



Amendment to
Project Proposal for
REPUBLIC OF CONGO

March 2026

Component: Spending

Module: SM-II: Managing Public Finances



PROJECT SUMMARY

COUNTRY: Republic of Congo

LEAD DEPARTMENT: FAD

REGION: AFR

PLANNED DATES: FY27-FY28

PROJECT MANAGERS: Serge Mani (Revenue Administration, FADR2, Lead)
Delphine Prady (Expenditure Policy, FADEP)
Severin Yves Kamgna (Public Financial Management, FADM2)

ESTIMATED BUDGET The cost included in this amendment is detailed in the proposal for LTX PFM Support to the Central African Republic and Republic of Congo.

PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for module RM-II: Revenue Administration and SM-I: Spending Policy	January 2024
AMENDMENT 1 / 1	Seek inclusion of module SM II: Managing Public Finances (previously funded under a bilateral arrangement with a current donor of the GPFP for fragile and conflict affected states in sub-Saharan Africa)	March 2026

CONTENTS

Acronyms.....	4
I. Project Amendment Purpose	5
II. Background.....	6
Macro-fiscal situation	6
Country engagement and alignment to reform priorities	6
III. Project Amendment Modules - Description	7
Table 1. Summary of Objectives covered by the Proposal	7
A. SM II – Managing Public Finances	7
Scope	7
Program Objectives	7
Expected Results (outcomes).....	8
IV. Organizational Arrangements	8
A. Country Engagement.....	8
B. Delivery Modalities.....	9
C. Coordination / Cooperation: Public Financial Management	9
V. Risk Assessment and Mitigation	10
VI. CD Delivery Plan	11
Table 2. Summary of Indicative CD Delivery.....	11
Table 3. First year workplan	11
VII. Program Financials	11
VIII. Targeted Logical Framework	12
A. SM II – Managing Public Finances	12

ACRONYMS

AFC	IMF's Regional Technical Assistance Center for Central Africa
CD	Capacity development
C-PIMA	Climate-Public investment management assessment
FAD	IMF's Fiscal Affairs Department
FCS	Fragile and conflict affected states
GPFP	Global Public Finance Partnership
LTX	Long-term resident advisor
PFM	Public financial management
PIMA	Public investment management assessment
TSA	Treasury single account

I. PROJECT AMENDMENT PURPOSE

Country request and relevance/importance

This project seeks funding from the Global Public Finance Partnership (GPFP) to expand support to the Republic of Congo. This support was previously financed by an earlier capacity development (CD) program with a current donor of the GPFP. This program targets fragile and conflict-affected states (FCS) in selected countries in Sub-Saharan Africa to help restore and strengthen core public financial management (PFM) functions. These functions include (but are not limited to) cash management, fiscal reporting, and budget preparation where greater intensive assistance is necessary as these countries continue to recover and rebuild fiscal buffers following recent exogenous shocks. The program will also help countries to maintain reform momentum, and support opportunities for countries to exit from fragility, with an expanded high-intensity presence in the field and the flexibility to address high priority topical needs when they arise. This reflects both the IMF's prioritization of FCS and the increased demand for CD from FCS in the Africa region.

Description of Modules

The project will support the Republic of Congo in (i) strengthening cash flow planning and forecasting; (ii) implementing the treasury single account (TSA); and (iii) implementing stock accounting reforms. In line with previously delivered CD, CD to the Republic of Congo will be agile and flexible and will leverage the hands-on support of a long-term resident advisor (LTX). The scope of the LTX support is covered in a separate LTX proposal.

Multi-country LTX support is presented as a separate project proposal for budgeting and contracting purposes but the related activity workplan, RBM framework, and progress by the countries related to the LTX interventions will be reported in the relevant country project for the Republic of Congo, consistent with the programmatic country-centered approach of the IMF's Fiscal Affairs Department (FAD).

II. BACKGROUND

Macro-fiscal situation

The Republic of Congo's macrofiscal outlook for 2025 is marked by slower-than-expected growth, with GDP projections revised down to 2.4 percent due to persistent power and fuel shortages, weak public investment, and technical disruptions in the oil sector. Inflation remains above the regional target, driven by higher excise taxes and transport costs, while the current account balance has deteriorated amid lower oil prices and increased maintenance investments. Fiscal consolidation efforts are complicated by significant discrepancies in oil revenue collection, raising concerns about budget credibility and the risk of extra-budgetary spending.

Key challenges to PFM reforms include acute liquidity pressures, accumulation of arrears, and entrenched weaknesses in debt management and fiscal risk oversight. Structural reforms—such as the rollout of expenditure tracking systems and the TSA—have stalled, and governance gaps persist, particularly in oversight of state-owned enterprises and anti-corruption measures. Sustained fiscal resilience will require disciplined borrowing, improved cash and risk management, and renewed momentum on structural reforms.

Country engagement and alignment to reform priorities

The LTX for the Republic of Congo has been particularly active with the authorities and highly contributed to progress in improving coverage and quality of accounting and budget reporting, and the management of government assets and liabilities. Progress has been achieved in the implementation of accrual basis and balance sheet accounting and the treasury functions reforms. Some examples include the design of an action plan for the implementation of the accounting reform and the introduction of a new procurement template and stronger cash flow forecasting tools. Positive actions were taken to operationalize the TSA, including establishing a steering committee and drafting a Treasury-Central Bank agreement. The resident advisor also contributed to other missions led by HQ to strengthen the public investment management process and reinforce fiscal governance.

The authorities reconfirmed their interest in a new IMF program but noted a formal request would be possible after the presidential elections expected in March 2026. This should include significant public

finance reform measures, the implementation of which would benefit from support provided under the current project, particularly in the areas identified in this proposal.

III. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes CD support to the Republic of Congo in PFM. FAD CD will support improvements within the strategic objectives presented in Table 1.

Table 1. Summary of Objectives covered by the Proposal

Component	Module	Objective
Spending	SM II / Managing Public Finances	Improve fiscal transparency and reporting Strengthen budget management

A. SM II – Managing Public Finances

Scope

On cash management reforms, FAD CD will support the authorities in implementing the TSA. Regarding public accounting reforms, FAD CD will (i) support the authorities with the progressive establishment of the opening balance sheet; (ii) facilitate training on the new chart of accounts; and (iii) operationalize the production of the inventory and fixed assets accounting.

Program Objectives

Improve fiscal transparency and reporting

- Comprehensive, timely and high-quality fiscal reports
- Strengthening accounting and audit processes
- Strengthen budget management
- Strengthening asset and liabilities management processes

Expected Results (outcomes)

As a result of this CD, authorities are expected to strengthen core PFM functions, such as an increased ability to formulate and implement procedures to foster fiscal responsibility and transparency and strengthen cash management.

Project proposals typically cover only one to two years of CD activities, which are expected to contribute to the achievement of the objectives outlined in the sections above. The objectives of this Global Public Finance Partnership project may require extended and ongoing support to be fully and sustainably realized. Therefore, progress reports will serve to monitor advancement towards these objectives, and it may be necessary to adjust or broaden project workplans to better facilitate the achievement of these goals.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

Over the past decade, FAD and the IMF's Regional Technical Assistance Center for Central Africa (AFC) have maintained continuous CD engagement with the Republic of Congo, aimed at strengthening PFM governance and fiscal resilience. This has focused on six key areas: (i) PFM reform strategy and legal framework, (ii) public investment efficiency through public investment management assessment (PIMA) or / Climate-PIMA, (iii) management of fiscal risks related to state-owned enterprises and public debt, (iv) macrofiscal policies and tools, (v) implementation of the TSA and cash management improvements, and (vi) modernization of public accounting and fiscal transparency.

Interventions combined headquarters missions (FAD), AFC in-country support, multi-stakeholder workshops, and resident advisor assistance. The revision of PFM reform strategy (2021) and PIMA/C-PIMA diagnostics (2023) provided a roadmap for PFM and public investment management governance. Concurrently, continuous support on TSA/cash management and accrual accounting helped progressively reinforced transparency and fiscal discipline.

This integrated approach, aligned with IMF program commitments, has ensured continuity of core reforms, introduced innovations (green budgeting, digitalization), and enhanced regional coordination.

B. Delivery Modalities

CD will comprise a mix of remote and in-person activities. Virtual deliveries will be used to provide efficiencies to in-person support, including pre-engagement meetings and post-follow-up meetings.

Government officials will receive hands-on CD support for improving cash management, stock accounting and fiscal reporting.

- **LTX support.** An LTX will guide reform implementation, coordinate technical assistance support, and respond to authorities' needs in real time. The specific scope of the LTX is covered in a separate proposal (LTX PFM Support to the Central African Republic and Republic of Congo).

C. Coordination / Cooperation: Public Financial Management

Partner	Coordination Type	Coordination Area	Frequency
AFC	Recommendations, Sharing of information, where available participation in missions	Macroeconomic policies Fiscal Risks, Budget execution, cash management, fiscal transparency and reporting	Regular
World Bank (Projet PAGIR)	Sharing of information and recommendation	Macroeconomic policies Fiscal Risks, Budget execution, cash management, fiscal transparency and reporting	On a continuous basis

V. RISK ASSESSMENT AND MITIGATION

Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
SM II - Managing Public Finance	The country remains exposed to external shocks, including volatile oil prices, regional instability, and fragile macroeconomic conditions. Fiscal consolidation pressures and economic risks in neighboring countries (e.g., Gabon, Central African Republic) can rapidly shift CD priorities and affect reform momentum.	Medium	Early engagement with authorities to clarify fiscal priorities; routine coordination with IMF country team; maintain flexibility in CD delivery to adapt to changing external conditions.
POLITICAL SUPPORT			
SM II - Managing Public Finance	While the authorities have expressed strong interest in PFM reforms and a new IMF program, political commitment can fluctuate, especially around election cycles (e.g., presidential elections in March 2026). Delays in formal requests or legislative action may slow implementation.	Medium	Maintain regular high-level dialogue with key stakeholders (Ministry of Finance, Budget, Public Portfolio); align CD with government priorities.
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
SM II - Managing Public Finance	There is a core group of committed officials, but overall capacity is constrained by staff turnover, limited technical expertise, and competing priorities.	Medium	Provide targeted training and coaching; encourage cross-departmental working groups to foster ownership and continuity.
RESOURCE ADEQUACY			
SM II - Managing Public Finance	Resource constraints persist, including limited budget for reform activities, dependence on donor funding, and gaps in IT infrastructure (e.g., SIGFIP, TSA modules not fully operational). Delays in consultant contracts have stalled progress.	High	Advocate for adequate budget allocations for reform; coordinate donor support to avoid duplication; prioritize critical IT upgrades and ensure timely renewal of technical assistance contracts.
OTHER RISKS			
SM II - Managing Public Finance	- Weaknesses in fiscal data quality and reporting. - Resistance to change and reform fatigue among some stakeholders.	Medium	Strengthen internal controls and audit functions; provide change management support and regular communication to address reform fatigue.

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY27	FY28	Grand Total
SM II – Managing Public Finances			
LTX visits	3	3	6

Note:

- In-person delivery was chosen for targeted support and hands-on workshops and discussions with stakeholders.
- Remote delivery was chosen for support the LTX will provide from his duty station, Bangui (Central African Republic)

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
SM II – Managing Public Finances		
FY27	Duty station-based Work - DS	Remote guidance for the establishment of governance bodies for the implementation of the Treasury bank.
Q1/FY27	Field-Based work - FB	Implementation of the new TSA mapping
Q2/FY27	Field-Based work - FB	Training workshop on internal accounting control for all Treasury executives
Q3/FY27	Field-Based work	Implementation of the new TSA mapping

VII. PROGRAM FINANCIALS

The cost included in this amendment is detailed in the proposal for LTX PFM Support to the Central African Republic and Republic of Congo.

VIII. TARGETED LOGICAL FRAMEWORK

A. SM II – Managing Public Finances

Objective: Improve fiscal transparency and reporting - FTR	
Outcome(s)	Indicator(s)
Comprehensive, timely, and high quality fiscal reports	Strengthened completeness, timeliness and consistency of annual financial statements (Record Score: PEFA PI-29) FTC1.2.2
Strengthened accounting and audit processes	Strengthened adoption and implementation of international accounting standards

Objective: Strengthen Budget Management - SBM	
Outcome(s)	Indicator(s)
Strengthened asset and liability management processes	Improved design and establishment of fixed assets register