

October 26, 2020

**The Acting Chair's Summing Up
Niger—Sixth Review Under the Extended Credit Facility and Request for Waiver for
Nonobservance of Performance Criterion
Executive Board Meeting 20/102
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Directors commended the Nigerien authorities for their response to the COVID-19 crisis. They noted, however, that their decisive actions to contain the pandemic came at a significant economic cost, abruptly interrupting Niger's recent history of solid economic performance. Directors were encouraged by the prospect for a swift recovery supported by the oil pipeline project but noted the significant downside risks to the outlook related to global economic developments, the security situation in the Sahel, and natural disasters.

Directors assessed the implementation of the 3-year Fund-supported program as generally satisfactory but expressed concern about the spending overruns and renewed revenue shortfalls, as well as slower-than-envisaged progress with governance reforms. Directors noted that continued determined policy and reform efforts will be needed to ensure macroeconomic and political stability and bring the country on a path of sustained and inclusive growth.

Directors saw the pronounced widening of fiscal deficits as broadly appropriate, considering the challenges brought on by the COVID-19 pandemic. However, they urged the authorities to guard against large fiscal deficits becoming entrenched and emphasized the need to step up efforts toward strengthening the framework on governance and transparency in the use of public resources.

To ensure medium-term debt sustainability and create space for social and developmental spending, Directors reiterated their call to boost domestic revenue mobilization by broadening the tax base and reducing exemptions, improve the quality of public spending, guard against fiscal risks from public-private partnerships, and ensure good management of forthcoming additional oil revenues. They also encouraged further efforts to improve the debt management framework, limit foreign borrowing and focus on concessional loans and grants.

Directors emphasized the importance of strengthening the private sector and increasing the diversification of the economy to durably lift the living standards in Niger. They called for focused efforts aimed at narrowing infrastructure and education gaps, improving access to credit, and steadfastly implementing the anti-corruption agenda.

Directors also underscored the need to continue promoting good governance and welcomed the authorities' commitment to publish the asset declarations of government members, conduct a special audit of COVID-19 related spending, and forcefully address irregularities in military procurement.