International Monetary Fund

Niger and the IMF

Press Release:
IMF Executive Board Completes Sixth and Final Review Under the PRGF Arrangement with Niger and Approves New US$37.5 Million Successor PRGF Arrangement
May 29, 2008

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Niger: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

May 12, 2008

The following item is a Letter of Intent of the government of Niger, which describes the policies that Niger intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Niger, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.

LETTER OF INTENT

May 12, 2008

Mr. Dominique Strauss-Kahn
Managing Director
International Monetary Fund
Washington, D.C 20431

Dear Mr. Managing Director:

1. The government is continuing to implement the policies and reforms envisaged in the PRGF-supported program, which will expire at end-May 2008. By mid-May 2008 all the performance criteria were met, with the exception of two; firstly, the criterion on domestic arrears reduction for end-December 2007, in respect of which we have already taken corrective steps and for which we request a waiver; and second, the increase on the deferment of taxes on petroleum products in early May 2008 above the agreed limit, which was made necessary by the strong increase in international prices, and for which we also request a waiver.

2. Moreover, all the structural measures serving as benchmarks up to end-March 2008 were observed, with the exception of a few structural benchmarks, for which measures are in process of adoption.

3. Economic activity in 2007 was positive, with GDP growth driven by activity in the mining, telecommunications, and construction sectors. Consumer prices, after trending favorably until mid-2007, rose sharply at year-end as a result of increases in the prices of imported agricultural products and petroleum products, so that year-end inflation, on a rolling basis, stood at 4.7 percent.

4. Basic budgetary expenditure in 2007, excluding externally financed investment, remained below program estimates, whereas revenue exceeded the projections. As a result, the fiscal deficit and domestic financing were smaller than anticipated in the program.

5. The government of Niger requests completion of the sixth review under the PRGF-supported program and a new arrangement under the PRGF for the period 2008-11, in support of a program of reforms and measures aimed at sustainable growth and poverty reduction, in a context of macroeconomic stability. The reforms will aim in particular at

enhancing the efficiency of public expenditure, mobilizing domestic resources, and strengthening the financial system and the business environment. This program, the main components of which are described in the attached Memorandum on Economic and Financial Policies, is aligned with the objectives of the Accelerated Development and Poverty Reduction Strategy for 2008-12, which was adopted in October 2007. Given the scope of the policies to be implemented, the successful implementation of the 2005-08 program, and the substantial need for external resources in support of growth, the government requests that this new arrangement under the PRGF amount to SDR 23.03 million (35 percent of quota), with a possibility to augment this amount, should this be needed because of further increases in the import prices of hydrocarbon and food staples.

6. As in the past, the government consents to the publication by the IMF of this letter of intent, the MEFP, the technical memorandum of understanding, and the IMF staff report. The government believes that the policies set out in the attached MEFP are adequate to ensure attainment of the objectives of its program but will take any additional measures that may become appropriate for this purpose. Niger will consult the IMF on the adoption of such measures and prior to any change in the policies set out in the MEFP, in accordance with IMF policies on such consultations.

Sincerely yours,

/s/

Ali Mahaman Lamine Zeine

Minister of Economy and Finance

Attachments:

Memorandum on Economic and Financial Policies

Technical Memorandum of Understanding

ATTACHMENT I

MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES OF THE GOVERNMENT OF NIGER FOR 2008-11

I. INTRODUCTION

1. This memorandum describes the economic and financial policies that the government plans to implement with the support of a new three-year Poverty Reduction and Growth Facility (PRGF) arrangement. The government's program is based on the policies set out in the Accelerated Development and Poverty Reduction Strategy (DPRS) for 2008-12, which was adopted in October 2007 and is the reference for the assistance provided by Niger's technical and financial partners. The program emphasizes three components: (i) maintaining a stable macroeconomic framework to ensure that available resources, both internal and external, are used effectively, without having to resort to excessive monetary financing or an external borrowing that is unsustainable over the long term; (ii) improving consistency between budget programming and execution and DPRS priorities, combined with a strategy to expand the tax base to help mobilize the required resources; and (iii) a set of reforms to stimulate growth in the private sector and diversify the economy by reducing the cost of doing business and improving access to financial services.

2. The arrangement is the fifth since the Stand-By Arrangement of March 1994, and the third since the reestablishment of a civilian government in January 2000, following the 1999 elections. Niger made substantial progress in these successive programs. Real growth in GDP per capita was positive, except in 2004 due to the drought; the investment GDP ratio increased; inflation remained moderate; and fiscal revenues and priority public expenditures, including investments financed with own resources, rose significantly.

II. PERFORMANCE UNDER THE 2005-2008 PROGRAM AND RECENT ECONOMIC DEVELOPMENTS

3. These achievements were particularly significant during the 2005-2008 program. Average growth reached 5.3 percent from 2005 to 2007, reflecting solid performance in the agricultural, construction, transport, and telecommunications sectors. The investment ratio averaged 22 percent, and was characterized by robust performance in both private and public investment, the latter supported by external assistance. Inflation declined in 2006. Nevertheless, rising hydrocarbon and cereal prices in the second half of 2007 brought the inflation rate at end-2007 to 4.7 percent on a 12-month basis.

4. Food security increased in 2006 and 2007, owing to a record harvest in 2006 and to the reconstitution of the cereal security stocks, which reached 78,000 tons at end-2007. However, as the 2007 harvest was somewhat lower than expected, the vulnerability of the

population has increased in some areas. To address this, a plan of action is underway, based on the type of interventions of previous years. It includes food-for-work and cash-for-work programs, sales of food at reduced prices, and nutritional programs for infants and young children.

5. Exports developed favorably in 2005 and 2006, and particularly in 2007 (32 percent growth) following the upward adjustment of 50 percent in uranium export prices. Thus, the current account deficit fell from 9.3 percent of GDP in 2005 to 7.7 percent in 2007; from 2005 to 2007, the capital account recorded substantial surpluses, owing to external public financing and direct investment, and to strong sales of mining assets and of a telecom license in 2007. As a result, Niger's net international reserves increased substantially.

6. Fiscal revenue (which had stagnated at 8.4 percent of GDP on average throughout the 1990s) grew from 10.8 percent of GDP in 2005 to 15.5 percent in 2007. This increase together with the additional fiscal space resulting from external debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative in 2004 and the Multilateral Debt Relief Initiative (MDRI) in 2006, allowed for an increase in public expenditure from 20.4 percent of GDP in 2005 to 22.3 percent in 2007, and a substantial reduction in domestic arrears. Expenditure in the education, health, and rural development sectors, which rose to 7.8 percent of GDP in 2002, reached 8.1 percent in 2005 and 9 percent of GDP in 2007.

7. The overall fiscal deficit (on a commitment basis) was reduced from 9.6 percent of GDP in 2005 to 6.9 percent of GDP in 2007, and the basic deficit (which excludes public expenditure directly financed by foreign assistance) from 2.8 percent of GDP in 2005 to 0.9 percent in 2007. The outcome reflects a strong fiscal revenue performance in 2007 (11.7 percent of GDP, in comparison with 11 percent in 2006 and 10.3 percent in 2005), with strong growth in VAT and BIC (business profits tax) revenue, and very high nontax revenue (3.6 percent of GDP) from the sale of mining assets and the sale of a telecom license. In 2006 and 2007, the marked increase in nontax revenue helped to accumulate Treasury deposits in the central bank.

8. The money supply grew by 16 percent between 2005 and 2007, and the ratio to GDP increased from 14.2 percent to 18 percent, mainly as a result of increased deposits, reflecting deepening of bank intermediation. Credit to the economy grew from a relatively low starting point by an average of 24 percent per year. The net external assets of the banking system showed significant growth due to uranium mining revenue (issuance of licenses, and special dividends), and the sale of a telecom license in December 2007.

9. The reforms implemented have substantially improved fiscal management. Improvements in the tax and customs administrations have helped to increase revenues. The tax base was expanded and the number of delinquent taxpayers reduced. The monitoring of imports improved, thanks mainly to the establishment of a computer network linking offices in border areas and in Niamey, thereby increasing the effectiveness of oversight. The

government also took steps to improve the management of mining resources by amending the oil and mining laws and renegotiating contracts with uranium mining companies in 2007. This, together with the granting of new mining concessions, helped to substantially increase nontax revenue in 2007.

10. At the same time, significant progress was made in expenditure management. A new standardized list established in 2007 helps to identify and track public expenditure on poverty reduction. The improved IT structure of the expenditure system now allows budget execution to be monitored on a monthly and quarterly basis. Priority expenditure funds allocated to the President's Special Program were closely monitored. The Public Procurement Regulatory Agency regularly publishes the results of public tenders. Financial comptrollers were assigned to all ministries in 2007, and a procedures manual was prepared with technical assistance from the European Union and subsequently adopted. A general directorate for public procurement control, responsible for ex ante controls, was established in 2007, but its various units will not become fully operational until 2008.

11. The 2005 budget accounting law (*Loi de règlement)* was adopted by the National Assembly in November 2007, and the 2006 law is being reviewed by the Audit Court and will soon be submitted to the National Assembly. The amnesty law for validating the provisional opening balances of 1997 will be approved in 2008. The separation of accounting and administrative functions in the Treasury was established by a decree adopted in 2007.

12. An audit of arrears at end-1999 was conducted in 2005 and a plan to reduce arrears was formulated in April 2007. Since the plan's inception, arrears have been reduced by an average of CFAF 13.7 billion per year (0.7 percent of estimated GDP in 2007). From 2005 to 2007, priority was given to the payment of wage arrears and public and private supplier arrears.

13. In addition to the reforms aimed at enhancing fiscal management, the government launched initiatives to improve the business climate and commenced an in-depth overhaul of the financial sector. The privatization of Crédit de Niger has been completed. The creation of a new postal bank, Finaposte, is underway and the licensing application will be submitted to the Banking Commission by end September 2008; the microlending sector was reorganized by creating a regulatory authority and recapitalizing Taimako and the savings and loan association *Caisses Populaires d'Épargne et de Crédit* - MCPEC.

14. The results of the 2007 program show that since the last program review, all quantitative performance criteria and indicators at December 31, 2007 were observed, with the exception of the criterion for reducing domestic arrears (CFAF 14.8 billion were cleared, compared with a target of CFAF 15.8 billion)(Table 1a).

15. The following structural performance criteria and structural benchmarks were observed (Table 2a):

- Application of the agreed-upon formula for petroleum product pricing (performance criterion, applied from November 1, 2007 to date; a waiver had been obtained for the nonobservance of this criterion between April and October 2007).

- Monitoring of monthly performance indicators of the main customs offices and transmission of monthly reports to the IMF (continuous performance criterion).

- Introduction of a simplified taxation regime for small and medium-sized enterprises (performance criterion for end-December 2007).

- Disbursement of the annual universal service subsidy to Niger Poste.

- Adoption of the decree on the organization and responsibilities of the General Directorate for Control of Government Procurement.

- Completion of cross-arrears settlement between the Treasury and Nigelec.

16. Regarding the structural benchmark on the regularization of Treasury depositors' overdrawn accounts and the closure of inactive accounts, the largest account receivable was closed in December 2007 (Francophone Games account), and inactive accounts were closed in March 2008. The reduction of the threshold amount for public procurement projects to be submitted to the General Directorate for Control of Government Procurement, from CFAF 300 million to CFAF 100 million, was postponed until September 30, 2008 to avoid disrupting the implementation phase of this new directorate.

17. Cross-arrears settlement between the Treasury and the telephone company Sonitel is still under discussion. Agreements to settle Treasury arrears with banks could not be reached, due to:

- The disagreement on penalties to be charged on interest arrears.

- The need to validate the 1995 bonds held by the banks.

III. Medium-term Objectives and Macroeconomic Framework for 2008–11

18. The government's main challenge is to consolidate economic growth and reduce poverty while maintaining the fiscal equilibrium required for macroeconomic stability. In accomplishing this, the government's strategy is to maintain the budget deficit at a level that can be financed using external assistance; increase domestic tax revenue to allocate more resources to priority spending, while improving the effectiveness of public spending; and

promote the development of the private sector, which is essential for long-term growth, by systematically improving the business climate.

Macroeconomic framework

19. The macroeconomic framework of the 2008–11 program is based on an average annual growth rate of about 5 percent, which is compatible with the intermediate scenario of the DPRS, and which corresponds to the average of the past three years. Growth will be supported by investments in the agricultural sector in the context of the implementation of the rural sector strategy (increasing irrigated lands, building new dams and hydraulic facilities, and improving livestock), highway infrastructure, transport, energy, and the mining sector (development of new uranium mines). Uranium production should more than double by 2012. The growth rate could be higher if external financing exceeds the current projections of a flow of external aid remaining at about 10 percent of GDP. As for inflation, the objective is to limit the average annual rate to 2 percent for the duration of the program, in compliance with WAEMU convergence criteria.

20. The external current account deficit may rise, despite increases in both the volume and the value of uranium exports, due to substantial investments in the mining sector and infrastructure, with a significant import component. Large amounts of private capital inflows, as well as official development assistance, should finance this deficit and lead to some increase in net foreign assets.

21. The basic fiscal deficit for 2009–11 is expected to remain at close to 2 percent of GDP to be financed by external budgetary assistance. The deficit will rise in 2008, reflecting additional priority expenditures financed by special nontax revenue received in 2007.

22. One of the primary objectives of the program is to improve fiscal management in terms of budget preparation, execution, and oversight, in particular to ensure that the annual government budget is consistent with DPRS priorities and the Medium-Term Expenditure Frameworks (MTEF) for priority ministries (education, health, and rural development, whose MTEFs are being updated, as well as equipment and transport, whose MTEF is being prepared). The annual DPRS implementation reports will be prepared in July each year, so that the status of priority programs is taken into account in the preparation of the budget for the following year.

23. The 2009 budget law will include as an annex the investment programs for 2009-12 for priority sectors of the DPRS and the MTEFs for these sectors; nevertheless, these MTEFs should be validated according to the macroeconomic framework in order to ensure their compatibility with available resources. To meet additional needs for implementing the DPRS, efforts will be made to mobilize donor assistance and fiscal resources. The 2009 budget will also include in an annex a presentation by programs of DPRS priority actions,

and list the available internal and external resources and the remaining gaps. An overall public expenditure framework will be prepared by 2010.

Fiscal management

24. The government is currently reinforcing the tracking of poverty-reducing expenditures to prevent any delays in implementation. To this end, (i) funds have been disbursed more rapidly at the beginning of the year; (ii) procedures for expenditure commitments and authorizations will be expedited through the new pilot unit, of the Ministry of Finance expected to begin operations on June 1, 2008. In the long term, in common with other countries in the subregion, the main line ministries should gradually assume responsibility for payment orders. Reports on physical and budgetary execution will be prepared at semiannual intervals for the health and education sectors, and will be sent to development partners, who provide budgetary support to the various sectors. The release of funds for the decentralized budgetary units will be accelerated so that these units can effectively fulfill their duties. The computerization of the decentralized centers (*centres de sous-ordonnancements*), which is already underway, will help to expedite the monitoring of the execution of these outlays.

25. Budget allocations to DPRS priority sectors (health, education, rural development, equipment, water resources, the environment) have increased in recent years, and also in the 2008 supplementary budget law, and will account for 13.2 percent of GDP in 2008. This ratio will remain at this level or be increased from 2008 to 2011. Resources for road maintenance will be substantially increased from just CFAF 3 billion in 2007 to at least CFAF 5.5 billion in 2009.

26. Given the burden of domestic arrears on the production sector, we established specific targets for reducing these arrears by creditor type have been established from 2008 to 2011.

27. The government will continue to strengthen the transparency and oversight of fiscal management. In particular, it will increase the resources available to the General Directorate of Government Procurement (DGCMP) and the Audit Court, which were recently created and which benefit from technical assistance from a number of donors. The law transforming the accounts chamber into an independent Audit Office was promulgated on October 15, 2007 and published in the Official Gazette dated March 27, 2008. Training for verifiers and auditors in the Audit Court will benefit from the technical assistance from development partners, including the partners who helped to develop the manual of procedures. This training will be enhanced.

28. The General Inspectorate of Finance is being strengthened. Government inspections will focus on physically verifying results in the priority sectors by preparing detailed and periodic reports, which will facilitate the monitoring of DRPS implementation.

29. Inspections of the implementation and results of the President's Special Program, funded with HIPC resources, are programmed for 2008.

30. The public finance and expenditure accountability assessment (Public Expenditure and Financial Accountability Program–PEFA) will be carried out in 2008 in coordination with the development partners. To this end, a technical committee was created in February 2008 to monitor this assessment. The team of international experts will be selected by end-April 2008 and will conduct the assessment by end-September 2008.

31. The tax base will be expanded by enhancing the research and inspection units, in particular by increasing the number of economic agents subject to the account based taxation regime and by improving audits. Real estate taxation will be reinforced, mainly to increase revenues from local governments. Initiatives in the customs administration will focus on using data on cargos at the port of embarkation and on ex post controls. target goal is to increase fiscal revenue by 1.5 percent of GDP in three years so as to attain 13.1 percent of GDP in 2011.

32. External debt management will continue to be monitored carefully to avoid any accumulations that could compromise debt sustainability. The Public Debt Directorate will be strengthened by providing adequate training for staff so that it can effectively discharge its duties of analyzing the impact of the new loans being negotiated on long-term debt sustainability.

33. Given the importance of avoiding unsustainable debt levels, the government encourages its external partners to scale up their financial aid through grants or highly concessional loans so as to proceed more rapidly toward achieving the MDGs. The macroeconomic framework for 2008-11 could be updated to account for the additional commitments made by our partners, which we hope will surpass 2007 levels (8.5 percent of GDP). The government expects that Niger could absorb much more aid inflows than in 2007 without threatening macroeconomic stability.

Improvement in the business climate and the financial sector

34. Efforts are needed to improve the business climate and facilitate access to financial services to support growth. A series of measures was developed (see below), as a continuation of those already taken over the past few years, which included lowering the business registration tax and startup costs. To improve access to financial services, the government will complete the reforms underway to establish FINAPOSTE and unfreeze deposits in the former savings bank (performance criterion for end-September 2008). One of the government's priorities for the development of financial services is to enhance credit to agriculture. In this regard, emphasis will be put on the development of finance networks, which are less developed in Niger as they are in other WAEMU countries. Following the WAEMU financed sector regional assessment conducted in 2007, the government will

participate in the Financial Sector Assessment Program (FSAP) for Niger and use the conclusions and recommendations of that assessment to develop the most useful reforms.

IV. 2008 Program

A. Macroeconomic framework and fiscal policy

35. The main objectives of the 2008 program are to support the growth of GDP, which should surpass 4 percent as a result of continued structural reforms, and to maintain fiscal balance by allocating additional resources from the mining sector and the sale of the telecom license to priority sectors in compliance with DPRS objectives. Growth in GDP should be supported by the impact of investments in the mining sector and infrastructure, both private and public, and by growth in the construction, energy, and transport sectors. The current account deficit is expected to increase in comparison with 2007 and reach 9.7 percent of GDP, despite surging uranium export prices, due to the sharp increase in the price of imported food products and petroleum products and to investment-related imports.

36. Efforts to improve the quality and transparency of fiscal management will be reinforced as part of the PEMFAR (Public Expenditure Management and Fiscal Accountability Review) initiative. Particular attention was given to the more rapid consumption of budget envelopes for priority sectors, thanks to the fact that competitive bidding procedures for procurement were launched in 2008 without waiting for appropriations. The establishment of a pilot unit, planned for mid-2008, will expedite expenditure procedures, particularly appropriation commitments. Eventually, in 2009, financial comptrollers in the ministries can be given responsibility for confirming expenditure commitments, thereby reducing the centralization of expenditure in the Ministry of Finance.

37. In addition to the initial budget for 2008, approved in December 2007, a supplementary budget will be submitted to the National Assembly in June 2008 to allocate additional resources of CFAF 70 billion (3.2 percent of GDP). The bulk of these resources were obtained at end-2007, and includes 15 billion from extra dividends of mining companies, 20 billion from the sale of mining assets, and 31 billion from the sale of a telecom license. Moreover, in order to dampen the strong increase of prices of imported food staples, the government has proposed, in the context of the supplementary budget for 2008 presently under consideration by the National Assembly, some detaxation of key products (rice, vegetable oil, sugar, and wheat flour). These would bring about a shortfall of tax revenue of CFAF 12.4 billion (0.56 percent of GDP), and would be offset by a projected increase of revenue from the profit tax on mining companies and mining royalties, as a result of the renegotiation of the export price of uranium for 2008, and tax compensation from the WAEMU and the ECOWAS, for a total of CFAF 11.9 billion (0.53 percent of GDP), with a net shortfall of CFAF 0.6 billion. These measures complement those underway in the rural areas to increase food security for the most vulnerable groups. Over the medium-term, the actions undertaken to strengthen agricultural production in the context

of the rural development strategy should increase the country's self-sufficiency and reduce its exposure to international food price fluctuations.

38. The supplementary budget increases expenditures by CFAF 78.4 billion (3.6 percent of GDP). It allocates more funds for security and development expenditures (CFAF 10 billion and CFAF 45.5 billion, respectively), and includes an adjustment of CFAF 11 billion for wage allowances. Development expenditures include an additional allocation of CFAF 3.8 billion to ensure free health care for children and expectant mothers, bringing the total of CFAF 7.8 billion, Substantial funding is provided for agricultural and livestock development (irrigated lands, land management, animal vaccinations, purchase of fertilizers, modern slaughterhouse, improvement of livestock, modernization of rice ginning by Riz du Niger).

39. Expenditures will be managed more rigorously by (i) enhancing financial oversight and the procurement units in the ministries through training programs supported by the Public Procurement Regulation Authority (ARMP); (ii) increasing staff in the General Directorate for Control of Government Procurement; (iii) improving the functioning of the decentralized spending units centers; and (iv) further to strengthening the Audit Court by recruiting additional staff. In addition, the ARMP will conduct procurement audits, with the assistance of the European Union. In the Treasury, the computerization of General Fund (*Caisse Générale*) operations, essential for improving its functioning and transparency, is underway and should be completed in the first half of 2009.

40. Tax revenue is projected to 11.5 percent of GDP in 2008. CFAF 15 billion arises. Nontax revenue is expected to reach CFAF 26.5 billion (1.2 percent of GDP), of which special dividends from uranium companies received by the Treasury in January 2008 . The tax and customs administration will pursue their efforts to combat tax evasion and monitor the tax base. The key measures being taken in the tax directorate are to: (i) enhance the investigation and research unit and the audit unit by recruiting more personnel; the primary objective should be to increase the number of registered economic agents with a tax identification number to cover unregistered economic agents, of taxpayers registered erroneously under the regime of the synthetic tax (regime NIF P, designed for small operators); (ii) improve tax audit, especially for businesses outside Niamey; (iii) prepare an effective VAT credit refund system for exporters, and monitor exemptions under the investment law more carefully; to this end, a law or decree will be adopted by end-December 2008 to spell out the principles and modalities for the full refund of VAT credits to all exporting enterprises, including mining companies (performance criterion); (iv) increase the collection of real estate taxes, particularly from individuals in 2008, by hiring more registry personnel. The distribution of revenue from real estate taxes and the global business license tax (*patente synthétique*) between central government and the local authorities will be reviewed in the 2009 budget law with a view to increasing revenue for the latter.

41. Additional taxation reforms will be launched as part of the current overhaul of the Tax Code, which should include a review of the tax advantages granted under the investment law. Thus, a reduction of the business profits tax (BIC), as in the other countries of the region, together with a review of the tax advantages granted under the investment code, appears appropriate. Regarding the real estate tax on the fixed capital formation of corporations, an assessment of this tax' possible disincentive effect on investment will be made. The government will request a technical assistance from the Fiscal Affairs Department of the Fund before finalizing these reforms.

42. Efforts in the customs administration will focus on: (i) introducing measures to monitor cargos en route to Niger from their ports of embarkation using cargo tracking forms; this form became mandatory in a joint decree issued by the Ministries of Finance and Transport and adopted in February 2008; (ii) linking the main border offices and regional customs offices to allow for more rigorous monitoring of merchandise undergoing customs clearance; (iii) improving valuation controls with the assistance of the inspection company; and (iv) enhancing ex post controls, including site visits and warehouse inventories.

43. In addition, to protect fiscal revenue, the government will continue to apply the monthly pricing mechanism with respect to retail prices of petroleum products, in accordance with the provisions set forth in the August 2001 decree. The overall tax per liter in CFA francs on an average monthly basis, calculated on a rolling six month period, will not fall below the level of March 2007. In the event of an emergency situation necessitating a review of this policy, the government will consult with Fund staff on the adoption of appropriate measures.

44. The target for reducing domestic arrears in 2008 has been set at CFAF 15.2 billion, which includes the reduction of outstanding Treasury balances (*Restes à payer*–RAP) for the 2006 fiscal year and previous years. This reduction was broken down by sector, and focuses on eliminating arrears with private suppliers and finalizing the agreement with commercial banks and the National Social Security Fund (CNSS). The frozen deposits of the former National Post and Savings Office (ONPE) will be paid back gradually, in accordance with the procedures to be defined by end-June 2008 (performance criterion). Reductions in arrears for 2009 and 2010 should help to clear virtually all arrears. The balances of RAPs at end-2008 for the 2008 fiscal year should not exceed those recorded at end-2007 for the 2007 fiscal year. Any excess will be considered as an accumulation of arrears to be deducted from the reduction of arrears as defined at the beginning of this paragraph.

45. Following the substantial accumulation of CFAF 36 billion in deposits (1.8 percent of GDP) in the BCEAO in 2007, some CFAF 47 billion of these deposits are expected to be used in the 2008.

B. Money, credit, and reforms in the financial sector

46. In 2008, monetary policy will continue to be pursued at the regional level with the aim to containing inflation and maintaining a sufficient level of international reserves. Growth in credit to the economy is projected at about 12 percent, and the money stock could increase faster than nominal GDP, as it did in 2007. The central bank's foreign assets should continue to grow at a moderate rate.

47. Financial sector reforms will continue, with the beginning of Finaposte operations expected in the second quarter, the resumption of the activity of the Crédit du Niger, and the enhancement of microfinance networks, supported by technical assistance from a number of donors. The monetary authorities will remain vigilant to ensure compliance with prudential ratios and safeguard the good quality of loans to stem the increase in the rate of nonperforming loan observed in 2006-2007 (nonperforming loans ratio was 21.8 percent at end-2007).

C. External Financing

48. The amount of budgetary assistance is expected to reach CFAF 80.8 billion in 2008, including the disbursement of the amounts already programmed for EU (CFAF 10.5 billion) and World Bank (CFAF 12 billion) budgetary assistance in 2007. The government will not contract loans with a grant element of less than 35 percent. Moreover, the government will endeavor to contract new loans at the most favorable terms, with grant elements higher than this floor. It will consult with IMF staff on any borrowing under consideration when the grant element, although higher than 35 percent, is close to this minimum. In addition, the government will enhance public debt service to improve debt planning and verify debt sustainability; to that end, it will conduct yearly a debt sustainability assessment. The Ministry of Finance will prepare semi-annual reports on debt contracted and terms, and on the forthcoming borrowing program for the next six months, with envisaged terms (structural benchmark).

D. Other Structural Reforms

49. Improving the business climate is a key factor for ensuring sustained growth over the medium term and for diversifying the economy. In this regard, the government has formulated action plan, which was discussed with the World Bank and representatives of private investors. The plan emphasizes the following measures: (i) reducing the number of procedures required to set up a business from 11 to 8 by end-2008; (ii) reducing the number of days required for property transfers from 49 in 2006 to 19 in 2008; and (iii) streamlining procedures for registering land titles, through improvements in the management of the land registry. In terms of essential business services, the provision of electricity improved in 2007 following completion of the grid interconnection with Nigeria by Nigelec.

50. The government is committed to making the mining sector transparent and attractive to investors, in compliance with WAEMU rules. The mining law adopted in 2006 was amended in early 2008 to make the institutional framework more attractive for large investments.

51. Niger endorsed the principles of the Extractive Industries Transparency Initiative (EITI) in 2005. The first report on the reconciliation of payment data by mining operators and government revenues for 2005-06 will be prepared by an independent consultant in 2008, and will be followed by a second report for 2007. Using the resources in the EITI Trust Fund, an action plan will be implemented in 2008 to (i) boost the capacity of the various actors (Ministry of Finance, Ministry of Mines, civil society, businesses) and (ii) improve the communications system.

V. Program Monitoring

52. Program monitoring will be based on continuous and semiannual quantitative performance criteria, structural performance criteria (including some continuous criteria), and quantitative and structural benchmarks (Tables 1b and 2b). The performance criteria and benchmarks are defined in the Technical Memorandum of Understanding. The quarterly ceiling on domestic financing—net of the position with the IMF—will be adjusted upwards in case external budgetary assistance (net of external debt service) falls short of program projections, up to a maximum of CFAF 30 billion. This should allow for execution of the program of priority expenditures for poverty reduction and—in the event of an overrun—facilitate more rapid execution of this program.

53. Niger will conduct two reviews with the Fund to evaluate the progress made during the first year of program implementation; the first review will be carried out by end-November 2008, and the second by end-April 2009.

Table 1a. Niger: Quantitative Performance Criteria and Indicative Targets, January 1, 2007-December 31, 2007

(CFAF billions)

	End-March Indicative Targets			End-June Performance Criteria			End-September Indicative Targets			End-December Performance Criteria		
	Prog.	Prog. Adj.	Est.	Prog.	Prog. Adj.	Est.	Prog.	Prog. Adj.	Est.	CR# 07/388	Prog. Adj.	Est.
A. Quantitative performance criteria and indicative targets												
(cumulative from December 31, 2006)												
Domestic financing of the budget [1, 2]	-7.0	-10.8	-21.2	7.9	20.9	-19.5	6.4	15.5	-10.1	11.4	31.4	-27.5
Reduction in government domestic arrears [3]	1.0	1.0	6.6	5.0	5.0	8.6	6.0	6.0	11.8	15.8	15.8	14.8
Memorandum item:												
Exceptional external budgetary assistance [4]	15.8	…	19.6	30.8	...	17.8	51.9	...	42.8	70.1	...	43.8
Gross budget support	17.1	…	20.0	33.5	...	20.0	56.0	...	44.1	77.1	...	50.7
Debt service	1.4	…	0.4	2.7	...	2.2	4.2	...	1.3	6.9	...	6.9
B. Continuous quantitative performance criteria												
Accumulation of external payments arrears	0.0	...	…	0.0	...	0.0	0.0	...	0.0	0.0	...	0.0
New external debt contracted or guaranteed by the government with maturities of 0-1 year [5]	0.0	…	0.0	0.0	...	0.0	0.0	...	0.0	0.0	...	0.0
New nonconcessional external debt contracted or guaranteed by the government with maturities over 1 year [6]	0.0	…	0.0	8.5	...	8.5	8.5	...	8.5	8.5	...	8.5
C. Indicative Targets												
(cumulative from December 31, 2006)												
Basic budget balance (commitment basis, excl. grants) [7]	-14.0	…	3.3	-42.6	...	0.9	-62.6	...	-31.4	-74.8	...	-17.9
Total revenue [8]	56.2	…	59.8	112.7	...	128.4	170.2	...	191.4	258.7	...	309.0
Accumulation of domestic arrears	…	…	…	…	...	...	…	...	...	0.0	...	0.0

Note: The terms in this table are defined in the TMU.

[1]Performance criteria for program indicators under A and B; indicative targets otherwise.

[2]The ceiling on domestic financing of the budget will be adjusted if the amount of disbursements of external budgetary assistance, as defined in footnote 4, exceeds or falls short of program forecasts.

If disbursements are less than programmed, the ceiling will be raised pro tanto up to a maximum of CFAF 20 billion at the end of each quarter of 2007.

If disbursement exceeds programmed amounts ceilings will not be adjusted downwards for the the first CFAF 5.0 billion.

[3]Minimum.

[4]External budgetary assistance (including traditional debt relief and HIPC Initiative assistance, but excluding net financing from the IMF) less external debt service and payments of external arrears.

[5]Excluding ordinary credit for imports or debt relief.

[6]Excluding debt relief obtained in the form of rescheduling or refinancing; 50 percent minimum concessionality for new loans from 2006.

[7]Minimum, defined as the difference between total revenue, excluding grants and revenue from the settlement of reciprocal debts between the government and enterprises, and total expenditures, excluding externally financed capital expenditures.

If external budgetary assistance (defined in footnote 4), exceeds the amounts programmed, the basic budget balance will be decreased by no more than CFAF 5.0 billion, CFAF5.0 billion.

[8]Minimum. Excluding (i) revenue from the settlement of reciprocal debts between the government and Nigerien enterprises; and (ii) revenue from the privatization of public enterprises that is included in financing.

Table 1b. Niger: Quantitative Performance Criteria and Indicative Targets, January 1, 2008-December 31, 2008

(CFAF billions)

	End-March Indicative Targets	End-June Performance Criteria	End-September Indicative Targets	End-December Performance Criteria
	Prog.	Prog.	Prog.	Prog.
A. Quantitative performance criteria and indicative targets				
(cumulative from December 31, 2007)				
Domestic financing of the budget[1, 2]	1.4	18.1	38.7	36.8
Reduction in government domestic payments arrears [3]	4.0	7.0	8.0	15.2
Memorandum item:				
Exceptional external budgetary assistance [4]	13.5	24.5	33.7	70.4
Gross budget support	16.0	29.6	41.4	80.8
Debt service	2.6	5.2	7.7	10.3
B. Continuous quantitative performance criteria				
Accumulation of external payments arrears	0.0	0.0	0.0	0.0
New external debt contracted or guaranteed by the government with maturities of 0-1 year[5]	0.0	0.0	0.0	0.0
New nonconcessional external debt contracted or guaranteed by the government with maturities over 1 year:[6] grant element lower than 35 percent	0.0	0.0	0.0	0.0
C. Indicative Targets				
(cumulative from December 31, 2007)				
Basic budget balance (commitment basis, excl. grants)[7]	-11.8	-42.6	-72.4	-101.0
Total revenue[8]	83.9	148.8	214.7	281.7

Note: The terms in this table are defined in the TMU.
[1]Performance criteria for program indicators under A and B; indicative targets otherwise.
[2]The ceiling on domestic financing of the budget will be adjusted if the amount of disbursements of external budgetary assistance, as defined in footnote 4, exceeds or falls short of program forecasts.
of 2008.
If disbursement exceeds programmed amounts by more than CFAF 5.0 billion, the ceilings will not be adjusted downwards for the the first CFAF 5.0 billion.
[3]Minimum.
[4]External budgetary assistance (including traditional debt relief, HIPC Initiative assistance, but excluding net financing from the IMF) less external debt and payments of external arrears.
[5]Excluding ordinary credit for imports or debt relief.
[6]Excluding debt relief obtained in the form of rescheduling or refinancing.
[7]Minimum, defined as the difference between total revenue, excluding grants and revenue from the settlement of reciprocal debts between the government and enterprises, and total expenditures, excluding externally financed capital expenditures.
[8]Minimum. Excluding (i) revenue from the settlement of reciprocal debts between the government and Nigerien enterprises; and (ii) revenue from the public enterprises that is included in financing.

Table 2a . Structural Performance Criteria and Benchmarks under the January 2007–January 2008 Program

Measures	Date	Status
Structural performance criteria		
Apply the pricing system for petroleum products, adopted on August 1, 2001, as described in paragraph 22 of the Technical Memorandum of Understanding of November 8, 2007).	Continuous	Not met in May 2008
Adopt new monthly performance indicators for the main customs offices and consistently track compliance with these indicators by producing monthly implementation reports for submission to the IMF.	Continuous	Met
Establish the overall balance of the consolidated government accounts including the interim balances from 1997 to December 31, 2002.	End-June 2007	Met
Introduce a simplified tax regime with quarterly tax declarations for small- and medium-sized enterprises to replace monthly declarations.	End-December 2007	Met
Structural benchmarks		
Adopt the decree on the establishment of a regulatory agency for the microfinance sector.	End-December 2006	Met in April 2007
Establish an action plan for the clearance of domestic arrears inventoried at end-1999.	End-December 2006	Met in April 2007
Disburse the annual universal service subsidy of CFAF 380 million to Niger Poste for 2006 and 2007.	End-December 2006 and end-December 2007	Met in March 2007
Issue a call for bids for the privatization of Crédit du Niger to investors selected following the call for expressions of interest.	End-February 2007	Met in September 2007
Update the file of the large taxpayers unit (DGE) consistent with the turnover threshold of CFAF 100 million.	End-March 2007	Met
Publish 2006 data on national budget execution and on expenditure execution under the unified list of priority expenditures on a payment order basis.	End-March 2007	Partially met; data available but not published
Regularize Treasury depositors accounts that are in overdraft and close inactive deposits accounts.	End-December 2007	Met in March 2008
Provide for the adoption of the decree on the organization and mandate of the Directorate General for Control of Public Procurement by the Council of Ministers.	End-December 2007	Met
Finalize compensation arrangements between the Treasury, NIGELEC, and SONATEL.	End-December 2007	Not met. Compensation completed for NIGELEC, but still under discussion for SONITEL
Finalize agreements for the settlement of Treasury arrears with banks.	End-December 2007	Not met. Negotiations ongoing
Reduce the threshold for contracts requiring approval by the General Directorate for Control of Public Procurement from CFAF 300 to CFAF 100 million.	End-December 2007	Not met

Table 2b. Structural Performance Criteria and Benchmarks under the March 2008–March 2009 Program

Measures	Date
Structural performance criteria	
Adopt a decree establishing the modalities for repayment of frozen savings deposits at the former National Savings Bank (MEFP ¶24).	End-September 2008
Adopt a law or decree establishing a principle for, and defining the modalities of, the full reimbursement of VAT credits to all exporting enterprises (MEFP ¶40).	End-December 2008
Structural benchmarks	
Adoption by the Council of Ministers of the Medium-Term Framework for Equipment and Transportation (MEFP ¶22).	End-November 2008
Presentation in the budget law for 2009 of the investment programs for the priority sectors of the PRSP for 2009-2012 (MEFP ¶23).	End-December 2008
Preparation of semi-annual reports on debt contracted and terms, and on the forthcoming borrowing program for the next six months, with envisaged terms (MEFP ¶48).	End-December 2008

ATTACHMENT II

TECHNICAL MEMORANDUM OF UNDERSTANDING

Niamey, May 12, 2008

1. This technical memorandum of understanding defines the performance criteria and indicative targets for Niger's program under the Poverty Reduction and Growth Facility (PRGF) for the period 2008–11. The performance criteria and indicative targets for end-June and end-December 2008 are set out in Table 1 of the government's Memorandum of Economic and Financial Policies (MEFP) dated May 12, 2008 and attached hereto. This technical memorandum of understanding also sets out the data-reporting requirements for monitoring the program.

I. DEFINITION OF TERMS

2. For the purpose of this technical memorandum, the following definitions of "debt," "government," "payments arrears," and "government obligations" will be used:

(a) As specified in point 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted by the Executive Board of the IMF on August 24, 2000, **debt** will be understood to mean a current, that is, not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, according to a specific schedule; these payments will discharge the obligor of the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows: (i) loans, that is, advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans, and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans, under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements); (ii) suppliers' credits, that is, contracts where the supplier permits the obligor to defer payments until some time after the date on which the goods are delivered or services are provided; and (iii) leases, that is, arrangements under which property is provided that the lease holder has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lease grantor retains the title to the property. For the purpose of this guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement, excluding those payments necessary for the operation, repair, or maintenance of the property. Under the definition of debt set out above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (for example, payment on delivery) will not give rise to debt.

(b) **Government** refers to the central government of the Republic of Niger; it does not include any political subdivision, public entity, or central bank with a separate legal personality.

(c) **External payments arrears** are external payments due but not paid. **Domestic payments arrears** include (i) arrears outstanding at end-1999 identified by the audit conducted by the Ministry of Finance in 2005; (ii) the *reste à payer* at the Treasury related to the budgetary years 2004, 2005 and 2006, remaining due at December 31, 2007.

(d) **Government obligation** is any financial obligation of the government accepted as such by the government (including any government debt).

II. Quantitative Performance Criteria

A. Net Domestic Financing of the Government

Definition

3. Net domestic financing of the government is defined as the sum of (i) net bank credit to the government, as defined below; (ii) net nonbank domestic financing of the

Government, including government securities issued in CFA francs on the WAEMU regional financial market and not held by resident commercial banks, proceeds from the sale of government assets, and privatization receipts net of the cost of structural reforms to which these proceeds are earmarked.

4. **Net bank credit to the government** is equal to the balance of the government's claims and debts vis-à-vis national banking institutions. Government claims include cash holdings by the Nigerien Treasury, deposits with the central bank and commercial banks, and secured obligations. Government debt to the banking system includes debt vis-à-vis the central bank (excluding net financing from the IMF's Poverty Reduction and Growth Facility (PRGF), but including government securities) and to commercial banks (including government securities held by commercial banks), and deposits with the postal checking system.

5. The scope of the net bank credit to the government as defined by the BCEAO includes all central government administrations. The net bank credit to the government and the amounts of government treasury bills and bonds issued in CFA francs on the regional financial market of the WAEMU are calculated by the BCEAO, and the net nonbank

financing of the government is calculated by the Nigerien Treasury, whose figures are those deemed valid within the context of the program.

6. **Nonbank net domestic financing** includes: (i) the change in the amount of government bonds issued in the regional WAEMU market and not held by Niger's commercial banks; (ii) the change in the deposits of Treasury correspondents; (iii) the change in *"comptes de consignations"* at the Treasury.

7. The 2008 quarterly targets are based on the change in the level of stock between end-December 2007 and the date considered for the performance criterion or the indicative target.

Adjustment

8. The **ceiling on net domestic financing** will be subject to adjustments if disbursements of external budgetary support less external debt service and arrears payments, including disbursements under the PRGF, fall short of projected amounts. For 2008, external budget support is calculated from end-December 2007.

9. In the event disbursements fall short of projected external budgetary assistance for each end of quarter in 2008, the corresponding quarterly ceilings on net domestic financing will be raised pro tanto, up to a maximum of CFAF 30 billion.

Reporting requirement

10. Detailed data on domestic financing to government will be provided monthly within six weeks following the end of each month.

B. Reduction of Domestic Payments Arrears

Definition

11. **Domestic payments arrears** comprise: (i) arrears identified at end-1999 on the basis of the audit conducted by the Ministry of Finance in 2005; (ii) the *restes à payer(RAP)* at the Treasury regarding the budget years 2006 and earlier, outstanding at end-2007. The stock of arrears will be reduced to the minimum of the amounts indicated in Table 1 annexed to the MEFP. The quarterly objectives for 2008 are based on the changes in the stock of arrears at end-December 2007 and the date selected for the performance criterion or indicative target. The stock of RAP at end-2008 regarding the 2008 budget year will not exceed the stock of RAP outstanding at end-2007 regarding the 2007 budget year; any excess will be considered an increase in arrears, that will be deducted from the reduction of arrears as defined as the beginning of this paragraph.

12. The *Centre d 'Amortissement de la Dette Intérieure de l 'Etat* (CADDIE) and the Treasury are responsible for calculating the stock of domestic arrears, and recording their repayments.

Reporting requirement

13. Monthly data on the outstanding balance, accumulation (including changes in the *restes à payer* at the Treasury), and repayment of domestic payments arrears on government obligations will be provided monthly within six weeks following the end of each month.

C. External Payments Arrears

Definition

14. **Government debt** is outstanding debt owed or guaranteed by the government. Under the program, the government undertakes not to accumulate external payments arrears on government debt (including treasury bills and bonds issued in CFA francs on the WAEMU regional financial market), with the exception of external payments arrears arising from government debt being renegotiated with external creditors, including Paris Club creditors.

Reporting requirement

15. Data on the outstanding balance, accumulation, and repayment of external payments arrears will be provided monthly within six weeks following the end of each month.

D. External Nonconcessional Loans Contracted or Guaranteed by the Government of Niger

Definition

16. The government will not contract or guarantee external debt with original maturity of one year or more with a grant element of less than 35 percent. Nonconcessional external debt is defined as all debt with a concessionality level of less than 35 percent. To calculate the level of concessionality for loans with a maturity of at least 15 years, the discount rate to be used is the ten-year average commercial interest reference rate (CIRR), calculated by the IMF on the basis of the rates published by the OECD; for loans of less than 15 years, the six-month average CIRR is to be used. The Ministry of Finance will communicate regularly to the Fund staff the list of loans under negotiations. It will prepare semi-annual reports on external debt contracted and its financial terms, and on the borrowing program for the next six months and the envisaged financial terms, and will transmit these reports to Fund staff.

17. This performance criterion applies not only to debt as defined in point 9 of the Guidelines on Performance Criteria with Respect to Foreign Dept adopted by the Executive

Board on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. However, this performance criterion does not apply to financing provided by the Fund, to debt rescheduling in the form of new loans, and to treasury notes and bonds issued in CFA francs on the WAEMU regional financial market.

Reporting requirement

18. Details on any external government debt will be provided monthly within six weeks following the end of each month. The same requirement applies to guarantees extended by the central government.

E. Short-Term External Debt of the Central Government

Definition of the performance criterion

19. The government will not accumulate or guarantee new external debt with original maturity of less than one year. This performance criterion applies not only to debt as defined in point 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are short-term, import-related trade credits and short-term treasury notes issued in CFA francs on the regional financial market.

Reporting requirement

20. Details on any external government debt will be provided monthly within six weeks following the end of each month. The same requirement applies to guarantees extended by the central government.

III. Quantitative Targets

A. Definitions

21. Total revenue is an indicative target for the program. It includes tax, nontax, and special accounts revenue, but excludes revenue from the settlement of reciprocal debts between the government and enterprises.

22. The basic fiscal deficit is defined as the difference between: (i) total fiscal revenue as defined in paragraph 23; and (ii) total fiscal expenditure excluding foreign financed investment (but including HIPC-financed investment).

23. This information will be provided to the IMF monthly within six weeks following the end of each month.

IV. Additional Information for Program-Monitoring Purposes

A. Public Finances

24. The government will report to IMF staff the following:

- detailed monthly estimates of revenue and expenditure, including priority expenditure and the payment of domestic and external arrears, and a breakdown of customs, DGI, and Treasury revenue;
- the table of government financial operations with comprehensive monthly data on domestic and external financing, and the changes in arrears (arrears outstanding at end-1999) and *restes à payer* at the Treasury. These data are to be provided monthly within six weeks following the end of each month;
- quarterly data on the expenditures of the unified priority list, and the data on expenditures on HIPC resources and the President's Special Program, on a payment order basis;
- quarterly data on implementation of the Public Investment Program, including details on financing sources, to be provided quarterly within eight weeks following the end of each quarter;
- monthly data on the balances of the accounts of the Treasury and of other public accounting officers at the BCEAO;
- monthly data on the *restes à payer* at the Treasury, by reference fiscal year with an itemization of maturities of more than, and less than, 120 days;
- monthly data on effective debt service (principal and interest) compared with the planned schedules. These data are to be provided within four weeks following the end of each month;
- documentation on external debt contracted, with financial terms. This documentation is to be provided within four weeks of the signing of the loan agreement.

B. Monetary Sector

25. The government will provide the following information within eight weeks following the end of each month:

- the consolidated balance sheet of monetary institutions and, as appropriate, the balance sheets of selected individual banks;
- the monetary survey within eight weeks following the end of the month (provisional data);

- borrowing and lending interest rates; and
- customary banking supervision indicators for bank and nonbank financial institutions (if necessary, the same indicators for individual institutions may also be provided).

C. Balance of Payments

26. The government will provide IMF staff with the following information:

- any revision to balance of payments data (including services, private transfers, official transfers, and capital transactions) whenever they occur; and
- preliminary annual balance of payments data, within six months following the end of the year concerned.

D. Real Sector

27. The government will provide IMF staff with the following information:

- disaggregated monthly consumer price indices, monthly within two weeks following the end of each month;
- national accounts, within six months following the end of the year; and
- any revision in the national accounts.

E. Structural Reforms and Other Data

28. The government will provide the following information:

- any study or official report on Niger's economy, within two weeks following its publication; and
- any decision, order, law, decree, ordinance, or circular with economic or financial implications, upon its publication or, at the latest, when it enters into force.

Summary of Main Data Requirements

Type of Data	Tables	Frequency	Reporting Requirement
Real sector	National accounts	Annual	End of year + six months
	Revisions of national accounts	Irregular	Eight weeks following revision
	Consumer price indexes, disaggregated	Monthly	End of month + two weeks
Public finances	Net government position in the banking sector	Monthly	End of month + six weeks
	Provisional table of government financial operations, including breakdown of revenue (DGI, DGD, and Treasury) and expenditure, including repayments of domestic wage and non-wage arrears outstanding at end-1999 and the change in the *restes à payer* (RAP) at the Treasury.	Monthly	End of month + six weeks
	Data on the stock of *restes à payer* at the Treasury, by reference fiscal year (total and RAP older than 120 days)	Monthly	End of month + six weeks
	Monthly data on the deposits of the correspondents with the Treasury	Monthly	End of month + six weeks
	Investment expenditure execution	Quarterly	End of quarter + eight weeks
	Table of execution of budgetary expenditures, of the expenditures in the priority unified list, and of expenditures on HIPC resources	Quarterly	End of quarter + six weeks
	General balance of Treasury accounts	Monthly	End of month + six weeks

	Monthly data on Treasury account balances and other public entities at the BCEAO.	Monthly	End of month + two weeks
	Petroleum product pricing formula, tax receipts, and pricing differentials	Monthly	End of month + four weeks
Monetary and financial data	Monetary survey	Monthly	End of month + six weeks (for provisional data) End of month + ten weeks (for final data)
	Consolidated balance sheet of monetary institutions and, as appropriate, balance sheets of selected individual banks	Monthly	End of month + eight weeks
	Lending and deposit interest rates	Monthly	End of month + eight weeks
	Banking prudential ratios	Quarterly	End of quarter + eight weeks
Balance of payments	Balance of payments	Annual	End of year + six months
	Revised balance of payments data	Irregular	Following the revision
External debt	Outstanding external payments arrears and repayments	Monthly	End of month + six weeks
	Terms of newly contracted external loans and list of envisaged new loans, with financial terms		End of month + six weeks
	Table of effective monthly external debt service (principal and interest) compared with planned schedule	Monthly	End of month + four weeks