

Lome, Togo, April 4 (Infosplusgabon) – The Executive Board of the International Monetary Fund (IMF) has approved Togo’s request for an augmentation of access under the Extended Credit Facility (ECF) to address the urgent human and economic implications of COVID-19 pandemic.

According to the Fund’s statement issued on Saturday, Togo made significant progress during 2017-19 under the ECF supported programme in several areas, while reforms remain incomplete in a key sector.

The Executive Board decision allows an immediate disbursement of US\$131.3 million to Togo, which is almost four times larger than previously foreseen.

The Board also approved the Togolese authorities’ request for an augmentation of access under the ECF arrangement of US\$97.1 million to address the urgent financing need stemming from their efforts and plans to control the spread of COVID-19 and mitigate its economic impacts.

“Economic recovery was firming up but has recently been hindered by the COVID-19 pandemic,” it said, noting that growth projections for 2020 have been significantly revised downwards.

The fiscal deficit and the balance of payment financing gap are expected to widen substantially due to revenue loss, higher healthcare spending, and weaker exports.

Following the Executive Board discussion on Togo, IMF Deputy Managing Director Mitsuhiro

Furusawa, remarked that Togo's performance under the ECF-supported programme has been broadly satisfactory.

“While the economic recovery was firming up, it has recently been hindered by the COVID-19 pandemic. The macroeconomic outlook is subject to a high degree of uncertainty.

“The authorities are taking immediate actions to address the human and economic implications of the COVID-19 pandemic while safeguarding the hard-won fiscal achievements,” he said.

During 2017-19, Togo complied with the WAEMU convergence criterion of a fiscal deficit not exceeding 3 percent of GDP. For 2020, the fiscal deficit and the balance of payments financing gap are forecast to widen due to additional healthcare spending and other impacts of COVID-19 on the economy.

According to Mr. Furusawa, Togo is among the best performers in the improvement of the business environment in recent years. He said it will be important to pursue such reforms, including strengthening governance, and to implement the measures outlined in the National Development Plan to support strong and inclusive growth.

“Completing the delayed reforms of the two state-owned banks is paramount to safeguarding financial stability and preventing risks to the state budget,” he added.

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