

## MALI: ECOWAS FINANCIAL SANCTIONS ON MALI LIFTED



14/07/2022

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After the junta agreed to the restoration of civilian constitutional order by March 2024, the ECOWAS regional bloc announced on 3 July 2022 that it would lift all trade, travel and financial sanctions on Mali. The shortening of the democratic transition period by almost 2 years and the new electoral law appeared

to be a sufficient concession to the ECOWAS demands, even though Goita is now permitted to run for president.

## IMPACT

In August 2020, Assimi Goita overthrew President Ibrahim Boubacar Keita, leading to temporary territorial and financial sanctions that were swiftly lifted after a civilian government took over. In May 2021, Colonel Goita ordered the arrest of the civilian president and prime minister, yet no full sanction regime was imposed in response to this second military coup. In the months that followed, the Malian armed forces further consolidated their power and Goita was sworn in as interim president. In early January 2022, Goita's military junta proposed delaying the presidential and legislative elections until December 2025, seeking to further extend their grip on power. At this stage, ECOWAS and the regional monetary union WAEMU (West African Economic and Monetary Union) agreed to the imposition of harsh sanctions, after which Credendo suspended short-term cover on Mali; except for a list of essential goods for which the sanction regime made an exception. International financial transfers from Mali were blocked and regional financing access was closed off. As a result the government defaulted on an estimated USD 300 million in interest and principal payments due. The economic impact of the sanctions has been devastating across all the country's critical sectors. Sanctions increased pressure on a population already struggling with soaring global fuel and food prices and a high risk of food insecurity. The sanctions were nevertheless justified by the need to defend against putschists in a region confronted with a wave of military coups (Burkina Faso, Guinea and Guinea-Bissau), although ECOWAS members were very divided on the topic. ECOWAS even received vindication after a WAEMU court ordered the suspension of sanctions in March, denouncing them as illegal. The recent lifting of sanctions will revitalise trade with neighbouring countries like Senegal, Togo and Ivory Coast, although the negative impact could linger on for some time.

Mali's military regime continues to collaborate with Russian security contractor Wagner (despite grave human rights abuse allegations) while relations with France and other European countries are seriously damaged. Western troops deployed to fight jihadist groups in the Sahel are gradually being drawn down and the UN peacekeeping force's operations are being seriously restricted by the junta. As Mali lacks the military and institutional capacity to contain the growing threat of militant groups and inter-communal tensions, the security situation is expected to worsen further across the country. Consequently, the short-term political risk outlook for Mali is tilted to the downside due to the very dire security situation.

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