



# ISLAMIC REPUBLIC OF MAURITANIA

## REQUEST FOR AN EXTENSION OF THE EXTENDED CREDIT FACILITY ARRANGEMENT—STAFF REPORT

December 2020

In the context of the Request for an Extension of the Extended Credit Facility Arrangement, the following document has been released and is included in this package:

- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on December 1, 2020 on a lapse-of-time basis, following discussions with the officials of the Islamic Republic of Mauritania on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on November 20, 2020.

The documents listed below have been or will be separately released.

Letter of Intent sent to the IMF by the authorities of Mauritania\*

\*Also included in Staff Report

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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# ISLAMIC REPUBLIC OF MAURITANIA

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

November 20, 2020

Approved By  
**Taline Koranchelian**  
and **Bjoern Rother**

Prepared by the Middle East and Central Asia Department  
(in consultation with other departments)

**1. The authorities have requested a three-month extension of the Extended Credit Facility (ECF) arrangement set to expire on December 5, 2020.** The three-year arrangement was approved by the Executive Board on December 6, 2017 with access of SDR 115.92 million (90 percent of quota); additional access of SDR 20.24 million (about 15.7 percent of quota) was approved on September 2, 2020. On April 23, 2020, the Board also approved the disbursement of SDR 95.68 million (about 74.3 percent of quota) under the Rapid Credit Facility to address urgent balance of payment needs due to the COVID-19 pandemic.

**2. The extension seeks to allow sufficient time to complete the sixth (and final) review.** Completion of the fifth review was delayed to September 2, 2020 due to the COVID-19 pandemic. The last test date for the program is end-June 2020, and a mission to discuss the sixth review is planned for December 2020. The additional time is needed to assess the latest economic developments and prospects; assess the government's new Priority Program and 2021 budget, which seek to respond to the economic and social impact of the pandemic and seem broadly consistent with ECF-supported program objectives; conclude the program discussions; and prepare and circulate the documents for Board consideration.

**3. Preliminary data suggest that the program's quantitative performance criteria for end-June 2020 were met,** including the floors on net international reserves and the primary budget balance, as well as ceilings on non-concessional borrowing. Indicative targets for end-September for which preliminary data are available seem to have been met and structural benchmarks are being implemented.

**4. Staff supports the authorities' request for an extension of the ECF arrangement to March 5, 2021** to allow time to reach understandings on appropriate policies to complete the review and prepare documents. The attached decision is proposed for adoption by the Executive Board on a lapse-of-time basis.

## Letter Requesting Extension of the Extended Credit Facility Arrangement

**CENTRAL BANK OF MAURITANIA**

**ISLAMIC REPUBLIC OF MAURITANIA**

Nouakchott, November 19, 2020

Madame Kristalina Georgieva  
 Managing Director  
 International Monetary Fund  
 Washington DC

Madame Managing Director,

We would like to request a three-month extension of the Extended Credit Facility Arrangement until March 5, 2021. The three-year arrangement was approved by the Executive Board of the International Monetary Fund on December 6, 2017 and is due to expire on December 5, 2020.

The program extension would provide additional time for the completion of the sixth and final review under the arrangement. While the previous review was delayed due to the Covid-19 pandemic, additional time is needed to assess the latest economic developments given considerable uncertainty, and incorporate our Priority Program and 2021 budget, which seek to respond to the economic and social impact of the pandemic, into the macroeconomic framework.

The government remains committed to continuing to pursue prudent macroeconomic policies and to achieving program objectives.

Sincerely yours,

/s/

Mr. Cheikh El Kebir Moulaye Taher  
 Governor of the Central Bank of Mauritania

/s/

Mr. Mohamed-Lemine Dhehby  
 Minister of Finance

/s/

Mr. Ousmane Mamoudou Kane  
 Minister of Economy and Promotion of Productive Sectors