launched a comprehensive package to contain the economic impact of the COVID-19 shock. A package for EGP 100 billion (1.8 percent of GDP) of fiscal, monetary, and financial sector measures has been announced. While the entire set of measures underlying the package have not all been announced, the current fiscal package includes increased allocations to the health sector and a range of measures to cushion the impact on most severely impacted sectors. In addition, social support for the poor and vulnerable has been expanded, with the coverage of the targeted conditional cash transfer programs Takaful and Karama scaled up to reach additional 60,000–70,000 families to a total of 2.9 million families. Additional measures are under consideration in the context of the FY20/21 budget.<br><br>Staff agreed that the immediate focus of fiscal policy should be to forcefully tackle the health issue, | **Staff Report**<br>To ensure transparency, the authorities are committed to publishing documentation on government procurement plans and awarded contracts for the emergency responses to COVID-19, including the awarded companies and information on beneficial ownership information, in line with the applicable law. As is customary, the State Audit Authority will audit crisis-mitigating inflows and spending including ex-post validation of spending, and publish the results after the end of the fiscal year as required in the constitutional mandate. | **Staff Report**<br>Staff stressed that support measures must be timely, targeted, transparent, and temporary, focusing on the immediate health spending needs and protecting the most vulnerable… Once recovery is underway, the temporary policies should be reversed, with fiscal policy resuming a primary surplus target of 2 percent of GDP and downward trajectory of public debt. Pausing further policy rate cuts would be appropriate until the impact of the already large monetary stimulus becomes clearer…<br><br>The authorities should also soon resume their efforts to broaden structural reforms to support private sector development to achieve strong and inclusive medium-term growth and job creation.<br><br>… the authorities have indicated their commitment to resuming fiscal consolidation as the crisis |

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| | | | limit the macroeconomic impact, and address social needs. There was agreement that crisis spending measures should be timely, transparent, temporary, and targeted at the sectors most affected by the pandemic, including higher health and social spending…<br><br>**Letter of Intent**<br>Almost EGP 40 billion has already been allocated for public health sector measures and to support the most affected sectors and the vulnerable. So far the announced measures includes accelerating the payment of EGP 10 billion to contractors and suppliers (mostly private sector) to ensure smooth implementation of government investments; announcing a 14 percent increase in pensions starting July 2020 that will benefit almost 10 million households; cash transfers for about 2 million irregular workers; lower energy costs for industry ; payment over three installments of due corporate taxes for 2019 only for affected sectors, | | abates, which is projected to put public debt on a downward trajectory from 2021/22. |

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| | | | temporary real estate tax relief for industrial and tourism sectors; higher subsidy pay-outs for exporters; a 6-month grace period for MSMEs for insurance premia; an extension to a moratorium on agricultural land tax for 2 years; a reduction in the stamp duty on capital market transactions; and postponement of the capital gains tax for residents for 17 months while abolishing it for nonresidents…<br><br>We are committed to safeguarding fiscal and debt sustainability, while providing maximum needed support for the health sector and affected sectors as well as protecting the vulnerable. Accordingly, our crisis-related measures to contain its economic impact are designed to be timely, targeted, transparent, and temporary. If additional spending is needed to address the crisis, the Government is prepared to reallocate resources from less urgent spending items to crisis related spending items. | | |

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| Egypt (2 of 2)<br><br>Approved June 26, 2020 | Stand-By Arrangement (SBA) SDR 3.76 billion (equiv. to $5.2 billion, 184.8% of quota) (budget support) | N/A | **Staff Report**<br>The SBA will aim to maintain macroeconomic stability amid the crisis while continuing to advance structural reforms to strengthen prospects for higher medium-term growth and job creation. Policies to achieve these objectives include:<br>• Easing fiscal policy in FY2019/20 and FY2020/21 to support crisis spending on health and targeted support for the most impacted sectors and people, and resuming the downward trajectory of public debt from FY2021/22…<br><br>To confront the health and economic crisis, fiscal policy will provide much-needed support to the most-affected individuals and sectors. Expansion of social support | **Letter of Intent**<br>In the interest of transparency and accountability, we will continue to track and report all crisis-related spending, including through our various fiscal documents published throughout the budget cycle in line with international best practices. We intend to publish all crisis-related spending in a consolidated manner on the Ministry of Finance web site and will publish government procurement plans and awarded contracts for the emergency responses to COVID-19, including the names of the awarded companies and information on beneficial ownership in accordance with | **Staff Report**<br>The authorities' policies, supported by the SBA, will aim to maintain macroeconomic stability while pursuing targeted structural reforms to improve debt management and private sector-led growth. An important challenge is trying to design the right policies in a highly uncertain environment. Thus, the SBA seeks to strike a balance between providing the crucial short-term stimulus to minimize the human and economic toll of the pandemic while avoiding buildup of imbalances in the medium term. Recalibrating policies and priorities to continue to strike this balance may be necessary as the crisis evolves… |

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| | | | for the vulnerable has been scaled up—the targeted conditional cash transfer program Takaful and Karama will now reach around 31⁄2 million families. Since the outbreak of the pandemic, resources have also been directed towards the provision of food as well as medical and sanitation supplies to remote villages and other vulnerable groups…<br><br>A supplementary budget could be needed in December to reflect updated fiscal projections as the impact of the crisis becomes clearer. If needed, the authorities are also prepared to delay low priority current and capital spending in favor of essential spending (particularly on health and targeted social protection…<br><br>On the expenditure side, allocations for health spending are projected to be higher by 26 percent in FY2020/21, the highest annual growth for any ministry or sector and almost triple the annual growth in total expenditure. Allocations | the applicable law.<br><br>As is customary, the Accountability State Authority will audit crisis-mitigating inflows and spending including ex-post validation of delivery and publish the results of such COVID-19 spending review after the end of the fiscal year. | On the revenue side… Parliament passed a broadly revenue-neutral reform of the Personal Income Tax to increase progressivity, in line with IMF technical assistance recommendations. To ensure a minimum level of tax revenues to help meet the spending pressures, the authorities are committed to meeting a floor on tax revenue (proposed indicative target). In this regard, the authorities have prepared additional revenue measures such as the proposed one- percent tax on salaries of public and private employees across all sectors and 0.5 percent on pension payments over 12 months which could raise around EGP10 billion (around 0.18 percent of GDP) to support the health sector as well as firms and workers hit by the crisis…<br><br>The envisaged fiscal envelope for FY2020/21 would temporarily raise government debt to about 93 percent of GDP (from 84 percent of GDP in FY2018/19). Under current assumptions, the |

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| | | | projected for social protection have increased by nearly10 percent. Given the criticality of these two spending categories in the current crisis, a minimum spending floor for these categories is proposed as an indicative target…<br><br>Improving the social safety net remains an important priority. The authorities are looking into expanding social support to include more vulnerable groups including at-risk women, the elderly, and school children (feeding program). They are committed to a public expenditure review, supported by the World Bank, that covers social protection, health, and education programs. The immediate focus of the review will be on evaluating the effectiveness of social spending, identifying gaps, and providing recommendations by April 2021…<br><br>The authorities' economic program supported by the proposed SBA offers a credible plan for maintaining macroeconomic stability amid the uncertainty. The | | authorities aim to unwind the temporary crisis-related expenditures and return to fiscal consolidation to resume the downward path of public debt in FY2021/22…<br><br>The authorities are committed to continuing structural reforms that already began under the EFF…<br><br>Revenue mobilization will support higher primary surpluses to create room for priority spending on health, education, and social protection… The Medium-Term Revenue Strategy (MTRS) is currently being revised to reflect the post-COVID-19 outlook in revenue and expenditure, with a view to receiving Cabinet approval by end-December 2020 (proposed structural benchmark) … |

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| | | | policies appropriately aim to prioritize higher health and social spending, reduce risks to debt sustainability, rebuild FX reserves, further strengthen the monetary policy framework, and maintain financial stability. These policies are complemented by focused structural reforms to continue past efforts to support private sector development. The reform program provides flexibility to respond to additional crisis-related spending needs that may arise, while also safeguarding fiscal and external balances.<br><br>*Health sector support:* About EGP 8 billion has been allocated to support healthcare, including providing medical supplies and disbursing bonuses for medical staff working in quarantine hospitals and labs. Pay increases were also authorized for medical professionals. Treatment costs for COVID-19 have been capped in private hospitals.<br><br>*Fiscal Measures.* Relief for vulnerable groups and irregular workers. The coverage of the cash | | |

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| | | | transfer programs—Takaful and Karama—has been expanded. Support for irregular workers in the most affected sectors will provide EGP 500 in monthly grants for 3 months… | | |
| Georgia<br><br>Approved May 1, 2020 | Augmentation of Extended Fund Facility (EFF)<br>SDR 273.6 million (equiv. to $375.60 million, 130% of quota)<br><br>Disbursement of SDR 147 million (equiv. to $200 million, 70% of quota)<br>(budget support) | | **Memorandum of Economic and Financial Policies (Attachment to Letter of Intent)**<br>The fiscal measures include the following targeted, temporary and timely measures to help deal with the consequences of pandemic:<br><br>Social assistance in the form of direct transfers to the following groups:<br>• Transfers for those who lost or are at risk of losing their employment (up to GEL700 million, 1.4 percent of GDP), which is expected to benefit around 720,000 individuals in formal employment before the COVID-19 pandemic.<br>• Direct transfer of GEL100 (on average, dependent on the number of members in the | N/A | **Staff Report**<br>While the authorities are rightly focused on dealing with the fallout of the COVID-19 pandemic, efforts should be made to implement the EFF reform agenda to support the economic recovery…<br><br>Staff supports the authorities' plans for a gradual fiscal consolidation starting in 2021 as one-off spending expires and revenues recover.<br><br>**Letter of Intent**<br>We are committed to a declining debt path over the medium term with sustained fiscal discipline. We will improve public administration efficiency by (i) containing the wage bill and administrative expenses; (ii) improving the |

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| | | | family) to families registered in the social ranking system with a score of 65,000- 100,000, for up to 6 months. The measure is expected to benefit around70,000 families, for a total cost of GEL42 million (0.1 percent of GDP).<br>• Direct transfer of GEL100 to families with 3 and more children of 0-16 age, registered in the social ranking system with a score below 100,000, for up to 6 months. The measure is expected to benefit around 21,000 families, for a total cost ofGEL13 million (0.03 percent of GDP).<br>• Direct Transfer of GEL100 to people with severe disabilities (including children with disabilities), for up to 6 months. The measure is expected to benefit around40,000 children, for a total cost of GEL24 million (0.05 percent of GDP).<br>• One-time transfer to those part of the informal economy and | | targeting of subsidies and of social assistance programs…<br><br>**Memorandum of Economic and Financial Policies (Attachment to Letter of Intent)**<br>In 2021, we expect to unwind most of temporary measures to address the COVID-19 pandemic… We commit to adopt the 2021 budget consistent with the policies agreed at the time of the Seventh Review under the EFF arrangement (new end-December 2020 structural benchmark). |

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| | | | that face vulnerable economic conditions, who are not eligible for the benefits above and can prove loss of income as a result of the COVID-19 shock. This measure is budgeted for up to GEL75 million (0.14 percent of GDP).<br>• A subsidy for electricity, natural gas, and utility bills of approximately GEL65 per month targeted to households that consume less than KV200 and less than 200 $m^3$ per month, for 3 months. This measure is expected to benefit 1,100,000 electricity- and 651,000 gas- subscribers, including vulnerable beneficiaries who do not receive targeted support from other social programs.<br>• Increased healthcare expenditure to deal with the COVID-19 pandemic (GEL350 million,(0.7 percent of 2019 GDP). This includes lab testing and quarantine expenditures and increased healthcare costs | | |

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| | | | associated with hospitalization and medical treatment and supplies. This also includes GEL50 million in healthcare-related infrastructure and specialized equipment.<br>• Building a stock of basic food products (e.g. flour, bread, pasta, rice, sugar), including by providing a price subsidy, all for a total cost of GEL50 million (0.1 percent of GDP).<br>• Because of the unprecedented nature of the COVID-19 shock, we will provide temporary support to businesses (up to GEL500 million in 2020)… | | |
| Jordan (1 of 2)<br><br>Approved on March 26, 2020 | Extended Fund Facility (EFF)<br>SDR 926.37 million (equiv. to $1.3 billion, 270% of quota)<br><br>1st disbursement $139.23 million (SDR 102.93 million) | N/A | **Press release**<br>**(Reiterated in the Staff Report and Memorandum of Economic and Financial Policies)**<br>Although the program was designed before the COVID-19 outbreak, changes were made to the program to support unbudgeted spending covering emergency outlays and medical supplies and equipment. If the impact of the outbreak is deep enough to put at risk program | **N/A** | **Press release**<br>Continued fiscal consolidation efforts are needed to bring public debt toward more sustainable levels. The government's strategy should focus on broadening the tax base and reducing business tax exemptions through an overhaul of the investment incentives framework and revamping tax and customs administrations. These reforms will need to be |

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| | | | objectives, the program will be adapted further to the changed circumstances, upon reaching understandings with the authorities.<br><br>There may be a need for emergency budget spending to prevent, detect, treat, and contain the outbreak, as well as revenue losses from lower economic activity. The program contains an adjuster for any immediate spending needs to respond to COVID-19. In the event of a large economic impact materializing, the authorities will consult Fund staff on how the program could be adapted to ensure its objectives remain achievable while ensuring there is needed COVID-19-related spending…<br><br>The program's fiscal strategy relies on broadening the tax base and reducing tax exemptions for businesses, particularly through an overhaul of the investment incentives framework and revamping of tax and customs administrations. These reforms will be complemented by efforts to | | complemented by efforts to contain spending, limit losses in the energy and water sectors, and improve the targeting of Jordan's social safety net.<br><br>Structural reforms are centered on the most important remaining impediments to growth. Key efforts include:<br>(i) reducing high electricity costs faced by businesses to enhance competitiveness and support job creation, while directing electricity subsidies only to those who need them most;<br>(ii) a temporary reduction in social security contributions, among other labor market reforms, to promote greater employment opportunities, particularly for women and young people…<br><br>**Staff Report**<br>The program contains an adjuster for any immediate spending needs to respond to COVID-19. In the event of a large economic impact materializing, the authorities will consul t Fund staff in how the |

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| | | | rationalize current expenditures while protecting critical social, health and education spending; contain losses and contingent liabilities in the energy and water sectors; and improve the targeting of Jordan’s social safety net. | | program could be adapted to ensure its objectives remain achievable while ensuring there is needed COVID-19-related spending. Given the uncertainty about the extent and duration of the crisis in Jordan and globally, it is not possible to quantify the economic effects and the specific policy response on the program at this stage. However, the program would be reassessed, as needed, at the time of the reviews…<br><br>Structural fiscal reforms are critical to underpin any fiscal strategy over the medium term… On the expenditure side, efforts should be concentrated on: (i) containing the wage bill, particularly after the increased compensation agreed in 2019 and legislated in early 2020; (ii) making more efficient the provision of public health services; (iii) rationalizing transfers to public sector entities; (iv) streamlining social assistance programs and improving their targeting to protect the vulnerable; and (v) |

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| | | | | | further rationalizing non-priority current expenditures, as warranted.<br><br>**Memorandum of Economic and Financial Policies)**<br>The authorities are committed to a gradual and steady fiscal consolidation that will help to bring down public debt during the program period, while allowing for social and capital spending to support inclusive growth. The budget for 2020—approved by Parliament in January—aims to reduce the primary fiscal deficit from 3.8 percent of GDP in 2019 to 2.3 percent of GDP. This reduction in deficit is based on the additional revenues from the new income tax law… Expenditure reductions focus on measures to compress non-priority current spending, and to reduce the public-sector wage bill through a buy-out civil service scheme. They also include measures to rationalize services and transfers, improve the targeting of social assistance, and strengthen the |

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| | | | | | public procurement system. |
| Jordan (2 of 2)<br><br>Approved on May 20, 2020 | Rapid Financing Instrument (RFI) SDR 291.55 million (equiv. to $396 million, 85% of quota)<br>(budget support) | N/A | **Press release**<br>The Jordanian authorities have responded with decisive containment and health measures that effectively limited the spread of the virus with minimal fatalities. They also implemented a timely package of policies to mitigate the economic fallout of the pandemic. The government provided targeted financial support to the most severely impacted businesses and individuals, who lost their jobs and income…<br><br>The authorities have also implemented a number of measures to cushion the economic fallout of the shock. They established a fund to cover emergency medical outlays, exempted medical supplies from sales tax, provided temporary cash-flow relief to companies by allowing delayed payments of sales taxes and customs duties within the year as well as electricity bills until June, temporarily reduced social security contributions from 21.75 to 5.25 | **Staff report**<br>The authorities are committed to transparency and accountability of emergency spending. To this end, the authorities:<br><br>(i) created specific budget lines to track and report crisis-related expenditure;<br><br>(ii) linked the emergency fund to the Treasury Single Account;<br><br>(iii) will publish on the government website procurement plans, notices and awarded contracts, including beneficial ownership of awarded entities, for the emergency responses; and<br><br>(iv) will undertake ex-post audits of all crisis-mitigating inflows and spending by the Jordanian Audit Bureau, and will publish the results within 6 months from the end of the | **Staff report**<br>As the crisis abates, the authorities are committed to resuming gradual fiscal consolidation and accelerate structural reforms to rebuild buffers and support growth, in line with the EFF [Extended Fund Facility] objectives.<br><br>On March 25, the Executive Board of the IMF approved a four-year arrangement under the Extended Fund Facility with access of SDR 926.37 million (270 percent of quota). The program was designed before the COVID-19 outbreak and its main objectives were strengthening macroeconomic stability and deepening structural reforms to address impediments to private sector development and thereby raise potential growth. While these objectives remain valid in the medium term, the immediate priorities have shifted to containing the health crisis and |

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| | | | percent and the maximum load tariff for electricity consumption of selected sectors, and introduced a cash transfer program to support the unemployed and self-employed (0.3 percent of GDP, while at the same time trying to find savings including in the wage bill, budgetary transfers, and non-essential investment | fiscal year. | minimizing its economic fallout…<br><br>The authorities are also committed to return to the fiscal consolidation strategy agreed under the EFF arrangement as soon as the situation normalizes… the pace of fiscal consolidation may need to be reconsidered at the time of first EFF review, in view of developments in containing the pandemic both in Jordan and globally, and Jordan's growth trajectory.<br><br>The authorities plan to resume the needed fiscal consolidation from 2021 by cutting lower priority spending, curtailing tax exemptions, reducing evasion, and strengthening tax and customs administration.<br><br>**Letter of intent**<br>While great uncertainty remains with respect to the duration and severity of the crisis, we view the fiscal consolidation as critical to placing debt on a downward path, mitigating rising risks to debt |

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| | | | | | sustainability, and creating fiscal space for much needed investment in human and physical capital. We will need to reprioritize expenditure towards the demands created by COVID-19, with special focus on social safety nets. In this regard, we will proceed with efforts to contain the growth of the wage bill, streamline other current spending, postpone non-priority investment, and broaden the tax base, through curtailing tax exemptions, reducing tax evasion, and addressing tax administration weaknesses. |
| Kyrgyz Republic (1 of 2)<br><br>Approved on March 26, 2020 | Rapid Financing Instrument (RFI)<br>SDR 59.2 million (equiv. to $80.6 million, 33% of quota)<br><br>Rapid Credit Facility (RCF)<br>SDR 29.6 million (equiv. to $40.3 | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-KGZ.htm<br><br>Moderate overall risk of debt distress | **Staff Report**<br>The initial budget includes KGZ19 billion ($240 million, 3.0 percent of GDP) for the health sector, which will be protected by expenditure reallocation. Additional health expenditure to contain the spread of COVID-19 have been estimated at $9.4 million (0.1 percent of GDP) so far and more will most likely be identified as the crisis unfolds. It will be accommodated through cuts in | **Staff Report**<br>To ensure the quality of emergency spending in the health sector, the authorities commit to subject the procurement of urgently needed medical supplies to an ex-post audit by the Audit Chamber, of which the results will be published on the website of the Ministry of Finance. This measure will help | **Staff Report**<br>… the widening of the deficit in 2020 needs to be embedded in a medium-term fiscal plan, where the fiscal deficit is brought down to 3 percent of GDP within a few years once the temporary shock has passed and confidence has been restored. Previous analysis indicates that large tax exemptions, energy sector subsidies (2.0 percent of GDP), |

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| | million, 17% of quota)<br>(budget support) | | non-essential expenditure…<br><br>The fiscal impact of the COVID-19, including the fall in revenues and increase in health expenditure, can be accommodated in a supplementary budget. Such fiscal loosening is necessary to prevent the outbreak of COVID-19… In case donor financing is not enough to close the financing gap, some additional expenditure reprioritization will need to be considered in areas that will least affect the prevention of the COVID-19 outbreak, such as the reduction of tax exemptions (4.4 percent of GDP in 2018) or the postponement of non-priority goods and services or capital expenditures, while protecting expenditure that benefit the poor. | limit vulnerabilities to corruption… | tighter management of the wage bill (11.5 percent of GDP in 2019), and improvements in public financial management should be priority areas for reducing the deficit in the medium term.<br><br>**Letter of Intent**<br>The increase in the deficit is expected to be temporary and we are committed to implement revenue and expenditure measures to bring the deficit down to below 3 percent of GDP over the next two years, once the impact of the shock dissipates and confidence is restored. |
| Kyrgyz Republic (2 of 2)<br><br>Approved on May 8, 2020 | Rapid Financing Instrument (RFI)<br>SDR 59.2 million (equiv. to $80.7 million, 33% of quota) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-KGZ.htm | **Staff Report**<br>**I**n collaboration with international organizations, the authorities have designed and adopted a health sector contingency plan, with an estimated cost of $16 million (0.2 percent of GDP), including training | **Staff Report (reiterated in the Letter of Intent)**<br>The authorities will strengthen procurement rules, including through steps to enhance transparency, which will help ensure that the aid received is | **Staff Report**<br>The authorities plan to temporarily loosen macroeconomic and financial policies to provide health and economic relief and support an economic recovery in the second |

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| | Rapid Credit Facility (RCF)<br>SDR 29.6 million (equiv. to $40.4 million, 17% of quota)<br>(budget support) | Moderate overall risk of debt distress | for health-care workers, the procurement of personal protective equipment, medical tests, and respirators, the buildup of quarantine facilities, and a communication plan about measures to contain the pandemic.<br><br>To ease the impact on the economy, they adopted an initial package of economic measures totaling $15 million (0.2 percent of GDP) including the postponement of tax payments, time-bound exemptions of property and land taxes, temporary price controls on 11 essential food items, and food distribution to the poorest segments of the population.<br><br>They are also preparing a second package of economic measures totaling around $400 million (5.2 percent of GDP), including cash transfers to the poorest segments of the population, subsidized credit lines to banks to provide funding to small and medium-size enterprises, and the rebuilding of food buffer stocks that have almost been | efficiently spent on addressing the crisis.<br><br>To ensure the quality of emergency spending in the health and other sectors, the authorities will subject all procurement of urgently needed supplies to an ex-post audit by the Audit Chamber, of which the results will be published on the website of the Ministry of Finance.<br><br>In addition, they will publish bidding documents for competitive and single tender procurement, including those of state-owned enterprises and joint stock companies with state shares of more than 50 percent and their subsidiaries, on the Public Procurement portal.<br><br>They will take the necessary measures within the government's prerogative to publish ex-post validation of delivery along with the name of | half of the year… they plan to… develop a plan to bring the deficit below 3 percent of GDP once the crisis abates… |

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| | | | depleted by recent food distributions to the poor… | awarded companies and their beneficial owner(s) for all public procurement contracts.<br><br>They will also ensure that the Independent Complaints Review Commission on procurement can collect fees to adequately finance its operations. | |
| Mauritania (1 of 2)<br><br>Approved on April 23, 2020 | Rapid Credit Facility (RCF)<br>SDR 95.680 million (equiv. to $130 million, 74.3% of quota) | High overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MRT.htm | **Staff Report**<br>Staff and the authorities discussed measures to (i) continue with essential containment measures and support for health systems; (ii) shield affected people and firms with adequate, timely, and targeted fiscal and financial sector measures; and (iii) reduce stress to the financial system.<br><br>To mitigate the economic and social impact, they have set up a special social assistance fund (open to private funding) to procure urgent medical supplies and support 30,000 vulnerable households (about $14 million in line with the existing cash transfer program supported by the World Bank), and waived taxes on | **Staff Report**<br>They were committed to full transparency in the use of resources deployed for the emergency response, to channel all spending through the budget (including the social assistance fund), and to track, account for, and report in a transparent manner.<br><br>To help deter misappropriation of crisis- mitigation funds and assist fundraising from donors, the authorities will set up a supervisory committee for the social assistance fund and will ask the Court of Accounts to audit crisis- mitigation spending once the crisis abates | **Staff Report**<br>Mauritania has an existing arrangement under the Extended Credit Facility (ECF) approved on December 6, 2017… The program supported the use of fiscal space to increase priority social (education, health, and social protection) and infrastructure spending while maintaining prudent fiscal and borrowing policies to preserve debt sustainability… The authorities have reaffirmed their commitment to the reform policies of the ECF, and they see the RCF as a bridge until resumption of the ECF review.<br><br>Furthermore, there was |

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| | | | some essential goods and SMEs (the government's contribution to the fund represents about $67 million, 1 percent of NEGDP so far). Moreover, they have programmed additional budget outlays of about $143 million (2.2 percent of NEGDP) for health ($40 million), direct support for agricultural production ($53 million), direct support for SMEs ($18 million), and build-up of stocks of essential foodstuffs ($32 million) and stand ready to take further social action if the fluid situation deteriorates…<br><br>Staff and the authorities agreed on the need to allocate sufficient resources for critical healthcare, emergency services and social protection, as well as for risk communication and community engagement, surveillance and case tracking, infection prevention and control, and testing, while reprioritizing non-essential spending.<br><br>The authorities emphasized their intention to accelerate the rollout of | and to publish the results.<br><br>They will also publish information on the ministry of finance's website regarding public procurement contracts related to crisis mitigation, the names of the awarded companies and their beneficial owners, and ex- post validation of delivery. | agreement on the need to plan for a recovery phase to minimize the potential scarring effects of the crisis on human and physical capital; this includes rapidly resuming work on critical social and infrastructure projects (such as the expansion of social safety nets to the whole territory, reforms to public education, and energy, irrigation, and road projects) and other structural reforms planned under the ECF-supported program…<br><br>Staff saw accommodation of a wider fiscal deficit as inevitable, provided it remains temporary and enough financing is mobilized… The authorities were committed to maintaining debt sustainability, and hence to unwinding the temporary measures and returning to a primary surplus once conditions normalize…<br><br>If the crisis deepens, the government may need to scale up its response, ensuring that |

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| | | | the cash transfer scheme targeting vulnerable households to the whole territory, expand existing food distribution programs, and continue to seek contributions from the rich segments of the population as a solidarity measure…<br><br>Staff welcomes the authorities' swift response to contain and mitigate the spread and impact of the virus. Health spending to prepare for a spread of the virus should be prioritized as well as spending for containment measures. To mitigate negative effects on the economy, targeted support to the most vulnerable households and those sectors most affected is appropriate. | | support measures remain timely, temporary, and targeted with a view to safeguarding fairness and public finances.<br><br>The authorities are determined to resume their prudent policies and sound reforms under the ECF as soon as the crisis abates and the economy recovers, with a view to reinforcing macroeconomic stability, enhancing economic resilience and fostering inclusive growth. |
| Mauritania (2 of 2)<br><br>Approved on September 2, 2020 | Augmentation of Extended Credit Facility (ECF)<br>SDR 20.24 million (equiv. to $28.70 million, 15.7% of quota)<br><br>Disbursement of SDR 36.8 million (equiv. | High overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MRT.htm | **Staff Report**<br>A special social assistance fund (open to private funding, with all spending on-budget) was established to procure urgent medical supplies and support vulnerable households; the authorities also waived taxes on some essential goods and SMEs. | **Staff Report**<br>The authorities reiterated their commitment to the transparent use of COVID-19-related resources. The institutional framework was strengthened by the establishment of a national commission chaired by the finance minister and | **Staff Report**<br>The authorities remain committed to the program, which supports prudent policies and institutional reforms. Conditionality has been adapted and streamlined in response to the challenging environment while maintaining the momentum for reforms set in motion during the first two years |

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| | to $51 million, 28.6% of quota)<br><br>Given the large fiscal financing needs, staff supports the request that the remaining ECF disbursements be made in the form of budget support. | | To mitigate the sanitary, social, and economic impact, the authorities adopted in May a comprehensive national COVID-19 response plan covering 2020–21, prepared with support from international development partners and UN agencies. The plan envisages outlays of$644 million (8.5 percent of GDP) for health-related prevention and response measures, support for agricultural production, constitution of stocks of essential food stuffs, direct support for vulnerable households and SMEs, and credit lines and guarantees for businesses. Due to capacity constraints and confinement measures, many of the plan's measures remain unspecified or at an early stage of development and are not expected to be implemented fully this year.<br><br>In May, the authorities adopted a supplementary 2020 budget envisaging a primary deficit of 5 percent of NEGDP (excluding grants), accommodating about half of the national response plan. The supplementary budget anticipated | comprising representatives from parliament, the private sector, and civil society. The commission oversees the coordination, planning, and execution of the emergency response and is tasked with informing the public regularly on the status of COVID- 19-related spending; it reports to an inter-ministerial committee chaired by the Prime Minister.<br><br>The authorities also reconfirmed that all resources (including the social assistance fund) were channeled through the budget and concurred with the need to publish procurement contracts and to audit crisis mitigation spending as soon as possible and to publish the results. They established dedicated budget lines to facilitate tracking of funds through the existing IT system to ensure that budgetary resources deployed for the emergency response flow through these budget | of the ECF… New structural benchmarks crystalize the authorities' commitments on targeted social transfers and transparent use of emergency funds…<br><br>… continuation of the program will help maintain the reform momentum and support economic stabilization and the recovery in the medium term. The authorities reiterated their full commitment to their economic reform program, which aims at creating fiscal space by mobilizing domestic revenues and strengthening public financial management with a view to increasing priority spending on education, health, social protection, and infrastructure while maintaining prudent borrowing policies to preserve debt sustainability. The program will support the resumption of work on critical social reforms and infrastructure projects (such as expansion of social safety nets, reforms to public education, and energy, irrigation, and road |

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| | | | revenue losses of over 7 percent relative to the initial budget (including tax revenues lower by 21 percent) and primary expenditure increases of 20 percent, even accounting for across-the-board cuts on nonpriority current spending. It only incorporated the spending and tax relief measures envisaged under the national COVID-19 response plan that were ready to be implemented (5.3 percent of NEGDP). The resources devoted to the sanitary response (0.5 percent of GDP) are comparable to peer countries…<br><br>There was broad agreement that the ECF-supported program will help Mauritania cope with the short-term effects of the COVID-19 pandemic. Staff and the authorities discussed the immediate policy priorities, namely (i) focusing on essential containment measures and support for health systems; (ii) shielding affected people and firms with adequate, timely, and targeted fiscal and financial sectors measures; and (iii) reducing stress to the financial | lines and are recorded accordingly in the accounts (new SB).<br><br>The authorities also agreed to publish the full text of procurement contracts related to crisis mitigation on the ministry of finance's website, with details including the names of the awarded companies and their beneficial owners, the specific nature of the goods or services procured and their price per unit, and ex-post validation of delivery. They will consider expanding those transparency measures to all procurement next year.<br><br>Finally, the authorities will request that the Court of accounts regularly audit crisis-mitigation spending and publish results online by September 2021. | projects) and other planned structural reforms, consistent with the authorities' implementation capacity. This will help during the subsequent stabilization and recovery phases by minimizing the scarring effects of the crisis on human and physical capital…<br><br>Given the magnitude of the shock, accommodating a wider fiscal deficit is inevitable, provided it remains temporary and enough financing is mobilized. There was agreement on the need to continue to execute counter-cyclical, well-designed public investment projects to support growth both in the short and the medium terms, as well as baseline social spending (primary healthcare and education to avoid scarring effects on the youth and the poor) and increased social protection spending. At the same time, to maintain macroeconomic stability in the face of lower domestic revenues, staff and the authorities discussed the need to avoid introducing new spending |

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| | | | system. Two new structural benchmarks (SBs) related to social protection and transparency of emergency spending are macro-critical and support an effective response to the pandemic…<br><br>There was agreement to proceed with the implementation of the urgent and priority elements of the COVID-19 response plan by allocating sufficient resources for critical healthcare, emergency services, and social protection as per the supplementary 2020 budget.<br><br>• The authorities are scaling up the targeted cash transfer scheme to the poor and vulnerable from 34,000 households in March to a target of 55,000 households by end-October (new structural benchmark, SB), 70,000 households by end-2020 and 100,000 by end-2021 (representing close to 700,000 people). This should be achieved by expanding both the social registry of vulnerable households and the cash | | programs and widening the deficit beyond the revised program targets unless domestic resources and/or additional donor grants can be mobilized. The authorities will develop contingency plans to identify spending that can be cut without jeopardizing the effectiveness of core policies if the fiscal position deteriorates further than anticipated…<br><br>**Letter of Intent**<br>We remain committed to the overarching goal of the Strategy for Accelerated Growth and Shared Prosperity (SCAPP) covering 2016–30, which constitutes a flexible intervention framework allowing us to integrate the main challenges posed by the multifaceted crisis caused by the COVID-19 pandemic.<br><br>Our economic policies aim to: (a) continue with fiscal consolidation and reinforcing debt sustainability at a gradual pace favorable to the recovery of growth; (b) mobilize |

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| | | | transfer program to cover the whole territory, with support from the World Bank. A temporary scheme also provided emergency food aid and cash support to over 200,000 households in July on the basis of the social registry and other local lists of vulnerable households.<br><br>• To support affected economic sectors, including informal activities, the authorities are setting up, with donor support, a credit guarantee fund for businesses and SMEs by early 2021.<br><br>• Given limited fiscal space and high debt, the authorities have created room for emergency and social needs by cutting non-essential spending. In this regard, the supplementary 2020 budget cut goods and services appropriations across the board by about 10 percent and plans for national food | | public revenue by expanding the tax base and modernizing tax administration procedures, and prioritize public investment; (c) modernize and strengthen monetary policy to better manage bank liquidity;(d) strengthen bank supervision and regulation and the financial infrastructure to ensure the stability of the financial system and expand credit to the private sector; (e) reform the foreign exchange market to introduce greater exchange rate flexibility; (f) increase the fiscal space for social spending, especially in education, health, and social protection to consolidate progress in poverty reduction…<br><br>…to anchor this year's fiscal expansion within a medium-term fiscal framework that preserves debt sustainability, we will prepare a plan to unwind the temporary measures and return to a primary budget surplus once the crisis abates. |

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| | | | stockpiling have been postponed. | | **Mauritania IMF ED Statement**<br>The authorities intend to request a new ECF arrangement once the current program expires at the end of 2020 to address remaining macro-structural challenges…<br><br>The authorities recognize the importance of embedding this year's expansionary fiscal measures in a medium-term budgetary framework to preserve debt sustainability. In coordination with staff, they will put in place a plan to gradually withdraw temporary fiscal measures and revert to a primary fiscal surplus over the medium-term. These efforts will be better supported through the intended new ECF arrangement. |
| Pakistan<br><br>Approved on April 16, 2020 | Rapid Financing Instrument (RFI) $1.386 billion (SDR1,015.5 million, 50% of quota) (budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-PAK.htm | **Staff report**<br>The Prime Minister announced a comprehensive fiscal package aiming to boost the health and disaster response capabilities and reduce the impact on low-income households that will be affected by the containment measures. | **Staff report**<br>To ensure the quality of emergency spending in the health sector, the authorities commit to subject the procurement of urgently needed medical supplies to an ex-post audit by the Auditor | **Staff report**<br>The authorities reiterated their commitment to resume the reforms included in the EFF [Extended Fund Facility] once the crisis abates. These reforms are crucial to boost Pakistan's growth potential to deliver broad based |

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| | | | The announced fiscal stimulus package, worth 1.2 percent of GDP, includes (i) relief to vulnerable families through an expansion of existing programs and higher disbursements (see below); (ii) support for daily wage earners by establishing a PRs 200 billion fund for the most affected workers; (iii) strengthening the utility stores corporation network and funding to increase food security; (iv) temporary reduction in food prices to ensure essential items remain affordable; (v) provision of affordable healthcare through the elimination of taxes on essential health machinery and equipment…<br><br>Staff stressed that the enacted measures should be targeted and temporary, focusing in particular on health spending and utilizing existing social support schemes to provide quick and targeted support to the most vulnerable, but not result in permanent distortions of the overall fiscal envelope. In that context, staff welcomed the scaling | General of Pakistan, the results of which will be published on the website of the Ministry of Finance. This measure will help limit vulnerabilities to corruption. | benefits for all Pakistanis, especially the most vulnerable segments of the population. Reassuringly, the authorities have reaffirmed their commitment to the EFF and to implement the key policies in the program that will help support growth, build buffers, reduce public debt, and strengthen governance. In this regard, they underscored their commitment to maintain the fiscal consolidation strategy… embedded in the EFF.<br><br>**Pakistan IMF ED Statement**<br>In particular, the authorities are committed to gradually bringing the fiscal deficit down to lower levels once the exogenous shock created by COVID-19 crisis is overcome. A credible medium-term fiscal consolidation will put public debt on a firm downward trajectory. |

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| | | | up of social assistance and the launching under Ehsaas of the Emergency Cash Program to provide immediate financial support to over 10 million recipients identified with support of the provinces. | | |
| Somalia<br><br>Approved on March 25, 2020 | Extended Credit Facility (ECF) and Extended Fund Facility (EFF)<br>SDR 292.4 million ($395.5 million, 179% of quota)<br><br>The full amount of the EFF arrangement (SDR 38 million) will be available in the first purchase.<br><br>Access under the ECF arrangement will be evenly phased and is intended to be used for Central Bank of Somalia (CBS) reserves accumulation. | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-SOM.htm | N/A | N/A | N/A |

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| Tajikistan<br><br>Approved May 6, 2020<br><br><br><br><br><br>Approved on April 13, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 139.2 million (equiv. to 189.5 million, 80% of quota)<br>(budget support)<br><br><br>CCRT Grant (1)<br>SDR 7.83 million (equiv. $10.72 million)<br><br>CCRT Grant<br>SDR 5.22 million (equiv. to $7.36 million) | High overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-TJK.htm | **Press Release**<br>Health spending and targeted support to the most vulnerable households and sectors in the economy are the immediate priorities, and a temporary widening of the budget deficit is appropriate.<br><br>On the spending side, in 2020, the initial budget spending allocation included about 1.9 percent of GDP for health spending. This expenditure will be protected, and an additional 2 percent of GDP in health spending has been allocated for COVID-19. Social transfers to vulnerable households will increase by 0.5 percent of GDP, by expanding the coverage of targeted social assistance to all districts in Tajikistan and increasing the real benefit levels. The authorities envisage that benefits will mitigate the effects of higher unemployment by supporting food security for vulnerable groups.<br><br>**Letter of Intent**<br>On the tax side, in order to prevent price increases, we have granted VAT exemptions for imports of | **Letter of Intent (reiterated in the Staff Report)**<br>The Government is committed to enhancing governance, and ensuring transparency and accountability in this process. We will ensure any funds provided for addressing the impacts of COVID-19 will be put to best possible use. We have created a high-level Inter-agency Task Force, chaired by Deputy Prime Minister and comprised of Ministries of Health, Transport, Foreign Affairs, National Security, and other government agencies.<br><br>The Task Force has launched an action plan to respond to COVID-19, including through border and sanitary control, quarantine, and treatment facilities. The Task Force will guide spending decisions, and the usual budgetary procedures and controls will apply. We will prepare quarterly reports on the spending of emergency funds | **Staff Report**<br>Staff and the authorities agreed on the implementation of fiscal consolidation measures of 2 percent of GDP in 2021-22 to ensure debt sustainability. While the decline in tax revenues and increased health and social spending in 2020 will likely ease in 2021, staff estimates that an additional fiscal consolidation of 2 percent of GDP will be needed over the medium term to achieve a fiscal deficit target of approximately 2 1⁄2 percent of GDP and stabilize debt…<br><br>The authorities agreed that detailed policies underpinning the medium-term fiscal consolidation will be included in the FY2021 and FY2022 annual budgets…<br><br>In the context of the ongoing tax reform which is supported under a WB project and with IMF TA, they would prioritize broadening of the tax base, including by phasing out the existing inefficient tax incentives to yield 0.5percent of |

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| | | | essential consumer staples (such as wheat, sugar, and cooking oil). These exemptions are temporary and will be phased out as the supply constraints ease. These VAT exemptions will help support the poor as the consumer staples are a large part of their consumption basket. We are also considering providing tax relief for small and medium-sized businesses in affected sectors (by delaying the 2020 tax filing deadline and ensuring that advance tax payments are based on the current economic situation and not the past economic outcomes). | and publish the results on the external website of the Ministry of Finance. In addition, to ensure quality of this additional spending, we will subject the health spending, including procurement of urgently needed medical supplies, and social spending to ex-post audits by the Chamber of Accounts and ex-post validation of deliveries in a year's time, which will also be published on the external website of the Ministry of Finance. The government will also improve the transparency of its procurement processes in line with international best practices. | GDP starting in 2021. The authorities would also refrain from granting new tax incentives. The high tax rates would be rationalized only after a broadening of the tax base has been secured…<br><br>**Letter of Intent**<br>The detailed policies underpinning the medium-term fiscal consolidation program will be included in the FY2021 and FY2022 budgets…. We will engage early with Fund staff on the design of fiscal measures underpinning the consolidation in the budgets. |
| Tanzania<br><br>Approved on June 10, 2020 | CCRT<br>SDR 10.28 million (equiv. to 14.3 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-TZA.htm | **N/A** | **N/A** | **N/A** |
| Tunisia<br><br>Approved on April 10, 2020 | Rapid Financing Instrument (RFI)<br>SDR 545.2 million | N/A | **Staff report**<br>The public health system can respond to the crisis from a comparatively strong basis: public | **2021 Article IV Consultation**<br>Covid-related expenditures and measures need to be effective and transparent. The *Cour des* | **Press release**<br>The authorities are committed to resuming fiscal consolidation once the crisis abates. These efforts will |

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| Published on February 2021<br><br>Consultations with government officials and representatives of the donor community, diplomatic and civil society. | (equiv. to $745 million, 100% of quota)<br>(budget support)<br><br>The RFI provides a faster path to cover urgent needs than the current Extended Fund Facility (EFF) arrangement. The current EFF arrangement for Tunisia was cancelled on March 18, 2020 upon the authorities' request<br><br>2021 Article IV Consultation | | health care covers the entire population, including through the provision of free or subsidized care for low-income households; and spending on health initiatives increased in recent years as part of higher social spending supported under Tunisia's 2016-20 EFF arrangement.<br><br>Additional spending of 0.3 percent of GDP to respond to the Covid19 virus will be used for the acquisition of emergency medical supplies and hospital equipment, including test kits, laboratory equipment, ICU beds, and ventilators. Increasing the strategic food reserve will consume 0.2 percent of GDP, while income support of 0.8 percent of GDP will assist Tunisians that are the most affected by the confinement enforced since March 22 and other social distancing measures (low-income households, the unemployed and the self-employed).<br><br>Finally, tax relief and credit lines as well as interest subsidies will benefit | *Comptes* plans to conduct an audit of the public-private Covid-19 fund. Current regulations require that all government procurement contracts, including those for recent Covid-related spending, should be published on a dedicated government website.<br><br>To be fully effective, the data on this site could be more easily accessible and have information on the beneficiaries of the contracts, along with validation of delivery. Staff advises that the authorities conduct a comprehensive *ex post* audit of crisis-mitigation spending 6–12 months after the end of the fiscal year and publish its results on the government's website. | include a reduction of the civil service wage bill as a share of GDP and further energy subsidy reforms, taking into account the social implications.<br><br>**Staff report**<br>The authorities reiterated their strong intention to request a successor EFF arrangement as soon as possible. In its support, they are committed to reforms to achieve higher and more inclusive growth, reduce energy subsidies, and contain the civil service wage bill.<br><br>A new EFF arrangement could then build on this short-term response and support the authorities' medium-term policy agenda to resume the macroeconomic adjustment started over 2018-19 and support growth recovery. Strong progress on both fronts will be critical to maintain debt sustainability, which worsened significantly under the weight of the Covid-19 shock. A successor arrangement |

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| | | | firms that will come under stress in the crisis, especially small-and medium-sized enterprises (0.5 percent of GDP).<br><br>The government also took steps to limit fiscal pressures and reduce urgent BoP needs…<br>• Emergency measures on the civil service wage bill. The authorities have trimmed about TD 150 million (or 0.1 percent of GDP) from the budgeted civil service wage bill. These savings will be achieved notably through limits on hiring and promotions. Overtime hours will be reduced in areas that are not involved in the crisis response.<br>• Increase in tobacco prices…<br>• Temporary and targeted rescheduling of lower-priority public investment. The authorities will re-program low priority non-health/non-education infrastructure development projects worth about TD 3.4 billion (or 3 percent of GDP) to open space for more urgent spending. If crisis-response measures exceed the currently programmed levels, further cuts in | | could start in the second semester of 2020…<br><br>Strong fiscal consolidation over the medium term—challenging in Tunisia's fragile socio-political context—will be unavoidable, once the Covid-19 crisis abates.<br><br>**Letter of intent**<br>Our fiscal priorities to reduce our large debt burden and make our budget more supportive of growth and fairness will include the reduction of the large civil service wage bill as a percentage of GDP, the phasing out of energy subsidies, a reform of state-owned enterprises and the implementation of an effective social safety net especially for low-income households.<br><br>We commit to addressing two structural challenges that weigh heavily on Tunisia's budgets once the current crisis abates. First, we plan to durably reduce the subsidies for electricity and natural gas while preserving social |

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| | | | non-priority investment would be required unless additional donor support could be mobilized.<br><br>Staff agrees with the authorities' immediate crisis-response measures. Staff supports the focus on the health sector, the social safety net, and firms in distress due to the Covid-19 outbreak. It encourages the authorities to carefully cost the measures to ensure their effectiveness; and welcomes their intention to review the continued need for the measures on a monthly basis.<br><br>Staff also supports the authorities' pro-active steps taken to increase budget space and reduce BoP pressures through… savings in the civil service wage bill, tobacco price hikes, and a temporary and targeted rescheduling of lower-priority public investment. | | tariffs. This work stream will start with us adopting a reform strategy with the assistance of the World Bank. We will also implement a natural gas price increase after the Covid-19 crisis subsides to reduce the pressure of this subsidy on the budget.<br><br>Achieving additional savings on the civil service wage bill will be another priority. We will start negotiations with the UGTT labor union to this effect in April 2020, including on wage policies for 2021 and the medium term; and have already started with an audit of the civil service to detect and reduce absenteeism and ghost workers. We consider all these measures critical for containing the increase in the fiscal deficit, limiting cuts in public investment to make room for crisis-related spending, and maintaining debt sustainability.<br><br>**2021 Article IV Consultation**<br>The authorities face the dual challenges of supporting the |

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| | | | | | recovery and promoting inclusive growth, while restoring fiscal and external sustainability. The immediate priorities are to continue to save lives and livelihoods and prepare for vaccination delivery. The authorities also need to urgently address Tunisia's unsustainable fiscal and external imbalances, while enhancing social protection and strengthening the health and education systems.<br><br>This will require strict prioritization of spending in favor of health and social safety nets, and reducing the fiscal deficit, starting in 2021, by tackling the civil service wage bill, ill-targeted subsidies, and loss-making SOEs. Measures that strengthen tax equity, reorient spending toward investment (education, health, and infrastructure), and promote good governance and competition would support the recovery and job-rich growth prospects…<br><br>Exchange rate flexibility together |

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| | | | | | with deep structural reforms—fiscal consolidation, SOE reforms, and policies to increase private sector participation and competition—are also needed to bring the external position back into balance over the medium term. Urgent action is needed to advance the structural reforms, given the significant effort and time that will be required to implement them.<br><br>Meeting the dual challenges hinges on the implementation of a strong and credible reform program that is supported by all stakeholders. Given past failures and resistance, the authorities should consult and communicate with the broader public a medium-term reform program that will take the country in a new direction.<br><br>To ensure its success, the reform program and associated medium-term fiscal framework would need to be supported by a *social compact*, with the main |

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| | | | | | stakeholders committing to support the reforms within their remit. To incentivize all partners to participate, the social compact should cover a range of reform areas, including public sector wage negotiations, subsidy and SOE reform, informality, tax policy (including equity), anti-corruption, and the business environment…<br><br>The authorities shared the priorities for fiscal reforms but had reservations on the proposed pace. They believed that the wage bill reform would require more time to reach consensus with multiple civil partners. The MoF indicated that the government wage bill could be controlled by creating public agencies and transferring some staff from the central government…<br><br>The two immediate policy priorities are to save lives and livelihoods until the pandemic wanes, and to start putting fiscal and external balances back on a sustainable trajectory, while |

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| | | | | | protecting the poor. The 2021 budget aims to strike this balance, with the budgeted fiscal deficit projected to narrow amidst high and uncertain financing needs.<br><br>However, in the absence of clear policy measures, staff's baseline projects a higher deficit. Staff calls on the authorities to strictly prioritize spending in favor of health and social protection, while exerting strict control over the civil service bill, ill-targeted energy subsidies, and transfers to inefficient state-owned enterprises. Staff encourages the authorities to continue to strengthen safety nets by reaching targeted groups and to enhance public investment.<br><br>**Tunisia IMF ED Statement (A.IV Consultation)**<br>Our authorities agree with staff on the need to continue the reform effort already initiated under previous IMF-supported programs. They are committed to |

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| | | | | | controlling subsidies and to a new approach to the public service and the wage bill. Supported by the EU, Tunisia intends to launch a national consultation to reform the civil service law and submit a draft law to Parliament before the end of 2021. |
| Uzbekistan<br><br>Approved on May 18, 2020 | Rapid Credit Facility (RCF)<br>SDR 92.05<br>($125 million, 16.7% of quota)<br><br>Rapid Financing Facility (RFI)<br>SDR 183.55 million<br>($250 million, 33.3% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/<br><br>Low overall risk of debt distress | **Staff Report**<br>The authorities acted quickly to contain the impact of the COVID-19 virus. On March 19, the President announced anti-crisis measures, including additional healthcare spending (both containment and mitigation), support to firms and workers, and an expansion of social support measures to be financed by the creation of a UZS 10 trillion (USD 1 billion) Anti-Crisis Fund. On April 3, the President announced additional tax reductions and loan guarantees…<br><br>Particular measures include: (i) expanding funding for healthcare, including for medicines, the cost of quarantines, and salaries for medical employees; (ii) increasing the | **Letter of Intent (reiterated in the Staff Report)**<br>To ensure transparent and effective use of resources deployed for COVID-19 shocks, we will:<br>(i) appropriate COVID-19 emergency measures through the Anti-Crisis Fund;<br>(ii) publish reports of COVID-19 related expenditures on a monthly basis on the Ministry of Finance website (www.mf.uz);<br>(iii) publish on the Ministry of Finance website (www.mf.uz) COVID-19 related signed public procurement contracts and related documents, including the names of companies awarded those contracts and | **Staff Report**<br>A temporary increase in the fiscal deficit to accommodate emergency spending on healthcare and social support and to allow automatic stabilizers to work is appropriate. Over the medium-term, Uzbekistan will pursue fiscal consolidation and continue tax and public financial management reforms…<br><br>Uzbekistan's higher fiscal and external financing needs arise primarily from the COVID-19 shock and warrant a temporary loosening of fiscal and monetary policies. As the crisis abates, policies should continue to focus on ensuring fiscal and external sustainability over the medium- |

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| | | | number of low-income families receiving social benefits; (iii) providing assistance to affected businesses via interest subsidies; (iv) financing public works to improve infrastructure and support employment; (v) temporarily reducing social contributions of individual entrepreneurs; (vi) delaying payments of the property and land taxes; (vii) and delaying 2019 income tax declarations…<br><br>The authorities are also considering ways to further reallocate expenditures (e.g. from state and local administration and other expenditures) toward healthcare, social protection, and investment in case the crisis deepens or lasts longer. A further temporary increase in the deficit would not undermine fiscal sustainability.<br><br>**Letter of Intent**<br>On the expenditure side, we estimate the additional cost of addressing the COVID-19 crisis will be UZS 15 trillion (about US$ 1.5 billion or 2.5 percent of GDP). This | ex-post validation of delivery and will continue to improve our procurement framework expeditiously in line with international best practice, including by publishing information on beneficial owners; and<br>(iv) ensure the Financial Control Department of the Ministry of Finance includes all COVID-19 related expenditures in its forthcoming inspections.<br><br>The Chamber of Accounts will conduct an ex-post audit of COVID-19 expenditures and related procurement processes to ensure funds are spent in accordance with their purpose and procurement regulations and will publish the audit report no later than six months after the end of the fiscal year as part of the regular audit of the 2020 State Budget Report. | term:<br>• Regarding fiscal policy, staff supports a temporary increase in the fiscal deficit… Over the medium-term, the government should aim to keep the fiscal deficit, including policy lending, at or below two percent of GDP. |

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| | | | includes additional spending on healthcare, financial aid to the unemployed and poor, and financial assistance to affected firms and households…<br><br>Tax payments for enterprises and individuals have been postponed to a later date and tax rates have been reduced for hardest affected sectors of economy. Moreover, all customs and taxes have been temporarily suspended for imported essential commodities. We are providing increased loan subsidies to business enterprises through the Fund for Entrepreneurial Development… | | |
| Yemen<br><br>Approved on April 13, 2020<br><br><br>Approved on October 2, 2020 | CCRT Grant (1) SDR 14.44 million (equiv. to $19.76 million)<br><br><br>CCRT Grant (2) SDR 10.96 million (equiv. to $15.45 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-YEM.htm | N/A | N/A | N/A |

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| Bangladesh<br><br>Approved on May 29, 2020 | Rapid Credit Facility (RCF)<br>SDR 177.77 million (equiv. to $244 million)<br><br>Rapid Financing Facility (RFI)<br>SDR 355.53 million (equiv. to $488 million)<br>(budget support) | Low overall risk of debt distress | **Bangladesh IMF ED Statement (reiterated in the Staff Report)**<br>Authorities have announced a series of stimulus packages, including subsidized loans by the commercial banks, aggregating about Tk 1.03 trillion (3.7 percent of GDP). The authorities issued a revised budget for FY2020 (July-June) at the end of March that includes additional resources to fund COVID-19 Preparedness and Response Plan, and to augment existing transfer programs that benefit the poor.<br><br>Increased allocation has also been made to the Open Market Sale (OMS) program to ensure adequate food supply for lower-income households, particularly those dependent on daily wages. The government also intends to increase allowances for the elderly, widows and financially insolvent persons with disability, provide housing for | **Staff report (reiterated in Bangladesh IMF ED Statement)**<br>As a matter of priority, the authorities should amend the procurement rules to make the beneficial ownership information of awarded companies publicly available.<br><br>Staff emphasize the importance of safeguarding Fund and other financial assistance to ensure that it is used to address the immediate needs resulting from COVID19. The authorities are committed to use crisis resources transparently and effectively, including through ex-post auditing of COVID-19 related spending and transparency in procurement process. They will also seek to amend procurement rules to make the | **Press Release**<br>Once the crisis abates, the authorities are committed to… ensuring fiscal discipline and debt sustainability by broadening the tax base and strengthening tax administration and compliance.<br><br>**Letter of Intent (reiterated in the Bangladesh IMF ED Statement)**<br>**…** following the temporary widening as a result of the COVID-19 outbreak, we are committed to bring the fiscal deficit gradually back to 5 percent of GDP while ensuring smooth recovery of economy. We recognize that restoring fiscal discipline and debt sustainability, while allowing the government to provide the necessary public services and investment, will require an improvement in revenue |

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| | | | the homeless, and develop cash transfer programs to reach the new poor. Twenty million people are expected to be the beneficiary of cash transfers. In addition, the government has announced a Tk 50 billion (US$ 0.6 billion) stimulus package for exporting industries to pay workers' salaries.<br><br>Further, retail cash transfers to households will be channeled through bank accounts and mobile payments to ensure effective targeting and plugin leakages. About 3 million mobile payment accounts have been opened to transfer wages/salaries to workers engaged in government contracted projects. The cash transfer formats to workers/households include novel designs for targeting benefits in emergencies, such as that induced by the pandemic. | beneficial ownership information of awarded companies publicly available as soon as feasible. | performance. With the ongoing Fund technical assistance, we are determined to strengthen tax administration, reduce tax exemptions, broaden the tax base, and strengthen tax compliance. |

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| Maldives<br><br>Approved on April 22, 2020 | Rapid Credit Facility (RCF)<br>SDR 21.2 million (equiv. to $28.9 million, 100% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-MDV.htm<br><br>High overall risk of debt distress | **Staff Report**<br>The fiscal policy response should focus on carefully designed non-priority spending reductions, and a reallocation of resources towards crisis-affected sectors. The authorities are scaling down the implementation of the ambitious 2020 budget public investment plans… The announced initial MVR 3.1 billion (3.7 percent of GDP) reduction in capital expenditure as well as non-priority recurrent expenditure by MVR 1 billion (1.2 percent of GDP) are steps in the right direction. Available resources need be directed to healthcare spending and other well-targeted measures needed to combat COVID-19, and provide temporary support to vulnerable households and businesses affected most by the crisis…<br><br>**Letter of Intent**<br>Given the correspondingly limited fiscal space, we will focus our response on providing the necessary funding to contain the spread of the virus and minimize the impact on | **Staff Report (reiterated in the Letter of Intent)**<br>The authorities have recently been taking welcome steps to improve governance, transparency... There has been a welcome renewed momentum to strengthen regulations and institutions to fight corruption, but significant work remains on the agenda. The authorities have taken steps to improve fiscal transparency, including regular publication of fiscal data, as well as improving accountability, something very important to place emphasis on during the current crisis-mitigation spending… | **Letter of Intent (reiterated in the Maldives IMF ED Statement)**<br>The Government remains committed to fiscal consolidation to restore fiscal and debt sustainability. On the revenue side, we will monitor the implementation of our new income tax, increase as planned, after the crisis, tourism-related fees and service charges, and consider additional revenue measures as needed to support deficit reduction and to ensure fiscal and external sustainability. |

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| | | | the economy and the population. We are continuously evaluating our fiscal priorities across current and capital spending, and redirecting the funds as needed to combat the coronavirus and provide temporary support to the most vulnerable households and businesses.<br><br>To minimize the impact on the people of the Maldives due to the COVID–19 virus, we have taken a set of measures on March 20, the Economic Recovery Plan, as well as a more measures in recent days. In this context, the Government of Maldives will:<br><br>• Increase the amount of funds allocated to the health sector for the COVID-19 response, by MVR 200 million (0.25 percent of GDP).<br>• Reduce government non-priority recurrent expenditure by MVR 1 billion (1.2 percent of GDP).<br>• Reduce capital expenditure initially by MVR 3.1 billion (3.7 percent of GDP), while | | |

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| | | | continuing to rebalance between capital and current expenditure as necessary.<br>• Ensure, through banks, availability of working capital to businesses.<br>• Subsidize 40 percent of electricity bills and 30 percent of water bills for the months of April and May, in order to offset the economic shock on the general population, especially the poor.<br>• Provide special 3-month allowance to those who lose their jobs due to COVID-19.<br>• Enable that principal and interest amount of loan repayments to the banks will be deferred by 6 months to businesses and persons who have been negatively impacted as a direct result of COVID-19. | | |

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| Mongolia<br><br>Approved on June 3, 2020 | Rapid Financing Instrument (RFI) SDR 72.3 million (equiv. to $99 million, 100% of quota) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-MNG.htm<br><br>High overall risk of debt distress | **Staff Report**<br>The authorities intend to use the resources to help finance the budget deficit which has widened because of weak economic activity, emergency virus-related spending, and broader stimulus measures…<br><br>In response, the authorities have announced a series of changes to the policy mix:<br>Fiscal: For the general government, the authorities announced a largely budget neutral relief package for 2020 to provide more targeted support for groups hurt by the economic downturn. This includes 2.8 percent of GDP in tax cuts and 2.6 percent of GDP in increased social transfers and higher health spending...<br><br>There is some concern about the adequacy of virus-related health spending. While perhaps sufficient for the current low number of cases, health equipment and staffing are insufficient in the event of a serious domestic outbreak. The authorities have committed to a contingency | **Letter of Intent (reiterated in the Staff Report)**<br>The government will continue to publish information on revenue and expenditure performance on a regular basis. Especially, the government will provide a separate reporting mechanism for those Covid-19 expenditures outlined in the table below.<br><br>To this end, we will publish quarterly reports on these Covid-19 expenditures on the website of the Ministry of Finance (MOF) and commission an independent third-party audit of this spending within six months of disbursement and publish the results on the website of the MOF. The published results will include the full text of all related procurement contracts, including the names of the awarded companies and their beneficial owners, and an ex-post validation of delivery. | **Press Release**<br>As the immediate threat to the economy subsides, it will be critical to resume key reforms begun during the recent Extended Fund Facility arrangement. These include a return to fiscal consolidation to reduce still high public debt…<br><br>**Letter of Intent**<br>… we fully intend to unwind fiscal loosening in 2021 once the immediate impact of the virus subsides to resume our reduction in public debt. |

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| | | | plan of further health spending and disaster relief to individuals (especially the vulnerable) if the burden of the pandemic exceeds current estimates. | | |
| Myanmar (1 of 2)<br><br>Approved on June 26, 2020 | Rapid Credit Facility (RCF)<br>SDR 86.1 million (equiv. to $118.8 million, 16.67% of quota)<br><br>Rapid Financing Instrument (RFI)<br>SDR 172.3 million ($237.7 million, 33.33% of quota) (budget support) | Low overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MMR_files/sheet001.htm | **Staff Report**<br>The authorities have responded with a COVID-19 Economic Relief Plan (CERP). The plan comprises several emergency fiscal, financial and monetary measures, including higher health spending…<br><br>Announced measures to bolster the capacity of the weak healthcare system and mitigate the economic impact of the pandemic to the most vulnerable households and firms is expected to raise expenditures by around 1 percent of GDP for the remainder of FY2019/20, and 1–2 percent of GDP in FY2020/21, although spending needs could increase significantly if the outbreak worsens…<br><br>In the near-term, fiscal spending should be focused on containing the | **Staff Report**<br>To ensure that the additional funding is transferred quickly and efficiently for COVID-19 response and closely monitored, as well as meet transparency requirements of the DSSI, and in view of existing capacity constraints and governance and corruption vulnerabilities, the authorities plan to:<br>…<br>• *Publish quarterly consolidated GFS accounts with economic classification, and quarterly budget monitoring reports* identifying CERP-related spending on the MOPFI website within 3 months | **Staff Report**<br>As the recovery sets in, efforts to enhance revenue mobilization and PFM reforms will continue. This includes the planned implementation of the recently enacted Tax Administration law and submitting the draft Income Tax Law (ITL) to Parliament in FY2020/21 to be effective in FY2021/22. The COVID tax relief measures should be considered as temporary and be safeguarded with a sunset clause as the economy begins to recover (end-FY2020/21).<br><br>**Myanmar IMF ED Statement**<br>The authorities remain committed to medium-term fiscal sustainability and will continue to advance fiscal reforms under the Myanmar Sustainable |

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| | | | spread of the virus, boosting healthcare, and providing transfers to affected and vulnerable groups. As part of the CERP, the authorities have announced, among others:<br>• The reallocation of up to 10 percent of budgeted expenditures to COVID-19 related spending within line ministries and the COVID-19 Contingency Fund (in progress);<br>• Tax relief and deferments, duty suspensions on medical goods and supplies imports, and partial exemption of household electricity tariffs (implemented);<br>• Expansion of quarantine facilities, immediate import of required medical-related products for COVID-19prevention, control and treatment, improving health sector human resources, and upgrading existing health facilities partly funded by emergency health financing projects by the ADB, UN and | of the end of each quarter with World Bank and Fund CD…<br>• *Strengthen procurement transparency.* The authorities commit to adhere to transparency practices in procuring and awarding contracts related to COVID-19 related spending, including publishing, within 3 months of being signed, on the MOPFI website information on procurement contracts above MMK 100 million, including the names of the awarded companies and their beneficial owners, the specific nature of the goods and services procured, their price per unit, and overall contract amount. The same website will also publish ex post delivery reports.<br>• *Enhancing auditing.* The Office of the Auditor | Development Plan (MSDP) as the pandemic subsides. These includes modernizing the Income Tax Law and designing a value added tax… and strengthening domestic revenue mobilization. |

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| | | | the World Bank (in progress);<br>• Establishing cash and/or in-kind transfer programs to affected and vulnerable households covering all possible regions of the country by various means, including informal workers through mobile payments, with the first phase based on the food rationing scheme database (in design stage);<br>• A MMK 500 billion fund to provide soft loans to the private sector for working capital through the state-owned Myanmar Economic Bank (MEB) (in progress);<br>• A credit guarantee scheme for SMEs and high growth sectors to be established conditional on maintaining employment (in design stage with ADB assistance) …<br><br>There is an urgent need to strengthen social safety nets and build on the good progress on public financial management (PFM) | General for Myanmar (OAGM) will conduct a targeted audit of COVID-19 related spending, and disseminate a report within 6 months of the end of the fiscal year. This will be supported by ADB and World Bank TA, and assisted by existing internal audit teams monitoring such expenditure through the implementation of the draft Internal Audit Manual with Fund CD. | |

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| | | | reforms. Social protection coverage is very limited according to the World Bank, and the authorities should explore fully operationalizing the 2012 Social Security Law. The 2020 public financial accountability assessment (PEFA) noted good progress and should be leveraged to effectively respond to COVID-19 by catalyzing development partner assistance and efficient budget execution. | | |
| Myanmar (2 of 2)<br><br>Approved on January 13, 2021 | Rapid Financing Instrument (RFI)<br>SDR 172.3 million (equiv. to $248.27 million, 33.33% of quota)<br><br>Rapid Credit Facility (RCF)<br>SDR 86.1 million (equiv. to $124.13 million, 16.67% of quota) | Low risk of external and overall debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-MMR_files/sheet001.htm | **Press Release**<br>In response to the second COVID-19 wave, the government is formulating the Myanmar Economic Resilience and Reform Plan (MERRP). The plan builds on last April's emergency relief measures under the COVID-19 Economic Relief Plan (CERP), which aimed at preserving macroeconomic stability and mitigating the impact of the pandemic on the population. The MERRP extends relief measures while adding macroeconomic and financial stability measures to guide the recovery.<br><br>**Staff Report** | **Staff Report (reiterated in the Letter of Intent)**<br>The authorities have undertaken several measures to boost spending efficiency and support good governance including:<br><br>*Improved accounting, monitoring and reporting of COVID-related expenditures.* Quarterly reports on the Ministry of Planning, Finance and Industry (MOPFI) website on all COVID-related expenditures have been published online. | **Staff Report**<br>In the near term, efforts should be focused on containing the spread of the virus, directing policies to boosting health and social spending and providing relief to affected groups, including in the conflict regions, while safeguarding external and financial stability…<br><br>Well-sequenced tax and PFM reforms will support rising development expenditures needs over the medium term. COVID-related tax and tariff exemptions should be temporary. Given capacity constraints and the |

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| | | | Increased fiscal spending should be focused on containing the fallout of the virus' second wave, boosting healthcare, and providing transfers to affected and vulnerable groups. A large fiscal response is ideal given the second wave and its likely impact on the population and economy. However, since the large downward revision to growth is temporary and a recovery is expected in Q2, and given the authorities' capacity to quickly implement countercyclical spending increases is constrained, a larger spending increase than projected… to mitigate the sharp fall in demand may not be feasible.<br><br>However, additional fiscal stimulus would be required should growth fall further. In FY2019/20, in response to COVID-19, revenue measures, budgeted expenditure, health services expansion, and support to household and businesses amounted to 1.2 percent of GDP. Going forward, the authorities have included 2.2 percent of GDP in COVID-19 related | *Audit COVID-related expenditures.* An agreement between the Office of the Auditor General for Myanmar (OAGM) and MOPFI has been reached on financial auditing of CERP-related expenditures using a risk-based approach with development partner assistance, and a report is to be disseminated as scheduled by March 2021.<br><br>*Strengthen procurement disclosure.* A report with the information agreed on procurement contracts above MMK 100 million and ex-post delivery has been published on the MOPFI website within the three-month deadline, with unit prices where such a breakdown is available. The coverage of procurement information disseminated will be widened beyond COVID-spending to mid-sized procurements, starting with a few key ministries on a pilot basis, with the assistance of the | administrative reforms already underway, the near-term focus should be on the Income Tax Law (ITL), followed in due course by the envisaged commercial tax amendment and the transition to the VAT over the medium term in sync with the rollout of Integrated Tax Administration System.<br><br>Social protection remains inadequate and should be expanded. Full implementation of the 2012 Social Insurance law should be pursued to gradually establish a safety net for formal workers.<br><br>**Myanmar IMF ED Statement**<br>The Myanmar authorities have been focusing their near-term fiscal spending on the pandemic relief and will shift to gradual fiscal consolidation when the crisis abates. |

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| | | | measures in the FY2020/21 budget toward health spending, greater appropriations to social sectors, and relief for vulnerable households and businesses, while extending the existing tax relief and household electricity tariff exemptions to December 2020…<br><br>In response to COVID-19, the government expanded the existing Maternity and Child Cash Transfer (MCCT) program in July 2020 and initiated general food and cash transfers to the vulnerable population including informal workers… The additional MCCT distributions have been concentrated in regionally disadvantaged and conflict regions such as Chin and Rakhine according to UNICEF data. Preliminary regional distribution information on the unconditional cash transfers show that the government may have achieved its objective of a broad coverage aiming for nearly half the population with small ($15–20) multiple distributions of roughly the same amount per recipient | World Bank under the PFM II operation being negotiated. | |

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| | | | household in all regions. The cash transfers have covered all regions including ethnic minority regions, albeit with an uneven distribution. An external survey also showed a wide distribution across urban, rural and different types of households with nearly half of all households confirming receipt of cash transfers, although asset rich households also appear to be receiving significant transfers, suggesting scope for improved targeting of the poor…<br><br>The COVID-19 outbreak continues to pose significant human and economic costs to Myanmar. The second wave has strained the frail healthcare system and still low international reserves and amplified financial sector vulnerabilities already pressured by the first wave. Additional policy measures are urgently required to mitigate the socioeconomic costs of the virus, particularly for vulnerable groups. Recent containment measures and subdued external demand would result in Myanmar's growth falling sharply to 0.5 percent in | | |

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| Nepal<br><br>Approved on May 6, 2020<br><br><br><br><br><br>Approved on April 13, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 156.9 million (equiv. to $214 million, 100% of quota)<br>(direct budget support)<br><br>CCRT Grant (1)<br>SDR 2.85 million (equiv. to $3.9 million)<br><br>CCRT Grant (2)<br>SDR 3.57 million (equiv. to $5.03 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-NPL.htm | **Staff Report**<br>In its effort to mitigate the human and economic impact of the pandemic on Nepal, the government is committed to temporarily enact the following measures:<br>• Increasing health spending, including by providing additional incentive pay and insurance coverage to all medical personnel fighting the coronavirus, importing additional medical supplies, and setting up quarantine centers and temporary hospitals.<br>• Strengthening social assistance by providing those most vulnerable with daily food rations, subsidizing utility bills for low-usage customers, and taking measures to partially compensate those who suffer job loss.<br>• Enacting an economic recovery support package for FY2020/21, to include support to businesses most affected by the pandemic and related social distancing measures, | **Letter of Intent (reiterated in the Staff report)**<br>We commit to ensure that the funds provided by the IMF will be effectively used to safeguard public health, save lives, support livelihoods, and support the economic recovery.<br><br>To that effect, we will put in place transparent and accountable reporting mechanisms and controls for public purchases and contracting processes. In this regard, we commit to report quarterly on the spending of these funds and to commission an independent audit by the Office of Auditor General of Nepal of COVID-19 related spending in about a year's time. We will publish the quarterly reports and audit results on the website of the | **Staff Report**<br>The authorities have indicated their commitment to maintaining fiscal discipline, by managing expenditure closely to keep the deficit in check. Once the effects of the pandemic have subsided, an enhanced commitment to fiscal consolidation will be needed to protect fiscal sustainability, which would be facilitated by the expiry of the temporary support programs.<br><br>**Letter of intent**<br>We remain committed to policies that promote inclusive growth, while containing external pressures, protecting financial stability, and preserving fiscal sustainability. On fiscal policy, the priority remains to protect fiscal sustainability while containing external and domestic pressures. We remain committed to maintaining fiscal discipline, by |

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| | | | in particular small- and medium-sized enterprises, as well as additional support to those who suffer job loss | implementing agencies. We will also publish on the implementing agency website large public procurement documentation together with ex-post validation of delivery along with the name of awarded companies and the name of their beneficial owner(s).<br><br>All COVID-19 related expenditures will be allocated and executed using existing public financial management processes and within legislated frameworks. The allocation details will be made public on the Ministry of Finance website. | continuing to strengthen the tax system and managing expenditure closely to keep the deficit in check. |
| Papua New Guinea<br><br>Approved on June 9, 2020 | Rapid Credit Facility (RCF)<br>SDR 263.2 million (equiv. to $363.6 million, 100% of quota)<br>(budget support) | High overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-PNG.htm | **Press Release**<br>With limited scope for increasing borrowing domestically or abroad, the authorities' economic policy response has focused on reallocating spending within the budget envelope towards health care, as well as facilitating access of unemployed workers to superannuation savings, and | **Staff Report**<br>The following *prior actions for the RCF have been implemented regarding COVID-related government spending*:<br><br>• Details of COVID-related government procurement are being posted within one week of contracting | **Staff Report (reiterated in the Papua New Guinea IMF ED Statement)**<br>The COVID-19 pandemic erupted just as the government was beginning to implement wide-ranging fiscal, foreign exchange, structural, and governance measures under a Staff-Monitored Program (SMP). The authorities |

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| | | | encouraging banks to support individuals and businesses adversely affected by the economic downturn...<br><br>**Staff Report**<br>Weaker fiscal revenues are expected to lead to a fiscal financing gap of around US$ 700 million (3 percent of GDP)... The authorities have allocated additional spending needs of K645 million (0.8 percent of GDP) to address direct health expenditure and other social protection needs, including security. They aim to keep overall nominal expenditure fixed at the 2020 Budget level and divert funds from goods and services (K400 million) and capital spending (K245 million) to COVID-19 related needs…<br><br>The authorities are taking measures to mitigate the economic impact of the crisis, with a package of stimulus measures. The large majority of these measures aim to cushion the economy with monetary, financial and banking policies. Only a small part of the package (K645 million | on the government procurement website (http://www.procurement.gov.pg/), under a special tab. As of mid- May, 14 contracts and purchases since mid-March, totaling $20.7 million, were posted. Contract and purchase details being reported include contract issuer, contract amounts, the specific nature of the goods or services procured, their price per unit (where applicable), contract recipients and beneficial owners, and validation of contract delivery;<br>• Reports on procurement are now being provided to the Budget Management Committee on a weekly basis, with the first submitted on May 18.<br><br>Moreover, the authorities have committed to the following measures: | have reaffirmed their commitment to these reforms…<br><br>The authorities requested a Staff-Monitored Program (SMP) in February to signal their commitment to addressing PNG's key macroeconomic challenges. While some measures in the SMP have been implemented as planned, some quantitative targets and dates for implementation of some structural reforms will need to be recalibrated at the time of the first SMP review (June 2020). Discussions with the authorities indicate that most structural benchmarks are being met, though some have been delayed by the COVID crisis…<br><br>The authorities reiterated their commitment to the SMP, noting that they have completed most of the structural benchmarks due to date with only a short delay, including the prior actions for the RCF. |

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| | | | or0.8 percent of GDP) comprises direct fiscal spending on COVID-19 needs, as the authorities are attempting to maintain the fiscal envelope of spending in the 2020 Budget, given already high debt and the limited spread of COVID-19 to date…<br><br>The fiscal strategy is to keep the current spending envelope unchanged, making reallocations within the envelope and cutting administration costs where possible. The authorities emphasized that they aim to ensure that they can address additional COVID-19 spending needs if necessary… | • Within three months of the end of the State of Emergency, a consolidated report on procurement will be provided to the National Executive Council;<br>• Within one year of the end of the State of Emergency, the government will commission and publish an audit by an independent and reputable auditor…<br><br>The government has committed to ensuring high standards of transparency and accountability for spending in relation to COVID-19… the authorities have acted to implement specific arrangements to strengthen transparency and accountability before drawing on the RCF… details of COVID-related government spending are posted on the National Procurement Commission | |

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| | | | | website, and weekly reports are provided to the Budget Management Committee…<br><br>… a consolidated report will be provided to the National Executive Council within three months of the end of the State of Emergency and an independent audit completed within a year. | |

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| Samoa<br><br>Approved on April 24, 2020<br><br><br><br>Published on March 17, 2021<br><br>Consultations with government officials and private sector. | Rapid Credit Facility (RCF)<br>SDR 16.2 million (equiv. to $22.03 million, 100% of quota)<br><br><br>2021 Article IV Consultation | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-WSM.htm<br><br>High overall risk of debt distress | **Staff Report**<br>The fiscal policy response should focus on carefully designed spending reductions, especially in terms of the past ambitious public investment plans, and a reallocation of resources towards healthcare spending and other measures that provide temporary support for vulnerable households and businesses most affected by the crisis…<br><br>The Government of Samoa put together the second supplementary budget (approved on April 7), which incorporates an economic stimulus package in response to the impact of COVID- 19. Based on the authorities' calculations, the stimulus package (estimated to cost about 3 percent of GDP) is expected to increase the overall deficit…<br><br>Nearly one-third of the resources under the April 7 second supplementary budget will be devoted to strengthening the health sector to protect the health and wellbeing of the Samoan people. | **2021 Article IV Consultation**<br>The government has already executed around 90 percent of the phase-I and 80 percent of the phase-II stimulus packages as of end-December 2020.<br><br>The Office of the Controller and Auditor-General takes responsibilities of the pre-audit function as well as the post-audit function of payments, including crisis-related procurement and spending.<br><br>The Samoa Audit Office has been conducting a comprehensive audit. The government has implemented its commitment on procurement transparency through publication of public procurement contracts, among which tender awards are publicized on the government websites. Staff encourages the government to publish beneficial ownership information of those with the | **Staff Report**<br>Beyond the immediate response to the current external shock, the authorities need to continue with their structural reform agenda. Priorities are to ensure debt sustainability, including through gains in spending efficiency, while strengthening social protection programs and safety nets, and appropriately budgeting the cost of maintenance and utilities for new and existing infrastructure. Improving tax administration by enhancing compliance of large taxpayers and strengthening audit capacity can also provide support for this effort.<br><br>**Letter of Intent**<br>We will embark on fiscal consolidation as soon as the post-pandemic economic recovery takes hold, and aim to maintain our overall fiscal deficit under the annual ceiling of2 percent. We will aim to bring public debt back towards the 50 percent of GDP target at a gradual pace over the medium term, should the weak |

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| | | | Supported by external donors, the authorities allocated SAT22.2 million (1 percent of GDP) for health care sector, with the aim of enhancing the country's preparedness to handle the impact of COVID-19…<br><br>The Samoan authorities' multipronged strategy to support businesses and households amounts to SAT46 million (2.1 percent of GDP). The second supplementary budget aims to help affected businesses (SAT12.5 million) and households (SAT27.5 million), ensure food security (SAT3.5 million), and provide support to the sectors (SAT2.5 million) that provide essential services to the country, including police, education, communication, and community outreach. The strategy targets groups of vulnerable businesses and households, and provides time-bound free rent, subsidies for expenditure on utilities (electricity and water), and a moratorium on pension contributions for the hospitality sector. | contracts. | revenue performance raise the debt level above the target… We are also committed to taking additional revenue and expenditure measures to ensure debt sustainability and macroeconomic stability.<br><br>**2021 Article IV Consultation**<br>Fiscal policy needs to remain sufficiently accommodative in the near term, with strong commitment to medium-term consolidation to ensure debt sustainability. The authorities need to maintain stimulus measures until a sustained economic recovery is attained. Over the medium term, the authorities need to gradually withdraw stimulus, coupled with revenue mobilization, strengthening PFM, and sound governance…<br><br>The authorities concur with the staff's recommendations to maintain expansionary fiscal policy in the near term, improve budget execution, and target support to |

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| | | | Revenue measures to support the private sector will cost the government SAT9.8 million (1⁄2 of one percent of GDP). They comprise waiver on bus and taxi registration fees, a temporary exemption on import duties on most commonly bought food items for households, and duty concessions on selected agricultural and fishing materials…<br><br>The immediate priority is to deliver the support to the most needy through social safety nets, while improving the equity, coverage, and efficiency of budget spending in due course. Provision of a subsidy on utility bills, for example, could apply a means-testing approach. Developing such a mechanism, however, takes time. Based on this experience, the authorities could set up an appropriate mechanism when possible and seek ways to address equity concerns of the subsidy, as well as broadening the coverage of social safety nets to reach households in the informal sector…<br><br>RCF disbursements will be made to | | the vulnerable. They broadly agreed on the staff's overall fiscal strategy to extend temporary stimulus measures with better targeting and gradual withdrawal. The authorities plan to further prioritize expenditures that will help stimulate the economy and ensure an inclusive, durable recovery. While an expansionary fiscal policy may breach the authorities' fiscal deficit target of 2 percent of GDP in the near term, they remain committed to medium-term fiscal consolidation. |

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| | | | the Central Bank of Samoa. The disbursements under the RCF will address the urgent BOP financing needs, and help ensure financing of imports, including materials and equipment urgently needed in the country’s health sector. | | |

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| Solomon Islands<br><br>Approved June 1, 2020<br><br><br><br><br><br><br><br><br><br><br>Approved on April 13, 2020<br><br><br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF)<br>SDR 6.93 million (equiv. to $9.5 million, 33.3% of quota)<br><br>Rapid Financing Facility (RFI)<br>SDR 13.87 million (equiv. to $19 million, 66.7% of quota)<br><br><br>CCRT Grant (1)<br>SDR 0.06 million (equiv. to $0.08 million)<br><br><br><br>CCRT Grant (2)<br>SDR 0.07 million (equiv. to $0.10 million) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-SLB.htm<br><br>Moderate overall risk of debt distress | **Staff Report**<br>In addition to containment measures to limit the risk of a local outbreak and increasing health spending, immediate policy measures should reprioritize spending towards protecting vulnerable households and businesses…<br><br>To mitigate the impact of the pandemic, immediate policy responses have focused on health and containment spending and targeted support towards vulnerable households and businesses. The authorities have enacted strong and timely containment measures to limit the risk of a local outbreak while reprioritizing spending towards health care. Health and containment spending are estimated to be about SI$137 million (1.1 percent of GDP).<br><br>In addition to the increase in health-related spending, the government recently adopted a fiscal stimulus package of SI$319 million, around | **Letter of Intent (Reiterated in the Staff Report)**<br>We commit to ensure that the funds provided by the IMF will be effectively used to maintain macroeconomic stability, thus safeguarding public health, saving lives, and supporting livelihoods and the economic recovery.<br><br>Towards that end, we will publish on the Ministry of Finance and Treasury's website:<br><br>(i) results of an audit by the Solomon Islands Office of the Auditor General of COVID-19 related expenditures before December 2021; and<br><br>(ii) documentation on crisis-related public procurement, including the nature of the goods or services procured, the contract amounts, the names of the entities awarded the contract and their beneficial owners, followed by | **Staff Report**<br>Beyond this immediate response, the authorities remain committed to building the conditions for sustainable growth, strengthening fiscal management, reigning in financial stability and improving governance.<br><br>**Solomon Islands IMF ED Statement**<br>The authorities are maintaining their efforts to strengthen tax compliance, to progress tax reform – including indirect tax reform, and to tighten expenditure controls and procurement processes at the Ministry of Finance and Treasury. |

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| | | | 2.6 percent of GDP.<br><br>Policy measures are appropriately targeted at providing social assistance, protecting jobs and incomes, and stabilizing the domestic economy. These include payroll and employment support, capital grants to businesses to prevent job losses and support investment in productive and resource sectors, tax relief for affected businesses…<br><br>The government has scaled down non-essential public services and its employees have all been required to take emergency leave. The authorities are planning to continue payroll for public servants, but the costs and financing of the measure are yet to be announced. | documentation on ex-post validation of delivery. | |
| Tonga<br><br>Approved on January 25, 2021 | Rapid Credit Facility (RCF)<br>SDR 6.9 million (equiv. to $9.95 million, 50% of quota)<br>(budget support) | High risk of external and overall debt distress<br><br>https://datatopics.worldbank.or | **Staff Report**<br>The fiscal policy response to the pandemic has been appropriate although beset by implementation delays… Current spending is likely to rise to accommodate the cost of containment and healthcare, and | **Staff Report**<br>Policies and implementation of pandemic-related spending and economic relief packages should be transparent, closely monitored, audited, and reported in a timely manner to | **Staff Report**<br>Despite a string of budget surpluses, Tonga's fiscal challenges are daunting. A much-needed consolidation, which started in FY2016, continued through FY2020 with the help of |

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| | | g/dssitables/monthly/TON | targeted support to those affected. Spending on the latter will be larger-than-budgeted, given the longer duration of the pandemic than anticipated in the budget…<br><br>Spending policies should be geared toward improving efficiency, capacity and value-for-money… In the near-term, it is critical to ensure that priority spending—such as strengthening the basic healthcare system and infrastructure maintenance—are not crowded out by pandemic-related measures.<br><br>Building out the social protection system (beyond just the elderly and disabled) could be helpful, as it could be scaled up automatically after natural disasters and during the pandemic, and allow effective targeting of fiscal support.<br><br>Having such a system in place would also allow the government to provide assistance with electricity and other utility bills to those in need, while reducing CT exemptions | demonstrate accountability (Appendix I). In particular, publication of audited COVID-19 related spending, and pandemic-related public procurement documents (including information of the beneficial owners of the companies awarded the contract) would be desirable…<br><br>In the spirit of transparency, audited pandemic-related spending and all procurement documents will be published, including owners of awarded companies. They will also make every effort to identify and publish the beneficial owners of the companies awarded the contracts for which appropriate disclosure modalities will first need to be established. | donor support, notwithstanding the pandemic…<br><br>Without new grant commitments, a major fiscal consolidation would be required to achieve a sufficient buildup of fiscal buffers for debt repayments, emergencies and infrastructure upkeep while implementing necessary investments.<br><br>Such a large fiscal consolidation is infeasible (given significant capacity constraints) and undesirable, as it would compromise climate-resilience and development policy goals. Additional donor support—including approval of the 2019 request for debt relief from China Exim Bank—could therefore be vital to keep investments on track.<br><br>With the help of new donor grants, fiscal adjustment of 2 1⁄2–3 percent of GDP relative to baseline forecasts—ideally front-loaded—could be achievable over the period FY2022–24. With the |

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| | | | for the electricity company.<br><br>The planned health insurance system and voluntary retirement scheme should be properly designed to avoid unintended consequences (such as cost overruns and large staff turnover).<br><br>Ideally, this should be accompanied by a systemic review of the appropriate and sustainable size and structure of the civil service required to deliver quality public sector output. Stronger controls on allowances (e.g., overtime) and non-permanent staff costs are also necessary…<br><br>While the government's economic and social stimulus package has helped prevent a worse economic contraction, underlying policies need improvement—notably extending the social protection system and ensuring greater transparency and accountability in the provision of tax exemptions—to better target those in need during the pandemic or future economic | | right policies, the economic impact of such consolidation can be minimized given low fiscal multipliers.<br><br>There is scope to improve the targeting of exemptions and broaden the tax base… Given the urgency of building buffers, tax policy changes need to be introduced post-pandemic (possibly in the FY2022 budget), following consultations with stakeholders.<br><br>Taking advantage of low global prices, tax breaks for the electricity company should be removed and the full cost of diesel passed on to consumers to help achieve Tonga's emission targets. Any resulting rise in electricity tariffs could be phased in while protecting vulnerable households. Over time, investments in renewable energy sources could help reduce tariffs.<br><br>Additional measures could also be considered: further reducing |

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| | | | shocks…<br><br>A fiscal deficit is unavoidable in FY2021 to support the economy through the pandemic, but priority spending on healthcare (including vaccines), maintenance, and investment should be protected. | | excise and CT exemptions; broadening the PIT base to include local employees of donors; closing CIT loopholes for MNCs; collecting tax arrears and reducing tax avoidance; and, improving the collection of land-related fees…<br><br>Recommendations by the ADB, IMF and World Bank reviews of various aspects of fiscal policy—the effectiveness of pandemic support, wage bill overruns, tax exemptions, spending priorities, climate change policy, public financial management, and fiscal statistics—will be implemented starting in FY2022…<br><br>Overall, tax base broadening; prioritization of targeted support, health and infrastructure spending; stricter wage bill controls; and improved processes, governance, public financial management and implementation capacity are needed to meet the government's policy goals and debt repayments… |

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| | | | | | Efforts to centralize and strengthen hiring and staffing decisions should continue. Within the current fiscal anchor on the wage bill, policies should focus on rationalizing civil service functions and clarifying job descriptions; identifying and staffing critical positions; increasing automation as a step toward a phased elimination of redundant positions; prioritizing service delivery; gradually aligning compensation with market pay levels while eliminating overtime to improve work incentives and reduce turnover. |

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| Bahamas, The<br><br>Approved on June 1, 2020<br><br><br><br><br>Published on January 28, 2021<br><br>Consultations with government officials, private sector and civil society | Rapid Financing Instrument (RFI) SDR 182.4 million (equiv. to $250 million, 100% of quota)<br>(budget support)<br><br><br>2020 Article IV Consultation | N/A | **Bahamas IMF ED Statement (reiterated in the Staff Report and Letter of Intent)**<br>Authorities have announced a range of temporary and targeted fiscal support measures, amounting to roughly 4 percent of GDP, to address the fallout of the pandemic. Key initiatives include grants and subsidized loans for small businesses; direct cash assistance for unemployment; payroll support for large employers in the form of tax credits and deferrals to prevent further layoffs; and food assistance and other social services.<br><br>**2020 Article IV Consultation**<br>Staff welcomed the continued support to the domestic economy and the public health system. Providing income support and extended unemployment benefits to the affected population is critical. The government also secured | **Staff Report (reiterated in the Letter of Intent)**<br>Enhancing transparency by providing a separate reporting mechanism for COVID-19 expenditures, commissioning and publishing an independent, third-party audit, and publishing all public contracts as well as beneficial ownership information on companies that receive pandemic-related procurement contracts, will be critical…<br><br>The authorities confirmed that the COVID-19 measures will be audited within 9 months of the end of the fiscal year, and results will be published on the government's website, ensuring efficiency and transparency of relevant spending… | **Staff Report**<br>A gradual recovery should take hold in 2021, assuming that the pandemic fades and global containment efforts can be gradually unwound… the recovery will be gradual with the economy reaching its pre-pandemic level only by end-2023…<br><br>The authorities remain committed to fiscal consolidation over the medium term as specified under the Fiscal Responsibility Act(FRA). The government activated the escape clause of the FRA after Hurricane Dorian hit the country. This allows the authorities to postpone the achievement of their fiscal consolidation targets (a fiscal deficit of 0.5 percent of GDP by FY2020/21 and a public debt-to-GDP ratio of 50 percent by FY2024/25) by four years. The COVID-19 crisis will delay reaching |

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| | | | resources for essential capital projects, including hospital and clinics, roads, and infrastructure rehabilitations, which will help support aggregate demand. These projects should be put through rigorous appraisal and selection processes. | **2020 Article IV Consultation** Transparency and accountability of the emergency expenditure measures are key to facilitate verification and audit. The authorities are committed to publishing procurement contracts of COVID-19 related spending with beneficial ownership information on their website in the coming months and have started collecting the necessary information from the line ministries. The Auditor General (AG) will audit the FY2019/20 COVID-19 related expenses and revenue losses by March 2021. The AG will report on any irregularities and abuse and can recommend legal proceedings. Such efforts strengthen the public's confidence in the government and ensure that spending is of high quality. | these targets further, but the authorities are steadfast to bring the fiscal deficit to 0.5 percent of GDP byFY2026/27 and the debt ratio to 50percent of GDP by FY2030/31. They will resume various measures when the pandemic fades, including the reviews of SOE governance, investment incentives, and the pension system, enhancements to public financial management (PFM) to increase expenditure control and efficiency, and revenue administration reforms…<br><br>The composition of fiscal adjustment should be carefully balanced to achieve inclusive growth, protect key public services and invest in natural disaster preparedness. Actions to achieve these objectives include containing expenditure growth by further rationalizing the wage bill, advancing the pension reform, and accelerating SOE reforms.<br><br>On the revenue side, there is significant scope to increase |

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| | | | | | revenue collection by accelerating planned revenue administration reforms and streamlining tax expenditures. Increasing revenues from departure taxes, business license fees, and property taxes should be strongly considered. A well-crafted communication strategy will help foster the credibility of the medium-term fiscal framework.<br><br>**2020 Article IV Consultation**<br>Directors agreed that the near-term priority is to save lives and livelihoods and postponing the achievement of the public debt target by another two years in response to the pandemic is appropriate. However, putting debt on a clear downward path over the medium-term and rebuilding buffers will require significant fiscal effort. Directors called for tax policy and administration reforms and expenditure prioritization to ensure a robust and equitable consolidation once the pandemic |

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| | | | | | abates…<br><br>Policy Advice. The Bahamas would benefit from a comprehensive package of policies to limit the damage from the pandemic, set the stage for a resilient recovery, and achieve durable and inclusive medium-term growth:<br><br>*Fiscal Policy*. In the near-term, focus on protecting lives and livelihoods, ensure rigorous appraisal and selection processes of the announced capital projects and enhance the efficiency of social spending; develop detailed contingency plans. Announce credible medium-term tax policy, revenue administration and spending measures to finance investment in infrastructure and education, strengthen resilience to climate change, and lower public debt…<br><br>Given limited fiscal space, the authorities should develop a detailed contingency plan. The Ministry of Finance has conducted |

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| | | | | | a scenario analysis and identified potential measures, such as a sin tax on alcohol and tobacco, further recurrent spending cuts and delaying non-essential road and maintenance works. In line with staff advice to prioritize spending contingent on sufficient revenues, it has since tasked agencies to scale back recurrent and capital expenditures by \$200 million for the remainder of the fiscal year…<br><br>There is scope to further enhance the effectiveness of social spending. Most social assistance programs are application based, and validation is difficult given limited digitization (Annex VII). As the country moves from the containment to the recovery phase, strengthening identification and monitoring of the vulnerable population should be prioritized, while systematic communication among relevant stakeholders needs to be established. In this regard, staff welcomed the planned pilot in |

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| | | | | | New Providence of a means-tested social program starting in 2021. To minimize long- term scarring effects and raise human capital, the government could also temporarily expand existing vocational training programs for the young to the wider population. |
| Barbados (1 of 2)<br><br>Approved on June 3, 2020 | Augmentation of Extended Fund Facility (EFF)<br>SDR 66.15 (equiv. to $91 million, 70% of quota)<br>(budget support) | N/A | **Staff Report**<br>Revenues, particularly those related to tourism, are expected to decline substantially, leading to an overall revenue loss of about 4 percent of FY2019/20 GDP. Meanwhile expenditures will need to increase to accommodate higher health spending (about 1⁄4 percent of GDP in addition to 1⁄2 percent already spent in FY2019/20), temporary transfers to public institutions who will face pandemic-related revenue shortfalls (about 1⁄2 percent of GDP), and enhanced welfare schemes (about 1⁄4 percent of GDP)…<br><br>The expected spike in | **Staff Report**<br>The authorities are also committed to safeguarding public resources, particularly those related to fend of the crisis. In particular, strengthened public procurement including audit of these crisis expenditures, publication of contracts, the names of successful bidders (and their beneficial owners) as well as ex post verification of delivery will ensure that COVID-19 related outlays will be efficiently allocated. | **Staff Report**<br>To support the adjustment effort over the medium and long term, a fiscal rule is expected to be introduced by mid-2021… An FAD TA mission to advise the authorities on the design of a fiscal rule, including coverage and an escape clause to accommodate the impact of natural disasters and other potential shocks, which had been scheduled for end-April 2020, had to be delayed to the second half of 2020 in light of the global coronavirus outbreak. The fiscal rule will support the planned reduction of the debt/GDP ratio to 60 percent by FY2033/34… |

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| | | | unemployment claims by individuals laid off or put on part-time schedules due to the pandemic will be managed by the National Insurance Scheme (NIS) without above-the-line impact on the budget, however, the government will support NIS liquidity by repurchasing up to BRB$250 million bonds currently held by the NIS. The government further plans to accelerate payment of BRB$131 million in PIT and VAT refunds and use an existing Catastrophe Fund to provide temporarily interest-free loans to crisis- struck businesses… | | To secure fiscal space for investment in physical and human capital, transfers to SOEs need to continue to decline after the global coronavirus pandemic is over by a combination of: (i) phasing out of COVID related additional transfers; (ii) much stronger oversight of SOEs, supported by improved reporting; (iii) cost reduction, including reduction of the wage bill; (iv) revenue enhancement, including an increase in user fees…<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>We are targeting a debt-to-GDP ratio of 60 percent by 2033; this will be achieved with a combination of fiscal consolidation, policies to boost growth, reform of our public finances and debt restructuring…<br><br>The Government intends to seek Parliamentary approval of a fiscal rule to enhance fiscal transparency, and lock in the gains |

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| | | | | | of fiscal consolidation… We will design a sound fiscal rule defining coverage, implementation, corrective mechanisms, escape clauses and institutional arrangements that are appropriate for Barbados, based on recommendations provided by technical assistance from the IMF's Fiscal Affairs Departments. |
| Barbados (2 of 2)<br><br>Approved December 9, 2020 | Augmentation of Extended Fund Facility (EFF) SDR 48 million (equiv. to $69 million, 51% of quota)<br><br>(budget support) | | **Letter of Intent**<br>… it is becoming clear now that the impact of the global pandemic on economic activity and government revenue is deeper, and will probably last longer, than was projected at the time of the third review under the EFF. On the expenditure side, resources needed for income support for the most vulnerable and displaced workers, including unemployment benefits provided by the National Insurance Scheme, are expected to remain well above normal levels for the remainder of the fiscal year...<br><br>We are implementing a range of measures to protect lives and livelihoods in this unprecedented | **Letter of Intent (Memorandum of Economic and Financial Policies)**<br>The Government is working to increase the efficiency and quality of the public procurement process, facilitating effective delivery of COVID-19 pandemic supports.<br><br>The effectiveness of the Public Accounts Committee has been strengthened to allow the public to monitor in real time its oversight role, thereby ensuring full transparency. Strengthened public procurement including audit of crisis expenditures, publication | **Staff Report**<br>Over the medium term, fiscal adjustment will be supported by a cyclical recovery in revenues and continued structural reforms of SOEs. Tax revenues are projected to improve gradually with economic activity in FY2021/22 and FY2022/23. After increasing in FY2020/21 to accommodate higher spending on health and welfare, expenditure is expected to normalize in FY2021/22 while continuing SOE and pension reforms, together with containment of discretionary spending on goods and services and capital expenditure should help reduce outlays over time… |

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| | | | crisis. A phased response to the COVID-19 pandemic has been pursued, reflecting the evolution of the health crisis as well as the magnitude and persistence of the economic fallout, particularly for the tourism sector.<br><br>After initial investments in health equipment and quarantine facilities executed in March and April, we have expanded welfare payments and introduced the Household Survival Program, to protect the most vulnerable households.<br><br>Following a surge in unemployment claims at the NIS, we announced a plan to ensure the NIS has adequate cash resources by purchasing government bonds held by the NIS.<br><br>We will accelerate the planned repayment of remaining VAT and income tax arrears, to provide critical cash to the economy at a time when it most needs it.<br><br>To enhance food security, we have | of contracts, the names of successful bidders (and their beneficial owners) as well as ex post verification of delivery will ensure that COVID-19 related outlays will be efficiently allocated.<br><br>We will table a new procurement law in parliament in December 2020, to promote integrity, fairness, transparency, and value for money in public procurement, and to ensure that outlays (including those related to COVID-19) are efficiently allocated. Under this bill, the Chief Procurement Officer will be charged with facilitating the audit of crisis expenditures and publication of contracts and names of successful bidders (and their beneficial owners). | To reinforce debt sustainability over the medium and long term, a fiscal rule is expected to be introduced by end-September 2021. The fiscal rule will target a steady reduction of the debt/GDP ratio to 60 percent by FY2033/34…<br><br>Adoption of a fiscal rule and SOE reforms remain essential for achieving higher primary surpluses targets and maintaining them over the medium term. The design of the fiscal rule will be supported by FAD technical assistance tentatively planned for the first half of 2021.<br><br>The technical assistance will help the authorities define coverage, implementation, corrective mechanisms, escape clauses and institutional arrangements that are appropriate for Barbados.<br><br>To secure fiscal space for investment in physical and human capital, transfers to SOEs need to continue to decline once the global coronavirus pandemic |

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| | | | started to bring into cultivation 750 acres of land for crop cultivation.<br><br>To help offset unprecedented job losses, we have created a 12-month COVID relief jobs program, which will generate contractual employment opportunities across a range of activities to promote health safety at schools and elderly communities, boost food production and security, and enhance environment and infrastructure investments.<br><br>To support the tourism sector, which has been dealt a particularly heavy blow by the pandemic, we have created the Barbados Employment and Sustainable Transformation (BEST) plan. Under this voluntary program, the Government will invest in tourism firms to re-engage their workers at 80 percent of their normal salary for up to two years, provided employers commit to: i) implement worker training programs that boost productive skills; and, ii) undertake | | recedes by a combination of: (i) phasing out of COVID-related additional transfers; (ii) stronger oversight of SOEs, supported by improved reporting and analysis; (iii) revenue enhancement, including an increase in user fees; and (iv) mergers and divestment—building on SOE reforms implemented before the pandemic…<br><br>*Public Sector Reform.* The Government is committed to modernising and improving the efficiency, quality and cost effectiveness of the public sector. Our Government must be made fit to take on the challenges of the twenty first century, including the COVID-19 pandemic. Of necessity, this means that as we settle our budgets and our programmes, an ongoing analysis is done of what is essential, what is highly desirable, what is optional, what is essential or optional but better delivered elsewhere. This has meant, and will continue to mean, adjustment and rationalisation of SOEs and |

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| | | | strategic green and digital investments to enhance competitiveness.<br><br>**Barbados IMF ED Statement**<br>Whereas the initial policy response to COVID-19 centered on emergency health spending to save lives and temporary targeted fiscal measures to support vulnerable households (e.g. *Adopt-A-Family* monthly cash transfers), the authorities are now focused on getting Barbadians back to work and supporting viable businesses that can drive the recovery. Key measures include:<br><br>• The *COVID Relief Programme.* A BDS$40 million initiative to ensure that anyone seeking to work has an opportunity to do so. Participants will be contracted for 12 months to carry out a range of jobs across the island, including improving infrastructure and supporting food security;<br>• *The Barbados Employment and Sustainable Transformation* | | some Government Departments. It will also mean retooling and empowering, retraining and enfranchising some of the public-sector workers to improve effectiveness. We have begun reviewing public sector labour laws with a view to enhancing flexibility, including with two studies currently underway…<br><br>**Letter of Intent**<br>We are targeting a debt-to-GDP ratio of 60 percent by 2033; this will be achieved with a combination of fiscal consolidation, policies to boost growth, reform of our public finances and debt restructuring…<br><br>The Government intends to seek Parliamentary approval of a fiscal rule to enhance fiscal transparency, and lock in the gains of fiscal consolidation (*proposed reset structural benchmark for end-September 2021*).<br><br>**Supplementary Memorandum of Economic and Financial Policies** |

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| | | | *(BEST) Plan*. This program makes available a maximum of BDS$300 million to tourism firms to re- engage their workers at 80 percent of their normal salary for up to two years; and,<br>• The *Welcome Stamp.* An initiative to help mitigate the economic consequences from the fall in short-term travel by allowing entry to remote workers for up to one year. Over 1,200 applications were received in the first two months of the initiative.<br><br>**Staff report:**<br><br>To mitigate the impact of the crisis, the primary balance target for FY2020/21 was reduced from 6 percent of GDP to 1 percent of GDP at the time of the third EFF review. | | Personal Income Tax (PIT) rates will be reduced gradually to reduce the discrepancy between CIT and PIT rates. The top PIT rate has been reduced to 28.5 percent as of January 1, 2020. To compensate for the revenue loss, the base of the VAT has been broadened; land taxes and tourism room rate levies were increased; and new gaming taxes and online taxes have been introduced. The goal is to create a modern tax system, aimed at supporting growth and enhancing fairness<br><br>**Technical Memorandum of Understanding**<br>*Indicative Targets*<br>…<br><br>*B. Floor on CG Social Spending*<br>The indicative floor on social spending of the CG will apply only to expenditures incurred by the CG on the following plans and programs, excluding operating expenditure, that are intended to |

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| | | | | | have a positive impact on education, health, social protection, housing and community services and recreational activities:<br>• Welfare Department spending including cash transfers and assistance for house rents, utilities, food, and education to the poor and vulnerable;<br>• Child Care Board spending on protection of vulnerable children;<br>• Youth Entrepreneurship Scheme assisting jobless youth to start own businesses;<br>• Strengthening Human and Social Development programme targeting the unemployed and vulnerable families and youth;<br>• Alternative Care for the Elderly programme targeting the elderly transferred to private care;<br>• Provision of medication to HIV patients. |

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| Bolivia<br><br>Approved April 17, 2020 | Rapid Financing Instrument (RFI) SDR 240.1 million (equiv. to $327 million, 100% of quota)<br>(direct budget support) | N/A | **Staff Report**<br>The authorities intend to fully accommodate the health care spending needed to mitigate the impact of the COVID-19 pandemic on the health and well-being of the population. The authorities also anticipate a need to increase social safety net spending to protect the most vulnerable. Active efforts are underway to shift fiscal resources from other lower-priority programs to accommodate these needs while containing the fiscal deficit to 7.3 percent of GDP in 2020…<br><br>The near-term reallocation of expenditures, including the temporary recourse to central bank funding to cover a portion of the deficit, is warranted by the immediate medical, humanitarian, and economic needs prompted by the crisis. At the same time, it will be important, in light of the limited fiscal space available, to protect other social welfare spending. Should health spending needs prove larger than expected, some limited margin for maneuver may be gained | **Letter of Intent**<br>… we commit to adhere to best practices in procuring and awarding contracts related to the pandemic (including by publishing regularly documentation on procurement contracts on the government's website, together with ex-post validation of delivery along with the name of awarded companies and the name of their beneficial owners) as well as publishing an external independent audit report on virus-related expenditures once the crisis is over. | **Staff Report**<br>The authorities are committed to eliminating macro-fiscal imbalances over the medium term, once the immediate health crisis and associated economic effects have begun to wane…<br><br>**Public Debt Sustainability Assessment**<br>The authorities are addressing the COVID-19 shock with additional temporary spending financed by re-prioritization of expenditures, a drawdown in deposits, central bank loans, and donor loans. The medium-term fiscal consolidation path is realistic, while the authorities envisage even a more ambitious tightening through streamlining public spending while increasing its efficiency.<br><br>**Letter of Intent**<br>We are also committed, if needed and once the immediate health crisis has passed, to taking additional income and expenditure measures to ensure |

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| | | | through additional reductions in public investment…<br><br>Staff projections assume that the spread of the disease will be contained at moderate levels and activity will resume relatively rapidly as the health crisis begins to wane. However, the situation could evolve along a more negative trajectory. Should this occur, additional measures to strengthen domestic health services and provide support to vulnerable populations would be needed. These would be partially covered by the identified contingency measures of bringing forward planned reductions in SOE investments, while also being supported by additional external financing…<br><br>**Letter of Intent**<br>We have already announced plans to rapidly strengthen the capacity of our medical system, particularly in the handling of emergency respiratory cases. Beyond these direct steps to target public health priorities, we have also announced | | our fiscal position is consistent with the availability of financing and to underpin the continued sustainability of our public debt position. |

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| | | | steps to support those most vulnerable among our population, including direct relief payments to vulnerable households with children, reductions in some utility fees, and a moratorium on the payments of debts owed by households and firms. We anticipate these spending needs alone will add 1.8 percent of GDP to our fiscal deficit at a time when activity is slowing markedly and revenue sources are being compromised as taxpayers struggle to manage their own difficult circumstances. With much of our medical equipment imported from other countries, these expenditures directly translate into upward pressures on our trade deficit.<br><br>During the course of the epidemic our policy priorities will be to address the medical, social, humanitarian, and economic effects of the crisis. Accordingly, it will be necessary to implement targeted social measures such as income support to the most vulnerable, while maintaining other priority | | |

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| | | | social programs. We envisage that about 1.2 percent of GDP will be dedicated to increased health spending, about 0.6 percent of GDP to measures in support of the vulnerable (including support for the elderly, primary school children, and the disabled, and subsidies directed at households of modest means) … | | |
| Chile<br><br>Approved on May 29, 2020 | Flexible Credit Line (FCL)<br>SDR 17.433 billion (equiv. to $23.93 billion, equiv. to 1,000% of quota)<br><br>The FCL is designed for crisis prevention purposes as it provides the flexibility to draw on the credit line at any | N/A | **Staff Report**<br>The government presented two packages of fiscal measures of up to about US$17 billion (or about7 percent of GDP) to safeguard health, protect incomes and jobs, and inject liquidity into the economy.<br><br>The set of measures includes: (i) higher healthcare spending; (ii) enhanced subsidies and unemployment benefits; (iii) a set of tax deferrals; (iv) liquidity provision to SMEs, including through the | N/A | **Staff Report**<br>The authorities remain committed to their plans for structural consolidation and debt stability over the medium term (lowering the structural deficit to 2.5 percent of GDP in 2021 and then by 0.5 percent of GDP in subsequent years, to reach a structural deficit target of 1 percent of GDP by 2024). In the short term the priority is to address the economic and social |

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| | time during the period of the arrangement (one or two years), and subject to a mid-term review in two-year FCL arrangements. Disbursements are not phased nor conditioned on compliance with policy targets as in traditional IMF-supported programs...<br><br>The Chilean authorities intend to treat the arrangement as precautionary and temporary, exiting as soon as the 24-month period is completed… | | state-owned *Banco del Estado*; (v) accelerated disbursements for public procurement contracts; (vi) support for the most vulnerable and independent workers; and (vii) a credit-guarantee scheme to support borrowers. These swiftly undertaken measures are adequately focusing on containing the human and economic impact of the pandemic, but additional or enhanced measures might be needed in case downside risks materialize. | | impact of the pandemic, including by protecting health, income, and jobs, especially for the most vulnerable segments of the population. Over the medium term, it will be essential to help the country restore its productive capacity and continue to reduce inequality and address social issues, while ensuring macroeconomic and debt stability…<br><br>The authorities have started working on plans to increase revenue and improve spending efficiency in the medium term. They have asked an independent advisory committee to work on a proposal to improve the tax structure, focusing on increasing revenue while enhancing productivity and incentivizing investments.<br><br>**Letter of Intent**<br>These exceptional circumstances are expected to be temporary, and hence Chile intends to maintain the FCL arrangement on |

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| | | | | | a temporary basis. At the time of the mid-term review, we will reassess the external conditions and access. Conditional on a reduction of the risks, we intend to fully exit as soon as the 24-month period is completed, while starting the exit preparations well in advance… |
| Colombia (1 of 2)<br><br>Approved on May 1, 2020 | Flexible Credit Line (FCL)<br>SDR 7.849 billion (equiv. to $10.8 billion, 384% of quota)<br><br>The authorities are requesting a two-year FCL arrangement for 384 percent of quota (SDR 7.8496 billion), which they intend to treat as precautionary, and are notifying the Fund of the cancellation of the current arrangement (SDR 7.848 billion) | N/A | **Staff Report**<br>In response to the recent Covid-19 outbreak, the authorities should use all available fiscal space under the fiscal rule to help accommodate additional short-term spending needs such as health expenditures and to support the economy through recession…<br><br>To finance emergency [health and social] spending and the larger headline deficit in 2020, resources from the National Emergency Mitigation Fund (FOME) will be used worth up to 2.8 percent of GDP. [To complement these measures, the authorities are making use of the National Guarantee Fund (FNG) to guarantee commercial loans for | **Staff Report**<br>The authorities have… made improvements to procurement at the local level to improve governance and reduce corruption…<br><br>Governance safeguards with regard to the use of the FOME [National Emergency Mitigation Fund] and the FNG [National Guarantee Fund] should apply for transfers made from the Funds to beneficiaries. Specifically, the transfer information to be registered should include at least the beneficiary name, the amount, and the expenditure object. If these transfers are not subject to regular control | **Staff Report**<br>The authorities remain committed to a gradual exit from the FCL, risks permitting, including through consideration of a modest reduction of access during the mid-term review if global risks recede. Since exceptional global risks have increased substantially with the Covid-19 outbreak and resulting commodity and financial market disruptions, the FCL is important to reinforce market confidence and to provide room to navigate through shocks to support the recovery without derailing the much-needed structural reform agenda. |

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| | which expires on May 24, 2020. | | SMEs for up to 1.2 percent of GDP.] | procedures, then a comprehensive ex-post audit should be conducted soon, and corrective measures implemented if necessary. | |
| Colombia (2 of 2)<br><br>Approved on September 25, 2020<br><br>Published on March 23, 2021 | Augmentation of Flexible Credit Line (FCL)<br>SDR 4,417.4 million (equiv. to $6,200 million)<br><br>2021 Article IV Consultation | N/A | **Letter of intent**<br>Given the fallout of the unprecedented shocks that hit the global economy, Colombia intends to use a portion of the proposed increase in access to the FCL for budgetary support. This would help address the above-mentioned balance of payments challenges, help support international reserves and associated market confidence, and avoid added pressures on Colombian credit markets and a crowding out of private agents without access to external sources of funds.<br><br>**Staff Report**<br>The authorities suspended the fiscal rule for two years to accommodate short- term spending needs such as health expenditures and to support the economy through the recession—consistent with Fund | **Staff Report**<br>All pandemic-related spending is subject to the same governance principles as other fiscal spending. All procurement contracts must be published in the SECOP (Public Procurement Electronic System) which is available to the public. The National Comptroller, with the support of the National Audit Office (NAO), conducts annual audits of all public expenditure both at the national and subnational levels and can also investigate any concerns made by the public. Moreover, the execution of public funds is being made using national systems and databases that are subject to fiscal control. With a high volume of procurement contracts expected due to the | **Press Release**<br>… the authorities have expressed their intention to partially draw on the arrangement for budget support to help Colombia effectively respond to the pandemic. The authorities' have also stated their intention to treat the bulk of the FCL arrangement as precautionary and remain committed to a gradual exit strategy from the instrument as exceptional global risks clearly recede.<br><br>**Staff Report**<br>In the current crisis, the authorities have temporarily suspended the fiscal rule in 2020 and 2021 due to the fallout from and the need to address the health and economic costs of the pandemic. They have been very transparent regarding the |

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| | | | advice. Among the key measures include additional spending on health (increased ICU capacity), support for vulnerable households (including those in the informal sector and furloughed and unemployed workers) and support to firms (including payroll support) …<br><br>Staff considers the augmented access level to be appropriate in light of both actual and potential BOP needs. Notwithstanding very strong underlying fundamentals and policies, Colombia has been affected by the global pandemic more severely than previously thought, with a materially worse recession, wider budget deficit, and weaker balance of payments…<br><br>Specifically, staff's view is that a decision to draw on FCL resources, to meet actual balance of payments needs and budget financing in response to the pandemic, could help avoid excessive pressures on Colombian credit markets and a crowding out of private sector | pandemic, the SECOP should ensure that these continue to be reported promptly—including the associated access to national databases—while the NAO should ensure that all independent external audits—including those associated with emergency financing—also continue to be published promptly.<br><br>**2021 Article IV Consultation**<br>Further efforts are needed to enhance transparency in procurement and to ensure the effectiveness of the anti-corruption framework. There should be increased implementation of the electronic government procurement system to ensure that the tool covers all emergency-related contracts, that there is verification to ensure the quality of data and that it is also rolled out at the subnational level. Efforts should be made to allow for analysis of big data and to | suspension (trigger, magnitude and length of suspension, adjustment mechanisms to return to the rule) and have expressed their firm commitment to fiscal sustainability, tasking the FRCC to monitor fiscal aggregates against the government's plans to ensure that any deviations are solely due to pandemic-related effects…<br><br>Moreover, to avoid a sharp reduction in public investment and social protection programs once the fiscal rule becomes operational in 2022, the authorities anticipate that additional revenue-enhancing and expenditure efficiency measures will be required…<br><br>The temporary suspension of the fiscal rule in a well-defined manner and a commitment to return to the rule in 2022 as the crisis recedes are welcome**.** To manage the policy trade-off between additional flexibility and credibility of Colombia's fiscal |

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| | | | financing and investment while supporting vulnerable households during the pandemic.<br><br>**2021 Article IV Consultation**<br>For 2020, the largest support is coming from transfers to households and health care support (0.6 % of GDP each), and firm support via payrolls (0.2) and economy wide tax relief measures (0.1). For 2021, infrastructure (1.0) and healthcare (0.7) measures have the largest growth impact.<br><br>Payroll subsidies and expanded transfer programs mitigated the impact among vulnerable households. As part of emergency measures transfer and employment protection measures worth 1.3 percent of GDP in 2020, subsidies equivalent to 40 percent of the minimum wage for formal workers at firms experiencing falls of over 20 percent in sales was implemented. To help informal workers, a new unconditional transfer program (Ingreso Solidario) was established aimed at populations at risk not | include beneficial ownership information of companies that are awarded procurement contracts. Enhancing whistleblower protection by adopting an appropriate legal framework is key for reducing corruption risks and ensuring the detection of misuse of emergency funds and further efforts are also needed to enhance the enforcement against corruption offenses. Fund technical assistance for audits on emergency spending could support these actions so that they can be conducted promptly… | framework, previous Fund advice (2019 Article IV consultation and at the time of the approval of the FCL arrangement in May) recommended that any suspension of the fiscal rule be: (i) based on a clearly defined trigger; (ii) strictly temporary with the deviation from the target only covering near-term fiscal costs; and (iii) complemented by a well-defined plan specifying corrections needed to return to the rule's deficit path in the medium term…<br><br>The decision [to suspend the fiscal rule] also includes an explicit commitment and financial plan to return to the rule by 2022, with a transitional budget in 2021 that details adjustments to expenditure and to fiscal revenues. Any increased fiscal policy flexibility will be destined exclusively to finance the expenditure required to counter the effects of the pandemic.<br><br>h the current account projected to |

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| | | | covered under other programs, and better-targeted existing social protection programs were expanded. This expansion was concentrated among poorer households, though expansions were observed across a significant portion of the household income distribution… | | narrow modestly in 2020, this assessment is unchanged. Over the medium term, the current account deficit is expected to continue narrowing, including because fiscal consolidation that is expected after the fiscal rule is reinstated in 2022 should help raise national saving<br><br>The fiscal rule remains the fiscal anchor for the medium-term sustainability of public debt with its temporary suspension allowing fiscal policy to provide more support to respond to the pandemic…<br><br>**2021 Article IV Consultation**<br>Directors took note of the temporary suspension of the fiscal rule to accommodate emergency spending to support the health care sector, households, and firms. As the pandemic subsides, emergency measures should be gradually removed. Directors welcomed the planned fiscal reform, anchored in durable revenue mobilization and |

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| | | | | | improved tax administration. They agreed that a return to the fiscal rule would safeguard the fiscal framework and anchor medium-term adjustment and public debt sustainability…<br><br>*Policy recommendations*. Continue to focus on saving lives, cementing recovery, limiting scarring, and supporting inclusive growth while preserving debt sustainability…<br><br>*Fiscal policy*. Maintain critical emergency support and begin gradual fiscal adjustment as the recovery strengthens via durable tax reform, and through tax administration and expenditure efficiency gains. Reinstate the fiscal rule upfront and reset the period to reach the fiscal anchor over the medium term. Consider creating an independent fiscal council to oversee reinstatement of the fiscal rule, improve the escape clause, and strengthen performance with respect to containing debt through new mechanisms…Key emergency |

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| | | | | | measures in 2020 focused on additional health spending and support to vulnerable households and firms (including credit lines for SMEs). As a result of the emergency spending and deteriorating tax revenues, the 2020 headline deficit widened to 7.7 percent of GDP… The deficit was smaller than anticipated as discretionary emergency spending measures –notably healthcare and payroll support—were lower than expected and tax revenues proved to be more resilient. Execution of the non- emergency budget was in line with expectations.<br><br>To cement the recovery in 2021, unspent resources from the emergency mitigation fund (FOME) created last year will be used in 2021, including to finance extension of some transfer programs during 2021H1 as well as to fund the vaccination program, and additional infrastructure spending is planned to support the recovery… |

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| | | | | | In the near term, targeted fiscal support includes maintaining pandemic-related spending to protect a nascent recovery.<br><br>Specifically, under execution of spending in key areas in 2020, is assumed to occur in 2021, as well as recovery measures specified under the *Compromiso for Colombia* program.<br><br>For 2021, staff supported the latest authorities' plans for critical spending for vaccination, other healthcare, and targeted support for the most vulnerable households, making some use of the unspent FOME resources.<br><br>Staff supports the targeted and gradual phasing out of emergency spending as the pandemic subsides, and, in view of anticipated cyclical improvements in tax revenues, recommended a small narrowing of the fiscal deficit in 2021 by limiting low-priority spending. This will help avoid a sharper medium-term |

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| | | | | | fiscal adjustment…<br><br>After 2021, gradual but steady fiscal consolidation is needed to return to the fiscal anchor. Returning to the fiscal rule in 2022, as currently planned in the 2020 Medium Term Fiscal Framework (MTFF) would result in a sharp fiscal tightening that could jeopardize the recovery.<br><br>Instead the 2021 MTFF should consider restoring the structural deficit rule/fiscal anchor but resetting the adjustment horizon over the next five years in the wake of an exceptionally large shock.<br><br>Over the longer term, the structural fiscal rule could be further complemented with measures that improve performance with respect to containing debt through a longer-term debt ceiling or other stabilizing mechanisms…<br><br>Beyond a gradual phasing out of |

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| | | | | | emergency spending, further durable revenue mobilization as well as tax and spending efficiency gains will be needed. Returning to the fiscal rule's one percent structural headline deficit in 2026 would necessitate a budgetary adjustment of around 8 percent of GDP between 2021-26 (of which 21⁄2 percent would come from unwinding emergency and recovery expenditures in 2022).<br><br>While tax revenues are projected to increase by around 1⁄2 percent of GDP in 2022—in line with the economic recovery and higher oil prices—staff estimates that a further adjustment worth 5 percent of GDP will be needed.<br><br>To safeguard key public spending revenues should accordingly be increased gradually and durably by 2-3 percent of GDP. Tax policy measures to achieve this should focus on eliminating preferential regimes for businesses, base-broadening for personal income taxes and removing VAT |

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| | | | | | exemptions.<br><br>Given the low intake from excise and other taxes on goods and services, raising additional tax revenue from other sources (excluding trade taxes) could include a carbon tax which is being considered and would assist climate-change mitigation efforts…<br><br>On the spending side, the authorities should build upon recent improvements to spending efficiency— including the new system to better identify social benefit recipients (SISBEN IV), further implementation of energy subsidy reforms, continued gains from public procurement reforms…<br><br>The authorities remain committed to tackling the pandemic and supporting the recovery through strong fiscal actions, while matching this with fiscal reform to preserve credibility. They believe continuation of health emergency |

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| | | | | | spending measures (mainly vaccinations), social assistance, and recovery support is necessary given high uncertainty with the pandemic and its protracted nature. Thus, the authorities see a wider headline deficit relative to last year as appropriate.<br><br>To demonstrate their commitment to the fiscal anchor and sound public finances, the authorities will be proposing an ambitious fiscal reform package that will include: strengthening social protection programs, improving the fiscal rule and tax reform that will take into account the recommendations of an expert commission. |
| Costa Rica (1 of 2)<br><br>Approved on April 29, 2020 | Rapid Financing Instrument (RFI) SDR 369.4 million (equiv. to $508 million, 100% of quota) | N/A | **Staff Report**<br>In response to the pandemic, the authorities are accommodating the health care spending needed to contain and mitigate the impact of the virus and anticipate increased spending for social protection to protect the most vulnerable… | **Letter of Intent**<br>We are also committed to using the RFI resources transparently and through established governance mechanisms, including ex-post accountability and controls, to ensure the funds are used to | **Staff Report**<br>Prior to the pandemic, Costa Rica was on a path of fiscal consolidation to keep public debt on a sustainable path, with a major fiscal reform bill passed at end-2018 and a fiscal rule that ties spending growth from 2020… |

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| | | | The measures have aimed, appropriately, at ensuring necessary resources to attend the health emergency, protecting firms, employment, and households, and preventing the health crisis from creating long-term economic damage.<br><br>*Key measures include:* a 3-month moratorium on tax payments; deferred payment of social security contributions and making them proportional to the time worked; subsidies and transfers for three months to the most vulnerable families economically affected by the crisis; targeted support to SMEs… and a possible targeted moratorium on the payment of loan principal and/or interest for the most affected sectors for at least 8 weeks (only for personal, housing, vehicle, consumer, and education loans, and to debtors who suffered layoffs, suspension of employment contract or cuts in working hours)…<br><br>Overall, total spending is expected to increase by about 2.4 percent of | address the Covid-19 related shocks. | They are committed to returning to the fiscal consolidation path with a strict implementation of the fiscal rule and revenue-enhancing measures once the crisis moderates…<br><br>A temporary deterioration of the fiscal position in 2020 is warranted by the immediate medical, humanitarian, and economic needs prompted by the crisis, including through the temporary activation of the fiscal rule emergency escape clause. However, the pre-crisis fiscal consolidation path, anchored by the 2018 fiscal reform, must be preserved…<br><br>Staff welcomes the authorities' stated commitment to the fiscal consolidation path and immediate efforts to contain the impact of the pandemic by reprioritizing spending, including through the announced public wage freeze for 2020 and contemplating additional compensatory measures. Starting from 2021, |

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| | | | GDP, driven by the provision of social transfers to the most affected sectors and individuals (about 1 percent of GDP), medical spending (about 0.3 percent of GDP), and the impact of lower growth. As result, the primary and overall fiscal deficit for 2020 would widen to 4.8 percent and 9.8 percent of GDP respectively…<br><br>While the government has created a contingency fund for the COVID-19 emergency of about 3.2 percent of GDP for higher-than-expected emergency spending needs, reallocating spending away from non- essential expenditures toward priority areas, such as social assistance or capital spending to close infrastructure gaps, could help save scarce resources.<br><br>**Costa Rica IMF ED Statement**<br>… the authorities have implemented some (and are proposing other) compensatory fiscal measures, such as suspension of salary increases for public employees (except health workers and the police), a | | and once the economy recovers from the pandemic, staff recommends ending all the emergency spending measures and reapplying the fiscal rule. |

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| | | | temporary surcharge on income taxes, and the use of retained earnings from public sector entities to reduce central government debt. | | |
| Costa Rica (2 of 2)<br><br>Approved on March 1, 2021<br><br>Consultations with government ministry officials, members of Legislative Assembly, academics, private sector, civil society and union representatives. | Extended Fund Facility (EFF)<br>SDR 1,237.49 million (equiv. to $1,778 million, 335% of quota)<br><br>Immediate disbursement: $296.5 million<br><br>2021 Article IV Consultation | N/A | **Staff Report**<br>Spending measures (fiscal response to covid-19) include: Freeze in public sector wage (except for police and healthcare workers) and 4953 public vacancies, and eliminated 2194 positions; Cut in non-critical spending on goods and services and capital.<br><br>Following a strong budgetary outcome in January and February 2020 (with deficits half the size of the previous year), beginning March, the authorities had to swiftly adopt extensive revenue and expenditure measures, with four supplementary budgets, to respond to the pandemic and the worsening macroeconomic outlook. COVID-related spending in 2020 amounted to about 0.8 percent of GDP at the central government (CG) level and 1.3 percent of GDP at the general government level, of which the majority was devoted to the *Bono* | **Letter of Intent (Memorandum of Economic and Financial Policies)**<br>We will also continue to foster transparency and adhere to best practices in the procurement and contract awards of any COVID-related spending. The Comptroller's Office has developed a Fiscal Transparency Portal for COVID-19, with published information on public purchases and audit results on the use of emergency assistance, while the Ministry of Labor and Social Security also manages a transparency portal on the Bono Proteger program, which includes the list of beneficiaries, statistics, and reports.<br><br>Moreover, MIDEPLAN will launch by end-December 2021, with IDB support, a revamped | **Staff Report**<br>*Policy priorities.* The Article IV and program discussions focused on supporting a recovery from the COVID-19 shock, while securing macroeconomic stability and advancing the authorities' reform agenda. The program's reform pillars… place emphasis on: (i) gradually implementing equitable fiscal reforms to ensure debt sustainability, while protecting the most vulnerable; (ii) maintaining monetary and financial stability, while continuing to strengthen the central bank's operational autonomy and governance and addressing structural financial vulnerabilities; and (iii) advancing key structural reforms to promote inclusive, green, and sustainable growth…<br><br>Building on a broad-based social dialogue and the 2018 fiscal reform, the authorities are |

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| | | | *Proteger* cash transfer program to protect the most affected and the rest to transfers to the Social Security Fund and health-related spending. To mitigate the widening of the deficit, as tax revenues fell by 11 percent in 2020, the authorities reduced non-critical spending and tapped contingency funds and additional revenues from the freezing of retail fuel prices…<br><br>The program incorporates contingency measures to augment COVID-related spending. Given the still high degree of uncertainty related to the COVID-19 crisis and economic recovery, the fiscal program builds flexibility to augment COVID-related emergency spending in 2021.<br><br>Specifically, an adjustor to the fiscal primary target under the program allows for additional spending of up to 0.3 percent of GDP in 2021, for health services, targeted support to households and businesses heavily affected by the pandemic, or additional allocations to social | Transparency Portal with the intention of disseminating CG's COVID-related spending, including data on public purchases by SICOP, IMAS, MTSS, CNE, and SINIRUBE, among others. The data published in the Portal will include information by vendors, including beneficial owner information, as well as the final amount of each procurement process. We will also continue carrying out specific audits on emergency cash transfers to ensure related funds are used properly and publish them in the Portal. | gradually resuming their fiscal efforts, while supporting the recovery and most vulnerable. As the health emergency recedes and the recovery takes hold, the authorities plan to achieve a primary surplus of 1 percent of GDP by 2023, to place debt on a downward path, while maintaining space for adequate pandemic-related spending in 2021 and continuing to support the most vulnerable…<br><br>The fiscal consolidation will be supported by a balanced mix of expenditure rationalization—underpinned by the fiscal rule and equitable revenue mobilization, while strengthening the social safety net. The agreed measures were identified by the authorities in the context of a broad-based dialogue with social partners and political parties in late 2020 and early 2021 to ensure home-grown support and ownership of the reform program…<br><br>The authorities' 2021 budget |

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| | | | assistance programs to support the most vulnerable groups.<br><br>To ensure the program objectives remain within reach, in the face of adverse shocks, the authorities also stand ready to reprioritize non-critical spending, as already planned in the President's order issued in early January which envisages a prudent level of spending execution, or propose to the Legislative Assembly temporary tax measures as needed…<br><br>Ongoing efforts to strengthen coverage and targeting of social assistance programs can provide critical support to the most vulnerable during and beyond the pandemic. While current spending levels on social assistance programs are broadly in line with countries at a similar development level, the authorities' planned structural increase in selected social assistance spending by 0.1 percent of GDP (about 5 percent of existing programs) starting in 2021, is expected to help expand coverage | | envisages additional spending allocations for the one-off purchase and distribution of a COVID-19 vaccine to cover the entire eligible population, as well as supplementary resources to strengthen—on a structural basis—social assistance, including by expanding the coverage of low-income beneficiaries. To meet these critical spending needs, while complying with the spending ceilings under the prudent fiscal rule. The authorities are advancing their efforts to address some of the long-standing excesses in government spending, notably in the wage bill (of the CG as well as of the broader public sector—via current transfers)<br><br>Building on the 2018 tax reform, the authorities plan to further reduce tax expenditure—estimated at 4.9 percent of GDP in 2020—by 0.5 percent of GDP by 2023, including by removing the tax exemption on the 14th monthly salary for public employees, which will in turn help |

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| | | | for the poorest income deciles and, according to model estimates by the WB, reduce income inequality by 0.4 Gini percentage points, lifting more than 12 thousand people out of poverty. This will be complemented by further enhancements to the social transfers' delivery system, through digitalization and centralization at the MOF's National Treasury, with support from IMF TA, to allow for more efficient channeling of resources.<br><br>In parallel, the government's plans to upgrade the single social and beneficiary registry (*Sistema Nacional de Información y Registro Único de Beneficiarios del Estado*, *SINIRUBE*), with WB and IDB support, are expected to improve the targeting accuracy of social protection expenditure…<br><br>As conditions stabilize, the authorities have started to cautiously unwind some of the COVID-related measures, while continuing to provide targeted support. Starting in December 2020, | | reduce the country's high public-private sector wage premium (Figure 3). The authorities' revenue package also envisages a more progressive luxury property tax and further globalization of the PIT, the latter through a reduction in the tax-exempted threshold<br><br>The program will provide a policy anchor to the authorities' fiscal reform plan for the period needed to gradually achieve a primary surplus and place debt on a downward path, while addressing upfront financing needs and supporting the economic recovery…<br><br>Measures to improve the targeting and delivery of social assistance programs are also defined in the MEFP [Memorandum of Economic and Financial Policies], including a SB [structural benchmark] on the centralization and digitalization of all social program payment systems, with support from IMF |

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| | | | banks have been required to update the credit ratings of borrowers for new restructured loans to adequately reflect the potential impact on credit risks. Banks' approach to restructuring has become more and more targeted, as the impact of the crisis on specific creditors becomes clearer, with proactive provisioning against specific exposures, benefiting from the use of already accumulated countercyclical buffers. The Legislative Assembly is also considering the establishment of a US$300 million fund to provide guarantees to companies and individuals affected by the pandemic, with limited contingent liabilities for the government…<br><br>**Letter of Intent**<br>The main priorities of fiscal policy are advancing our efforts to secure debt sustainability, while meeting critical social and sanitary needs and supporting the recovery. Costa Rica's fiscal balance deteriorated sharply over the past decade, due to a permanent increase in current | | TA [technical assistance] …<br><br>The public employment reform will be also instrumental in improving the equity and efficiency of government spending, bringing the public wage bill on a sustainable path. The ambitious Public Employment Bill—expected to be approved by the Legislative Assembly by end-May—will introduce, within twelve months, a single pay spine and eliminate other salary components such as annuities, bonuses, and incentives, in line with OECD recommendations. A critical step to revamp the highly fragmented public salary system and modernize the public administration, the reform will also entail a gradual rationalization of the wage bill over the medium to long term, supporting the implementation of the fiscal rule…<br><br>Given the pressing fiscal needs, the authorities intend to use the financial assistance from the |

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| | | | spending following the global financial crisis. Recognizing the pressing fiscal and financing challenges facing our country, the Government promoted a comprehensive fiscal reform bill to rein in spending and strengthen revenue. This reform, approved by the Legislative Assembly in December 2018, put public debt on a declining trajectory over the medium term, mostly by forcing a significant decline in spending as a share of GDP.<br><br>The economic contraction caused by the pandemic, however, has made an additional fiscal adjustment necessary to keep debt at manageable levels. We are committed to pressing ahead with the required fiscal consolidation, while continuing to protect the vulnerable and supporting a sustainable economic recovery.<br><br>Accordingly, we cut non-critical primary spending in 2020, and will implement additional income and expenditure measures in the next | | extended arrangement under the EFF for direct budget support, while fiscal consolidation efforts advance…<br><br>The authorities' home-grown reform program aims at supporting the recovery from the pandemic, while securing macroeconomic stability and advancing the reform agenda. The authorities' reform efforts envisage a gradual and equitable fiscal consolidation plan, built through a broad-based political and social dialogue with key stakeholders, to ensure debt sustainability, while protecting the poor and most vulnerable…<br><br>The fiscal reform plan is based on a balanced mix of expenditure rationalization, underpinned by a prudent fiscal rule, and revenue mobilization, while maintaining space for adequate pandemic-related needs in 2021 as well as critical social and capital spending over the medium term to support |

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| | | | three years, with a view to reaching a primary balance of 1 percent of GDP by end-2023 and reach a debt-to-GDP ratio of 50 percent by 2035.<br><br>**Costa Rica IMF ED Statement**<br>The program is designed with strong ownership, including a wide political and social engagement. The authorities carried out a broad public consultation process between October and November 2020. A report titled "Plan to Overcome the Fiscal Impact Caused by the COVID-19 Pandemic: Proposal to Start Negotiations with the IMF" was made publicly available as a basis for discussion. It also became the authorities' baseline to start formal negotiations with the Fund's staff mission in January 2021.<br><br>Public dialogue continues, with authorities engaging with the private sector, civil society organizations and Congress to advance key reforms contained in the Fund staff-level agreement. | | strong and inclusive growth.<br><br>The authorities' ongoing efforts to strengthen the coverage and targeting of social assistance programs can help limit the economic fallout from the COVID-19 crisis, while, together with the reforms envisaged under the ambitious Public Employment Bill, improving the equity and efficiency of government spending…<br><br>**Letter of Intent (Memorandum of Economic and Financial Policies)**<br>Our fiscal consolidation efforts in 2021 target a primary deficit of 1.7 percent of GDP. The 2021 budget, approved by the Legislative Assembly in November… implies a CG primary deficit of 2.2 percent of GDP, broadly consistent with what is envisaged by law under the fiscal rule…<br><br>Given the high degree of uncertainty related to the COVID-19 crisis and economic recovery, |

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| | | | | | our program has built in flexibility to deal with unforeseen shocks. Ongoing improvements in tax and customs administration are expected to support revenue yields in the course of 2021.<br><br>Nevertheless, were revenues to underperform, we will propose to the Legislative Assembly temporary tax measures, and reprioritize non-critical spending as needed to ensure the primary target goal remains within reach, as already planned in the President's order issued in early January which envisages a prudent level of spending execution, with a maximum annual growth limit of 0.51 percent of CG current transfers, net of COVID-19 emergency spending.<br><br>However, in the event of additional COVID needs, due to a more protracted pandemic, the program targets also allow for an adjustor to accommodate increased COVID-19 emergency spending for up to 0.3 percent of |

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| | | | | | GDP in 2021—that might emerge from increased transfers to attend health services, stronger targeted support to households and businesses heavily affected by the pandemic, or further enhanced social assistance programs to support the most vulnerable groups…<br><br>**Costa Rica IMF ED Statement (reiterated in the Memorandum of Economic and Financial Policies)**<br>On the fiscal front, the required consolidation will be based on continued implementation of the fiscal rule as well as additional tax and expenditures measures to ensure a gradual reduction in the fiscal deficit and put debt on a downward trajectory over the medium term. The fiscal program is anchored on two targets: a primary balance of 1 percent of GDP by 2023 and a debt-to-GDP ratio of 50 percent by 2035.<br><br>To achieve these goals, the authorities are firmly committed |

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| | | | | | to continue strict implementation of the fiscal rule, along with measures to contain expenditure beyond the mandate of the fiscal rule.<br><br>A key element of the fiscal program on the expenditure side is a public employment bill, an ambitious reform to modernize and streamline the public administration while containing the wage bill, all in line with OECD recommendations.<br><br>On the revenue side, measures include reduction of tax expenditures, adjustment of capital income rates, personal income tax reform, special tax on lottery prizes, overhaul of the tax on luxury homes, and mandated dividend distributions from state-owned enterprises.<br><br>The fiscal program also envisages gains from reforms to public procurement, modernization of the tax and customs administration, and public |

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| | | | | | financial management reforms. Finally, it contemplates protection of capital expenditure and well targeted social spending to address critical infrastructure needs and support the most vulnerable. |
| Dominica<br><br>Approved on April 28, 2020 (Documentation not available online) | Rapid Credit Facility (RCF)<br>SDR 10.28 million (equiv. to $14 million, 89.4% of quota) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-DMA.htm | **Press Release**<br>A drop in fiscal revenues, combined with additional direct health and social expenditures will temporarily increase the fiscal deficit and financing needs. IMF support will help cover some of these needs and allow the governments to ease the impact on the population, such as upgrading public health facilities and providing social assistance to the vulnerable and adversely affected sectors…<br><br>The countries' governments have responded to the pandemic by swiftly implementing containment measures, allocating scarce budgetary resources to critical health care spending, and introducing income support to the | **N/A** | **Press Release**<br>The authorities have expressed commitment to meeting the regional debt target of 60 percent of GDP by 2030. To this end, they plan to implement necessary adjustment measures to rebuild policy space once the crisis has abated, building on the progress achieved in recent years. Looking forward, the authorities are also committed to implementing policies that support durable economic growth and poverty reduction within a balanced development strategy that includes comprehensive measures to boost resilience to natural disasters… |

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| | | | most affected sectors and households. | | |
| Dominican Republic<br><br>Approved on April 29, 2020 | Rapid Financing Instrument (RFI) SDR 477.4 million (equiv. to $650 million, 100% of quota)<br>(budget support) | N/A | **Staff Report (reiterated in the Dominican Republic IMF ED Statement)**<br>On March 25, President Medina announced a package of fiscal measures amounting to RD$32 billion (about 3⁄4percent of GDP, including reallocation of expenditures) focused on providing temporary relief to poor households. The government created a social assistance program titled *Quédate en casa* (Stay at Home) to support informal-sector workers, low-income families, formal- sector workers on furlough, as well as students and the elderly during the quarantine. It aims to disburse funds and food rations to 5.2 million Dominicans to sustain their consumption needs through May 31. The government also undertook temporary tax administration measures such as extending deadlines for filing tax declarations… | **Staff Report (reiterated in the Letter of Intent)**<br>As RFI resources are being used for budgetary support, the authorities commit to adhere to best practices in procuring and awarding contracts related to the pandemic as well as publishing an externally audited report on virus-related expenditures once the crisis is over.<br><br>All public purchases are subject Law 340-06 (2006), which adhere to strict principles of efficiency, competition, transparency, equity, responsibility, morality and good faith, and make public servants liable for not following the law. Law 340-06 establishes special rapid procedures in case of emergencies like COVID-19. To that end, the government issued decrees 87- | **Staff Report (reiterated in letter of Intent and Dominican Republic IMF ED Statement)**<br>They [the authorities] underscore their commitment to continued consolidation efforts in the medium term, but in view of the large-scale shock to the economy in 2020, these efforts must be postponed until the pandemic recedes.<br><br>**Letter of Intent**<br>Specifically, to ensure that public debt-to-GDP ratios remain sustainable and on a clear downward path in the medium-term, we are committed to a gradual tightening of fiscal policies once the pandemic recedes. Beyond the medium-term fiscal consolidation outlined above, we are committed to strengthening our public financial management to ensure effective oversight over the entire public sector, including |

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| | | | The authorities would need to allocate more resources to health and social benefits, including by redirecting budgetary appropriations from other areas…<br><br>Staff estimates conservatively that central government expenditures could be 1 1⁄4 percent of GDP higher than before the shock. The government needs to ensure that these public spending measures are both targeted and temporary, focusing on protecting those most vulnerable to the shock and on supporting demand. With that goal in mind, the authorities should allow automatic stabilizers, including the support for the unemployed and means-tested transfers…<br><br>The authorities recognize the mounting fiscal pressure from unbudgeted current expenditure—namely on healthcare needs and the announced fiscal stimulus measures—while at the same time facing declining receipts, especially from consumption taxes. They plan to reallocate resources from other | 20 and 133-20 (2020) for purchases related to the fight against COVID-19. Under these emergency procedures, the law establishes, inter alia, the publication of requirements and all documents related to emergency purchases, as well as requiring each institution that used these emergency procedures to issue reports of their operations to the General Comptroller Office and the Accounts Chamber and to publish these reports in their own web pages and a special purchase portal. | state- owned enterprises. We will also consider carefully the recommendation by IMF staff to establish a medium-term fiscal framework. |

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| | | | budget items and reduce 2020 capital expenditure to ongoing high-priority projects. The authorities do not foresee granting tax exemptions but are providing relief by allowing postponements and incremental payments of income taxes. | | |
| Ecuador (1 of 2)<br><br>Approved on May 1, 2020 | Rapid Financing Instrument (RFI)<br>SDR 469.7 million (equiv. to $643 million, 67.3% of quota)<br>(budget support) | N/A | **Staff Report**<br>The rapid spread of COVID-19 in Ecuador—and the attendant domestic disruptions—is expected to increase public spending by US$600 million (0.6 percent of GDP)…<br><br>• *Additional health spending of about US$350 million (0.35 percent of GDP)*, though the estimated health costs vary widely (from US$100 million to US$800 million), depending on the speed of the spread of the virus, hospital spare capacity, and mitigating measures implemented by the authorities… Higher health spending could help contain the spread of the disease and mitigate its social impact though capacity constraints | **Staff report**<br>The authorities commit to taking necessary steps to ensure COVID-related spending is transparent and accountable. In particular, the authorities commit to:<br><br>(i) regularly publishing on the government's website COVID-19-related public procurement contracts and related documents, including the names of the awarded companies and their beneficial owners and ex-post validation of delivery, as well as information on all other COVID-19 related spending; and<br><br>(ii) undertaking an independent audit of COVID-19-related spending by the Office of the | **Staff Report**<br>The authorities have cancelled the Extended Fund Facility (EFF) approved on March 11, 2019 and indicated their interest in a successor arrangement with the Fund…<br><br>Continued commitment to ambitious, yet credible, fiscal consolidation after pressures from the crisis subside will be needed to anchor public debt sustainability and strengthen the country's resilience to shocks. Even before the current crisis, strengthening the fiscal position was an important objective of the government…<br><br>Once the pandemic wanes, a roll-back of pandemic-related spending will be of paramount |

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| | | | may restrict its effectiveness.<br>• *Additional social assistance spending of about US$250 million (0.25 percent of GDP).* The shock is likely to have severe labor market repercussions given that the sectors most affected by the crisis are labor-intensive and often with a significant degree of informality. The health crisis is widely expected to affect more disproportionately the vulnerable groups of society. In consultation with the World Bank, staff estimates that additional cash transfers will be needed to provide temporary relief to the vulnerable population, which can help mitigate the impact of the virus on the poor…<br><br>On March 19th, the authorities announced several measures to support the population and businesses, including a deferral of payroll contributions, an exceptional cash transfer amounting to US$120 | Comptroller General by mid-2021 and publishing the results. | importance. This includes 0.6 ppt of GDP in health-related expenditure and additional cash transfers.<br><br>Beyond 2020, an ambitious expenditure rationalization and a growth-friendly tax reform will need to be designed and implemented to support the much-needed and sustained fiscal adjustment.<br><br>**Ecuador IMF ED Statement**<br>Over the medium term, the authorities intend to embark on a fiscal consolidation plan once the pandemic subsides. The planned adjustment amounts to an increase of 6 percent of GDP of the non-oil primary balance including fuel subsidies until 2025, supported by credible and robust measures to boost non-oil revenues and reduce spending. This adjustment will form the core of the forthcoming EFF program. |

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| | | | (in April and May) to 400 thousand poor families, distribution of food baskets, and credit lines for small- and medium-size businesses…<br><br>Increasing public health spending combined with mitigation measures will play a central role in helping Ecuador manage the health and economic impact of the crisis. Staff and the authorities agreed that increasing health spending to mitigate the spread of the coronavirus and treat those that require medical assistance are matters of overarching priority...<br><br>Given the financing constraints, it will be critical to transparently allocate the increased health spending to the type of interventions that may be most effective at managing the outbreak. This implies that spending on the activities required to monitor the incidence of the virus, contain its spread, and mitigate its health impact should aim to upgrade existing capacity as needed (for example, number of intensive care | | |

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| | | | beds, stock of respirators or other necessary equipment). Staff recommended careful costing of these activities and sound estimates of human and financial resources available to implement them, including external resources that could be mobilized, and taking into consideration the need to maintain other essential health services…<br><br>The authorities are committed to protecting vulnerable groups that might be affected by both the health and the economic crisis. Cash transfers could play a powerful role in protecting vulnerable households, so that the loss of income does not prevent them from accessing necessities (food, medicine, utilities). Staff recommended expanding the recently announced cash transfer “Bono de Protección Familiar por Emergencia” of US$120 per family currently designated to 400,000 families, to all of the families currently listed in the social registry (about 2 million families). Additional cash transfers to poor households that are not listed in the | | |

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| | | | social registry but identified through other mechanisms could be distributed using non-bank correspondents and payments through ATMs (cajeros electrónicos) without electronic card. Given the low coverage of the social registry, an in-kind provision of goods and services can also be considered…<br><br>While these temporary measures can help cushion the most vulnerable households from the impact of the shocks, a more fundamental reform of the social protection system is needed. To this end, in line with the commitments under the cancelled 2019 EFF, and as a reflection of the overarching importance the authorities place on protecting the well-being of the poor and the vulnerable, the authorities have developed an action plan—with inputs from both the World Bank and the Fund—to implement social assistance thresholds and upgrade the social registry. This plan, which will help increase coverage and improve targeting of the social assistance, is | | |

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| | | | also an important safeguard that would help ensure that resources from the RFI are used in the most effective way…<br><br>There is also a need to support the spending capacity of households who lose income and to support firms to keep paying their workers and to start up production again after the crisis passes. The emergency law submitted to the National Assembly on April 16 contains a temporary relaxation of the eligibility criteria for unemployment insurance as well as modifications to the labor contracts aimed at protecting jobs and permitting flexible work schedules…<br><br>Staff supports income measures the government has submitted as part of an emergency package to the National Assembly, with the tentative view to generate additional savings of 1.9 percentage points of GDP. The measures are needed to ensure sufficient resources for the emergency health and social assistance spending. This | | |

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| | | | includes: (i) a temporary solidarity contribution of 5 percent of corporate profit tax by companies with revenues above US$1 million; and (ii) a temporary solidarity contribution from wages, which will be paid by both private and public sector employees. In addition, the Ministry of Economy and Finance has issued guidelines to the highest authorities of all public entities for the second quarter of 2020, which includes a hiring freeze, except for priority sectors, non-renewal of occasional and provisional contracts expiring in March, suspension of payment authorizations for overtime work in the public sector, and other measures to reduce spending on goods and services. | | |
| Ecuador (2 of 2)<br><br>Approved September 30, 2020 | Extended Fund Facility (EFF) SDR 4,615 (equiv. to $6,500 million, 661% of quota)<br><br>Immediate disbursement: $2 | N/A | **Staff Report**<br>Continuing to expand social assistance programs is crucial to support vulnerable families during and beyond the pandemic. The expansion of social assistance programs to low income households envisaged under the program would increase coverage from 37 to 80 | **Staff Report**<br>Enhancing public procurement practices: the authorities continue to publish information on public procurement contracts on a dedicated website, including COVID-related, and are refining their open data to be able to | **Staff Report**<br>Reorienting spending from subsidies to social assistance would improve the progressivity of spending policies. The envisioned expansion would cost about $592 million in 2020-21, with an additional $126 million for the new economic contingency |

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| | billion (budget support) | | percent of families in need by end-2021, corresponding to 625,600 families. This increase would not only support the vulnerable families through the pandemic and help mitigate its economic and social effects but also extend lasting support for the coming years.<br><br>To complement this expansion and further tackle the rising poverty and income inequality caused by the crisis, the authorities adopted a compensatory coverage for economic contingency of $90, payable in six installments of $15 from December 2020 to October 2021 to beneficiaries of social assistance programs….<br><br>Spending is expected to increase in Q4 from Q3, while saving some of the over performance in Q3. The spending restraint in Q3 – which reflected financing not being immediately available – would be relaxed in Q4, including to partly accommodate seasonal spending patterns. More importantly, COVID-related spending, which was lagging | reflect information on final beneficial owners of public contracts, in line with the related regulation adopted in September and the current binding template already in force.<br><br>SERCOP, the Comptroller General of the State, and the Superintendency of Companies are working with the Ministry of Economy and Finance to standardize public procurement practices across the public sector and improve efficiency, including through increased use of competitive processes and reliance on the catalog…<br><br>Audit of COVID spending (*structural benchmark for end-June, 2021*). So far, the Comptroller General's Office conducted more than 300 special examinations of the procurement processes carried out during the state of emergency including | support. The savings from gradually aligning fuel prices with international prices are estimated to save $508 million in 2020–21 alone, covering a large share of the increase in social assistance spending.<br><br>By replacing distortive and regressive subsidies with transfers to low income families, these changes together would improve the fairness and equity of public finances...A robust communications campaign to convey the broader benefits of rebalancing spending from subsidies to social assistance would be instrumental in ensuring its sustainability…<br><br>The medium-term adjustment envisioned under the program has been designed to be progressive, to shield lower income groups and reduce income inequality... An increase in the VAT rate, for example, would be borne predominantly by high-income families, since most food and basic |

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| | | | in Q3, would be brought in line with commitments at program approval (i.e., $800 million for the year against about $300 million having been spent through September), providing essential services.<br><br>Staff discussed with the authorities their updated spending needs for Q4 to ensure that they adequately support the population and the economy through the crisis, including through higher spending on health and education…<br><br>Extending the labor market measures adopted in the wake of the pandemic could support the economic recovery. The significant drop in labor force participation since the COVID- 19 outbreak and the decline in the share of adequate employment call for public policy to continue supporting the labor market. The measures adopted in the wake of the pandemic to make the labor market more flexible was followed by robust job creation in 2020: Q3. Maintaining the flexibility provided by those measures, such as | contracting, execution, delivery, reception, and distribution. | items (*canasta básica*) consumed by low income families would remain exempted from VAT and these items make up the bulk of these families' consumption.<br><br>The personal income tax paid by high income groups is one of the lowest in the region. Taken together with the expansion of social assistance, the envisaged tax package would help reduce income inequality. The composition of fiscal consolidation in the program reflects extensive TA and analysis; it balances growth and equity considerations, efficiency gains, and gaps with regional peers on both taxes and expenditure…<br><br>For 2021, it would be important to start from a conservative baseline financial plan to hedge against potential shortfall in financing. A timely and well-calibrated roll-back of pandemic-related spending will be a useful first step to reduce debt towards the debt threshold of 57 percent of GDP by |

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| | | | shorter work weeks, more flexible shift and remote work arrangements, could support the labor market and the recovery.<br><br>The authorities are also exploring measures to support women's return to work and adequate employment, as they were disproportionately affected by the pandemic... The authorities' consultative approach to labor market changes under the initiative "*Juntos por el empleo*" that brings together all the actors of the labor market, could foster consensus building and generate policies that garner broader political support. These labor market initiatives would complement the program *Reactívate Ecuador* which seeks to alleviate credit constraints on small and medium-size enterprises, including through credit guarantees, with support from the World Bank and the IADB. | | end- 2025…<br><br>**The Distributional Impact of Fiscal Consolidation and Social Assistance**<br>The personal income tax (PIT) system needs to increase progressivity, reduce deductions, and include middle-income groups. The current PIT threshold starts at an annual income of US$11,315, corresponding to the top three income deciles: i.e., at least 70 percent of the population is not subject to PIT…<br><br>Moreover, personal expenses are deductible. Ecuador ranks second (after Paraguay) in Latin America in terms of zero PIT rate and tax deductions to GDP per capita.<br><br>An increase in the PIT rate from zero to 3 percent from US$3,600 (fourth income decile), lower tax breaks for the US$11,000–27,000 income group equivalent to an effective PIT increase of 3 percent, and an increase in the marginal PIT rate by 5 percent for income |

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| | | | | | above US$27,000 could bring an additional 1.1 percent of GDP in tax revenues… *Reductions in capital expenditure and wage bill would help reduce income inequality, although the impact is difficult to quantify.* The reductions would be made while social assistance programs are expanded significantly.<br><br>Moreover, while a thorough analysis should consider the full fiscal consolidation package, insufficient granular data limits the precise distributional quantification of these fiscal consolidation measures. Since public-sector employees earn above the median income, a first-order effect of reductions in infrastructure spending and the wage bill is equivalent to a progressive income tax and would go towards reducing income inequality…<br><br>*The cumulative effect of the fiscal reforms would be to improve income equality, partly reversing* |

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| | | | | | *the adverse effects of the pandemic.*<br><br>In Ecuador, the Gini coefficient increased from 0.390 to 0.396 in the aftermath of the COVID-19 pandemic. The expansion of social assistance mitigated the increased inequality and reduced the Gini coefficient to 0.392 in 2020 and 0.389 in 2021.<br><br>The introduction of PIT and VAT reforms would further decrease the Gini coefficient to 0.388 in 2021… The reduction in inequality and reduction of the Gini coefficient from 0.396 to 0.388 is considerable and commendable, given the circumstances and when compared to the experiences of other countries…<br><br>*Caution is warranted when excluding beneficiaries.* Generally, improving targeting and eliminating non-poor beneficiaries from social assistance program helps financing coverage expansion among the poor. At the |

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| | | | | | time of program design, the poverty line overlapped with the third income decile and the authorities planned to gradually exclude beneficiaries in 2021 that were above the poverty line.<br><br>The negative impact of COVID-19 on the income of poor households is estimated to have pushed around 1.5 million people into poverty, moving the poverty line from the 30th to the 38th centile: i.e., from the third to almost all the fourth income decile.<br><br>In as much as the fourth decile may be now below the updated poverty line, the families in the bottom three income deciles are in a more precarious situation than before, including in extreme poverty.<br><br>Despite limited fiscal resources, lowering *relative poverty*—e.g., covering a large fraction of the bottom income deciles—is *feasible*. While the program target of covering 80 percent of families |

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| | | | | | in the bottom three income deciles strikes a fine balance between covering a wide enough group of low income families and providing each with meaningful support, the authorities are encouraged to revise and update all the social registry information before eliminating benefits. Until the poverty line is updated by INEC, the authorities plan to proceed with caution when eliminating families that are above the current poverty line according to previous records but would fall below the poverty line during the COVID- 19 downturn…<br><br>**Technical Memorandum of Understanding**<br><br>**Indicative targets include:**<br>**…**<br>D. Floor on Social Assistance Coverage of poor families under Central Government Social Programs:<br><br>Social assistance coverage of poor families for the purpose of the |

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| | | | | | program is computed as the sum of all active beneficiary families in the three bottom deciles of the income distribution that benefit from at least one social assistance programs.<br><br>Poor beneficiary families are defined according to information in the RS2018. Coverage expansion will occur through the following social assistance programs: Bono de Desarrollo Humano (BDH), Bono de Desarrollo Humano Variable (BDH-V), Personas con discapacidad, Pensión para Adultos Mayores, Mis mejores años, and Pensión Toda Una Vida. The level (size) of benefits of any of the cash transfer programs in the bottom three deciles of the income distribution should not be reduced (with respect to their level on September 30, 2020) …<br><br>**Ecuador IMF ED Statement**<br>The authorities are preparing with technical assistance from the Fund and other IFIs draft reform |

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| | | | | | proposals for the tax system, labor market and social security. These proposals—that are critical for building a fast growing and competitive economy—will be left for consideration of the next administration. |
| El Salvador<br><br>Approved on April 14, 2020 | Rapid Financing Instrument (RFI) SDR 287.2 million (equiv. to $389 million, 100% of quota)<br>(budget support) | N/A | **Staff Report**<br>The Legislative Assembly promptly approved a package of relief measures proposed by the government and a bill to authorize US$2 billion (about 8 percent of GDP) borrowing to finance all COVID-19 related spending and the recovery beyond 2020. The measures provide relief to individuals and companies affected by the pandemic.<br><br>**Letter of intent**<br>Our government announced tax and other relief measures for individuals and businesses, to cushion the negative impact of the national shelter in place order, on households and corporates. In particular… a one-off cash transfer of US$300 has been granted to | N/A | **Staff report (reiterated in El Salvador IMF ED Statement)**<br>Preserving fiscal sustainability should be a policy priority. The temporary deterioration of the fiscal position in 2020 is appropriate in light of the global pandemic, but (i) the temporary measures should be allowed to lapse in 2021 and (ii) once the crisis recedes the authorities should move expeditiously to announce a credible fiscal consolidation plan to put debt on a firmly declining path.<br><br>Staff recommends permanent measures as follows:<br>• An increase in tax revenues by introducing a property tax and/or raising rates of consumption taxes |

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| | | | about 75 percent of households, and payments for utilities, mortgages, consumer loans and credit cards have been deferred for a three-month period. | | (VAT or excises). Measures should also be put in place to protect the most vulnerable, including VAT refunds.<br>• A decrease in current spending by (i) reducing the wage bill (e.g. hiring freeze, early retirement of public employees,) and (ii) centralizing procurement across ministries and public sector agencies.<br>- Additional measures of ½ percent of GDP in 2024, either on revenues or current spending.<br><br>... fiscal risks stem from a deterioration in the fiscal position, if the temporary increase in spending caused by the anti-pandemic measures becomes permanent, or if there is a larger loss in revenues in 2020 than presently envisaged. If such risks materialize, there is some room to compress capital spending somewhat further. For 2021, staff recommends reversing the increase in spending due to emergency measures for about |

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| | | | | | US$900 million in order to preserve fiscal sustainability…<br><br>The authorities have rightly allowed a temporary widening of the fiscal deficit to accommodate necessary health spending and other crisis mitigation measures, and are appropriately committed to safeguarding fiscal sustainability. Staff strongly supports the authorities' commitment to allow the temporary crisis measures to lapse and to implement a gradual fiscal adjustment of 3 percent of GDP in permanent measures over 2021-24, once the pandemic subsides. Such a commitment is in line with the proposed gradual fiscal adjustment strategy recommended by staff to reach a primary fiscal balance of 3½ percent of GDP by end2024, which also would ensure compliance with the Fiscal Responsibility Law. |

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| Grenada<br><br>Approved on April 28, 2020 | Rapid Credit Facility (RCF)<br>SDR 16.4 million (equiv. to $22.4 million, 100% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-GRD.htm<br><br>In debt distress | **Staff Report**<br>The government has announced fiscal support to the economy and is seeking to deploy its fiscal buffers for an effective response to the crisis. On March 20, 2020, the authorities announced a package of mostly fiscal measures to mitigate the impact of COVID-19, which envisions:<br><br>(i) increased health care spending (with the initial increase in health spending estimated at 0.2 percent of GDP);<br><br>(ii) government payroll support to the affected sectors and individuals;<br><br>(iii) expansion of government employment programs and unemployment benefits; and<br><br>(iv) reduced or deferred payment of some taxes and social contributions.<br><br>The package's cost is estimated at 2 percent of GDP, assuming that the measures are in place for 3 months, | **Staff Report**<br>The Ministry of Finance should act as an effective gatekeeper for a centralized assessment of fiscal costs with accountability for monitoring, managing, and reporting actual and contingent liabilities… | **Staff Report**<br>Once the COVID-19 crisis dissipates, the government should return to the FRL [Fiscal Responsibility Law] core parameters and re-build its buffers. As economic recovery takes hold, the FRL's escape clause should be withdrawn (with the timing of the withdrawal dependent on the duration of the shock), requiring that the primary surpluses return to, or rise above, the 3 1⁄2 percent of GDP floor… This strategy should be supported by fiscal adjustment measures, if needed, and a recalibration of the spending growth rule to internalize a withdrawal of the temporary outlays that were used to address the COVID-19 pandemic. |

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| | | | as announced by the authorities.<br><br>The broader fiscal policy stance is reflected in the supplementary budget that was approved on April 17. In addition to internalizing the above package, the budget includes 2.2 percent of GDP in contingencies for health and related spending as well as social protection to address the fall-out from a possible worsening of the pandemic. Concurrently, the fiscal stance also includes a smaller but more realistic capital expenditure allocation that prioritizes numerous small projects geared at supporting employment at the community level for which funding was secured pre-2020.<br><br>In this context, the authorities have temporarily invoked the Fiscal Responsibility Law (FRL) “public health epidemic” escape clause to accommodate the fiscal effects of the crisis, which would pave the way for additional measures should these be necessary. | | |

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| [Guatemala](#)<br><br>Approved on June 10, 2020 | Rapid Financing Instrument (RFI)<br>SDR 428.6 million (equiv. to $594 million, 100% of quota)<br>(budget support) | Low overall risk of debt distress | **Staff Report**<br>The authorities have marshaled a *National Emergency and Economic Recovery Plan* to counter COVID-19... the plan<br>(i) ramps up the capacity of the healthcare system (temporary hospitals, expanded medical supplies and equipment);<br>(ii) encompasses temporary measures targeted to the most vulnerable (food support, risk bonus for healthcare personnel, emergency funding for SMEs, support for grassroots commerce); and<br>(iii) grants temporary relief to firms (expedited tax credit refunds, deferral of tax payments and social security contributions).<br><br>Complementing these efforts, the government enacted large- scale measures to mitigate the economic impact of containment efforts, including targeted cash transfers, salary subsidies and loans at favorable terms for firms…<br><br>To enable these measures, Congress | **Staff Report**<br>The authorities have strengthened procurement rules for a proper use of financing resources**.** MINFIN swiftly adopted regulations under the State of Calamity to ensure that all pandemic-related expenses are channeled through the government e-procurement system (*Guatecompras*) and adequately reported in the dedicated budgetary program. The launch of the State of Calamity dashboard is a welcome initiative to enhance the accountability and control of all COVID-related expenditures.<br><br>To further ensure the transparent and effective use of resources, the authorities should publish: (i) quarterly reports of COVID-19 related expenditures on the website of the Ministry of Public Finance and all related signed procurement contracts | **Staff Report**<br>Amid still-rising infections and extended containment measures, tax collections and other public revenues may suffer by more than under staff's projections, further widening the financing gap. To mitigate this risk, the Fund is providing technical assistance to the authorities in the formulation of a business continuity plan for the tax agency during and post-COVID…<br><br>During the COVID-19 crisis, the tax authority should focus on executing a revenue administration continuity plan that carefully tracks taxpayer deferrals and expedited refund payments—which staff supports to provide liquidity to firms and to preserve employment. During the recovery, the authorities should focus on reducing VAT and corporate income tax gaps…<br><br>The authorities' budgetary priority post-COVID is to rebuild their financial buffers for disaster |

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| | | | approved three budgetary modifications involving a sizable fiscal support…<br><br>The fiscal package steps up healthcare spending (0.2 percent of GDP), provides temporary relief to vulnerable sectors to the pandemic (cash and other transfers of1.2 percent of GDP), salary subsidies (0.3 percent of GDP), funding to firms (0.6 percent of GDP), and other budget allocations to strengthen the provision of public services (1 percent of GDP) …<br><br>Staff recommends stepping up the deployment of temporary testing and treatment facilitates in rural areas lacking healthcare coverage. | (www.guatecompras.gt), including the names of awarded companies and the name(s) of their beneficial owner(s) as well as an ex-post validation of delivery; and (ii) the audit report by an independent external auditor of RFI- financed spending no later than six months after the end of the fiscal year… | management, given Guatemala's high exposure to climate events and geophysical hazards.<br><br>**Guatemala IMF ED Statement**<br>Guatemala's Government is strongly committed to swiftly return to the fiscal consolidation from 2021 onwards, the fiscal balance is expected to improve through a reduction in the deficit to3.0 percent of GDP in 2021 and continue its gradual adjustment to reach the historic average (2 percent of GDP) in the following years. In that vein, the authorities recognize that more progress is required on the revenue side to strengthen capacity of the tax administration and gradually broaden the tax base. They continue fully committed to the revenue mobilization agenda that will increase fiscal space to foster growth and reduce poverty over the medium term. |

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| Haiti<br><br>Approved on April 17, 2020<br><br><br><br>Approved on April 13, 2020<br><br><br><br>Approved on October 2, 2020 | Rapid Credit Facility (RCF) SDR 81.9 million (equiv. to $111.6 million, 50% of quota)<br>(budget support)<br><br>CCRT Grant (1)<br>SDR 4.10 million (equiv. to $5.61 million)<br><br>CCRT Grant (2)<br>SDR 3.98 million (equiv. to $5.61 million) | High overall risk of debt distress<br><br>http://datatopics.worldbank.org/debt/ids/DSSITables/DSSI-HTI_files/sheet001.htm | **Staff Report**<br>On the fiscal front, the country would encounter**:**<br>(iv) additional direct health, medical, security, and social expenditures to address the virus impact; and<br>(v) an expected decline in fiscal revenues as a share of GDP by 0.6 percentage points, to a level 3.0 percent of GDP below the FY2016-FY2018 average…<br><br>The government announced additional health care spending and transfers to support workers and households, including paying the salaries for one month of most teachers and professors, paying 50 percent of salaries of workers in the textile sector, providing cash transfers and food rations to households, and providing subsidies to the transport and sanitation sectors. These measures are estimated at 1.6 percent of GDP…<br><br>Staff encouraged the authorities to build on the draft "*Politique Nationale de Protection et de Promotion Sociale"* (PNPPS) to | **Staff Report**<br>Staff stressed the importance of enforcing standard budget execution procedures and reporting regarding the spending chain, starting with COVID-19 expenditures. This would support the general improvement of standard budget procedures and also help the administration keep track, record, and publish monthly all expenditures incurred on an emergency basis so as to limit the risk of misuse of public funds.<br><br>The authorities agreed to prepare monthly budget execution reports on all COVID-19 expenditures and also to undertake a thorough *ex-post* financial and operational audit of COVID-19-related operations. This would strengthen sustainable reforms of budget processes, provide assurances on the use of external financing, and help the authorities improve the | **Staff Report**<br>Looking forward, the authorities have committed to implement a reform program with the support of a Staff Monitored Program (SMP) framework that will include policies to strengthen the fiscal and monetary policy frameworks, improve tax administration and public finance management, tackle governance weaknesses and corruption, and focus in particular on a few concrete measures to build a coherent social safety net…<br><br>Efforts to strengthen the policy framework are expected to continue with the support of an SMP. The government's program would focus on: (i) restoring macroeconomic stability and the seeds of growth and employment; (ii) building a better social safety net; and (iii) improving governance and combatting corruption.<br><br>On social policies, the SMP should support implementation of the |

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| | | | support their policy response to COVID-19…<br><br>The authorities have worked with staff to prepare a credible budget framework for FY2020. As there has been no budget law passed since 2017/18, this notional budget is needed to guide policies and manage cash needs in the absence of a sitting parliament to approve a budget law. New spending on health, social programs, and security is expected to reach 1.6 percent of GDP and Treasury-funded domestic public investment could rise by 0.5 percent of GDP, albeit from a low base in FY2019.<br><br>**Letter of Intent**<br>To prevent a further downward spiral of our economy and the well-being of our citizens, our government has undertaken various measures, including but not limited to:<br>• Cash transfers to 1,500,000 families.<br>• Distribution of dried food rations to vulnerable families, | operational efficiency of emergency responses in the future…<br><br>Staff urge the authorities to carefully track, record, and publish all expenditures related to the emergency response. Accurate and transparent recording and accountability with respect to the allocation of financing assistance would be important to build public confidence.<br><br>In this regard, staff welcome the authorities' commitment to continue to advance governance and anti-corruption reforms… In particular, their proposal to report monthly on COVID-19 expenditures and undertake an *ex-post* COVID-19 financial and operational audit of the expenditure response is encouraging. This would help strengthen public financial management transparency and accountability while | new national plan PNPPS (not yet approved), continue to expand coverage of the social registry (SIMAST), establish an effective governance structure for social spending, and advance Fintech reforms to help distribute cash transfers and deepen financial inclusion…<br><br>The authorities have indicated their intention to cooperate with the Fund and pursue economic policies appropriate for addressing the impact of COVID-19. As noted above, Haiti is expected to undertake discussions for a six month SMP arrangement in the coming weeks with the goal of advancing after that to a comprehensive upper credit tranche-quality economic reform program aimed at lifting Haiti out of fragility and on a path toward stronger growth, employment and poverty reduction.<br><br>**Haiti IMF ED Statement**<br>The authorities' macroeconomic policy in the short-term will be |

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| | | | most of them living with less than US$2 per day, equivalent to about 60 percent of the population.<br>• Payment of half the salary to 58,000 workers in the subcontracting (textile) industry.<br>• Payment of the salaries of most teachers and professors.<br>• Subsidies to the transport and sanitation sectors. | contributing to building capacity on the efficiency of the government's social spending and emergency response. | anchored around the SMP, with a view to starting the next fiscal year with a medium-term program supported by an ECF. Key objectives for the next few months are: (i) continue the fight against the pandemic; (ii) strengthen governance and increase transparency in the public sector, including to combat corruption; (ii) quell fiscal dominance by working toward fiscal consolidation; and (iii) strengthen social safety nets. |
| Honduras<br><br>Approved on June 1, 2020 | Augmentation of access under ongoing Stand-By Arrangement (SBA) & Stand-By Credit Facility (SCF)<br>SDR 162.37 million (equiv. to $223 million)<br>(budget support)<br><br>Combined total access under the SBA and SCF arrangement US$531 million (SDR | Low overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-HND_files/sheet001.htm | **Staff Report**<br>To respond to the pandemic, the authorities decided in late March to draw on SDR 104.92 million in Fund resources available after completion of the first review, used for budget support…<br><br>The pandemic will increase balance of payments (BOP) and fiscal financing needs significantly and in order to allow an adequate policy response the authorities are requesting an augmentation and rephasing of access from SDR 224.8 | **Staff Report**<br>The authorities have taken measures to guarantee the transparency and accountability of emergency spending during the pandemic. They are categorizing and tracking all pandemic- related expenditure in the budget to facilitate the monitoring and publication of this spending—including through oversight by civil society— which is taking place in a dedicated web page | **Staff Report**<br>Despite challenges posed by the pandemic, the authorities continue to pursue tax administration measures and remain committed to their revenue mobilization agenda over the course of the program... Once the pandemic subsides, the authorities plan to resume their efforts to streamline tax exemptions to broaden the tax base, creating space for much-needed investment and social |

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| | 387.19 million, 155 percent of quota). | | million (90 percent of quota) to SDR 387.2 million (155 percent of quota)…<br><br>Efforts are concentrated on supporting the fragile health system and providing targeted support to families, workers, and firms. Additional crisis-related spending needs are estimated at 2.1 percent of GDP in 2020, including emergency healthcare expenditures (0.9 percent of GDP), temporary unemployment benefits to formal workers, delivery of food supplies to poor families, and cash transfers to informal workers. The authorities have identified significant nonpriority spending reallocations to partly finance these emergency expenditures…<br><br>**Memorandum of Economic and Financial Policies**<br>We have responded swiftly to the humanitarian crisis associated with the pandemic, notably through the new 'Honduras Solidaria' program. Given the need to reduce the high poverty rate for the success of our | (www.sefin.gob.hn/covid-19).<br><br>The authorities will also expeditiously publish post-crisis reports of pandemic-related spending as policy responses to the crisis continue to be implemented. The Court of Accounts is conducting concurrent audits of all COVID-19 related spending to speed up procurement, in addition to usual ex-post audits, which will be published. | spending.<br><br>**Honduras IMF ED Statement**<br>During the last six years, the authorities have attained significant advance in strengthening the macroeconomic and governance framework, restoring macroeconomic stability, including but not limited to fiscal consolidation, while protecting fiscal space to attend to the more vulnerable, achieving approval of the Fiscal Responsibility Law (FRL)…<br><br>In that vein, Authorities remain firmly committed to macroeconomic stability and the reform agenda… They also continue fully committed to the revenue mobilization agenda that will increase fiscal space to foster growth and reduce poverty over the medium term. Moreover, they will continue their proven record of compliance with the FRL and debt sustainability, including with the implementation of a centralized wage bargaining |

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| | | | reform agenda, our program includes measures to combat poverty and favor social mobility—by focusing on women and early-age children. With the onset of the pandemic, we have taken additional temporary targeted measures to protect formal and informal sector workers whose incomes have been affected by the lockdown. Through *Honduras Solidaria*, we have also strengthened existing programs to secure the delivery of food to poor families…<br><br>We have included these temporary expenditures in our priority social spending to be monitored during periodic program reviews in 2020 (indicative target). In addition to existing priority social spending channeled mainly through well-targeted cash transfers—including our flagship cash-transfer program "*Bono Vida Mejor*", which aims at covering the entire population in extreme poverty by end-2021—we will pay temporary unemployment benefits. With technical support from PNUD, we are also | | mechanism to guide decisions on nominal wage increases. |

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| | | | strengthening our food delivery programs—including by implementing electronic notification to beneficiaries—to cover basic needs of more than one million families affected by the pandemic. | | |
| Jamaica<br><br>Approved on May 15, 2020 | Rapid Financing Instrument (RFI) SDR 382.9 million (equiv. to $520 million, 100% of quota)<br>(budget support) | N/A | **Staff Report**<br>As part of the immediate response to the COVID-19 shock in March, this included an additional allocation of 0.1 percent of GDP for medical equipment and training for healthcare workers and an increase in the contingency reserve of 0.1 percent of GDP…<br><br>The budget in early March reset the primary surplus target for FY2020/21 and outer years from 6.5 to 5.4 percent of GDP… This reduction comprised0.6 percent of GDP in permanent tax cuts and, in the wake of the COVID-19 shock, additional spending of nearly 0.5 percent of GDP to support the COVID Allocation of Resources for Employees (CARE) program, aimed at providing temporary income support to workers, grants to | **Staff Report**<br>The authorities intend to continue to adhere to best practices in procurement and contract awards related to the pandemic. All public sector purchases are subject to the policies and guidelines under the Public Procurement Act of 2015, which adheres to the principles of transparency, fairness, integrity and ensuring public confidence in procurement processes, even for emergency-related fast-track procedures. Both the Integrity Commission and the Auditor General's Department are empowered to undertake any audit of public procurement.<br><br>Specifically, the authorities | **Staff Report**<br>They [the authorities] remain fully committed to continuing their medium- term debt reduction efforts, but recognize the national emergency warrants a temporary reduction of the primary surplus. This will, in turn, lead to a modest (two-year) delay in achieving the Fiscal Responsibility Law's goal of bringing debt down to 60 percent of GDP, although they are committed to accelerate these efforts, should growth over perform. |

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| | | | businesses, and social assistance payments to vulnerable segments of the population.<br><br>The authorities are further revising their primary surplus target for FY2020/21 to 3.5 percent of GDP. A supplementary budget will be submitted to Parliament in May, to account for the expected revenue shortfalls (notably in travel and accommodation taxes) and necessary spending reallocations to meet the urgent needs arising from the effects of the pandemic.<br><br>To finance the increased fiscal needs, the government intends to redirect resources from delayed capital projects and less urgent programs toward essential spending priorities and rely on available cash buffers, built in part from the proceeds of recent divestment of public assets (including the Wigton Wind Farm and Trans-Jamaican Highway).<br><br>**Jamaica IMF ED Statement**<br>In order to support the most | plan to make publicly available key information on procurement contracts, including beneficial ownership information of awarded companies, and request that the Auditor General's Department undertakes and publishes an ex-post audit of COVID-related spending. Moreover, the CARE program is subject to multiple verification processes that require beneficiaries to register using their tax identification numbers and through a transparent online portal with relevant authorities. | |

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| | | | impacted segments of the population, the government has introduced targeted measures in the form of a J$ 16 billion spending stimulus under the COVID-19 Allocation of Resources for Employees (CARE) Program. The Program includes (i) temporary cash transfers to registered businesses in targeted sectors based on the number of workers employed; (ii) transfers to individuals who lost their employment on or after March 10; and (iii) grants targeted at the most vulnerable segments of society. | | |
| Nicaragua<br><br>Approved November 20, 2020 | Rapid Financing Instrument (RFI)<br>SDR 86.67 million (equiv. to $123.55 million, 33.3% of quota)<br><br>Rapid Credit Facility (RCF)<br>SDR 43.33 million (equiv. to $61.77 million, 16.7% of quota) | https://datatopics.worldbank.org/dssitables/monthly/NIC<br><br>Moderate risk of external and overall debt distress | **Staff Report**<br>Nicaragua faces an acute crisis as the COVID-19 shock comes on top of a two- year recession…The pandemic is expected to produce the third year of consecutive recession and lead to large fiscal and external financing needs…<br><br>Fiscal policy has appropriately been geared to design and implement plans to mitigate the impact of pandemic. The authorities plan to | **Staff Report (reiterated in the Letter of intent)**<br>Staff welcomes the authorities' decisions to adopt a comprehensive approach to improve fiscal transparency and enhance accountability through a robust anti-corruption framework. As indicated in the letter of intent, the authorities have made a strong effort to improve the | **Staff Report**<br>The priority is to provide adequate resources to strengthen the health system and support the population most affected and vulnerable. Once the COVID-19 shock subsides, fiscal policy priority should focus on preserving fiscal sustainability, rebuilding buffers, and strengthening resilience. Resuming fiscal consolidation will be the key to ensure fiscal sustainability over |

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| | | | introduce fiscal measures of about 1.6 percent of GDP to cover additional health care expenses (1.3 percent of GDP) and targeted temporary social assistance measures (0.3 percent of GDP), including support to food production and water deferred payments.<br><br>The fiscal situation is expected to deteriorate over the next two years. The overall fiscal impact of the pandemic is estimated to widen the fiscal deficit by 3.5 percent of GDP in 2020. The main elements explaining this deterioration are reduced tax revenues and social security contributions in nominal terms due to the contraction in domestic demand and the surge in job losses—especially in the formal sector. In addition, expenditures will rise in the areas of health care and social assistance, basic alimentary assistance for the most vulnerable, and some other social support in response of the COVID-19 pandemic… | transparency and accountability of fiscal operations and to ensure that emergency spending reaches the intended population.<br><br>The authorities enacted regulations that enable current and future online publication, within one week of contracting of all public procurement contracts (prior action). Online publication, which has already started and so far, covers operations since September 25, 2020, contains contract amounts, the specific nature of the goods or services procured and their price per unit (where applicable), the names of the awarded entities and their beneficial owner(s), and the names of the public officials awarding the contracts. Consistent with this action, the Ministry of Finance has also published on its website monthly details of all COVID-19 related spending, as well as basic information on all COVID- | the medium-term…<br><br>The authorities remain committed to protect fiscal discipline once the effects of the pandemic dissipate. The authorities plan to unwind the temporary pandemic-related fiscal measures and adopt corrective actions to rebuild fiscal buffers (in the form of government deposits) and ensure fiscal sustainability over the medium term…<br><br>Staff supports the fiscal measures planned and taken by the authorities to confront the pandemic. Given large downside risks, the authorities should have a contingency plan ready to secure adequate resources to protect priority spending and contain the effects of the COVID- 19 outbreak and its implications for vulnerable members of the population.<br><br>**Letter of Intent (reiterated in the Nicaragua IMF ED Statement)**<br>We are committed to unwinding |

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| | | | The government has sought the assistance of the United Nations Office for Project Services (UNOPS) and the World Food Programme (WFP) to increase the impact, efficiency, and transparency of public spending. The UNOPS will assist with the execution of a large share of health care spending, including the purchase of medicines, lab tests, and personal protective equipment. This program would be executed over six months and would extend medical coverage for geographical areas most affected by the pandemic and would target priority groups, which account for a population of approximately 1.5 million. The WFP will implement an emergency agricultural-support program to ensure the country's continuity of adequate food supply. The package will be defined according to the potential production profile reported in the national agriculture census and will target 24,640 households. Among the targeted group, about 40 percent of the package will be directed to female producers to | 19 related contracts signed since June 2020.<br><br>The authorities, in consultation with IMF staff, have formulated the terms of reference for the hiring of an independent external auditor for all COVID-19 related expenditures (prior action). The audit will be conducted within a year of approval of the RCF/RFI disbursement and will also cover funds channeled through third parties. For transparency purposes, the authorities will publish the audit results within two weeks of its finalization. This action will contribute to the efficiency of spending and will provide lessons to strengthen existing systems. | the temporary programs implemented in response to COVID-19 and are confident that our fiscal operations will be fully financed during 2020.<br><br>Considering the downside risks related to the pandemic, we are preparing a contingency plan to secure adequate resources to protect priority spending. In addition, we commit to implement a multi-year fiscal consolidation of at least 3 percent of GDP in permanent measures over 2021–23 to bring the debt-to-GDP ratio to a firmly declining path over the medium term and improve fiscal policy planning by adopting a responsible and macro economically consistent medium-term fiscal framework. For this purpose, we have requested technical assistance from the IMF's Fiscal Affairs Department. A recalibration of public spending priorities will also allow us to generate fiscal space for additional government support to social programs. |

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| | | | alleviate the adverse effects of the COVID-19 on women. | | |
| Panama (1 of 2)<br><br>Approved April 16, 2020 | Rapid Financing Instrument (RFI)<br>SDR 376.8 million (equiv. to $515 million, 100% of quota)<br>(budget support) | N/A | **Staff Report**<br>The authorities have implemented several measures to mitigate the negative economic impact of the COVID-19 outbreak. The government has extended deadlines for tax payments, and is reallocating spending to priority areas. The Ministry of Economy and Finance provided the Ministry of Health and other entities with the funds for the necessary healthcare spending. The authorities began to adjust state-controlled fuel prices more frequently to pass through the lower oil price to customers, plan to negotiate a 5 percent reduction of the electricity distribution tariffs, and approved purchases of the emergency food supplies. At least 14 banks announced relief measures for the households and companies affected by the COVID-19 outbreak, including grace periods of 3–4 months for loan payments, elimination of the minimum | N/A | **Staff Report**<br>Staff agrees with the temporary relaxation of fiscal deficit limits and the reorientation of fiscal policy to short-term priorities to mitigate the impact of the pandemic. To ensure that public debt-to-GDP ratios remain sustainable and on a declining path, staff supports the return to the gradual adjustment envisaged under the SFRL [Social and Fiscal Responsibility Law] once the pandemic recedes. |

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| | | | payment on credit cards, and reductions in interest rates…<br><br>The Ministry of Public Health is increasing the number of hospital beds and using additional budgetary support to import medicines and medical equipment. On social spending, the authorities have strengthened the program "*Panama Solidario*" aimed at providing US$100 per month to poor families that depend on informal jobs. In addition, the government suspended payments for public services for low-income residents for four months and expanded budget support to municipalities to address local healthcare needs…<br><br>The authorities indicated that a higher-than-budgeted deficit will be warranted in view of the unprecedented nature of the COVID-19 shock and its adverse impact on the vulnerable segments of the population. In anticipation of large fiscal outlays required to support healthcare and social-support spending, they promptly | | |

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| | | | tried to secure additional financing and passed legislature that will allow the government to request the authorization of a higher deficit in response to the pandemic for the 2020 budget envelope to expand fiscal space. They indicated that all government spending that they could reallocate, including operating and capital expenditures, will be used to focus on the immediate priorities such as expanding medical capacity and the *Panama Solidario* social program to support the poor and the unemployed. | | |
| Panama (2 of 2)<br><br>Approved on January 19, 2021 | Precautionary and Liquidity Line (PLL) SDR 1,884 million (equiv. to $2,700, 500%quota) | N/A | **Staff Report**<br>Expenditure prioritization will need to factor social needs and the legacy of the COVID-19 crisis. Poverty has experienced a significant decline in Panama over the last two decades, from 35 percent in 2000 to 14 percent in 2017 (compared to 26 percent on average in Latin America). However, rural poverty remains high, particularly among the indigenous population. Public spending on education, which is key to promote social mobility and long-term growth, is one of the lowest in | **Staff Report**<br>staff recommends that the authorities follow best procurement practices, including that government procurement contracts be regularly published online, along with the names of the winning companies and their beneficial owners, and ensure ex-post audits of COVID-related expenditure. | **Staff Report**<br>Amidst the COVID-19 outbreak, the National Assembly approved a relaxation of the fiscal targets for 2020–23 to accommodate the shock, with a view to return to the original anchor of 2 percent of GDP by 2024 and then adhering to a new fiscal deficit anchor of 1½ percent of GDP in 2025 and thereafter. This provided needed fiscal support in 2020, which will be gradually withdrawn thereafter to avoid an excessively |

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| | | | the region, along with enrollment rates in primary and secondary levels and expected years of schooling. Education outcomes are relatively poor too.<br><br>In addition, the COVID- 19 crisis is severely hitting the most vulnerable sectors of the population, particularly low-skilled workers or those with difficulties to adapt to structural changes in the labor market. These challenges highlight the need to rebalance expenditure towards social spending, particularly education and active labor market policies. | | contractionary impulse to the economy at a time when the output gap remains negative.<br><br>This will be made possible by the temporary nature of the increase in health and social spending in 2020, as well as the gradual return of the tax to GDP ratio to its pre-crisis historical average values (above 9 percent of GDP) …<br><br>Fiscal policy should accommodate the implications of the pandemic on the budget in the short term, while adhering to a gradual consolidation process over the medium term. The expectation is that the pandemic will continue for part of this year. During this period, fiscal policy should aim at ensuring proper health services to the population and adequate social support to vulnerable groups to ensure social cohesion, minimize human suffering and prevent social tensions. As the pandemic recedes, and contagion rates are under control, fiscal consolidation should be |

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| | | | | | underpinned by an enhancement of tax policy and revenue administration and a strategic prioritization of expenditure…<br><br>Fiscal consolidation is predicated on a gradual return of tax and non-tax revenue to its historical averages (a gain of 31⁄2 and 2 percent of GDP, respectively) and a decline in primary expenditure (about 2 percent of GDP). Although cyclical factors will facilitate the adjustment efforts, achieving this consolidation will require prioritizing inclusive expenditure and value-generating investment. Further, additional revenue mobilization would allow to comply with fiscal targets while reinforcing expenditure on social priorities…<br><br>Tax policy reforms should address revenue mobilization, efficiency, equity and transparency considerations. The tax revenue to GDP ratio (8 1⁄4 percent in 2019) is almost half the average of Latin American countries with similar |

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| | | | | | income levels of around 16 1⁄2 percent of GDP. This is partly due to tax expenditure, estimated between 3 and 4 percent of GDP in 2016 by the Panamanian authorities. This tax expenditure (concentrated on the VAT, CIT and to a lesser extent the PIT) mostly benefits the highest deciles of household or corporate income, harms efficiency and could in most cases be replaced by targeted tax credits or transfers... Some tax rates are among the lowest in the world (especially the VAT rate at 7 percent) and could be adjusted in the medium-term to raise revenues. |
| Paraguay<br><br>Approved on April 21, 2020<br><br><br><br>Published in March 2021 | Rapid Financing Instrument (RFI) SDR 201.4 million (equiv. to $274 million, 100% of quota)<br><br><br>2020 Article IV Consultation | N/A | **Staff Report**<br>To contain the epidemic and mitigate the impact on the private sector, Paraguay has… increased health care and social safety net spending. In late March, congress passed an emergency package with some 2.4 percent of GDP in measures, of which about 1.3 percentage point was for additional health care spending, 1.0 | **Paraguay IMF ED Statement**<br>The authorities made specific commitments to ensure that related expenditures authorized by the emergency law are subject to robust budgetary procedures. The court of accounts of Congress, the office of the Comptroller, and the anti-corruption Secretariat will perform an | **Press Release**<br>A temporary widening of the budget deficit is appropriate. In the short run, the priority is to increase spending on health care and the social safety net, as well as to provide support to small businesses and workers. Once the crisis abates, the budget deficit will need to be reduced, and Paraguay should reestablish its |

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| Consultations with government officials, private sector, think tanks and donor community. | | | percentage point for social safety nets (including for informal sector workers) and the remainder for emergency loans for small enterprises.<br><br>**Paraguay IMF ED Statement**<br>In March, Congress passed an emergency law with 2.4 percent of GDP worth in measures. These resources are planned to be allocated especially to the health sector (USD 515 million) and social protection (USD 408 million), while the remaining amount will be used for the operation of the State, that is, for transitory subsidies of some public services, and for loans to Micro, Small, and Medium-sized Enterprises. | audit of all crisis-mitigation spending and make it available to the public. These steps aim to enhance the transparency and accountability of the state regarding the use of public funds…<br><br>**2020 Article IV Consultation**<br>Strong measures were put in place to ensure that the crisis funds were well spent. The legislative branch created a bicameral commission to oversee COVID-19 spending. The government established a public portal “Rindiendo Cuentas”, where all COVID-19 expenditures are reported. Public tenders have been reviewed ex-ante by a newly-established inter-institutional committee and audited ex-post by the Contraloria. The Contraloría and the Auditoría General del Poder Ejecutivo plan to conduct an audit covering the entire COVID-19 spending, with results expected | fiscal rule, which has successfully anchored macroeconomic stability in the past five years…<br><br>**Letter of Intent**<br>The government of Paraguay recognizes the paramount importance of continued macro-economic stability and healthy and sustainable public finances. We therefore intend to return the fiscal deficit to below the ceiling of 1.5 percent of GDP after the crisis is over. Given the highly uncertain economic prospects at this time, the precise time schedule will be determined at the time the 2021 budget is prepared. If growth is stronger than expected, we will use the additional revenue to return the deficit to below the ceiling more rapidly.<br><br>To keep the deficit below the ceiling and create room for additional investment, we will moderate current expenditure growth and increase revenues. We plan to revise the Fiscal Responsibility Law to limit real |

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| | | | | in mid-2021. | growth of primary expenditure to 2 percent down from 4 percent previously. We will also aim for further increases in tax revenue, which is only 10 percent of GDP. A recent tax reform will boost tax revenue by 0.1 percent of GDP in 2020 and 0.7 percent of GDP until 2023, but more may be needed.<br><br>**2020 Article IV Consultation**<br>Directors agreed that the widening of the fiscal deficit in 2020 had been appropriate. They noted that fiscal support should not be withdrawn prematurely, in particular if risks such as a worsening of the COVID-19 pandemic or negative weather shocks were to materialize. It would be important to uphold health and social spending while protecting public investment.<br><br>Directors encouraged a gradual return to lower deficits once the pandemic abates, to maintain fiscal sustainability. In this regard, they welcomed the authorities' plan to return to the deficit ceiling |

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| | | | | | under the fiscal responsibility law by 2024. Directors agreed that improving expenditure efficiency and transparency and domestic tax revenue mobilization would be important to cover Paraguay's social and investment spending needs…<br><br>In the coming months, the emphasis will be on recovering from Covid-19, trying to revive activity, and recovering lost ground in social protection, poverty reduction, education…<br><br>The government's Economic Recovery Plan… which was finalized in October, aims to strengthen the recovery in 2020 and 2021 by boosting public investment spending, ensuring sufficient financing for the private sector, and removing supply-side bottlenecks; protect the vulnerable by further raising social benefit spending this year; and implement a new Fiscal Responsibility Law. The plan also |

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| | | | | | contains many reform proposals:<br><br>To safeguard macro-economic stability, the plan includes an update of the Fiscal Responsibility Law (which codifies the new target date for the return to the deficit ceiling and sets stricter limits on growth of current spending)…<br><br>To improve governance and increase efficiency of public spending, the plan includes reforms of the state and the civil service system …<br><br>To improve human capital, a roadmap for educational reform will be developed by end-2021, and there are plans to restructure the health system. Finally, a new attempt would be made to establish a law for pension fund supervision and regulation…<br><br>The significant increase in the deficit this year is appropriate but going forward fiscal deficits should be gradually brought back to the |

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| | | | | | FRL ceiling. The fiscal policy response—together with monetary policy easing—has helped mitigate the impact of the Covid-19 crisis. In the short term, it is important to ensure adequate fiscal support for a full recovery from the pandemic. But over the medium term, fiscal deficits should be reduced… For 2021, the government targets a deficit of 4 percent of GDP…<br><br>The government plans to bring the deficit back toward the ceiling through expenditure compression only. The government's focus on making government spending more efficient is certainly appropriate. And successful implementation of reform of the state, civil service reform, and rationalization of public procurement would help reduce current spending. But its contribution is unlikely to be sufficient to bring the deficit back to the ceiling —let alone create room for much needed other spending in areas as education |

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| | | | | | and infrastructure.<br><br>Public investment would likely need to be cut as well in order to meet the target. Indeed, current medium-term fiscal projections envisage a fall in public investment from 3 to 2.2 percent of GDP.<br><br>However, spending needs are large, and investment may need to be increased rather than reduced… Even if state reform measures will be implemented successfully, improving public services will require more resources. |
| Peru<br><br>Approved on May 28, 2020<br><br>Published on March 24, 2021 | Flexible Credit Line (FCL)<br>SDR 8.007 billion (equiv. to $11 billion, 600% of quota)<br><br>Article IV Consultation | N/A | **Staff Report**<br>The policy support package presented by the government, aimed at addressing the health and economic impact of Covid-19, is the largest in LAC and in Peru's history. On March 29, Finance Minister Alva announced a package of measures amounting to about 12 percent of GDP (later expanded to about 16 | **Staff Report (reiterated in Peru IMF ED Statement)**<br>In order to increase transparency, the authorities plan to include an assessment of the impact of Covid-19 on the fiscal accounts in the context of the Fiscal Responsibility Report for the years 2020 and 2021... | **Staff report**<br>Stronger growth, the unwinding of the transitory fiscal support measures (e.g., cash transfers, tax deferrals, and payroll subsidies), and a rebound in tax revenues are expected to reduce the fiscal deficit to about 3½ percent of GDP in 2021 even as public investment remains high… |

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| | The FCL is designed for crisis prevention purposes as it provides the flexibility to draw on the credit line at any time during the period of the arrangement (one or two years), and subject to a mid-term review in two-year FCL arrangements.<br><br>Disbursements are not phased nor conditioned on compliance with policy targets as in traditional IMF-supported programs. This large, upfront access without ex-post conditionality is justified by the very strong track records of countries that qualify for the FCL, which gives confidence that their | | percent of GDP) aimed at: (i) addressing the health emergency; (ii) providing economic relief to vulnerable firms and households; and (iii) ensuring a rapid economic recovery once the health emergency is over.<br><br>*COVID-19 Policy Measures*<br>Fiscal Policy<br>*Package equivalent to 7 percent of GDP*<br>• Increased spending in health equipment and personnel<br>• Temporary payroll subsidies, tax deferrals, and means-tested cash transfers<br>• Post-lockdown recovery projects<br>• Emergency lending to small and medium-sized enterprises<br>• Efforts to ease liquidity constraints on households<br><br>*Package equivalent to about 8 percent of GDP*<br>• Government guarantee to support financial sector lending to some 350,000 SMEs for | Controls under the framework of the COVID-19 emergency have been reinforced by enabling the Comptroller's Office to conduct concurrent monitoring. Transparency has also been strengthened with online eligibility for social support programs by citizens...<br><br>Article IV Consultation<br>The Comptroller's Office monitors emergency-related spending, identifies abuses, and publishes regularly its reports.[11] Efforts to ensure the accuracy of beneficial ownership information of companies collected by SUNAT is ongoing. | In the medium term, growth is expected to return to its potential of 3 1⁄2 percent) and the fiscal deficit to gradually decline to below the fiscal rule ceiling—one year later than in the pre-Covid-19 path. The return to the debt ceiling of 30 percent of GDP may, however, need a longer period...<br><br>While the medium-term fiscal adjustment and the return to the numerical parameters of the fiscal rule will be to a large extent the result of the dissipation of temporary support policies and of higher tax collection associated to the economic recovery, it will be nonetheless key for the authorities to complement this process by continuing to focus on revenue administration measures—particularly on reducing the VAT compliance gap...<br><br>**Article IV Consultation**<br>The fiscal position remains strong, notwithstanding the large policy support deployed in 2020. The |

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| | economic policies will remain strong. | | working capital. Guaranteed loans can have a maturity of up to 36 months. Central Bank may provide liquidity for this package through repos of the government guaranteed loans.<br><br>*Package equivalent to about 1 percent of GDP*<br>• Steps granting households access to restricted individual accounts (i.e., pensions, severance accounts)<br><br>**Article IV Consultation**<br>To address the second wave of the pandemic, the government announced a new set of measures in late January 2021.<br><br>The measures, which amount to about 1.1 percent of GDP, include: (i) direct support to the health system, including for the purchase of vaccine; (ii) universal direct cash transfers to households (a third round of the Bono Universal) in the most affected regions; (iii) tax deferrals for households and | | fiscal deficit is expected to fall from 8.8 percent of GDP in 2020 to 5 percent of GDP in 2021 as transitory relief measures are gradually phased out…<br><br>Peru has some fiscal space under the current fiscal rules and substantial fiscal space in a scenario unconstrained by the fiscal rules. Despite the anticipated recovery in 2021, the output gap is expected to remain large while employment and labor participation are lagging. In staff's view, a more gradual withdrawal of the fiscal stimulus is needed to address the pandemic, limit its impact on poverty, and ensure against downside risks to growth. Accordingly, staff sees merit in considering a fourth round of the Bono Universal in the amount of about 21⁄2 percent of GDP…<br><br>The authorities' current plans to return to the fiscal targets need to be revisited. After the suspension of the fiscal rules in 2020-21, the authorities' 2020 Medium-Term |

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| | | | businesses in the same regions; and (iv) a new guaranteed-lending program for SMEs.<br><br>Moreover, the implementation of already budgeted projects in the health sector, including the construction of 23 hospitals and 11 health centers, is being accelerated…<br><br>Moreover, spending needs in key sectors will have to be accommodated in the medium term. The public healthcare system suffers from serious capacity bottlenecks (Annex II). The social safety net (SSN), while having a good coverage —in line with the regional median and above the EME median, particularly for low-income families— looks worse than comparators as to adequacy for all income groups. The need to address these weaknesses has been emphasized by the pandemic. To reduce scarring, training programs and income support could be provided to displaced workers as | | Macroeconomic Framework (MTMF) envisions meeting the 1-percent-of-GDP fiscal deficit target in 2026. The planned consolidation would be supported by a gradual unwinding of transitory measures, with current spending falling by 1.9 percent of GDP and tax revenues increasing by 1.7 percent of GDP. These plans seem now ambitious considering the extreme uncertainty around the macroeconomic outlook and the need to accommodate the higher spending needs highlighted by the revival of the pandemic. In staff's views, the available fiscal space would allow for a more gradual return to the pre-pandemic fiscal targets than currently envisioned…<br><br>Revenue mobilization will be key to preserving fiscal sustainability while accommodating additional spending. Increased use of electronic invoicing, the maturation of tax measures introduced in 2017-2018 (including changes to the excise |

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| | | | they transition to new jobs. The depletion of personal accounts in private pension funds has heightened the challenges of low coverage and low adequacy in the pension system —with replacement rates projected to decline further in the medium term— and the urgency of reform…<br><br>The authorities concurred on the importance of reorienting the structural reform agenda to address the needs exposed by the pandemic. They agreed on the need to strengthen the public provision of health, education, and social protection, and on the urgency of a comprehensive and well-designed pension reform. They were confident that that the new agrarian law approved by Congress would continue to underpin the success of the agro-export industry. | | schedules), the implementation of the OECD/G20 Inclusive Framework on BEPS, the expiration of tax benefits of some large mining projects, and other efforts at revenue administration (including streamlining of tax auditing processes) would yield additional tax revenues of about 1 percentage point of GDP. Staff's baseline incorporates the expected yields from the identified measures that, while ambitious, are achievable. To help identify measures that address the remaining 0.7-percent-of-GDP revenue gap, the authorities have asked for Fund TA… |

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| St. Lucia<br><br>Approved on April 28, 2020 | Rapid Credit Facility (RCF)<br>SDR 21.4 million (equiv. to $29.2 million, 100% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-LCA.htm | **Staff Report (reiterated in the Letter of Intent)**<br>Spending is expected to increase by 2 percent of GDP, arising mainly from additional public health expenditure to contain the spread of COVID-19 (estimated to cost in excess of EC$30 million, or 0.6 percent of GDP) and temporary income support to vulnerable households… | N/A | **Staff Report**<br>The authorities are committed to ensuring debt remains sustainable over the medium- term and taking the necessary steps to bring the debt to their 2030 debt target. To this end, they are considering measures to widen the tax base (including by targeting the informal sector) once the economy recovers from the crisis and plans to adopt a fiscal rule that would create a clear institutional framework to guide the pace and composition of the medium-term fiscal consolidation and minimize implementation risks.<br><br>The authorities also plan to increase public investment on health, education and resilience to natural disasters and climate change, which could enhance St. Lucia's long-term macroeconomic performance and reduce the risks around the medium-term path for debt-GDP…<br><br>The authorities have indicated |

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| | | | | | their intention to cooperate with the Fund and pursue economic policies appropriate for addressing the impact of COVID-19. They will consider a follow up longer-term UCT arrangement with the Fund, should economic, fiscal and financing conditions deteriorate beyond expectations in coming months…<br><br>The authorities stress their commitment to adopting policies that are consistent with medium-term stability and meeting the 2030 debt target. In this regard, they are considering revenue-enhancing measures and a medium-term fiscal rule that can be introduced when the economy recovers from the crisis.<br><br>**Debt Sustainability Assessment**<br>As the economy rebounds, and assuming the authorities undertake fiscal consolidation measures in line with their commitment to their debt target of 60 percent of GDP by 2030, the gross financing needs are |

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| | | | | | projected to decline to the pre-crisis levels of around 15 percent by FY2022. |
| St. Vincent and the Grenadines<br><br>Approved May 20, 2020 | Rapid Credit Facility (RCF)<br>SDR 11.7 million (equiv. to $16 million, 100% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-VCT.htm<br><br>High overall risk of debt distress | **Staff Report**<br>In response to the pandemic crisis, on March 25, the authorities announced a fiscal package of about 3 1⁄2 percent of GDP. The measures are targeted to address urgent needs in the health sector, to support the agriculture and tourism sectors, and to help displaced workers. Most of these measures are temporary and set to expire in 3 months with possible extensions.<br><br>*Expenditure measures* (amounting to 3 percent of GDP) include: (i) an increase in funding for the health sector (to construct an isolation | **Staff Report**<br>The authorities are also committed to continuing the publication of procurement documentation and adding information on the beneficial owners of the companies that receive crisis-related procurement contracts. Moreover, they are committed to reporting monthly on COVID-19 related expenditures and undertaking a full ex-post financial and operational audit of COVID-19 spending at the time of the annual audit. | **Staff Report**<br>On the expenditure side, the authorities have agreed with labor unions to refrain from wage increases for central government employees in 2021. They are also committed to; (i) limiting the growth of the wage bill to 2.0 percent a year (around the inflation rate) through 2024…<br><br>On the revenue side, the authorities are committed to: (i) enhance taxpayer compliance, especially by focusing on large taxpayers and by adhering to the recently enacted Tax |

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| | | | unit, purchase drugs and equipment, and hire extra medical staff); (ii) various construction projects of public infrastructure to generate jobs, (iii) financial support to the agriculture and fishery sector, (iv) a temporary widening of the social safety net to cover vulnerable households, (v) an income support program for displaced workers in the tourism and transport sectors… and (vii) other initiatives targeting the youths and small businesses.<br><br>*Tax measures* (amounting to 1⁄2 percent of GDP) include: (i) VAT and import duties exemptions on a range of health and hygiene products) … The deadlines for payment of personal income taxes and other fees have also been deferred to end-April. | | Administration and Procedures Act; and (ii) rationalizing exemptions from import duties and VAT on imports…<br><br>Weaker revenue prospects together with increased spending needs will lead to higher deficits and public debt. They also underscore the urgent need for Fund support ahead of the 2020 hurricane season… the authorities agree with staff recommendations to facilitate fiscal consolidation by enhancing the effectiveness of tax administration, tightly controlling current expenditure and wage bill growth, and selecting strategically important non-port projects. |

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| Albania<br><br>Approved on April 10, 2020 | Rapid Financing Instrument (RFI) SDR 139.3 million (equiv. to $190.5 million, Euro 174 million, 100% of quota)<br>(budget support) | N/A | **Staff Report**<br>In response to the COVID-19 pandemic, the authorities have put in place stringent containment measures and have announced a fiscal package of temporary and targeted measures to help ensure medical care and support to businesses. The fiscal package amounts to about 1.4 percent of GDP and foresees higher spending on the health sector, additional unemployment benefits and social assistance, a guarantee scheme for companies allowing them to continue wage payments to workers forced to stay at home due to the pandemic, accelerated pension increases in April, and support for small firms including the rescheduling of profit-tax installments in 2020…<br><br>Staff strongly supported targeted and time-bound measures to offer | N/A | **Staff Report**<br>In the coming years, once the shocks have been overcome, it will be crucial to ensure steadfast fiscal consolidation and efforts to contain fiscal risks in order to create a larger fiscal buffer before a possible future shock hits. Staff stands ready to assist the authorities in addressing both the immediate and the medium-term policy challenges and supporting a strong and sustainable economic recovery.<br><br>**Letter of Intent**<br>Notwithstanding the urgent need to increase public spending to contain the pandemic and support the economy, we are keenly aware of the need to contain fiscal imbalances. Once the current shocks have been overcome, we will continue our standing policy of limiting the fiscal deficit to |

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| | | | adequate healthcare and assistance to people in need, and to help maintain employment. | | ensure sustainability over the medium term.<br><br>**IMF ED Statement**<br>Once the COVID-19 crisis is over, the authorities intend to resume their fiscal consolidation efforts to bring the public debt-to-GDP ratio to 60 percent by 2025. |
| Bosnia and Herzegovina<br><br>Approved on April 20, 2020<br><br>Published in February 2021<br><br>Consultations with government officials, business and diplomatic | Rapid Financing Instrument (RFI) SDR 265.2 million (equiv. to $361 million or Euro 333 million, 100% of quota)<br><br>2020 Article IV Consultation | N/A | **Staff Report**<br>Prudent budgetary policy in recent years has generated fiscal space, but the COVID- 19 crisis is causing significant fiscal pressure for 2020. A large fiscal expansion is needed to substantially raise spending for pandemic containment and mitigation. The 2020 fiscal position is projected to move from a surplus of around 2 percent of GDP in 2019 to a deficit of 4 1⁄2 percent of GDP on account of higher health, social, and economic-support spending as well as revenue shortfalls…<br><br>Spending to tackle the COVID-19 crisis should increase substantially. Current spending, largely health transfers and social benefits, is | **2020 Article IV Consultation**<br>Staff welcomed the authorities' commitment to strengthening Public Financial Management (PFM) and procurement. Both entities will continue to report on companies that received pandemic-related support on respective FBiH and RS websites. The authorities are encouraged to also publish details of COVID-related contracts while naming the beneficial owners of the contract entities. The entity Auditor Generals will conduct and publish ex-post audits of COVID- related spending | **Letter of Intent**<br>Looking beyond the current crisis, we aim to intensify our engagement with the IMF, with the objective of reaching agreement on a new multi-year arrangement to address our medium-term challenges. We remain committed to the main policy objectives agreed to under the EFF, which will expire in September 2020. A key priority under a new arrangement is to reform the public enterprise sector, including by increasing transparency, strengthening oversight and governance, and identifying fiscal risks. Another priority is to overhaul the health |

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| communities and civil society. | | | projected to increase by 5 1⁄2 percent of GDP compared to 2019. This sharp increase is needed to ramp up COVID-19 prevention, testing, monitoring, and treatment…<br><br>Staff supports the authorities' plans to pay unemployment benefits on a timely basis and expand social benefit programs for the most vulnerable. The authorities are considering how best to provide relief to companies temporarily affected by the crisis through loan guarantees and other subsidies. They plan to establish temporary solidarity funds, financed by public employees with higher salaries and other donors on a voluntary basis...<br><br>Government revenues are projected to decline by 2 1⁄4 percent of GDP compared to 2019, mainly for personal and corporate income taxes and social security contributions. Staff supports the authorities' decision to leave the tax policy mostly unchanged and to temporarily delay tax due dates for | (including extra budgetary funds) as part of the 2020 general government audits. | sector—an effort that will likely involve introducing tighter controls on spending and creating incentives for consolidation.<br><br>**Bosnia and Herzegovina IMF ED Statement**<br>They [the authorities] understand that preserving macroeconomic stability and putting economic growth on a higher trajectory over the medium term will be essential to sustain social stability and to create fiscal space for investment in human capital and infrastructure. The authorities are committed to resume fiscal consolidation once the consequences of the COVID-19 outbreak are contained, building on the progress achieved over the last years.<br><br>**2020 Article IV Consultation**<br>Directors welcomed the budgetary easing adopted to mitigate the economic fallout from the pandemic. Fiscal accommodation should continue but as the recovery gains traction, support |

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| | | | direct taxes…<br><br>Medical supplies need to be secured and deployed immediately to treat patients and reduce contagion by testing and monitoring. Entity governments in cooperation with lower- level authorities should coordinate closely on measures and communication policy. Staff supports the authorities' plan to clear arrears in the health sector…<br><br>The authorities in the Federation of BiH (FBiH) and the Republika Srpska (RS) plan to reflect additional spending in revised budgets, currently under preparation. The Institutions of BiH should also revise their 2020 budget. It will be important to have strong safeguards for the additional spending, ideally within the regular budget process that has appropriate controls…<br><br>**2020 Article IV Consultation**<br>Existing social safety nets should be strengthened to better support vulnerable groups. The authorities' initial swift policy response to | | should increasingly target the most affected sectors and vulnerable households. Budget composition should gradually transition to controlling current spending and creating space for physical and human capital investments…<br><br>Fiscal policy should facilitate the reallocation of resources towards critical investments. This calls for reining in current spending—when pandemic spending is no longer needed—and boosting capital spending. Staff recommended bringing current spending back to pre-pandemic levels (in terms of GDP), largely by containing the wage bill (e.g., restricting hiring for non-critical functions and keeping the real wage bill constant). A substantial reallocation of resources towards critical physical and human capital investments would stimulate the economy post-pandemic.<br><br>**IMF ED Statement (Article IV consultation)** |

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| | | | contain the virus and limit the economic fallout was effective. However, the coverage and duration of social spending and unemployment support could be expanded to support disadvantaged persons. Childcare and early education programs should be enhanced to ease employment constraints on households and support female labor market participation. | | The authorities remain committed to a sustained fiscal consolidation in the medium-term with assistance from the developing partners. It should strike the right balance between supporting growth friendly structural reforms and development projects and preserving long-term public debt sustainability, financial stability, and credibility of the CBA. The aim is to strengthen revenue mobilization and further improve the composition and quality of public spending to correct unfavorable bias towards consumption relative to investment. |
| Kosovo<br><br>Approved on April 10, 2020 | Rapid Financing Instrument (RFI)<br>SDR 41.3 million ($56.5 million, Euro 51.6 million, 50% of quota)<br>(budget support) | https://datatopics.worldbank.org/debt/ids/DSSIMTables/M-DSSI-XKX.htm | **Staff Report**<br>Fiscal measures have rightly focused on mitigating the effect of the crisis on businesses and households and on creating room for increased health spending. The total cost of measures is estimated at 2.5–3.5 percent of GDP…<br><br>These measures will be accommodated within a reduced | **Staff Report**<br>The government remains committed to ensuring transparency, good governance, and accountability in terms of the implementation arrangements for the package of measures through which funds will be distributed to the employees and to the companies. All measures will | **Staff Report**<br>After the current crisis, it will be crucial to rebuild fiscal buffers through fiscal consolidation to enhance preparedness for future shocks… Staff stands ready to assist the authorities in addressing both the immediate and the medium-term policy challenges and supporting a strong and |

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| Published in February 2021 | [2020 Article IV Consultation] | | total expenditure envelope through spending reallocations within goods and services and out of capital spending…<br><br>Fiscal actions so far adequately target the sectors most affected by the shock and aim at supporting social and health spending. The use of the escape clause to accommodate a deficit above the 2 percent of GDP ceiling is appropriate.<br><br>**Kosovo IMF ED Statement**<br>.. with the pandemic severely affecting firms and households, the government of Kosovo passed on March 30 an emergency package of temporary and targeted fiscal measures to assist the hard-hit individuals and firms while allocating additional health spending. Some of the key measures include:<br>(i) transfers to SMEs and other sectors most affected by the lockdown, including wage subsidies, coverage of pension contributions for subsidized wage workers for the | be embedded in the budget process.<br><br>**2020 Article IV Consultation**<br>The authorities fully concurred with the need to conduct an *ex-post* audit of all resources spent in response to the COVID-19 crisis and will publish the results in the audit reports of the 2020 and 2021 budgets. Related to this, they requested IMF staff to assist them in the analysis of the legal procurement framework to allow for collection and publication of beneficial ownership information in public procurement. | sustainable economic recovery.<br><br>**Letter of Intent**<br>We are aware that after the current crisis, it will be crucial to rebuild fiscal buffers through fiscal consolidation to enhance preparedness for future shocks… While the urgent need for financial assistance and our focus on immediate measures to deal with the crisis make it unfeasible to engage in discussions of a multiyear program at this stage, we will analyze together with IMF staff the appropriateness of such engagement to address underlying structural issues once the crisis has subsided.<br><br>**2020 Article IV Consultation**<br>Directors agreed that the immediate priority is to continue supporting the economy until the recovery is well entrenched, while improving the design, targeting, and transparency of support measures. They encouraged the authorities to firm up the financing program for 2021 to |

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| | | | next two months, and coverage of rent for businesses of up to 50 percent for two months;<br><br>(ii) payment of EUR 130 for the next 3 months to those that have lost their job during the crisis;<br><br>(iii)interest rate subsidy and support to exporters;<br><br>(iv) additional sum of thirty (€30) Euros per month to all beneficiaries of social assistance and pension schemes who receive a monthly payment lower than one-hundred (€100) Euros, for April, May and June;<br><br>(v) bonus payments (for two months) for the healthcare workers and police; and<br><br>(vi) targeted liquidity support to firms.<br><br>The total cost of the emergency package is estimated at around 2.5 percent of GDP. | | support the planned mitigation and recovery measures, as well as considering contingency plans. Directors underscored the need to revert to the fiscal rule as the policy anchor after the recovery has taken hold. They recommended focusing consolidation efforts on improving the targeting of social and economic transfers, revenue mobilization, and tax administration, supported by a comprehensive review of tax expenditures.<br><br>Directors welcomed the authorities' commitment to reform the social protection system, with a view to ensuring equitable access. They emphasized the importance of restraining public wage increases and assessing the sustainability of the current pension system before introducing any amendments…<br><br>While the suspension of the fiscal rule over 2020–21 is warranted, it needs to be combined with a |

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| | | | | | commitment to a gradual consolidation path after the crisis abates. Allowing fiscal stabilizers to work and creating room for the implementation of the MRP required a temporary suspension of the fiscal rule over 2020–21. Staff advised that beyond 2021, returning to the fiscal rule as the anchor for policy remains key. Enlarging the revenue base and gradually removing targeted support and refocusing social spending to protect the most vulnerable will be essential to that end. |
| Moldova<br><br>Approved on April 17, 2020 | Rapid Credit Facility (RCF)<br>SDR 57.5 million (equiv. to $78.4 million, 33.3% of quota)<br><br>Rapid Financing Facility (RFI)<br>SDR 115 million (equiv. to $156.7 million, 66.7% of quota) | Low overall risk of debt distress<br><br>https://datatopics.worldbank.org/debt/ids/ | **Staff Report**<br>The authorities and staff agreed on the need for a temporary relaxation of the fiscal stance to mitigate the economic impact of the COVID-19 pandemic. In April, the government undertook a number of measures and amended the 2020 budget… Fiscal policy aims at:<br><br>• Accommodating *higher health system spending* to purchase personal protective | **Letter of Intent**<br>We are committed to implementing strong control, audit, reporting, and transparency requirements with regards to crisis-related government spending, including by publishing information on associated public procurement and beneficial owners of companies contracting with the government as well as | **Staff Report**<br>The authorities' medium-term objectives continue to focus on improving revenue mobilization and public investment management, tax expenditure reform, more efficient public spending, and tighter control over recurrent spending…<br><br>The authorities remain committed to future engagement with the Fund under a UCT arrangement |

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| | (direct budget support) | | equipment, provide medical and other equipment to regional hospitals, and allocate contingency reserves for a more severe outbreak scenario in line with the World Health Organization's needs estimates;<br>• Implementing targeted measures to *mitigate the economic impact on the most affected businesses,* including through temporary labor tax reimbursement subsidies and tax deferral, expedited input VAT refunds, waivers of self-employed patent fee and late payment penalties, and SME on-lending programs via commercial banks;<br>• Expanding *social protection schemes* to support the most vulnerable and unemployed through strengthening existing targeted social assistance and employment programs, backed up by significant increases in state budget allocations; | continuing to enforce the AML framework and asset declaration regime. We will subject all crisis-mitigation spending to a dedicated audit by the Court of Accounts Chamber and commit to making the audit report public. | once the COVID-19 pandemic subsides. Prior to the pandemic, the authorities had officially requested to initiate negotiations of a UCT-quality governance-focused arrangement with the Fund, which is expected to follow the broad policy priorities in the 2020 Article IV staff report...<br><br>**Letter of Intent**<br>Looking beyond this immediate crisis, we aim to continue our engagement with the IMF and plan to reach agreement on a new multi-year arrangement to address Moldova's structural challenges. |

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| | | | • Boosting *contingency reserves and support to local governments* by increasing allocations for the government's intervention and social funds and compensating local public administrations for the expected deterioration in their tax revenue base…<br><br>**Moldova IMF ED Statement**<br>Reprioritization of government spending yields savings of 2.0 percent of GDP which are used for targeted measures, for which the government adopted an amended budget:<br>• The authorities plan to increase health care spending by 0.6 percent of GDP for much needed investments in medical equipment.<br>• The authorities are taking measures to support people and businesses, including through extended access to unemployment benefits, strengthening targeted social | | |

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| | | | assistance, temporary labor tax reimbursement subsidies and tax deferral. These measures jointly amount to 1.4 percent of GDP. | | |
| Montenegro<br><br>Approved on June 24, 2020 | Rapid Financing Facility (RFI) SDR 60.5 million (equiv. to $83.7 million, 100% of quota) | N/A | **Montenegro IMF ED Statement**<br>Under these extraordinary circumstances, the authorities adopted a necessary, proportionate and temporary fiscal package to support the economy and mitigate the impact of the crisis on the vulnerable households and most affected companies. Additional resources were allocated to: (I) healthcare spending on tests, protective equipment, transportation of supplies, and higher salaries for medical personnel; (II) subsidies, comprising of two-month wage subsidies for workers in affected sectors, those unable to work due to childcare and those who have been in quarantine, respectively six-month wage subsidies for the newly employed in SMEs; (III) payment deferrals on income taxes, social security contributions and tax debt; (IV) direct one-off financial transfers to | **Letter of Intent**<br>To promote transparency and good governance, the State Audit Institution of Montenegro will audit crisis-mitigating spending (which will include ex-post validation of delivery of goods and services) and publish the results online within 12 months of the end of the fiscal year, in accordance with our laws. We will also publish online all public procurement plans, notices, and awarded contracts for crisis-mitigation spending in a timely manner, including the names of the entities awarded contracts and their beneficial owners. | **Staff Report**<br>The authorities must resume their fiscal consolidation agenda next year. Undertaking phase I of the Bar-Boljare highway project significantly strained public finances. This prompted a comprehensive fiscal consolidation strategy starting in 2017, which has resulted in an improvement in the non-highway primary balance of about 4 percentage points of GDP in three years… With the first phase of the highway expected to be completed in June 2021, the envisaged fiscal consolidation should be manageable, assuming past huge capital spending is not repeated and considering progress achieved by Montenegro in recent years…<br><br>**Letter of Intent**<br>Since 2017, we have successfully |

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| | | | the vulnerable and unemployed; (V) direct financial support for the agriculture and fisheries sector. | | implemented a fiscal consolidation in consultation with the IMF. We increased VAT rates and have acted with restraint on public sector wages. Our primary deficit declined by over3 percentage points of GDP from 2017-19…<br><br>**Montenegro IMF ED Statement**<br>The authorities are acutely aware of the need to preserve debt sustainability and are determined to return to fiscal consolidation at the end of this temporary episode of deviation from their targets. As soon as the pandemic subsides, they aim to achieve and maintain primary surpluses until public debt declines to safe levels. They commit not to undertake construction of further phases of the Bar-Boljare highway, or other large capital expenditures that could jeopardize debt sustainability, until the outlook for public finances has significantly improved. Part of the fiscal consolidation will take place automatically after the completion of the first phase of the highway. |

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| | | | | | The authorities will observe the path of fiscal consolidation towards a primary surplus of 2 percent of GDP in the medium term and a debt target closer to 60 percent of GDP by 2025; they will refrain from measures that would reverse this path.<br><br>The authorities also plan to implement the Tax Administration Reform Project to generate higher revenues, and to further reform public administration and streamline tax expenditures to ensure the needed primary surpluses over the medium-term…<br><br>Looking ahead, they are fully committed to resume fiscal consolidation and to bring debt on a downward trajectory once the consequences of the COVID-19 outbreak are contained, building on the progress achieved over the last years. |
| North Macedonia | Rapid Financing Instrument (RFI) SDR 140.3 million (equiv. to $191.83 | N/A | **Staff Report**<br>Fiscal policy support should be well-targeted and temporary. In this vein, the authorities have announced an | N/A | **Staff Report**<br>Once the COVID-19 crisis has been overcome, the authorities' strong commitment to rebuilding fiscal |

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| Approved on April 10, 2020 | million/EUR 176.53 million, 100% of quota) | | additional package of measures, including a wage subsidy to protect employment in the private sector (about 1 percent of GDP) and transfers to poor households during the second quarter of 2020… Given the country's large infrastructure needs, cuts to capital expenditure should be temporary. Bolstering the capacity of the health care system to address the COVID-19 shock should remain a priority.<br><br>**Letter of Intent**<br>The Government is implementing important temporary measures to limit the social and economic impact by protecting the liquidity of companies, preserving jobs and providing social care for the jobless and vulnerable households:<br><br>• We have already legislated fiscal measures to help protect jobs and poor households, and mitigate firms' cash-flow problems. Companies and individuals who have business activity in affected sectors have been exempted from advanced | | buffers and implementing the structural reform agenda will help preserve debt sustainability and speed up income convergence. Staff stand ready to assist the authorities in addressing both the immediate and medium-term policy challenges.<br><br>**North Macedonia IMF ED Statement**<br>To ensure debt sustainability, the authorities are committed to resuming fiscal consolidation once the health crisis is contained. Meanwhile, they stand ready to take any additional measures that may be needed, in consultation with the Fund, and maintain a close dialogue with staff to address both the immediate and medium-term policy challenges. |

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| | | | monthly payments of corporate income tax through June. Also, affected firms will receive a subsidy for the social security contributions, subject to maintaining employment at the pre-virus level. Additional funding has been allocated to the Development Bank, allowing it to establish a credit line to affected micro, small and medium-sized enterprises at favorable conditions and a zero-interest rate. Moreover, budget users have been allowed to make reallocations in their budget up to 70 percent at the expenditure item, compared to 20 percent in normal times, to better adapt to the rapidly evolving circumstances.<br><br>• A second set of measures was announced on April 1, to prevent layoffs and set the conditions right for the recovery once the global outbreak abates. A wage subsidy equal to the minimum | | |

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| | | | wage is planned to affected companies to help them maintain jobs. The measure is expected to protect 200,000 to 250,000 jobs. Also, vulnerable households who were part of the informal economy and lost their income will receive financial support. We expect around 20,000 households to benefit from this measure. To offset these costs, there will be targeted and temporary cuts on the expenditure side, including in capital expenditure, the public-sector wage bill, and the purchase of goods and services, both at central and local level. State-owned enterprises will also reduce expenditure. | | |
| Ukraine<br><br>Approved on June 9, 2020 | Stand-By Arrangement (SBA) SDR 3.6 billion (equiv. $5 billion, 179% of quota)<br><br>The approval of the SBA enables the immediate | N/A | **Staff Report**<br>The new program aims to provide balance of payments and budget support, consolidating achievements to date, and moving forward on a critical subset of macro-critical measures to reduce key vulnerabilities… | **Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>**(Reiterated in the Staff Report)**<br>The approved supplementary budget envisions the establishment of the budget program "Fund to Fight Against | **Staff Report**<br>As the recovery sets in, fiscal policy will need to be tightened to place public debt back on a downward path. Revenues will be supported by the rebounding of economic activity and crisis-related expenditures can be phased out, reducing the budget |

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| | disbursement of the equivalent of SDR 1.5 billion (about US$2.1 billion). The remainder will be phased over four reviews. | | The targeting of social assistance will be further improved, to ensure that the most vulnerable segments of the population are properly supported. The government, with World Bank assistance, will start consolidating social programs into the existing guaranteed minimum income (GMI) program, and gradually increase the minimum subsistence level. Progress is also being made in linking databases to enhance the verification of beneficiaries of various social assistance programs.<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>*2020 supplementary budget.* Since the approval of the budget, the macro-economic outlook has worsened dramatically due to outbreak of the COVID-19 virus. To respond to this emergency, we have adopted a supplementary budget (*an update to the prior action*), which allows the deficit of the general government to expand to UAH 300 billion (about8 percent of | COVID-19 and its Impact". We will ensure that this fund will be temporary, transparent and its expenditures efficient…<br><br>The operations of the fund will be governed by regulations issued by Cabinet of Ministers of Ukraine (CMU) reflecting transparency and accountability requirements. These government regulations will cover:<br>(i) the procedures for re-allocating resources to the fund; (ii) the authorization processes for committing the resources of the fund, allocating a central role to the Minister of Finance;(iii) the budget execution rules that will be followed; (iii) the detailed monthly reporting to be filed with the CMU and parliament on the use of funds in the previous period; (iv) the requirement that all cash transactions of the fund have to be executed through and reported by the Treasury; (v) | deficit to about 4-5 percent of GDP in 2021.<br><br>Further ahead, fiscal consolidation will need to be supported by broadening the tax base, strengthening revenue administration, and rationalizing current expenditures, to achieve primary surpluses of about 1–11⁄2 percent of GDP—implying an overall deficit of around 21⁄2 percent of GDP by 2023. This should gradually return public debt to close to 50 percent of GDP by 2025 and ensure medium- term fiscal sustainability.<br><br>**Memorandum of Economic and Financial Policies (Attachment to the Letter of Intent)**<br>We will work with IMF staff to develop in 2020 proposals to reform our tax system and make the tax system more growth friendly, including by addressing tax gaps, broadening the tax base, and reducing opportunities for tax avoidance, |

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| | | | GDP), taking into account the large fall in revenues due to the decline in activity, as well as the additional spending needs to respond to the crisis.<br><br>On the revenue side, the fiscal package provides support to households and small entrepreneurs by raising the thresholds for businesses to qualify for the simplified tax regime, a temporary exemption from tax fines and penalties for delays in filing tax returns, land and property taxes, and the unified social tax; as well as through a temporary moratorium on tax audits and inspections.<br><br>Medicines and medical devices used to prevent or combat COVID-19 infections have been exempted from import duties and VAT.<br><br>On the expenditure side, expenditures on health care, pensions, and social protection were increased by about 3 percent of GDP, partially offset by a reduction | the rules for discontinuing the operations of the fund, including the use of any remaining resources and responsibility for commitments active at the time of the fund's closure.<br><br>An ex-post procurement audit of the COVID-19 program will be conducted by the State Audit Service of Ukraine, in consultation with external/third party auditors, of all transactions conducted under the rules of CMU resolution 302 at the time of closing the fund but no later than 12 months after its establishment (a ***structural benchmark*** for end- March 2021).<br><br>We will also prepare a detailed progress report regarding disbursements and commitments of the fund by program and economic classification within 30 days of the Fund's closure. These | with a view to shift taxation from direct taxes to indirect taxes and the taxation of wealth. We will not enact any legislation during the program period that changes our tax system such that it will undermine fiscal sustainability. Moreover, during the program period we will refrain from introducing new tax exemptions or privileges (except for the already approved exemptions that are implemented for COVID-related healthcare expenditures), including tax- free zones, and preferential rates and duties, and further earmarking of revenues (except for the expenditure of the fund for COVID-related spending). |

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| | | | in capital and non-priority current expenditures.<br><br>A temporary cap was introduced on all public-sector wages and salaries, including those in other state bodies and state-owned entities. This cap is to be lifted by end-June, as containment measures are gradually eased. Should further burden-sharing be needed, we will explore other mechanisms for efficient redistribution**.** The increases in pensions will take the form of: (i) an advanced date of indexation of pensions, and (ii) one-off additional pension payments to low-income pensioners and elderly pensioners (80 years or older). To administer these expenditures the government has created a temporary budget program, the fund for COVID-related spending…<br><br>The approved supplementary budget envisions the establishment of the budget program "Fund to Fight Against COVID-19 and its Impact" … The fund will be used | reports will be made public, in full, at the time of their completion.<br><br>Furthermore, we will publish all procurement notices in a manner readily accessible to the general public and will make all purchase orders, including information on beneficial owners of the participating bidding companies, electronically accessible to the public on the ProZorro internet site (*https://prozorro.gov.ua*). The fund will operate only until the emergency situation so requires, but not beyond 31 December 2020. | |

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| | | | primarily for the purpose of financing additional health care and social expenditures directly related the COVID-19 epidemic. | | |