

International Monetary Fund

[Republic of Congo](#)
and the IMF

Republic of Congo: Supplemental Letter of Intent

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

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No. ___/MEFB/CAB

Brazzaville, July 10, 2006

*The Minister of Economy,
Finance, and Budget*

Mr. Rodrigo de Rato
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Mr. de Rato:

1. Further to the Letter of Intent dated June 29, 2006 and on behalf of the government of the Republic of Congo, I would like to request a waiver for nonobservance of the continuous performance criterion regarding the nonaccumulation of new medium- and long-term nonconcessional debt. On June 19, 2006 the government obtained a loan from the Export-Import Bank of China equivalent to US\$32 million, including a grant element of 37 percent instead of the 50 percent required under the program commitment.
2. This loan will be used to finance the purchase of three commercial passenger aircraft, which are essential for serving remote areas of the country. In view of the small amount of this loan and its grant element of 37 percent, we believe that the sustainability of Congo's debt is unlikely to be affected significantly.
3. The Congolese authorities regret that this transaction is contrary to the commitment made under the PRGF-supported program and would like to reassure Fund staff that this situation will not recur. Accordingly, we will consult staff concerning the degree of concessionality of future loan proposals before the relevant agreements are signed.
4. Thank you for your understanding.

Sincerely yours,

/s/

Pacifique Isoïbeka
Minister of Economy, Finance, and Budget