

CABINET

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**Communiqué of the Authorities of the Republic of Congo on debt
management objectives**

As mentioned in the International Monetary Fund's (IMF) end of mission statement dated April 20, 2022, the Republic of Congo has recently concluded satisfactorily the first review of its 36-month extended credit facility agreement with the IMF, further strengthening the Republic's commitments to advance large-scale structural reforms, transparency in the use of public resources and prudent debt management. Following approval by the IMF Executive Board, the review is expected to result in a disbursement of SDR 64.80 million.

The Republic of Congo's economy is experiencing a strong rebound, driven by the implementation of ongoing reforms, the payment of domestic arrears and a very favourable oil environment. These positive prospects for growth will be accelerated by an important dynamic reform, and will promote poverty reduction as well as respect for the best environmental standards. Reducing debt vulnerabilities remains at the heart of the country's economic policy. However, by making substantial repayments of oil debt and restructuring those owed to bilateral and commercial creditors over the past 12 months, the Republic of Congo is no longer in a situation of over-indebtedness.

Currently, the payment of the country's external trade debt is made in kind through crude oil and this considerably reduces the short-term budgetary space and therefore limits i) the possibility of allocating resources to social expenditure and particularly the financing of social safety nets for the most vulnerable populations, (ii) the payment of domestic debt, and (iii) investments aimed at diversifying the Congolese economy.

As a result, the authorities plan to carry out proactive debt management operations, including the use of refinancing of debts currently paid in kind, by setting up longer-term market instruments. This will contribute to debt sustainability and allow investors to receive returns in line with the economic and fiscal progress of the Republic of Congo.

Brazzaville, April 20th, 2022

The Minister of Finance, Budget
and Public Portfolio


Rigobert Roger ANDELY

