

**Liberia—Request for an Extension of the Arrangement Under the
Extended Credit Facility**

This paper was prepared based on the information available at the time it was completed on March 14, 2012. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of Liberia or the Executive Board of the IMF.

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**International Monetary Fund
Washington, D.C.**

INTERNATIONAL MONETARY FUND

LIBERIA

**Request for an Extension of the Arrangement Under the Extended
Credit Facility**

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

Approved by Seán Nolan (AFR) and Taline Koranchelian (SPR)

March 14, 2012

1. In the attached letter, the Liberian authorities request an extension of the arrangement under the Extended Credit Facility (ECF) to May 31, 2012. The arrangement (in the total amount of SDR 247.9 million, 192 percent of quota) was approved on March 14, 2008, extended on March 7, 2011, and then extended and augmented on June 27, 2011. The arrangement would expire on March 31, 2012 if not extended.
2. The requested extension will provide sufficient time to complete the eighth review under the ECF arrangement and allow the related disbursement. The staff report for the eighth review could be submitted to the Executive Board in April.
3. The ECF-supported program is broadly on track. In December 2011, the Executive Board completed the seventh review under the ECF arrangement for Liberia. All performance criteria under the program through end-June 2011 were observed, although completion of two structural benchmarks faced delays due to limited implementation capacity and technical factors. Preliminary data for end-December 2011 indicate that performance criteria for net foreign exchange reserves, government borrowing and revenues were observed with significant margins. Overall progress has been sufficient to meet the objectives of the program and the authorities continue to implement the macroeconomic and structural reform program supported by the ECF.
4. Accordingly, the staff supports the authorities' request for the extension of the ECF arrangement through May 31, 2012. The attached decision is proposed for adoption by the Executive Board on a lapse-of-time basis.

Monrovia, March 13, 2012

Madame Christine Lagarde
Managing Director
International Monetary Fund
Washington, DC 20431

Dear Madame Lagarde:

On March 14, 2008, the IMF's Executive Board approved a three-year arrangement for Liberia under the Extended Credit Facility (ECF), which was extended in 2011 for a fourth year. The seventh review under the ECF arrangement was completed on December 5, 2011.

In view of the expiration of the ECF arrangement on March 31, 2012, we request on behalf of the Government of Liberia that the arrangement be extended until May 31, 2012. This will provide sufficient time for completion of the eighth review and the related disbursement under the arrangement. We remain committed to implementing the Fund-supported economic program.

Sincerely yours,

_____/s/_____
Amara M. Konneh
Minister of Finance

_____/s/_____
J. Mills Jones
Executive Governor,
Central Bank of Liberia