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ISLAMIC REPUBLIC OF MAURITANIA

February 2026

FIFTH REVIEWS UNDER THE ARRANGEMENTS UNDER THE EXTENDED CREDIT FACILITY AND THE EXTENDED FUND FACILITY, REQUEST FOR A WAIVER OF APPLICABILITY OF PERFORMANCE CRITERIA, AND FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE ISLAMIC REPUBLIC OF MAURITANIA

In the context of the Fifth Reviews Under the Arrangements Under the Extended Credit Facility and the Extended Fund Facility, Request for a Waiver of Applicability of Performance Criteria, and Fourth Review Under the Arrangement Under the Resilience and Sustainability Facility, 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 January 28, 2026, following discussions that ended on November 7, 2025, with the officials of the Islamic Republic of Mauritania on economic developments and policies underpinning the IMF arrangements under the Extended Credit Facility and the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on January 13, 2026.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the International Development Association.
- A **World Bank Assessment Letter for the Resilience and Sustainability Facility**.
- 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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International Monetary Fund
Washington, D.C.

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

FOR IMMEDIATE RELEASE

- The Executive Board of the International Monetary Fund (IMF) concluded the Fifth Reviews of Mauritania's Extended Credit Facility and the Extended Fund Facility arrangements, and the Fourth Review under the Resilience and Sustainability Facility Arrangement. The decisions allow for an immediate disbursement of SDR 65.88 million (about US$ 91 million).
- Modernizing the macroeconomic policy frameworks, including through the institutionalization of the fiscal rule and the steadfast transition to a flexible exchange rate regime, would help bolster Mauritania's resilience to shocks, amid global uncertainties and an escalation of regional security risks.
- A swift operationalization of the Anti-Corruption Authority and effective and timely implementation of the laws on declaration of assets and interests, SOEs, and the Nouadhibou free zone would enhance governance and business climate.
- Accelerating the climate reform agenda, including the introduction of the automatic fuel pricing mechanism in parallel with well-targeted compensatory measures, would strengthen Mauritania's resilience to climate change and create fiscal space to meet Mauritania's large development needs.

Washington, DC: The IMF Executive Board completed today the Fifth Reviews under the 42-month blended Extended Credit Facility arrangement (ECF) and the Extended Fund Facility arrangement (EFF), and the Fourth 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 65.88 million (about 91 US$ million) of which SDR 6.44 million (about US$ 9 million) under the ECF/EFF and SDR 59.44 million (about US$ 82 million) under the RSF, bringing the cumulative disbursements to SDR 191.8 million (about US$ 258 million).

Following a strong economic growth performance of 6.3 percent in 2024, economic activity in 2025 is expected to have decelerated to 4.2 percent, due to a contraction in the extractive sector, notwithstanding a continued solid performance of the non-extractive activities. Amid heightened global uncertainties and growing regional security risks, the medium-term outlook remains favorable, supported by the government infrastructure drive and private investment. 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 remained on track, with all end-June 2025 quantitative targets met, and most of the structural benchmarks under the ECF/EFF implemented. Reforms under the RSF are also progressing, albeit at slower pace.

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

"Despite an expected slowdown in growth in 2025, Mauritania's economy continued to show resilience, supported by prudent and well-calibrated policies. Prudent fiscal management, including the implementation and planned institutionalization of a fiscal anchor, continues to support the authorities' medium-term goal of stabilizing debt. The current account is expected to have narrowed in 2025 with international reserves that remained at comfortable levels.

"Program performance under the current Extended Credit Facility and Extended Fund Facility arrangements is on track with all end-June 2025 targets and end-September 2025 indicative targets for quantitative performance criteria met, and all but two of nine structural benchmarks through end-December 2025 met, with a third implemented with delay. Program implementation under the Resilience and Sustainability Facility is also broadly on track with four of the five RMs assessed at this review completed.

"The authorities' prudent fiscal management, underpinned by the adoption of a fiscal anchor, helps insulate public spending from commodity price volatility and contributes to stabilizing debt. Continuing with such a prudent fiscal policy, complemented by reforms in tax policy and administration, would also raise the fiscal space for public investments necessary to meet pressing development needs while safeguarding the credibility of the medium-term budget framework.

"The BCM's policy framework modernization, including improved liquidity management and monetary policy instruments, helps anchor inflation expectations while fostering the development of domestic debt markets. Continued reforms to deepen the foreign exchange market would support greater exchange rate flexibility and enhance resilience to external shocks. Strengthening the resilience of the banking sector will require consistent enforcement of prudential regulations.

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

"Sustained and effective implementation of the ECF/EFF—alongside a stepped-up pace of climate adaptation and mitigation reforms supported by the RSF—will be instrumental in addressing Mauritania's medium- and long-term challenges and in mobilizing additional financing. These programs help strengthen macroeconomic Mauritania's policy frameworks and foster sustainable growth. They also support Mauritania's climate agenda and poverty reduction efforts."

Mauritania: Selected Economic Indicators, 2021–26

	2021	2022	2023	2024		2025		2026
				4th Review	Est.	4th Review	Proj.	
National accounts and prices				(Annual change in percent)				
Real GDP	0.7	6.8	6.8	5.2	6.3	4.0	4.2	4.7
Real extractive GDP	-19.2	18.3	12.2	3.2	1.9	-1.0	-1.2	3.6
Real non-extractive GDP	6.0	3.8	5.6	5.6	7.3	5.1	5.5	5.0
Consumer prices (end of period)	5.7	11.0	1.6	1.5	1.5	3.5	2.0	3.0
Central government operations				(In percent of GDP, unless otherwise indicated)				
Revenues and grants	22.7	25.0	22.3	22.5	22.2	25.6	24.1	25.2
Nonextractive	16.2	18.2	16.9	18.1	17.8	19.9	18.9	20.0
Taxes	11.7	13.4	12.5	14.1	13.9	15.5	14.7	15.5
Extractive	4.2	5.1	3.6	3.2	3.2	3.8	3.8	3.6
Expenditure and net lending	20.8	28.7	24.8	23.9	23.6	26.1	24.5	25.9
Of which: Current	13.0	17.2	16.2	15.1	14.9	14.4	13.7	13.7
Capital	7.8	11.5	8.6	8.8	8.7	11.7	10.8	12.1
Primary balance (excl. grants)	0.5	-4.5	-3.3	-1.6	-1.6	-1.5	-0.8	-1.2
Overall balance	1.9	-3.7	-2.4	-1.4	-1.4	-0.5	-0.4	-0.7
Public sector debt	52.4	48.5	47.0	42.1	43.6	41.2	39.9	40.5
External sector								
Current account balance (in percent of GDP)	-8.6	-14.9	-8.7	-9.5	-9.4	-6.2	-6.3	-6.9
Excl. externally financed extractive capital goods imports	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-0.5	-1.3
Gross official reserves (in millions of US$, eop)	2,347	1,877	2,032	1,921	1,921	1846	1922	1926
In months of prospective non-extractive imports	8.2	6.2	6.4	6.4	5.5	5.9	5.5	5.5
External public debt (in millions of US$)	4,204	3,970	4,047	3,980	4,068	4,050	4033	4290.2
In percent of GDP	45.8	42.3	40.6	36.3	36.9	34.5	33.1	32.9

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

ISLAMIC REPUBLIC OF MAURITANIA

January 13, 2026

FIFTH REVIEWS UNDER THE ARRANGEMENTS UNDER THE EXTENDED CREDIT FACILITY AND THE EXTENDED FUND FACILITY, REQUEST FOR A WAIVER OF APPLICABILITY OF PERFORMANCE CRITERIA, AND FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY

EXECUTIVE SUMMARY

Context. Economic growth slowed to 6.3 percent in 2024 (compared to 6.8 percent in 2023), reflecting a sluggish extractive sector and is projected to slow further to 4.2 percent in 2025 due to an expected contraction in the extractive sector and a slowdown in the non-extractive sector. Inflation is expected to remain contained. After widening in 2024, the current account is projected to narrow in 2025, mainly reflecting a lower trade deficit due to favorable terms of trade and reduced imports of capital goods and services following the completion of the first phase of the Greater Tortue Ahmeyim (GTA) project construction. Recent cuts in Official Development Assistance (ODA) have been partly offset for 2025 through reallocations from various donors, but the sustainability of these temporary measures remains uncertain. This extends downside risks into 2026, with potential fiscal implications. Persistent challenges, such as inadequate infrastructure, governance weaknesses, high vulnerability to external shocks, and limited economic diversification, continue to constrain Mauritania's long-term economic development. Additionally, frequent and severe climate-related disasters create large adaptation needs.

Implementation of the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements is on track, with all end-June 2025 targets and end-September 2025 indicative targets for quantitative performance criteria (QPCs) met, and all but two structural benchmarks (SB) met through end-December 2025, with a third not met but implemented with delay. The authorities are requesting a waiver of applicability for end-December QPCs because the information is not yet available, and there is no clear evidence that these QPCs will not be met. Staff support the authorities' request for the waiver of applicability for end-December QPCs and also to modify and reset the SB on

the fiscal anchor from March to end-April 2026 in line with IMF technical assistance (TA) recommendations. [1]

Program performance under the Resilience and Sustainability Facility (RSF) is broadly on track. Four of the five RSF reform measures (RM) assessed at the time of this review were completed, one RM is delayed to the next review.

[1] The SB will continue to be subject to the same review.

Approved By
Taline Koranchelian and Jacques Alain Miniane

Discussions took place during October 28 – November 7, 2025, in Nouakchott, Mauritania. The team comprised Felix Fischer (head), Onur Ozlu, Rana Fayez, Madina Badurova (all MCD), Dallal Bendjellal, Katja Funke (all FAD), Yulia Ustyugova (SPR), Lamya Kejji (STA), Ron Snipeliski Nischli (LEG, remotely) and Younes Zouhar (Resident Representative), assisted by Moctar Bellamech and Ibrahim Ball (local economists). Ms. Fatimetou Yahya (OED) joined part of the discussions. Karman Singh provided research assistance, Sofia Cerna, Ibrahima Kane, and Khalidou Harouna Ba provided administrative support. The team met with Prime Minister Ould Djay, the Governor of the Central Bank Mohamed Lemine Dhehby, the Minister of Economy and Development Abdallah Souleymane Cheikh-Sidia, Minister of Energy and Oil Mohamed Ould Khaled, Minister of Hydraulics and Sanitation Amal Mouloud, and Minister of Environment and Sustainable Development, Messouda Baham Mohamed Laghdaf. The team also met with the President of the Supreme Audit Institution and other senior government officials, the banking association, and other representatives of the private sector and diplomatic community.

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CONTEXT

1. **Despite a slowdown in GDP growth, Mauritania's economic performance at the Fifth Review under the ECF and EFF arrangements remains relatively strong.** Inflation remains contained, the current account (CA) deficit is narrowing, and international reserves remain adequate. However, infrastructure and governance gaps, limited economic diversification and more frequent and severe climate-related natural disasters remain key challenges.[2, 3]

2. **The national dialogue, called upon by the President in November 2024, is advancing amid growing regional security and geopolitical challenges.** Following months of consultations, the coordinator of the national dialogue submitted to the President his report on proposals of key stakeholders, to be considered in the dialogue. These include the reform of electoral governance and the settling of past human rights abuses. Amid further escalation of the security incidents and the extension of the influence of the jihadist groups at the borders with Mali, the authorities revised the on-budget military spending upward by about 8 percent in the 2025 supplementary budget law adopted by the National Assembly last July. These developments have also led to a continued surge of refugees into Mauritania, putting pressure on natural resources and the scarce public services, as ODA cuts have already caused a reduction in the humanitarian aid programs.

3. **Amid recent reductions in ODA, funding pressures for humanitarian needs have intensified, with growing demands on limited resources.** As of November, the 2025 UN Cooperation Framework funding gap had widened to USD $67,6 million, up from a funding gap of $32,6 million in 2024,[4] partly offset by temporary donor reallocations whose renewal for the following years is uncertain. Thus, the funding gap from 2026 onwards could widen. Additionally, rising refugee inflows from Mali—doubling to 300,000 by October 2025 from 2023—is adding pressure, with the funding gap for the UN Refugee Response and Resilience Plan (3RP), aimed at providing humanitarian assistance for refugees and displaced persons, reaching 56 percent for 2025 (38 percent in 2024).

RECENT ECONOMIC DEVELOPMENTS

4. **The authorities made substantial revisions to growth numbers, both for 2023 and 2024.** They revised them up to 6.8 and 6.3 percent respectively (from 6.5 and 5.2 percent respectively).[5] The revision in 2024 was significant and driven by a considerable upward revision in

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[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.

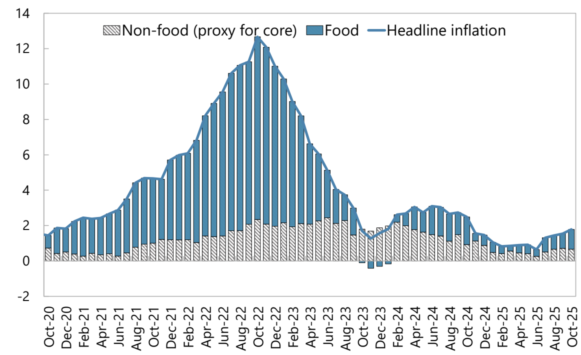
[3] On July 3, 2025, the fourth ECF/EFF and third RSF reviews were approved by the IMF Executive Board.

[4] The available funding for the UN Framework for 2025 is USD 61,6 million (about 0.5 percent of GDP) against the funding need of USD 129,2 million. The funding provided in 2024 was USD 97.9 million against the funding need of USD 130,6 million.

[5] Initial estimates for 2024 were based on the quarterly GDP compilation methodology, the updated estimates are based on the yearly GDP compilation methodology. There are considerable divergences in the data sources and methodologies between the quarterly and yearly GDP compilations.

the non-extractive sector and in net taxes on products.[6] This upward revision in non-extractives and net taxes on products helped to temper the deceleration in the extractive sector (1.9 percent vs. 12.2 percent in 2023). Inflation accelerated slightly to 1.8 percent as of end-October 2025 from 1.5 percent in September, reflecting upward pressure from food and beverage prices (Text Figure 1).

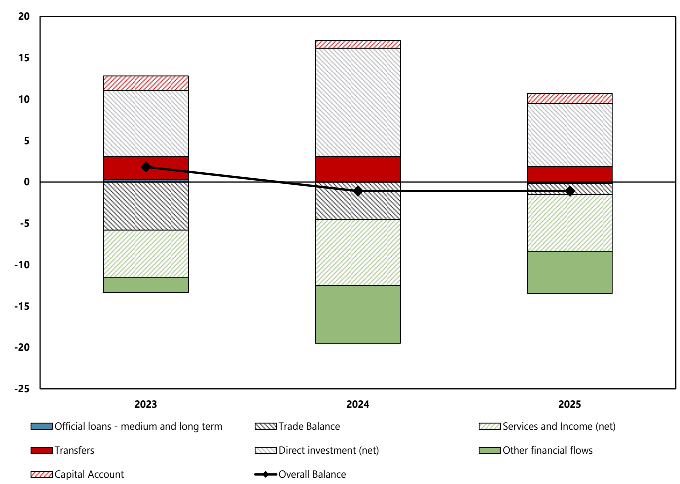
Text Figure 1. Contribution to Inflation
(In percent)



Sources: Mauritanian authorities; and IMF staff calculations.

5. **Preliminary data for the first three quarters of 2025 points to a narrower current account deficit**. In 2024, the current account deficit stood at 9.4 percent of GDP, and Mauritania's external position in 2024 was weaker than the level implied by fundamentals and desirable policies (Annex I). In 2025, the narrower current account deficit is driven by a lower trade deficit due to favorable terms of trade, and reduced imports of capital goods and services, including those that supported the launch of GTA production. The data suggests that the GTA-related foreign direct investment subsided as expected, while outflows from foreign-owned commodity-exporting companies continue at levels comparable to last year, largely reflecting inter-company debt repayments between the parent and subsidiary of one of the major firms. By end-October 2025, gross international reserves had increased from USD 1.9 bn at end-2024 to USD 2.1 bn (6 months of imports, above the adequacy level).

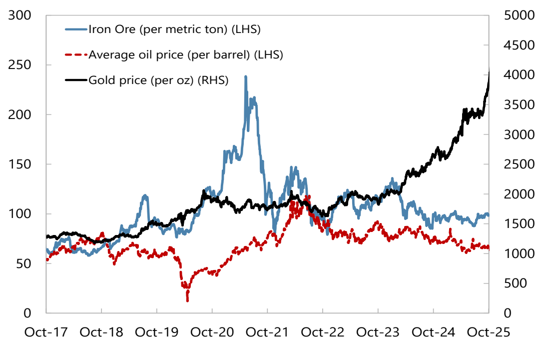
Text Figure 2. Balance of Payments
(In percent of GDP)



Sources: Mauritanian authorities; and IMF staff calculations.

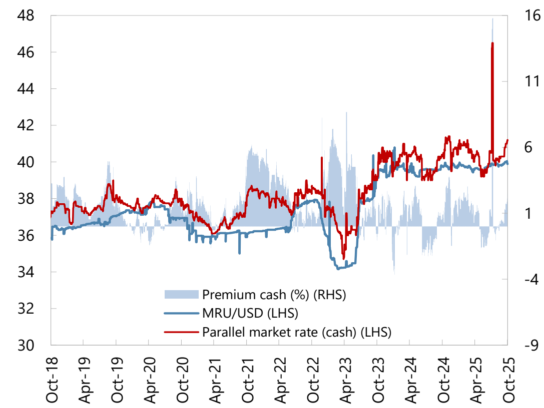
[6] In 2024, while agriculture and fisheries continued to support growth, the upward revision in the non-extractive sector growth was driven by significant revisions to the financial sector and, to a lesser extent, the construction sector, as public investments grew. Additionally, net taxes on products were also revised upward, and are now estimated to contribute 1.5 percent to overall GDP growth for the year.

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.

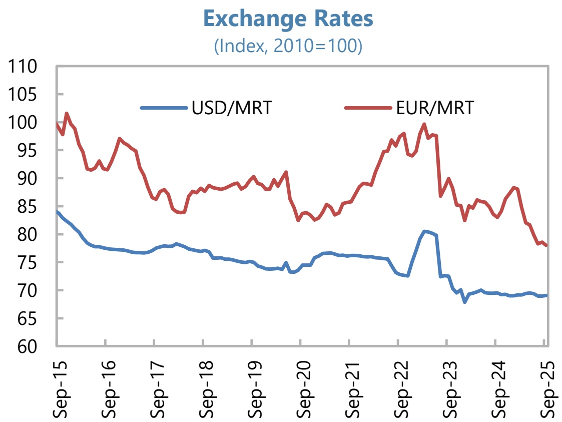
6. **The 2025 budget execution is in line with projections, with a fiscal surplus recorded as of end-September 2025.** Total revenues, including grants, reached MRU 80.9 billion (17 percent of GDP), equivalent to a 69.1 percent execution rate of the 2025 supplementary budget, mainly due to higher tax revenues relative to 2024. The latter reflects several factors, including the introduction of the carbon tax, elevated gold prices, tax adjustments following audit and control operations, and the regularization of tax obligations by state-owned enterprises. Strengthened tax and customs administration efforts also contributed to improved revenue performance. Total expenditures stood at MRU 79.8 billion, up by MRU 9.2 billion relative to end-September 2024 (0.5 percentage points of GDP), consistent with the planned increase in capital spending.

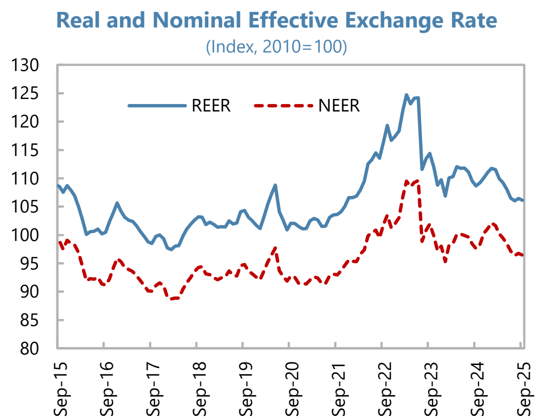
7. **The Central Bank has shifted its monetary policy from a quantitative liquidity management to focusing on the interest rate corridor, in line with its inflation objective.** As a result of the recently launched conventional and Islamic financial instruments for open market operations and reverse repurchase agreements, particularly the Shariah-compliant overnight facility, the Central Bank of Mauritania (BCM) is maintaining a tight liquidity: excess liquidity, averaging 48 million MRU in the third quarter of 2025, practically disappeared.[7] By maintaining an interest rate corridor as a framework for guiding short-term rates, and by deepening the interbank liquidity market, the BCM continues to strengthen the interest rate transmission mechanism to ensure effective monetary policy. Staff are currently assessing the role of the regulated maximum retail interest rate (TEG) commercial banks are allowed to charge and the merits of removing TEG to improve the interest rate transmission mechanism (see also *financial sector policies*).

[7] Current excess liquidity remains well below the average levels observed in previous years—MRU 5.0 billion in 2022, MRU 3.8 billion in 2023, and MRU 1.8 billion in 2024. As noted in the previous review, two banks continue to fall short of the minimum liquidity requirements, although improvements have been recorded, particularly in one institution that has strengthened its liquidity position under the prudential action plan agreed with the BCM. Staff reiterated the importance of strict enforcement of liquidity regulations by the Central Bank (see Financial Sector).

8. The share of FX traded among banks in the interbank market continues to increase.[8] The increase was supported initially by the BCM's reduction in the number of market maker banks from 11 to 4 at end-October 2024, and later by the introduction of firm quotes on the trading platform in October 2025. Since the introduction of the FX trading platform, the exchange rate has fluctuated within the +/- 5 percent band set by the BCM, and the exchange rate depreciated by 0.88 percent as of November 14, 2025. Following IMF TA advice, the BCM has been intervening with predictable intervals and smaller volumes through auctions in the FX market.

Text Figure 5. Exchange Rates





Sources: Mauritanian authorities; and IMF staff calculations.

9. Governance reforms are progressing albeit slower than expected. The President of the Anti-Corruption Authority (ACA) was appointed in early September 2025, an important step in the operationalization of the ACA. And in November 2025, the Council of Ministers adopted two implementation decrees. The first is on the Independent Commission of Public Establishments and Companies (CESPI) to support the implementation of the new public enterprises law. The second is to the new anti-corruption authority (ACA) law to ensure the appointment of members of its Directive Council through participatory and transparent processes.

OUTLOOK AND RISKS

10. Near-term economic outlook (Text Table 1).

- In 2025, growth is expected to decelerate to 4.2 percent, driven by a contraction in the extractive sector (-1.2 percent) and a slowdown in the non-extractives sector (5.5 percent), reflecting a normalization in financial sector growth and a moderation in construction. Both the current account deficit and the capital and financial account balance are expected to narrow, to 6.3 and

[8] 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.

3.6 percent of GDP, respectively, leaving the overall balance of payments (BOP) deficit broadly unchanged from its 2024 level of about 1.1 percent of GDP. Gross international reserves are projected to remain broadly stable at the equivalent of 5.5 months of imports, above the adequacy threshold. The 2025 non-extractive primary deficit (NEPD) is projected to decline from 3.5 percent of GDP in 2024 (MRU 15.3 billion) to 3.2 percent of GDP in 2025 (MRU 15.4 billion), marking a slight improvement relative to the last review (3.6 percent of GDP in 2024 and 3.4 percent in 2025).

- In 2026, growth is projected to increase slightly to 4.7 percent, driven by a recovery in the extractives sector as GTA production increases. The CA deficit is projected to somewhat widen to 6.8 percent of GDP as copper exports cease (following the depletion of the copper mine's reserves) and fish exports subside, while repatriation of profits by commodity-exporting companies continues. The balance on the capital and financial accounts is expected to strengthen to 6.8 percent of GDP as outflows from commodity-exporting companies subside, with inter-company debt repayments between the parent and subsidiary of one of the major firms nearing completion. The non-extractive primary deficit (NEPD) is projected to increase from 3.2 percent of GDP to 3.3 percent of GDP in 2026 (MRU 17.0 billion).

11. Medium-term economic outlook. Growth is expected to strengthen and peak at 5.7 percent in 2028 as gold and iron ore production recovers. Nonetheless, growth in the non-extractive sector is expected to decelerate to around its historic trend of 4.4 percent. This is because key sectors such as agriculture and fisheries have seen considerable reforms and investments but remain vulnerable to climate shocks. The acceleration in gold and iron ore production, along with gas exports from the GTA project, would support a CA deficit hovering between about 5.3 and 6.7 percent of GDP, well below the average levels of the last decade, and contribute to maintaining foreign exchange reserves at adequate levels.[9] Economic growth and external sector dynamics remain dependent on the extractive sector. Fiscal policy over 2027-2030 remains anchored by a 3.5 percent target on the non-extractive primary deficit with the objective of shielding public expenditures from volatile commodity prices and stabilizing debt.

[9] The CA deficit path is projected to remain uneven because of its sensitivity to the extraction-investment cycle of the commodity-exporting companies in the mining sector.

Text Table 1. Mauritania: Selected Economic Indicators, 2021–26

	2021	2022	2023	2024		2025		2026
				4th Review	Est.	4th Review	Proj.	
National accounts and prices	(Annual change in percent)							
Real GDP	0.7	6.8	6.8	5.2	6.3	4.0	4.2	4.7
Real extractive GDP	-19.2	18.3	12.2	3.2	1.9	-1.0	-1.2	3.6
Real non-extractive GDP	6.0	3.8	5.6	5.6	7.3	5.1	5.5	5.0
Consumer prices (end of period)	5.7	11.0	1.6	1.5	1.5	3.5	2.0	3.0
Central government operations	(In percent of nonextractive GDP, unless otherwise indicated)							
Revenues and grants	22.7	25.0	22.3	22.5	22.2	25.6	24.1	25.2
Nonextractive	16.2	18.2	16.9	18.1	17.8	19.9	18.9	20.0
Taxes	11.7	13.4	12.5	14.1	13.9	15.5	14.7	15.5
Extractive	4.2	5.1	3.6	3.2	3.2	3.8	3.8	3.6
Expenditure and net lending	20.8	28.7	24.8	23.9	23.6	26.1	24.5	25.9
Of which: Current	13.0	17.2	16.2	15.1	14.9	14.4	13.7	13.7
Capital	7.8	11.5	8.6	8.8	8.7	11.7	10.8	12.1
Primary balance (excl. grants)	0.5	-4.5	-3.3	-1.6	-1.6	-1.5	-0.8	-1.2
Overall balance (in percent of GDP)	1.9	-3.7	-2.4	-1.4	-1.4	-0.5	-0.4	-0.7
Public sector debt (in percent of GDP)	52.4	48.5	47.0	42.1	43.6	41.2	39.9	40.5
External sector								
Current account balance (in percent of GDP)	-8.6	-14.9	-8.7	-9.5	-9.4	-6.2	-6.3	-6.9
Excl. externally financed extractive capital goods imports	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-0.5	-1.3
Gross official reserves (in millions of US$, eop)	2,347	1,877	2,032	1,921	1,921	1846	1922	1926
In months of prospective non-extractive imports	8.2	6.2	6.4	6.4	5.5	5.9	5.5	5.5
External public debt (in millions of US$)	4,204	3,970	4,047	3,980	4,068	4,050	4033	4290.2
In percent of GDP	45.8	42.3	40.6	36.3	36.9	34.5	33.1	32.9

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

12. **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. An escalation of geopolitical tensions could affect Mauritania through new terms-of-trade shocks, both positive (gold exports) and negative (fuel imports). On the downside, a further growth slowdown in China could lead to a decline in iron ore prices and a slowdown in demand for iron ore exports. A lower iron ore price scenario shows a significant macroeconomic impact, especially on public sector debt and BOP, underscoring the continued need to boost non-extractive growth (Annex IV). A deterioration of the security situation in the Sahel together with a further decline in aid to Mauritania could lead to increased security and humanitarian spending, fiscal pressure and increased refugee flows. Negative risks also include disruptions in the operations of the GTA project and other mining and energy projects and more frequent climate disasters damaging infrastructure and agriculture production, which could deteriorate food security, BOP, international reserves, and medium-term debt. ODA reductions pose risks to social programs, notably those addressing food security and water access, with funding gaps widening (Annex IV).

PROGRAM PERFORMANCE

13. **Program performance under the ECF/EFF is broadly on track.** All end-June 2025 quantitative QPCs and end-September ITs were met (MEFP, Table 1), and six out of the nine structural benchmarks (SBs) due through end-December 2025 were met, with a seventh not met but implemented with delay (MEFP, Table 3). Progress on the governance SBs has been slower than expected. The end-September 2025 SB on the implementation decree to the new public enterprises law on the Independent Commission of Public Establishments and Companies (CESPI) was not met but implemented with delay. The end-November 2025 SB on the implementation decree to the new anti-corruption authority (ACA) law to enable the appointment of members of its Directive Council

and follow-up on the completion of such appointments is also not met. While the decree was adopted by the Council of Ministers in November 2025, the members of the Directive Council still need to be appointed in line with the legal requirements. Of the three SBs due end-December, the SB on reforming 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 is met and the SB on publishing the semi-annual report on the implementation of the action plan in key governance areas supported by the IMF governance diagnostics is also met. Finally, the authorities signed a decree reforming the organizational structures of the tax (DGI) and customs (DGD) administrations and adopting a new function-based organigram for both entities. The new structure represents an important step toward strengthening institutional effectiveness. Some targeted refinements remain to be incorporated, and further steps are needed to fully operationalize the new organigrams (SB not met).The authorities are requesting a waiver of applicability for the end-December QPCs under the EFF arrangement, as information will not be available before the Executive Board meeting, and there is no clear evidence that these QPCs will not be met (¶53).

14. Performance under the RSF is broadly on track, with four of the five RMs assessed in this review completed. Of the four RMs that have been completed, two are from the previous review (RM VI and VII) and two from this review (RM I and IX) (MEFP, Figure 1). RM XIII under this review, aiming to introduce sustainable water tariffs is delayed to the next and final review pending the conclusion of an ongoing tariffication study to assess the status quo and inform the water and sanitation tariffs.

POLICY DISCUSSIONS

15. Forward-looking policy discussions centered around the ECF/EFF objectives of entrenching fiscal sustainability, increasing resilience to shocks, strengthening monetary policy, and promoting diversified, inclusive and sustainable 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 capacity development (CD) strategy has been prepared in consultation with the authorities and discussed with IMF CD departments (Annex III).

A. Fiscal Policy

16. The 2026 draft budget law is broadly in line with program targets, targeting a non-extractive primary deficit (NEPD) within the 3.5 percent of GDP ceiling. The 2026 budget presents an increase of MRU 11.8 billion in revenue (0.7 percentage points of GDP) and MRU 13.1 billion in expenditure (0.9 percentage points of GDP) relative to the 2025 supplementary budget. The expected increase in revenues is supported by the planned doubling of the carbon tax rate from US$10 to US$20 per ton of CO_2 emissions in 2026; [10] the introduction of new tax measures

[10] The carbon tax contribution for 2026 is projected based on historical fuel-import data, including disaggregated information for major companies. Following an initial refusal by major companies to pay the carbon tax in 2025, citing existing stability clauses, most have now agreed to contribute. National companies (mining company SNIM and electricity company SOMELEC) have agreed to pay their contribution, estimated at a total of MRU 1.4 billion in 2026 (0.3 percent of GDP). As for foreign mining companies, one company, Mauritanian Copper Mines (MCM) has

(continued)

on mobile phones and money transactions; proceeds from the sale of land reserves to the public real estate company IMRAN; and higher fishery and extractive revenues—driven by elevated gold prices. On the expenditure side, higher spending mainly reflects increases in investment (MRU 8.5 billion); [11] wages and compensation (MRU 2.9 billion); [12] and goods and services (MRU 1.5 billion). As a result, the draft budget law projects a non-extractive primary deficit at MRU 16.9 billion, equivalent to 3.3 percent of GDP—below the 3.5 percent program target.

Text Table 2. Mauritania: Key Budget Figures, 2022–26

(Percent of GDP)

	2022	2023	2024	2025		2026	
	Act	Act	Act	Revised budget	Proj	Initial budget	Proj
				MRU billions			
Total revenue incl. grants	**25.0%**	**22.3%**	**22.2%**	**24.6%**	**24.1%**	**25.2%**	**25.2%**
Non-extractive	**18.2%**	**16.9%**	**17.8%**	**19.1%**	**18.9%**	**20.0%**	**20.0%**
Tax revenue	13.4%	12.5%	13.9%	14.9%	14.7%	15.5%	15.5%
Non-tax revenue	4.8%	4.4%	4.0%	4.2%	4.2%	4.5%	4.5%
Extractive	5.1%	3.6%	3.2%	3.6%	3.8%	3.6%	3.6%
Grants	1.8%	1.8%	1.2%	1.9%	1.3%	1.5%	1.5%
Expenditure and net lending	**28.7%**	**24.8%**	**23.6%**	**25.1%**	**24.5%**	**25.9%**	**25.9%**
Current expenditure	17.2%	16.3%	14.9%	13.8%	13.7%	13.7%	13.7%
Capital expenditure	11.5%	8.5%	8.7%	11.3%	10.8%	12.2%	12.1%
Primary balance (incl. grants)	**-2.7%**	**-1.5%**	**-0.4%**	**0.4%**	**0.5%**	**0.3%**	**0.3%**
Non-extractive primary balance (	**-7.7%**	**-5.1%**	**-3.5%**	**-3.2%**	**-3.2%**	**-3.3%**	**-3.3%**

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

17. While new tax measures help increase domestic revenue mobilization, staff advised assessing these against their social and economic impact to avoid adverse outcomes. The proposed new tax measure on imported mobile phones, expected to yield MRU 1 billion in additional revenue, introduces a 30.5 percent rate on smartphones and a 12.5 percent rate on basic

signed a new mining convention which includes the obligation to pay the carbon tax, estimated at MRU 0.13 billion in 2026 (0.03 percent of GDP). Good-faith negotiations with one remaining company, Tasiast (held by the Canadian mining company Kinross) continue, with its contribution estimated at MRU 0.3 billion (0.06 percent of GDP). It is worth noting that in the case of SOMELEC, the power sector is subject to regulated prices and while applying the carbon tax, tariffs do not adjust, muting the price effect of the tax. The government is implementing, with the support of development partners (e.g., EU, AfDB), a strategy to reform the electricity sector and restore the financial viability of SOMELEC by 2030. Key elements of the strategy include (i) the institutional reorganization of the public company, (ii) opening access to electricity production to the private sector, (iii) transitioning from fossil fuel to natural gas and renewable energy for electricity production, and (iv) expanding the prepaid electricity meters (300 000 units have been ordered by SOMELEC). The measures have contributed to a better collection of electricity bills with an increase of 13 percent of SOMELEC revenue in 2024 compared to 2023.

[11] This is mainly driven by two projects to modernize the city of Nouakchott, a local development investment program aimed at expanding access to essential health and education services, and the construction of new health centers.

[12] This includes higher compensation for teachers and the recruitment of 1,400 new staff in the health sector.

phones[13] (including tariffs and VAT). The measure aims to strengthen customs compliance, given the currently low number of phones declared at the border, by operating as a consumption tax on phones that are not properly cleared through customs. The draft budget law also introduces a 0.1percent tax on mobile money transfers exceeding MRU 5,000, expected to generate MRU 0.5billion in revenue, and raises the rate on bank transaction commissions from 16 to 20 percent, yielding an estimated MRU 0.02 billion. Staff noted that these types of taxes on mobile phones are generally not recommended, as they tend to be regressive, can create a barrier to network access, and are administratively burdensome (e.g., treatment of inventory, foreign SIM cards, etc.). Furthermore, taxes on mobile money transfers or bank transactions are distortionary, regressive, and generally discouraged. Although these taxes together are expected to yield less than 0.3 percent of GDP, the authorities are nonetheless committed to conduct an impact assessment as the new taxes are rolled out to evaluate the potential social and economic costs of these measures, including their implications for financial inclusion, digitalization, and inclusive growth, and are ready to adjust the taxes as needed. They have also agreed to systematically undertake impact analyses for future tax measures by involving the Tax Policy Unit (TPU), which had been created under the program for this purpose.

18. Over the medium term, fiscal policy is expected to continue to strike the right balance between debt sustainability and investment needs, anchored by a stable NEPD target. 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 13.4 percent of GDP—mainly supported by decreases in fuel subsidies[14]—and boosting non-extractive tax revenues by approximately 0.5 percent of GDP annually.[15] Capital expenditures are projected to increase to around 14.3 percent of GDP to support investments in the education, health, water, and electricity sectors.

19. The program supports the following fiscal reforms:

- **Public financial management (PFM), expenditure policy, and institutionalization of the fiscal anchor:** To maintain the fiscal anchor beyond the Fund-supported programs and strengthen fiscal and debt sustainability, the authorities have committed 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 (SB reset to end-April 2025).[16] The

[13] Taxes on mobile phones, set at a statutory a rate of 44.5 percent, were already in place but had not been effectively applied due to capacity constraints in customs administration.

[14] The timely implementation of the automatic fuel pricing mechanism (AFPM) under the RSF RM VI is expected to reduce the potential fiscal burden of fuel subsidies when fuel costs exceed the current fixed pump price by aligning domestic prices at the pump with international prices fluctuation.

[15] 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.

[16] The fiscal rule principles require anchoring the multi-year NEPD target to the medium-term budget framework, and includes, inter alia, well-defined escape clauses, correction mechanisms, monitoring and control arrangements.

authorities requested the resetting of this SB—from end-March 2026 to end-April 2026—to align with the parliamentary calendar. Based on IMF TA, the authorities also plan to improve macro fiscal functions, particularly on macroeconomic forecasting and the medium-term fiscal framework (MTFF). [17] This will be implemented by creating a macro-fiscal unit within the ministry of finance (MOF) and reforming existing coordination mechanisms. A public expenditure review on current spending from 2022 to 2024 was prepared and published on time (SB for end-September 2025, met). [18]

- **Revenue administration:** The authorities have adopted and signed a memorandum of understanding between the directions of tax (DGI), customs (DGD), and the free zone authority to define responsibilities (SB for end-September 2025, met). They are in the process of reforming the organizational structure of the DGI and DGD and have adopted a new function-based organigram for both directions (end-December 2025 SB, not met). To further support revenue administration, staff recommended introducing e-signatures for customs officials and brokers, establishing a task force within the MOF to collect tax arrears, and devising a strategy for tax arrears collection. [19] To monitor the tax compliance of businesses operating in the Nouadhibou Free Zone, the authorities circulated a directive clarifying the tax obligations of companies operating in the Free Zone, and desk audits have been scheduled for selected taxpayers within the zone. Additionally, to ensure a smooth transition to the new tax framework governing the Free Zone, the authorities have adopted an action plan that: (i) identifies all companies operating in the zone and integrates their data into the Jibaya system by end-March 2026; (ii) ensures compliance with tax obligations by the concerned enterprises; and (iii) promptly identifies and follows up with non-compliant companies.

- **Tax policy:** The authorities have already reformed 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, met). The authorities have reformed the general tax law (Code General des Impots - CGI) to consolidate all tax measures and incentives, exclude all non-listed measures, and limit responsibility for introducing new tax measures to the MOF (end-December 2025 SB, met). Staff also recommended reforming the VAT in the CGI, [20]

[17] 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.

[18] The expenditure review, on which FAD provided comments, was published on September 29 (https://finances.gov.mr/fr/node/723).

[19] 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.

[20] The VAT reform would include a reduction of regressive VAT exemptions based on the results of the Expenditure Assessment and an improvement of the VAT refund mechanism while broadening the categories of eligible taxpayers.

assessing the salary structure to determine the effective tax base and to tax all earned income according to the law; and strengthen the capacities of the TPU. [21]

20. Staff welcomed the authorities' commitment to developing their capacity to forecast the macroeconomic outlook and to reduce debt-related risks. With support from the ICD, cross-institutional committees are developing a consistent medium-term macro framework, long-run public debt projections and an analysis of debt dynamics. These projects are helping to strengthen the National Committee on Public Debt (MoF, Ministry of Economy and Development - MEDD, and BCM).

ODA Cuts

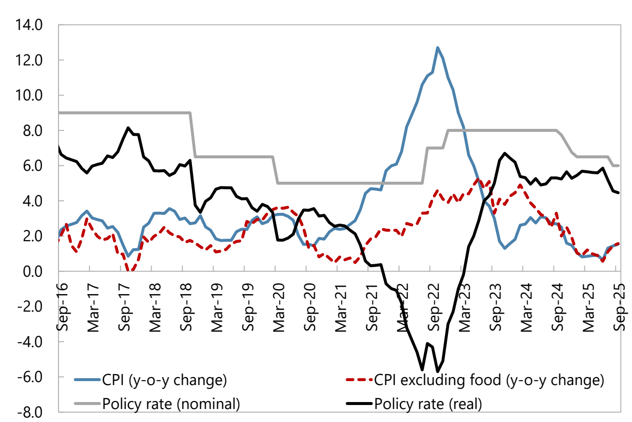
21. Staff urged the authorities to develop a comprehensive mapping of both on- and off-budget implications arising from the evolving ODA landscape. Such analysis would help inform decisions on how to address emerging priority gaps, including the potential integration of selected off-budget programs into the budget framework. The program baseline already reflects lower projected aid inflows for 2025–30. Policy contingencies may therefore include redefining priority expenditures, accelerating domestic revenue mobilization efforts, and intensifying engagement to attract additional development partners.

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

Monetary Policy

22. The central bank began easing monetary policy in 2025 amid moderating inflation since late 2023. With inflation averaging 2.5 percent in 2024 and standing at 1.8 percent year-on-year as of October 2025, staff welcomed BCM's decision in August 2025 to lower the policy rate from 6.5 percent to 6.0 percent.

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



Sources: Mauritanian authorities; and IMF staff calculations.

23. Staff emphasized the importance of further strengthening liquidity management. Staff welcomed the recent establishment of the Monetary and Fiscal Policy Coordination Committee, which will facilitate coordination between BCM and MOF through enhanced joint weekly forecasts and the resumption by the MOF of regular reporting on cash flow projections and weekly government operations. Next steps need to include finalizing the

[21] By ensuring adequate resourcing of the unit, strengthening its institutional anchoring, and promoting its active involvement in the design and impact assessment of new tax measures.

creation of a centralized liquidity database accessible to all BCM departments and improving the monitoring of discrepancies between projected and actual autonomous liquidity factors.

24. To better inform monetary policy decisions, BCM is intensifying its efforts to establish a fully-fledged Forecasting and Policy Analysis System (FPAS). A multi-year TA from ICD to develop a medium-term macroeconomic framework is scheduled to start end-2025. The FPAS will support monetary policy decisions and incorporate broader economic projections, including inflation. This framework will also facilitate greater exchange rate flexibility while enabling the central bank to effectively use the policy interest rate as a key instrument, laying the groundwork for adopting an inflation target as a nominal anchor in the future. Furthermore, BCM emphasized the importance of close coordination between the central bank and other agencies, such as the national statistics office (ANSADE), as well as among BCM departments.

25. Efforts to extend the maturity profile of treasury securities are deepening domestic financial markets and supporting the development of a yield curve. [22] Commercial banks and domestic institutional investors such as pension funds have shown strong appetite for longer-term instruments, enabling the government to issue eight-, nine-, and ten-year securities following the placement of two-, three-, four-, and five-year bills earlier in 2025. The launch of the MRU interbank trading market platform by end-November will further support the development of a continuous yield curve. Once operational, the next phase will involve linking the treasury bill depository to interbank transactions to enable collateralized lending, thereby strengthening the monetary policy transmission mechanism. To advance the primary and secondary markets and in line with IMF TA recommendations, the authorities agreed to gradually: (i) delineate maturities between BCM (one-month instruments or less) and MOF (three-month and longer instruments); (ii) require public institutions to access the primary market exclusively through all commercial banks; (iii) establish an annual issuance calendar, to be updated on a quarterly basis; and (iv) rationalize the frequency of Treasury issuances—moving from weekly to bi-weekly operations by end-2025 and to monthly by end-2026—with the objective of increasing the volume of longer-term issuances.

26. BCM has continued to strengthen safeguards. The majority of 2023 Safeguards Assessment recommendations have been implemented. Remaining recommendations include the completion of the risk mapping exercise, expected by March 2026, and a peer review of the fiduciary and vault operations, currently in progress, and expected to be completed in early 2026. The recommendation on signing a convention for on-lent SDR allocations with the MoF progresses. Lastly, IMF TA to develop internal procedural guidelines for the credit extension framework requested by BCM is expected to start by end-2025. The recent revision of BCM Law left some areas for improvement that will be addressed during the next legal reform.

[22] For the first time, the stock of Islamic securities, at 15.0 billion MRU, exceeded that of conventional securities, which stood at 11.4 billion MRU at end-September 2026. Both categories have grown significantly in recent years. Conventional securities held by commercial banks and institutional investors rose from 2.9 billion MRU at end-December 2023 to 9.2 billion MRU at end-December 2024. Over the same period, Islamic securities increased from 0.7 billion MRU to 7.5 billion MRU.

Foreign Exchange Policy

27. The FX market continues to deepen, supported by the reforms to strengthen market efficiency and oversight. Interbank FX trading has strengthened - initially with the reduction of market makers from 11 to 4 in October 2024, then by the introduction of firm FX quotes via Refinitiv, in October 2025, rising from an average share of 74 percent of total market volume in 2024 (equivalent to a monthly average of USD 144.4 million) to 89 percent as of end-October 2025, with an average monthly volume of USD 272.4 million. Staff encouraged BCM to continue to closely monitor market makers' firm quote trading volumes and their compliance with prudential regulations, and to maintain the semiannual reassessment of the number and performance of market makers. As the firm quote reform becomes further entrenched, staff also recommended that BCM gradually introduces a daily minimum requirement for firm quote volumes, replacing the current weekly standard, to promote greater market liquidity and price transparency. [23]

28. BCM is refining its FX intervention strategy to foster greater market depth and price discovery, while maintaining orderly conditions. In line with MCM TA and staff advice, BCM's share of FX supplied to the market fell sharply—from 26 percent in 2024 to just 11 percent by end-October 2025. [24] The Central Bank has committed to further reducing its intervention budget in 2026 and to strengthening its FX flow forecasting capacity. In the quarterly coordination meetings between BCM, MOF, and SNIM to review cash flows and FX repatriation forecasts, the authorities also agreed to include discussions on SNIM's projected foreign asset holdings. Additionally, BCM will initiate close dialogue with major exporters, including mining companies, to obtain more comprehensive FX-related data, including projections, and thereby enhance the accuracy and effectiveness of its FX intervention planning.

29. 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.

Financial Sector Policies

30. Enforcing prudential norms is central to maintaining financial system resilience, and the authorities are strengthening the banking supervisory and resolution framework to ensure effective oversight and risk management. Staff urged BCM to continue rigorously enforcing prudential regulations, applying appropriate sanctions to banks that fail to meet quantitative and qualitative norms, including minimum capital and core capital ratios, in line with the recovery plans. Finalizing the consolidated supervisory framework, being developed with IMF technical assistance (TA), will enhance BCM's capacity to assess risks in domestic banks with

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[23] Market makers are currently required to execute firm quotes of up to USD 50,000 or EUR 50,000 per transaction, with a minimum cumulative volume of USD 250,000 or EUR 250,000 per week.

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

international branches and cross-border banking groups. [25] Based on Fund TA, BCM plans to issue regulations requiring recovery plans for pilot banks, and is developing a comprehensive bank resolution framework, including procedural manuals for resolution. [26] for pilot banks, including all systemically important institutions. In addition, BCM continues to conduct semi-annual stress testing for systemic risks and shares the results with the BCM Prudential Council. In parallel, the authorities committed to amending the institutional framework of the Deposit Guarantee Fund (DGF) to ensure operational independence and strengthen governance and policies.

31. Staff noted BCM's efforts to align accounting practices with international standards and encouraged the Central Bank to boost supervision capacity. Staff welcomed the adoption of the BCM circular [27] to eliminate accounting ambiguities. It urged BCM to remain vigilant in monitoring the recent uptick in nonperforming loans. [28] Staff also welcomed BCM's adoption of a risk- and materiality-based supervisory approach, supported by early warning indicators (EWIs) to guide off-site supervision, [29] and encouraged the authorities to expedite the delivery of the training requested by banks and external auditors to accompany the implementation of regulatory changes adopted at end-October 2025. BCM, with Fund support, intends to publish a comprehensive IFRS9 transition strategy by March 2026. [30] While BCM launched new online platforms (early 2025) to streamline inspection preparation and reduce errors, there remains a significant need to strengthen supervisory capacity. Additional staffing and training are necessary, particularly in light of the broad range of banking sector reforms underway. Staff urged BCM to ensure that both on-site and off-site supervisory functions remain adequately resourced.

32. Staff emphasized the need for decisive supervisory action to safeguard liquidity resilience across the banking sector. Staff underscored the importance of enforcing the recovery plans of banks facing structural liquidity challenges to ensure compliance with regulatory liquidity requirements by March 2026. Staff also encouraged the authorities to maintain strict enforcement of liquidity regulations across all institutions and to continue monitoring of system-wide liquidity conditions.

[25] Developed with the help of IMF TA, BCM instructions requiring international banks and domestic banks with international branches to provide consolidated financial statements was adopted by the Prudential Council end-October 2025.

[26] Once validated by the Central Bank, these recovery plans allow the BCM to immediately implement them when a bank's situation deteriorates.

[27] Adopted by the Central Bank's prudential council at end October, taking immediate effect.

[28] NPLs stood at 19.2 percent of loans as of June 2025 (preliminary data), compared to 17.4 percent in December 2024.

[29] 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. The results of the EWI exercise can trigger on-site inspections and are shared with all banks on a monthly basis.

[30] The results of a questionnaire circulated to all banks to assess their readiness for migration to International Financial Reporting Standards (IFRS) Level 9 indicate significant variation in implementation timelines. Currently, the BCM envisages end-2027 as timeline for banks to comply with the IFRS9 standards.

33. Staff cautioned BCM against the use of administrative measures to control lending rates, including the imposition of interest rate caps (*Taux Effective Global* - TEG).[31] While the TEG was introduced in 2008 with the objective of enhancing credit to the private sector, it distorts market-based adjustment mechanisms, weakens the transmission of monetary policy, and undermines credit market efficiency,[32] with effects on the development of the nascent domestic debt market. Staff emphasized that the authorities' objectives would be more effectively achieved through market-friendly policy instruments such as credit guarantee schedules including using the SME guarantee fund, credit information and risk sharing platforms (credit bureau data, scoring systems, and shared collateral registries) and more competition in the banking sector. In this context, staff welcomed BCM's decision to put on hold the entry into effect of a new circular that would have reduced the permissible lending rate spread from 8 to 5 percent.[33] With support from the IMF, the authorities intend to assess the role and need of the TEG and other components that shape the credit market, such as costs associated with the registry of collateral, and take measures to improve the interest rate transmission mechanism, commercial bank competition and growth of credit to the economy.

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

34. Staff welcomed progress on governance legal reforms but urged intensified efforts to ensure effective implementation:

- **The implementation decree to the public enterprises law on the CESPI (end-September 2025 SB, not met, implemented with delay) was approved by the Council of Ministers in November 2025.** In line with LEG advice, the decree seeks to ensure that members of the CESPI are selected from independent national figures recognized for their integrity, moral standing and expertise and specifies procedures and principles for vetting and proposing professional and experienced candidates for independent board members for commercial public enterprises. The authorities have identified several other decrees for which they seek technical support from partners and will prioritize those that have a direct impact on the performance of commercial public enterprises.

- **The implementation decree to the new ACA law to enable the appointment of members of its governing Council was approved in November 2025 and while the President of the ACA was appointed in early September 2025, the appointment of the remaining six members of the ACA Council is pending (end-November 2025 SB, not met).** Staff urged the

[31] The cap on the interest rate limits banks to a maximum lending rate of policy rate plus eight percentage points, currently 6 + 8 = 14 percent. In practice, once a loan is categorized as non-performing, commercial banks charge the TEG.

[32] Should financial conditions tighten because of the central bank's liquidity management operations, money market and short-term bill rates would be expected to increase relative to the policy rate. Lending rates would also be expected to rise. However, in the absence of an adjustment to the policy rate, the extent of such an increase may be constrained. Moreover, tighter liquidity conditions could lead to a reduction in the overall supply of credit, as banks may find lending less profitable, thereby limiting credit access—particularly for higher-risk borrowers.

[33] The new circular, signed in October 2025, would become effective starting on January 1, 2026, and holding the current policy rate constant at 6 percent, would allow banks to lend at a maximum rate of 11 percent.

authorities to prioritize these appointments and ensure these are made through transparent and participatory processes, in line with legal requirements. While emphasizing the importance of advancing on other areas of the ACA's operationalization, the authorities agreed with staff on making the full implementation of the new declaration of assets and interests framework a top priority including taking actions necessary for immediate filing of declarations by high-level officials to ensure that concrete integrity outcomes are not delayed by the time needed for the appropriate design, procurement and roll-out of an electronic platform to receive and administer declarations.

35. The BCM and the Financial Intelligence Unit (UMEF) have worked to strengthen Mauritania's AML/CFT framework in line with the recommendations of the 2018 Mutual Evaluation Report. Key progress includes the establishment of two governance bodies, completion of a National Risk Assessment (NRA) with World Bank technical assistance, and adoption of a national ML/FT strategy accompanied by sectoral action plans. The authorities recently updated the NRA, [34] which identified sectors most exposed to AML/CFT risks and helped refocus reforms on high-risk areas. The BCM continues efforts to enhance its risk-based AML/CFT supervision, including on-site inspections, to assess financial institutions' compliance with the 2019 AML/CFT Law. Risk-based supervision now covers all banks, focusing on 11 key risk areas. A thematic AML/CFT mission was conducted by the BCM across banks, particularly those deemed high-risk and systemic. While all banks have established compliance structures, gaps remain, especially in system automation and staff awareness. The BCM communicated its findings to banks and issued injunction letters in cases of noncompliance. In addition, the BCM and UMEF organized training sessions for bank directors and compliance officers to address identified weaknesses. The BCM will need to exercise continued vigilance to promote compliance across the sector. The authorities reiterated their commitment to strengthening legal requirements governing the transmission of beneficial ownership information by all obligated entities. This information must be accurate and available in a timely manner to meet international standards for AML/CFT. [35]

36. Staff underscored the need to accelerate efforts to support Small and Medium Enterprises (SMEs), particularly by ensuring the effective operation of the SMEs Guarantee Fund. Although the fund issued two guarantees at the start of its operations in 2024, no additional guarantees have been provided since, despite a robust project pipeline. Staff urged the authorities to address the bottlenecks hindering further issuance, including strengthening the fund's governance framework, securing adequate capital for deployment, and fostering greater participation by commercial banks.

37. Staff welcomed the sustained efforts to advance financial inclusion and implement the recently adopted investment code. Continued efforts should aim not only to expand access to financial services but also to leverage inclusion as a catalyst for broader economic growth. In this

[34] In December 2024, to reflect developments in FATF standards and in preparation for the third round of the FATF-NAFTA Mutual Evaluation.

[35] Including by 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.

context, staff commended the reforms promoting digital innovation—such as the introduction of electronic know-your-customer (KYC) and digital credit—into Mauritania's financial sector. The implementation of the newly adopted investment code is advancing and helping to address obstacles in enhancing the business environment.

D. Resilience and Sustainability Facility

38. Reform measures to support decarbonization are broadly on track:

- **The authorities issued a decree adopting an automatic fuel pricing mechanism (AFPM) with a smoothing component to set pump prices and phase out subsidies (RM VI, due end-April 2025, completed).** The mechanism links prices directly to international market prices while providing for an automatic smoothing mechanism that operates through a flexible excise tax, as included in the 2026 draft budget law. As part of the formula based monthly price setting, the excise will be adjusted as needed to limit monthly price fluctuations to a maximum of 5 percent. VAT and the carbon tax remain unaffected by the smoothing mechanism,[36] which ensures that the price signal from the carbon tax (RM VII) is preserved. The mechanism eliminates subsidies related to the managed retail prices. Regular reviews of the pricing formula are expected to ensure that all cost components entailed in the formula are cost-reflective, eliminating all subsidies.

- **The 2025 budget law adopted by Parliament included a climate contribution of US$10 per ton of CO2 emission on petroleum products, which has been increased to US$20 in the 2026 budget law.** While the climate contribution covers all users, the application will need to be expanded over time to be reflected in all mining concessions and to feed through to power tariffs.[37] The authorities are currently excluding LPG, to mitigate the risk of households reverting to wood and coal and have introduced the exemption in the 2025 revised budget. To compensate for the adverse impact that fuel price increases might have on vulnerable households, the authorities implemented a compensation mechanism, which will provide a cash transfer to households depending on their exposure to fuel price shocks (RM VII, due end-April 2025, completed). As households are mainly affected through the transport cost of food, the level of support is linked to geographical location of households, the information for which is available in the social register maintained by Taazour.

- **The authorities are enforcing the decree aimed at eliminating routine gas flaring and venting and reducing methane emissions by monitoring the activities of gas companies**, 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 gas sector has so far adhered to the requirements under the decree, and no sanctions have been

[36] In line with FAD TA, customs duties were brought in line with the regional level of 12 percent, down from an initial 20 percent. Part of the reduction was converted into the excise tax, allowing for a sufficient buffer for the smoothing mechanism to operate.

[37] Please see footnote 10.

imposed. The decree will further gain in relevance as the authorities plan to expand the nascent gas sector.

39. 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. The 2026 budget circular required sectors to identify the budget items related to climate adaptation following a methodology defined by the MOF (RM I, due end-October 2025, completed) and adaptation and mitigation related items have been identified in the 2026 investment budget. The MOF worked on strengthening the methodology further in line with FAD TA.

- **Preparations related to the publication of the climate budget note on the 2026 budget (RM II, due end-April 2026) are also on track** as the climate budget tagging of the 2026 budget is being applied and refined informed by the preliminary analysis of the 2024 and 2025 budgets.

- **FAD TA in January 2025 assisted the MOF with integrating climate aspects into the new public investment management (PIM) framework (RM III, due end-October 2024, completed).** The authorities are working on a projects screening template that will be applied in the assessment process for the major PIM projects that are undertaken without the support of development partners (RM IV, due end-April 2026). To refine and pilot the template, the authorities have requested a follow-up technical assistance which will require sufficient staff, and projects selected for the training.

40. The reform measure under this review related to the greening of mining companies was completed (RM IX, due end-October 2025, completed).

- **The authorities adopted 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, completed).

- **An implementation decree to the new electricity code facilitating access for electricity producers to the Mauritanian energy market and ensuring non-discriminatory access for third parties to SOMELEC's transmission infrastructure was issued in March 2025 (RM VIII, due October 2025, completed April 2025).** The authorities have signed their first PPA/PPP agreement facilitated by the newly adopted decree.

41. 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 is delayed to April 2026 due to the late start of the tariffication study needed to assess the status quo and inform the water and sanitation tariffs.

- **Agence Française de Développement (AFD) is assisting in reforming water and sanitation tariffs (RM XIII due end-October 2025, delayed to April 2026).** The AFD support led to the acquisition of external support for undertaking the tariffication study, which will be the basis for 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. The preparation of the study has some delays and is expected to be available in early 2026. In the meantime, the government is rolling out a communication plan to inform stakeholders of the forthcoming reform, including through workshops.

- **With AFD support, the National Water Resources Center (CNRE) is conducting a pilot inventory of groundwater-dependent ecosystems in the Boulenoir aquifer (RM XII, due end-April 2026),** the technical committee under the inter-ministerial partnership agreement (CIP) (RM XI, due end-October 2024, completed) composed of members from Ministry of Water and Sanitation and Ministry of Environment and Sustainable Development is monitoring the progress on the pilot inventory.

PROGRAM MODALITIES

42. The ECF/EFF-supported program is fully financed with firm commitments 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 uncertain external environment, risks of 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.

43. Mauritania's capacity to repay the Fund remains adequate, but subject to risks (Table 7). Total Fund outstanding credit (based on existing and prospective drawings) peaks at 3.93 percent of GDP in 2026 (11.08 percent of exports of goods and services or 26.72 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 0.54 percent of GDP in 2027 (1.49 percent of exports of goods and services or 3.52 percent of gross FX reserves). Risks to the program are elevated and include security risks, international commodity market volatility, and climate change.[38] The authorities' continued commitment to reforms and donors' support mitigate these risks.

44. The debt sustainability assessment remains broadly unchanged from December 2024 DSA. The 2025 debt sustainability analysis (DSA) assesses Mauritania at moderate risk of external

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

and overall public debt distress, with some space to absorb shocks. Staff assesses Mauritania's external and overall public debt to be sustainable in the medium term. [39]

STAFF APPRAISAL

45. Mauritania continues to maintain macroeconomic stability, thanks to prudent monetary and fiscal policies. Mauritania's economic performance remains solid, despite a slowdown in GDP growth. Inflation remains contained. Mauritania's external position in 2024 was weaker than the level implied by fundamentals and desirable policies, but in 2025 the current account (CA) deficit is narrowing, and international reserves remain adequate. The fiscal stance continues to be anchored through the NEPD, striking the balance between debt sustainability and investment needs.

46. To further entrench this stability beyond the Fund-supported program and set the stage for further reforms to boost growth the authorities should maintain reform momentum. This includes continuing with the institutionalization of reforms and further strengthening coordination and monitoring at the technical level, including through the creation of a macro-fiscal unit at the MOF. As economic growth and external sector dynamics remain dependent on the extractive sector, further efforts are required to boost non-extractive growth and support the diversification of the economy. This includes continued investments in health and education and to support the expansion of core infrastructure, which remains a challenge for attracting new investments, in addition to reforms to the financial sector to facilitate financial intermediation.

47. With the steadfast implementation of the fiscal anchor and stronger revenue mobilization the authorities have strengthened fiscal sustainability, while supporting the stabilization of public sector debt and creating space for priority investments. The 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, outlasting the Fund-supported program. The implementation of further tax policy and revenue administration reforms to support more ambitious domestic revenue mobilization in the medium term will support additional revenues and create the fiscal space necessary to increase priority investments to meet the enormous development needs of the country without adding to the debt burden.

48. BCM's continued efforts to develop monetary policy instruments, the domestic debt market, the FX market and bank competition are commendable. Staff welcome progress in aggregate liquidity management including the creation of the Monetary and Fiscal policy Coordination Committee to facilitate coordination between BCM and the MOF and the plans to launch the MRU interbank platform. Staff welcome BCM's intention not to reduce the TEG, to assess its effectiveness for consumer protection and to take measures to improve the interest rate

[39] 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.

transmission mechanism, including the possible elimination of the TEG. Efforts to deepen domestic financial markets and develop a yield curve, and to implement reforms to enhance primary and secondary markets, in line with IMF TA recommendations have intensified. Staff urge strict enforcement of recovery plans and prudential norms with all commercial banks to avoid regulatory forbearance. Finally, BCM's plans to further reduce its interventions in the FX market, and its reforms in this area will further support deepening the FX market.

49. BCM continues to progress in its implementation of the 2023 safeguards assessment recommendations. Staff welcome the progress on finalizing the convention for on-lent SDR allocations, as well as progress towards the completion of various measures to develop the BCM risk management function, and encourage the authorities to complete the risk mapping exercise by March 2026.

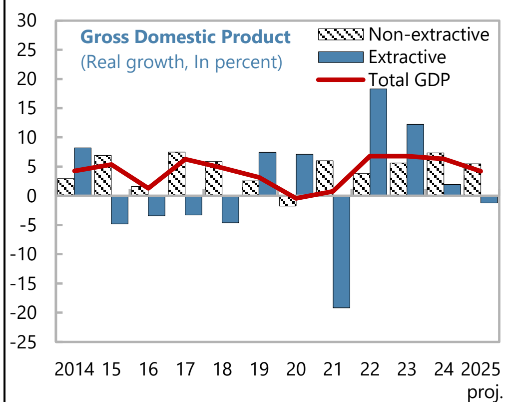
50. Continued efforts on governance reforms and reforms to enhance the business climate will support inclusive, diversified and sustainable growth. Staff encourage the authorities to accelerate the implementation of the governance action plan and remain steadfast in the implementation of the public enterprises law and the operationalization of the ACA. In the spirit of transparency and accountability, staff urge the authorities to begin the declaration of assets and interests of all obligated officials. The authorities' monitoring and reporting on progress in the implementation of the governance action plan should continue while ensuring reform momentum through follow-up measures in the medium-term. The implementation of the Nouadhibou Free trade zone law and the adoption of its decrees should be accelerated. The progress on the implementation of the new Investment Code is a welcome development. More focus on SMEs is now required to further support inclusive growth.

51. Staff encourage the authorities to remain steadfast in their implementation of reform measures under the RSF program, including through the implementation of the delayed RM. 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 urge the authorities to reform water and sanitation tariffs. Effective execution relies on strong inter-ministerial coordination, enhanced capacities, development partner support, and close oversight.

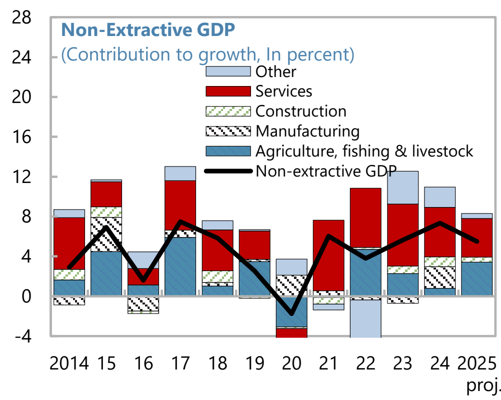
52. Finally, staff recommend completion of the fifth review under the ECF and EFF arrangements, completion of the fourth review under the RSF arrangement, and supports the authorities' request to modify and reset the SB on the fiscal anchor. Four RMs have been completed with an associated disbursement of SDR 59.44 million. Staff also support the authorities' request for a waiver of applicability for end-December 2025 QPCs as data will not be available by the time of the Board meeting and there is no clear evidence that such QPCs will not be met. 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

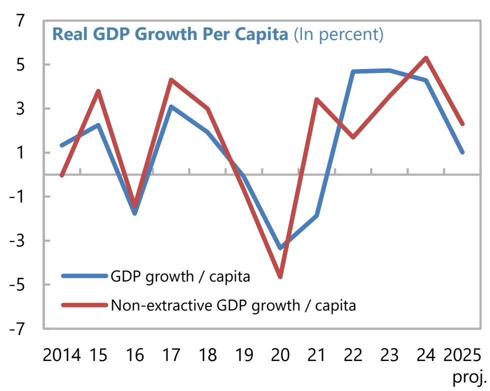
Real GDP growth is expected to slow in 2025...



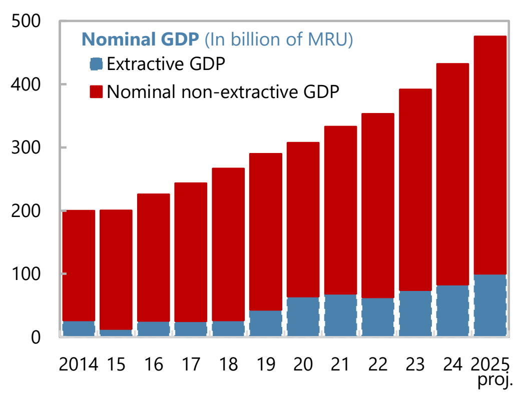
...non-extractive GDP is expected to slow as well as growth in the financial and constructions sectors moderate.



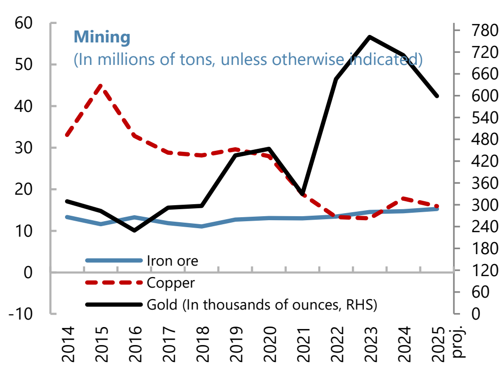
... with a slight deceleration of non-extractive activity per capita.



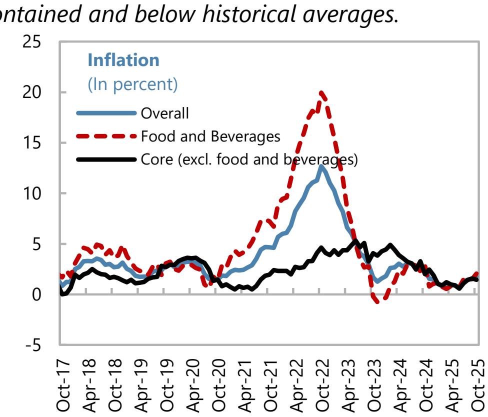
The non-extractive sector remained predominant



... while the extractives sector is expected to see a significant drop in real terms on a decrease in gold activity



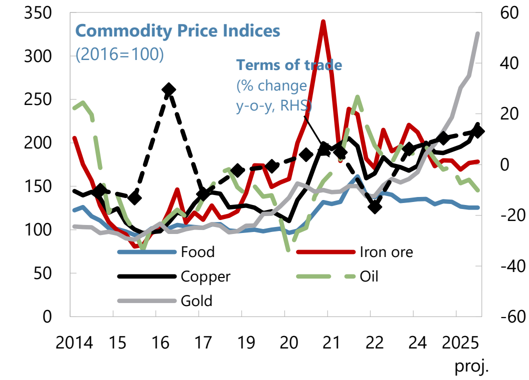
Inflation has seen a slight uptick in July to October 2025 compared to the beginning of the year but remains contained and below historical averages.



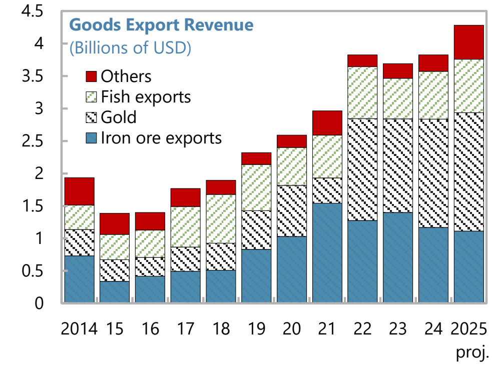
Sources: Mauritanian authorities; and IMF staff estimates and projections.

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

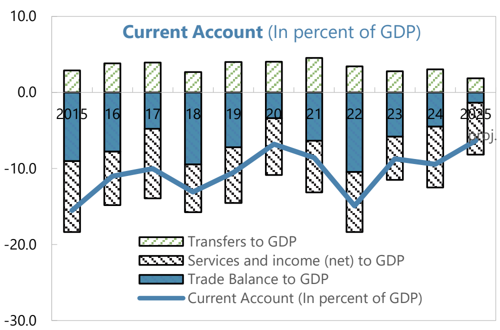
Terms of trade are expected to improve further in 2025 as gold prices continue to rise.



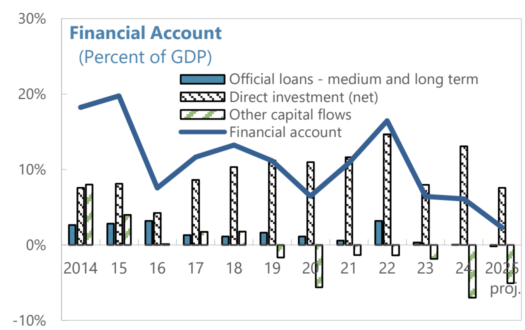
Export performance will continue to be supported by higher gold exports.



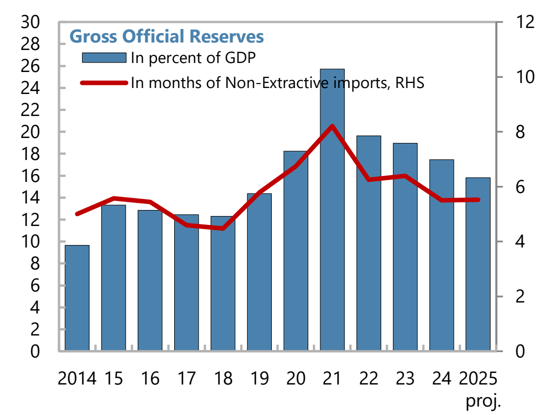
The current account deficit is projected to narrow as the trade deficit decreases.



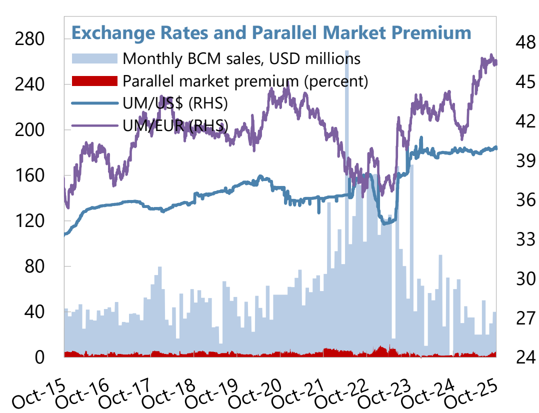
The financial account balance would decrease amid lower FDI and continued strong outflows from commodity exporters.



Official reserves are projected to remain above the adequacy threshold...



BCM's FX interventions continued to decline as FX volumes traded directly in the FX interbank market increased

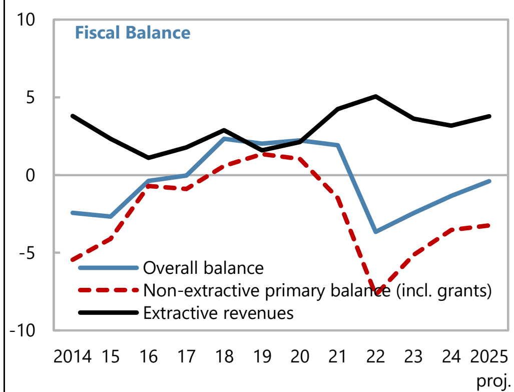


Sources: Mauritanian authorities; and IMF staff estimates and projections.

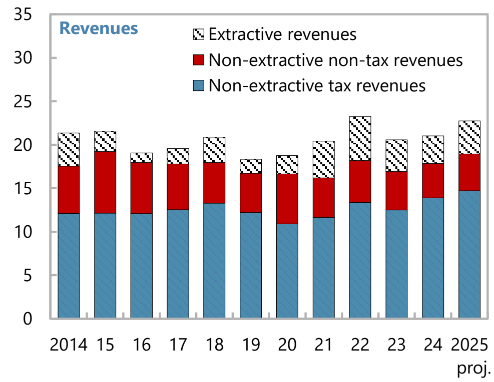
Figure 3. Mauritania: Fiscal Sector Developments, 2014–25

(Percent of GDP, unless otherwise indicated)

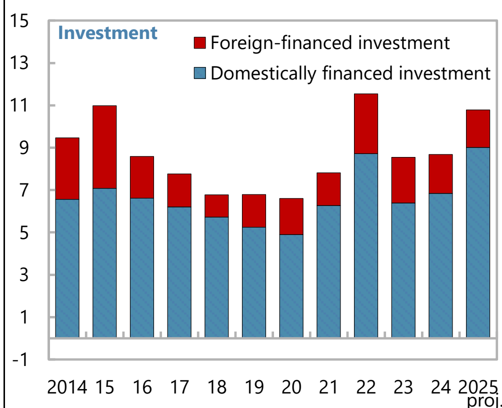
The fiscal balance is expected to continue improving in 2025 consistent with the fiscal anchor.



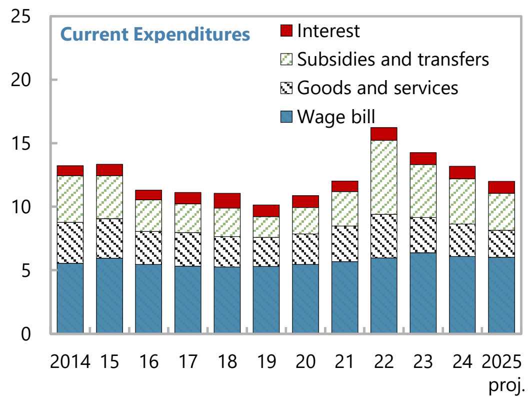
Non-extractive tax and non-tax revenues are projected to increase…



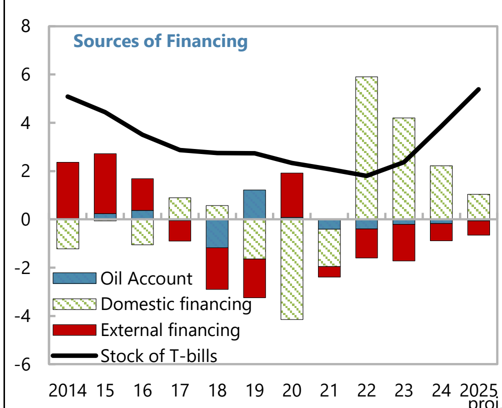
…and 2025 execution of public investment is projected to be higher than 2024.



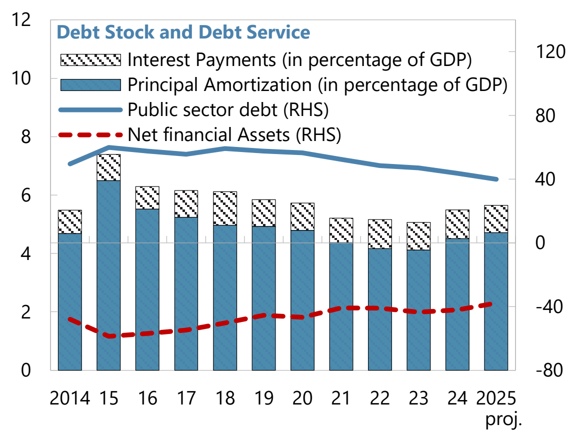
Subsidies are expected to decrease as result of international commodity prices development.



The fiscal deficit will be financed mainly through domestic securities issuance…



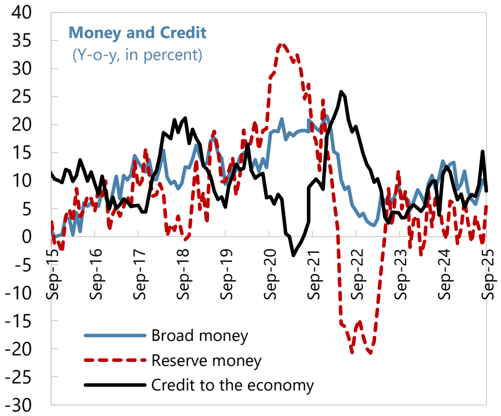
…while public sector debt relative to GDP is projected to decrease.



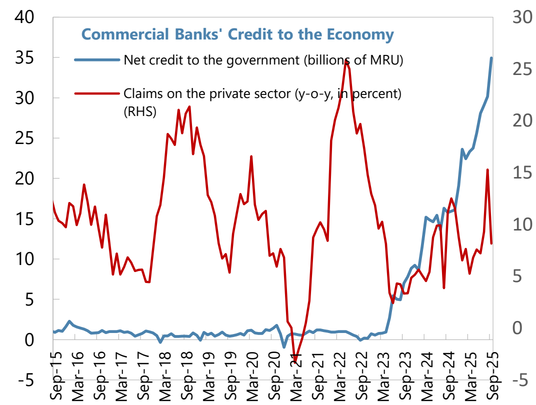
Sources: Mauritanian authorities; and IMF staff estimates and projections.

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

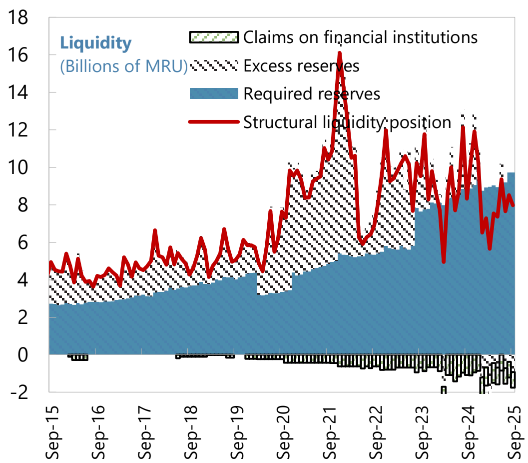
Private credit growth has been accelerating



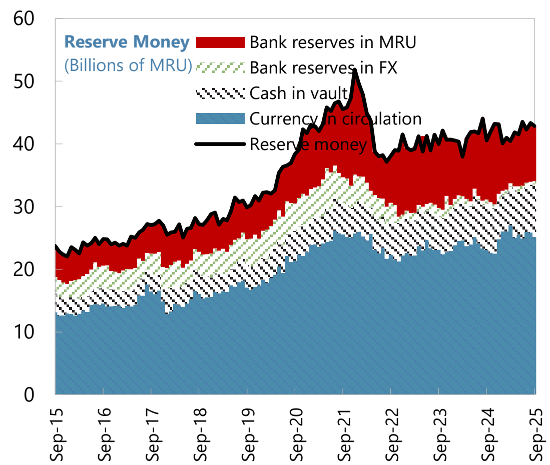
...credit to the government has also increased...



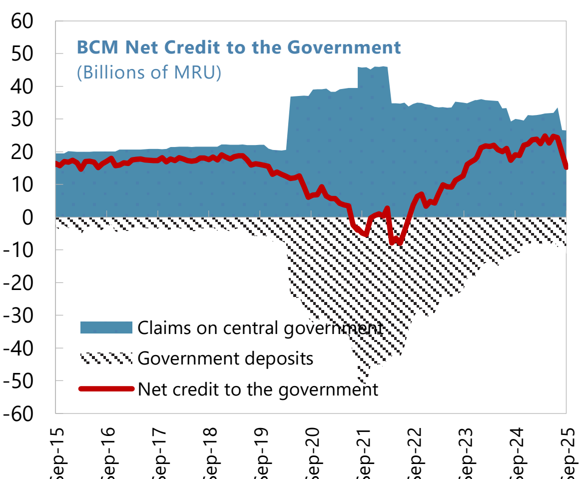
BCM continued to keep monetary conditions tight...



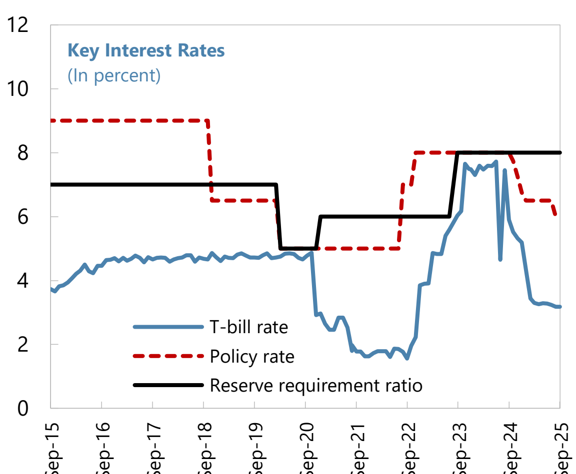
...while reserve money grew in tandem with the growth in the economy ...



and government deposits at the central bank remains roughly stable...



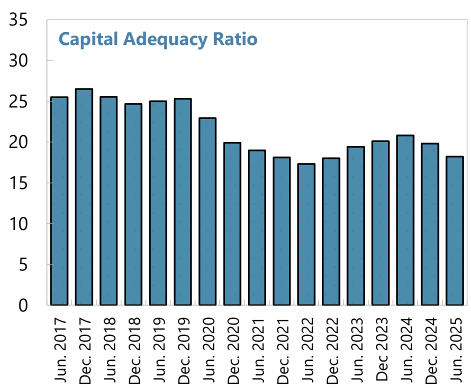
...with the T-bills rate reflecting more issuance for banks at market-determined rates.



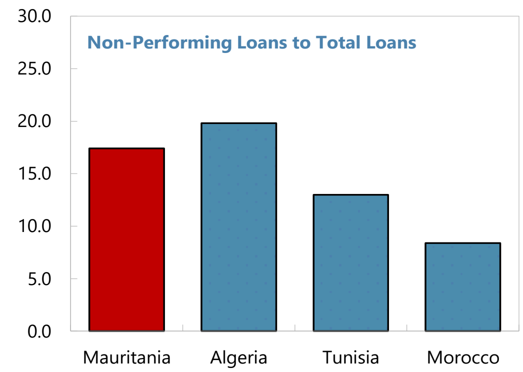
Sources: Mauritanian authorities, and IMF staff calculations.

Figure 5. Mauritania: Financial Sector Indicators, 2017–25
(In percent)

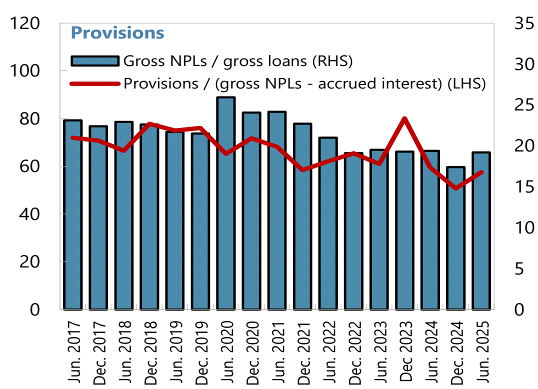
System-wide capital adequacy remains globally comfortable but masks uneven performance amongst individual banks



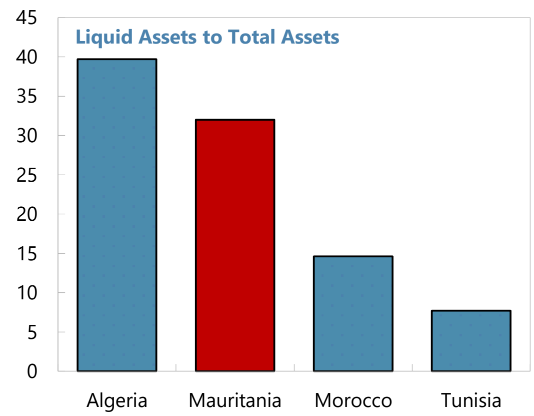
Asset quality is weaker than in some peers …



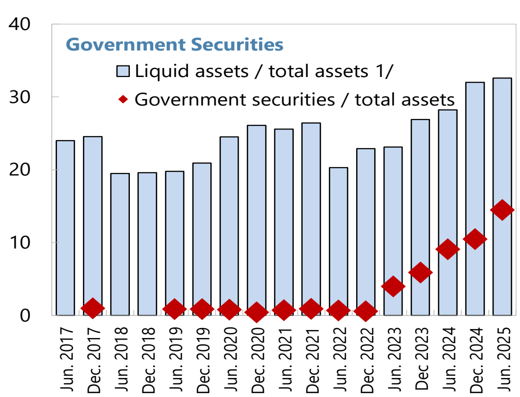
…with a tick up in NPLs in the last year.



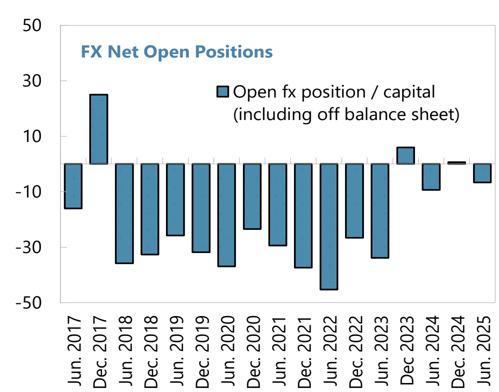
Liquid assets remain comfortable…



…and banks' holdings of government securities increased…



…while banks' short FX net open positions widened slightly in June 2025, they remained well within the prudential norms.



Sources: Mauritanian authorities; and IMF staff estimates and projections.
Notes: Ratios follow national standards, and observations are in: June 2025 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, 2020–30

Poverty rate: 28.4 percent (2024)
Population: 5.02 million (2024)

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

	2020	2021	2022	2023	2024		2025		2026	2027	2028	2029	2030
					4th Review	Est.	4th Review	Proj.	Projections				
	(Annual change in percent; unless otherwise indicated)												
National accounts and prices													
Real GDP	-0.4	0.7	6.8	6.8	5.2	6.3	4.0	4.2	4.7	4.6	5.7	4.9	3.0
Real extractive GDP	7.1	-19.2	18.3	12.2	3.2	1.9	-1.0	-1.2	3.6	4.7	10.2	6.6	-1.9
Real non-extractive GDP	-1.7	6.0	3.8	5.6	5.6	7.3	5.1	5.5	5.0	4.5	4.4	4.4	4.4
Real GDP per capita	-2.6	-1.5	4.6	4.6	3.0	4.1	1.7	2.0	2.5	2.4	3.4	2.7	0.8
Iron ore production (million tons)	13.1	13.0	13.4	14.5	14.7	14.7	15.3	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	0.7	0.6	0.7	0.7	0.6
GDP deflator	6.5	7.5	-0.6	3.8	4.3	3.9	2.9	5.6	2.6	1.7	1.3	2.2	1.3
Nominal GDP	6.1	8.3	6.1	10.9	9.7	10.4	7.0	10.0	7.4	6.3	7.0	7.2	4.3
Consumer prices (period average)	2.4	3.6	9.6	4.9	1.5	2.5	2.5	1.8	2.5	3.3	3.8	4.0	4.0
Consumer prices (end of period)	1.8	5.7	11.0	1.6	1.5	1.5	3.5	2.0	3.0	3.5	4.0	4.0	4.0
	(In percent of GDP)												
Savings and Investment													
Gross investment	45.5	45.1	44.9	40.7	38.1	44.8	35.4	40.6	41.5	40.1	40.7	41.3	41.7
Gross national savings	38.7	36.6	30.0	32.0	28.6	35.4	29.2	34.3	34.6	34.7	35.4	35.7	34.9
Saving - Investment balance	-6.8	-8.6	-14.9	-8.7	-9.5	-9.4	-6.2	-6.3	-6.9	-5.4	-5.3	-5.6	-6.7
	(In percent of GDP)												
Central government operations													
Revenues and grants	20.8	22.7	25.0	22.3	22.5	22.2	25.6	24.1	25.2	25.3	25.3	26.1	26.5
Nonextractive	16.6	16.2	18.2	16.9	18.1	17.8	19.9	18.9	20.0	20.3	20.9	21.7	22.3
Taxes	10.9	11.7	13.4	12.5	14.1	13.9	15.5	14.7	15.5	16.0	16.5	17.0	17.5
Extractive	2.1	4.2	5.1	3.6	3.2	3.2	3.8	3.8	3.6	3.6	3.7	3.7	3.5
Grants	2.0	2.3	1.8	1.8	1.2	1.2	1.9	1.3	1.5	1.4	0.7	0.7	0.7
Expenditure and net lending	18.5	20.8	28.7	24.8	23.9	23.6	26.1	24.5	25.9	26.0	26.0	26.7	27.4
Of which: Current	12.0	13.0	17.2	16.2	15.1	14.9	14.4	13.7	13.7	13.4	13.2	13.2	13.1
Capital	6.6	7.8	11.5	8.6	8.8	8.7	11.7	10.8	12.1	12.6	12.7	13.5	14.3
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-1.6	-1.6	-1.5	-0.8	-1.2	-1.3	-0.5	-0.4	-0.7
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.1	-3.6	-3.5	-3.4	-3.2	-3.3	-3.5	-3.5	-3.5	-3.5
Overall balance	2.2	1.9	-3.7	-2.4	-1.4	-1.4	-0.5	-0.4	-0.7	-0.7	-0.6	-0.6	-0.9
Public sector debt 1/ 2/	56.5	52.4	48.5	47.0	42.1	43.6	41.2	39.9	40.5	41.0	40.5	40.0	40.6
Net financial assets 3/	-46.8	-40.9	-41.1	-43.6	-40.0	-42.1	-38.6	-37.8	-37.5	-37.8	-37.0	-36.1	-36.7
	(Annual change in percent; unless otherwise indicated)												
Money													
Broad money 4/	21.0	20.4	2.8	4.7	13.3	13.3	7.6	8.9	9.3	9.1	10.3	9.4	7.1
Credit to the private sector	6.8	8.4	13.0	5.2	8.8	8.8	6.1	8.5	9.1	9.0	10.1	9.2	6.8
External sector													
Exports of goods, f.o.b.	11.7	14.4	29.0	-3.5	3.6	3.6	0.4	11.9	0.6	7.3	6.5	-0.1	-3.1
Imports of goods, f.o.b.	-0.4	23.1	36.2	-10.6	0.1	0.1	-2.4	2.8	1.8	2.6	6.2	2.2	1.1
Terms of trade	3.9	4.8	-16.8	6.1	9.4	10.4	11.2	13.1	9.0	1.8	-0.9	1.0	1.0
Real effective exchange rate	0.9	-0.1	9.3	...	...	...	...	...	...	...	...	...	...
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.7	-9.5	-9.4	-6.2	-6.3	-6.9	-5.4	-5.3	-5.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-0.5	-1.3	0.1	0.1	-0.5	-1.8
Gross official reserves (US$ million, eop) 5/	1,542	2,347	1,877	2,032	1,921	1,921	1,846	1,922	1,926	2,105	2,260	2,494	2,654
In months of prospective non-extractive imports	6.7	8.2	6.2	6.4	6.4	5.5	5.9	5.5	5.5	5.5	5.7	6.1	6.5
External public debt (US$ million) 2/	4,113	4,204	3,970	4,047	3,980	4,068	4,050	4,033	4,290	4,456	4,616	4,772	4,958
In percent of GDP	49.1	45.8	42.3	40.6	36.3	36.9	34.5	33.1	32.9	32.5	32.0	31.4	31.9
Memorandum items:													
Nominal GDP (MRU billion)	307.2	332.6	353.0	391.4	426.6	432.1	456.4	475.4	510.7	543.1	581.2	622.9	649.5
Nominal non-extractive GDP (MRU billion)	242.9	264.1	290.3	317.1	345.8	349.1	367.4	375.4	400.0	426.2	454.0	485.7	518.0
Nominal GDP (US$ million)	8,464	9,126	9,564	10,724	10,912	11,003	11,731	12,155	13,083	13,804	14,561	15,323	15,671
Nominal GDP (US$, annual change in percent)	7.2	7.8	4.8	12.1	2.5	2.6	7.5	10.5	7.6	5.5	5.5	5.2	2.3
Exchange rate (MRU/US$)	36.3	36.4	36.6	39.3	...	...	...	...	...	...	...	...	...
Price of oil (US$/barrel)	41.8	69.2	96.4	80.6	79.2	79.2	66.9	68.9	65.8	65.7	66.3	66.9	67.3
Price of iron ore (US$/Ton)	108.1	158.2	120.7	120.3	111.1	111.1	100.0	102.7	100.2	94.8	88.9	88.9	88.9
Price of gold (US$/Ounce)	1,770	1,800	1,802	1,943	2,387	2,387	3,018	3,247	3,556	3,657	3,657	3,657	3,657

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 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
					4th Review	Est.	4th Review	Proj.			Projections		
Current account balance	-576	-782	-1,424	-935	-1,039	-1,039	-731	-769	-903	-751	-775	-858	-1,054
Excl. externally financed extractive capital imports	187	87	-79	-36	-155	-155	-28	-67	-173	17	17	-71	-286
Trade balance	-288	-580	-1,002	-625	-497	-497	-378	-163	-217	-21	-8	-123	-331
Exports, fob	2,591	2,964	3,825	3,691	3,825	3,825	3,842	4,281	4,306	4,622	4,922	4,917	4,766
Of which: Iron ore	1,029	1,544	1,278	1,400	1,168	1,168	1,088	1,114	1,097	1,234	1,227	1,212	1,212
Hydrocarbons	0	0	0	0	0	0	215	255	395	397	420	423	426
Copper	153	192	92	95	144	144	128	150	0	0	0	0	0
Gold	787	388	1,567	1,440	1,668	1,668	1,642	1,823	1,983	2,078	2,328	2,297	2,106
Fish	584	659	799	623	736	736	662	823	704	775	798	823	849
Imports, fob	-2,879	-3,544	-4,827	-4,316	-4,322	-4,322	-4,220	-4,444	-4,524	-4,643	-4,930	-5,040	-5,097
Of which: Food	-687	-792	-1,002	-1,039	-972	-972	-1,017	-1,101	-1,059	-1,067	-1,133	-1,161	-1,195
Petroleum	-417	-708	-1,195	-1,041	-1,018	-1,018	-1,047	-1,005	-1,045	-1,053	-1,115	-1,156	-1,162
Capital goods	-1,011	-1,052	-1,514	-1,140	-1,137	-1,137	-966	-1,037	-1,083	-1,135	-1,178	-1,193	-1,192
Services and income (net)	-630	-618	-753	-609	-878	-878	-571	-832	-915	-981	-1,031	-1,003	-995
Services (net)	-524	-472	-597	-618	-774	-774	-502	-726	-763	-793	-850	-840	-831
Credit	272	321	346	338	290	290	308	353	336	358	386	416	433
Debit	-796	-793	-943	-956	-1,064	-1,064	-809	-1,079	-1,099	-1,151	-1,236	-1,256	-1,264
Income (net)	-106	-146	-156	9	-104	-104	-69	-106	-152	-188	-181	-163	-164
Credit	84	60	91	170	152	152	126	165	154	117	114	111	110
Debit	-190	-206	-247	-161	-256	-256	-196	-271	-305	-305	-295	-274	-274
Current transfers (net)	342	416	330	298	335	335	218	225	229	251	264	268	272
Private unrequited transfers (net)	153	143	166	167	93	93	95	100	109	113	117	121	126
Official grants	189	272	165	132	242	242	123	125	120	138	147	147	147
Capital and financial account	620	1,978	1,710	878	774	774	613	435	886	1,101	1,083	1,232	1,267
Capital account	73	987	136	192	101	101	233	151	199	201	204	210	216
Financial account	548	991	1,575	686	673	673	380	283	688	900	879	1,021	1,051
Foreign direct investment (net)	928	1,062	1,402	848	1,440	1,440	624	926	776	808	820	838	857
Official medium- and long-term loans	94	52	306	35	4	4	-9	-24	150	191	220	240	245
Disbursements	287	314	518	277	252	252	231	216	400	432	459	480	490
Of whch: GTA gas project	84	84	80	0	0	0	0	0	0	0	0	1	2
Amortization (before DSSI)	193	262	212	242	249	249	240	239	250	241	239	240	245
SNIM medium- and long-term loans	-60	-204	-13	-9	-9	-9	90	-2	118	140	130	120	129
Other financial flows	-415	81	-121	-189	-762	-762	-325	-617	-357	-239	-291	-177	-180
Errors and omissions	91	350	78	253	144	144	0	200	0	0	0	0	0
Overall balance	135	1,545	364	196	-122	-122	-118	-135	-17	350	308	373	214
Financing	-317	-1,569	-362	-239	101	105	101	126	-1	-350	-308	-373	-214
Net foreign assets	-411	-755	-364	-239	101	105	101	126	-1	-350	-308	-373	-214
Central bank (net)	-373	-658	-194	-186	124	128	173	-1	109	-245	-226	-294	-195
Change in reserve assets (- = increase, without RSF)	-422	-805	148	-152	170	174	213	39	159	-180	-155	-233	-160
Liabilities	49	147	-342	-34	-46	-46	-40	-40	-50	-65	-71	-60	-35
Other, incl. deposit from Saudi Arabia	-24	-24	-311	20	62	62	-40	-40	-50	-71	-60	-35	-22
Commercial banks (net)	-35	-47	-133	-17	-2	-2	-47	134	-18	-7	18	25	31
Hydrocarbon revenue fund (net)	-3	-49	-38	-36	-22	-22	-26	-7	-92	-98	-100	-105	-49
Exceptional financing (incl. DSSI and debt cancellation)	94	-814	2	0	0	0	0	0	0	0	0	0	0
Exceptional official grants	…	…	…	…	……	…	…	…	…	…	…	…	…
Financing gap	182	24	-2	43	21	17	17	9	18	0	0	0	0
Use of Fund credit: ECF/EFF, RCF	182	24	0	43	17	17	17	9	18	0	0	0	0
Residual gap	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Fund credit: RSF	0	0	0	0	59	59	138	40	163	0	0	0	0
Change in reserves (- = increase, with RSF)	-422	-805	148	-152	111	115	75	-1	-4	-180	-155	-233	-160
Gross official reserves, incl. IMF financing (US$ million)	1,542	2,347	1,877	2,032	1,921	1,921	1,846	1,922	1,926	2,105	2,260	2,494	2,654
(in months of imports excluding extractive industries)	6.7	8.2	6.2	6.4	6	5.5	5.9	5.5	5.5	5.5	5.7	6.1	6.5
Gross official reserves, excl. RSF (US$ million)					1,861	1,861	1,648	1,823	1,663				
(in months of imports excluding extractive industries and RSF financing)	…	…	…	…	6	5.3	5.2	5.2	4.7				
Memorandum items:													
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.7	-10	-9.4	-6.2	-6.3	-6.9	-5.4	-5.3	-5.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1	-1.4	-0.2	-0.5	-1.3	0.1	0.1	-0.5	-1.8
Trade balance (in percent of GDP)	-3.4	-6.4	-10.5	-5.8	-5	-4.5	-3.2	-1.3	-1.7	-0.2	-0.1	-0.8	-2.1
Total external financing requirements (in percent of GDP)	9.8	13.7	17.2	11.1	12	11.8	8.3	8.3	8.8	7.2	7.0	7.2	8.3
External public debt (in millions of US$)	4,113	4,204	3,970	4,047	3,980	4,068	4,050	4,033	4,290	4,456	4,616	4,772	4,958
(in percent GDP)	49.1	45.8	42.3	40.6	36	36.9	34.5	33.1	32.9	32.5	32.0	31.4	31.9
External public debt service (after DSSI - US$ million)	151	147	241	323	358	359	349	349	365	376	385	381	366
(in percent of revenue)	9.5	7.9	10.8	14.7	15	15.5	12.6	12.6	11.8	11.4	10.7	9.8	9.0
SNIM contribution to BOP (US$ millions)	275	619	810	980	519	519	572	611	706	786	678	667	666
Hydrocarbon revenue fund balance (US$ millions)	86	135	171	191	211	210	236	218	309	407	507	612	661

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
					4th Review	Est.	4th Review	Proj.			Projections		
Current account balance	-6.8	-8.6	-14.9	-8.7	-9.5	-9.4	-6.2	-6.3	-6.9	-5.4	-5.3	-5.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-0.5	-1.3	0.1	0.1	-0.5	-1.8
Trade balance	-3.4	-6.4	-10.5	-5.8	-4.5	-4.5	-3.2	-1.3	-1.7	-0.2	-0.1	-0.8	-2.1
Exports, fob	30.6	32.5	40.0	34.4	35.1	34.8	32.8	35.2	32.9	33.5	33.8	32.1	30.4
Of which: Iron ore	12.2	16.9	13.4	13.1	10.7	10.6	9.3	9.2	8.4	8.9	8.4	7.9	7.7
Hydrocarbons	0.0	0.0	0.0	0.0	0.0	0.0	1.8	2.1	3.0	2.9	2.9	2.8	2.7
Copper	1.8	2.1	1.0	0.9	1.3	1.3	1.1	1.2	0.0	0.0	0.0	0.0	0.0
Gold	9.3	4.3	16.4	13.4	15.3	15.2	14.0	15.0	15.2	15.1	16.0	15.0	13.4
Fish	6.9	7.2	8.4	5.8	6.7	6.7	5.6	6.8	5.4	5.6	5.5	5.4	5.4
Imports, fob	-34.0	-38.8	-50.5	-40.2	-39.6	-39.3	-36.0	-36.6	-34.6	-33.6	-33.9	-32.9	-32.5
Of which: Food	-8.1	-8.7	-10.5	-9.7	-8.9	-8.8	-8.7	-9.1	-8.1	-7.7	-7.8	-7.6	-7.6
Petroleum	-4.9	-7.8	-12.5	-9.7	-9.3	-9.3	-8.9	-8.3	-8.0	-7.6	-7.7	-7.5	-7.4
Capital goods	-11.9	-11.5	-15.8	-10.6	-10.4	-10.3	-8.2	-8.5	-8.3	-8.2	-8.1	-7.8	-7.6
Services and income (net)	-7.4	-6.8	-7.9	-5.7	-8.0	-8.0	-4.9	-6.8	-7.0	-7.1	-7.1	-6.5	-6.4
Services (net)	-6.2	-5.2	-6.2	-5.8	-7.1	-7.0	-4.3	-6.0	-5.8	-5.7	-5.8	-5.5	-5.3
Credit	3.2	3.5	3.6	3.2	2.7	2.6	2.6	2.9	2.6	2.6	2.6	2.7	2.8
Debit	-9.4	-8.7	-9.9	-8.9	-9.8	-9.7	-6.9	-8.9	-8.4	-8.3	-8.5	-8.2	-8.1
Income (net)	-1.2	-1.6	-1.6	0.1	-1.0	-0.9	-0.6	-0.9	-1.2	-1.4	-1.2	-1.1	-1.0
Credit	1.0	0.7	1.0	1.6	1.4	1.4	1.1	1.4	1.2	0.8	0.8	0.7	0.7
Debit	-2.2	-2.3	-2.6	-1.5	-2.3	-2.3	-1.7	-2.2	-2.3	-2.2	-2.0	-1.8	-1.8
Current transfers (net)	4.0	4.6	3.5	2.8	3.1	3.0	1.9	1.9	1.8	1.8	1.8	1.7	1.7
Private unrequited transfers (net)	1.8	1.6	1.7	1.6	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Official grants	2.2	3.0	1.7	1.2	2.2	2.2	1.0	1.0	0.9	1.0	1.0	1.0	0.9
Capital and financial account	7.3	21.7	17.9	8.2	7.1	7.0	5.2	3.6	6.8	8.0	7.4	8.0	8.1
Capital account	0.9	10.8	1.4	1.8	0.9	0.9	2.0	1.2	1.5	1.5	1.4	1.4	1.4
Financial account	6.5	10.9	16.5	6.4	6.2	6.1	3.2	2.3	5.3	6.5	6.0	6.7	6.7
Foreign direct investment (net)	11.0	11.6	14.7	7.9	13.2	13.1	5.3	7.6	5.9	5.9	5.6	5.5	5.5
Official medium- and long-term loans	1.1	0.6	3.2	0.3	0.0	0.0	-0.1	-0.2	1.1	1.4	1.5	1.6	1.6
Disbursements	3.4	3.4	5.4	2.6	2.3	2.3	2.0	1.8	3.1	3.1	3.2	3.1	3.1
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	0.0	1.0	2.0
Amortization (before DSSI)	2.3	2.9	2.2	2.3	2.3	2.3	2.0	2.0	1.9	1.7	1.6	1.6	1.6
SNIM medium- and long-term loans	-0.7	-2.2	-0.1	-0.1	-0.1	-0.1	0.8	0.0	0.9	1.0	0.9	0.8	0.8
Other financial flows	-4.9	0.9	-1.3	-1.8	-7.0	-6.9	-2.8	-5.1	-2.7	-1.7	-2.0	-1.2	-1.1
Errors and omissions	1.1	3.8	0.8	2.4	1.3	1.3	0.0	1.6	0.0	0.0	0.0	0.0	0.0
Overall balance	2.1	16.9	3.8	1.8	-1.1	-1.1	-1.0	-1.1	-0.1	2.5	2.1	2.4	1.4
Financing	-4.9	-17.2	-3.8	-2.2	0.9	1.0	0.9	1.0	0.0	-2.5	-2.1	-2.4	-1.4
Net foreign assets	-6.4	-8.3	-3.8	-2.2	0.9	1.0	0.9	1.0	0.0	-2.5	-2.1	-2.4	-1.4
Central bank (net)	-5.8	-7.2	-2.0	-1.7	1.1	1.2	1.5	0.0	0.8	-1.8	-1.6	-1.9	-1.2
Change in reserve assets (- = increase, without RSF)	-6.6	-8.8	1.6	-1.4	1.6	1.6	1.8	0.3	1.2	-1.3	-1.1	-1.5	-1.0
Liabilities	0.8	1.6	-3.6	-0.3	-0.4	-0.4	-0.3	-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	0.6	0.6	0.3	0.3	0.4	0.5	0.4	0.2	0.1
Commercial banks (net)	-0.4	-0.5	-1.4	-0.2	0.0	0.0	-0.4	1.1	-0.1	-0.1	0.1	0.2	0.2
Hydrocarbon revenue fund (net)	0.0	-0.5	-0.4	-0.3	-0.2	-0.2	-0.2	-0.1	-0.7	-0.7	-0.7	-0.7	-0.3
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	0.0
Exceptional official grants	...	...	...	...	...	...	...	...	...				
Financing gap	2.8	0.3	0.0	0.4	0.2	0.2	0.1	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	0.1	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	0.0
Use of Fund credit: RSF	0.0	0.0	0.0	0.0	0.5	0.5	1.2	0.3	1.2	0.0	0.0	0.0	0.0
Change in reserves (- = increase, with RSF)	-6.6	-8.8	1.6	-1.4	1.0	1.0	0.6	0.0	0.0	-1.3	-1.1	-1.5	-1.0
Gross official reserves, incl. IMF financing	18.2	25.7	19.6	18.9	17.6	17.5	15.7	15.8	14.7	15.3	15.5	16.3	16.9
(in months of imports excluding extractive industries)	6.7	8.2	6.2	6.4	6.4	5.5	5.9	5.5	5.5	5.5	5.7	6.1	6.5
Gross official reserves, excl. RSF					17.1	16.9	14.0	14.9	12.6				
(in months of imports excluding extractive industries and RSF financing)	...	...	...	...	6.2	5.3	5.2	5.2	4.7				
Memorandum items:													
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.7	-9.5	-9.4	-6.2	-6.3	-6.9	-5.4	-5.3	-5.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-1.4	-0.2	-0.5	-1.3	0.1	0.1	-0.5	-1.8
Trade balance (in percent of GDP)	-3.4	-6.4	-10.5	-5.8	-4.5	-4.5	-3.2	-1.3	-1.7	-0.2	-0.1	-0.8	-2.1
External public debt (in millions of US$)	4,113	4,204	3,970	4,047	3,980.2	4,068	4,050	4,033	4,290	4,456	4,616	4,772	4,958
(in percent GDP)	49.1	45.8	42.3	40.6	36.3	36.9	34.5	33.1	32.9	32.5	32.0	31.4	31.9
External public debt service (after DSSI - US$ million)	151	147	241	323	358.0	359	349	349	365	376	385	381	366
(in percent of revenue)	9.5	7.9	10.8	14.7	15.4	15.5	12.6	12.6	11.8	11.4	10.7	9.8	9.0
SNIM contribution to BOP (US$ millions)	275	619	810	980	519.3	519	572	611	706	786	678	667	666
Hydrocarbon revenue fund balance (US$ millions)	86	135	171	191	210.5	210	236	218	309	407	507	612	661

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
					4th Review	Est.	4th Review	Proj.	Projections				
Revenues and grants	63.8	75.5	88.4	87.4	96.0	96.0	117.0	114.4	128.6	137.5	147.3	162.4	171.8
Revenues	57.6	67.9	82.1	80.5	90.8	90.8	108.2	108.1	120.9	129.9	143.1	158.3	167.5
Nonextractive	51.1	53.8	64.2	66.3	77.1	77.1	90.9	90.1	102.3	110.2	121.7	135.0	144.9
Tax	33.5	38.8	47.2	48.9	60.0	60.0	70.8	70.0	79.2	86.7	95.9	106.1	113.7
Of which: Carbon tax	...	...	...	...	...	...	1.3	1.3	4.0	7.0	8.8	9.7	10.7
Nontax	17.6	15.0	17.0	17.3	17.1	17.1	20.1	20.1	23.1	23.6	25.8	28.9	31.1
Extractive	6.5	14.1	17.9	14.2	13.7	13.7	17.2	18.0	18.6	19.7	21.4	23.3	22.6
Oil and gas 1/	0.5	1.2	2.1	2.4	0.6	0.6	2.3	2.0	3.6	3.9	4.0	4.3	4.6
Mining	6.0	12.9	15.8	11.9	13.1	13.1	14.9	16.0	15.0	15.8	17.4	19.0	18.1
Grants	6.2	7.6	6.4	6.9	5.1	5.1	8.8	6.4	7.7	7.6	4.2	4.2	4.4
Of which: Projects	2.6	2.6	5.8	5.5	4.1	4.1	7.3	4.4	6.3	6.0	4.2	4.2	4.4
Expenditure and net lending	56.9	69.1	101.3	97.2	101.8	101.8	119.1	116.3	132.1	141.1	150.9	166.1	177.8
Current	36.8	43.3	60.8	63.8	64.4	64.4	65.6	65.0	70.1	72.5	77.0	81.9	85.1
Compensation of employees	16.8	18.9	21.1	24.9	26.3	26.3	28.6	28.6	31.5	33.6	35.4	37.9	39.2
Goods and services	7.4	9.3	12.2	10.9	11.1	11.1	11.0	10.1	12.5	13.2	14.1	15.1	15.7
Subsidies and transfers 2/	6.4	9.0	20.6	16.4	15.4	15.4	14.0	13.9	14.0	14.0	14.7	15.4	15.9
Interest	2.9	2.8	3.5	3.7	4.3	4.3	4.0	4.5	5.1	4.3	5.0	5.5	6.0
External	2.2	2.1	2.8	2.8	2.9	2.9	2.7	2.7	3.8	2.8	3.0	3.2	3.5
Domestic	0.7	0.7	0.7	0.9	1.4	1.4	1.2	1.7	1.3	1.5	2.0	2.3	2.5
Special accounts	0.9	1.4	1.9	6.1	5.5	5.5	5.4	5.4	4.0	4.3	4.3	4.3	4.3
Common reserves	2.5	1.6	1.3	1.2	1.9	1.9	2.5	2.5	3.0	3.2	3.4	3.8	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	0.0
Capital	20.3	26.0	40.7	33.6	37.5	37.5	53.6	51.3	62.0	68.6	74.0	84.2	92.7
Foreign-financed	5.2	5.2	9.9	8.4	7.9	7.9	10.0	8.4	11.8	12.8	15.9	16.3	17.0
Domestically financed, incl. COVID-19	15.0	20.8	30.8	25.0	29.6	29.6	43.5	42.8	50.2	55.8	58.1	67.9	75.7
Net lending	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primary balance (excl. grants)	3.6	1.6	-15.7	-12.8	-6.7	-6.7	-7.0	-3.7	-6.1	-7.0	-2.8	-2.4	-4.3
Primary balance	9.7	9.2	-9.4	-5.9	-1.6	-1.6	1.8	2.6	1.6	0.6	1.3	1.8	0.0
Non-extractive primary balance (incl. grants)	3.2	-4.9	-27.2	-20.1	-15.3	-15.3	-15.4	-15.4	-17.0	-19.0	-20.1	-21.5	-22.6
Overal balance (excl. grants)	0.7	-1.2	-19.2	-16.5	-11.0	-11.0	-11.0	-8.2	-11.2	-11.2	-7.8	-7.8	-10.3
Overall balance	6.8	6.4	-12.9	-9.6	-5.8	-5.8	-2.2	-1.9	-3.5	-3.6	-3.7	-3.7	-6.0
Financing	-6.8	-6.4	12.9	9.6	5.8	5.8	2.2	1.9	3.5	3.6	3.7	3.7	6.0
Domestic	-12.6	-5.1	20.9	16.4	9.6	9.6	3.7	5.0	5.0	9.0	4.1	4.2	4.1
Banking system	-9.4	5.5	-5.9	16.5	14.2	14.2	3.0	9.0	4.9	6.4	3.1	2.7	3.3
Treasury account	-19.9	-12.8	14.0	13.8	7.5	7.5	-2.0	-1.0	-1.8	2.0	1.0	0.0	1.5
Central bank	11.4	-6.7	11.4	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	-0.9	-0.4	-2.9	2.7	6.0	6.0	5.0	10.0	6.7	4.4	2.1	2.7	1.8
Commercial banks (Without the RSF)	-0.9	-0.4	-2.9	2.7	8.3	8.3	10.4	11.6	13.0	4.4	2.1	2.7	1.8
Nonbanks	-0.4	-0.8	0.1	-0.1	1.3	1.3	0.7	1.1	0.5	2.9	1.4	1.8	1.2
Domestic arrears	-1.5	1.5	1.3	-1.3	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits accounts	-1.3	3.8	11.1	9.3	-6.3	-6.3	0.0	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	-3.9	-3.8	-1.3	-3.1	-1.5	-5.3	-0.5	-0.5	1.9
Hydrocarbon revenue fund (net)	0.2	-1.4	-1.4	-0.8	-0.7	-0.7	-1.0	-0.3	-3.6	-3.9	-4.0	-4.3	-2.1
Oil and gas revenue	-0.8	-1.4	-1.2	-0.8	-0.7	-0.7	-1.0	-2.3	-3.6	-3.9	-4.0	-4.3	-2.1
Transfer to the budget	1.0	0.0	0.0	0.0	0.0	0.0		2.0	0.0	0.0	0.0	0.0	0.0
Other external financing	5.6	-1.5	-4.2	-5.9	-3.1	-3.1	-0.3	-2.8	2.1	-1.5	3.6	3.8	3.9
Borrowing (net)	-3.9	-4.8	-2.5	-5.9	-6.4	-6.4	-6.8	-5.6	-5.5	-2.7	2.4	2.6	2.7
Disbursements	2.8	2.6	5.3	3.8	3.8	3.8	2.8	4.1	5.5	6.8	11.8	12.2	12.7
Amortization	-6.8	-7.3	-7.8	-9.8	-10.2	-10.2	-9.6	-9.6	-11.0	-9.5	-9.4	-9.6	-10.0
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	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	0.0
IMF (RSF)	...	...	... ..	...	2.3	2.3	5.4	1.6	6.4	...	...	...	...
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	0.0
Errors and omissions	-0.2	1.6	-2.3	-0.1	0.1	0.1	-0.2	0.0	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	3.1	2.2	14.1	12.3	10.8	3.5	3.1	5.8	3.0
Current (percent)	11.1	13.5	28.1	-0.1	-0.5	-1.4	-0.7	-0.8	5.1	0.2	2.3	2.4	-0.1
Capital (percent)	0.8	23.7	43.0	-21.3	9.8	8.7	39.4	34.4	18.0	7.2	3.9	9.4	5.9
Non-extractive primary balance (excl. grants)	-3.0	-12.5	-33.6	-27.1	-20.5	-20.5	-24.2	-21.8	-24.7	-26.6	-24.2	-25.7	-27.0
Non-extractive primary balance (incl. grants)	3.2	-4.9	-27.2	-20.1	-15.3	-15.3	-15.4	-15.4	-17.0	-19.0	-20.1	-21.5	-22.6
Basic budget balance (excl. grants) 3/	5.9	4.0	-9.3	-8.1	-3.1	-3.1	-0.9	0.2	0.6	1.6	8.1	8.5	6.7
Net financial assets 4/	-143.7	-135.9	-145.0	-170.6	-170.8	-181.9	-176.1	-179.7	-191.7	-205.4	-214.9	-224.8	-238.5
Social spending	14.6	15.6	19.4	21.1	22.9	23.0	23.6	24.0	25.6	27.2	29.0	31.0	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
					4th Review	Est.	4th Review	Proj.	Projections				
Revenues and grants	20.8	22.7	25.0	22.3	22.5	22.2	25.6	24.1	25.2	25.3	25.3	26.1	26.5
Revenues	18.8	20.4	23.2	20.6	21.3	21.0	23.7	22.7	23.7	23.9	24.6	25.4	25.8
Nonextractive	16.6	16.2	18.2	16.9	18.1	17.8	19.9	18.9	20.0	20.3	20.9	21.7	22.3
Tax	10.9	11.7	13.4	12.5	14.1	13.9	15.5	14.7	15.5	16.0	16.5	17.0	17.5
Of which: Carbon tax	...	...	...	...	...	...	0.3	0.3	0.8	1.3	1.5	1.6	1.7
Nontax	5.7	4.5	4.8	4.4	4.0	4.0	4.4	4.2	4.5	4.3	4.4	4.6	4.8
Extractive	2.1	4.2	5.1	3.6	3.2	3.2	3.8	3.8	3.6	3.6	3.7	3.7	3.5
Oil and gas 1/	0.2	0.4	0.6	0.6	0.1	0.1	0.5	0.4	0.7	0.7	0.7	0.7	0.7
Mining	2.0	3.9	4.5	3.0	3.1	3.0	3.3	3.4	2.9	2.9	3.0	3.1	2.8
Grants	2.0	2.3	1.8	1.8	1.2	1.2	1.9	1.3	1.5	1.4	0.7	0.7	0.7
Of which: Projects	0.8	0.8	1.6	1.4	1.0	0.9	1.6	0.9	1.2	1.1	0.7	0.7	0.7
Expenditure and net lending	18.5	20.8	28.7	24.8	23.9	23.6	26.1	24.5	25.9	26.0	26.0	26.7	27.4
Current	12.0	13.0	17.2	16.3	15.1	14.9	14.4	13.7	13.7	13.4	13.2	13.2	13.1
Compensation of employees	5.5	5.7	6.0	6.4	6.2	6.1	6.3	6.0	6.2	6.2	6.1	6.1	6.0
Goods and services	2.4	2.8	3.4	2.8	2.6	2.6	2.4	2.1	2.4	2.4	2.4	2.4	2.4
Subsidies and transfers 2/	2.1	2.7	5.8	4.2	3.6	3.6	3.1	2.9	2.7	2.6	2.5	2.5	2.4
Interest	0.9	0.8	1.0	0.9	1.0	1.0	0.9	0.9	1.0	0.8	0.9	0.9	0.9
External	0.7	0.6	0.8	0.7	0.7	0.7	0.6	0.6	0.7	0.5	0.5	0.5	0.5
Domestic	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.4
Special accounts	0.3	0.4	0.5	1.6	1.3	1.3	1.2	1.1	0.8	0.8	0.7	0.7	0.7
Common reserves	0.8	0.5	0.4	0.3	0.5	0.4	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	0.0
Capital	6.6	7.8	11.5	8.6	8.8	8.7	11.7	10.8	12.1	12.6	12.7	13.5	14.3
Foreign-financed	1.7	1.6	2.8	2.2	1.9	1.8	2.2	1.8	2.3	2.4	2.7	2.6	2.6
Domestically financed, incl. COVID-19	4.9	6.3	8.7	6.4	6.9	6.8	9.5	9.0	9.8	10.3	10.0	10.9	11.7
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	0.0
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-1.6	-1.6	-1.5	-0.8	-1.2	-1.3	-0.5	-0.4	-0.7
Primary balance	3.2	2.8	-2.7	-1.5	-0.4	-0.4	0.4	0.5	0.3	0.1	0.2	0.3	0.0
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.1	-3.6	-3.5	-3.4	-3.2	-3.3	-3.5	-3.5	-3.5	-3.5
Overal balance (excl. grants)	0.2	-0.4	-5.5	-4.2	-2.6	-2.5	-2.4	-1.7	-2.2	-2.1	-1.3	-1.3	-1.6
Overall balance	2.2	1.9	-3.7	-2.4	-1.4	-1.4	-0.5	-0.4	-0.7	-0.7	-0.6	-0.6	-0.9
Financing	-2.2	-1.9	3.7	2.4	1.4	1.4	0.5	0.4	0.7	0.7	0.6	0.6	0.9
Domestic	-4.1	-1.5	5.9	4.2	2.2	2.2	0.8	1.0	1.0	1.7	0.7	0.7	0.6
Banking system	-3.1	1.7	-1.7	4.2	3.3	3.3	0.7	1.9	1.0	1.2	0.5	0.4	0.5
Treasury account	-6.5	-3.8	4.0	3.5	1.8	1.7	-0.4	-0.2	-0.4	0.4	0.2	0.0	0.2
Central bank	3.7	-2.0	3.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	-0.3	-0.1	-0.8	0.7	1.4	1.4	1.1	2.1	1.3	0.8	0.4	0.4	0.3
Commercial banks (Without the RSF)	-0.3	-0.1	-0.8	0.7	1.9	1.9	2.3	2.4	2.6	0.8	0.4	0.4	0.3
Nonbanks	-0.1	-0.2	0.0	0.0	0.3	0.3	0.1	0.2	0.1	0.5	0.2	0.3	0.2
Domestic arrears	-0.5	0.4	0.4	-0.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits accounts	-0.4	1.2	3.1	2.4	-1.5	-1.5	0.0	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	-0.9	-0.9	-0.3	-0.7	-0.3	-1.0	-0.1	-0.1	0.3
Hydrocarbon revenue fund (net)	0.1	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2	-0.1	-0.7	-0.7	-0.7	-0.7	-0.3
Oil and gas revenue	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.5	-0.7	-0.7	-0.7	-0.7	-0.3
Transfer to the budget	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Other	1.8	-0.4	-1.2	-1.5	-0.7	-0.7	-0.1	-0.6	0.4	-0.3	0.6	0.6	0.6
Borrowing (net)	-1.3	-1.4	-0.7	-1.5	-1.5	-1.5	-1.5	-1.2	-1.1	-0.5	0.4	0.4	0.4
Disbursements	0.9	0.8	1.5	1.0	0.9	0.9	0.6	0.9	1.1	1.3	2.0	2.0	2.0
Amortization	-2.2	-2.2	-2.2	-2.5	-2.4	-2.4	-2.1	-2.0	-2.1	-1.7	-1.6	-1.5	-1.5
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	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	0.0
RSF (RSF)	...	...	...	...	0.5	0.5	1.2	0.3	1.2	...	...	...	...
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	0.0
Memorandum items:													
Non-extractive primary balance (excl. grants)	-1.0	-3.8	-9.5	-6.9	-4.8	-4.7	-5.3	-4.6	-4.8	-4.9	-4.2	-4.1	-4.2
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.1	-3.6	-3.5	-3.4	-3.2	-3.3	-3.5	-3.5	-3.5	-3.5
Overall balance (in percent of GDP)	2.2	1.9	-3.7	-2.4	-1.4	-1.4	-0.5	-0.4	-0.7	-0.7	-0.6	-0.6	-0.9
Basic budget balance (excl. grants) 3/	1.9	1.2	-2.6	-2.1	-0.7	-0.7	-0.2	0.1	0.1	0.3	1.4	1.4	1.0
Net financial assets 4/	-46.8	-40.9	-41.1	-43.6	-40.0	-42.1	-38.6	-37.8	-37.5	-37.8	-37.0	-36.1	-36.7
Social spending	4.7	4.7	5.5	5.4	5.4	5.3	5.2	5.0	5.0	5.0	5.0	5.0	4.9

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
					4th Review	Est.	4th Review	Proj.			Projections		
Monetary survey													
Net foreign assets	27.0	52.7	53.7	63.6	59.1	59.1	49.8	59.1	54.5	65.7	76.1	89.5	99.5
Net domestic assets	69.0	63.0	65.2	60.8	81.8	81.8	101.8	94.3	113.2	117.2	125.7	131.3	137.1
Net domestic credit	86.4	89.3	103.2	131.7	154.9	154.9	163.1	170.1	183.7	202.2	220.0	237.5	252.7
Net credit to the government	5.5	1.6	4.1	27.5	41.5	41.5	42.7	47.1	49.6	56.0	59.1	61.8	65.1
Credit to the economy	80.9	87.7	99.1	104.2	113.4	113.4	120.4	123.0	134.1	146.1	160.9	175.7	187.6
Other items net	-17.4	-26.3	-38.0	-70.9	-73.1	-73.1	-61.3	-75.8	-70.5	-85.0	-94.3	-106.2	-115.6
Broad money (M2)	96.0	115.6	118.9	124.4	140.9	140.9	151.6	153.4	167.7	182.9	201.7	220.8	236.5
Monetary authorities													
Net foreign assets	29.5	52.2	48.0	57.3	52.5	52.5	43.9	51.0	46.3	56.5	66.6	79.9	89.7
Net domestic assets	12.2	-0.3	-6.5	-16.5	-9.4	-9.4	2.6	-4.1	5.1	-5.2	-14.4	-22.8	-28.5
Net domestic credit	7.2	1.6	4.6	19.4	23.8	23.8	21.8	22.8	21.0	23.0	24.0	24.0	25.5
Net credit to the government	6.5	0.5	3.4	18.3	22.4	22.4	20.4	21.4	19.6	21.6	22.6	22.6	24.1
Other items net	5.0	-1.9	-11.1	-36.0	-33.2	-33.2	-19.2	-26.9	-15.9	-28.2	-38.4	-46.8	-54.0
Reserve money	41.7	51.8	41.5	40.7	43.2	43.2	46.4	47.0	51.4	51.3	52.2	57.1	61.2
Currency in circulation	22.7	25.7	22.2	22.9	24.8	24.8	26.7	27.0	29.5	32.2	35.5	38.9	41.6
Reserves of banks	19.0	26.1	19.3	17.8	18.4	18.4	19.7	20.0	21.8	19.1	16.7	18.3	19.6
Of which : Banks deposits in FX	4.9	4.7	1.0	1.2	0.8	0.8	0.8	0.9	0.9	0.8	0.7	0.8	0.8
Commercial banks													
Net foreign assets	-2.5	0.5	5.6	6.4	6.6	6.6	5.9	8.0	8.2	9.2	9.5	9.5	9.8
Net domestic credit	79.6	88.4	99.4	112.9	132.0	132.0	142.1	148.2	163.6	180.0	196.8	214.4	228.1
Net credit to the government	-1.0	1.0	0.7	9.2	19.1	19.1	22.4	25.8	30.1	34.5	36.6	39.3	41.0
Credit to the private sector	80.5	87.3	98.6	103.7	112.8	112.8	119.8	122.4	133.5	145.5	160.3	175.1	187.0
Other items net	-22.3	-24.5	-26.8	-34.9	-39.9	-39.9	-42.9	-49.8	-55.5	-57.6	-56.8	-60.2	-62.5
					(Annual change in percent)								
Monetary survey													
Net foreign assets	46.3	94.7	1.9	18.6	-7.1	-7.1	-15.8	-0.1	-7.8	20.7	15.7	17.6	11.2
Net domestic assets	13.3	-8.7	3.5	-6.8	34.6	34.6	24.5	15.3	20.0	3.5	7.3	4.5	4.4
Net domestic credit	-3.7	3.4	15.5	27.6	17.6	17.6	5.3	9.8	8.0	10.0	8.8	8.0	6.4
Net credit to the government	-60.6	-71.5	161.6	572.2	50.9	50.9	3.0	13.7	5.3	12.9	5.5	4.6	5.3
Credit to the economy	6.7	8.5	12.9	5.2	8.8	8.8	6.1	8.4	9.0	9.0	10.1	9.2	6.8
Other items net	39.7	-51.7	-44.2	-86.7	-3.1	-3.1	16.2	-3.6	6.9	-20.5	-11.0	-12.6	-8.9
Broad money (M2)	21.0	20.4	2.8	4.7	13.3	13.3	7.6	8.9	9.3	9.1	10.3	9.4	7.1
Monetary authorities													
Net foreign assets	36.7	76.7	-7.9	19.2	-8.3	-8.3	-16.5	-2.8	-9.4	22.2	17.8	20.1	12.2
Net domestic assets	30.0	-102.5	2012.9	152.6	-43.3	-43.3	-127.3	-56.7	-225.5	-202.4	175.9	58.8	24.8
Net domestic credit	-47.5	-78.5	196.2	322.6	22.6	22.6	-8.4	-4.2	-7.9	9.5	4.3	0.0	6.2
Net credit to the government	-50.8	-91.8	539.3	442.2	22.5	22.5	-8.9	-4.5	-8.4	10.2	4.6	0.0	6.6
Reserve money	34.7	24.4	-20.0	-1.9	6.0	6.0	7.6	8.9	9.3	-0.1	1.7	9.4	7.1
Commercial banks													
Net foreign assets	20.3	120.1	1028.3	13.5	3.3	3.3	-10.1	21.7	2.3	12.3	2.9	0.2	2.8
Net domestic credit	4.5	11.1	12.4	13.7	16.8	16.8	7.7	12.3	10.4	10.0	9.4	8.9	6.4
Net credit to the government	-225.7	-206.4	-30.5	1180.5	107.4	107.4	17.0	34.9	16.7	14.6	6.1	7.4	4.5
Credit to the private sector	6.8	8.4	13.0	5.2	8.8	8.8	6.1	8.5	9.1	9.0	10.1	9.2	6.8
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	2.3	2.3	2.2	2.2
Credit to the private sector (percent of non-extractive GDP)	33.2	33.1	34.0	32.7	32.6	32.3	32.6	32.6	33.4	34.1	35.3	36.1	36.1
Net foreign assets of banks (in millions of U.S. dollars)	-67.6	13.8	153.6	162.6	165.4	165.4	152.3	206.0	210.0	233.0	235.8	231.7	233.5

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

Table 5. Mauritania: Banking Soundness Indicators, 2010–25

(In percent, unless otherwise indicated)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 June
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	45.7
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	25.2
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	2.8
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	14.5
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	7.2
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	19.2
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	57.5
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	93.9
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	70.8
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	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	15.3
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	19.9	18.2
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	5.3
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	85.1
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	-6.6
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	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	9.6	...
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	32.6
Liquidity coverage ratio (statutory min. = 100 percent) 3/	...	...	...	...	...	...	...	...	...	...	148.9	152.5	140	185.7	213.8	216.6
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	47.7
Number of banks	10	12	12	15	15	16	16	17	17	18	18	18	17	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**	**1,470**	**1,539**	**1,136**	**1,276**	**1,310**	**1,315**	**1,478**	**1,606**
Current account balance, excl. grants	1,589	1,067	1,281	895	1,023	889	922	1,005	1,201
External public debt amortization 1/	225	251	258	242	252	241	239	240	245
Accumulation of hydrocarbon revenue fund	38	36	22	7	92	98	100	105	49
Reserves accumulation (without RSF)	0	152	0	0	0	180	155	233	160
Gross Financing Sources	**1,851**	**1,427**	**1,522**	**1,002**	**1,138**	**1,172**	**1,169**	**1,331**	**1,459**
Foreign direct investment and capital inflows (net)	1,537	1,041	1,541	1,077	975	1,009	1,024	1,048	1,073
Official grants (historical)	165	132	242	...	...	...	...	...	...
Official loan disbursements (excluding IMF) 2/	218	277	252	216	400	432	459	480	490
Other flows 3/	-218	-23	-688	-329	-397	-269	-314	-197	-104
Drawdown of hydrocarbon revenue fund	0	0	0	0	0	0	0	0	0
Reserves drawdown (without RSF)	148	0	174	39	159	0	0	0	0
Financing gap	**0**	**-43**	**-17**	**-134**	**-138**	**-138**	**-147**	**-147**	**-147**
Prospective financing	**0**	**43**	**17**	**134**	**138**	**138**	**147**	**147**	**147**
IMF ECF/EFF	0	43	17	9	18	0	0	0	0
Official grants (prospective) 4/	0	0	0	125	120	138	147	147	147
Residual financing gap	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
RSF disbursement (prospective)	0	0	59	40	163	0	0	0	0
Change in reserves (net, with RSF)	-148	152	-115	1	4	180	155	233	160
Memorandum items:									
Gross official reserves (US$ million)	1,877	2,032	1,921	1,922	1,926	2,105	2,260	2,494	2,654
Hydrocarbon revenue fund balance (US$ millions)	171	191	210	218	309	407	507	612	661

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	28.97	10.82	9.16	7.73	3.61	5.60	7.43	7.43	7.43	7.43	7.43	7.43	7.43	7.43	6.69	2.97	0.00	0.00	0.00	0.00
Charges and interest	7.80	7.72	7.72	7.66	7.51	7.34	7.15	6.96	6.77	6.64	6.55	6.41	6.24	6.07	5.91	5.74	5.57	5.40	5.24	5.07	4.93	4.90	4.90	4.91	4.90
Fund Obligations Based on Existing and Prospective Credit (millions of SDRs)																									
Principal	26.13	44.71	47.26	45.87	42.15	29.69	12.68	11.45	10.02	5.90	7.89	14.52	19.32	19.32	19.32	19.32	19.32	19.32	19.32	18.58	14.86	5.95	0.00	0.00	0.00
GRA (EFF)	0.00	0.00	0.89	3.93	5.01	6.44	7.16	7.16	6.26	3.22	2.15	0.72	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	5.52	4.29	3.76	1.93	1.29	0.43	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	13.38	19.32	19.32	19.32	19.32	19.32	19.32	19.32	18.58	14.86	5.95	0.00	0.00	0.00
Charges and interest (in million of SDRs)	7.80	9.69	10.68	10.62	10.48	10.30	10.07	9.83	9.59	9.42	9.28	9.07	8.67	8.24	7.80	7.37	6.93	6.50	6.07	5.63	5.23	4.95	4.90	4.91	4.90
Of which:																									
GRA Basic Charges	1.12	1.34	1.43	1.37	1.23	1.05	0.82	0.58	0.35	0.17	0.07	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	33.93	54.41	57.94	56.49	52.62	39.98	22.74	21.28	19.61	15.31	17.17	23.59	27.99	27.56	27.12	26.69	26.25	25.82	25.39	24.21	20.09	10.89	4.90	4.91	4.90
Millions of U.S. dollars	43.43	69.63	74.16	72.30	67.35	51.17	29.11	27.24	25.10	19.60	21.98	30.20	35.82	35.27	34.71	34.16	33.60	33.05	32.49	30.99	25.71	13.94	6.28	6.28	6.27
Percent of exports of goods and services	0.94	1.50	1.49	1.36	1.26	0.98	0.57	0.55	0.51	0.39	0.45	0.60	0.71	0.69	0.67	0.65	0.62	0.59	0.57	0.53	0.42	0.22	0.10	0.09	0.09
Percent of debt service	12.79	19.52	20.10	19.14	18.05	14.31	7.94	7.65	6.56	5.44	5.85	7.96	7.37	8.66	7.86	7.26	7.00	6.75	6.50	6.08	4.95	2.63	1.16	1.14	1.11
Percent of GDP	0.36	0.53	0.54	0.50	0.44	0.33	0.19	0.18	0.16	0.12	0.13	0.17	0.19	0.18	0.17	0.16	0.15	0.14	0.13	0.12	0.09	0.05	0.02	0.02	0.02
Percent of gross international reserves	2.26	3.62	3.52	3.20	2.70	1.93	1.05	0.92	0.80	0.58	0.61	0.76	0.86	0.78	0.71	0.64	0.62	0.59	0.56	0.52	0.42	0.22	0.10	0.09	0.09
Percent of quota	26.34	42.24	44.99	43.86	40.86	31.04	17.66	16.52	15.22	11.89	13.33	18.32	21.73	21.40	21.06	20.72	20.38	20.05	19.71	18.80	15.60	8.46	3.81	3.81	3.80
Principal	20.29	34.71	36.69	35.61	32.72	23.05	9.84	8.89	7.78	4.58	6.13	11.27	15.00	15.00	15.00	15.00	15.00	15.00	15.00	14.42	11.54	4.62	0.00	0.00	0.00
GRA	0.00	0.00	0.69	3.05	3.89	5.00	5.56	5.56	4.86	2.50	1.67	0.56	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	4.29	3.33	2.92	1.50	1.00	0.33	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	10.38	15.00	15.00	15.00	15.00	15.00	15.00	15.00	14.42	11.54	4.62	0.00	0.00	0.00
Outstanding Fund Credit Based on Existing and Prospective Credit																									
Millions of SDRs	315.0	402.0	354.8	308.9	266.8	237.1	224.4	212.9	202.9	197.0	189.1	174.6	155.3	136.0	116.7	97.3	78.0	58.7	39.4	20.8	5.9	0.0	0.0	0.0	0.0
GRA	34.3	42.9	42.0	38.1	33.1	26.7	19.5	12.3	6.1	2.9	0.7	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	206.3	165.9	119.5	77.6	40.5	17.2	11.7	7.4	3.6	1.7	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
RSF	74.3	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	192.5	188.0	174.6	155.3	136.0	116.7	97.3	78.0	58.7	39.4	20.8	5.9	0.0	0.0	0.0	0.0
Millions of U.S. dollars	403.1	514.6	454.1	395.4	341.4	303.4	287.2	272.5	259.7	252.2	242.1	223.5	198.8	174.0	149.3	124.6	99.9	75.1	50.4	26.6	7.6	0.0	0.0	0.0	0.0
Percent of exports of goods and services	8.70	11.08	9.12	7.45	6.40	5.84	5.58	5.54	5.27	5.07	4.91	4.41	3.95	3.41	2.89	2.38	1.85	1.35	0.88	0.45	0.13	0.00	0.00	0.00	0.00
Percent of debt service	118.8	144.2	123.1	104.6	91.5	84.8	78.3	76.5	67.9	70.0	64.4	58.9	40.9	42.7	33.8	26.5	20.8	15.3	10.1	5.2	1.5	0.0	0.0	0.0	0.0
Percent of GDP	3.32	3.93	3.29	2.72	2.23	1.94	1.92	1.75	1.60	1.49	1.39	1.22	1.04	0.88	0.73	0.59	0.45	0.32	0.21	0.10	0.03	0.00	0.00	0.00	0.00
Percent of gross international reserves	20.98	26.72	21.57	17.49	13.69	11.43	10.36	9.19	8.26	7.47	6.73	5.64	4.76	3.85	3.05	2.35	1.83	1.34	0.87	0.45	0.12	0.00	0.00	0.00	0.00
Percent of quota	244.5	312.1	275.4	239.8	207.1	184.1	174.2	165.3	157.6	153.0	146.9	135.6	120.6	105.6	90.6	75.6	60.6	45.6	30.6	16.2	4.6	0.0	0.0	0.0	0.0
GRA	26.7	33.3	32.6	29.6	25.7	20.7	15.1	9.6	4.7	2.2	0.6	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	160.2	128.8	92.8	60.3	31.4	13.4	9.1	5.7	2.8	1.3	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
RSF	57.7	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	149.4	146.0	135.6	120.6	105.6	90.6	75.6	60.6	45.6	30.6	16.2	4.6	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	-29.69	-12.68	-11.45	-10.02	-5.90	-7.89	-14.52	-19.32	-19.32	-19.32	-19.32	-19.32	-19.32	-19.32	-18.58	-14.86	-5.95	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	29.69	12.68	11.45	10.02	5.90	7.89	14.52	19.32	19.32	19.32	19.32	19.32	19.32	19.32	18.58	14.86	5.95	0.00	0.00	0.00
Memorandum items:																									
Exports of goods and services (in millions of US$)	4,634	4,642	4,980	5,307	5,332	5,199	5,145	4,921	4,931	4,972	4,935	5,066	5,032	5,098	5,168	5,239	5,396	5,558	5,725	5,896	6,073	6,255	6,443	6,636	6,835
Debt service (in millions of US$)	339	357	369	378	373	358	367	356	383	360	376	379	486	407	442	471	480	490	500	510	520	530	541	552	563
Nominal GDP (in millions of US$)	12,155	13,083	13,804	14,561	15,323	15,671	14,968	15,536	16,189	16,928	17,446	18,254	19,093	19,758	20,486	21,226	22,288	23,402	24,572	25,801	27,091	28,445	29,868	31,361	32,929
Gross international reserves (in millions of US$)	1,922	1,926	2,105	2,260	2,494	2,654	2,772	2,965	3,144	3,375	3,599	3,961	4,175	4,522	4,892	5,302	5,461	5,625	5,794	5,967	6,146	6,331	6,521	6,716	6,918
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 1/

Key Challenge	Reform Measure	Diagnostic Reference	Tentative completion date of RMs	IMF CD input	RM expected outcome	Development Partner Role
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	Completed	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	
	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 maintenance and rehabilitation costs and (iii) greenhouse gas emissions	
	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
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.		Completed	IMF CD	Increased fiscal revenues, reduced fiscal burden, reduced GHG emissions, reduced poverty and inequality	
	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.		Completed	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"	Completed			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"	Completed		Reduced GHG emissions	
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
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 Delayed	IMF CD	Sustainable tariff setting permits efficent, equitable and sustainable use of water	AfD

1/ Please see Annex V for additional information on the RSF program, including its role in reducing prospective BOP risks.

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

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	14.86	11.54	Completion of RSF review of RM6 implementation
April 17, 2025	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
April 17, 2025	14.86	11.54	Completion of RSF review of RM8 implementation
October 17, 2025	14.86	11.54	Completion of RSF review of RM1 implementation
October 17, 2025 2/	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	11.55	Completion of RSF review of RM12 implementation
Total	193.20	150.00	

Source: IMF staff calculations.
1/ Mauritania's quota is SDR 128.8 million. Percentages are rounded.
2/ The implementation of RM 13 is delayed, the associated disbursement will not take place as envisaged.

Table 10. Mauritania: Decomposition of Public Debt and Debt Service by Creditor, 2024–26 1/

(Based on end-2023 debt outstanding)

	Debt Stock			Debt service					
	end-2024			2024	2025	2026	2024	2025	2026
	In millions US$	Percent of total debt	Percent of GDP	Millions US$			Percent of GDP		
Total PPG debt (external + domestic)	**4,798.4**	**100.0**	**43.6**	**611.5**	**812.3**	**726.9**	**5.6**	**6.7**	**5.6**
External	**4,067.7**	**84.8**	**36.9**	**339.3**	**339.4**	**351.6**	**3.1**	**2.8**	**2.7**
Multilateral creditors	2,594.8	54.1	23.6	186.9	221.0	230.2	1.7	1.8	1.8
IMF	412.1	8.6	3.7	15.3	34.1	50.4	0.1	0.3	0.4
World Bank	463.5	9.7	4.2	15.4	16.9	17.3	0.1	0.1	0.1
FADES	1,226.7	25.6	11.1	106.9	120.0	111.1	1.0	1.0	0.8
IsDB	293.5	6.1	2.7	36.0	37.3	39.0	0.3	0.3	0.3
Other multilaterals	199.0	4.1	1.8	13.3	12.8	12.4	0.1	0.1	0.1
Bilateral creditors	1,472.9	30.7	13.4	152.3	118.4	121.4	1.4	1.0	0.9
Paris Club	71.2	1.5	0.6	17.6	11.5	9.1	0.2	0.1	0.1
France (incl. AFD)	63.1	1.3	0.6	11.2	9.5	7.3	0.1	0.1	0.1
Spain	6.1	0.1	0.1	6.3	1.9	1.6	0.1	0.0	0.0
Other Paris Club	2.0	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0
Non-Paris Club	1,401.7	29.2	12.7	134.7	106.9	112.3	1.2	0.9	0.9
Saudi Arabia	661.8	13.8	6.0	28.7	25.8	25.4	0.3	0.2	0.2
China	353.9	7.4	3.2	45.9	45.1	48.8	0.4	0.4	0.4
Kuwait	239.6	5.0	2.2	24.0	19.8	19.9	0.2	0.2	0.2
Other Non-Paris Club	146.4	3.1	1.3	36.1	16.1	18.1	0.3	0.1	0.1
Domestic	**730.7**	**15.2**	**6.6**	**272.3**	**472.9**	**375.3**	**2.5**	**3.9**	**2.9**
Memo items:									
Collateralized debt[2]	-	-	-						
Contingent liabilities	597.8	12.5	5.4						
o/w Public guarantees	4.3	0.1	0.0						
o/w Other explicit contingent liabilities[3]	579.7	12.1	5.3						
Nominal GDP	11,003			11,003	12,155	13,083			

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.

Annex I. External Sector Assessment

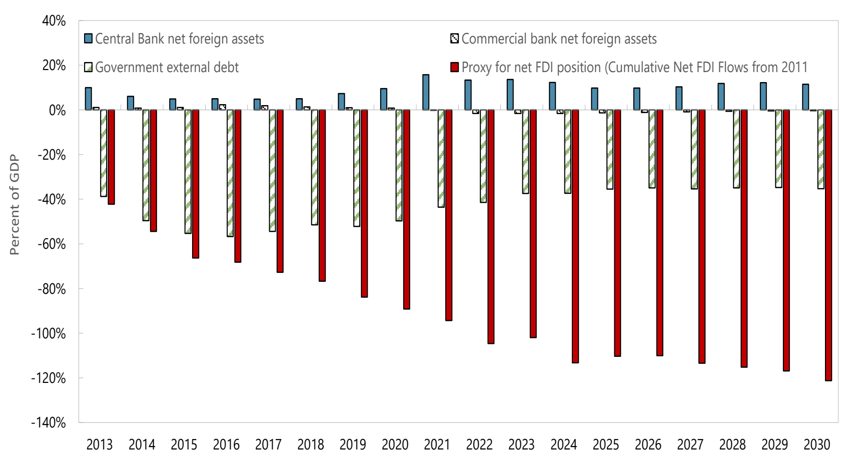
***Overall Assessment**: Mauritania's external position in 2024 was weaker than the level implied by fundamentals and desirable policies. The 2024 current account deficit somewhat widened compared to 2023, mostly due to higher service imports to support the launch of GTA production and larger profit outflows of foreign-owned commodity-exporting companies. In 2025, the deficit is projected to narrow with the start of GTA gas exports and a decline in GTA-related service imports.*

***Potential Policy Responses:** Priorities to address external sector imbalances include developing a competitive and functioning interbank market to promote greater ER flexibility, and structural reforms to boost productivity and diversify exports.*

Foreign Assets and Liabilities: Position and Trajectory

Background. Comprehensive data on Mauritania's Net International Investment Position (NIIP) are not available, but partial indicators provide a broad picture. Commercial banks' net foreign positions fluctuate around zero and are negligible relative to GDP. The Central Bank holds a positive net foreign asset position, largely in reserves, which peaked at 15.8 percent of GDP in 2021 before declining to 12.3 percent in 2024. Government external debt, at 37.3 percent of GDP in 2024, is a negative component of NIIP and is projected to remain around 35 percent over the medium term. As noted in the DSA, Mauritania is assessed to be at moderate risk of debt distress, with debt remaining sustainable overall. The largest negative component of the NIIP is the net FDI position,[1] reflecting substantial investment in the extractives sector (gold, iron ore, and gas). Net FDI inflows have been consistently positive, with periodic surges since 2011, and are expected to moderate but remain positive in the medium term.

Mauritania: Net Foreign Assets (percent of GDP)



Source: Mauritanian authorities and IMF staff calculations.

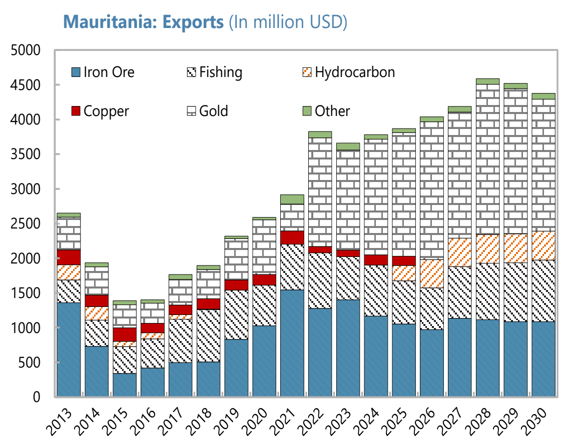
1/ The foreign direct investment stock is here proxied by the cumulative net FDI starting in 2011. This approach has limitations as previous years are ignored, however many of the large extractives investments took place post-2011 and hence are incorporated.

Assessment. Partial data provide a basis for assessing only selected elements of Mauritania's NIIP. Government external debt is a major contributing factor to the negative position but is assessed in the DSA as sustainable, with a moderate risk of debt distress. The central bank maintains a positive foreign asset position, while the net FDI position is expected to adjust only gradually and predictably, as new extractives projects start up and others reach the end of their lifecycle.

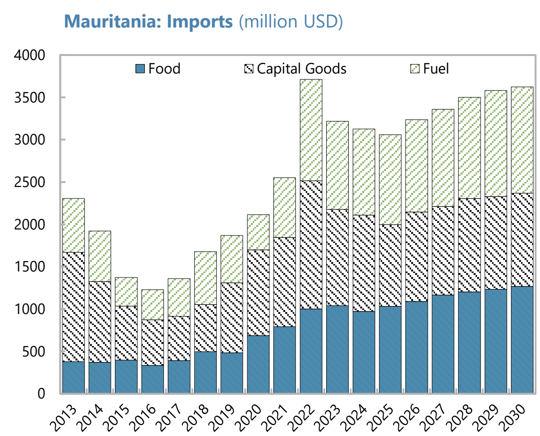
Current Account

Background. The current account (CA) deficit in 2024 widened from 8.7 to 9.4 percent of GDP but remained below the five-year (2019-23) average of 9.9 percent of GDP. While the trade deficit narrowed thanks to increased gold prices, the service and income deficit widened. This was driven by higher service imports to support the launch of GTA production and by larger profit outflows of foreign-owned commodity-exporting companies. Going forward, the CA deficit is projected to narrow amid the acceleration in gold and iron ore production, along with GTA gas exports and lower GTA-related service imports.

Assessment. The model-based approach indicates a negative current account gap in 2024. Comparing the cyclically adjusted current account balance of -9.9 percent of GDP to a norm based on fundamentals and desirable policies estimated at -7.8 percent of GDP results in a negative current account gap of 2.1 percent. The current account gap is broadly unchanged from 2023. The policy gap is positive at 4.4 percent of GDP, which primarily reflects relatively stronger cyclically adjusted fiscal outcome in 2024 and lower than optimal health spending.



Sources: Data from authorities and IMF staff calculations.



Sources: Data from authorities and IMF staff calculations.

Mauritania: EBA-lite Model Results, 2024		
	CA model 1/	**REER model** 1/
	(in percent of GDP)	
CA-Actual	**-9.4**	
Cyclical contributions (from model) (-)	0.5	
Additional temporary/statistical factors (-) 2/		
Natural disasters and conflicts (-)	0.0	
Adjusted CA	**-9.9**	
CA Norm (from model) 3/	**-7.8**	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	**-7.8**	
CA Gap	**-2.1**	**-0.6**
o/w Relative policy gap	4.4	
Elasticity	-0.3	
REER Gap (in percent)	**7.8**	**2.3**

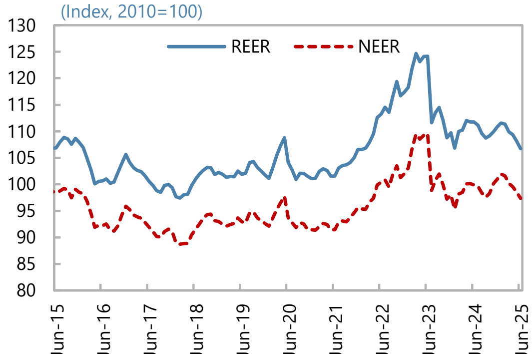
1/ Based on the EBA-lite 3.0 methodology
2/ No additional adjustments.
3/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

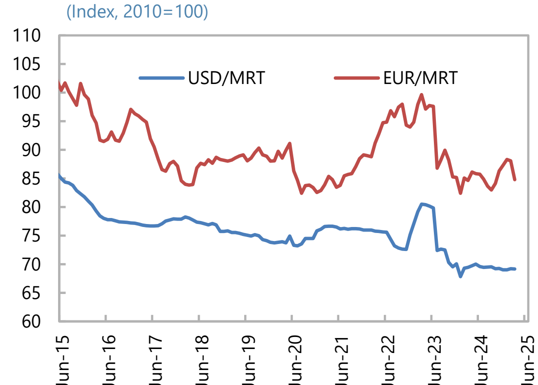
Background. The REER depreciated by about 6 percent in 2024, compared to an average appreciation of 4.4 percent over the previous 3 years, and further by about 3 percent through mid-2025. The REER depreciation was largely driven by the NEER depreciation. The authorities base the exchange rate policy on a basket of Eurodollar currencies with a 5 percent fluctuation band as a reference for foreign exchange interventions, and through 2024, the ER has fluctuated by +/-2 percent.

Assessment. The CA model suggests an overvaluation of the REER of 7.8 percent, using an elasticity of the current account to the REER of -0.3. This could reflect challenges in developing a competitive and functioning interbank market with multi-price currency auctions that determine a market exchange rate. The REER model estimates an overvaluation of 2.3 percent. The bottom-line external sector assessment reflects the judgment that considers the results of both models.

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



Mauritania: Exchange Rates
(Index, 2010=100)

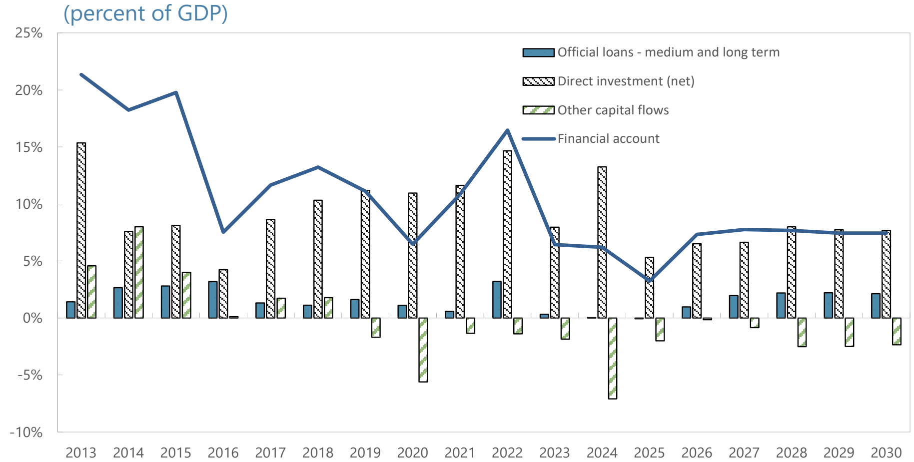


Capital and Financial Accounts: Flows and Policy Measures

Background. Capital and financial account flows in Mauritania are dominated by financial account flows. In 2024, the net financial flows amounted to 6.2 percent of GDP, down from 6.4 percent of GDP in 2023 and the average of 10.3 percent over the previous 5 years (2019-2023). 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). 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. Going forward, its path is projected to remain uneven because of its sensitivity to the extraction-investment and liquidity management cycle of the commodity-exporting companies in the mining sector, reflected in FDI and other financial flows.

Assessment. Financial flows to Mauritania are dominated by FDI in the extractives sector. While FDI are likely to ease in the near term as ongoing projects conclude, they are expected to pick up and remain robust after 2025 as mining companies initiate new projects. Other financial flows remain the most uncertain component, driven by decisions by major commodity exporters to accumulate deposits abroad. Strengthening data sharing from mining companies between different government entities and the BCM would help improve the forecasting of foreign exchange supply.

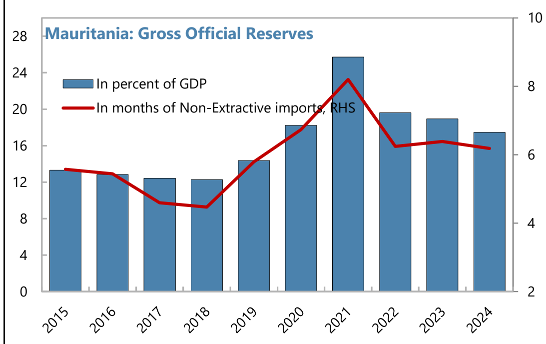
Mauritania: Financial Account
(percent of GDP)



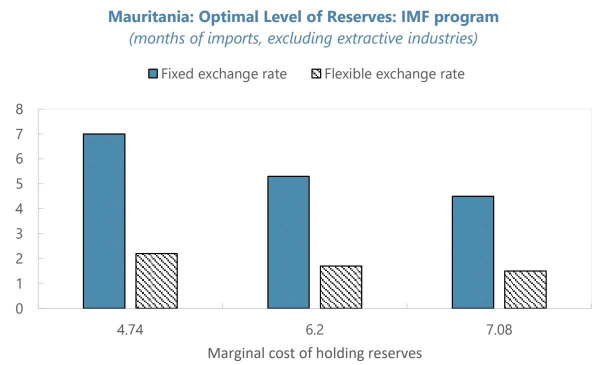
FX Intervention and Reserves Level

Background. Foreign reserves at end-2024 stood at 17.5 percent of GDP, or 6.2 months of non-extractive imports, broadly in line with the relative levels of 2022-23. Investment in extractive industries, strong gold and iron ore prices, and financing under the IMF-supported program have been supporting the reserves. Reserves are projected to hover between the 5.7-6.6 months of imports in the medium term. The BCM has been intervening by selling FX to minimize ER volatility within the +/- 5 percent band, in line with the annual interventions budget consistent with the program targets. In 2024, BCM interventions were more limited and rules-based, increasing market credibility.

Assessment. The IMF's reserve adequacy for credit-constrained economies metric provides an adequacy level of 5.3 months of non-extractive imports, assuming a fixed ER, an IMF program, and a marginal cost of holding reserves of 6.2 percent. While the assessment is sensitive to the assumed marginal cost of holding reserves—which is uncertain—Mauritania's official reserves are assessed as adequate. The uncertain external environment, risks of a possible decrease in ODA, and Mauritania's exposure to volatile commodity prices indicate that a higher level of reserves than suggested by the metric may be appropriate as a buffer against exogenous shocks.



Source: Mauritania authorities and IMF staff estimates



Annex II. Risk Assessment Matrix[1]

Sources of Risks	Relative Likelihood	Expected Impact	Policy Response
Global Risks: Conjunctural shocks and scenarios			
Geopolitical Tensions.	High	**High.** Intensification of conflicts, coupled with the weakening of multilateralism, may trigger commodity price volatility, increase migration pressures, reignite inflation, and weigh on growth by undermining confidence, investment, tourism, trade, and supply chains.	• Create policy space for contingencies by building fiscal buffers and broadening the tax base through fiscal structural reforms and economic diversification. • Deepen regional security cooperation. • Structural reforms to diversify the economy. • Enhancing the monetary policy framework to anchor inflation expectations and address potential inflationary pressures.
Escalating Trade Measures and Prolonged Uncertainty.	High	**Medium.** Rising trade barriers and prolonged policy uncertainty could reduce trade, investment, and growth. Inflationary pressures may re-emerge—especially in countries imposing tariffs. These effects can be amplified by strategic complementarities or bottlenecks in global value chains or inventory overhang.	• 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.
Commodity Price Volatility.	High	**Medium.** Shifts in supply and demand—driven by geopolitical tensions and conflicts, OPEC+ actions, or the green transition—may fuel commodity price swings, intensifying external and fiscal pressures, social unrest, and macroeconomic 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.
Financial Market Volatility and Correction.	High	**Low.** Stretched asset valuations, easy financial conditions, and subdued volatility in key markets could be significantly affected by a sudden and disruptive shift in investor sentiment or policy stance, triggering market corrections, exchange rate turbulence, spikes in sovereign bond yields, and capital flow volatility. Elevated leverage among Non-Bank Financial Intermediaries further amplifies these risks, as forced deleveraging during periods of stress could exacerbate asset price swings and propagate shocks. Rapid growth of unregulated crypto markets could add to these vulnerabilities by increasing the risk of redemption runs and market dislocations.	• Closed capital account and underdeveloped financial markets limit spillovers from global financial turmoil. • Strengthening of banking supervision and resolution framework to address weak banks.

[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.

Sources of Risks	Relative Likelihood	Expected Impact	Policy Response
Fiscal Vulnerabilities and Higher Long-Term Interest Rates.	High	**Low.** Rising public debt and deficit levels may put upward pressure on long-term interest rates and increase the risk of sovereign bond market disruptions. These developments could amplify capital flow volatility, tighten financial conditions, threaten sovereign debt sustainability, and trigger global spillovers. To the extent that major economies are affected, market imbalances (such as reduced investor capacity to absorb sovereign debt) could emerge, exacerbating risks from a close sovereign-financial nexus.	• Closed capital account and no access to international financial markets limit the risk. • Implementation of fiscal anchor aimed at stabilizing or reducing external debt.
Decline in International Aid.	High	**Medium.** A further sharp reduction in international financial assistance, including development aid and humanitarian support, could severely affect low-income and fragile countries. Such an additional aid withdrawal would strain public finances, worsen current accounts, increase debt vulnerabilities, and lead to a further deterioration in living conditions and food security.	• Better targeting of subsidies and removal of fuel subsidies with a strengthening of social safety nets. • Temporal use of fiscal buffers combined with reprioritizing expenditures.
Rising Social Discontent.	Medium	**High.** High living costs, weak growth, and inequality may fuel social unrest, hinder necessary reforms, and weaken countries' capacity to address domestic and external shocks.	- 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.
New Trade Agreements.	Low	**Medium.** New Trade Agreements. A breakthrough in trade talks could reduce uncertainty and protectionism, boost investment and productivity, and support broader reforms to lift medium-term growth.	• Structural reforms, particularly in the business environment to capitalize on potential gains.

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

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 2025-2026	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 to train the authorities in conducting a spending review
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 MOF	
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 have also completed an evaluation of the macro fiscal function in June 2025. FAD 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

	Program Structural Benchmarks 2025-2026	Supporting CD and Diagnostic Tools
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	LEG provided TA to support the preparation of the draft decree.
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	LEG provided TA to support the preparation of the draft decree
13	Publish the semi-annual report on the implementation of the action plan in key governance areas supported by the IMF governance diagnostic	

Annex IV. Scenario Analysis, Impacts of Iron Ore Price Shock, US Tariff Hikes, and ODA Cuts, and Contingency Planning[1]

This annex discusses the potential direct and indirect macroeconomic impacts of possible changes in iron ore prices under an alternative scenario, as well as the effects of higher tariffs and reduced official development assistance. The authorities welcomed the alternative scenario exercise as a useful tool to help anticipate potential shocks and committed to designing a coordinated policy response over time.

Alternative Scenario[2]

1. **A decline in iron ore prices would have a significant negative macroeconomic impact.** The alternative scenario models a 20 percent drop in iron ore prices in 2026, followed by a 60 percent persistence factor and a gradual return to the October WEO price path between 2028 and 2030. This is aligned with historical price patterns—excluding the pandemic-related spike—and could occur in the event of a global slowdown and a pronounced contraction in China's construction sector. Real GDP growth remains broadly comparable between the baseline and alternative scenarios over 2026–2030, except in 2027, where the price shock has a more pronounced effect. The NEPB is unchanged across scenarios. Public debt, however, is higher under the alternative scenario from 2026 through 2030. The CA deficit widens in 2026 and 2027 before converging thereafter, while international reserves remain lower than in the baseline.

2. **If such a shock were to materialize, the authorities would consider a comprehensive set of policy measures to mitigate the impact.** These include the prudent use of international reserves—while maintaining adequate import coverage, consistent with the EBA derived NIR target—to help alleviate pressures on the BOP. A more flexible ER would also help absorb shocks. If inflationary pressures remain contained and reserve buffers adequate, the BCM could consider a reduction in the policy rate to support domestic demand and ease liquidity conditions. The authorities underscored that ongoing efforts to strengthen monetary policy transmission—through enhanced liquidity forecasting and sterilization operations—are critical to improving policy effectiveness to shocks.

3. **Staff emphasized that implementing the fiscal anchor could have a welcome countercyclical fiscal effect.** As current mining revenues are above average, by spending only average extractive revenues, the government is building fiscal buffers and creating space to respond during downturns (i.e. spending the equivalent of average extractive revenues even if actual extractive revenues are below average). This protects the government from volatile extractive prices and avoids abrupt fiscal consolidation or expenditure cuts that could amplify the slowdown when

[1] Prepared by Onur Ozlu, MCD.

[2] Mauritania mainly exports iron ore, gold, fisheries, and gas, while it primarily imports fuel. The alternative scenario is modeled using downside price assumptions for iron ore. Fish prices are assumed to have a low risk of decline as nearly all fisheries exports are destined for European Union countries. Downside price assumptions for oil have minimal impact on the real and fiscal sectors, while the external indicators improve.

commodity prices are low. The authorities highlighted that initiatives to diversify iron ore export destinations are underway to reduce concentration risks and enhance external sector resilience.

US Tariffs and Official Development Assistance (ODA)

4. The direct impact of the US tariff hikes is likely to be marginal. As of December 5, 2025, the effective tariff rate on Mauritania's exports to the U.S. was 12.0 percent (as imports are subject to the general 10 percent tariff), [3] below the 18.5 percent average effective U.S. aggregate tariff rate. Only $2.63 million (0.07 percent of total exports) trade volume is affected.

5. The reduction in ODA poses risks to social outcomes and is likely to require the authorities to identify priority areas to step in. The UN flagship programs consisting of a Cooperation Framework and a Refugee Response and Resilience Plan (3RP) to provide humanitarian assistance for refugees and displaced persons have been affected by ODA contraction. [4] As of November, the 2025 funding gap of the framework stood at about 52 percent, up from a funding gap of 25 percent in 2024. [5] The gap has been partly offset by reallocations from the WB and other partners, but the sustainability of these temporary measures remains uncertain, extending downside risks into 2026. For 2025-27, the funding gap for the framework is estimated at about US$245 million (2 percent of GDP), with governance programs being underfunded the most. Without new long term donor support, the gap risks increasing.

United Nations - Mauritania Cooperation Framework, 2025–27
(in million US dollars)

Category	Requirement (2025–2027)	Available (2025–2027)	% Funded (2025–2027)
Inclusive Growth	$139,3	$44,9	32%
Human Capital	$71,2	$26,6	37%
Gender	$43,2	$8,5	20%
Governance	$85,7	$15,0	17%
Total Framework	**$339,5**	**$95,0**	**28%**

6. Moreover, the drop in the aid across the Sahel is increasing refugee inflows to Mauritania. The influx of refugees into bordering regions with Mali has accelerated, up from 150,000 in 2023 to 300,000 in October 2025. Monthly arrivals of 4,000 Malian refugees in 2025 have pushed needs in Hodh Chargui well beyond available financing. This puts further pressure on the funding needs of the 3RP: As of October, 3RP 2025 faced a funding gap of approximately 56 percent (approximately USD 48 million), versus the 38 percent funding in 2024 (approximately US$31 million). The gap would have been far larger without substantial support from a wide range of donors, underscoring the strong need for predictable, multi-year support.

[3] Baseline imposed on countries without a specific bilateral agreement or trade deficit with the U.S.

[4] According to the UN, social programs affected include ensuring food security for 74,000 refugees and access to water for about 140,000 people.

[5] The available funding for the UN Framework for 2025 is USD 61,6 million (about 0.5 percent of GDP) against the funding need of USD 129,2 million. The financing provided in 2024 was USD 97.9 million.

7. The UN has initiated the dialogue with the authorities to minimize detrimental social impact. Staff reiterated the importance of mapping the authorities' contributions to ongoing UN programs, on which no reconciled data is currently available. The current baseline under the program already incorporates lower aid inflows for 2025-30 (by about 0.8 percent of GDP annually), the government has taken on the funding of school feeding and more may follow. A careful assessment by the government of where else it may have to step in is warranted. 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.

Annex V. Illustration of the RSF RM Ambition Summary Table

Box 1. Mauritania: Illustration of the RSF RM Ambition Summary Table

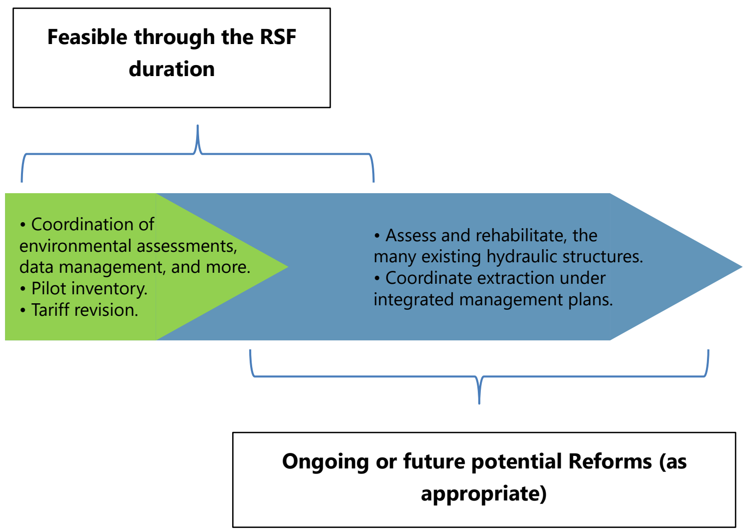
Staff assesses that strengthening Mauritania's macroeconomic resilience and sustainability requires, inter-alia policy reforms that reduce macro-critical balance of payments risks associated with climate change. Reform areas covered by the RSF, were identified also thanks to the application of the DIGNAD modelling (see RSF request SR, December 2023, Annex III). These include: (i) Integrating Climate in PFM and Public Investment; (ii) Social Protection Against Climate Shocks and Transition; (iii) Fuel and electricity reform and (iv) Strengthening the financial sustainability and institutional framework for water management.

For each of these reform areas, the table below shows an assessment of the status prior to the approval of the RSF arrangement—including policies or institutional frameworks (left column) and the desired long-term policy outcome (third column), which include shifting to market-based pricing mechanisms and filling institutional gaps that can result in market failures and may give rise to fiscal liabilities and external financing needs. RSF-supported reform areas (both RMs and commitments in the MEFP), represented by the green arrow, are targeted at helping the country achieve these outcomes. To fully achieve the policy outcomes, additional reforms will be necessary. Some of the possible additional reforms, drawn from available diagnostics, are reported in the blue arrow. These are reforms that may be supported by development partners or carried forward independently by the authorities—in synergy with and building off the momentum of the RSF; however, they do not necessarily represent authorities' commitments. Some of these additional reforms may be already underway, highlighting the complementarity of the RSF with efforts from country authorities and other development partners.

The relative length of the green arrow compared to the "full set" of reforms provides a proxy of the progress expected to be possible directly through RSF-supported reforms. This reflects the authorities' ambition (cognizant of their capacity) under the RSF arrangement as well as limits to the Fund's expertise in certain areas. For example, the Fund's expertise in areas such as clean cooking or agriculture is limited while development partners are better placed to provide this support.

Pre-RSF Status	Main reforms: RSF-supported (green) and beyond RSF horizon (blue)	Desired LT Policy Outcome	Prospective BoP Risk Reduction
An absence of climate informed budget reporting. Lack of a standard methodology for climate informed project appraisal and selection.	**Integrating Climate in PFM and Public Investment** **Feasible through the RSF duration** • Climate budget note informed by budget tagging. • Integration of climate aspects into all public investments. • Pilot climate screening for major projects. **Ongoing or future potential Reforms (as appropriate)** • Fiscal risk statement and register integrated in budget cycle. • Full integration of NDCs into sectoral investment strategies. • Include climate in the new law on governance of SOEs and in program contracts.	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. Increase in resilient and green public investments, which ultimately will reduce (i) the risk of disruptions to critical services, (ii) reduce maintenance and rehabilitation costs and (iii) greenhouse gas emissions.	*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. Reduces the impacts of weather shock on both capital stock and output. Facilitates rapid recovery of growth and net exports.
A lack of (i) legal basis for the cash transfers; (ii) full coverage of effected vulnerable households and (iii) full government financing.	**Social Protection Against Climate Shocks and Transition** **Feasible through the RSF duration** • Decree on Tekavoul social safety net program, with climate shock component. • Expansion of Tekavoul to drought-affected vulnerable households. **Ongoing or future potential Reforms (as appropriate)** • Introduce means-tested subsidy to liquefied petroleum gas (LPG) and LPG cylinders and cookstoves, leveraging the Social Registry to improve fiscal efficiency.	Reduced impact of climate related hazards, notably droughts, on vulnerable households. Prevention of famine.	*Supports fiscal and external sustainability, and growth resilience.* Help 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.*

Pre-RSF Status	Main reforms: RSF-supported (green) and beyond RSF horizon (blue)	Desired LT Policy Outcome	Prospective BoP Risk Reduction
No efficient fossil fuel pricing or carbon pricing mechanism, limited competition and transmission access in the electricity sector, and no legal framework to mandate renewable energy use by mining companies or prevent routine flaring by oil and gas firms.	**Fuel and electricity reform** **Feasible through the RSF duration** • Automatic fossil fuel pricing. • Carbon tax. • Compensation for vulnerable households. • Promoting independent power producers. • Update social electricity tariff. • Complete the electricity sector reform work, ensuring financial sustainability of the sector and restructuring of SOMELEC. **Ongoing or future potential Reforms (as appropriate)**	Increased fiscal revenues, reduced fiscal burden, reduced GHG emissions, reduced poverty and inequality.	*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 revenue, 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 gas exports and FX earnings.

Pre-RSF Status	Main reforms: RSF-supported (green) and beyond RSF horizon (blue)	Desired LT Policy Outcome	Prospective BoP Risk Reduction
Weak interministerial coordination, limited knowledge of groundwater-dependent ecosystems, and water tariffs set below cost recovery create risks of overuse and underinvestment in the water sector.	**Strengthening financial sustainability and institutional framework for water management**  	Enhanced collaboration on key responsibilities will improve planning, enhance effectiveness of activities on the ground and contribute to better allocation of resources. Enhanced knowledge of GDE's will enhance project evaluation and inform decision-making on protection of GDEs and sustainable groundwater management. Sustainable tariff setting permits efficient, equitable and sustainable use of water.	*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 tariffication reform will promote long term fiscal sustainability by reducing fiscal and external financing needs.

Sources: IMF staff report for Mauritania (2025); IMF Rapport d'Assistence Technique (2023); IMF Climate Module of the Public Investment Management Assessment and Green Public Financial Management (C-PIMA, 2024); Country Climate and Development Report (World Bank, 2022); and staff assessment.

Appendix I. Letter of Intent

Nouakchott, January 13, 2026

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

Dear Madam Managing Director:

We are pleased to inform you we continue to make considerable progress in implementing our economic and financial program, which the IMF supports through the Extended Fund Facility (EFF), the Extended Credit Facility (ECF), and the Resilience and Sustainability Facility (RSF). In particular, we have met all quantitative targets to the end-June 2025 and implemented most of the structural measures.

Mauritania continues, however, to face considerable risks from increased instability in the Sahel region, the massive influx of refugees, and climate shocks. Despite these uncertainties, the Mauritanian economy continues to show resilience thanks to sound macroeconomic management and the resolute implementation of reforms in recent years. As a result, economic activity in 2025 is expected to grow at a rate of 4.2 percent, with inflation contained below 2 percent.

Consolidating the sustainability of public finances and fiscal credibility remains a priority. In this regard, the draft 2026 Finance Law submitted to the National Assembly targets a non-extractive primary deficit of 3.3 percent of GDP, supported by better tax revenue mobilization and spending efficiency. We will accelerate efforts to institutionalize the fiscal rule in the Organic Law on Finance Laws in order to strengthen the resilience of our economy to shocks. 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.

We continue to make progress in implementing our governance action plan. In this regard, we intend to accelerate the application of the implementing decrees of the laws on the Nouadhibou free zone and state-owned enterprises, and to operationalize the new national anti-corruption authority. With regard to our climate agenda, supported since December 2023 by the Resilience and Sustainability Facility, progress has been made with the adoption of the decree on the energy mix and the continued incorporation of climate action into the budgetary process. We are in the process of implementing the fuel price reform and the accompanying measures to mitigate the impact on vulnerable households.

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 completion of the fifth 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; (ii) the completion of the fourth review of the RSF and the disbursement of SDR 59.44 million, 46.15 percent of Mauritania's quota and (iii) the modification and resetting of the SB on the fiscal anchor from end-March 2026 to end-April 2026.

We are requesting a waiver of applicability for performance criteria for end-December 2025, as these data will not be available before the Executive Board meeting and there is no clear evidence that these performance criteria will not be met.

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	Abdallahi Souleymane Cheikh Sidiya
Governor of the Central Bank	Minister of Economy Affairs and Development

/s/
Codioro Moussa N'Guenor
Minister of Finance

Attachments (2):

1. Memorandum of Economic and Financial Policies
2. Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

A. Background

1. The Mauritanian government continues to make economic and social resilience the centerpiece of its public policy thrust to address the multiple shocks. Mauritania continues to face substantial development challenges against a backdrop of heightened vulnerabilities and risks. We must acknowledge that high growth rates have not sufficiently translated into a reduction in poverty levels, which are relatively high, particularly in rural areas; and job creation in a context characterized by a predominantly young population (persons under 25 years of age represent just under 60 percent of the population) and persistent spatial disparities. In addition, the ongoing deterioration in security in the Sahel is a major vulnerability factor, requiring increased efforts in the areas of security and social cohesion. In this context, we remain determined to accelerate the social and economic transformations, with a focus on the development of human capital, and more specifically youth, through the effective implementation of bold socioeconomic and governance reforms in line with the Strategy for Accelerated Growth and Shared Prosperity (SCAPP 2016-2030).

2. Our economic and financial program (2023-2026) supported by the International Monetary Fund (IMF) through the Extended Fund Facility (EFF), the Extended Credit Facility (ECF), and the Resilience and Sustainability Facility (RSF) continues to deliver tangible results a few months from its completion. Our rigorous macroeconomic management and ongoing commitment to reforms have enabled us to consolidate the gains made in macroeconomic stability, leading to the creation of fiscal space to strengthen social and economic resilience and to consolidate the comfortable level of international reserves. Substantial transformational reforms are also being implemented, with already noticeable impacts in the areas of governance, macroeconomic management, and climate action.

3. As in previous reviews, the EFF/ECF targets for end-June and end-Sept 2025 have been achieved, and progress has been made in implementing structural benchmarks under the ECF/EFF and reform measures under the RSF. We will step up our efforts to ensure that the governance reforms are effectively implemented and to complete, in the coming months, the reforms in the area of climate change mitigation and adaptation.

B. Recent Economic Developments and Outlook

4. In general, the Mauritanian economy continues to demonstrate resilience in a context characterized by heightened uncertainty and geopolitical risks:

- Economic growth in 2024 stood at 6.3 percent, compared to 6.8 percent in 2023, remaining solid despite a slight slowdown as a result of weaker performance in the extractive sector (1.9 percent, compared to 12.2 percent in 2023). These developments reflect the positive dynamics in the non-extractive sector (+7.3 percent) supported by a recovery in agriculture and fisheries, robust activity in the construction sector, and sustained growth in financial sector. Concurrently, after declining to 0.6 percent at end-June 2025, inflation increased slightly to 1.8 percent at end-October 2025-, primarily driven by food price inflation.

- The external current account deficit narrowed during the first half of 2025 owing to a reduction in the trade deficit in connection with favorable terms of trade. Against this backdrop, net international reserves at end-June 2025 remained stable at nearly US$1.46 billion, well above the program target of US$1.26 billion.-The nominal effective exchange rate (NEER) and the real effective exchange rate (REER), At end-June 2025, had depreciated by approximately 3.6 percent and 3.8 percent, respectively, compared to end-2024.

- The broad money supply increased from MRU 150.8 billion in August 2024 to MRU 173.8 billion in August 2025, marking an increase of 15.26 percent year-on-year. This increase reflects a 55 percent increase in net claims of the banking system on the government in a context of significant revitalization in the Treasury securities market. In fact, the share of these net claims in net domestic credit stood at 26.6 percent at end-August 2025, compared to 24 percent at end-2024 and 17.6 percent at end-2023. The slowdown in banking system claims on the private sector continues with an increase of 8.39 percent at end-August 2025 on a year-on-year basis, significantly below the peak recorded in October 2024 (12.42 percent).

5. The medium-term economic outlook remains positive despite an expected slowdown in 2025. Economic growth is expected to slow to 4.2 percent in 2025 as a result of the difficult start of the GTA gas project and the contraction in other extractive activities. However, the non-extractive sector performance should continue to be sound. Growth is expected to accelerate to 4.7 percent in 2026 and reach an average of 5 percent during 2026-2029, peaking at 5.7 percent in 2028 due to the rebound in gold and iron production, the GTA project becoming fully operational, the continued expansion of the agriculture and fisheries sectors, and the effects of the structural reforms on the private sector. The balance of payments current account deficit is expected to narrow in 2025 and to stabilize gradually in the range of 5 to 7.5 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 further escalation 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 spending to address the security and humanitarian challenges.

- Negative terms of trade shocks, including higher oil and food prices, or a drop in prices of iron or fishery products are likely to lead to greater macroeconomic and social challenges.

- The risks associated with climate change could lead to a deterioration in infrastructure and could undermine agricultural production, causing increased food insecurity. The resulting imports of food products and building materials might increase balance of payments financing needs, exerting thereby pressures on international reserves and economic growth.

- Persistent disruptions in GTA gas project operations, which began in early 2025, and unfavorable price fluctuations on the commodities markets could lead to reduced tax revenue from the extractive sector and increased external financing requirements, with potential adverse effects on the medium-term debt profile.

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

C. Institutionalizing Fiscal Anchoring and Enhancing Revenue Mobilization and Spending Efficiency to Reinforce Fiscal Credibility

7. We have met all of the EFF/ECF quantitative targets by end-June 2025 and will continue to apply our prudent stance in budget execution.

- Overall, budget revenue at end-June 2025, increased by MRU 5.7 billion, a 12 percent increase compared to the first half of 2024, despite the decline in grants. Total revenue excluding grants increased by MRU 6.4 billion, or 14.1 percent, reflecting a better tax and nontax revenue collection.
- Increase in expenditure at end-June 2025 was contained at MRU 1.3 billion, or 2.7 percent, owing to the decline in current transfers, stagnation in the wage bill, and lower public investment execution compared to the first half of 2024.
- Against this backdrop, the non-extractive primary balance at end-June 2025 shows a deficit of MRU 6.8 billion, well below the program target of MRU -11.6 billion at end-June. The overall balance posted a surplus of MRU 2 billion, compared to a deficit of MRU 2.3 billion at end-June 2024.
- The recourse to domestic financing (MRU +1.6 billion), in particular through net bond issuances of MRU 3.6 billion, resulted in external debt reduction, with negative flows of MRU 3.8 billion.

2025 Draft Supplementary Budget Law

8. In line with our commitments, the 2025 Supplementary Budget Law (LFR) incorporates a fiscal rule and continues to be aligned with the parameters of the EFF/ECF program. The 2025 objective for the non-extractive primary balance is therefore maintained at MRU 15.4 billion, in line with our medium-term fiscal consolidation objectives of a non-extractive primary deficit of less than 3.5 percent of GDP. We also increased defense and security expenditure in light of the heightened security challenges, while redirecting expenditure to social programs and strategic infrastructures.

9. We intend to continue our efforts aimed at more effective tax revenue mobilization. The measures on the revenue side under the 2025 LFR specifically include:

- **Consumption tax reform (*Structural Benchmark for end-August 2025 – met*),** which replaced the former consumption tax with a conventional system of excise taxes applicable to all products, whether imported or domestic. This reform strengthens the taxation of products with negative externalities and improves transparency on levies applied to imports.

- **Streamlining of registration fees:** The amendments are designed primarily to ensure the explicit designation of certain types of contracts in order to secure revenue that had not been collected in the past and to introduce penalties for late payment of real estate fees.
- **Strengthening of taxpayer compliance:** The 2025 LFR introduces provisions making the posting of essential tax information compulsory for taxpayers, which should enhance transparency and reduce opportunities for illegal or informal activities.

2026 Draft Supplementary Budget Law

10. We will continue to base our fiscal policy on the anchoring the medium-term fiscal framework (MTFF) to a fiscal rule, in order to smooth the volatility linked to extractive sector resources and to support debt sustainability. The 2026 Budget Law will be the first budget to be prepared using the program budgeting approach. The projected non-extractive primary balance (including grants) in the 2026 Budget Law is established at MRU -16.9 billion, in line with the medium-term fiscal anchor estimated at - 3.5 percent of GDP. The deficit will be stabilized at this level in the medium term, which will shield public expenditure, in particular, social and infrastructure expenditure, from the volatility of extractive sector revenue and will maintain the debt ratio at approximately 40 percent in the medium term. This fiscal policy will be based primarily on better tax revenue mobilization and more efficient public expenditure. For that purpose, we will capitalize on the Tax Policy Unit (UPF) established in 2024 to prepare a revenue mobilization strategy that includes the identification and evaluation of options for tax policy measures consistent with the medium-term fiscal framework, designed to gradually achieve the large tax potential of our economy. The Tax Policy Unit should also prepare an impact study for potential tax measures, including those considered under the 2026 Budget Law. In this connection, we have identified both tax policy and tax administration measures, drawing in on IMF recommendations.

11. We will continue the revenue mobilization efforts to address the considerable infrastructure and social sector needs. Accordingly, in terms of tax policy, we will include in the 2026 Budget Law a battery of measures aimed at broadening the tax base, reducing exemptions, simplifying the tax system, and making it fairer.

- **Tax expenditure rationalization.** To date, the Tax Policy Unit has assessed only 60 percent of the tax and duty exemptions under the 2024 Budget Law. We will accelerate this evaluation process with the aim of finalizing it before end-2026. For that purpose, we have recently introduced two measures that will provide the data required for this assessment, that is, the codification of all indirect tax exemptions (additional codes) and the introduction of a requirement for enterprises benefiting from exemptions to declare their turnover, subject to penalties. At the same time, with the aim of establishing a strategy to rationalize these tax expenditure items (estimated at 4.1 percent of GDP in 2024), we will undertake socioeconomic impact studies of these exemptions to assess their relevance with a view to developing a rationalization plan for its gradual reduction. Building on the impact assessment of VAT exemptions planned with the World Bank's support, we also plan to rationalize these exemptions and to initiate a gradual reduction of those considered to be regressive beginning with the 2027 Budget Law. We are concurrently requesting technical support from the IMF for any further impact study of tax expenditure and for the preparation of a plan for its rationalization. In addition, a special purpose account for VAT credit refunds has been established and the mechanisms for its operation and management have been determined by a decree of the Minister of Finance. We will also initiate a study, under the leadership of the DGI risk management unit, to determine the categories of taxpayers eligible for VAT refunds.

- **Investment Code.** Following the promulgation of the new Investment Code in December 2024, the Council of Ministers adopted an implementing decree in July 2025 on the organization and operation of the services responsible for the creation of enterprises, the approval and monitoring of investments, the composition of the application for acceptance, and the procedure for control and monitoring of enterprises that receive benefits under the Investment Code.

- **Collection of the climate contribution levy.** We incorporated provisions into the 2025 LFR to gradually increase the rate of the climate contribution for hydrocarbons introduced into the 2025 Budget Law to reach US$50 per ton by 2030. The rate will therefore increase according to this process from US$10 in 2025 to US$20 in the 2026 Budget Law, in line with the planned schedule. Measures have been taken to ensure that this contribution is collected from large consumers (such as the National Industrial and Mining Company—SNIM—and the Mauritanian Electricity Company—SOMELEC). Progress has also been made to ensure that foreign mining companies comply with this contribution, including it in the agreement recently signed with one of them. We will step up our efforts to ensure that all mining companies comply with this requirement, in line with their commitments to the ecological transition.

- **Simplification of the tax system.** We have finalized the reform of the General Tax Code (CGI), which aims 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 Finance (MdF) **(*Structural Benchmark for end-December 2025 - met*).** Moreover, we will complete, by September 2026, a study on the wage structure to list the effective exemptions applied and harmonize tax practices with the provisions of the tax law on civil servants' wages, including bonuses. The terms of reference for this study have been finalized, and we are in the process of hiring local expertise to conduct the study. We will also organize consultation events through tax conferences that could help build wider support for tax policy reforms.

- **Property taxation reform:** We are planning a study in 2026, with the support of the World Bank, to determine appropriate property taxation consistent with progress made in the ongoing major reforms in land use planning, urban planning, and the property registry, including the digitization of property transactions and subsequently the real estate titling. These actions, undertaken under the leadership of the Ministry of Property, will serve as a basis for more effective property taxation.

- **Risk management:** We will make the DGI's risk management unit operational, including the management of risks in connection with the mining and hydrocarbons sectors, by providing it with more human resources. We also intend to improve our understanding of transfer pricing by strengthening the corporate income tax management system for multinational enterprises and their subsidiaries.

12. We will concurrently accelerate the implementation of reforms in the tax and customs administrations with a view to improving tax collection and the efficacy of the DGI and DGD. Our strategy in this area is guided in particular by recommendations from the recent IMF tax administration diagnostic (TADAT). Key measures in progress include the following:

- **Implementation of the Law of the Nouadhibou Free Zone.** Following the promulgation of this important law in July 2024, a memorandum of understanding was adopted and signed in June 2025 between the Free Zone 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 Zone, particularly with regard to collections, tax and customs control of authorized enterprises, and prevention of tax evasion and fraud. ***(Structural Benchmark for end-September 2025 – met).*** The council of Ministers adopted in Novembre 2025 the decrees implementing the mechanisms of the law. In addition, we will closely monitor the level of tax compliance of enterprises operating in the Nouadhibou Free Zone and will apply any control and penalty measures against non-compliant enterprises that may be required. We prepared and distributed a circular clarifying the tax obligations of enterprises in the Free Zone. Off-site supervision activities have also been scheduled for some taxpayers in the free zone. To ensure the transition to the new Free Zone tax framework, an action plan was established based on the following activities: taking stock of the enterprises established in the Free Zone and incorporating their data into the Jibaya system by the end of the first quarter of 2026; checking to ensure that the enterprises involved comply with their tax obligations; and identifying and following up with noncompliant enterprises in a timely manner.

- **Improved tax collections / reduction of tax arrears.** The measures include: (i) implementation of electronic signatures for customs officers and brokers; (ii) implementation, by decree, of the Task Force within the Ministry of Finance responsible for collection of tax arrears; and (iii) adoption of a strategy for the collection of tax arrears. We will also continue to clean up the taxpayer register 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 recovering arrears from public enterprises and ensuring their compliance, a number of specific measures have already been taken, including the issuance 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 issuance of third-party notifications for enterprises that fail to respond to the requests. In general, optimizing the management of outstanding debts is a priority. By end-September 2026, we will finalize the establishment of the system required to implement the public enterprise debt consolidation plan, including the systemic application of write-off and netting procedures for claims. Lastly, 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) establishment of criteria for enterprises, importers, and exporters to obtain status as Authorized Economic Operators (OEA), 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) introduction of new rules allowing customs officers to conduct investigations to verify and prove certain offenses; and (iii) simplification and harmonization of economic customs regimes in line with our country's regional and international commitments.

- **Implementation of customs transaction value.** In accordance with the provisions of the Customs Code and the WTO Agreement, we will apply the customs value as defined by the transaction value, that is, the price effectively paid or payable for imported merchandise, adjusted, *inter alia*, to reflect transportation and insurance costs, plus import duties and taxes. This provision, that is already confirmed in the Customs Code, will gradually replace the standard reference value that is now in use. For that purpose, the tax administration measures will be strengthened to ensure rigorous, consistent implementation. A transition program to the generalized application of the transaction value to all imports will be fully deployed by end-December 2026. However, the standard reference value will continue to be used as a tool for comparison and to detect potential fraud. Lastly, to improve customs risk management and declaration control, we will conduct a mirror gap analysis to identify the products most impacted by the value reductions.

- **Modernization of tax and customs administrations.** As part of the reform of the organizational structure of the DGI and the DGD, we have finalized decrees on new functional organizational charts in line with the recommendations from the IMF technical assistance. We adopted them in December 2025 ***(Structural Benchmark end-December 2025, not met).*** The new organizational structure will enable the DGD, in the framework of its administrative and financial autonomy, to carry out its tasks promptly and effectively, so that it has the power to support the implementation of reforms aimed at its modernization and the adaptation of its system to reflect developments at the national and international levels. For the DGI, the restructuring effort is designed to strengthen the role of the risk management unit and to promote decentralization through the delegation of some routine management responsibilities to operational directors.

13. We are confident that these measures will lead to an increase in total revenue of MRU 11.8 billion in 2026 compared to the 2025 LFR. The table below shows the main developments planned for each major tax category for 2026. We are committed to implement all of the above-mentioned measures, so that the revenue projected in the tables below can be mobilized.

Text Table 1. Mauritania: Expected DGI Tax Revenue for 2026
(in billions of MRU)

	2025 LFR	2026 Budget Law (LF)
Income tax, including GTA gas project revenue	10.46	12.04
Of which: extractive	2.90	3.22
Tax on salaries and wages	9.84	10.18
Tax on income from movable capital	1.40	1.50
Of which: extractive	0.30	0.33
Simplified Tax Regime (RSI)	0.97	1.10
Domestic VAT	7.00	7.87
SNIM Single Tax/GST-FTT	3.60	4.33
Of which: SNIM single tax (extractive)	2.20	2.20
Other taxes (insurance, vehicles, airport, etc.)	2.00	2.00
Total DGI	**35.27**	**39.02**

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 2026
(in billions of MRU)

	2025 LFR	2026 LF
Minimum Flat Customs Duty	3.36	3.69
VAT on imports	14.87	16.13
Tax on oil products	2.58	3.25
Climate contribution	1.29	2.76
Consumption taxes (tea, tobacco, sugar, cement)	1.24	1.68
Imports (customs duty)	11.26	14.12
Statistical fee	1.41	1.69
Other fees	2.70	
Total DGD	**38.71**	**43.32**

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 DGTCP Tax Revenue for 2026 (concluded)

	2025 LFR	2026 LF
Stamp duty	0.72	0.91
Property taxes	1.5	1.89
Total DGTCP	**2.22**	**2.80**

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

14. Rationalization of expenditure continues to be a priority through continued efforts to reduce untargeted subsidies and to make expenditure more efficient. In this connection, the measures considered include:

- **Fuel price reform**. With technical support from the IMF, the Council of Ministers adopted a decree establishing a new fossil fuel price structure in January 2026, including a tax structure consistent with the 2026 Initial Budget Law. This new structure automatically aligns domestic prices with changes in international prices, eliminates any discretionary intervention in pricing, gradually eliminates subsidies, and introduces a price smoothing mechanism ***(Reform Measure VI for end-March 2025).***

- **Pension reform**: We will develop and implement an action plan based on the recommendations from the IMF technical assistance mission on the assessment of pension systems and on the actuarial study that is now in progress. A preliminary report on this study, prepared by an external consulting firm, has already been completed, and the final version based on the updated data will be validated during the year. This version will make it possible to define specific measures aimed at strengthening the viability and sustainability of the pension system in the medium and long term.

- **Public expenditure review:** With the support of the IMF technical assistance, the Ministry of Finance has prepared the first review of current public expenditure covering the years 2022 to 2024 [1] ***(Structural Benchmark –end-September 2025 – met).*** We will continue to systematically update this review every year, while gradually supplementing it to (i) highlight issues requiring more thorough analysis with a view to formulating specific, operational recommendations; and (ii) identify any gaps in the data and propose ways to begin collecting the information required for future fiscal years. This review will be an essential tool for enhancing the quality of the fiscal process and improving the allocation of resources between the different sectors. For that purpose, we will conduct by September 2026, a further expenditure review that will possibly

[1] https://finances.gov.mr/fr/node/723

focus on a priority sector to expand the analysis of the efficacy and efficiency of public expenditure in this area.

15. The scaling up of the public investment requires the continued improvement of the framework for public project management. We aim to raise the public investment rate in 2026 to 12.1 percent of GDP (projections) (compared to 8.7 percent of GDP in 2024) and to gradually increase it to 14 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 reduced the volume of public contracts awarded by direct agreement to 15.4 percent at end-September 2025, compared to more than 24.1 percent during the same period in 2024.

16. 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 benefiting vulnerable households.

- ***In the social protection sector:*** We adopted in July 2025 the National Social Protection Strategy for the period 2025-2035, which aims to expand the supply of social assistance, increase the number of health insurance beneficiaries, strengthen social security networks, and support employment for women and young persons and programs targeting the most vulnerable groups. Using the comprehensive, regularly updated Unique Social Register (RSU), the social protection programs managed by the Taazour benefit more than 140,000 vulnerable households (representing about 20 percent of the population).

- ***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. Accordingly, there are plans to recruit 1,000 teachers during 2026. As a result of the decline in official development assistance to school canteens, we have earmarked MRU 50 million for the school food program, in the 2026 Budget Law.

- **In the health sector:** We will allocate more resources for the construction and equipment of health centers, as well as for the strengthening of medical and paramedical resources. In this connection, we plan to establish 400 medical and paramedical jobs during 2026. We will also increase 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.

17. As a result of the accelerated influx of refugees, it is urgent to work with development partners to plan actions to prevent food insecurity and ensure access to basic services. In a context of deteriorating security in the Sahel region, the influx of refugees to Hodh Chargui accelerated from 150,000 in 2023 to 309,670 as of June 30, 2025 (an increase of 106 percent). The

Mbera camp, which houses 120,000 refugees, has become the country's second largest demographic grouping after Nouakchott, while a further 176,000 refugees live in host communities in 76 municipalities. Against this backdrop, international solidarity is key to support Mauritania's efforts to contain the increase in food insecurity risks and to address challenges stemming from this influx. The financing gap for the refugee response and resilience plan coordinated by the United Nations, for which the overall cost is US$152 million for 2025, is estimated at 60 percent. In addition, the measures to strengthen control of our borders and the efforts to fight illegal immigration and human trafficking are beginning to bear fruit, as evidenced by the reduction in arrivals in Spain via the Atlantic route to less than 13,000 at end-September 2025, compared to 31,192 during the same period of 2024 (a decline of 60 percent). Also, as indicated by the United Nations Special Rapporteur, more technical and financial support from development partners is needed to strengthen our institutional and logistical capacities to address the issue of illegal immigration. The Government of Mauritania continues its welcoming, inclusive policies for refugees, in a spirit of solidarity and regional stability. In collaboration with UNHCR, and other United Nations agencies, we are preparing an integrated approach for the period 2026-2030 focusing on the socioeconomic development of Hodh Chargui and the consolidation of activities covering humanitarian aid, resilience, sustainable development, and social cohesion.

Public Financial Management and Fiscal Transparency

18. To ensure that the benefits from fiscal anchoring are durable, we will amend the Organic Law on Budget Laws (LOLF) to introduce the principles of a fiscal rule on the non-extractive primary balance, in line with IMF recommendations *(Structural Benchmark - Date deferred to April 15, 2026)*. This amendment should also clarify the escape clauses, correction mechanisms, and monitoring and control systems, and should integrate the fiscal rule into the medium-term fiscal framework (MTFF) by introducing a reference to fiscal anchoring in the section devoted to fiscal policy guidelines. We have requested technical assistance from the IMF to support us in the implementation of this reform measure. We will also conduct consultations and discussions 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.

19. We will establish a new macro-fiscal unit within the Ministry of Finance to centralize the macro-fiscal projections. This unit will have the following main functions: (i) preparing multiyear macroeconomic and fiscal projections; (ii) preparing and updating the medium-term fiscal framework; (iii) contributing to the preparation of draft budget laws; and (iv) analyzing and monitoring fiscal risks, including those related to macroeconomic shocks and the government's commitments. With technical support from the IMF, we will build the institutional and technical capacities required for this unit to operate effectively. Steps will also be taken to provide qualified staff, focusing primarily on staff who have received training from the IMF in macroeconomic modeling.

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 was signed by the authorities. The reports are published monthly and presented to the CCI at its monthly meeting.

21. To improve fiscal transparency, we will continue to modernize the presentation of budget statistics and the Table of Government Financial Operations (TOFE) in line with the international standards of the *Government Finance Statistics Manual 2014* (*GFSM 2014*) with the technical assistance of the IMF. For that purpose, we will start work on the production of TOFEs for social security (the Social Security Fund—CNSS—and the National Health Insurance Fund—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. A TOFE Validation Committee was also established. It is responsible for preparing both the provisional and operational TOFE within the required deadlines, as well as for conducting the reconciliations required to ensure that the data is accurate and complete. In the context of expanding the scope of coverage of the TOFE, a working group was also created with representatives from the National Health Solidarity Fund (CNASS), the National Health Insurance Fund, and the National Insurance Fund for Employees (CNAS). These representatives received technical assistance in preparing TOFEs specifically for their respective institutions. Treasury staff will then consolidate these efforts to produce a more complete TOFE that covers the broader area of general government.

22. Our debt strategy will be based on one principle: to ensure a moderate level and cost of debt, in particular by prioritizing concessional and semiconcessional financing. To cover our financing requirements, we will also make greater use, in coordination with the BCM, of conventional and Islamic Treasury bill issues with longer maturities, which 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 taken out 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 recognize that this ceiling in itself 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 of financing agreements.

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

23. We have made significant progress in implementing flagship reforms to accelerate the modernization of the banking and financial sector and to strengthen its contribution to economic development. Our strategy is based on (i) modernizing the framework for monetary and foreign exchange policy management to adapt it to a flexible 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 as a result of (i) an expanded range of intervention instruments, including conventional overnight deposit facility operations and the overnight Islamic deposit facility introduced at end-December 2024; (ii) improved weekly forecasting of autonomous factors in bank liquidity; and (iii) more effective coordination of monetary and fiscal policies (with regular meetings of the Fiscal and Monetary Policy Coordination Committee (CCPBM) held an average of every 15 days). Against this backdrop, the monetary authorities have taken steps to narrow the interest rate corridor, which includes reducing the policy rate from 6.50 percent to 6.0 percent in August 2025. In addition, we will implement the following measures to further improve liquidity management and the conduct of monetary policy:

- Introduction in mid-November of Refinitiv, a trading platform to facilitate interbank trading operations with (i) liquidity in MRU (MRU interbank market); and (ii) government securities, while accelerating interfacing with the Central Securities Depository (CSD) launched in November 2023. To support commercial banks in this process, the BCM will implement a capacity building program through the creation of rates desks in commercial banks; training for traders, particularly on the pricing of government securities; and cash flow optimization. The program will extend until December 2026.

- Adoption of recovery plans for banks in structural liquidity default with a view to meeting liquidity requirements by March 2026.

- Strengthening of coordination between the monetary and fiscal authorities, ensuring in particular that the Ministry of Finance resumes weekly reporting on cash flow projections and government operations.

- Improved monitoring of liquidity through: (i) the completion of the establishment of a centralized database to which all BCM directorates contribute information; and (ii) more effective monitoring of discrepancies between forecasts and outturn in connection with autonomous liquidity factors.

25. Improved capability to forecast inflation will lead to better informed monetary policy decisions. The BCM is currently using three forecasting models, including with support from the World Bank. We plan to strengthen the BCM's forecasting capacities through the implementation of a quarterly projection model with IMF support. An IMF technical assistance program will be established based on the scoping mission conducted in November 2025. To modernize monetary policy decision-making, we will strengthen internal coordination and data governance within the

BCM. The Research and Monetary Policy Divisions will have access to the centralized database. We will also establish a permanent coordination mechanism between the BCM's Directorate General of Research and Monetary Stability (DGESM) and National Statistics and Demographic and Economic Analysis Office (ANSADE) to ensure timely data sharing. These activities are essential for a robust macroeconomic framework and reliable forecasting. We also intend to conduct, with the IMF support, an analysis of the appropriate level for the interest rate cap for consumer protection reasons that banks can apply to their loans (overall effective interest rate—TEG). In the interim, we will keep the TEG at the current level, corresponding to the policy rate plus 8 percent.

26. The development of Treasury securities markets currently in progress will contribute to the modernization of monetary policy management and the diversification of funding sources. Substantial progress was made with the significant increase in the volume of Treasury bill and bond issues (with an outstanding balance of MRU 26.4 billion at end-September 2025, compared to MRU 16.7 billion at end-December 2024), and the gradual extension of the maturity of Treasury bond issues. To increase the depth of the government securities market and facilitate the emergence of the secondary market, procedures, and in particular the issue policy, must be modernized and investor engagement must be strengthened. In this connection, we plan to (i) ensure timely communication of the updated quarterly schedule of issues for the year; (ii) adjust the frequency of Treasury securities issues (with the change from weekly to every two weeks by end2025 and monthly by end2026); (iii) increase the volume of long-term issues; (iv) make the distinction between maturities of the BCM (one month or less) and the Ministry of Finance (three months or more); and (v) devote more human resources to the implementation of the action plan. In addition, we envisage the reorganization of the Treasury securities market by encouraging public institutions to subscribe through commercial banks, bearing in mind that the key nonbank subscribers are SNIM, CNAM, CNSS, and FRFA. As part of this reorganization, the designation of Treasury Securities Specialist (SVT) will be introduced (we will request technical assistance as required for this reform).

Foreign Exchange Policy and Market

27. We will consolidate the substantial gains from the foreign exchange market reform launched in early 2023. The BCM continued to reduce its intervention on the foreign exchange market with the volume of foreign exchange sales to banks. Accordingly, the amount in foreign exchange auctioned by the BCM now represents only 10.5 percent of total transactions in foreign exchange (auctions and the interbank market). To ensure that this trend continues, in October, we introduced a tool in the computer application *(Refinitiv)* that enables firm foreign exchange quotes to be imposed ***(Structural Benchmark –April 2025, not met).*** Lastly, we note that the operational implementation of the tripartite committee comprising the BCM, MOF, and SNIM, which holds quarterly meetings, has led to a substantial improvement in foreign exchange repatriation forecasting. However, the BCM's scope for intervention on the foreign exchange market is still affected by the current provisions that exempt mining companies from the obligation to repatriate foreign exchange reserves under special foreign exchange regimes; and the need to formalize informal exports to neighboring countries. In this connection, we will implement the following measures:

- Encourage banks to enhance the professional level of foreign exchange dealers through appropriate training before September 2026.

- Continue to reduce the volume and frequency of BCM auctions while engaging in dialog with the largest exporters to discuss their projected repatriation of export proceeds.

- Conduct a benchmarking study on best practices in the repatriation of export proceeds by September 2026.

In addition, the depreciation of the dollar against the euro has led to a decline in the central ouguiya exchange rate (a fluctuation band of +/- 5 percent of the central exchange rate), leading to a reduction in commercial bank foreign exchange fees. To overcome this problem, which reduces exchange rate flexibility, we intend to:

- Revise the reference basket for the ouguiya to reflect the foreign exchange composition of imports, exports, and foreign exchange reserves (December 2025).

- Exclude commercial bank foreign exchange fees from breaches of the fluctuation band (December 2025).

- To ensure visibility for foreign exchange market transactors and to reduce pressure on the spot market, we plan to establish a forward foreign exchange market. For that purpose, we would like technical assistance from the IMF in identifying the obstacles to forward hedging operations and in developing the appropriate regulatory and operational framework.

BCM: Transparency and Governance

28. BCM remains determined to continue the efforts to implement the recommendations of the 2023 safeguards assessment. Following the ratification last July of the agreement on the BCM's claim on the government, we issued bonds in the amount of MRU 4.8 billion with maturities ranging from 8 to 10 years. The registration of property titles and the transfer of ownership of equity stakes in the bank BMICE are in progress. We will also implement the other recommendations, including:

- **Risk mapping.** By March 2026, we will complete the risk mapping by the Risk Committees.

- **Audit of quantitative performance criteria.** We will continue regular audits by an external auditor of the quantitative performance criteria under the program. For that purpose, we will accelerate the implementation of the BCM's recently appointed audit committee.

- **Agreements on the on-lending of SDR allocations.** We will continue to strengthen the agreements applicable to on lent SDR allocations and will provide maturity schedules for the reimbursement of the principal. We will finalize the signature of an agreement between the Ministry of Finance and the BCM to regulate such transactions. An IMF technical assistance mission is planned for that purpose during the first quarter of 2026 to assist in drafting the instructions required for the implementation of this agreement.

- **Peer review of trust and vault transactions.** We have undertaken an upgrade of the cash facilities (refurbishment of the premises, semi-automation of the process for sorting banknotes, safes, and reinforcement of security). This upgrade is a prerequisite for the peer review that is expected to be completed in 2027.

- **Strengthening of the framework for cybersecurity and IT risk supervision.** The rapid digitization of Mauritania's banking sector, particularly through the rise of electronic wallets and mobile payment services, has led to increased dependence on technologies and exposes the financial system to new cybernetic risks. To address these issues, the BCM has undertaken a reform aimed at strengthening technological resilience and IT risk supervision:

    - An instruction on information and communication technology risk management, adopted in December 2024, establishes minimum requirements for governance, security, and business continuity, with a planned effective date of January 1, 2026. Progress reports received from banks in March and June 2025 highlighted significant progress, but also persistent weaknesses such as the absence of backup sites. Targeted remediation plans have been developed for institutions having the highest levels of exposure.

    - With the support of the IMF (AFRITAC West), work is continuing to establish a specialized supervision framework, including annual reporting integrated into the Banking Supervision Application (BSA), a methodological manual for auditors, and a system for off-site and on-site supervision. These tools should be finalized in October 2025, making it possible to launch the first on-site supervision activities at end-2026.

Financial Surveillance and Regulation

29. We are determined to continue to apply prudential regulations stringently to ensure that the banking system is resilient against shocks. Recent reforms include the revision of instructions on the division of risk and loans to related parties to harmonize the prudential standards with the Basel requirements. A circular signed in October 2025 reduces the maximum exposure threshold to related parties from 20 percent to 15 percent starting January 2026. A consolidated supervision framework is concurrently being developed to gain a better understanding of the risks within domestic and cross-border banking groups. The BCM has also finalized a comprehensive Islamic finance regulatory framework developed with support from the Islamic Financial Services Board (IFSB), covering governance, risk management, and capital requirements, to ensure that the relevant institutions are sound and compliant with Sharia law. 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.

30. In connection with the strengthening of banks' financial resilience, the authorities decided to double banks' minimum regulatory capital by 2027 to enhance banking sector soundness. 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. Five institutions have already prepared for the reform by carrying out significant capital increases between December 2023 and August 2025. Substantial improvements were also made in the close monitoring of the recovery plans initiated in December 2024 for three banks under surveillance. Two of these banks increased their capital by MRU 198 million and MRU 400 million, respectively, reflecting a tangible improvement in their financial situation as against the capital requirements. The ongoing recovery plan aims for all banks to comply with the minimum capital by end-2025. In addition, the authorities are pursuing the consolidation of the banking sector, with emphasis on reconciliations that can enhance the viability and efficiency of financial institutions. In this connection, a technical study is in progress to evaluate possible scenarios of consolidation and their impacts on financial stability and competition, with support from an international firm and the World Bank.

31. We will accelerate the implementation of the bank resolution framework. The banking law promulgated in 2025 clearly defines the legal powers, instruments, and hierarchy of claims in the context of a bank resolution. To strengthen this system, we are in the process of finalizing the drafting of the implementing texts, preparation of preventive recovery plans for pilot banks, and preparation of a manual of procedures for the resolution unit. We will amend the institutional framework for the deposit guarantee fund (FGD) to ensure its independence and will also ensure that a deposit insurance limit is determined for insured depositors. In addition, for the implementation of the bank resolution process, we have adopted an effectively sequenced approach that includes (i) the preparation of a guide on drawing up preventive recovery plans by each systemically important domestic bank; and (ii) the preparation of a resolution manual to serve as a reference for resolution policies and procedures. In this connection, we will publish an instruction, requiring banks to prepare preventive recovery plans and submit them to the BCM at the beginning of each year. We will also ensure that emergency liquidity is provided and that the internal risk management mechanisms and framework for assessing bank viability are strengthened. We are concurrently developing an integrated macroprudential framework for identifying, monitoring, and mitigating systemic risks. This framework will include the introduction of adapted macroprudential instruments (capital buffers and sector restrictions), the strengthening of stress tests, and the gradual integration of climate risks into financial stability analysis. A pilot financial stability report and early warning management indicators will be produced to enhance transparency and reporting on vulnerable areas of the system. These reforms benefit from coordinated technical support from the IMF (Monetary and Capital Markets Department and AFRITAC West) and other specialized partners. The draft texts, prepared in consultation with the Professional Association of Banks of Mauritania, will be submitted for adoption to the Prudential, Resolution, and Financial Stability Council (CPRSF).

32. We will concurrently strengthen the BCM's supervision capacity by enhancing human resources, improving information systems, and updating the accounting standards applicable to banks. The BCM is conducting a comprehensive modernization of its supervision tools to ensure more effective supervision based on reliable data updated on a real-time basis. The central pillar of this system is the Banking Supervision Application platform that went into production in March 2025, which automates the collection and validation of prudential data, improves its consistency, and makes it possible to produce standardized reports on solvency, liquidity, and risk concentration.

- **Robust information systems.** The central pillar of this system is the Banking Supervision Application (BSA) platform that went into production in March 2025, that automates the collection and validation of the prudential data, improves its consistency, and makes it possible to produce standardized reports on solvency, liquidity, and risk concentration. In addition to the BSA platform, a number of other digital solutions were deployed in 2025 to broaden and deepen financial supervision coverage, including (i) the bank guarantee platform, which now makes it possible to fully dematerialize and track guarantees issued by banks; (ii) the Risk Reporting Center, which facilitates the assessment of credit risk by providing instantaneous, consolidated access to information on loans and borrowers; (iii) the Wallet platform, which provides a better framework for rapid development in electronic transactions and ensures adequate supervision of digital flows; and (iv) the RASSID platform, which enables comprehensive monitoring of foreign exchange transactions reported by banks via the Sarf application, making it possible to detect discrepancies and more effectively monitor compliance with foreign exchange regulations.

- **Financial reporting and transparency in banks.** The transition to the International Financial Reporting Standards (IFRS) continues with a progressive schedule until 2033, in coordination with the Ministry of Finance and the Islamic Development Bank, with support from the IMF. Pending the revision of the chart of accounts, we issued a circular that aims to clarify with banks any ambiguities in the accounting standards applicable to banks, with particular emphasis on the precise 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 was validated by the Prudential Council and will be sent to the banks during November 2025. Further, in October 2025, we issued a circular to introduce provisions requiring auditors to adopt a risk and materiality-based approach.

- **Rating of private enterprises.** Progress in this area includes: (i) the establishment of a regulatory reference framework for the identification of enterprises based on the tax identification number (NIF) of the Directorate General of Taxes (DGI); (ii) the development of a prototype rating model (and adoption of BCM instructions) on rating agreements and discounts, based on the start of the effort to collect financial statements from some large enterprises through several banks; and (iii) the streamlining of the Risk Reporting Center to improve data reliability and enable "credit events" to be incorporated into the ratings. For that purpose, the BCM and DGI agreed to sign a protocol by end-December to confirm the agreement in principle on the transmission of data to provide information for the enterprise identification reference system based on the tax identification number. In addition, efforts to rationalize the Risk Reporting Center should continue and the human resources allocated to this measure (database administrator(s) and financial analysts) should be increased.

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. In November 2025, the National Public Debt Committee (CNDP) adopted the report updating the medium-term debt strategy (MTDS) for the period 2026-2028 and the annual financing plan for 2026. The strategy that emphasizes a combination of concessional and semi-concessional external borrowing with moderate recourse to non-concessional loans, as well as increased issuances of medium-term Treasury securities (seven years) was adopted as the optimal strategy. The strategy adopted by the CNDP will be submitted to the authorities for approval with a view to its publication. The CNDP’s operational capacities will be strengthened to improve coordination between the various entities responsible for debt matters. 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 will require validation by the CNDP before the relevant agreement is signed. The External Debt Directorate of the Ministry of Finance has been transformed into the Public Debt Directorate to serve as a center for front-, middle-, and back-office functions by 2027. 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 in the area of debt sustainability analyses, including the use of the debt dynamics tool, calculation of concessionality 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 in order to diversify our debt instruments so as to finance the fiscal deficit (paragraph 25).

Text Table 4. Mauritania: Summary Table of the Program for 2026

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	**1225.1**	**917.6**
Concessional debt 2/	189.3	120.9
Nonconcessional debt 3/	1035.8	796.7
Uses of financing by debt	**1225.1**	**917.6**
Infrastructure	1122.4	839.5
Social expenditure	42.7	31.4
Other	60.0	46.7

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 value.

34. **To enhance coordination between the various entities responsible for debt management, we will use SYGADE, ARKAM, El/Istithmar, and RACHAD, w**hich are software packages used by the institutions involved in debt servicing (Public 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 UNCTAD, we have consolidated SYGADE Version 6.2 and validated the database and we are scheduled to migrate to Version 7 of the system in early 2026. The SYGADE interfaces with other applications will be completed at end2026, or in early 2027, with technical assistance from UNCTAD Debt Management and Financial Analysis System (DMFAS) staff, with funding from the African Development Bank (AfDB).

35. **We will continue to publish quarterly 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 government-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 end-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/CFT Framework

37. Three key governance laws were promulgated in July 2025 on declaration of assets and interests, anti-corruption, and the establishment of the Anti-corruption Authority (ALC). We are committed to implementing these laws as soon as possible. To make the Anticorruption Authority operational, after its chair was appointed in September, we published an implementing decree for the Law on the Anti-corruption Authority so that the Members of the Directive Council of the ALC can be appointed. This decree clarifies: (i) the procedures for the establishment and operation of the Independent Selection Committee, which is responsible for recruiting, reviewing, and proposing candidates for the ALC Directive Council; and (ii) the main rules governing recruitment and review processes, including the minimum phases, deadlines and transparency requirements, mechanisms of public participation, and human and financial resources that will be allocated to it. We will ensure that the appointment of all ALC members, based on this decree and the rules that will be issued by the Selection Committee, is finalized as soon as possible ***(Structural Benchmark – November 2025, not met)***. We will provide the recently created Anti-corruption Authority with the human and technical resources required to effectively carry out its mission, including monitoring and management of the asset declarations from the obligated parties. In line with the spirit of governance and transparency, the authorities will ensure that the persons subject to the asset declaration law in accordance with Article 3 of Law No 2025-022 have made their declarations by mid-June 2026.

38. We remain committed to the implementation of the national governance action plan. The second progress report on the governance action plan was published on June 27, 2025

(Structural Benchmark for end-June 2025 – met), [2] and the third report was published by December 31, 2025 ***(Structural Benchmark for end-December - met)***. We will update and publish the national governance action plan by end-March 2026, drawing in particular on the recommendations of the governance diagnostic. As part of the action plan agreed with the Fund, and in accordance with the provisions of the National Justice Reform and Development Paper, reforms related to the revision of the statute of the judiciary were identified to enhance the judiciary's independence. We are making progress on the reform of state-owned urban real estate, with a number of measures completed: (i) the adoption in the Council of Ministers of Decree No. 151-2025/PM of 09/11/2025 on the requirement to digitally file and process property operations and transactions; (ii) the establishment of a platform enabling, *inter alia*, control of notarial instruments relating to land sales; and (iii) the launch, under the supervision of the Central Bank of Mauritania, of a Real Guarantee (Mortgage) Platform in which all operations relating to mortgages are processed, including control of the relevant notarial instruments. This platform, which is currently being implemented, is the product of close cooperation between the BCM and the Directorate General of Domains and Registrations (DGDE).

39. We will strengthen monitoring of the implementation of recommendations from control and audit bodies. In this connection, a digital platform for monitoring recommendations from the supervisory bodies is being implemented with technical support from the Government Digital Agency under the supervision of the Government Inspectorate General, and with the participation of the Inspectorate General of Finance and four internal ministerial inspectorates. The platform is expected to be fully operational by end2025. This system will enable (i) real-time monitoring of the recommendations and an instant view of their implementation; (ii) management of remedial actions, 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 recommendations and the oversight bodies. We will publish annual progress reports on the implementation of these recommendations. In addition, following the publication of the report of the Supreme Audit Institution covering 2022-2023, which revealed financial and administrative irregularities and dysfunctions in several public sectors, the government adopted a roadmap to correct the irregularities observed and imposed immediate disciplinary and administrative measures. In addition, records relating to these irregularities have been forwarded to the justice authorities.

40. The government is continuing its efforts to improve the governance of state-owned enterprises. Following the promulgation last January of the new law on public enterprises and companies, the government undertakes to continue implementing this reform by drafting the implementing decrees provided by this law. In this context, the Council of Ministers adopted, in November 2025, a decree on the Commission of Independent Public Establishments and Companies (CESPI). This independent commission will be responsible for contributing to improved governance for public establishments and companies ***(Structural Benchmark for end-September 2025 – not***

[2] https://economie.gov.mr/fr/node/858

met, implemented with delay). 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 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, consistent implementation of the new legal framework. An effort to prioritize and program these texts is in progress, with priority given to those that have a direct impact on the performance of public commercial enterprises. Technical support is also being mobilized for these activities.

41. We have stepped up 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/CFT 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 the adoption of a national AML/CFT strategy with sectoral action plans. In addition, an update of the national AML/CFT risk assessment was carried out based on the situation and the data available at end-December 2024 to reflect the changes in the FATF standards and the preparations for the third round of MENAFATF mutual evaluations. This update has helped to identify the sectors most vulnerable to money laundering and terrorism financing (ML/FT) risks and to redirect efforts and priority reforms towards these high-risk areas. These efforts have resulted in a substantial improvement in Mauritania's MENAFATF ratings for technical compliance with the FATF recommendations, and the country is now rated as compliant or largely compliant with 35 of the 40 recommendations. A national risk assessment related to the financing of the proliferation of weapons of mass destruction has been prepared with the active collaboration and participation of all relevant domestic stakeholders.

42. The BCM continues to strengthen its risk-based AML/CFT supervision, including on-site supervision, to assess the compliance of financial institutions with the 2019 AML/CFT Law. Risk-based supervision now covers all banks, focusing on 11 key risk areas. Although there are currently compliance structures in all banks, some gaps remain, particularly in terms of system automation and staff awareness. A mission on the topic of AML/CFT mechanisms was conducted in almost all banks, especially in high-risk institutions. The reports were submitted, and letters of formal notification were issued. In addition, the BCM will work with the government to strengthen legal obligations concerning the submission by all obligated entities of information on beneficial owners. With support from experts, the BCM and the Mauritanian Financial Investigations Unit organized several workshops and training and awareness sessions targeting bank compliance managers and directors on AML/CFT mechanisms. A restructuring plan for the UMEF was undertaken in early 2025, in particular with a significant increase in its human and financial resources. In addition, in preparation for Mauritania's third MENAFATF mutual evaluation scheduled during the period from 2025 until 2027, a circular from the Prime Minister appointed a national coordinator and established a multisector working team.

F. Improving the Business Climate and Financial Inclusion

43. Supporting small and medium-scale enterprises is a priority of our national development program. Despite the major efforts the government has made to support the development of the private sector, the promotion of entrepreneurship, and the financing of SMEs, it is clear that obstacles are preventing the development of this SMEs, particularly in connection with the inadequacy of the legal and administrative environment, financing, and the insufficient integration of these enterprises into value chains. For that purpose, we have undertaken the updating of the National Strategy for the Promotion of Entrepreneurship and the Development of Micro, Small, and Medium-Scale Enterprises (MSMEs) (SNEMPME) for the period 2025-2030. For that purpose, we will also give new impetus to the role of the Mauritanian Guarantee Fund (FGM) introduced in early 2024. The Fund initially focused 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 became fully operational in 2025 and has issued two guarantees to support the digital and processing sectors of fishery products. Our ambition is to further strengthen the role of the Fund with several measures, more specifically: (i) opening capital in the FGM in 2026, with a 38-percent banking system stake, accompanied by a restructuring of the institutional architecture, including the establishment of a new General Assembly and a new Board of Directors; and (ii) mobilizing credit facilities with banks and technical and financial partners.

44. 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. To date, eight licenses have been granted as part of the implementation of the new Investment Code. To accelerate public action for the promotion of investments and the development of SMEs, the government strengthened the role of the Investment Promotion Agency (APIM) under a decree in September 2025 based on an evaluation of the past period (2021-2025). This decree provides for (i) a transfer of oversight to the Office of the Prime Minister; and (ii) an extension of the mission of the APIM to cover the promotion of small and medium-scale enterprises and the Secretariat General of the High Investment Council. The Council meets annually; it is chaired by the President of the Republic and comprises foreign and Mauritanian investors. In addition, to simplify administrative procedures, efforts have been made to make the one-stop window procedures paperless. This will enable automated processing of applications and workflows within the window for greater speed and transparency.

45. 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)

46. **We will accelerate the digitization of property transactions.** For that purpose, and as indicated above, we have adopted a decree on the obligation to file and electronically process all transactions involving registered and unregistered assets. Accordingly, the decree provides a schedule for implementation of this obligation in two stages: digitization of all property transactions at the level of the Wilaya seats beginning on January 1, 2027, and throughout the national territory beginning on January 1, 2028. The decree also aims to create an inclusive legal and operational basis, as it requires all government agencies involved in processing property transactions and that operate information systems for that purpose to take the necessary steps to ensure the interoperability of their systems while ensuring commonly accepted data security standards in this area.

47. **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 end2021 to 45 percent at end-2024, supported by the expansion of electronic wallets, interoperability between mobile applications, and reduced transfer costs. Moreover, financial education programs have led to the production of 156 educational modules in five languages and the training of 300 staff members of microfinance institutions and 500 entrepreneurs, indicative of significant progress towards more inclusive, sustainable finance. The BCM will continue to modernize the regulatory framework. 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. In addition, to guarantee effective financial inclusion and better consumer protection, the Program to Support Innovative, Inclusive, and Sustainable Finance (PAFIID) has developed four thematic portals (Financial Inclusion, Financial Education, Fintech, and Green Finance) as well as a mobile financial education application that includes all of the educational materials. Establishment of a grievance center will also enable users to report their complaints and increase transparency in the sector.

Modernizing the Statistics System

48. **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, to make the memorandum of understanding on coordination and exchange of data with the Directorate General of Customs and the Central Bank operational, mechanisms are being established to ensure automatic data transfers. 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 Ministry of Finance, 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 with the pilot for 2023. The BCM has made progress in automating the classification by economic type 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 survey base to other sectors. In addition, to improve general government coverage, the Ministry of Finance is working on collecting 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. We adopted a decree on the organization and operation of the labor market information system in Mauritania (SIMEM) and filling the gaps in this area by establishing, *inter alia*, the principle of periodic data updates and the regular assessment of the system to ensure its relevance in the long term. Lastly, we will provide periodic statistical reports to the IMF in a timely manner, in line with the Enhanced General Data Dissemination Standard (e-GDDS).

G. Consolidating Resilience to Climate Change

49. The climate reforms agenda is progressing under the program supported by the Resilience and Sustainability Facility (Figure 1).

- Following the adoption last year of the decree and the publication of a manual incorporating climate considerations into public investment management (PIM) **(*Reform Measure III, October 2024, completed*)**, we are in the process of improving the PIM manual for the next budget cycle in line with recommendations, the risk assessments will be informed by climate risks maps.

- We have introduced provisions into the budget circular for the 2026 Initial Budget Law (LFI) requiring the sector ministries involved with the nationally determined contributions to estimate the share of their budget for the 2026 fiscal year related to climate adaptation, in accordance with the climate fiscal marking methodology developed with technical assistance from the IMF ***(Reform Measure I for October 2025, completed)***.

- The government will subsequently prepare a climate budget note presenting the climate-related budget allocations for the 2026 fiscal year based on the marking results in sectors involved with NDCs conducted for 2024 and 2025 and will publish the note jointly with the 2026 Initial Budget Law by January 2026 ***(Reform Measure II for April 2026)***.

- We undertake to systematically publish, beginning at end-March 2026, all evaluation criteria for major investment projects and any feasibility studies that may be relevant. In addition, 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 public investment management procedures adapted to a government with limited staff; (ii) establish and train a small but effective PIM staff within the MAED—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 MAED and the IMF, along with the Ministry of Environment, will pilot the climate screening template process for major project proposals of selected NDC sectors submitted for review and validation by the Public Investment Analysis and Programming Committee (CAPIP) ***(Reform Measure IV for end-April 2026).*** For that purpose, we have submitted a request for technical assistance to the IMF to facilitate the conduct of this pilot study.

50. We are making progress with the introduction of the climate contribution and the fuel pricing reform.

- As part of the RSF-supported program, we have introduced into the 2025 LFR the principle of a gradual increase in the climate contribution to reach US$50 per ton of CO_2 emissions by 2030. We will make the required efforts to ensure that this contribution is paid by all agents, including certain large consumers, such as foreign mining companies. In addition, in August 2025, we amended the law regulating mining agreements to introduce the climate contribution, which now applies to all new agreements.

- Concurrently, we have identified support measures to mitigate the impact on vulnerable populations, relying particularly on the existing Taazour programs and tools ***(Reform Measure VII for end-April 2025, completed)***.

- In addition, with technical support from the IMF, we have defined the parameters for the automatic petroleum product price mechanism, which should enter into force on the promulgation date of the 2026 Budget Law ***(Reform Measure VI for end-April 2025, completed).*** This mechanism introduces (i) a reorganization of the petroleum product price structure, identifying tax expenditure and subsidies, when applicable; (ii) the definition of and procedures for applying the parameters of the automatic pricing mechanism with a smoothing component to establish prices at the pump and eliminate subsidies; and (iii) the independence of the mechanism. The cost components included in the price structure will be reviewed regularly to ensure that the real costs are accurately represented. An initial review will be conducted with the support of IMF technical assistance.

51. Reforms aimed at improving water resource management and the financial sustainability of water and sanitation services are progressing.

- The government undertakes to revise and publish the water pricing regulations (Decree No. 2624/MHETIC/MCI of October 30, 2007), in line with IMF recommendations and with support from the French development authorities (AFD), by end-February 2026 ***(Reform Measure XIII for end-October 2025, delayed)***. In this connection, an ongoing study of the financial model of the drinking water and sanitation sector and its pricing model should make it possible to identify measures designed to: (i) improve water resource management; (ii) increase access to water and sanitation services; (iii) improve the performance of operators in the sector. To further support the implementation of the reform measure, we will organize in December 2025 a preparation and awareness workshop based on the preliminary results of the pricing study, with the participation of the association of mayors and civil society.

- 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. In addition, the government plans to conduct and publish a pilot inventory led by the National Water Resources Center (CNRE), 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).**

52. We have strengthened the legal framework to promote the development of renewable energies. Accordingly, in November 2025 we adopted 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, completed).***

H. Program Monitoring

53. The Committee for Monitoring Structural Reforms and Mauritania's Macroeconomic, Monetary and Financial Outlook (CSR) ensures effective monitoring of the implementation of this program. The Committee includes, *inter alia*, representatives from the Ministry of Economic Affairs and Development, the Ministry of Finance, the BCM, and 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 program implementation. 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 Law, and the draft medium-term fiscal framework will be shared with IMF staff 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 fourteen (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. The Technical Coordination Committee (RSF Committee) will continue to monitor program reforms under the RSF. These provisions are detailed in Graphic 1, and implementation will be assessed every six months by the Executive Board of the IMF concurrently with the ECF and EFF reviews. We have made an electronic platform operational within the BCM to monitor the implementation of reforms included in the program along with the transmission of information on the relevant progress in real time. Lastly, we established an interdepartmental drafting committee comprising representatives from the BCM, the Ministry of Economic Affairs and Development, and the Ministry of Finance (MdF), *inter alia*, to coordinate and prepare the Memorandum of Economic and Financial Policies (MEFP).

Table 1. Mauritania: Performance Criteria and Indicative Targets for 2023–26

(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	End-March 2026
	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	Performanc e Criteria	Actual	Status	Indicative Targets	Actual	Status	Performance Criteria	Proposed Indicative Target
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	1432*	Met	1,343	1,452	Met	1,259	1,417	Met	1,275	1,582	Met	1,198	1,260
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	-5.0	Met	1.0	-7.4	Met	4.7	-4.2	Met	4.1	-10.7	Met	2.7	-2
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	6.8	Met	14.1	10.4	Met	15.4	8.95
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	10.0	Met	46.7	11.1	Met	46.7	9.0
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	Met	0.0	0.0	Met	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	11.8	Met	11.3	16.3	Met	22.5	1.92
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	0.0
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.
*/ End-December outcome was revised upward from USD 1,410 million. 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)	Depth	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	Medium	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	High	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	Low	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	Low	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	High	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	High	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	Medium	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	Medium	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	High	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	High	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	Medium	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	Medium	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	High	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	High	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	Medium	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 2025–26

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	Met	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	Met	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	Met	Revenue Administration – Improve revenue administration	Improve revenue administration and domestic revenue mobilization
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	End-December 2025	Met	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
5	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	Not Met	Revenue Administration – Improve organizational management	Improve the organizational structure of the tax and customs directions
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 recommendations	End-March 2026	Proposed to be reset to end-April 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	Met	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	Not met, implemented with delay	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	Not met	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	Met	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** *(46.15% 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

Met

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.

In Progress

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.

Met

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.

Met

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.

Met

Figure 1. Mauritania: Reform Measures (concluded)

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.

In Progress

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 Economic Affairs and Development

- 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.

Ministry of Finance

- 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.

ISLAMIC REPUBLIC OF MAURITANIA

January 13, 2026

FIFTH REVIEWS UNDER THE ARRANGEMENTS UNDER THE EXTENDED CREDIT FACILITY AND THE EXTENDED FUND FACILITY, REQUEST FOR A WAIVER OF APPLICABILITY OF PERFORMANCE CRITERIA, AND FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—DEBT SUSTAINABILITY ANALYSIS

Approved By
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Prepared by the staffs of the International Monetary Fund and the International Development Association.

Risk of external debt distress	*Moderate*
Overall risk of debt distress	*Moderate*
Granularity in the risk rating	*Some space to absorb shocks*
Application of judgment	*No*

Mauritania's risk of external and overall public debt distress is assessed as "moderate"—unchanged from the previous DSA published in December 2024—with 'some space' to absorb shocks. All external and public debt indicators remain below their thresholds during the whole projection period under the baseline scenario, but both the PV of debt-to-GDP and PV of debt-to-exports ratios breach their thresholds under the natural disaster scenario. External and public debt therefore continue to be assessed as sustainable. Mauritania is assessed as having a medium debt-carrying capacity, in line with the previous DSA. This assessment is subject to downside risks. Adverse price fluctuations in commodity markets could lower fiscal revenue, increase external financing needs, and worsen the medium-term debt profile. Security concerns in the Sahel region and intensified geopolitical tensions present additional risks through their respective impacts on economic stability and food prices. Upside risks include the potential phases 2 and 3 of the GTA gas project and possibly other mining projects, and better than expected terms of trade developments. The DSA highlights the need to maintain a prudent borrowing strategy, that prioritizes grants and concessional financing taken up at a moderate pace consistent with absorptive capacity, to keep debt service contained.[1]

[1] Mauritania's Composite Indicator is estimated at 2.88 that suggests the "moderate" debt carrying capacity. The CI is the weighted average of the 10-year average of the World Bank's Country Policy and Institutional Assessment (CPIA) score and macro-economic variables from the October 2025 WEO vintage.

PUBLIC DEBT COVERAGE

1. The DSA covers central government and public agencies, government guaranteed debt of state-owned enterprises (SOE), and the central bank (BCM). In line with the 2018 guidance note on the LIC-DSF, public and publicly guaranteed (PPG) debt excludes non-guaranteed debt of the national mining company, the Société Nationale Industrielles et Minière (SNIM), classified as private external debt (SNIM has one publicly guaranteed loan with the Fonds Arabe for le Développement Economique et Social, FADES, which is included).[2,3] PPG debt excludes borrowing by the state-owned oil company, the Société Mauritanienne des Hydrocarbures, (SMH), to finance Mauritania's participation in the Grand Tortue/Ahmeyim (GTA) offshore gas project in the baseline, instead including this loan as a contingent liability.[4] Consistent with previous DSAs, external debt is defined on a residency basis.

Text Table 1. Mauritania: Coverage of Public Sector Debt

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	

2. The authorities continue to work towards regularizing longstanding arrears. Mauritania has two remaining cases relating to longstanding arrears (neither of them included in the DSA).

- The first relates to outstanding arrears to Organization of Arab Petroleum Exporting Countries (OAPEC), disbursed over 1974-1976, totaling a stock of US$7.2 million, but is now managed by FADES. The Mauritanian authorities sent a request in 2017 to FADES for a cancellation consistent with the Heavily Indebted Poor Countries (HIPC) initiative, followed by a second letter in October 2023 and another communicating in July 2025. The response received from FADES indicated that

[2] Although SNIM is majority-owned by the government with over three-quarters of total equity, the company operates on a commercial basis, poses limited fiscal risk, and can borrow without a government guarantee. It has managerial independence, including over sales and employment policies, does not receive subsidies from the government, and pays dividends. In addition, the company's annual reports, audited accounts, and financial statements are published following international standards. Nevertheless, SNIM debt represents a contingent liability for the government as a majority shareholder and hence the associated risk is captured through stress tests.

[3] In contrast, the World Bank's Debtor Reporting System (DRS) includes SNIM's non-guarantee and guaranteed private debt, including SNIM's publicly guaranteed loan with the Fonds Arabe pour le Développement Économique et Social (FADES). These differences in scope combined with variations in exchange rate assumptions, may lead to discrepancies between the DRS and the DSA coverage.

[4] This debt is not guaranteed by the government and features a limited recourse clause which restricts SMH liability to the revenues and shares of the project itself, even in the case that the investment is not completed, or the revenues are zero. The contingent liability treatment reflects the possibility that the government may wish to inject financing to support the project in the case of lower-than-expected revenues, but this would not be a legal obligation.

its role in managing the OAPEC loans does not grant it the authority to cancel these loans, and that Mauritania should request the cancellation of the loans directly from the OAPEC member countries. The authorities initiated the relevant discussions with delegations from OAPEC member countries present in Washington during the 2025 WB-IMF Annual Meetings, thus staff assesses that a credible plan to resolve the arrears is in place.

- The second loan, provided by Brazil in 1973 for the construction of a road, has been under renegotiations since 1985. The Mauritanian authorities understand that the full debt cancellation has been agreed by the Brazilian authorities under the Paris Club framework. Preliminary information indicates that an agreement for partial debt cancellation has been reached, with a draft agreement, reflecting a decision to cancel 98 percent of the existing debt, with the remaining 2 percent to be paid immediately, sent to Brazil on September 13, 2024. The agreement has been expected to be signed on behalf of Mauritania by Mauritania's Ambassador in Brazil. The follow-up discussions during the 15th Debt Management Facility Stakeholders' Forum in June 2025 suggest that the signing of the memorandum of understanding between the two parties has been delayed due to the complex procedures within Brazil's legal institutions.

3. **The baseline includes estimated outstanding debts to the Chinese government.** The Mauritanian authorities signed several loan conventions between 2013 and 2018 which had initially not been included in the authorities' debt statistics as: (i) the loans were taken under the implicit understanding that the balances would be cancelled without debt service; (ii) the Chinese authorities have not provided a specific disbursement and repayment schedules; and (iii) only disbursed amounts are subject to repayment. As announced during the Forum on China–Africa Cooperation Summit in Beijing in September 2024, and confirmed by the official letter from September 2025, the fully disbursed loans for which the grace period had ended - totaling about US$45 million - were cancelled. The remaining two loans amounting to US$42.3 million are included in the DSA.

4. **Non-guaranteed SOE debt as well as risks from Public-Private Partnerships (PPPs) are captured as contingent liabilities.** Available data suggests that the general stock of non-guaranteed SOE debt is adequately captured by the default contingent liability stress test (2 percent of GDP, excluding SNIM). This value is augmented by 5.3 percent of GDP (US$579.7 million, as of end-2024) for the GTA project loan to SMH, and SNIM's non-guaranteed debt (0.1 percent of GDP), giving a SOE debt shock totaling 7.4 percent of GDP. SNIM and SMH are the only SOEs that have been able to borrow without government guarantee, and most non-guaranteed SOE debt consists of supplier credits and arrears, debt to other public entities, and tax arrears. The PPP stock is estimated at 9.6 percent of GDP, [5] and a contingent liability stress test uses a shock calculated as 35 percent of the PPP stock (in line with the 2018 Guidance Note on the LIC DSF), or 3.4 percent of GDP. Risks from financial markets are set at the minimum value of 5 percent of GDP, the average cost of a financial crisis in LICs.

[5] 1,058 US$ million, from World Bank PPP database: https://ppi.worldbank.org/en/snapshots/country/mauritania.

Text Table 2. Mauritania: Magnitude of the Contingent Liability Stress Test

1	The country's coverage of public debt	The central government, central bank, government-guaranteed debt		
		Default	Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0 percent of GDP	0.0	
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	7.4	Default value (2 percent of GDP) plus SNIM debt (about 0.1 percent of GDP) and GTA debt (5.3 percent of GDP)
4	PPP	35% percent of PPP stock	3.4	
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)		15.8	

5. **The authorities reported no outstanding non-guaranteed external debt for other parts of the general government (state and local governments).** Although general government entities and public enterprises could issue local bonds and borrow from abroad, they do not have the capacity to borrow externally without a government guarantee (SNIM and SMH being the exceptions). No reporting system is in place for these debts, and hence the Ministry of Economy and Finance and BCM debt databases only cover central government, SNIM, and BCM debt. As an illustration, the SMH loan is not recorded in the debt database of the Ministry of Economy and Finance nor in that of the BCM. Nevertheless, the authorities are confident that any incurrence of external debt outside the central government would come to the BCM's attention, as it would involve a capital account transaction which requires BCM approval and documentary justification.

6. **Staff have been encouraging the authorities to build technical capacity, improve data coverage and further develop future investment planning to minimize risks.**

- This includes expanding the coverage of public debt, by adopting formal processes for reporting domestic and external debts of state and local governments, other general government, and all SOEs (part of the FY25 Performance and Policy Action (PPA) under the IDA Sustainable Development Finance Policy (SDFP)). In particular, the debt of SMH to finance its capital participation in the GTA gas project, as well as future borrowing, should be recorded and monitored in the authorities' debt database. Improving the realism and detail of the public investment plan, and lengthening its time horizon, would help the authorities assess the optimal financing mix to achieve their investment goals and reduce associated risks.

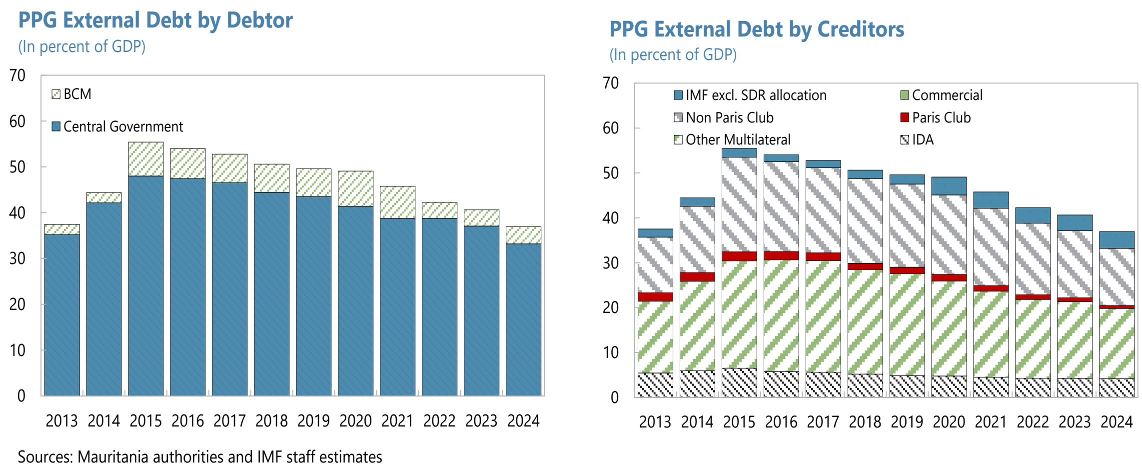
- The authorities benefitted from extensive technical assistance (TA) by the World Bank in these areas. The World Bank, through the TA deployed under the FY22 Performance and Policy Actions (PPA) of the IDA Sustainable Development Finance Policy (SDFP), has supported the government in identifying and quantifying fiscal risks from SOEs' non-guaranteed debt. In July 2022, the government published its first Fiscal Risk Assessment Report (part of the FY22 PPA) and expanded the coverage of public debt which is provided in the annual debt bulletin. The bulletin now includes on-lending, new borrowing, the debt of the Central Bank and the SNIM debt (FY23 PPA). To further improve the tracking and reporting of SOE debt, the Government issued an arreté mandating all SOEs to share data with the Directorate of External Debt, the Central Bank, and the Treasury debt data before end-March of every year along with the establishment of a centralized database on SOE debt (FY24 PPA). This combined support has helped enhance and institutionalize processes for managing SOE-related fiscal risks.

DEBT BACKGROUND

7. The PPG external debt-to-GDP ratio declined from 40.6 percent in 2023 to 36.9 percent in 2024, extending the downward trend observed for almost a decade. This followed a sharp increase in 2015, when Saudi Arabia provided a US$300 million loan to the BCM to help Mauritania cope with the 2014–15 terms-of-trade shock. The pace of decline slowed in 2020 as IMF financing increased (from 2.1 percent to 4.0 percent of GDP) through RCF emergency financing and two ECF disbursements in response to the Covid-19 pandemic. The decline in debt ratio in 2021 was supported by strong nominal GDP growth and lower-than-expected external disbursements under the public investment program (PIP). The reductions in the subsequent years were supported by a favorable interest rate-growth differential.

8. Non-PPG external debt increased, from 6.0 to 7.1 percent of GDP between 2023 and 2024, due to the GTA-related loan disbursements and somewhat higher external borrowing by commercial banks. SNIM's non-guaranteed debt has marginally declined as a share of GDP. Total external debt, which includes PPG and non-PPG external debt decreased from 46.6 percent of GDP in 2023 to 44.1 percent of GDP in 2024.

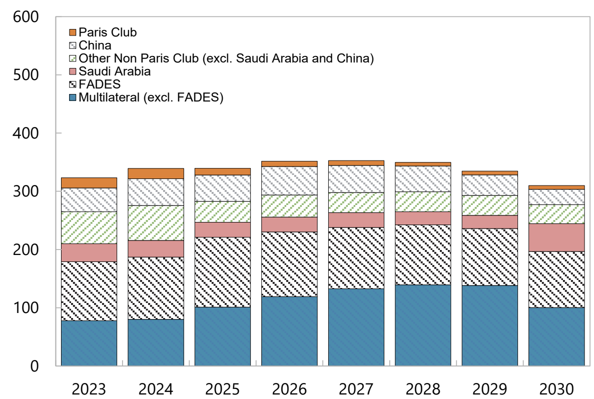
Text Figure 1. Mauritania: PPG External Debt, 2013-24



Sources: Mauritanian authorities and IMF staff estimates.
Notes: Excluding drawn SDR allocation

9. **Official non-Paris Club bilateral and multilateral creditors other than IMF and IDA represented about 76.7 percent of PPG external debt at end-2024.** This is 2.1 percentage points below 78.8 percent at end-2023. As of end-2024, the top two creditors were the Arab Fund for Economic and Social Development (FADES) and Saudi Arabia, representing 30.2 and 16.3 percent of Mauritania's PPG external debt respectively.

Text Figure 2. Mauritania: External Debt Service, 2023-30
(In Millions USD)



Source: Mauritanian authorities and IMF staff estimates.
Note: 2025-2030 are projections.

Text Table 3. Mauritania: Decomposition of Public Debt and Debt service by Creditor, 2024-2026 /1

	Debt Stock			Debt service					
	end-2024			2024	2025	2026	2024	2025	2026
	In millions US$	Percent of total debt	Percent of GDP	Millions US$			Percent of GDP		
Total PPG debt (external + domestic)	**4,798.4**	**100.0**	**43.6**	**611.5**	**812.3**	**726.9**	**5.6**	**6.7**	**5.6**
External	**4,067.7**	**84.8**	**36.9**	**339.3**	**339.4**	**351.6**	**3.1**	**2.8**	**2.7**
Multilateral creditors	2,594.8	54.1	23.6	186.9	221.0	230.2	1.7	1.8	1.8
IMF	412.1	8.6	3.7	15.3	34.1	50.4	0.1	0.3	0.4
World Bank	463.5	9.7	4.2	15.4	16.9	17.3	0.1	0.1	0.1
FADES	1,226.7	25.6	11.1	106.9	120.0	111.1	1.0	1.0	0.8
IsDB	293.5	6.1	2.7	36.0	37.3	39.0	0.3	0.3	0.3
Other multilaterals	199.0	4.1	1.8	13.3	12.8	12.4	0.1	0.1	0.1
Bilateral creditors	1,472.9	30.7	13.4	152.3	118.4	121.4	1.4	1.0	0.9
Paris Club	71.2	1.5	0.6	17.6	11.5	9.1	0.2	0.1	0.1
France (incl. AFD)	63.1	1.3	0.6	11.2	9.5	7.3	0.1	0.1	0.1
Spain	6.1	0.1	0.1	6.3	1.9	1.6	0.1	0.0	0.0
Other Paris Club	2.0	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0
Non-Paris Club	1,401.7	29.2	12.7	134.7	106.9	112.3	1.2	0.9	0.9
Saudi Arabia	661.8	13.8	6.0	28.7	25.8	25.4	0.3	0.2	0.2
China	353.9	7.4	3.2	45.9	45.1	48.8	0.4	0.4	0.4
Kuwait	239.6	5.0	2.2	24.0	19.8	19.9	0.2	0.2	0.2
Other Non-Paris Club	146.4	3.1	1.3	36.1	16.1	18.1	0.3	0.1	0.1
Domestic	**730.7**	**15.2**	**6.6**	**272.3**	**472.9**	**375.3**	**2.5**	**3.9**	**2.9**
Memo items:									
Collateralized debt[2]	-	-	-						
Contingent liabilities	597.8	12.5	5.4						
o/w Public guarantees	4.3	0.1	0.0						
o/w Other explicit contingent liabilities[3]	579.7	12.1	5.3						
Nominal GDP	11,003			11,003	12,155	13,083			

Source: Mauritanian authorities.
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 or 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.

10. Public domestic debt increased but remains relatively low.[6] Domestic public debt rose from 6.4 to 6.6 percent of GDP. Debt associated with the BCM convention[7] stood at MRU 11.98 billion following its IFRS-compliant fair-value revaluation in December 2024, representing 41.8 percent of total domestic public debt. The amortization schedule for this debt extends through 2038, implying a remaining maturity of about 13 years. Marketable debt issued in the domestic market—excluding debt related to the BCM convention—represents 58.2 percent of total domestic debt (MRU 16.7 billion) and remains predominantly short term, with T-bills accounting for 77 percent and bonds only 23 percent of total marketable debt in 2024. This composition entails elevated rollover risks. Mitigating these risks requires further lengthening the maturities and continued efforts to deepen interbank liquidity. The banks' growing appetite for longer maturities is evidenced by the recent successful issuance of government bonds with longer maturities. The authorities' medium-term debt strategy envisions a gradual lengthening of maturities, and banks demonstrated demand for longer-term government securities suggests that this shift should be feasible.

11. A significant portion of the domestic debt associated with the BCM convention was amortized in 2025 through a combination of asset transfers and market financing. Of the total outstanding amount of MRU 11.98 billion, MRU 4.8 billion was repaid through the issuance of new government bonds with long maturity (greater than seven years). In addition, MRU 2.0 billion was settled through the transfer of ownership of a government-owned land parcel ("Ilot Zone Administrative") to the central bank. A further MRU 0.22 billion was extinguished through the transfer of the State's 50-percent shareholding in the regional development bank BMICE. The remaining MRU 4.96 billion will continue to be amortized on a constant-amortization schedule through 2038, corresponding to annual repayments of approximately MRU 0.36 billion. This is reflected in the current DSA.

12. Debt service is projected to increase somewhat after 2024. Total PPG debt service will increase from 5.6 in 2024 to 6.7 percent of GDP in 2026 driven by increase in domestic debt service, including due to the increased amortization of the long-term debt associated with the BCM Convention in 2025.[8] Based on the debt stock as of end-2024, external PPG debt service is expected to decline from 3.1 to 2.7 percent of GDP between 2024 and 2026.

DEBT PROJECTIONS

13. Financing assumptions build on the latest available information. The DSA reflects the future financing of the public investment plan (PIP), based on the authorities' projections and taking into account potential challenges in execution. The prospective PIP-related external loans, estimated at around US$156.2 million in 2025, keep the same weight distribution between multilateral and bilateral creditors as

[6] The SDR allocation principal is excluded from PPG debt due to the long-term nature of the financing.

[7] The BCM convention refers to a formal 2018 agreement between the Banque Centrale de Mauritanie (BCM) and the Government of Mauritania that acknowledges a stock of debt owed to the BCM. These BCM's claims on government arose from past monetary and fiscal financing activities. The convention was revised in late 2024, in line with the recommendations of 2023 Safeguards assessment.

[8] Previously the Central Bank loan to the government under the BCM convention was assumed to remain constant with no new debt undertaken and no principal payments made until 2028.

seen historically. Moreover, the baseline includes the World Bank's projected disbursements (about US$145 million on average over 2025-30, and US$74 million thereafter, with financing terms reflecting the new IDA21 terms).[9] Domestic financing is projected to shift from short-term to longer-term borrowing, reflecting the Government's goal to develop a perennial local bond market and associated yield curve. The DSA assumes that half of domestic financing will arise largely from one- to seven-year bonds with a smaller portion in longer maturities. In line with the signed convention between the BCM and the MOF, the remaining Central Bank loan to the government, amounting to MRU 11.98 billion as of end-December 2024, is assumed to decline sharply in 2025 through a combination of long-term bond issuance, asset transfers, and equity transfers, with the residual balance amortized on a constant-amortization schedule through 2038. New external debt disbursements are expected to average 3.1 percent of GDP over between 2025-2030.

14. IMF program financing is integrated into the baseline. Realized and prospective disbursements from the ECF, EFF and RSF arrangements are integrated into the baseline distributed across 2023-2026. ECF and EFF funding is assumed to be maintained at the BCM to bolster foreign reserves, while RSF funding is assumed to be on-lent from the BCM to central government.

MACROECONOMIC ASSUMPTIONS

15. Mauritania's economic performance remains sound. Economic activity decelerated to 6.3 percent in 2024, driven by a slowdown in the extractive sector. Yet performance in the non-extractive sector was robust, supported by agriculture, fisheries, the financial sector and construction. Inflation subsided by end-December 2024 to 1.5 percent, as food and beverages inflation decelerated.

16. External buffers remain solid. In 2024, the current account (CA) deficit widened to 9.4 percent of GDP, as the service and income deficit increased due to higher service imports to support the launch of GTA production and larger profit outflows of foreign-owned commodity exporting companies. At the same time, the increase in FDI did not offset larger other financial outflows that were related to the build-up of the deposits abroad by the main commodity exporters, and the capital and financial account balance declined to 7.0 percent in 2024. Thus, the overall BOP registered a deficit of 1.1 percent of GDP, and gross international reserves decreased from USD 2.0 bn in 2023 to USD 1.9 bn while remaining above the adequacy levels.

17. Fiscal policy remains anchored by a 3.5 percent target on the non-extractive primary balance. The primary deficit declined in 2024 to 0.4 percent of GDP (from 1.5 in 2023), mainly on the back of stronger revenue mobilization. Tax-to-GDP ratio rose by 1.6 percentage points, offsetting a 0.4 percentage point reduction in non-tax revenues, while expenditures declined by 1.2 percentage point from 2023. The increase in tax revenue reflects several factors, including the introduction of the carbon tax, higher extractive revenues supported by elevated gold prices, tax adjustments following audit and control

[9] As an IDA status country, Mauritania will receive 100 percent of its IDA financing in blend terms. The IDA financing projections reflect the IDA FY26 allocation. The IDA financing projections reflect the IDA FY26 allocation.

operations, and the regularization of tax obligations by state-owned enterprises. Strengthened tax and customs administration efforts also contributed to the improvement in revenue performance.

Text Table 4. Mauritania: Macroeconomic Assumptions 2024-44

	2024	2025	2026	2027	2028	2029	2030-34	2035-44
Real GDP growth								
Current DSA	6.3	4.2	4.7	4.6	5.7	4.9	3.8	3.4
Previous DSA	4.6	4.2	3.7	5.8	6.5	4.6	2.3	3.5
Real GDP growth (Non-extractive)								
Current DSA	7.3	5.5	5.0	4.5	4.4	4.4	4.4	3.6
Previous DSA	5.7	4.5	4.3	4.2	4.3	4.4	4.3	4.1
Nominal GDP (millions of US$)								
Current DSA	11,003	12,155	13,083	13,804	14,561	15,323	15,858	20,512
Previous DSA	10,782	11,151	11,661	12,387	13,368	13,585	14,473	19,175
Inflation (EoP)								
Current DSA	1.5	2.0	3.0	3.5	4.0	4.0	4.0	4.0
Previous DSA	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Exports, goods & services (percent of GDP)								
Current DSA	37.4	38.1	35.5	36.1	36.4	34.8	31.8	25.7
Previous DSA	39.3	36.4	36.4	36.4	37.2	38.0	29.9	22.0
Current account balance (percent of GDP)								
Current DSA	-9.4	-6.3	-6.9	-5.4	-5.3	-5.6	-7.1	-6.6
Previous DSA	-7.7	-8.4	-7.4	-6.2	-6.2	-5.5	-7.1	-6.1
Revenue and grants (percent of GDP)								
Current DSA	22.2	24.1	25.2	25.3	25.3	26.1	26.5	28.6
Previous DSA	24.1	25.0	25.6	25.7	26.0	26.2	26.6	26.7
Primary fiscal balance (percent of GDP)								
Current DSA	-0.4	0.6	0.3	0.1	0.2	0.3	-0.3	0.3
Previous DSA	-0.3	-0.5	-0.1	-0.2	-0.3	-0.3	-0.3	-2.1
Expenditure (percent of GDP)								
Current DSA	23.6	24.5	25.9	26.0	26.0	26.7	27.9	29.5
Previous DSA	25.3	26.6	26.7	26.8	27.2	27.4	27.9	29.8
Price of iron ore (US$/ton)								
Current DSA	111.1	102.7	100.2	94.8	88.9	88.9	88.9	88.9
Previous DSA	94.6	86.2	78.9	75.8	75.8	75.8	75.8	75.8
Price of gold (US$/ounce)								
Current DSA	2,387	3,247	3,556	3,657	3,657	3,657	3656.8	3656.8
Previous DSA	2,342	2,608	2,704	2,777	2,777	2,777	2777.0	2777.0

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

18. Credit growth to the private sector picked up in 2024. Credit growth increased to 8.8 percent in 2024 from 5.2 percent at end-2023, as broad money growth reached 13.3 percent (4.7 percent at end-2023). Bank excess reserves declined on the back of the BCM's efforts to absorb excess liquidity.

19. The outlook remains broadly positive (see Text-Table 4).

- **In the near term:**
  - In 2025, growth is projected to decelerate to 4.2 percent, driven by a contraction in the extractive sector (-1.2 percent) and a slowdown in the non-extractives sector (5.5 percent), reflecting a normalization in financial sector growth and a moderation in construction. The current account (CA) deficit is projected to narrow to 6.3 percent of GDP in 2025, down from 9.4 percent in 2024 mainly reflecting a lower trade deficit due to favorable terms of trade and reduced imports of capital goods and services following the completion of the first phase of

GTA construction. The 2025 primary balance is projected to reach 0.5 percent of GDP, supported by stronger tax revenue and contained expenditure.

  - Growth is projected to increase slightly to 4.7 percent in 2026, driven by a recovery in the extractives sector as GTA production reaches almost full capacity. The current account deficit is projected to widen to 6.8 percent of GDP as copper exports cease (following the depletion of the copper mine's reserves), fish exports subside, while repatriation of profits by commodity-exporting companies continues. The balance on the capital and financial accounts is expected to strengthen to 6.8 percent of GDP as outflows from commodity-exporting companies decline, with large inter-company debt repayments between the parent and subsidiary of one of the major firms nearing completion. The 2026 non-extractive primary deficit (NEPD) is projected to increase from 3.2 percent of GDP in 2025 (MRU 15.4 billion) to 3.3 percent of GDP in 2026 (MRU 17.0 billion).

- **In the medium term (2027–30) and beyond:**
  - Growth is expected to strengthen and peak at 5.7 percent in 2028 as gold and iron ore production recovers. Nonetheless, growth in the non-extractive sector is expected to decelerate to around its historic trend of 4.4 percent due to the vulnerability of key sectors such as agriculture and fisheries to climate shocks. While they have seen considerable reforms and investments, they remain vulnerable and continued reform efforts and investments are needed to move them to higher value-added segments. In the long run, growth is expected at 3.4 percent due to the uncertainty around long-term extractive sector projects, which growth remains dependent on. Nonetheless, prospects for these projects, in the medium-term, are solidifying. Growth will be supported by higher private investment facilitated by reforms to the banking sector and the business environment and catalyzing public infrastructure investment, as well as ambitious public investment levels and improvements in public investment efficiency, supported by IMF technical assistance.
  - The acceleration in gold and iron ore production, along with gas exports from the GTA project, would support a CA deficit hovering between about 5.3 and 6.7 percent of GDP, well below the average levels of the last decade, and contribute to maintaining 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. Financial and capital inflows will remain strong thanks to reinvested earnings and additional investment in extractives projects.
  - The fiscal stance over 2027-2030 remains anchored by a 3.5 percent target on the non-extractive primary deficit with the objective of shielding public expenditures from volatile commodity prices and stabilizing debt. The fiscal primary balance is expected to stabilize around 0.4 percent of GDP on average, over the long term.

20. The LIC-DSF realism tools confirm the credibility of the baseline scenario but highlight risks (Figures 3 and 4):

- Compared to the five-year projection in the 2020 DSA, total external PPG debt was below the estimates by 12.6 percentage points of GDP due to higher-than-expected growth, current account balance and FDI flows, as well as exchange rate movements, despite the impact from COVID-19 and other exogenous shocks. The renegotiation of the passive debt owed to Kuwait (see 2022 Article IV, DSA) and the revision of the nominal GDP figures and methodology in 2017-20 and in 2023-24 help explain the unexpected changes in debt in the past 5 years. Like in the previous DSA, the projected debt-creating flows are consistent with a smaller reduction in external and public debt compared to the historical dynamics. The current account and FDI as well as growth are expected to slow external debt accumulation. For public debt, real GDP growth is expected to play the largest role in containing increase. The unexpected changes in both external and public debt are lower than the median of LIC counterparts.
- The baseline's projected 3-year adjustment in primary balance over three years is feasible, with Mauritania below the top quartile of fiscal adjustments realized among peer countries. Like in the previous DSA, baseline GDP growth is below fiscal impulse projections from 2024 given a one-off boost to growth in 2022 on the back of the post-fire reopening of the gold factory.
- Finally, relative to the previous DSA, the baseline anticipates a somewhat higher contribution of government capital to growth over the next five years supported by the implementation of reforms increasing public investment efficiency. These measures encompass the prioritization of ongoing projects, i.e. projects with a certain execution rate, and the improvement of the public investment plan management, in addition to the reform measures under the RSF.

COUNTRY CLASSIFICATION AND STRESS TESTS

21. Mauritania's debt carrying capacity is assessed as "medium", unchanged from the last DSA. Although higher than its level in the 2024 DSA, the Composite Indicator (CI) score of 2.88 remains between the cut-off values for weak and strong debt-carrying capacity, 2.69 and 3.05, respectively, suggesting a medium debt carrying capacity. The CI is the weighted average of the 10-year average of the World Bank's Country Policy and Institutional Assessment (CPIA) score and macro-economic variables from the October 2025 WEO vintage. Text table 6 presents the resulting applicable thresholds used for the debt sustainability analysis.

22. Mauritania's CI calculation is weighed down by large externally financed extractive sector imports, which reduce the import coverage of reserves. The large scale of the offshore gas project and the expansion of the privately owned gold mine complex have generated and continue to generate sizable imports. The CI would be higher if only non-extractive capital imports were considered (extractive capital imports are fully financed through foreign direct investment and included in the balance of payments statistics).

Text Table 5. Mauritania: Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.489	1.34	47%
Real growth rate (in percent)	2.719	4.255	0.12	4%
Import coverage of reserves (in percent)	4.052	40.009	1.62	56%
Import coverage of reserves^2 (in percent)	-3.990	16.007	-0.64	-22%
Remittances (in percent)	2.022	1.907	0.04	1%
World economic growth (in percent)	13.520	2.973	0.40	14%
CI Score			2.882	100%
CI rating			Medium	

Text Table 6. Mauritania: Applicable Debt Thresholds

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	180
GDP	40
Debt service in % of	
Exports	15
Revenue	18

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	55

23. Relevant standardized and tailored stress tests were applied to public and external debt. A set of standard shock scenarios affecting GDP growth, the primary balance, exports and other flows are calibrated at 1 standard deviation in 2025 from their respective historical averages, while the exchange rate is stressed with a one-time 30 percent depreciation in 2025. A combined shock including all the above at half magnitude is also applied. The stress test on commodity prices with interactions with other macroeconomic variables also uses the default settings. Tailored stress tests are carried out on natural disaster (¶30) and on contingent liabilities stock. The latter is applied to the default value for the non-guaranteed SOE debt shock (2 percent of GDP) augmented by the SNIM debt (0.1percent of GDP at end-2024, ¶4) and the GTA-related debt held by SMH (5.3 percent of GDP), in line with the approach of the previous DSA.

DEBT SUSTAINABILITY ASSESSMENT

A. External Debt Sustainability

24. Mauritania is evaluated at moderate risk of external debt distress, in line with the previous DSA. Under the baseline scenario, none of the four debt burden indicators breach their indicative thresholds (Table 2 and Figure 1). Thus, external debt is assessed to be sustainable. Under stress tests, the natural disaster scenario leads to a threshold breach in PV of debt-to-GDP and PV of debt-to-exports ratios.

25. Overall, Mauritania's external indicators show 'some space' to absorb shocks by the end of the projection period, yielding a moderate rating. Figure 5 presents the additional qualification of the moderate category for each of the external debt indicators. The PV of debt-to-GDP is most concerning, remaining within "some space" during the projection period. Instead, the PV of debt-to-exports ratio and the debt service-to-export ratio remain in the "substantial space" category during the entire period. The debt service-to-revenue ratio is currently at "some space" category but moves to "substantial space" category over the next two years.

B. Public Debt Sustainability

26. Mauritania is evaluated at moderate risk of public debt distress. Under the baseline scenario, the PV of debt-to-GDP ratio remains under its indicative threshold. Like in the previous DSA, natural disaster, commodity price and real-GDP shocks lead to threshold breaches (Table 4). As in the previous DSAs, domestic public debt indicators remain below the median values of Mauritania's peers (Figure 6). Public debt is assessed to be sustainable on the basis of this assessment.

CLIMATE CHANGE RISKS

27. Mauritania is highly vulnerable to climate change shocks, especially floods and droughts, which might affect debt dynamics. The baseline incorporates estimates of average climate change related losses to GDP over the medium and long run,[10] as well as public investment in adapted infrastructure within the fiscal anchor embedded in the ECF-EFF arrangement. Specifically, we assume an increase in adaptive investment equal to the size of RSF disbursements and a reallocation over time from non-adaptive to adaptive investments as the RSF supports building capacity. Given the high cost of adaptation (according to the National Determined Contributions (NDC) Report, up to US$10.6 billion)[11] more financing through increased debt would pose significant risks to debt sustainability. Therefore, adaptation will be challenging without increasing the efficiency of public investment, ensuring that public investment plans consider climate adaptive elements in appraisal and selection (supported by the RSF), relying on grant and highly concessional financing, promoting private sector financing in climate-related projects, and mobilizing additional tax revenues. In this context, IDA's loans to Mauritania play an instrumental role in financing adaptation and mitigation at highly concessional terms (longer maturities and lower interest rates).

28. A natural disaster stress test for Mauritania illustrates the risks to debt sustainability of an extreme climate event. The tailored natural disaster stress test is informed by historic climate

[10] The calibration of average climate change related losses to GDP over the medium and long run remains unchanged from the previous DSA. The assumption for average long term growth excluding climate change impact is 4.6 percent. The assessment of the macroeconomic impact of climate change, based on a calibration of the DIGNAD model for Mauritania (see IMF selected issues paper 2023, Mauritania: Economic Impact of Climate Change (IMF Country Report No. 23/74)), showed that climate shocks would lead to an average deviation in long term growth of 1-2 percent.

[11] See IMF selected issues paper 2023, Mauritania: Economic Impact of Climate Change (IMF Country Report No. 23/74), for further analysis.

events,[12] with the calibration assuming a 22-percentage point increase in debt-to-GDP, a one-off 11.3 percentage point decline in real GDP growth, and a 5.7 percentage point shock to export growth. Table 2 illustrates that the PV of external debt-to-GDP ratio would breach its threshold by 2029 under the natural disaster shock, suggesting significant risks to debt sustainability from ex-post rebuilding after a natural disaster.

RISK RATING AND VULNERABILITIES

29. Mauritania's debt is assessed to be sustainable with a moderate risk of external and overall public debt distress. Furthermore, a granular assessment of the moderate risk rating shows that Mauritania has "some space" to absorb shocks (Figure 5).

30. The rating is subject to various downside risks. Key downside risks include an intensification of geopolitical tensions, which could impact food prices, decline in iron ore and gold production and prices, increases in oil prices, and security risks in the Sahel region. Risks related to export revenue fluctuations are particularly important, as Mauritania's exports are driven by mining activities. Moreover, climate-related disasters (especially droughts) will continue to pose major risks for agriculture and livestock.

31. Future assets of the GTA-funded hydrocarbon fund provide a buffer which supports the assessment of a moderate risk of debt distress. The assets that may accumulate in the hydrocarbon fund from GTA-related revenues (which are assumed in this DSA to represent half of annual GTA government revenues) could be available to meet debt service payments or to retire external debt, which would help reduce long-term vulnerabilities (current baseline projections assume an accumulation of assets). These options would depend on appropriate management of these resources and future macro-fiscal rules adopted by the authorities on the use of GTA-related revenues and accumulated assets. Development of phases 2 and 3 of the project could also strengthen exports and government revenues.

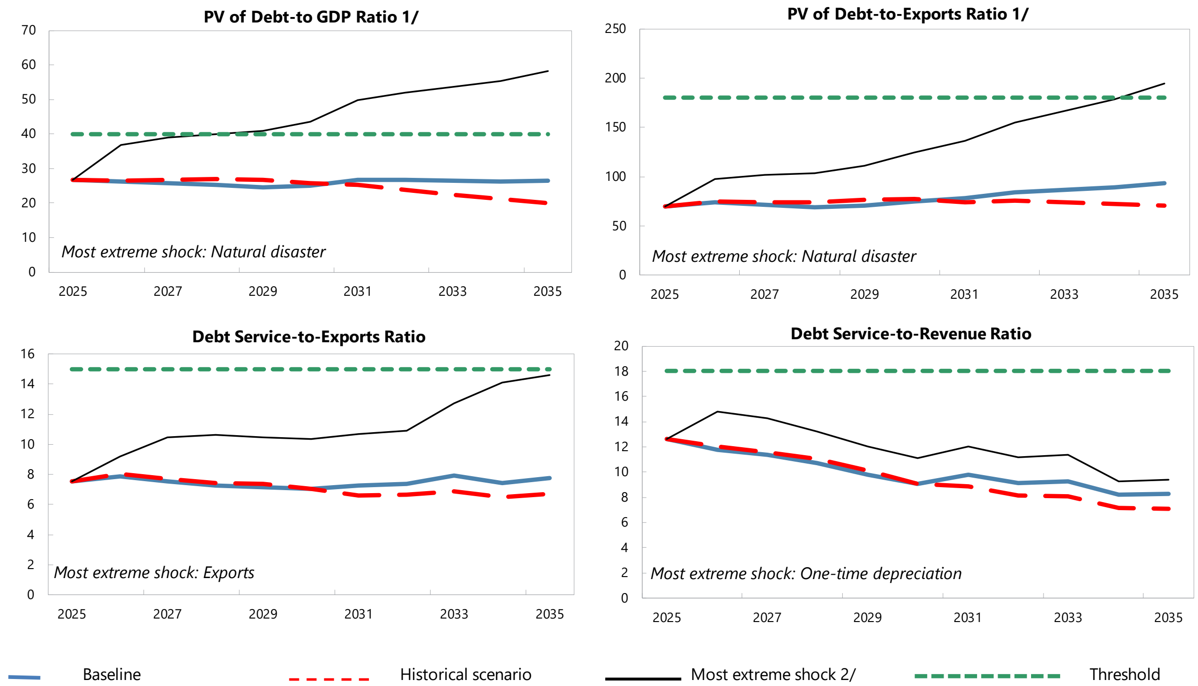
32. The DSA highlights the need to follow sound economic policies within a robust debt management framework. This includes a prudent borrowing strategy that prioritizes concessional financing taken up at a moderate pace consistent with absorptive capacity. To avoid exacerbating short-term liquidity risks, new borrowing resulting in significant short-term debt service should be limited. The authorities should also continue their best efforts to secure grants to invest in climate adaptation. Reducing risks of debt distress also hinges on sustaining structural reforms to promote inclusive growth and economic diversification through private sector development, improving public financial management to raise the efficiency and growth dividends of public spending, and strengthening debt management capacity. The authorities have reflected these objectives in their growth and development strategy and continue to make progress in implementing the policies needed to achieve them.

[12] The largest climate-related natural disaster in the past 100 years occurred in 1969 (according to the Emergency Events Database (EM-DAT) leading to an 11.3 percent drop in GDP. The corresponding debt increase is informed by the IMF's DIGNAD modelling tool. Exports are assumed to impacted half as much as overall GDP given the nature of Mauritania's commodity exports.

AUTHORITIES' VIEWS

33. The authorities agreed with staff's assessment that Mauritania's risk of external debt distress remain moderate. They endorsed the IMF staff's recommendation that maintaining this moderate level of risk is essential to preserving the country's macroeconomic stability. In this regard, they considered it necessary to maintain a prudent borrowing policy, improve revenue mobilization, and strengthen public investment management. While reaffirming their commitment to prioritizing concessional and semi-concessional financing, the authorities stressed that the level of financing required to achieve the development objectives set out in Mauritania's Strategy for Accelerated Growth and Shared Prosperity (SCAPP) 2030 cannot be met solely through such borrowing. Accordingly, the Medium-Term Debt Strategy for 2026–2028 provides, on the one hand, for a measured use of non-concessional loans in proportions that do not compromise public debt sustainability and, on the other hand, for a significant introduction of medium- and long-term Treasury instruments to support the development of the domestic market.

Figure 1. Mauritania: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2025-35



Customization of Default Settings		
	Size	Interactions
Tailored Stress		
Combined CL 3/	Yes	
Natural disaster	Yes	Yes
Commodity price	No	No
Market financing	n.a.	n.a.

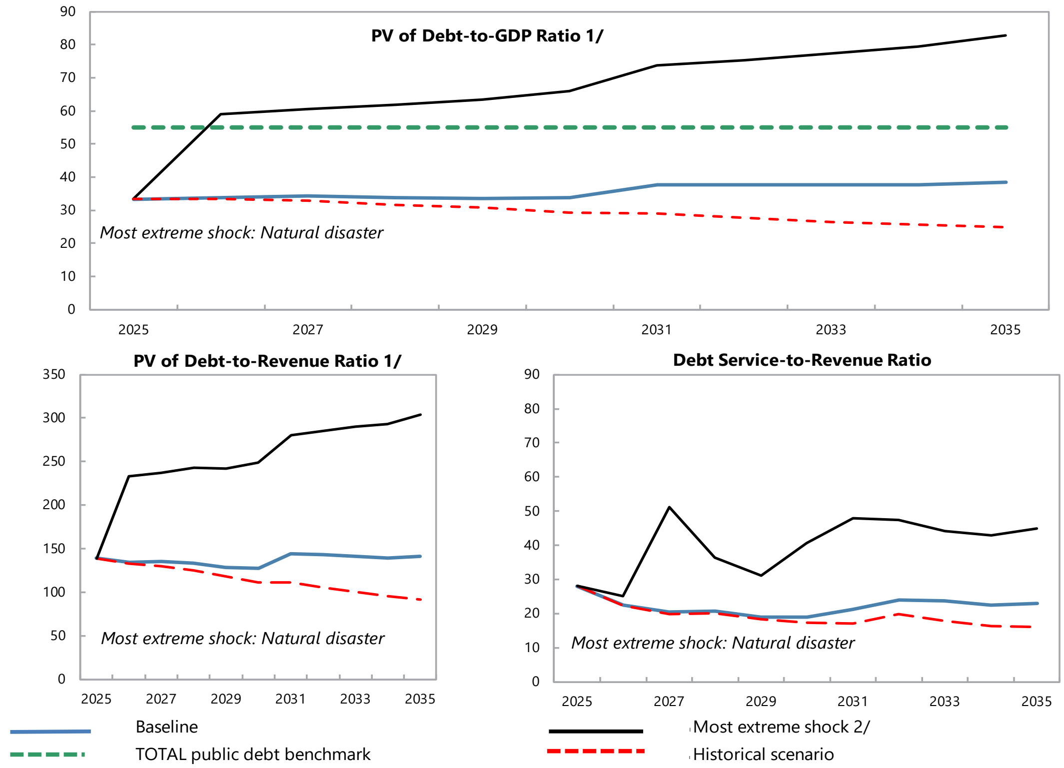
Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.6%	1.6%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	23	23
Avg. grace period	6	6

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.
1/ Does not include passive debt to the Kuwait Investment Authority.
2/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.
3/ The magnitude of the shock used for the combined contingent liability shock has been increased to factor in the full value of the Nouakchott harbor PPP.

Figure 2. Mauritania: Indicators of Public Debt Under Alternative Scenarios, 2025–35



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	45%	45%
Domestic medium and long-term	28%	28%
Domestic short-term	28%	28%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.6%	1.6%
Avg. maturity (incl. grace period)	23	23
Avg. grace period	6	6
Domestic MLT debt		
Avg. real interest rate on new borrowing	3.5%	3.5%
Avg. maturity (incl. grace period)	5	5
Avg. grace period	3	3
Domestic short-term debt		
Avg. real interest rate	2.2%	2.2%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

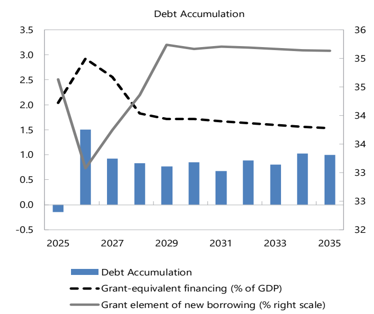
Sources: Country authorities; and staff estimates and projections.
1/ Does not include passive debt to the Kuwait Investment Authority.
2/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Table 1. Mauritania: External Debt Sustainability Framework, Baseline Scenario, 2022–45

(In percent of GDP, unless otherwise indicated)

	Actual			*Projections*								*Average 8/*	
	2022	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2035**	**2045**	**Historical**	**Projections**
External debt (nominal) 1/	47.7	46.7	44.1	39.9	39.8	38.9	38.1	37.4	37.8	39.8	43.3	**55.9**	**39.4**
of which: public and publicly guaranteed (PPG)	42.3	40.6	36.9	33.1	32.9	32.5	32.0	31.4	31.9	34.5	39.3	**47.7**	**33.3**
Change in external debt	-2.5	-1.1	-2.5	-4.2	-0.1	-0.9	-0.8	-0.7	0.4	0.2	1.0		
Identified net debt-creating flows	-2.1	-4.3	-4.8	-3.0	-0.8	-2.1	-2.4	-1.6	0.2	1.0	-1.8	**-2.0**	**-0.7**
Non-interest current account deficit	14.6	7.8	8.6	5.5	6.2	4.8	4.6	4.9	6.0	6.9	4.7	**10.1**	**5.9**
Deficit in balance of goods and services	16.7	11.6	11.5	7.3	7.5	5.9	5.9	6.3	7.4	8.8	6.4	**13.0**	**7.5**
Exports	43.6	37.6	37.4	38.1	35.5	36.1	36.4	34.8	33.2	28.3	24.5		
Imports	60.3	49.2	48.9	45.4	43.0	42.0	42.3	41.1	40.6	37.0	30.9		
Net current transfers (negative = inflow)	-3.5	-2.8	-3.0	-1.9	-1.8	-1.8	-1.8	-1.7	-1.7	-1.2	-1.2	**-3.5**	**-1.6**
of which: official	-1.7	-1.2	-2.2	-1.0	-0.9	-1.0	-1.0	-1.0	-0.9	-0.4	-0.3		
Other current account flows (negative = net inflow)	1.4	-1.0	0.1	0.1	0.5	0.7	0.6	0.4	0.3	-0.7	-0.5	**0.5**	**0.0**
Net FDI (negative = inflow)	-14.7	-7.9	-13.1	-7.6	-5.9	-5.9	-5.6	-5.5	-5.5	-5.4	-5.8	**-10.1**	**-5.8**
Endogenous debt dynamics 2/	-2.1	-4.3	-0.3	-0.9	-1.1	-1.0	-1.4	-1.1	-0.4	-0.5	-0.7		
Contribution from nominal interest rate	0.2	0.9	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7		
Contribution from real GDP growth	-3.3	-2.9	-2.9	-1.7	-1.8	-1.7	-2.1	-1.8	-1.1	-1.2	-1.4		
Contribution from price and exchange rate changes	1.0	-2.3	1.7	...	...	...	...	...	...	...	...		
Residual 3/	-0.4	3.3	2.3	-1.3	0.7	1.3	1.6	0.9	0.3	-0.8	2.8	**0.8**	**0.3**
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	29.6	26.7	26.2	25.7	25.2	24.6	24.9	26.4	29.6		
PV of PPG external debt-to-exports ratio	...	...	79.2	70.0	73.8	71.3	69.0	70.8	75.1	93.2	120.5		
PPG debt service-to-exports ratio	5.8	8.0	8.7	7.5	7.9	7.6	7.3	7.1	7.0	7.8	9.9		
PPG debt service-to-revenue ratio	10.8	14.7	15.5	12.6	11.8	11.4	10.7	9.8	9.0	8.2	7.9		
Gross external financing need (Billion of U.S. dollars)	0.5	0.5	0.0	0.3	0.7	0.5	0.5	0.5	0.7	0.9	0.6		
Key macroeconomic assumptions													
Real GDP growth (in percent)	6.8	6.8	6.3	4.2	4.7	4.6	5.7	4.9	3.0	3.1	3.3	**4.1**	**4.2**
GDP deflator in US dollar terms (change in percent)	-1.9	5.0	-3.5	6.0	2.8	0.9	-0.2	0.3	-0.7	0.0	-2.4	**1.3**	**0.1**
Effective interest rate (percent) 4/	0.5	2.1	1.9	2.0	1.8	1.8	1.8	1.9	1.9	1.9	1.7	**1.4**	**1.9**
Growth of exports of G&S (US dollar terms, in percent)	27.0	-3.4	2.1	12.6	0.2	7.3	6.6	0.5	-2.5	-0.7	0.0	**7.9**	**1.8**
Growth of imports of G&S (US dollar terms, in percent)	33.0	-8.6	2.2	2.5	1.8	3.1	6.4	2.1	1.0	0.3	0.0	**5.5**	**1.7**
Grant element of new public sector borrowing (in percent)	...	...	...	34.6	33.1	33.7	34.4	35.2	35.2	35.1	34.9	**...**	**34.7**
Government revenues (excluding grants, in percent of GDP)	23.2	20.6	21.0	22.7	23.7	24.0	24.6	25.4	25.8	26.7	30.5	**20.3**	**25.2**
Aid flows (in Billion of US dollars) 5/	0.2	0.2	0.1	0.3	0.3	0.4	0.3	0.3	0.2	0.2	0.1		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.0	2.9	2.6	1.8	1.7	1.7	1.5	1.4	**...**	**1.9**
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	60.7	50.6	53.0	46.2	47.1	47.1	44.3	40.6	**...**	**48.3**
Nominal GDP (Billion of US dollars)	10	11	11	12	13	14	15	15	16	17	23		
Nominal dollar GDP growth	4.8	12.1	2.6	10.5	7.6	5.5	5.5	5.2	2.3	3.1	0.9	**5.3**	**4.3**
Memorandum items:													
PV of external debt 7/	...	...	36.8	33.5	33.1	32.2	31.3	30.6	30.8	31.7	33.6		
In percent of exports	...	...	98.4	87.9	93.3	89.1	85.9	87.9	92.8	111.9	136.9		
Total external debt service-to-exports ratio	10.9	12.8	13.0	12.3	13.6	12.6	11.7	11.7	12.0	13.2	14.6		
PV of PPG external debt (in Billion of US dollars)			3.3	3.2	3.4	3.5	3.7	3.8	3.9	4.6	6.8		
(PVt-PVt-1)/GDPt-1 (in percent)				-0.1	1.5	0.9	0.8	0.8	0.8	1.0	1.1		
Non-interest current account deficit that stabilizes debt ratio	17.1	8.9	11.1	9.8	6.3	5.6	5.4	5.7	5.6	6.7	3.7		

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	No



Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as $[r - g - \rho(1+g) + \mathcal{E}\alpha (1+r)]/(1+g+\rho+g\rho)$ times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, ρ = growth rate of GDP deflator in U.S. dollar terms, Ɛ=nominal appreciation of the local currency, and α= share of local currency-denominated external debt in total external debt.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief) such as the projected resolution in 2020 of the debt owed to the Kuwait Investment Authority; changes in gross foreign assets; and valuation adjustments. For projections also include contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 2. Mauritania: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2025–35
(In percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to GDP Ratio											
Baseline	27	26	26	25	25	25	27	27	26	26	26
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	27	27	27	27	27	26	25	24	22	21	20
B. Bound Tests											
B1. Real GDP growth	27	28	28	28	27	28	30	30	29	29	29
B2. Primary balance	27	27	27	27	27	27	29	29	29	29	29
B3. Exports	27	31	37	37	36	36	39	39	39	38	37
B4. Other flows 3/	27	29	30	30	29	30	32	32	31	31	31
B5. Depreciation	27	33	29	29	28	28	31	30	30	30	30
B6. Combination of B1-B5	27	32	32	32	31	31	34	34	33	33	33
C. Tailored Tests											
C1. Combined contingent liabilities	27	31	32	31	31	32	35	36	36	36	36
C2. Natural disaster	27	37	39	40	**41**	**44**	**50**	**52**	**54**	**55**	**58**
C3. Commodity price	27	31	34	34	33	34	36	36	35	34	33
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of Debt-to-Exports Ratio											
Baseline	70	74	71	69	71	75	78	84	87	89	93
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	70	75	74	74	76	78	74	75	74	72	70
B. Bound Tests											
B1. Real GDP growth	70	74	71	69	71	75	78	84	87	89	93
B2. Primary balance	70	76	76	74	76	81	85	93	96	99	104
B3. Exports	70	97	132	128	131	140	146	158	162	163	168
B4. Other flows 3/	70	81	84	82	84	89	93	100	103	105	109
B5. Depreciation	70	74	65	63	64	68	71	76	78	81	85
B6. Combination of B1-B5	70	89	80	90	93	98	102	110	113	115	120
C. Tailored Tests											
C1. Combined contingent liabilities	70	87	88	86	89	97	103	113	117	122	128
C2. Natural disaster	70	98	102	104	111	124	137	155	166	178	**194**
C3. Commodity price	70	103	110	104	105	108	108	116	118	118	120
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt Service-to-Exports Ratio											
Baseline	8	8	8	7	7	7	7	7	8	7	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	8	8	8	7	7	7	7	7	7	6	7
B. Bound Tests											
B1. Real GDP growth	8	8	8	7	7	7	7	7	8	7	8
B2. Primary balance	8	8	8	7	7	7	7	8	8	8	8
B3. Exports	8	9	10	11	10	10	11	11	13	14	15
B4. Other flows 3/	8	8	8	8	7	7	8	8	9	9	9
B5. Depreciation	8	8	8	7	7	7	7	7	8	7	7
B6. Combination of B1-B5	8	8	9	9	8	8	9	9	10	10	10
C. Tailored Tests											
C1. Combined contingent liabilities	8	8	8	8	8	7	8	8	9	8	8
C2. Natural disaster	8	8	8	8	8	8	9	9	10	9	10
C3. Commodity price	8	10	9	9	9	8	8	9	10	11	11
C4. Market Financing	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt Service-to-Revenue Ratio											
Baseline	13	12	11	11	10	9	10	9	9	8	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	13	12	12	11	10	9	9	8	8	7	7
B. Bound Tests											
B1. Real GDP growth	13	12	13	12	11	10	11	10	10	9	9
B2. Primary balance	13	12	11	11	10	9	10	9	10	9	9
B3. Exports	13	12	12	12	11	10	11	11	12	12	12
B4. Other flows 3/	13	12	12	11	10	9	10	10	10	10	10
B5. Depreciation	13	15	14	13	12	11	12	11	11	9	9
B6. Combination of B1-B5	13	13	13	12	11	10	11	10	12	10	10
C. Tailored Tests											
C1. Combined contingent liabilities	13	12	12	11	10	10	10	10	10	9	9
C2. Natural disaster	13	12	12	12	11	10	11	11	11	10	10
C3. Commodity price	13	13	13	13	11	11	11	10	12	11	11
C4. Market Financing	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the threshold.
2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
3/ Includes official and private transfers and FDI.

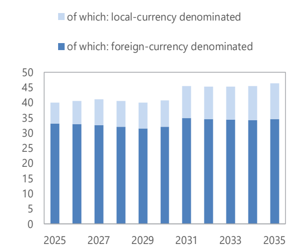
Table 3. Mauritania: Public Sector Debt Sustainability Framework, Baseline Scenario, 2022–45

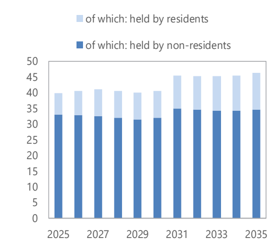
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 7/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
Public sector debt 1/	**48.5**	**47.0**	**43.6**	**39.9**	**40.5**	**41.0**	**40.5**	**40.0**	**40.6**	**46.3**	**52.8**	**53.8**	**42.7**
of which: external debt	**42.3**	**40.6**	**36.9**	**33.1**	**32.9**	**32.5**	**32.0**	**31.4**	**31.9**	**34.5**	**39.3**	**47.7**	**33.3**
		6.4	6.6										
Change in public sector debt	-3.9	-1.5	-3.4	-3.7	0.7	0.4	-0.5	-0.4	0.6	0.8	1.2		
Identified debt-creating flows	**0.2**	**-2.3**	**-3.1**	**-2.9**	**-2.2**	**-1.9**	**-2.2**	**-2.0**	**-0.9**	**-0.9**	**-1.8**	**-4.6**	**-1.6**
Primary deficit	**2.7**	**1.5**	**0.4**	**-0.5**	**-0.3**	**-0.2**	**-0.2**	**-0.3**	**0.0**	**0.2**	**-0.7**	**-0.7**	**0.0**
Revenue and grants	25.0	22.3	22.2	24.1	25.2	25.4	25.3	26.1	26.5	27.2	30.8	**21.8**	**26.0**
of which: grants	1.8	1.8	1.2	1.3	1.5	1.4	0.7	0.7	0.7	0.5	0.3		
Primary (noninterest) expenditure	27.7	23.8	22.6	23.5	24.9	25.2	25.1	25.8	26.5	27.4	30.1	**21.1**	**26.0**
Automatic debt dynamics	**-1.1**	**-2.0**	**-3.5**	**-2.3**	**-1.9**	**-1.7**	**-2.0**	**-1.7**	**-0.9**	**-1.1**	**-1.1**		
Contribution from interest rate/growth differential	-5.8	-3.7	-2.9	-2.3	-1.9	-1.7	-2.0	-1.7	-0.9	-1.1	-1.1		
of which: contribution from average real interest rate	-2.5	-0.6	-0.1	-0.6	-0.1	0.1	0.2	0.1	0.2	0.2	0.6		
of which: contribution from real GDP growth	-3.3	-3.1	-2.8	-1.8	-1.8	-1.8	-2.2	-1.9	-1.2	-1.4	-1.7		
Contribution from real exchange rate depreciation	4.8	1.7	-0.6	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	**-1.4**	**-1.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-1.6**	**0.0**
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	-1.4	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual 2/	**-4.1**	**0.8**	**-0.3**	**-0.8**	**2.9**	**2.3**	**1.7**	**1.6**	**1.5**	**1.7**	**2.9**	**4.0**	**1.8**
Sustainability indicators													
PV of public debt-to-GDP ratio 3/	**...**	**...**	**36.3**	**33.4**	**33.9**	**34.4**	**33.9**	**33.5**	**33.8**	**38.4**	**43.4**		
PV of public debt-to-revenue and grants ratio	**...**	**...**	**163.3**	**138.8**	**134.8**	**135.2**	**133.6**	**128.3**	**127.7**	**141.3**	**140.8**		
Debt service-to-revenue and grants ratio 4/	**18.6**	**22.0**	**25.8**	**28.0**	**22.5**	**20.6**	**20.7**	**19.0**	**19.0**	**23.0**	**24.2**		
Gross financing need 5/	5.9	4.6	6.1	6.1	5.3	5.0	4.9	4.6	4.9	6.4	6.7		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	6.8	6.8	6.3	4.2	4.7	4.6	5.7	4.9	3.0	3.1	3.3	**4.1**	**4.2**
Average nominal interest rate on external debt (in percent)	0.0	2.0	1.7	1.7	1.6	1.6	1.7	1.7	1.8	1.8	1.6	**0.7**	**1.7**
Average real interest rate on domestic debt (in percent)	3.3	1.0	1.8	-3.7	0.7	2.1	3.1	2.4	3.4	3.0	5.5	**0.8**	**2.6**
Real exchange rate depreciation (in percent, + indicates depreciation)	11.9	4.3	-1.5	...	...	...	...	...	...	...	...	**1.4**	**...**
Inflation rate (GDP deflator, in percent)	-0.6	3.8	3.9	5.6	2.6	1.7	1.3	2.2	1.3	2.0	-0.4	**3.9**	**1.7**
Growth of real primary spending (deflated by GDP deflator, in percent)	48.4	-8.1	0.6	8.6	10.7	6.0	5.3	7.7	5.6	4.1	3.7	**5.1**	**6.1**
Primary deficit that stabilizes the debt-to-GDP ratio 6/	6.5	3.0	3.8	3.2	-1.0	-0.7	0.3	0.1	-0.6	-0.6	-1.8	**4.4**	**-0.2**
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**No**

Public sector debt 1/





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, central bank, government-guaranteed debt. Definition of external debt is Residency-based.

2/ Includes exceptional financing (i.e., changes in arrears and debt relief) such as the projected resolution in 2020 of the debt owed to the Kuwait Investment Authority; changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

3/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

4/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

5/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

6/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

7/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 4. Mauritania: Sensitivity Analysis for Key Indicators of Public Debt, 2025–35

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	33	34	34	34	33	34	38	38	38	38	38
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	33	33	33	32	31	29	29	28	27	26	25
B. Bound Tests											
B1. Real GDP growth	33	37	41	43	44	47	54	**56**	**58**	**60**	**63**
B2. Primary balance	33	36	38	37	37	37	41	41	41	41	42
B3. Exports	33	37	44	43	43	43	48	48	48	47	47
B4. Other flows 3/	33	36	39	39	38	39	43	43	43	42	43
B5. Depreciation	33	40	38	36	34	32	35	33	31	30	29
B6. Combination of B1-B5	33	34	35	34	33	33	37	37	37	38	39
C. Tailored Tests											
C1. Combined contingent liabilities	33	47	47	46	45	45	50	49	49	49	50
C2. Natural disaster	33	**59**	**61**	**62**	**63**	**66**	**74**	**75**	**77**	**79**	**83**
C3. Commodity price	33	36	40	43	46	49	**57**	**59**	**61**	**63**	**66**
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	139	135	135	134	128	128	144	143	141	139	141
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	139	132	130	125	118	111	111	105	100	95	92
B. Bound Tests											
B1. Real GDP growth	139	146	162	168	170	177	206	211	217	220	230
B2. Primary balance	139	142	150	147	141	141	158	156	154	151	153
B3. Exports	139	148	173	171	164	164	184	183	180	174	174
B4. Other flows 3/	139	144	154	152	146	146	164	163	160	157	158
B5. Depreciation	139	158	150	141	129	122	132	125	118	111	107
B6. Combination of B1-B5	139	136	139	134	128	127	143	140	140	139	142
C. Tailored Tests											
C1. Combined contingent liabilities	139	188	184	181	174	172	190	187	185	181	183
C2. Natural disaster	139	233	237	243	242	249	281	285	290	293	304
C3. Commodity price	139	154	167	182	185	193	221	224	229	232	242
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	28	22	21	21	19	19	21	24	24	22	23
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	28	22	20	20	18	17	17	20	18	16	16
B. Bound Tests											
B1. Real GDP growth	28	24	24	26	25	27	30	36	37	36	38
B2. Primary balance	28	23	23	24	21	21	24	27	26	24	25
B3. Exports	28	22	21	22	20	20	22	25	25	26	26
B4. Other flows 3/	28	22	21	21	19	19	22	24	25	24	25
B5. Depreciation	28	23	23	22	21	21	22	25	24	23	23
B6. Combination of B1-B5	28	22	20	22	19	19	22	24	25	25	26
C. Tailored Tests											
C1. Combined contingent liabilities	28	23	39	27	22	28	33	31	28	26	28
C2. Natural disaster	28	25	51	36	31	41	48	47	44	43	45
C3. Commodity price	28	24	23	23	26	27	29	34	37	38	39
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

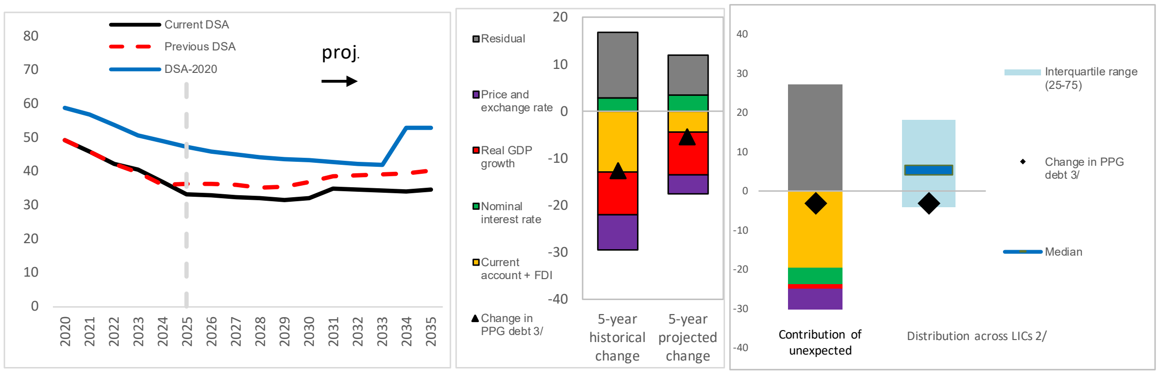
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Figure 3. Mauritania: Drivers of Debt Dynamics – Baseline Scenario

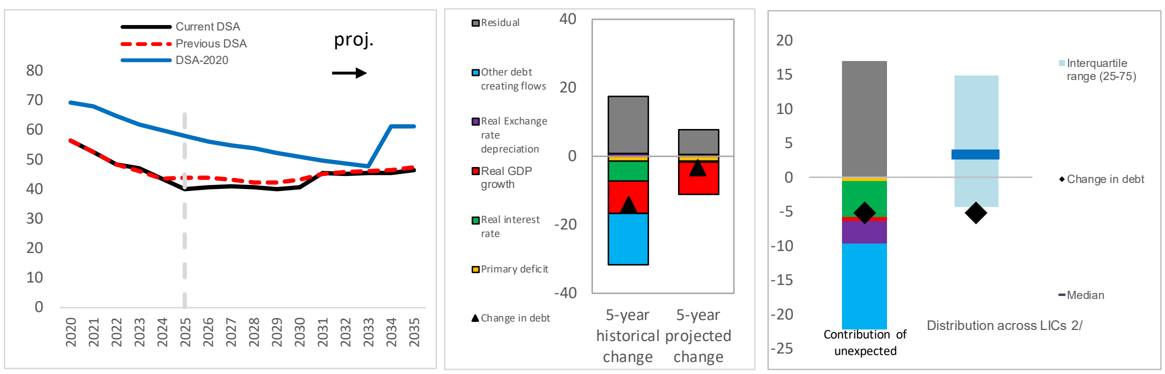
External Debt

Gross Nominal PPG External Debt (in percent of GDP; DSA vintages)	Debt-Creating Flows (percent of GDP)	Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



Public Debt

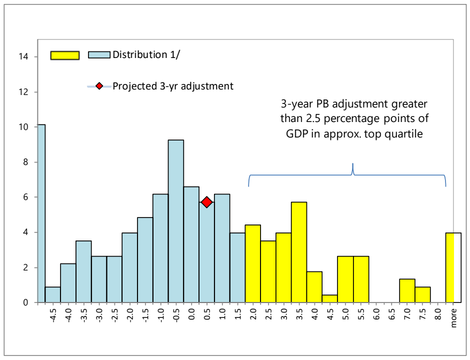
Gross Nominal Public Debt #VALUE!	Debt-Creating Flows (percent of GDP)	Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



1/ Difference between anticipated and actual contributions on debt ratios.
2/ Distribution across LICs for which LIC DSAs were produced.
3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

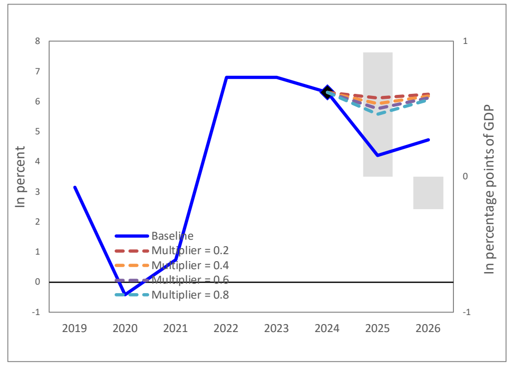
Figure 4. Mauritania: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



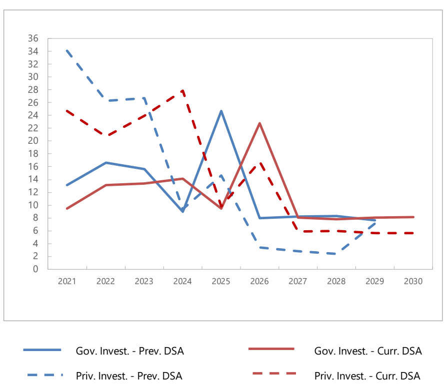
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growths paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates 1/
(percent of GDP)



1/ The gap for either variable between the previous and the current DSA is due to a reassessment of projections in light of new information.

Contribution to Real GDP growth
(percent, 5-year average)

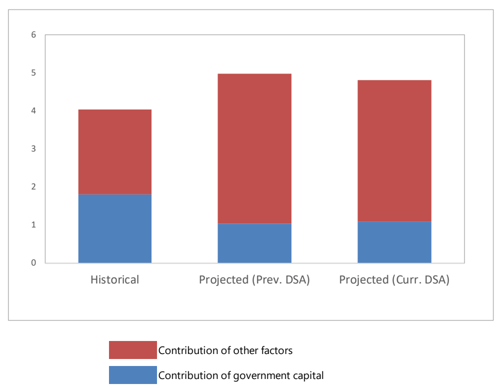
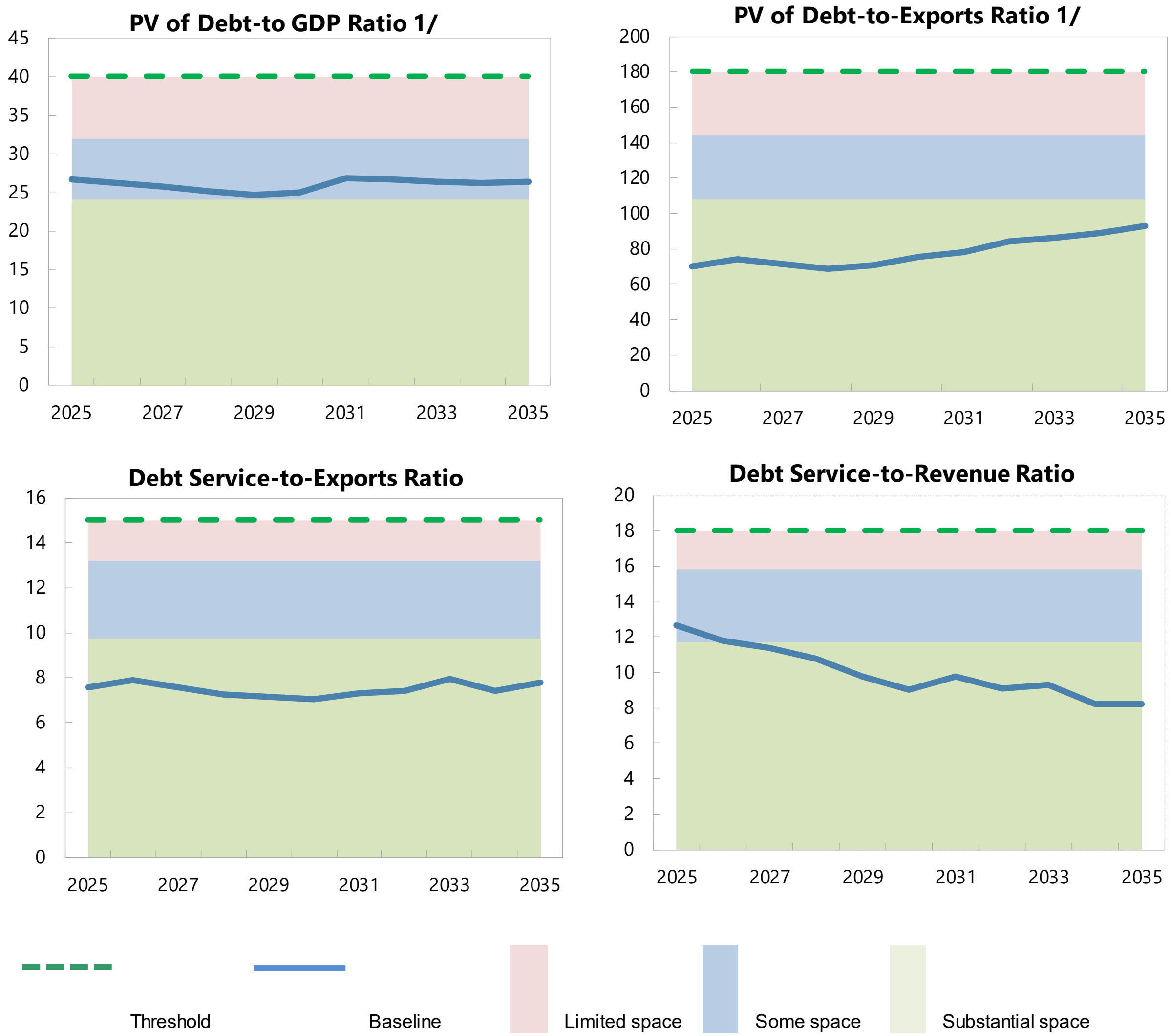


Figure 5. Mauritania: Qualification of the Moderate Category, 2025–35 1/

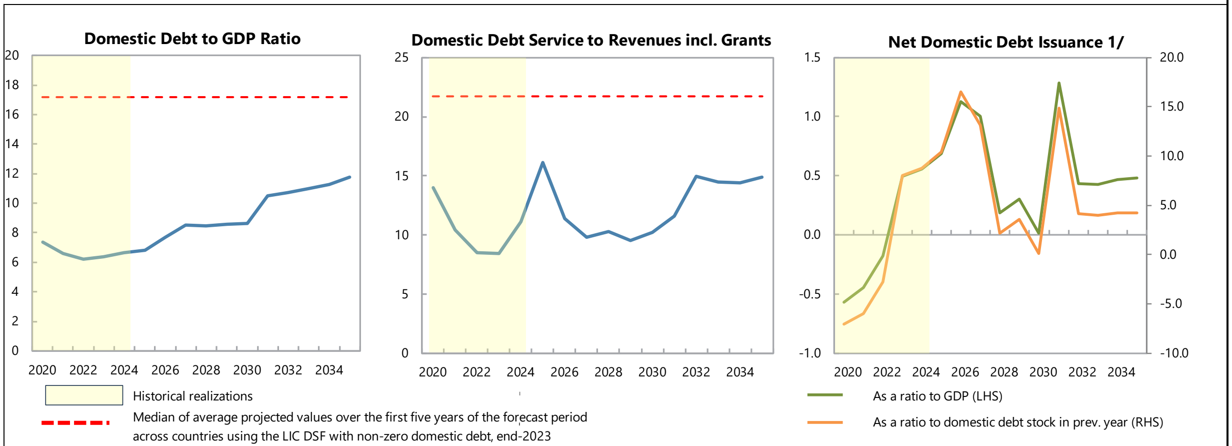


Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Figure 6. Mauritania: Indicators of Domestic Public Debt, 2020–35

(Percent)



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	50%
Short-term	50%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	3.5%
Avg. maturity (incl. grace period)	5
Avg. grace period	3
Domestic short-term debt	
Avg. real interest rate	2.2%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

ISLAMIC REPUBLIC OF MAURITANIA

January 13, 2026

FIFTH REVIEWS UNDER THE ARRANGEMENTS UNDER THE EXTENDED CREDIT FACILITY AND THE EXTENDED FUND FACILITY, REQUEST FOR A WAIVER OF APPLICABILITY OF PERFORMANCE CRITERIA, AND FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY—WORLD BANK ASSESSMENT LETTER FOR THE RESILIENCE AND SUSTAINABILITY FACILITY

This (November 2025) Update to the World Bank Assessment Letter for the Mauritania RSF (September 2023) highlights relevant changes that have occurred since the RSF Assessment Letter issuance.[1]

A. Mauritania Vulnerability to Climate Change

1. Climate change continues to pose substantial risks to growth and inclusive development in Mauritania. The country is exposed to various types of hazards, and frequently experiences droughts, floods, and extreme heat. These climatic shifts adversely affect key sectors (such as labor, agriculture, infrastructure, and water resources), undermining food security, intensifying migration pressures (particularly among pastoral and farming communities), and exacerbating health risks, resource-related conflicts, and gender-based violence and inequalities. The 2024 University of Notre Dame Global Adaptation Initiative (ND-GAIN) index ranked Mauritania 159th out of 187 countries, underscoring the pressing need for effective climate adaptation strategies.[2] Furthermore, the World Bank's Changing Wealth of Nations Report 2024

[1] The original Assessment Letter can be found in the second attachment of the December 2023 Islamic Republic of Mauritania: First Reviews Under the Arrangements under the Extended Credit Facility and the Extended Fund Facility, Requests for Modification of Performance Criteria and a Waiver of Nonobservance of Performance Criterion, and Request for an Arrangement Under the Resilience and Sustainability Facility-Press Release; Staff Report; and Statement by the Executive Director for the Islamic Republic of Mauritania

[2] The ND-GAIN Country Index summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience. https://gain.nd.edu/our-work/country-index/rankings/

indicates a decline in Mauritania's renewable natural capital (13 percent in 1995–2020 and 56 percent in per capita terms), compounding climate risks. Moreover, the launch of natural gas exploitation early 2025 could further change the structure and sources of GHG emissions in Mauritania, requiring additional efforts to accelerate the transition to cleaner energy. Government Policies and Commitments in Terms of Climate Change Adaptation and Priority areas to Strengthen Resilience

2. In October 2025, Mauritania updated its National Determined Contribution (NDC 3.0) for the period 2025-2035, reaffirming its commitment to climate action. The new NDC prioritizes resilience to support inclusive and sustainable development. The update, aligned with the National Risk and Disaster Prevention Plan, broadens adaptation measures across 85 actions in key sectors (ecosystems and biodiversity, agriculture and food security, fisheries, water resources and sanitation, housing, urban planning and development, health, livestock, education, gender and youth, climate change, and human mobility and security), with an estimated implementing cost of US$ 5,808.66 million, of which US$ 4,910.68 million are conditional and US$ 897.98 million are non-conditional.[3] Through strong alignment with government programs, the new NDC serves as an implementation tool for the strategic adaptation planning undertaken through the ongoing National Adaptation Programme.

B. Government Policies and Commitments in Terms of Climate Change Mitigation and Priority Areas to Reduce Greenhouse Gas Emissions

3. Mauritania's NDC 3.0, outlines a strengthened commitment to climate action with mitigation priorities. The country aims to reduce greenhouse gas emissions by 11 percent by 2030 compared to a business-as-usual (BAU) scenario, with part of this target contingent on international support. The mitigation strategy spans energy, industrial processes, agriculture, forestry and land use, and waste management sectors. Under its NDC 3.0, Mauritania commits to a 75.8 percent reduction in greenhouse gas emissions by 2035 compared to the BAU scenario, equivalent to 17,433.84 Gg CO_2eq. This includes an unconditional reduction of 8.1 percent (1,873 Gg CO_2eq) and a conditional reduction of 67.7 percent (15,561 Gg CO_2eq). The mitigation ambition spans five emission sectors: Energy, Agriculture, Land Use, Land-Use Change and Forestry (LULUCF), Industrial Processes and Product Use (IPPU), and Waste. The national effort to increase the share of renewables in the energy mix will focus on harnessing Mauritania's significant renewable energy potential, aiming to install over 13 GW by 2035. A key pillar in achieving this goal is the LULUCF sector, which will be strengthened through ambitious forestry projects such as the Great Green Wall and assisted forest regeneration, alongside agroecology initiatives and improved livestock practices. Mauritania's mitigation efforts are estimated at US$ 12,103.62 million, of which 13 percent (US$ 1,529.42 million) is unconditional, and 87 percent (US$ 10,574.19 million) is conditional upon the mobilization of external resources.

[3] Mauritania NDC 3.0, October 25, 2025.

C. Other Challenges and Opportunities

4. **Strengthening financing and institutional capacity will be needed to advance climate action.** The new NDC estimates financial needs at US$ 18.1 billion, requiring urgent measures to expand fiscal space, strengthen institutions, and mobilize international and private climate finance. Mauritania has secured a US$ 24 million Cat-DDO in 2024, with a drawdown window valid until 2027. The country has introduced, under this program, a Unified Emergency Preparedness and Response Framework, a climate-informed urban planning law, and established a coastal observatory for ecosystem monitoring, to improve disaster preparedness, and support climate resilience and inclusive growth. Yet, technical and data gaps persist. Weak monitoring, reporting, and verification (MRV) systems hinder progress tracking and access to climate finance.

5. **Mauritania will need to accelerate economic diversification to effectively enhance resilience.** Agriculture, notably subsistence farming and pastoralism, subject to larger negative climate-related shock, remains a major source of employment for poor households. Moreover, economic volatility linked to dependence on commodity exports, coupled with increasing variability in rainfall and temperature, threatens rural livelihoods and food security. Mauritania will need to diversify its economy beyond extractives by attracting investments in sustainable agriculture, fisheries, and service.

D. World Bank Engagement

6. **The World Bank engagements referenced in the September 2023 Assessment Letter are still ongoing.** Additionally, the World Bank has launched the regional **Senegal River Valley Development and Resilience Project (P179449)** to strengthen climate resilience, livelihoods, and social cohesion for vulnerable communities in Mauritania's river valley through investments in sustainable infrastructure, nature-based solutions, and regional cooperation. Aligned with Mauritania's Mission 300 Energy Compact, the **Development of Energy Resources and Mineral Sector Support Project (DREAM - P179383)** is enhancing grid stability to support green hydrogen, mineral resource investments, and greater renewable energy integration. Ongoing analytical work includes (i) the **Climate Change, Forestry and Blue Economy Programmatic ASA (P506952)** to strengthen Mauritania's capacity to implement CCDR recommendations; (ii) the **Urbanization, Mobility and Territorial Development PASA (P507376)** to help identify priority reforms and investments for resilient, inclusive cities; (iii) the **Mauritania Growth and Jobs Report (GJR)**, which integrate climate considerations into policies and investments. The GJR presents policy options to foster private sector growth and sustain development in the context of climate risks and the green transition. The World Bank is also providing **technical assistance** to the Central Bank of Mauritania to incorporate a climate module into its macroeconomic model, to the central bank to simulate climate-related shocks and strengthen resilience in monetary and fiscal policy analysis. The TA activities are scheduled to close by June 30, 2026.

7. **The forthcoming World Bank Country Partnership Framework (FY2026-30) for Mauritania, building on the FY2018-23 CPF, embeds a cross-cutting strategy to address**

climate change, aligning with *the new NDC (2025–2035)*. The new CPF prioritizes climate-resilient urban planning and infrastructure in secondary cities and refugee-hosting areas under the **Moudoun Project.** The World Bank is preparing the **West Africa Coastal Areas Blue Economy and Resilience Multiphase Program (WACA+)**, following the closure of the regional **West Africa Coastal Area Resilience Investment Project (P162337)** in December 2025, to unlock job creation potential in blue economy sectors and further strengthen coastal resilience.

Statement by Ouattara Wautabouna, Executive Director for the Islamic Republic of Mauritania, and Fatimetou Yahya, Advisor to Executive Director
January 28, 2026

On behalf of our Mauritanian authorities, we thank the IMF Executive Board, Management, and Staff for their continued support. The authorities welcome the constructive policy dialogue held during the recent mission in Nouakchott, and the valuable technical assistance provided by various IMF departments. They broadly share the thrust of staff assessment and policy recommendations set forth in the reports.

In a regional and global environment marked by mounting uncertainties, Mauritania continues to demonstrate remarkable resilience. Amidst declining aid, the authorities continue to grapple with the impact of climate-related shocks, a rising influx of refugees due to security crisis in the Sahel, with high associated costs to mitigate regional security risks and host refugee communities. Nonetheless, the authorities remain steadfast in their commitment to their economic and financial reform agenda anchored in the national Strategy for Accelerated Growth and Shared Prosperity (SCAPP) and underpinned by the ECF-EFF and RSF supported programs.

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Despite a temporary moderation in growth, the Mauritanian economy maintains a positive trajectory supported by a dynamic non-extractive sector. Real GDP growth is estimated to have moderated slightly to 4.2 percent in 2025, primarily due to a contraction in the extractive sector and a normalization in the construction and financial sectors from the high base established in 2024; non-extractive activity remained otherwise robust at an estimated 5.5 percent in 2025. Inflation was contained, standing at 1.8 percent year-on-year in October 2025, despite higher food and beverage prices, reflecting the effectiveness of the Central Bank's prudent monetary policy.

The external position is stabilizing, with international reserves maintained at comfortable levels. The current account (CA) deficit continues to narrow, reaching 6.3 percent of GDP in 2025, driven by favorable terms of trade and a reduction in capital goods imports following the completion of the first phase of the Greater Tortue Ahmeyim (GTA) gas project. Gross international reserves increased from USD 1.9 billion in 2024 to USD 2.1 billion at end-October 2025, covering 6 months of imports and providing an adequate buffer against external shocks.

Mauritania's macroeconomic outlook remains favorable over the medium term. Growth is expected to increase to 4.7 percent in 2026, backed in part by the ramp-up of gas production and a recovery in the mining sector. Over the medium-term, growth should reach an average of 5 percent during 2026-2029, supported by the impact of ongoing structural reforms, the rebound in gold and iron production, gas exports from the GTA project, and the continued expansion of the agriculture and fisheries sectors. The CA deficit will widen slightly in 2026, reaching 6.8 percent of GDP, and stabilize under 7.5 percent of GDP over the medium-term, well below the average levels of the last decade. Foreign exchange reserves should remain at adequate levels. The authorities are actively building buffers to mitigate risks related to commodity price volatility and regional security challenges.

PROGRAM PERFORMANCE

Program implementation under the ECF and EFF arrangements remains strong, with all quantitative performance criteria (QPCs) for end-June 2025 met. The non-extractive primary deficit (NEPD) was kept well within the program ceiling, and net international reserves exceeded the required floor. All indicative targets for end-September 2025 were also met. Based on preliminary data, the authorities are confident that the end-December 2025 targets have also been met. Consequently, they request a waiver of applicability for these QPCs, as final data is not yet available for the Board's assessment.

Significant progress has been achieved on the structural reform agenda, despite some technical delays. Six out of nine structural benchmarks (SBs) due through end-December 2025 were met. Key achievements include the reform of the General Tax Code (CGI) to consolidate tax incentives, the transition to a conventional excise tax system, the publication of the public expenditure review, the adoption of a memorandum of understanding between revenue administrations and the Free Zone Authority, and the publication of the semi-annual report on the implementation of the governance action plan.

The delays on some SBs reflect the depth of the reforms undertaken. Out of the remaining SBs, the benchmark on the Independent Commission of Public Establishments and Companies (CESPI) was implemented with delay following the adoption of the decree in November 2025, while the other two SBs were partially implemented. The reform of the Tax and Customs administrations has advanced significantly with the signing of the governing decree in December 2025. The operational structure currently retains strategic audit functions at the central level, to ensure quality control and mitigate risks before proceeding with full decentralization, which technically prevented the benchmark from being assessed as fully met despite the completion of the underlying legislative framework.

Substantial progress has been made on the governance front. While the measure relating to the anti-corruption authority (*Autorité Nationale de Lutte contre la Corruption, ANLC*) was not met, the enabling decree was adopted by the Council of Ministers in November 2025. The pending appointment of the ANLC Directive Council members, which led to the SB delay, reflects the authorities' strict adherence to the legal framework, mandating a competitive vetting process via an Independent Selection Committee to ensure independence and credibility. Efforts are nonetheless advancing to establish a minimal operational structure for the ANLC to effectively carry out its mission and have asset declarations submitted by June 2026.

Performance under the RSF arrangement is progressing well, reflecting the authorities' determination to integrate climate resilience into their macroeconomic framework. Four of the five Reform Measures (RMs) assessed for this review have been completed. Key progress includes the adoption of the decree establishing an automatic fuel pricing mechanism in January 2026, which will phase out regressive subsidies and gradually align domestic prices with international markets, while ensuring targeted compensation for the most vulnerable populations. Furthermore, the authorities have adopted the decree mandating mining companies to increase the share of renewable energy in their power mix. They also effectively operationalized the carbon tax, with the rate set to double in the 2026 budget, and are advancing efforts to integrate climate aspects into PFM frameworks. While the measure on water tariff reform (RM XIII) was planned for this review, the authorities now aim to complete it by April 2026 to ensure the new pricing policy is informed by the comprehensive study currently being finalized with support from the French Development Agency (AFD), ensuring that the water management legal framework is both financially sustainable and socially equitable.

POLICY PRIORITIES FOR THE MEDIUM TERM

Entrenching fiscal discipline and preserving debt sustainability

Fiscal policy will be anchored by a fiscal rule over the medium term to preserve debt sustainability. In line with program commitments, the 2025 Supplementary Budget Law (LFR) maintains the NEPD below 3.5 percent of GDP. Budget execution in 2025 has been disciplined, with an expected fiscal surplus of 0.5 percent of GDP and a NEPD of 3.2 percent of GDP, well below the program target, supported in part by strong revenue performance. Based on preliminary data, total budget revenues increased by 2 percentage points of GDP, relative to 2024, despite the decline in grants, mainly due to higher tax revenues owing to tax and customs administrations' collection efforts. Revenues in 2025 also reflect the introduction of the carbon tax, tax adjustments following audit and control operations, and the regularization of tax obligations by state-owned enterprises. On the expenditure front, the authorities continued to contain current expenditures in 2025, from 14.9 percent of GDP in 2024 to an expected 13.7 percent of GDP in 2025, while capital spending increased by 2.1 percentage points of GDP to accommodate the planned scaling up of priority public investments.

The 2026 budget targets a NEPD of 3.3 percent of GDP, creating fiscal space for priority social spending and infrastructure investment. To support this, the authorities are implementing new revenue measures, including the doubling of the carbon tax rate and taxes on mobile phones and money transfers. The measure on mobile phones enforces an existing taxation that was previously ineffective while lowering statutory rates to ensure gradual compliance, whereas the levy on money transfers targets high-value transactions to capture the sector's rapid expansion. Cognizant of the need to protect the most vulnerable and support financial inclusion, the authorities are committed to conducting rigorous impact assessments of these tax measures as they are rolled out to mitigate any potential regressive effects. Furthermore, the authorities are strengthening the Tax Policy Unit to ensure systematic impact analysis for future tax measures.

Structural fiscal reforms are advancing to institutionalize fiscal discipline and enhance revenue administration. While the structural benchmark has been reset from March to April 2026 to align with the parliamentary calendar, the authorities are committed to amending the Organic Budget Law (LOLF) to institutionalize the fiscal rule beyond the scope of the IMF program. Moreover, broad-based fiscal structural reforms have advanced significantly, aimed at modernizing public financial management and mobilizing resources. Key achievements include the adoption of function-based organizational structures for the Tax and Customs administrations, the signing of a memorandum of understanding to clarify tax responsibilities within the Nouadhibou Free Zone, the consolidation of the General Tax Code to enhance transparency, the migration to a conventional excise tax system, and the implementation of a new codification for tax exemptions.

Going forward, the authorities will leverage these structural changes to reduce the tax gap and modernize revenue collection. This will include implementing the revised Customs Code to streamline procedures for authorized operators, executing a new strategy for tax arrears recovery, and strengthening public enterprise oversight through the recent decree establishing the independent commission (CESPI). Additionally, the authorities will continue their efforts to improve tax compliance for businesses operating in the Nouadhibou Free Zone supported by the action plan aimed at integrating Free Zone companies into the national tax system by March 2026, thus ensuring fairness, and broadening the tax base.

The authorities welcome staff's assessment that Mauritania's debt remains sustainable with moderate risk of distress and some space to absorb shocks, unchanged from the previous DSA. They are committed to maintaining debt sustainability going forward, supported by multifaceted measures including a prudent borrowing strategy, the adherence to the fiscal rule, increased revenue mobilization, and sound public financial management.

Strengthening Monetary and Exchange Rate Frameworks and Financial Sector Resilience

The Central Bank of Mauritania (BCM) continues to modernize its policy framework and liquidity management. With inflation continuing its downward trend, at 1.8 percent y-o-y as of October 2025, the BCM lowered its policy rate to 6.0 percent in August 2025. Liquidity management has been significantly strengthened through the introduction of monetary policy instruments suited to Islamic banks, which previously held a large share of excess liquidity, and the expanded use of conventional facilities, particularly the overnight window. These instruments have helped successfully absorb excess liquidity which has now largely dissipated. Moreover, these measures underpin the BCM's strategic shift from quantitative management to a price-based framework anchored by the interest rate corridor and reinforced by the operationalization of the Monetary and Fiscal Policy Coordination Committee, which now ensures joint weekly forecasting to guide interbank rates.

The authorities are committed to greater exchange rate flexibility and foreign exchange market development. The introduction of the firm quotes tool on the interbank platform has increased the share of FX traded between banks to 89 percent as of end-October 2025. This represents a sizable leap since the market reform in 2023, when 99 percent of FX was provided through the BCM. To further address technical distortions affecting the exchange rate mechanism caused by the depreciation of the US dollar against the Euro, the authorities are considering a revision of the Ouguiya's reference basket to better reflect the currency composition of trade and reserves.

Building on recent progress, strengthening financial supervision and stability remains a priority. While non-performing loans (NPLs) saw a slight uptick to 19.2 percent in June 2025, this is expected to moderate as banks typically intensify recovery efforts toward year-end. The authorities continue to rigorously enforce prudential norms and recovery plans for banks in difficulty. To further strengthen stability, work is ongoing on the resolution framework and the implementation of the new banking law, including amendments to ensure the Deposit Guarantee Fund's independence. Moreover the authorities remain open to assessing the role of the interest rate cap (TEG), while emphasizing that this cap is a legacy instrument which served as a necessary consumer protection tool in a concentrated banking sector, and has played a minimal role compared to the structural obstacles to financial intermediation, as identified in the 2024 Selected Issues Paper on Mauritania's financial sector.

Enhancing governance and improving the business environment

Governance reforms remain a top priority for the authorities, with a focus on transparency and anti-corruption. To ensure accountability across this agenda, the authorities continue to publish the semi-annual report on the governance action plan, which tracks progress on planned institutional reforms. Moreover, the adoption of the Law on Asset Declaration in July 2025 marked a major milestone in Mauritania's governance framework. This law expands the scope of declarable assets and introduces strict provisions on conflicts of interest. The authorities are now fully focused on the operationalization of the ANLC. Following the appointment of the ANLC President in September 2025, the selection of the Directive Council is proceeding, and the authorities are committed to finalizing these appointments to ensure the ANLC is fully functional and allow for the filing of the first asset declarations by high-level officials by mid-June 2026, as planned. Furthermore, on January 21, 2026, the Council of Ministers adopted the draft law on the Public Procurement Code to improve governance, optimize the management of public resources, and accelerate the implementation of development projects.

The authorities are also strengthening the governance of state-owned enterprises (SOEs). They are implementing the new SOE law promulgated in early 2025 to professionalize management and oversight. Key progress includes the adoption of the decree establishing the CESPI in November 2025. This commission will play a crucial role in ensuring the professional and transparent selection of independent board members for SOEs. Furthermore, the authorities continue their efforts to improve SOEs performance and oversight including through reviewing SOE classification and enforcing a state ownership policy to clarify financial objectives and improve performance monitoring.

The authorities are pursuing reforms to improve the business climate and foster private sector-led growth. The implementation of the recently adopted Investment Code is advancing, aimed at streamlining procedures and attracting foreign direct investment. To further support the private sector, particularly SMEs, the authorities are addressing the operational challenges of the SME Guarantee Fund to facilitate access to credit. Furthermore, implementation of the National Financial Inclusion Strategy has already yielded tangible results, raising the inclusion rate to 45 percent in 2024, up from 21 percent in 2021. To build on this progress, the authorities are modernizing the regulatory framework for fintech and operationalizing the SME Guarantee Fund to unlock the provision of credit. In parallel, the authorities are also strengthening the institutional and legal framework by establishing a centralized commercial registry to enhance transparency and accelerating the digitization of land transactions to secure property rights and facilitate the use of collateral.

Accelerating the Climate Agenda and Energy Transition

The authorities have taken politically difficult measures to reform energy pricing, creating fiscal space for development while encouraging decarbonization. In January 2026, the Council of Ministers adopted a decree establishing an automatic fuel pricing mechanism, which aligns domestic prices with international markets, eliminates discretionary subsidies, and includes a smoothing component to mitigate volatility. To further support the energy transition, the 2025 Supplementary Budget introduced a trajectory for the climate contribution, which will gradually increase to USD 50 per ton by 2030, with specific provisions to ensure compliance by large consumers, including mining companies.

Climate reforms are being implemented alongside targeted social measures to ensure inclusivity and protect the most vulnerable. Mauritania's National Social Protection Strategy (2025-2035), adopted in July 2025, provides a comprehensive framework to expand social assistance and strengthen safety nets against shocks. Within this framework, and recognizing the social impact of energy price reforms, the authorities are deploying a targeted compensation mechanism leveraging the *Taazour* social registry, to provide cash transfers to households based on their exposure to fuel price shocks, ensuring that compensation is adjusted to account for remoteness and the pass-through of transport costs to food prices.

The authorities are taking decisive steps to decarbonize the economy, placing a strategic focus on extractive industries. A decree was adopted in November 2025 mandating mining companies to increase the share of renewable energy in their electricity mix by at least 5 percentage points annually until 2030. Non-compliance will trigger compensatory investments in rural electrification, ensuring that the mining sector contributes directly to national development and climate goals. Furthermore, the 2026 budget circular mandates that key ministries tag climate-adaptation spending, operationalizing the climate budget tagging framework developed with Fund technical assistance.

Looking ahead, the RSF reform agenda focuses on strengthening natural resource monitoring and embedding climate risks into public financial management. Beyond the water tariff reform, the authorities are advancing water resource preservation through a pilot inventory of groundwater-dependent ecosystems in the Boulenoir aquifer (RM XII), expected by April 2026, which will inform new environmental assessment regulations. Concurrently, efforts to green the budget are accelerating. With climate adaptation tagging now integrated into the 2026 budget circular (RM I), the authorities are set to publish a comprehensive climate budget note (RM II) and pilot a screening tool for major public investments (RM IV) by April 2026, furthering their efforts to systematically integrate climate considerations into public financial and investment management.

CONCLUSION

The Mauritanian authorities have made significant progress under the ECF-EFF arrangement and the RSF arrangement. Going forward, they remain committed to the program objectives and will continue to work closely with the Fund to ensure its successful implementation. In light of the strong program performance and the authorities' continued commitment to macroeconomic stability and structural reforms, we would appreciate Executive Directors' support for the completion of the Fifth Reviews under the ECF and EFF arrangements, the Fourth Review under the RSF arrangement, and associated decisions.