Early Warning System

AFDB-P-CG-K00-009

Congo - Economic and Financial Reform Support Programme (PAREF)

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Quick Facts

Countries	Congo, Democratic Republic of
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2019-12-13
Borrower	MIN ECONOMIE, DES FINANCES ,BDGT
Sectors	Finance
Investment Amount (USD)	$ 108.94 million

Project Description

The Economic and Financial Reform Support Programme (PAREF) follows ongoing dialogue with the Government and the main development partners active in Congo, including the IMF, since April 2016 against a backdrop marked by a deterioration in the country's fiscal situation as a result of the steady decline in oil prices. The operation meets the Republic of Congo's need to reinforce the foundations for diversified and sustainable growth. This is the first phase of a programme-based series of two General Budget Support (GBS) operations covering the 2019 and 2021 period as scheduled in the CSP to support the implementation of reforms aimed at consolidating public finance and the structural transformation of the economy. The proposed operation will also provide the Authorities with the necessary resources to cushion the financial shock caused by the recent fall in revenue following the decline in international oil prices. It will also help to facilitate the smooth execution of the national budget. The Programme is designed around three complementary components to address the following two major constraints: (I) reinforce fiscal consolidation and improve public finance management in order to restore macroeconomic stability; and (II) support economic recovery. Implementation of some reforms planned under the programme will also be supported by the Bank's Institutional Support Project (PAGFIP) and will contribute to the deepening of reforms aimed at improving public finance governance.

PAREF's goal is to support implementation of the Government's Development Programme in order to create the conditions for accelerated economic growth through fiscal consolidation and economic recovery. Its specific objectives are to: (i) improve debt and fiscal risk management; (ii) improve revenue collection and make the oil sector less risky; (iii) speed up economic recovery by improving the investment climate, ensuring access to financing and diversifying growth sources through SEZ development.

PAREF will benefit the Congolese population on the whole by providing a higher level of public resources and by streamlining expenditure and specific reforms aimed at supporting strong, diversified and job-creating growth. It will benefit the following groups: (i) vulnerable communities that will benefit from improved infrastructure and high quality social services because of the fiscal headroom that will be created by the PAREF-backed reforms, (ii) Congolese entrepreneurs and foreign investors wishing to start a business or invest in the context of the arrears clearance process and a more attractive business climate.

Investment Description

- African Development Bank (AFDB)

Contact Information

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ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at https://www.afdb.org/en/independent-review-mechanism/.

Bank Documents

- Project Information