



# REPUBLIC OF CONGO

January 2025

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

- 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 the Republic of Congo on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on January 15, 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.**



# REPUBLIC OF CONGO

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

January 15, 2025

Approved By  
**Vitaliy Kramarenko**  
(AFR) and **Niamh Sheridan**, (SPR)

Prepared by the African 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 January 20, 2025.** The three-year arrangement was approved by the Executive Board on January 21, 2022, with access of SDR 324.0 million (200 percent of quota).
- 2. The extension seeks to allow sufficient time to complete the sixth (and final) review.** The additional time needed would allow: (i) the authorities to complete remaining reforms; (ii) staff and the authorities to reach understandings on appropriate policies to support the completion of the 6<sup>th</sup> ECF review for the Republic of Congo, prepare documents and circulate them for Board consideration; and (iii) the Executive Board to discuss the review of regional policies and policy assurances for CEMAC, which is critical for the success of Congo's Fund-supported program.
- 3. Preliminary data suggest that program performance at end-June 2024 was mixed.** All end-June 2024 quantitative performance criteria were met, but the continuous zero ceiling on new external arrears was breached while several indicative targets were missed. The structural benchmark (SB) on the provisioning of resources to the social transfer program (*Programme National de Filets Sociaux*), and the one on the enactment of hydrocarbon-related VAT tax laws were completed with delays. The SB on the Expenditure Tracking Software (SIGFIP) was not met, although significant progress has been made.
- 4. The authorities reaffirmed their commitment to fiscal prudence to alleviate ongoing liquidity pressures and preserve the gains achieved under the ECF.** Fiscal consolidation will continue in 2025 supported by improved non-hydrocarbon revenue mobilization and expenditure rationalization, while protecting targeted poverty-reducing spending. Delivering on this commitment is key to reduce liquidity pressures,

which could persist in the near term. Meanwhile, the domestic debt reprofiling operation initiated by the authorities in October 2024 has partially helped postpone the amortization of government treasuries beyond 2029. The authorities concurred that laying the foundations for a sustainable and inclusive growth requires stepping up the implementation of structural reforms to strengthen debt management practices, enhance governance, accelerate economic diversification, and build a climate-proof economy. They are committed to build on the reform progress supported by the ECF, while noting their interest in a successor arrangement.

**5. Staff supports the authorities' request for an extension of the ECF arrangement to April 20, 2025.** The attached decision is proposed for adoption by the Executive Board on a lapse-of-time basis.

## Appendix I. Letter Requesting Extension of the Extended Credit Facility Arrangement

Brazzaville, January 13, 2025

Ms. Kristalina Georgieva  
Managing Director  
International Monetary Fund  
700 19th Street, N.W  
Washington, D.C. 20431  
United States

Madam Managing Director:

The Government of the Republic of Congo continues with the implementation of its economic and financial program supported by a three-year arrangement under the International Monetary Fund's Extended Credit Facility (ECF) that facilitates our efforts to enable our country to meet its balance of payments needs, help rebuild the regional foreign exchange reserves, and prepare the base for vigorous and inclusive economic growth.

We would like to request a three-month extension of the ECF Arrangement until April 20, 2025. The three-year arrangement was approved by the Executive Board of the International Monetary Fund on January 21, 2022, and is due to expire on January 20, 2025. However, additional time is needed to finalize the discussions to reach understandings on appropriate policies to support the completion of the 6th (and final) ECF review, as well as for the IMF Executive Board to complete the review of regional policies and policy assurances for CEMAC.

We reiterate our full commitment to the implementation of sound policies and reforms to achieve program objectives.

We authorize the publication of this letter as well as the related staff report requesting an extension of the Republic of Congo's ECF, and their posting on the IMF official webpage.

Sincerely yours,

/s/

**Jean-Baptiste Ondaye**  
Minister of Economy and Finance  
Brazzaville, Republic of Congo