INTERNATIONAL MONETARY FUND

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ISLAMIC REPUBLIC OF MAURITANIA

July 2025

FOURTH REVIEWS UNDER THE ARRANGEMENTS UNDER THE EXTENDED CREDIT FACILITY, AND THE EXTENDED FUND FACILITY, THIRD REVIEW UNDER THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY, AND REQUEST FOR REPHASING OF ACCESS—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE ISLAMIC REPUBLIC OF MAURITANIA

In the context of the Fourth Reviews Under the Arrangements Under the Extended Credit Facility, and the Extended Fund Facility, Third Review Under the Arrangement Under the Resilience and Sustainability Facility, and Request for Rephasing of Access, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on lapse-of time basis, following discussions that ended on May 9, 2025, with the officials of the Islamic Republic of Mauritania on economic developments and policies underpinning the IMF arrangement under the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on June 16, 2025.
- A **Statement by the Executive Director** for the Islamic Republic of Mauritania.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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PRESS RELEASE

PR25/240

Islamic Republic of Mauritania: IMF Executive Board Completes Fourth Reviews of the Extended Arrangement under the Extended Credit Facility and the Extended Fund Facility Arrangement and Third Review of the Resilience and Sustainability Facility Arrangement

FOR IMMEDIATE RELEASE

- The Executive Board of the International Monetary Fund (IMF) concluded the Fourth Reviews of Mauritania's Extended Credit Facility and the Extended Fund Facility arrangements, and the Third Review under the Resilience and Sustainability Facility Arrangement. The decisions allow for an immediate disbursement of SDR 36.16 million (about US$ 49.8 million).
- Rule-based fiscal consolidation, supported by robust tax collection, and flexibilization of the exchange rate —alongside ongoing reforms to monetary operations and banking supervision—have strengthened the Mauritanian economy resilience, amid heightened global uncertainties and regional security risks.
- A strong reform agenda, including the recent adoption by the parliament of key anti-corruption laws, should bolster governance and help promote private sector investments.

Washington, DC – July 3, 2025: The IMF Executive Board completed today the Fourth Reviews under the 42-month blended Extended Credit Facility arrangement (ECF) and the Extended Fund Facility arrangement (EFF), and the Third Review under the Resilience and Sustainability Facility arrangement (RSF). The ECF/EFF were approved by the IMF Executive Board in January 2023 (see PR 23/15) and the RSF was approved in December 2023 (see PR23/465). The completion of the reviews allows for the immediate disbursement of SDR 36.16 million (about US$ 49.8 million) of which SDR 6.44 million (about US$ 8.9 million) under the ECF/EFF and SDR 29.72 million (about US$ 40.9 million) under the RSF, bringing the cumulative disbursements to SDR 125.9 million (about US$ 166.5 million).

The Mauritanian economy has proven resilient, notwithstanding heightened global uncertainty and increasing regional security risks, with economic activity estimated to have decelerated slightly to 5.2 percent in 2024. Following a further deceleration to 4.0 percent in 2025, growth is expected to remain favorable in the medium term, supported by the government infrastructure drive and by private investment. Inflation is expected to remain contained within the Central Bank's target. The reforms in the areas of governance, monetary and financial sector, investment policies, and vocational training are expected to support efforts to diversify the economy away from the extractive industries.

Program performance has been strong, with all end-December 2024 quantitative targets met, and most of the structural benchmarks under the ECF/EFF implemented. Reforms under the RSF are also progressing.

At the conclusion of the Executive Board's discussion, Mr. Okamura, Deputy Managing Director and Chair stated:

"Program performance under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements has been strong. Supported by the authorities' prudent and well-calibrated policies, Mauritania's economy continued to grow in 2024, albeit at a slower pace than in 2023, while inflation decreased. The fiscal performance, including the implementation of a fiscal anchor, is supporting the authorities' medium-term goal of stabilizing debt. The current account widened in 2024, but international reserves remained at comfortable levels."

"The authorities' prudent fiscal stance, underpinned by the fiscal anchor, helps insulate public spending from commodity price volatility and contributes to stabilizing debt. Continuing with this prudent fiscal policy, and complementing it with reforms in tax policy and administration, would create fiscal space for social spending and public investment while safeguarding the credibility of the medium-term budget framework."

"With inflation easing, the Central Bank of Mauritania has begun lowering interest rates. Effective liquidity management, supported by continued development of monetary policy instruments, helps anchor inflation expectations while fostering the development of domestic debt markets. Continued reforms to deepen the foreign exchange market would enhance exchange rate flexibility and resilience to external shocks. Strengthening the banking sector's resilience requires close monitoring of financial sector trends and consistent enforcement of prudential regulations."

"Decisive implementation of structural reforms is essential to support higher, more inclusive and diversified, private-sector-led growth. Priorities include operationalizing recent governance reforms, strengthening accountability and transparency, developing human capital, promoting financial inclusion, and enhancing the business climate."

"Effective implementation of the ECF and EFF arrangements, along with intensified reform efforts under the Resilience and Sustainability Facility, will help Mauritania address its medium- and long-term challenges and secure additional financing. These programs aim to maintain adequate international reserves, strengthen macroeconomic policy frameworks, and promote sustainable growth, thereby supporting the country's climate agenda, human capital development, and poverty reduction."

Mauritania: Selected Economic Indicators, 2020–25

	2020	2021	2022	2023	2024 3rd Review	2024 Est.	2025 Projections
National accounts and prices	(Annual change in percent)						
Real GDP	-0.4	0.7	6.8	6.5	4.6	5.2	4.0
Real extractive GDP	7.1	-19.2	18.3	9.4	-0.5	3.2	-1.0
Real non-extractive GDP	-1.7	6.0	3.8	5.9	5.7	5.6	5.1
Consumer prices (end of period)	1.8	5.7	11.0	1.6	3.0	1.5	3.5
Central government operations	(in percent of nonextractive GDP, unless otherwise indicated)						
Revenues and grants	20.8	22.7	25.0	22.5	24.1	22.5	25.6
Nonextractive	16.6	16.2	18.2	17.0	18.9	18.1	19.9
Taxes	10.9	11.7	13.4	12.6	14.3	14.1	15.5
Extractive	2.1	4.2	5.1	3.7	3.4	3.2	3.8
Expenditure and net lending	18.5	20.8	28.7	25.0	25.4	23.9	26.1
Of which: Current	12.0	13.0	17.2	16.4	15.5	15.1	14.4
Capital	6.6	7.8	11.5	8.7	9.8	8.8	11.7
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-2.1	-1.6	-1.5
Overall balance (in percent of GDP)	2.2	1.9	-3.7	-2.5	-1.2	-1.4	-0.5
Public sector debt (in percent of GDP)	56.5	52.4	48.5	46.4	44.3	42.1	41.2
External sector							
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2
Excl. externally financed extractive capital goods imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2
Gross official reserves (in millions of US$, eop)	1,542	2,347	1,877	2,032	2,039	1,921	1846
In months of prospective non-extractive imports	6.7	8.2	6.2	6.4	6.5	6.4	5.9
External public debt (in millions of US$)	4,113	4,204	3,970	3,959	3921	3,980	4050
In percent of GDP	49.1	45.8	42.3	40.0	36.3	36.3	34.5

INTERNATIONAL MONETARY FUND

ISLAMIC REPUBLIC OF MAURITANIA

June 16, 2025

FOURTH REVIEWS UNDER THE ARRANGEMENTS UNDER THE EXTENDED CREDIT FACILITY, AND THE EXTENDED FUND FACILITY, THIRD REVIEW UNDER THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY, AND REQUEST FOR REPHASING OF ACCESS

EXECUTIVE SUMMARY

Context. Economic growth slowed to 5.2 percent in 2024 (compared to 6.5 percent in 2023), reflecting a sluggish extractive sector and inflation remains contained. Growth is projected to slow further to 4.0 percent in 2025 due to the projected contraction in the extractive sector. After widening in 2024, the current account is projected to narrow in 2025. Risks are balanced: upside risks include new mining and gas projects and a further increase in exported commodity prices. Downside risks include an escalation of geopolitical tensions in the region, disruptions in extractives, weather shocks and cuts in official development assistance. Moreover, challenges related to infrastructure, governance, vulnerability to economic shocks, and limited economic diversification constrain Mauritania's economic development.

Implementation of the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements is on track, with all end-December 2025 targets and end-March 2025 indicative targets for quantitative performance criteria (QPCs) met, and all but three structural benchmarks (SB) through end-April 2025 met. Staff supports the authorities' request to modify three SBs related to fiscal reforms, investment code, and governance in line with IMF technical assistance (TA) recommendations [1] and introduce a new SB related to the fiscal rule.

Program implementation under the Resilience and Sustainability Facility (RSF) is progressing gradually. Two reform measures (RM) of the Resilience and Sustainability Facility arrangement (RSF) were completed: One of the three RMs due for this review, and one RM due for the next review were completed. However, two other RMs due for this review were delayed.

[1] All SBs will continue to be subject to the same review.

Approved By
Taline Koranchelian and Jacques Alain Miniane

Discussions took place during April 28 – May 9, 2025, in Nouakchott. The team comprised Felix Fischer (head), Onur Ozlu, Rana Fayez, Madina Badurova (all MCD), Fayçal Sawadogo, Dallal Bendjellal (all FAD), Yulia Ustyugova (SPR), Lamya Kejji (STA), Ron Snipeliski Nischli (LEG, remotely) and Younes Zouhar (Resident Representative), assisted by Ibrahim Ball and Moctar Bellamech (local economists).
Ms. Fatimetou Yahya (OED) joined part of the discussions. Karman Singh provided research assistance, Sofia Cerna, and Ibrahima Kane provided administrative support. The team met with President Mohamed Ould Ghazouani, President of the National Assembly Mohamed Ould Megett, Prime Minister Ould Diay, the Governor of the Central Bank Mohamed Lemine Dhehby, the Minister of Economy and Finance Sid'Ahmed Bouh, Minister of Justice Mohamed Boya, Minister of Energy and Oil Mohamed Ould Khaled, Minister of Mining and Industry Thiam Tidjani, Minister of Hydraulics and Sanitation Amal Mint Mouloud, and Minister Delegate in charge of the Budget Codioro Moussa N'guénore. The team also met with the Parliamentary Commission of Finance and held meetings with other senior government officials, the civil society, the banking association and other representatives of the private sector, and diplomatic community.

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CONTEXT

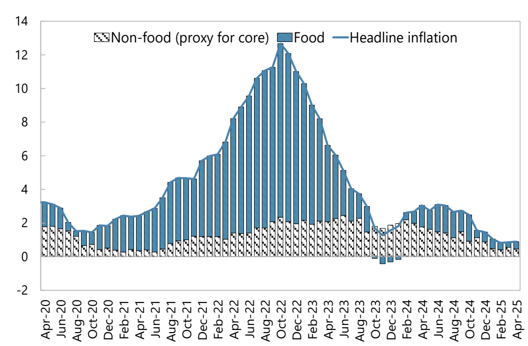
1. Mauritania's economic performance at the Fourth Review under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements remains strong. Real GDP growth in 2024 is estimated to have slowed down slightly and inflation declined. While the current account (CA) deficit widened, international reserves remained adequate. However, infrastructure and governance gaps, and limited economic diversification continue to hinder economic and social development. Moreover, Mauritania faces increasingly frequent and severe climate-related natural disasters, which affect economic stability and growth. [2, 3]

2. The political situation remains stable but security issues in the Sahel have led to a surge in refugees. The regime has called for a national dialogue including with the opposition and nominated a consensual figure to coordinate and initiate consultations on the agenda and modalities of the dialogue. The deterioration of the security situation across the Sahel has led to a continued surge of refugees into Mauritania. In line with its open-door policy toward refugees, the Mauritanian government affirmed last January equal access to schooling for refugee pupils/students. The drop in the humanitarian aid across the Sahel, due to the ODA cuts, could spark a new wave of refugees to Mauritania, further straining the cohabitation with host communities and putting pressure on natural resources and the scarce public services. On-budget military and security spending are projected to reach around MRU 8.4 billion in 2025 (4.0 percent of GDP), [4] in addition to military support from partners. [5]

RECENT ECONOMIC DEVELOPMENTS

3. Growth is estimated to have decelerated in 2024, while inflation declined. The deceleration (5.2 percent vs. 6.5 percent in 2023) was driven by a slowdown in the extractive sector (3.2 percent vs. 9.4 percent in 2023). Performance in the non-extractive sector is estimated to have decelerated slighted but still robust (5.6 percent vs. 5.9 percent in 2023), supported by agriculture (Box 1), fisheries and construction. While the financial sector continued to grow, the initial boost to growth from

Text Figure 1. Contribution to Inflation
(In percent)



Sources: Mauritanian authorities; and IMF staff calculations.

[2] The large adaptation (and mitigation) needs are discussed in the Staff Report of the first reviews under the ECF/EFF and request for an RSF, approved by the Executive Board on December 19, 2023.

[3] On December 18, 2024, the third ECF/EFF and second RSF reviews were approved by the IMF Executive Board.

[4] This represented over 15 percent of the budget over the last two years, with an increase by 4 and 9 percent in 2024 and 2025, respectively.

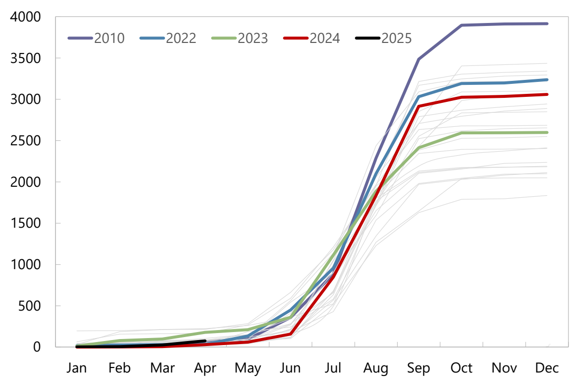
[5] For instance, under the European Peace Facility, the EU granted MRT EUR 12 million in military equipment in 2022, EUR 15 million in 2024, and EUR 20 million in 2025 (https://cridem.org/C_Info.php?article=782155).

the introduction of mobile banking in 2022 and its ramp up in 2023 has subsided. Inflation decreased to 0.9 percent (y-o-y) at end-April 2025, as food and beverages inflation decelerated.

Box 1. Mauritania's Agriculture Sector: Overcoming Challenges for Resilient Growth

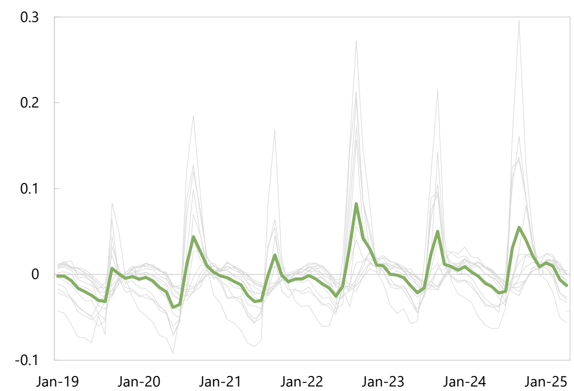
The agriculture sector performed strongly in 2024, underpinned by favorable agro-climatic conditions and robust policy initiatives. The 2024 rainy season exhibited a marked improvement in agro-climatic conditions relative to 2023. Some regions across the country recorded exceptionally high rainfall (Box 1. Figure 1), with precipitation levels exceeding the seasonal average. This surplus rainfall can be partially attributed to cloud seeding operations conducted in these areas. The favorable rainfall patterns have fostered strong biomass production across agro-pastoral zones thereby enhancing rangeland and agricultural conditions. Vegetation indices indicate that vegetation conditions are above average in several regions of the country (Box 1. Figure 2 and Box 1. Figure 3).

Box 1. Figure 1. Cumulative Monthly Precipitation in mm



Source: NASA's Global Precipitation Measurement and IMF Staff calculations.

Box 1. Figure 2. Normalized Difference Vegetation Index (NDVI) Anomaly [1]



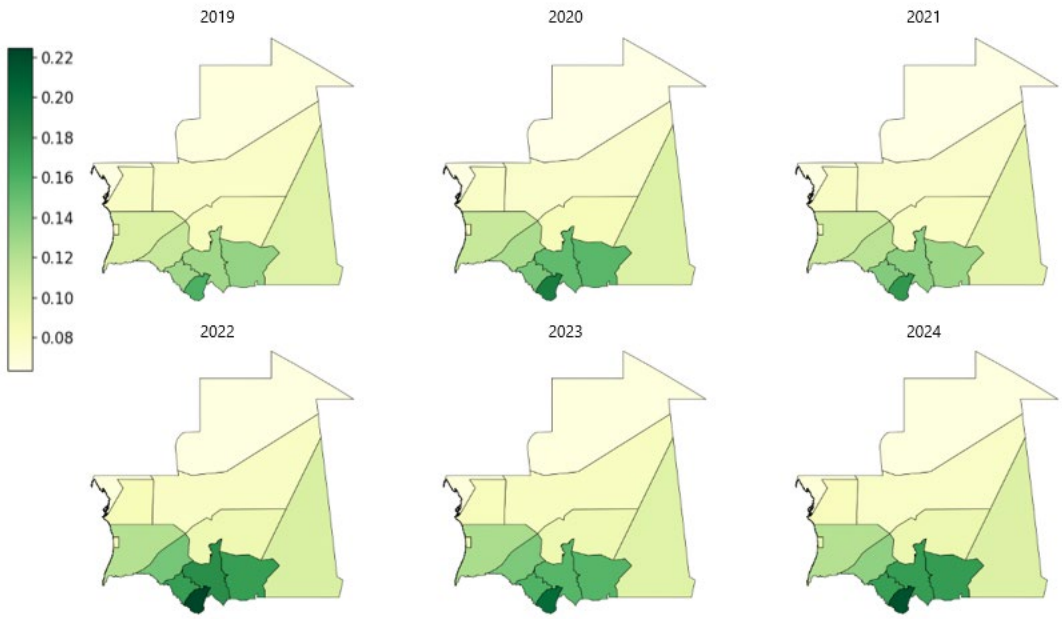
Source: Copernicus Sentinel-2 and IMF Staff estimates

Between 2019 and 2023, sizable investments significantly improved agricultural productivity. In particular, a total of 105 dams were rehabilitated, with construction ongoing on an additional 28 dams, reflecting the government's ongoing efforts to enhance water management infrastructure. These efforts have yielded results, as cultivated lands have increased. For example, in 2024, rice cultivation reached a record high, covering 88,832 hectares during the rainy season and the hot off-season—an increase of 4,000 hectares compared to 2023. Rice farming accounts for approximately 85 percent of the country's irrigated land and makes a significant contribution to national cereal production. Efforts are ongoing to further expand the area of irrigated lands and enhance agricultural productivity.

[1] The graph illustrates the NDVI anomaly in Mauritania. The NDVI anomaly represents the deviation of the normalized difference vegetation index (NDVI) from its (2019-present) average, indicating periods of unusually high (positive values) or low (negative values) vegetation health and density compared to typical conditions.

Box 1. Mauritania's Agriculture Sector: Overcoming Challenges for Resilient Growth (continued)

Box 1. Figure 3. Normalized Difference Vegetation Index (NDVI), 2019-2024 [2]



Sources: Copernicus Sentinel-2 and IMF Staff estimates

To bolster the resilience of the agricultural sector and boost growth, the government is implementing a series of strategic measures. Key initiatives encompass the deployment of mechanization tools and equipment designed to enhance productivity levels. and the establishment of new hydraulic infrastructure, facilitating improved water management and irrigation practices. Furthermore, efforts to enhance connectivity and electrification in agricultural zones through the development of rural roads and crossing structures have mitigated geographic isolation, thereby enhancing market access and reinforcing the overall resilience and productivity of the sector.

The authorities are also working towards diversifying crops to enhance food sovereignty. In particular, a pilot program has been initiated to develop vegetable farming perimeters around dams, which will be irrigated using a solar-powered supply system. This program aims to promote a return to local lands and enhance producers' incomes by focusing on the profitability of vegetable crops. A census of the non-cereal crops will be conducted this year for the first time.

Despite notable progress in agricultural production, food security remains at risk, as evidenced by the continued increase in cereal imports (Box 1. Figure 4). This vulnerability is driven by several factors, including pastoral fragility in northern regions, localized flooding, and mounting pressure on natural resources due to the ongoing influx of refugees. Although part of the higher-than-expected cereal consumption is partly due to the consumption of unregistered population or informal re-exports to sub-Saharan Africa, the reliance on cereal imports underscores structural weaknesses in domestic food systems and the continued need for targeted resilience measures.

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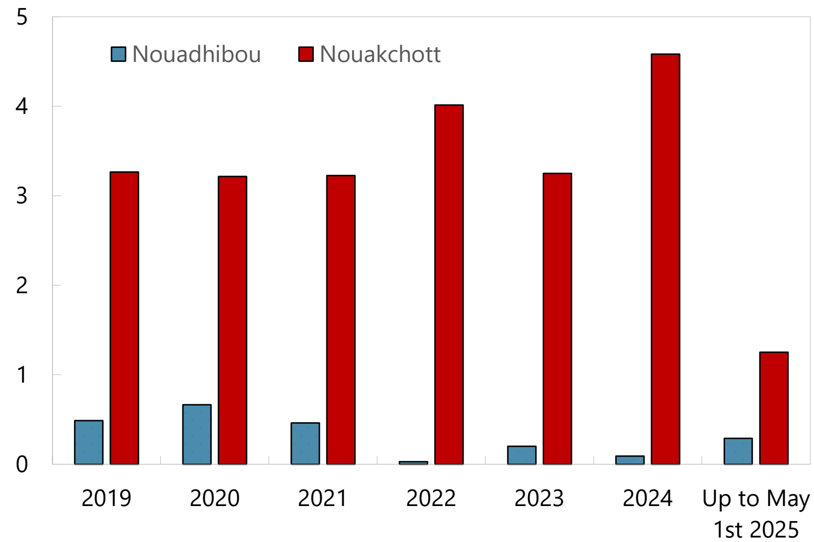
[2] The graph illustrates the mean normalized difference vegetation index (NDVI) in Mauritania Administrative boundaries depicted in the analysis are sourced from GADM and may not reflect the most recent sub-national boundary delineations. NDVI is a commonly employed metric that assesses vegetation health and density through sensor data, it exhibits a strong correlation with the actual condition of vegetation on the terrain.

Box 1. Mauritania's Agriculture Sector: Overcoming Challenges for Resilient Growth (concluded)

Box 1. Figure 4. Dry Bulk Import Volumes by Port

(In Metric Tons)[3]



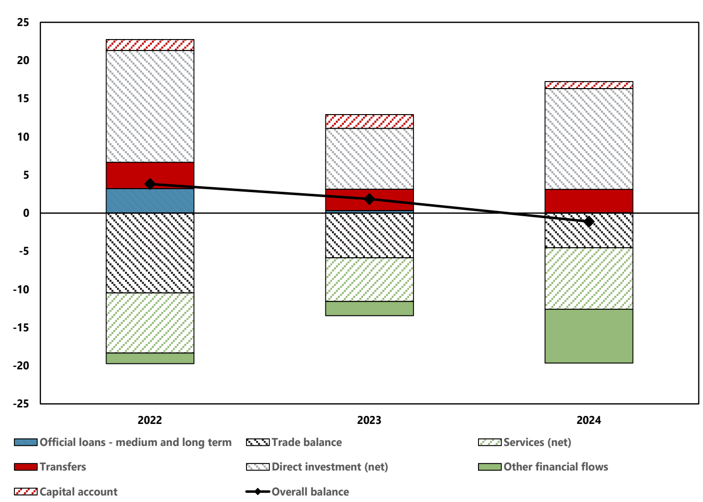
Sources: IMF PortWatch, UN Global Platform, and IMF Staff calculations.

[3] Dry bulk vessels are commonly used for transporting cereals and other bulk commodities. Their widespread use in agricultural trade makes them a valuable proxy for analyzing cereal trade flows.

4. **The current account deficit widened to 9.5 percent of GDP, and the overall balance of payments turned negative.** While the trade deficit narrowed amid increased gold prices, the service and income deficit widened, driven by higher service imports to support the launch of GTA production and by larger profit outflows of foreign-owned commodity exporting companies. The significant GTA-related increase in foreign direct investment from 8 percent of GDP in 2023 to 13.2 percent of GDP in 2024 did not offset higher other financial outflows (at about 7 percent of GDP in 2024, up from 1.8 percent of GDP in 2023, see Text Figure 2). These outflows were mostly related to the build-up of the deposits abroad by the largest commodity exporters that benefitted from higher profitability and boosted their external liquidity buffers, including to finance future investments. Thus, the capital and financial account balance declined from 8.2 percent of GDP in 2023 to 7.1 percent in 2024. In sum, the overall BOP registered

Text Figure 2. Balance of Payments

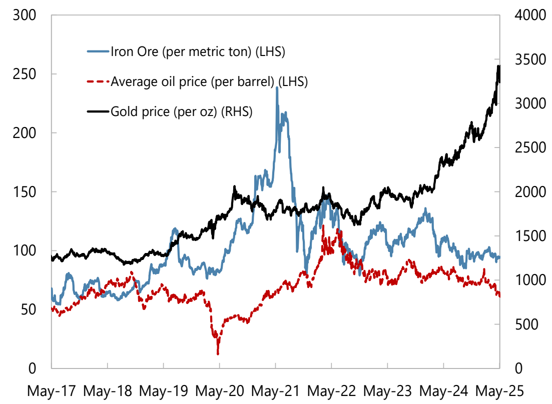
(In percent of GDP)



Sources: Mauritanian authorities; and IMF staff calculations.

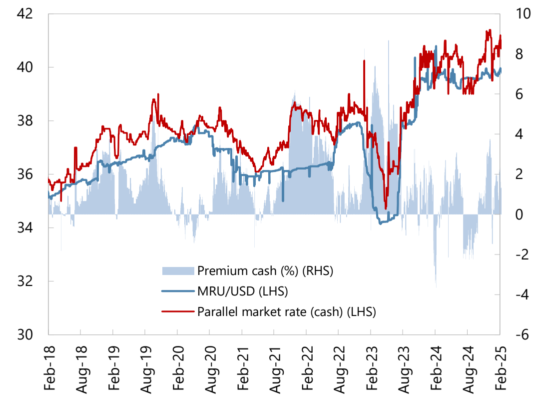
a deficit of 1.1 percent of GDP, and gross international reserves declined from USD 2.0 bn in 2023 to USD 1.9 bn (6.4 months of imports) while remaining above the adequacy level (5.3 months of imports, Annex III December 2024 Staff Report).

Text Figure 3. International Commodity Prices, 2017–25
(In U.S. dollars)



Sources: Bloomberg database; and IMF staff calculations.

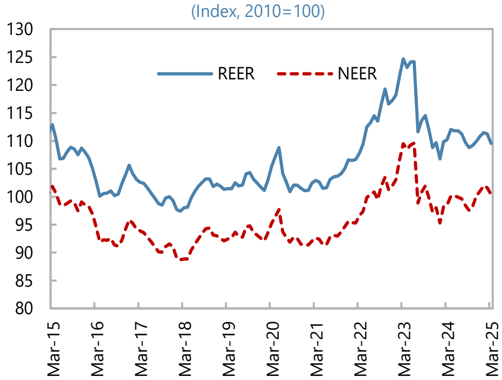
Text Figure 4. Ouguiya per US Dollar—Official and Parallel Market



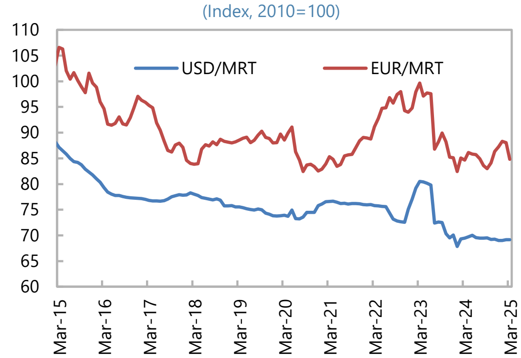
Sources: Mauritanian authorities; and IMF staff calculations.

Text Figure 5. Exchange Rates

Real and Nominal Effective Exchange Rate
(Index, 2010=100)



Exchange Rates
(Index, 2010=100)



Sources: Mauritanian authorities; and IMF staff calculations.

5. **Stronger revenue mobilization efforts led to a reduction in the overall fiscal deficit (1.4 percent of GDP in 2024 vs. 2.5 percent of GDP in 2023) and public sector debt (42.1 percent of GDP vs. 46.4 percent of GDP in 2023).** End-December 2024 revenues, including grants, stood at 22.5 percent of GDP (94.4 percent of the 2024 budget), the same level as in 2023. The tax-to-GDP ratio was 1.5 percentage points higher relative to 2023, with an execution rate around 98 percent of the 2024 budget, while non-tax revenues declined by 0.7 percentage points of GDP compared to 2023. The increase in tax revenue is mainly attributed to its non-extractive

component, [6] and supported by a series of measures and one-off events, including the regularization of subcontractor taxes, [7] recovery of VAT withholdings, [8] reallocation of the revenue stock of the earmarked account related to the statistical tax from the previous year, [9] and the introduction or full-year application of new taxes. [10] Expenditures reached 23.9 percent of GDP (or 95.4 percent of the 2024 budget), a decline of 1.0 percentage point compared to 2023.

6. **The execution of the 2025 budget is expected to be in line with projections.** Total revenues, including grants, reached MRU 19 billion in 2025Q1 (4.2 percent of GDP), or 1.7 percent higher relative to 2024Q1. Tax revenues were 1.1 percent lower than in the same period in 2024, and total expenditures increased by 10.3 percent to MRU 21.4 billion (4.7 percent of GDP). The lower tax revenue execution is attributable to the initial refusal of mining companies to pay taxes due to disagreements over the climate contribution in the context of their tax stability clauses. Nonetheless, in May 2025, national companies agreed to comply with the climate contribution and other tax commitments, which will be accounted for in the next months. [11]

7. **The Central Bank has transitioned its monetary policy from a quantitative liquidity management approach, which primarily targeted excess liquidity, to focus on the BCM's interest rate corridor in line with its inflation objective.** Following the recent introduction of various conventional and Islamic financial instruments for open market operations and reverse repurchase agreements, particularly the launch of the Shariah-compliant overnight facility at the end of December 2024, excess liquidity practically disappeared (averaging 0.03 billion MRU in the first quarter of 2025). [12] The BCM is now concentrating on enhancing the interest rate transmission

[6] The observed reduction in extractive revenue follows (i) the completion of the initial investments phase for the GTA project and (ii) reduced SNIM dividends by 0.5 percent of GDP, relative to 2023, which offsets additional revenue from gold mining, explaining the stable mining revenue (see Table 3b).

[7] This regularization relates to CIT and salary taxes from subcontractors on the GTA project (MRU 1.27 billion) following auditing and control operations. In line with the TMU, revenues from subcontractors are defined as non-extractive revenues.

[8] This VAT recovery stems from withholdings on payments for services to foreign providers not performed by a new company (MRU 0.3 billion).

[9] Revenues from special earmarked accounts are only recorded in the budget once the corresponding expenditures have been committed or executed. As a result, the special earmarked account for the statistical tax revenues had a balance of MRU 1.1 billion at the beginning of 2024, carried over from previous years. Considering growing investment needs, authorities have decided in an Arrêté that all outstanding revenues from the statistical tax will henceforth be directly allocated to the budget, resulting in the transfer of the 2024 opening balance from this special account to tax revenues.

[10] Measures implemented in 2024 include the abolition of derogatory customs measures against COVID, estimated at around MRU 1 billion, the introduction of the tax on unbuilt land (Arrêté N° 252/2024), the full-year application of the special tax on telecommunications services at a rate of 5 percent and the increase in the VAT rate on telecommunications services from 16 to 18 percent (only 3 months for 2023), as well as the reform of the vehicle tax in the revised budget for 2024. In addition, the initiation of the collection of recoverable tax arrears and the reinforcement of tax and customs revenue mobilization efforts have also contributed to an improvement in tax revenues.

[11] This contribution is estimated at MRU 0.20 billion, i.e., 15 percent of the total estimated amount.

[12] Current excess liquidity is well below the averages of 5.0, 3.8 and 1.8 billion MRU in 2022, 2023 and 2024, respectively. Two banks systematically breach the minimum liquidity requirements. When these two banks are included, average excess liquidity for 2025Q1 becomes -301.03 million MRU at end-March 2025. Staff urged the Central Bank to enforce liquidity rules (see financial sector).

mechanism to ensure effective monetary policy. This is being achieved through the implementation of an interest rate corridor that adjusts in accordance with inflation, and eventually inflation expectations, and through the deepening of interbank liquidity market.

8. The foreign exchange (FX) market reforms continue to advance since the launch of the FX trading platform on December 14, 2023. [13] The share of FX traded among banks through the interbank market continues to increase, helped by the Central Bank of Mauritania (BCM)'s reduction in the number of market maker banks from 11 to 4 at end-October 2024. Since the introduction of the FX platform in December 2023, the ER has fluctuated by +/-2 percent within the +/- 5 percent band set by the BCM, and the ER depreciated by 0. 78 percent as of May 23, 2025. Since the last review, following IMFTA advice, the BCM has been intervening with predictable intervals and smaller volumes through auctions in the FX market.

OUTLOOK AND RISKS

9. The outlook remains broadly positive assuming further reforms will be implemented to diversify the economy and lift non-extractive economic growth (Figure 1).

- **Near-term economic outlook (Text Table 1).** Gold mining companies slightly revised their 2025-27 production projections upward, but a decline is still expected in 2025. GTA production was revised down as the project faced technical difficulties in its commissioning phase. As a result, economic growth is projected to slow to 4.0 percent in 2025. Non-extractive sector growth is expected to be solid but decelerate further to 5.1 percent, reflecting a slowdown in the financial sector following an initial strong growth when mobile banking was introduced), and a normalization in the agriculture and fisheries sectors. [14] The 2025 CA deficit is projected to narrow significantly to about 6.2 percent of GDP reflecting lower deficit in the trade and service accounts amid more favorable terms of trade and lower service imports as the GTA construction is largely completed. The direct impact of the US tariff hikes is likely to be marginal (Box 2). The capital and financial account balance would decrease as the GTA-related foreign direct investment subside and foreign-owned commodity-exporting companies continue to increase their deposits abroad. [15] The overall BOP deficit is projected at 1 percent of GDP. As a result, the international reserves are projected to continue to decrease in 2025. The 2025 non-extractive primary deficit (NEPD) is projected to decline from 3.6 percent of GDP in 2024 to 3.4 percent of GDP.

- **Medium-term economic outlook.** Growth is expected to strengthen and peak at 5.6 percent in 2028 as gold and iron ore production accelerates. Nonetheless, growth in the non-extractive

[13] The BCM has been intervening occasionally to minimize ER volatility within the band while keeping on track—using an intervention budget that determines the maximum allowable FX intervention compatible with the NIR target under the program.

[14] In 2024 growth the fishing sector was particularly high as it followed longer than usual rehabilitation periods in 2023 when fishing production was below average.

[15] The projections for the deposits abroad by the largest commodity exporters reflect the discussions with the commodity exporters and the authorities' calculations that take into account export revenue of these companies, their imports, salaries, profit and other payments abroad, as well as profit repatriation plans.

sector is expected to decelerate and hover around its historic trend of 4.4 percent. Key sectors such as agriculture and fisheries are vulnerable to climate shocks and continued reform efforts and investments are needed to strengthen their resilience against shocks and boost growth. The acceleration in gold and iron ore production, along with gas exports from the GTA project, would support a CA deficit hovering between 6 and 8 percent of GDP, well below the average levels of the last decade, [16] and contribute to maintain foreign exchange reserves at adequate levels. The CA deficit path, however, is projected to remain uneven because of its sensitivity to the extraction-investment cycle of the commodity-exporting companies in the mining sector. The NEPD is expected to be maintained at its target level of 3.5 percent of GDP, resulting in public sector debt and net assets stabilized at around 42 and 38 percent of GDP, respectively.

Text Table 1. Mauritania: Selected Economic Indicators, 2020-25

	2020	2021	2022	2023	2024		2025
					3rd Review	Est.	Projections
National accounts and prices	(Annual change in percent)						
Real GDP	-0.4	0.7	6.8	6.5	4.6	5.2	4.0
Real extractive GDP	7.1	-19.2	18.3	9.4	-0.5	3.2	-1.0
Real non-extractive GDP	-1.7	6.0	3.8	5.9	5.7	5.6	5.1
Consumer prices (end of period)	1.8	5.7	11.0	1.6	3.0	1.5	3.5
Central government operations	(in percent of nonextractive GDP, unless otherwise indicated)						
Revenues and grants	20.8	22.7	25.0	22.5	24.1	22.5	25.6
Nonextractive	16.6	16.2	18.2	17.0	18.9	18.1	19.9
Taxes	10.9	11.7	13.4	12.6	14.3	14.1	15.5
Extractive	2.1	4.2	5.1	3.7	3.4	3.2	3.8
Expenditure and net lending	18.5	20.8	28.7	25.0	25.4	23.9	26.1
Of which: Current	12.0	13.0	17.2	16.4	15.5	15.1	14.4
Capital	6.6	7.8	11.5	8.7	9.8	8.8	11.7
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-2.1	-1.6	-1.5
Overall balance (in percent of GDP)	2.2	1.9	-3.7	-2.5	-1.2	-1.4	-0.5
Public sector debt (in percent of GDP)	56.5	52.4	48.5	46.4	44.3	42.1	41.2
External sector							
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2
Excl. externally financed extractive capital goods imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2
Gross official reserves (in millions of US$, eop)	1,542	2,347	1,877	2,032	2,039	1,921	1846
In months of prospective non-extractive imports	6.7	8.2	6.2	6.4	6.5	6.4	5.9
External public debt (in millions of US$)	4,113	4,204	3,970	3,959	3921	3,980	4050
In percent of GDP	49.1	45.8	42.3	40.0	36.3	36.3	34.5

Sources: Mauritanian authorities; and IMF staff estimates and projections.

10. Risks to the outlook are broadly balanced.

- Upside risks include the development of new mining and gas projects and a further price increase of Mauritania’s export commodities.
- Mauritania could be affected by new terms-of-trade shocks, both positive (gold exports) and negative (food and fuel imports), including due to an escalation of geopolitical tensions.
- On the downside, a deterioration of the security situation in the Sahel together with falling

[16] The current account deficit was 12.0 percent of GDP in 2015-19, and 9.7 percent of GDP in 2020-24. For 2025-30 the CA deficit is projected on average at 6.7 percent of GDP.

official development assistance (ODA) could exacerbate spending pressures and refugee inflows, thus presenting downside risks to the outlook (Box 2).

- Negative risks also include disruptions in the operations of the GTA project and other mining projects and more frequent climate disasters damaging infrastructure and agriculture production, which could deteriorate food insecurity, external position, and medium-term debt.

Box 2. Scenario Analysis, Impact of US Tariff Hikes and ODA Cuts, and Contingency Planning

This box discusses the potential direct and indirect impact of an escalation of trade tensions on the Mauritanian economy, as well as the impact of higher tariffs and lower official development assistance.

The negative impact on Mauritania's economy under the downside scenario could be mitigated by a positive effect on the external accounts due to improvements in terms of trade. The analyzed downside scenario is based on Scenario A of Box 1.1. of the April 2025 WEO, that incorporates several layers including global divergences, a ratcheting up of tariffs, an increase in global uncertainty and tighter financial conditions. The resulting decrease in global economic activity relative to the reference forecast would weigh on Mauritania's economic activity through lower external demand, particularly on iron ore that is mostly exported to China. However, higher gold prices propelled by global uncertainty and the subdued oil price would provide offsetting effects on the external accounts. For example, if gold prices remain at the current levels through 2025 (at about USD 3,180 per ounce versus about USD 3,000 in the baseline) and increase further to about USD 3,400 in 2026 (in line with the current futures prices for 2026 and more than USD 200 above the baseline prices), while oil prices remain subdued as in the April WEO assumptions, the current account deficit in 2025-26 would narrow to 5.5 and 7.0 percent of GDP, respectively, down from 6.2 and 8.0 percent of GDP under the baseline. Moreover, the gold mining sector could respond to price developments by expanding production, thus supporting economic activity.

The direct impact of the US tariff hikes is likely to be marginal. The tariff rate on Mauritania's exports increased to 10.6 percent, which remains below the US aggregate tariff rate of 14.3 percent (as of May 12, 2025). Mauritania's exports to the US are minimal, and, therefore, the implemented tariff hikes have little impact on direct GDP (estimated at 0.1 percent) and on trade (estimated at 0.2 percent changes in aggregate exports).

The reduction in official development assistance poses risks to social outcomes and is likely to require the authorities to identify priority areas to step in. The UN agencies, including WFP and UNHCR that provide crucial humanitarian assistance for refugees and displaced persons, have been affected by ODA contraction.

- In 2023, for example, 65 percent of the total USAID aid to Mauritania (about USD 20 million or 0.17 percent of GDP) was provided off-budget through the UN. The rest was mostly provided through off-budget financing to NGOs. While the absence of the USAID support will not have an immediate impact on Mauritania's fiscal outcomes, it has squeezed the UN funding.
- For 2025, the available UN funding under the UN-Mauritania Cooperation Framework that focuses on inclusive and sustained growth, human capital and basic services, and governance is 35 percent lower than the realized expenditure in 2024. The funding gap is estimated at about USD 40 million (0.34 percent of GDP), with governance programs being underfunded the most. Without new donor support, the gap beyond 2025 could increase further, as the ongoing ODA reprioritization by major donor countries continues, and weigh on development and social outcomes.

Box 2. Scenario Analysis, Impact of US Tariff Hikes and ODA Cuts, and Contingency Planning (concluded)

United Nations-Mauritania Cooperation Framework, 2024-25

Priority Areas	2024 Expenditure, USD	2025 Funding requirements, USD	2025 Funding available, USD	Funding available to Funding requirements, 2025, %
Inclusive growth	44,446,749	28,498,639	18,403,746	65
Human capital	19,341,210	29,525,198	15,181,790	51
Governance	8,405,972	29,098,567	13,200,296	45
Total	72,193,931	87,122,404	46,785,832	54

Source: United Nations Mauritania, Lancement Officiel de Rapport Annuel 2024 and Presentation du Plan de Travail Conjoint 2025.

- Moreover, the drop in the humanitarian aid across the Sahel could increase refugee inflow to Mauritania and raise further the funding needs of the Response and Resilience Plan – another UN-led flagship program in Mauritania, in collaboration with the authorities (contribution of USD 0.9 mln in 2024), humanitarian organizations and development partners that aims to contain humanitarian hardships of the Malian refugees in Mauritania. As of May 2025, the funding gap of this program stood at about 77 percent, up from a funding gap of USD 31 mln in 2024 or 38 percent of the funding needs.
- The UN has initiated the dialogue with the authorities to raise awareness of the potential detrimental social impact. Mapping the authorities' existing contributions across ongoing UN programs, on which no reconciled data is available, will help them evaluate options for addressing priority gaps, including by taking over some of the programs. While the current baseline under the program already incorporates lower aid inflows for 2025-30, the fiscal spending envelope has not been revised as the authorities' decision to step in is yet to be confirmed. Policy contingencies under the program may include redefining priority spending and accelerating domestic revenue mobilization efforts, as well as intensifying efforts to attract new donors.

PROGRAM DISCUSSIONS

11. Program performance under the ECF/EFF is on track. All end-December 2024 QPC and end-March 2025 ITs were met (MEFP, Table 1), and all but three structural benchmarks (SBs) for December and March were met (MEFP, Tables 3 and 4).

- **The quarterly cash transfers amount** has increased from MRU 2,900 to MRU 3,600 and Taazour published the related report in December 2024 (end-December 2024 SB, met).
- **The 2018 convention on the BCM claims on the government** was converted to a new agreement bringing it closer to market terms (end-December 2024 SB, met). [17] The signed new convention was submitted to Parliament for approval.
- **The stock of treasury bills has continued to increase**, with conventional treasury bills and bonds reaching 7.12 billion MRU and Islamic treasury bills reaching 1.6 billion MRU at end-

[17] The BCM and the MEF agreed to convert the old claims on the government to (i) transfer of shares of the international Bank Banque Maghrébine d'Investissement et de Commerce Extérieur (BMICE), (ii) transfer of real estate, (iii) cash from the issuance of 10-year treasury bonds, and (iv) a reimbursement plan of the remaining balance with a maturity of 13.75 years and an interest rate of 5.5 percent.

December 2024, exceeding the SB target of 3 billion MRU for conventional and 1.5 bn MRU for Islamic treasury bills (end-December 2024 SB, met).

- The authorities have been monitoring **the compliance of all banks with the minimum capital and core capital requirements** and are undertaking appropriate actions against non-complying banks (end-December 2024 SB, met).
- **The semi-annual reports on the implementation of the action plan in key governance areas** was published in end-December 2024 (end-December 2024 SB, met).

Three SBs were not met:

- A new **investment code** adopted in January 2025 by Parliament constitutes an overall improvement over the previous investment code, [18] even though the number of special regimes remained unchanged (end-December 2024 SB, not met). Following FAD's comments on a potential risk of abuse on the exemption of equipment used for renewable energy production or usage, the authorities agreed that the implementation decree [19] of the code will clarify that eligible equipment will be defined on a regular basis through a joint decree by the ministry of the environment and the Ministry of Economy and Finance (MOEF). [20]
- **A new declaration of assets and interests law** was submitted to parliament in January 2025, its content was not aligned, with in May, Parliament approved revisions that broadly brought it in line with the SB's requirements [21] (end-February 2025 SB, not met, implemented with delay).
- **IT add-on to interbank FX market to enforce firm quotes** by market makers (end-April 2025 SB, not met) is progressing albeit with some delay as work was needed at all 17 banks with various levels of responsiveness not always under full control of the authorities. Once the IT system has been updated in all the 17 banks, its application will take effect immediately. Considering the risk of disruptions in the flow of transactions in this nascent market, the authorities and the IT company wish to extensively test the new application before its introduction now envisaged by end-July 2025. [22]

[18] The new investment code abrogates the "points francs" offering its previous beneficiaries to opt for one of the regimes of the new code. The new code curtails the likely size of tax expenditures, offers more cost-effective incentives than the previous code, and creates a more even playing field, relative to the previous code. In addition, major changes include (i) the replacement of the full CIT holiday for firms in special economic zones with a reduced 15 percent CIT rate for development poles, which obliges beneficiary companies to make CIT declarations, and incentivizes the administration to verify their declarations, and the introduction of a tax credit for expenditures on local employees training, which is a more direct, transparent, and susceptible to calculation of the associated tax expenditures.

[19] A first draft of the implementation decree, clarifying the transitory arrangements with the 2012 investment code, was prepared by the authorities and is being revised to incorporate FAD's comments. Its final version is expected to be adopted by end-June 2025.

[20] The first list is thus expected to be adopted by end-June 2025 to ensure an effective implementation of the new investment code.

[21] See paragraph 28.

[22] The IT add-on to enforce firm quotes requires the launch of a new application connected to the core banking interface of all banks, thus including not only current market makers but also potential future ones, to instantly transact the quote by debiting/crediting the quoted amount from the account of the market maker bank, which also needs to be fully integrated with the existing interbank platform application.

12. Forward looking program discussions were in line with the ECF/EFF objectives of entrenching fiscal sustainability, increasing resilience to shocks, strengthening monetary policy, and fostering inclusive growth. The QPCs (MEFP Table 1) ensure that fiscal policy is insulated from volatile commodity prices, external debt is stabilized or reduced, and international reserves remain adequate given the risk of widening BoP needs. To support program implementation, a revised capacity development (CD) strategy has been prepared in consultation with the authorities and discussed with IMF CD departments (Annex I).

A. Fiscal Policy

13. Following recent developments in the government priorities and the end-March budget execution rate, the authorities prepared a revised budget law, keeping it in line with the program NEPD target. The revised budget for 2025 projects revenues at MRU 116.9 billion and expenditures at MRU 119.1 billion, i.e., MRU 6.5 and 2.2 billion higher than the initial budget, respectively. The increase in revenue is mainly supported by an increase in extractive revenue following higher gold prices and SNIM dividends. Non-extractive revenue was revised upward by 2.7 billion, mostly from the customs administration, which was not accounted for in the initial budget.[23] On expenditures, authorities have announced new priority investments of an amount of 5.6 billion MRU,[24] revised wages and compensation upwards by MRU 1.5 billion,[25] reduced spending in goods and services by 1 billion following its slow execution rate as of end-March (percent of the budget), and lower interest expenses, relative to the initial budget.[26] To keep the NEPD at MRU 15.4 billion, capital expenditures were reprioritized bringing down the increase in capital expenditures relative to the initial budget at MRU 2.9 billion.

14. Despite significant investment needs, the medium-term fiscal path is anchored by a stable NEPD target to preserve debt sustainability. Fiscal policy will continue to strike the right balance between debt sustainability and investment needs. The NEPD is projected to remain at its target level of 3.5 percent of GDP over 2026-2030, resulting in public sector debt and net assets stabilized at around 42 and 38 percent of GDP, respectively. This will be achieved by rationalizing current expenditures to around 13.7 percent of GDP—mainly supported by decreases in fuel

[23] Discussions on the contribution of foreign mining companies are ongoing, and the risk of a shortfall in tax revenues remains manageable for the rest of the year. Their contribution is estimated at MRU 0.5 billion (0.1 percent of GDP), or 38.5 percent of total expected revenues from the climate contribution (MRU 1.3 billion). The current revenue projections do not include potential additional revenue from ongoing customs reforms, including the introduction of electronic payment and the reform of the consumption tax.

[24] This is mainly driven by a local development investment program that includes the generalization of access to essential health and education services, as well as school canteens, with an estimated cost of MRU 22 billion over three years. The authorities are negotiating with donors to finance this project but have planned to disburse 20 percent of this amount (MRU 4 billion) in 2025 for advance payments to initiate the project. The remaining financing will be spread over the following years by consolidating multiple funding sources in addition to the budget.

[25] The upward revision in salaries is explained by new recruitments planned for 2025 (100 high school professors, 70 university and hospital professors, primary and secondary school teachers) and the increase in compensation for contractual teachers.

[26] The revision of interest charges downwards is explained by the decline in money market interest rates from 8 to 4 percent and the issuance of new Treasury bonds with longer maturities.

subsidies [27]—and boosting non-extractive tax revenues by approximately 0.5 percent of GDP annually. [28] Capital expenditures are projected to increase to around 13.7 percent of GDP to support investments in the education, health, water, and electricity sectors. [29]

15. For 2025, the program supports the following fiscal reforms: [30]

- **PFM and institutionalization of the fiscal anchor:** The institutionalization of the fiscal anchor was based on an FAD TA , as part of an overhaul of the extractive resource management framework built on three pillars: (i) a legally binding public debt ceiling with a medium-term debt target integrated in the medium term fiscal framework (MTFF); (ii) a fiscal rule based on the NEPD to ensure debt stabilization or reduction, macroeconomic stability, and development goals, and (iii) an extension of the Fonds National des Revenus des Hydrocarbures (FNRH) serving primarily as a budget stabilization tool, with strengthened transparency and governance requirements. To maintain this anchor beyond the Fund-supported program and continue shielding public expenditures from volatile commodity prices and stabilize medium-term debt, the authorities agreed to amend the Loi Organique de la Loi de Finance (LOLF) to introduce the principles of a fiscal rule on the non-extractive primary balance in line with IMF recommendations (proposed new SB for end-March 2026) [31]. The following reforms will also be implemented: adopt a fiscal rule on the NEPD in the fiscal strategy (Orientations de la Politique Budgétaire) of the medium-term budget framework; and improve macro fiscal functions, [32] particularly on macroeconomic forecasting and the medium-term fiscal framework (MTFF), based on IMF TA.

[27] The authorities are implementing a reform plan to improve SOMELEC's untapped efficiency and remain confident that the ongoing fuel price reform will not result in additional costs to SOMELEC. Additionally, the current level of international prices makes the implementation of the automatic fuel pricing mechanism (AFPM) under the RSF RM VI—enabling a substantial reduction in fuel subsidies—appear timely. Indeed, fuel subsidies declined from MRU 5.3 billion (1.4 percent of GDP) in 2023 to MRU 3.9 billion (0.9 percent of GDP) in 2024 and are projected to further decrease to below MRU 2.9 billion in 2025 (0.6 percent of GDP). As of end-March 2025, 25 percent of the budgeted amount had been disbursed—covering subsidies for 2024Q4 and 2025Q1, in line with the standard one-quarter lag in disbursements due to the reconciliation process required to determine the final subsidy amount—in the context of low international prices. The timely implementation of RM VI is expected to reduce the fiscal burden of fuel subsidies by aligning domestic prices with international prices fluctuation and the resulting budget savings can be partly used to protect vulnerable households through TAAZOUR's cash transfer compensation mechanism.

[28] Those include the complete digitalization of the tax and custom administrations, tax arrears collection, SOEs tax compliance improvement, the rationalization of tax exemptions—mainly from VAT—estimated at 2.7 percent of GDP as of end-2023, the development of property taxation, and additional revenue from the climate contribution gradual rate increases until 2030.

[29] The authorities have demonstrated strong commitment to implementing the recommendations of the PIMA and C-PIMA TAs and, with the recent amendment of the PIM framework in the context of the RSF, they have been preparing procedures and tools to strengthen projects preparation, enhance public investment efficiency, and ensure effective execution of capital expenditures.

[30] The reforms closely relate to recommendations from IMF CD.

[31] These fiscal rule principles include, inter alia, well-defined escape clauses, monitoring mechanisms, and the requirement to anchor the multi-year NEDP target to the medium-term budget framework.

[32] Initially, the government could improve basic macro-fiscal functions such as macro-fiscal forecasting, medium-term fiscal framework preparation and monitoring macroeconomic fiscal risks assessment. Other functions could be added over time, such as the assessment and monitoring of specific fiscal risks.

- **Expenditure policy**: prepare and publish a public expenditure review on current spending from 2022 to 2024 (SB timing modified to end-September 2025). [33]

- **Revenue administration:** adopt and sign a memorandum of understanding between the directions of tax (DGI), customs (DGD), and the free zone authority to define responsibilities (SB timing modified to end-September 2025); [34] reform the organizational structure of the DGI and DGD and adopt a new function-based organigram for both directions in line with FAD TA (end-December 2025 SB); implement e-signatures for customs officials and brokers; and set up and operationalize a task force within the MEF in charge of collecting tax arrears through a decree and adopt a strategy for collection tax arrears. [35]

- **Tax policy:** reform the consumption tax by replacing it with a conventional excise tax system, which applies to both imports and local production in the revised budget law (LFR) for 2025 (end-August 2025 SB); [36] reform the CGI to consolidate all tax measures and incentives, exclude all non-listed measures, and limit responsibility for introducing new tax measures to the MEF (end-December 2025 SB); prepare the reform of the VAT in the CGI; [37] assess the salary structure to determine the effective tax base and tax all earned income according to the law; and strengthen the capacities of the Tax Policy Unit (TPU). [38]

- **The authorities are developing their capacity to forecast the macroeconomic outlook and reduce debt-related risks**. With support from the IMF Institute for Capacity Development (ICD), cross-institutional committees are developing a consistent medium term macroframework, long-run public debt projections and an analysis of debt dynamics. These projects are helping to strengthen the National Committee on Public Debt (MoF, MEDD, and BCM).

[33] FAD provided a workshop on expenditure review in February 2025. The mission also supported the authorities in setting up a roadmap for next steps, including discussions on the themes to be covered, the formation of working groups, the preparation of thematic notes, and the production of the report. Given the importance of building capacity to run such reviews and in line with suggested timeline from FAD CD, the due date has been extended to end-September 2025.

[34] An FAD TA was delivered in May 2025 to support the authorities in the preparation of the memorandum. Following FAD's suggested timeline, the due date has been extended to end-September 2025.

[35] This includes sending an official letter from the DGI and DGD to debtors, including SOEs, for the collection of tax arrears, in particular VAT and salary tax arrears; and reducing tax arrears by implementing a write-off procedure following the conditions defined in the tax procedure book. AFW supported the DGI in that regard.

[36] A technical committee, comprising the TPU and the tax and customs directorates, has been set by the minister delegate in charge of the budget to oversee the reform and is supported by FAD to ensure a smooth implementation of the reform. FAD's TA was delivered in February 2025.

[37] This includes studying the regressivity of VAT exemptions with the objective to initiate their reduction.

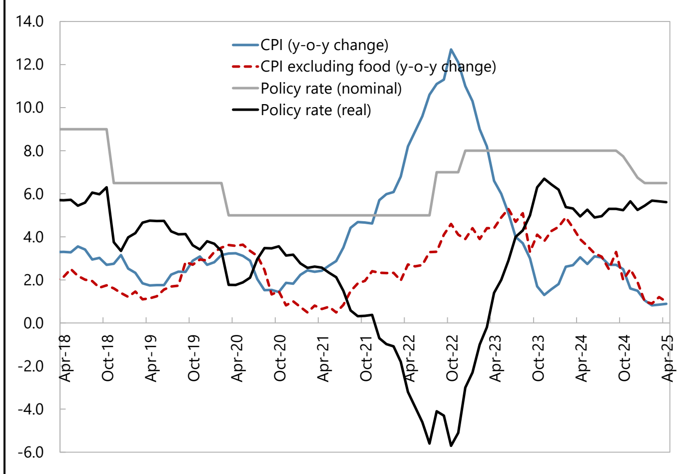
[38] The TPU prepared a tax policy reform implementation plan based on the recommendations of the tax policy diagnostic mission report and has identified their needs in terms of TA. The tax policy reform implementation plan identified three main reform areas, including (i) the rationalization of tax expenditures, (ii) the development of property taxation, and (iii) the improve of the extractive sector taxation. An important aspect for the success of this reform plan is the development of the TPU's and the tax and custom administrations capacities.

B. Monetary Policy, Foreign Exchange, and Financial Sector Policies

Monetary Policy

16. The monetary tightening implemented in 2022, and the authorities' liquidity absorption efforts helped keep inflation within a 1.5-3 percent band for over 12 months and paved the way for monetary easing. With inflation averaging 2.5 percent in 2024, 0.9 percent year-on-year as of April 2024, staff welcomed the BCM recent narrowing of the interest rate corridor and reduction in the policy rate from 6.75 percent to 6.5 percent.

Text Figure 6. Inflation and BCM's Policy Rate
(In percent)



Sources: Mauritanian authorities; and IMF staff calculations.

17. The BCM should continue refining its monetary policy instruments. Staff welcomed the reduction in banks' excess reserves in 2025Q1 due mainly to strong demand by banks for the BCM's recently launched Shariah-compliant overnight facility.[39] Staff supported the BCM's objective of continuously monitoring excess liquidity and enforcing liquidity requirements across all banks. Staff recommended that the BCM maintains a broadly absorbed level of excess liquidity to foster the development of the interbank market and mitigate excessive fluctuations in the FX market. Furthermore, staff urged the BCM to enhance its inflation forecasting capabilities, adjust its policy rate in response to inflation trends, and strengthen its systems to effectively establish inflation objectives. This should be done in conjunction with ongoing reforms in the interbank market, such as linking the T-bill depository to interbank transactions to facilitate collateralized lending, thereby reinforcing the transmission mechanism. Staff also encouraged the BCM and the MOEF to continue coordinating liquidity management, focusing particularly on strengthening joint weekly forecasts.

18. Increasing the stock and lengthening the maturities of treasury bonds would help deepen financial markets and develop a yield curve.[40] Commercial banks and institutional investors demonstrated appetite for longer maturities, which allowed the government to start issuing securities with two, three, four and five-year maturities. Issuances are expected to increase further in 2025, with the implementation of the revision of the 2018 convention on BCM claims on the government to bring it to market terms. The authorities also aim to launch an online platform

[39] « *Facilite de Depot Islamique (FDI)* »

[40] Conventional securities held by commercial banks and institutional investors stood at 2.9 billion MRU end-December 2023, and 7.12 billion MRU end-December 2024, while Islamic securities were at 0.7 billion MRU end-December 2023, and 1.7 billion MRU end-December 2024. By end-March 2025, the stock of securities reached 11.96 billion MRU for conventional and 1.48 billion MRU for Islamic securities.

for money market operations and a secondary T-bill market, which also helps developing a continuous yield curve.

19. The BCM aims to enhance its modeling and forecasting capacity. As Mauritania increases the flexibility of the exchange rate, it is developing—with the assistance of IMF TA—a new model-based monetary policy framework, which undertakes a comprehensive analysis of macroeconomic conditions and on inflation forecasts, to help guide monetary policy decisions. [41]

20. The BCM has further strengthened safeguards. The majority of 2023 safeguards assessment recommendations have been implemented, including the amendments to the Central Bank law adopted on November 12, 2024, [42] and the revision of the 2018 convention on BCM claims on the government to bring it to market terms (end-December 2024 SB, met) to strengthen BCM's financial position. Remaining recommendations include the completion (expected by March 2026) of the risk mapping exercise by the risk committee and executive risk committee and the finalization of a convention for on-lent SDR allocations which is pending co-signature by the MOEF. Further, the BCM requested Fund technical assistance to develop internal procedural guidelines for the credit extension framework. Finally, a peer review of the fiduciary and vault operations is currently in progress, expected to be completed early 2026, in consultation with IMF FINSA.

Foreign Exchange Policy

21. FX reforms have continued to bring more efficiency to the market. Since the establishment of the platform, until end-April 2025, 80 percent of the total volume of FX traded in the market, totaling USD 3.2 billion, was exchanged between banks on the platform, with the Central Bank providing the remaining 20 percent, totaling USD 805.6 million via 51 auctions. [43] Following the reduction of market makers from 11 to 4 in October 2024, the amount of FX traded between banks increased from 73 percent, with a monthly average of USD 133 million between the platform launch and end-October 2024, to 86 percent between November 2024 and end-April 2025 with $281 million average per month. The BCM monitors market makers FX quotes, volume of trade, and respect of prudential norms and reassesses the number and quality of market makers every six months. Pending the new IT system, the BCM monitors market makers' compliance with honoring firm FX quotes and issues fines in case of non-compliance.

22. The BCM is fine-tuning its FX intervention strategy aimed at mitigating ER volatility, while ensuring that a growing share of foreign exchange is provided by banks. In line with MCM TA, the BCM reduced its average intervention volumes from US$18.4 million per auction between December 2023 and October 2024 to USD$12.4 million, between November 2024 and April

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[41] The BCM has projection models for inflation, liquidity and on macro-fiscal, being developed with World Bank TA, along with some elements of FPAS. The Central Bank aims to develop a holistic model to integrate these to inform monetary policy.

[42] While the bulk of Fund comments were incorporated, the Central bank law does not include a double veto procedure for the appointment of the members of the decision-making bodies, which the authorities would want to address in a future revision to the law.

[43] Prior to the introduction of the reforms in December 2023, 99 percent of FX was provided through the BCM to the market.

2025 and increased the auction frequency from 3 to 4 times per month. The BCM aims to continue to reduce the volume of interventions, and the central bank is refining its FX flow forecasting capacity. BCM, the MEF, and the SNIM hold quarterly meetings to reviews SNIM's cash flows and FX repatriation forecasts and staff encouraged the authorities to also discuss SNIM's projected assets held abroad. The mining companies TASIAST and MCM have started to repatriate part of their FX via commercial banks. [44] Staff urged the BCM to obtain FX related information from all mining companies to further improve and fine-tune its FX intervention budget.

23. The authorities continue to take necessary steps to comply with Mauritania's obligations under Article VIII as well as the standard continuous PCs under the EFF/ECF arrangements. First, the authorities changed the rules to ensure that government's FX transactions (in USD and EUR) are conducted on any given day in the afternoons using the BCM's FX reference rate set at 12:30 pm that same day, thus avoiding the use of two exchange rates on the same day (morning and afternoon rates). In addition, as the FX platform for the FX market continues to develop, FX transactions among banks would be exclusively conducted through the interbank market, thereby making FX auctions by the BCM redundant. The authorities believe that this would eliminate another possible source of MCPs. The MCPs from February 2024 were eliminated as no impermissible spreads have occurred. [45]

Financial Sector Policies

24. Enforcing prudential norms is crucial for maintaining the resilience of the financial system. The BCM is enforcing prudential rules including by imposing monetary and non-monetary sanctions and issuing injunction letters to banks in difficulty due to non-compliance with prudential ratios and qualitative norms, including minimum capital and core capital requirements (end-December 2024 SB, met), in line with the conditions and timeline of the recovery plans and program contracts between BCM and these banks. With the recent amendments to the banking law, [46] BCM can now legally force the liquidation and resolution of banks, if needed. With Fund support, the BCM is developing a comprehensive resolution framework including procedural manuals for bank resolution. In addition to improvements to *ex-post* enforcement, staff encouraged the BCM to also integrate *ex-ante* preventative recovery plans. [47] With Fund support, the BCM plans to promulgate an instruction by end-December 2025 to require all banks to prepare and submit preventative recovery plans at the beginning of each year, which, once validated by the Central Bank, would allow

[44] MCM and TASIAST repatriate the FX for their local operating costs via commercial banks, while they repatriate the royalties owed to the government via the Central Bank.

[45] Per the SR of the second review (May 16, 2024) Mauritania had two MCPs. One MCP had arisen from the weighted average rate of the BCM FX auctions on February 6, 2024, and one from the reference exchange rates used for the BCM's transactions with the government/other public entities on February 1, 2024. These MCPs were eliminated on February 6, 2025, and February 7, 2025, respectively, as no impermissible spreads have occurred since February 6, 2024, and February 7, 2024, respectively.

[46] Approved by Parliament on January 30, 2025.

[47] A preventive recovery plan is prepared when the bank's situation is good and differ from an action plans (*"plans de redressement"*) which is prepared when the bank is in breach of prudential norms, accounting standards, or other legal and regulatory requirements.

the BCM to immediately implement them when a bank's situation deteriorates. Staff encouraged the BCM to continue to use all available tools to enforce prudential norms, *ex-post* and *ex-ante*.

25. The BCM is strengthening its supervisory capacity. The Central Bank introduced, with AFRITAC West (AFW) TA, a comprehensive online platform (Banking Supervision Application, BSA) to automate all supervisory returns to be submitted by banks in compliance with regulatory reporting requirements (end-March 2025 SB, met). BSA allows for effective data quality control and template integrity protection. [48] In addition, the BCM has started to conduct semi-annual stress testing for systemic risks and shares the results with the BCM Prudential Council.

26. The BCM is improving the quality and transparency of reported bank data. The BCM will issue a circular, [49] with inputs from the AFW, to eliminate all accounting ambiguities [50] and will provide in depth training to all banks. In December 2024, the authorities also introduced a "risk-based and materiality-based" with early warning indicators (EWI) to guide off-site inspections. [51] The results of the EWI exercise can trigger on-site inspections and are shared with all banks on a monthly basis. Also, the BCM, with AFW TA, is undertaking an analysis of banks' readiness to implement IFRS 9 and plans to develop a comprehensive IFRS 9 transition strategy. Staff encouraged the authorities to maintain vigilance on the IFRS transition and ensure full understanding of requirements of IFRS compliant financial statements by banks.

27. With Fund TA, the BCM is enhancing its on-site and off-site inspection capacity. The Central Bank completed the revision of its off and on-site inspection manuals in March 2025, which adopt a strong risk-based approach, particularly for on-site inspection processes. The Central Bank also added new inspectors and provided in-depth training in line with the recently adopted HR strategy. [52] In addition, the BCM launched new online platforms in early 2025 to (i) increase the efficiency of inspectors to classify risks, (ii) ensure accurate reporting of FX transactions and FX net open positions, (iii) monitor digital transaction information and data from banks' core banking interface, and (iv) address specific risks of micro-finance institutions. These tools are expected to significantly reduce preparation time for on-site inspections and minimize errors.

[48] As of January 2025, all reporting by banks is automated via the BSA. Bank submissions must comply with the pre-set validation rules established by the BCM in the system. If any entry does not comply with the parameters, the submission fails, and the bank must resubmit the report with the corrected data. This addresses the previously observed problem of banks changing the values or calculations and minimizes accounting ambiguities. The BSA is compatible with the future IFRS 9 integration of banks and future reporting according to IFRS 9 regulations.

[49] By end-June 2025.

[50] Focusing on the accurate classification of non-performing exposures and adequate provisioning for expected credit losses as identified by Fund TA.

[51] These include credit risk, prudential norms, liquidity levels and credit-to-deposit ratio. The indicators go beyond the strict prudential norms and include key financial sector indicators including NPLs.

[52] BCM has 10 supervisors for off-site and 8 supervisors for on-site inspections.

C. Policies to Bolster Governance, Transparency, and Private Investment

28. The authorities are advancing on key governance areas in their action plan for governance:

- **Implementation decree to the Anti-Corruption Authority (ACA) law:** an ACA draft law was submitted to parliament in January 2025 and approved in May 2025. To advance with its operationalization, whose mandate also covers the implementation of the declaration of assets and interests law, the authorities will publish an implementation decree to enable the appointment of the ACA's Directive Council members and complete such appointments (rephased end-November 2025 SB). [53] This decree will clarify (i) procedures for the establishment and operations of the independent Selection Committee that will be responsible for recruitment, vetting and proposing candidates for members of the ACA Directive Council, and (ii) the main rules to guide recruitment and vetting processes, including minimum phases, timeframes and transparency requirements and modalities for public participation and human and financial resources assigned to it.

- **Declaration of assets and interests:** While in January 2025 the government submitted to Parliament a new declaration of assets and interests draft law that did not fully meet the SB requirements, in May 2025 Parliament approved a law that included amendments in line with the original SB, including a stronger beneficial ownership definition that seeks to cover assets held by public officials' spouses [54] (end-February SB, not met, implemented with delay). The improvements in the legal framework (see Box 3) position Mauritania as a regional leader in this area, but decisive and judicious implementation of the new regime is now critical, including by ensuring the timely operationalization of the ACA and procurement and roll-out of an electronic platform to administer declarations, enable information sharing and facilitate monitoring and verification efforts. The new system's ability to address the country's corruption risks should be reflected in short and medium-term outcomes, particularly in areas that may benefit from future refinement, such as members of Parliament's conflicts of interest framework.

- **Implementation decree to the public enterprises law:** following the publication of the new public enterprises law in February 2024 (see Box 4) and to continue the reform efforts to improve the governance of public enterprises, the authorities will publish—in consultation with Fund staff—an implementation decree that specifies appointment terms and operations of and recruitment procedures to be applied by the Independent Commission for Public Establishments and Companies tasked, inter alia, with vetting and proposing professional and experienced candidates for independent board members for commercial public enterprises (end-September 2025 SB). The authorities have identified several other decrees for which they

[53] The SB, originally due at end-September 2025, was rephased to end-November 2025 considering provisions in the law mandating that the Directive Council members be appointed by an Independent Selection Committee.

[54] The law requires declaring beneficially owned assets based on a broader definition that includes control over assets and various legal arrangements, thereby likely achieving a similar outcome to declaring spousal assets. Also, given the overall improvements in the new legal framework and Mauritania's specific context, requiring declarations to be filed every three years—rather than every two—is appropriate and proportionate.

seek technical support from partners and will prioritize those that have a direct impact on the performance of commercial public enterprises.

Box 3. Improvement in the New Declaration of Assets and Interests Legal Framework

The new law, approved in May 2025, introduces significant enhancements compared to Law 2007-054:

- **Scope and Definitions**: It improves conceptual clarity and legal scope by introducing comprehensive definitions of key terms, such as "*agent public*", "conflict of interest," and "gift.", better aligning it with international standards and strengthening legal certainty.
- **Enriched Content of Declarations**: It mandates the declaration of not only immovable and movable property but also income, liabilities, and significant gifts. It introduces a dual structure requiring both asset and interest declarations, supporting a more robust evaluation of unjustified enrichment and potential conflicts of interest.
- **Conflict of Interest Provisions**: It includes an entire chapter on the prevention and management of conflicts of interest, prohibiting the simultaneous holding of public office and private remunerated functions, and requiring recusal in cases of potential conflicts. It also introduces a mechanism similar to a blind trust for appointed public officials. This chapter does not apply to members of Parliament.
- **Modernized Enforcement and Publication Mechanisms**: It establishes a digital platform to receive and process declarations, combined with a mechanism for public disclosure of aggregated data declared by high-level public officials, which improves transparency and public trust.
- **Institutional Strengthening and Annual Reporting**: It assigns enforcement responsibility to the Anti-Corruption Authority and requires the publication of an annual report outlining key trends, findings, and recommendations, creating stronger institutional checks and paving the way for more evidence-based policy reform.

Box 4. New Public Enterprises Law – Key Features

With the publication of Law 2025-002 in February 2025, Mauritania adopted a comprehensive legal framework to govern its commercial and non-commercial public entities, in line with international standards[1] and good practices. The law clearly distinguishes and distinctively regulates commercial and non-commercial public establishments and enterprises; sets out rules for their creation, ownership, corporate governance and oversight and significantly enhances transparency requirements and accountability mechanisms. Key reform features for commercial enterprises include:

- **Improving and systematizing ownership functions.** The law mandates the publication and periodic update of a comprehensive state ownership policy, marking a major step toward transparency and professionalization in the state's role as an enterprise owner. This policy must articulate the strategic rationale for state ownership, clarify the financial and public policy objectives for each SOE, and define the roles and responsibilities of the different public actors involved in SOE oversight. It must also set principles for governance, risk management, and dividend expectations.
- **Empowering and professionalizing boards of directors.** The board, and not the line ministry, is ultimately responsible for the enterprise's performance. At least one third of board members should be independent and appointed through a transparent and merit-based process, overseen by an independent commission, designed to ensure their capacity, experience and integrity and mitigate political influence. The CEO is appointed by and accountable to the board.

[1] OECD Guidelines on Corporate Governance of State-Owned Enterprises.

Box 4. New Public Enterprises Law – Key Features (concluded)

- **Strengthening transparency and accountability.** The law mandates the publication of several elements by state-owned enterprises and mixed companies, as well as by the state shareholder.
    - *Public Enterprises* must disclose the legal instruments and frameworks that establish and regulate them, including decrees, statutes, internal rules, and policies. They must also publish the names and CVs of their directors and executive bodies, their organizational structure, current and previous program or performance contracts, business plans, subsidiaries (including names and jurisdictions), all internal policies and rules related to public procurement, including authorized exemptions, loan contracts, concessions, licenses and similar agreements, transactions with other public entities, and audit committee reports.
    - *The state as owner* must disclose the annual report on the portfolio, shareholder agreements, remuneration and dividend policies, the state's ownership policy, any instructions for the execution of public service obligations (including annual costs and how these costs are compensated or paid by the state), subsidies, budget transfers, debt, and guarantees and financial flows between the state and its companies.

29. The BCM is updating the AML/CFT system to promote transparency and fight corruption. The BCM and the Financial Intelligence Unit (FIU) strengthened the AML/CFT framework in line with the recommendations of Mauritania's 2018 Mutual Evaluation Report including via (i) revision of legislation, (ii) creation of two governance bodies, [55] (iii) conduct of a National Risk Assessment (NRA) with World Bank TA, and (iv) the adoption of a national AML/CFT strategy with sectoral action plans. The BCM is boosting its risk-based AML/CFT supervision, particularly on-site, to assess financial institutions' compliance with the 2019 AML/CTF Act. Following the NRA findings, the BCM issued a circular to strengthen reporting requirements, record keeping, training, and the effectiveness of supervisory systems. [56] Risk-based supervision now covers all banks, with a focus on 11 key risk areas, including compliance governance, risk management, and operations monitoring. Remaining gaps include system automation, staff awareness and operational weaknesses, primarily in inter-institutional coordination. The authorities are strengthening their legal obligations regarding beneficial ownership information of all legal entities, particularly through improved governance and financial transparency. [57]

30. The BCM issued the ICT risk management instruction to assess cybersecurity risks. All banks now produce status reports on vulnerabilities affecting their IT assets and data. The BCM

[55] « *Committee national lutte contre blanchiment de capitaux et financement de terrorisme* » and « *Committee national de lutte contre le terrorisme* ».

[56] Circular No. 03/GR/2024.

[57] This includes providing all competent authorities such as the BCM, law enforcement, the FIU, and public procurement authorities with timely access to beneficial ownership information in accordance with the FATF standards.

supports banks in adopting best practices for cybersecurity service and operations management procedures. [58]

31. Boosting the momentum for economic growth and job creation hinges on further enhancing the business climate and expanding financial inclusion. The adoption of the revised investment code aims to address policy obstacles to enhance the business environment, raise economic growth in key sectors such as fisheries, livestock and agriculture, and diversify the economy towards sectors such as tourism, heath and logistics. To support SMEs, an SME guarantee fund has been operationalized at the beginning of 2024. The guarantee fund created a "guichet" accessible to all, to collect data and information on the ecosystem, raise awareness about guarantees among banks and build capacity within the fund itself, SMEs and operators. Since its operationalization, the guarantee fund has issued two guarantees and has plans to expand its operations with several projects already in the pipeline. The implementation of the national financial inclusion strategy adopted at end-2023 has been yielding results with an increased in financial inclusion from 21 percent in end-2021 to end-45 percent in 2024. The BCM will continue to modernize the regulatory framework, accompanied by several projects such as the establishment of a regulatory sandbox at the BCM, the Instant Payment System and strengthening the interoperability between the various players in the financial sector.

D. Resilience and Sustainability Facility

32. Program performance under RSF arrangement is broadly on track. One of the three reform measures scheduled for this review, aimed at reducing emissions in the fuel sector was implemented, and the authorities advanced on components of the climate contribution RM, pending the decision on the compensation modalities, including the price threshold at which the compensation mechanism would be implemented and the introduction, in the LFR 2025, of the exemption of the liquified petroleum gas (LPG) and gradual increase in the climate contribution rate through 2030.

- The authorities have issued a decree aimed at eliminating routine gas flaring and venting and reducing methane emissions through well-defined sanctions for non-compliance, aligning with the World Bank-UN initiative "Zero Routine Flaring by 2030" and fulfilling the CDN commitment to achieve net-zero emissions by 2050 (RM X, due end-April 2025, completed). The adoption of this decree is particularly timely as the authorities plan to expand the nascent gas sector.

- The authorities have progressed in preparing the adoption of an automatic fuel pricing mechanism (AFPM) with a smoothing component to set pump prices and phase out subsidies

[58] Key BCM actions for this include: (i) Following up on significantly non-compliant banks before June 30, 2025, with the requirement for realistic action plans and specific timelines; (ii) collecting and analyzing updated compliance plans starting June 30, 2025; (iii) organizing bilateral meetings with banks with persistent non-compliance to discuss bottlenecks and agree on an accelerated regularization schedule; (iv) Implementing corrective measures, i.e. formal notices or increased supervision; (v) stress tests and crisis simulations in collaboration with key stakeholders (e.g., GIMTEL) to assess the sector's overall resilience, and (vi) mandatory quarterly monitoring for banks under enhanced supervision until all issues are resolved.

(RM VI, due end-April 2025).[59] However, more time is needed for further analysis of the different possible price structures to implement under the reform measure. The authorities have modeled the impact on prices at the pump of several price structure scenarios which include the smoothing mechanism, in accordance with IMF TA.[60] The decision on the price structure to implement is still pending as the authorities continue to assess the pros and cons of each scenario. Additionally, given the importance of the AFPM's independence for the successful implementation of the RM, the authorities are assessing the modalities under which they will ensure this independence.

- The 2025 budget law adopted by Parliament included a climate contribution of US$10 per ton of CO2 emission on petroleum products. The climate contribution has now come into effect, covering all users, including large consumers. Initially, mining companies had objected to the application of the climate contribution citing their contractual rights under their tax stability clauses.[61] However, the authorities have agreed with national mining and energy companies on the application of the climate contribution and discussions are ongoing with foreign mining companies to ensure their compliance with the climate contribution. The authorities are committed to excluding LPG, to mitigate the risk of households reverting to wood and coal, and to introducing the planned increase of the climate contribution rate through 2030, in the LFR 2025. More time is needed to assess the price threshold at which the compensation mechanism would be implemented. Specifically, the price threshold and its modalities are, in large part, a function of the price structure that would be chosen under the RM VI and as such is delayed pending the implementation of this RM. In the meantime, to continue to make progress, the authorities are working on developing the compensation mechanism that would be implemented once the price threshold is reached through TAAZOUR's services and programs to alleviate the tax impact on vulnerable populations and complete the RM VII (due April 2025). This includes identifying the coverage, potentially by using the updated social register, and whether an increase in the size of the regular cash transfer would be needed.

33. One reform measure under the fourth review aimed at strengthening the energy generation in the electricity sector was implemented early while the reform related to the greening of mining companies progresses.

- A decree facilitating access for electricity producers to the Mauritanian energy market and ensuring non-discriminatory access to SOMELEC's transmission infrastructure was issued in March 2025 (RM VIII, due October 2025, completed). The authorities have identified three other

[59] Before the AFPM is implemented pump prices should reflect market prices. Thus, all subsidies or tax revenues (as is currently the case) should be eliminated first. This is important to support a smooth transition and ensure the reform's effectiveness.

[60] The authorities are considering a monthly price adjustment for the AFPM application, with a smoothing mechanism based on a 5 percent Price Adjustment Coefficient (PAC), which they have integrated in all scenarios being analyzed. Before the AFPM is implemented pump prices should reflect market prices and all subsidies or tax revenues (as is currently the case) should be eliminated first.

[61] The national energy company was also initially part of the companies that objected to the climate contribution.

decrees (“arrêtés”) to bolster the private sector’s role in the country's electricity infrastructure and give priority to renewable energy producers.

- The RST Committee is preparing a decree mandating mining companies to increase their renewable energy share by at least 5 percentage points annually until 2030. Non-compliance with annual targets will necessitate compensatory investments in rural electrification (RM IX, due October 2025). A working group will analyze the circumstances of the three major companies and facilitate discussions for decree amendments and their contributions to rural clean energy access.

34. Reform measures aimed at enhancing water resource management and ensuring the financial sustainability of water and sanitation services are progressing although the implementation of RM XIII may be delayed due to the need for a tariffication study to assess the status quo and inform the water and sanitation tariffs.

- Agence Francaise de Developpment (AFD) is assisting in reforming water and sanitation tariffs (RM XIII for end of October 2025). Discussions with partners, including AFD, aim to ensure that this support encompasses both the design of a new regulatory framework and of complementary measures, including performance contracts with service providers and a pricing policy insulated from political interference. [62]

- AFD is also supporting CNRE to conduct a pilot inventory of groundwater-dependent ecosystems in the Boulenoir aquifer (RM XII for end of April 2026), and a separate technical committee under the inter-ministerial partnership agreement (CIP) adopted in May 2024 was created composed of members from Ministry of Water and Sanitation and Ministry of Environment and Sustainable Development to monitor the progress on the pilot inventory.

35. Reform measures on the integration of climate considerations into public investment and public financial management are broadly on track.

- The climate budget tagging (CBT) framework was developed to identify climate-related expenditures during budget preparation and a preliminary analysis of the 2024 and 2025 budgets across eight NDC sectors was completed with fund TA, which included training sessions for Budget Directorate (DGB) officials and financial directors from NDC ministries, covering the CBT methodology and upcoming tasks. [63] The immediate next steps include (i) the approval of CBT methodology in line with FAD’s TA, (ii) the definition of responsibilities and the coordination mechanism between the MOEF, the Ministry of Environment, sectoral ministries, and the RSF committee, and (iii) the requirement for the NDC sectors in the 2026 budget circular to estimate

[62] This will involve: i) a methodology for estimating revenue requirements, ii) the frequency of price revisions, and iii) the establishment of an independent agency responsible for tariff estimation, approval, application, and monitoring.

[63] FAD’s mission highlighted the strong engagement from the DGB and sector representatives denoting a solid commitment to advancing climate-sensitive budgeting in Mauritania.

the share of their budget related to climate change adaptation following the defined CBT methodology (RMs I for end October 2025).

- Preparations related to the publication of the climate budget note on the 2026 budget (RM II for end-April 2026) is also on track as the preliminary analysis of the 2024 and 2025 budgets that should inform the CBT analysis for 2026 has been completed.

- FAD TA in January 2025 assisted the MOEF for the pilot of the new public investment management (PIM) framework with climate considerations (RM XIII, for end-October 2025). [64] Authorities are working on their projects selection and have requested a follow up mission to advance on the implementation of the pilot.

PROGRAM MODALITIES

36. The authorities request the modification of three SBs and introduction of a new SB. The modifications of timelines for SBs 2, 3, and 12 in MEFP Table 3 bring them in line with the recommendations of IMF TA. The introduction of the new SB6 reflects the authorities' commitment to institutionalizing the rule.

37. The ECF/EFF-supported program is fully financed with firm commitments over the next 12 months, and with good prospects for the remainder of the program. The ECF and EFF arrangements, jointly with budget support primarily from the World Bank, European Union, International Fund for Agricultural Development, and France are expected to close external financing gaps (see Table 6). The program continues to help ease pressures on official reserves (actual BOP need) amid the deterioration of the overall BOP balance in 2024-25 compared to the previous projections, the uncertain external environment, risks of possible decrease in ODA, as well as Mauritania's exposure to volatile commodity prices and the need to support Mauritania's transition to a more flexible exchange rate.

38. Mauritania's capacity to repay the Fund remains adequate, but subject to significant risks (Table 7). Total Fund outstanding credit (based on existing and prospective drawings) peaks at 4.32 percent of GDP in 2025 (12.20 percent of exports of goods and services or 27.44 percent of gross FX reserves), combining several overlapping lending instruments from recent years (ECF, RCF, ECF/EFF, RSF). Total payments to the Fund peak at 0.58 percent of GDP in 2027 (1.63 percent of exports of goods and services or 3.83 percent of gross FX reserves). Risks to the program are elevated and include security risks, international commodity market volatility, and climate change. [65] The authorities' continued commitment to reforms and donors' support mitigate these risks.

[64] However, due to the absence of selected projects to be evaluated under the new framework and the need for further improvement of the PIM Manual, the TA mission was redirected to focus on selecting pilot projects, disseminating the climate-assessment concepts among a large audience, and reviewing the PIM Manual.

[65] While risks are elevated, they are also two-sided (see risks section).

39. The 2024 debt sustainability analysis (DSA) assesses Mauritania at moderate risk of external and overall public debt distress, with some space to absorb shocks. Staff assesses Mauritania's external and overall public debt to be sustainable. [66]

STAFF APPRAISAL

40. Mauritania's economy is stable and performing well thanks to prudent monetary and fiscal policies; institutionalization of reforms and strengthened coordination and monitoring at technical level would help sustain this stability. Real GDP growth in 2024 is estimated at 5.2 percent on the back of a sluggish extractive sector. The current account deficit widened to 9.5 percent of GDP in 2024, but it is projected to narrow in 2025 and stay in the medium term below the average deficit level observed over the past decade. International reserves remain adequate, and inflation is contained at 0.9 percent (end-April 2025). The 2024 NEPD including grants narrowed further to 3.6 percent of GDP from 5.2 percent of GDP in 2023. Staff welcomes these results and encourages the authorities to maintain this macroeconomic stability as a foundation for sustained development. To boost non-extractive growth, further efforts are required to support the diversification of the economy, including continued investments to support the expansion of base infrastructure and reforms to the financial sector to facilitate financial intermediation. Staff also recommends strengthening the technical coordination and monitoring macroeconomic policies and institutionalizing coordination and reforms to ensure smooth program implementation and sustainability of good policies beyond Fund programs.

41. Building on this macroeconomic stability, rigorous implementation of governance reforms and reforms to enhance the business climate would help increase inclusive growth. To reduce poverty and improve standards of living through increased private sector investments and economic growth, staff encourages the authorities to accelerate the implementation of the governance action plan and to create an even playing field for all investors, public or private. Staff recognizes the quality and strength of the new laws on public enterprises and on declaration of assets and interests and urges authorities to prioritize their effective implementation and to move swiftly with the planned operationalization of the ACA. Staff also encourages the government to continue monitoring and reporting on progress in the implementation of the governance action plan while ensuring reform momentum through follow-up measures in the medium term. Staff welcomes revised Nouadhibou Free trade zone law and the new investment code and urges the authorities to prioritize the issuance of their implementation decrees.

42. Fiscal discipline—underpinned by the fiscal anchor—accompanied by stronger revenue mobilization would help maintain macroeconomic stability, reduce public sector debt while also fund more priority investments. Staff urges the authorities to embark on a more ambitious domestic revenue mobilization to reduce the tax gap over the medium term. This can be achieved

[66] Mauritania owes arrears to Brazil which continue to be deemed away under the policy on arrears to official bilateral creditors, as the underlying Paris Club Agreed Minute is adequately representative, and the authorities have made best efforts to resolve the arrears. Mauritania also has outstanding pre-HIPC arrears to the Arab Fund for Economic and Social Development (FADES), on which the authorities continue to offer a restructuring in line with relief committed at the time of the HIPC initiative, such that staff assesses that a credible plan to resolve the arrears is in place.

by a combination of tax policy and revenue administration measures, including by creating an even playing field for operators. The latter can be achieved by reducing the multitude of special regimes, enforcing eligibility conditions for current preferential tax treatments, and implementing recommendations from the recent IMF tax policy, tax administration and customs administration diagnostics. More ambitious domestic revenue targets would allow to further increase investments to meet the enormous development needs without incurring more debt. The new proposed structural benchmark to amend the Loi Organique de la Loi de Finance (LOLF) to introduce the principles of a fiscal rule reflects the authorities' commitment to institutionalize the fiscal anchor and to make recent achievements a permanent feature outlasting the Fund program.

43. The recent change in monetary policy stance is appropriate, with room for possible further reductions, as inflation appears entrenched at below 3 percent. Staff welcomes the Central Bank's sterilization of excess reserves and the development of new monetary policy instruments for Islamic Banks, to minimize the risk of overheating FX demand and/or lead to renewed inflationary pressures. To further develop the FX market and allow for a more flexible ER, staff welcomes the recent reduction in the volume of FX sold to the market by the BCM and increase in the frequency of auctions. Staff welcomes the increased channeling of export revenues directly to the FX platform to further reduce the BCM's role as FX supplier in the market and encourages the BCM to continue to reduce the volume of FX it sells to the market. Staff welcomes BCM's efforts to introduce the online application to enforce firm quotes by market makers as well as reforms to further develop the interbank money market. Staff also welcomes the continued development of the FX market. Staff assesses the MCPs which emerged on February 6, 2024, and February 1, 2024, as eliminated on February 6, 2025, and February 7, 2025, respectively.

44. Staff welcomes recent measures to strengthen BCM safeguards and encourages the authorities to complete the remaining recommendations from the 2023 Safeguards Assessment. Staff commends the revision of the 2018 convention and encourages the authorities to swiftly implement it once approved by Parliament. Staff also welcomes progress towards the completion of various measures to develop the BCM risk management function and encourages the authorities complete the risk mapping exercise by March 2026.

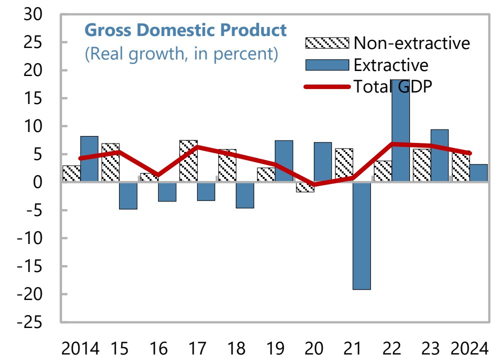
45. Staff encourages the authorities to maintain the efforts to keep RSF-supported reforms on track, including through the implementation of the two delayed RMs. The RSF will help Mauritania to reduce macro-critical risks associated with long-term structural climate-related challenges, and augment policy space and financial buffers to mitigate the risks arising from these challenges. Staff urges the authorities to focus on the timely implementation of reform measures and the strong high-level commitment for the RSF-supported reforms. These efforts are expected to turn into effective implementation through strong inter-ministerial coordination, strengthened capacities—with the support of development partners, and close monitoring.

46. Finally, staff recommends completion of the fourth review under the ECF and EFF arrangements, completion of the third review under the RSF arrangement, and supports the authorities' request for (i) modification of the timeline for three SBs related to fiscal reforms, investment code, governance, (ii) introduction of a new SB on fiscal rule, all in line with the IMF TA recommendations, and (iii) rephasing to the third RSF review the disbursement

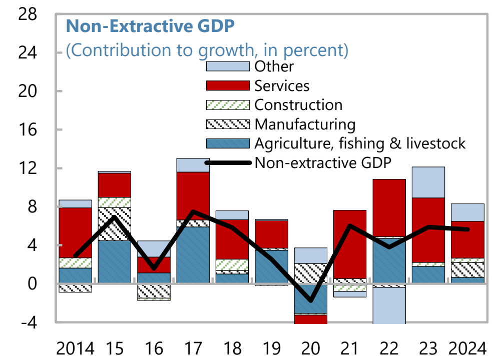
associated with one reform measure originally envisaged for the fourth RSF review and completed ahead of schedule. The Letter of Intent and Memorandum of Economic and Financial Policies set out appropriate policies to pursue the program's objectives. While implementation risks are significant, they are mitigated by the authorities' commitment to the program.

Figure 1. Mauritania: Real Sector Developments, 2014-25

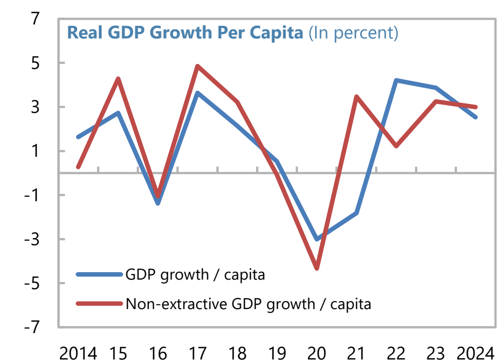
Real GDP growth moderated in 2024...



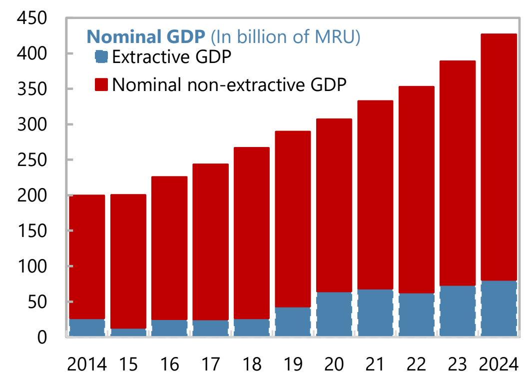
...non-extractive GDP remained mostly robust...



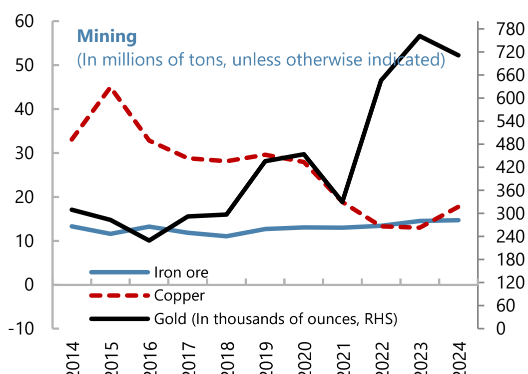
... with a slight deceleration of non-extractive activity per capita



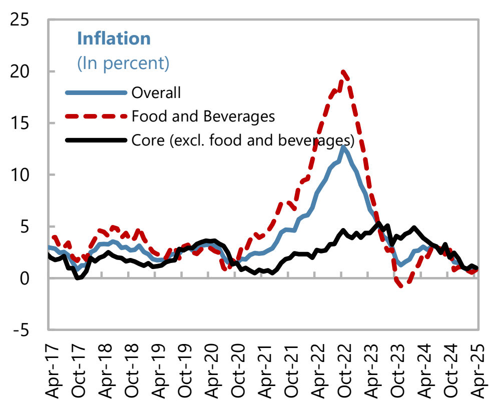
The non-extractive sector remained predominant



... while the extractives sector saw a slight drop in real terms on a decrease in gold activity.



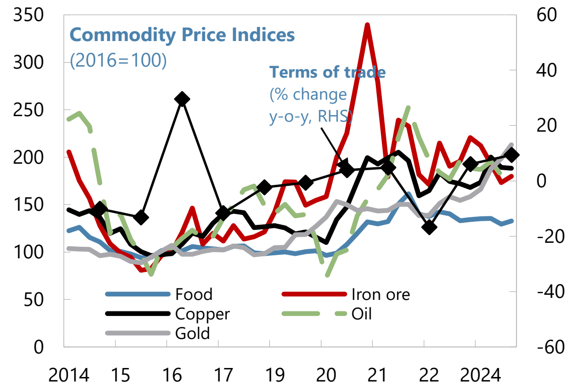
Inflation decreased at the end-2024 and continued to decrease as of April 2025 as food and beverages inflation decelerated.



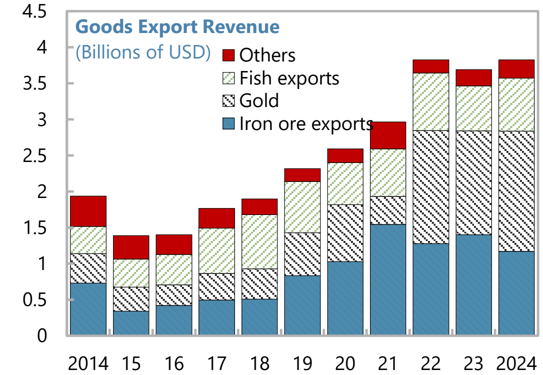
Sources: Mauritanian authorities; and IMF staff estimates and projections.

Figure 2. Mauritania: External Sector Developments, 2014–25

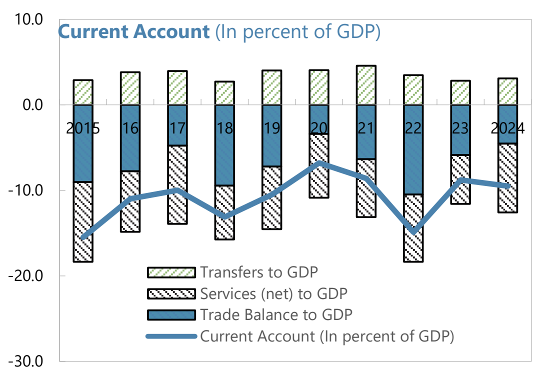
In 2024 terms of trade improved as gold prices increased while food and oil prices stabilized.



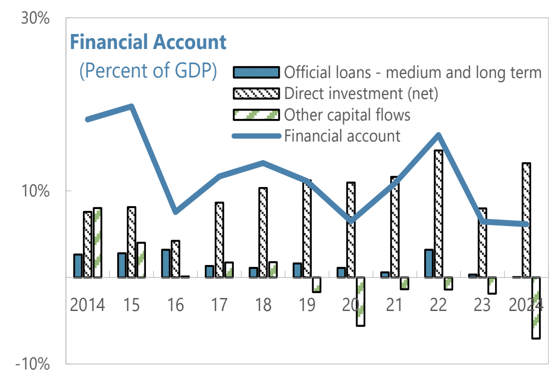
Export performance was supported by higher gold and fish exports.



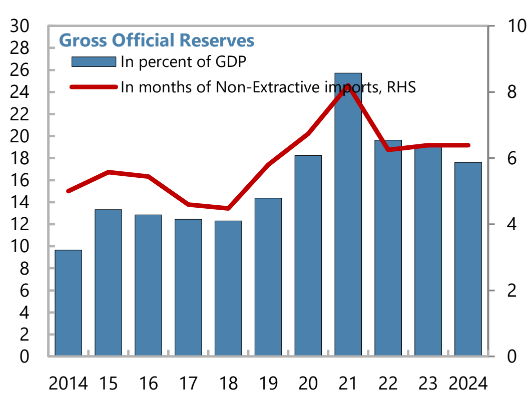
Current account deficit, however, widened due to a large service and income deficit.



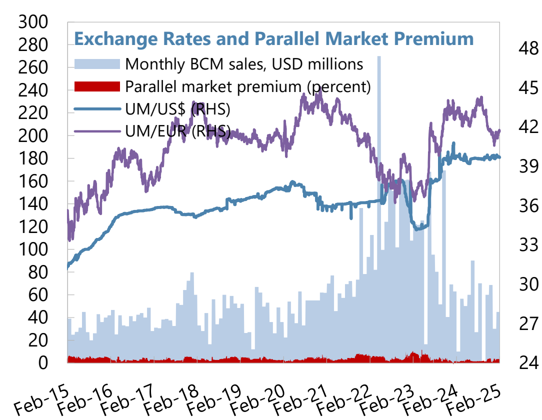
Financial account somewhat weakened as the commodity exporters built deposits abroad.



Official reserves remained above the adequacy threshold...



...and the BCM's FX interventions declined as FX volumes traded directly in the FX interbank market increased.

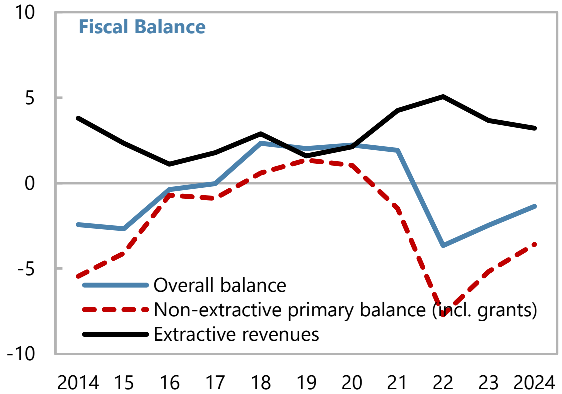


Sources: Mauritanian authorities; and IMF staff estimates and projections.

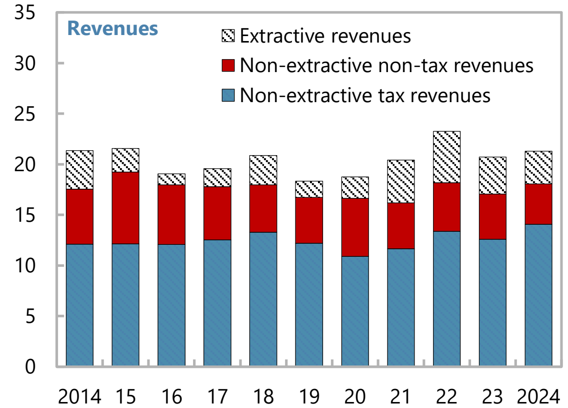
Figure 3. Mauritania: Fiscal Sector Developments, 2014–24

(Percent of GDP, unless otherwise indicated)

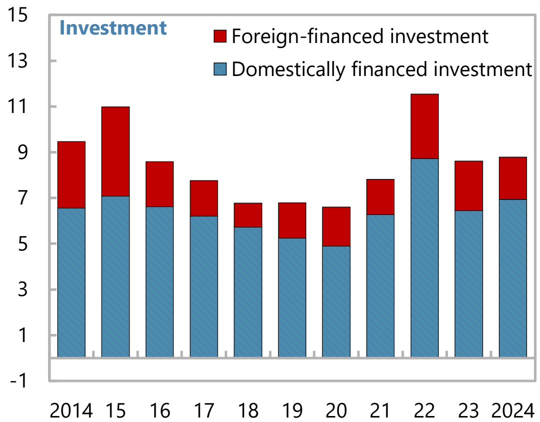
The fiscal balance improved in 2024 with the implementation of the fiscal anchor.



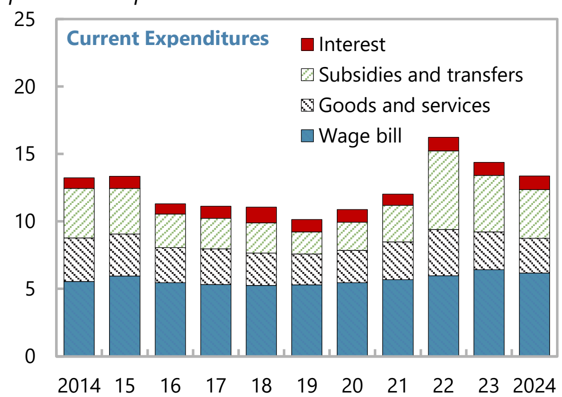
While non-extractive tax and non-tax revenues increased...



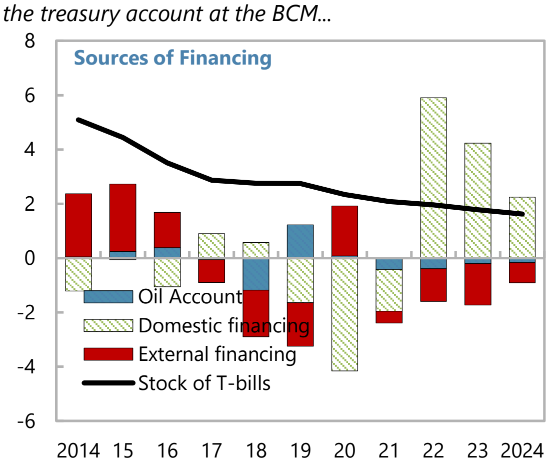
...public investment execution in 2024 is higher than 2023.



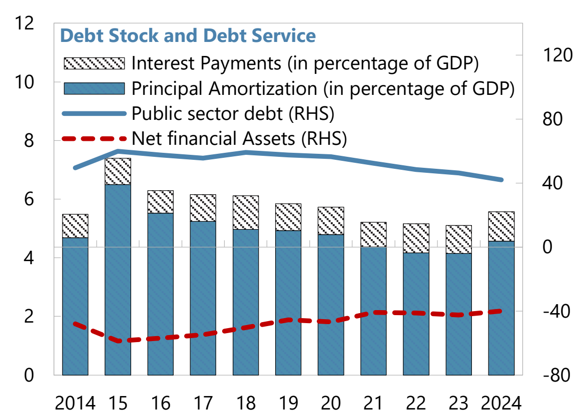
Subsidies decreased as result of international commodity prices development.



The fiscal deficit was financed mainly by a drawdown of the treasury account at the BCM...



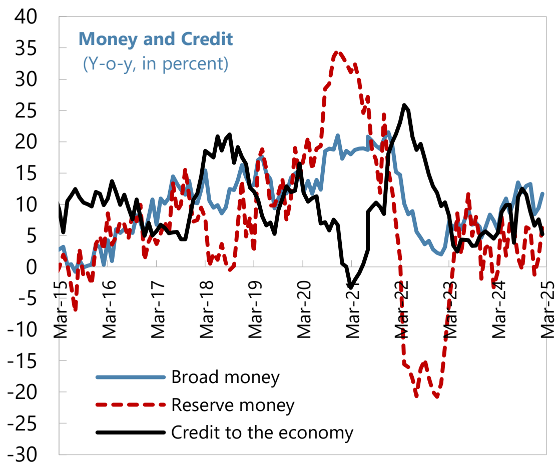
...while public sector debt decreased.



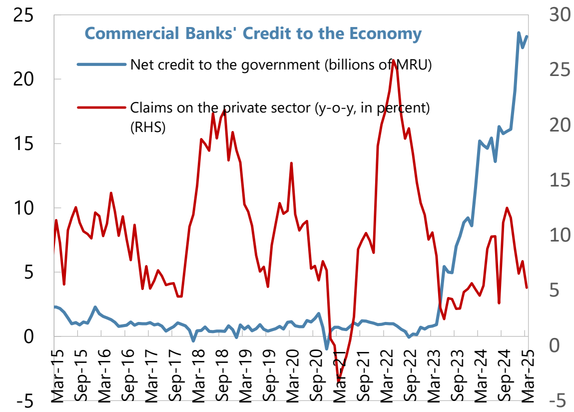
Sources: Mauritanian authorities; and IMF staff estimates and projections.

Figure 4. Mauritania: Monetary Sector Indicators, 2015–25

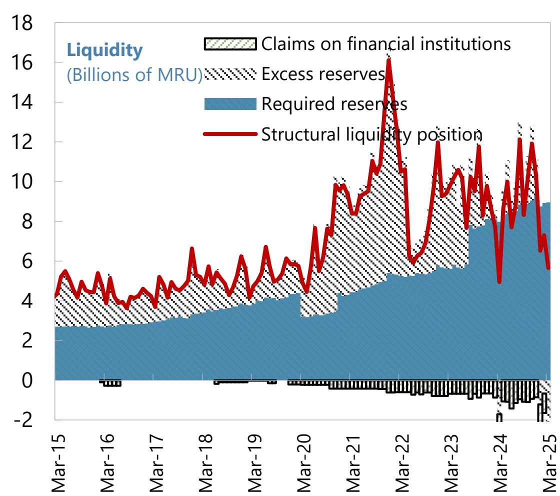
Private credit growth has decelerated since end-2022.



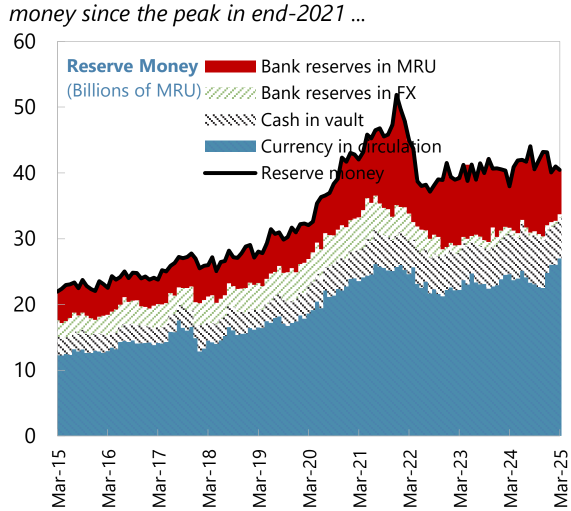
...partly as banks' credit to the government has expanded...



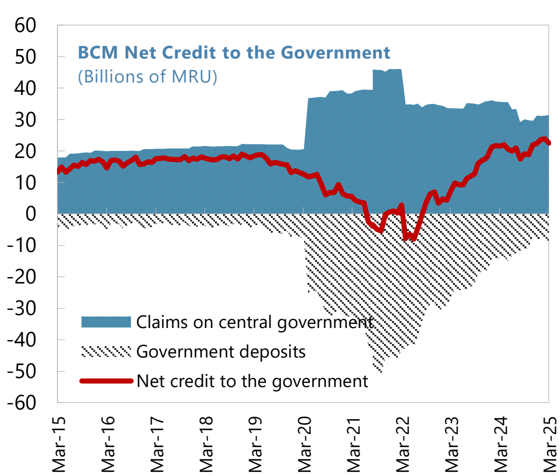
The BCM continued to reduce excess reserves in 2024...



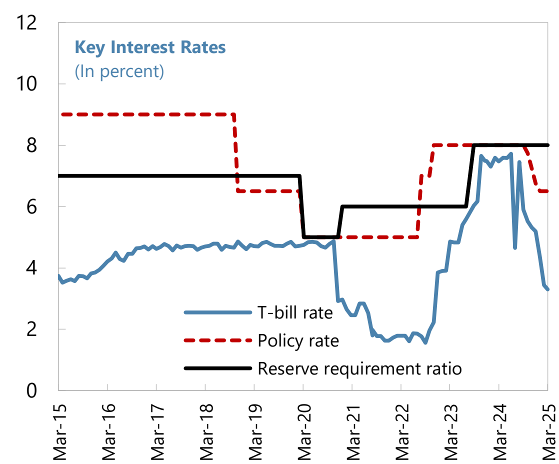
...which continued to temper the increase in reserve money since the peak in end-2021 ...



and government deposits at the central bank decreased...



...while the T-bills rate reflect more issuance for banks at market-determined rates.

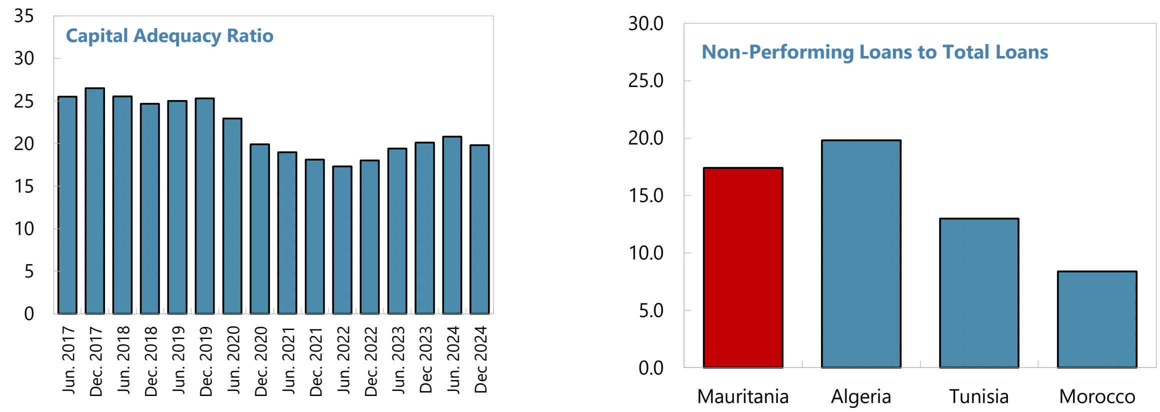


Sources: Mauritanian authorities, and IMF staff calculations.

Figure 5. Mauritania: Financial Sector Indicators, 2017–24
(In percent)

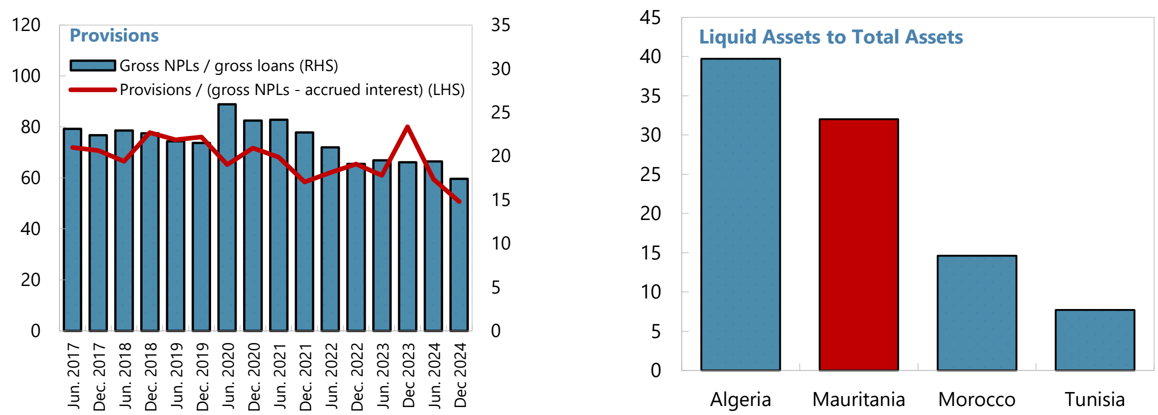
System-wide capital adequacy remains globally comfortable but masks uneven performance amongst individual banks

Asset quality is weaker than some peers …



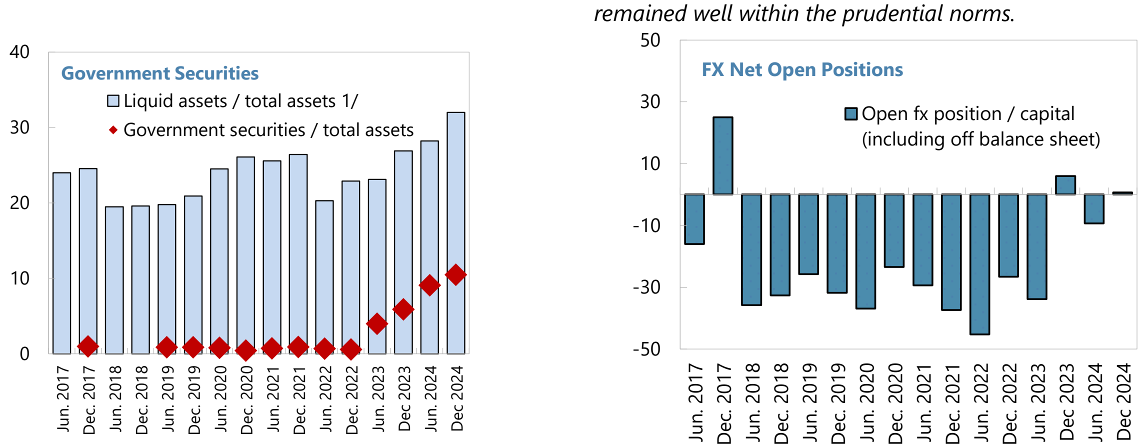
…but is improving since the peak of the pandemic

Liquid assets remain comfortable…



…and banks' holdings of government securities increased…

…while banks' short FX net open positions widened slightly in June 2024 and then moderated in December 2024, they remained well within the prudential norms.



Sources: National authorities, and IMF staff calculations.
Notes: Ratios follow national standards, and observations are in: December 2024 for Mauritania, 2023 for Algeria, March 2024 for Morocco, and September 2022 for Tunisia.
[1]Liquid assets in Mauritania: cash, reserves, and treasury bills.

Table 1. Mauritania: Macroeconomic Framework, 2020–2030

Poverty rate: 33.6 percent (2021)
Population: 4.8 million (2022)

Quota: SDR 128.8 million
Main exports: iron ore, fish, gold

	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	2030
				Est.	3rd Review	Est.	Projections					
	(Annual change in percent; unless otherwise indicated)											
National accounts and prices												
Real GDP	-0.4	0.7	6.8	6.5	4.6	5.2	4.0	4.3	4.4	5.6	4.6	3.0
Real extractive GDP	7.1	-19.2	18.3	9.4	-0.5	3.2	-1.0	3.9	4.6	11.3	6.1	-2.3
Real non-extractive GDP	-1.7	6.0	3.8	5.9	5.7	5.6	5.1	4.4	4.4	4.3	4.3	4.4
Real GDP per capita	-2.6	-1.5	4.6	4.3	2.3	3.0	1.7	2.0	2.2	3.4	2.4	0.8
Iron ore production (million tons)	13.1	13.0	13.4	14.5	14.5	14.7	15.3	15.4	18.3	19.3	19.1	19.1
Gold production (millions ounces)	0.5	0.3	0.6	0.8	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.6
GDP deflator	6.5	7.5	-0.6	3.4	4.0	4.3	2.9	2.4	1.6	3.6	2.8	1.8
Nominal GDP	6.1	8.3	6.1	10.1	8.8	9.7	7.0	6.7	6.1	9.4	7.6	4.9
Consumer prices (period average)	2.4	3.6	9.6	4.9	2.3	2.5	2.5	3.6	3.8	4.0	4.0	4.0
Consumer prices (end of period)	1.8	5.7	11.0	1.6	3.0	1.5	3.5	3.6	4.0	4.0	4.0	4.0
	(In percent of GDP)											
Savings and Investment												
Gross investment	45.5	45.1	44.9	36.3	36.9	38.1	35.4	37.2	36.1	35.7	36.8	37.4
Gross national savings	38.7	36.6	30.0	27.5	29.2	28.6	29.2	29.2	29.2	30.2	30.6	29.8
Saving - Investment balance	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2	-8.0	-7.0	-5.5	-6.2	-7.6
	(In percent of GDP)											
Central government operations												
Revenues and grants	20.8	22.7	25.0	22.5	24.1	22.5	25.6	25.0	25.5	26.1	26.6	27.0
Nonextractive	16.6	16.2	18.2	17.0	18.9	18.1	19.9	20.3	21.0	21.6	22.2	22.9
Taxes	10.9	11.7	13.4	12.6	14.3	14.1	15.5	16.0	16.5	17.0	17.5	18.1
Extractive	2.1	4.2	5.1	3.7	3.4	3.2	3.8	3.2	3.1	3.3	3.2	3.0
Grants	2.0	2.3	1.8	1.8	1.8	1.2	1.9	1.5	1.4	1.2	1.2	1.1
Expenditure and net lending	18.5	20.8	28.7	25.0	25.4	23.9	26.1	26.1	26.7	27.2	27.8	28.5
Of which: Current	12.0	13.0	17.2	16.4	15.5	15.1	14.4	13.9	13.6	13.7	13.5	13.4
Capital	6.6	7.8	11.5	8.7	9.8	8.8	11.7	12.2	13.1	13.6	14.3	15.1
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-2.1	-1.6	-1.5	-1.7	-1.7	-1.5	-1.5	-1.6
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.2	-3.7	-3.6	-3.4	-3.5	-3.5	-3.5	-3.5	-3.5
Overall balance	2.2	1.9	-3.7	-2.5	-1.2	-1.4	-0.5	-1.1	-1.2	-1.1	-1.2	-1.5
Public sector debt 1/ 2/	56.5	52.4	48.5	46.4	44.3	42.1	41.2	41.3	42.1	41.2	41.0	42.3
Net financial assets 3/	-46.8	-40.9	-41.2	-42.4	-40.7	-40.0	-38.6	-38.2	-38.6	-37.5	-37.1	-38.1
	(Annual change in percent; unless otherwise indicated)											
Money												
Broad money 4/	21.0	20.4	2.8	4.7	6.8	13.3	7.6	7.0	7.0	8.2	8.3	7.2
Credit to the private sector	6.8	8.4	13.0	5.2	12.9	8.8	6.1	7.3	7.3	8.2	7.1	5.5
External sector												
Exports of goods, f.o.b.	11.7	14.4	29.0	-3.5	5.2	3.6	0.4	1.7	8.1	11.8	-0.2	-2.7
Imports of goods, f.o.b.	-0.4	23.1	36.2	-10.6	-1.1	0.1	-2.4	5.5	4.4	6.9	2.7	1.7
Terms of trade	3.9	4.8	-16.8	6.1	7.9	9.4	11.2	5.4	-0.1	1.9	2.4	1.6
Real effective exchange rate	0.9	-0.1	9.3	…	…	…	…	…	…	…	…	…
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2	-8.0	-7.0	-5.5	-6.2	-7.6
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-1.7	-1.1	0.3	-0.9	-2.5
Gross official reserves (US$ million, eop) 5/	1,542	2,347	1,877	2,032	2,039	1,921	1,846	1,872	1,950	2,237	2,418	2,413
In months of prospective non-extractive imports	6.7	8.2	6.2	6.4	6.5	6.4	5.9	5.6	5.4	5.8	6.1	6.3
External public debt (US$ million) 2/	4,113	4,204	3,970	3,959	3,921	3,980	4,050	4,146	4,347	4,551	4,765	5,013
In percent of GDP	49.1	45.8	42.3	40.0	36.3	36.3	34.5	33.7	33.9	33.0	32.8	33.5
Memorandum items:												
Nominal GDP (MRU billion)	307.2	332.6	353.0	388.7	422.9	426.6	456.4	487.0	516.8	565.3	608.1	637.9
Nominal non-extractive GDP (MRU billion)	242.9	264.1	290.3	315.2	336.5	345.8	367.4	393.2	420.7	452.2	485.9	520.8
Nominal GDP (US$ million)	8,464	9,126	9,564	10,649	10,782	10,912	11,731	12,413	12,957	13,909	14,671	15,092
Nominal GDP (US$, annual change in percent)	7.2	7.8	4.8	11.3	1.2	2.5	7.5	5.8	4.4	7.4	5.5	2.9
Exchange rate (MRU/US$)	36.3	36.4	36.6	39.3	…	…	…	…	…	…	…	…
Price of oil (US$/barrel)	41.8	69.2	96.4	80.6	81.3	79.2	66.9	62.4	62.7	63.6	64.3	64.9
Price of iron ore (US$/Ton)	108.1	158.2	120.7	120.3	110.9	111.1	100.0	92.1	90.2	90.2	90.2	90.2
Price of gold (US$/Ounce)	1,770	1,800	1,802	1,943	2,342	2,387	3,018	3,174	3,100	3,260	3,260	3,260

Sources: Mauritanian authorities; and IMF staff estimates and projections.
1/ Including government debt to the central bank recognized in 2018.
2/ From 2021, including renegotiated, previously passive debt to Kuwait.
3/ Defined as end of year stock in hydrocarbon fund and treasury account minus gross debt
4/ Broad money has been adjusted downward from 2023 onwards to correct for the previous misclassification of the BCM's liquidity absorption operations.
5/ Excluding the hydrocarbon revenue fund; including 2021 SDR allocation.

Table 2a. Mauritania: Balance of Payments, 2020–30

(In millions of U.S. dollars, unless otherwise indicated)

	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	2030
				Est.	3rd Review	Est.	Projections					
Current account balance	-576	-782	-1,424	-935	-833	-1,039	-731	-993	-903	-763	-908	-1,147
Excl. externally financed extractive capital imports	187	87	-79	-36	-146	-155	-28	-214	-143	36	-129	-380
Trade balance	-288	-580	-1,002	-625	-382	-497	-378	-543	-422	-244	-387	-600
Exports, fob	2,591	2,964	3,825	3,691	3,884	3,825	3,842	3,908	4,226	4,727	4,718	4,592
Of which: Iron ore	1,029	1,544	1,278	1,400	1,282	1,168	1,088	1,010	1,203	1,244	1,229	1,229
Hydrocarbons	0	0	0	0	0	0	215	395	397	403	407	411
Copper	153	192	92	95	141	144	128	0	0	0	0	0
Gold	787	388	1,567	1,440	1,653	1,668	1,642	1,755	1,736	2,164	2,129	1,953
Fish	584	659	799	623	658	736	662	628	756	781	816	853
Imports, fob	-2,879	-3,544	-4,827	-4,316	-4,266	-4,322	-4,220	-4,451	-4,648	-4,970	-5,105	-5,192
Of which: Food	-687	-792	-1,002	-1,039	-1,034	-972	-1,017	-1,067	-1,154	-1,207	-1,250	-1,292
Petroleum	-417	-708	-1,195	-1,041	-1,048	-1,018	-1,047	-1,057	-1,112	-1,169	-1,229	-1,242
Capital goods	-1,011	-1,052	-1,514	-1,140	-928	-1,137	-966	-1,060	-1,050	-1,105	-1,099	-1,104
Services and income (net)	-630	-618	-753	-609	-714	-878	-571	-680	-711	-752	-755	-783
Services (net)	-524	-472	-597	-618	-720	-774	-502	-566	-588	-636	-650	-673
Credit	272	321	346	338	349	290	308	330	371	400	432	451
Debit	-796	-793	-943	-956	-1,069	-1,064	-809	-896	-959	-1,036	-1,082	-1,123
Income (net)	-106	-146	-156	9	6	-104	-69	-114	-123	-116	-105	-110
Credit	84	60	91	170	132	152	126	130	121	122	122	123
Debit	-190	-206	-247	-161	-126	-256	-196	-244	-244	-238	-227	-232
Current transfers (net)	342	416	330	298	263	335	218	230	230	232	234	236
Private unrequited transfers (net)	153	143	166	167	174	93	95	113	115	117	120	122
Official grants	189	272	165	132	89	242	123	117	115	115	115	114
Capital and financial account	620	1,978	1,710	878	822	774	613	1,113	1,160	1,217	1,251	1,288
Capital account	73	987	136	192	88	101	233	199	163	166	171	176
Financial account	548	991	1,575	686	734	673	380	914	997	1,051	1,080	1,111
Foreign direct investment (net)	928	1,062	1,402	848	561	1,440	624	812	855	1,088	1,111	1,135
Official medium- and long-term loans	94	52	306	35	44	4	-9	121	252	306	329	325
Disbursements	287	314	518	277	343	252	231	361	483	524	560	575
Of whch: GTA gas project	84	84	80	0	0	0	0	0	0	0	1	2
Amortization (before DSSI)	193	262	212	242	299	249	240	240	231	219	231	250
SNIM medium- and long-term loans	-60	-204	-13	-9	87	-9	90	104	123	122	123	126
Other financial flows	-415	81	-121	-189	42	-762	-325	-123	-233	-466	-483	-475
Errors and omissions	91	350	78	253	0	144	0	0	0	0	0	0
Overall balance	135	1,545	364	196	-11	-122	-118	120	257	454	344	141
Financing	-317	-1,569	-362	-239	-6	105	101	-128	-257	-454	-344	-141
Net foreign assets	-411	-755	-364	-239	-6	105	101	-128	-257	-454	-344	-141
Central bank (net)	-373	-658	-194	-186	62	128	173	-17	-144	-357	-241	-30
Change in reserve assets (- = increase, without RSF)	-422	-805	148	-152	52	174	213	33	-78	-286	-181	4
Liabilities	49	147	-342	-34	11	-46	-40	-50	-65	-71	-60	-35
Commercial banks (net)	-35	-47	-133	-17	-41	-2	-47	-49	-49	-33	-36	-43
Hydrocarbon revenue fund (net)	-3	-49	-38	-36	-27	-22	-26	-62	-64	-64	-66	-68
Exceptional financing (incl. DSSI and debt cancellation)	94	-814	2	0	0	0	0	0	0	0	0	0
Exceptional official grants	...	...	...	...	...	...	...	...	...	...	...	...
Financing gap	182	24	-2	43	17	17	17	9	0	0	0	0
Use of Fund credit: ECF/EFF, RCF	182	24	0	43	17	17	17	9	0	0	0	0
Residual gap	0	0	0	0	0	0	0	0	0	0	0	0
Use of Fund credit: RSF	0	0	0	0	59	59	138	60	0	0	0	0
Change in reserves (- = increase, with RSF)	-422	-805	148	-152	-8	115	75	-27	-78	-286	-181	4
Gross official reserves, incl. IMF financing (US$ million)	1,542	2,347	1,877	2,032	2,039	1,921	1,846	1,872	1,950	2,237	2,418	2,413
(in months of imports excluding extractive industries)	6.7	8.2	6.2	6.4	6.5	6.4	5.9	5.6	5.4	5.8	6.1	6.3
Gross official reserves, excl. RSF (US$ million)					1,980	1,861	1,648	1,615				
Memorandum items:												
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2	-8.0	-7.0	-5.5	-6.2	-7.6
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-1.7	-1.1	0.3	-0.9	-2.5
Trade balance (in percent of GDP)	-3.4	-6.4	-10.5	-5.9	-3.5	-4.5	-3.2	-4.4	-3.3	-1.8	-2.6	-4.0
Total external financing requirements (in percent of GDP)	9.8	13.7	17.2	11.1	10.6	11.9	8.3	10.0	8.8	7.1	7.8	9.3
External public debt (in millions of US$)	4,113	4,204	3,970	3,959	3,921	3,980	4,050	4,146	4,347	4,551	4,765	5,013
(in percent GDP)	49.1	45.8	42.3	40.0	36.3	36.3	34.5	33.7	33.9	33.0	32.8	33.5
External public debt service (after DSSI - US$ million)	151	147	241	323	364	358	349	364	373	382	378	364
(in percent of revenue)	9.5	7.9	10.8	14.7	15.1	15.4	12.6	12.5	11.9	11.0	10.2	9.3
SNIM contribution to BOP (US$ millions)	275	619	810	980	922	519	572	605	735	635	635	627
Hydrocarbon revenue fund balance (US$ millions)	86	135	171	191	218	211	236	298	362	426	492	560

Sources: Mauritanian authorities; and IMF staff estimates and projections.

Table 2b. Mauritania: Balance of Payments, 2020–30

(In percent of GDP, unless otherwise indicated)

	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	2030
				Est.	3rd Review	Est.	Projections					
Current account balance	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2	-8.0	-7.0	-5.5	-6.2	-7.6
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-1.7	-1.1	0.3	-0.9	-2.5
Trade balance	-3.4	-6.4	-10.5	-5.9	-3.5	-4.5	-3.2	-4.4	-3.3	-1.8	-2.6	-4.0
Exports, fob	30.6	32.5	40.0	34.7	36.0	35.1	32.8	31.5	32.6	34.0	32.2	30.4
Of which: Iron ore	12.2	16.9	13.4	13.2	11.9	10.7	9.3	8.1	9.3	8.9	8.4	8.1
Hydrocarbons	0.0	0.0	0.0	0.0	0.0	0.0	1.8	3.2	3.1	2.9	2.8	2.7
Copper	1.8	2.1	1.0	0.9	1.3	1.3	1.1	0.0	0.0	0.0	0.0	0.0
Gold	9.3	4.3	16.4	13.5	15.3	15.3	14.0	14.1	13.4	15.6	14.5	12.9
Fish	6.9	7.2	8.4	5.8	6.1	6.7	5.6	5.1	5.8	5.6	5.6	5.7
Imports, fob	-34.0	-38.8	-50.5	-40.5	-39.6	-39.6	-36.0	-35.9	-35.9	-35.7	-34.8	-34.4
Of which: Food	-8.1	-8.7	-10.5	-9.8	-9.6	-8.9	-8.7	-8.6	-8.9	-8.7	-8.5	-8.6
Petroleum	-4.9	-7.8	-12.5	-9.8	-9.7	-9.3	-8.9	-8.5	-8.6	-8.4	-8.4	-8.2
Capital goods	-11.9	-11.5	-15.8	-10.7	-8.6	-10.4	-8.2	-8.5	-8.1	-7.9	-7.5	-7.3
Services and income (net)	-7.4	-6.8	-7.9	-5.7	-6.6	-8.0	-4.9	-5.5	-5.5	-5.4	-5.1	-5.2
Services (net)	-6.2	-5.2	-6.2	-5.8	-6.7	-7.1	-4.3	-4.6	-4.5	-4.6	-4.4	-4.5
Credit	3.2	3.5	3.6	3.2	3.2	2.7	2.6	2.7	2.9	2.9	2.9	3.0
Debit	-9.4	-8.7	-9.9	-9.0	-9.9	-9.8	-6.9	-7.2	-7.4	-7.4	-7.4	-7.4
Income (net)	-1.2	-1.6	-1.6	0.1	0.1	-1.0	-0.6	-0.9	-1.0	-0.8	-0.7	-0.7
Credit	1.0	0.7	1.0	1.6	1.2	1.4	1.1	1.0	0.9	0.9	0.8	0.8
Debit	-2.2	-2.3	-2.6	-1.5	-1.2	-2.3	-1.7	-2.0	-1.9	-1.7	-1.5	-1.5
Current transfers (net)	4.0	4.6	3.5	2.8	2.4	3.1	1.9	1.8	1.8	1.7	1.6	1.6
Private unrequited transfers (net)	1.8	1.6	1.7	1.6	1.6	0.9	0.8	0.9	0.9	0.8	0.8	0.8
Official grants	2.2	3.0	1.7	1.2	0.8	2.2	1.0	0.9	0.9	0.8	0.8	0.8
Capital and financial account	7.3	21.7	17.9	8.2	7.6	7.1	5.2	9.0	9.0	8.7	8.5	8.5
Capital account	0.9	10.8	1.4	1.8	0.8	0.9	2.0	1.6	1.3	1.2	1.2	1.2
Financial account	6.5	10.9	16.5	6.4	6.8	6.2	3.2	7.4	7.7	7.6	7.4	7.4
Foreign direct investment (net)	11.0	11.6	14.7	8.0	5.2	13.2	5.3	6.5	6.6	7.8	7.6	7.5
Official medium- and long-term loans	1.1	0.6	3.2	0.3	0.4	0.0	-0.1	1.0	1.9	2.2	2.2	2.2
Disbursements	3.4	3.4	5.4	2.6	3.2	2.3	2.0	2.9	3.7	3.8	3.8	3.8
Of whch: GTA gas project	1.0	0.9	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Amortization (before DSSI)	2.3	2.9	2.2	2.3	2.8	2.3	2.0	1.9	1.8	1.6	1.6	1.7
SNIM medium- and long-term loans	-0.7	-2.2	-0.1	-0.1	0.8	-0.1	0.8	0.8	0.9	0.9	0.8	0.8
Other financial flows	-4.9	0.9	-1.3	-1.8	0.4	-7.0	-2.8	-1.0	-1.8	-3.3	-3.3	-3.1
Errors and omissions	1.1	3.8	0.8	2.4	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	2.1	16.9	3.8	1.8	-0.1	-1.1	-1.0	1.0	2.0	3.3	2.3	0.9
Financing	-4.9	-17.2	-3.8	-2.2	-0.1	1.0	0.9	-1.0	-2.0	-3.3	-2.3	-0.9
Net foreign assets	-6.4	-8.3	-3.8	-2.2	-0.1	1.0	0.9	-1.0	-2.0	-3.3	-2.3	-0.9
Central bank (net)	-5.8	-7.2	-2.0	-1.8	0.6	1.2	1.5	-0.1	-1.1	-2.6	-1.6	-0.2
Change in reserve assets (- = increase, without RSF)	-6.6	-8.8	1.6	-1.4	0.5	1.6	1.8	0.3	-0.6	-2.1	-1.2	0.0
Liabilities	0.8	1.6	-3.6	-0.3	0.1	-0.4	-0.3	-0.4	-0.5	-0.5	-0.4	-0.2
Other, incl. deposit from Saudi Arabia	-0.3	-0.3	-3.3	0.2	0.1	0.6	0.3	0.4	0.5	0.4	0.2	0.1
Commercial banks (net)	-0.4	-0.5	-1.4	-0.2	-0.4	0.0	-0.4	-0.4	-0.4	-0.2	-0.2	-0.3
Hydrocarbon revenue fund (net)	0.0	-0.5	-0.4	-0.3	-0.2	-0.2	-0.2	-0.5	-0.5	-0.5	-0.5	-0.5
Exceptional financing (incl. DSSI and debt cancellation)	1.1	-8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional official grants	...	...	...	...	...	...	...	...				
Financing gap	2.8	0.3	0.0	0.4	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Use of Fund credit: ECF/EFF	2.8	0.3	0.0	0.4	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Residual gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Use of Fund credit: RSF	0.0	0.0	0.0	0.0	0.6	0.5	1.2	0.5	0.0	0.0	0.0	0.0
Change in reserves (- = increase, with RSF)	-6.6	-8.8	1.6	-1.4	-0.1	1.1	0.6	-0.2	-0.6	-2.1	-1.2	0.0
Gross official reserves, incl. IMF financing	18.2	25.7	19.6	19.1	18.9	17.6	15.7	15.1	15.1	16.1	16.5	16.0
(in months of imports excluding extractive industries)	6.7	8.2	6.2	6.4	6.5	6.4	5.9	5.6	5.4	5.8	6.1	6.3
Gross official reserves, excl. RSF				-	18.4	17.1	14.0	12.9				
Memorandum items:												
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.8	-7.7	-9.5	-6.2	-8.0	-7.0	-5.5	-6.2	-7.6
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-1.7	-1.1	0.3	-0.9	-2.5
Trade balance (in percent of GDP)	-3.4	-6.4	-10.5	-5.9	-3.5	-4.5	-3.2	-4.4	-3.3	-1.8	-2.6	-4.0
External public debt (in millions of US$)	4,113	4,204	3,970	3,959	3,921	3,980	4,050	4,146	4,347	4,551	4,765	5,013
(in percent GDP)	49.1	45.8	42.3	40.0	36.3	36.3	34.5	33.7	33.9	33.0	32.8	33.5
External public debt service (after DSSI - US$ million)	151	147	241	323	364	358	349	364	373	382	378	364
(in percent of revenue)	9.5	7.9	10.8	14.7	15.1	15.4	12.6	12.5	11.9	11.0	10.2	9.3
SNIM contribution to BOP (US$ millions)	275	619	810	980	922	519	572	605	735	635	635	627
Hydrocarbon revenue fund balance (US$ millions)	86	135	171	191	218	211	236	298	362	426	492	560

Sources: Mauritanian authorities; and IMF staff estimates and projections.

Table 3a. Mauritania: Central Government Operations, 2020–30
(In billions of MRU, unless otherwise indicated)

	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	2030
					3rd Review	Est.	Projections					
Revenues and grants	63.8	75.5	88.4	87.4	102.0	96.0	117.0	121.8	131.7	147.8	161.5	172.1
Revenues	57.6	67.9	82.1	80.5	94.4	90.8	108.2	114.6	124.7	140.8	154.5	165.1
Nonextractive	51.1	53.8	64.2	66.3	79.9	77.1	90.9	99.0	108.6	122.2	134.9	146.0
Tax	33.5	38.8	47.2	48.9	60.3	60.0	70.8	77.9	85.3	96.1	106.3	115.2
Of which: Carbon tax	…	…	…	…	…	…	1.3	2.6	4.5	5.6	6.2	6.9
Nontax	17.6	15.0	17.0	17.3	19.6	17.1	20.1	21.1	23.3	26.1	28.7	30.8
Extractive	6.5	14.1	17.9	14.2	14.5	13.7	17.2	15.6	16.1	18.6	19.6	19.1
Oil and gas 1/	0.5	1.2	2.1	2.4	1.1	0.6	2.3	2.4	2.6	2.6	2.8	2.9
Mining	6.0	12.9	15.8	11.9	13.4	13.1	14.9	13.2	13.6	15.9	16.8	16.2
Grants	6.2	7.6	6.4	6.9	7.6	5.1	8.8	7.2	7.0	7.0	7.0	7.0
Of which: Projects	2.6	2.6	5.8	5.5	6.9	4.1	7.3	6.0	5.5	5.5	5.5	5.5
Expenditure and net lending	56.9	69.1	101.3	97.2	107.2	101.8	119.1	127.0	138.1	154.0	169.1	181.8
Current	36.8	43.3	60.8	63.8	65.6	64.4	65.6	67.7	70.5	77.2	82.3	85.7
Compensation of employees	16.8	18.9	21.1	24.9	25.8	26.3	28.6	30.6	31.6	34.7	37.3	38.7
Goods and services	7.4	9.3	12.2	10.9	12.2	11.1	11.0	11.5	12.2	13.4	14.4	15.1
Subsidies and transfers 2/	6.4	9.0	20.6	16.4	15.6	15.4	14.0	13.0	13.0	13.9	14.5	14.9
Interest	2.9	2.8	3.5	3.7	4.1	4.3	4.0	3.9	4.5	5.0	5.6	6.2
External	2.2	2.1	2.8	2.8	2.5	2.9	2.7	2.6	2.8	3.0	3.3	3.6
Domestic	0.7	0.7	0.7	0.9	1.7	1.4	1.2	1.3	1.7	2.0	2.3	2.6
Special accounts	0.9	1.4	1.9	6.1	5.5	5.5	5.4	5.7	6.2	6.8	6.8	6.8
Common reserves	2.5	1.6	1.3	1.2	2.4	1.9	2.5	2.8	3.0	3.4	3.7	4.0
Others	-0.1	0.3	0.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital	20.3	26.0	40.7	33.6	41.6	37.5	53.6	59.3	67.5	76.8	86.8	96.0
Foreign-financed	5.2	5.2	9.9	8.4	10.1	7.9	10.0	13.7	17.6	18.6	19.9	20.6
Domestically financed, incl. COVID-19	15.0	20.8	30.8	25.0	31.5	29.6	43.5	45.6	49.9	58.2	66.8	75.4
Net lending	-0.2	-0.2	-0.2	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Primary balance (excl. grants)	3.6	1.6	-15.7	-12.8	-8.7	-6.7	-7.0	-8.4	-8.9	-8.2	-8.9	-10.5
Primary balance	9.7	9.2	-9.4	-5.9	-1.1	-1.6	1.8	-1.2	-1.9	-1.2	-1.9	-3.5
Non-extractive primary balance (incl. grants)	3.2	-4.9	-27.2	-20.1	-15.6	-15.3	-15.4	-16.8	-18.0	-19.8	-21.5	-22.6
Overal balance (excl. grants)	0.7	-1.2	-19.2	-16.5	-12.8	-11.0	-11.0	-12.3	-13.3	-13.2	-14.5	-16.7
Overall balance	6.8	6.4	-12.9	-9.6	-5.2	-5.8	-2.2	-5.1	-6.3	-6.2	-7.5	-9.7
Financing	-6.8	-6.4	12.9	9.6	5.2	5.8	2.2	5.1	6.3	6.2	7.5	9.7
Domestic	-12.6	-5.1	20.9	16.4	10.4	9.6	3.7	6.0	5.1	3.9	4.2	6.2
Banking system	-9.4	5.5	-5.9	16.5	6.0	14.2	3.0	3.2	3.0	2.1	2.5	3.7
Treasury account	-19.9	-12.8	14.0	13.8	1.5	7.5	-2.0	-1.0	0.0	-0.5	0.0	0.0
Central bank	11.4	-6.7	11.4	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	-0.9	-0.4	-2.9	2.7	4.5	6.0	5.0	4.2	3.0	2.6	2.5	3.7
Commercial banks (Without the RSF)	-0.9	-0.4	-2.9	2.7	6.8	8.3	10.4	6.5	3.0	2.6	2.5	3.7
Nonbanks	-0.4	-0.8	0.1	-0.1	4.5	1.3	0.7	2.8	2.0	1.8	1.7	2.5
Domestic arrears	-1.5	1.5	1.3	-1.3	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits accounts	-1.3	3.8	11.1	9.3	0.0	-6.3	0.0	0.0	0.0	0.0	0.0	0.0
SDR allocation	…	6.4	…	…	…	…	…	…	…	…	…	…
External	5.9	-2.8	-5.6	-6.7	-5.2	-3.9	-1.3	-0.9	1.2	2.3	3.3	3.5
Hydrocarbon revenue fund (net)	0.2	-1.4	-1.4	-0.8	-1.1	-0.7	-1.0	-2.4	-2.6	-2.6	-2.8	-2.9
Oil and gas revenue	-0.8	-1.4	-1.2	-0.8	-1.1	-0.7	-17.2	-15.6	-16.1	-18.6	-19.6	-19.1
Transfer to the budget	1.0	0.0	0.0	0.0	0.0	0.0	11.4	12.2	12.9	14.1	15.2	15.9
Other external financing	5.6	-1.5	-4.2	-5.9	-4.1	-3.1	-0.3	1.6	3.8	5.0	6.1	6.4
Borrowing (net)	-3.9	-4.8	-2.5	-5.9	-7.4	-6.4	-6.8	-2.0	2.6	3.7	4.9	5.1
Disbursements	2.8	2.6	5.3	3.8	3.2	3.8	2.8	7.7	12.1	13.2	14.5	15.2
Amortization	-6.8	-7.3	-7.8	-9.8	-10.6	-10.2	-9.6	-9.7	-9.5	-9.5	-9.6	-10.1
of which debt relief (DSSI)	3.5	4.1	-1.5	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF (RCF)	4.7	…	…	…	…	…	…	…	…	0.0	0.0	0.0
IMF (ECF/EFF, actual and prospective)	1.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF (RSF)	…	…	…	…	2.3	2.3	5.4	2.3	…	…	…	…
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions	-0.2	1.6	-2.3	-0.1	0.0	0.1	-0.2	0.0	0.0	0.0	0.0	0.0
Memorandum items:												
Real growth rate of public expenditure (percent)	7.7	17.2	33.8	-8.6	7.8	3.1	14.1	2.9	4.8	7.3	5.5	3.4
Current (percent)	11.1	13.5	28.1	-0.1	0.6	-0.5	-0.7	-0.3	0.4	5.2	2.5	0.2
Capital (percent)	0.8	23.7	43.0	-21.3	21.0	9.8	39.4	6.9	9.7	9.4	8.6	6.4
Non-extractive primary balance (excl. grants)	-3.0	-12.5	-33.6	-27.1	-23.2	-20.5	-24.2	-24.0	-25.0	-26.8	-28.5	-29.6
Non-extractive primary balance (incl. grants)	3.2	-4.9	-27.2	-20.1	-15.6	-15.3	-15.4	-16.8	-18.0	-19.8	-21.5	-22.6
Basic budget balance (excl. grants) 3/	5.9	4.0	-9.3	-8.1	-2.7	-3.1	-0.9	1.4	4.3	5.4	5.4	4.0
Net financial assets 4/	-143.7	-135.9	-145.6	-164.9	-172.1	-170.8	-176.1	-185.9	-199.5	-212.0	-225.6	-242.9
Social spending	14.6	15.6	19.4	21.1	22.3	22.9	23.6	25.3	27.1	29.1	31.2	32.0

Sources: Mauritanian authorities; and IMF staff estimates and projections.

1/ "Oil and gas" tax revenues do not include any revenue from the carbon, which is presented separately.

2/ Including transfers to public entities outside the central government.

3/ Overall balance excluding foreign-financed investment expenditure.

4/ Defined as end of year stock in FNRH and treasury account minus gross debt.

Table 3b. Mauritania: Central Government Operations, 2020–30
(In percent of GDP, unless otherwise indicated)

	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	2030
					3rd Review	Est.	Projections					
Revenues and grants	20.8	22.7	25.0	22.5	24.1	22.5	25.6	25.0	25.5	26.1	26.6	27.0
Revenues	18.8	20.4	23.2	20.7	22.3	21.3	23.7	23.5	24.1	24.9	25.4	25.9
Nonextractive	16.6	16.2	18.2	17.0	18.9	18.1	19.9	20.3	21.0	21.6	22.2	22.9
Tax	10.9	11.7	13.4	12.6	14.3	14.1	15.5	16.0	16.5	17.0	17.5	18.1
Of which: Carbon tax	...	...	...	...	...	...	0.3	0.5	0.9	1.0	1.0	1.1
Nontax	5.7	4.5	4.8	4.5	4.6	4.0	4.4	4.3	4.5	4.6	4.7	4.8
Extractive	2.1	4.2	5.1	3.7	3.4	3.2	3.8	3.2	3.1	3.3	3.2	3.0
Oil and gas 1/	0.2	0.4	0.6	0.6	0.3	0.1	0.5	0.5	0.5	0.5	0.5	0.5
Mining	2.0	3.9	4.5	3.1	3.2	3.1	3.3	2.7	2.6	2.8	2.8	2.5
Grants	2.0	2.3	1.8	1.8	1.8	1.2	1.9	1.5	1.4	1.2	1.2	1.1
Of which: Projects	0.8	0.8	1.6	1.4	1.6	1.0	1.6	1.2	1.1	1.0	0.9	0.9
Expenditure and net lending	18.5	20.8	28.7	25.0	25.4	23.9	26.1	26.1	26.7	27.2	27.8	28.5
Current	12.0	13.0	17.2	16.4	15.5	15.1	14.4	13.9	13.6	13.7	13.5	13.4
Compensation of employees	5.5	5.7	6.0	6.4	6.1	6.2	6.3	6.3	6.1	6.1	6.1	6.1
Goods and services	2.4	2.8	3.4	2.8	2.9	2.6	2.4	2.4	2.4	2.4	2.4	2.4
Subsidies and transfers 2/	2.1	2.7	5.8	4.2	3.7	3.6	3.1	2.7	2.5	2.5	2.4	2.3
Interest	0.9	0.8	1.0	1.0	1.0	1.0	0.9	0.8	0.9	0.9	0.9	1.0
External	0.7	0.6	0.8	0.7	0.6	0.7	0.6	0.5	0.5	0.5	0.5	0.6
Domestic	0.2	0.2	0.2	0.2	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Special accounts	0.3	0.4	0.5	1.6	1.3	1.3	1.2	1.2	1.2	1.2	1.1	1.1
Common reserves	0.8	0.5	0.4	0.3	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.6
Others	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital	6.6	7.8	11.5	8.7	9.8	8.8	11.7	12.2	13.1	13.6	14.3	15.1
Foreign-financed	1.7	1.6	2.8	2.2	2.4	1.9	2.2	2.8	3.4	3.3	3.3	3.2
Domestically financed, incl. COVID-19	4.9	6.3	8.7	6.4	7.5	6.9	9.5	9.4	9.7	10.3	11.0	11.8
Net lending	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-2.1	-1.6	-1.5	-1.7	-1.7	-1.5	-1.5	-1.6
Primary balance	3.2	2.8	-2.7	-1.5	-0.3	-0.4	0.4	-0.2	-0.4	-0.2	-0.3	-0.5
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.2	-3.7	-3.6	-3.4	-3.5	-3.5	-3.5	-3.5	-3.5
Overal balance (excl. grants)	0.2	-0.4	-5.5	-4.3	-3.0	-2.6	-2.4	-2.5	-2.6	-2.3	-2.4	-2.6
Overall balance	2.2	1.9	-3.7	-2.5	-1.2	-1.4	-0.5	-1.1	-1.2	-1.1	-1.2	-1.5
Financing	-2.2	-1.9	3.7	2.5	1.2	1.4	0.5	1.1	1.2	1.1	1.2	1.5
Domestic	-4.1	-1.5	5.9	4.2	2.5	2.2	0.8	1.2	1.0	0.7	0.7	1.0
Banking system	-3.1	1.7	-1.7	4.2	1.4	3.3	0.7	0.7	0.6	0.4	0.4	0.6
Treasury account	-6.5	-3.8	4.0	3.5	0.4	1.8	-0.4	-0.2	0.0	-0.1	0.0	0.0
Central bank	3.7	-2.0	3.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	-0.3	-0.1	-0.8	0.7	1.1	1.4	1.1	0.9	0.6	0.5	0.4	0.6
Commercial banks (Without the RSF)	-0.3	-0.1	-0.8	0.7	1.6	1.9	2.3	1.3	0.6	0.5	0.4	0.6
Nonbanks	-0.1	-0.2	0.0	0.0	1.1	0.3	0.1	0.6	0.4	0.3	0.3	0.4
Domestic arrears	-0.5	0.4	0.4	-0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits accounts	-0.4	1.2	3.1	2.4	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	0.0
SDR allocation	...	1.9	...	...	...	...	...	...				
External	1.9	-0.9	-1.6	-1.7	-1.2	-0.9	-0.3	-0.2	0.2	0.4	0.5	0.5
Hydrocarbon revenue fund (net)	0.1	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2	-0.5	-0.5	-0.5	-0.5	-0.5
Oil and gas revenue	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2	-3.8	-3.2	-3.1	-3.3	-3.2	-3.0
Transfer to the budget	0.3	0.0	0.0	0.0	0.0	0.0	2.5	2.5	2.5	2.5	2.5	2.5
Other	1.8	-0.4	-1.2	-1.5	-1.0	-0.7	-0.1	0.3	0.7	0.9	1.0	1.0
Borrowing (net)	-1.3	-1.4	-0.7	-1.5	-1.7	-1.5	-1.5	-0.4	0.5	0.7	0.8	0.8
Disbursements	0.9	0.8	1.5	1.0	0.8	0.9	0.6	1.6	2.3	2.3	2.4	2.4
Amortization	-2.2	-2.2	-2.2	-2.5	-2.5	-2.4	-2.1	-2.0	-1.8	-1.7	-1.6	-1.6
of which debt relief (DSSI)	1.1	1.2	-0.4	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF (RCF)	1.5	...	...	...	...	...	...	...	...	0.0	0.0	0.0
IMF (ECF/EFF, actual and prospective)	0.6	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF (RSF)	...	...	...	...	0.6	0.5	1.2	0.5	...	...	...	...
Errors and omissions	-0.1	0.5	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:												
Non-extractive primary balance (excl. grants)	-1.0	-3.8	-9.5	-7.0	-5.5	-4.8	-5.3	-4.9	-4.8	-4.7	-4.7	-4.6
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.2	-3.7	-3.6	-3.4	-3.5	-3.5	-3.5	-3.5	-3.5
Overall balance (in percent of GDP)	2.2	1.9	-3.7	-2.5	-1.2	-1.4	-0.5	-1.1	-1.2	-1.1	-1.2	-1.5
Basic budget balance (excl. grants) 3/	1.9	1.2	-2.6	-2.1	-0.6	-0.7	-0.2	0.3	0.8	1.0	0.9	0.6
Net financial assets 4/	-46.8	-40.9	-41.2	-42.4	-40.7	-40.0	-38.6	-38.2	-38.6	-37.5	-37.1	-38.1
Social spending	4.7	4.7	5.5	5.4	5.3	5.4	5.2	5.2	5.2	5.1	5.1	5.0

Sources: Mauritanian authorities; and IMF staff estimates and projections.

1/ “Oil and gas” tax revenues do not include any revenue from the carbon, which is presented separately.

2/ Including transfers to public entities outside the central government.

3/ Overall balance excluding foreign-financed investment expenditure.

4/ Defined as end of year stock in FNRH and treasury account minus gross debt.

Table 4. Mauritania: Monetary Survey, 2020–30
(In billions of MRU at end-of-period exchange rates, unless otherwise indicated)

	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	2030
					3rd Review	Est.	Projections					
Monetary survey												
Net foreign assets	27.0	52.7	53.7	63.6	59.5	59.1	49.8	50.6	55.8	70.6	81.0	83.2
Net domestic assets	69.0	63.0	65.2	60.8	73.3	81.8	101.8	111.7	117.8	117.1	122.4	134.9
Net domestic credit	86.4	89.3	103.2	131.7	151.0	154.9	163.1	175.1	187.6	200.9	214.1	226.6
Net credit to the government	5.5	1.6	4.1	27.5	33.4	41.5	42.7	45.9	49.0	51.1	53.6	57.3
Credit to the economy	80.9	87.7	99.1	104.2	117.6	113.4	120.4	129.2	138.6	149.8	160.4	169.3
Other items net	-17.4	-26.3	-38.0	-70.9	-77.7	-73.1	-61.3	-63.4	-69.7	-83.8	-91.7	-91.8
Broad money (M2)	96.0	115.6	118.9	124.4	132.8	140.9	151.6	162.2	173.6	187.8	203.4	218.0
Monetary authorities												
Net foreign assets	29.5	52.2	48.0	57.3	53.9	52.5	43.9	44.9	51.5	67.2	78.6	81.4
Net domestic assets	12.2	-0.3	-6.5	-16.5	-10.5	-9.4	2.6	4.8	-2.8	-18.6	-26.0	-25.0
Net domestic credit	7.2	1.6	4.6	19.4	20.9	23.8	21.8	20.8	20.8	20.3	20.3	20.3
Net credit to the government	6.5	0.5	3.4	18.3	19.8	22.4	20.4	19.4	19.4	18.9	18.9	18.9
Other items net	5.0	-1.9	-11.1	-36.0	-31.4	-33.2	-19.2	-16.0	-23.6	-38.9	-46.3	-45.3
Reserve money	41.7	51.8	41.5	40.7	43.5	43.2	46.4	49.7	48.7	48.6	52.6	56.4
Currency in circulation	22.7	25.7	22.2	22.9	24.5	24.8	26.7	28.6	30.6	33.0	35.8	38.4
Reserves of banks	19.0	26.1	19.3	17.8	19.0	18.4	19.7	21.1	18.1	15.5	16.8	18.0
Of which : Banks deposits in FX	4.9	4.7	1.0	1.2	1.3	0.8	0.8	0.9	0.8	0.7	0.7	0.8
Commercial banks												
Net foreign assets	-2.5	0.5	5.6	6.4	5.6	6.6	5.9	5.7	4.3	3.5	2.4	1.7
Net domestic credit	79.6	88.4	99.4	112.9	130.8	132.0	142.1	155.1	167.6	181.5	194.6	207.2
Net credit to the government	-1.0	1.0	0.7	9.2	13.7	19.1	22.4	26.6	29.6	32.2	34.8	38.5
Credit to the private sector	80.5	87.3	98.6	103.7	117.1	112.8	119.8	128.6	138.0	149.2	159.9	168.7
Other items net	-22.3	-24.5	-26.8	-34.9	-47.0	-39.9	-42.9	-48.3	-47.0	-45.8	-46.2	-47.3
					(Annual change in percent)							
Monetary survey												
Net foreign assets	46.3	94.7	1.9	18.6	-6.5	-7.1	-15.8	1.6	10.3	26.6	14.7	2.6
Net domestic assets	13.3	-8.7	3.5	-6.8	20.6	34.6	24.5	9.7	5.5	-0.6	4.5	10.2
Net domestic credit	-3.7	3.4	15.5	27.6	14.7	17.6	5.3	7.4	7.1	7.1	6.5	5.9
Net credit to the government	-60.6	-71.5	161.6	572.2	21.7	50.9	3.0	7.5	6.6	4.3	4.9	6.9
Credit to the economy	6.7	8.5	12.9	5.2	12.8	8.8	6.1	7.3	7.3	8.1	7.1	5.5
Other items net	39.7	-51.7	-44.2	-86.7	-9.6	-3.1	16.2	-3.5	-9.9	-20.2	-9.4	-0.1
Broad money (M2)	21.0	20.4	2.8	4.7	6.8	13.3	7.6	7.0	7.0	8.2	8.3	7.2
Monetary authorities												
Net foreign assets	36.7	76.7	-7.9	19.2	-5.8	-8.3	-16.5	2.3	14.7	30.5	17.0	3.6
Net domestic assets	30.0	-102.5	2012.9	152.6	-36.7	-43.3	-127.3	87.2	-158.2	566.4	39.7	-3.6
Net domestic credit	-47.5	-78.5	196.2	322.6	7.7	22.6	-8.4	-4.6	0.0	-2.4	0.0	0.0
Net credit to the government	-50.8	-91.8	539.3	442.2	8.2	22.5	-8.9	-4.9	0.0	-2.6	0.0	0.0
Reserve money	34.7	24.4	-20.0	-1.9	6.8	6.0	7.6	7.0	-2.0	-0.2	8.3	7.2
Commercial banks												
Net foreign assets	20.3	120.1	1028.3	13.5	-12.6	3.3	-10.1	-3.9	-24.3	-19.4	-30.2	-29.1
Net domestic credit	4.5	11.1	12.4	13.7	15.8	16.8	7.7	9.2	8.0	8.3	7.2	6.5
Net credit to the government	-225.7	-206.4	-30.5	1180.5	48.5	107.4	17.0	18.8	11.5	8.9	7.8	10.6
Credit to the private sector	6.8	8.4	13.0	5.2	12.9	8.8	6.1	7.3	7.3	8.2	7.1	5.5
Memorandum items:												
Velocity of broad money (to non-extractive GDP)	2.5	2.3	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4
Credit to the private sector (percent of non-extractive GDP)	33.2	33.1	34.0	32.9	34.8	32.6	32.6	32.7	32.8	33.0	32.9	32.4
Net foreign assets of banks (in millions of U.S. dollars)	-67.6	13.8	153.6	162.6	142.7	165.4	152.3	144.1	107.1	84.7	58.0	40.3

Sources: Mauritanian authorities; and IMF staff estimates and projections.

Table 5. Mauritania: Banking Soundness Indicators, 2010–24

(In percent, unless otherwise indicated)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance sheet															
Assets / GDP	31.1	30.9	32.5	35.2	42.5	43.2	45.6	36.0	41.3	34.7	36.7	43.3	35.0	38.7	48.5
Net private-sector credit / total assets	53.2	48.2	50.8	52.1	55.5	57.0	54.9	43.8	41.2	41.0	42.8	39.8	40.3	37.4	33
Public enterprise credit / total assets	13.3	10.2	7.2	3.4	6.9	3.3	5.4	5.3	4.7	5.3	3.7	3.3	3.0	3.0	2.3
Government securities / total assets	18.8	11.1	11.2	5.8	5.8	2.0	2.0	1.0	0.6	0.9	0.4	0.9	0.6	5.9	10.5
Private-sector credit growth (y-o-y)	16.0	10.6	15.1	14.9	21.3	8.0	8.3	7.5	19.4	12.8	6.8	8.4	13	5.2	8.8
Gross NPLs / gross loans	45.3	39.2	25.7	20.4	23.0	30.0	25.5	22.4	22.6	21.5	24.1	22.7	19.1	19.3	17.4
Provisions / (gross NPLs - accrued interest)	30.0	31.2	53.1	52.9	52.5	78.5	63.0	70.7	77.8	76.1	71.7	58.4	65.4	80.1	50.7
Provisions / loans 360+ days in arrears	87.7	90.7	88.0	88.8	87.0	93.0	58.0	72.3	107.0	104.8	91.6	81.5	95.1	122.0	74.4
Deposits / total assets	59.3	60.9	59.1	57.8	61.0	60.8	59.0	60.2	55.6	63.2	63.5	69.1	69.7	70.8	72.2
Private-sector gross loans / private-sector deposits	118.4	105.9	110.7	113.7	137.7	134.1	110.4	88.4	94.5	94.7	88.3	80.6	85.7	80.4	72.9
Capital ratios															
Capital / total assets	16.7	18.5	17.5	18.7	14.7	13.7	14.2	13.8	12.9	18.4	16.0	13.9	13.6	15.2	15.0
Capital adequacy ratio (statutory min. = 10 percent) 1/	34.0	35.2	29.2	32.4	28.1	23.1	23.7	22.2	24.7	25.3	19.9	18.1	18	20.1	19.8
Foreign exchange exposure															
Fx assets / total assets	10.5	10.5	10.5	10.6	10.5	6.7	8.9	12.0	10.1	12.0	12.4	9.0	9.1	8.8	8.1
Fx assets / fx liabilities (on balance sheet)	112.1	135.2	100.1	106.6	138.6	108.2	116.0	102.5	99.5	103.2	117.8	89.8	94.3	110.5	101.1
Open fx position / capital (including off balance sheet)	-16.0	-32.7	-45.9	-26.0	-70.4	-72.7	-69.8	25.0	-32.6	-31.8	-23.5	-37.4	-26.6	6.0	0.7
Profitability and liquidity															
Return on assets	0.4	1.2	1.4	1.2	1.2	0.7	...	0.6	0.4	0.5	0.3	0.0	...	1.2	...
Return on equity	2.7	6.0	8.4	6.4	6.6	5.1	...	3.4	3.5	3.1	1.8	-0.1	...	8.6	...
Liquid assets / total assets 2/	29.5	29.7	29.8	24.0	23.5	21.4	17.0	24.6	19.6	20.9	26.1	26.4	22.9	26.9	32
Liquidity coverage ratio (statutory min. = 100 percent) 3/	...	...	...	...	...	...	...	...	...	...	148.9	152.5	140	185.7	213.8
Memorandum items:															
Share of assets held by three largest banks	53.7	50.7	45.4	42.3	45.7	42.0	41.0	38.8	42.3	35.9	36.8	35.5	37.6	42.4	45.2
Number of banks	10	12	12	15	15	16	16	17	17	18	18	18	17	17	17

Sources: Mauritanian authorities; and IMF staff.

1/ Revised definition from 2020.

2/ Liquid assets: cash, reserves, and treasury bills.

3/ Introduced in 2020, defined as liquid asset over 30-day ahead net outflows.

Table 6. Mauritania: External Financing Requirements and Sources, 2022–30
(In millions of U.S. dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
			Est.			Proj.			
Gross Financing Needs	**1,851**	**1,473**	**1,539**	**1,095**	**1,353**	**1,328**	**1,384**	**1,435**	**1,510**
Current account balance, excl. grants	1,589	1,067	1,281	854	1,110	1,018	879	1,022	1,260
External public debt amortization 1/	225	251	258	242	243	231	219	231	250
Accumulation of hydrocarbon revenue fund	38	36	22	26	62	64	64	66	68
Reserves accumulation (without RSF)	0	155	0	0	0	78	286	181	0
Gross Financing Sources	**1,851**	**1,430**	**1,522**	**956**	**1,227**	**1,213**	**1,269**	**1,320**	**1,396**
Foreign direct investment and capital inflows (net)	1,537	1,041	1,541	857	1,011	1,018	1,255	1,282	1,311
Official grants (historical)	165	132	242	...	...	...	...	...	...
Official loan disbursements (excluding IMF) 2/	218	277	252	231	361	483	524	560	575
Other flows 3/	-540	-20	-684	-345	-178	-288	-510	-522	-494
Drawdown of hydrocarbon revenue fund	0	0	0	0	0	0	0	0	0
Reserves drawdown (without RSF)	471	0	170	213	33	0	0	0	4
Financing gap	**0**	**-43**	**-17**	**-140**	**-125**	**-115**	**-115**	**-115**	**-114**
Prospective financing	**0**	**43**	**17**	**140**	**125**	**115**	**115**	**115**	**114**
IMF ECF/EFF	0	43	17	17	9	0	0	0	0
Official grants (prospective) 4/	0	0	0	123	117	115	115	115	114
Residual financing gap	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
RSF disbursement (prospective)	0	0	59	138	60	0	0	0	0
Change in reserves (net, with RSF)	-471	155	-111	-75	27	78	286	181	-4
Memorandum items:									
Gross official reserves (US$ million)	1,877	2,032	1,921	1,846	1,872	1,950	2,237	2,418	2,413
Hydrocarbon revenue fund balance (US$ millions)	171	191	211	236	298	362	426	492	560

Sources: Mauritanian authorities; and IMF staff estimates and projections.
1/ Including central government, central bank, and SNIM.
2/ Budget support is primarily from the World Bank, European Union, International Fund for Agricultural Development, and France.
3/ Including SNIM, SMHPM, commercial banks, errors, and omissions, and HIPC Debt Relief.
4/ Disbursed official grants moved above the line.

Table 7. Mauritania: Capacity to Repay the Fund, 2025–49

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Fund Obligations Based on Existing Credit (millions of SDRs)																									
Principal	26.13	44.71	47.26	45.87	42.15	28.26	9.67	8.02	6.58	2.46	4.46	4.46	4.46	4.46	4.46	4.46	4.46	4.46	4.46	3.72	0.00	0.00	0.00	0.00	0.00
Charges and interest	7.15	7.37	7.37	7.30	7.15	6.97	6.79	6.61	6.44	6.33	6.26	6.16	6.06	5.96	5.86	5.76	5.66	5.56	5.46	5.36	5.29	5.29	5.29	5.29	5.28
Fund Obligations Based on Existing and Prospective Credit (millions of SDRs)																									
Principal	26.13	44.71	47.26	45.87	42.15	30.04	12.89	12.02	9.45	5.90	7.89	17.66	19.32	20.81	17.83	19.32	19.32	19.32	19.32	18.58	14.86	2.23	0.00	0.00	0.00
GRA (EFF)	0.00	0.00	0.89	3.93	5.01	6.80	7.16	7.51	5.90	3.22	2.15	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRGT (ECF & RCF)	26.13	44.71	46.37	41.94	37.14	23.25	5.74	4.51	3.54	1.93	1.29	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74	4.46	17.09	19.32	20.81	17.83	19.32	19.32	19.32	19.32	18.58	14.86	2.23	0.00	0.00	0.00
Charges and interest (in million of SDRs)	7.54	10.67	11.18	11.11	10.96	10.76	10.51	10.25	9.99	9.81	9.66	9.43	9.00	8.57	8.13	7.70	7.26	6.83	6.39	5.96	5.56	5.31	5.29	5.29	5.28
Of which:																									
GRA Basic Charges	1.15	1.48	1.54	1.47	1.33	1.12	0.87	0.61	0.36	0.17	0.06	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surcharges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which: Level-based	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Time-based	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Obligations Based on Existing and Prospective Credit																									
Millions of SDRs	33.67	55.39	58.44	56.98	53.10	40.80	23.40	22.27	19.44	15.70	17.55	27.09	28.32	29.37	25.97	27.02	26.58	26.15	25.71	24.54	20.42	7.54	5.29	5.29	5.28
Millions of U.S. dollars	43.09	70.89	74.79	72.93	67.96	52.22	29.95	28.51	24.88	20.10	22.47	34.67	36.24	37.59	33.23	34.58	34.02	33.47	32.91	31.41	26.13	9.65	6.77	6.77	6.76
Percent of exports of goods and services	1.04	1.67	1.63	1.42	1.32	1.04	0.74	0.67	0.56	0.45	0.51	0.76	0.83	0.85	0.73	0.76	0.72	0.69	0.66	0.61	0.49	0.18	0.12	0.12	0.11
Percent of debt service	12.73	20.28	20.85	20.38	18.58	14.36	7.91	7.58	6.39	5.22	5.55	8.31	8.06	7.20	6.58	6.27	6.05	5.83	5.62	5.26	4.29	1.55	1.07	1.05	1.03
Percent of GDP	0.37	0.57	0.58	0.52	0.46	0.35	0.20	0.19	0.16	0.12	0.13	0.19	0.19	0.19	0.16	0.16	0.15	0.14	0.13	0.12	0.09	0.03	0.02	0.02	0.02
Percent of gross international reserves	2.34	3.79	3.83	3.26	2.81	2.16	1.68	1.48	0.94	0.66	0.61	0.81	0.78	0.74	0.60	0.57	0.55	0.52	0.50	0.46	0.37	0.13	0.09	0.09	0.09
Percent of quota	26.14	43.00	45.37	44.24	41.23	31.68	18.17	17.29	15.09	12.19	13.63	21.03	21.99	22.80	20.16	20.98	20.64	20.30	19.96	19.05	15.85	5.85	4.10	4.11	4.10
Principal	20.29	34.71	36.69	35.61	32.72	23.33	10.01	9.33	7.33	4.58	6.13	13.71	15.00	16.15	13.85	15.00	15.00	15.00	15.00	14.42	11.54	1.73	0.00	0.00	0.00
GRA	0.00	0.00	0.69	3.05	3.89	5.28	5.56	5.83	4.58	2.50	1.67	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRGT	20.29	34.71	36.00	32.56	28.83	18.05	4.45	3.50	2.75	1.50	1.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58	3.46	13.27	15.00	16.15	13.85	15.00	15.00	15.00	15.00	14.42	11.54	1.73	0.00	0.00	0.00
Outstanding Fund Credit Based on Existing and Prospective Credit																									
Millions of SDRs	395.7	402.0	354.8	308.9	266.8	236.7	223.8	211.8	202.4	196.5	188.6	170.9	151.6	130.8	112.9	93.6	74.3	55.0	35.7	17.1	2.2	0.0	0.0	0.0	0.0
GRA	38.6	42.9	42.0	38.1	33.1	26.3	19.1	11.6	5.7	2.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PRGT	208.5	165.9	119.5	77.6	40.5	17.2	11.5	7.0	3.4	1.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	148.6	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	192.5	188.0	170.9	151.6	130.8	112.9	93.6	74.3	55.0	35.7	17.1	2.2	0.0	0.0	0.0	0.0
Millions of U.S. dollars	506.5	514.6	454.1	395.4	341.4	303.0	286.5	271.1	259.0	251.4	241.3	218.7	194.0	167.4	144.6	119.8	95.1	70.4	45.7	21.9	2.9	0.0	0.0	0.0	0.0
Percent of exports of goods and services	12.2	12.1	9.9	7.7	6.6	6.0	7.1	6.4	5.8	5.6	5.4	4.8	4.4	3.8	3.2	2.6	2.0	1.5	0.9	0.4	0.1	0.0	0.0	0.0	0.0
Percent of debt service	149.7	147.2	126.6	110.5	93.3	83.3	75.6	72.1	66.5	65.3	59.6	52.4	43.1	32.1	28.6	21.7	16.9	12.3	7.8	3.7	0.5	0.0	0.0	0.0	0.0
Percent of GDP	4.3	4.1	3.5	2.8	2.3	2.0	2.0	1.8	1.6	1.5	1.4	1.2	1.0	0.8	0.7	0.5	0.4	0.3	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Percent of gross international reserves	27.4	27.5	23.3	17.7	14.1	12.6	16.1	14.0	9.8	8.2	6.5	5.1	4.2	3.3	2.6	2.0	1.5	1.1	0.7	0.3	0.0	0.0	0.0	0.0	0.0
Percent of quota	307.2	312.1	275.4	239.8	207.1	183.8	173.8	164.4	157.1	152.5	146.4	132.7	117.7	101.5	87.7	72.7	57.7	42.7	27.7	13.3	1.7	0.0	0.0	0.0	0.0
GRA	30.0	33.3	32.6	29.6	25.7	20.4	14.9	9.0	4.4	1.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PRGT	161.9	128.8	92.8	60.3	31.4	13.4	8.9	5.4	2.7	1.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	115.4	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	149.4	146.0	132.7	117.7	101.5	87.7	72.7	57.7	42.7	27.7	13.3	1.7	0.0	0.0	0.0	0.0
Net Use of Fund Credit (millions of SDRs)	90.77	6.33	-47.26	-45.87	-42.15	-30.04	-12.89	-12.02	-9.45	-5.90	-7.89	-17.66	-19.32	-20.81	-17.83	-19.32	-19.32	-19.32	-19.32	-18.58	-14.86	-2.23	0.00	0.00	0.00
Disbursements and purchases	116.90	51.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repayments and repurchases	26.13	44.71	47.26	45.87	42.15	30.04	12.89	12.02	9.45	5.90	7.89	17.66	19.32	20.81	17.83	19.32	19.32	19.32	19.32	18.58	14.86	2.23	0.00	0.00	0.00
Memorandum items:																									
Exports of goods and services (in millions of US$)	4,150	4,239	4,597	5,127	5,150	5,043	4,032	4,239	4,458	4,505	4,444	4,533	4,374	4,398	4,527	4,558	4,694	4,835	4,980	5,130	5,283	5,442	5,605	5,773	5,947
Debt service (in millions of US$)	338	350	359	358	366	364	379	376	389	385	405	417	450	522	505	552	563	574	585	597	609	621	634	646	659
Nominal GDP (in millions of US$)	11,731	12,413	12,957	13,909	14,671	15,092	14,675	15,304	16,040	16,863	17,522	18,429	19,381	20,131	20,955	21,804	22,894	24,039	25,241	26,503	27,828	29,219	30,680	32,214	33,825
Gross international reserves (in millions of US$)	1,846	1,872	1,950	2,237	2,418	2,413	1,779	1,931	2,654	3,056	3,690	4,283	4,643	5,070	5,571	6,032	6,213	6,399	6,591	6,789	6,993	7,202	7,418	7,641	7,870
Quota (millions of SDRs)	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8	128.8

Source: IMF staff estimates and projections.

Notes: Mauritania belongs to Group A for RSF financing.

Table 8. Mauritania: RSF Reform Measure, Diagnostic Reference, and CD Input

Key Challenge	Reform Measure	Diagnostic Reference	Tentative completion date of RMs	IMF CD input	RM expected outcome	Development Partner Role	Prospective BOP risk reduction
Absence of climate informed budget reporting	RM I The Ministry of Finance will require in the FY 2026 budget circular NDC sector ministries to estimate the share of their FY 2026 budget that relate to climate adaption, in line with the CBT methodology	IMF CPIMA	Oct-25	IMF CD	Institutionalizing climate budget tagging in budget preparation will support climate change awareness and enable better-informed budget decisions and budget alignment with climate change priorities		*Improves fiscal and external sustainability.* Limits adverse economic impact of climate-related shocks, including by reducing fiscal costs and the subsequent need for external financing. Reduces maintenance and rehabilitation costs and associated import demand. Facilitates rapid recovery of growth and net exports.
	RM II The Ministry of Finance will publish a FY 2026 climate budget note, informed also by FY 2024 and 2025 tagging results of the NDC sectors, jointly with the 2026 Budget law.	IMF CPIMA	Apr-26	IMF CD			
Lack of a standard methodology for climate informed project appraisal and selection	RM III The Ministry of Economy and Sustainable Development will amend the Decree 2016-179, including the PIM manual, to integrate climate aspects in the PIM stages of the management of public investments (project conceptualization, appraisal, selection, and execution) and publish it on the Ministry's website.	IMF CPIMA	Completed	IMF CD	Increase in resilient and green public investments, which ultimately will reduce (i) the risk of disruptions to critical services, (ii) reduce		
	RM IV The Ministry of Economy and Sustainable Development, jointly with the Ministry of Environment, will pilot the climate screening template for major project proposals of selected NDC sectors, submitted for review and validation by CAPIP.	IMF CPIMA	Apr-26	IMF CD (tentative)			
Lack of (i) legal basis for the cash transfers; (ii) full coverage of effected vulnerable households and (iii) full government financing	RM V The Council of Ministers will adopt a decree to institutionalize the national social safety net program Tekavoul, including the climate shock-responsive cash transfer component (Tekavoul choc). The Agency for National Solidarity and the Fight Against Exclusion (Taazour) will expand the Tekavoul choc component to vulnerable households affected by drought while ensuring cover adequate funding.	WB "CCDR", "Framework for Adaptive Social Protection", "Financing Food Insecurity Risk - A Proactive Approach: The Mauritania National Fund for Food and Nutrition Crisis Response"	Completed		Reduced impact of climate related hazards, notably droughts, on vulnerable households. Prevention of famine.	WB CD	*Supports fiscal and external sustainability, and growth resilience.* Helps households' resilience to shocks, by limiting impact on domestic demand and reducing the need of large-scale emergency import programs; reduces reliance on external emergency financing; encourages donor support by demonstrating commitment to social protection.
Lack of (i) an efficient fossil fuel pricing mechanism and (ii) carbon pricing for hydrocarbons	RM VI In line with IMF TA, the Council of Ministers will adopt a decree for a new fossil fuel price structure that adjusts automatically to changes in international prices, removes discretionary price setting, phases out subsidies, and includes a price smoothing mechanism.		Apr-25 Delayed	IMF CD	Increased fiscal revenues, reduced fiscal burden, reduced GHG emissions, reduced poverty and inequality	WB CD (for possible cash transfers aspect)	*Improves external and fiscal sustainability.* Incentivizes a more efficient use of energy and supports the transition to cleaner energy, thus reducing reliance on fossil fuel imports, whose prices are volatile. Reduces fiscal burden on government while also increasing government revenues, in turn reducing external financing needs. Promotes net exports, investment and growth. Develops and strengthens the energy infrastructure, reducing need for imports and boosting investment, including FDI. Contains losses of unrealized oil and gas exports and FX earnings.
	RM VII In line with IMF TA, the Council of Ministers will adopt the FY 2025 budget law introducing a carbon tax applied starting March 2025 that (i) would be phased in gradually, (ii) is aligned with the country NDCs to address emissions from all sectors of the economy and fuels except LPG and (iii) is supplemented with compensation measures to safeguard poor households when prices exceed a certain threshold.		Apr-25 Delayed	IMF CD	Increased fiscal revenues, reduced GHG emissions, reduced poverty, and inequality		
Lack of (i) competition in electricity sector and (ii) access to power transmission infrastructure by private renewable energy producers	RM VIII In accordance with its New Electricity Code, the Ministry of Petroleum, Mines and Energy will adopt regulatory decree(s) to (i) provide access for independent power producers to the Mauritanian energy market and (ii) establish a non-discriminatory third-party access to transmission infrastructure owned by the public power utility SOMELEC.	WB "CCDR", "Study of Mauritania Power Production Master Plan", EU "Options for the Restructuring of SOMELEC"	Oct-25			WB CD	
Lack of legal basis for requiring mining companies to use renewables in their energy mix	RM IX The Ministry of Petroleum, Mines and Energy will adopt a decree requiring mining companies to increase the share of renewable-based electricity generation in their power mix by at least 5 percentage points annually until 2030. The annual objectives not achieved will be subject to a compensatory investment in rural electrification, especially in isolated areas.	WB "Climate Smart Mining Initiative"	Oct-25		Reduced GHG emissions	WB CD	
Lack of legal basis for preventing oil and gas companies from routine flaring	RM-X To reduce GHG emissions from the hydrocarbons production, the Ministry of Petroleum, Mines and Energy will adopt a decree, in line with WB TA, to eliminate routine gas flaring and venting and reduce methane emissions through well-defined sanctions for non-compliance.	Joint UN-WB Zero Routine Flaring by 2030 Initiative, WB "Global Gas Flaring and Venting Regulations"	Completed		Reduced GHG emissions	WB CD	
Weak interministerial collaboration in the water sector	RM XI The Ministry of Water and Sanitation and the Ministry of Environment will sign an interministerial partnership agreement (PA) on areas of cooperation (environmental assessments, enforcement, data management, monitoring of groundwater-dependent ecosystems (GDEs) and other hydrogeological data) and implement the agreement overseen by a technical committee, created as part of the PA.	WB "CCDR"	Completed		Enhanced collaboration on key responsibilities will improve planning, enhance effectiveness of activities on the ground and contribute to better allocation of resources	WB, EU, and AfD CD	*Improves external and fiscal sustainability.* Promotes more efficient use of water resources, ensuring a more resilient agricultural sector, thus supporting the reduced need for food imports. Increased fiscal revenues from water tarification reform will promote long term fiscal sustainability by reducing fiscal and extremal financing needs.
Lack of knowledge on groundwater dependent ecosystems	RM XII The Ministry of Water and Sanitation and the Ministry of Environment will (i) adopt an inter-ministerial order on environmental assessments and monitoring of water resources, informed by the experience of the partnership agreement and (ii) publish a pilot joint inventory on GDEs and hydrogeological data on the Boulenoir aquifer.	WB "Hidden Wealth of Nations"	Apr-26		Enhanced knowledge of GDE's will enhance project evaluation and inform decision-making on protection of GDEs and sustainable groundwater management	WB, EU, and AfD CD	
Water prices are set below the cost recovery level, creating incentives for overuse and underinvestment	RM XIII The Ministry of Water and Sanitation will revise and publish the water tariff regulations (2007 Order n°2624/MHETIC/ MCI) in line with IMF recommendations		Oct-25	IMF CD	Sustainable tariff setting permits efficent, equitable and sustainable use of water	AfD	

Table 9a. Mauritania: Schedule of Reviews and Disbursements and Purchases Under the ECF-EFF Blended Arrangements, 2023–26

Availability date	Amount of Disbursements						Conditions
	ECF		EFF		Total		
	Millions of SDR	Percent of Quota 1/	Millions of SDR	Percent of Quota 1/	Millions of SDR	Percent of Quota 1/	
Jan 25, 2023	5.37	4.17	10.73	8.33	16.10	12.50	Approval by the Executive Board
October 17, 2023	5.37	4.17	10.73	8.33	16.10	12.50	First review and end-June 2023 performance criteria
April 17, 2024	2.15	1.67	4.29	3.33	6.44	5.00	Second review and end-December 2023 performance criteria
October 17, 2024	2.15	1.67	4.29	3.33	6.44	5.00	Third review and end-June 2024 performance criteria
April 17, 2025	2.15	1.67	4.29	3.33	6.44	5.00	Fourth review and end-December 2024 performance criteria
October 17, 2025	2.15	1.67	4.29	3.33	6.44	5.00	Fifth review and end-June 2025 performance criteria
April 17, 2026	2.13	1.65	4.31	3.35	6.44	5.00	Sixth review and end-December 2025 performance criteria
Total	21.47	16.67	42.93	33.33	64.40	50.00	

Source: IMF staff calculations.
1/ Mauritania's quota is SDR 128.8 million. Percentages are rounded.

Table 9b. Mauritania: Schedule of Reviews and Disbursements Under the RSF Arrangements, 2024–26

Source: IMF staff calculations.

Availability date	Amount of Disbursements		Conditions
	RSF		
	Millions of SDR	Percent of Quota 1/	
April 17, 2024	14.86	11.54	Completion of RSF review of RM5 implementation
October 17, 2024	14.86	11.54	Completion of RSF review of RM3 implementation
October 17, 2024	14.86	11.54	Completion of RSF review of RM11 implementation
April 17, 2025 2/	14.86	11.54	Completion of RSF review of RM6 implementation
April 17, 2025 2/	14.86	11.54	Completion of RSF review of RM7 implementation
April 17, 2025	14.86	11.54	Completion of RSF review of RM10 implementation
October 17, 2025	14.86	11.54	Completion of RSF review of RM1 implementation
October 17, 2025 3/	14.86	11.54	Completion of RSF review of RM8 implementation
October 17, 2025	14.86	11.54	Completion of RSF review of RM13 implementation
October 17, 2025	14.86	11.54	Completion of RSF review of RM9 implementation
April 17, 2026	14.86	11.54	Completion of RSF review of RM2 implementation
April 17, 2026	14.86	11.54	Completion of RSF review of RM4 implementation
April 17, 2026	14.88	11.54	Completion of RSF review of RM12 implementation
Total	193.20	150.00	

1/ Mauritania's quota is SDR 128.8 million. Percentages are rounded.
2/ The completion of RM6 and RM7 is delayed, the disbursements did not take place as envisaged.
3/ Proposed to be rephased to April 17, 2025.

Table 10. Mauritania: Decomposition of Public Debt and Debt Service by Creditor, 2023–25 1/

(Based on end-2023 debt outstanding)

	Debt Stock			Debt service					
	end-2023			2023	2024	2025	2023	2024	2025
	In millions of US$	Percent of total debt	Percent of GDP	Millions US$			Percent of GDP		
Total PPG debt (external + domestic)	**4,592.8**	**100.0**	**46.4**	**522.1**	**529.2**	**532.4**	**5.3**	**4.8**	**4.5**
External	**3,960.1**	**86.2**	**40.0**	**323.3**	**338.2**	**339.4**	**3.3**	**3.1**	**2.9**
Multilateral creditors	2,475.2	53.9	25.0	179.2	186.9	221.0	1.8	1.7	1.9
FADES	1,197.3	26.1	12.1	101.5	106.9	120.0	1.0	1.0	1.0
IsDB	310.4	6.8	3.1	39.9	36.0	37.3	0.4	0.3	0.3
World Bank	426.2	9.3	4.3	13.6	15.4	16.9	0.1	0.1	0.1
IMF	347.7	7.6	3.5	8.5	15.3	34.1	0.1	0.1	0.3
Other multilaterals	193.7	4.2	2.0	15.7	13.3	12.8	0.2	0.1	0.1
Bilateral creditors	1,483.8	32.3	15.0	144.1	151.2	118.4	1.5	1.4	1.0
Paris Club	84.7	1.8	0.9	17.6	17.6	11.5	0.2	0.2	0.1
France (incl. AFD)	69.8	1.5	0.7	11.8	11.2	9.5	0.1	0.1	0.1
Spain	12.7	0.3	0.1	5.7	6.3	1.9	0.1	0.1	0.0
Other Paris Club	2.2	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0
Non-Paris Club	1,399.1	30.5	14.1	126.5	133.6	106.9	1.3	1.2	0.9
Saudi Arabia	667.2	14.5	6.7	30.8	28.7	25.8	0.3	0.3	0.2
China	306.7	6.7	3.1	40.7	44.9	45.1	0.4	0.4	0.4
Kuwait	250.8	5.5	2.5	23.9	24.0	19.8	0.2	0.2	0.2
Other Non-Paris Club	174.5	3.8	1.8	31.0	36.1	16.1	0.3	0.3	0.1
Bonds	1.0	0.0	0.0	-	-	-	-	-	-
Commercial creditors	-	-	-	-	-	-	-	-	-
Domestic	**632.7**	**13.8**	**6.4**	**198.9**	**191.1**	**193.0**	**2.0**	**1.7**	**1.6**
Held by residents, total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Held by non-residents, total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
T-bills	176.1	3.8	1.8	184.0	176.1	178.0	1.9	1.6	1.5
Loans	456.7	9.9	4.6	14.8	15.0	15.0	0.2	0.1	0.1
Memo items:									
Collateralized debt 2/	-	-	-						
Contingent liabilities	498.7	10.9	5.0						
o/w Public guarantees	6.4	0.1	0.1						
o/w Other explicit contingent liabilities 3/	473.7	10.3	4.8						
Nominal GDP (end of period)	9,890			9,890	10,972	11,723			

Sources: Mauritanian authorities; and IMF staff estimates.
1/ As reported by Country Authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.
2/ Debt is collateralized when the creditor has rights over an asset of revenue steam that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.
3/ Includes other one-off guarantees not included in publicly guaranteed debt (e.g., credit lines) and other explicit contingent liabilities not elsewhere classified (e.g., potential legal claims, payments resulting from PPP arrangements). See 2014 Government Finance Statistics Manual (7.252) for more information.

Table 11. Mauritania: Risk Assessment Matrix 1/			
Sources of Risks	**Relative Likelihood**	**Expected Impact**	**Policy Response**
		Global Risks: Conjunctural shocks and scenarios	
Trade policy and investment shocks.	High	Medium. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	• Structural reforms to diversify the economy and export markets. • Greater ER flexibility to absorb external shocks. • Enhancing the monetary policy framework to anchor inflation expectations and address potential inflationary pressures.
Sovereign debt distress.	High	Medium. Higher interest rates, stronger U.S. dollar, and shrinking development aid amplified by sovereign-bank feedback result in capital outflows, rising risk premia, loss of market access, abrupt expenditure cuts, and lower growth in highly indebted countries.	• Closed capital account and no access to international financial markets limit the risk. • Implementation of fiscal anchor aimed at stabilizing or reducing external debt.
Tighter financial conditions and systemic instability.	Medium	Low. Higher-for-longer interest rates and term premia amid looser financial regulation, rising investments in cryptocurrencies, and higher trade barriers trigger asset repricing, market dislocations, weak bank and NBFI distress, and further U.S. dollar appreciation, which widens global imbalances, worsens debt affordability, and increases capital outflow from EMDEs.	• Closed capital account and underdeveloped financial markets limit spillovers from global financial turmoil. • Strengthening of banking supervision and resolution framework to address weak banks.
Regional conflicts.	Medium	Medium. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	• Building fiscal buffers and mobilizing donor support where needed. • Continue/improve targeted subsidies, and social transfers. • More effective monetary and FX policies to address/absorb shocks. • Deepen regional security cooperation.
Commodity price volatility.	Medium	Low. Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	• Use external and fiscal buffers, implementation of fiscal anchor, and donor support if needed. • Continue/improve targeted subsidies. • Strengthening of the monetary policy framework to make it more effective. • Greater ER flexibility to absorb external shocks. • Structural reforms to diversify the economy.
Global growth acceleration.	Low	Low. Easing of conflicts, positive supply-side surprises (e.g., oil production shocks), productivity gains from AI, or structural reforms raise global demand and trade.	• Structural reforms, particularly in the business environment to capitalize on potential gains.

1/ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenario highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Table 11. Mauritania: Risk Assessment Matrix (concluded)

Sources of Risks	Relative Likelihood	Expected Impact	Policy Response
		Structural Risks	
Deepening geoeconomic fragmentation.	High	**High.** Persistent conflicts, inward-oriented policies, protectionism, weaker international cooperation, labor mobility curbs, and fracturing technological and payments systems lead to higher input costs, hinder green transition, and lower trade and potential growth.	• Create policy space for contingencies by building fiscal buffers and broadening the tax base through reforms and economic diversification. • Deepen regional security cooperation. • Structural reforms to diversify the economy.
Cyberthreats.	High	**Low.** Cyberattacks on physical or digital infrastructure (including digital currency and crypto assets), technical failures, or misuse of AI technologies trigger financial and economic instability.	• Strengthen banking supervision for cyber threats. • Accelerate digitalization and business climate reforms and increase ER flexibility to mitigate shocks. • Strengthen the AML/CFT framework.
Climate change.	Medium	**High.** Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply disruptions, lower growth, and financial instability.	• RSF to advance reforms in four key climate-related areas: (i) green public investment management (PIM) and public finance management (PFM), (ii) social protection systems and financing against climate-related disasters, (iii) decarbonization and (iv) climate mitigation and adaptation in critical sectors, including water and energy.
Social discontent.	Medium	**High.** Real income loss, spillovers from conflicts, dissatisfaction with migration, and worsening inequality ignite social unrest, populism, polarization, and resistance to reforms or suboptimal policies. This weakens growth and leads to policy uncertainty and market repricing.	• Use fiscal space for health, education, social and infrastructure spending toward the Sustainable Development Goals (SDGs). • Strengthening of the monetary policy framework to keep inflation low. • Improve social protection systems and communication on social measures and targeted subsidies.
		Domestic Risks	
Political and social unrest; regional terrorist attacks	Medium	**High.** Higher public spending, including on security; higher migration flows to Mauritania; impaired investor confidence and lower growth prospects.	• Improve governance and business climate, strengthen anti-corruption frameworks. • Promote inclusive growth and increase social spending.
Slower pace of reforms	Medium	**Medium.** Negative impact on social outcomes, confidence, and growth.	• Build consensus on reforms. • Improve communication. • Invest in human capital and institutions.
Reduced correspondent banking services	Low	**Low.** Curtailed cross-border payments affecting trade and remittances. Rise in informality.	• Strengthen the AML/CFT framework and its implementation; step up outreach to foreign banks.

Annex I. Integration of Capacity Development in the Program, 2025-2026

1. CD is closely integrated in the new ECF and EFF supported economic program, mainly through TA either from headquarters or from AFRITAC West. The CD Activities to support the SBs are below.

	Program Structural Benchmarks 2025	Supporting CD and Diagnostic Tools
Fiscal Policy		
1	Reform the consumption tax by replacing it with a conventional excise tax system, which applies to both imports and local production in the revised budget law (LFR) for 2025	FAD provided TA on (i) the evaluation of tax expenditures and the creation of a Tax Policy Unit and (ii) a tax diagnostic mission early 2024. A follow-up mission was also delivered in February 2025
2	Prepare and publish a public expenditure review on current spendings from 2022 to 2024	FAD provided TA
3	Reform the organizational structure of the directions of tax (DGI) and customs (DGD) and adopt a new function-based organigram for both directions in line with FAD TA	FAD provided TA
4	Reform the CGI to consolidate all tax measures and incentives, clearly exclude all non-listed measures, and limit responsibility for introducing new tax measures to the MEF	
5	Adopt and sign a memorandum of understanding between the directions of tax (DGI), customs (DGD), and the free zone authority to define responsibilities	FAD provided TA
6	Amend the Loi Organique de la Loi de Finance (LOLF) to introduce the principles of a fiscal rule on the non-extractive primary balance, including escape clauses, monitoring mechanisms, and the requirement to set the multi-year NEDP target to the medium-term budget framework	FAD provided a TA on rethinking PFM and integrating extractive revenue in October 2023 and is available to support the authorities in the implementation of this SB through a follow up TA
Monetary and Foreign Exchange Policy		
7	Introduce in the IT system Refinitiv a tool that allows to enforce firm FX quotes	MCM TA on FX
Financial Sector Policies		
8	Set up a robust IT system managed by BCM that will enable banks to electronically submit supervisory returns in compliance with regulatory reporting requirements, including effective data quality control and template integrity protection	AFRITAC West provided TA on banking supervision and regulation and more TA is planned

Governance and Private Investment		
9	Submit to Parliament legal amendments to enhance the declaration of assets and interests framework in line with the G20 High-Level Principles on Asset Disclosure by Public Officials, including by (i) adding members of parliament and SOE board members to the current list of obligated persons, (ii) specifying the types of assets and interests that, as a minimum, should be reported by obligated persons, including assets beneficially owned and assets of spouses (if above a reasonable materiality threshold proposed by the Anti-Corruption Agency), (iii) clarifying that declarations should be filed upon taking office, every two years, and upon leaving office, (iv) requiring the publication of relevant data declared by high-level officials, including their interests, annual income, aggregate data on their wealth (within ranges or above a certain threshold, proposed by the Anti-Corruption Agency) and material changes in their financial situations, and (v) introducing an effective and proportionate sanctions and enforcement regime for lack of compliance and false declarations	LEG provided TA to support the preparation of legal amendments to feed into the new law
10	Publish the semi-annual report on the implementation of the action plan in key governance areas supported by the IMF governance diagnostics	
11	In consultation with the Fund staff, publish an implementation decree to the new public enterprises law after its approval by parliament	
12	Publish an implementation decree to the Anti-Corruption Authority (ACA) law to enable the appointment of the ACA's Directive Council members and the president, and complete such appointments	
13	Publish the semi-annual report on the implementation of the action plan in key governance areas supported by the IMF governance diagnostic	

Appendix I. Letter of Intent

Nouakchott, June 14, 2025

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

Dear Madam Managing Director:

Our economic and financial program — anchored on the National Strategy for Accelerated Growth and Shared Prosperity (SCAPP, 2016-2030) — which the IMF supports through the Extended Fund Facility (EFF), the Extended Credit Facility (ECF), and the Resilience and Sustainability Facility (RSF), is continuing apace. In particular, we have met all quantitative targets to end-December 2024 and implemented most structural measures.

Thanks to our revenue mobilization efforts, supplemented by the IMF's financial support, Mauritania's economy recorded stronger-than-expected growth of 5.2 percent in 2024, driven mainly by the primary sector, the construction sector and financial services. The good performance of tax revenues in 2024 enabled us to step up public investment and allocate more resources to priority social spending, while keeping the deficit target in line with our fiscal policy anchor. In addition, the ongoing modernization of the foreign exchange market and the gradual transition to exchange rate flexibility are helping to maintain a comfortable level of international reserves.

Amid heightened global uncertainty and declining official development assistance in 2025 and beyond, it is imperative to preserve budget credibility and let the exchange rate play its role as a shock absorber for external viability. To this end, we will strive to achieve our economy's considerable tax potential, and to prioritize spending more effectively, notably by reforming the pricing of petroleum products.

We have made significant progress in implementing our Governance Action Plan and continue to make headway on this important agenda. To this end, we intend to finalize the implementation decrees of the law on public enterprises, operationalize the new national anti-corruption authority, and prioritize the effective implementation of the new declaration of assets and interests legal framework. In addition, our climate agenda, supported since December 2023 by the Resilience and Sustainability Facility, is making steady progress. We have adopted a decree eliminating routine gas flaring and venting and reducing methane emissions through well-defined sanctions for non-compliance. We have implemented ahead of the tentative completion date reform measure eight under our RSF, originally due at the fourth RSF review, namely the enactment of a decree granting independent power producers' access to the energy market. We would, therefore, request to bring forward to the third RSF review the availability date of, and rephase, this reform measure and the associated disbursement.

We trust that our economic reform program will enable us to support inclusive growth and to achieve our sustainable development goals. We will implement the policies and measures described in the Memorandum of Economic and Financial Policies (MEFP - attachment I), which aim (i) to consolidate our rule-based public finances through better tax revenue mobilization and spending efficiency; (ii) to modernize the financial system and enhance the monetary and exchange rate policy framework; (iii) to strengthen social protection systems and safeguard priority social spending; and (iv) to promote a favorable business climate and strengthen governance to foster private initiative.

The Government will take any additional measures that may be appropriate, as required. It will consult with IMF staff on the adoption of these measures, and before making any changes to the policies provided in this Memorandum, in accordance with the IMF rules applicable to this type of consultation.

We will implement the commitments outlined in the MEFP, we agree to report to the IMF any information on implementation of the agreed measures and on program execution, and we will consult the IMF when drafting budget laws and the medium-term fiscal framework, as provided in the Technical Memorandum of Understanding (TMU, Attachment II). In light of the level of program implementation to date, as well as the commitments presented in the MEFP, the government requests (i) the conclusion of the fourth review under the Extended Fund Facility and the Extended Credit Facility, and the disbursement of SDR 6.44 million (equivalent to 5 percent of Mauritania's quota), including SDR 4.29 million under the EFF and SDR 2.15 million under the ECF; and (ii) the conclusion of the third review of the RSF and the disbursement of SDR 29.72 million (23.08 percent of Mauritania's quota).

To implement these priorities and support its credibility with the international community, the government intends to maintain a productive relationship with its development partners. To that end, we shall remain closely engaged with the IMF in support of our strategy to promote growth through investment in human capital and infrastructure, and the steadfast implementation of reform agenda notably in the governance area.

In line with our objective of promoting transparency, we consent to the publication of this letter, its attachments, and the staff report in connection with our request for support.

Very truly yours,

/s/	/s/
Mohamed-Lemine Dhehby	Sid'Ahmed Bouh
Governor of the Central Bank	Minister of Economy and Finance

/s/

Codioro Moussa N'Guenor

Minister Delegate Responsible for Budget

Attachments (2):
1. Memorandum of Economic and Financial Policies
2. Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

A. Context

1. The Mauritanian government continues to make economic and social resilience the centerpiece of its public policy thrust, to address the multiple shocks that are slowing the economic momentum throughout the world and placing vulnerable sectors of the population in difficulty. This approach is inspired by the program for the second term of His Excellency, President Mohamed Ould Cheikh El Ghazouani, that is designed to meet the challenge and make the required social and economic transformations, capitalizing on the development of human capital, particularly among young persons. The socioeconomic and governance reforms promoted are based on the Accelerated Growth and Shared Prosperity Strategy (SCAPP 2016-2030), that is still the anchor for the government's actions. These reforms are supported by the International Monetary Fund through the arrangements under the Extended Fund Facility (EFF) and the Extended Credit Facility (ECF), and the Resilience and Sustainability Facility (RSF).

2. Our rigorous macroeconomic management and ongoing commitment to the reforms have been important levers in strengthening the resilience of our economy. Our achievements in the area of fiscal discipline have created sufficient fiscal space to strengthen Mauritania's social and economic resilience. Similarly, we accelerated the pace of fiscal consolidation in 2024 to restore the economic policy margins, while ensuring convergence towards the non-extractive primary budget deficit target of 3.5 percent of GDP, that has helped to reduce public debt.

3. The quantitative targets and objectives of the EFF/ECF for end-September and end-December 2024 have been achieved, and progress has been made in the implementation of structural benchmarks. The Law on State-Owned Enterprises has been promulgated. The monetary policy tools have been strengthened with the implementation of regular treasury bill auctions. We will also intensify our efforts to ensure the successful implementation of the structural benchmarks, particularly in the area of governance. We remain committed to completing reforms in governance and the pricing of petroleum products.

B. Recent Economic Developments and Outlook

4. In general, the Mauritanian economy continues to demonstrate resilience in a context marked by increased uncertainty:

- Economic growth in 2024 slowed to 5.2 percent, as against 6.5 percent in 2023. However, this is still a positive development, in light of the slowdown in the extractive sector (3.2 percent, as against 9.4 percent in 2023) and reflects the good performance of the non-extractive sector (5.6 percent), driven primarily by the recovery in the primary sector, and more specifically in agriculture and fisheries, as well as the construction sector, and continued growth in the financial sector. At the same time, after a slowdown in 2023, inflation was contained at 1.5 percent at the end of December 2024, as a result of the deceleration in the prices of food and imported products, assisted by the price ceiling measures on some basic products that we introduced in October 2024 to support the purchasing power of poor households.

- Regarding the external accounts, the overall balance of payments deteriorated. The current account deficit increased to 9.5 percent of GDP in 2024, while the capital and financial operations account balance decreased slightly from 8.2 percent of GDP in 2023 to 7.1 percent in 2024, primarily as a result of the increase in other financial outflows. The balance of payments deficit was approximately 1 percent of GDP larger than expected, and the level of gross international reserves decreased to US$1.9 billion at the end of December 2024 (from US$2.03 billion at end-December 2023).

- The broad money supply grew by 13.3 percent year-on-year at December 2024, as a result of (i) the significant revitalization of the treasury bill market, with an increase in net claims on the government of 51 percent, equivalent to 1.3 percent of GDP; and (ii) to a lesser extent, the cumulative reduction of 150 bps in the policy rate of the BCM during the fourth quarter of 2024.

5. The short and medium-term macroeconomic outlook is still promising. Economic growth is expected to slow to 4.0 percent in 2025 as the start of the GTA gas project only partially offsets the contraction in other extractive activities. However, performance in the non-extractive sector will continue to be solid. Growth is expected to accelerate gradually to a peak of 5.6 percent in 2028 when the GTA project is operational at full capacity, along with the rebound in gold and iron production, the continued expansion of the agriculture and fisheries sectors, and materialization of the effects of structural reforms on the private sector. The balance of payments current account deficit is expected to narrow in 2025 and to stabilize gradually at approximately within a band of 6 and 8 percent of GDP, supported by favorable terms of trade, which should contribute to an increase in the level of foreign exchange reserves in the medium term.

6. However, this outlook still entails risks, including the following:

- A resurgence of geopolitical tensions and deterioration in the security situation in the Sahel region, in a context of declining official development assistance, could result in an increase in public expenditure to address the security and humanitarian challenges.

- Negative terms-of-trade shocks, including higher oil and food prices, are likely to lead to greater macroeconomic and social challenges.

- The risks associated with climate change could lead to damaged infrastructures and undermine agricultural production, leading to a relatively substantial resurgence of food insecurity. The resulting imports of food products and reconstruction materials that might be expected could increase balance-of-payments requirements, exerting pressure on international reserves and economic growth.

- Persistent disruptions in GTA gas project operations, that began in early 2025, and unfavorable price fluctuations on the commodities markets could lead to reduced extractive tax revenue and increased external financing requirements and could adversely affect the medium-term debt profile.

- By contrast, accelerated implementation of future phases of the GTA gas project or other major mining projects, more favorable terms of trade, and accelerated implementation of the structural reforms might improve economic growth and the balance of payments.

C. Institutionalizing Fiscal Anchoring and Improving Revenue Mobilization and Spending Efficiency to Preserve Debt Sustainability

Execution of the Supplementary Budget in 2024

7. **We achieved all quantitative targets under the EFF/ECF at end-December 2024.** The quantitative performance criteria for the non-extractive sector primary balance, net domestic financing, and the ceiling on new external borrowing were all observed, with comfortable margins in many cases (see Table 1). The level of fiscal revenue as a percentage of GDP in 2024 remained stable at 22.5 percent (MRU 96.0 billion) as against its 2023 level (MRU 87.4 billion), despite the decline in grants, as a result of more effective tax revenue mobilization. Indeed, the tax-to-GDP ratio was 1.5 percentage points higher than in 2023, and this increase is mainly attributed to its non-extractive component. This performance was attributable in particular to (i) the early payment of an advance of MRU 1 billion made by a mining operator; (ii) the increase in withholding taxes on the subcontractors under a flat tax-rate system involved in the GTA project following a regularization made by BP; (iii) the regularization made by certain mining operators, and the increase in the withholding tax on wages and salaries (ITS) applied to GTA subcontractors under a flat tax-rate system (BP regularization); and (iv) the application of the new tax (5 percent) on telecommunication services introduced in the 2023 Supplementary Budget Law (LFR). The revenue measures under the 2024 LFR included an increase in the number of enterprises subject to online declaration requirements and the systematic cross checking between the databases of the DGI with those of the National Health Insurance Fund (CNAM), National Social Security Fund (CNSS), and the free trade zone.

8. **Expenditure in 2024 declined by 1.1 percent of GDP compared to2023**, primarily as a result of the decline in expenditure on subsidies and transfers. Despite an under-execution, capital expenditure increased slightly to almost 8.8 percent of GDP (instead of 9.8 percent of GDP in the 2024 LFR, and against 8.7 percent of GDP in 2023), and is financed increasingly with domestic resources. The main investment programs implemented under the 2024 LFR included:

- ***The emergency restructuring program for the Mauritanian electricity company, SOMELEC (MRU 1.69 billion):*** in 2024, we provided SOMELEC with financial resources to address the recurrent electricity cuts recently observed, in the amount of MRU 1.69 billion. An administrative and financial audit of SOMELEC will be launched in 2025 and will be used in the preparation of a comprehensive institutional, administrative, and financial reform of the public enterprise.

- ***Support measures for the national water company, SNDE (MRU 0.5 billion):*** In light of an increasing drinking water shortage, this program aims to finance water works to improve the water supply system from the Senegal River to the city of Nouakchott. These funds were made available to the SNDE in 2024.

9. Against this backdrop, the budget balance declined to -1.4 percent of GDP in 2024, equivalent to a fiscal adjustment of 1.1 percent of GDP relative to 2023. The non-extractive primary balance in 2024 showed a deficit of 3.6 percent of GDP (MRU15.32 billion), below the fiscal anchor consisting of an adjusted non-extractive primary deficit, using the compensation deriving from the fisheries agreement with the European Union, of MRU 15.78 billion. The deficit was financed by mobilizing external resources (primarily official financing) and the increased use of bond market issues with relatively contained borrowing costs, in a context of an easing of interest rates on the domestic market beginning in October 2024.

Execution of the Initial Budget Law in 2025

10. Our policy will continue to be based on anchoring the medium-term fiscal framework (MTFF) to a non-extractive primary deficit target of 3.5 percent of GDP. At the end of March 2025, tax revenue amounted to MRU 15.1 billion (20.9 percent of the 2025 budget), approximately the same level as end-March 2024, while expenditure reached MRU 21.8 billion (18.7 percent of the 2025 budget), an increase of 12.7 percent relative to the end of March 2024. The primary deficit excluding the extractive sector stands at MRU 4.1 billion, short of the indicative quantitative benchmark set at MRU 7.7 billion for the end of March 2025. This budget execution profile is attributable in particular to expenditure on wages and common reserves. For the remainder of the year, we plan to work towards a more effective rationalization of current expenditure in favor of capital expenditure, while continuously improving budget revenue mobilization and making expenditure more efficient.

11. We will intensify revenue mobilization efforts to address the significant gaps in infrastructure and the social sector. Leveraging the Tax Policy Unit (UPF) established in 2024, our revenue mobilization strategy is designed to gradually achieve the large tax potential of our economy. In this connection, we have identified measures for both fiscal policy and fiscal administration, based in particular on IMF recommendations.

12. In terms of fiscal policy, for 2025, we will include in the 2025 Supplementary Budget Law (in addition to the 2025 Initial Budget Law) a package of tax measures to broaden the tax base, reduce exemptions, simplify the tax system, and enhance its fairness.

- **Rationalization of tax expenditure.** The new codification of exemptions was adopted by decree of the Minister Delegate to the Minister of Economy and Finance responsible for the budget dated October 21, 2024, and its implementation in the customs information system has been effective since January 2, 2025. Regarding tax expenditure, the Tax Policy Unit finalized a comprehensive analysis, that has been published as an annex to the budget under the 2025 Budget Law. Tax expenditure amounted to MRU 10.7 billion, equivalent to 2.7 percent of GDP, representing an increase of 39 percent as against the estimate for 2022, as a result of the extension of the evaluation scope. Tax expenditure on consumption as broadly defined (including enterprises and households) represents 87 percent of the total amount. On the basis of this analysis, we will develop a strategy for rationalizing tax expenditure in the medium term. We will ensure that the obligation to file corporate income tax declarations is fully implemented, including for enterprises subject to tax exemptions (through the Investment Code, the tax regime for the free trade area, and the establishment agreements) to improve our register of taxpayers, our tax expenditure estimates, and the impact studies that will be conducted. In this connection, we also intend to implement a VAT reform by initiating a gradual reduction in VAT exemptions deemed to be regressive based on the results of the assessment of tax expenditure, and by expanding the categories of taxpayers eligible for VAT refunds. In this regard, a special purpose account dedicated to VAT credit refunds has been established and the mechanisms for its operation and management have been instituted by decree of the Minister in charge of Finance.

- **Investment Code:** We will also continue with our objective of reducing special regimes and will ensure the effective elimination of the provisions relating to "free points" introduced into the Investment Code adopted at end-December 2024 **(*Structural Benchmark for end-December 2024, not met*).** Although the objective of reducing the number of special regimes has not been achieved, the new code represents a substantial improvement compared to the previous code. With the aim of continued improvement and transparency in the tax system and of clarifying the provisions of the new code and their application, we will finalize and adopt its implementing decree by the end of June 2025. In addition, we will add to the implementing decree for the investment code the provision that the list of equipment relating to self-generation of electricity from renewable energy sources and the improvement in the energy performance of production equipment or buildings will be published and revised annually by joint decree of the Ministries of the Economy and Finance and Environment. The first decree will then be published by the end of June 2025 to facilitate the effective implementation of the provisions of the new code. In addition, since the creation of National Investment Promotion Agency (APIM) in 2021, we have been monitoring and supporting approved projects with the aim of assessing the progress of investment programs and collecting the data required for their evaluation (jobs, investments, level of project completion, and compliance with the commitments mentioned in the investment certificate). Similarly, we are committed to continuing these activities on a periodic basis (at least annually).

- **Consumption tax reform.** We will introduce a conventional excise tax system into the Supplementary Budget Law for 2025 that applies to both imports and local production **(*Structural Benchmark for end-August 2025*),** considering the recommendations from the IMF technical assistance.

- **Vehicle taxation reform.** To mobilize additional resources in the budget, we have implemented a vehicle taxation reform in the 2024 LFR. This reform can be expected to bring in approximately MRU 1.1 billion in additional revenue in 2025.

- **Introduction of a climate contribution levy.** The climate contribution, introduced in the 2025 Budget Law, is already being levied on all fuel products except LPG, including from certain large consumers (the National Industrial and Mining Company--SNIM and the Mauritanian Electricity Company--SOMELEC). We will intensify our efforts to ensure that all mining companies comply in connection with this contribution, in line with their commitment to support the ecological transition. This contribution is expected to generate MRU 0.66 billion in revenue from the mining sector. We have also finalized the regulatory provisions confirming the gradual increase in the carbon tax until 2030 and exempting liquified petroleum gas (LPG) from this contribution.

- **Simplification of the tax system.** We will implement a reform of the General Tax Code (CGI) to consolidate all tax measures and incentives, to clearly exclude all unscheduled measures, and to limit responsibility for introducing new tax measures to the Ministry of Economy and Finance (MEF) **(*Structural Benchmark for end-December 2025).*** We will also study the wage structure so that effective exemptions can be listed, and tax practices can be included in the law on civil servants' wages, including bonuses. In addition, we will organize consultation events through tax conferences, that could help to build wider support for fiscal policy reforms by end-October 2025.

13. We will concurrently accelerate implementation of reforms in the tax and customs administrations with a view to improving tax collection and the efficiency of the DGI and DGD. Our strategy in this area is guided in particular by the recommendations from the recent diagnostic conducted by the IMF on the tax administration (Tax Administration Diagnostic Assessment Tool—TADAT). Key measures in progress include the following:

- **Implementation of the Law of the Nouadhibou Free Trade Area.** Following the recent promulgation of this important law in July 2024, we will make every effort to implement it by clarifying the responsibilities of the administrations involved and withdrawing any nonconforming authorizations. Against this backdrop, we are accelerating the preparation and adoption of implementing texts for the new Law on the Free Trade Area by June 2025 and a memorandum of understanding will be adopted and signed between the Free Trade Area Authority, the Directorate General of Taxes, and the Directorate General of Customs, that defines their respective roles and responsibilities in connection with the administration of the free trade area, particularly with regard to collections, tax and customs control of authorized enterprises, and prevention of tax evasion and fraud ***(Structural Benchmark - date deferred to end-September 2025).***

- **Improved collections / Reduction of tax arrears.** We will continue to clean up the taxpayer data file to make the data more reliable and to broaden the tax assessment base. We will also fully implement the collection guide, to improve the management of tax arrears and to optimize procedures. For that purpose, in terms of the recovery of arrears from public enterprises, and ensuring their compliance, a number of specific measures have already been taken, including the issue of reminder letters and notices requesting the payment of arrears, the signing of memoranda of understanding for staggered payments with enterprises that respond, and the issue of third-party notifications for enterprises that fail to respond to the requests. The procedures for the approval of write offs and the release of liability are clearly defined in the manual of collection procedures, and we will make every effort to implement the following two measures, that are prerequisites for effective implementation of these procedures. The first is to integrate a module for monitoring collection activities, including the follow-up of disputes to determine whether a claim has been contested. The second is to establish a specific follow-up procedure that will clearly distinguish those that have been covered from the remaining claims due from enterprises in Jibaya. In general, it is our priority to optimize the management of the remaining claims to be recovered, more specifically through the implementation of a plan to restructure the debts of public enterprises and the application of debt write-off and offsetting procedures. Last, we will implement the various fines and penalties in Jibaya to strengthen the control and application of coercive measures, and we will adopt a communication strategy designed to improve tax acceptance and to enhance the level of taxpayer compliance.

- **Customs Code reform.** A draft revision of the Customs Code is in the process of being adopted. The main reforms include (i) the establishment of criteria for enterprises, importers, and exporters to obtain status as Authorized Economic Operators (AEO), qualifying them to receive the benefits and facilities granted by the Customs Administration, such as a reduced inspection rate, deferred payment of duties and taxes, and the use of a single customs declaration for several import or export operations during the year; (ii) the introduction of new rules allowing customs officers to conduct investigations to verify and prove certain offenses; and (iii) the simplification and harmonization of economic customs regimes in line with our country's regional and international commitments.

- **Modernization of the tax and customs administrations.** We will conduct a reform of the organizational structure of the DGI and the DGD and adopt a new functional organizational chart based on the responsibilities of the two directorates in accordance with the recommendations from the IMF technical assistance ***(Structural Benchmark for end-December 2025).*** A draft organizational chart has already been developed by the DGD with the support of IMF technical assistance, and training has taken place to consolidate the gains. We will make the role of the risk management unit operational in the DGI by providing it with human resources, beginning with the recruitment of the head of this unit, and by providing these staff members with enhanced training. We will strengthen decentralization at the level of the DGI by delegating certain routine management responsibilities to the operational directors. We will improve the digital infrastructures by acquiring a mini data center to strengthen data storage and processing capacities, and we will sign maintenance agreements with two technical service providers, to ensure the sustainability and performance of the IT systems. To strengthen the digitization of the DGD, we will implement the legal and technical framework for the use of electronic signatures for customs officers and brokers. The IT developments in connection with the electronic payment project were also completed and became operational in May. These efforts will strengthen revenue collection and enhance security and speed, leading to a real impact on the business climate. In addition, to ensure the successful implementation of the consumption tax, as of June 2025, we will eliminate the customs reference values (customs clearance package), in particular for products subject to excise duties, and replace them with transaction values, in accordance with the valuation principles of the World Trade Organization. In addition, to improve customs risk management, for the control of declarations, we will conduct a mirror gap analysis to identify the products most impacted by the value reductions.

14. We are confident that these measures will lead to an improvement in total revenue by MRU 21 billion (3.1 percent of GDP) in 2025, relative to 2024. Regarding tax revenues, the table below presents the main developments planned for each major tax category for 2025. We are committed to implement all of the measures mentioned above, so that the revenue projected in the two tables below can be mobilized.

Text Table 1. Mauritania: Expected DGI Tax Revenue for 2025

	2025 LFI	2025 LFR
Income tax, incl. GTA revenue	8.68	10.46
Of which: extractive	1.20	2.90
Tax on salaries and wages	9.03	9.84
Tax on income from movable capital	1.25	1.40
Of which: extractive	0.35	0.30
Simplified Tax Regime (RSI)	1.20	0.97
Domestic VAT	7.27	7.00
SNIM Single Tax/GST-FTT	4.99	3.60
Of which: SNIM single tax (extractive)	2.20	2.20
Other taxes (insurance, vehicles, airport, etc.)	1.80	2.00
Total DGI	**34.22**	**35.27**

Note: The 2025 LFR column refers to the framework agreed during the mission on the fourth review of the conventional program in May 2025.

Text Table 2. Mauritania: Expected DGD Tax Revenue for 2025

	2025 LFI	2025 LFR
IMF Customs	2.72	3.36
VAT on imports	13.44	14.87
Oil Products Tax	3.24	2.58
Climate contribution	1.72	1.29
Consumption taxes (tea, tobacco, sugar, cement)	2.08	1.24
Imports (Customs duty)	11.14	11.26
Statistical fee	1.37	1.41
Other fees	2.30	2.70
Total DGD	**38.01**	**38.71**

Note: The 2025 LFR column refers to the framework agreed during the mission on the fourth review of the conventional program in May 2025.

Text Table 3. Mauritania: Expected DGTCP Tax revenue for 2025

	2025 LFI	2025 LFR
Stamp duty	0.72	0.72
Property taxes	1.5	1.5
Total DGTCP	**2.22**	**2.22**

Note: The 2025 LFR column refers to the framework agreed during the mission on the fourth review of the conventional program in May 2025.

15. We will accelerate our efforts to rationalize current expenditure through a reduction of untargeted subsidies and more efficient expenditures. Current expenditure will be reduced to approximately 14.3 percent of GDP in 2025, as against 15.1 percent of GDP in 2024, to reach approximately 13.5 percent of GDP in the medium term. The following measures are being considered, inter alia:

- **Fuel price reform,** as part of the Resilience and Sustainability Facility. With technical support from the IMF, we are on track to finalize and adopt, a decree of the Council of Ministers establishing a new fossil fuel price structure. This new structure will automatically adjust to changes in international prices, exclude all discretionary intervention in setting prices, phase out subsidies, and will include a price smoothing mechanism. ***(Reform measure VI for end-March 2025).***

- **Pension reform:** Bearing in mind that the ceiling on remuneration subject to contributions for the private social security plan was raised in 2021, we will take the necessary steps to reform the public pension plan with a view to achieving a more sustainable system. We will develop and implement an action plan based on the recommendations from the IMF technical assistance mission on the assessment of pension plans, and on the actuarial study that is now in progress.

- **Public expenditure review:** To gain a better understanding of the dynamics of current expenditure and for its more effective rationalization, we will prepare and publish a report on the review of current public expenditure from 2022 until 2024 **(*Structural Benchmark - date deferred to end-September 2025*)** with technical support from the IMF. For that purpose, we have established a working group responsible for implementation of the review, and we will prepare topical notes presenting an overview by sector (for three sectors) by the end of May. We will make every effort to draft the report by consolidating and harmonizing the different notes with a view to coordinating them by the end of June and will share the first version of the public expenditure review in line with the IMF technical assistance guidelines by end-July 2025.

- **The transition to program budgeting:** To that end, we will establish (i) a regular budget dialog mechanism with the technical and financial partners, to improve the alignment of available resources with the national priorities, particularly in the areas of health and education; and (ii) a monitoring and evaluation framework for the program budget, particularly in the areas of health and education, with performance indicators shared at the central and regional levels.

16. The intensification of the public investment effort requires the continued improvement of the framework for public project management. We aim to raise the public investment rate in 2025 to 11.76 percent of GDP (as against 8.88 percent of GDP in 2024), and to gradually increase it to 15 percent in the medium term. We will concurrently continue to improve the public investment management framework by ensuring better evaluation, selection, and prioritization of public projects. In this connection, we have reduced the share of the value public contracts awarded by direct agreement to 13 percent during the first quarter of 2025 (as against more than 45 percent during the same period of 2024). The number of public contracts awarded by direct agreement went from 22 (with a total value of MRU 2.4 billion) during 2024 Q1 to 38 (with a total value of MRU 793 million) during 2025 Q1. We are committed to systematically publishing, from the end of

December 2025, all evaluation and selection criteria for major investment projects, as well as the relevant feasibility studies. In addition, In October 2004, we amended and published Decree 2016-179, including the Public Investment Management (PIM) Manual, to include climate issues in the public investment management stages (conceptual design, evaluation, selection, and execution of projects) ***(Reform measure III for end-October 2024)***. In addition, to enhance these resources, we will: (i) revise the PIM manual to reflect the edited version prepared during the IMF mission, by adjusting not only certain climate issues, but also by designing PIM procedures adapted to a government with limited staff; (ii) establish and train a small but effective PIM staff within the MEF—a critical step for the public investment management (and climate assessment) framework to be implemented effectively; and (iii) select pilot projects and prepare an effective steering process. The MEF, along with the Ministry of Environment, will manage the climate-based selection model for major project proposals from the key sectors involved with nationally determined contributions (NDCs) submitted for review and validation by the Public Investment Program Analysis Committee (CAPIP) by August 2025 ***(Reform Measure IV for end-April 2026).*** This pilot will be conducted following the IMF TA we have requested.

17. To accelerate progress towards achieving the Sustainable Development Goals (SDGs), and in light of the drastic decline in public development aid, we will strengthen social expenditure and accelerate implementation of social interventions to benefit vulnerable sectors.

- ***In the social protection sector:*** we have (i) increased the number of vulnerable households covered by the regular Tekavoul program to more than 140,297, and we increased the quarterly payment to these households to MRU 3,600; in December 2024, we published the report on implementation of social interventions to benefit vulnerable groups ***(Structural Benchmark for end-December 2024, achieved).*** On the basis of this report, we have identified plans for improvement relating to the establishment of a national system for the continuous updating of the data on poor households, development of an integrated information system that is interoperable with the information systems of the social protection players and conducting missions to evaluate the process of identifying poor households. We will continue to improve the targeting of social programs. In this connection, in 2025, with the support of the development partners, we intend to finalize the national social protection strategy for the period 2025-2035. We will also continue to update the social register while taking into account the need for wider geographic coverage. At the same time, food distribution centers (Temwine Program) will be reorganized to improve their targeting. In this connection, the main interventions considered include improving the targeting of beneficiaries and reducing operating costs.

- ***In the education sector:*** We will strengthen resources for the education sector to ensure the success of the ongoing reform aimed at giving all Mauritanian children access to quality education, capitalizing on the findings of the review of current expenditure that is now in progress.

- ***In the health sector:*** We will allocate more resources to the construction and equipment of health centers, as well as to the strengthening of medical and paramedical resources. We will also strengthen resources to ensure sustainable financing for our National Immunization Strategy

(SNV-2024-2028), through the gradual increase in resources devoted to vaccine procurement and implementation of immunization activities, with financial support from GAVI, the Vaccine Alliance.

18. As a result of the accelerated influx of refugees, it is an urgent matter to work with the development partners to plan actions to prevent food insecurity and ensure access to basic services. The influx of refugees to Hodh Chargui accelerated during the latter period from 150,000 in 2023 to 263,000 in 2024, equivalent to an increase of 75 percent. This figure is constantly increasing with the arrival of new refugees. Our country will continue to maintain its generous welcoming and inclusion policies. In this connection, and to limit the increase in the risks of food insecurity and to address the challenges associated with this influx, we will strengthen the interventions of the government's social programs in this region, while making ongoing efforts to mobilize the additional funds required through the humanitarian facilities of the United Nations agencies and the development partners. The overall cost for 2025 is estimated at approximately US$152.2 million.

Public Financial Management and Fiscal Transparency

19. To ensure that the gains in the area of fiscal anchoring are sustainable, we will examine the mechanisms to institutionalize the fiscal rule on the non-extractive primary balance projected for September 2025. Accordingly, we will amend the Organic Law on Budget Laws (LOLF) to introduce the principles of a fiscal rule on the non-extractive primary balance resources in line with IMF recommendations ***(Proposed Structural Benchmark for end-March 2026).*** We will ask for technical assistance from the IMF, as required, to assist us in the implementation of this reform measure. We will also conduct consultations and exchanges with civil society and the National Assembly on this subject to ensure that this reform is fully understood and that it receives as much support as possible. Pending the amendment of the LOLF, we will introduce a reference to the fiscal rule on the non-extractive primary deficit into the section on the Fiscal Policy Guidelines of the Medium-Term Fiscal Framework (MTFF)**.** To strengthen the medium-term fiscal policy outlook and stabilize the debt, we will update the medium-term fiscal framework and clearly define the fiscal anchor that we are targeting with our fiscal policy. In addition, in consultation with the IMF, we will adopt the updated Medium-Term Fiscal Policy Document (MTFPD) in the Council of Ministers and submit it to the National Assembly. The MTFPD will aim in particular to increase tax revenue by 0.5 percent of GDP per annum. In this connection, with the technical support of the IMF, we will strengthen the macro-fiscal function at the level of the Ministry of Economy and Finance, particularly in matters relating to macro-fiscal projections, the MTFF, and fiscal risk analysis.

20. We will reorganize our management and forecasting structure for gas and mining resources. We will strengthen the rule for smoothing the volatility of gas and mining revenue financing the budget and will apply best practices to the reporting of gas and mining revenue and savings fund assets/gains. We will concurrently review the performance of the National Hydrocarbon Revenue Fund (FNRH) and will examine its suitability for managing larger financial flows and assets. The FNRH investment policy was adopted by the Investment Advisory Committee (CCI) at its meeting in January 2024 and signed by the authorities. The reports are published monthly and presented to the CCI at its monthly meeting. We have requested technical assistance to support making operational the recently implemented interministerial committee responsible for the Fiscal Analysis of Resource Industries (FARI) framework. To facilitate the preparation of technical assistance, we undertake to prepare a memorandum of understanding, by the end of June 2025, defining the roles of each stakeholder in the committee established, the collection of the required data, and the periodicity, and we will prepare the resources required to provide the technical assistance, in discussion with IMF staff.

21. To improve fiscal transparency, we will continue to modernize the presentation of fiscal statistics and the Table of Government Financial Operations (TOFE) in line with the Government Finance Statistics Manual 2014 (GFSM 2014) with technical assistance from the IMF. For that purpose, we will start work on the production of TOFEs for social security (CNSS and CNAM) and extrabudgetary units (government administrative agencies—EPAs and government industrial and commercial agencies—EPICs), starting with the collection of the information required by the social security agencies.

22. Our debt strategy will be based on one principle: Ensuring a moderate level and cost of debt, in particular by prioritizing concessional semi-concessional financing. To cover our financing requirements, we will also make greater use, in coordination with the BCM, of conventional and Islamic treasury bill issues having longer maturities, that will help stimulate the domestic treasury bill market, extend the yield curve, and improve liquidity management. We will finance our investments through grants and loans arranged at a moderate pace, compatible with a moderate risk of debt distress and our absorption capacity. For that purpose, the present value of external borrowing (public and government guaranteed) will be subject to a ceiling according to the limits provided in Table 1 of the MEFP. An annual borrowing plan (presented in Table 3) has been drawn up in consultation with the IMF to reinforce our medium-term debt reduction strategy. We also acknowledge that this ceiling alone will not guarantee a moderate risk of debt distress. We therefore undertake to assess the impact of agreements on debt sustainability and to inform the IMF on financing arrangements.

D. Pursuing the Improvement of the Monetary and Foreign Exchange Policy Management Framework and the Strengthening of the Framework for Supervision of the Financial Sector

23. We have undertaken reforms in several areas to accelerate the modernization of the banking and financial sector and to strengthen its contribution to economic development and the creation of wealth and opportunities. Our strategy is based on (i) modernizing the framework for monetary and foreign exchange policy management to adapt it to a floating exchange rate regime; (ii) modernizing markets to accelerate the development of the interbank market in local currency (collateralized loans and the secondary market for treasury bills); (iii) ensuring compliance of banking and financial regulations; and (iv) strengthening supervision and oversight.

Monetary Policy Framework

24. We will capitalize on recent progress to further strengthen liquidity management. Banks' surplus reserves have declined substantially since the beginning of 2024, reflecting the central bank's active use of an expanded range of intervention instruments, including conventional floating-rate operations to mop up liquidity through BCM issuances, conventional floating-rate operations to mop up liquidity through SENAD issuances, conventional fixed-rate issuances (involving no issuance of BCM securities), deposit facility operations (conventional overnight facilities), and the Islamic deposit facility (Islamic overnight facility) introduced at end-December 2024. This approach has reduced surplus liquidity, contributed to the implementation of the new foreign exchange market platform, and revitalized the secondary market for public securities. We will take the following steps to strengthen liquidity management and monetary policy conduct:

- Development of a trading platform to facilitate interbank trading operations of (i) MRU liquidity (MRU interbank market); and (ii) government securities, while ensuring the interface with the Central Depository (CSD) launched in November-2023.

- Implementation of an intraday facility to ensure that the payment system operates properly (real-time gross settlement—RTGS and automatic transfer service—ATS) and strengthened optimization of cash management in commercial banks.

- Adoption of recovery plans for banks in structural liquidity default to: (i) ensure that liquidity requirements are observed; and (ii) address the challenges created by banks that systematically fail to observe the liquidity requirements, leading to negative average liquidity levels during the first quarter of 2025.

- Control of surplus liquidity through the regular use of monetary policy instruments (overnight, weekly, and bi-weekly) while strengthening coordination between the monetary and fiscal authorities so that the government securities market is promoted (primarily long maturities, so that the MRU yield curve becomes properly established).

- Promoting the interoperability of the mobile payment platforms to reduce liquidity disparities.

- The regular assessment of the effects of interoperability and the new daily Islamic facility, inter alia, on the control of surplus liquidities, with the objective of keeping surplus liquidity within a range of MRU 0–1 billion, to help support the development of the interbank market and reduce undue fluctuations on the foreign exchange market.

- The BCM uses three forecasting models. The first is a liquidity forecasting model, the second is an inflation forecasting model, and the third is the macrofiscal model of the World Bank's model known as MFmod. These three models are currently being evaluated. When this evaluation is completed, the BCM will request the necessary technical assistance to ensure that these forecasting capacities are properly upgraded, particularly through the implementation of medium-term forecasting models such as the Quarterly Projection Model or other tools in the Analysis and Forecasting System (FPAS). The BCM will provide the human and technical resources required to upgrade the modeling capacities.

25. The development of treasury markets will contribute to the modernization of monetary policy management and the diversification of funding sources. We have ensured that the stock of treasury bills with commercial banks will continue to increase, with the objective that conventional treasury bills will reach MRU 5.12 billion by the end of December 2025, Islamic treasury bills will reach MRU 1.64 billion, and that treasury bonds will amount to at least MRU 7 billion (reflecting the implementation of the agreement between the government and the BCM), as against MRU 4.92 billion, MRU 1.70 billion, and MRU 0.5 billion at end-June 2024, exceeding the December 2024 structural benchmark target. There was a clear evolution in 2025 in the stocks of treasury paper held by commercial banks, to MRU 7.6 billion for conventional bills, MRU 1.48 billion for Islamic treasury bills, and MRU 4.36 billion for treasury bonds, representing a 54 percent change in the stock of treasury paper held by commercial banks between December 31, 2024, and March 31, 2025. With a view to revitalizing the bond market and to building the MRU yield curve, we have gradually extended the maturity of treasury bond issues to five years, beginning in March 2025, and we are planning to carry out issues having longer maturities (10 years).

Foreign Exchange Policy and Market

26. While the reforms undertaken have improved the operation of the foreign exchange market, there is still substantial scope for progress. As of April 2025, since the launch of the platform in December 2023, the central bank has supplied 22 percent of all currencies to the market, totaling US$735.6 million, through 44 auctions. To further improve the operation of the interbank foreign exchange market, the BCM has strengthened the criteria for the selection of market makers, which has reduced the number of banks operating as market makers to four. The reduction by the BCM of the number of market-making banks from 11 to 4 at the end of October 2024 has led to an increase in the share of foreign currencies traded through the interbank market: while currencies traded between banks accounted for 73 percent of all transactions between the launch of the platform at the end of 2023 and end-October 2024, the amount of foreign currencies traded on the interbank market increased to 85 percent between November 2024 (after the reduction in the number of market makers) and end-February 2025. We commit to (i) ensuring that this trend continues, that the share of FX traded between commercial banks continues to increase, (ii) continuously monitoring the platform, and (iii) introducing changes required to ensure that its objectives are achieved. We also commit to intervening at predictable intervals and with smaller volumes through auctions. In addition, before the end of July 2025, we will introduce a tool into the IT application (Refinitiv) that will make enforce firm quotations *(Structural Benchmark not met, April 2025)*.

27. The tripartite committee comprising the BCM, the MEF, and the SNIM holds quarterly meetings. It examines SNIM's cash flows and foreign exchange repatriation forecasts. To improve the preparation for the work of this committee, a technical committee has been established to oversee the implementation of the decisions of the high-level committee and to ensure the appropriate sharing of information relevant in making decisions. The SNIM is committed to updating repatriation forecasts on an ongoing basis, to maintain a 12-month rolling forecast. The Committee will now also discuss the foreign exchange assets held by the SNIM abroad, in accordance with the

March 2018 agreement (Articles 6 and 16) and its annexes on the waivers of the foreign exchange regulations granted to the SNIM. Considering that special foreign exchange regimes substantially reduce the country's available foreign exchange resources and represent a constraint on proper monetary policy conduct, we intend to carry out a benchmarking study on best practices in this area.

BCM: Transparency and Governance

28. BCM remains determined to continue the efforts to implement the recommendations of the 2023 safeguards assessment.

- **Revision of the agreement relating to the BCM's claim on the government.** In May 2025, we submitted to the National Assembly the agreement signed last December between the BCM and the MEF for the conversion of old claims on the government assessed in accordance with the IFRS on the date the agreement was signed with (i) the transfer of shares of Banque Maghrébine d'Investissement et de Commerce Extérieur (BMICE); (ii) the transfer of real properties; (iii) liquidities from the issue of 10-year treasury bonds; and (iv) a plan to reimburse the remaining balance at an interest rate of 5.5 percent with annual principal payments equal to MRU 361 million.
- **Agreements on the on-lending of SDR allocations.** We will continue to strengthen the agreements applicable to onlent SDR allocations and will provide maturity schedules for the reimbursement of the principal. A new convention between the MoF and the BCM to regulate these transactions will be signed shortly.
- **Peer review of trust and vault transactions.** We have launched an upgrading project for the cash office (refurbishment of premises, semi-automation of the banknote sorting process and safes, and increased security). This upgrade is a prerequisite before the conduct of the peer review, which we expect to complete in early 2026
- **Strengthening cyber security.** We will support banks in adopting best practices in IT service and operations management procedures. In this connection, we have published an instruction on information and communication technology risk management to assess the cyber security risks in the sector. Banks now produce a progress report on vulnerabilities affecting their IT assets and data. The BCM supports banks in the adoption of best practices in cybersecurity services and operations management procedures. The BCM's main actions in this connection include the following: (i) monitoring of significantly noncompliant banks before June 30, 2025, requiring realistic action plans and precise deadlines; (ii) collection and analysis of compliance plans updated as of June 30, 2025; (iii) organization of bilateral meetings with persistently noncompliant banks to discuss bottlenecks and to agree on an accelerated regularization schedule; (iv) implementation of remedial measures, i.e. formal notices or enhanced surveillance; (v) stress tests and crisis simulations in collaboration with the key stakeholders (such as GIMTEL) to assess the overall resilience of the sector; and (vi) mandatory quarterly monitoring for banks under enhanced surveillance until all issues are resolved.

Financial Surveillance and Regulation

29. The BCM will continue to work to promote the development of the financial system and strengthen its stability. We have conducted a reform of the legal framework to enable the central bank to use all necessary means to ensure the soundness of the financial system, including bank resolution. This includes significant amendments to the Law on the Central Bank and the Banking Law. The BCM has established a range of measures to ensure the stability and resilience of the banking sector as a whole. These measures are designed to apply the relevant regulations and establish international best practices, while taking into account the realities of the national banking sector. These measures include the following: (i) establishment of recovery plans for banks in difficulty with the aim of ensuring a return to standards; (ii) amendment of the Law on the Charter of the BCM to strengthen its independence and powers in terms of resolution and compulsory liquidation; (iii) amendment of the banking law to supplement, inter alia, the resolution system and to introduce the compulsory liquidation mechanism as these measures are required in case the recovery plans should fail; (iv) reinforcement of the off-site supervision staff and modernization of the relevant tools for more effective risk-based supervision; (v) execution of an international audit and the requirement to publish financial statements in accordance with the International Financial Reporting Standards (IFRS) for all local banks; (v) recapitalization of banks by requiring, from 2027, two times the current minimum capital requirement, with a view to strengthening the resilience of the sector and minimizing insolvency risks; and (vii) gradual strengthening of the supervision of loans granted to related parties by reducing the ceiling previously set at 25 percent of capital to 20 percent at the beginning of 2024.

30. We are determined to continue to apply the prudential regulations stringently to ensure that the banking system is resilient against shocks. The BCM will continue to apply financial and disciplinary penalties to all banks should they fail to comply with prudential ratios, except those in the recovery process. For the latter institutions, the BCM has established recovery plans designed to ensure that they will once again meet the standards. We also had an amendment to the Banking Law adopted supplementing, inter alia, the resolution mechanism and a compulsory liquidation mechanism. We will continue to monitor all banks' compliance with the minimum capital and core capital requirements and will take appropriate action against banks that do not comply with the legal framework governing credit institutions. The BCM is concurrently working on making the bank resolution framework operational, with the support of the IMF Monetary and Capital Markets Department (MCM), so that the appropriate legal and institutional instruments will be available to address with situations of bank nonviability in an orderly manner.

31. We will continue the reform of our bank resolution framework. We will change the prioritization of claims to correct the current situation in which deposits from uninsured persons are given priority over the Deposit Guarantee Fund (FGD), which undermines the FGD's ability to compensate insured depositors. We will amend the institutional framework for the FGD to ensure its independence, and we will also ensure that a deposit insurance limit is determined for insured depositors. We will use a clearly sequenced approach to make the bank resolution process operational, that will include (i) preparation of a guide on drafting preventive recovery plans by each national systemically important bank; and (ii) development of a resolution manual. We will also ensure that emergency liquidity is provided, and that the internal risk management mechanisms and framework for assessing bank viability are strengthened.

32. We will strengthen the BCM's supervision capacity through the strengthening of human resources, improvement of information systems, and by updating the accounting standards applicable to banks:

- **Robust information systems.** To strengthen the reliability of banks' data and facilitate the reporting of data by banks, the BCM has implemented and deployed a robust IT system, the Bank Supervision Application (BSA), to facilitate the collection of banking data and predictive risk analysis. This platform enables banks to electronically submit declarations in accordance with regulatory reporting requirements, including effective data quality control and protection of the integrity of the models ***(Structural Benchmark for end-March 2025, met).***
- **Financial reporting by banks.** The current national accounting standards are obsolete and date back to 1988, and changes were initiated in 2009. Pending the revision of the chart of accounts to align with internationally accepted accounting principles and practices, we have, with technical assistance from the IMF, worked with banks to clarify any ambiguities in the accounting standards applicable to banks, with particular emphasis on the accurate classification of nonperforming exposures and adequate provisioning for expected credit losses. To supplement these efforts, a draft circular clarifying the accounting and prudential requirements developed by the BCM will be submitted to the Prudential Council for validation and will be sent to the banks by the end of June 2025.
- **New methodology for on-site and off-site supervision.** The BCM will continue to enhance its on-site and off-site supervision capacities. The BCM completed the review of its on-site and off-site supervision manuals in March 2025, which apply a rigorous risk-based approach, particularly for on-site supervision processes. We have also recruited new inspectors and provided extensive training in line with the recently adopted human resources strategy. To improve on-site and off-site supervision tools, the BCM launched new automatic platforms in early 2025 to (i) increase the effectiveness of inspectors in risk classification (TASNIF); (ii) ensure that banks' foreign exchange transactions on the interbank foreign exchange market are accurately reported and that foreign exchange net open position data are accurately reported (RASD); (iii) monitor, in real time, the digital transaction information and data from the Central Banking Interface for Banks (HADHA); and (iv) manage the specific risks of microfinance institutions (DIGHA).

Debt Management

33. Improving debt management remains a key priority. Further efforts will be made to ensure consistency between borrowing and spending priorities, particularly for major infrastructure projects, and to ensure coordination between institutions. We will continue to improve procedures for borrowing and granting public guarantees by clarifying the responsibilities and approval conditions between the ministries through the adoption of a decree on procedures for granting guarantees in the area of public borrowing. The National Public Debt Committee (CNDP) has been revitalized. Its operational capacities will be strengthened to improve coordination between the various entities responsible for debt issues. The Committee will continue to meet regularly to assess the impact on debt of any new projects to be financed with non-concessional external borrowing, that must be validated by the CNDP before the relevant agreement is signed. Similarly, we will continue to develop the capacities of the directorate responsible for debt, the directorate responsible for financing of the Ministry of Economy and Finance, and the directorate responsible for debt of the

BCM for debt sustainability analyses, including through the use of the debt dynamics tool, calculation of concessionality policies for projects covered by a financing agreement, and development of a medium-term debt management strategy. Our debt management strategy also aims to develop the treasury bill and bond market, to diversify our debt instruments to finance the fiscal deficit (paragraph 25).

Text Table 4. Mauritania: Summary Table of the Program for 2025

Public and Publicly Guaranteed External Debt, arranged or guaranteed	Volume of new debt, millions of USD 1/	Present value of new debt, millions of USD 1/
Sources of financing by debt	**1,678.9**	**1196.4**
Concessional debt 2/	343.4	217.5
Nonconcessional debt 3/	1,335.4	978.9
Uses of financing by debt		
	1,678.9	1,196.4
Infrastructure	1,617.3	1,153.2
Social expenditure	61.6	43.2

1/ New debts contracted and guaranteed. The present value of the debt is calculated using the terms of each individual loan by applying the 5 percent discount rate under the program.
2/ Debt for which the grant component exceeds a minimum threshold. This minimum is typically 35 percent but is subject to increase.
3/ Debt without a positive grant component. For commercial debt, the present value would be defined as the nominal/visual value.

34. To enhance coordination between the various entities responsible for debt management, we will use SYGADE, ARKAM, El/Istithmar, and RACHAD, which are software packages used by the institutions involved in debt servicing (Debt Directorate, Directorate General of Budget, Directorate General of Treasury and Public Accounting—DGTCP, Directorate General of Finance and Economic Cooperation—DGFCE, and the BCM) to monitor disbursements relating to foreign debt and debt service payments. We will reinforce real-time monitoring by the DGTCP and the Debt Directorate of the programming and execution of debt service by the BCM, in line with the powers delegated by the Ministry of Finance. This monitoring will be carried out through web-based services between the Debt Directorate's SYGADE system and those of the DGTCP and the BCM. Implementation of these interconnections will strengthen debt management capacity through systematic monitoring of external debt disbursements (SYGADE - El/Istithmar) and will enable debt service payment operations to be integrated into the automated chain of the expenditure system (SYGADE-RACHAD). (With the assistance of the United Nations Conference on Trade and Development (UNCTAD), we are currently consolidating SYGADE Version 6.2 and validating the database, and we plan to migrate to Version 7 of the system at the end of 2025 or in early 2026. The SYGADE interfaces with other applications will be completed at the end of 2026, or in early 2027, with technical assistance from the UNCTAD Debt Management and Financial Analysis System (DMFAS) staff, with funding from the African Development Bank (AfDB).

35. We will continue to publish annual debt bulletins containing information on external and domestic borrowing by public entities, including detailed information on each loan, debt service profiles, and, when possible, public enterprise arrears. In this connection, we have already published annual bulletins for 2022, semiannual bulletins for 2023, and quarterly bulletins beginning in 2024. The External Debt Directorate will accelerate actions aimed at strengthening its technical and functional capacities for better recording and monitoring of public debt as well as for better dissemination and analysis of debt data through targeted technical assistance, both on international best practices for recording, monitoring, and analyzing debt and on making the operating system more reliable. We will integrate all public and state-guaranteed debt data into our debt statistics, including agreements for which cancellation is assumed but not yet confirmed, and will share the statistics with the IMF when the financial flows (disbursements and payments) have been identified. We have benefited from IMF technical assistance in connection with training on the public debt forecasting tool, DDT. We will continue to update the report on Mauritania's public debt dynamics annually, and subsequently on a semiannual basis.

36. For more efficient debt management, our objective is to create a unified debt management structure by the end of 2026 at the latest, in accordance with the reform plan agreed with the World Bank's Debt Management Performance Assessment Mission (DeMPA). This unit will be provided with sufficient capacities in the area of debt management, particularly in the front, middle and back-office functions.

E. Strengthening Governance, Transparency, and the AML/FT Framework

37. We will further accelerate implementation of the National Governance Action Plan. The first implementation report for this action plan was published at the end of December 2024 *(Structural Benchmark for end-December 2024, met)*. [1] The Parliament approved in May 2025 a law for the creation of an Anti-Corruption Authority (ACA), that, inter alia, will be responsible for the implementation and enforcement of the new Declaration of Assets and Interests Law. To make the ACA operational, we will publish an implementation decree for the Law on the ACA Law to enable the appointments of members of its supervisory council and its president, and we will complete these appointments by end-November 2025 (*Structural Benchmark – date deferred to en-November 2025*). This decree will clarify: (i) the procedures for the establishment and operation of the Independent Selection Committee, which is responsible for recruiting, vetting, and proposing candidates for the ACA Council; and (ii) the main rules governing the recruitment and vetting processes, including the minimum phases, timeframes and transparency requirements, mechanisms of public participation, and the human and financial resources that will be allocated to it. We will ensure that the appointments of all ACA council members, based on this decree and the rules that will be issued by the Selection Committee, are finalized by the end of November 2025. In addition, as

[1] https://www.economie.gov.mr/index.php/fr/node/678

part of the action plan agreed with the Fund, and in line with the provisions of the national plan for the reform and development of the judiciary system, reforms linked to the revision of the status of the judiciary have been identified to strengthen the independence of the justice system. We will also make progress on the reform of the management of government land by publishing decrees regulating government land, and that allow for the separation of regulations between urban and agricultural land.

38. We submitted to Parliament a new Declaration of Assets and Interests Law, which was approved by Parliament in May 2025 *(structural benchmark for end-February 2025, not met–implemented with delay)*. The Council of Ministers and the ACA will take the necessary measures to ensure that all officials listed in Article 3 file declarations no later than three years after the publication of this Law. We will also establish a specialized digital system, managed by the State's Inspectorate General, to follow up on recommendations made by the administrative oversight bodies (not including the Court of Auditors). This system will enable (i) real-time monitoring of the recommendations and an instant view of their implementation; (ii) management of remedial actions by facilitating the assignment, monitoring, and execution of the required remedial measures; (iii) automation of detailed reports on the implementation status of the recommendations, with alerts on deadlines that have been missed or anomalies detected; and (iv) effective collaboration by ensuring timely communication among the staff responsible for implementing the recommendations and the oversight bodies. We will publish annual progress reports on the implementation of these recommendations.

39. The government is continuing its efforts to improve governance of public enterprises. Against this backdrop, substantial progress has already been made, in particular, with the publication in February 2025 of the new law on public establishments and companies. The government commits to continue implementation of this reform through the preparation of the secondary regulations. In this context, a decree on the Independent Commission of Public Establishments and Companies (CESPI) will establish inter alia, the term of office for the seven members of the first Board of the Commission, in accordance with the staggered renewal mechanism provided in Article 132 of that law. It will also define the guiding principles for its institutional architecture, including the modalities for the organization and functioning of the Commission, with full observance of its independence, and guaranteeing transparency and accountability. More specifically, it will emphasize that the members of the Board shall selected from independent national figures recognized for their integrity, moral standing, and expertise. The draft decree will be finalized by early August 2025 and submitted to IMF staff for review prior to its submission to the Council of Ministers. It will be published by end-September 2025 (structural benchmark for end-September 2025). The members of the Board of the Commission will be appointed by March 31, 2026, so that this strategic body can be effectively made operational. The government is also working on drafting a separate decree on the new classification of public establishments and companies introduced by the law. The Directorate General of Financial Oversight has identified the implementing decrees required to ensure a complete and consistent implementation of the new legal framework. Efforts to prioritize and program these texts are ongoing and priority will be given to those that have a direct impact on the performance of public commercial enterprises. Technical support is also being mobilized for these activities.

40. We have intensified the efforts to close the gaps in the AML/CFT system, in line with the recommendations from the Middle East and North Africa Financial Action Task Force (MENAFATF) report on the IMF Governance Diagnostic. The BCM and the Mauritanian Financial Investigations Unit (UMEF) have strengthened the AML/FT framework in line with the recommendations of Mauritania's 2018 Mutual Evaluation Report, and more specifically, through the review of the legislation, the creation of two governance bodies, the conduct of a National Risk Assessment (NRA) with technical assistance from the World Bank, and (iv) the adoption of a national AML/FT strategy with sectoral action plans. The BCM is strengthening its risk-based AML/FT supervision, including on-site supervision, to assess the compliance of financial institutions with the 2019 AML/FT Law. Risk-based supervision now covers all banks, focusing on 11 key risk areas. Although compliance structures now exist in all banks, some gaps do remain, particularly in terms of the automation of systems and staff awareness. We will strengthen these systems. We are preparing for the mutual assessment by MENAFATF in February 2026.

F. Improving the Business Climate and Financial Inclusion

41. Support for small and medium-scale enterprises is a priority of our national development program. To that end, we will revitalize the role of the Mauritanian Guarantee Fund (FGM) introduced in early 2024. The fund focused initially on the collection of data and information on the ecosystem, increasing awareness among banks of the concept of guarantees, and capacity development within the fund itself, SMEs, and operators through the creation of a window accessible to everyone (on site and online). The fund also issued two guarantees in 2024 involving two sectors of the economy, i.e., the digital transformation sector and the fisheries product processing sector. We therefore intend to further strengthen the role of the fund by increasing awareness among banks on an ongoing basis, continued capacity development, and, most importantly, through an increase in the issue of guarantees. The Mauritania Guarantee Fund now has more than 20 projects covering a number of economic sectors awaiting credit facilities from banks.

42. The reforms to improve the business environment are substantial. The recent adoption of the Law on Public-Private Partnerships (PPP) and the Investment Code should improve the country's position in terms of attractiveness to investors, and should strengthen the role of the private sector by introducing simpler, more uniform approval procedures. In line with the Investment Policy Letter (IPL), the new investment code is in fact designed to create a common view among all public and private stakeholders in connection with the country's priorities in terms of private investment based on the following four areas: (i) development of the potential of the productive sectors; (ii) strengthening local content and supporting investments from the diaspora; (iii) economic diversification with a focus on growth sectors; and (iv) support for sustainable investment through the encouragement of investment in the area of green growth. In addition, to simplify the administrative procedures, an effort to dematerialize the procedures of the one-stop window has been implemented. It will enable automated processing of applications and workflows within the window for greater speed and transparency.

43. In addition, in light of the central role of the commercial registry in the transparency of economic transactions and the establishment of trust between economic operators and credit institutions, we will work to accelerate implementation of the recommendations from the World Bank aimed at the establishment of a central commercial registry (RCC), and more specifically, to (i) establish an integrated information system encompassing the component of the local and central trade registers; (ii) make the use of the nomenclature of activities mandatory for government institutions; (iii) establish a coordination committee for the trade register responsible for harmonizing the implementation of the legislative and regulatory provisions applicable to the trade register; and (iv) decide on the management mechanism for the RCC (management by a central administration, public service delegation, or direct management).

44. The establishment and development of a stock market is essential in financing our economy and is being prepared in conjunction with internationally reputable partners. The legal framework has been established, and the trading and control platforms will be launched by the end of 2025. A roadmap leading up to the initial public offering has been prepared that includes, inter alia, the establishment of the regulatory authority for the financial markets, the creation of the brokerage firm, the creation of the central securities depository (the system is already operational), the creation of the guarantee and resolution fund, and the preparation of enterprises, at least for initial public offerings, if not for all forms of financing. All of these activities are planned by the end of 2025.

45. We reiterate our firm commitment to sustainable, equitable financial inclusion, accessible to everyone, through the consolidated implementation of the National Financial Inclusion Strategy (SNIF). Our efforts have produced tangible results, including an increase in the financial inclusion rate from 21 percent at the end of 2021 to 45 percent at the end of 2024. In addition, making the GIMTEL platform operational and its interoperability in processing payments, along with the launch of a national financial education program have reached more than one million citizens. The BCM will continue to modernize the regulatory framework accompanied by several structuring projects. This effort will involve the review of Ordinance 2007-005 to incorporate digital innovations (digital credit, electronic know-your-customer procedures, and alternative scoring); implementation of a regulated experimentation (sandbox) framework, the instant payment system (IPS), and strengthened interoperability between the various players in the financial sector. Work is also in progress to provide a legal framework for the country for crowdfunding, as well as a regulatory framework aligned with environmental, social, and governance (ESG) standards for the development of green, inclusive finance. A sector study on microfinance has also been undertaken to support capacity development for the institutions involved. The BCM is committed to strengthening interinstitutional coordination through the SNIF governance structure.

Modernizing the Statistics System

46. The development of economic statistics remains one of our priorities. With the IMF's technical assistance, we will continue to improve the monetary, balance of payments, public finance, and real sector statistics. To improve the quality of the national accounts, the National Statistics and Demographic and Economic Analysis Office (ANSADE) has signed an agreement on the exchange of data with the units of the Ministry of Finance. We are also continuing to improve our national accounts through an enhancement of our calculation methodologies. In addition, a memorandum of understanding on the coordination and exchange of data with the Directorate General of Customs and the central bank was established for the compilation of statistics on foreign trade in goods. We will also improve our capacity to prepare growth forecasts. For that purpose, we have begun to strengthen the capacities of the relevant department within the MEF, including providing it with the required human resources. The BCM is in the process of implementing the recommendations from the last technical assistance mission from the IMF Statistics Department on balance of payments statistics and the establishment of the international investment position for the period 2020 to 2023. The BCM has made progress in automating the classification of economic types in the banking regulations and the balance of trade data. Surveys have been launched to compile position data for the banking and extractive sectors to improve the financial account and to establish the external position. The BCM will make progress in broadening the base of the survey to other sectors. In addition, to improve the coverage of general government, the MEF is working on the collection of data on the operations of the social security agency and public enterprises and is preparing their table of government financial operations (TOFE) with the support of IMF technical assistance. We look forward to continuing to work with the IMF to align the methodology used in the preparation of our statistics with international standards.

G. Consolidating Resilience to Climate Change

47. The agenda of climate reforms is progressing under the program supported by the Resilience and Sustainability Facility (Figure 1). We are working on the development of a policy paper on the scope, methodology, responsibilities, and implementation of climate budget tagging for implementation in the 2026 budget process (*Reform Measure I for October 2025*) with the support of IMF technical assistance. For that purpose, we undertake to issue an official communication to indicate to the ministries involved the timetable for climate budget tagging and the methodology to be used (by end-May 2025). We also undertake to incorporate a topical tag into the TAHDIR budget preparation information system as a support for climate budget tagging, and to use PIP investment project monitoring sheets as a support for discussion of climate budget tagging between the sector ministries and the DGB (by end-June 2025). We will then verify and supplement the analysis of the technical assistance mission on climate-friendly expenditure in the 2024 and 2025 budgets and will publish the results of this analysis in the budget law for 2026. In terms of the integration of climate issues into public investment management, we have adopted the decree governing this area and have published the relevant manual. The last technical assistance mission from the Fiscal Affairs Department (FAD) identified areas for improvement in the manual, and we have agreed to incorporate these changes into a revised version of the manual by the end of July 2025. We will also collaborate with the Ministry of Environment to establish a mapping system for fiscal and climate risks before the next technical assistance mission, that will focus on implementation of the pilot climate analysis model for major project proposals in selected NDC sectors, submitted for review and validation by CAPIP. We also undertake to identify and make the ministries and agencies more aware of nationally-determined contribution sectors and to organize training activities on the application of the tool. We are also committed to piloting the prioritization and selection model for all eligible projects submitted for review and validation by the CAPIP (*Reform Measure IV by end-October 2025)*.

48. We are making progress with the introduction of the climate contribution and the fossil fuel pricing reform. As part of the program supported by the RSF, we have introduced a climate contribution of approximately US$10 per ton of CO_2 on petroleum products into the 2025 Budget Law. This contribution will gradually increase to US$50 per ton of CO_2 emissions by 2030. With technical support from the IMF, we have agreed the rates applicable to each product according to its carbon intensity. To reduce the risk of the use of wood and charcoal, which are even more polluting and harmful to the vegetation cover protection, butane gas will not be subject to the climate contribution. We will introduce in the 2025 LFR, provisions relating to the gradual increase in the climate contribution and the exemption of butane gas. This contribution has been applied since February 26, 2025, to all agents, including some large consumers and is expected to generate net revenue of approximately 1.1 percent of GDP by 2030. In parallel, we identify accompanying measures to mitigate the impact on vulnerable populations, drawing on Taazour's existing programs and tools. To this end, the social register has been updated, enabling us to identify poor households as well as those working in certain vulnerable sectors; this would facilitate the implementation of the mechanism. As a first step, we are committed to identifying households that will be compensated when fuel pump prices exceed a threshold that we will decide as soon as possible. This will enable us to operationalize the compensation mechanism in time to support the gradual increase in the climate contribution and the implementation of the automatic fuel price mechanism. Secondly, we will improve the compensation mechanism by observing how variations in pump prices impact the consumption habits of targeted households over several months. This will enable us to better calibrate the compensation so that it corresponds to the loss of purchasing power resulting from higher prices ***(Reform Measure VII for end-April 2025)***. We are committed to continuing negotiations with mining enterprises with a view to their participation in the climate contribution. In addition, following the recent IMF technical assistance mission on petroleum pricing mechanisms, we are working on the implementation of the reform of oil products ***(Reform Measure VI for end-April 2025)*** through (i) the reorganization of the price structure for oil products, highlighting subsidies and tax expenditure, as appropriate; (ii) the definition and application of the parameters for an automatic pricing mechanism with a smoothing component to set fuel pump prices and phase out subsidies and (iii) ensure the independence of the mechanism. We have also adopted the implementing decree for Articles 31 and 40 of the Hydrocarbons Code, with technical assistance from the World Bank. The objective of this decree is to eliminate the routine use of flaring and gas releases and to reduce methane emissions. This approach will enable us to comply with the Zero Routine Flaring by 2030 Initiative of the United Nations and World Bank, and to meet the commitment under the NDC to achieve net zero emissions by 2050 ***(Reform Measure X for end-April 2025*)**.

49. The reforms aimed at improving water resource management and the financial sustainability of water and sanitation services are progressing: The government undertakes to review and publish the water pricing regulations (Decree No. 2624/MHETIC/MCI of October 30, 2007) in line with the IMF recommendations, and with support from the French development authorities

(AFD), by end-February 2026 *(Reform Measure XIII for end-October 2025)*. Support from AFD will help us to conduct a study of the financial model of the drinking water and sanitation sector and the relevant pricing model, that will help us define the new regulatory regime and provide support in the implementation of the additional steps required for the proper operation of the new regime. These steps include the development and implementation of program or performance agreements with the enterprises providing the services and the preparation of a draft pricing policy that is independent of political contingencies, that includes: (i) a calculation methodology for estimating revenue requirements; (ii) the frequency of price revisions; and (iii) the body responsible for estimating, approving, implementing, and monitoring prices. To further support the implementation of the reform measure, we will hold a preparation and awareness workshop based on the preliminary results of the price study by the end of September 2025. The government will also adopt an interministerial decree on environmental assessments and water resource surveillance. The decree will draw from experience in implementing the interministerial partnership agreement. The interministerial committee has been operational since September 2024 and has held two quarterly meetings and coordinated on several topics, including reform measures under the RSF. Progress has been made in a number of areas, including (i) follow-up of the study on the groundwater-dependent ecosystems on the Boulenoir aquifer; (ii) presentation of the draft law on environmental and social assessments; (iii) review of the environmental assessments of the water and sanitation sectors; and (iv) monitoring of the status of the major reforms and actions undertaken by the Ministry of Water Works and Sanitation (MHA) and the Ministry of Economy and Sustainable Development (MEDD). In addition, the government plans to conduct and publish a pilot inventory led by the Centre National de Ressources en Eau (CNRE - National Water Resources Center), with support from AFD, of groundwater-dependent ecosystems and hydrogeological data in the Boulenoir aquifer by the end of February 2026 (Reform Measure XII for end-April 2026).

50. In addition, we are committed to promoting an increase in the rate of renewable electricity production through:

- The adoption of a decree requiring mining companies to increase the share of electricity produced by renewable energies into their energy mix by at least five percentage points per year until 2030. If the annual targets are not met, compensatory investments in rural electrification will be required ***(Reform measure IX for October 2025).*** A working group will be established to analyze the specific situation of each of the three major enterprises and to organize and engage in collective or individual discussions with the mining companies, with a view to consultation on the decree, including measures related to their contribution to access to clean energy in rural areas.

- The implementing decree for the electricity code was finalized at the beginning of 2025. The decree aims to (i) provide independent electricity producers with access to the Mauritanian energy market; and (ii) guarantee nondiscriminatory access for third parties to the transmission infrastructures owned by the public electricity company SOMELEC ***(Reform Measure VIII for October 2025).*** In terms of additional measures, we also intend to adopt three decrees to further strengthen the expected role of the private sector and to give priority to renewable energy producers in the country's electricity infrastructure.

51. The successful implementation of the Tekavoul Choc program is an important step forward in the climate area. As part of the response to the 2025 lean season, the results of the harmonized framework show that 374,750 people (62,458 households) are at risk of severe food and nutritional insecurity and require emergency assistance. The amount to be mobilized by the Government is 50 percent of the funding needs for assistance to populations qualified as food insecure (CH 3+) by the results of the National Response Program harmonized framework: 393,487,500 MRU. The shock program (Tekavoul Choc and El Maouna) will assist 89,708 people or 15,000 households, for a total amount of 69,732,000 MRU.

H. Program Monitoring

52. The Comité de Suivi des réformes structurelles et de l'évolution des perspectives macroéconomiques, monétaires et financières de la Mauritanie (CSR - Committee for Monitoring Structural Reforms and Mauritania's Macroeconomic, Monetary and Financial Outlook) ensures effective monitoring of implementation of this program. The Committee includes representatives from the MEF, the Junior Ministry responsible for budget, the BCM, as well as other ministries and public bodies that can provide assistance. The CSR has a permanent secretariat, meets regularly to assess progress, and ensures the transmission of the data required to monitor implementation of the program. Implementation of the program under the ECF and EFF will be assessed every six months by the IMF Executive Board on the basis of the performance criteria and structural benchmarks (Tables 1 and 3). The draft Budget Law, the draft Supplementary Budget, and the draft medium-term budget framework will be shared with the IMF team for consultation ten (10) days before approval by the Council of Ministers. In addition, any other documents or resources deriving from commitments under the program will be shared with the IMF staff for consultation 14 days prior to the final adoption/signature. The CSR will work in close coordination with the Technical Macroeconomic Framework Committee, the Fiscal and Monetary Policy Committee, and the CNDP.

53. As part of the RSF, we have set up a technical coordination committee which meets monthly to monitor the reforms of the program under the RSF. These are detailed in Graphic 1, and implementation will also be assessed every six months by the Executive Board of the IMF concurrently with the ECF and EFF reviews.

Table 1. Mauritania: Performance Criteria and Indicative Targets for 2023-25

(Cumulative change) 1/

.	End-Dec. 2023				End-March 2024				End-June 2024				End-Sept. 2024			End-Dec. 2024				End-March 2025			End-June 2025	End-Sept. 2025	End-Dec. 2025
	Performance Criteria	Adjusted Performance Criteria	Actual	Status	Indicative Targets	Adjusted Indicative Targets	Actual	Status	Performance Criteria	Adjusted Performance Criteria	Actual	Status	Indicative Targets	Actual	Status	Performance Criteria	Adjusted Performance Criteria	Actual	Status	Indicative Targets	Actual	Status	Performance Criteria	Indicative Targets	Performance Criteria
Quantitative Performance Criteria																									
Change in net international reserves of the BCM (floor); in millions of U.S. dollars 2/	-100.8	-101.5	107.8	Met																					
Net international reserves level of the BCM (floor); in millions of U.S. dollars					1,330	NA	1,487	Met	1,293	NA	1,431	Met	1,259	1,361	Met	1,224	1,231	1,410	Met	1,343	1,452	Met	1,259	1,275	1,198
Change in net domestic assets of the BCM (ceiling); in billions of ouguiyas (MRU) 3/	4.0	4.0	-4.3	Met	2.6	NA	0.5	Met		NA															
Net domestic assets level of the BCM (ceiling); in billions of ouguiyas (MRU)									5.0	5.0	-7.3	Met	7.4	-4.7	Met	9.6	9.3	-4.5	Met	1.0	-7.4	Met	4.7	4.1	2.7
Non-extractive primary deficit including grants (ceiling); in billions of ouguiyas (MRU) 4/	20.0	20.0	20.1	Not Met	8.0	8.0	3.8	Met	12.0	12.0	8.1	Met	14.7	8.6	Met	16.0	15.8	10.4	Met	7.7	4.1	Met	11.6	14.1	15.4
Present Value of new public and publicly-guaranteed (PPG) external debt contracted since January 1, 2023 (ceiling); in billions of ouguiyas (MRU) 5/	25.8		14.4	Met	35.0	NA	25.5	Met	35.0	NA	27.2	Met	35.0	28.8	Met										
Present Value of new public and publicly-guaranteed (PPG) external debt contracted during the year (ceiling); in billions of ouguiyas (MRU)																35.0		14.0	Met	46.7	5.8	Met	46.7	46.7	46.7
New external payment arrears (continuous ceiling) 6/	0.0		0.0	Met	0.0	NA	0.0	Met	0.0	NA	0.0	Met	0.0	0.0	Met	0.0		0.0	Met	0.0	0.0	Met	0.0	0.0	0.0
Indicative Targets																									
Floor on social spending; in billions of ouguiyas (MRU) 7/	20.0		21.1	Met	1.8	NA	4.7	Met	5.5	NA	10.4	Met	11.0	15.9	Met	22.0		22.9	Met	1.9	5.4	Met	5.6	11.3	22.5
Adjustment Factors (in millions of U.S. dollars)																									
Net international assistance	NA		NA		NA		NA		NA				NA			NA				NA			NA	NA	NA
Cumulative disbursements of official loans and grants in foreign currency	NA		NA		NA		NA		NA				NA			NA				NA			NA	NA	NA
Cumulative amounts of external cash debt service payments	NA		NA		NA		NA		NA				NA			NA				NA			NA	NA	NA
European Union fishing compensation fee	57.0		56.4		0.0		0.0		0.0		0.0		0.0	0.0		57.0		63.5		0.0			0.0	0.0	57.5
Memorandum items:																									
Program exchange rate (MRU/USD)	37.79		37.79		37.79		37.79		37.79		37.79		37.79			37.79		37.79		37.79			37.79	37.79	37.79

1/ For definitions, see Technical Memorandum of Understanding. Quantitative targets correspond to cumulative changes from the beginning of the relevant year, unless otherwise indicated.
2/ Performance criteria are also updated to incorporate adjustment factors with no associated changes to targets being met/not met.
3/ NDA realizations were updated to be presented as levels rather than as changes as in the first ECF/EFF reviews. This adjustment means the end-March 2023 indicative target was missed despite being previously reported as being met. Performance criteria are also updated to incorporate adjustment factors with no associated changes to targets being met/not met.
4/ Adjusted by the difference between planned and realized EU fishing compensation. In previous versions of the table, this line was labelled as exclusive of grants, while it should be read as inclusive of grants as defined in the TMU.
5/ Cumulative limit of both non-concessional external debt and concessional external debt for end June and Sept- 2024. For Dec-2024 onwards, the QPC is calibrated as PV of new public and publicly-guaranteed (PPG) external debt contracted during the year.
6/ Excluding arrears subject to rescheduling.
7/ Narrowed to social spending (education, health, and social protection) from December 2019 onward. Includes COVID19-related spending on emergency social programs, transfer to households and sanitary measures.
Note: In addition to QPCs enumerated in this table, the Standard Continuous Performance Criteria will also apply: (i) not to impose or intensify restrictions on the making of payments and transfers for current international transactions, (ii) not to introduce or modify multiple currency practices, (iii) not to conclude bilateral payments agreements that are inconsistent with Article VIII, (iv) not to impose or intensify import restrictions for balance of payments reasons.

Table 2. Mauritania: Structural Benchmarks for 2024

Item	Measures	Date (end-of-period)	Outcome/Status	Objective	Rationale and measurement
Social Protection					
1	Increase the quarterly cash transfers amount paid to vulnerable households from MRU 2,900 to MRU 3,600 and publish a report by Taazour/World Bank	End-December 2024	Met	Social safety net program	Protect vulnerable households and strengthening targeting of social assistance.
Fiscal policy					
2	Operationalize the Tax Policy Unit (TPU) by hiring competent staff and having the TPU operations started	End-March 2024	Met	Domestic revenue mobilization - building capacity for tax policy analysis and design	Enhance transparency of tax system, reduce number of special regimes over time resulting in a more equitable and efficient tax system.
3	Reform of the codification of imported products in customs, including the additional codes used for the codification of tax regimes	End-September 2024	Met	Domestic revenue mobilization - improving the quality of tax expenditures assessment	To allow monitoring, apply the new additional codes to identify imports that benefit from a special tax incentives constituting a tax expenditure.
4	Publish financial reporting on SNIM mining and non-mining activities, including the SNIM foundation, on an annual basis	End-October 2024	Met	Fiscal transparency	Enhance fiscal transparency of State Owned Enterprises (SOEs) operations.
5	Reform the consumption tax in the LFR 2024 (2024 Revised Budget Law)	End-August 2024	Not met	Domestic revenue mobilization	Improve business environment by removing inconsistencies in the existing general tax code.
6	Submit to Parliament a revised investment code that eliminates "points francs" and reduces special regimes	End-December 2024	Not met	Domestic revenue mobilization - reduction of tax exemptions	Enhance transparency of tax system, reduce number of special regimes over time resulting in a more equitable and efficient tax system.
Monetary policy					
7	Conduct regular auctions of T-bills for conventional banks to bring the outstanding volume of T-bills to MRU 3 billion by December 2024	End-December 2024	Met	Strengthen monetary policy	Strengthen monetary policy implementation and transmission
8	Conduct regular auctions of Islamic T-bills to bring the outstanding volume of Islamic T-bills to MRU 1.5 billion by December 2024	End-December 2024	Met	Strengthen monetary policy	Strengthen monetary policy implementation and transmission
9	Convert the 2018 convention on the BCM claims on the government with a new agreement amounting to the same net present value, according to IFRS, as of the date of the signing of the convention to (i) transfer of shares of the international Bank Banque Maghrébine d'Investissement et de Commerce Extérieur (BMICE), (ii) transfer of real estate, (iii) transfer of cash from the issuance of 10-year treasury bonds and (iv) a reimbursement plan of the remaining balance with an interest rate of 5.5 percent and equal annual amortizations of MRU 361 million.	End-December 2024	Met	Central bank autonomy and credibility	Increase central bank financial and operational independence and support the adoption of IFRS and help develop a treasury bill market
Foreign exchange policy					
10	Establish a quarterly committee between the BCM, SNIM, and the MoF to discuss and share forecasts of SNIM repatriation of funds for a minimum of 12 months into the future, and integrate the forecasts into FX cashflow analysis	End-June 2024	Not met	Intervention strategy	Improve the calibration of the BCM FX interventions
Financial sector policies					
11	Develop an HR plan to strengthen the BCM supervisory function and increase technical staff in charge of off-site supervision from 2 to 4 people	End-March 2024	Met	Strentghen off-site supervision	Strengthen BCM's monitoring and enforcement of prudential norms, and increase banks' compliance with prudential ratios
12	Publish the Net Funding Stable Ratio (NFSR) instruction by March 2024	End-March 2024	Met	Reduce the transformation risk	Ensure that banks' long-term assets are funded by adequate resources
13	The authorities will monitor the compliance of all banks with the minimum capital and core capital requirements and undertake appropriate actions against non-complying banks under the legal framework governing credit institutions	End-December 2024	Met	Strentghen banks solvency	Strengthen banking sector soundness and its resilience to shocks. All banks need to comply with the minimum capital requirement
Governance and private investment					
14	Submit to Parliament a new law on government enterprises in line with international standards and best practices, including the main elements of a government ownership policy in these entities and measures to strengthen their governance, transparency, and accountability	End-September 2024	Not met	Address weaknesses in the management of the financial assets of Mauritania	Address weaknesses in the management of the financial assets of Mauritania
15	Start regular publications of semi-annual reports on the implementation of the action plan in key governance areas supported by the IMF governance diagnostics	End-December 2024	Met	Strengthen governance and transparency and reduce corruption risks	Address governance vulnerabilities to strengthen business environment and the quality of government policy making.

Table 3. Mauritania: Structural Benchmarks for 2025–2026

Item	Measures	Date (end-of-period)	Outcome/Status	Objective	Rationale and measurement
Fiscal policy					
1	Reform the consumption tax by replacing it with a conventional excise tax system, which applies to both imports and local production in the revised budget law (LFR) for 2025	End-August 2025		Tax Policy – Improve the tax system and revenue mobilization	Improve the tax system by aligning it to best practice and broaden the tax base
2	Prepare and publish a public expenditure review on current spendings from 2022 to 2024	End-September 2025		Expenditure Policy – Improve public expenditures efficiency	Improve public expenditures efficiency and level
3	Adopt and sign a memorandum of understanding between the directions of tax (DGI), customs (DGD), and the free zone authority to define responsibilities	End-September 2025		Revenue Administration – Improve revenue administration	Improve revenue administration and domestic revenue mobilization
4	Reform the organizational structure of the directions of tax (DGI) and customs (DGD) and adopt a new function-based organigram for both directions in line with FAD TA	End-December 2025		Revenue Administration – Improve organizational management	Improve the organizational structure of the tax and customs directions
5	Reform the CGI to consolidate all tax measures and incentives, clearly exclude all non-listed measures, and limit responsibility for introducing new tax measures to the MEF	End-December 2025		Tax Policy – Reduction of tax exemptions	Enhance transparency of tax system, manage the tax burden, and reduce exemptions over time resulting in a more equitable and efficient tax system
6	Amend the Loi Organique de la Loi de Finance (LOLF) to introduce the principles of a fiscal rule on the non-extractive primary balance, in line with IMF TA	Proposed End-March 2026		Public Financial Management – Institutionalize the fiscal anchor	Improve public financial management and maintain fiscal discipline through the institutionalization of the fiscal anchor with the adoption of fiscal rules
Monetary and foreign exchange policy					
7	Introduce in the IT system Refinitiv a tool that allows to enforce firm FX quotes	End-April 2025	Not met	Support the move to exchange rate flexibility and the development of the financial sector	Improve the functioning of the newly introduced foreign exchange platform and ensure the exchange rate is market-based
Financial sector policies					
8	Set up a robust IT system managed by BCM that will enable banks to electronically submit supervisory returns in compliance with regulatory reporting requirements, including effective data quality control and template integrity protection	End-March 2025	Met	Improve data reporting by banks	Upgrade the reporting systems and improve prudential monitoring
Governance and private investment					
9	Submit to Parliament legal amendments to enhance the declaration of assets and interests framework in line with the G20 High-Level Principles on Asset Disclosure by Public Officials, including by (i) adding members of parliament and SOE board members to the current list of obligated persons, (ii) specifying the types of assets and interests that, as a minimum, should be reported by obligated persons, including assets beneficially owned and assets of spouses (if above a reasonable materiality threshold proposed by the Anti-Corruption Agency), (iii) clarifying that declarations should be filed upon taking office, every two years, and upon leaving office, (iv) requiring the publication of relevant data declared by high-level officials, including their interests, annual income, aggregate data on their wealth (within ranges or above a certain threshold, proposed by the Anti-Corruption Agency) and material changes in their financial situations, and (v) introducing an effective and proportionate sanctions and enforcement regime for lack of compliance and false declarations	End-February 2025	Not met, implemented with delay	Strengthen the AC framework	Develop corruption prevention tools and strengthening corruption detection mechanisms
10	Publish the semi-annual report on the implementation of the action plan in key governance areas supported by the IMF governance diagnostics	End-June 2025		Strengthen governance and transparency and reduce corruption risks	Address governance vulnerabilities to strengthen business environment and the quality of government policy making.
11	In consultation with the Fund staff, publish an implementation decree to the new public enterprises law after its approval by parliament	End-September 2025		Address weaknesses in the management of the financial assets of Mauritania	Address weaknesses in the management of the financial assets of Mauritania
12	Publish an implementation decree to the Anti Corruption Authority (ACA) law to enable the appointment of the ACA's Directive Council members and the president, and complete such appointments	End-November 2025		Continue to strengthen the AC framework	Develop corruption prevention tools and strengthening corruption detection mechanisms
13	Publish the semi-annual report on the implementation of the action plan in key governance areas supported by the IMF governance diagnostics	End-December 2025		Strengthen governance and transparency and reduce corruption risks	Address governance vulnerabilities to strengthen business environment and the quality of government policy making.

Figure 1. Mauritania: Reform Measures

End- Dec 2023	ECF-EFF 2nd Review End-Apr 2024	ECF-EFF 3rd Review End-Oct 2024	ECF-EFF 4th Review End-Apr 2025	ECF-EFF 5th Review End-Oct 2025	ECF-EFF 6th Review End-Apr 2026
RSF Approval	**RSF 1st Observance** *(11.54% of quota)* *14.86 Millions of SDR*	**RSF 2nd Observance** *(23.08% of quota)* *29.72 Millions of SDR*	**RSF 3rd Observance** *(34.62% of quota)* *44.58 Millions of SDR*	**RSF 4th Observance** *(46.16% of quota)* *59.44 Millions of SDR*	**RSF 5th Observance** *(34.63% of quota)* *44.60 Millions of SDR*

Reform Area 1:
Integrating Climate in PFM and Public Investment

Pillar 1 (46.16% of quota) 59.44 Millions of SDR

RM3[1,2]/. The Ministry of Economy and Sustainable Development will amend the Decree 2016-179, including the PIM manual, to integrate climate aspects in the PIM stages of the management of public investments (project conceptualization, appraisal, selection, and execution) and - publish it on the Ministry's website.

Met

RM1[1,2]/. The Ministry of Finance will require in the FY 2026 budget circular NDC sector ministries to estimate the share of their FY 2026 budget that relate to climate adaption, in line with the CBT methodology

In Progress

RM2[1,2]/. The Ministry of Finance will publish a FY 2026 climate budget note, informed also by FY 2024 and 2025 tagging results of the NDC sectors, jointly with the 2026 Budget law.

RM4[1,2,4]/. The Ministry of Economy and Sustainable Development, jointly with the Ministry of Environment, will pilot the climate screening template for major project proposals of selected NDC sectors, submitted for review and validation by CAPIP.

Reform Area 2:
Social Protection Against Climate Shocks

Pillar 2 (11.54% of quota) 14.86 Millions of SDR

RM5[1]/. The Council of Ministers will adopt a decree to institutionalize the national social safety net program Tekavoul, including the climate shock-responsive cash transfer component (Tekavoul choc). The Agency for National Solidarity and the Fight Against Exclusion (Taazour) will expand the Tekavoul choc component to vulnerable households affected by drought while ensuring cover adequate funding.

Met

Reform Area 3:
Decarbonization

Pillar 3 (57.7% of quota) 74.3 Millions of SDR

RM6[2]/. In line with IMF TA, the Council of Ministers will adopt a decree for a new fossil fuel price structure that adjusts automatically to changes in international prices, removes discretionary price setting, phases out subsidies, and includes a price smoothing mechanism.

In Progress

RM7[2]/. In line with IMF TA, the Council of Ministers will adopt the FY 2025 budget law introducing a carbon tax applied starting March 2025 that (i) would be phased in gradually, (ii) is aligned with the country NDCs to address emissions from all sectors of the economy and fuels except LPG[3] and (iii) is supplemented with compensation measures to safeguard poor households when prices exceed a certain threshold.

In Progress

RM9[2]/. The Ministry of Petroleum, Mines and Energy will adopt a decree requiring mining companies to increase the share of renewable-based electricity generation in their power mix by at least 5 percentage points annually until 2030. The annual objectives not achieved will be subject to a compensatory investment in rural electrification, especially in isolated areas.

In Progress

Figure 1. Mauritania: Reform Measures (concluded)

End- Dec 2023	ECF-EFF 2nd Review End-Apr 2024	ECF-EFF 3rd Review End-Oct 2024	ECF-EFF 4th Review End-Apr 2025	ECF-EFF 5th Review End-Oct 2025	ECF-EFF 6th Review End-Apr 2026
RSF Approval	**RSF 1st Observance** *(11.54% of quota)* 14.86 Millions of SDR	**RSF 2nd Observance** *(23.08% of quota)* 29.72 Millions of SDR	**RSF 3rd Observance** *(34.62% of quota)* 44.58 Millions of SDR	**RSF 4th Observance** *(46.16% of quota)* 59.44 Millions of SDR	**RSF 5th Observance** *(34.63% of quota)* 44.60 Millions of SDR

Reform Area 3:
Decarbonization

Pillar 3 (57.7% of quota) 74.3 Millions of SDR

RM8[1,2]/. In accordance with its New Electricity Code, the Ministry of Petroleum, Mines and Energy will adopt regulatory decree(s) to (i) provide access for independent power producers to the Mauritanian energy market and (ii) establish a non-discriminatory third-party access to transmission infrastructure owned by the public power utility SOMELEC.

Met and Proposed for 3rd RSF review

RM10[2]/. To reduce GHG emissions from the hydrocarbons production, the Ministry of Petroleum, Mines and Energy will adopt a legislative or regulatory decree in line with WB TA, to eliminate routine gas flaring and venting and reduce methane emissions through well-defined sanctions for non-compliance.

Met

Reform Area 4:
Strengthening the financial sustainability and institutional framework for water management

Pillar 4 (34.63% of quota) 44.60 Millions of SDR

RM11[1]/. The Ministry of Water and Sanitation and the Ministry of Environment will sign an interministerial partnership agreement on areas of cooperation (environmental assessments, enforcement, data management, monitoring of groundwater-dependent ecosystems (GDEs) and other hydrogeological data) and implement the agreement overseen by a technical committee, created as part of the PA.

Met

RM13[1]/. The Ministry of Water and Sanitation will revise and publish the water tariff regulations (Order 2007 n°2624/ MHETIC/MCI) in line with IMF recommendations.

In Progress

RM12[1]/. The Ministry of Water and Sanitation and the Ministry of Environment will (i) adopt an inter-ministerial order on environmental assessments and monitoring of water resources, informed by the experience of the partnership agreement, and (ii) publish a pilot joint inventory on GDEs and hydrogeological data on the Boulenoir aquifer.

1/ Adaptation.
2/ Mitigation.
3/ An increase in LPG prices may lead to the replacement of LPG by "dirty" fuels, such as biomass and kerosene, for cooking, which justifies excluding it from the reform.
4/ CAPIP - Public Investment Analysis and Programming Committee.

Attachment II. Technical Memorandum of Understanding

A. Introduction

1. This Technical Memorandum of Understanding (TMU) describes the performance criteria, indicative targets, and their adjusters established to monitor the program supported by the Fund's Extended Credit Facility and Extended Fund Facility and described in the Memorandum of Economic and Financial Policies (MEFP), Table 1. It also specifies the content and periodicity of the data that must be forwarded to Fund staff for program monitoring purposes. Under this memorandum, the government is defined as the central government exclusively.

2. The quantitative targets are defined as ceilings and floors set on cumulative changes between the reference periods described in Table 1 of the MEFP and the end of the month covered, unless otherwise indicated.

3. Data sharing with IMF review missions. To enable assessment missions to be concluded on time, we commit to sharing all data and information in advance of the mission, wherever possible. We will organize internal coordination meetings on data prior to the IMF assessment mission and agree on the data to be shared, to avoid any modification of the data during the review.

B. Definitions

4. Net international reserves (NIR) of the Central Bank of Mauritania (BCM) are defined as the difference between the reserve assets of the BCM (i.e., the external assets that are readily available to, and controlled by, the BCM, as per the 6th edition of the IMF *Balance of Payments Manual*), minus the BCM's foreign exchange liabilities to residents and nonresidents (including letters of credit and guarantees issued by the BCM, but excluding resident foreign exchange deposits that are payable in local currency). SDR allocations are not included in the calculation of liabilities for NIR, considering the long-term nature of these instruments. Monetary gold holdings will be evaluated at the gold price in effect on September 30, 2022 (US$1,671.75 per oz.), and the U.S. dollar value of the reserve assets (other than gold) and foreign exchange liabilities will be calculated using the program exchange rates, namely, the September 30, 2022 rates for exchange of the U.S. dollar against the new ouguiya (US$1 = MRU 37.79), the SDR (US$1.28 = SDR 1), the euro (US$0.98 = 1 euro), and other currencies published in the *IMF's database International Financial Statistics* (IFS). 2023 NIR performance criteria are set as cumulative changes relative to the start of the year, while 2024 NIR performance criteria are set in levels.

5. Net domestic assets (NDA) of the BCM are defined as reserve money minus net foreign assets (NFA) of the BCM. Reserve money comprises: (a) currency in circulation (currency outside banks plus the commercial banks' cash in vaults); and (b) deposits of commercial banks at the BCM. NFA are defined as the gross foreign assets of the BCM, including external assets not included in the reserve assets, minus all foreign liabilities of the BCM (i.e., NDA = reserve money—NFA, based on the BCM balance sheet). The monetary base excludes BCM liquidity absorption operations conducted for monetary policy reasons, such as seven-day liquidity operations and SENAD. Amounts received on deposit under the deposit facility are treated as monetary policy operations. NFA includes the BCM's equity investments in three foreign financial institutions but excludes assets held as participation in the capital of the Arab Monetary Fund and will be measured at the program exchange rates described in paragraph 3. 2023 and March 2024 NDA performance criteria are set as cumulative changes relative to the start of the respective year, while end-June, end-September and end-December 2024 NDA performance criteria are set in levels, same for 2025 targets. To be noted that the QPC target is a ceiling, i.e. results can be less than the target, but should not be more.

6. The non-extractive primary fiscal deficit including grants is defined, for program monitoring purposes, as the overall fiscal deficit, including grants of the central government, but excluding interest due on public debt and extractive revenues. The overall fiscal deficit is equal to government revenue minus government expenditure. To be noted that the QPC target is a ceiling, i.e. the non-extractive primary fiscal deficit can be less than the target but should not exceed it. Extractive revenues are defined as the mining and hydrocarbon tax and non-tax revenues included in the TOFE. Extractive tax revenues correspond to TOFE headings denominated "SNIM single tax" and corporate income tax and capital gains tax paid by mining and hydrocarbon operators (excluding subcontractors). Indirect taxes, other direct taxes, the climate contribution, and withholding taxes paid by these companies are excluded. Non-tax extractive revenues correspond to dividends paid by SNIM, to mining non-tax revenues (bonus, royalties, cadastral revenues, operating revenues, and other mining revenues); and hydrocarbons non-tax revenue (bonuses, royalties, capital income, profit oil and profit gas, etc.). The non-extractive primary fiscal deficit will be measured on the basis of Treasury data. Revenue and expenditures are defined in accordance with the *Government Finance Statistics Manual (GFSM 2001)*. It will be monitored on a cash basis.

7. Treasury float (technical gap) is defined as the stock of payments validated and recorded at the Treasury but not yet executed by the latter. With the introduction of the payment module in the RACHAD system, this technical gap is defined as the stock of payments validated in the RACHAD payment module but not yet executed by the Treasury.

8. Social spending is estimated using the public expenditure for primary and secondary education, health, TAAZOUR, the Commissariat à la Sécurité Alimentaire and the Ministère des Affaires Sociales, de l'Enfance et de la Famille. Social spending is limited to domestically funded expenditure and reported under the following headings: "Health," "Education," and "Social action and protection."

9. For program purposes, the definition of external debt is set out in paragraph 8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements, attached to IMF Executive Board Decision No. 16919-(20/103) adopted on October 28, 2020. [1]

[1] Reform of the Policy on Public Debt Limits in Fund-Supported Programs—Proposed Decision and Proposed New Guidelines

- For the purposes of these guidelines, the term "debt" is understood to mean a current (i.e., noncontingent) liability created by a contractual arrangement whereby a value is provided in the form of assets (including currency) or services, and under which the obligor undertakes to make one or more payments in the form of assets (including currency) or services at a future time, in accordance with a given schedule; these payments will discharge the obligor from its contracted principal and interest liabilities. Debt may take several forms, the primary ones being as follows:
    - Loans, that is, advances of money to the borrower by the lender on the basis of an undertaking that the borrower will repay the funds in the future (including deposits, bonds, debentures, commercial loans, and buyers' credits), as well as temporary swaps of assets that are equivalent to fully collateralized loans, under which the borrower is required to repay the funds, and often pays interest, by repurchasing the collateral from the buyer in the future (repurchase agreements and official swap arrangements);
    - Suppliers' credits, that is, contracts under which the supplier allows the borrower to defer payments until sometime after the date when the pertinent goods are delivered, or the services are provided; and
    - Leases, that is, agreements governing the provision of property that the lessee has the right to use for one or more specified period(s), generally shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purposes of the guidelines, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement, apart from payments related to the operation, repair, or maintenance of the property.
- Under the definition of debt set out above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.
- The Present Value (PV) of a loan is calculated by discounting future principal and interest payments, on the basis of a discount rate of 5 percent.
- For debts carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the debt would be calculated using a program reference rate plus the fixed spread (in basis points) specified in the debt contract. The program reference rate for the six-month US$ SOFR is 2.03 percent and will remain fixed for the duration of the program. [2] The spread of six-month Euro LIBOR over six-month US$ SOFR is -200 basis points. The spread of six-month GBP SONIA over six-month US$ SOFR is -100 basis points. For interest rates on currencies other than Euro and GBP, the spread over six-month US$ SOFR is -100 basis points. Where the variable rate is linked to a benchmark interest rate other than the six-month US$ SOFR, a spread reflecting the difference between the benchmark rate and the six-month US$ SOFR (rounded to the nearest 50 bps) will be added.

[2] The program reference rates and spreads are based on the "average projected rate" for the six-month US$ SOFR over the following 10 years from the October 2022 World Economic Outlook (WEO).

10. External payment arrears are defined as payments (principal and interest) on external debt contracted or guaranteed by the government or the BCM that are overdue (taking into account any contractually agreed grace periods). For the purposes of the program, the government and the BCM undertake not to accumulate any new external payments arrears on its debt, with the exception of arrears subject to rescheduling. The performance criterion on the non-accumulation of new external public payments arrears will be continuously monitored throughout the program. The accumulation of any new external payments' arrears will be reported immediately by the government to Fund staff.

11. External debt, in the assessment of the relevant criteria, is defined as any borrowing from or debt service payable to nonresidents. The relevant performance criteria are applicable to external debt contracted or guaranteed by the government, the BCM, and public enterprises (excluding the debt of the National Industrial and Mining Company (SNIM) not guaranteed by the government), or to any private debt for which the government and the BCM have provided a guarantee that would constitute a contingent liability. Guaranteed debt refers to any explicit legal obligation for the government and the BCM to repay a debt in the event of default by the debtor (whether payments are to be made in cash or in kind). For program purposes, this definition of external debt does not include routine commercial debt related to import operations and maturing in less than a year, rescheduling agreements, and prospective IMF disbursements.

12. Medium- and long-term external debt contracted or guaranteed by the government, the BCM, and public enterprises corresponds, by definition, to borrowings from nonresidents maturing in one year or more. **Short-term debt** corresponds, by definition, to the stock of borrowings from nonresidents initially maturing in less than one year and contracted or guaranteed by the government, the BCM, and public enterprises.

13. External debt is deemed to have been contracted or guaranteed on the date of approval by the Council of Ministers. For program purposes, its U.S. dollar value is calculated using the average exchange rates for September 2022 as described in the *IFS* (International Financial Statistics) database of the IMF, namely, the rates of exchange of the U.S. dollar against the SDR (US$1.2904 = SDR 1) and other national currencies, namely, the euro (1.01 euro = $1), the Kuwaiti dinar (KWD 0.3098 = US$1), the Saudi rial (SR 3.75 = US$1), and the pound sterling (£ 0.88 = US$1).

C. Adjustment Factors

14. NIR and NDA targets are calculated on the basis of projections of the amount of the European Union (EU) fishing compensation. If the amount of EU fishing compensation falls short of the amount projected in Table 1, the NIR floor will be lowered, and the NDA ceiling will be raised by an amount equivalent to the difference between the recorded and projected amounts. For its part, the NDA ceiling will be converted into ouguiya at the programmed exchange rates. The lowering of the NIR floor will be limited to 57.5 million Euros. The raising of the NDA ceiling will be limited to the ouguiya equivalent of 57.5 million Euros, at the programmed exchange rates. If the amount of EU fishing compensation exceeds the amounts indicated in Table 1, the NIR floor will be raised, and the NDA ceiling will be lowered by an amount equivalent to the difference between the recorded and projected amounts.

15. The non-extractive primary fiscal deficit (including grants) at the end of the fiscal year will be adjusted by an amount equivalent to the EU fishing compensation relative to the amount projected in Table 1. The EU fishing compensation is defined as the annual payment agreed under the sustainable fisheries partnership agreement (SFPA) between the European Union and the Islamic Republic of Mauritania signed on 16 November 2021. For reviews during the course of the year, the adjuster does not apply.

D. IMF Reporting Requirements

16. To facilitate the monitoring of developments in the economic situation and performance of the program, the Mauritanian authorities will provide the IMF with the information listed below:

Central Bank of Mauritania (BCM)

- The monthly statement of the BCM and monthly statistics on: (a) the gross international reserves of the BCM (calculated at the programmed and actual exchange rates); and (b) the balance of the FNRH, as well as the amounts and dates of its receipts and expenditures (transfers to the Treasury account). These details will be provided within a period of two (2) weeks after the end of each month;
- The monthly monetary survey, the consolidated balance sheet of the commercial banks, and the weekly statistics on the net foreign exchange positions of the individual commercial banks, by foreign currency and in consolidated form, at the official exchange rates recorded. These details will be supplied within a period of five (5) weeks after the end of each month;
- The Financial Soundness Indicators (FSIs), at the end of each quarter, as well as the outcome of prudential norms, that is the number of banks in non-compliance for each prudential ratio and share of banks in non-compliance (weighted by their share of assets in the banking system). These details will be supplied within a period of four 45 days after the end of each quarter;
- The monthly cash flow table and projections of FX interventions to the end of the year, within a period of 15 days after the end of each month;
- Data on Treasury bill auctions and on the new stock of Treasury bills, within a period of one (1) week after each auction, including bids (volumes, interest rates, and bidders), successful bids, and volumes and interest rates auctioned;
- At the end of each week: 1) data on BCM auctions (direction of auction, currencies, amounts, rates, bidders), including results of market makers' bids (direction of bid, currency , amounts, rates, bidders); 2) data on interbank foreign exchange market operations (stakeholders, direction of the operation, currency, amounts, rate applied to the operation, central rate and reference rate); and 3) data on government transactions (currency, amounts, rate applied to the operation); and 4) data on parallel foreign exchange market transactions.

- Monthly data on the volume of each public enterprise's liabilities to the banking sector, within a period of one (1) month after the end of each month;
- Monthly external debt data within a period of 30 days after the end of the month under consideration, following the monthly meeting of the technical committee on debt, the minutes of which will be attached. The information required consists of the external debt file; external debt service and stock of the BCM, the government, and the SNIM, including any changes in arrears and in rescheduling operations; the amount of debt service that became payable and the portion of it paid in cash; the HIPC relief granted by the multilateral and bilateral creditors; and the amount of HIPC relief provided to Mauritania in the form of grants;
- The quarterly balance of payments and the annual data on the stock of external debt (broken down by creditor, debtor, and currency denomination), within a period of two (2) months after the end of each quarter, or year;
- Daily statistics on the autonomous factors and on foreign exchange market operations, within a period of 10 days after the end of the month;
- Daily statistics on the required reserves and the current account balance, by bank, within a period of 10 days after the end of the month;
- Quarterly data on lending and borrowing rates, by bank, as well as the liquidity ratios at the end of each quarter.

Ministry of Economy and Finance

- Monthly reports on the execution of externally funded capital expenditure, based on the summary statement of the consolidated capital budget, as well as on the external grants and loans received or contracted by the government, its agencies, and public enterprises, classified by donor or creditor and by disbursement currency. This information will be provided within a period of two (2) weeks after the end of each month;
- A monthly list of new medium-term and long-term foreign borrowings contracted or guaranteed by the government, with indications, for each loan, of: the creditor, the borrower, the amount, and the currency denomination, as well as the maturity and grace period, interest rate, and fees. This list should also cover loans under negotiation. Data on new external debt will be provided within a period of two (2) weeks.
- The Treasury's cash plan (developed by the Treasury staff), updated by the technical committee on fiscal and monetary policy coordination, will be forwarded on a bimonthly basis with the minutes of weekly meetings;
- Monthly data from the Treasury on budget operations: (i) revenues disaggregated by non-extractive revenues and extractive revenues (including FNRH transfers) and disaggregated by revenue collected by the tax and customs directorates, expenditure (current, capital and special accounts operations), (ii) main fiscal balances including non-extractive primary balance and the overall balance and its financing (internal and external). This information will be provided within one (1) month after the end of each month;

- Monthly execution of social expenditure by budget title presented in section B;
- Quarterly reports on the production of oil and other hydrocarbons and the related financial flows, including data on oil sales and the breakdown of oil revenue among the various partners, and the stocks and flows of the FNRH within a period of one (1) month after the end of each quarter;
- Annual balance sheets, audited or certified by a statutory auditor, for the public enterprises and autonomous public institutions within four (4) months from the end of the accounting year.

National Statistics Office (ANSADE)

- The monthly consumer price index, within a period of two (2) weeks after the end of each month;
- The quarterly industrial production index, within a period of 45 days after the end of each quarter;
- Quarterly memoranda on economic activity and foreign trade;
- Statistics on annual and quarterly national accounts, as soon as they are available.

Technical Committee on Program Monitoring

- Monthly program implementation report: four (4) weeks, at the latest, after the end of the month.

17. All data will be sent by electronic means. Any revision of previously reported data will be immediately submitted to IMF staff, together with an explanatory memorandum.

E. Central Government Operations Table

18. The Treasury will compile a monthly budget execution report in the format of a central government operations table (TOFE). For the preparation of this table, the definitions below will be applied:

- **Grants** are defined as the sum of the following components: foreign project grants (used for the implementation of foreign-financed investment projects contained in the parts of the consolidated investment budget covering the central government and other administrative units (EPA) —parts BE and BA); and foreign program grants for budget support, including multilateral HIPC debt relief as regards the public external debt and the external debt of the BCM and the SNIM (including the portion of the relief pertaining to the debt to the African Development Fund/African Development Bank on Cologne terms);
- **Domestic bank financing** of the government's financing needs is defined as a change in net banking system credit to the government, that is, claims on the government (Treasury securities held by commercial banks) minus government deposits with the banking system (guaranteed bonds excluding deposits of public institutions and EPA at the BCM, but including the HIPC account);

- **Domestic nonbank financing** of the government's financing needs is defined as a change in the stock of Treasury bills held by nonbanks;
- **Domestic arrears** are defined as a net change (beyond a period of three months) in the Treasury float and in the stock of domestic claims on the government recorded by the MOF, including but not limited to cumulative payment arrears to public enterprises (water, electricity, etc.) and international organizations, and those covered by government contracts and court decisions.
- **External financing** is defined as the sum of net drawdowns on the FNRH (i.e. the inverse of a variation in the balance of the FNRH offshore account), net disbursements of foreign loans and exceptional financing. The latter includes a) cumulative debts due and technical arrears as defined in paragraph 9; and b) relief of the government's external debt, less HIPC aid, considered as part of grants.

Statement by Mr. Ouattara Wautabouna and Ms. Fatimetou Yahya on
Islamic Republic of Mauritania
July 3, 2025

On behalf of our Mauritanian authorities, we thank Management, staff, and the Executive Board for their continued engagement and support. The authorities welcome the timely and constructive dialogue held during the recent review mission and appreciate staff's rigorous analysis, policy advice, and tailored technical support.

The authorities particularly value the support provided under the ECF-EFF arrangements, which has helped advance critical reforms to enhance fiscal sustainability, strengthen monetary operations, and improve financial sector resilience in a challenging macroeconomic context. They also welcome the Fund's continued partnership on climate policy, which has been instrumental in supporting the design and implementation of climate-related reforms. These reforms are already yielding tangible results by reinforcing Mauritania's climate resilience and low-carbon transition while anchoring climate sustainability objectives in public policy.

1. Recent Economic Developments and Outlook

Mauritania continues to demonstrate strong program performance, prudent macroeconomic management, and sustained reform momentum despite a challenging regional and global environment. Growth remained robust at 5.2 percent in 2024, much higher than expected at the time of the third review, driven by dynamic activity across agriculture, fisheries, construction, and financial services despite the slowdown in the extractive sector. Inflation continued to decline reaching 2.5 percent on average in 2024 and 0.9 percent y-o-y by end-April 2025, supported by prudent monetary policy and favorable external conditions. The current account deficit widened in 2024 due to extractive-related profit outflows and GTA-linked imports, despite a narrowed trade deficit. Nonetheless, reserves remain above the adequacy threshold at USD 1.9 billion, approximately 6.4 months of imports. The overall fiscal deficit declined to 1.4 percent of GDP, from 2.5 percent in 2023, and the non-extractive primary deficit (NEPD) converged to the program anchor of 3.5 percent of GDP. Public debt continued its decline reaching 42.1 percent of GDP, down from 46.4 of GDP in 2023, and is expected to remain on a sustainable path.

The medium-term outlook remains broadly favorable, supported by ongoing reforms and anticipated gains from extractive and non-extractive sectors. Real GDP growth is expected to stabilize around 5 percent over the medium term, bolstered by resilient non-extractive activity and new investments in the gas sector. Inflation is projected to remain low, averaging 2.5 percent in 2025–26. The current account deficit is expected to narrow to 6.2 percent in 2025 and continue narrowing in the medium term as import-intensive GTA-related construction slows and non-extractive exports strengthen. Gross international reserves are projected to remain above the ARA adequacy threshold, providing a critical buffer against external shocks. The overall fiscal deficit is expected to converge further toward the medium-term target, with the NEPD projected within the target of 3.5 percent of GDP supporting the gradual decline of public debt, which should stabilize at 42 percent of GDP in the medium-term.

Risks to the outlook remain, stemming mostly from regional instability, external shocks, and climate vulnerabilities, but buffers are being strengthened. The evolving security situation in the Sahel, volatility in global commodity markets, and potential delays in gas production pose downside risks. However, Mauritania's reserve buffers, fiscal anchor, and ongoing reforms to strengthen institutional capacity provide important safeguards. Continued support from development partners and ongoing progress on the RSF pillars should help mitigate climate-related risks and bolster resilience.

Regional instability and refugee inflows continue to weigh on Mauritania's outlook and fiscal sustainability. The Sahel crisis has led to rising flows of refugees and asylum seekers, with 290,000 refugees hosted by mid-2025—a 75 percent increase relative to 2023. Those refugees account for approximately 15 percent of Mauritania's population, placing significant pressure on local services and host communities. The authorities continue to uphold open-door policies and are expanding infrastructure and service delivery in refugee-hosting areas, to ease pressure on host communities while ensuring refugees' access to essential services. Despite a decline in official aid impacting UN agencies operating in Mauritania, the authorities are increasingly absorbing costs on the budget. Moreover, they are working with development partners, including UNHCR and the World Bank, to strengthen integration of refugees into national social protection programs and maintain social stability by expanding service delivery and infrastructure capacity in affected regions, including for education and health services, with a view to supporting both refugees and host communities.

2. Program Performance

Mauritania has maintained strong performance under the ECF-EFF-supported program, with all quantitative performance criteria (QPCs) and most structural benchmarks (SBs) met. The end-December 2024 QPCs were comfortably met, including stronger-than-expected performance on the NEPD and reserve accumulation. Completed SBs for this review include the increase of cash transfer amounts to mitigate the impacts of ongoing reforms on the most vulnerable, the publication of semi-annual progress reports on the governance action plan, and finalization of the BCM–Ministry of Finance convention on liabilities strengthening the BCM's balance sheet and autonomy. The latter was submitted to Parliament and will be discussed in a plenary session on July 4th. Other progress includes significant improvements in BCM operations, to strengthen the effectiveness of monetary policy transmission and boost market confidence, including the continued increase in T-bills auctions, enhanced liquidity forecasting tools, strengthened supervisory functions supported by digitalization efforts and greater transparency through regular publication of monetary data.

Despite some delays, structural benchmark implementation is progressing well, with several completed and others advancing steadily. Several SBs have been implemented since the missed deadlines, including the adoption of the new asset and interest declaration law, in line with the G20 High-Level Principles on Asset Disclosure by Public Officials which marks a strong step in the authorities' commitment to strengthened governance and the fight against corruption. Moreover, while the SB relating to the reform of the investment code was noted as not met given the number of regimes remained the same, the new code adopted in January 2025 represents a substantial improvement over the previous framework as noted by staff. Work is also ongoing to finalize the implementation decree of this code, including safeguards to prevent abuse of tax incentives for renewable energy equipment, in line with FAD recommendations. On the monetary front, the IT add-on for the FX platform, initially delayed, is now expected by end-July 2025 after extensive testing across all 17 participating banks, to ensure this does not disrupt the nascent interbank market and to allow sufficient time to support banks to adapt to the new system.

Performance under the RSF-supported program remains broadly on track, with one Reform Measure (RM) completed, notable progress made on the remaining two for this review and another RM completed ahead of schedule. The decree banning routine gas flaring was adopted on time, fulfilling Mauritania's net-zero commitments and aligning with the global "Zero Routine Flaring by 2030" initiative. Preparations for the automatic fuel pricing mechanism have advanced, with modeling completed for various price structures and a smoothing component, but more time is needed to finalize the structure and ensure broad public support to ensure success, given this reform's potential social impact. On the climate contribution, national mining and energy companies are now compliant, while discussions are progressing well with foreign companies, which have contractual tax stability clauses, to ensure implementation. In parallel, development of the targeted compensation mechanism is advancing through the social protection agency, TAAZOUR, and its updated social registry, with design options under review pending final decisions on compensation triggers. One reform measure related to the energy sector, namely the issuance of a decree to facilitate non-discriminatory access to the national electricity company's transmission infrastructure by electricity producers, was implemented well ahead of schedule (RM VIII, due October 2025).

3. Policy priorities in the near and medium term

Fiscal Policy and Public Financial Management

Revenue performance is expected to continue strengthening, underpinned by ongoing improvements in tax administration, robust extractive receipts, and sustained efforts to enhance domestic resource mobilization to reach Mauritania's tax potential. Revenue performance remained strong in 2024, driven by sustained tax collection and high extractive receipts. Stronger revenue mobilization efforts contributed to a reduction in the overall fiscal deficit, which declined from 2.5 percent of GDP in 2023 to 1.4 percent in 2024. Revenue performance is expected to remain robust in 2025 and over the medium term, supported by continued tax administration gains and efforts to broaden the non-extractive tax base. The authorities remain committed to strengthening domestic revenue mobilization through a gradual reform of the Tax Code and improvements in compliance, including among SOEs.

The expenditure strategy prioritizes inclusive and investment-oriented spending while reinforcing public financial management frameworks. Capital spending rose to 8.8 percent of GDP in 2024, increasingly financed from domestic resources. The revised 2025 budget law (LFR) maintains the non-extractive primary deficit target and allocates additional spending for priority sectors such as education, health, rural infrastructure, and climate resilience.

The authorities are advancing key fiscal reforms to improve efficiency, equity, and transparency of public finances. Key initiatives include revisions to the tax code to streamline tax provisions, reduce exemptions, and enhance consistency of the tax framework including tax policy reforms on the VAT and consumption tax, helped by the recently created Tax policy Unit. Preparatory work is ongoing to institutionalize the fiscal anchor by integrating it in the *Loi organique relative aux lois de finances*, reinforcing fiscal credibility. On the expenditure side, the authorities are improving commitment controls and strengthening Treasury procedures and will prepare an expenditure review in 2025. They also plan to introduce performance-based budgeting in priority sectors and further digitalize PFM systems. A new debt management strategy is under preparation to ensure continued moderate levels and cost of debt and reduce refinancing risks. Steps are also underway to progressively integrate extractive revenues into a medium-term framework to support macro-fiscal forecasting and better expenditure planning.

Monetary and Financial Sector Policies

Monetary policy remains guided by a forward-looking and data-driven approach to maintain price stability. As inflation has remained within a 1.5–3 percent band for over a year, the Banque Centrale de Mauritanie (BCM) has begun easing its policy stance, lowering the policy rate to

6.5 percent and narrowing the interest rate corridor to better guide market conditions. The BCM has successfully transitioned to an interest-rate based operational framework and reduced excess liquidity through strengthened liquidity forecasting and the activation of new monetary policy instruments. Regular Treasury bill auctions at longer maturities and the implementation of a symmetric interest rate corridor have enhanced monetary policy transmission and helped anchor inflation expectations, which remain well-contained. Communication has also been strengthened, including through regular publication of monetary and liquidity statistics.

The exchange rate regime is functioning more effectively, reinforcing external resilience. The interbank FX platform launched in December 2023 is now fully operational, with about 80 percent of transactions conducted through the market. BCM interventions have become more limited and rules-based, increasing market credibility. For the first time, the authorities have begun publishing FX intervention amounts, further enhancing transparency. They remain committed to gradually increasing exchange rate flexibility and maintaining reserve buffers above adequacy thresholds including thanks to improved coordination on reserve management with SNIM.

The financial sector is broadly stable, and the authorities are advancing key reforms to strengthen supervision and crisis management. Supervisory capacity is being reinforced, including though implementation of new risk-based tools, and the rollout of a Bank Supervision Application (BSA) in 2025. A new circular to improve the classification of non-performing exposures and provisioning practices, based on Fund TA and prepared with AFW support, has been submitted to the Prudential Council and is expected to be adopted at its next meeting in July. Oversight of undercapitalized institutions is ongoing, and work is underway to strengthen the framework for early intervention and bank resolution.

The BCM is also modernizing monetary operations and deepening financial markets. The BCM has made substantial strides in developing money and foreign exchange markets, supported by new operational tools and a more predictable policy stance. New instruments have been introduced to manage liquidity more effectively and support the development of the nascent interbank market. Progress continues in building an adequate yield curve and enhancing pricing mechanisms in both money and FX markets. These efforts are helping to foster interbank activity and promote the transition to a market-based monetary framework. The authorities remain committed to further deepening financial intermediation, improving access to finance, and expanding financial inclusion, including through digitalization.

The authorities are also strengthening the AML/CFT framework and have made substantial progress in implementing safeguards recommendations. Efforts will continue to bolster the AML/CFT framework, including through the revised national risk assessment to better target mitigation measures, and updates to the legal and regulatory framework to address identified gaps. The authorities also intend on stepping up efforts to enhance coordination among supervisory, financial intelligence, and law enforcement authorities. The BCM has established an internal risk management committee and is pursuing the implementation of key recommendations from the Fund's safeguards assessment, the majority of which have been implemented, including improvements to the internal audit function and the development of a risk-based internal control framework.

<u>Structural Reforms and Governance</u>

Governance reforms are progressing under the action plan informed by the Fund's diagnostic. The revised law on asset and interest declarations was adopted in May 2025 following staff feedback and aligned with international standards. The *Inspection Générale d'État* continues to play a key role in strengthening governance oversight and targeted training continues for relevant oversight bodies with Fund support. The authorities are also advancing efforts to improve fiscal transparency and oversight, including through the publication of a tax expenditure report and adoption of a new SOE law. Work continues to enhance internal control systems and strengthen institutional checks and balances across key entities.

Reforms continue to advance in the areas of public sector efficiency, investment climate, and transparency. Digitalization of customs and tax procedures continues to improve transparency and efficiency. The new *Code des investissements*, adopted in January 2025, eliminated *points francs* and introduced more targeted, climate-consistent incentives. The implementation decree under preparation will define eligible equipment for renewable energy usage jointly with the ministries of economy and environment. The authorities are also reinforcing procurement practices and investment planning frameworks.

Climate Policy and RSF Implementation

Mauritania has made strong strides under the RSF-supported reform agenda and remains fully committed to building resilience and advancing its low-emission development strategy. One reform measure under this review—banning routine gas flaring—was completed on time, in line with global commitments and net-zero goals. Substantial progress has also been made on the two remaining RMs: finalizing the fuel pricing mechanism and designing a compensation scheme aligned with the climate contribution. The authorities are taking a measured approach to this sensitive reform to ensure its sustainability and social acceptance. Discussions with foreign mining firms are ongoing to ensure full application of the climate contribution, and targeted compensation modalities are being developed with the support of TAAZOUR. One reform measure initially due in October 2025, on access for electricity producers to transmission infrastructure, was completed ahead of schedule, and additional decrees are under preparation to prioritize renewable energy. In parallel, the authorities are preparing a decree mandating mining firms to progressively green their energy mix, with compensatory rural electrification investments in case of non-compliance.

Progress continues on forward-looking RSF reforms to accelerate the energy transition and climate resilience. A decree is being prepared to mandate mining companies to increase their renewable energy mix by at least five percentage points annually until 2030, with compensatory rural electrification investments in case of non-compliance. A working group has been established to analyze company-specific contexts and facilitate discussions on the decree's implementation. The authorities have also identified three additional decrees to enhance private sector participation in electricity infrastructure, including priority access for renewable energy.

In parallel, implementation continues on previously adopted RSF reforms with early signs of meaningful impact. Following the adoption of the interministerial agreement on water governance in 2024, coordination between the ministry of Environment and the ministry of Hydraulics) has improved markedly, including for groundwater resource management. The National Climate Fund has been established by decree and is being operationalized to channel climate finance. As a result of implemented and ongoing reforms under the RSF, institutional coordination around water resource management has strengthened, enhancing the integration of water and climate considerations into agricultural planning, particularly for irrigation expansion in vulnerable rural zones and improved drought resilience.

4. Conclusion

Our Mauritanian authorities reaffirm their strong ownership of the reform agenda and appreciate the Fund’s constructive partnership. They request the completion of the fourth ECF-EFF review and the third RSF review, as well as the rephasing of access. The authorities remain committed to sustained reform implementation and to leveraging Fund support to entrench macro-economic stability and advance inclusive, green, and resilient growth.