INTERNATIONAL MONETARY FUND

IMF Country Report No. 26/158

ISLAMIC REPUBLIC OF MAURITANIA

June 2026

REQUESTS FOR AN EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, CANCELLATION OF THE CURRENT ARRANGEMENTS UNDER THE EXTENDED FUND FACILITY AND THE EXTENDED CREDIT FACILITY, AND FIFTH REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE ISLAMIC REPUBLIC OF MAURITANIA

In the context of the Requests for an Extended Arrangement Under the Extended Fund Facility and Arrangement Under the Extended Credit Facility, Cancellation of the Current Arrangements Under the Extended Fund Facility and the Extended Credit Facility, and Fifth Review Under the Resilience and Sustainability Facility Arrangement, 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 June 24, 2026, following discussions that ended on April 10, 2026, with the officials of the Islamic Republic of Mauritania on economic developments and policies underpinning the IMF arrangement under the Extended Credit Facility, Extended Fund Facility, and Resilience and Sustainability Facility. Based on information available at the time of these discussions, the staff report was completed on June 9, 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.

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PRESS RELEASE

PR26/223

Islamic Republic of Mauritania: IMF Executive Board Approves 42-month Arrangements under Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) and Completes Fifth Review of the Resilience and Sustainability Facility (RSF) Arrangement

FOR IMMEDIATE RELEASE

- *The Executive Board of the International Monetary Fund (IMF) approved new 42-month arrangements under the ECF and EFF and concluded the fifth and final Review under the RSF Arrangement for US$ 95.8 million to continue to support the authorities' development program and institutional reform agenda.*
- *Program performance under the 2022-26 ECF/EFF has been strong; growth in the non-extractive sector remained solid, inflation declined, the current account deficit narrowed, and international reserves remained adequate.*
- *The new program will be anchored around three mutually reinforcing pillars: (i) consolidating macroeconomic stability by strengthening macroeconomic institutions and policy frameworks; (ii) strengthening human capital and promoting inclusive growth; and (iii) bolstering governance, including public enterprises.*

Washington, DC – June 24, 2026: The IMF Executive Board approved today 42-month arrangements under the ECF and the EFF in the amount of SDR 70.82 million (equivalent of 55 percent of quota or US$ 95.8 million) and the Fifth Review under the Resilience and Sustainability Facility arrangement (RSF). These decisions enable an immediate disbursement of SDR 78.78 million (about US$ 105.6 million).

Amid an increasingly uncertain and shock prone environment, the new arrangements will help preserve external buffers while supporting the authorities' efforts to maintain macroeconomic stability and implementing structural reforms to address Mauritania's large development needs and the outstanding structural reforms.

Under the 2022-2026 ECF/EFF, Mauritania has shown a strong track record of policy implementation. Macroeconomic stability was maintained. A robust reform agenda has helped strengthen fiscal policy, develop the financial sector, including the FX market, overhaul the governance legal framework, and strengthen resilience to climate change. Program performance has been strong, with all end-December 2025 quantitative performance criteria met and the structural benchmark on the institutionalization of the fiscal rule into law implemented with some delay. The authorities completed the remaining four reform measures under the RSF, supporting the integration of climate considerations in public financial management, and strengthening the management of the water sector.

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Building on the achievements of the 2022-2026 ECF/EFF, the new program will focus on (i) consolidating macroeconomic stability by strengthening macroeconomic institutions and policy frameworks; (ii) reducing poverty and strengthening private sector-led growth; and (iii) continuing to strengthen governance, including of public enterprises. The arrangements will also help catalyze support from Mauritania's development partners.

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

"Despite a highly uncertain external environment, Mauritania's economy has continued to show resilience, supported by prudent and well-calibrated macroeconomic policies. Disciplined fiscal policy is contributing to the authorities' medium-term objective of stabilizing public debt, and external buffers remain adequate. In parallel, the authorities have continued to strengthen macroeconomic policy frameworks and preserve stability.

"Program performance under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements has remained strong. The program under the Resilience and Sustainability Facility (RSF) has been successfully concluded, reflecting the authorities' commitment to advancing climate-related reforms alongside broader macroeconomic objectives.

"The authorities' commitment to prudent fiscal policy, supported by the institutionalization of the fiscal anchor, helps insulate the economy from commodity price volatility and supports debt sustainability. Continued efforts are needed to sustain revenue mobilization efforts, improve expenditure efficiency, advance SOE reforms, and preserve space for priority social and investment spending, including to protect the most vulnerable. The well-developed social registry provides a strong basis to improve the targeting of social spending to those most in need.

"Further progress has been made in modernizing the monetary policy framework. Looking ahead, strengthening liquidity management and further developing monetary policy instruments will remain important to anchor inflation expectations and support financial market development. Further efforts are also needed to deepen the foreign exchange market, which would help enhance exchange rate flexibility as an external shock absorber. Moreover, banking sector resilience needs further strengthening through effective supervision and enforcement of prudential regulations.

"Decisive implementation of structural reforms remains key to fostering higher, more inclusive, and private sector–led growth. Priorities include strengthening governance, further strengthening anti-corruption frameworks and enhancing transparency and accountability. Continued efforts to improve the business climate, deepen financial inclusion, and develop human capital will be essential to support diversification and improved social and long-term development outcomes.

"Sustained and effective implementation of the new 42-month ECF/EFF arrangements—supported by capacity development—will help anchor macroeconomic policies, address medium- and long-term economic challenges and mobilize development partner support."

Mauritania: Selected Economic Indicators, 2021–27

	2021	2022	2023	2024	2025		2026		2027
				Est.	5th Review	Est.	5th Review	Projections	
National accounts and prices				(Annual change in percent)					
Real GDP	0.7	6.8	6.8	6.3	4.2	4.0	4.7	4.7	4.5
Real extractive GDP	-19.2	18.3	12.2	1.9	-1.2	-0.6	3.6	6.3	4.7
Real non-extractive GDP	6.0	3.8	5.6	7.3	5.5	5.1	5.0	4.3	4.4
Consumer prices (end of period)	3.2	3.2	3.2	3.1	2.0	4.1	3.0	4.5	4.2
Central government operations				(In percent of GDP, unless otherwise indicated)					
Revenues and grants	22.6	25.0	22.3	22.2	24.1	23.5	25.2	25.0	25.3
Nonextractive	16.2	18.2	16.9	17.8	18.9	18.9	20.0	18.7	18.8
Taxes	11.7	13.4	12.5	13.9	14.7	14.7	15.5	14.3	14.5
Extractive	4.1	5.0	3.6	3.2	3.8	3.5	3.6	4.9	5.2
Expenditure and net lending	20.8	28.7	24.8	23.6	24.5	23.8	25.9	25.0	24.3
Of which: Current	13.0	17.2	16.2	14.9	13.7	13.5	13.7	14.3	12.9
Capital	7.8	11.5	8.6	8.7	10.8	10.2	12.1	10.7	11.3
Primary balance (excl. grants)	0.5	-4.5	-3.3	-1.6	-0.8	-0.6	-1.2	-0.5	0.5
Non-extractive primary balance (incl. grants)	-1.5	-7.7	-5.1	-3.5	-3.2	-3.0	-3.3	-4.0	-3.5
Overall balance (in percent of GDP)	1.9	-3.7	-2.4	-1.4	-0.4	-0.3	-0.7	0.0	1.0
Public sector debt (in percent of GDP)	52.4	48.3	47.0	43.5	39.9	40.7	40.5	37.6	37.2
External sector									
Current account balance (in percent of GDP)	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9
Excl. externally financed extractive capital goods imports	1.0	-0.8	-0.3	-1.4	-0.5	1.8	-1.3	-0.7	-0.7
Gross official reserves (in millions of US$, eop)	2,347	1,877	2,032	1,921	1,922	2159	1,926	1869	1920
In months of prospective non-extractive imports	8.2	6.2	6.4	5.9	5.5	5.9	5.5	5.5	5.4
External public debt (in millions of US$)	4,204	3,954	4,047	4,058	4,033	4052	4,290	4197.7	4235.2
In percent of GDP	45.8	42.1	40.6	36.9	33.1	33.3	32.9	30.4	29.2

ISLAMIC REPUBLIC OF MAURITANIA

June 9, 2026

REQUESTS FOR AN EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, CANCELLATION OF THE CURRENT ARRANGEMENTS UNDER THE EXTENDED FUND FACILITY AND THE EXTENDED CREDIT FACILITY, AND FIFTH REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT

EXECUTIVE SUMMARY

Context. Economic growth slowed to 4.0 percent in 2025 (compared to 6.3 percent in 2024), due to a contraction in the extractive sector and a slowdown in the non-extractive sector. Inflation has been on an upward trend since July 2025, with upward pressures partly explained by the disruptions along the Mali border, which affected key trade corridors. After widening in 2024, the current account (CA) narrowed in 2025, mainly reflecting lower imports related to the GTA project, and higher gold receipts alongside the start of LNG exports. The war in the Middle East has impacted Mauritania through an increased oil import bill and fiscal costs from the temporary subsidies under the newly introduced automatic fuel price mechanism, subsidies on butane gas cylinders, and targeted social protection measures. The social registry enables the government to expand targeted cash transfers in response to further adverse price developments, including increasing food prices. Structurally, 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 current Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements has been broadly on track, with all end-December 2025 targets for quantitative performance criteria (QPCs) and end-March indicative targets (ITs) met. The SB on the appointment of the members of the Anti-Corruption Authority's Directive Council was not met but implemented with delay (in April), and the SB on the institutionalization of the fiscal anchor was not met, but implemented with delay. The amendment to the Loi Organique de la Loi de Finance (LOLF) to introduce a fiscal rule on the non-extractive primary balance was adopted on May 15, 2026. An implementing

decree was adopted on June 3, 2026 to operationalize the fiscal rule, specifying, inter alia, the NEPD quantitative target and the definition of extractive revenues, clarifying institutional responsibilities, and establishing detailed provisions for escape clauses, monitoring, and correction mechanisms.

Program performance under the Resilience and Sustainability Facility (RSF) is on track. All reform measures (RM) assessed at the time of this review were completed.

Successor Program. Mauritania, under the 2022-2026 42-month ECF/EFF, has shown a strong track record of policy implementation to support macroeconomic stability. However, sustaining development ambitions while preserving external buffers has become challenging in the context of the war in the Middle East. As a result, Mauritania is facing present and prospective balance of payments (BOP) needs, that could widen considering risks to the baseline. The authorities notified the Fund of their intention to cancel the current ECF/EFF and requested successor 42-month arrangements under the ECF/EFF with a cumulative access of SDR 70.84 million (55 percent of quota, of which SDR 23.61 million or 18.33 percent of quota under the ECF and SDR 47.23 million or 36.67 percent of quota under the EFF). The program will focus on (i) consolidating macroeconomic stability by strengthening macroeconomic institutions and policy frameworks; (ii) reducing poverty and strengthening private sector-led growth; and (iii) continuing to strengthen governance, including of public enterprises. The arrangements will help catalyze support from Mauritania’s development partners. The authorities consider the ECF/EFF to be the most suitable instrument to address their needs at this juncture. Staff takes note of the authorities’ intention to cancel the current arrangements and supports their request for the new ECF/EFF arrangements.

Approved By
Taline Koranchelian
Jacques Miniane

Discussions took place during March 31 to April 10, 2026, in Nouakchott, Mauritania. The team comprised Felix Fischer (head), Onur Ozlu, Rana Fayez (all MCD), Dallal Bendjellal, (FAD), Yulia Ustyugova (SPR), Lamya Kejji (STA), and Younes Zouhar (Resident Representative), assisted by Ibrahima Ball and Moctar Bellamech (local economists). Ms. Fatimetou Yahya (OED) joined part of the discussions. Karman Singh provided research assistance, Sofia Cerna Rubinstein, Rodrigo Huguet, Ibrahima Kane, and Khalidou Harouna Ba provided administrative support. The team met with His Excellency President Mohamed Ould Ghazouani, Prime Minister Mokhtar Ould Diay, Governor of the Central Bank Mohamed Lamine Ould Dhehby, Minister of Economic Affairs and Development Abdallah Souleymane Cheikh Sidia, Minister of Education and the Reform of the Education System Houda Mint Babah, Minister of Health Tidjani Thiam, Minister of Energy and Oil Mohamed Ould Khaled, Minister of Mining and Industry Edy Ould Zeine, Minister of Public Lands, Public Estate, and Land Reform Mamadou Niang, Minister of Hydraulics and Sanitation Amal Mint Mouloud, Minister of Environment and Sustainable Development Messouda Baham Mohamed Laghdaf, other senior government officials, the civil society, the banking association and other representatives of the private sector, and the donor community.

CONTENTS

CONTEXT 6

RECENT ECONOMIC DEVELOPMENTS AND STRUCTURAL REFORMS 7

OUTLOOK AND RISKS 11

PROGRAM PERFORMANCE 13

PROGRAM DISCUSSIONS 14

A. Fiscal Policy 14

B. Monetary Policy, Foreign Exchange, and Financial Sector Policies 16

C. Governance Reforms 20

D. Resilience and Sustainability Facility 20

NEW 42-MONTH ECF/EFF ARRANGEMENTS: RATIONALE, OBJECTIVES, AND POLICIES 21

A. Strengthening Macroeconomic Institutions and Policy Frameworks 22

B. Reducing Poverty and Strengthening Private Sector-Led Growth 25

C. Improving Governance and Public Enterprises 26
D. Program Modalities 28

STAFF APPRAISAL 29

BOX

1. Sensitivity to Downside Risks from the War in the Middle East 13

FIGURES

1. Real Sector Developments, 2014–2026 32
2. External Sector Developments, 2014–2026 33
3. Fiscal Sector Developments, 2014–2025 34
4. Monetary Sector Indicators, 2016–2026 35
5. Financial Sector Indicators, 2017–25 36

TABLES

1. Macroeconomic Framework, 2020–2031 37
2a. Balance of Payments, 2020–2031 (In millions of U.S. dollars) 38
2b. Balance of Payments, 2020–2031 (In percent of GDP) 39
3a. Central Government Operations, 2020–2031 (In billions of MRU) 40
3b. Central Government Operations, 2020–2031 (In percent of GDP) 41
4. Monetary Survey, 2020–2031 42
5. Banking Soundness Indicators, 2010–2025 43
6. External Financing Requirements and Sources, 2022–2030 44
7. Capacity to Repay the Fund, 2026–2049 45
8. RSF Reform Measures, Diagnostic Reference, and CD Input 46
9a. Schedule of Reviews and Disbursements and Purchases Under the ECF-EFF Blended Arrangements, 2023–2026 47
9b. Schedule of Reviews and Disbursements Under the RSF Arrangement, 2023–2026 47
9c. Proposed Schedule of Reviews and Disbursements and Purchases Under the 42-Months ECF-EFF Blended Arrangements, 2026–2029 48
10. Decomposition of Public Debt and Debt Service by Creditor, 2025–2027 49

ANNEXES

I. Risk Assessment Matrix 50
II. From Stabilization Gains to Structural Transformation: What Worked During Mauritania's Program Supported by ECF/EFF Arrangements 54
III. Integration of Capacity Development in the Program, 2026–2027 59
IV. Progress on the Implementation of Completed Reform Measures Under the RSF 61

APPENDIX

I. Letter of Intent 63
Attachment I. Memorandum of Economic and Financial Policies 66

Attachment II. Technical Memorandum of Understanding ____ 102

CONTEXT

1. **Performance under the 2022-2026 program supported by the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements has been strong.**[1] The program helped preserve macroeconomic stability amid global shocks, supported by strong ownership and consistent implementation. Growth in the non-extractive sector throughout the program remained solid, inflation declined, the current account (CA) deficit narrowed, and public debt declined, while fiscal policy continued to be anchored by the 3.5 percent non-extractive primary deficit, demonstrating strong fiscal discipline. The fiscal anchor was also institutionalized, marking an important step in strengthening fiscal and debt sustainability (Annex II).

2. **Despite these achievements, sustaining development ambitions while preserving external buffers has become challenging in the context of the war in the Middle East**. The rising fuel and gas prices as a result of the conflict have led to a higher oil import bill and increased fiscal costs (¶12). Additionally, since September 2025, Jihadist group (JNIM) operating in Mali have expanded control over border areas with Mauritania and Senegal, disrupting key trade corridors and constraining the supply of essential goods to Mali. The recent coordinated attacks by the JNIM and the separatist group FLA in Mali points to further regional instability and increased security pressures along the borders with Mauritania. Spillovers include rising refugee inflows that strain host communities,[2] natural resources, and already limited public services, higher inflation driven notably by the border closure with Mali, and a surge in food and fuel smuggling. As a result, Mauritania is facing present and prospective balance of payments (BOP) needs, that could widen considering risks to the baseline.

3. **Moreover, considerable challenges including infrastructure and governance gaps, limited economic diversification, together with severe climate-related natural disasters hinder more sustainable and inclusive growth**.[3] Despite recent progress, gaps in human capital and infrastructure remain large, while social spending has been persistently low (Text Figure 1). At 56.9 percent, the multidimensional poverty rate remains high,[4] and progress toward the SDGs has been limited and uneven, with Mauritania ranking 132 out of 167 countries in 2025.[5] Achieving SDG targets by 2030 in health, education, and core infrastructure would require financing exceeding 19 percent of GDP (EBS/19/100) (Text Figure 2).

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[1] On January 28, 2026, the fifth ECF/EFF and fourth RSF reviews were approved by the IMF Executive Board.

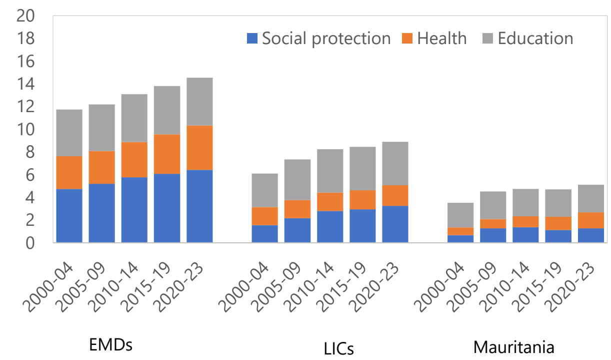
[2] In the context of a drop in the ODA, the government and the UN announced in January 2026 a short-term contingency plan and a two-year refugee response plan to address the needs of the growing refugee population and called for international financial support.

[3] 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.

[4] Global MPI 2025 | OPHI

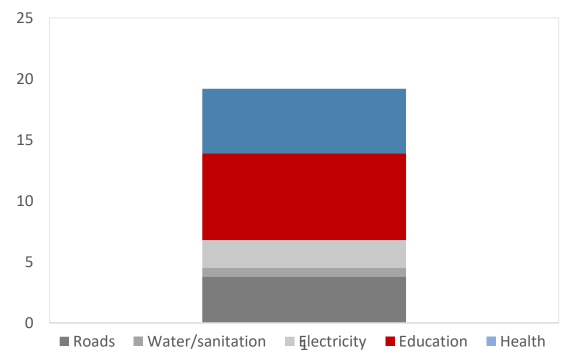
[5] 2025 Sustainable Development Report: SDG scores: 2022: 57.33 (ranked 133rd); 2025: 57.9 (ranked 132nd).

Text Figure 1. Social Spending
(Percent of GDP)



Sources: IMF, World Bank, OECD, national authorities.

Text Figure 2. Estimates for Additional Spending to Achieve SDGs in 2030



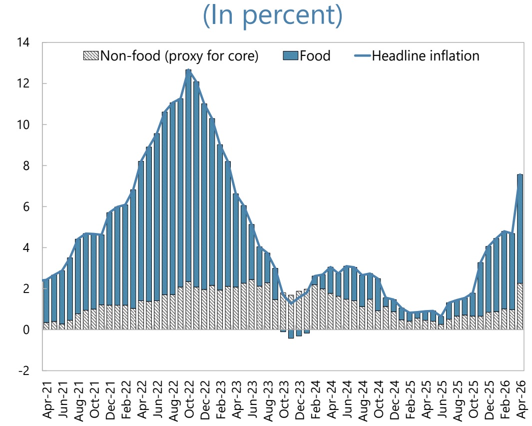
Source: IMF.

4. Against this backdrop, the authorities are requesting successor ECF/EFF arrangements to provide temporary financing, support macroeconomic adjustment, and advance their development and institutional reform agenda. Fund financing will help meet actual and protracted BOP needs while policies to reduce imbalances take hold, allowing reserves to remain at levels sufficient to cushion adverse shocks. Absent Fund support and its catalytic role, reserves would decline below the adequacy thresholds weighing on macroeconomic stability. The new arrangements would also help advance institutional and structural reforms in line with the Strategy for Accelerated Growth and Shared Prosperity for 2016–30 (SCAPP). The SCAPP is based on three pillars: i) promote sustainable, and inclusive growth, by revitalizing sectors with high employment and growth potential through the modernization of public infrastructures, and strengthened the role of the private sector; ii) develop human capital and improve access to basic social services; and iii) strengthen governance, including economic governance, and the fight against corruption.

RECENT ECONOMIC DEVELOPMENTS AND STRUCTURAL REFORMS

5. Preliminary data indicate that real growth slowed to 4.0 percent in 2025 (6.3 percent in 2024), due to a contraction in the extractive sector (-0.6 percent vs. 1.9 in 2024) and a slowdown in the non-extractive sector (5.1 percent vs. 7.3 in 2024). The latter reflects a normalization in financial sector growth and a slowdown in fisheries. Inflation accelerated to 7.6 percent in April 2026 (from 4.1 percent in December 2025) (Text Figure 3). Food and

Text Figure 3. Contribution to Inflation
(In percent)

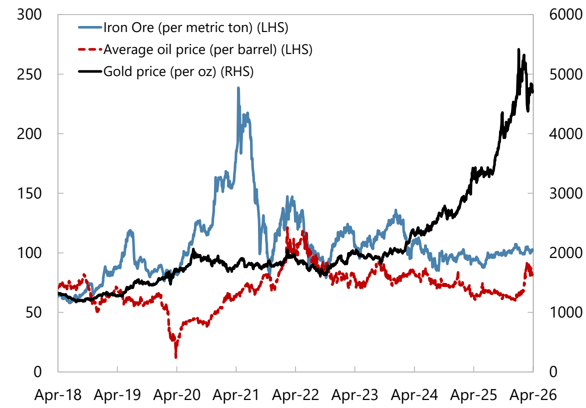


Sources: Mauritanian authorities; and IMF staff calculations.

beverages inflation continues to drive the surge in inflation. Tobacco products also contributed to the increase in inflation, followed by housing.[6]

6. The external position improved markedly, with the CA deficit narrowing significantly and the BOP returning to a surplus. The CA deficit declined to 3.4 percent of GDP in 2025, from 9.4 percent in 2024, driven by smaller trade and primary income deficits. Lower imports related to the GTA project, due to postponed investment amid stronger than expected gas well productivity, and higher gold receipts (Text Figure 4) alongside the start of LNG exports supported the improvement in the trade balance. The primary income deficit narrowed with reduced demand for imported services. Capital and financial account inflows declined from 7.0 percent of GDP in 2024 to 2.6 percent in 2025, mainly reflecting lower GTA-related FDI, while outflows from foreign owned commodity exporters remained broadly unchanged, largely due to intercompany debt repayments. The overall BOP shifted into a surplus of 0.4 percent of GDP, contributing to an increase in gross international reserves from USD 1.9 billion at end-2024 to USD 2.2 billion equivalent to 5.9 months of prospective non-extractive imports.

Text Figure 4. International Commodity Price Indices



Sources: Bloomberg database; and IMF staff calculations.

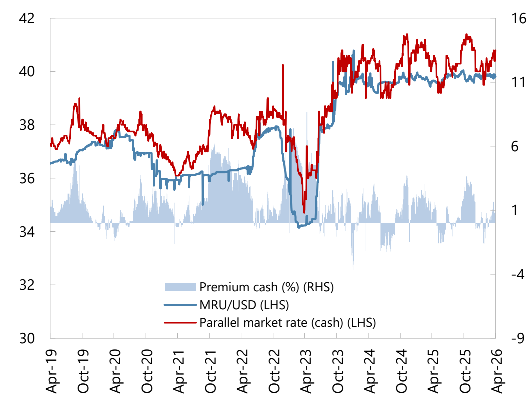
7. The overall fiscal deficit narrowed, driven by stronger revenue performance while spending remained broadly contained. The deficit declined from 1.4 percent of GDP in 2024 to 0.3 percent of GDP in 2025. End-December 2025 revenues (including grants) reached MRU 110.9 billion, equivalent to 23.5 percent of GDP, up from 22.2 percent of GDP in 2024, reflecting higher extractive revenues and improved revenue collection. Tax and non-tax revenues increased by 1.1 and 0.3 percent of GDP, respectively, with strong execution rates (above 95 percent). Within this, extractive revenues increased from 3.2 to 3.5 percent of GDP. Total expenditures amounted to MRU 112.4 billion, increasing slightly from 23.6 percent of GDP in 2024 to 23.8 percent in 2025. The non-extractive primary balance improved, declining from 3.5 percent of GDP in 2024 to 3.0 percent in 2025.

[6] Butane gas prices were increased by 66 percent in April 2026 and where subsequently decreased by 20 percent in June 2026.

8. The Central Bank is continuing to strengthen its monetary policy framework, and its focus on price stability. The recent introduction of conventional and Islamic instruments for open market operations, including reverse repos and a Shariah-compliant overnight facility, has strengthened liquidity management and encouraged the emergence of market-based interest rates. As a result, liquidity conditions tightened significantly, with excess liquidity—averaging MRU 162.9 million in 2025—effectively eliminated, well below previous years averages. BCM is maintaining an interest rate corridor and promoting the development of the interbank market, which are expected to strengthen monetary policy transmission and improve the alignment of short-term rates with its policy stance. Furthermore, the authorities eliminated the regulated maximum retail interest rate (TEG) in early June 2026, to further enhance interest rate transmission and remove lending constraints.

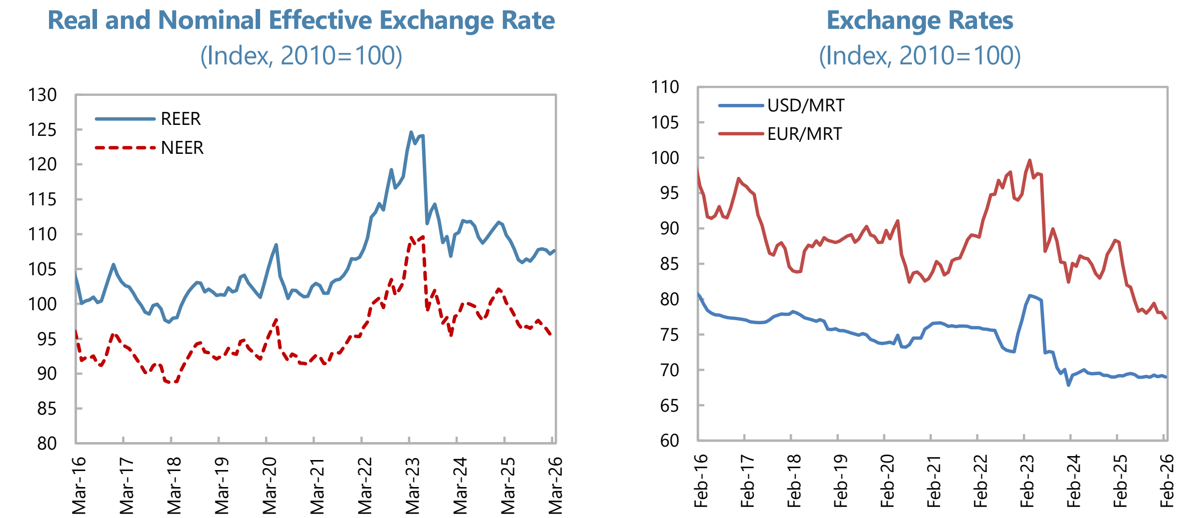
9. While foreign exchange (FX) market reforms have continued to advance, the exchange rate movement has been limited, despite significant external sector movements. Since the introduction of the FX platform, the exchange rate has fluctuated largely ±2 percent, despite the formal ±5 percent band, with a cumulative depreciation of about 1.33 percent against the U.S. dollar as of April 30, 2026 (Text Figure 5). The nominal effective exchange rate has also depreciated by 1.7 percent, reflecting broader-based movements against trading partner currencies (Text Figure 6). However, the real effective exchange rate remains assessed as overvalued, suggesting that the adjustment to date has been insufficient to fully correct the underlying misalignment. Market functioning has improved gradually, as evidenced by the increasing share of FX transactions conducted between banks, although the market remains shallow and the central bank continues to play a key role, intervening occasionally to ensure FX liquidity. In line with IMF technical assistance recommendations, the BCM has continued to conduct FX auctions at regular, predictable intervals and in smaller volumes, supporting price discovery and market development.

Text Figure 5. Ouguiya per US Dollar—Official and Parallel Market



Sources: Mauritanian authorities; and IMF staff calculations.

Text Figure 6. Exchange Rates



Sources: Mauritanian authorities; and IMF staff calculations.

10. FX market activity has expanded significantly, with both total volumes and interbank trading increasing markedly. Total FX market turnover rose from US$2.4 billion in 2024 to US$3.7 billion in 2025. Interbank trading strengthened in parallel, with its share increasing from 74 percent of total volume in 2024 (monthly average of US$144.4 million) to 87 percent by end-December 2025 (US$268.4 million). This reflects successive reforms, including the reduction in the number of market makers from 11 to 4 in October 2024, the introduction of firm FX quotes via the Refinitiv platform in October 2025, and the BCM's active monitoring and periodic recalibration of market makers.

11. Progress on governance reforms continued. The appointment of the six members of the Anti-Corruption Authority's (ACA) Directive Council (SB due end-November 2025, not met, implemented with delay) was completed in April 2026, a decisive step in advancing the implementation of the Declaration of Assets and Interests Law (ADIL). In parallel, the authorities issued a circular mandating the submission of declarations by officials cited in Article 3 of the new law to ensure the continuity of the declaration of assets and interests during the transitory period.

OUTLOOK AND RISKS

12. Near-term economic outlook (Text Table 1). The near-term outlook is subject to considerable uncertainty with the economic impact of the war in the Middle East depending on its duration and intensity.[7]

- Using the April 2026 WEO reference scenario, that assumes the war will be relatively short-lived,[8] growth is projected to increase to 4.7 percent in 2026, driven by a recovery in the extractives sector as mining companies revised their production profiles upwards and as GTA production reaches full capacity. Non-extractive growth is expected to slow to 4.3 percent, reflecting the impact of the war on demand and prices.

- The CA deficit is projected to widen to 5.7 percent of GDP. There is a significant uncertainty around the energy import bill, which is now projected to rise by 36 percent in nominal terms, driven by higher oil prices, in line with April 2026 WEO reference scenario, and an increase in import volumes linked to a new oil storage. Oil transportation costs are also assumed to increase well above the average increase over the past decade. While gold export revenues are expected to increase significantly on the back of higher prices, this is accompanied by a widening in net income deficit, as the foreign-owned gold exporting companies repatriate dividends abroad. The capital and financial accounts balance is projected to improve to 3.0 percent of GDP, from 2.6 percent in 2025.[9] FDI, however, is projected to subside due to lower GTA related investment. Overall, the BOP is expected to register a deficit of 2.8 percent of GDP, and gross international reserves would decline to US$1.9 billion.

- The fiscal balance is expected to weaken in 2026, with the surplus projected to close, reflecting higher energy-related spending pressures.[10] While the recently introduced automatic fuel price mechanism will help cushion the shock, alongside higher revenues from oil imports, the net fiscal impact is expected to be negative. Fuel- and gas-related fiscal costs are projected to rise by 0.5 and 0.4 percentage points of GDP, respectively. In addition, targeted and temporary social support is projected at about 0.8 percent of GDP, alongside transfers to the electricity SOE SOMELEC of around 0.2 percent of GDP. As a result, the non-extractive primary deficit is

[7] The authorities have already put in place measures to strengthen resilience to supply disruptions and monitor spillovers. On-site fuel reserves cover about 40 to 50 days, depending on the petroleum product. Storage capacity is being expanded, with infrastructure upgrades expected to double capacity by end-December 2026. The installation of breakwaters at the port is underway to reduce disruptions caused by adverse sea conditions, which can prevent oil tankers from docking. The President has also established a crisis committee to monitor food and energy stocks.

[8] World Economic Outlook, April 2026: Global Economy in the Shadow of War.

[9] This modest strengthening reflects lower outflows from commodity exporting companies, as intercompany debt repayments between the parent and subsidiary of one of the major firms are now complete.

[10] Energy-related fiscal costs are based on the April 2026 WEO reference scenario. Markups for diesel—which accounts for the majority of subsidized fuel consumption—were revised upward relative to pre-crisis levels to reflect exceptionally high current diesel margins.

projected to widen from 3.0 percent of GDP in 2025 to 4.0 percent of GDP in 2026, with the impact partly offset by higher revenues and expenditure rationalization measures.

Text Table 1. Mauritania: Selected Economic Indicators, 2021–2027

	2021	2022	2023	2024	2025		2026		2027
				Est.	5th Review	Est.	5th Review	Projections	
National accounts and prices				(Annual change in percent)					
Real GDP	0.7	6.8	6.8	6.3	4.2	4.0	4.7	4.7	4.5
Real extractive GDP	-19.2	18.3	12.2	1.9	-1.2	-0.6	3.6	6.3	4.7
Real non-extractive GDP	6.0	3.8	5.6	7.3	5.5	5.1	5.0	4.3	4.4
Consumer prices (end of period)	3.2	3.2	3.2	3.1	2.0	4.1	3.0	4.5	4.2
Central government operations				(In percent of GDP, unless otherwise indicated)					
Revenues and grants	22.6	25.0	22.3	22.2	24.1	23.5	25.2	25.0	25.3
Nonextractive	16.2	18.2	16.9	17.8	18.9	18.9	20.0	18.7	18.8
Taxes	11.7	13.4	12.5	13.9	14.7	14.7	15.5	14.3	14.5
Extractive	4.1	5.0	3.6	3.2	3.8	3.5	3.6	4.9	5.2
Expenditure and net lending	20.8	28.7	24.8	23.6	24.5	23.8	25.9	25.0	24.3
Of which: Current	13.0	17.2	16.2	14.9	13.7	13.5	13.7	14.3	12.9
Capital	7.8	11.5	8.6	8.7	10.8	10.2	12.1	10.7	11.3
Primary balance (excl. grants)	0.5	-4.5	-3.3	-1.6	-0.8	-0.6	-1.2	-0.5	0.5
Non-extractive primary balance (incl. grants)	-1.5	-7.7	-5.1	-3.5	-3.2	-3.0	-3.3	-4.0	-3.5
Overall balance (in percent of GDP)	1.9	-3.7	-2.4	-1.4	-0.4	-0.3	-0.7	0.0	1.0
Public sector debt (in percent of GDP)	52.4	48.3	47.0	43.5	39.9	40.7	40.5	37.6	37.2
External sector									
Current account balance (in percent of GDP)	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9
Excl. externally financed extractive capital goods imports	1.0	-0.8	-0.3	-1.4	-0.5	1.8	-1.3	-0.7	-0.7
Gross official reserves (in millions of US$, eop)	2,347	1,877	2,032	1,921	1,922	2159	1,926	1869	1920
In months of prospective non-extractive imports	8.2	6.2	6.4	5.9	5.5	5.9	5.5	5.5	5.4
External public debt (in millions of US$)	4,204	3,954	4,047	4,058	4,033	4052	4,290	4197.7	4235.2
In percent of GDP	45.8	42.1	40.6	36.9	33.1	33.3	32.9	30.4	29.2

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

13. Medium-term economic outlook. Real growth is expected to strengthen to 5.7 percent in 2028 as gold and iron ore production recovers. Nonetheless, growth in the non-extractive sector is expected to normalize to around its historic trend of 4.4 percent. While in recent years one-off developments and investments have boosted certain non-extractive sectors, such as mobile payments in the financial sector and the construction sector, other sectors are still lagging and require further reform efforts and investments to contribute meaningfully to growth. The acceleration in gold and iron ore production would support a CA deficit narrowing to 4.9 percent of GDP in 2028 and an increase in FX buffers. Beyond that, the CA deficit would widen to 6.7 percent in 2031 reflecting a decline in gold exports. Fiscal policy over 2027-2031 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.

14. Risks are tilted to the downside. Downside risks include a protracted conflict in the Middle East (Box 1), heightened Sahel insecurity and further declining aid, increasing fiscal pressures, security spending, and refugee inflows, and uncertainty over the sustainability of recent ODA reallocations. Additional risks include disruptions to the GTA and other mining projects, climate-related shocks to infrastructure and agriculture, and associated pressures on food security, the BOP, reserves, and debt. Upside risks include new mining, gas and green hydrogen projects and higher metal prices, especially gold.

Box 1. Mauritania: Sensitivity to Downside Risks from the War in the Middle East

Two downside scenarios for 2026 were calibrated on the April 2026 WEO *adverse* and *severe* scenarios.[1] The *adverse* scenario is characterized by some increases in energy prices in 2026. The *severe* scenario is characterized by a significant increase in energy prices in 2026. Both scenarios would raise food and fertilizer prices to varying degrees, leading to broader-based inflationary pressures. At the same time, heightened uncertainty would increase risk premia and sovereign bond spreads, again to varying degrees, tighten global financial conditions and, in the *severe* scenario, potentially trigger a global recession.

Under these scenarios, Mauritania's economic outlook would weaken further. Relative to the April 2026 WEO *reference* scenario baseline and assuming unchanged policies, in the *adverse* (*severe*) scenario, real GDP growth would be 0.4 (0.8) percentage points lower, driven by a 0.5 (1.0) percentage point slowdown in non-extractive activity, while extractive growth would remain unchanged. Inflation would rise by 1.1 (2.1) percentage points, mainly reflecting higher food prices,[2] given the relatively high weight of food in the CPI basket (about 51 percent). The impact from increased oil prices would be more muted given the relatively smaller weight of fuel and transport in the CPI basket (about 10 percent) and gradual fuel price adjustment under the automatic fuel price mechanism. Given the higher impact of the energy bill, the non-extractive primary deficit and the overall fiscal deficit would widen by 1.0 (1.5) and 0.9 (1.3) percentage points, respectively. The current account deficit would widen by a further 0.9 (1.3) percentage points of GDP. Higher external financing needs would be met through a drawdown of international reserves, which, under unchanged policies, would fall below the adequacy threshold in both scenarios.

Contingency measures would focus on preserving macroeconomic stability while protecting the most vulnerable. In addition to the automatic fuel compensation mechanism *Tassanoud,* temporary and targeted fiscal measures could be deployed to mitigate the impact of higher food and gas prices on the most vulnerable. Mauritania's well-developed social registry provides a strong platform to scale up social protection in a timely and targeted manner. Given higher energy-related fiscal costs and potential additional social spending, expenditure reprioritization would be needed to safeguard fiscal buffers amid heightened uncertainty. Monetary policy would be tightened as needed to contain inflationary pressures and support external stability. The exchange rate could help absorb part of the shock alongside the judicious use of reserves to smooth excessive volatility.

1/ World Economic Outlook, April 2026: Global Economy in the Shadow of War.
2/ Given that Mauritania both imports and produces food locally, domestic food prices may be impacted through two main channels, higher international food prices translating into higher domestic food prices (imported inflation) and higher international fuel prices leading to higher domestic transport and fertilizer costs and as a result higher domestic food prices.

PROGRAM PERFORMANCE

15. Performance under the ECF-EFF arrangements has been broadly on track. All December 2025 quantitative performance criteria (QPCs) and end-March indicative targets (ITs) have been met (MEFP Table 1a). The institutionalization of the fiscal anchor—the sole structural benchmark (SB) for this review, due end-April, was not met but implemented with delay (MEFP Table 3).

16. RSF performance is on track, all four RMs assessed at this review have been completed.

PROGRAM DISCUSSIONS

17. Program discussions aim to support macroeconomic stability, fiscal sustainability, enhance resilience to shocks, strengthen monetary policy and foster inclusive growth. For 2026, and drawing from TA and IMF assessments, the program supports the following reforms:

A. Fiscal Policy

18. Following the impact of the war in the Middle East, a supplementary budget for 2026 is being prepared to incorporate the associated fiscal costs and new social spending measures to support the most vulnerable. The draft supplementary budget[11] projects revenues at MRU 139.5 billion and expenditures at MRU 139.5 billion, representing increases of MRU 10.7 billion and MRU 7.2 billion relative to the initial budget, respectively. The upward revision to revenues is driven primarily by higher extractive revenues (MRU 8.2 billion or 1.5 percent of GDP), reflecting elevated gold prices and increased tax receipts from Tasiast, with withholding taxes on dividends starting in 2025. Non-extractive revenues are also revised up (MRU 2.5 billion), mainly on account of higher oil import values, and proceeds from the allocation of 5G licenses. On the expenditure side, additional energy-related costs amount to MRU 6.2 billion (about 1.1 percent of GDP), including MRU 2.9 billion for fuel-related costs[12] and MRU 2.2 billion for gas subsidies,[13] alongside an estimated transfer of MRU 1 billion to support the electricity SOE SOMELEC. Targeted and temporary spending measures amount to about MRU 3.9 billion, aimed at mitigating the impact of higher energy prices on vulnerable households. This includes one-off social support of MRU 0.6 billion to cushion higher gas prices, alongside the automatic compensation mechanism under the fuel price reform—estimated at about MRU 3.3 billion—designed to protect the most affected households.[14] The additional spending is accommodated through expenditure reprioritization—primarily lower investment—higher revenues, and a widening of the non-extractive primary deficit from 3.0 percent in 2025 to 4 percent in 2026 (Text Table 2).

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[11] Given the elevated uncertainty surrounding oil and gas prices, energy-related costs are subject to revision ahead of finalization of the revised budget law prior to its submission to the Council of Ministers.

[12] Fuel-related costs reflect both forgone excise revenues and temporary subsidies, as pump prices adjust gradually to international levels under the automatic fuel pricing mechanism (with a monthly adjustment cap of 5 percent). In April 2026, the authorities amended the decree to allow larger adjustments in exceptional circumstances to safeguard the sustainability of public finances, resulting in price increases of 10 and 15 percent for diesel and gasoline, respectively. Projections assume a return to the standard 5 percent monthly adjustment from May 2026 onward. The most recent 5 percent monthly adjustment was implemented on June 2, 2026.

[13] Butane gas prices were increased by 66 percent in April 2026 to partially pass through higher international prices and contain subsidy costs.

[14] The automatic compensation mechanism is triggered when the fuel price exceeds 50 MRU per liter. It leverages the Taazour social registry, which covers the poorest 40 percent of the population, to provide cash transfers calibrated to households' income levels and exposure to fuel price shocks, including remoteness and the pass-through of higher transport costs to food prices. In addition, allocations to the *Tekavoul* program were increased by MRU 0.7 billion to sustain coverage amid moderating external partner support, while a further MRU 0.5 billion was allocated to support livestock through water points and animal feed in response to challenging conditions in the sector.

Text Table 2. Mauritania: Key Budget Figures, 2023–2026
(Percent of GDP)

	2023	2024	2025	2026	
	Act	Act	Act	Initial budget	Draft supplementary budget
			Percent of GDP		
Total revenue incl. grants	**22.3**	**22.2**	**23.5**	**23.0**	**25.0**
Non-extractive	16.9	17.8	18.9	18.3	18.7
Tax revenue	12.5	13.9	14.7	14.2	14.3
Non-tax revenue	4.4	4.0	4.3	4.1	4.4
Extractive	3.6	3.2	3.5	3.3	4.9
Grants	1.8	1.2	1.1	1.4	1.4
Expenditure and net lending	**0.2**	**0.2**	**23.7**	**23.7**	**24.8**
Current expenditure	16.3	14.9	13.5	12.5	14.1
Capital expenditure	8.5	8.7	10.2	11.1	10.7
Primary balance (incl. grants)	**-1.5**	**-0.4**	**0.5**	**0.3**	**0.9**
Non-extractive primary balance (incl. grants)	**-5.1**	**-3.5**	**-3.0**	**-3.0**	**-4.0**

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

19. **The medium-term fiscal path remains anchored by the 3.5 percent target on the non-extractive primary balance to preserve debt sustainability**. The NEPD is projected to remain at its target level of 3.5 percent of GDP over 2027-2031, resulting in public sector debt stabilized at around 38 percent of GDP. This will be underpinned by a gradual increase in non-extractive tax revenues by around 0.3 percent annually, alongside a rationalization of expenditure toward targeted, priority spending.

20. **The authorities are advancing key fiscal reforms:**

- **Institutionalization of the fiscal anchor and public financial management (PFM):** The amendment to the Loi Organique de la Loi de Finance (LOLF) to introduce a fiscal rule on the non-extractive primary balance was adopted on May 15, 2026 (SB for end-April 2026, not met, implemented with delay).[15] The amendment institutionalizes the fiscal anchor by embedding the NEPB rule in the multi-year budget framework to support debt sustainability. An implementing decree was adopted on June 3, 2026 to operationalize the fiscal rule, specifying, inter alia, the NEPD quantitative target and the definition of extractive revenues, clarifying institutional responsibilities, and establishing detailed provisions for escape clauses, monitoring, and correction mechanisms. The authorities are committed to strengthen core macro-fiscal functions by leveraging the newly established Macro-Fiscal Unit in the Ministry of Finance (MoF) and supported by IMF TA.

- **Revenue administration:** The authorities are in the process of reforming the organizational structure of the General Directorate of Taxes (DGI) and the General Directorate of Customs

[15] Publication of this amendment in the Official Gazette is scheduled in the next edition of June 15, 2026.

(DGD) by implementing the newly adopted function-based organigrams (SB not met from the fifth review). To further support the revenue administration, the authorities committed to introducing e-signatures for customs officials and brokers, establishing and operationalizing a task force within the MOF to collect tax arrears, and adopting a comprehensive tax arrears collection strategy. To strengthen the monitoring of tax and customs 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. They are also implementing an action plan to support the transition to the new tax framework governing the zone.[16]

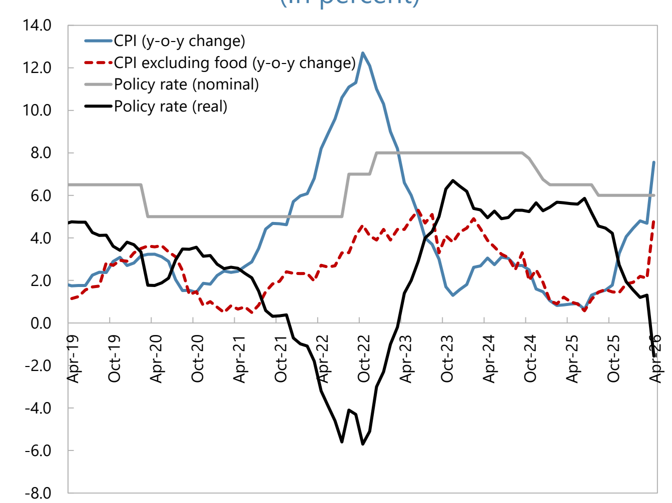
- **Tax policy:** Efforts are underway to reform the VAT,[17] assess the public sector wage structure to determine the effective tax base and to tax all earned income according to the law; and strengthen the capacities and resources of the Tax Policy Unit (TPU), including its active involvement in the design and impact assessment of new tax measures.

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

Monetary Policy

21. In response to renewed inflationary pressures, the BCM increased its policy rate by 50 basis points, in May, to help anchor inflation expectations and ensure price stability. After moderating from its late-2023 peak and prompting the easing cycle initiated in 2025, inflation has accelerated again since December 2025, rising from 4.1 percent to 7.6 percent in April 2026 (Text Figure 7). The increase has been driven primarily by higher food and beverage prices amid stronger demand in border areas with Mali, and more recently reflecting the impact of higher international commodity prices. The BCM signaled that it will continue to closely monitor inflation developments and stands ready to further increase the policy rate at its next Monetary Policy Council meeting, should inflationary pressures persist. Staff welcomed the

Text Figure 7. Inflation and BCM's Policy Rate
(In percent)



Sources: Mauritanian authorities and IMF Staff calculations.

[16] FAD TA supported the development of action plans covering tax administration, customs administration, and inter-institutional coordination to support the transition to the new tax framework and strengthen compliance.

[17] The reform would include a reduction of inefficient or regressive VAT exemptions and an improvement of the VAT refund mechanism while broadening the categories of eligible taxpayers

authorities' response and urged the BCM to remain vigilant and proactive in maintaining price stability.

22. Staff reiterated the importance of further strengthening liquidity management as a critical prerequisite for enhancing the effectiveness of monetary policy and supporting the gradual transition toward an inflation-targeting framework. Progress has been made with the establishment of the Monetary and Fiscal Policy Coordination Committee and the authorities have committed to addressing remaining gaps. In particular, the development of a centralized liquidity database accessible to all BCM departments is underway, with measures already being taken toward its completion. Once finalized, it is expected to improve the accuracy of liquidity forecasting and enhance BCM's ability to conduct timely and well-calibrated operations. Staff also emphasized the need to improve the monitoring of discrepancies between projected and actual autonomous liquidity factors to strengthen policy implementation and transmission.

23. BCM is strengthening its forecasting and analytical capacity to support more forward-looking monetary policy and the transition toward an inflation-targeting framework. Building on ongoing IMF technical assistance, efforts are underway to develop a quarterly projection model and integrate macroeconomic analysis and forecasting more systematically into policy decision-making and external communication. The authorities will establish a dedicated FPAS team within the BCM, with adequate staffing to ensure effective implementation, and will complete, by end-July 2026, the development of centralized databases to support projection modeling, nowcasting, and near-term forecasting. In parallel, a permanent coordination mechanism will be established between the BCM's Directorate General of Research and Monetary Stability and the national statistics office (ANSADE) to ensure timely data sharing. These efforts are critical to strengthen forecasting capacity, improving policy calibration, and preparing for the eventual adoption of inflation targeting as a nominal anchor.

24. The authorities are implementing reforms to deepen market liquidity, support the development of a continuous yield curve, and enhance the effectiveness of monetary policy. The BCM has launched the Refinitiv "Advance Dealing" platform to facilitate interbank trading of MRU liquidity—both unsecured and secured—as well as government securities, while also supporting Treasury auctions and monetary policy operations,[18]and measures to deepen the Treasury securities market.[19] The authorities are also committed to developing a fully-fledged

[18] The platform will be linked with the Central Securities Depository by end-July 2026, enabling the integration of the T-bill depository with interbank transactions and facilitating collateralized lending, thereby strengthening monetary policy transmission.

[19] Envisaged reforms include the adoption of improved issuance and syndication procedures, expected by end-July 2026, regular communication of a quarterly-updated annual issuance calendar, delineation of maturities between BCM (one month and less) and Ministry of Finance instruments (three months and more), and participation of public institutions in the primary market through commercial banks. In parallel, reforms to support the emergence of a secondary market are underway, including the planned introduction of primary dealers (SVTs) and the development of a strategy to broaden and diversify the investor base.

domestic debt market to enhance resilience, particularly in the event of tighter external financing conditions.

25. The BCM has continued to strengthen safeguards and is closing remaining gaps from the 2023 assessment. The risk mapping exercise will be completed by fall 2026. The peer review on currency operations and TA to develop internal procedural guidelines for the credit extension framework are both underway. The BCM is also reinforcing its control environment by strengthening internal audit and accounting control functions, and enhancing fiduciary safeguards, vault operations, and further strengthening the framework for cybersecurity and IT risk supervision, which are critical for operational resilience and financial integrity.[20] A new safeguards assessment has been initiated in connection with the request for new IMF arrangements.

Foreign Exchange (FX)

26. The authorities have committed to enhancing exchange rate flexibility to strengthen its role as a shock absorber, in line with staff recommendations. The exchange rate (ER) has remained relatively stable, limiting its adjustment function to shocks and external vulnerabilities. To address this, the BCM has implemented a set of near-term measures. First, at end-April 2026, it issued a circular excluding banks' fees and commissions from the fluctuation band, thereby creating additional space for exchange rate movement beyond the current de facto ±2 percent range. Second, at end-May, the authorities strengthened FX use verification by linking the ASSARF system for letters of credit with the Sydonia customs clearance system, ensuring that imported goods correspond to FX allocations and reducing leakages from unrealized transactions. Third, by end-June 2026, the BCM plans to increase market makers' minimum FX obligations from weekly to daily to enhance liquidity, predictability, and price transparency in the market. Staff urged the BCM to move toward greater ER flexibility.

27. The BCM expects further FX market deepening through closer engagement with market participants and a roadmap deriving from analytical work. The BCM will continue to scale back the volume and frequency of its FX auctions,[21] while strengthening FX flow forecasting through closer engagement with major exporters, including mining companies, to improve the availability and reliability of data on export proceeds and enhance the predictability of repatriation, allowing a better FX intervention planning. In parallel, further analytical work—supported by IMF technical assistance—will assess interbank FX market functioning and identify remaining constraints to exchange rate flexibility to help shape additional reforms.

[20] Additional measures include upgrades to cash handling infrastructure as a prerequisite for a peer review of vault operations (expected by 2027), and ongoing efforts—supported by IMF technical assistance—to develop a comprehensive framework for ICT risk supervision, including reporting tools, supervisory methodologies, and capacity building in cyber risk management.

[21] In line with IMF recommendations, auction volumes have declined significantly—from US$620.2 million in 2024 to US$465.5 million in 2025—and the BCM is committed to further reducing its intervention in 2026. Consequently, the BCM's share of FX supply has declined markedly—from 99 percent prior to the launch of the FX reform in December 2023 to 26 percent in 2024 and just 13 percent in 2025.

28. The authorities continue to comply with Mauritania's obligations under Article VIII as well as the standard continuous PCs under the ECF/EFF arrangements.

Financial Sector Policies

29. While the bank resolution framework is nearing completion Staff urged the BCM to rigorously enforce prudential standards, in particular, vis-à-vis problem banks in violation of their recovery plans. BCM is advancing risk-based supervision through enhanced Pillar 2 and Pillar 3 frameworks, improved transparency, and stronger oversight of systemically important banks, alongside efforts to reinforce governance and risk management practices, and enhance liquidity monitoring and stress testing. In the context of relatively high level of NPLs, staff welcomed BCM's efforts to modernize the NPL resolution framework. Strengthening prudential oversight remains central to safeguarding financial stability. Staff emphasized the need for more decisive action to address non-compliance with recovery plans related to capital, NPL and liquidity norms in a subset of institutions.

30. The authorities are advancing broader reforms to strengthen supervisory capacity and crisis management frameworks. Consolidated supervision for banking groups is expected by end-2026 following an impact assessment and capacity building. With Fund support, BCM intends to publish a comprehensive IFRS9 transition strategy by September 2026.[22] The bank resolution framework—developed based on Fund TA— is also being operationalized, including the preparation of preventative recovery plans,[23] development of a resolution manual, and strengthening of emergency liquidity assistance arrangements. Reforms are underway to enhance the independence and effectiveness of the Deposit Guarantee Fund, while broader efforts aim to develop a macroprudential framework, strengthen early warning systems via early warning indicators,[24] and improve systemic risk monitoring. Together, these measures will help reinforce supervisory effectiveness and support a more resilient and well-functioning financial system. Staff urged BCM to ensure that both on-site and off-site supervisory functions remain adequately resourced.

31. The BCM is strengthening risk-based supervision and AML/CFT frameworks through enhanced data use and transparency measures. Since 2022, the transition to risk-based supervision has progressed with the introduction of early warning indicators integrated into off-site supervision, enabling continuous monitoring, earlier detection of vulnerabilities—including AML/CFT risks—and better targeting of on-site inspections, supported by improvements in regulatory reporting to enhance data reliability and analytical capacity. In parallel, the authorities are reinforcing beneficial ownership transparency by tightening due diligence requirements for supervised institutions and integrating these checks into supervisory processes. The rollout of the

[22] Currently, the BCM envisages end-2027 as timeline for banks to comply with the IFRS 9 standards.

[23]To be submitted at the beginning of each year, which, once validated by the Central Bank, would allow the BCM to immediately implement them when a bank's situation deteriorates.

[24] Which 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 monthly.

Credit Information System and the National Register of Accounts further strengthens identification, data consistency, and traceability of financial relationships, improving the ability to detect inconsistencies and support more granular, risk-based supervision.

C. Governance Reforms

32. Significant progress was made in the implementation of the ADIL: The appointment of the six members of the ACA's Directive Council (SB due end-November 2025, not met, implemented with delay), which is entrusted with the law's implementation, and was completed in April 2026. The authorities continue to prioritize the full implementation of the new declaration of assets and interests framework. They have made their best efforts to ensure that all officials covered in Article 3, including high level officials, file their declarations by mid-June 2026, and that the law's requirements on transparency, public disclosure, and integrity outcomes are not delayed by the time needed to design, procure, and roll out an electronic platform to receive and administer declarations, with full implementation of the law foreseen within the three-year transitional period. In March 2026, they issued a circular requiring the filing of declarations from officials cited in article 3 of the law to ensure the continuity of declarations in the transitory period.

D. Resilience and Sustainability Facility

33. RSF performance is on track and all RMs assessed at this review have been completed:

- **RM II (end-April 2026, completed):** The Ministry of Finance published a 2026 climate budget note,[25] informed also by 2024 and 2025 tagging results of the NDC sectors on May 20, 2026. The note was prepared with the support of FAD TA, who also helped refine and improve the underlying budget tagging methodology. The 2026 climate budget note shows that climate-related spending represents 35.8 percent of investment spending across the selected eight NDC-related ministries, with adaptation-related spending accounting for 21.1 percent and mitigation-related spending for 14.7 percent. The exercise also helped strengthen the climate budget tagging methodology and train participating ministries to support the integration of climate considerations into budget preparation.
- **RM IV (end-April 2026, completed):** The Ministry of Economy and Sustainable Development with FAD TA, and in coordination with the Ministry of Environment, piloted the climate screening process for three major project proposals of selected NDC sectors, submitted for review and validation by CAPIP (Public Investment Analysis and Programming Committee) in April 2026. The pilot exercise helped identify gaps in project preparation and climate risk assessment, leading to revisions of the PIM manual and project identification template to strengthen the systematic integration of climate resilience, risk analysis, and recurrent cost considerations across the project cycle.

[25] https://finances.gov.mr/fr/node/776

- **RM XIII (end-October 2025, completed): The Ministry of Hydraulics and Sanitation has adopted and will publish[26] Order n°752/2026/MHA/MCT revising the water tariff regulations (Order 2007 n°2624/MHETIC/MCI), including the adoption of new water tariffs and published methodology, in line with IMF recommendations and with the support of the Agence Francaise de Developpement (AFD).** This constitutes an important milestone in the reform of the water sector, supporting the transition toward a sustainable tariff framework that enhances the sector's financial viability, almost doubling the average tariff. They have also committed to revising both the methodology and tariff structure in three years to maintain financial sustainability and incorporate evolving sectoral dynamics, including potential structural changes such as desalination. Looking ahead, the new methodology and tariffs represent a critical step in advancing sectoral reforms, which will need to be complemented by a more comprehensive regulatory framework, including performance-based contracts with service providers and, over time, greater participation of private operators.

- **RM XII (end-April 2026, completed):** The Ministry of Hydraulics and Sanitation and the Ministry of Environment (i) adopted an inter-ministerial order on environmental assessments and monitoring of water resources, informed by the experience of the partnership agreement, and (ii) published a pilot joint inventory on GDEs and hydrogeological data on the Boulenoir aquifer with the support of AFD.[27]

34. The authorities have completed all other reform measures under the RSF in previous reviews. Where continued implementation is needed, good progress is being made on the reforms previously completed (Annex IV).

NEW 42-MONTH ECF/EFF ARRANGEMENTS: RATIONALE, OBJECTIVES, AND POLICIES

35. The authorities' program, supported by the IMF, aims to address external imbalances and structural constraints. While Mauritania has maintained a solid macroeconomic environment and safeguarded debt sustainability, the impact of the war in the Middle East has raised new challenges. These include pressure on reserves that could fall below the adequacy levels absent Fund financing and rising inflation, at a time exchange rate flexibility is still limited amid a shallow FX market, institutions and policy frameworks need to be further developed, poverty is high, and private sector-led growth is limited. The proposed ECF/EFF arrangements would support a comprehensive package of macroeconomic policies and structural reforms to prevent further intensification of these macroeconomic pressures, while strengthening institutions, fostering private-sector-led growth, and helping address large development needs. Building on progress under the 2022–26 ECF/EFF arrangements, the proposed program will be anchored around three mutually reinforcing pillars.

[26] Order n°752/2026/MHA/MCT will be published in the Official Gazette on June 15, 2026.

[27] https://hydraulique.gov.mr/ar/node/1753

(1) Strengthening macroeconomic institutions and policy frameworks will focus on enhancing domestic revenue mobilization anchored in a Medium-Term Revenue Strategy (MTRS), strengthening public investment management, reinforcing core macro-fiscal functions within a credible medium-term fiscal framework—including over time fiscal risk analysis—and modernizing the monetary policy framework while supporting greater exchange rate flexibility and further deepening the interbank FX market.

(2) Reducing poverty and strengthening private sector-led growth will center on improving the efficiency, targeting, and adequacy of social spending, enhancing financial intermediation by easing structural constraints to lending and strengthening credit infrastructure, and fostering competition and reduce distortions to foster greater dynamism across the economy and create jobs.

(3) Governance reforms will aim to sustain the governance reform momentum, with a focus on public enterprises governance, by implementing recently adopted laws.

36. Forward-looking policy discussions centered around the ECF/EFF objectives of strengthening macroeconomic institutions and policy frameworks, both fiscal and monetary, reducing poverty and strengthening private sector led growth and further enhancing governance while increasing resilience to shocks. The QPCs (MEFP Table 1b) ensure that fiscal policy is insulated from volatile commodity prices, external debt is stabilized or reduced, and international reserves remain adequate. The proposed SBs under the program (MEFP Table 4) focus on shifting from legislative adoption toward implementation. To support program implementation, a CD strategy has been prepared in consultation with the authorities and discussed with IMF CD departments (Annex III).

A. Strengthening Macroeconomic Institutions and Policy Frameworks

37. Fiscal policy will remain anchored by the ceiling on the non-extractive primary balance, supporting a prudent and predictable fiscal stance. The anchor will help build fiscal buffers while export commodity prices remain high, stabilize public debt, and preserve space for priority social spending and growth-enhancing public investment, while enabling a timely and targeted response to external shocks.

38. Domestic revenue mobilization reforms will continue, supported by tax policy and revenue administration reforms aimed at creating fiscal space for priority spending. Key reforms include:

- Rationalizing tax exemptions through the adoption of a progressive tax expenditure (exemptions) rationalization plan for introduction in the 2027 budget, and establishing a formal tax expenditure evaluation framework in line with IMF TA recommendations ***(SB due end-September 2026).***[28]

- Addressing legal inconsistencies across tax legislation by adopting amendments to the start-up law aligning tax and customs incentives with the investment code to eliminate distortions between preferential regimes ***(SB due end-March 2027)***; and revising overly generous provisions in the mining code to ensure a fair and transparent fiscal regime in the extractive sectors.[29]

- Broadening the tax base and strengthening compliance, by adopting full implementation of WTO rules of transaction-value for customs valuation in line with WTO requirements, in place of reference values, accelerating the digitalization of tax and customs processes, enhancing compliance risk management and selecting the risk treatment strategies based on the risks identified.

- Over the medium term, the authorities intend to develop an MTRS to help guide and sequence tax policy and revenue administration reforms within a coherent institutional framework. The development of the MTRS is expected to require strong policy, administrative, and legal coordination, as well as continued capacity development support.

39. The authorities are committed to strengthening public investment management (PIM) to ensure that increased investment translates into higher growth and improved social outcomes. Following the adoption in November 2024 of a revised decree governing public investment management (Decree 2024-153) and the revision of the PIM manual in April 2026, in line with FAD TA recommendations, reform efforts should now focus on operationalizing the legal framework and reinforcing capacity across the project cycle, in line with weaknesses identified in the PIMA and C-PIMA. The authorities have committed to disseminating the newly revised PIM manual to line ministries, including through dedicated workshops, to support effective implementation of the new framework, and to establishing operational procedures and staffing plan for Public Investment Directorate, and complete staffing for at least 3 additional qualified staff ***(SB due end-September 2026)***.[30] In parallel, targeted public expenditure reviews will continue to improve efficiency and monitoring of current spending.[31] Together, these reforms will enhance allocative

[28] The evaluation framework should define institutional responsibilities, data-sharing arrangements, evaluation methodologies, and a regular evaluation cycle, in line with IMF TA recommendations.

[29] This includes conducting an impact analysis of CIT holidays and, as appropriate, eliminating them; establishing a clearly defined loss carry-forward regime; systematically applying the model mining convention without renegotiation of fiscal terms; shortening stability clauses; and reforming the mining fiscal regime. An FAD TA will support the reform of the mining code.

[30] In addition, the authorities have committed to publishing the criteria used for the appraisal and selection of major investment projects; systematically disclosing feasibility studies and cost–benefit analyses for large projects; and publishing audit reports of executed public contracts.

[31] FAD TA will support to institutionalize and strengthen spending review activity to be conducted on a regular, annual basis, as part of budget preparation, to help reorient spending priorities and identify efficiency gains.

efficiency, fiscal discipline, and ensure that both capital and current spending generate tangible dividends in social infrastructure and human development.

40. Efforts will continue to strengthen core macro-fiscal functions to ensure that policy decisions are grounded in sound macroeconomic forecasting and a credible medium-term fiscal framework (MTFF).[32] The recently established Macro-Fiscal Unit (MFU) provides an appropriate vehicle to centralize analytical capacity within the Ministry of Finance. As these functions become fully operational, the MFU should progressively undertake fiscal risk analysis and reporting in line with its assigned functions, covering risks arising from SOEs, contingent liabilities, and macroeconomic shocks. Strengthening these capacities will enhance budget credibility, policy predictability, and debt sustainability.

41. Moving forward, BCM will focus on strengthening policy transmission by advancing a more forward-looking monetary framework. Priorities include improving liquidity forecasting, operationalizing a Forecasting and Policy Analysis System (FPAS), and institutionalizing a regular forecasting calendar to inform Monetary Policy Committee decisions. Completing key infrastructure—such as a centralized liquidity database—will be critical to improving the accuracy of operations and policy calibration. Continued regular issuance of domestic debt and development of secondary market infrastructure will further develop the yield curve and support the emergence of a more liquid and resilient domestic debt market. Together, these reforms will help lay the institutional and analytical foundations for a gradual transition toward inflation targeting.

42. FX reforms aim at increasing ER flexibility to allow the ER to help absorb shocks and address external vulnerabilities. The BCM is undertaking a comprehensive diagnostic of constraints to interbank FX market development, including structural, regulatory, and behavioral factors—and is committed to publish a sequenced action plan to guide reforms ***(SB due end-September 2026)***. Ongoing MCM technical assistance, including work on export proceeds repatriation, will inform this diagnostic and help identify targeted policy actions. Consideration will also be given to introducing a backstop FX liquidity facility (e.g., short-term swaps with the BCM) to support market makers and safeguard orderly market conditions as BCM interventions are gradually reduced.

43. Over time, BCM will aim to deepen both spot and forward FX markets. In line with MCM TA advice, the focus will be on deepening FX markets to create the conditions for a further reduction of the BCM's role and increased flexibility of the exchange rate. Among others, this will require strengthening liquidity and confidence in the spot market while developing the regulatory, operational, and risk management frameworks needed for forward transactions. Progress in this area hinges on achieving sufficient depth in the spot and money markets, strengthening legal and supervisory frameworks, and broadening market participation, supported by targeted capacity building. In parallel, continued efforts to deepen the interbank money market, improve liquidity

[32] The MTFF will be anchored by the fiscal rule, whose parameters will be periodically recalibrated to update, among other elements, the extractive revenue assumptions used for budgeting. A first recalibration is envisaged in 2027 for the preparation of the 2028 budget.

forecasting, and strengthen banks' treasury functions will be critical complements. Together, these reforms will support a more liquid and price-driven FX market, enhance exchange rate flexibility, reduce reliance on BCM interventions, and strengthen the economy's resilience to external shocks.

B. Reducing Poverty and Strengthening Private Sector-Led Growth

44. Improving the efficiency, targeting, and adequacy of social spending is critical to achieving durable poverty reduction in Mauritania. Despite solid GDP growth over the past decade, social outcomes have improved only modestly, with multidimensional poverty remaining high and progress toward the Sustainable Development Goals (SDGs) uneven. This reflects, in part, the relatively low and volatile level of public spending—below peers—and the composition of spending have limited its ability to translate into better outcomes.

45. The Government is committed to strengthen monitoring and accountability starting with the introduction of public expenditure tracking surveys (PETS)[33] in the health and education sectors. PETS results are to be published by end-December 2026 ***(SB due end-December 2026)***. With World Bank's support,[34] PETS will help to track the flow of resources from the central government to frontline service providers, identify leakages and bottlenecks, and provide a basis for improving spending efficiency and service delivery. This will be complemented by the gradual rollout of performance reporting by key social ministries as part of budget documentation, helping to strengthen the link between spending and outcomes. Over time, these measures will be supported by broader reforms to improve budget planning and enhance the alignment of medium-term expenditure frameworks with SDG priorities. Together, these reforms will help ensure that increased spending translates into improved access to quality services, reduced regional disparities, and more inclusive growth.

46. Sustainable poverty reduction will also require stronger private sector–led growth, supported by a more enabling financial and business environment. Easing structural constraints to lending to allows firms—especially SMEs—to invest, grow, and create jobs, while in parallel strengthening competition will ensure that financial sector reforms translate into broader private sector development. The authorities committed to tangible reform steps which include operationalizing an electronic movable collateral registry to expand secured lending, strengthening creditor rights and enforcement frameworks, and improving the quality, coverage, and timeliness of credit information. Simultaneously, reforms aim at reinforcing prudential oversight and addressing concentration risks. To strengthen the competition framework and improve market transparency the government is committed to establishing a central commercial registry ***(SB due end-December 2026)***, including through the development of an integrated information system linking local and central registries, the standardization of activity classifications, and the creation of a coordination mechanism to harmonize implementation. Together with broader WBG-supported reforms to

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[33] More information on PETS can be found https://blog-pfm.imf.org/en/pfmblog/2008/02/the-value-of-pe and https://openknowledge.worldbank.org/entities/publication/4857a56a-bf5e-5c36-9eb4-8085d41463b8.

[34] Proposed measure will complement conditionality under WB project on Public Spending Efficiency.

reduce barriers to entry and improve market contestability,[35] these measures will help lower borrowing costs, expand access to finance, encourage firm formalization, and support private investment, job creation, and more inclusive growth.

C. Improving Governance and Public Enterprises

47. The authorities commit to intensifying governance reforms, with a strong focus on effective implementation of the legal and institutional frameworks already in place. This includes strengthening transparency around beneficial ownership, specifically for public procurement contracts. The ACA, once staffed, intends to also review the Governance Strategy 2023-2028 and identify risk-based reforms to incorporate into a potential new Governance Action plan. The timely and effective advancement on the overall governance reform agenda as well as the implementation of recently adopted laws will be critical to safeguard public finances, strengthen investor confidence, and support inclusive growth.

48. Building on the progress made through the adoption of the Law on Public Establishments and Enterprises, and to ensure implementation, reforms to public enterprises governance are central. As a first step in the implementation of the law, the authorities have undertaken a prioritization exercise of the required implementation decrees and have streamlined them to a total of 10, covering: (i) the typology, organization, and operation of public institutions; (ii) the adoption of a Code of Governance and Best Practices; (iii) the framework for performance, mission, and program contracts, as well as their evaluation modalities; (iv) the organization and operation of the Commission on Public Institutions and Companies (CESPI); (v) the rules governing the appointment, evaluation, and remuneration of executives; (vi) the model statutes for state-owned companies and mixed-capital companies; (vii) the classification of public establishments and enterprises; (viii) transparency and disclosure obligations; (ix) mechanisms for preventing financial difficulties; and (x) the State's public enterprises ownership policy, including its dividend policy. The decree on the organization and operation of the CESPI was adopted last year, and development partners are supporting the authorities to prepare the remaining decrees.

49. Enhancing public enterprises' governance is essential to safeguard public finances while ensuring that they operate efficiently and transparently, especially given the existing data and transparency gaps and without distorting markets. Mauritania has 192 public establishments and enterprises, 56 of which are commercial public enterprises. In 2025, these public enterprises paid out MRU 4.8 billion to the central government while receiving MRU 4.9 billion in subsidies and transfers. The public enterprises reform agenda will require a well-sequenced approach and will complement sectoral reforms led by the WB, AfDB and bilateral partners:

[35] WBG support, through an upcoming financial sector project, will focus on modernizing financial infrastructure and strengthening de-risking mechanisms, including credit and collateral registries, secured transactions, and digital financial infrastructure. Complementary reforms and capacity development—covering financial institutions, commercial courts, and the national guarantee fund—aim to mitigate credit risks and expand access to finance, particularly for microenterprises and rural borrowers.

- **Closing knowledge gaps**: as significant data and transparency gaps persist on public enterprises, limiting a comprehensive assessment of the role of public enterprises in the economy, a first important step would be to ensure that all relevant data on public enterprises is collected in a regular and timely manner. The authorities will use the STA tool on SOEs to collect data on the 15 largest commercial public enterprises using their financial statements ***(SBs due end-September and end-December 2026),*** before expanding the coverage and complying with data collection requirements in line with the law.

- **Defining the role of the State**: to defines the State's role and objectives as an owner, helping ensure consistent oversight and stronger accountability, the authorities will adopt an public enterprises ownership strategy, as mandated by the law outlining the role of the State in the economy, which public enterprises should be divested and which ones should remain, and which ones need to be restructured or closed, by end-December 2027.

- **Improving public enterprise performance:** The authorities will focus on securing comprehensive program contracts with public enterprises, to ensure a disciplined, transparent and predictable relationship with the government. Additionally, monitoring and assessing public enterprise performance will be essential to limit potential losses, identify those public enterprises which may need to be restructured, and enhance transparency through the regular publication of audited financial statements.

- **Enhancing fiscal discipline:** continuous monitoring of public enterprises' financial performance, together with the adoption of corrective measures where necessary and the clear definition of a dividend policy as mandated by law, should over time contribute to reducing transfers to public enterprises and their burden on the budget. The 2027 Budget Law documentation will include a consolidated table reporting budgetary transfers and subsidies to SOEs, disaggregated by entity and covering the previous three years and medium-term projections; and present these transfers as distinct line items in the budget ***(SB due end-December 2026)*** and once the program contracts are signed, conditioned on requirements set out in them aimed at strengthening public enterprises' financial performance.

- **Monitoring fiscal risks:** reforms will be focused on strengthening monitoring and reporting of potential fiscal risks arising from public enterprises, through the newly created Macro-Fiscal Unit (see Pillar I).

50. Targeted efforts should also address governance and transparency challenges in areas that would support Pillars I, II and III. Priorities include enforcing reporting and tax compliance in the Nouadhibou FTZ. In this regard, the authorities will ensure that all businesses operating in the FTZ are registered in the tax administration and have a tax identification number (TIN) ***(SB due end-September 2026).*** Other priorities include, advancing risk-based implementation of the declaration of assets and interests and anti-corruption frameworks, and strengthening transparency in the extractive sector to prevent revenue leakage and ensure effective integration of resource revenues into the fiscal framework.

Data Issues

51. Mauritania participates in the enhanced General Data Dissemination System (e-GDDS) by launching its National Summary Data Page (NSDP) in September 2019, aspires to fully comply with the e-GDDS and, eventually, progress toward subscription to the SDDS. However, moving to higher data dissemination standards hinges on strengthening underlying compilation capacity, ensuring methodological alignment with international standards, and ensuring regular and timely reporting of data.

D. Program Modalities

52. Access under the 42-months ECF/EFF arrangements is proposed at SDR 70.84 million (55 percent of quota), or SDR 23.61 million (18.33 percent of quota) and SDR 47.23 million (36.67 percent of quota) respectively for the ECF and the EFF arrangements.[36,37] Given the actual and protracted BOP problem, reflecting structural weaknesses and ongoing shocks, volatile commodity prices and the size of the existing financing gap, a total access of 55 percent of quota would be warranted. 15 percent of quota will be disbursed at the approval of the new ECF/EFF and 10 percent of quota at the first review. The subsequent disbursements are set at 5 percent of quota, combined across the blended arrangements. (Table 9c). The front-loaded disbursement schedule is justified by immediate BOP pressures arising from the ongoing war in the Middle East.

53. Program performance will be monitored through semi-annual proposed QPCs and quarterly ITs (MEFP Table 1b), as well as SBs (MEFP Table 4). Adjusters would allow for flexibility, and the 10 proposed SBs will build on achievements under the previous 42-month ECF/EFF arrangements and support the near-and-medium-term reform efforts. Given the need for continued structural reforms and still-limited capacity, the proposed SBs will be sequenced and prioritized on a 12-month rolling basis.

54. The new ECF/EFF program is fully financed, with firm commitments for first 12 months of the program and good prospects for the remainder of the program (Table 6). The ECF/EFF arrangements, jointly with budget support from the WB and EU, are expected to close financing gaps. The ECF/EFF disbursements will be used to help ease pressure on international reserves. Without Fund financing and its catalytic role, international reserves could fall below the levels considered adequate in the current context.

55. Mauritania's capacity to repay the Fund is projected to remain adequate, but subject to risks (Table 7, ¶14, Annex I). Total Fund outstanding credit (based on existing and

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[36] Mauritania is a blender because its per capita income is above the 100 percent of the International Development Association (IDA) operational cutoff, and the new DSA assesses external debt to be at moderate risk of debt distress. Mauritania is classified as a Tier 2A country and the interest rate on PRGT borrowing under this arrangement will therefore be set at 70 percent of the SDRi.

[37] Should the war persist or spillovers intensify, more than envisaged, staff could consider an augmentation to the successor program at the time of the first review, if requested by the authorities.

prospective drawings) would peak at 4.1 percent of GDP in 2026 (9.9 percent of exports of goods and services or 31.0 percent of gross FX reserves), combining several overlapping lending instruments from recent years (ECF, RCF, ECF/EFF, RSF) and the new ECF/EFF. Total payments to the Fund would peak at 0.5 percent of GDP in 2027. Risks to the program include security risks, international commodity market volatility, and natural disasters. The authorities' continued commitment to reforms and donors' support mitigate these risks.

56. The new Debt Sustainability Analysis (DSA) assesses Mauritania at moderate risk of external and overall public debt distress, with some space to absorb shocks. Staff assesses Mauritania's external and overall public debt to be sustainable in the medium term.[38]

57. A well-integrated Capacity Development (CD) program to support the new ECF/ EFF arrangements is critical (Annex III). Staff discussed the authorities' TA needs, their capacity to implement the program, and coordination with different CD providers.

STAFF APPRAISAL

58. Performance under the 2022-2026 program supported by the ECF/EFF arrangements has been strong. The authorities maintained macroeconomic stability amid global shocks, growth remained resilient, averaging around 5–6 percent, and inflation declined from double digits in 2022 to low single digits as the authorities enhanced monetary policy frameworks and improved fiscal-monetary coordination. BCM embarked on FX market reforms aimed at increasing exchange rate flexibility. The CA deficit narrowed, public debt declined, and fiscal policy was strengthened through the institutionalization of a fiscal rule anchored by the 3.5 percent non-extractive primary deficit, demonstrating strong fiscal discipline, and a commitment to debt sustainability (Annex II).

59. Nonetheless, the economy remains vulnerable without deeper institutionalization of reforms, and the structural constraints that limit diversified and inclusive growth have yet to be addressed. Staff welcomes the proposed successor program to address the BOP need, maintain macroeconomic stability and further advance the structural reform agenda. Staff also stresses the importance of a steadfast implementation. The policy reform package, centered on strengthening macroeconomic institutions and managing fiscal risks, reducing poverty and strengthening private sector-led growth, and advancing governance and public enterprises reforms, is expected to address some of the key challenges to durable structural transformation.

60. The war in the Middle East has considerably increased uncertainty, intensified BOP pressures, and raised fiscal costs. The increase in energy commodity prices has led to an increase

[38] 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.

in the oil import bill as well as temporary subsidies under the newly adopted automatic fuel price mechanism and subsidies on butane gas cylinders. Given the uncertain and shock-prone environment and in response to renewed price pressures, staff urges the BCM to increase the flexibility of the exchange rate to help absorb shocks. Staff welcomes the BCM decision to tighten the monetary policy stance while stressing the need to stand ready to tighten further should price pressures intensify. Staff welcomes the authorities' amendment of the fuel price mechanism decree to allow a higher pass-through of international prices in exceptional crisis situations to safeguard fiscal sustainability, and the introduction of temporary and targeted social spending measures to protect the most vulnerable. In this context, the proposed program would support preserving external buffers and maintaining adequate reserves.

61. Amid elevated spending pressures linked to the war, staff supports temporary fiscal accommodation, while emphasizing medium-term reforms to strengthen revenues and public investment efficiency. The one-off increase in the non-extractive primary deficit to 4 percent is justified, given the backdrop of well-targeted social subsidies and exceptionally strong extractive revenues. Moving forward, a comprehensive Medium-Term Revenue Strategy (MTRS), will support revenue mobilization while focusing on rationalizing tax exemptions, strengthening the extractive fiscal regime, broadening the tax base, and enhancing compliance. Staff urge the authorities to ensure that reforms to enhance public investment management processes are prioritized to improve efficiency and generate tangible growth dividends. In parallel, staff welcome the authorities' strong commitment to reinforce core macro-fiscal functions—leveraging the new Macro-Fiscal Unit—to strengthen forecasting, fiscal risk analysis, budget credibility, and debt sustainability.

62. Staff welcomes BCM's commitment to continuing to modernize the monetary and ER policies to strengthen policy transmission and resilience. Enhancements to the monetary policy framework through model-based forecasting and regular forecasting exercises will inform Monetary Policy Committee decisions, further strengthening monetary policy frameworks. In the FX market, addressing structural bottlenecks, while maintaining orderly conditions and continuing to reduce FX interventions should deepen the interbank FX market. These measures will strengthen monetary policy transmission, support price discovery, and enhance resilience to external shocks. Staff urges the BCM to move toward greater ER flexibility.

63. Strengthening human capital, enhancing financial intermediation and ensuring a competitive environment are key to supporting a more diversified and inclusive economy. Reforms to increase the efficiency, targeting, and adequacy of social spending while strengthening monitoring, transparency, and accountability will be essential to support vulnerable population and reduce poverty. At the same time, easing access to finance—particularly for SMEs—through financial sector reforms, stronger credit infrastructure, and improved supervision will be a central component in supporting greater SME participation in the economy. Measures to enhance competition will contribute to the reduction in barriers to entry, strengthen market institutions, and promote a level playing field, thereby supporting diversification, job creation, and more inclusive growth.

64. Maintaining momentum on governance reforms is critical to safeguard public finances, strengthen investor confidence, and support private-sector driven growth. Staff stresses the importance of intensifying governance reforms by prioritizing implementation of recently adopted legal and institutional frameworks, including operationalizing the ACA and enhancing beneficial ownership transparency. Reforms to public enterprises, anchored in the implementation of the new law on public enterprises are central. Ensuring that data gaps are closed will be an important first step. To maintain a strategic approach to the state's participation in the economy, the authorities are committed to adopting a SOEs ownership strategy, while improving SOE performance and accountability through performance contracts, while enhancing their fiscal discipline. In parallel, targeted governance measures will address compliance challenges in priority areas, including the Nouadhibou Free Trade Zone, to prevent revenue leakage and support fiscal and macroeconomic stability.

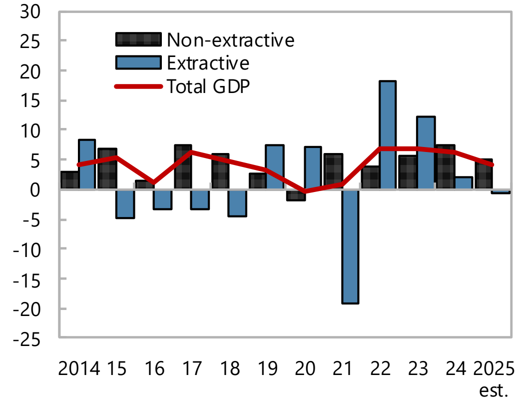
65. The authorities' commitment to their climate reform agenda under the RSF arrangement is commendable. The implementation of the reform measures under the RSF have required strong inter-ministerial coordination, close oversight and involved the support of multiple development partners. The RSF has supported Mauritania in reducing macro-critical risks associated with long-term climate-related challenges and augment policy space and financial buffers to mitigate the risks arising from these challenges. The program has also supported the authorities' efforts in integrating climate considerations into public investment management, improving water resource management, beginning the liberalization of the electricity sector, strengthening social protection systems against climate shocks, and removing distortive pricing in fuel markets while encouraging more efficient energy use.

66. Staff takes note of the authorities' intention to cancel the current ECF/EFF arrangements, and supports their request for the new 42-month ECF/EFF arrangements, as well as the completion of the fifth review under the RSF. All RMs under this review have been completed with an associated disbursement of SDR 59.46 million for budget support. 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, 2014–2026

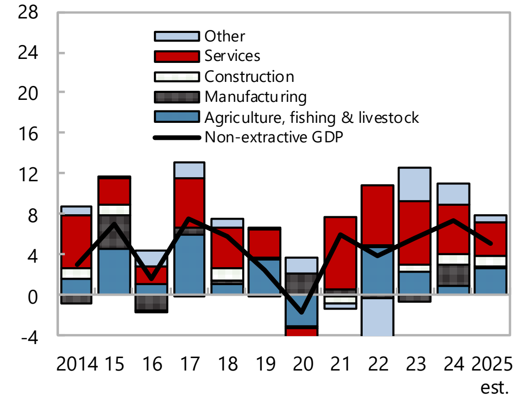
Real GDP growth has slowed in 2025...

Gross Domestic Product
(Real growth, in percent)



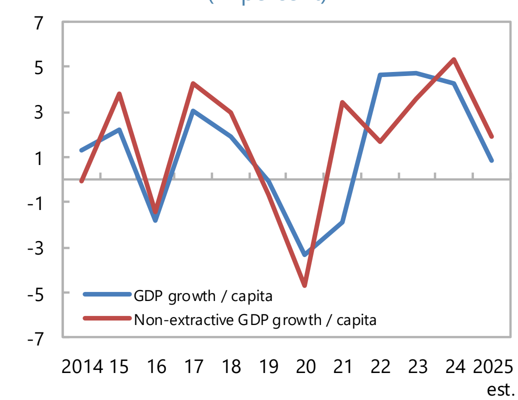
...non-extractive GDP also slowed as growth in the financial sector moderated and growth in fisheries slowed.

Non-Extractive GDP
(Contribution to growth, in percent)



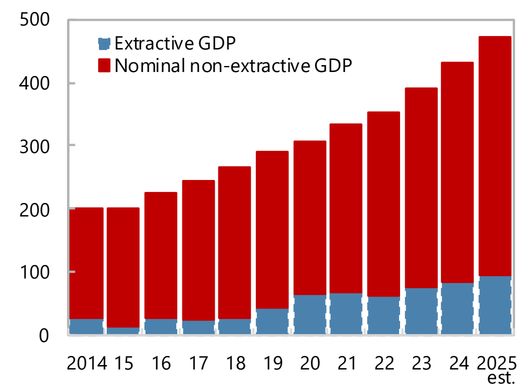
... with a deceleration of per capita growth.

Real GDP Growth Per Capita
(In percent)



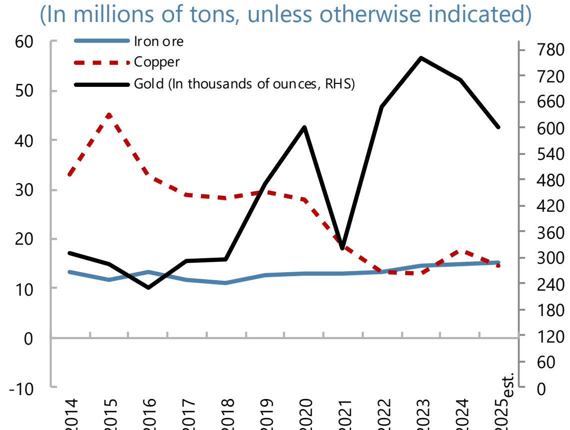
The non-extractive sector remained predominant.

Nominal GDP
(In billions of MRU)



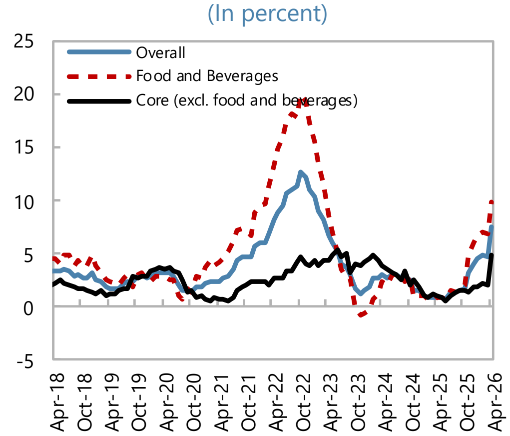
... while the extractives sector saw a significant drop in real terms on a decrease in gold activity.

Mining
(In millions of tons, unless otherwise indicated)



Inflation has increased, driven by increases in the price of food and beverages as demand from neighboring Mali increases.

Inflation
(In percent)

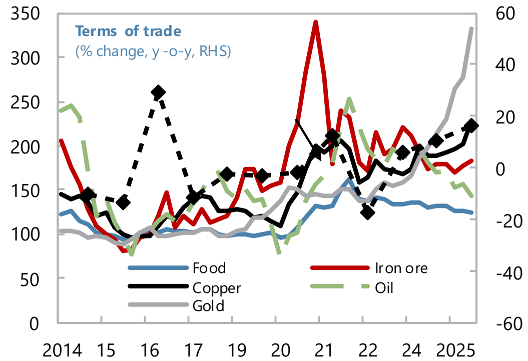


Sources: Mauritanian authorities; and IMF staff estimates and projections.

Figure 2. Mauritania: External Sector Developments, 2014–2026

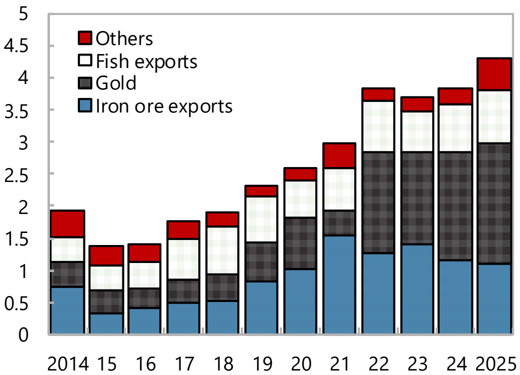
Terms of trade improved further in 2025 as gold prices continued to rise.

Commodity Price Indices
(2016 = 100)



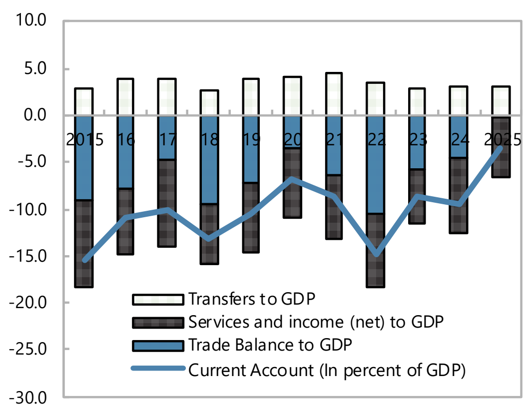
Export performance was supported by higher gold exports.

Good Exports Revenue
(Billions of USD)



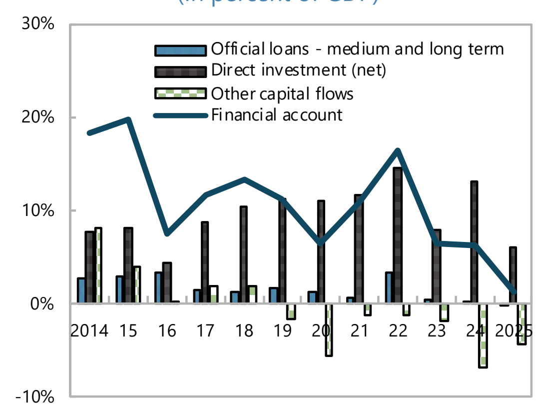
The current account deficit narrowed as the trade and primary income deficits decreased.

Current Account
(In percent of GDP)



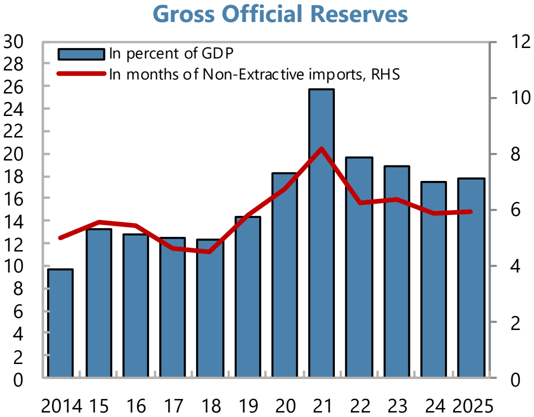
The financial account balance decreased amid lower FDI and continued outflows from commodity exporters.

Financial Account
(In percent of GDP)



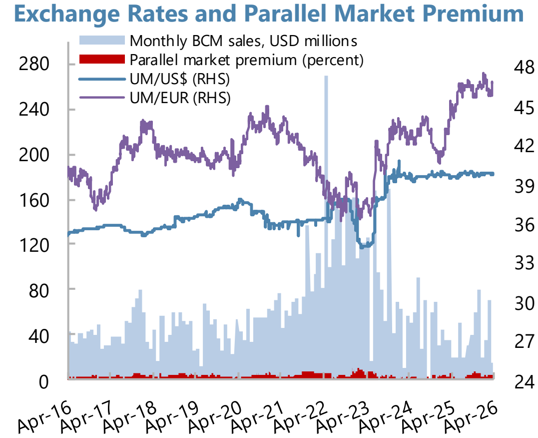
Official reserves remained above the adequacy threshold…

Gross Official Reserves



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

Exchange Rates and Parallel Market Premium



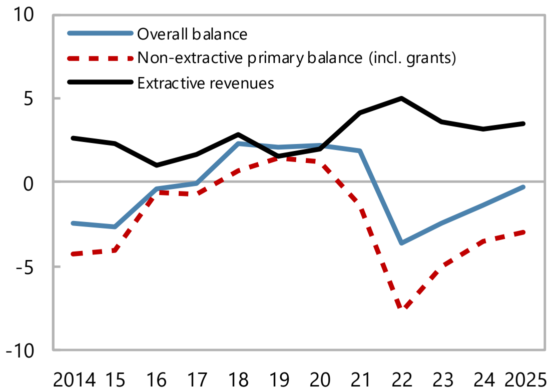
Sources: Mauritanian authorities; and IMF staff estimates and projections.

Figure 3. Mauritania: Fiscal Sector Developments, 2014–2025

(Percent of GDP, unless otherwise indicated)

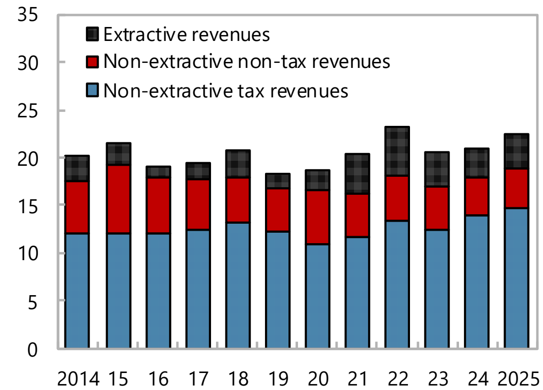
The fiscal balance improved in 2025 with the implementation of the fiscal anchor.

Fiscal Balance



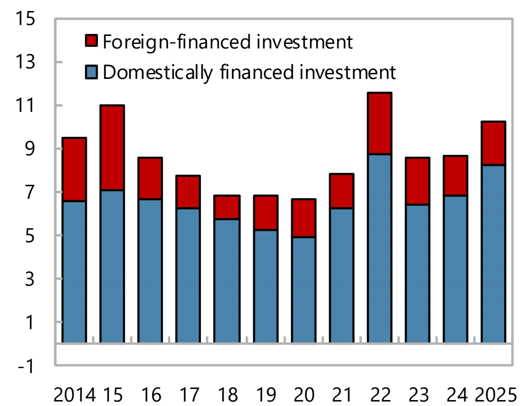
Non-extractive tax and non-tax revenues increased...

Revenues



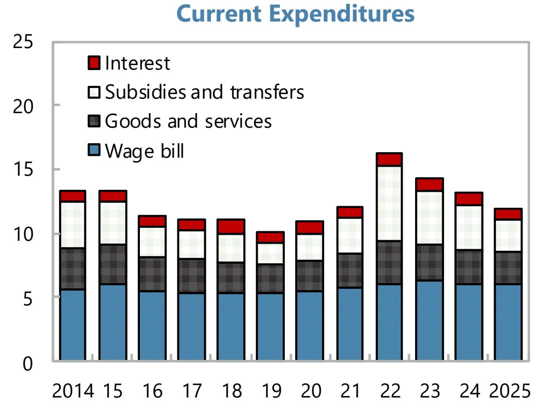
...and 2025 execution of public investment was higher, driven by domestically financed spending.

Investment



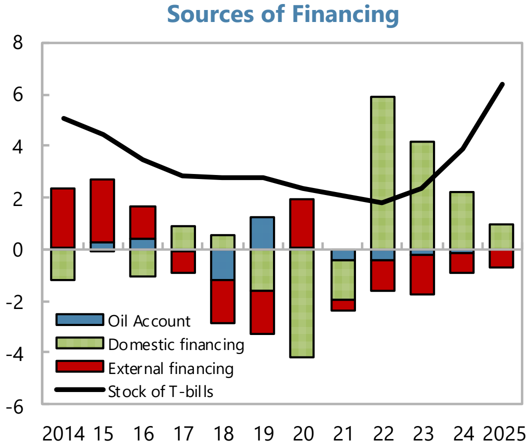
While current expenditures contracted further.

Current Expenditures



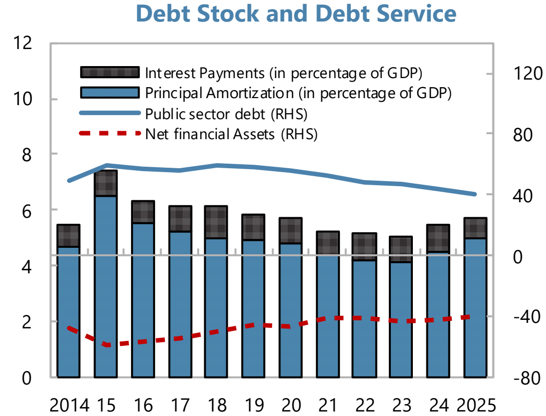
The fiscal deficit was financed mainly through domestic securities issuance...

Sources of Financing



...while public sector debt relative to GDP decreased.

Debt Stock and Debt Service



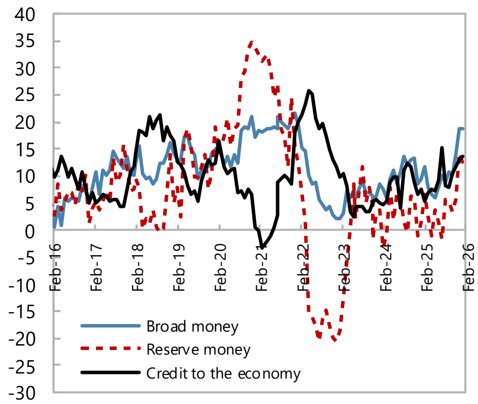
Sources: Mauritanian authorities; and IMF staff estimates and projections.

Figure 4. Mauritania: Monetary Sector Indicators, 2016–2026

Private credit growth has been accelerating…

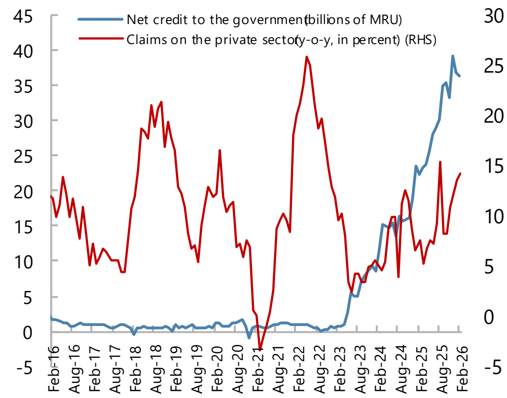
Money and Credit

(Y-o-y, in percent)



…credit to the government has also increased…

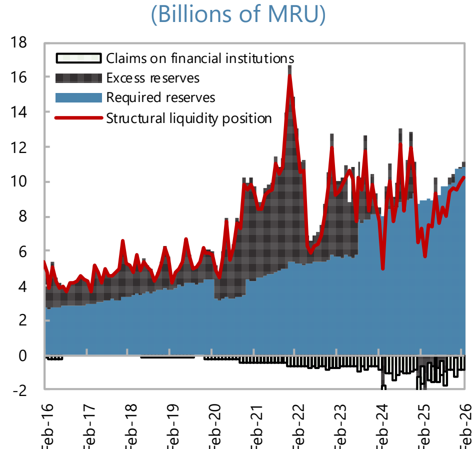
Commercial Banks' Credit to the Economy



BCM continued to keep monetary conditions tight…

Liquidity

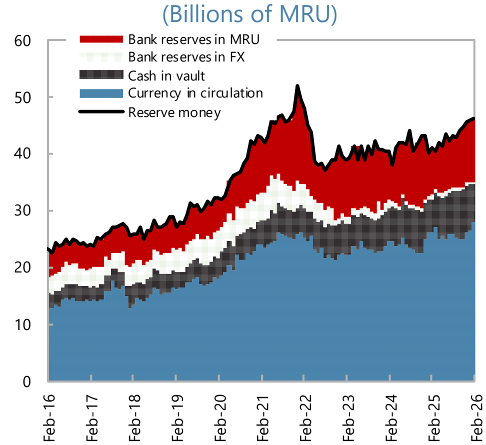
(Billions of MRU)



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

Reserve Money

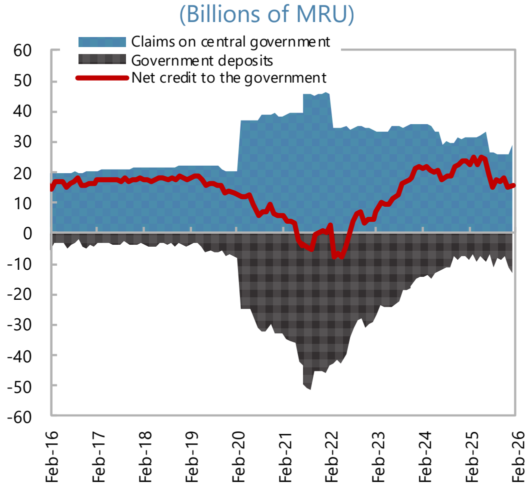
(Billions of MRU)



and Government deposits at the central bank have remained broadly stable over the medium term, though they have declined somewhat in recent months…

BCM Net Credit to the Government

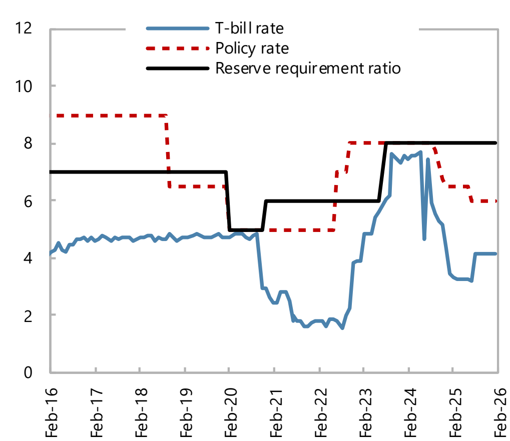
(Billions of MRU)



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

Key Interest Rates

(In percent)



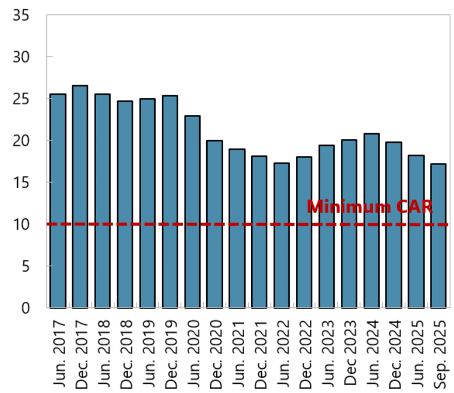
Sources: Mauritanian authorities, and IMF staff calculations.

Figure 5. Mauritania: Financial Sector Indicators, 2017–2025
(In percent)

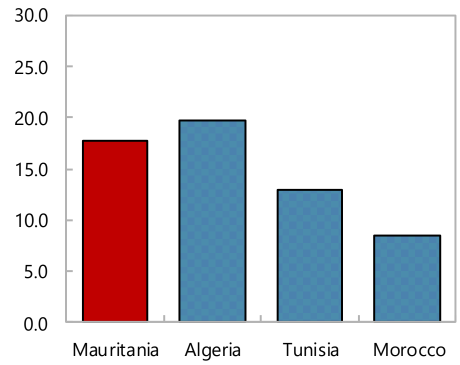
System-wide capital adequacy remains globally comfortable but masks uneven performance amongst individual banks…

Asset quality is weaker than in some peers …

Capital Adequacy Ratio



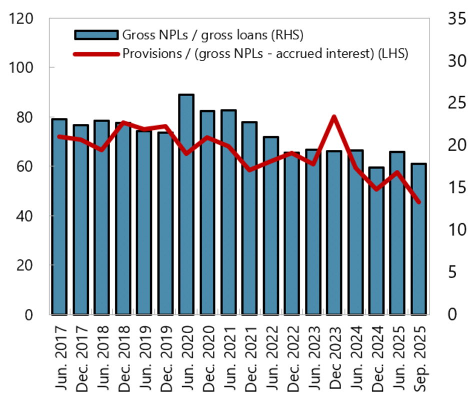
Non-Performing Loans to Total Loans



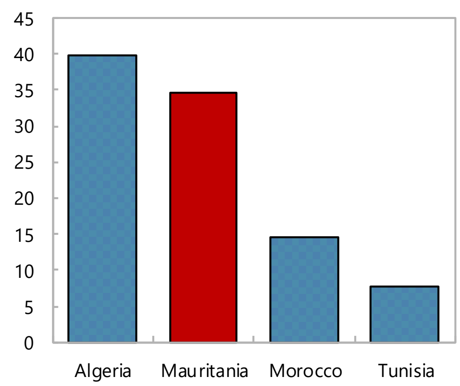
…with an uptick in NPLs in the last year, which later stabilized…

Liquid assets remain comfortable…

Provisions



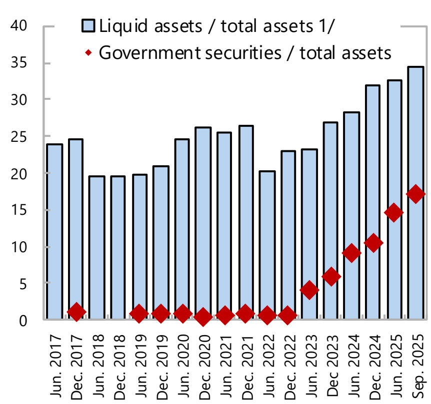
Liquid Assets to Total Assets



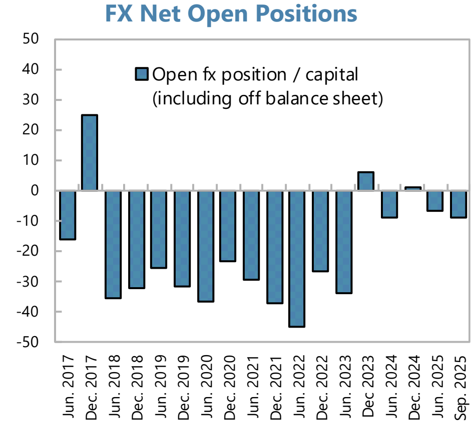
…and banks' holdings of government securities increased…

…while banks' short FX net open positions widened slightly through mid-2025 but remained well within prudential norms.

Government Securities



FX Net Open Positions



Sources: National authorities, and IMF staff calculations.
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, 2020–2031

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	2031
					Est.	5th Review	Est.	5th Review	Projections	Projections				
(Annual change in percent; unless otherwise indicated)														
National accounts and prices														
Real GDP	-0.4	0.7	6.8	6.8	6.3	4.2	4.0	4.7	4.7	4.5	5.7	4.9	3.0	3.0
Real extractive GDP	7.1	-19.2	18.3	12.2	1.9	-1.2	-0.6	3.6	6.3	4.7	9.2	6.0	-0.7	-0.8
Real non-extractive GDP	-1.7	6.0	3.8	5.6	7.3	5.5	5.1	5.0	4.3	4.4	4.5	4.5	4.4	4.4
Real GDP per capita	-2.6	-1.5	4.6	4.6	4.1	2.0	1.8	2.5	2.5	2.3	3.5	2.7	0.8	0.8
Iron ore production (million tons)	13.1	13.0	13.4	14.5	14.8	15.3	15.2	15.4	16.0	18.4	19.7	19.5	19.1	19.1
Gold production (millions ounces)	0.6	0.3	0.6	0.8	0.7	0.6	0.6	0.7	0.7	0.6	0.8	0.7	0.7	
GDP deflator	6.5	7.5	-0.6	3.8	3.9	5.6	5.1	2.6	12.9	2.9	2.0	2.6	2.2	2.1
Nominal GDP	6.1	8.3	6.1	10.9	10.4	10.0	9.4	7.4	18.2	7.5	7.9	7.6	5.3	5.2
Consumer prices (period average)	2.4	3.6	9.6	4.9	2.5	1.8	1.6	2.5	6.2	4.3	4.1	4.0	4.0	4.0
Consumer prices (end of period)	2.8	3.2	3.2	3.2	3.1	2.0	4.1	3.0	4.5	4.2	4.0	4.0	4.0	4.0
(In percent of GDP)														
Savings and Investment														
Gross investment	45.5	45.1	44.9	40.7	44.8	40.6	39.1	41.5	39.5	37.5	35.3	36.9	38.3	40.7
Gross national savings	38.7	36.6	30.0	32.0	35.4	34.3	35.6	34.6	33.8	31.6	30.4	31.1	31.7	34.0
Saving - Investment balance	-6.8	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9	-4.9	-5.8	-6.6	-6.7
(In percent of GDP)														
Central government operations														
Revenues and grants	20.6	22.6	25.0	22.3	22.2	24.1	23.5	25.2	25.0	25.3	25.4	26.0	26.4	26.9
Nonextractive	16.6	16.2	18.2	16.9	17.8	18.9	18.9	20.0	18.7	18.8	19.3	19.9	20.4	20.9
Taxes	10.9	11.7	13.4	12.5	13.9	14.7	14.7	15.5	14.3	14.5	14.9	15.3	15.7	16.1
Extractive	2.0	4.1	5.0	3.6	3.2	3.8	3.5	3.6	4.9	5.2	5.4	5.5	5.5	5.5
Grants	2.0	2.3	1.8	1.8	1.2	1.3	1.1	1.5	1.4	1.3	0.6	0.6	0.6	0.5
Expenditure and net lending	18.5	20.8	28.7	24.8	23.6	24.5	23.8	25.9	25.0	24.3	24.2	24.8	25.4	25.9
Of which: Current	12.0	13.0	17.2	16.2	14.9	13.7	13.5	13.7	14.3	12.9	12.6	12.6	12.7	12.7
Capital	6.6	7.8	11.5	8.6	8.7	10.8	10.2	12.1	10.7	11.3	11.6	12.2	12.7	13.2
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-1.6	-0.8	-0.6	-1.2	-0.5	0.5	1.3	1.5	1.3	1.5
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.1	-3.5	-3.2	-3.0	-3.3	-4.0	-3.5	-3.5	-3.5	-3.5	-3.5
Overall balance	2.2	1.9	-3.7	-2.4	-1.4	-0.4	-0.3	-0.7	0.0	1.0	1.2	1.2	1.0	1.0
Public sector debt 1/ 2/	56.5	52.4	48.3	47.0	43.5	39.9	40.7	40.5	37.6	37.2	37.2	37.2	37.9	38.5
Net financial assets 3/	-46.8	-40.9	-40.9	-43.6	-42.0	-37.8	-39.5	-37.5	-35.3	-33.3	-30.9	-28.7	-27.3	-25.8
(Annual change in percent; unless otherwise indicated)														
Money														
Broad money 4/	21.0	20.4	2.8	4.7	13.3	8.9	13.9	9.3	11.4	9.8	10.5	9.9	7.7	7.5
Credit to the private sector	6.8	8.4	13.0	5.2	8.8	8.5	12.2	9.1	11.6	6.5	10.1	9.6	7.3	7.5
External sector														
Exports of goods, f.o.b.	11.7	14.4	29.0	-3.5	3.6	11.9	12.3	0.6	29.6	0.7	15.5	-1.4	-3.7	-9.1
Imports of goods, f.o.b.	-0.4	23.1	36.2	-10.6	0.1	2.8	-0.1	1.8	14.3	-4.4	6.4	2.3	2.6	0.8
Terms of trade	-2.0	12.2	-17.4	6.0	10.7	13.1	16.6	9.0	22.1	5.9	2.1	-1.1	0.9	1.2
Real effective exchange rate	0.9	-0.1	9.4	...	...	...	...	...	...	...	...	...	...	...
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9	-4.9	-5.8	-6.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-0.5	1.8	-1.3	-0.7	-0.7	0.7	-0.8	-1.8	-2.1
Gross official reserves (US$ million, eop) 5/	1,542	2,347	1,877	2,032	1,921	1,922	2,159	1,926	1,869	1,920	2,106	2,160	2,194	2,262
In months of prospective non-extractive imports	6.7	8.2	6.2	6.4	5.9	5.5	5.9	5.5	5.5	5.4	5.6	5.6	5.7	6.1
External public debt (US$ million) 2/	4,113	4,204	3,954	4,047	4,058	4,033	4,052	4,290	4,198	4,235	4,419	4,591	4,747	4,918
In percent of GDP	49.1	45.8	42.1	40.6	36.9	33.1	33.3	32.9	30.4	29.2	28.8	28.3	28.4	28.5
Memorandum items:														
Nominal GDP (MRU billion)	307.2	332.6	353.0	391.4	432.1	475.4	472.6	510.7	558.5	600.3	647.6	696.6	733.2	771.0
Nominal non-extractive GDP (MRU billion)	242.9	264.1	290.3	317.1	349.1	375.4	379.1	400.0	411.3	440.9	469.7	504.1	540.1	580.7
Nominal GDP (US$ million)	8,464	9,126	9,564	10,724	11,003	12,155	12,097	13,083	14,077	14,669	15,498	16,349	16,879	17,410
Nominal GDP (US$, annual change in percent)	7.2	7.8	4.8	12.1	2.6	10.5	9.9	7.6	16.4	4.2	5.7	5.5	3.2	3.1
Exchange rate (MRU/US$)	36.3	36.4	36.6	39.3	...	...	...	...	...	...	...	...	...	...
Price of oil (US$/barrel)	41.8	69.2	96.4	80.6	79.2	68.9	67.7	65.8	82.2	76.0	74.2	73.9	73.7	73.3
Price of iron ore (US$/Ton)	108.1	158.2	120.7	120.3	111.1	102.7	103.7	100.2	102.3	98.0	89.5	89.5	89.5	89.5
Price of gold (US$/Ounce)	1,770	1,800	1,802	1,943	2,387	3,247	3,440	3,556	5,235	5,500	5,571	5,571	5,571	5,571

Sources: Mauritanian authorities; and IMF staff estimates and projections.
1/ Including government debt to the central bank recognized in 2018.
2/ From 2021, including renegotiated, previously passive debt to Kuwait.
3/ Defined as end of year stock in hydrocarbon fund and treasury account minus gross debt.
4/ Broad money has been adjusted downward from 2023 onwards to correct for the previous misclassification of the BCM's liquidity absorption operations.
5/ Excluding the hydrocarbon revenue fund; including 2021 SDR allocation.
N.B. For 2024 figures: National Accounts are estimates, the remainder are actuals.

Table 2a. Mauritania: Balance of Payments, 2020–2031

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

	2020	2021	2022	2023	2024	2025		2026		2027	2028	2029	2030	2031
						5th Review		5th Review	Projections			Projections		
Current account balance	-576	-782	-1,424	-935	-1,039	-769	-416	-903	-810	-865	-761	-944	-1,115	-1,174
Excl. externally financed extractive capital imports	187	87	-79	-36	-155	-67	215	-173	-101	-100	107	-130	-309	-363
Trade balance	-288	-580	-1,002	-625	-497	-163	-23	-217	634	894	1,460	1,257	891	291
Exports, fob	2,591	2,964	3,825	3,691	3,825	4,281	4,296	4,306	5,569	5,610	6,479	6,390	6,156	5,597
Of which : Iron ore	1,029	1,544	1,278	1,400	1,168	1,114	1,107	1,097	1,168	1,282	1,326	1,262	1,219	1,219
Hydrocarbons	0	0	0	0	0	255	237	395	537	496	485	483	481	480
Copper	153	192	92	95	144	150	138	0	24	0	0	83	0	0
Gold	787	388	1,567	1,440	1,668	1,823	1,870	1,983	3,003	3,092	3,789	3,656	3,484	2,837
Fish	584	659	799	623	736	823	827	704	732	626	754	761	785	810
Imports, fob	-2,879	-3,544	-4,827	-4,316	-4,322	-4,444	-4,319	-4,524	-4,935	-4,717	-5,019	-5,133	-5,265	-5,306
Of which : Food	-687	-792	-1,002	-1,039	-972	-1,101	-1,058	-1,059	-1,166	-1,120	-1,190	-1,266	-1,300	-1,332
Petroleum	-417	-708	-1,195	-1,041	-1,018	-1,005	-977	-1,045	-1,328	-1,085	-1,142	-1,149	-1,164	-1,138
Capital goods	-1,011	-1,052	-1,514	-1,140	-1,137	-1,037	-942	-1,083	-1,030	-1,090	-1,202	-1,158	-1,162	-1,180
Services and income (net)	-630	-618	-753	-609	-878	-832	-779	-915	-1,834	-2,140	-2,625	-2,546	-2,358	-1,824
Services (net)	-524	-472	-597	-618	-774	-726	-702	-763	-680	-626	-697	-658	-609	-549
Credit	272	321	346	338	290	353	352	336	305	324	357	395	437	466
Debit	-796	-793	-943	-956	-1,064	-1,079	-1,054	-1,099	-985	-949	-1,054	-1,053	-1,046	-1,015
Income (net)	-106	-146	-156	9	-104	-106	-77	-152	-1,154	-1,514	-1,928	-1,889	-1,749	-1,276
Credit	84	60	91	170	152	165	149	154	131	108	110	111	112	113
Debit	-190	-206	-247	-161	-256	-271	-226	-305	-1,285	-1,623	-2,038	-2,000	-1,861	-1,389
Current transfers (net)	342	416	330	298	335	225	385	229	391	381	404	345	352	359
Private unrequited transfers (net)	153	143	166	167	93	100	202	109	186	176	186	192	199	206
Official grants	189	272	165	132	242	125	182	120	205	205	218	153	153	153
Capital and financial account	620	1,978	1,710	878	774	435	317	886	422	1,053	1,139	1,148	1,231	1,273
Capital account	73	987	136	192	101	151	171	199	232	201	201	201	201	201
Financial account	548	991	1,575	686	673	283	147	688	190	852	938	947	1,029	1,072
Foreign direct investment (net)	928	1,062	1,402	848	1,440	926	735	776	439	682	689	691	793	843
Official medium- and long-term loans	94	52	306	35	4	-24	-39	150	-2	90	196	192	199	200
Disbursements	287	314	518	277	252	216	207	400	247	355	446	453	467	481
Of whch: GTA gas project	84	84	80	0	0	0	0	0	0	0	0	1	2	3
Amortization (before DSSI)	193	262	212	242	249	239	246	250	249	265	250	261	268	281
SNIM medium- and long-term loans	-60	-204	-13	-9	-9	-2	5	118	38	58	53	58	19	20
Other financial flows	-415	81	-121	-189	-762	-617	-554	-357	-284	22	-1	5	18	9
Errors and omissions	91	350	78	253	144	200	152	0	0	0	0	0	0	0
Overall balance	135	1,545	364	196	-122	-135	53	-17	-388	188	378	205	116	99
Financing	-317	-1,569	-362	-239	105	126	-74	-1	335	-205	-395	-222	-116	-99
Net foreign assets	-411	-755	-364	-239	105	126	-74	-1	335	-205	-395	-222	-116	-99
Central bank (net)	-373	-658	-194	-186	128	-1	-209	109	405	-122	-267	-126	-77	-98
Change in reserve assets (- = increase, without RSF)	-422	-805	148	-152	174	39	-199	159	454	-50	-186	-54	-35	-68
Liabilities	49	147	-342	-34	-46	-40	-10	-50	-49	-72	-81	-72	-43	-30
Other, incl. deposit from Saudi Arabia	-24	-24	-327	36	53	-40	23	-50	-49	-81	-72	-43	-30	-30
Commercial banks (net)	-35	-47	-133	-17	-2	134	138	-18	5	33	-7	34	41	21
Hydrocarbon revenue fund (net)	-3	-49	-38	-36	-22	-7	-3	-92	-75	-116	-121	-130	-79	-22
Exceptional financing (incl. DSSI and debt cancellation)	94	-814	2	0	0	0	0	0	0	0	0	0	0	0
Financing gap	182	24	-2	43	17	9	21	18	53	18	18	18	0	0
Use of Fund credit: ECF/EFF, RCF	182	24	0	43	17	9	9	18	53	18	18	18	0	0
Residual gap	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Fund credit: RSF	0	0	0	0	59	40	40	163	164	0	0	0	0	0
Change in reserves (- = increase, with RSF)	-422	-805	148	-152	115	-1	-239	-4	290	-50	-186	-54	-35	-68
Gross official reserves, incl. IMF financing (US$ million)	1,542	2,347	1,877	2,032	1,921	1,922	2,159	1,926	1,869	1,920	2,106	2,160	2,194	2,262
(in months of imports excluding extractive industries)	6.7	8.2	6.2	6.4	5.9	5.5	5.9	5.5	5.5	5.4	5.6	5.6	5.7	6.1
Gross official reserves, excl. RSF (US$ million)					1,861	1,823	2,060	1,663	1,607					
Memorandum items:														
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9	-4.9	-5.8	-6.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-0.5	1.8	-1.3	-0.7	-0.7	0.7	-0.8	-1.8	-2.1
Trade balance (in percent of GDP)	-3.4	-6.4	-10.5	-5.8	-4.5	-1.3	-0.2	-1.7	4.5	6.1	9.4	7.7	5.3	1.7
Total external financing requirements (in percent of GDP)	9.8	13.7	17.2	11.1	11.8	8.3	5.4	8.8	7.5	7.7	6.5	7.4	8.2	8.4
External public debt (in millions of US$)	4,113	4,204	3,954	4,047	4,058	4,033	4,052	4,290	4,198	4,235	4,419	4,591	4,747	4,918
(in percent GDP)	49.1	45.8	42.1	40.6	36.9	33.1	33.3	32.9	30.4	29.2	28.8	28.3	28.4	28.5
External public debt service (after DSSI - US$ million)	151	147	241	323	359	349	358	365	381	402	411	411	397	403
(in percent of revenue)	9.5	7.9	10.8	14.7	15.5	12.6	13.2	11.8	11.5	11.3	10.6	9.9	9.1	8.8

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

Table 2b. Mauritania: Balance of Payments, 2020–2031

(In percent of GDP, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025		2026		2027	2028	2029	2030	2031
						5th Review		5th Review	Projections	Projections				
Current account balance	-6.8	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9	-4.9	-5.8	-6.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-0.5	1.8	-1.3	-0.7	-0.7	0.7	-0.8	-1.8	-2.0
Trade balance	-3.4	-6.4	-10.5	-5.8	-4.5	-1.3	-0.2	-1.7	4.5	6.1	9.4	7.7	5.3	1.7
Exports, fob	30.6	32.5	40.0	34.4	34.8	35.2	35.5	32.9	39.6	38.2	41.8	39.1	36.5	32.1
Of which : Iron ore	12.2	16.9	13.4	13.1	10.6	9.2	9.1	8.4	8.3	8.7	8.6	7.7	7.2	7.0
Hydrocarbons	0.0	0.0	0.0	0.0	0.0	2.1	2.0	3.0	3.8	3.4	3.1	3.0	2.9	2.8
Copper	1.8	2.1	1.0	0.9	1.3	1.2	1.1	0.0	0.2	0.0	0.0	0.5	0.0	0.0
Gold	9.3	4.3	16.4	13.4	15.2	15.0	15.5	15.2	21.3	21.1	24.4	22.4	20.6	16.3
Fish	6.9	7.2	8.4	5.8	6.7	6.8	6.8	5.4	5.2	4.3	4.9	4.7	4.7	4.7
Imports, fob	-34.0	-38.8	-50.5	-40.2	-39.3	-36.6	-35.7	-34.6	-35.1	-32.2	-32.4	-31.4	-31.2	-30.5
Of which : Food	-8.1	-8.7	-10.5	-9.7	-8.8	-9.1	-8.7	-8.1	-8.3	-7.6	-7.7	-7.7	-7.7	-7.7
Petroleum	-4.9	-7.8	-12.5	-9.7	-9.3	-8.3	-8.1	-8.0	-9.4	-7.4	-7.4	-7.0	-6.9	-6.5
Capital goods	-11.9	-11.5	-15.8	-10.6	-10.3	-8.5	-7.8	-8.3	-7.3	-7.4	-7.8	-7.1	-6.9	-6.8
Services and income (net)	-7.4	-6.8	-7.9	-5.7	-8.0	-6.8	-6.4	-7.0	-13.0	-14.6	-16.9	-15.6	-14.0	-10.5
Services (net)	-6.2	-5.2	-6.2	-5.8	-7.0	-6.0	-5.8	-5.8	-4.8	-4.3	-4.5	-4.0	-3.6	-3.2
Credit	3.2	3.5	3.6	3.2	2.6	2.9	2.9	2.6	2.2	2.2	2.3	2.4	2.6	2.7
Debit	-9.4	-8.7	-9.9	-8.9	-9.7	-8.9	-8.7	-8.4	-7.0	-6.5	-6.8	-6.4	-6.2	-5.8
Income (net)	-1.2	-1.6	-1.6	0.1	-0.9	-0.9	-0.6	-1.2	-8.2	-10.3	-12.4	-11.6	-10.4	-7.3
Credit	1.0	0.7	1.0	1.6	1.4	1.4	1.2	1.2	0.9	0.7	0.7	0.7	0.7	0.6
Debit	-2.2	-2.3	-2.6	-1.5	-2.3	-2.2	-1.9	-2.3	-9.1	-11.1	-13.1	-12.2	-11.0	-8.0
Current transfers (net)	4.0	4.6	3.5	2.8	3.0	1.9	3.2	1.8	2.8	2.6	2.6	2.1	2.1	2.1
Private unrequited transfers (net)	1.8	1.6	1.7	1.6	0.8	0.8	1.7	0.8	1.3	1.2	1.2	1.2	1.2	1.2
Official grants	2.2	3.0	1.7	1.2	2.2	1.0	1.5	0.9	1.5	1.4	1.4	0.9	0.9	0.9
Capital and financial account	7.3	21.7	17.9	8.2	7.0	3.6	2.6	6.8	3.0	7.2	7.3	7.0	7.3	7.3
Capital account	0.9	10.8	1.4	1.8	0.9	1.2	1.4	1.5	1.6	1.4	1.3	1.2	1.2	1.2
Financial account	6.5	10.9	16.5	6.4	6.1	2.3	1.2	5.3	1.4	5.8	6.0	5.8	6.1	6.2
Foreign direct investment (net)	11.0	11.6	14.7	7.9	13.1	7.6	6.1	5.9	3.1	4.7	4.4	4.2	4.7	4.8
Official medium- and long-term loans	1.1	0.6	3.2	0.3	0.0	-0.2	-0.3	1.1	0.0	0.6	1.3	1.2	1.2	1.1
Disbursements	3.4	3.4	5.4	2.6	2.3	1.8	1.7	3.1	1.8	2.4	2.9	2.8	2.8	2.8
Of whch: GTA gas project	1.0	0.9	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0	3.0
Amortization (before DSSI)	2.3	2.9	2.2	2.3	2.3	2.0	2.0	1.9	1.8	1.8	1.6	1.6	1.6	1.6
SNIM medium- and long-term loans	-0.7	-2.2	-0.1	-0.1	-0.1	0.0	0.0	0.9	0.3	0.4	0.3	0.4	0.1	0.1
Other financial flows	-4.9	0.9	-1.3	-1.8	-6.9	-5.1	-4.6	-2.7	-2.0	0.1	0.0	0.0	0.1	0.1
Errors and omissions	1.1	3.8	0.8	2.4	1.3	1.6	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	2.1	16.9	3.8	1.8	-1.1	-1.1	0.4	-0.1	-2.8	1.3	2.4	1.3	0.7	0.6
Financing	-4.9	-17.2	-3.8	-2.2	1.0	1.0	-0.6	0.0	2.4	-1.4	-2.6	-1.4	-0.7	-0.6
Net foreign assets	-6.4	-8.3	-3.8	-2.2	1.0	1.0	-0.6	0.0	2.4	-1.4	-2.6	-1.4	-0.7	-0.6
Central bank (net)	-5.8	-7.2	-2.0	-1.7	1.2	0.0	-1.7	0.8	2.9	-0.8	-1.7	-0.8	-0.5	-0.6
Change in reserve assets (- = increase, without RSF)	-6.6	-8.8	1.6	-1.4	1.6	0.3	-1.6	1.2	3.2	-0.3	-1.2	-0.3	-0.2	-0.4
Liabilities	0.8	1.6	-3.6	-0.3	-0.4	-0.3	-0.1	-0.4	-0.3	-0.5	-0.5	-0.4	-0.3	-0.2
Other, incl. deposit from Saudi Arabia	-0.3	-0.3	-3.4	0.3	0.5	0.3	-0.2	0.4	0.3	0.6	0.5	0.3	0.2	0.2
Commercial banks (net)	-0.4	-0.5	-1.4	-0.2	0.0	1.1	1.1	-0.1	0.0	0.2	0.0	0.2	0.2	0.1
Hydrocarbon revenue fund (net)	0.0	-0.5	-0.4	-0.3	-0.2	-0.1	0.0	-0.7	-0.5	-0.8	-0.8	-0.8	-0.5	-0.1
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	0.0
Financing gap	2.8	0.3	0.0	0.4	0.2	0.1	0.2	0.1	0.4	0.1	0.1	0.1	0.0	0.0
Use of Fund credit: ECF/EFF	2.8	0.3	0.0	0.4	0.2	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.0	0.0
Residual gap	0.0	0.0	0.0	0.0	0.0	0.0	0.1	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	0.3	0.3	1.2	1.2	0.0	0.0	0.0	0.0	0.0
Change in reserves (- = increase, with RSF)	-6.6	-8.8	1.6	-1.4	1.0	0.0	-2.0	0.0	2.1	-0.3	-1.2	-0.3	-0.2	-0.4
Gross official reserves, incl. IMF financing	18.2	25.7	19.6	18.9	17.5	15.8	17.9	14.7	13.3	13.1	13.6	13.2	13.0	13.0
(in months of imports excluding extractive industries)	6.7	8.2	6.2	6.4	5.9	5.5	5.9	5.5	5.5	5.4	5.6	5.6	5.7	6.1
Gross official reserves, excl. RSF					16.9	14.9	17.0	12.6	11.2					
Memorandum items:														
Current account balance (in percent of GDP)	-6.8	-8.6	-14.9	-8.7	-9.4	-6.3	-3.4	-6.9	-5.8	-5.9	-4.9	-5.8	-6.6	-6.7
Excl. externally financed extractive capital imports	2.2	1.0	-0.8	-0.3	-1.4	-0.5	1.8	-1.3	-0.7	-0.7	0.7	-0.8	-1.8	-2.1
Trade balance (in percent of GDP)	-3.4	-6.4	-10.5	-5.8	-4.5	-1.3	-0.2	-1.7	4.5	6.1	9.4	7.7	5.3	1.7
External public debt (in millions of US$)	4,113	4,204	3,954	4,047	4,058	4,033	4,052	4,290	4,198	4,235	4,419	4,591	4,747	4,918
(in percent GDP)	49.1	45.8	42.1	40.6	36.9	33.1	33.3	32.9	30.4	29.2	28.8	28.3	28.4	28.5
External public debt service (after DSSI - US$ million)	151	147	241	323	359	349	358	365	381	402	411	411	397	403
(in percent of revenue)	9.5	7.9	10.8	14.7	15.5	12.6	13.2	11.8	11.5	11.3	10.6	9.9	9.1	8.8

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

Table 3a. Mauritania: Central Government Operations, 2020–2031

(In billions of MRU, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025		2026		2027	2028	2029	2030	2031
						5th Review		5th Review	Projections	Projections				
Revenues and grants	63.4	76.0	91.7	90.5	96.0	114.4	110.9	128.6	139.5	151.9	164.3	181.2	193.7	207.2
Revenues	57.3	68.5	85.3	83.6	90.8	108.1	105.8	120.9	131.8	144.3	160.1	177.1	189.3	203.2
Nonextractive	51.1	53.8	64.2	66.3	77.1	90.1	89.3	102.3	104.6	112.8	125.0	138.6	149.2	160.8
Tax	33.5	38.8	47.2	48.9	60.0	70.0	69.2	79.2	80.1	87.3	96.4	106.8	115.2	124.0
Of which: Carbon tax	...	...	...	...	...	1.3	1.1	4.0	4.0	7.0	8.8	9.7	10.7	11.3
Nontax	17.6	15.0	17.0	17.3	17.1	20.1	20.1	23.1	24.5	25.5	28.5	31.8	34.0	36.9
Extractive	6.1	14.7	21.1	17.3	13.7	18.0	16.5	18.6	27.2	31.5	35.2	38.4	40.1	42.4
Oil and gas 1/	0.1	1.7	5.4	5.4	0.6	2.0	1.7	3.6	3.0	4.8	5.1	5.6	6.0	6.0
Mining	6.0	12.9	15.8	11.9	13.1	16.0	14.8	15.0	24.2	26.7	30.1	32.8	34.1	36.4
Grants	6.2	7.6	6.4	6.9	5.1	6.4	5.1	7.7	7.7	7.6	4.2	4.2	4.4	4.0
Of which: Projects	2.6	2.6	5.8	5.5	4.1	4.4	3.4	6.3	6.3	6.0	4.2	4.2	4.4	4.0
Expenditure and net lending	56.9	69.1	101.3	97.2	101.8	116.3	112.4	132.1	139.5	145.7	156.8	172.8	186.1	199.5
Current	36.8	43.3	60.8	63.8	64.4	65.0	63.9	70.1	79.9	77.6	81.8	87.8	93.0	97.8
Compensation of employees	16.8	18.9	21.1	24.9	26.3	28.6	28.6	31.5	31.5	34.1	36.3	39.0	41.4	43.1
Goods and services	7.4	9.3	12.2	10.9	11.1	10.1	11.7	12.5	12.3	13.3	15.0	16.2	17.0	17.9
Subsidies and transfers 2/	6.4	9.0	20.6	16.4	15.4	13.9	12.1	14.0	24.0	18.0	17.2	18.2	19.1	20.1
Interest	2.9	2.8	3.5	3.7	4.3	4.5	3.6	5.1	5.1	4.4	5.1	5.9	6.6	7.5
External	2.2	2.1	2.8	2.8	2.9	2.7	2.6	3.8	3.7	2.7	3.0	3.3	3.7	4.0
Domestic	0.7	0.7	0.7	0.9	1.4	1.7	1.0	1.3	0.4	1.7	2.1	2.6	3.0	3.4
Special accounts	0.9	1.4	1.9	6.1	5.5	5.4	5.6	4.0	4.0	4.3	4.3	4.3	4.3	4.3
Common reserves	2.5	1.6	1.3	1.2	1.9	2.5	2.2	3.0	3.0	3.5	3.8	4.2	4.5	4.9
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	0.0
Capital	20.3	26.0	40.7	33.6	37.5	51.3	48.3	62.0	59.6	68.1	75.0	85.0	93.1	101.8
Foreign-financed	5.2	5.2	9.9	8.4	7.9	8.4	9.3	11.8	11.3	12.1	16.8	16.8	17.6	19.9
Domestically financed, incl. COVID-19	15.0	20.8	30.8	25.0	29.6	42.8	39.0	50.2	48.3	56.0	58.2	68.2	75.5	81.8
Net lending	-0.2	-0.2	-0.2	-0.2	-0.1	0.0	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	-3.7	-2.9	-6.1	-2.6	2.9	8.4	10.1	9.9	11.2
Primary balance	9.7	9.2	-9.4	-5.9	-1.6	2.6	2.2	1.6	5.1	10.6	12.6	14.3	14.2	15.2
Non-extractive primary balance (incl. grants)	3.6	-5.5	-30.5	-23.2	-15.3	-15.4	-14.3	-17.0	-22.1	-20.9	-22.6	-24.1	-25.9	-27.2
Overal balance (excl. grants)	0.7	-1.2	-19.2	-16.5	-11.0	-8.2	-6.5	-11.2	-7.7	-1.5	3.4	4.3	3.2	3.7
Overall balance	6.8	6.4	-12.9	-9.6	-5.8	-1.9	-1.4	-3.5	0.0	6.2	7.5	8.4	7.6	7.7
Financing	-6.8	-6.4	12.9	9.6	5.8	1.9	1.4	3.5	0.0	-6.2	-7.5	-8.4	-7.6	-7.7
Domestic	-12.6	-5.1	20.9	16.4	9.6	5.0	4.4	5.0	1.1	2.1	-5.5	-5.7	-7.2	-11.8
Banking system	-9.4	5.5	-5.9	16.5	14.2	9.0	13.4	4.9	1.5	0.8	-6.5	-6.9	-8.5	-12.2
Treasury account	-19.9	-12.8	14.0	13.8	7.5	-1.0	0.8	-1.8	-4.1	-6.0	-12.0	-13.0	-15.0	-19.0
Central bank	11.4	-6.7	11.4	0.0	0.3	0.0	0.0	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	10.0	12.5	6.7	5.6	6.8	5.5	6.1	6.5	6.8
Commercial banks (Without the RSF)	-0.9	-0.4	-2.9	2.7	8.3	11.6	14.1	13.0	12.1	6.8	5.5	6.1	6.5	
Nonbanks	-0.4	-0.8	0.1	-0.1	1.3	1.1	0.3	0.5	0.0	1.7	1.4	1.5	1.6	0.8
Domestic arrears	-1.5	1.5	1.3	-1.3	0.8	0.0	-11.4	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	0.0	10.1	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	-3.8	-3.1	-3.4	-1.5	-1.2	-8.3	-2.0	-2.7	-0.3	4.1
Hydrocarbon revenue fund (net)	0.2	-1.4	-1.4	-0.8	-0.7	-0.3	-0.2	-3.6	-3.0	-4.8	-5.1	-5.6	-3.5	-1.0
Oil and gas revenue	-0.8	-1.4	-1.2	-0.8	-0.7	-2.3	-2.1	-3.6	-3.0	-4.8	-5.1	-5.6	-3.5	-1.0
Transfer to the budget	1.0	0.0	0.0	0.0	0.0	2.0	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other external financing	5.6	-1.5	-4.2	-5.9	-3.1	-2.8	-3.2	2.1	1.8	-3.4	3.1	2.9	3.1	5.1
Borrowing (net)	-3.9	-4.8	-2.5	-5.9	-6.4	-5.6	-4.8	-5.5	-6.0	-4.7	1.8	1.6	1.8	3.8
Disbursements	2.8	2.6	5.3	3.8	3.8	4.1	6.0	5.5	5.0	6.1	12.7	12.6	13.3	16.0
Amortization	-6.8	-7.3	-7.8	-9.8	-10.2	-9.6	-10.7	-11.0	-11.0	-10.8	-10.9	-11.0	-11.4	-12.2
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	0.0
IMF (RCF)	4.7	...	... ..	...	...	...	...	...	...	...	0.0	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	0.0
IMF (RSF)	...	...	... ..	...	2.3	1.6	1.6	6.4	6.5	...	...	...	...	
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	0.0
Errors and omissions	-0.2	1.6	-2.3	-0.1	0.1	0.0	0.4	0.0	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	2.2	12.3	8.7	10.8	16.9	0.2	3.3	6.0	3.6	3.1
Current (percent)	11.1	13.5	28.1	-0.1	-1.4	-0.8	-2.4	5.1	17.8	-6.8	1.2	3.2	1.8	1.1
Capital (percent)	0.8	23.7	43.0	-21.3	8.7	34.4	27.0	18.0	16.1	9.7	5.8	9.0	5.4	5.1
Non-extractive primary balance (excl. grants)	-3.0	-12.5	-33.6	-27.1	-20.5	-21.8	-19.4	-24.7	-29.8	-28.6	-26.7	-28.3	-30.3	-31.2
Non-extractive primary balance (incl. grants)	3.2	-4.9	-27.2	-20.1	-15.3	-15.4	-14.3	-17.0	-22.1	-20.9	-22.6	-24.1	-25.9	-27.2
Basic budget balance (excl. grants) 3/	5.9	4.0	-9.3	-8.1	-3.1	0.2	2.8	0.6	3.6	10.6	20.2	21.1	20.8	23.7
Net financial assets 4/	-143.7	-135.9	-144.4	-170.6	-181.5	-179.7	-186.6	-191.7	-197.1	-199.7	-200.4	-200.1	-200.1	-199.0
Social spending	14.6	15.6	19.4	21.1	22.9	24.0	25.4	25.6	31.1	31.3	32.2	33.9	35.7	38.4

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

1/ "Oil and gas" tax revenues do not include revenue from the carbon tax.

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, 2020–2031

(In percent of GDP, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025		2026		2027	2028	2029	2030	2031
						5th Review		5th Review	Projections	Projections				
Revenues and grants	20.6	22.9	26.0	23.1	22.2	24.1	23.5	25.2	25.0	25.3	25.4	26.0	26.4	26.9
Revenues	18.6	20.6	24.2	21.4	21.0	22.7	22.4	23.7	23.6	24.0	24.7	25.4	25.8	26.4
Nonextractive	16.6	16.2	18.2	16.9	17.8	18.9	18.9	20.0	18.7	18.8	19.3	19.9	20.4	20.9
Tax	10.9	11.7	13.4	12.5	13.9	14.7	14.7	15.5	14.3	14.5	14.9	15.3	15.7	16.1
Of which: Carbon tax	...	...	...	...	...	0.3	0.2	0.8	0.7	1.2	1.4	1.4	1.5	1.5
Nontax	5.7	4.5	4.8	4.4	4.0	4.2	4.3	4.5	4.4	4.2	4.4	4.6	4.6	4.8
Extractive	2.0	4.4	6.0	4.4	3.2	3.8	3.5	3.6	4.9	5.2	5.4	5.5	5.5	5.5
Oil and gas 1/	0.0	0.5	1.5	1.4	0.1	0.4	0.4	0.7	0.5	0.8	0.8	0.8	0.8	0.8
Mining	2.0	3.9	4.5	3.0	3.0	3.4	3.1	2.9	4.3	4.4	4.6	4.7	4.7	4.7
Grants	2.0	2.3	1.8	1.8	1.2	1.3	1.1	1.5	1.4	1.3	0.6	0.6	0.6	0.5
Of which: Projects	0.8	0.8	1.6	1.4	0.9	0.9	0.7	1.2	1.1	1.0	0.6	0.6	0.6	0.5
Expenditure and net lending	18.5	20.8	28.7	24.8	23.6	24.5	23.8	25.9	25.0	24.3	24.2	24.8	25.4	25.9
Current	12.0	13.0	17.2	16.3	14.9	13.7	13.5	13.7	14.3	12.9	12.6	12.6	12.7	12.7
Compensation of employees	5.5	5.7	6.0	6.4	6.1	6.0	6.1	6.2	5.6	5.7	5.6	5.6	5.6	5.6
Goods and services	2.4	2.8	3.4	2.8	2.6	2.1	2.5	2.4	2.2	2.2	2.3	2.3	2.3	2.3
Subsidies and transfers 2/	2.1	2.7	5.8	4.2	3.6	2.9	2.6	2.7	4.3	3.0	2.7	2.6	2.6	2.6
Interest	0.9	0.8	1.0	0.9	1.0	0.9	0.8	1.0	0.9	0.7	0.8	0.8	0.9	1.0
External	0.7	0.6	0.8	0.7	0.7	0.6	0.5	0.7	0.7	0.5	0.5	0.5	0.5	0.5
Domestic	0.2	0.2	0.2	0.2	0.3	0.4	0.2	0.3	0.1	0.3	0.3	0.4	0.4	0.4
Special accounts	0.3	0.4	0.5	1.6	1.3	1.1	1.2	0.8	0.7	0.7	0.7	0.6	0.6	0.6
Common reserves	0.8	0.5	0.4	0.3	0.4	0.5	0.5	0.6	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	0.0
Capital	6.6	7.8	11.5	8.6	8.7	10.8	10.2	12.1	10.7	11.3	11.6	12.2	12.7	13.2
Foreign-financed	1.7	1.6	2.8	2.2	1.8	1.8	2.0	2.3	2.0	2.0	2.6	2.4	2.4	2.6
Domestically financed, incl. COVID-19	4.9	6.3	8.7	6.4	6.8	9.0	8.3	9.8	8.7	9.3	9.0	9.8	10.3	10.6
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	0.0
Primary balance (excl. grants)	1.2	0.5	-4.5	-3.3	-1.6	-0.8	-0.6	-1.2	-0.5	0.5	1.3	1.5	1.3	1.5
Primary balance	3.2	2.8	-2.7	-1.5	-0.4	0.5	0.5	0.3	0.9	1.8	1.9	2.1	1.9	2.0
Non-extractive primary balance (incl. grants)	1.2	-1.7	-8.6	-5.9	-3.5	-3.2	-3.0	-3.3	-4.0	-3.5	-3.5	-3.5	-3.5	-3.5
Overal balance (excl. grants)	0.2	-0.4	-5.5	-4.2	-2.5	-1.7	-1.4	-2.2	-1.4	-0.2	0.5	0.6	0.4	0.5
Overall balance	2.2	1.9	-3.7	-2.4	-1.4	-0.4	-0.3	-0.7	0.0	1.0	1.2	1.2	1.0	1.0
Financing	-2.2	-1.9	3.7	2.4	1.4	0.4	0.3	0.7	0.0	-1.0	-1.2	-1.2	-1.0	-1.0
Domestic	-4.1	-1.5	5.9	4.2	2.2	1.0	0.9	1.0	0.2	0.3	-0.8	-0.8	-1.0	-1.5
Banking system	-3.1	1.7	-1.7	4.2	3.3	1.9	2.8	1.0	0.3	0.1	-1.0	-1.0	-1.2	-1.6
Treasury account	-6.5	-3.8	4.0	3.5	1.7	-0.2	0.2	-0.4	-0.7	-1.0	-1.9	-1.9	-2.0	-2.5
Central bank	3.7	-2.0	3.2	0.0	0.1	0.0	0.0	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	2.1	2.7	1.3	1.0	1.1	0.9	0.9	0.9	0.9
Commercial banks (Without the RSF)	-0.3	-0.1	-0.8	0.7	1.9	2.4	3.0	2.6	2.2	1.1	0.9	0.9	0.9	
Nonbanks	-0.1	-0.2	0.0	0.0	0.3	0.2	0.1	0.1	0.0	0.3	0.2	0.2	0.2	0.1
Domestic arrears	-0.5	0.4	0.4	-0.3	0.2	0.0	-2.4	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	0.0	2.1	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	-0.7	-0.7	-0.3	-0.2	-1.4	-0.3	-0.4	0.0	0.5
Hydrocarbon revenue fund (net)	0.1	-0.4	-0.4	-0.2	-0.2	-0.1	0.0	-0.7	-0.5	-0.8	-0.8	-0.8	-0.5	-0.1
Oil and gas revenue	-0.2	-0.4	-0.3	-0.2	-0.2	-0.5	-0.4	-0.7	-0.5	-0.8	-0.8	-0.8	-0.5	-0.1
Transfer to the budget	0.3	0.0	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.8	-0.4	-1.2	-1.5	-0.7	-0.6	-0.7	0.4	0.3	-0.6	0.5	0.4	0.4	0.7
Borrowing (net)	-1.3	-1.4	-0.7	-1.5	-1.5	-1.2	-1.0	-1.1	-1.1	-0.8	0.3	0.2	0.3	0.5
Disbursements	0.9	0.8	1.5	1.0	0.9	0.9	1.3	1.1	0.9	1.0	2.0	1.8	1.8	2.1
Amortization	-2.2	-2.2	-2.2	-2.5	-2.4	-2.0	-2.3	-2.1	-2.0	-1.8	-1.7	-1.6	-1.6	-1.6
of which debt relief (DSSI)	1.1	1.2	-0.4	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF (RCF)	1.5	...	...	...	...	...	... ...		...	...	0.0	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	0.0
RSF (RSF)	...	...	...	...	0.5	0.3	0.3	1.2	1.2	...	...	...	...	
Errors and omissions	-0.1	0.5	-0.7	0.0	0.0	0.0	0.1	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	-4.7	-4.6	-4.1	-4.8	-5.3	-4.8	-4.1	-4.1	-4.1	-4.0
Non-extractive primary balance (incl. grants)	1.0	-1.5	-7.7	-5.1	-3.5	-3.2	-3.0	-3.3	-4.0	-3.5	-3.5	-3.5	-3.5	-3.5
Overall balance (in percent of GDP)	2.2	1.9	-3.7	-2.4	-1.4	-0.4	-0.3	-0.7	0.0	1.0	1.2	1.2	1.0	1.0
Basic budget balance (excl. grants) 3/	1.9	1.2	-2.6	-2.1	-0.7	0.1	0.6	0.1	0.6	1.8	3.1	3.0	2.8	3.1
Net financial assets 4/	-46.8	-40.9	-40.9	-43.6	-42.0	-37.8	-39.5	-37.5	-35.3	-33.3	-30.9	-28.7	-27.3	-25.8
Social spending	4.7	4.7	5.5	5.4	5.3	5.0	5.4	5.0	5.6	5.2	5.0	4.9	4.9	5.0

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

1/ “Oil and gas” tax revenues do not include any revenue from the carbon tax.

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, 2020–2031

(In billions of MRU at end-of-period exchange rates, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025		2026		2027	2028	2029	2030	2031
						5th Review		5th Review	Projections	Projections				
Monetary survey														
Net foreign assets	27.0	52.7	53.7	63.6	59.1	59.1	61.4	54.5	44.8	48.2	60.7	65.6	69.6	75.0
Net domestic assets	69.0	63.0	65.2	60.8	81.8	94.3	99.1	113.2	134.0	148.2	156.3	172.7	187.1	200.9
Net domestic credit	86.4	89.3	103.2	131.7	154.9	170.1	183.9	183.7	197.9	207.8	216.6	225.6	230.4	232.9
Net credit to the government	5.5	1.6	4.1	27.5	41.5	47.1	57.2	49.6	56.4	57.2	50.7	43.8	35.3	23.2
Credit to the economy	80.9	87.7	99.1	104.2	113.4	123.0	126.7	134.1	141.5	150.6	165.9	181.8	195.1	209.7
Other items net	-17.4	-26.3	-38.0	-70.9	-73.1	-75.8	-84.8	-70.5	-63.9	-59.7	-60.4	-52.9	-43.3	-32.0
Broad money (M2)	96.0	115.6	118.9	124.4	140.9	153.4	160.5	167.7	178.9	196.4	216.9	238.3	256.6	275.9
Monetary authorities														
Net foreign assets	29.5	52.2	48.0	57.3	52.5	51.0	60.4	46.3	42.9	48.1	59.6	65.4	70.1	75.8
Net domestic assets	12.2	-0.3	-6.5	-16.5	-9.4	-4.1	-14.8	5.1	7.9	3.3	-7.0	-7.6	-7.8	-8.9
Net domestic credit	7.2	1.6	4.6	19.4	23.8	22.8	19.3	21.0	15.2	9.2	-2.8	-15.8	-30.8	-49.8
Net credit to the government	6.5	0.5	3.4	18.3	22.4	21.4	18.1	19.6	14.0	8.0	-4.0	-17.0	-32.0	-51.0
Other items net	5.0	-1.9	-11.1	-36.0	-33.2	-26.9	-34.1	-15.9	-7.2	-5.9	-4.2	8.2	23.0	40.9
Reserve money	41.7	51.8	41.5	40.7	43.2	47.0	45.6	51.4	50.8	51.4	52.7	57.8	62.3	67.0
Currency in circulation	22.7	25.7	22.2	22.9	24.8	27.0	26.2	29.5	29.2	32.0	35.4	38.9	41.8	45.0
Reserves of banks	19.0	26.1	19.3	17.8	18.4	20.0	19.4	21.8	21.6	19.4	17.3	19.0	20.4	22.0
Of which : Banks deposits in FX	4.9	4.7	1.0	1.2	0.8	0.9	0.5	0.9	0.6	0.5	0.5	0.5	0.6	0.6
Commercial banks														
Net foreign assets	-2.5	0.5	5.6	6.4	6.6	8.0	0.9	8.2	2.0	0.1	1.0	0.2	-0.6	-0.8
Net domestic credit	79.6	88.4	99.4	112.9	132.0	148.2	165.8	163.6	183.9	199.8	220.6	242.5	262.3	283.8
Net credit to the government	-1.0	1.0	0.7	9.2	19.1	25.8	39.1	30.1	42.4	49.2	54.7	60.8	67.3	74.2
Credit to the private sector	80.5	87.3	98.6	103.7	112.8	122.4	126.7	133.5	141.4	150.6	165.8	181.7	195.0	209.6
Other items net	-22.3	-24.5	-26.8	-34.9	-39.9	-49.8	-51.8	-55.5	-57.8	-54.9	-57.3	-62.2	-67.4	-74.0
							(Annual change in percent)							
Monetary survey														
Net foreign assets	46.3	94.7	1.9	18.6	-7.1	-0.1	3.8	-7.8	-27.0	7.6	25.8	8.2	6.0	7.9
Net domestic assets	13.3	-8.7	3.5	-6.8	34.6	15.3	21.2	20.0	35.2	10.6	5.5	10.5	8.3	7.4
Net domestic credit	-3.7	3.4	15.5	27.6	17.6	9.8	18.7	8.0	7.6	5.0	4.2	4.1	2.1	1.1
Net credit to the government	-60.6	-71.5	161.6	572.2	50.9	13.7	37.9	5.3	-1.3	1.3	-11.3	-13.6	-19.4	-34.4
Credit to the economy	6.7	8.5	12.9	5.2	8.8	8.4	11.7	9.0	11.6	6.5	10.1	9.6	7.3	7.5
Other items net	39.7	-51.7	-44.2	-86.7	-3.1	-3.6	-16.0	6.9	24.6	6.7	-1.2	12.4	18.1	26.1
Broad money (M2)	21.0	20.4	2.8	4.7	13.3	8.9	13.9	9.3	11.4	9.8	10.5	9.9	7.7	7.5
Monetary authorities														
Net foreign assets	36.7	76.7	-7.9	19.2	-8.3	-2.8	15.0	-9.4	-29.1	12.3	23.9	9.7	7.1	8.2
Net domestic assets	30.0	-102.5	2012.9	152.6	-43.3	-56.7	58.3	-225.5	-153.6	-58.9	-313.7	8.8	3.1	13.5
Net domestic credit	-47.5	-78.5	196.2	322.6	22.6	-4.2	-19.0	-7.9	-21.3	-39.5	-130.6	461.9	94.8	61.7
Net credit to the government	-50.8	-91.8	539.3	442.2	22.5	-4.5	-19.0	-8.4	-22.7	-42.9	-150.0	325.0	88.2	59.4
Reserve money	34.7	24.4	-20.0	-1.9	6.0	8.9	5.7	9.3	11.4	1.2	2.4	9.9	7.7	7.5
Commercial banks														
Net foreign assets	20.3	120.1	1028.3	13.5	3.3	21.7	-85.7	2.3	108.6	-96.4	1356.9	-81.9	-396.9	47.5
Net domestic credit	4.5	11.1	12.4	13.7	16.8	12.3	25.6	10.4	10.9	8.7	10.4	10.0	8.2	8.2
Net credit to the government	-225.7	-206.4	-30.5	1180.5	107.4	34.9	104.6	16.7	8.6	15.9	11.2	11.1	10.7	10.2
Credit to the private sector	6.8	8.4	13.0	5.2	8.8	8.5	12.2	9.1	11.6	6.5	10.1	9.6	7.3	7.5
Memorandum items:														
Velocity of broad money (to non-extractive GDP)	2.5	2.3	2.4	2.5	2.5	2.4	2.4	2.4	2.3	2.2	2.2	2.1	2.1	2.1
Credit to the private sector (percent of non-extractive GDP)	33.2	33.1	34.0	32.7	32.3	32.6	33.4	33.4	34.4	34.2	35.3	36.1	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	206.0	23.7	210.0	48.7	1.7	24.7	4.4	-12.8	-18.5

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

Table 5. Mauritania: Banking Soundness Indicators, 2010–2025

(In percent, unless otherwise indicated)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Sep.
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	48.3
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	30.1
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	2.7
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	17.1
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	8.1
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	17.8
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	45.4
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	69.1
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
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	73.7
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	15.2
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	17.2
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	5.6
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	82.5
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	-9.1
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	34.5
Liquidity coverage ratio (statutory min. = 100 percent) 3/	...	...	...	...	...	...	...	...	...	...	148.9	152.5	140	185.7	213.8	208.9
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, 2022–2030

(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**	**1,038**	**1,266**	**1,388**	**1,417**	**1,413**	**1,572**
Current account balance, excl. grants	1,589	1,067	1,281	599	1,015	1,070	979	1,097	1,268
External public debt amortization 1/	225	251	258	241	252	267	252	263	269
Reserves accumulation (without RSF)	0	152	0	199	0	50	186	54	35
Gross Financing Sources	**1,851**	**1,427**	**1,522**	**1,030**	**1,094**	**1,310**	**1,340**	**1,336**	**1,512**
Foreign direct investment and capital inflows (net)	1,537	1,041	1,541	905	671	884	891	892	995
Official grants 2/	165	132	242	182	115	175	188	123	123
Official loan disbursements (excluding IMF) 2/	218	277	252	207	217	325	416	423	437
Other flows 3/	-218	-23	-688	-265	-363	-73	-155	-103	-43
Drawdown of hydrocarbon revenue fund	0	0	0	0	0	0	0	0	0
Reserves drawdown (without RSF)	148	0	174	0	454	0	0	0	0
Financing gap	**0**	**-43**	**-17**	**-9**	**-173**	**-78**	**-78**	**-78**	**-60**
Prospective financing	**0**	**43**	**17**	**9**	**173**	**78**	**78**	**78**	**60**
IMF ECF/EFF 2023	0	43	17	9	18	0	0	0	0
IMF ECF/EFF 2026					35	18	18	18	0
Expected sources of financing (budget support loans and grants) 4/	0	0	0	0	120	60	60	60	60
Residual financing gap	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
RSF disbursement (prospective)	0	0	59	40	164	0	0	0	0
Change in reserves (net, with RSF)	-148	152	-115	239	-290	50	186	54	35
Memorandum items:									
Gross official reserves (US$ million)	1,877	2,032	1,921	2,159	1,869	1,920	2,106	2,160	2,194

Sources: Mauritanian authorities; and IMF staff estimates and projections.
1/ Including central government, central bank, and SNIM.
2/ Disbursed budget support grants are moved above the line. Projections exclude budget support grants and budget support loans.
3/ Including SNIM, SMHPM, commercial banks, errors and omissions, and HIPC Debt Relief.
4/ Under 2026 ECF/EFF, budget support grants and loans are expected from the EU and WB.

Table 7. Mauritania: Capacity to Repay the Fund, 2026–2049

	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	44.71	47.26	45.87	42.15	29.33	11.75	10.31	8.87	4.75	6.75	10.98	13.37	13.37	13.37	13.37	13.37	13.37	13.37	12.63	8.92	2.97	0.00	0.00	0.00
Charges and interest	7.84	7.98	7.92	7.78	7.60	7.39	7.17	6.96	6.81	6.70	6.52	6.22	5.93	5.62	5.33	5.02	4.72	4.42	4.12	3.85	3.70	3.69	3.69	3.69
Fund Obligations Based on Existing and Prospective Credit (millions of SDRs)																								
Principal	44.71	47.26	45.87	42.15	30.40	16.33	18.04	18.90	16.70	19.34	24.82	25.61	23.32	21.04	19.32	19.32	19.32	19.32	18.58	14.86	5.95	0.00	0.00	0.00
GRA (EFF)	0.00	0.89	3.93	5.01	7.15	10.38	11.81	12.34	10.37	9.30	7.15	3.93	2.50	1.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRGT (ECF & RCF)	25.58	27.23	22.80	18.00	13.68	5.31	3.87	3.33	1.51	0.86	0.22	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	0.74	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)	8.63	10.39	10.70	10.92	10.97	10.70	10.32	9.87	9.41	8.95	8.42	7.76	7.17	6.64	6.18	5.74	5.31	4.88	4.44	4.04	3.76	3.69	3.69	3.69
Of which:																								
GRA Basic Charges	1.41	2.08	2.31	2.45	2.48	2.21	1.85	1.45	1.06	0.72	0.42	0.21	0.09	0.02	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
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
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
Total Obligations Based on Existing and Prospective Credit																								
Millions of SDRs	53.34	57.65	56.57	53.07	41.37	27.03	28.37	28.76	26.11	28.29	33.24	33.37	30.49	27.68	25.50	25.06	24.63	24.20	23.02	18.90	9.70	3.69	3.69	3.69
Millions of U.S. dollars	72.35	78.19	76.73	71.98	56.11	36.67	38.48	39.01	35.42	38.38	45.08	45.26	41.36	37.54	34.59	33.99	33.41	32.82	31.22	25.63	13.16	5.00	5.00	5.00
Percent of exports of goods and services	1.23	1.32	1.12	1.06	0.85	0.60	0.78	0.81	0.74	0.85	0.98	0.95	0.83	0.73	0.65	0.62	0.60	0.57	0.52	0.42	0.21	0.08	0.07	0.07
Percent of debt service	19.51	19.84	18.99	17.82	14.41	9.29	9.98	9.21	8.95	9.56	10.94	10.47	9.70	8.21	7.14	6.88	6.63	6.38	5.95	4.79	2.41	0.90	0.88	0.86
Percent of GDP	0.51	0.53	0.50	0.44	0.33	0.21	0.22	0.21	0.18	0.19	0.21	0.21	0.18	0.16	0.14	0.13	0.12	0.11	0.10	0.08	0.04	0.01	0.01	0.01
Percent of gross international reserves	3.87	4.07	3.64	3.33	2.56	1.62	1.62	1.55	1.30	1.37	1.54	1.47	1.25	1.06	0.94	0.90	0.86	0.82	0.75	0.60	0.30	0.11	0.11	0.10
Percent of quota	41.41	44.76	43.92	41.20	32.12	20.99	22.02	22.33	20.27	21.97	25.80	25.91	23.68	21.49	19.80	19.46	19.12	18.78	17.87	14.67	7.53	2.86	2.86	2.86
Principal	19.86	21.84	20.76	17.86	16.18	12.18	12.17	12.17	9.80	11.35	16.11	18.05	16.94	15.83	15.00	15.00	15.00	15.00	14.42	11.54	4.62	0.00	0.00	0.00
GRA	0.00	0.69	3.05	3.89	5.55	8.06	9.17	9.58	8.05	7.22	5.55	3.05	1.94	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRGT	19.86	21.14	17.70	13.98	10.62	4.12	3.00	2.59	1.17	0.67	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58	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	427.9	393.5	360.4	331.2	300.8	284.4	266.4	247.5	230.8	211.4	186.6	161.0	137.7	116.7	97.3	78.0	58.7	39.4	20.8	5.9	0.0	0.0	0.0	0.0
GRA	60.1	67.8	72.4	76.0	68.9	58.5	46.7	34.3	24.0	14.7	7.5	3.6	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PRGT	174.6	132.5	94.8	61.9	38.7	32.7	26.5	20.0	14.4	8.8	4.5	2.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	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	580.3	533.7	488.9	449.2	407.9	385.8	361.3	335.7	313.0	286.8	253.1	218.4	186.8	158.2	132.0	105.8	79.6	53.4	28.2	8.1	0.0	0.0	0.0	0.0
Percent of exports of goods and services	9.88	8.99	7.15	6.62	6.19	6.36	7.31	6.97	6.54	6.34	5.52	4.57	3.75	3.07	2.50	1.94	1.42	0.93	0.47	0.13	0.00	0.00	0.00	0.00
Percent of debt service	156.5	135.4	121.0	111.2	104.7	97.7	93.7	79.3	79.1	71.5	61.5	50.5	43.8	34.6	27.2	21.4	15.8	10.4	5.4	1.5	0.0	0.0	0.0	0.0
Percent of GDP	4.12	3.64	3.15	2.75	2.42	2.22	2.02	1.83	1.63	1.43	1.21	1.00	0.82	0.66	0.53	0.40	0.29	0.18	0.09	0.03	0.00	0.00	0.00	0.00
Percent of gross international reserves	31.04	27.80	23.22	20.80	18.59	17.05	15.19	13.37	11.50	10.21	8.64	7.08	5.65	4.49	3.59	2.79	2.04	1.33	0.68	0.19	0.00	0.00	0.00	0.00
Percent of quota	332.2	305.5	279.9	257.1	233.5	220.8	206.8	192.1	179.2	164.2	144.9	125.0	106.9	90.6	75.6	60.6	45.6	30.6	16.2	4.6	0.0	0.0	0.0	0.0
GRA	46.7	52.6	56.2	59.0	53.5	45.4	36.2	26.7	18.6	11.4	5.8	2.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PRGT	135.5	102.8	73.6	48.1	30.0	25.4	20.6	15.5	11.2	6.8	3.5	1.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	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)	112.87	-34.38	-32.99	-29.27	-30.40	-16.33	-18.04	-18.90	-16.70	-19.34	-24.82	-25.61	-23.32	-21.04	-19.32	-19.32	-19.32	-19.32	-18.58	-14.86	-5.95	0.00	0.00	0.00
Disbursements and purchases	157.58	12.88	12.88	12.88	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	44.71	47.26	45.87	42.15	30.40	16.33	18.04	18.90	16.70	19.34	24.82	25.61	23.32	21.04	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$)	5,874	5,934	6,836	6,785	6,593	6,064	4,942	4,819	4,783	4,525	4,589	4,777	4,979	5,148	5,285	5,443	5,607	5,775	5,948	6,126	6,310	6,500	6,695	6,895
Debt service (in millions of US$)	371	394	404	404	390	395	386	423	396	401	412	432	427	457	485	494	504	514	525	535	546	557	568	579
Nominal GDP (in millions of US$)	14,077	14,669	15,498	16,349	16,879	17,410	17,868	18,369	19,158	20,041	20,982	21,887	22,862	23,897	25,038	26,289	27,604	28,984	30,433	31,955	33,553	35,230	36,992	38,841
Gross international reserves (in millions of US$)	1,869	1,920	2,106	2,160	2,194	2,262	2,379	2,511	2,721	2,809	2,929	3,087	3,309	3,527	3,680	3,791	3,904	4,021	4,142	4,266	4,394	4,526	4,662	4,802
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

Source: IMF staff calculations.

Note: Mauritania is in Group A regarding the financial terms of RST financing for the RSF.

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

Key Challenge	Reform Measure	Diagnostic Reference	Tentative completion date of RMs	IMF CD input	RM expected outcome	Development Partner Role
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	Completed	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	Completed	IMF CD		
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"	Completed		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		Completed	IMF CD	Sustainable tariff setting permits efficent, equitable and sustainable use of water	AfD

Sources: IMF staff with inputs from WB, EU, and AfD.

Table 9a. Mauritania: Schedule of Reviews and Disbursements and Purchases Under the ECF-EFF Blended Arrangements, 2023–2026

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 Arrangement, 2023–2026

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	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.

Table 9c. Mauritania: Proposed Schedule of Reviews and Disbursements and Purchases Under the 42-Months ECF-EFF Blended Arrangements, 2026–2029[1/]

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/	
June 24, 2026	6.48	5.00	12.90	10.00	19.38	15.00	Approval by the Executive Board
October 24, 2026	4.29	3.33	8.59	6.67	12.88	10.00	First review and end-June 2026 performance criteria
April 24, 2027	2.14	1.67	4.29	3.33	6.43	5.00	Second review and end-December 2026 performance criteria
October 24, 2027	2.14	1.67	4.29	3.33	6.43	5.00	Third review and end-June 2027 performance criteria
April 24, 2028	2.14	1.67	4.29	3.33	6.43	5.00	Fourth review and end-December 2027 performance criteria
October 24, 2028	2.14	1.67	4.29	3.33	6.43	5.00	Fifth review and end-June 2028 performance criteria
April 24, 2029	2.14	1.67	4.29	3.33	6.43	5.00	Sixth review and end-December 2028 performance criteria
October 24, 2029	2.14	1.67	4.29	3.33	6.43	5.00	Seventh review and end-June 2029 performance criteria
Total	23.61	18.33	47.23	36.67	70.84	55.00	

1/ Mauritania's quota is SDR 128.8 million.

Table 10. Mauritania: Decomposition of Public Debt and Debt Service by Creditor, 2025–2027[1]

(Based on end-2025 debt outstanding)

	Debt Stock			Debt service					
	end-2025			2025	2026	2027	2025	2026	2027
	In millions US$	Percent of total debt	Percent of GDP	Millions US$			Percent of GDP		
Total PPG debt (external + domestic)	**4,948.5**	**100.0**	**40.7**	**862.7**	**844.8**	**894.5**	**7.1**	**6.0**	**6.1**
External	**4,052.1**	**81.9**	**33.3**	**359.7**	**370.9**	**383.1**	**3.0**	**2.6**	**2.6**
Multilateral creditors	2,712.8	54.8	22.3	224.9	245.4	264.7	1.9	1.6	1.8
IMF	427.2	8.6	3.5	35.7	52.9	71.9	0.3	0.3	0.5
World Bank	536.3	10.8	4.4	18.9	19.4	20.8	0.2	0.1	0.1
FADES	1,248.7	25.2	10.3	111.6	116.8	118.3	0.9	0.8	0.8
IsDB	283.4	5.7	2.3	42.9	41.7	41.4	0.4	0.3	0.3
Other multilaterals	217.3	4.4	1.8	16.0	14.6	12.4	0.1	0.1	0.1
Bilateral creditors	1,339.2	27.1	11.0	134.8	125.4	118.4	1.1	1.0	0.8
Paris Club	65.1	1.3	0.5	13.1	9.3	8.4	0.1	0.1	0.1
France (incl. AFD)	58.6	1.2	0.5	11.0	7.4	7.0	0.1	0.1	0.0
Spain	4.5	0.1	0.0	1.9	1.7	1.2	0.0	0.0	0.0
Other Paris Club	2.1	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0
Non-Paris Club	1,274.1	25.7	10.5	121.6	116.1	109.9	1.0	0.9	0.7
Saudi Arabia	646.1	13.1	5.3	28.6	26.3	26.4	0.2	0.2	0.2
China	266.3	5.4	2.2	46.6	51.6	49.4	0.4	0.3	0.3
Kuwait	230.5	4.7	1.9	20.3	20.0	19.7	0.2	0.1	0.1
Other Non-Paris Club	131.2	2.7	1.1	26.1	18.2	14.5	0.2	0.2	0.1
Domestic	**896.4**	**18.1**	**7.4**	**503.0**	**474.0**	**511.5**	**4.1**	**3.4**	**3.5**
Memo items:									
Collateralized debt[2]	-	-	-						
Contingent liabilities	579.4	11.7	4.8						
o/w Public guarantees	-	-	-						
o/w Other explicit contingent liabilities[3]	567.8	11.5	4.7						
Nominal GDP	12,097			12,097	14,077	14,669			

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.

Annex I. 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 and allow greater ER flexibility to absorb external shocks.
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.

[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
Global Risks: Conjunctural Shocks and Scenarios			
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.
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.	• Further refine the targeting of subsidies and maintain passthrough of international fuel prices. • 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.

Sources of Risks	Relative Likelihood	Expected Impact	Policy Response
Global Risks: Conjunctural Shocks and Scenarios			
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.
Structural Risks			
Cyberthreats	High	**Low.** Cyberattacks on physical or digital infrastructure, technical failures, or misuse of AI technologies could trigger financial and economic instability.	• Strengthen banking supervision for cyber threats. • Accelerate digitalization and business climate reforms and increase ER flexibility to mitigate shocks. • Strengthen the AML/CFT framework.
Climate Change	Medium	**High.** Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions, and heighten economic and financial instability.	• RSF to advance reforms in four key climate-related areas: (i) green public investment management (PIM) and public finance management (PFM), (ii) social protection systems and financing against climate-related disasters, (iii) decarbonization and (iv) climate mitigation and adaptation in critical sectors, including water and energy.
Labor Supply Gaps	Medium	**Low.** Tighter restrictions to migration could worsen labor shortages in aging economies, reducing potential output, fueling inflation, and straining fiscal balances through lower revenues.	• Mauritania has a young population and does not apply labor migration restrictions.
Domestic Risks			
Political and Social Unrest; Regional Terrorist Attacks	Medium	**High.** Higher public spending, including on security; higher migration flows to Mauritania; impaired investor confidence and lower growth prospects.	• Improve governance and business climate, strengthen anti-corruption frameworks. • Promote inclusive growth and increase social spending. • Continue political dialogue aimed at consensus building. • Strengthen the AML/CFT framework and its implementation.

Sources of Risks	Relative Likelihood	Expected Impact	Policy Response
Domestic Risks			
Slower Pace of Reforms	**Medium**	**Medium.** Negative impact on social outcomes, confidence, and growth.	• Build consensus on reforms. • Improve communication. • Invest in human capital and institutions. Institutionalize policy gains to make them permanent.

Annex II. From Stabilization Gains to Structural Transformation: What Worked During Mauritania's Program Supported by ECF/EFF Arrangements

1. The 2022–26 ECF/EFF-supported program in Mauritania has broadly achieved its core objective of restoring and preserving macroeconomic stability in a difficult global environment, while strengthening policy credibility and institutional frameworks:

- Growth remained resilient throughout the program period, averaging around 5–6 percent, supported by extractive industries, growth in non-extractives and public investments, while inflation declined sharply from double digits in 2022 to low single digits as monetary policy frameworks were enhanced and fiscal-monetary coordination improved.
- Fiscal performance improved significantly, anchored by the non-extractive primary balance, with consolidation supported by better expenditure control and gradual gains in domestic revenue mobilization.
- Public debt has remained sustainable and external buffers have strengthened, with international reserves remaining above adequacy levels.
- Reforms to monetary operations and liquidity management enhanced policy effectiveness, and improvements in supervisory frameworks contributed to strengthening the financial sector.
- In the foreign exchange market, reforms increased transparency and regularity of auctions, but exchange rate movements have remained relatively limited—largely within a ±2 percent range—despite the program's ±5 percent band, reflecting the shallow nature of the market.
- Important progress was also made in strengthening governance through important legal and institutional reforms, including on public enterprises, anti-corruption and assets and interests declaration frameworks.

Annex II. Table 1. Mauritania: Main Implemented Reforms Under the 2022–2026 ECF/EFF

Area	Reforms	Achievements
Fiscal Policy	Institutionalization of the fiscal anchor on the non-extractive primary balance	The introduction of a fiscal rule in the Organic Budget Law (LOLF)—anchored on the non-extractive primary balance—marks a milestone in fiscal framework reform. The rule insulates the budget from extractive revenue volatility, strengthens debt sustainability, and preserves space for priority social spending and growth-enhancing investment.
	Consumption tax reform	Replaces the consumption tax with a conventional excise tax system, which applies to both imports and local production.

Annex II. Table 1. Mauritania: Main Implemented Reforms Under the 2022–2026 ECF/EFF (continued)

Area	Reforms	Achievements
Fiscal Policy	General tax code reform	Consolidates all tax measures and incentives, excludes all non-listed measures, and limits responsibility for introducing new tax measures to the MOF.
	Modernization of the tax and customs administrations	The authorities adopted and signed a memorandum of understanding between the directions of tax customs, and the free zone authority to define responsibilities. They have also adopted new function-based organigrams for the GDI and DGD.
	Public expenditure review	An initial public expenditure review was carried out on current spending from 2022, offering a baseline assessment of spending trends.
	Operationalization of the tax policy unit	Staffed with qualified personnel and institutionally anchored, the unit is increasingly involved in the design and impact assessment of both existing and new tax measures, enhancing the transparency and effectiveness of the tax system.
Monetary Policy	Transition toward an interest rate–based monetary policy framework (toward inflation targeting)	The BCM shifted from a quantity-based framework to an interest rate corridor using conventional and Islamic instruments. Lower excess liquidity improved control over short-term rates and monetary transmission, while work on an FPAS laid the foundation for a forward-looking framework and eventual inflation targeting.
	Development of domestic money and government securities markets	Regular T-bill issuance resumed and maturities extended to 10 years, supporting yield curve development and use of T-bills as interbank collateral. The Refinitiv platform enabled interbank trading of liquidity and securities, with planned integration into the Central Securities Depository to support collateralized transactions.
	Strengthening central bank balance sheet and enhancing monetary policy effectiveness	The authorities restructured BCM claims on the government through a new market-based agreement replacing the 2018 convention, including early repayments, tradable treasury bonds, and a shorter repayment schedule. This strengthened the BCM balance sheet, financial position, and monetary policy credibility.
	Strengthening liquidity management and monetary-fiscal coordination	The BCM enhanced liquidity forecasting and operational control through more active OMOs and the establishment of a Monetary and Fiscal Policy Coordination Committee, supported by improved coordination with the MoF as well as Shariah-compliant liquidity management tools.
	Narrowing and operationalizing the interest rate corridor	The BCM strengthened the interest rate corridor to better guide short-term market rates, improving policy signaling and anchoring expectations.

Annex II. Table 1. Mauritania: Main Implemented Reforms Under the 2022–2026 ECF/EFF (continued)

Area	Reforms	Achievements
Monetary Policy	Progress toward removing distortions in interest rate formation	The regulated maximum retail interest rate (TEG) was eliminated supporting risk-based pricing and improving monetary transmission. This reform will also help improve financial intermediation and inclusion.
Foreign Exchange Policy	Establishment of an interbank FX market and shift toward a market-based exchange rate regime	The launch of the interbank FX market in December 2023 replaced a central-bank-dominated system with a more market-based framework under a ±5 percent band, improving transparency, price discovery, and interbank trading while reducing the BCM's role as primary FX supplier.
	Reduction and recalibration of FX interventions	BCM FX auctions became smaller and more predictable, supporting a gradual shift toward private intermediation and reduced reliance on central bank FX supply.
	Improvement in FX flow forecasting and export proceeds management	Coordination with major exporters, including SNIM and Tasiast, improved the predictability and transparency of FX repatriation, supporting liquidity planning.
	Strengthening FX market oversight and integrity	The BCM strengthened monitoring of FX transactions and measures to reduce leakages, including improved verification of import-related FX use.
Financial Sector Polices	Strengthening banking supervision and prudential framework	The BCM strengthened supervisory capacity through improved reporting systems, stronger enforcement of prudential norms, and more systematic risk monitoring.
	Advancing risk-based supervision and stress testing	Semiannual stress testing was institutionalized, and risk-based supervision frameworks were strengthened, improving identification and monitoring of systemic risks.
	Strengthening financial sector resilience and crisis management	Progress was made on recovery plans for weaker banks, the bank resolution framework, and strengthening the Deposit Guarantee Fund to support financial stability.

Annex II. Table 1. Mauritania: Main Implemented Reforms Under the 2022–2026 ECF/EFF (concluded)

Area	Reforms	Achievements
Governance and Private Sector Development	Governance Action Plan and progress reports	Enhances transparency and accountability around governance issues.
	Adoption of a new Nouadhibou Free Trade Zone law	Prevents regulatory loopholes while ensuring these zones genuinely promote fair trade, investment, and economic growth.
	Public Establishments and Enterprises law	Provides a comprehensive legal framework to govern the country's commercial and non-commercial public entities, in line with OECD Guidelines on Corporate Governance of SOEs and good practices.
	Declaration of assets and interests law and anti-corruption law	• Widens the coverage of persons subject to declarations • Improves conceptual clarity and legal scope • Enriches the content of declarations • Introduces conflict of interest provisions • Modernizes enforcement and publication mechanisms • Strengthens institutions through the creation of the Anti-Corruption Authority and mandate annual reporting creating stronger institutional checks
	New investment code	Ensures a more equitable and efficient investment framework and tax system.

2. **However, while the program has been successful in delivering stabilization, its transformational impact has been more limited, and Mauritania continues to face deep-rooted structural constraints that hinder inclusive and diversified growth.** The key challenge now is to move from framework-building to effective implementation and measurable outcomes.

3. **First, despite improvements in macroeconomic performance, broader policy frameworks remain insufficiently institutionalized and operationalized:**

- Domestic revenue mobilization remains weak, particularly outside the extractive sector, due to extensive tax exemptions, legal inconsistencies, and administrative weaknesses, constraining fiscal space for priority spending. Public investment management reforms have advanced, but weaknesses in project appraisal, selection, and execution continue to undermine spending efficiency. Core macro-fiscal functions also remain underdeveloped, requiring full operationalization of the Macro-Fiscal Unit to support credible medium-term fiscal frameworks and fiscal risk analysis.

- Further reforms are also needed to strengthen monetary and exchange rate frameworks. Although liquidity management and monetary operations have improved, the transition toward a forward-looking inflation-targeting framework remains incomplete. In the FX market, reforms have improved transparency and auction mechanisms, but structural impediments continue to limit the development of a deep and competitive interbank market, with exchange rate movements remaining narrow, largely within a ±2 percent, despite the program's ±5 percent band. Addressing these constraints will be essential to strengthen policy transmission, support greater exchange rate flexibility, and enhance resilience to external shocks.

4. **Second, the disconnect between macroeconomic performance and social outcomes remains pronounced.** Growth has not translated into significant poverty reduction or improvements in human development indicators, reflecting limited job creation, structural bottlenecks, and inefficient social spending. Achieving the Sustainable Development Goals will require significantly higher and more efficient social spending, supported by stronger public financial management and expenditure tracking. At the same time, deeper financial intermediation and a more dynamic private sector are needed to expand access to finance, support SMEs, generate employment, and promote more inclusive growth.

5. **Third, governance reforms have advanced at the legislative level but now need stronger implementation and enforcement.** Priorities include operationalizing the Anti-Corruption Authority, strengthening beneficial ownership transparency, and improving SOE governance through better monitoring, audited financial reporting, clearer ownership policies, and integration of SOE risks into fiscal analysis. Improving transparency and compliance in the Nouadhibou Free Trade Zone and extractive sector will also be essential to safeguard revenues and strengthen investor confidence.

Annex III. Integration of Capacity Development in the Program, 2026–2027

CD will be closely integrated in the ECF/EFF supported economic program, mainly through TA either from headquarters or from AFRITAC West. The planned CD Activities to support the SBs under the ECF/ EFF arrangements are provided below.

	Program Structural Benchmarks 2026–2027	Supporting CD and Diagnostic Tools
Pillar I		
1	Adopt a tax expenditure rationalization plan for introduction in the 2027 budget and establish a formal tax expenditure evaluation framework in line with IMF TA recommendations.	FAD TA on tax expenditure rationalization.
2	Establish operational procedures and staffing plan for Public Investment Directorate, and complete staffing for at least 3 additional qualified staff.	
3	Complete diagnostic assessment of constraints to interbank FX market development and publish an action plan.	MCM TA on Interbank Foreign Exchange Market and MCM TA on export proceeds repatriation.
4	Adopt and publish the implementing regulations of Decree No. 2024-153 on public investment management, clarifying procedures for project appraisal, selection, budgeting, and monitoring.	
5	Adopt amendments to the start-up law aligning tax and customs incentives with the investment code to eliminate distortions between preferential regimes.	FAD Desk Review
Pillar II		
6	Accelerate the effective establishment of a central commercial registry (RCC) by (i) establishing an integrated information system encompassing the component of the local and central trade registers; (ii) making the use of the nomenclature of activities mandatory for government institutions; (iii) establishing 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) deciding on the management mechanism for the RCC (management by a central administration, public service delegation, or direct management).	

	Program Structural Benchmarks 2026–2027	Supporting CD and Diagnostic Tools
Pillar II		
7	Introduce the public expenditure tracking survey (PETS) in the education and health sectors to effectively track the flow of public resources and publish the results.	
Pillar III		
8	Ensure that all businesses existing in the Nouadhibou Free Trade Zone (FTZ) are registered in the tax administration and have a tax identification number (TIN).	
9	Adopt an Excel SOE tool developed by STA and report data on the 5 largest commercial public enterprises by September 2026 using the tool.	STA to provide TA.
10	Using the same tool, report data on the additional 10 largest commercial public enterprises.	STA to provide TA.
11	Include in the 2027 Budget Law documentation (i) a consolidated table reporting budgetary transfers and subsidies to SOEs, disaggregated by entity and covering the previous three years and medium-term projections; and (ii) present these transfers as distinct line items in the budget.	

Annex IV. Progress on the Implementation of Completed Reform Measures Under the RSF

The authorities are continuing in their implementation of previously completed reform measures under the RSF:

- **RM I (completed RSF 4th review):** 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. The 2026 budget circular required sectors to identify the budget items related to climate adaptation following a methodology defined by the MOF 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.

- **RM III (completed RSF 2nd review):** The authorities revised the regulatory framework for PIM to include climate considerations and updated the corresponding manual. They have also committed to adopting the implementing regulations of PIM decree, clarifying procedures for project appraisal, selection, budgeting, and monitoring. The PIM manual was further revised in April 2025 to reinforce overall provisions, with a particular focus on embedding climate considerations.

- **RM V (completed RSF 1st review):** since the social safety net programs Tekavoul and Tekavoul Choc were institutionalized, the General Delegation for National Solidarity and the Fight Against Exclusion (Taazour) has continued to roll them out to support vulnerable households while ensuring adequate funding, with 90 percent of Tekavoul funded by the government. Tekavoul Choc, as intended, has also been extended to cover vulnerable households affected by droughts and floods. In 2025, 133,339 households benefitted from cash transfers under the Tekavoul program while 10,494 households benefitted from transfer under the Tekavoul Choc program. Efforts are being made to further enhance the targeting of the most vulnerable households overall and strengthen the capacities of Taazour, with support from the World Bank.

- **RM VI (completed RSF 4th review, delayed from 3rd review):** The authorities issued a decree adopting an automatic fuel pricing mechanism (AFPM) with a smoothing component to set pump prices and phase out subsidies. As part of the formula based monthly price setting, a variable excise tax introduced in the 2026 budget law, will be adjusted as needed to limit monthly price fluctuations to a maximum of 5 percent. 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. Since its adoption, the formula has been implemented.[1]

[1] See SR paragraph 18.

- **RM VII (completed RSF 4th review, delayed from 3rd review):** The climate contribution was first introduced in the 2025 budget law adopted by Parliament and was set at US$10 per ton of CO2 emissions on petroleum products. It was then increased to US$20 in the 2026 budget law. The 2025 revised budget law also introduced the gradual increase to US$50 per ton of CO2 emissions by 2030 and the exclusion of LPG, to mitigate the risk of households reverting to wood and coal. 2025 revised budget also introduced the gradual increase to US$50 per ton of CO2 emissions by 2030. To compensate for the adverse impact that fuel price increases might have on vulnerable households, the authorities implemented a compensation mechanism "Tassanoud", which will provide a cash transfer to households depending on their exposure to fuel price shocks. 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.

- **RM VIII (completed RSF 3rd review, advanced from 4th review):** a decree ensuring non-discriminatory access to SOMELEC's transmission infrastructure was issued in March 2025. The authorities signed their first PPA/PPP agreement facilitated by the newly adopted decree in November 2025 and are in the process of negotiating several other agreements that could help catalyze significant private investment in the electricity sector while reducing electricity generation costs.

- **RM IX (completed RSF 4th review):** The authorities adopted a decree mandating mining companies to increase their renewable energy share by at least 5 percentage points annually until 2030. The chairperson of the Joint Commission responsible for monitoring the implementation of the decree has been appointed, the other members of the commission are also due to be appointed soon with the commission mandated to start its monitoring role in July 2026.

- **RM X (completed RSF 3rd review):** The authorities issued a decree aimed at eliminating routine gas flaring and venting and reducing methane emissions through well-defined sanctions for non-compliance. The Ministry of Energy is enforcing the decree. So far, the gas sector has adhered to the requirements under the decree and no sanctions have been imposed. The adoption of this decree is particularly timely and will further gain in relevance, as the authorities plan to expand the nascent gas sector.

- **RM XI (completed RSF 2nd review):** An inter-ministerial partnership agreement (CIP) was adopted in May 2024, overseen by a technical committee, strengthen cooperation in environmental assessment, data management, and monitoring of groundwater-dependent ecosystems. Most recently, the technical committee collaborated on the implementation of RMs XII and XIII.

Appendix I. Letter of Intent

Nouakchott, June 8, 2026

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

Dear Madam Managing Director:

Reforms and public investments implemented under our National Strategy for Accelerated Growth and Shared Prosperity (SCAPP, 2016–2030), which the IMF supports through the arrangements expiring under the Extended Credit Facility (ECF), the Extended Credit Facility (ECF), and the Resilience and Sustainability Facility (RSF), have strengthened the resilience of our economy growth and consolidated macroeconomic stability. At the same time, sound fiscal policy, based on fiscal anchoring and the mobilization of tax revenues, has reduced the budget deficit and put public debt on a downward trajectory. Similarly, reforms to the monetary policy management framework and the development of markets—particularly the foreign exchange market—have fostered the development of the financial sector and the build-up of international reserves. Progress on the climate agenda is equally notable, particularly regarding the integration of climate action into the budgetary process, decarbonization, and water management.

Unfortunately, as we pursue our efforts to navigate an environment marked by heightened global and regional uncertainties and to manage their impact on our people and our economy, we must now confront new shocks that could jeopardize economic performance and erode hard-won social gains. These include the war in the Middle East, the further deterioration of security at our borders, and the continued decline in official development assistance.

Faced with the urgency to act to limit the impact of rising energy prices and disruptions to energy supply chains caused by the war in the Middle East, our government raised the prices of petroleum products and LPG and introduced targeted subsidy measures to support the population. We have also introduced measures to mitigate regional security risks, notably by strengthening the state's presence and promoting social cohesion in vulnerable communities. In this context, we are compelled to revise upward the budget deficit target we had planned under the original budget law for the year 2026, which would inevitably increase our financing needs in the context of tight financing conditions.

The recurring shocks have strengthened our resolve to create fiscal and external policy space and to accelerate our development agenda in order to address large gaps in the social sector and to build inclusive infrastructure. In that regard, the Government's medium-term program remains focused primarily on establishing the rule of law and robust institutions, fostering modern governance and a resilient, and eco-sustainable economy, strengthening investment in human capital, particularly among youth, and further social integration.

We have met end-December QPCs and March ITs and have implemented the sole SB for the review. However, sustaining development ambitions while preserving external buffers has become challenging in the context of the war in the Middle East which raised Mauritania's oil import bill and fiscal costs. As a result, Mauritania is facing actual and prospective balance of payments (BOP) needs, that could widen considering the prevailing uncertainty.

As such, we hereby notify the IMF's Executive Board of our intention to cancel the existing ECF/EFF arrangements, effective immediately prior to the approval of the new arrangements by the Executive Board and request the approval of new 42-month financial arrangements supported by the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) for an amount of 70.84 million SDRs (equivalent to 55 percent of our quota) —23.61 million SDRs (representing 18.33 percent of our quota, under the ECF, from the Poverty Reduction and Growth Trust) and 47.23 million SDRs (representing 36.67 percent of our quota, under the EFF, from the General Resources Account). We seek a first purchase/disbursement equivalent to 15 percent of quota.

Further, we have implemented all of the remaining four RMs pertaining to water management and tariff reform, and the incorporation of the climate considerations in public financial management and therefore we request the completion of the fifth and last review of the RSF and the disbursement of SDR 59.46 million, (46.16 percent of Mauritania's quota).

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 to (i) consolidate macroeconomic stability through better tax revenue mobilization and spending efficiency, and the modernization of monetary policy management; (ii) promote inclusion, preserve social spending, and strengthen human capital; and (iii) enhance governance and improve the financial health of state-owned enterprises in order to foster private entrepreneurship and improve the business climate.

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). Moreover, we commit to undergo a Safeguards Assessment by the Fund to be completed by the first program review.

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. **Our economy continues to demonstrate resilience to successive negative shocks over the past few years, particularly the impact of the significant deterioration in the security situation along the borders with Mali.** Thanks to prudent macroeconomic policies and sustained progress in implementing reforms, including under IMF-supported programs, we have consolidated key economic balances and gradually strengthened the foundations for more resilient and inclusive growth. We remain, however, confronted with considerable challenges to achieve our development goals in an increasingly uncertain global context marked by growing vulnerabilities and risks. Furthermore, it must be acknowledged that the sustained growth momentum has not sufficiently translated into poverty reduction and job creation. Given the predominance of the youth (those under 25 account for nearly 60 percent of the population) and the persistent regional disparities persist across a vast, sparsely populated territory, the challenges are particularly acute in rural areas and regarding job creation. Furthermore, the continued deterioration of security in the Sahel is a major factor contributing to vulnerability and requires increased efforts to ensure security and social cohesion. In this context, we remain committed to accelerating social and economic transformation by focusing on the development of human capital, particularly among young people, through the effective implementation of strengthened socio-economic and governance reforms that are grounded in our Strategy for Accelerated Growth and Shared Prosperity (SCAPP 2016–2030) and the presidential program of His Excellency the President of the Republic, Mohamed OULD CHEIKH EL GHAZOUANI, "MY AMBITION FOR THE NATION."

2. **Our Economic and Financial Program (2023–2026), supported by the International Monetary Fund through the Extended Fund Facility (EFF), the Extended Credit Facility (ECF), and the Resilience and Sustainability Facility (RSF)—all of which expire with this latest review—has delivered tangible results.** Thus, thanks to our rigorous macroeconomic management and our continued commitment to reforms, we have consolidated gains in macroeconomic stability, creating fiscal space to strengthen social and economic resilience and maintaining a comfortable level of international reserves. Furthermore, significant transformational reforms are being implemented, with results already evident in the areas of governance, macroeconomic management, and climate action. By building on this progress, the new arrangement with the IMF under the ECF/EFF will enable us to accelerate progress across three essential pillars in line with our national economic and social development strategy: (i) consolidating macroeconomic stability, (ii) promoting inclusion, and strengthening human capital and social protection, and (iii) fostering governance and addressing the financial situation of public enterprises.

3. **Building on these macroeconomic fundamentals, and in the wake of the war in the Middle East, the Government has adopted an emergency response plan, consisting mainly of temporary measures, to mitigate the economic and social effects of this war.**

- **Energy products.** We increased on April 1st, 2026, the price of LPG cylinder by 66.7 percent and those of diesel and gasoline by 10 percent and 15 percent respectively (beyond the warranted 5 percent under the new automatic fuel price mechanism). We will cover the estimated budgetary cost over 2026 of 10.8 billion MRU (2 percent of GDP) associated notably with, with smoothing of diesel and gasoline prices, as part of the implementation since early February 2026 of the automatic price mechanism (a cost that should be at least partially recouped during future declines in international prices), and with the deployment of cash transfers to mitigate the impact on vulnerable households. We will also accelerate ongoing efforts to increase storage capacity for petroleum products in order to secure fuel supply.
- **Other measures.** With a view to rationalizing the consumption of petroleum products, we will examine the opportunity of the revision of import duties on solar panels to reduce our dependence on fossil fuels, based on the assessment we intend to conduct of the budgetary and energy impacts of reducing or exempting customs duties. We have also issued instructions to reduce or ban the use of 4x4 service vehicles in public administrations as well as a ban on nighttime traffic for all vehicles from midnight to 5 a.m.

4. As in previous reviews, all quantitative targets under the ECF/EFF for end-December 2025 have been met, and notable progress has been made in the implementation of structural benchmarks under the ECF/EFF and reform measures under the RSF. We will further strengthen progress to ensure effective implementation of governance reforms.

B. Recent Economic Developments and Outlook

5. The Mauritanian economy continues to demonstrate resilience in a context marked by recurrent shocks and heightened uncertainties and geopolitical risks:

- Economic growth slowed somewhat in 2025, with 4.0 percent real GDP growth compared to 6.3 percent in 2024, owing to a contraction of the extractive sector. The non-extractive sector continued to perform well, with growth of 5.1 percent, supported by agriculture, a buoyant construction sector, and growth in the information and communication sector.
- Inflation rose sharply toward end-2025, reaching 4.1 percent, a trend that continued into early 2026, with year-on-year inflation reaching 4.8 percent in February 2026. This increase reflects, in particular, the effects of the deteriorating security situation in Mali, which severely disrupted its supply of goods through Senegal, exerting additional pressures on the Mauritanian market while also fostering the surge of informal flows, particularly of fuel. In this context, the impact on staple products prices—notably meat—was exacerbated by constraints on cross-border trade and the sharp reduction in transhumance movements between Mali and Mauritania.
- On the external accounts, the current account deficit narrowed in 2025 to 3.4 percent of GDP (from 9.4 percent in 2024), reflecting the reduction in the trade deficit in connection with more favorable terms of trade. In this context, gross official reserves increased to USD 2.2 billion and cover 5.9 months of imports excluding extractive industries. The nominal effective exchange rate

(NEER) and the real effective exchange rate (REER) in December 2025 depreciated by 4.1 percent and 2.8 percent respectively compared to December 2024.

- Broad money at end-December 2025 increased 14.3 percent[1] y-o-y, mainly driven by a 44.6 percent increase in net banking system claims on the government, in a context of notable dynamism in the treasury securities market —the share of these net claims on the government in net domestic credit increased to 29.1 percent at end-December 2025 (from 24 percent at end-2024 and 17.6 percent at end-2023). At the same time, credit to the economy strengthened: the credit to the private sector rose 12.2 percent year-on-year at end-December 2025.

6. The short- and medium-term economic outlook remains promising despite the 2025 slowdown. Growth is projected to accelerate to 4.7 percent in 2026, supported by the extractive sector. Non-extractive growth is expected to slow to 4.3 percent owing to the impact of the Middle East war on prices and demand. Growth is projected to average 5 percent over 2026–2029, peaking at 5.7 percent in 2028, driven by the expected rebound in gold and iron ore production, the ramp-up of the GTA project to full capacity, continued expansion in agriculture and fisheries, and the materialization of structural reform effects on the private sector. The current account deficit is expected to increase in 2026-27 and hover between 4.9 and 6.8 percent of GDP in the medium term, foreign exchange reserves would decline in the short term but strengthen further over the medium term.

7. These prospects remain subject to risks, notably:

- A protracted war in the Middle East, which could fuel global inflationary pressures and weigh on macroeconomic balances, particularly through persistently elevated import costs for net-importing economies.

- A resurgence of geopolitical tensions and deterioration of the security situation in the Sahel region, in a context of declining official development assistance, could translate into higher public spending to address security and humanitarian challenges.

- Negative terms-of-trade shocks, including persistently high oil and food prices, or a drop in iron, gold, or fisheries prices, could increase macroeconomic and social challenges.

- Climate change-related risks could damage infrastructure and agricultural production, potentially worsening food insecurity. Additionally, resulting imports of food products and reconstruction materials could increase balance of payments needs, weighing on international reserves and economic growth.

- Disruptions in GTA gas operations, which commenced in early 2025, as well as adverse commodity price fluctuations, could reduce extractive fiscal revenues, increase external financing needs, and weigh on the medium-term debt profile.

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[1] 13.9 percent if we exclude the *Caisse des dépôts et de développement*

- On the upside, accelerated implementation of future phases of the GTA gas project or other major mining projects, more favorable terms of trade, and accelerated structural reform implementation would improve economic growth and the balance of payments.

C. Performance Under the Current ECF/EFF and RSF Arrangements

Execution of the 2025 Supplementary Budget Law

8. We have met all quantitative targets under the ECF/EFF at end-December 2025. The quantitative performance criteria on the non-extractive primary balance, net domestic financing, and the ceiling on new external borrowing were all met, with comfortable margins in most cases (see Table 1). Budget revenues as a share of GDP in 2025 increased by nearly one percentage point, from 22.2 percent of GDP in 2024 to 23.1 percent of GDP, despite lower grants, thanks to improved tax revenue mobilization. This strong performance reflects the impact of measures including: (i) the reform of the consumption tax; (ii) the introduction of the carbon tax; (iii) the rationalization of registration duties; and (iv) strengthening tax compliance through the requirement for taxpayers to display essential tax information. Regarding the latter measure, the penalty for non-compliance is being integrated into the information system to enable effective and comprehensive enforcement of related provisions.

9. Expenditures in 2025 increased by 0.2 percent of GDP relative to 2024 reflecting a 1.1 percent of GDP decline in spending on subsidies and transfers and a 1.5 percent of GDP increase in capital expenditure, despite some under-execution. The latter is increasingly financed from domestic resources.

10. In this context, the overall fiscal balance recorded a deficit of 0.3 percent of GDP in 2025, representing a fiscal adjustment of 1.1 percentage points of GDP relative to 2024 and 2.1 percentage points relative to 2022 (the pre-program year). The non-extractive primary deficit in 2025 stood at 3.0 percent, well below the fiscal anchor of a 3.5 percent non-extractive primary deficit, owing to stronger-than-anticipated economic growth. Against this backdrop, reduced financing needs and sustained recourse to bond market issuances—with relatively contained borrowing costs in a context of easing interest rates on the domestic market—translated into external debt deleveraging with negative flows of 0.7 percent of GDP. Consequently, public debt declined by 5.5 percentage points of GDP to 39.2 percent of GDP (falling below 40 percent of GDP for the first time since 2012). External debt reached 32.7 percent of GDP at end-2025, compared to about 37 percent of GDP at end-2024 and 42.3 percent of GDP at end-2022.

Execution of the 2026 Initial Budget Law

11. Our policy remains anchored to a medium-term budget framework (MTBF) targeting a non-extractive primary deficit of 3.5 percent of GDP. At end-February 2026, revenues reached 14.6 billion MRU, a 21 percent increase compared to end-February 2025, while expenditures reached 11.9 billion MRU, down 22 percent relative to end-February 2025. The non-extractive primary balance stood at 1.4 billion MRU against -4.3 billion MRU at end-February 2025. This budget execution profile is particularly attributable to the decrease in transfers and subsidies and the under-execution of capital expenditures. For the remainder of the year, we plan to work toward better rationalizing current expenditures in favor of investment spending, while continuously improving revenue collection and strengthening expenditure efficiency.

12. To sustain fiscal anchor gains, we have amended on May 15, 2026, with IMF technical support, the Organic Budget Law (LOLF) to introduce the principles of a fiscal rule based on the non-extractive primary balance, in line with IMF recommendations ***(Structural Benchmark—end-April 2026 – not met – implemented with delay).*** A decree was adopted by the Council of Ministers on June 3,2026 to operationalize the fiscal rule, specifying, inter alia, the NEPD quantitative target and the definition of extractive revenues, clarifying institutional responsibilities, and establishing detailed provisions for escape clauses, monitoring, and correction mechanisms. We will also conduct consultations and exchanges with civil society and the National Assembly to ensure maximum understanding and support for this reform.

13. Notable progress has been recorded on fiscal reforms:

- **Collection of the climate contribution levy**. We introduced in the 2025 Supplementary Budget Law provisions for a progressive increase in the climate contribution levy, established in the 2025 Budget Law and applied to hydrocarbons, to reach 50 US dollars per ton by 2030. The rate thus increased from 10 dollars in 2025 to 20 dollars in the 2026 Budget Law, in line with the planned escalation schedule. Major consumers, notably SNIM and SOMELEC, have already paid this contribution, and progress has also been made in collecting it from foreign mining companies.
- **Customs code reform.** The Council of Ministers adopted on March 11, 2026, a draft law repealing and replacing Law No. 2017-035 of December 21, 2017, on the Customs Code. This revision aims notably at: (i) establishing criteria enabling enterprises, importers, and exporters to obtain Authorized Economic Operator (AEO) status, entitling them to benefits and facilitations granted by customs; (ii) establishing new rules enabling customs officers to conduct investigations to verify and prove certain offenses; and (iii) simplifying and harmonizing customs economic regimes in line with the country's regional and international commitments..
- **Modernization of tax and customs administrations.** As part of the organizational reform of the DGI and the DGD, we adopted in December 2025 decrees establishing new functional organizational structures (Structural Benchmark for end-December 2025—not met). We are in the process of implementing these new organizational structures, with IMF technical assistance support. At the DGD level, two new directorates have been created, and the six existing ones have undergone substantial modifications accompanied by a reorientation of missions to align with operational requirements. Training in financial management was conducted to prepare the administration for the adoption of the new organizational chart following financial autonomy of the DGD. We will proceed, by end-September 2026, with amending the DGI's functional organizational chart to align it with the best international practices in tax audit, in line with IMF technical assistance recommendations. We will also operationalize the risk management unit at the DGI, including risks related to the mining and hydrocarbons sectors, by strengthening its human resources. Furthermore, we plan to improve our understanding of transfer pricing by

strengthening the corporate income tax management framework for multinational enterprises and their subsidiaries. Additionally, we plan to expand the digitalization of filing and payment procedures, including mobile payments, to public entities and medium-sized enterprises in Nouakchott and Nouadhibou, in addition to the large enterprises already covered. Finally, we will develop at the DGD, before end-June 2026, a data and analytics strategy and a data governance and artificial intelligence (AI) framework to enhance the quality of customs data analytics and better inform decision-making processes.

14. The climate reform agenda is progressing under the program supported by the Resilience and Sustainability Facility (RSF) (Figure 1).

- The implementation of the automatic fuel pricing mechanism in February has contributed to limiting fiscal costs ***(Reform Measure VI for April 2025—met)***. We commit to maintaining this mechanism, with monthly price adjustments capped at ±5 percent, consistent with its initial design. This measure is accompanied by a targeted compensation mechanism benefiting the most vulnerable households, reconciling fiscal efficiency gains with social equity ***(Reform Measure VII for April 2025—met)***. The smoothing cost for 2026 is estimated at 0.8 percent of GDP (of which 0.2 percent represents foregone excise revenues and 0.6 percent temporary energy subsidies), while targeted cash transfers related to the compensation mechanism are expected to represent about 0.6 percent of GDP. We will work to improve the targeting and effectiveness of these transfers. In parallel, we will continue, with the technical support of development partners, the evaluation of petroleum product price structures to ensure their alignment with effective costs.

- We introduced in the budget circular for the 2026 Initial Budget Law provisions requiring line ministries concerned by the NDC to estimate the share of their FY2026 budget related to climate adaptation, in accordance with the climate budget tagging methodology developed with IMF technical assistance ***(Reform Measure I for October 2025—met)***. Following this, we published in May 2026 a climate budget note presenting climate-related budget allocations for fiscal year 2026, drawing on the results of tagging for NDC-relevant sectors for 2024 and 2025 ***(Reform Measure II for end-April 2026 - met).*** With IMF support, a training workshop on climate budget tagging was held in February with the participation of officials responsible for public investment preparation and management from selected NDC-relevant ministries.

- Furthermore, we revised, with IMF support, the PIM manual. We have strengthened the PIM team and proceeded with the selection of three (3) pilot projects. Finally, we have finalized, with consultant support, the update of the project appraisal form to incorporate climate change considerations. The MAED and the Ministry of Finance, jointly with the Ministry of Environment, conducted in April 2026 a pilot study of the climate screening process for proposals of major projects from key NDC-relevant sectors submitted for review and validation by the CAPIP ***(Reform Measure IV for end-April 2026 - met).***

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

- We have adopted (and will publish on June 15) in June 2026 a new order revising the regulation of water tariffs (Order No. 2624/MHETIC/MCI of October 30, 2007) , including the adoption of new water tariffs and methodology, in line with IMF recommendations and with the support of the Agence Francaise de Developpement (AFD) ***(Reform Measure XIII for end-October 2025—implemented with delay).***

- Furthermore, the Government (i) adopted an interministerial order on environmental assessments and water resource monitoring and (ii) published a the pilot joint inventory on GDEs and hydrogeological data on the Boulenoir aquifer with the support of AFD. ***(Reform Measure XII for end-April 2026 - met)***.

D. The New ECF/EFF Program

Building on this progress, the new arrangement with the IMF under the ECF/EFF will enable us to accelerate advances along three essential pillars aligned with our national economic and social development strategy, namely: (i) consolidating macroeconomic stability; (ii) promoting inclusion and strengthening human capital and social protection; and (iii) fostering governance and addressing the financial situation of the state-owned enterprises.

Pillar I: Strengthening Macroeconomic Institutions

Improving Public Financial Management and Strengthening Debt Sustainability

16. Revenue mobilization will be the cornerstone of our fiscal consolidation, given Mauritania's significant tax potential and the need to strengthen social and infrastructure spending. To structure and enhance revenue mobilization efforts while ensuring better coordination among revenue agencies, we will develop and implement, before end-December 2027, with the support of technical and financial partners, notably the IMF, a Medium-Term Revenue Strategy (MTRS). This strategy will serve as the central framework for coherently and sequentially guiding tax policy and tax administration reforms, and anchoring priorities in a medium-term vision. It will help strengthen the predictability and credibility of the revenue trajectory, improve the efficiency of the tax system, and create sustainable fiscal space to finance priority expenditures, particularly social spending.

17. Accordingly, on tax policy, we will undertake a battery of fiscal measures aimed at broadening the tax base, reducing exemptions, simplifying the tax system, and improving its equity.

- **Rationalization of tax expenditures.** It is imperative to contain tax expenditures given their increasing magnitude (estimated at 4.1 percent of GDP in 2024). We will continue to improve transparency on tax exemptions and the evaluation of their fiscal cost. In line with IMF technical assistance recommendations, we will develop before end-September 2026 a rationalization plan for these tax expenditures with a view to reduce them progressively, as well as a formal tax expenditure evaluation framework governing both new and existing provisions, defining institutional responsibilities, evaluation criteria, data-sharing rules, and timelines and publication requirements ***(New Structural Benchmark—end-September 2026)*.** Building on this framework, the Tax Policy Unit (UPF) will conduct an in-depth evaluation of a batch of preferential tax provisions as an annex to the annual tax expenditure report, focusing initially on provisions without legal basis or without clear objectives. To ensure notable progress on these fronts, we will strengthen the capacity of the UPF by recruiting two permanent specialized profiles—a tax jurist and a statistician-economist.

- The VAT exemption impact assessment planned with World Bank support will, once finalized, serve as a basis for rationalizing these exemptions, by introducing in the 2027 Budget Law a plan for the progressive reduction of those deemed inefficient. Following the establishment by a decree of a special purpose account dedicated to VAT credit refunds, we will initiate a study before June 2027, under the aegis of the risk management unit at the DGI, to determine the categories of taxpayers eligible for VAT refunds. To this end, we will provide the risk management unit with the necessary human and IT resources for its effective operationalization in a timely manner.
- We plan to align certain tax expenditure provisions with international best practices in consultation with relevant line ministries, notably through: (i) rationalizing the preferential treatment of expatriate wage tax (ITS); (ii) reviewing the relevance of the corporate income tax holiday under the mining code and, where appropriate, proceeding to its elimination; (iii) creating a single prospective loss carry-forward regime in the mining sector, over a well-defined but longer-than-normal period, for example 10 years; (iv) systematically applying mining code provisions for contract renewals and extensions through the standard agreement without the possibility of negotiating the tax regime; (v) modernizing stability clauses in future mining contracts by converting them into shorter economic equilibrium clauses; and (vi) reforming the mining taxation system, notably by adopting fixed rates for mining royalties and introducing a resource rent tax to increase progressivity and secure domestic revenues in the context of the global minimum tax under the OECD BEPS framework.

- **Simplification of the tax system.** We will finalize, before end-September 2026, a study of the salary structure with the objective of enumerating the effective exemptions applied and harmonizing tax practice with tax law on civil servants' salaries, including bonuses, without impacting net incomes. The terms of reference for this study have been finalized, and we have recruited local expertise to conduct it. We will also organize consultations through tax conferences, which could help build broader support for tax policy reforms.
- **Real property tax reform:** We plan a study before June 2027, with World Bank support, to determine appropriate property taxation in connection with the progress of ongoing major reforms in land-use planning, urban development, and land registry, notably the digitalization of land transactions and subsequent titling of properties. These actions, led by the Ministry of Property, will serve as the foundation for improved property taxation.
- **Alignment of the legal framework for fiscal incentives**: To ensure the coherence and equity of the tax system, we will amend by end-March 2027 the startup law to ensure alignment of tax and

customs incentives with those provided under the Investment Code ***(New Structural Benchmark—end-March 2027).*** This approach will correct existing legal inconsistencies before the effective implementation of the regime, prevent distortions between preferential regimes, and strengthen the transparency and effectiveness of the incentive framework.

18. In parallel, we will accelerate the implementation of tax and customs administration reforms to improve revenue collection and efficiency. Our strategy in this area is guided notably by the recommendations of the recent IMF Tax Administration Diagnostic Assessment (TADAT). Key ongoing measures include:

- **Operationalization of the Nouadhibou Free Zone law.** Following the signing of the memorandum of understanding between the Free Zone Authority, the DGI, and the DGD, and the promulgation of implementing decrees adopted by the Council of Ministers in November 2025, collection actions have been initiated on outstanding amounts owed by free zone enterprises. We will closely monitor the degree of fiscal compliance of enterprises operating in the Nouadhibou Free Zone and will, where necessary, apply control and sanction measures against non-compliant enterprises. We have drafted and disseminated a circular clarifying the tax obligations of Free Zone enterprises. Furthermore, on-site audits have been programmed for certain Free Zone taxpayers. To ensure a smooth transition to the new fiscal framework, an action plan has been put in place around the following actions: (i) census of enterprises established in the Free Zone and integration of their data into the Jibaya system; (ii) monitoring compliance with tax obligations by the relevant enterprises; and (iii) identifying and promptly following up with non-compliant enterprises. To support this initiative, we will ensure that all enterprises established in the Nouadhibou Free Zone (NFZ) are registered with the tax administration and have a tax identification number (TIN) before end-September 2026 ***(New Structural Benchmark—end-September 2026).***

- **Improving collection / Reducing tax arrears.** Measures include: (i) implementation of electronic signatures for customs officers and customs brokers; (ii) operationalization by decree of the Task Force within the Ministry of Finance responsible for arrears collection; and (iii) adoption of a tax arrears collection strategy. Furthermore, we will continue cleaning up the taxpayer registry to improve data reliability and broaden the tax base. We will also undertake full implementation of the collection guide to improve the management of tax arrears and optimize procedures. In this regard, regarding the collection of SOE arrears and their compliance, several specific measures have already been initiated, including the issuance of reminder letters and notices requesting the payment of arrears payment, the signing of installment payment agreements with enterprises that respond, and the issuance of third-party notifications for enterprises that fail to respond. The optimization of the management of outstanding tax receivables is a priority. We will finalize, by end-September 2027, the establishment of the necessary framework for implementing the SOE debt resolution plan, including the systematic application of write-off, offset, and debt capitalization procedures. Finally, we will implement the various penalties and sanctions in Jibaya to strengthen enforcement and adopt a communication strategy aimed at improving tax acceptance and strengthening taxpayer compliance.

- **Implementation of transaction value in customs.** In accordance with the Customs Code and the WTO Agreement, we will apply the customs value as defined by the transaction value—that is, the price actually paid or payable for imported goods, adjusted for transport and insurance costs and increased by applicable duties and taxes at entry. This provision, already enshrined in the Customs Code, will progressively replace the reference flat-rate value currently in use. To this end, tax administration measures will be strengthened to ensure rigorous and uniform implementation. A transition program toward the generalized application of transaction value to all imports will be fully deployed by end-September 2028. The customs administration has developed a transition plan for generalizing the application of transaction value. This plan comprises two stages: the first requires a comparative study between our data and mirror database data to enable useful reconciliations for value reconstruction and recalculation of effective collection rates for each tariff heading. Once this work is completed, the second phase will consist of a comprehensive tax reform that will account for the impact of adapting the comparative study results with mirror data to the customs tariff. The reference flat-rate value will nevertheless continue to be used as a comparison and fraud detection tool. Additionally, we will put an end to practices affecting the quality and reliability of customs data, notably: (i) the determination, for a significant share of import operations, of duties and taxes before the determination of customs value, which leads to declared values that do not faithfully reflect the actual value of goods; and (ii) the acceptance of grouped declarations under a single tariff heading, which reduces data granularity.

19. On public expenditure, we will accelerate reforms to improve efficiency and enable better reallocation toward priority sectors. Key measures include:

- **Electricity tariff reform:** In the context of the ongoing institutional reorganization of the electricity generation and distribution sector, we are developing, with EU technical support, an integrated medium-term strategy to rationalize the level and the model for determining electricity tariffs based on supply costs, starting from September 2027.

- **Pension reform.** We have developed and are implementing an action plan based on the recommendations of the IMF technical assistance mission on pension regime assessment and actuarial study. Reform scenarios are under review, and a decision will be reached before end-2026 based on these options, which will form the basis for the revision of the pension legislation.

- **Public expenditure reviews.** We will continue strengthening our capacities in public expenditure reviews with a view to conducting systematic reviews each year of one or two key sectors to: (i) highlight issues requiring deeper analysis to formulate concrete and operational recommendations; and (ii) identify data gaps and propose ways for initiating the collection of information necessary for future exercises. This review will serve as a key tool for strengthening the quality of the budget process and improving resource allocation across sectors. To this end, we will conduct, by June 2027, a new expenditure review, which could focus on a priority sector to deepen the analysis of public expenditure effectiveness and efficiency.

- **Strengthening public investment management (PIM).** We will accelerate the implementation of the revised public investment management framework, notably through operationalization of the decree adopted in November 2024. To this end, we will establish operational procedures and a staffing plan for the Public Investment Directorate, including the recruitment of qualified staff, with a minimum of three additional staff ***(New Structural Benchmark—end-September 2026)***. **.** These efforts, along capacity building throughout the project cycle, will aim to improve project selection and prioritization, ensure that only mature projects are included in the budget, and increase the effectiveness and impact of public investment on growth and social outcomes. Finally, we will ensure the systematic publication on the MAED official website, starting from end-June 2027, of all evaluation and selection criteria for major investment projects, as well as related feasibility studies**.**

20. We will strengthen the capacities of the new macroeconomic projections unit established within the Ministry of Finance in December 2025, tasked with centralizing macro-fiscal forecasts. This unit is already operational and will first focus on developing, before end-June 2026, a medium-term macro-fiscal framework incorporating the fiscal rule principle, in the context of the 2027 Budget Law. The unit will progressively cover other functions, including the analysis and monitoring of fiscal risks, notably those related to SOEs and government contingent liabilities, and will complete the hiring of its staff.

21. We will reorganize the structure in charge of the management and forecasting of gas and mining revenue. We will strengthen the rule for smoothing the volatility of gas and mining revenues financing the budget and will apply good practices in the disclosure of gas and mining revenues and National Hydrocarbon Revenue Fund (FNRH) assets/earnings. At the same time, we will review the FNRH performance and examine its suitability to manage larger financial flows and assets.

22. To enhance public finance transparency, we will continue improving the presentation and coverage of government finance statistics, particularly those relating to government-SOEs relations. We will strengthen the role of the recently established TOFE Validation Committee to ensure the preparation of both the projected and operational TOFE within required timelines, as well as the necessary reconciliations to guarantee data completeness and accuracy. Furthermore, as part of the expansion of TOFE coverage, a working group comprising representatives from CNSS, CNAM, and CNAS has been established. This will enable the production of a more comprehensive TOFE, integrating an expanded public administrations perimeter, including SOEs, before end-September 2027.

23. Our debt strategy will rest on a principle: maintaining moderate debt levels and debt service costs, notably by favoring concessional and semi-concessional financing with measured recourse to non-concessional borrowing. To meet our financing needs, we will also increasingly rely, in coordination with the BCM, on conventional and Islamic treasury bill issuances with longer maturities, which will contribute to deepening the domestic treasury securities market, extending the yield curve, and improving liquidity management. We will finance our investments through grants and loans contracted at a moderate pace, consistent with moderate risk of debt distress and our absorption capacity. To this end, the present value of external borrowing (public and publicly guaranteed) will be capped in accordance with the limits provided in Table 1 of the MEFP. An annual borrowing plan (presented in Text Table 3) is prepared in consultation with the IMF to strengthen our medium-term debt reduction strategy. We also recognize that this ceiling alone will not guarantee moderate risk of debt distress. We therefore commit to assessing the impact of loan agreements on debt sustainability and informing the IMF of agreements for financing.

Further Improving Monetary and Exchange Rate Policy Management and Strengthening the Financial Sector Supervision Framework

24. We will accelerate the implementation of key reforms aimed at modernizing the framework for managing monetary and exchange rate policies and developing the banking and financial sector and we will strengthen its contribution to economic development. Our strategy is based on (i) modernizing the monetary and exchange rate policy framework to adapt it to a flexible exchange rate regime, (ii) modernizing markets including the development of the interbank market in local currency (collateralized loans and the secondary market for treasury bills), (iii) bringing banking and financial regulations into compliance, and (iv) strengthening supervision and oversight. We will pay particular attention to the formulation and implementation of a coherent human resources policy, thereby ensuring a qualified and adequate workforce for the various functions of the BCM.

Monetary Policy Framework

25. We will build on recent progress to further strengthen liquidity management. Banks' excess reserves are kept at low levels thanks in particular to a broader range of intervention instruments, notably through increased use of structural repurchase agreements (BBCM and SENED), as well as deposit facility operations (standard overnight) and the Islamic deposit facility (Islamic overnight). The BCM has launched the Refinitiv platform (the "Advance Dealing" module) to facilitate interbank trading of (i) MRU liquidity (unsecured or collateralized MRU interbank market) and (ii) government securities (secondary market) by the end of May 2026, while accelerating the integration with the Central Securities Depository (CSD), scheduled for completion by the end of September 2026. This platform also enables the execution of Treasury securities auctions in the primary market and monetary policy operations (to absorb excess liquidity). The BCM will work to implement a capacity-building program through the creation of Fixed Income Desks at commercial banks, training traders—particularly on the pricing of government securities and cash management optimization. This program will run through April 2027. To further improve liquidity management and the conduct of monetary policy, we will implement the following measures:

- Adoption of recovery plans for banks with structural liquidity shortfalls to ensure compliance with liquidity requirements by September 2026.

- Absorption of any excess liquidity (after taking into account banks' demand) through the issuance of structural operations (via the issuance of 7-day BCM bills).

- Strengthening coordination between monetary and fiscal authorities, notably by ensuring that the Ministry of Finance resumes weekly communication of the government's cash flow projections.

- Improvement of liquidity monitoring through (i) the completion by the end of June 2026 of a centralized data platform accessible to all liquidity risk management departments and (ii) better monitoring of discrepancies between forecasts and actual outcomes of autonomous liquidity factors.

26. Improving inflation forecasting capabilities will help inform monetary policy decisions. The IMF's ongoing technical assistance program aims to (i) develop a model for quarterly projections and (ii) integrate macroeconomic analysis and forecasts into the decision-making process and improve the BCM's external communication. We will establish a dedicated team within the BCM for this "Forecasting and Policy Analysis Systems" (FPAS) project and provide adequate human resources to ensure the project's success. We will also complete, by the end of June 2026, the development of central databases for implementing the projection model, as well as for nowcasting and short-term forecasts (NNTF). To this end, we will establish a permanent coordination mechanism between the BCM's DGESM and ANSADE to ensure timely data sharing. These measures are essential for a robust macroeconomic framework and reliable forecasts.

27. The ongoing development of the treasury securities markets will contribute to the modernization of monetary policy management and the diversification of funding sources. To increase the depth of the government securities market and facilitate the emergence of a secondary market, we will adopt by the end of September 2026 an improved issuance procedure and a syndicated issuance procedure. Furthermore, we intend to (i) ensure regular communication of the quarterly schedule for annual treasury securities issuances, (ii) alternate the maturity of treasury securities issuances while avoiding the issuance of the same maturities two weeks in a row by the end of September 2026 and on a monthly basis (by the end of 2027), (iii) increase the volume and frequency of bond issuances, (iv) increase the volume of Islamic bond issuances, and (v) delineate maturities between the BCM (15 days or less) and the Ministry of Finance (3 months or more). In addition, we will reorganize the Treasury securities market by encouraging public institutions to subscribe through commercial banks, noting that the main non-bank subscribers are SNIM, CNAM, CNSS, and FGD. As part of this reorganization, a Treasury Securities Specialist (SVT) designation will be introduced (we will seek technical assistance if necessary for this reform). Finally, we will develop and implement a strategy aimed at improving the composition of the investor base.

Foreign Exchange Policy and Market

28. We will consolidate the substantial gains achieved through the foreign exchange market reform launched in early 2023. The BCM has continued to reduce its intervention in the foreign exchange market, with the volume of foreign currency sales to banks falling from $620 million in 2024 to $465 million in 2025, representing 13 percent of total foreign exchange transactions (auctions and the interbank market). The automation in October 2025 of firm quotes and the increase in their levels via the ATE-Refinitiv tool did not result in greater exchange rate volatility. We will conduct by end September 2026 a comprehensive assessment of the obstacles to the development of the interbank foreign exchange market and publish an action plan (New Structural Benchmark – September 2026). To introduce greater flexibility in the Ouguiya exchange rate, we will implement the following measures:

- By the end of May 2026, establish a requirement for market makers to provide a minimum number of firm quotes on a daily basis, rather than the current weekly basis, in order to promote greater market liquidity and improved price transparency.
- Encourage banks to enhance the professionalism of foreign exchange traders through appropriate training by June 2027 (a certification program for fx trading room professionals).
- Continue to reduce the volume of BCM auctions while engaging in a dialogue with major exporters to discuss projections for the repatriation of their export revenues.
- Encourage the channeling of a portion of SNIM's repatriations to commercial banks
- Conduct a benchmarking study on best practices regarding the repatriation of export proceeds
- Strengthen the monitoring of current foreign exchange transactions through the integration of ASSARF and SYDONIA by mid-June 2026

29. Furthermore, we will address the constraints that could limit exchange rate flexibility. Sharp fluctuations in the USD against the euro during periods of uncertainty (such as the war in the Middle East) have led to sudden movements that caused a decline in the central rate of the ouguiya (fluctuation band = ±5 percent of the central rate), thereby reducing commercial banks' exchange commissions. To ensure greater exchange rate flexibility, we intend to:

- Revise the Ouguiya reference basket, taking into account the currency composition of imports, exports, and foreign exchange reserves as of December 2025. To this end, we are requesting technical assistance from the IMF.
- Exclude commercial banks' exchange commission when determining violations of the fluctuation band by the end of April 2026.
- Establish a foreign exchange forward market to provide visibility for foreign exchange market participants and reduce pressure on the spot market. To this end, we seek technical support from the IMF to identify obstacles to forward hedging operations and develop an appropriate regulatory and operational framework.

BCM: Transparency and Governance

30. We are fully committed to ensuring the success of the new safeguard assessment of the BCM scheduled for 2026. In the meantime, the BCM remains determined to continue its efforts to implement the recommendations of the 2023 safeguard review. To this end, we will amend the law establishing the central bank's statutes to further strengthen its autonomy and governance in line with the recommendations of the safeguards review. We will also implement the other recommendations, including:

- **Risk mapping**. We will complete the risk mapping by the Risk Committees by end-May 2026.
- We will develop internal procedural guidelines for the credit extension framework, with TA from the IMF.
- **Audit of quantitative performance criteria**. We will continue to have an external auditor conduct regular audits of the quantitative performance criteria under the program. For that purpose, we will accelerate the operationalization of the BCM's recently appointed audit committee and strengthen internal accounting control mechanisms.
- **Agreements on the on-lending of SDR allocations**. We will continue to strengthen the agreements applicable to on-lent SDR allocations and establish repayment schedules for the principal. In this regard, we will finalize the signature of the new agreement between the Ministry of Finance and the BCM to regulate these transactions. An IMF technical assistance mission is scheduled for this purpose during the first quarter of 2026 to assist in drafting the necessary instructions for the implementation of this agreement.
- **Peer review of fiduciary and vault operations**. We have launched an upgrade of the cash handling facility (refurbishment of the premises, semi-automation of the banknote and vault sorting process, and reinforcement of security). This upgrade is a necessary prerequisite for the peer review, which is expected to be completed in 2027.
- **Strengthening of the cybersecurity and IT risk oversight framework**. The implementation of this framework has, for the first time, provided a consolidated view of IT and cybersecurity risks across the sector, thereby enhancing the Central Bank's management and oversight capabilities. Following the entry into force on January 1, 2026, of the directive on the management of risks related to information and communication technologies (ICT), adopted in December 2024, we will continue to strengthen the operational resilience of financial institutions, improve the detection of vulnerabilities, and consolidate the stability of the banking system by embedding cybersecurity supervision within a more structured and risk-based approach. For that purpose, additional measures have been initiated, focusing on strengthening specialized human resources, the regulated use of external expertise, and the development of operational tools, including an outsourcing register, tailored control procedures, and a dedicated methodological framework. Furthermore, with the support of the IMF (AFRITAC West), an integrated supervisory framework is currently being finalized, based in particular on annual reporting integrated into the BSA system, a methodological manual, and a system of off-site and on-site inspections. The finalization of these tools will enable the launch of the first inspection missions in late 2026.

Financial Supervision and Regulation

31. We have made significant progress in ensuring the enforcement of prudential regulations and the banking system's resilience to shocks. Recent reforms have focused on (i) strengthening rules on risk concentration and exposure to related parties, (ii) strengthening risk-based supervision, and (iii) improving tools for collecting and analyzing prudential data, particularly through the digital platforms established by the BCM. The BCM has revised the framework for identifying and monitoring systemically important banks. These reforms are based on the recommendations from the Financial Sector Stability Review (FSSR), the gradual implementation of which is a key lever for strengthening the prudential framework. To consolidate these reforms, we will continue our efforts to strengthen implementation capacity, coordination, and data quality to ensure the supervisory framework's effectiveness in practice. In this regard, strengthening human resources and developing technical skills will be key priorities.

32. At the same time, we will accelerate the implementation of the consolidated supervisory framework in order to better and more effectively assess the risks faced by banking groups at both the national and regional levels. In line with the FSSR's recommendations, the BCM will focus on clarifying the scope of consolidation, ensuring the reliable identification of the entities concerned, and implementing the operational procedures necessary for the effective implementation of this supervision.

33. We are also making progress on establishing a supervisory framework tailored to Islamic finance. We have also finalized a regulatory framework (comprising four directives) for Islamic finance, developed with the support of the Islamic Financial Services Board (IFSB), covering governance, risk management, and capital requirements, while ensuring compliance with Sharia law. The formal adoption of the directives is scheduled to take place no later than the Prudential Council meeting scheduled in September 2026.

34. The BCM intends to strengthen the banking system by intensifying risk-based supervision, strengthening governance and risk management requirements, modernizing the NPL management framework, including the phased implementation of IFRS 9 and the establishment of a secondary market for NPLs, as well as through rigorous monitoring of planned capital increases and enhanced liquidity oversight. In line with the FSSR's recommendations, this modernization will also include improving the rules for the classification, provisioning, and write-off of impaired loans, as well as developing additional tools for sensitivity analysis and longer-term liquidity stress tests.

35. Authorities have decided to double the minimum regulatory capital requirement for banks by the end of 2027, to strengthen banks' financial resilience. We will continue to monitor all banks' compliance with minimum capital and core capital requirements and will take appropriate measures against banks that fail to comply with the legal framework governing credit institutions.

36. We will accelerate the implementation of the bank resolution framework. The Banking Law enacted in 2025 clearly defines the legal powers, instruments, and hierarchy of claims in the context of bank resolution. To strengthen this mechanism, we are finalizing work on drafting implementing regulations, developing preventive recovery plans for pilot banks, and preparing a procedures manual for the resolution unit. We will amend the institutional framework of the Deposit Insurance Fund (FGD) to strengthen its independence and also ensure the establishment of a deposit insurance limit for insured depositors. We will issue a directive to banks requiring them to prepare and submit preventive recovery plans to the BCM at the beginning of each year. At the same time, we are developing an integrated macroprudential framework to identify, monitor, and mitigate systemic risks.

37. At the same time, we will continue to develop the BCM's supervisory capacity by strengthening human resources, improving information systems, updating banking accounting standards, and drafting a monetary and financial code. The BCM is undertaking a comprehensive modernization of its supervisory tools to ensure more effective oversight based on reliable, real-time data. The BCM will continue to automate data flows, reduce manual processing, strengthen specialized expertise in off-site supervision, statistics, and risk analysis, and gradually expand the coverage and granularity of data used for prudential and macroprudential purposes.

- **Financial disclosure and transparency by banks.** The transition to International Financial Reporting Standards (IFRS) is proceeding according to a phased timeline through 2028, in coordination with the Ministry of Finance, with support from the Islamic Development Bank (IDB) and the IMF. Pending the revision of the banking accounting plan, the BCM adopted a circular in November 2025 aimed at clarifying several aspects regarding the application of prudential, accounting, and reporting regulations. The text specifies, in particular, the conditions for including profit in regulatory capital, the treatment of guarantees and counter-guarantees in the calculation of risk-weighted assets, the rules for classifying and downgrading non-performing loans, the accounting treatment of doubtful loans and corresponding provisions, as well as certain methods for calculating solvency and liquidity ratios. To complement these efforts, we will introduce provisions in 2026 requiring auditors to adopt a risk- and materiality-based approach. These advances will be complemented by the development of phased prudential transparency requirements inspired by Pillar 3, in accordance with the FSSR's recommendations.

- **Development of a monetary and financial code**. To strengthen the consistency and effectiveness of the legal framework for the financial sector, the authorities will begin preparatory work on drafting a monetary and financial code. This code will aim to consolidate, harmonize, and modernize the provisions applicable to currency, credit, payment systems and services, regulated institutions, as well as supervisory, resolution, and financial stability mechanisms.

Debt Management

38. To ensure more efficient debt management, we aim to establish a unified debt management structure by the end of 2028 at the latest, in accordance with the reform plan agreed upon with the World Bank's Debt Management Performance Assessment (DeMPA) mission. This structure will be equipped with sufficient capacity in the areas of debt management, particularly in front, middle, and back office operations. We will also continue the gradual development of the domestic debt market, even in the absence of domestic financing needs, to foster its deepening in the long-term. In the current context marked by increased uncertainty, it is essential to strengthen the government's cash management. To this end, the Treasury will ensure that an adequate level of cash reserves is established and maintained, serving as a precautionary reserve to address potential shocks. The target level of this reserve, as well as the procedures for its replenishment, will be defined with the support of the IMF technical assistance.

39. Improving debt management remains a key priority. We will continue to improve borrowing procedures and the granting of public guarantees by clarifying responsibilities and approval conditions among ministries through the adoption of a decree on procedures for granting guarantees for public borrowing. In December 2025, we approved and published the update to the Medium-Term Debt Strategy (MTDS) for the period 2026–2028 and the annual financing plan for 2026, which were adopted by the National Public Debt Committee (le Comité National de la Dette Publique, CNDP) in November 2025. The strategy prioritizes a combination of concessional and semi-concessional external borrowing with measured use of non-concessional loans, as well as increased use of medium-term (7-year) treasury bond issuances (¶27). The CNDP will continue to meet regularly to assess the impact on the debt of any new project to be financed through non-concessional external borrowing, which must be approved by the CNDP prior to the signing of the agreement. Furthermore, the External Debt Directorate of the Ministry of Finance will be reorganized into a Public Debt Directorate and will centralize all front-, middle-, and back-office functions by 2027 at the latest. Similarly, we will continue to strengthen the capacities of the debt management directorate, the Financing Directorate at the Ministry of Foreign Affairs and Economic Development (MAED), and the Debt Directorate at the Central Bank of Mali (BCM) with regard to debt sustainability analyses—including through the use of the debt dynamics tool—the calculation of the concessionality of projects under a financing agreement, and the development of a medium-term debt management strategy.

Text Table 1. Mauritania: Summary of the 2026 Program

PPG External Debt Incurred or Guaranteed	Volume of New Debt, (in millions of U.S. dollars) 1/	Present Value of the New Debt (in millions of U.S. dollars) 1/
Sources of Debt Financing	**1225.1**	**917.6**
Concessional debt 2/	189.3	120.9
Non-concessional debt 3/	1035.8	796.7
Use of Debt Financing	**1225.1**	**917.6**
Infrastructure	1122.4	839.5
Social Expenditures	42.7	31.4
Other	60.0	46.7

1/ New debt issuance and guarantees. The present value of the debt is calculated using the terms of the individual loans and applying the program's discount rate of 5 percent.
2/ A debt in which the grant component exceeds a minimum threshold. This minimum is generally 35 percent, but could be set at a higher level.
3/ Includes non-concessional and semi-concessional debt. For commercial debt, the present value would be defined as the face value.

40. To improve coordination among the various entities responsible for debt management, we will utilize SYGADE, ARKAM, El/Istithmar, and RACHAD—software systems used by institutions involved in debt servicing (the Public Debt Directorate, the General Directorate of the Budget, the General Directorate of the Treasury and Public Accounting (DGTCP), the General Directorate of Financing and Economic Cooperation (DGFCE), and the BCM, to monitor disbursements related to external debt and debt service payments. We will strengthen real-time monitoring by the DGTCP and the Debt Directorate of the BCM's debt service planning and execution, in accordance with the delegation established by the Ministry of Finance. This monitoring will be carried out through web services linking the Debt Management Directorate's SYGADE system with those of the DGTCP and the BCM. The establishment of these interconnections will strengthen debt management capacity through systematic monitoring of external debt disbursements (SYGADE-El/Istithmar) and will enable the integration of debt service payment transactions into the automated expenditure system (SYGADE-RACHAD). With UNCTAD's assistance, we have consolidated version 6.2 of SYGADE and validated the database, and we will proceed with the migration to version 7 of the system, scheduled for April 2026. The interfaces between SYGADE and other applications will be implemented by the end of 2026 or early 2027 with technical assistance from UNCTAD's DMFAS team, funded by the African Development Bank (To be updated).

41. We will continue to publish quarterly debt bulletins containing information on public entities' external and domestic borrowing, including detailed information by loan, debt service profiles, and, where relevant, arrears of public enterprises. In this context, we have already published annual reports for 2022, semi-annual reports for 2023, and quarterly reports starting in 2024. The Public Debt Directorate will accelerate efforts to strengthen its technical and operational capacities for improved recording and monitoring of public debt, as well as better dissemination and analysis of debt data, through targeted technical assistance focused on both international best practices in debt recording, monitoring, and analysis and on enhancing the reliability of the operational system. We will incorporate all public and state-guaranteed debt data into our debt statistics, including agreements for which a cancellation is expected but not yet confirmed, and will share them with the IMF once the financial flows are known (disbursements and payments). We have received technical assistance from the IMF for training on the DDT public debt projection tool. We will continue to update the report on Mauritania's public debt dynamics annually and then on a semi-annual basis.

Pillar II: Strengthening Human Capital and Unlocking Inclusive Growth

Ensuring Better Access to Education and Health Services

42. Recurring adverse shocks reinforce our determination to create fiscal space and accelerate our development agenda in order to address significant gaps in the social sector and build inclusive infrastructure. In this regard, and to accelerate progress toward achieving the Sustainable Development Goals (SDGs), and in light of the drop in official development assistance, we will increase social spending and accelerate the implementation of social interventions to benefit vulnerable groups, while ensuring greater efficiency in these expenditures.

- **Social Protection:** We adopted, in July 2025, the National Social Protection Strategy for the period 2025–2035, which aims to expand social assistance programs, increase the number of health insurance beneficiaries, strengthen social safety nets, support employment for youth and women, and implement programs targeting the most vulnerable groups. Leveraging the comprehensive and regularly updated Single Social Registry (RSU), the social protection programs managed by the Taazour General Delegation benefit more than 140,000 vulnerable households (representing nearly 20 percent of the population). Furthermore, we will allocate a budget of 10 million MRU in the 2026 amended budget law to fund ongoing programs focused on nutritional inputs, which will help reduce the incidence of moderate and severe malnutrition.

- **Education:** We will increase funding for the education sector to ensure the success of the ongoing education reform, which aims to provide access to quality education for all Mauritanian children and entails a reduced role of the private sector in providing primary education. Accordingly, we plan to recruit 1,000 teachers in 2026. Following the decline in official development assistance for school cafeterias, we have allocated 50 million MRU in the 2026 budget for the school feeding program. To ensure the long-term role of school cafeterias in reducing food insecurity and school dropout rates, we intend to draft and submit to Parliament by the end of April 2027 a bill aimed at improving the organization and governance of the school feeding program, covering the following aspects: (i) a sustainable financing strategy providing for a sharing of responsibilities among the central government, municipalities, and schools; (ii) a priority given to covering the regions most at risk of food insecurity; and (iii) the adaptation and clarification of the standards required for the delivery of food products to school cafeterias in order to encourage the participation of local farmers.

- **Health**: We will increase funding to ensure the construction of new health centers and the proper equipping of existing health centers—the majority of which remain under-equipped—as well as to strengthen medical and paramedical staff. We will also increase resources to ensure sustainable financing for our National Immunization Strategy (NIS 2024–2028) through a gradual increase (12 percent per year) in resources dedicated to vaccine procurement and the implementation of immunization activities, in anticipation of the planned phasing out of GAVI's financial support for these programs.

43. In addition, to ensure greater efficiency in social spending, we will implement the following measures:

- Ensure (i) a better alignment of the medium-term budgetary framework (MTBF) with the SDGs, by leveraging the recent transition starting 2026 to program-based budgeting, and (ii) a consistency between the annual budget and the MTBF in order to safeguard social spending.

- Improve the traceability of social spending by implementing the Public Expenditure Tracking Survey (PETS) mechanism in the health and education sectors, which would enable the tracking of public resource flows. We will publish the results of this exercise for the year 2025 by end of December 2026 ***(New Structural Benchmark – December 2026)***.

- Institutionalize a monitoring and evaluation framework for the health, education, and social protection program budget, incorporating common performance indicators at the central and regional levels. For this purpose, we commit to developing, as part of the preparation of the 2027 Finance Bill, annual performance plans (APPs) for the year 2027 for the Ministries of Education, Health, Social Affairs, and Taazour, with the support of the relevant development agencies. These reports will be published and will form part of the documentation for the 2027 Finance Bill submitted to Parliament. We also commit to preparing the annual performance report for these sectors by June 2027.

- Establish, through a protocol, a formal, regular mechanism for budgetary dialogue between sectoral ministries (health and education), the Ministry of Economic Affairs and Development (MAED), the Ministry of Finance (MdF), and technical and financial partners, in order to align available resources with national priorities in health and education.

44. In light of the accelerating influx of refugees, it is urgent to work with development partners to plan actions aimed at preventing food insecurity and ensuring access to basic services. Against a backdrop of deteriorating security in the Sahel region, the influx of refugees into Hodh Chargui has accelerated, placing increasing pressure on national resources. Furthermore, the disruption of trade corridors between Mali and neighboring countries has resulted in (i) a surge in prices (+6.5 percent) in southern Mauritania, affecting mainly basic commodities, and (ii) a resurgence of smuggling, as evidenced by the 30 percent increase in national fuel consumption during Q3 2025. Furthermore, the funding gap for the UN-coordinated response and resilience plan for refugees, with a total cost of $152 million for 2025, is estimated at 60 percent. The Government of Mauritania continues to pursue its policies of welcoming and including refugees, in a spirit of solidarity and regional stability. In collaboration with UNHCR and other UN agencies, we have launched a short-term contingency plan and a response plan for 2026 and 2027 to adequately address the challenges posed by the increased influx of refugees. In this regard, international solidarity is crucial to supporting our efforts to stem the rising risks of food insecurity and address the challenges associated with this influx.

Improving the Business Climate and Financial Inclusion

45. Reforms aimed at improving the business environment are continuing. To accelerate government action in promoting investment and developing SMEs, the government strengthened, through a September 2025 decree, the role of the Investment Promotion Agency (APIM) based on an assessment of the previous period (2021–2025). To date, 29 approvals, including 21 under the basic SME scheme, have been granted under the new Investment Code. Furthermore, to simplify administrative procedures, the one-stop shop procedures have been digitized. This will enable the automated processing of applications and workflows within the one-stop shop, leading to greater speed and transparency.

46. Supporting SMEs is a priority of our national development program. We have finalized the update to the National Strategy for the Promotion of Entrepreneurship and the Development of MSMEs (SNEMPME) for the period 2025–2030. Furthermore, as indicated above, we will amend the "Startup Act Mauritania," adopted in December 2023, to align tax and customs incentives with the Investment Code. In addition, we have made progress in revitalizing the role of the Mauritanian Guarantee Fund (FGM), established in 2024, through several measures, notably: (i) the opening of the FGM's capital in 2026, with a 38 percent stake held by the banking system, accompanied by a restructuring of the institutional architecture, including the establishment of a new General Assembly and a new Board of Directors; and (ii) the mobilization of credit lines from banks and technical and financial partners.

47. Furthermore, given the central role of the commercial registry in ensuring transparency in economic transactions and fostering trust between economic operators and financial institutions, we will implement, by the end of November 2026, the World Bank's recommendations for establishing a Central commercial Registry (RCC), specifically: (i) establishing an integrated information system encompassing both local and central trade registers, (ii) making the use of the standard classification of economic activities mandatory for government institutions, (iii) establishing a coordination committee for the commercial registry responsible for harmonizing the implementation of the legislative and regulatory provisions applicable to the commercial registry, and (iv) deciding on the management mechanism of the RCC (management by a central administration, public service delegation, or direct management) ***(New structural benchmark – end of December 2026).***

48. We will ensure that the newly established Financial Markets Regulatory Agency (ARMF) is provided with the human and financial resources necessary to become fully operational. To fulfill this mandate, we will provide the necessary human resources. It will be essential to ensure that the Agency has adequate resources and timely capacity building so that it can carry out its responsibilities for market conduct and supervision in a consistent and effective manner.

49. We will accelerate the digitization of land transactions. To this end, and as previously noted, we have adopted a decree requiring the electronic filing and processing of all transactions involving both registered and unregistered properties. Furthermore, the decree sets out a two-phase implementation schedule for this requirement: digitization of all land transactions in the provincial capitals, effective January 1, 2027, and nationwide, effective January 1, 2028. The decree also aims to establish an inclusive legal and operational framework, as it requires all government agencies involved in the processing of land transactions and operating information systems for this purpose to take the necessary measures to ensure the interoperability of their systems while adhering to commonly accepted data security standards in this field.

50. We reaffirm our commitment to sustainable, equitable, and universally accessible financial inclusion through the continued implementation of the National Financial Inclusion Strategy (SNIF) 2023–28. Our efforts have yielded tangible results, notably an increase in the financial inclusion rate from 20.8 percent at the end of 2022 to 55 percent at the end of 2025, driven in particular by the expansion of e-wallets and the strengthening of interoperability among mobile applications. The BCM will continue to modernize the regulatory framework to incorporate digital financial innovations, ensuring that the recommendations made by the IMF in the context of the Technical Assistance (TA) on fintech regulation are taken into account. This momentum is accompanied by the implementation of an innovation policy that includes a regulatory sandbox as well as a collaborative innovation environment ("Digilab"). In addition, a sectoral study on microfinance was conducted in partnership with the IFC. The BCM will ensure that the recommendations from this study are taken into account, while continuing to strengthen the capacity of microfinance institutions through the dedicated program established for this purpose. In the area of green finance, the BCM has established a national ESG framework in partnership with the AFI, along with its implementing regulations and governance structure. Its implementation has started, notably through efforts to produce an initial ESG report. Looking forward, the authorities intend to continue their efforts to accelerate the implementation of the SNIF. Priorities will include: (i) finalizing the implementation of the Real-Time Payment System (RTPs); (ii) developing a digital scoring tool to implement reforms related to digital credit and the BNP; (iii) implementing open banking; (iv) supporting fintechs; (v) conducting a pilot project (Proof of Concept) related to a central bank digital currency (CBDC); (vi) finalizing efforts to establish a legal and regulatory framework for crowdfunding; (vii) conducting an initial carbon footprint assessment for the year 2026; (viii) launching a second financial education program; and (ix) developing the capacity of staff and various stakeholders in the financial sector.

51. We aim to improve access to credit—particularly for small and medium-sized enterprises (SMEs), which play a key role in job creation and income generation. For this purpose, we will focus on easing structural constraints on credit, which will involve: (i) removing the cap on the annual percentage rate (APR) by the end of April 2026 and introducing a usury rate; (ii) launching an electronic registration system of personal property accessible to financial institutions, with access charged at the cost of recovery, by the end of September 2026; and (iii) accelerating the effective implementation of a Central Commercial Registry (CRR)—(¶ 47). These reforms will help reduce information and borrowing costs, broaden access to finance, and support increased private investment, economic diversification, and job creation.

Pillar III: Governance and Public Enterprises

52. Implementation of the major governance laws promulgated in July 2025—on declaration of assets and interests, anti-corruption, and the creation of the National Anti-Corruption Authority (ANLC)—is on track. The Commission for financial transparency of the public life (comprising the President of the Supreme Court, the President of the ANLC, and the Inspector General of the State) and the President of the ANLC agreed in January 2026 on a provisional coordination mechanism for implementing the new asset and interest disclosure law pending the operationalization of the ANLC. In this regard, a joint circular was issued in March 2026 addressed to persons subject to the obligations under Article 3 of Law No. 2025-022 of June 25, 2025, to ensure the continuity of disclosure obligations during the transitional period. It specifies the modalities for applying the law, including the authority competent to receive declarations before mid-June 2026, the categories of persons concerned, and the applicable deadlines, in accordance with Articles 3, 13, 14, 15, and 26. Furthermore, the members of the ANLC's Council were appointed in April 2026, following a transparent and rigorous selection process ***(Structural Benchmark—November 2025, not met).*** We will provide the ANLC with the necessary human and technical resources to ensure the effective conduct of its mission, including the monitoring and management of asset declarations by persons subject to disclosure obligations. The recruitment of members of the executive body will follow the establishment of the Council and is expected to take 3 to 4 months. Finally, we will ensure that the ANLC is provided with the necessary resources to establish, before March 2027, an IT system required for the filing and processing of asset and interest declarations with the Anti-Corruption Authority.

53. We remain committed to implementing the National Governance Action Plan. The third progress report was published before December 31, 2025 ***(Structural Benchmark for end-December 2025—met).*** We will update and publish, by end-June 2026 at the latest, the National Governance Action Plan based notably on the recommendations of the governance diagnostic. Progress has been recorded in the following areas:

- **Code of conduct and ethics for public officials.** We have completed the process of revising the Code of Conduct and Ethics for Public Officials, aimed at aligning it with international best practices and reflecting our country's obligations under international conventions, notably the United Nations Convention against Corruption;
- **Digitalization of real estate transactions.** We will also advance on the reform of the management of urban state-owned land, with several measures completed: (i) the adoption by

the Council of Ministers of Decree No. 151-2025/PM of September 11, 2025, on mandatory digital filing and processing of real estate operations and transactions; (ii) the establishment of a platform enabling, among other functions, the processing of notarial deeds related to land sales; and (iii) the launch, under the supervision of the Central Bank of Mauritania (BCM), of a real guarantee (mortgage) platform where all mortgage-related operations are processed, including the handling of notarial deeds in this area. This platform, currently being brought into operation, is the result of close cooperation between the BCM and the Directorate General of State Property and Registration (DGDE).

- **Judiciary statute.** As part of the implementation of our action plan, and in accordance with the provisions of the National Document on Justice Reform and Development, identified measures will be taken to continue strengthening the independence of judges and the timeliness of judicial decisions.

54. We will strengthen the monitoring of the implementation of recommendations from oversight and audit bodies. In line with international best standards, the Court of Auditors established in February 2026 a dedicated unit for monitoring the implementation of its audit recommendations and is in the process of finalizing the digitalization of its audit operations. Furthermore, modalities are being finalized to grant the Court of Auditors, by end-December 2026, systematic access to the Ministry of Finance's information systems for consultation purposes. In addition, a digital platform for monitoring the recommendations of oversight bodies has been developed with the technical support of the National Digital Agency, under the supervision of the Inspector General of the State, and with the participation of the Inspector General of Finance and four internal inspectorates of ministries. The platform is expected to be fully operational by end-2025. We will publish annual reports on progress in implementing these recommendations.

55. The Government is pursuing its efforts to improve the transparency and governance of state-owned enterprises (SOEs).

- **Implementation of the new legal framework.** We will accelerate the drafting of implementing decrees for the law on public establishments and companies as provided for under the new public establishments and enterprises law. In this regard, we will proceed in coming weeks with the appointment of the members of the Council of the Independent Commission on Public Establishments and Companies (CESPI), whose mission is to contribute to improving the governance of public establishments and companies. The Directorate General of Financial Oversight (DGTF) has identified the implementing decrees necessary to ensure full and coherent implementation of the new legal framework, and a prioritization and scheduling of these texts is underway, with priority given to those having a direct impact on the performance of commercial SOEs. A separate decree on the classification of public establishments and companies will be introduced by law.

- **SOE portfolio review.** We will adopt an implementing decree on performance contracts, and by September 2027, we will have signed 10 performance contracts. Furthermore, given the growing role of SOEs in the economy, we will hold, by end September 2027, a public consultation on the

State's ownership policy in accordance with Article 7 of the law on public establishments and companies. Following this public consultation, we will adopt by end December 2027, and in accordance with Articles 7 and 8 of the law, a decree on the State's ownership policy that defines: (i) the rationale and objectives justifying State participation in these enterprises; (ii) the State's role in the governance of these enterprises; and (iii) the manner in which the State will implement said strategy. Also, in accordance with Article 8 of the law, the Government will establish in the decree a strategy for rationalizing its ownership- to promote a diversified and competitive economy.

- **SOEs transparency**. To improve the collection of information and data on SOEs, the Ministry of Finance will adopt, with IMF technical support, the dedicated SOE Excel tool developed by the IMF Statistics Department (STA) to compile, by end-September 2026, financial indicators covering 3 years for the 5 largest commercial public enterprises ***(New Structural Benchmark—end-September 2026)***. The compilation of 3-year financial indicators for the next 10 largest commercial public enterprises will be finalized by end-December 2026 ***(New Structural Benchmark—end-December 2026)***. Additionally, we will finalize the development of our information systems—ARKAM for the Treasury and RACHAD for the Budget—and compile data, by end-September 2027, on general government, including those concerning SOEs (subsidies and transfers included), Furthermore, we plan to (i) include in the budget documentation for the 2027 Budget Law: a consolidated table reporting budgetary transfers and subsidies to SOEs, disaggregated by entity and covering the previous three years and medium-term projections; and (ii) present these transfers as distinct line items in the budget ***(New Structural Benchmark—end-December 2026)***. Finally, we will publish financial statements for the fiscal year 2026 audited by an internationally reputable audit firm for the 15 largest public enterprises, within a maximum of 18 months. We will also ensure that 50 percent of state-owned and mixed-ownership companies adopt IFRS standards by January 1, 2028, and the remaining 50 percent by January 1, 2029. To enable the DGTF to carry out its mission effectively, we will ensure that it is provided with the necessary staffing and resources.

56. Public procurement regulation and oversight will be further strengthened. The Council of Ministers adopted in January 2026 a draft law on public procurement, replacing the 2021 Public Procurement Law, which no longer met our expectations and the requirements of public procurement stakeholders. Furthermore, we reduced the share of public contracts awarded through direct agreements. Along these lines, we will adopt by end-December 2026 regulations that strengthen the conditions under which direct agreements may be concluded and eliminate subcontracting (delegated project management). Additionally, we commit to making systematic the auditing of high-stake public contracts by independent auditors and to publishing audit reports on a government website. In particular, we will commission an audit by independent auditors of at least five (5) high-stake contracts executed during the 2024–2026 period and publish the audit reports by end-March 2027 on the website of the Public Procurement Regulatory Authority. Furthermore, we will further strengthen the transparency of beneficial ownership information for public procurement. We plan to place particular emphasis on the obligation for procurement agencies to transmit, for authentication by the National Public Procurement Control Commission (CNCMP) and procurement control units, all public contracts awarded. To this end, we will adopt, with IMF technical assistance, a circular requiring procurement agencies to collect beneficial ownership information on companies awarded public procurement contracts exceeding a certain threshold. We will also ensure the regular and systematic publication by procurement agencies of beneficial ownership information on a government website.

57. We have intensified efforts to address gaps in the anti-money laundering and counter-terrorist financing (AML/CFT) framework, in line with the recommendations of the MENAFATF (Middle East & North Africa Financial Action Task Force) and the IMF Governance Diagnostic report. The Central Bank of Mauritania (BCM) and the Mauritanian Financial Investigation Unit (UMEF) strengthened the AML/CFT framework in accordance with the recommendations of Mauritania’s 2018 Mutual Evaluation Report, notably through legislative revisions, the establishment of two governance bodies, the completion of a National Risk Assessment (NRA) with technical assistance from the World Bank, and (iv) the adoption of a national AML/CFT strategy with accompanying sectoral action plans. Furthermore, an update of the national AML/CFT risk assessment was conducted based on the situation and data available at the end of December 2024, to reflect changes in FATF standards and preparations for the third round of the MENAFATF Mutual Evaluation. This update has allowed for a better understanding of the sectors most exposed to money laundering and terrorist financing (ML/TF) risks and for a reorientation of priority efforts and reforms towards these high-risk areas. These efforts have resulted in a substantial improvement in Mauritania's technical compliance rating by the MENAFATF with the FATF (Financial Action Task Force) recommendations, with the country now considered compliant or largely compliant with 35 of the 40 recommendations. In parallel, a national risk assessment related to the financing of the proliferation of weapons of mass destruction has been developed, with the active collaboration and participation of all relevant national stakeholders. These efforts in national economic research culminated in the development of a national AML/CFT/ML/FT policy and a national AML/CFT/ML/FT strategy covering the period from 2025 to 2027. Under the impetus of a multi-sectoral national coordination, Mauritania stands mobilized for the 3rd MENAFATF evaluation cycle (2025-2027), as evidenced by the high-level political commitment, the submission of the technical report at the end of 2025 and the preparation of the field visit scheduled for July 2026.

58. The BCM continues to strengthen its risk-based AML/CFT supervision, including on-site assessments, to evaluate the compliance of financial institutions with the 2019 AML/CFT Act. Risk-based supervision now covers all banks, focusing on 11 key risk areas. Based on inspection reports, letters of injunction have been sent to banks to accelerate data automation and raise awareness among compliance officers. Furthermore, an AML/CFT compliance charter has been signed by all banks in the market, under the auspices of the Central Bank of Mauritania (BCM) and with technical support of the UMEF. These efforts have resulted in a significant increase in Suspicious Transaction Reports (STRs), with 372 registered by the UMEF services in 2025 (representing 34 percent of the historical volume of the Financial Information Analysis Unit), and this trend is accelerating in 2026: 160 STRs were received in the first quarter, a 72 percent increase compared to the quarterly average in 2025. This progress is also qualitative, as the effectiveness of the UMEF services' analysis has enabled the referral of 33 cases to the courts in 2025, compared to only 7 over the period 2009-2024. The next reform projects focus in particular on training, beneficial ownership, virtual assets, and the automation of justice statistics, including investigations and the recovery of criminal assets.

Modernizing the Statistical System

59. The development of economic statistics remains one of our priorities. With technical assistance from the IMF, we continue to improve monetary, balance of payments, public finance, and real sector statistics. To improve the quality of national accounts, ANSADE has signed a data exchange agreement with the structures of the Ministry of Finance. We are also continuing to improve our national accounts by enhancing our calculation methodologies. Furthermore, to operationalize the memorandum of understanding for coordination and data exchange with the Directorate General of Customs and the Central Bank, measures are being implemented to ensure the automatic transfer of data. We will also improve our capacity to make growth forecasts. To this end, we have begun strengthening the capacity of the relevant department within the Ministry of Economy and Finance, notably by providing it with the necessary human resources. The Central Bank of Mauritania (BCM) is implementing the recommendations of the IMF's latest technical assistance mission on balance of payments statistics and the compilation of the international investment position through a pilot program for 2023. The BCM has made progress in automating the coding of the economic nature of bank settlements and trade balance data. Surveys have been launched to compile position data for the banking and extractive sectors to improve the financial account and establish the international investment position. The BCM will work to expand the survey base to other sectors. Furthermore, to improve coverage of the general government, the Ministry of Finance is working on collecting data on the operations of the social security agency and state-owned enterprises and is also preparing the corresponding TOFE) with IMF technical assistance. We intend to continue our collaboration with the IMF to align our statistical methodology with international standards. Finally, we adopted a decree concerning the organization and operation of the Mauritanian Employment Market Information System (SIMEM) and addressing existing shortcomings by establishing, among other things, the principle of periodic data updates and regular system evaluations to ensure its continued relevance. Furthermore, we will ensure full compliance with the e-GDDS standard through the regular and timely communication and dissemination of statistics via Mauritania's National Data Summary Page (NSDP).

60. We will capitalize on the substantial progress in our climate agenda to channel private capital towards climate-focused projects. In this regard, we will enhance the climate information architecture through the adoption by way of decree of two complementary frameworks: (i) a climate-related taxonomy (reference framework for private sector climate investment) covering climate mitigation and adaptation needs across key sectors in Mauritania, defining financing and climate-related targets and objectives, as well as private financing instruments; and (ii) a climate data collection and dissemination mechanism, connected to the taxonomy, across key sectors, for private companies and key economic infrastructure. This mechanism will be coordinated by the National Institute of Statistics (ANSADE).

E. Program Monitoring

61. The Committee for Monitoring Structural Reforms and the Evolution of Mauritania's Macroeconomic, Monetary, and Financial Outlook (CSR) oversees the effective implementation of this program. This committee includes representatives from the Ministry of Economic Affairs and Development, the Ministry of Finance, the Central Bank of Mauritania (BCM), and other ministries and public bodies that can provide support. The CSR has a permanent secretariat, meets regularly to assess progress, and ensures the transmission of data required to monitor program implementation. The implementation of the program under the Extended Credit Facility (ECF) and the Extended Credit Facility (ECF) will be assessed semi-annually by the IMF Executive Board based on performance criteria and structural benchmarks (Tables 1b and 4). The first and second program reviews will take place on or after October 24, 2026, and April 24, 2027, respectively, based on the performance criteria established for the test dates of end-June 2026, end-December 2026 and end-June 2027. The draft Finance Law, and where applicable, the draft Amending Finance Law, and the draft medium-term budget framework will be shared with the IMF team for consultation ten (10) days prior to approval by the Council of Ministers. Furthermore, any other documents or resources arising from commitments under the program will be shared with the IMF team for consultation fourteen (14) days prior to final adoption/signature. The CSR will work in close coordination with the Macro-Budget Projections Unit, the Fiscal and Monetary Policy Committee, and the CNDP. For its part, the Technical Coordination Committee (FRD Committee) continues to monitor the reforms of the FRD program. These are detailed in Figure 1, and their implementation will also be assessed semi-annually by the IMF Executive Board, concurrently with the completion of the reviews under the ECF and the MED. We have operationalized an electronic platform at the Central Bank of Mauritania (BCM) to monitor the implementation of the reforms included in the program and to transmit progress in real time. Finally, we have established an interdepartmental Drafting Committee, including representatives from the BCM, the Ministry of Foreign Affairs and Development (MAED), and the Ministry of Finance (MdF), to ensure the coordination and preparation of the Memorandum of Economic and Financial Policies (MEFP).

Table 1a. Mauritania: Performance Criteria and Indicative Targets for 2023–2026[1]

	End-Dec. 2023				End-March 2024				End-June 2024				End-Sept. 2024		
	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
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 /2					1,330	NA	1,487	Met	1,293	NA	1,431	Met	1,259	1,361	Met
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) 2/									5.0	5.0	-7.3	Met	7.4	-4.7	Met
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
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)															
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
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
Adjustment Factors (in millions of U.S. dollars)															
Net international assistance	NA		NA		NA		NA		NA				NA		
Cumulative disbursements of official loans and grants in foreign currency	NA		NA		NA		NA		NA				NA		
Cumulative amounts of external cash debt service payments	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	
Memorandum items:															
Program exchange rate (MRU/USD)	37.79		37.79		37.79		37.79		37.79		37.79		37.79		

	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	Actual	Status	Performance Criteria	Actual	Status	Indicative Targets	Actual	Status	Performance Criteria	Adjusted Performance Criteria	Actual	Status	Indicative Targets	Actual	Status
Quantitative Performance Criteria																				
Change in net international reserves of the BCM (floor); in millions of U.S. dollars 2/																				
Net international reserves level of the BCM (floor); in millions of U.S. dollars /2	1,224	1,231	1432*	Met	1,343	1,452	Met	1,259	1,417	Met	1,275	1,582	Met	1,198	1,211	1,601	Met	1,260	1,715	Met
Change in net domestic assets of the BCM (ceiling); in billions of ouguiyas (MRU) 3/																				
Net domestic assets level of the BCM (ceiling); in billions of ouguiyas (MRU) 2/	9.6	9.3	-5.0	Met	1.0	-7.4	Met	4.7	-4.3	Met	4.1	-11.2	Met	2.7	2.2	-7.7	Met	-2	-12.2	Met
Non-extractive primary deficit including grants (ceiling); in billions of ouguiyas (MRU) 4/	16.0	15.8	15.3	Met	7.7	4.1	Met	11.6	6.8	Met	14.1	10.4	Met	15.4	14.9	14.3	Met	8.9	1.3	Met
Present Value of new public and publicly-guaranteed (PPG) external debt contracted since January 1, 2023 (ceiling); in billions of ouguiyas (MRU) 5/																				
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		15.7	Met	9.0	3.2	Met
New external payment arrears (continuous ceiling) 6/	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	Met
Indicative Targets																				
Floor on social spending; in billions of ouguiyas (MRU) 7/	22.0		22.9	Met	1.9	5.4	Met	5.6	11.8	Met	11.3	16.3	Met	22.5		25.3	Met	1.9	5.3	Met
Adjustment Factors (in millions of U.S. dollars)																				
Net international assistance	NA				NA			NA			NA			NA						
Cumulative disbursements of official loans and grants in foreign currency	NA				NA			NA			NA			NA						
Cumulative amounts of external cash debt service payments	NA				NA			NA			NA			NA						
European Union fishing compensation fee	57.0		63.5		0.0			0.0			0.0			57.5		70.3		0.0		
Memorandum items:																				
Program exchange rate (MRU/USD)	37.79		37.79		37.79			37.79			37.79			37.79				37.79		

1/For definitions, see Technical Memorandum of Understanding.
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. The end-December 2024 NEPD has been revised to reflect a correction to a previously reported figure.
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 US$1410 million. The team will seek explanation for the revision.
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 1b. Mauritania: Performance Criteria and Indicative Targets for 2026–2027 1/

	End-June 2026			End-Sept. 2026			End-Dec. 2026			End-March 2027			End-June 2027		
	Quantitative Performance Criteria	Actual	Status	Indicative Targets	Actual	Status	Quantitative Performance Criteria	Actual	Status	Indicative Targets	Actual	Status	Indicative Targets	Actual	Status
Quantitative Performance Criteria															
Net international reserves level of the BCM (floor); in millions of U.S. dollars 2/	1300			1275			1250			1250			1270		
Net domestic assets level of the BCM (ceiling); in billions of ouguiyas (MRU) 2/	-1.0			-1.0			-0.7			-1.0			-1.0		
Non-extractive primary deficit including grants (ceiling); in billions of ouguiyas (MRU) 2/ 3/	16.6			20.3			22.1			10.4			15.5		
Present Value of new public and publicly-guaranteed (PPG) external debt contracted during the year (ceiling); in billions of ouguiyas (MRU) 3/	18.0			27.0			36.0			18.0			18.0		
New external payment arrears (continuous ceiling)	0.0			0.0			0.0			0.0			0.0		
Indicative Targets															
Floor on social spending; in billions of ouguiyas (MRU) 3/	6.6			13.3			26.5			2.4			7.1		
Adjustment Factors (in millions of Euro)															
European Union fishing compensation fee	57.5			57.5			57.5			57.5			57.5		
Memorandum items:															
Program exchange rate (MRU/USD)	39.90			39.90			39.90			39.90			39.90		

1/ For definitions, see Technical Memorandum of Understanding.
2/ NIR floor and NDA ceiling are adjusted for deviations in EU fishing compensation from program assumptions, capped at 57.5 million (TMU ¶14).
3/ NEPD ceiling and social spending floor are cumulative from the start of each calendar year and reset on January 1. PV of new PPG external debt ceiling applies to debt contracted/guaranteed during each calendar year (Jan 1–Dec 31) and resets at the start of each year.
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, 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	Strengthen 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	Strengthen 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, 2025

Item	Measures	Date (end-of-period)	Outcome/Status	Objective	Rationale and Measurement
	Structural Benchmarks				
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-April 2026	Not met, implemented with delay	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, implemented with delay	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.

Table 4. Mauritania: Structural Benchmarks, 2026–2027

Item	Measures	Date (end-of-period)	Outcome/Status	Objective	Rationale and Measurement
Pillar I					
1	Adopt a progressive tax expenditure (exemptions) rationalization plan for introduction in the 2027 budget, and establish a formal tax expenditure evaluation framework in line with IMF TA recommendations.	End-September 2026		Tax Policy – Reduction of tax exemptions	Strengthen the efficiency and transparency of tax expenditures through a progressive rationalization and the establishment of a formal evaluation framework.
2	Establish operational procedures and staffing plan for Public Investment Directorate, and complete staffing for at least 3 additional qualified staff.	End-September 2026		Public Financial Management – Improvement of public investment management	Strengthen the operational capacity of the Public Investment Directorate
3	Complete diagnostic assessment of constraints to interbank FX market development and publish an action plan.	End-September 2026		ER Flexibility improvement	Identify and reduce structural, regulatory, and behavioral factors inhibiting further ER flexibility.
4	Adopt amendments to the start-up law aligning tax and customs incentives with the investment code to eliminate distortions between preferential regimes.	End-March 2027		Tax Policy – Improve the tax system and reduce tax expenditures	Ensure alignment of tax and customs incentives across legal frameworks to reduce distortions between preferential regimes.
Pillar II					
5	Accelerate the effective establishment of a central commercial registry (RCC) by (i) establishing an integrated information system encompassing the component of the local and central trade registers; (ii) making the use of the nomenclature of activities mandatory for government institutions; (iii) establishing 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) deciding on the management mechanism for the RCC (management by a central administration, public service delegation, or direct management)	End-December 2026		Improve firm transparency, facilitate formalization, and support a more efficient and competitive business environment.	Reduce information asymmetries, streamline business registration, and enhance market transparency.
6	Introduce the public expenditure tracking survey (PETS) in the education and health sectors to effectively track the flow of public resources and publish the results	End-December 2026		Strengthen transparency and accountability in social spending in the health and education sectors.	Identify leakages and bottlenecks in the flow of public resources, improving spending efficiency and service delivery.
Pillar III					
7	Ensure that all businesses existing in the Nouadhibou Free Trade Zone (FTZ) are registered in the tax administration and have a tax identification number (TIN).	End-September 2026		Enhance tax compliance	Address weaknesses in the effective implementation of the Nouadhibou FTZ law while enhancing tax compliance and reveneu collection
8	Adopt an Excel SOE tool developed by STA and report data on the 5 largest commercial public enterprises by September 2026 using the tool.	End-September 2026		Improve data collection and monitoring	Address data gaps on public enterprises, supporting enhanced monitoring of public enterprises financial performance
9	Using the same tool, report data on the additional 10 largest commercial public enterprises.	End-December 2026		Improve data collection and monitoring	Address data gaps on public enterprises, supporting enhanced monitoring of public enterprises financial performance
10	Include in the 2027 Budget Law documentation (i) a consolidated table reporting budgetary transfers and subsidies to SOEs, disaggregated by entity and covering the previous three years and medium-term projections; and (ii) present these transfers as distinct line items in the budget.	End-December 2026		Improve data transparency and monitoring	Adress transparency gaps on the relationship between public enterprises and the central government

Figure 1. Mauritania: Reform Measures

End- Dec 2023
RSF Approval

ECF-EFF 2nd Review
End-Apr 2024
RSF 1st Observance
(11.54% of quota)
14.86 Millions of SDR

ECF-EFF 3rd Review
End-Oct 2024
RSF 2nd Observance
(23.08% of quota)
29.72 Millions of SDR

ECF-EFF 4th Review
End-Apr 2025
RSF 3rd Observance
(34.62% of quota)
44.58 Millions of SDR

ECF-EFF 5th Review
End-Oct 2025
RSF 4th Observance
(46.15% of quota)
59.44 Millions of SDR

ECF-EFF 6th Review
End-Apr 2026
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

RM III[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

RM I[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

RM II[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.

Met

RM IV[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.

Met

Reform Area 2:
Social Protection Against Climate Shocks

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

RM V[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

RM VI[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

RM VII[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

RM IX[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

RM VIII[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

RM X[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

RM XI[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

RM XIII[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.

Met

RM XII[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.

Met

1/ Adaptation.
2/ Mitigation.
3/ Increasing LPG prices can lead to the substitution towards dirty cooking fuels like biomass and kerosene, thus justifying its exclusion from the reform.
4/ CAPIP - Public Investment Analysis and Programming Committee (*Comité d'Analyse et de Programmation de l'Investissement public*).

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 described in Table 1 of the MEFP at 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 at end-March 2026 (US$4862.76 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, end-March 2026 rates for exchange of the U.S. dollar against the new ouguiya (US$1 = MRU 39.90), the SDR (US$1.36 = SDR 1), the euro (US$1.15 = 1 euro), and other currencies published in the *IMF's database International Financial Statistics* (IFS). 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. 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 I'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]

- 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

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

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 US$ SOFR is 3.1 percent and will remain fixed for the duration of the program.[2] The program reference rate for the EUR ESTR is 1.9 percent and will remain fixed for the duration of the program. Where the variable rate is linked to a benchmark interest rate other than the US$ SOFR or EUR ESTR, a spread reflecting the difference between the benchmark rate and the US$ SOFR (rounded to the nearest 50 bps) will be added.

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

[2] The SOFR and ESTR reference rates are based on the "average projected rates" over 2026-31 from the April 2026 World Economic Outlook.

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 end-March 2026 exchange rates 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$1.36 = SDR 1) and other national currencies, namely, the euro (US$1.15 = 1 euro), the Kuwaiti dinar (KWD 0.31 = US$1), the Saudi rial (SR 3.75 = US$1), and the pound sterling (£ 0.76 = 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.

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 and net 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 to include Caisse des Dépôts et de Développement, 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 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 each month. The information required consists of the external debt file covering external debt service and stock of the BCM, the government, and the SNIM, including any government guaranteed debt; 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). In an annex, monthly data on the subsidies and transfers to both commercial and non-commercial public enterprises by entity and nature of economic spending (salaries and wages, purchase of good and services, other transfers, subsidies, investments, etc.). 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.

INTERNATIONAL MONETARY FUND

ISLAMIC REPUBLIC OF MAURITANIA

June 9, 2026

REQUESTS FOR AN EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, CANCELLATION OF THE CURRENT ARRANGEMENTS UNDER THE EXTENDED FUND FACILITY AND THE EXTENDED CREDIT FACILITY, AND FIFTH REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—DEBT SUSTAINABILITY ANALYSIS

Approved By
Taline Koranchelian and Jacques Miniane (IMF), and Manuela Francisco and Seynabou Sakho (IDA)

Prepared by the staff 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 Judgement	*No*

Mauritania's risk of external and overall public debt distress is assessed as "moderate"—unchanged from the previous DSA published in February 2026—with 'some space' to absorb shocks. All external and public debt indicators remain below their thresholds under the baseline scenario. External and public debt therefore continue to be assessed as sustainable. The simulated exports shock leads to a threshold breach in external debt service to exports ratios. For public debt, simulated real-GDP and commodity price shocks lead to threshold breaches. Mauritania is assessed as having a medium debt-carrying capacity, in line with the previous DSA. This assessment is subject to downside risks. Adverse commodity price fluctuations 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. Upside risks include new phases of the GTA gas project and other mining projects, and better than expected terms of trade. 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 2.95 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 April 2026 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 Industrielle et Minière (SNIM), classified as private external debt (SNIM has one publicly guaranteed loan with the Fonds Arabe pour le Développement Économique 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 communication in July 2025. The response received from FADES indicated that its role in managing the OAPEC loans does not grant it the authority to cancel these loans, and

[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.

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 and plan to continue those in 2026, 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, totaling US$49.2 million, has been under renegotiations since 1985. The Mauritanian authorities understand that the full debt cancellation has been agreed by the Brazilian authorities under the Paris Club framework. Preliminary information indicates that an agreement for partial debt cancellation has been reached, with a draft agreement, reflecting a decision to cancel 98 percent of the existing debt, with the remaining 2 percent (US$ 983 276,13) 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 4.7 percent of GDP (US$567.8 million, as of end-2025) for the GTA project loan to SMH, and SNIM's non-guaranteed debt (0.1 percent of GDP), giving a SOE debt shock totaling 6.8 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 8.75 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 3.06 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

		Default	Used for the analysis	Reasons for deviations from the default settings
1	The country's coverage of public debt	The central government, central bank, government-guaranteed debt		
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	6.8	Default value (2 percent of GDP) plus SNIM debt (about 0.1 percent of GDP) and GTA debt (4.7 percent of GDP).
4	PPP	35 percent of PPP stock	3.1	
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)		14.9	

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). The Ministry of Economy and Finance and BCM external debt databases cover central government (that includes the government guaranteed external debt of the SOEs), SNIM, and BCM debt. 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

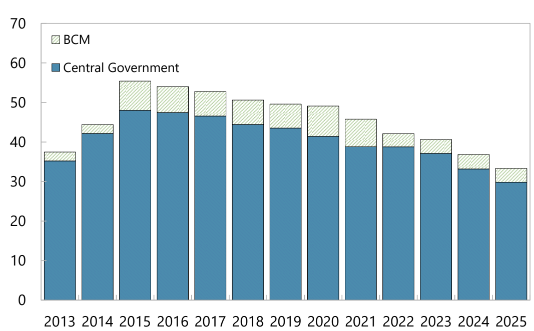
7. Total external debt, which includes PPG and non-PPG external debt, decreased from 44.0 percent of GDP in 2024 to 40.4 percent of GDP in 2025.

- The PPG external debt-to-GDP ratio declined from 36.9 percent in 2024 to 33.3 percent in 2025, extending the downward trend observed for the past decade. 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, but recovered thereafter. 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.

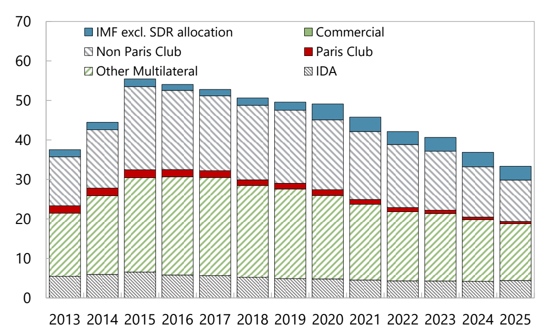
- Non-PPG external debt broadly remained unchanged at 7.1 percent of GDP. The decline in the GTA-related loan and SNIM's non-guaranteed debt as a share of GDP was offset by the increase in external borrowing by commercial banks.

Text Figure 1. Mauritania: PPG External Debt, 2013–2025

PPG External Debt by Debtor
(In percent of GDP)



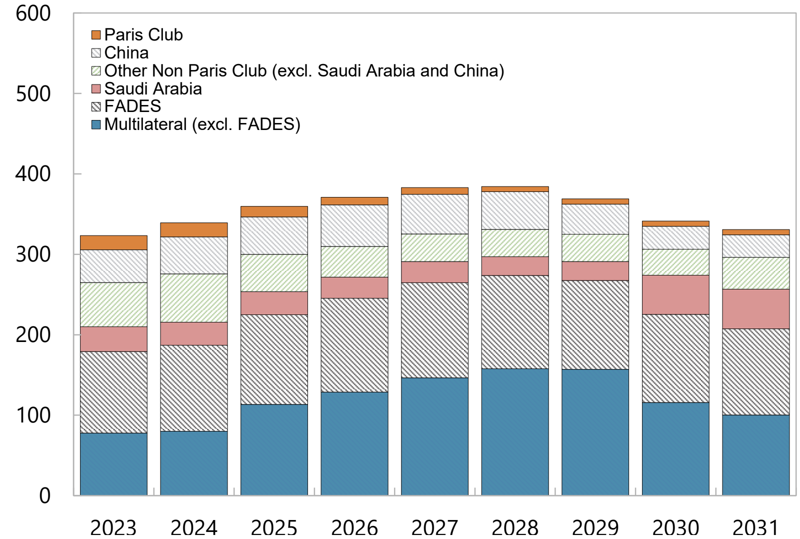
PPG External Debt by Creditors
(In percent of GDP)



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

8. Official non-Paris Club bilateral and multilateral creditors other than IMF and IDA represented 74.6 percent of PPG external debt at end-2025. This is 2.3 percentage points of GDP below the 76.9 percent at end-2024. As of end-2025, the top two creditors were the Arab Fund for Economic and Social Development (FADES) and Saudi Arabia, representing 30.8 and 15.9 percent of Mauritania's PPG external debt respectively.

Text Figure 2. Mauritania: External Debt Service, 2023–2031
(In Millions USD)



Source: Mauritanian authorities and IMF staff estimates.
Note: 2026-2031 are projections.

9. **Public domestic debt is estimated to have remained relatively low.**[6] Domestic public debt at end-2025 stood at 7.4 percent of GDP. Debt associated with the BCM convention[7] stood at MRU 4.78 billion at end-2025, representing 13.7 percent of domestic debt stock. The amortization schedule for this debt extends through 2038, implying a remaining maturity of about 12 years. Marketable debt stock in the domestic market—excluding debt related to the BCM convention—represents 86.3 percent of total domestic debt (MRU 34.85 billion) at end-2025 and is evenly distributed across maturities, with T-bills accounting for about 50 percent and bonds about 50 percent of total marketable debt in 2025. This composition entails elevated rollover risks. Mitigating these risks will require further lengthening of the maturities and sustained efforts to deepen interbank liquidity. Encouragingly, banks' growing appetite for longer tenors is evidenced by the authorities' successful issuance of government securities with maturities of 5, 8, 9, and 10 years in 2025. The authorities' medium-term debt strategy, which envisions a gradual extension of maturities, appears feasible in light of this demonstrated demand for longer-term instruments.

[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.

Text Table 3. Mauritania: Decomposition of Public Debt and Debt Service by Creditor, 2025–2027 /1

	Debt Stock (end-2025)			Debt Service					
	In millions US$	Percent of total debt	Percent of GDP	2025 (Millions US$)	2026 (Millions US$)	2027 (Millions US$)	2025 (Percent of GDP)	2026 (Percent of GDP)	2027 (Percent of GDP)
Total PPG debt (external + domestic)	**4,948.5**	**100.0**	**40.7**	**862.7**	**844.8**	**894.5**	**7.1**	**6.0**	**6.1**
External	**4,052.1**	**81.9**	**33.3**	**359.7**	**370.9**	**383.1**	**3.0**	**2.6**	**2.6**
Multilateral creditors	2,712.8	54.8	22.3	224.9	245.4	264.7	1.9	1.6	1.8
IMF	427.2	8.6	3.5	35.7	52.9	71.9	0.3	0.3	0.5
World Bank	536.3	10.8	4.4	18.9	19.4	20.8	0.2	0.1	0.1
FADES	1,248.7	25.2	10.3	111.6	116.8	118.3	0.9	0.8	0.8
IsDB	283.4	5.7	2.3	42.9	41.7	41.4	0.4	0.3	0.3
Other multilaterals	217.3	4.4	1.8	16.0	14.6	12.4	0.1	0.1	0.1
Bilateral creditors	1,339.2	27.1	11.0	134.8	125.4	118.4	1.1	1.0	0.8
Paris Club	65.1	1.3	0.5	13.1	9.3	8.4	0.1	0.1	0.1
France (incl. AFD)	58.6	1.2	0.5	11.0	7.4	7.0	0.1	0.1	0.0
Spain	4.5	0.1	0.0	1.9	1.7	1.2	0.0	0.0	0.0
Other Paris Club	2.1	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0
Non-Paris Club	1,274.1	25.7	10.5	121.6	116.1	109.9	1.0	0.9	0.7
Saudi Arabia	646.1	13.1	5.3	28.6	26.3	26.4	0.2	0.2	0.2
China	266.3	5.4	2.2	46.6	51.6	49.4	0.4	0.3	0.3
Kuwait	230.5	4.7	1.9	20.3	20.0	19.7	0.2	0.1	0.1
Other Non-Paris Club	131.2	2.7	1.1	26.1	18.2	14.5	0.2	0.2	0.1
Domestic	**896.4**	**18.1**	**7.4**	**503.0**	**474.0**	**511.5**	**4.1**	**3.4**	**3.5**
Memo items:									
Collateralized debt[2]	-	-	-						
Contingent liabilities	579.4	11.7	4.8						
o/w Public guarantees	-	-	-						
o/w Other explicit contingent liabilities[3]	567.8	11.5	4.7						
Nominal GDP	12,097			12,097	14,077	14,669			

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. **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 ("Ilott 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 balance 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.

11. **Debt service, as a share of GDP, is projected to subside somewhat after 2025**. In 2025, higher PPG debt service in both nominal and relative terms was largely driven by an increase in domestic debt service, including due to the increased amortization of the long-term debt associated with the BCM

Convention.[8] Total PPG debt service is expected to subside in relative terms from 7.1 percent of GDP in 2025 to 6.0 percent of GDP in 2026 and remain close to this level in 2027.

DEBT PROJECTIONS

12. 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, projected at around US$218 million in 2026, keep the same weight distribution between multilateral and bilateral creditors as seen historically and assume a gradual reduction in grant-equivalent financing. Moreover, the baseline includes the World Bank's projected disbursements (about US$142 million on average over 2026-31, and about US$74 million thereafter, with financing terms reflecting the new IDA 21 terms).[9] Domestic financing is projected to continue the even split between 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. New external debt disbursements are expected to average 3.0 percent of GDP over 2026-31.

13. IMF program financing is integrated into the baseline. The disbursements from the current ECF, EFF and RSF arrangements, as well as the new ECF/EFF arrangements are integrated into the baseline distributed across 2023-29. 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

14. Mauritania's economic performance remains sound. Economic activity decelerated to 4.0 percent in 2025, due to a contraction in the extractive output, notably gold production, and a slowdown in the non-extractive sector, reflecting a normalization in financial sector growth and a slowdown in fisheries and commerce growth. Inflation accelerated to 4.1 percent at end-December 2025, driven by an increase in food and beverages inflation. The upward trend continued in early 2026, with inflation reaching 7.6 percent in April 2026. Food and beverages inflation continues to drive the surge in inflation. Tobacco products also contributed to the increase in inflation, followed by housing, water, gas, electricity, and other fuels on the increase in the price of butane gas cylinders.

15. External buffers remain solid. The CA deficit in 2025 declined to 3.4 percent of GDP, from 9.5 percent in 2024, driven by smaller trade deficits amid strong gold exports receipts as price gains more than offset lower production volumes. Primary income deficit also narrowed. Capital and financial account inflows declined from 7.0 percent of GDP in 2024 to 2.6 percent in 2025, mainly reflecting lower GTA-related

[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.

[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.

FDI, while outflows from foreign owned commodity exporters remained broadly unchanged. By end-December 2025, gross international reserves increased from USD 1.9 bn at end-2024 to USD 2.2 bn.

16. The overall fiscal deficit narrowed in 2025, driven by stronger revenue performance while spending remained broadly contained. The primary balance in 2025 improved to 0.5 percent of GDP (from -0.4 in 2024), mainly on the back of stronger revenue mobilization. End-December 2025 revenues (including grants) reached 23.5 percent of GDP, up from 22.2 percent of GDP in 2024, reflecting the introduction of the carbon tax, improved tax collection, and higher extractive revenues, supported in part by elevated gold prices. Fiscal revenues from Tasiast increased from MRU 3.5 billion in 2022 to MRU 9.2 billion in 2025, equivalent to about 14 percent of Tasiast's earnings in 2025, with their share of total revenues rising from 4.3 percent in 2022 to 8.7 percent in 2025. Total expenditures increased from 23.6 percent in 2024 to 23.8 percent of GDP in 2025.

Text Table 4. Mauritania: Macroeconomic Assumptions, 2025–2045

	2025	2026	2027	2028	2029	2030	2031-35	2036-45
Real GDP growth								
Current DSA	4.0	4.7	4.5	5.7	4.9	3.0	4.1	4.3
Previous DSA	4.2	4.7	4.6	5.7	4.9	3.0	3.9	3.5
Real GDP growth (Non-extractive)								
Current DSA	5.1	4.3	4.4	4.5	4.5	4.4	4.5	4.7
Previous DSA	5.5	5.0	4.5	4.4	4.4	4.4	4.4	3.5
Nominal GDP (millions of US$)								
Current DSA	12,097	14,077	14,669	15,498	16,349	16,879	18,569	26,067
Previous DSA	12,155	13,083	13,804	14,561	15,323	15,671	16,213	21,071
GDP Deflator (percent change)								
Current DSA	5.1	12.9	2.9	2.0	2.6	2.2	1.8	2.7
Previous DSA	5.6	2.6	1.7	1.3	2.2	1.3	0.8	1.4
Inflation (EoP)								
Current DSA	4.1	4.5	4.2	4.0	4.0	4.0	4.0	4.0
Previous DSA	2.0	3.0	3.5	4.0	4.0	4.0	4.0	4.0
Exports, goods & services (percent of GDP)								
Current DSA	38.4	41.7	40.5	44.1	41.5	39.1	27.3	20.9
Previous DSA	38.1	35.5	36.1	36.4	34.8	33.2	30.8	25.3
Current account balance (percent of GDP)								
Current DSA	-3.4	-5.8	-5.9	-4.9	-5.8	-6.6	-6.8	-6.5
Previous DSA	-6.3	-6.9	-5.4	-5.3	-5.6	-6.7	-7.3	-6.4
Revenue and grants (percent of GDP)								
Current DSA	23.5	25.0	25.3	25.4	26.0	26.4	27.9	31.3
Previous DSA	24.1	25.2	25.3	25.3	26.1	26.5	26.7	29.0
Primary fiscal balance (percent of GDP)								
Current DSA	0.5	1.1	1.9	2.1	2.2	2.0	1.7	0.4
Previous DSA	0.6	0.3	0.1	0.2	0.3	0.0	-0.3	0.4
Expenditure (percent of GDP)								
Current DSA	23.8	25.0	24.3	24.2	24.8	25.4	27.3	32.1
Previous DSA	24.5	25.9	26.0	26.0	26.7	27.4	28.1	29.8
Price of iron ore (US$/ton)								
Current DSA	103.7	102.3	98.0	94.7	90.8	89.5	89.5	89.5
Previous DSA	102.7	100.2	94.8	88.9	88.9	88.9	88.9	88.9
Price of gold (US$/ounce)								
Current DSA	3,440	5,235	5,500	5,571	5,571	5,571	5,571	5,571
Previous DSA	3,247	3,556	3,657	3,657	3,657	3,657	3,657	3,657

Sources: Mauritanian authorities; and Fund staff estimates and projections.
Note: Gold price assumptions follow Spring 2026 WEO projections.

17. Credit growth to the private sector strengthened in 2025. Credit to private sector posted growth at 12.2 percent in 2025, up from 8.8 percent in 2024, while broad money increased by 13.9 percent (13.3 percent in 2024).

18. The outlook is subject to considerable uncertainty (see Text-Table 4).

- **In the near term:**
  - In 2026, growth is projected to increase to 4.7 percent, as the extractives sector strengthens further and GTA production reaches full capacity. Non-extractive sector growth, however, is expected to slow to 4.3 percent due to the impact of the war in the Middle East. The CA deficit is projected to widen to 5.8 percent of GDP. There is a high uncertainty around the energy import bill, which is now projected to rise significantly, driven by higher oil prices and an increase in import volumes linked to a new oil storage. While gold export revenues are expected to increase on the back of higher prices, this is accompanied by a widening in net income deficit, as the foreign-owned gold exporting companies repatriate dividends abroad. The balance on the capital and financial accounts is projected to improve to 3.0 percent of GDP, from 2.6 percent in 2025. This modest strengthening reflects lower outflows from commodity exporting companies. Yet, gross international reserves are projected to decline to USD 1.9 bn. The non-extractive primary deficit (NEPD) is projected to increase from 3.0 percent in 2025 to 4.0 percent in 2026, in light of elevated spending pressures related to the conflict in the Middle East.

- **In the medium term (2027–31):**
  - Growth is expected to strengthen and peak at 5.7 percent in 2028 as gold and iron ore production strengthens. Growth in the non-extractive sector, however, is expected to decelerate to around its historical trend of 4.4 percent. While in recent years one-off developments and investments have led to boosts in certain non-extractive sectors, such as mobile payments in the financial sector and increased public infrastructure investments in the construction sector, other sectors are still lagging and require sustain reform efforts and investments to contribute meaningfully to growth. In the long run, growth is expected to stabilize around 4¼ percent,[10] reflecting uncertainty around long-term extractive sector projects, on which growth remains dependent. 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 and the World Bank's Program for Results operation (Mauritania Public Spending Efficiency, P506443). On the supply side, growth will be underpinned by favorable demographic trend, including growth in the working-age population, modest improvements in labor force participation, particularly among women; productivity gains from structural diversification and improvements in the business environment, and continued capital deepening.

[10] This projection represents an upward revision relative to the January 2026 DSA, reflecting structural reforms supporting growth in the non-extractive sector, these include reforms to enhance financial intermediation, improve the efficiency of public investments and promote private sector participation.

- The acceleration in gold and iron ore production, gas exports from the GTA project, along with strong gold prices, would support a narrowing of the CA deficit to 4.9 percent of GDP in 2028 and an increase in FX buffers. Beyond that, the CA deficit is projected to widen to 6.7 percent of GDP in 2031 reflecting a decline in gold exports. 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. Financial and capital inflows will remain solid thanks to reinvested earnings and additional investment in extractive projects.

- Fiscal policy over 2027-2031 will remain 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.

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

- Between 2020 and 2025, the external PPG debt declined by 15.8 percentage points of GDP. This decline was about 5.2 percentage points of GDP larger than the five-year decline projected in the 2020 DSA, due to more favorable current account balance and FDI flows, interest rate, and price and exchange rate movements, despite the impact of 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 over the past 5 years. As 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. Real GDP growth and price and real exchange rate movements are expected to slow external debt accumulation. For public debt, real GDP growth and primary deficit are expected to play the largest roles in containing its 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. Baseline GDP growth is above fiscal impulse projections from 2025 driven by strong performance in the extractive sector.

- Finally, under the current DSA, the contribution of government capital to growth over the next five years has increased compared to the previous DSA reflecting the reforms to increase 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 management, in addition to the reform measures under the RSF.

COUNTRY CLASSIFICATION AND STRESS TESTS

20. Mauritania's debt carrying capacity is assessed as "medium". The Composite Indicator (CI) score of 2.95 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 macroeconomic variables from April 2026 WEO vintage. Text table 6 presents the resulting applicable thresholds used for the debt sustainability analysis.

21. 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	3.519	1.35	46%
Real growth rate (in percent)	2.719	4.736	0.13	4%
Import coverage of reserves (in percent)	4.052	37.372	1.51	51%
Import coverage of reserves^2 (in percent)	-3.990	13.967	-0.56	-19%
Remittances (in percent)	2.022	0.856	0.02	1%
World economic growth (in percent)	13.520	3.637	0.49	17%
CI Score			2.950	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

22. 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 the first projection year from their respective historical averages, while the exchange rate is stressed with a one-time 30 percent depreciation in the first projection year. 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 and a natural disaster stress test also use the default settings. Tailored stress test is carried out on contingent liabilities stock. It is applied to the default value for the non-guaranteed SOE debt shock (2 percent of GDP) augmented by the SNIM debt (0.1 percent of GDP at end-2025, ¶14) and the GTA-related debt held by SMH (4.7 percent of GDP), in line with the approach of the previous DSA.

DEBT SUSTAINABILITY ASSESSMENT

A. External Debt Sustainability

23. 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 exports shocks lead to a threshold breach in debt service to exports ratios.

24. 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 remains within "some space" in 2026, while moving below the threshold and staying slightly below it during the projection period. The PV of debt-to-exports ratio and the debt service-to-export ratio remain in the "substantial space" category during the entire period, while moving upwards towards the threshold. The debt service-to-revenue ratio has moved from "some space" category to "substantial space" category in 2026.

B. Public Debt Sustainability

25. Mauritania is evaluated at moderate risk of public debt distress. Under the baseline scenario, the PV of the debt-to-GDP ratio remains under its indicative benchmark. Under stress tests, real-GDP growth shocks and commodity price shocks lead to benchmark 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.

CLIMATE-RELATED RISKS

26. Mauritania is vulnerable to the consequences of climate change through various channels which might affect the debt dynamics. World Bank's Country Climate and Development Report (CCDR) for SAHEL region (2022) identified that climate change might negatively affect agriculture, livestock, fisheries, water resources, ecosystems, and human health of the countries in the region. This weighs on the long-term growth and debt sustainability, calling for higher adaptive investment.[11] The cost of adaptation for Mauritania is high, up to US$10.6 billion according to the National Determined Contributions (NDC) Report. Therefore, it is crucial to increase the efficiency of public investment, ensure that public investment plans consider climate adaptive elements in appraisal and selection process, rely on grant and highly concessional financing to the extent possible, promote private sector financing in climate-related projects (while keeping fiscal risks in check), and mobilize additional tax revenues.

[11] The current baseline incorporates climate change-related losses to GDP over the medium and long run, consistent with the World Bank CCDR's estimates of cumulative GDP losses of 5.1 percent of GDP by 2040 under the medium-growth/climate-shock with partial adaptation/dry scenario with a yearly adaptation investment as percentage of GDP of about 1 percent of GDP per year.

27. A natural disaster stress test for Mauritania illustrates the risks to debt sustainability of a climate-related event. The natural disaster stress test uses default settings[12] that assume a one-off shock of 10 percentage points to external PPG debt-GDP ratio in the second year of the projection period, and the associated real GDP growth and export growth are lowered by 1.5 and 3.5 percentage points, respectively, in the year of the shock. Table 2 illustrates that no thresholds are breached under this shock, suggesting limited risks to debt sustainability.

RISK RATING AND VULNERABILITIES

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

29. 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, sustained 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. A sustained price correction toward historical averages would materially reduce export receipts, fiscal revenues, and growth prospects, with adverse implications for the external position and debt dynamics. Moreover, climate-related disasters (especially droughts) will continue to pose major risks for agriculture and livestock.

30. 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 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.

31. 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. Greater reliance on domestic financing could increase rollover and refinancing risks, but these are expected to remain manageable under the baseline. 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

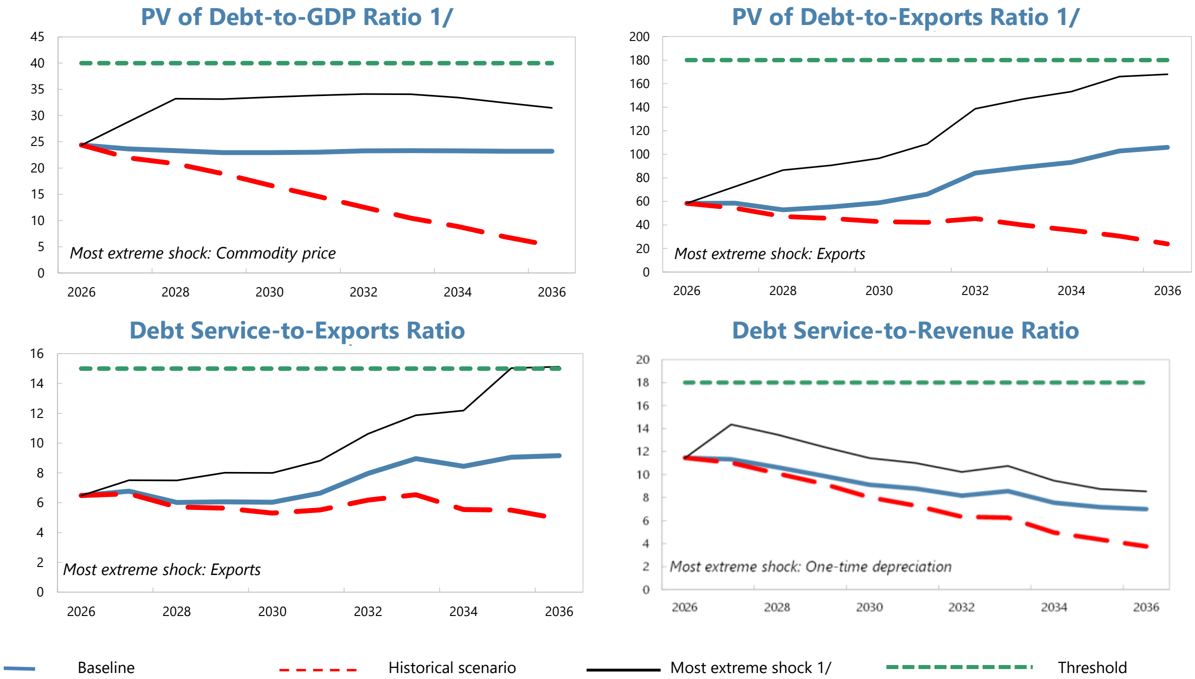
[12] Supplement to 2018 Guidance Note on the Bank-Fund Debt Sustainability Framework for Low Income Countries, 2024.

growth and development strategy and continue to make progress in implementing the policies needed to achieve them.

AUTHORITIES' VIEWS

32. 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, 2026–2036



Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL 3/	Yes	
Natural disaster	No	No
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.

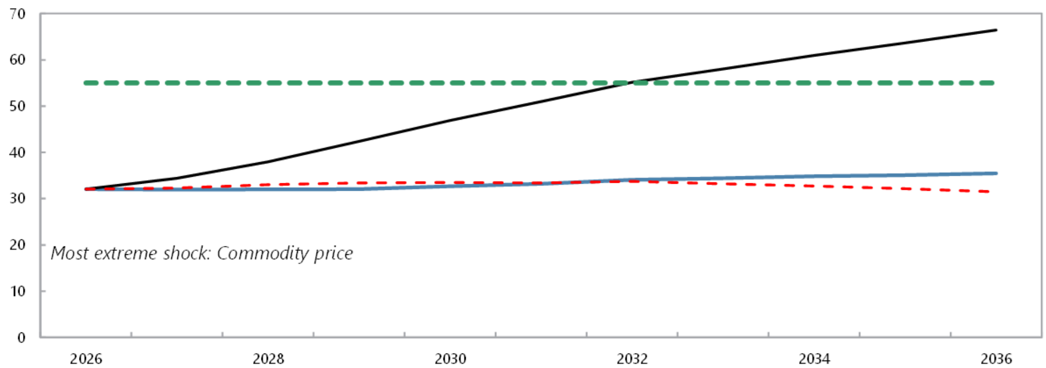
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	2.1%	2.1%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	22	22
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.

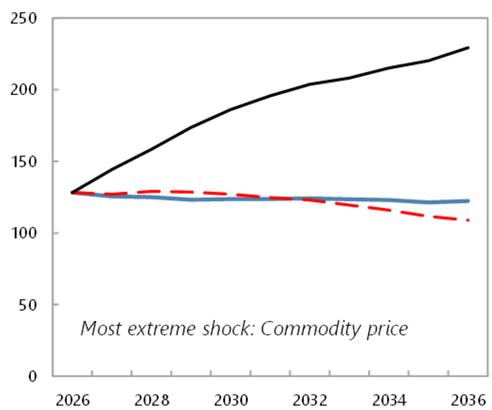
Sources: Country authorities; and staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress 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.

Figure 2. Mauritania: Indicators of Public Debt Under Alternative Scenarios, 2026–2036

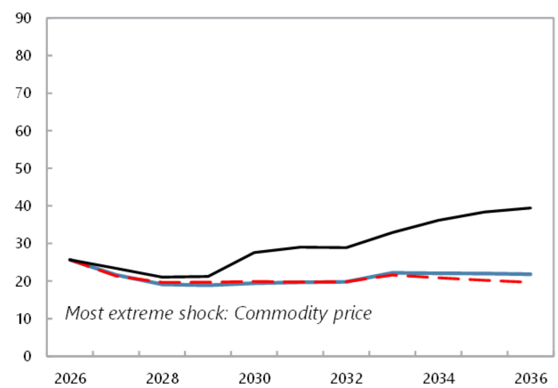
PV of Debt-to-GDP Ratio



PV of Debt-to-Revenue Ratio



Debt Service-to-Revenue Ratio



Baseline
TOTAL public debt benchmark
Most extreme shock 1/
Historical scenario

Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	42%	42%
Domestic medium and long-term	29%	29%
Domestic short-term	29%	29%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	2.1%	2.1%
Avg. maturity (incl. grace period)	22	22
Avg. grace period	6	6
Domestic MLT debt		
Avg. real interest rate on new borrowing	2.1%	2.1%
Avg. maturity (incl. grace period)	5	5
Avg. grace period	3	3
Domestic short-term debt		
Avg. real interest rate	0.8%	0.8%

Sources: Country authorities; and staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. 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.

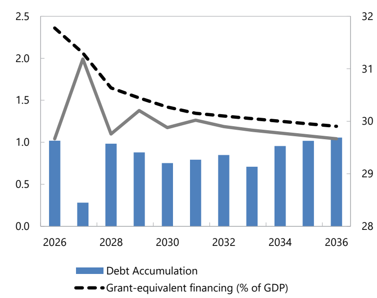
Table 1. Mauritania: External Debt Sustainability Framework, Baseline Scenario, 2023–2046

(In percent of GDP, unless otherwise indicated)

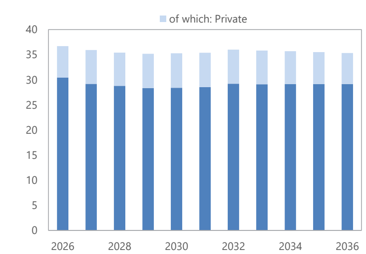
	Actual			Projections								Average 8/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
External debt (nominal) 1/	**46.7**	**44.0**	**40.4**	**36.7**	**35.9**	**35.4**	**35.2**	**35.3**	**35.4**	**35.3**	**33.8**	**53.2**	**35.6**
of which: public and publicly guaranteed (PPG)	**40.6**	**36.9**	**33.3**	**30.4**	**29.2**	**28.8**	**28.3**	**28.4**	**28.5**	**29.2**	**29.3**	**45.5**	**29.0**
Change in external debt	-0.9	-2.6	-3.6	-3.7	-0.8	-0.5	-0.2	0.1	0.1	-0.2	0.0		
Identified net debt-creating flows	**-4.3**	**-4.8**	**-6.6**	**1.0**	**-0.3**	**-1.5**	**-0.1**	**0.9**	**0.9**	**1.0**	**0.6**	**-3.8**	**0.4**
Non-interest current account deficit	**7.8**	**8.6**	**2.5**	**5.1**	**5.2**	**4.3**	**5.1**	**5.9**	**6.0**	**6.1**	**5.1**	**8.9**	**5.6**
Deficit in balance of goods and services	11.6	11.5	6.0	0.3	-1.8	-4.9	-3.7	-1.7	1.5	7.7	6.4	**12.1**	**2.3**
Exports	37.6	37.4	38.4	41.7	40.5	44.1	41.5	39.1	34.8	21.9	17.7		
Imports	49.2	48.9	44.4	42.1	38.6	39.2	37.8	37.4	36.3	29.6	24.1		
Net current transfers (negative = inflow)	-2.8	-3.0	-3.2	-2.8	-2.6	-2.6	-2.1	-2.1	-2.1	-1.5	-1.1	**-3.6**	**-2.0**
of which: official	-1.2	-2.2	-1.5	-1.5	-1.4	-1.4	-0.9	-0.9	-0.9	-0.3	-0.2		
Other current account flows (negative = net inflow)	-1.0	0.1	-0.3	7.5	9.6	11.8	10.9	9.6	6.6	-0.1	-0.2	**0.4**	**5.3**
Net FDI (negative = inflow)	**-7.9**	**-13.1**	**-6.1**	**-3.1**	**-4.7**	**-4.4**	**-4.2**	**-4.7**	**-4.8**	**-4.5**	**-3.6**	**-9.9**	**-4.5**
Endogenous debt dynamics 2/	**-4.2**	**-0.3**	**-3.1**	**-1.0**	**-0.9**	**-1.3**	**-1.0**	**-0.3**	**-0.3**	**-0.6**	**-0.9**		
Contribution from nominal interest rate	0.9	0.9	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7		
Contribution from real GDP growth	-2.9	-2.9	-1.6	-1.6	-1.6	-1.9	-1.6	-1.0	-1.0	-1.3	-1.5		
Contribution from price and exchange rate changes	-2.3	1.7	-2.4	...	...	...	...	...	...	...	...		
Residual 3/	**3.4**	**2.2**	**3.0**	**-4.7**	**-0.5**	**1.0**	**-0.2**	**-0.8**	**-0.8**	**-1.2**	**-0.6**	**1.1**	**-0.9**
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	**...**	**...**	**27.3**	**24.4**	**23.7**	**23.3**	**22.9**	**23.0**	**23.0**	**23.2**	**22.9**		
PV of PPG external debt-to-exports ratio	**...**	**...**	**71.2**	**58.4**	**58.5**	**52.9**	**55.3**	**58.8**	**66.1**	**106.0**	**129.4**		
PPG debt service-to-exports ratio	**8.0**	**8.7**	**7.7**	**6.5**	**6.8**	**6.0**	**6.1**	**6.0**	**6.6**	**9.1**	**10.9**		
PPG debt service-to-revenue ratio	**14.7**	**15.5**	**13.2**	**11.5**	**11.3**	**10.6**	**9.9**	**9.1**	**8.8**	**7.0**	**5.8**		
Gross external financing need (Billion of U.S. dollars)	0.5	0.0	0.2	1.0	0.8	0.7	0.9	1.0	1.0	1.2	1.6		
Key macroeconomic assumptions													
Real GDP growth (in percent)	6.8	6.3	4.0	4.7	4.5	5.7	4.9	3.0	3.0	3.9	4.8	**4.0**	**4.3**
GDP deflator in US dollar terms (change in percent)	5.0	-3.5	5.7	11.2	-0.3	-0.1	0.6	0.2	0.1	0.7	0.2	**3.0**	**0.9**
Effective interest rate (percent) 4/	2.1	1.9	2.3	1.9	1.9	1.9	2.0	2.1	2.2	2.2	2.1	**1.4**	**2.1**
Growth of exports of G&S (US dollar terms, in percent)	-3.4	2.1	13.0	26.4	1.0	15.2	-0.7	-2.8	-8.0	1.4	0.0	**11.4**	**0.5**
Growth of imports of G&S (US dollar terms, in percent)	-8.6	2.2	-0.2	10.2	-4.3	7.2	1.8	2.0	0.2	1.4	0.0	**8.2**	**1.4**
Grant element of new public sector borrowing (in percent)	...	...	...	29.7	31.2	29.8	30.2	29.9	30.0	29.7	29.0	**...**	**30.0**
Government revenues (excluding grants, in percent of GDP)	20.6	21.0	22.4	23.6	24.2	25.0	25.4	25.8	26.4	28.6	33.6	**20.4**	**26.3**
Aid flows (in Billion of US dollars) 5/	0.2	0.1	0.1	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.1		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.4	2.1	1.6	1.5	1.4	1.3	1.2	1.0	**...**	**1.5**
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	50.5	54.1	40.9	41.5	42.3	41.0	38.2	33.8	**...**	**42.4**
Nominal GDP (Billion of US dollars)	11	11	12	14	15	15	16	17	17	21	34		
Nominal dollar GDP growth	12.1	2.6	9.9	16.4	4.2	5.7	5.5	3.2	3.1	4.7	5.0	**7.0**	**5.2**
Memorandum items:													
PV of external debt 7/	...	...	34.4	30.7	30.4	29.9	29.8	29.8	29.9	29.3	27.4		
In percent of exports	...	...	89.6	73.5	75.1	67.9	71.7	76.4	85.8	134.2	154.8		
Total external debt service-to-exports ratio	12.8	13.0	12.5	11.7	11.9	11.0	10.9	11.4	12.9	17.7	17.5		
PV of PPG external debt (in Billion of US dollars)			3.3	3.4	3.5	3.6	3.8	3.9	4.0	4.9	7.8		
(PVt-PVt-1)/GDPt-1 (in percent)				1.0	0.3	1.0	0.9	0.8	0.8	1.1	1.1		
Non-interest current account deficit that stabilizes debt ratio	8.7	11.2	6.1	8.8	6.0	4.8	5.3	5.8	5.9	6.3	5.0		

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

Debt Accumulation



External Debt (nominal) 1/



Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g) + Ɛα (1+r)]/(1+g+ρ+gρ) 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, 2026–2036

(In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of Debt-to GDP Ratio											
Baseline	24	24	23	23	23	23	23	23	23	23	23
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	24	22	21	19	17	15	13	10	9	7	5
B. Bound Tests											
B1. Real GDP growth	24	25	26	26	26	26	26	26	26	26	26
B2. Primary balance	24	25	25	25	26	26	26	27	27	27	27
B3. Exports	24	27	33	33	33	33	34	34	33	33	32
B4. Other flows 3/	24	26	29	28	28	28	29	29	29	28	28
B5. Depreciation	24	30	29	28	28	28	28	28	28	28	28
B6. Combination of B1-B5	24	28	31	30	30	30	31	31	31	30	30
C. Tailored Tests											
C1. Combined contingent liabilities	24	28	29	29	29	30	31	32	32	32	32
C2. Natural disaster	24	27	28	28	28	29	30	30	31	31	31
C3. Commodity price	24	29	33	33	34	34	34	34	33	32	31
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	58	58	53	55	59	66	84	89	93	103	106
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	58	54	47	46	43	42	45	40	35	31	24
B. Bound Tests											
B1. Real GDP growth	58	58	53	55	59	66	84	89	93	103	106
B2. Primary balance	58	61	58	61	66	74	96	103	108	119	123
B3. Exports	58	72	87	91	97	109	139	147	153	166	168
B4. Other flows 3/	58	65	65	68	73	82	104	110	115	125	127
B5. Depreciation	58	58	51	53	57	64	81	86	90	99	103
B6. Combination of B1-B5	58	69	62	71	76	86	109	115	120	131	134
C. Tailored Tests											
C1. Combined contingent liabilities	58	70	66	70	74	86	112	120	127	141	146
C2. Natural disaster	58	68	64	68	73	84	110	118	126	140	146
C3. Commodity price	58	85	86	89	94	104	128	135	139	149	150
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	6	7	6	6	6	7	8	9	8	9	9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	6	7	6	6	5	6	6	7	6	6	5
B. Bound Tests											
B1. Real GDP growth	6	7	6	6	6	7	8	9	8	9	9
B2. Primary balance	6	7	6	6	6	7	8	9	9	10	10
B3. Exports	6	8	7	8	8	9	11	12	12	**15**	**15**
B4. Other flows 3/	6	7	6	6	6	7	8	10	10	11	11
B5. Depreciation	6	7	6	6	6	7	8	9	8	9	9
B6. Combination of B1-B5	6	7	7	7	7	8	9	10	11	12	12
C. Tailored Tests											
C1. Combined contingent liabilities	6	7	6	6	6	7	9	10	9	10	10
C2. Natural disaster	6	7	6	7	7	7	9	10	9	10	10
C3. Commodity price	6	8	7	8	8	8	10	11	12	14	14
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	11	11	11	10	9	9	8	9	8	7	7
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	11	11	10	9	8	7	6	6	5	4	4
B. Bound Tests											
B1. Real GDP growth	11	12	12	11	10	10	9	10	9	8	8
B2. Primary balance	11	11	11	10	9	9	8	9	8	8	8
B3. Exports	11	12	12	11	11	10	10	10	10	10	10
B4. Other flows 3/	11	11	11	10	10	9	9	9	9	9	9
B5. Depreciation	11	14	13	12	11	11	10	11	9	9	9
B6. Combination of B1-B5	11	12	12	12	11	10	10	10	10	10	9
C. Tailored Tests											
C1. Combined contingent liabilities	11	11	11	11	10	9	9	9	8	8	8
C2. Natural disaster	11	11	11	10	10	9	9	9	8	8	8
C3. Commodity price	11	12	12	12	11	11	10	10	10	11	10
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.

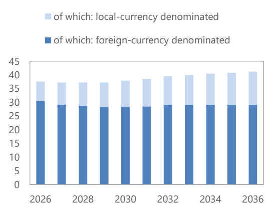
3/ Includes official and private transfers and FDI.

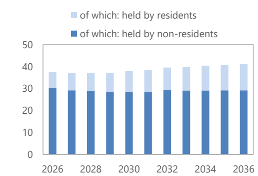
Table 3. Mauritania: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023–2046
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 7/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
Public sector debt 1/	47.0	43.5	40.7	37.6	37.2	37.2	37.2	37.9	38.5	41.2	43.8	51.8	38.9
of which: external debt	40.6	36.9	33.3	30.4	29.2	28.8	28.3	28.4	28.5	29.2	29.3	45.5	29.0
Change in public sector debt	-1.3	-3.5	-2.8	-3.1	-0.4	0.0	0.0	0.7	0.6	0.4	0.6		
Identified debt-creating flows	-2.3	-3.1	-3.5	-3.7	-3.5	-4.0	-3.6	-2.8	-2.8	-2.2	-1.4	-5.6	-3.1
Primary deficit	1.5	0.4	-0.5	-0.9	-1.9	-2.2	-2.1	-1.9	-2.0	-0.9	0.3	-1.0	-1.6
Revenue and grants	22.3	22.2	23.5	25.0	25.5	25.6	26.0	26.4	26.9	29.0	33.8	21.8	27.0
of which: grants	1.8	1.2	1.1	1.4	1.3	0.6	0.6	0.6	0.5	0.4	0.2		
Primary (noninterest) expenditure	23.8	22.6	23.0	24.1	23.5	23.4	24.0	24.5	24.9	28.1	34.1	20.9	25.4
Automatic debt dynamics	-2.0	-3.5	-3.0	-2.7	-1.6	-1.8	-1.6	-0.8	-0.8	-1.3	-1.7		
Contribution from interest rate/growth differential	-3.7	-3.0	-1.9	-2.7	-1.6	-1.8	-1.6	-0.8	-0.8	-1.3	-1.7		
of which: contribution from average real interest rate	-0.6	-0.2	-0.2	-0.9	0.0	0.2	0.2	0.2	0.3	0.3	0.3		
of which: contribution from real GDP growth	-3.1	-2.8	-1.7	-1.8	-1.6	-2.0	-1.7	-1.1	-1.1	-1.5	-2.0		
Contribution from real exchange rate depreciation	1.7	-0.6	-1.1	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	-1.8	0.0	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)	-1.8	0.0	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/	0.9	-0.4	0.7	0.5	3.1	4.0	3.6	3.4	3.4	2.6	1.9	3.7	3.1
Sustainability indicators													
PV of public debt-to-GDP ratio 3/	...	...	34.6	32.0	32.0	32.0	32.1	32.7	33.2	35.5	37.9		
PV of public debt-to-revenue and grants ratio	...	...	147.4	128.3	125.5	125.0	123.3	123.7	123.7	122.4	112.1		
Debt service-to-revenue and grants ratio 4/	22.0	25.8	30.3	25.7	21.6	19.1	18.9	19.4	19.6	21.8	20.9		
Gross financing need 5/	4.6	6.1	6.6	5.4	3.7	2.9	2.8	3.1	3.2	5.3	7.4		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	6.8	6.3	4.0	4.7	4.5	5.7	4.9	3.0	3.0	3.9	4.8	4.0	4.3
Average nominal interest rate on external debt (in percent)	2.0	1.7	1.9	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.1	0.7	1.9
Average real interest rate on domestic debt (in percent)	1.0	1.8	1.0	-9.4	1.3	2.4	2.1	2.6	2.8	2.3	1.8	-0.2	1.5
Real exchange rate depreciation (in percent, + indicates depreciation)	4.4	-1.4	-3.1	...	...	...	...	...	...	...	...	-0.4	...
Inflation rate (GDP deflator, in percent)	3.8	3.9	5.1	12.9	2.9	2.0	2.6	2.2	2.1	2.8	3.4	4.9	3.1
Growth of real primary spending (deflated by GDP deflator, in percent)	-8.1	0.6	6.1	9.5	2.2	5.2	7.3	5.2	4.8	5.4	8.5	4.4	6.2
Primary deficit that stabilizes the debt-to-GDP ratio 6/	2.8	3.9	2.3	2.2	-1.5	-2.2	-2.1	-2.6	-2.6	-1.3	-0.2	3.0	-1.7
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 stabilize 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, 2026–2036

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	PV of Debt-to-GDP Ratio										
Baseline	32	32	32	32	33	33	34	34	35	35	35
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	32	32	33	33	33	33	34	33	33	32	32
B. Bound Tests											
B1. Real GDP growth	32	35	40	43	46	49	53	**56**	**59**	**62**	**65**
B2. Primary balance	32	35	37	37	38	38	39	39	40	40	40
B3. Exports	32	35	40	40	41	42	43	43	43	43	43
B4. Other flows 3/	32	35	37	37	38	39	40	40	40	40	40
B5. Depreciation	32	37	35	33	32	31	30	28	27	26	24
B6. Combination of B1-B5	32	33	34	33	33	34	35	35	36	36	37
C. Tailored Tests											
C1. Combined contingent liabilities	32	45	44	44	44	45	45	45	46	46	46
C2. Natural disaster	32	42	41	41	42	43	44	44	45	45	46
C3. Commodity price	32	34	38	42	47	51	**55**	**58**	**61**	**64**	**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	128	126	125	123	124	124	124	124	123	121	122
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	128	127	129	129	127	125	123	120	116	112	109
B. Bound Tests											
B1. Real GDP growth	128	136	156	163	174	183	193	201	208	214	224
B2. Primary balance	128	136	146	143	143	143	142	141	140	138	138
B3. Exports	128	137	158	155	155	155	155	154	153	149	147
B4. Other flows 3/	128	136	146	144	144	144	145	144	142	139	139
B5. Depreciation	128	146	136	128	121	115	109	102	96	89	85
B6. Combination of B1-B5	128	130	135	126	127	126	127	126	126	125	127
C. Tailored Tests											
C1. Combined contingent liabilities	128	177	173	168	168	166	165	163	161	158	159
C2. Natural disaster	128	163	161	159	160	160	160	159	159	157	159
C3. Commodity price	128	144	158	174	186	196	204	208	215	220	229
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	26	22	19	19	19	20	20	22	22	22	22
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	26	21	20	20	20	20	20	22	21	20	20
B. Bound Tests											
B1. Real GDP growth	26	23	23	25	27	29	31	35	37	38	39
B2. Primary balance	26	22	23	24	22	22	24	26	25	24	24
B3. Exports	26	22	19	20	20	20	21	23	23	25	24
B4. Other flows 3/	26	22	19	19	20	20	20	23	23	24	23
B5. Depreciation	26	22	21	19	21	21	20	22	22	21	21
B6. Combination of B1-B5	26	21	19	20	20	20	21	23	24	24	25
C. Tailored Tests											
C1. Combined contingent liabilities	26	22	36	25	23	28	31	29	26	26	26
C2. Natural disaster	26	22	31	24	23	27	29	28	26	26	27
C3. Commodity price	26	23	21	21	28	29	29	33	36	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.

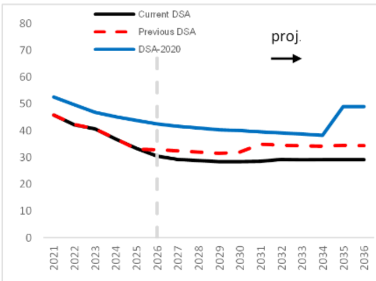
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

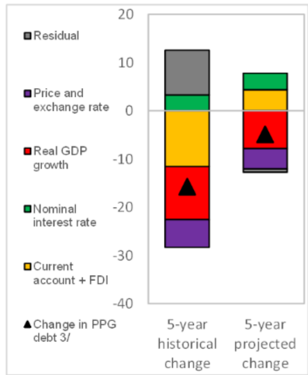
Figure 3. Mauritania: Drivers of Debt Dynamics – Baseline Scenario

External Debt

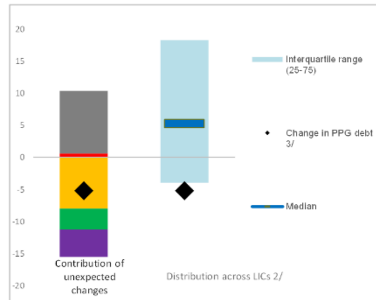
Gross Nominal PPG External Debt
(in percent of GDP; DSA vintages)



Debt-Creating Flows
(percent of GDP)

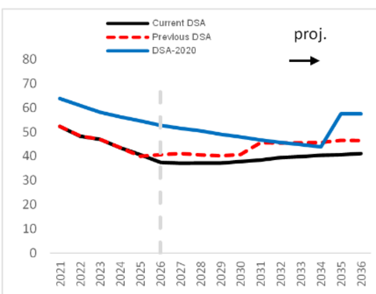


Unexpected Changes in Debt 1/
(past 5 years, percent of GDP)

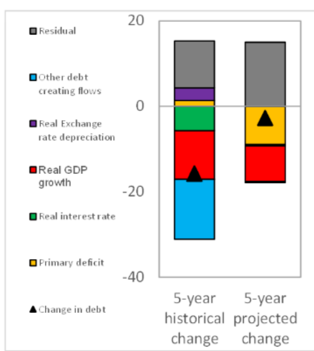


Public Debt

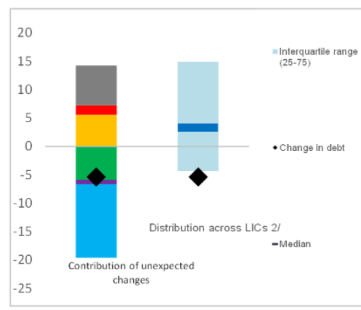
Gross Nominal Public Debt
(in percent of GDP; DSA vintages)



Debt-Creating Flows
(percent of GDP)



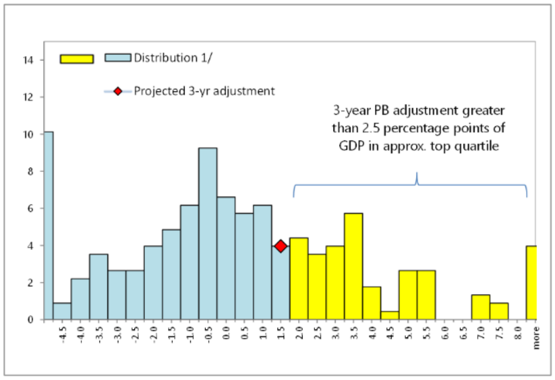
Unexpected Changes in Debt 1/
(past 5 years, percent of GDP)



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.

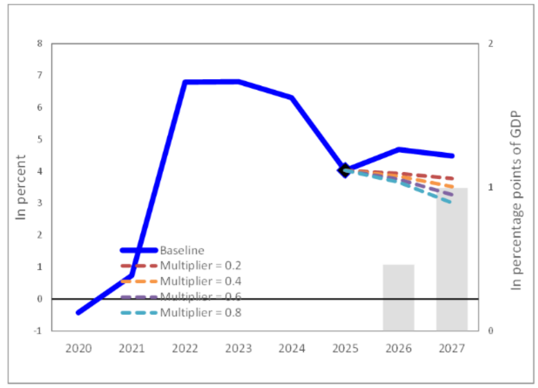
Figure 4. Mauritania: Realism Tools

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



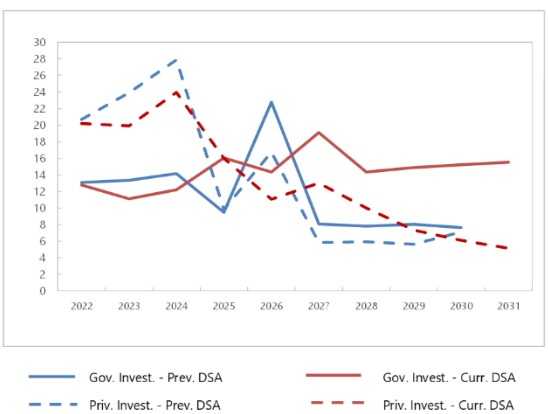
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand scale) and lines show possible real GDP growth 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)

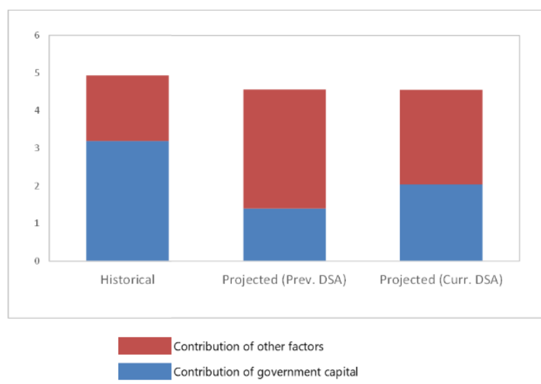
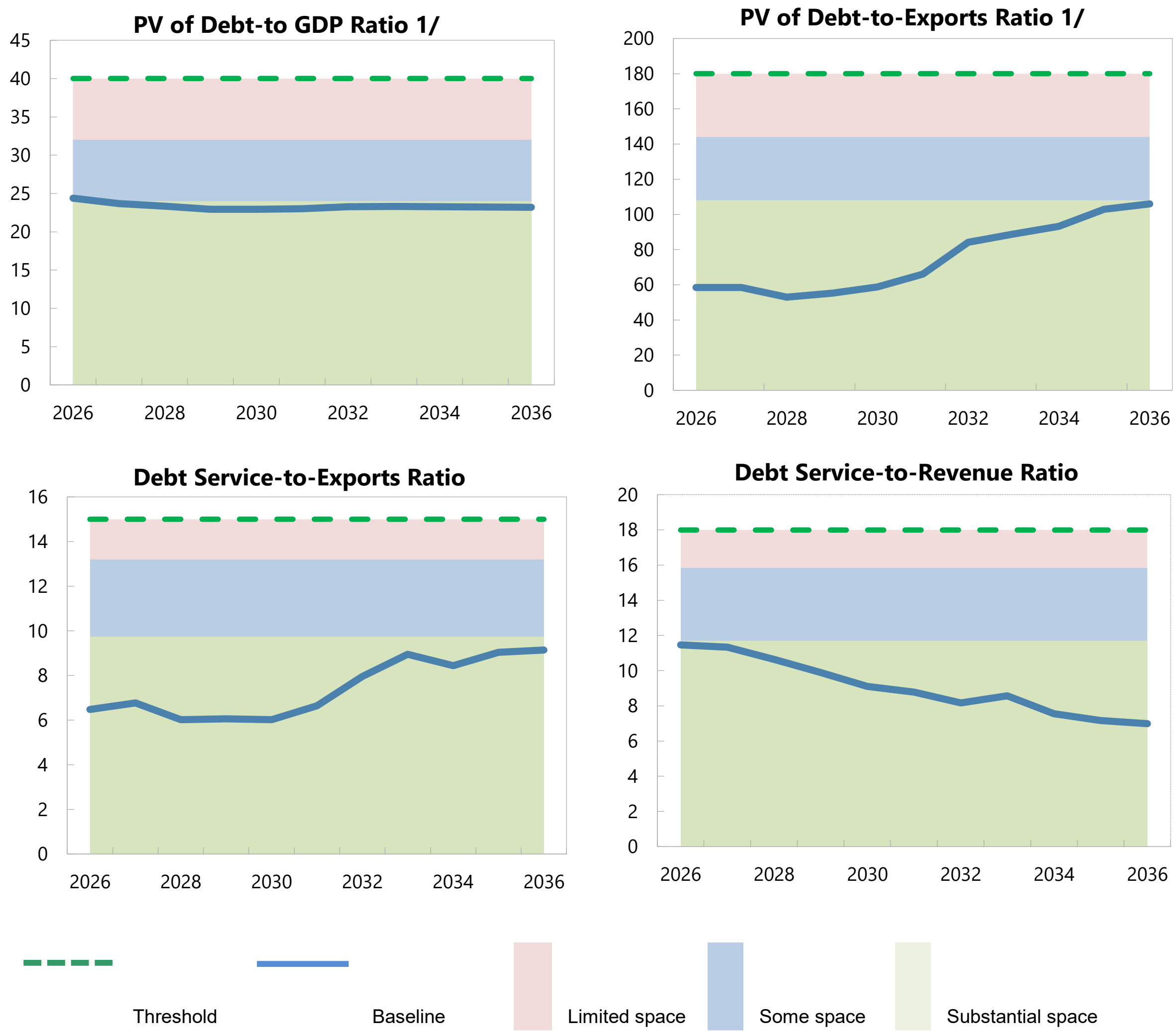


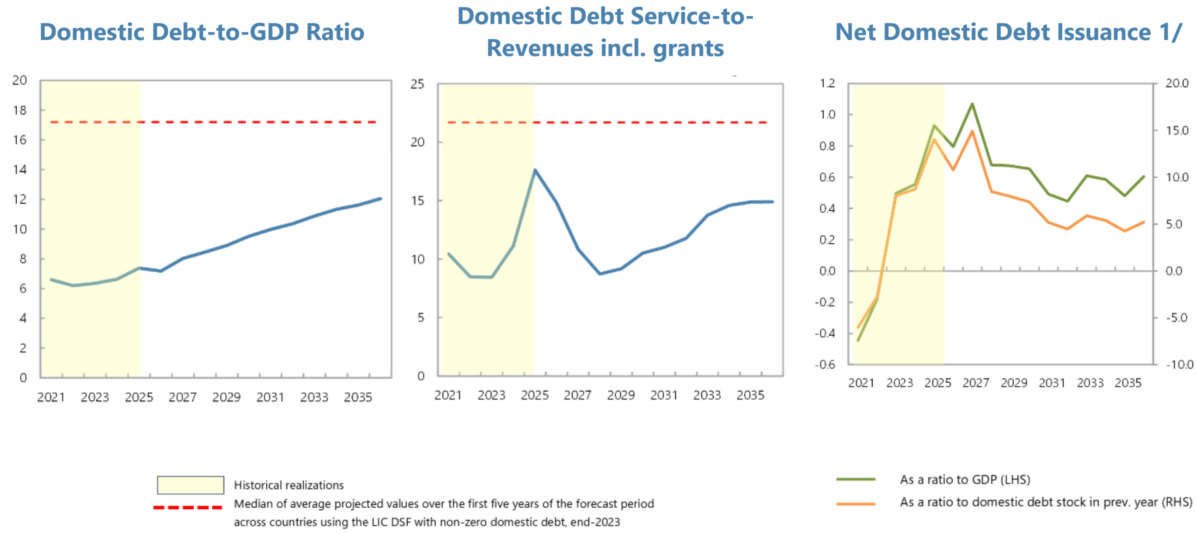
Figure 5. Mauritania: Qualification of the Moderate Category, 2026–2036



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, 2021–2036
(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	2.1%
Avg. maturity (incl. grace period)	5
Avg. grace period	3
Domestic short-term debt	
Avg. real interest rate	0.8%

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.

INTERNATIONAL MONETARY FUND

ISLAMIC REPUBLIC OF MAURITANIA

June 9, 2026

REQUESTS FOR AN EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, CANCELLATION OF THE CURRENT ARRANGEMENTS UNDER THE EXTENDED FUND FACILITY AND THE EXTENDED CREDIT FACILITY, AND FIFTH REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—WORLD BANK ASSESSMENT LETTER FOR THE RESIELIENCE AND SUSTAINABILITY FACILITY

This (March 2026) Update to the World Bank Assessment Letter for the Mauritania RSF (September 2023) and the RSF Assessment Letter Update (November 2025) highlights relevant changes that have occurred since the issuance of the last RSF Assessment Letter Update.

A. Mauritania Vulnerability to Climate Change

1. **Climate change remains a major constraint to growth and inclusive development in Mauritania,** with recurrent droughts, floods, and extreme heat continuing to weigh on productivity, food security, health outcomes, and social cohesion. The 2025 University of Notre Dame Global Adaptation Initiative (ND-GAIN) index ranked Mauritania 153th out of 185 countries, underscoring the pressing need for effective climate adaptation strategies.[1] In addition, the start of natural gas production in 2025 is expected to alter the emissions profile, reinforcing the need to accelerate the transition toward cleaner and more resilient growth.

[1] 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/

B. Government Policies and Commitments in Terms of Climate Change Adaptation and Priority areas to Strengthen Resilience

No updates since the last Assessment Letter Update.

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

No updates since the last Assessment Letter Update.

D. Other Challenges and Opportunities

No updates since the last Assessment Letter Update.

E. World Bank Engagement

2. **The 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.

3. **The World Bank engagements referenced in the November 2025 Assessment Letter Update are still ongoing.** The regional **West Africa Coastal Area Resilience Investment Project (P162337)**, aiming at strengthening the resilience of communities and ecosystems in targeted coastal areas, has successfully finalized its activities in December 2025. The project resulted in increased resilience of Mauritania's coastal ecosystems and communities, reduced vulnerability of coastal zones to climate risks, and improved long-term sustainability of coastal management through strengthened governance and adaptive legal and institutional frameworks. Building on this, the **West Africa Coastal Areas Blue Economy and Resilience Program (P509153) in Mauritania** aims to unlock job creation potential in blue economy sectors while further strengthening coastal resilience. The program would help reinforce Nouakchott's protective dune belt and restore priority wetlands/mangroves to curb erosion, flooding, and marine submersion exacerbated by sea-level rise and storms while generating biodiversity and blue-carbon co-benefits. It would embed climate risk into governance and livelihoods by advancing coastal planning and a national Coastal Observatory for climate/coastal monitoring, and by financing climate-resilient livelihoods and blue-MSMEs to diversify incomes and reduce pressure on climate-sensitive resources.

Statement by Mr. Ouattara Wautabouna and Ms. Fatimetou Yahya on
Islamic Republic of Mauritania
June 24, 2026

On behalf of our Mauritanian authorities, we would like to thank the IMF Executive Board, Management, and Staff for their continued engagement and steadfast support. The authorities highly value the constructive policy dialogue and tailored technical assistance that have supported their ambitious economic and structural reform agenda. They also appreciate the candid and productive discussions held in the context of the new program request, which reaffirmed the Fund's invaluable role as a trusted advisor, in an increasingly complex global environment. They broadly share the thrust of staff's assessment and policy recommendations.

Mauritania continues to demonstrate remarkable resilience despite a complex global and regional environment marked by compounding shocks The authorities are actively navigating the economic fallout from the war in the Middle East, which has driven up international energy prices, and elevated the national oil import bill by 36 percent in 2026, reflecting both price shocks and the urgent need to secure strategic reserves. Regionally, escalating security threats along Mauritania's vast borders have disrupted vital trade corridors, while the massive influx of refugees continues to place immense strain on natural resources, host communities, and public services. These pressures are further exacerbated by a structural decline in official development assistance (ODA), shifting a heavier financial burden onto the national budget to sustain critical humanitarian programs and contributing to both immediate and prospective balance of payment needs.

To proactively navigate these headwinds and advance their national development strategy, the authorities are requesting the approval of new 42-month arrangements under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF). These arrangements, building on the successful completion of the current program under the ECF-EFF and full implementation of reforms measures under the Resilience and Sustainability Facility (RSF), will provide the necessary policy space and external financial buffers to mitigate immediate shocks while advancing bold reforms to diversify the economy away from extractive industries, expand access to credit for SMEs, and improve the efficiency of social spending.

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Economic growth moderated to 4.0 percent in 2025, down from 6.3 percent in 2024. This moderation was driven by a contraction in the extractive sector and a slowdown in non-extractive activities, which nevertheless continued to register a solid growth rate of 5.1 percent. While inflation accelerated to 7.6 percent in April 2026 due to severe disruption to border trade corridors and higher international food and energy prices, the Central Bank of Mauritania (BCM) took decisive monetary action, raising its policy rate by 50 basis points to 6.5 percent in May 2026 to firmly anchor inflation expectations. Despite these imported price pressures, the external position improved markedly. The current account deficit narrowed significantly to 3.4 percent of GDP in 2025 (from 9.4 percent in 2024), helping raise gross international reserves to USD 2.2 billion and maintain a comfortable buffer of nearly six months of import cover.

On the fiscal front, sustained adherence to the fiscal anchor has translated into improved budget balances, stronger revenue mobilization, and a significant reduction in public debt. The overall fiscal deficit narrowed to 0.3 percent of GDP in 2025 (from 1.4 percent in 2024), and the non-extractive primary deficit improved to 3.0 percent of GDP, remaining well below the 3.5 percent program target. This performance was underpinned by an increase in total revenues, which reached 23.5 percent of GDP in 2025, up from 22.2 percent in 2024, reflecting both higher extractive revenues and improved tax collection.

Debt remains sustainable, supported by prudent debt management strategy and continued fiscal discipline. Public debt declined by 5.5 percentage points to 39.2 percent of GDP in 2025, falling below the 40 percent mark for the first time since 2012. Correspondingly, external debt dropped to 32.7 percent of GDP, demonstrating the authorities' effective deleveraging strategy and solid macroeconomic management amidst compounding exogenous shocks. To mitigate rollover risks and deepen the domestic market, the authorities successfully issued longer-maturity bonds throughout 2025. Building on this demonstrated market appetite, the National Public Debt Committee recently adopted an updated Medium-Term Debt Strategy (MTDS) for 2026–2028 to formalize and sustain these efforts.

Looking ahead, the authorities recognize that the economic impacts of the war in the Middle East are already significant and that downside risks could be more severe than currently accounted for. The outlook remains subject to significant uncertainty, with elevated risks stemming from energy prices, inflation dynamics, and external financing conditions. While, under the baseline, pressures remain manageable, adverse scenarios could intensify vulnerabilities, particularly given Mauritania's dependence on energy imports and exposure to food price shocks. In response, the authorities have taken decisive, preemptive measures at the onset of the crisis to cushion the domestic economy against this shock and build immediate resilience. They established a high-level crisis committee, expanded strategic fuel storage capacity, and implemented bold fuel price adjustments beyond the automatic mechanism's standard cap to limit the fiscal burden. To cushion the impact of these shocks on food security, the *Commissariat à la Sécurité Alimentaire* (CSA) is rapidly deploying emergency food assistance to over 155,000 vulnerable families under the *El Aoun* operation, while reorganizing *Temwine* food distribution centers to improve targeting.

To ensure the social acceptability of these necessary energy adjustments a comprehensive package with targeted measures has been deployed to cushion the impact on vulnerable populations. At the onset of the crisis, the authorities introduced a general increase in the minimum wage (SMIG), exceptional financial assistance to over 43,000 low-income civil servants and 27,000 retirees, and emergency cash transfers to 124,000 vulnerable families. Furthermore, they increased allocations to the national social safety program, *Tekavoul*, and deployed targeted support to the livestock sector to safeguard rural livelihoods. More recently, the government scaled up these efforts by rapidly launching the *El Aoun* operation to provide targeted cash transfers and emergency food assistance to over 352,000 vulnerable families. By leveraging the comprehensive National Social Registry, the authorities are systematically targeting this support based on households' income levels and their specific exposure to energy price shocks. Crucially, the compensation criteria explicitly account for geographic remoteness and the heavy pass-through of higher transport costs to local food prices. While fully shielding the population from such severe exogenous shocks remains an ongoing challenge, the authorities' data-driven approach has helped cushion the blow to the purchasing power of the most vulnerable while preserving sound fiscal balances.

PROGRAM PERFORMANCE

The authorities have established a strong track record of program implementation under the completed ECF/EFF arrangements with all end-December 2025 quantitative performance criteria (QPCs) and end-March 2026 indicative targets (ITs) comfortably met. The authorities successfully institutionalized the fiscal anchor by amending the Organic Budget Law (LOLF) in May 2026 to introduce a fiscal rule based on the non-extractive primary balance, and issued an implementing decree in June 2026, that sets out detailed provisions for monitoring and escape clauses. Broad-based structural reforms were also implemented on the fiscal front, including by consolidating all tax measures and incentives within the General Tax Code (CGI) to enhance transparency, and by adopting new function-based organizational structures to modernize the tax and customs administrations. In the monetary and financial sectors, the Central Bank of Mauritania (BCM) successfully deployed the new Banking Supervision Application (BSA) to automate regulatory reporting and strengthen prudential oversight, while also deepening the foreign exchange market by introducing firm quotes on the interbank trading platform. Under the governance pillar the authorities maintained reform momentum by publishing the required progress report on their governance action plan and successfully finalized the appointment of the Anti-Corruption Authority's Directive Council members in April 2026.

Over the course of the RSF program, Mauritania has made commendable strides in advancing a comprehensive and ambitious climate reform agenda. The RSF has been instrumental in helping the country reduce macro-critical risks associated with climate challenges. Throughout the program, the authorities have successfully integrated climate considerations into public investment management, initiated the liberalization of the electricity sector, strengthened social protection systems against climate shocks, and removed distortive fuel pricing.

For this fifth and final RSF review, the authorities have successfully completed all remaining Reform Measures (RMs). On public financial management, the Ministry of

Finance published a comprehensive 2026 climate budget note (RM II) and piloted the climate screening template for major public investment projects in selected NDC sectors (RM IV). On water management, following an extensive tariff study supported by the AFD, the authorities successfully fulfilled the measure carried over from the previous review by adopting a new water tariff order and publishing the underlying methodology to ensure an equitable, financially sustainable and transparent tariff-setting process insulated from political interference (RM XIII). Finally, they adopted an inter-ministerial order on environmental assessments and published a pilot joint inventory on groundwater-dependent ecosystems in the *Boulenoir aquifer* (RM XII). Completion of these RMs, alongside the continued strong implementation of previously completed measures, including the operationalized automatic fuel pricing mechanism and the carbon tax, mark the successful fulfillment of all commitments under the RSF arrangement.

POLICY PRIORITIES UNDER THE NEW ECF/EFF ARRANGEMENTS

To sustain reform momentum and ensure that recent macroeconomic gains translate into tangible social dividends, the authorities have carefully assessed remaining bottlenecks in designing the next phase of their reform agenda. The requested 42-month ECF/EFF arrangements will provide crucial support in a highly uncertain global environment and help address present and prospective balance of payments needs arising from the war in the Middle East. While the previous program successfully delivered macroeconomic stabilization, improved fiscal and external buffers, and advanced key legislative reforms, the authorities are fully aware that these hard-won macroeconomic gains have not yet sufficiently translated into sustained poverty reduction, job creation, and improved social outcomes. Therefore, building on the foundations established, the successor program is anchored around three mutually reinforcing pillars aimed at preserving stability while accelerating inclusive growth and structural transformation. It will help (i) strengthen macroeconomic institutions; (ii) reduce poverty and foster inclusive, private sector-led growth by alleviating structural constraints and improving financial intermediation; and (iii) deepen governance reforms, with a strategic focus on enhancing the oversight and performance of public enterprises.

1. Strengthening Macroeconomic Institutions and Policy Frameworks

Fiscal policy will remain anchored while supporting priority spending. To preserve debt sustainability and create fiscal space for development needs, the authorities remain firmly committed to their fiscal anchor while advancing domestic revenue mobilization. While they are implementing a necessary temporary fiscal accommodation in the 2026 supplementary budget to finance targeted social subsidies aimed at protecting the most vulnerable from the energy crisis, the medium-term fiscal path remains strictly anchored by the 3.5 percent non-extractive primary deficit target. In the near term, the authorities will further strengthen this framework by adopting a progressive tax expenditure rationalization plan (SB, end-September 2026) and aligning the start-up law's incentives with the broader investment code to eliminate costly distortions (SB, end-March 2027). Concurrently, they will establish operational procedures and staffing for the Public Investment Directorate to maximize the growth impact and efficiency of capital spending.

To sustainably boost revenues within a coherent institutional framework, the authorities will develop a Medium-Term Revenue Strategy (MTRS) by end 2027, which will serve as the cornerstone for rationalizing tax expenditures, broadening the tax base and simplifying procedures to enhance compliance while minimizing any regressive impacts of the tax system. To address revenue leakages stemming from extensive exemptions in the mining sector, the authorities will also reform the extractive fiscal regime, including by shortening stability clauses, systematically applying the model mining convention without renegotiation of fiscal terms, and reforming mining taxation through fixed royalties and a resource rent tax. Furthermore, to address targeted compliance challenges, the authorities will ensure that all businesses operating in the *Nouadhibou* Free Trade Zone (FTZ) are registered with the tax administration and have a tax identification number (TIN) (SB, end-September 2026).

On the monetary and exchange rate front, the Central Bank of Mauritania (BCM) is modernizing its frameworks to enhance policy transmission and build resilience. Following renewed inflationary pressures from border disruptions and higher international commodity prices, the BCM increased its policy rate by 50 basis points to 6.5 percent in May 2026 to anchor inflation expectations and remains ready to adjust its stance as needed. To support the gradual transition toward an inflation-targeting framework, the BCM is developing a fully-fledged Forecasting and Policy Analysis System (FPAS), while simultaneously upgrading its aggregate liquidity management and deepening the domestic debt market to establish a reliable yield curve. In parallel, the BCM's foreign exchange market reforms are yielding strong results, with interbank trading now accounting for the vast majority of total FX volume. To further deepen this market and enhance exchange rate flexibility to ensure it acts as an effective shock absorber, the BCM will complete a diagnostic assessment of constraints to interbank FX market development and publish a sequenced action plan (SB, end-September 2026).

2. Reducing Poverty and Strengthening Private Sector-Led Growth

To unlock private sector-led growth and job creation, the authorities are advancing reforms to improve the business environment, ease long-standing structural constraints and enhance financial intermediation. Recognizing that access to finance remains a critical constraint, particularly for small and medium enterprises (SMEs), the authorities will establish a comprehensive Central Commercial Registry (SB, end-December 2026) that will help reduce information asymmetries, facilitate firm formalization, and enhance overall market transparency. To further alleviate structural barriers to credit, the BCM recently eliminated the interest rate cap (TEG) to encourage risk-based pricing, which will also enhance the interest rate transmission mechanism and reduce lending distortions. The authorities will also operationalize an electronic movable collateral registry and strengthen creditor rights frameworks, thereby helping foster a more competitive, dynamic, and diversified private sector.

In line with the authorities' overarching development program, achieving durable poverty reduction and inclusive growth remains at the core of the reform agenda. To ensure that macroeconomic progress translates into tangible improvements in living standards, the authorities are prioritizing better-targeted, more efficient, and more impactful social spending. In the near term, to safeguard priority social outlays and ensure that those effectively reach intended beneficiaries, they will introduce Public Expenditure Tracking Surveys (PETS) in the health and education sectors (SB, end December 2026). These surveys will help trace the flow of public resources to frontline service providers, identify structural bottlenecks and inform corrective measures to improve service delivery. This effort will be complemented by the gradual rollout of performance reporting for key social ministries to strengthen the link between budget allocations and measurable social outcomes.

To ensure that broader structural gains translate into durable poverty reduction, expanding the reach and responsiveness of social protection frameworks remains vital. The authorities have adopted the National Social Protection Strategy (SNPS II 2025–2035), reinforcing their commitment to universal social protection and resilience against climate and economic shocks. Leveraging the Social Registry, which covers the poorest 40 percent of the population, the authorities rapidly deployed one-off emergency support under the *El Aoun* operation, to address the cost-of-living impacts of the war in the Middle East. Alongside the permanent social safety net program, *Tekavoul*, and its climate shock-responsive component, *Tekavoul Choc*, this coordinated response has been instrumental in delivering direct, targeted cash and food transfers to hundreds of thousands of vulnerable households. Furthermore, to manage the growing influx of refugees and ease the strain on host communities amidst declining ODA, the authorities have launched a comprehensive 2025 Response Plan targeting 471,000 beneficiaries, underscoring their commitment to regional solidarity and social cohesion. Going forward, the authorities are committed to expanding the National Social Registry and extending universal health insurance (CNASS) coverage to one million beneficiaries by 2027. Additionally, in tandem with the new automatic fuel pricing mechanism, the government deployed a separate targeted compensation mechanism (*Tassanoud*) through the *Taazour* agency, which provides direct cash transfers, calibrated to account for geographic remoteness and higher transport costs to households most exposed to energy price shocks.

3. Strengthening Governance and Public Enterprises Oversight

The authorities are intensifying their governance reform agenda, transitioning from legislative reforms to the effective implementation of the new institutional framework. Following the successful appointment of the Anti-Corruption Authority's (ACA) Directive Council, the immediate priority is to ensure the ACA is fully operationalized and resourced. To maintain momentum during the transitional period before the electronic platform is fully rolled out, the authorities issued a circular in March 2026 mandating the continued submission of asset declarations by all obligated high-level officials. Consequently, the collection of these declarations is proceeding, with the process for parliamentarians' declarations also in progress.

Building on the new SOE law, the authorities are taking decisive, structural steps to strengthen the performance and accountability of public enterprises. To address historical data gaps and improve the monitoring of SOEs, the authorities will adopt an IMF-developed tool to systematically compile and report financial indicators for the five largest commercial public enterprises (SB, end-September 2026), subsequently expanding this reporting coverage to the additional ten largest commercial enterprises (SB, end-December 2026). Moreover, they will adopt a comprehensive State ownership strategy by end-December 2027 to clarify financial objectives and will enforce fiscal transparency by including a consolidated table of all budgetary transfers and subsidies to SOEs in the 2027 Budget Law documentation (SB, end-December 2026).

The authorities are stepping up efforts to strengthen the anti-money laundering (AML/CFT) frameworks and public procurement transparency. In preparation for the upcoming MENAFATF mutual evaluation, the authorities have updated their National Risk Assessment to better target high-risk sectors and are actively expanding the Central Bank's risk-based AML/CFT supervision across financial institutions. Concurrently, to improve the efficiency and integrity of public spending, the government is reinforcing public procurement regulations by restricting the use of direct agreements, mandating independent audits for high-stake contracts, and enforcing the systematic collection and publication of beneficial ownership information for awarded companies. Finally, to guarantee accountability and close the loop on governance diagnostics, the authorities are enhancing the follow-up on oversight recommendations, notably by establishing a digital monitoring platform and granting the Court of Auditors direct access to the Ministry of Finance's information systems.

CONCLUSION

Over the course of the 2022-26 completed arrangements, Mauritania has demonstrated remarkable economic resilience in the face of multiple global and regional shocks. The authorities successfully preserved macroeconomic stability, helping bring inflation down to low single digits, stabilizing public debt through strict adherence to their fiscal anchor, and maintaining adequate international reserves, all while advancing landmark climate and institutional reforms.

Building on these hard-won gains, the Mauritanian authorities remain firmly committed to their reform agenda. To navigate a difficult regional and global environment, the proposed successor program will serve as a critical policy anchor to transition from short-term stabilization to durable structural transformation. It will support stronger public institutions, a more dynamic private sector-led economy to reduce poverty, more efficient and better targeted social support systems, and further improvements in public sector governance.

In light of the strong program performance and the authorities' steadfast commitment, we would appreciate Executive Directors' support for the approval of the new 42-month ECF/EFF arrangements, and the completion of the Fifth Review under the RSF.