



NEPAL

December 2025

REQUEST FOR AN EXTENSION OF THE EXTENDED CREDIT FACILITY ARRANGEMENT—PRESS RELEASE AND STAFF REPORT

In the context of the Request for an Extension of the Extended Credit Facility Arrangement, the following documents have been released and are included in this package:

- A **Press Release**.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse of time basis, following discussions with the officials of Nepal on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on November 19, 2025.

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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International Monetary Fund
Washington, D.C.



IMF Executive Board Approves Extension of the Extended Credit Facility Arrangement with Nepal

FOR IMMEDIATE RELEASE

Washington, DC – December 8, 2025: On December 1, 2025, the Executive Board of the International Monetary Fund (IMF) approved the Nepali authorities' request for a four-month extension of the Extended Credit Facility (ECF) arrangement until May 11, 2026, to allow sufficient time for completing the seventh review of the ECF arrangement.

The 38-month ECF arrangement was approved by the Executive Board on January 12, 2022, with access of SDR 282.42 million (180 percent of quota) (see [Press Release No. 22/6](#)). An extension of the ECF arrangement to January 11, 2026 with rephasing of disbursements was approved by the Executive Board on May 1, 2023 (see [IMF Country Report No. 23/158](#)).

The Executive Board's decision was taken on a lapse-of-time basis^[1].

^[1] The Executive Board takes decisions under its lapse-of-time procedure when a proposal can be considered without convening formal discussions.



NEPAL

November 19, 2025

REQUEST FOR AN EXTENSION OF THE EXTENDED CREDIT FACILITY ARRANGEMENT

Approved By:
Rupa Duttgupta (APD)
and Koshy Mathai (SPR)

Prepared by the Asia and Pacific Department (APD) in consultation with the Strategy, Policy and Review (SPR) and Legal (LEG) Departments.

- 1. The authorities of Nepal are requesting an extension of the Extended Credit Facility (ECF) arrangement to May 11, 2026.** The ECF arrangement is currently due to expire on January 11, 2026. It was approved by the Executive Board on January 12, 2022 for the equivalent of SDR 282.42 million (180 percent of quota) for 38 months, and an extension of 10 months with rephasing of disbursements was approved by the Executive Board on May 1, 2023, without additional access.
- 2. The extension will allow sufficient time to conclude staff-level discussions with the authorities and prepare the program documents for circulation to the Executive Board to complete the seventh and last review.** The sixth review was completed on October 1, 2025. The last test date for the program was end-July 2025, and a mission to discuss the seventh review is tentatively planned for February 2026. Additional time is needed to evaluate the structural benchmarks which were delayed in part due to the social unrest and the new transition government, and to circulate the program documents for Executive Board consideration with the aim of completing the review.
- 3. Preliminary data suggest that the program's quantitative performance criteria for end-July 2025 have been met.** The authorities appear on track to observe all the end-July performance criteria, including the primary balance and accumulation of reserves, as well as most of the indicative targets (ITs), including the one on tax revenue. The IT on the child welfare grant for end-July was missed marginally, with actual spending falling about one percent below target. All standard continuous performance criteria were met. Discussions are continuing on the structural agenda, notably the plans for the submission to the Parliament of the amendments to the Nepal Rastra Bank (NRB) Act and progress on the Loan Portfolio Review (LPR).
- 4. Staff support the authorities' request for the extension of the ECF arrangement to May 11, 2026.** The attached decision is proposed for adoption by the Executive Board on a lapse-of-time basis.

Letter Requesting the Extension of the ECF Arrangement

Kathmandu, Nepal
November 18, 2025

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Georgieva,

1. On behalf of the Government of Nepal, I would like to request an extension of the Extended Credit Facility (ECF) Arrangement until May 11, 2026. The ECF arrangement was approved by the Board of the International Monetary Fund on January 12, 2022 and is due to expire on January 11, 2026.
2. The program extension would provide additional time for the conclusion of the seventh and final review under the current ECF arrangement. The extension is to complete critical structural benchmarks which were delayed in part due to the social unrest and the fall of the coalition government. It will also provide the opportunity to accommodate in our macro-economic framework the near- and medium-term impact of the social unrest and the resulting policy response, and ensure their consistency with the ECF-supported program objectives.
3. The government remains committed to conducting stable macroeconomic policies and the achievement of program objectives.

Sincerely yours,

/s/

Dr. Biswo Nath Poudel
Governor, Nepal Rastra Bank

/s/

Mr. Rameshore Prasad Khanal
Minister of Finance