

**LAPSE OF
TIME**

EBS/20/129

July 21, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Niger—Request for an Extension of the Arrangement Under the Extended Credit Facility**

Board Action:	Executive Directors' consideration on a lapse of time basis
Deadline to Request a Board meeting, after which Proposed Decision Deemed Approved:	Tuesday, July 28, 2020 12:00 (noon)
Proposed Decision:	Page 2
Publication:	Yes*
Questions:	Mr. Klingen, AFR (ext. 35959) Mr. Staines, AFR (ext. 37559)

*The authorities have indicated that they consent to the Fund's publication of this paper.



NIGER

REQUEST FOR AN EXTENSION OF THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY

July 21, 2020

Approved By
David Owen and
Vitaliy Kramarenko

Prepared by the African Department (in consultation with other Departments)

- 1. In the attached letter, the Nigerien authorities request a short extension of the arrangement for Niger under the Extended Credit Facility (ECF), due to expire on July 31, 2020, through October 31, 2020.** The ECF arrangement was approved on January 23, 2017 for the equivalent of SDR 98.7 million (75 percent of quota) and then augmented to SDR 118.44 million (90 percent of quota) on December 10, 2018. The program, originally due to expire on April 22, was extended on April 1 to July 31, 2020. On April 14, Niger received a disbursement under the RCF for the amount of SDR 83.66 million (63.6 percent of quota).
- 2. As in the case of the previous extension, the proposed extension will provide enough time to complete the sixth and final review under the ECF arrangement and allow the related disbursement.** The staff report for the sixth review is expected to be submitted to the Executive Board in October.
- 3. Developments since the fifth review completed on January 8, 2020 indicate that the authorities continue their efforts to implement the program.** However, program performance, already under pressure amid mounting challenges from cross-border terrorism and Nigeria's prolonged closure of its border to trade, is now confronted with the economic fallout from the COVID-19 pandemic. The high degree of economic uncertainty, shifting policy priorities, and logistical challenges still preclude completing the review this month.
- 4. Staff supports the authorities' request for an extension of the ECF arrangement to October 31, 2020.** To this effect, a decision is proposed for adoption by the Executive Board on lapse-of-time basis.

Proposed Decision

The following draft decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

1. Niger has requested an extension to October 31, 2020 of the arrangement under the Extended Credit Facility (the "ECF Arrangement") (EBS/16/138, 12/28/2016).
2. The letter dated July 21, 2020 from the Minister of Finance (the "July 2020 Letter") shall be attached to the ECF Arrangement, and the letter dated December 21, 2016 from the Minister of Finance, together with its attachments, as supplemented and modified, shall be read as further supplemented and modified by the July 2020 Letter.
3. Accordingly, paragraph 1(a) of the ECF Arrangement for Niger shall be amended by replacing the reference to "July 31, 2020" with "October 31, 2020".

Letter of Intent

Niamey, Niger, July 21, 2020

Madame Kristalina Georgieva
Managing Director
International Monetary Fund
Washington DC, 20431

Dear Madame Georgieva,

On January 23, 2017, the IMF's Executive Board approved an arrangement for Niger under the Extended Credit Facility (ECF). The fifth review under the ECF arrangement was completed on January 8, 2020.

In view of the originally-scheduled expiration of the ECF arrangement on April 22, 2020, we had requested in March an extension to July 31. We hereby request that the arrangement be further extended until October 31, 2020. As in the case of the previous extension, this extension is needed to provide enough time for the completion of the sixth and final review under the arrangement and to allow the related disbursement. This request reflects logistical challenges to conduct a timely review, the high degree of economic uncertainty, and shifting policy priorities as the economic fallout from the COVID-19 pandemic is still unfolding.

The government remains committed to conducting stable macroeconomic policies and the observance of program conditionality during the remaining period.

Sincerely yours,

/s/

Hon. Mamadou Diop
Minister of Finance
Niamey, Niger