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IMF Executive Board review: Financial support for Moldova and recognition of the reforms implemented by the NBM

The National Bank of Moldova (NBM) welcomes the positive conclusions of the Executive Board of the International Monetary Fund (IMF) following the completion on 17 December 2024, of the sixth review of the Republic of Moldova's programs supported under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF), as well as the second review under the Resilience and Sustainability Facility (RSF). This decision allows for a total disbursement of SDR 122.2 million (about USD 162.6 million) under both programs, usable for budget support. This brings Moldova's total disbursements under the ongoing program arrangements to about USD 810.2 million.

According to the IMF press release, this decision reflects the progress made by the Republic of Moldova in stabilizing the economy and implementing key structural reforms.

Inflation has remained within the 5% ± 1.5% target corridor, a result emphasized in the IMF press release, which underlines the effectiveness of the policies implemented. This result contributes to maintaining a predictable economic environment.

The IMF press release also states that "the authorities completed conditionality related to financial inclusion, the insurance sector, and state-owned enterprises, and submitted legal amendments to Parliament to strengthen NBM's autonomy and governance."

Following the Executive Board discussion, Mr. Kenji Okamura, Deputy Managing Director and Acting Chair, made the following statement: "While economic recovery picked up in 2024 and is expected to continue in 2025, risks remain tilted to the downside. The authorities should pursue prudent policies and maintain buffers and robust contingency plans, including in the energy sector, while fostering growth-friendly investment and reforms, which will be also supported by the EU accession process."

The financing program for the Republic of Moldova supported by the IMF was approved on 21 December 2021. It includes two lending instruments: the Extended Fund Facility (EFF) and the Extended Credit Facility (ECF), for a total amount of USD 795.72 million (SDR 594.26 million) and it involves 8 assessments.

The Resilience and Sustainability Facility (RSF), amounting to USD 169 million (SDR 129.37 million), will support the efforts of national authorities to address climate challenges, green energy transition and sustainable development.

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